NEWSLETTER

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Macroeconomic

Growth Ambitions and the Credibility Test of the 2027 KEM-PPKF

Written by:

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The Government of Indonesia has released the 2027 Macroeconomic Framework and Fiscal Policy Principles (*Kerangka Ekonomi Makro dan Pokok-Pokok Kebijakan Fiskal*/KEM-PPKF) under the overarching theme of "Higher Growth, Faster Prosperity." The theme reflects the government's confidence that Indonesia can sustain growth acceleration, strengthen investment, and improve welfare outcomes without compromising fiscal discipline. At the same time, the government flags several headwinds ahead, including geopolitical conflict, trade fragmentation, financial market volatility, a stronger US dollar, and rising energy prices.

PEFINDO views this optimism as one that warrants testing, particularly against actual performance through 2026 to date. This article assesses whether the macroeconomic assumptions underpinning the 2027 KEM-PPKF are realistic and achievable, by benchmarking them against 2026 outturns and from the perspective of a rating agency.

Exhibit 1. Key Macroeconomic Assumptions vs. 2026 Realization

Indicator	2026 Budget	2027 KEM-PPKF	Realization as of May 31, 2026
GDP Growth (%)	5.4	5.8-6.5	5.61% (Q1-2026)
Inflation (%)	2.5	1.5-3.5	3.08%*
Exchange Rate (Rp/USD)	16,500	16,800-17,500	17,061**
Oil Price - ICP (USD/bbl)	70	70-95	88** (Brent)

Source: Ministry of Finance (2026), Statistics Indonesia (2026), Bloomberg (2026)
Notes: *) end of period; **) year-to-date average as of the latest available period

Surpassing 5% Economic Growth

Indonesia's economy grew 5.61% year-on-year (yoy) in Q1 2026, up from 5.11% in full-year 2025 (Exhibit 2). This exceeded the 2026 Budget assumption of 5.4% and, at first glance, appears supportive of the 5.8% assumption in the 2027 KEM-PPKF (Exhibit 1). However, we view the resilience of this growth acceleration as still fragile and note that it has yet to fully absorb the impact of the escalation of the Middle East conflict, which began pushing up energy prices and import costs from early March 2026. Therefore, the quality and sustainability of this growth demand further examination.

Government spending, which surged 21.81% yoy, was the principal growth driver in Q1-2026, while its multiplier effect on household consumption and private investment remains unclear. Household consumption growth over the period was largely underpinned by seasonal factors — notably Eid al-Fitr and other national religious holidays — rather than a durable strengthening of purchasing power. Signs of structural softening are already emerging on the external side, where exports grew by a modest 0.9% yoy while imports rose 7.18% yoy.

External-side pressure, driven mainly by higher oil prices and rupiah depreciation, warrants close monitoring. Should global oil prices remain elevated, or well above the Budget assumption, for the remainder of 2026, and should the rupiah depreciate further, imported cost inflation would weigh on household purchasing power, while rising energy subsidies would narrow fiscal space. Such conditions could erode growth momentum in the second half of 2026. Given these factors, PEFINDO expects full-year 2026 growth to fall short of the Q1 2026 realization.

Reflecting these developments, PEFINDO views the growth target in the 2027 KEM-PPKF as relatively ambitious unless it's followed by credible policy implementation, whose progress remains to be proven over the second half of this year. We highlight that the policy challenge is no longer confined to sustaining purchasing power through government spending. The main challenge is to ensure that growth is genuinely underpinned by productivity gains and sustained real investment. The manufacturing sector has yet to show meaningful structural transformation. Growth in Gross Fixed Capital Formation (GFCF) remains moderate, indicating that investment is not yet strong enough to drive industrial capacity expansion. Downstreaming initiatives have attracted investment, particularly in minerals and electric vehicles, but their contribution to broader domestic value creation remains limited. Without more aggressive structural reform in industrial productivity, investment regulatory certainty, and job creation, we believe the higher growth targets set for 2027 will be fairly difficult to achieve.

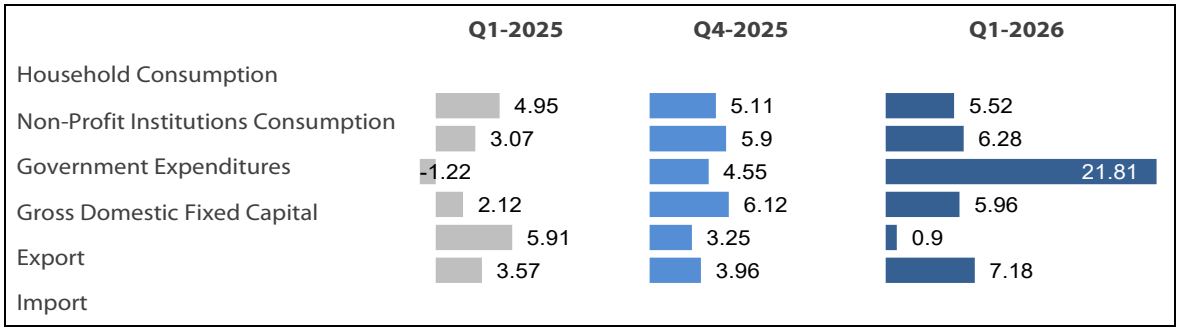
Without stronger industrial productivity and greater investment regulatory certainty, Indonesia risks perpetuating a growth pattern that remains dependent on commodities and government spending. Global investors typically assess growth sustainability based on a country's ability to broaden its manufacturing base, strengthen domestic supply chains, and improve workforce quality — three areas where a significant gap remains today.

An equally significant challenge lies on the fiscal policy side itself. The government is seeking to keep the budget deficit low and prudent, even as it pursues a broad development agenda that keeps the spending stance fairly expansionary, spanning food security, downstreaming, industrialization, education, health, social protection, infrastructure, and the energy transition. This combination creates a genuine fiscal dilemma: if revenue growth fails to keep pace, the government's fiscal space will narrow further. Fiscal risk increases if a low deficit is achieved by compressing productive spending rather than by improving revenue quality. Conversely, rationalizing productive spending could hinder the very acceleration of growth that remains the government's primary objective. Investors pay close attention to whether fiscal consolidation is achieved through stronger revenue quality or merely through spending cuts. Cutting productive spending can weigh on long-term growth prospects, while low-quality revenue gains — for instance, from commodity windfalls — do not provide a durable fiscal foundation. A credible fiscal strategy is therefore key to preserving Indonesia's risk perception among investors.

That said, it should again be noted that the May 2026 inflation outturn does not yet fully capture the impact of the global oil price surge on domestic cost structures, given that the government has so far held subsidized fuel prices steady and has only raised prices for non-subsidized diesel and Pertamax in response. The pass-through effects of this non-subsidized fuel price adjustment are likely to persist over the coming months. Bank Indonesia (BI) itself estimates that the early-June 2026 non-subsidized fuel price hike will add approximately 0.25 percentage points to inflation.

A further inflation risk stems from subsidized fuel pricing, where the government continues to face a trade-off between price stability and fiscal resilience. Holding subsidized fuel prices steady amid elevated crude prices would protect household purchasing power and keep inflation contained, but would widen the energy subsidy burden and narrow fiscal space. Conversely, if domestic energy prices were raised in line with global prices, the risk of a meaningful rise in headline inflation would increase significantly.

Exhibit 2. GDP Growth by Expenditure (%)



Source: Statistics Indonesia (2026)

The role of BPI Danantara is another consideration relevant to Indonesia's stability assessment. Under the 2027 KEM-PPKF, Danantara is positioned as a catalyst for accelerating productive investment. However, information on its governance, risk management, funding structure, and its linkage to fiscal policy under the state budget has yet to be adequately disclosed. As a newly established sovereign investment and asset management entity, Danantara holds significant potential to strengthen development financing. However, in the absence of strong transparency and governance, its debt exposure and investment risks could become a new source of fiscal pressure for the state. On this basis, PEFINDO recommends that the government strengthen transparency and governance across all off-budget financing schemes that nonetheless retain an implicit linkage to the government.

Inflation and the Exchange Rate: Fiscal Resilience vs. Global Volatility

Inflation stood at 3.08% in May 2026, still within the 2027 KEM-PPKF target range of 2.5% ± 1%, albeit approaching the upper bound. At this level, the inflation target appears achievable and consistent with the monetary and fiscal authorities' track record of price management in recent years. The outlook for contained inflation has been further supported by the temporary truce between the United States (US) and Iran.

A third source of pressure is imported inflation stemming from rupiah depreciation. While the rupiah averaged IDR17,061/USD through end-May 2026, intensifying external pressure during May pushed the currency even lower, to IDR17,881/USD — well above the 2026 Budget assumption of IDR16,500/USD and beyond the upper end of the 2027 KEM-PPKF range of IDR16,800–17,500/USD. This depreciation raises the cost of imported energy, industrial raw materials, and certain food items. The fiscal exposure to currency weakness also demands close monitoring by the government. Rupiah weakness affects not only inflation and import costs, but also raises refinancing risk for the foreign-currency debt of the government and state-owned enterprises (SOEs). In a risk-off global market environment, countries with high foreign-currency exposure tend to face a larger risk premium. Therefore, more realistic exchange rate projections are important for preserving fiscal credibility and reducing the risk of budget deviations.

A related challenge stems from ongoing capital outflows in Indonesia's financial markets. This dynamic could persist should a fresh global shock occur or sentiment toward the credibility of the government's fiscal management deteriorate, which would in turn place further pressure on the rupiah and transmit to other areas of the macroeconomy, such as inflation, energy subsidies, the cost of debt, and financial sector stability. Accordingly, the management of foreign exchange reserves and other policy instruments used for stabilization purposes should be communicated more effectively to support market trust.

In this regard, we believe exchange rate projections should be formulated to better accommodate prevailing dynamics and remain realistic for 2027. Given still relatively high external volatility, the impact of rupiah depreciation on various budget allocations, such as principal and interest payments on debt, as well as energy subsidies, demands closer assessment. This approach aims to minimize Indonesia's exposure to external pressure.

Wary of a Fragile, Temporary Truce

The 2027 KEM-PPKF's oil price assumption, using a range of USD70–95 per barrel, needs to be assessed against current conditions and the longer-term impact of supply disruptions on the oil price balance. The escalation of the US-Iran conflict since 28 February 2026 pushed Brent crude above USD100 per barrel in early April 2026. The release of 400 million barrels from strategic reserves by IEA member countries in March 2026 represented only a short-term stabilization measure and did not address the underlying risk of a structural supply shortfall. Although a temporary truce between the US and Iran has since been reached, the threat of renewed oil price volatility continues to warrant close monitoring.

Elevated energy prices carry a two-sided fiscal impact for Indonesia. Higher oil prices can benefit state revenue through oil and gas non-tax revenue (PNBP) but also raise the fuel subsidy burden. A further risk lies in the conflict's unpredictable duration. The 2027 KEM-PPKF itself notes that global energy markets are beginning to exhibit patterns reminiscent of the energy crises of the 1970s — a signal that market participants are pricing in structural risk, rather than merely a temporary risk premium. In this regard, PEFINDO believes the government should continue to monitor its oil price assumptions against evolving geopolitical and market developments. Should actual prices diverge meaningfully from the assumed range over a sustained period, price monitoring and adjustment would help strengthen the management of fiscal resilience and policy credibility.

Should oil prices continue to diverge from the USD70–95 per barrel range assumed in the Budget — whether on the upside or downside — the government could face some divergence between budgeted and actual fiscal outcomes. In such a scenario, two outcomes are possible. First, the government could pursue a mid-year revised budget (APBN-P) to adjust energy subsidy allocations and oil and gas PNBP projections. Second, in the absence of such a revision, year-end fiscal performance could differ modestly from target, depending on the net impact of subsidy spending and PNBP performance. Maintaining a flexible and responsive approach to updating assumptions would help the government manage these dynamics more systematically. In addition, establishing a more adaptive mechanism to adjust fuel prices in response to global oil price movements would help preserve fiscal resilience over the long term.

Taken together, the 2027 KEM-PPKF reflects an ambitious and optimistic vision for development. However, given that global economic conditions remain highly uncertain, PEFINDO believes the government needs to ensure that its macroeconomic assumptions and fiscal targets remain realistic and retain adequate buffers against a range of downside scenarios. From the perspective of global investors, prudence, transparency, and policy consistency are typically valued more highly than high growth ambitions that are difficult to deliver.

Climate Resilience as a Financial Pillar: Lessons from Sumatera's Regional Development Banks

Written by:

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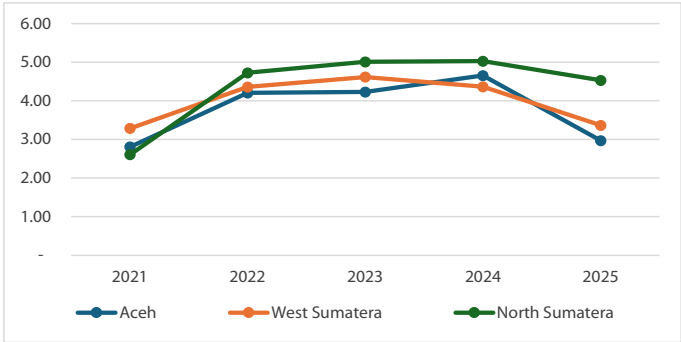
Executive Summary
The floods in Sumatera at end-2025 represent a significant inflection point for financial institutions, underscoring that ESG integration is no longer a compliance-driven exercise, but a fundamental component of credit risk analysis, particularly in assessing exposure to physical climate risks. The event highlights that environmental risks are increasingly inseparable from credit risks in the context of climate-related disasters. The Financial Services Authority (OJK) estimates that approximately IDR400 trillion of credit exposure has been affected or around 5% of total loan in the banking industry, with regional development banks (BPDs) among the most impacted. BPDs in affected areas including Bank Aceh, Bank Nagari, and Bank Sumut face elevated pressure due to their concentrated geographic exposure, resulting in a heightened stress on their loan portfolio, compared to nationally diversified banks, which can offset losses in affected regions with earnings from other areas. The disaster also reveals structural vulnerabilities in BPDs' business models. Environmental degradation in upstream areas, such as deforestation, has translated directly into credit deterioration in downstream economic centers, reinforcing the close linkage between environmental and financial risks.

OJK's adaptive policy measures are expected to provide near-term support to the banking sector. The implementation of relief programs, including loan restructuring for affected borrowers through 2028, may temporarily alleviate asset quality pressures and provide banks with additional time to absorb the impact of the disaster. In March 2026, OJK also introduced the Climate Risk and Banking Resilience Assessment (CBRA) framework, alongside refinements to the Climate Risk Management and Scenario Analysis (CRMS) guidelines. These initiatives aim to quantify banks' exposure to high-emission sectors and disaster-prone areas, where climate-related events could trigger asset quality deterioration, declining collateral values, or higher operational costs. The mandatory implementation of these frameworks by 2026 is expected to encourage banks to shift from reactive disaster response measures toward more forward-looking climate risk assessments and stress testing practices. Over the longer term, these measures are expected to support BPDs in balancing their dual mandate of maintaining financial resilience while continuing to serve as key financial intermediaries for regional economies. Ultimately, the Sumatera floods highlight that strengthening climate risk management frameworks and reducing structural vulnerabilities will be critical to enhancing the resilience of Indonesia's banking sector.

Regional Economic Impact Assessment
he late-2025 Sumatera floods, triggered by Tropical Cyclone Senyar, caused significant humanitarian and economic disruption across Aceh, North Sumatera, and West Sumatera. The disaster resulted in more than 1,000 fatalities and displaced over 1 million people, severely disrupting socioeconomic activities in the affected regions. Beyond the immediate humanitarian impact, extensive damage to critical infrastructure, including transportation networks, power facilities, and healthcare infrastructure, materially constrained logistics, distribution, and recovery efforts. The floods also disrupted agricultural production capacity, weakening regional economic activity and exposing the structural vulnerabilities of the affected provinces, whose economies remain heavily reliant on agriculture, forestry, and fishery sectors. The trends in gross regional domestic product (GRDP) across the affected provinces are discussed below.

Exhibit 1. GRDP of Affected Three Provinces (in %)



Source: BPS, processed by PEFINDO

Aceh experienced a significant economic slowdown following the late-2025 Sumatera floods, which disrupted the province's relatively stable growth trajectory of 4.4%–4.6% maintained throughout the first three quarters of FY2025. As a result, Aceh's economic growth moderated to 2.97% in FY2025 from 4.66% in FY2024, approaching the province's pandemic-era low recorded in 2021.

West Sumatera experienced the second-most severe economic downturn following the late-2025 Sumatera floods, with estimated economic losses reaching approximately IDR2.01 trillion during the 14-day emergency response period. Severe landslides across upland watershed areas materially disrupted commodity supply chains, while extensive damage to major arterial roads constrained transportation and logistics activities throughout the province. As a result, West Sumatera's economic growth weakened to 3.37% in FY2025 from 4.37% in FY2024, approaching the province's pandemic-era low of 3.29% recorded in 2021.

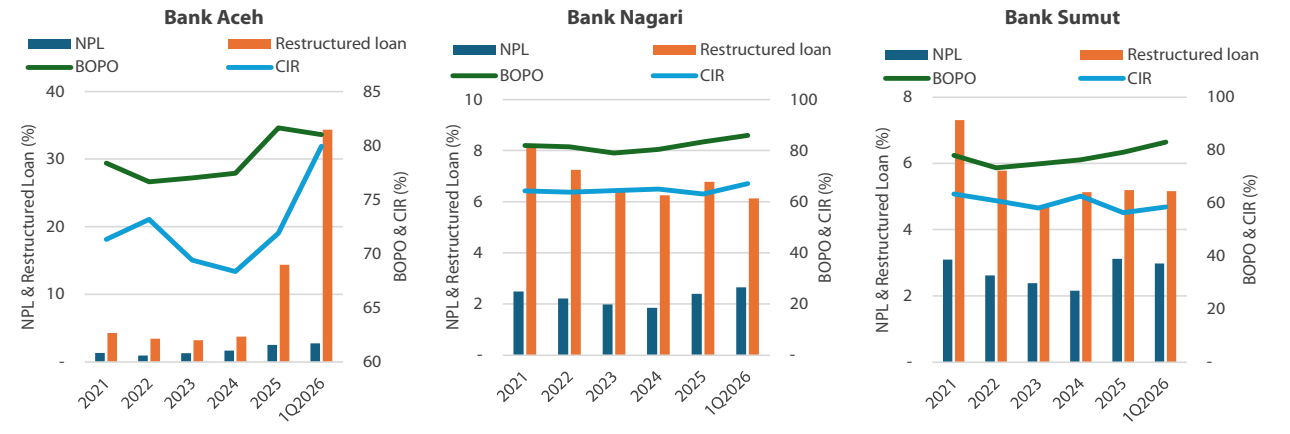
North Sumatera faced a similarly challenging economic environment following the late-2025 Sumatera floods, characterized by significant damage to the Batang Toru ecosystem and major transportation infrastructure. The collapse of bridges and disruption of key logistics corridors constrained trade activities, while widespread flooding damaged substantial palm oil plantations and food crop areas. Consequently, the province's economic growth moderated to 4.53% in FY2025 from 5.03% in FY2024, although the slowdown remained less severe than the contraction during the pandemic, when growth declined to 2.61% in FY2021. Compared with Aceh and West Sumatera, North Sumatera experienced a relatively lower degree of economic disruption, supported by its more diversified economic structure.

BPDs Impact Assessments
BPD in the affected provinces are expected to face heightened credit risk due to their high geographic concentration and close linkage to local economic conditions. While payroll-based consumer lending to civil servants provides a relatively stable asset base, risks remain elevated in productive loan segments, particularly among agricultural, plantation, and SME borrowers affected by the disruption. The weakened repayment capacity of these sectors is expected to pressure asset quality, as reflected in rising non-performing loans (NPLs) and restructured loans, despite OJK's restructuring relief measures through 2028. Although

the immediate balance sheet impact may remain manageable, profitability is likely to weaken as restructured loans generate lower interest income during the restructuring period. As a result, BPDs in affected provinces may face higher cost-to-income ratios (CIR) and BOPO, driven by weaker revenue generation and increased provisioning expenses associated with deteriorating asset quality. Among the three banks, Bank Aceh was the most affected bank among the BPDs analyzed, compared to Bank Nagari and Bank Sumut.

recognizes that a bank must account not only for how ESG issues impact its own financial performance (outside-in) but also for the environmental and social impact of its lending activities on the broader ecosystem (inside-out). By embracing this dual perspective, BPD can transform from victims of climate volatility into proactive drivers of a resilient, low-carbon economy.

Exhibit 2. NPL, Restructured Loans, BOPO and CIR (in %) of Bank Aceh, Bank Nagari, and Bank Sumut



Source: Bank's published financial statements, processed by PEFINDO

Regulatory Policies and Responses

Regulators have responded to the Sumatera floods with a multifaceted strategy aimed at both immediate stability and long-term climate resilience. In alignment with POJK No. 19/2022, the Financial Services Authority (OJK) has enacted a special restructuring policy that will remain in effect until December 2028 (three years from its inception in late 2025). As of March 2026, this policy has facilitated the restructuring of approximately IDR17.4 trillion in loans for approximately 279,000 disaster-hit accounts, allowing banks to maintain these assets as "current" and enabling affected debtors to access fresh financing up to IDR10 billion. Complementing this crisis response, OJK published the Climate Risk and Banking Sector Resilience Assessment in March 2026, which formally integrates climate-related physical and transition risks into the supervisory framework. This assessment mandates that BPD, particularly those with high geographic concentration, enhance their stress-testing protocols to account for extreme weather events. Furthermore, the banking sector is now transitioning toward the mandatory implementation of PSPK 1 (General Requirements for Sustainability Disclosure) and PSPK 2 (Climate-related Disclosures). While full reporting for smaller BPD is phased in toward 2028, OJK's 2026 guidelines require these institutions to immediately align their internal data governance with these standards, ensuring that "ecological debt" and climate exposure are transparently reflected in future financial disclosures.

A strategic roadmap for a bank's green transition must shift from passive risk management to the active development of sustainable financial products. Central to this roadmap is the creation of specialized credit facilities for the agricultural sector, specifically incentivizing loans for flood-resilient crop adaptation. By offering preferential rates to farmers who implement sustainable land-use practices and resilient seed varieties, banks can simultaneously mitigate their credit risk and support regional food security. This transition necessitates advanced data integration with BMKG (the Meteorology, Climatology, and Geophysical Agency), enabling banks to utilize real-time climate data and predictive modeling to refine their risk assessments and early warning systems. Furthermore, the roadmap requires a fundamental overhaul of traditional lending frameworks to integrate Environmental, Social, and Governance (ESG) factors directly into credit underwriting. This move beyond purely financial metrics allows for a more holistic view of a borrower's long-term viability. Crucial to this evolution is the adoption of the double materiality perspective, which

Conclusion

The Sumatera floods case has underscored the shift of ESG integration from a secondary compliance consideration to a fundamental component of credit risk assessment within Indonesia's banking sector. The disaster demonstrated that environmental degradation, particularly upstream deforestation and ecosystem deterioration, can translate directly into credit deterioration for BPDs due to their high degree of geographic and sectoral concentration. Unlike nationally diversified banks, regional banks such as Bank Aceh, Bank Nagari, and Bank Sumut faced heightened solvency and asset quality pressures as the floods severely disrupted key regional industries, particularly agriculture, which contributes more than 32% of Aceh's economy, 22% of West Sumatera's, and 25% of North Sumatera's GRDP. Consequently, asset quality indicators weakened materially, with Bank Aceh recording a substantial surge in restructured loans during FY2025 and 1Q2026 due to its relatively higher exposure to the agricultural sector, while Bank Nagari's NPL ratio exceeded pandemic-era levels. At the same time, all assessed BPDs experienced weakening profitability indicators, driven by declining interest income generation from the rising number of non-performing and restructured debtors. In addition, higher provisioning requirements in response to deteriorating asset quality further pressured earnings and operating efficiency across the sector.

In response to these structural vulnerabilities, regulators have begun transitioning from reactive disaster-relief measures toward a more forward-looking resilience framework. While the Financial Services Authority (OJK) initially provided immediate support through loan restructuring policies effective until 2028, it subsequently introduced the Climate Risk and Banking Resilience Assessment (CBRA) framework in March 2026. The framework requires banks to integrate meteorological and climate-related risk data into credit underwriting processes and to conduct more rigorous climate stress testing and scenario analysis. Ultimately, the analysis suggests that regional banks will need to evolve beyond conventional risk management practices by adopting a "double materiality" approach, recognizing both the financial impact of climate change on banking institutions and the banking sector's impact on environmental sustainability. In addition, the development of specialized green financing products and climate-resilient lending frameworks will become increasingly important to support the transition toward a more resilient and low-carbon regional economy.

ESG IMPACT ON RATING ACTION Q1 -2026

The Role of Governance Factors in Rating Actions in Early 2026

Key Takeaways

There were two ESG-related rating actions in 1Q2026, representing 50% of the total four rating actions during the quarter. This proportion indicates that ESG factors continued to play a relevant, though not predominant, role in rating outcomes, primarily as credit modifiers rather than standalone drivers, reflecting their integration into overall credit risk assessments.

Both ESG-related rating actions resulted in negative outcomes, indicating that ESG considerations during the quarter were primarily associated with heightened credit risks rather than improvements in credit quality.

Governance factors remained the sole ESG driver of rating actions during the quarter, resulting in two negative rating actions related to weaknesses in risk management and oversight. The cases were assessed as ESG-credit relevant, as weakened financial risk management and liquidity planning heightened liquidity and refinancing risks, as reflected in the need to pursue covenant waivers and debt restructuring measures.

Safe Deficit, Risk Premium Not: Testing 2027 Fiscal Sustainability

Written by:

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Economic Research Analyst

If the 2027 Government Budget deficit meets the government's target in the 2027 Macroeconomic Framework and Key Fiscal Policy Principles (KEM-PPKF 2027), it could send a constructive signal to the government securities market. The government targets a deficit of 1.80%-2.40% of GDP, below the 3% threshold that has long anchored fiscal credibility. The debt ratio is also projected to remain around 40% of GDP.

However, the government debt securities (SBN) market does not assess the deficit figure alone. Investors also weigh whether the target is realistic, whether government revenue can cover the interest burden, and whether the rupiah remains stable amid external pressure. A headline-safe deficit does not automatically remove the risk premium.

The main market question in 2027 is not simply whether the deficit stays below 3% of GDP. The key takeaway is whether deficit financing is credible enough to keep SBN yields within the government's assumed range.

SBN supply depends on the credibility of the deficit target

The 2027 deficit target creates room for lower SBN supply pressure, but the impact is not yet certain. The government targets a 2027 Government Budget deficit of 1.80%-2.40% of GDP, lower than the realized deficit in 2025 and the 2026 Government Budget. If this target is achieved, net financing needs may be more contained, and yield pressure from government securities issuance could be lighter.

However, the market will likely read the target cautiously. Reducing the deficit from 2.81% of GDP in 2025 and 2.68% of GDP in the 2026 Government Budget to the 1.80%-2.40% of GDP range in 2027 requires stronger revenue realization and consistent spending discipline. If government revenue falls short or priority spending rises faster, the deficit could move toward the upper end of the government's range.

Exhibit 1. 2027 Deficit target remains the key driver of SBN supply

Year	Budget deficit (% of GDP)	Implication for the SBN market
2021	-4.57	High issuance pressure due to pandemic recovery needs.
2022	-2.35	Fiscal consolidation began to reduce financing pressure.
2023	-1.61	Strongest fiscal position in the post-pandemic period.
2024	-2.30	Deficit widened again.
2025	-2.81	Close to the 3% limit, increasing market sensitivity.
2026	-2.68	Still high compared with 2023-2024, with pressure from higher spend priority programs and energy subsidies.
2027	-1.80 to -2.40	Positive for SBN if credible and achieved.

Source: KEM-PPKF, government budget

Therefore, the 2027 deficit plan - as set out in the KEM-PPKF - is not enough on its own to conclude that SBN supply will be lower. The market needs to see whether fiscal consolidation is supported by stronger fiscal discipline, realistic revenue targets, spending controls that do not sacrifice growth, and interest costs that remain within assumptions. Without this evidence, investors are likely to continue demanding a risk premium even if the deficit target looks lower.

A low deficit is only the starting point. For investors, deficit quality matters more than the deficit figure itself. A deficit supported by strong revenue will be more convincing than one that depends on spending cuts or overly optimistic revenue assumptions.

The 10-year SBN yield is the credibility test area

KEM-PPKF 2027 places the 10-year SBN yield assumption in the 6.5%-7.3% range. This range can be read as a market-testing area. If yields move toward the lower end of the range, the market sees fiscal, rupiah, and sovereign rating risks as more contained. If yields stay near the upper end or break above 7.3%, the market is demanding an additional risk premium.

High yields can also create a feedback loop for fiscal sustainability. When yields rise, debt interest costs increase. When interest payments take a larger share of government revenue, fiscal flexibility declines. Ultimately, fiscal risk increases, potentially pushing the premium even higher. In this way, fiscal pressure, initially reflected in yields, can feed back into higher yields.

This is why the ratio of interest payments to revenue is important for bond investors. S&P Global Ratings uses interest payments to revenue as one of its anchor metrics. Negative pressure could emerge if the ratio exceeds 15% on a sustained basis. Fitch also highlights Indonesia's relatively high interest costs compared with other countries in the BBB category.

Accordingly, the market does not only look at the debt-to-GDP ratio or the fiscal deficit-to-GDP ratio. Indonesia's debt ratio remains moderate. Likewise, a fiscal deficit of around 3% is common for sovereigns in the BBB rating category. However, fiscal health and sustainability also depend on the ability to pay interest, which is closely tied to government revenue. If the revenue base does not improve, high yields can narrow fiscal space more quickly.

Government revenue is a key driver of the risk premium

For the SBN market, government revenue is an indicator of repayment capacity. Strong revenue makes the deficit more credible because the government has room to pay interest, maintain productive spending, and limit additional new debt. Conversely, weak revenue makes it harder to sustain a low deficit if priority spending remains high and pressure to meet obligations continues to loom.

The government revenue ratio improved in 2022 and 2023, supported by the economic recovery and a windfall from higher commodity prices. However, the ratio weakened in 2025. KEM-PPKF 2027 targets government revenue at 11.82%-12.40% of GDP. This indicates a gradual recovery from 2025 conditions, but it has not yet returned to the levels realized in 2022-2023.

Limited fiscal space makes the market more sensitive to revenue realization. If revenue moves toward the upper end of the target, the 2027 deficit will look more credible, and SBN supply pressure may ease. If revenue stays near the lower end or falls short, the market will reassess the risk of additional issuance.

This is one reason the risk premium has not automatically declined. Rating agencies still view Indonesia's revenue base as a structural constraint. As long as government revenue does not improve more broadly, SBN investors are likely to demand additional compensation to hold longer-duration securities.

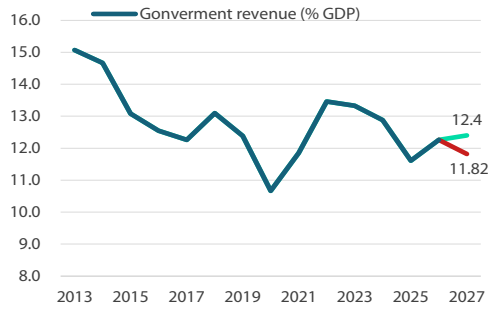
Rating outlooks keep investors selectivet

The assignment of negative outlooks by Moody's and Fitch makes the SBN market more cautious. A negative outlook does not mean a downgrade is certain. However, it is enough for investors to demand stronger evidence of fiscal execution before lowering the risk premium.

Rating agencies' concerns do not rest solely on the deficit. Moody's highlights policy predictability, the revenue base, social spending, and clarity over Danantara's role. Fitch highlights policy-mix consistency, low revenue intake, high interest costs, external risks, and potential off-budget activity. S&P's guideposts remain more anchored in quantitative fiscal and external indicators, including rising net debt, the interest burden-to-revenue ratio, and external financing needs.

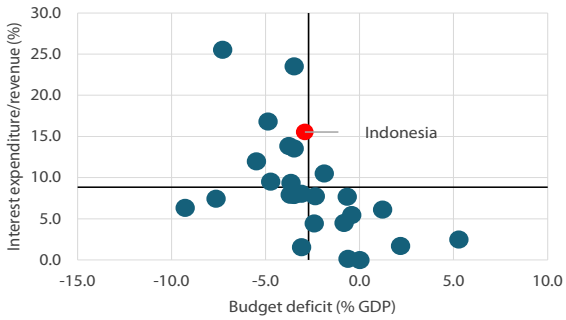
For the SBN market, these guideposts work through yields. When investors see rating risk increasing, they demand a higher premium. When the premium rises, the government's financing cost also increases. The rating outlook is therefore not merely a sovereign credit issue, but a direct part of government bond pricing.

Exhibit 2. Government revenue recovery is key to deficit credibility



Note: 2026 = Government Budget, 2027 = KEM-PPKF
Source: Bank Indonesia, KEM-PPKF

Exhibit 3. Indonesia's interest burden is relatively high amid a still manageable fiscal deficit

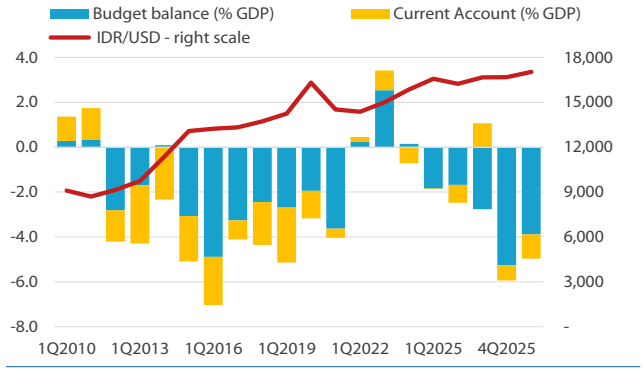


Source: Bank Indonesia, S&P Global Ratings

The twin deficit is relevant through the rupiah and foreign investors

Twin-deficit risk needs to be read proportionally. Fiscal and current account deficits occurring simultaneously do not automatically weaken the rupiah. The exchange rate is still influenced by capital flows, commodity prices, global interest rates, foreign exchange reserves, Bank Indonesia's response, and investor risk appetite.

Exhibit 4. Twin deficit increases rupiah sensitivity to financing pressure



Source: Bloomberg, Bank Indonesia, KEM-PPKF

Quarterly data from 2010-2026 suggest that rupiah pressure tends to be stronger when the current account deficit widens, and the fiscal deficit is also large, especially when global capital flows weaken or the domestic risk premium increases. The 2012-2014 and 2018 episodes show that a current account deficit of around 3%-4% of GDP, alongside a fiscal deficit, typically made the rupiah more vulnerable to repricing. The pressure did not come solely from the current account, but also from the perception that the market had to absorb two financing needs at once.

The 1Q2026 condition sent a similar signal, although it had not reached the extreme pressure seen in 2013 or 2018. In 1Q2026, the current account posted a deficit of 1.09% of GDP, while the quarterly budget balance was equivalent to a deficit of 3.88% of quarterly GDP, and the exchange rate was around IDR17,041 per USD.

Even so, quarterly data should be read as a short-term pressure indicator, not as a substitute for the annual fiscal trend, because the government budget realization has a strong seasonal pattern. Certain quarters may show a large fiscal deficit due to spending patterns, while fiscal sustainability still needs to be assessed from annual trends, financing needs, and the credibility of the government budget targets.

For the SBN market, the transmission channel is clear. The fiscal deficit affects SBN issuance needs. The current account deficit affects external financing needs and perceptions of exchange-rate stability. When both deteriorate at the same time, investors tend to demand additional compensation in the form of higher yields, especially for medium- and long-tenor rupiah-denominated SBN.

However, this pressure can be contained if foreign exchange reserves are adequate, Bank Indonesia remains credible in maintaining stability, real SBN yields remain attractive, and capital inflows are sufficiently strong. Therefore, what needs to be monitored is not only whether a twin deficit occurs, but whether the current account deficit widens enough to lift the exchange-rate risk premium.

The 2027 SBN scenario depends on execution evidence

The direction of the 2027 SBN market can be read through three scenarios. A positive scenario requires improving revenue, a deficit near the lower end of the target, a stable rupiah, and easing rating concerns. Under these conditions, the 10-year SBN yield could move toward the lower end of the government's assumption.

The base scenario occurs if the deficit remains in the 2.0%-2.4% of GDP range, the rupiah is controlled, and the rating outlook does not worsen, with the rating maintained. Under this condition, yields would tend to move within the 6.5%-7.3% assumption range, with room for decline still limited by revenue and external risks.

The negative scenario arises when several pressures occur simultaneously. A revenue miss could increase financing needs. A weaker rupiah could restrain foreign investor inflows. Perceived Danantara risk could add a contingency premium. This combination could keep yields near the upper end or above the government's assumption.

The scenarios in the table confirm one point. The market will not lower the risk premium simply because the deficit target looks safe. The market needs evidence that revenue is recovering, financing is contained, the rupiah is stable, and rating risk is not increasing.

If the deficit can be maintained within the targeted range, this is positive for the SBN market. Financing needs would be more contained. However, the fiscal guardrail is not the only factor that determines government bond prices. The market will assess execution credibility, not only what is planned in the budget. Government revenue must improve for a low deficit to look sustainable. The interest burden must remain manageable so fiscal space is not eroded.

Overall, maintaining a lower deficit can help preserve SBN stability, but it is not enough to sustainably reduce the risk premium. The 2027 yield direction will depend more on evidence that the government can finance its growth agenda without eroding fiscal credibility, rupiah stability, and investor confidence.

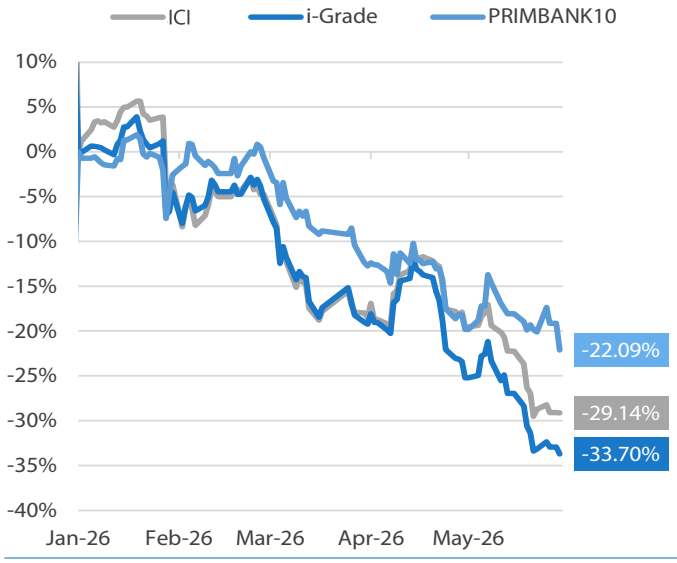
Exhibit 5. The 2027 SBN yield scenario depends on fiscal execution and rupiah stability

Scenario	Trigger conditions	Implication for SBN
Positive	Revenue improves, deficit near 1.8% of GDP, rupiah stable, rating concerns ease	Yields could move toward the lower end of the 6.5%-7.3% assumption range.
Base	Deficit of 2.0%-2.4% of GDP, rupiah controlled, rating outlook does not worsen	Yields move within the government's assumption range.
Negative	Revenue miss, Government Budget deficit near 3% of GDP, rupiah weakens, contingency risk increases	Risk premium rises, and yields could remain near the upper end.

Index

PEFINDO Index Performance Period of May 2026

PEFINDO Index Year-to-Date Return Performance in 2026

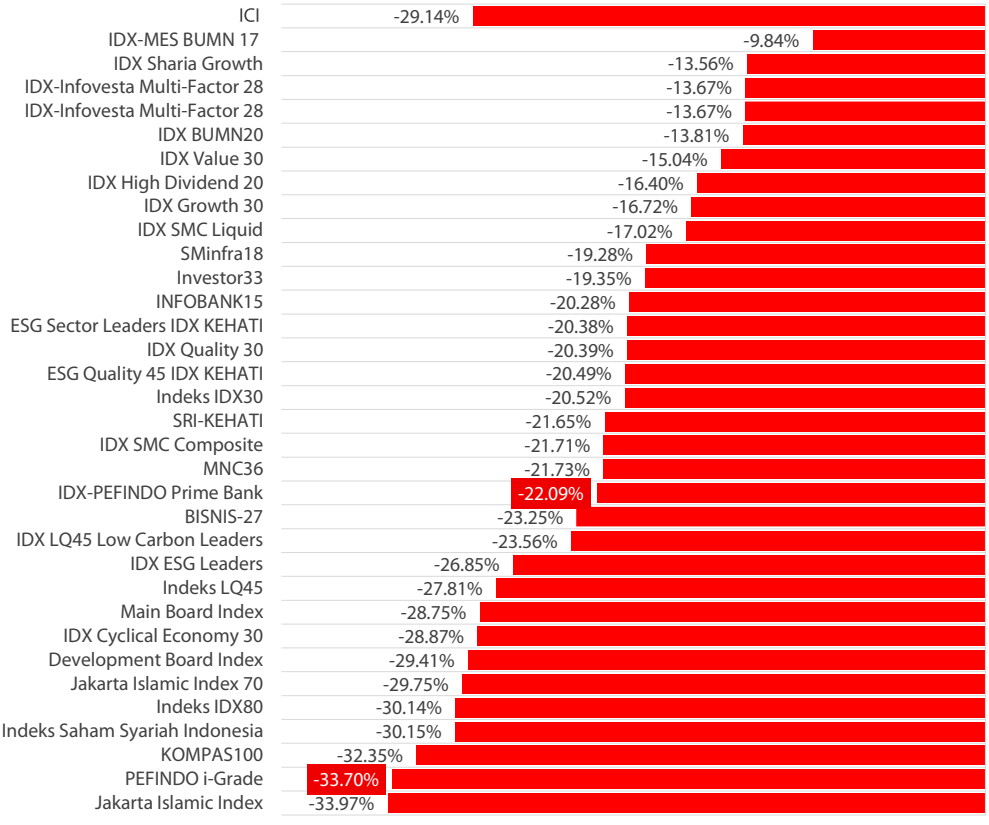


Source: Indonesia Stock Exchange (IDX)

As of the end of May 2026, the Indonesian stock market remained under significant pressure due to a combination of global and domestic factors. Escalating geopolitical tensions in the Middle East, as well as rising U.S. Treasury yields and the strengthening of the U.S. dollar triggered by a more hawkish monetary outlook, prompted investors to reduce their exposure to riskier assets in emerging markets. Domestically, the depreciation of the Indonesian rupiah, continued foreign capital outflows, and uncertainty surrounding MSCI's evaluation of Indonesia's capital market further weighed on market sentiment.

As a result, the Indonesia Composite Index (ICI) declined by 29.14% year-to-date (YTD), with losses recorded across all sectors. To maintain exchange rate stability and mitigate inflationary risks, Bank Indonesia raised its benchmark interest rate for the first time this year in May by 50 bps to 5.25%. The market pressure was also reflected in fundamentally driven indices. The IDX-PEFINDO Prime Bank Index (PRIMBANK10) fell 22.09% YTD, while the PEFINDO i-Grade Index declined 33.70% YTD. This weakness was driven primarily by heightened risk aversion, liquidity pressures, and negative market sentiment rather than a deterioration in issuers' underlying fundamentals. Despite the short-term correction, the PEFINDO i-Grade Index has continued to demonstrate long-term resilience, delivering a cumulative return of 50.96% since its base date, outperforming the ICI, which posted a cumulative gain of 42.53% over the same period. This performance reflects the strong fundamentals of investment-grade issuers and their potential to recover as market conditions improve.

Comparison of the YTD performance of the PEFINDO index with other stock indices



Source: Indonesia Stock Exchange (IDX)

Window

PEFINDO Promotes Acceleration of Municipal Bond Development Through MPR RI Public Discussion

PEFINDO participated as a speaker in a Public Discussion titled "Municipal Bonds as an Alternative Source of Regional Financing and a Public Investment Instrument", organized by the Golkar Party Faction of the People's Consultative Assembly of the Republic of Indonesia (MPR RI) on June 8, 2026. During the forum, Chairman of the Golkar Party Faction at MPR RI, Mr. Melchias Markus Mekeng, emphasized the importance of expediting the enactment of the Regional Bonds Law to provide legal certainty for regional governments, investors, and all parties involved in the issuance of this financing instrument.

During the event, PEFINDO's Ratings Director, Mr. Hendro Utomo, presented the significant potential of regional bonds, highlighting the substantial room for growth, as regional government debt currently accounts for only about 0.43% of Indonesia's total public sector debt. PEFINDO also explained the strategic role of credit ratings in helping investors assess risk and enhancing market confidence, as well as its rating methodology, which evaluates economic conditions, governance, fiscal capacity, financial performance, and regional liquidity. The discussion further emphasized the importance of regulatory support, information transparency, and sound governance practices to promote the implementation of regional bonds as a sustainable financing instrument for regional development.

PEFINDO Shares Capital Market Insights at OJK Knowledge Sharing Forum

PT Pemeringkat Efek Indonesia (PEFINDO) was honored to serve as a resource speaker at the Breakfast and Knowledge Sharing session organized by the Department of Issuer and Public Company Supervision of the Financial Services Authority (DPEP-OJK), under the theme Navigating the New Era of Capital Markets. The event, held on June 29, 2026, featured Suhindarto, Head of PEFINDO's Economic Research Division, as PEFINDO's representative speaker. The session commenced with opening remarks from Mrs. Eva Sylvia, Head of the Department of Issuer and Public Company Supervision, followed by presentations from the speakers on macroeconomic developments at both the global and domestic levels, as well as the latest conditions in the government and corporate debt securities markets. The event concluded with an interactive question-and-answer session, which provided an opportunity to further discuss current developments among issuers and in the corporate debt securities market, thereby enhancing participants' understanding of the topics presented.

Rating Publication

Companies & Debt Securities Rated by PEFINDO

May 31, 2026

No	Company	Rating	Outlook
1	**Adaro Indonesia**	idAA	Stable
2	**Adhi Commuter Properti Tbk.**	idB	Negative
	Bond Year 2022	idB	-
	Bond Year 2023	idAAA(cg)	-
3	**Adhi Guna Putera**	idA	Stable
	MTN Year 2022	idA	-
	LTN Year 2024	idA	-
4	**Adhi Karya (Persero) Tbk.**	idA-	CreditWatch with Negative Implication
	SR Bond Year 2022 and 2024	idA-	-
5	**Adira Dinamika Multi Finance Tbk.**	idAAA	Stable
	SR Bond Year 2022, 2023, 2024, 2025, and 2026	idAAA	-
	SR Sukuk Mudharabah Year 2022, 2023, 2024, 2025, and 2026	idAAA(sy)	-
6	**Aero Globe Indonesia**	idBBB+	Stable
7	**Agrinas Palma Nusantara (Persero)**	idA	Stable
8	**Allo Bank Indonesia Tbk.**	idA	Stable
9	**Aneka Tambang (Persero) Tbk.**	idAA	Stable
10	**Angkasa Pura Indonesia**	idAAA	Stable
	Bond Year 2016	idAAA	-
	Sukuk Ijarah Year 2016	idAAA(sy)	-
	SR Bond Year 2020, 2021, and 2024	idAAA	-
	SR Sukuk Ijarah Year 2021	idAAA(sy)	-
	Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2023	idAAA(sy)	-
11	**Arkora Hydro Tbk.**		
	Green Bond Year 2023	idA+(pg)	-
12	**ASDP Indonesia Ferry (Persero)**	idAA+	Stable
13	**Astra Sedaya Finance**	idAAA	Stable
	SR Bond Year 2025 and 2026	idAAA	-
14	**Asuransi Central Asia**	idAA-	Stable
15	**Asuransi Jiwa Taspen**	idA-	Stable
16	**Asuransi Kredit Indonesia**	idAA+	Stable
17	**Asuransi Sinar Mas**	idAA+	Stable
18	**Asuransi Tri Pakarta**	idA	Stable
19	**Asuransi Umum BCA**	idAA+	Stable
20	**Aviasi Pariwisata Indonesia (Persero)**	idAAA	Stable
	Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2024	idAAA(sy)	-
21	**Bahana Pembinaan Usaha Indonesia (Persero)**	idAAA	Stable
	MTN Year 2022	idAAA	-
22	**Bali Towerindo Sentra Tbk.**	idA	Stable
	SR Sukuk Ijarah Year 2025	idA(sy)	-
23	**Bank Aceh Syariah**	idA+	Stable
24	**Bank BCA Syariah**	idAA+	Stable
25	**Bank Central Asia Tbk.**	idAAA	Stable
	SR Subordinated Bond Year 2018	idAA	-
26	**Bank China Construction Bank Indonesia Tbk.**	idAAA	Stable
27	**Bank CIMB Niaga Tbk.**	idAAA	Stable
28	**Bank Digital BCA**	idAA+	Stable
29	**Bank IBK Indonesia Tbk.**	idAAA	Stable
30	**Bank Jabar Banten Syariah**	idAA-	Stable
	Subordinated Sukuk Wakalah Bi Al-Istitsmar Year 2025	idA(sy)	-
31	**Bank Jakarta**	idAA	Stable
32	**Bank Mandiri (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2016, 2017, and 2020	idAAA	-
	Subordinated MTN Year 2023	idAA	-
	SR Green Bond Year 2023 and 2025	idAAA	-
	SR Sustainability Bond Year 2025	idAAA	-
33	**Bank Mandiri Taspen**	idAAA	Stable
	SR Bond Year 2025 and 2026	idAAA	-
34	**Bank Mayapada Internasional Tbk.**	idBBB+	Stable
35	**Bank Maybank Indonesia Tbk.**	idAAA	Stable
	SR Bond Year 2017 and 2022	idAAA	-
36	**Bank Mega Syariah**	idA	Stable
37	**Bank Mega Tbk.**	idAA-	Stable
38	**Bank Muamalat Indonesia Tbk.**	idA+	Stable
	Sukuk Mudharabah Year 2021	idA+(sy)	-
39	**Bank Nagari**	idA+	Stable
40	**Bank Negara Indonesia (Persero) Tbk.**	idAAA	Stable
	Green Bond Year 2022	idAAA	-
	SR Sustainability Bond Year 2025	idAAA	-
41	**Bank Pan Indonesia Tbk.**	idAA	Stable
	SR Subordinated Bond Year 2024	idA+	-
	SR Bond Year 2024, 2025, and 2026	idAA	-
42	**Bank Panin Dubai Syariah Tbk.**	idAA-	Stable
43	**Bank Pembangunan Daerah Bali**	idAA-	Stable
44	**Bank Pembangunan Daerah Daerah Istimewa Yogyakarta**	idA	Stable
45	**Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.**	idAA	Stable
	SR Bond Year 2019	idAA	-
	SR Subordinated Bond Year 2020, 2021, 2022, and 2024	idA+	-
	SR Sustainability Bond Year 2024 and 2026	idAA	-
	SR Perpetual Bond Year 2024	idA	-
46	**Bank Pembangunan Daerah Jawa Tengah**	idAA-	Stable
47	**Bank Pembangunan Daerah Jawa Timur Tbk.**	idAA-	Stable
	SR Bond Year 2025	idAA-	-
48	**Bank Pembangunan Daerah Kalimantan Barat**	idA	Stable
49	**Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara**	idA	Stable
50	**Bank Pembangunan Daerah Lampung**	idA	Stable
51	**Bank Pembangunan Daerah Nusa Tenggara Barat Syariah**	idA	Stable
52	**Bank Pembangunan Daerah Nusa Tenggara Timur**	idA-	Stable
53	**Bank Pembangunan Daerah Papua**	idA	Stable
54	**Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat**	idA+	Stable
	SR Bond Year 2021	idA+	-
55	**Bank Pembangunan Daerah Sulawesi Tengah**	idA	Stable
56	**Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung**	idA+	Stable
57	**Bank Permata Tbk.**	idAAA	Stable
58	**Bank Rakyat Indonesia (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2016 and 2017	idAAA	-
	SR Green Bond Year 2022, 2023, 2024, and 2026	idAAA	-
	Subordinated Bond Year 2023	idAA	-
	SR Social Bond Year 2025	idAAA	-
	SR Commercial Paper Year 2025	idA1+	-
59	**Bank Sahabat Sampoerna**	idA-	Stable
60	**Bank SMBC Indonesia Tbk.**	idAAA	Stable
	SR Bond Year 2024 and 2025	idAAA	-
61	**Bank Syariah Indonesia (Persero) Tbk.**	idAAA	Stable
	Sukuk Mudharabah Subordinated *Jangka Menengah* Year 2023	idAA(sy)	-
	SR Sustainability Sukuk Mudharabah Year 2024 and 2025	idAAA(sy)	-
62	**Bank Syariah Nasional**	idAA+	Stable
63	**Bank Tabungan Negara (Persero) Tbk.**	idAAA	Stable
	SR Social Bond Year 2025	idAAA	-
	SR Subordinated Bond Year 2025	idAA	-
64	**Bank Victoria International Tbk.**	idA-	Stable
	SR Bond Year 2023, 2024, and 2025	idA-	-
	SR Subordinated Bond Year 2019, 2020, 2024, and 2025	idBBB	-
65	**Barito Pacific Tbk.**	idA+	Stable
	SR Bond Year 2021, 2022, 2023, 2024, and 2025	idA+	-
66	**Barito Renewable Energy Tbk.**	idAA-	Stable
67	**BCA Finance**	idAAA	Stable
68	**BRI Asuransi Indonesia**	idAA+	Stable
69	**BRI Multifinance Indonesia**	idAA	Stable
	Bond Year 2023	idAA	-
	SR Bond Year 2025	idAA	-
70	**Buana Finance Tbk.**	idA-	Stable
71	**Bukit Asam (Persero) Tbk.**	idAA	Stable
72	**Bukit Makmur Mandiri Utama**	idA+	Stable
	Bond Year 2023, 2024, and 2025	idA+	-
	Sukuk Ijarah Year 2025	idA+(sy)	-
73	**Bumi Resources Tbk.**	idA+	Stable
	SR Bond Year 2025 and 2026	idA+	-
74	**Bumi Serpong Damai Tbk.**	idAA	Stable
	SR Bond Year 2022 and 2025	idAA	-
	SR Sukuk Ijarah Year 2022 and 2025	idAA(sy)	-
75	**Bussan Auto Finance**	idAAA	Stable
	SR Bond Year 2023, 2024, and 2025	idAAA	-
76	**Cemindo Gemilang Tbk.**	idA	Stable
77	**Chandra Asri Pacific Tbk.**	idAA-	Stable
	SR Bond Year 2020, 2021, 2022, 2023, 2024, 2025, and 2026	idAA-	-
78	**Chandra Sakti Utama Leasing**	idA+	Stable
79	**Cisadane Sawit Raya Tbk.**	idA-	Stable
80	**Citilink Indonesia**	idBBB-	Stable
81	**Credit Guarantee and Investment Facility**	idAAA	Stable
82	**Daaz Bara Lestari Tbk.**	idA	Stable
	Bond Year 2025	idA	-
83	**Dahana**	idA-	Stable
84	**Danantara Investment Management**	idAAA	Stable
85	**Danareksa (Persero)**	idAA	Stable
	Bond Year 2023	idAA	-
86	**Danareksa Capital**	idBBB+	Stable
87	**Darma Henwa Tbk.**	idA	Stable
88	**Dayamitra Telekomunikasi Tbk.**	idAAA	Stable
89	**Dian Swastatika Sentosa Tbk.**	idAA	Stable
	SR Bond Year 2024 and 2025	idAA	-
	SR Sukuk Mudharabah Year 2024 and 2025	idAA(sy)	-
90	**Eagle High Plantation Tbk.**	idA-	Stable
	SR Bond Year 2025 and 2026	idA-	-
	SR Sukuk Mudharabah Year 2025 and 2026	idA-(sy)	-
91	**Ekamas Mora Republik Tbk.**	idA+	Stable
	SR Sukuk Ijarah Year 2023 and 2024	idA+(sy)	-
92	**Elnusa Tbk.**	idAA+	Stable
93	**Energi Mega Persada Tbk.**	idA+	Stable
	SR Bond Year 2025 and 2026	idA+	-
94	**Federal International Finance**	idAAA	Stable
	SR Bond Year 2023, 2024, and 2025	idAAA	-
95	**Garuda Indonesia (Persero) Tbk.**	idBBB	Negative
96	**Garuda Maintenance Facility Aero Asia Tbk.**	idBBB-	Stable
97	**Global Mediacom Tbk.**	idA+	Stable
	SR Bond Year 2021, 2022, 2023, and 2024	idA+	-
	SR Bond Year 2025	idAAA(cg)	-
	SR Sukuk Ijarah Year 2021, 2022, 2023, and 2024	idA+(sy)	-
	SR Sukuk Ijarah Year 2025	idAAA(sy)(cg)	-
98	**GuarantCo Limited**	idAAA	Stable
99	**Hakaaston**	idAA-	Stable
100	**Hartadinata Abadi Tbk.**	idA+	Stable
	SR Bond Year 2024 and 2025	idAAA(cg)	-
101	**Hasnur Jaya International**	idA	Stable
102	**Hino Finance Indonesia**	idAA+	Stable
	Bond Year 2023 and 2024	idAA+	-
	SR Bond Year 2025 and 2026	idAA+	-
103	**Hutama Karya (Persero)**	idAA-	Stable
	SR Bond Year 2016 and 2017	idAAA(gg)	-
	SR Bond Year 2021 and 2022	idAA-	-
	SR Sukuk Mudharabah Year 2021 and 2022	idAA-(sy)	-
104	**Hutama Karya Infrastruktur**	idA+	Stable
105	**Indah Kiat Pulp and Paper Tbk.**	idA+	Stable
	SR Bond Year 2021, 2022, 2023, 2024, 2025, and 2026	idA+	-
	SR Sukuk Mudharabah Year 2021, 2022, 2023, 2024, 2025, and 2026	idA+(sy)	-
106	**Indofood Sukses Makmur Tbk.**	idAA+	Stable
107	**Indomobil Finance Indonesia**	idAA-	Stable
	SR Bond Year 2021, 2022, 2023, 2024, 2025, and 2026	idAA-	-
108	**Indonesia Asahan Aluminium**	idAA-	Stable
109	**Indonesia Infrastructure Finance**	idAAA	Stable
	SR Bond Year 2023, 2024, and 2025	idAAA	-
	Green Perpetual Notes Year 2023	idAA	-
110	**Indonesian Paradise Property Tbk.**	idA-	Stable
	Bond Year 2025	idAAA(cg)	-
111	**Indoperkasa Suksesjaya Reasuransi**	idA-	Stable
112	**Indosat Tbk.**	idAAA	Stable
	SR Bond Year 2016, 2017, 2018, 2019, and 2022	idAAA	-
	SR Sukuk Ijarah Year 2016, 2017, 2019, and 2022	idAAA(sy)	-
113	**Integra Indocabinet Tbk.**	idA-	Stable
	SR Bond Year 2022	idA-	-
	SR Sukuk Mudharabah Year 2022	idA-(sy)	-
114	**Integrasi Jaringan Ekosistem**	idA	Stable
	Bond Year 2025 and 2026	idA	-
	Sukuk Ijarah Year 2025 and 2026	idA(sy)	-
115	**J Resources Asia Pasifik Tbk.**	idBBB+	Stable
116	**Jakarta Industrial Estate Pulogadung**	idA-	Stable
117	**Jaminan Kredit Indonesia**	idAA+	Stable
118	**Jaminan Pembiayaan Askrindo Syariah**	idA+	Stable
119	**Jamkrida Bali Mandara (Perseroda)**	idBBB+	Stable
120	**Jasa Marga (Persero) Tbk.**	idAA	Stable
	SR Bond Year 2020, 2024, 2025, and 2026	idAA	-
121	**KA Properti Manajemen**	idAA-	Stable

Notes: SR = Shelf Registration.

Companies & Debt Securities Rated by PEFINDO

May 31, 2026

No	Company	Rating	Outlook
122	**Kereta Api Indonesia (Persero)**	idAAA	Stable
	Bond Year 2019	idAAA	-
	SR Bond Year 2022, 2024, and 2025	idAAA	-
	SR Sukuk Ijarah Year 2022, 2024, and 2025	idAAA(sy)	-
123	**Kereta Commuter Indonesia**	idAAA	Stable
124	Ketrosden Triasmitra Tbk.		
	SR Bond Year 2026	idAAA(cg)	-
125	**KIK EBA (Asset Backed Securities)**		
	KIK EBA Bahana Bukopin	idAAA(sf)	-
	EBA-SP SMF-BTN05 Class A	idAAA(sf)	-
	EBA-SP SMF-BTN06 Class A	idAAA(sf)	-
	EBA-SP SMF-BTN07 Class A	idAAA(sf)	-
	EBA-SP SMF-BTN08 Class A	idAAA(sf)	-
	EBAS-SP SMF-BRIS01 Class A	idAAA(sf)(sy)	-
	KIK EBA Syariah BRI-MI PT Jakarta Lingkar Baratsatu	idAAA(sf)(sy)	-
126	**Kilang Pertamina Balikpapan - Project Rating**	idAAA(sf)	-
127	**Kliring Berjangka Indonesia**	idAA	Stable
128	**Lautan Luas Tbk.**	idA	Stable
	SR Bond Year 2021 and 2024	idA	-
129	**Lembaga Pembiayaan Ekspor Indonesia**	idAAA	Stable
	SR Bond Year 2017 and 2019	idAAA	-
130	**Lembaga Penjamin Simpanan**	idAAA	Stable
131	**Lontar Papyrus Pulp and Paper Industry**	idA	Stable
	SR Bond Year 2021, 2022, 2023, 2024, 2025, and 2026	idA	-
	SR Sukuk Mudharabah Year 2024, 2025, and 2026	idA(sy)	-
132	**Mandiri Tunas Finance**	idAAA	Stable
	SR Bond Year 2022, 2023, 2024, and 2025	idAAA	-
133	**Mandiri Utama Finance**	idAAA	Stable
134	**Marga Lingkar Jakarta**		
	Bond Year 2017	idAAA(sf)	-
135	**Maxima Daya Indonesia**	idA-	Stable
136	**Maybank Indonesia Finance**	idAAA	Stable
	SR Bond Year 2025	idAAA	-
137	**Mayora Indah Tbk.**	idAA	Stable
	SR Bond Year 2020, 2022, 2024, and 2025	idAA	-
138	**Medco Energi Internasional Tbk.**	idAA-	Stable
	SR Bond Year 2021, 2022, 2023, 2024, and 2025	idAA-	-
139	**Medco Power Indonesia**	idA	Stable
	SR Sukuk Wakalah Year 2022, 2024, and 2025	idA(sy)	-
	SR Bond Year 2025	idA	-
140	**Medikaloka Hermina Tbk.**	idAA	Stable
	SR Bond Year 2022	idAA	-
141	**Merdeka Battery Materials Tbk.**	idA	Stable
	Bond Year 2024 and 2025	idA	-
	SR Bond Year 2025 and 2026	idA	-
	SR Sukuk Mudharabah Year 2025 and 2026	idA(sy)	-
142	**Merdeka Copper Gold Tbk.**	idA+	Stable
	SR Bond Year 2022, 2023, 2024, and 2025	idA+	-
143	**Metra Digital Investama Ventura**	idBBB+	Stable
144	**Mitra Bisnis Keluarga Ventura**	idBBB+	Stable
145	**MNC Energy Investments Tbk.**	idA-	Stable
	SR Bond Year 2023	idA-	-
	SR Sukuk Wakalah Year 2023	idA-(sy)	-
146	**MNC Kapital Indonesia Tbk.**	idBBB+	Stable
	SR Bond Year 2022, 2023, 2024, and 2025	idBBB+	-
147	**Newport Marine Services Tbk.**	idBBB	Stable
148	**Nindya Karya**	idA-	Stable
149	**Oki Pulp and Paper Mills**	idA+	Stable
	Bond Year 2021 and 2022	idA+	-
	Sukuk Mudharabah Year 2021 and 2022	idA+(sy)	-
	SR Bond Year 2023, 2024, 2025, and 2026	idA+	-
	SR Green Bond Year 2023 and 2024	idA+	-
	SR Sukuk Mudharabah Year 2023, 2025, and 2026	idA+(sy)	-
150	**Oto Multiartha**	idAAA	Stable
	SR Bond Year 2023, 2024, and 2025	idAAA	-
151	**Pegadaian**	idAAA	Stable
	SR Bond Year 2023, 2024, and 2025	idAAA	-
	SR Sukuk Mudharabah Year 2023, 2024, and 2025	idAAA(sy)	-
	SR Social Bond Year 2024 and 2025	idAAA	-
	SR Social Sukuk Mudharabah Year 2024 and 2025	idAAA(sy)	-
152	**Pegadaian Galeri 24**	idAAA	Stable
153	**Pelabuhan Indonesia (Persero)**	idAAA	Stable
	Bond Year 2016 and 2018	idAAA	-
154	**Pelita Air Service**	idBBB+	Negative
155	**Pembangunan Jaya Ancol Tbk.**	idA+	Stable
	SR Bond Year 2024	idA+	-
156	**Pembangunan Perumahan (Persero) Tbk.**	idBBB+	Negative
	SR Bond Year 2021, 2022, 2023, and 2024	idBBB+	-
	SR Sukuk Mudharabah Year 2021, 2022, and 2023	idBBB+(sy)	-
157	**Penjaminan Kredit Daerah Jakarta (Perseroda)**	idBBB+	Stable
158	**Perkebunan Nusantara I**	idBBB	Stable
	MTN VIII	idA(cg)	-
159	**Perkebunan Nusantara III (Persero)**	idA	Stable
160	**Perkebunan Nusantara IV**	idA	Stable
	MTN Year 2021	idA	-
161	**Permodalan Nasional Madani**	idAAA	Stable
	SR Bond Year 2021 and 2024	idAAA	-
	SR Sukuk Mudharabah Year 2021and 2024	idAAA(sy)	-
	Sukuk Mudharabah *Jangka Menengah* Year 2024 and 2025	idAAA(sy)	-
	SR Social Orange Bond Year 2025 and 2026	idAAA	-
	SR Sukuk Mudharabah Social Orange Year 2025 and 2026	idAAA(sy)	-
162	**Pertamina Bina Medika IHC**	idAA	Negative
163	**Pertamina Power Indonesia**	idAAA	Stable
164	**Perum Perumnas**	idB	Negative
	MTN Year 2018 and 2019	idB	-
	Long-Term Notes Year 2020	idB	-
165	**Perusahaan Listrik Negara (Persero)**	idAAA	Stable
	SR Bond Year 2017, 2018, 2019, and 2020	idAAA	-
	SR Sukuk Ijarah Year 2017, 2018, 2019, and 2020	idAAA(sy)	-
166	**Perusahaan Pengelola Aset**	idAA	Stable
	Bond Year 2020 and 2022	idAA	-
	Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2022	idAA(sy)	-
167	**Perusahaan Umum Jasa Tirta I**	idAAA	Stable
168	**Perusahaan Umum Jasa Tirta II**	idAAA	Stable
169	**Perusahaan Umum Percetakan Uang Republik Indonesia**	idAAA	Stable
170	**Petrindo Jaya Kreasi Tbk.**	idA	Stable
	SR Bond Year 2025	idA	-
	SR Sukuk Wakalah Year 2025	idA(sy)	-
171	**Petrosea Tbk.**	idA+	Stable
	SR Bond Year 2024 and 2025	idA+	-
	SR Sukuk Ijarah Year 2024 and 2025	idA+(sy)	-
172	**PG Rajawali I**	idBBB+	Stable
173	**Pindad**	idBBB+	Stable
174	**Pindo Deli Pulp and Paper Mills**	idA+	Stable
	Bond Year 2022 and 2023	idA+	-
	Sukuk Mudharabah Year 2022 and 2023	idA+(sy)	-
	SR Bond Year 2024 and 2025	idA+	-
	SR Sukuk Mudharabah Year 2024 and 2025	idA+(sy)	-
175	**PLN Nusantara Renewables**	idA+	Stable
176	**Pollux Hotels Group Tbk.**		
	Sustainability Linked Bond Year 2025	idAAA(cg)	-
177	**Polytama Propindo**	idA-	Stable
	Bond Year 2021	idAAA(cg)	-
	Sukuk Ijarah Year 2021	idAAA(sy)(cg)	-
178	**PP Presisi Tbk.**	idBBB+	Stable
	SR Bond Year 2022	idBBB+	-
179	**PP Properti Tbk.**	idB	Stable
	SR Bond Year 2020, 2021, and 2022	idB	-
180	**Pratama Mitra Sejati**	idA	Stable
181	**Prime Agri Resources Tbk.**	idA	Stable
	SR Bond Year 2022 and 2025	idA	-
	SR Sukuk Ijarah Year 2022 and 2025	idA(sy)	-
182	**Provident Investasi Bersama Tbk.**	idA	Stable
	SR Bond Year 2023, 2024, 2025, and 2026	idA	-
183	**Pupuk Indonesia (Persero)**	idAAA	Stable
	SR Bond Year 2020 and 2021	idAAA	-
184	**Raharja Energi Cepu Tbk.**	idA	Stable
	Bond Year 2026	idA	-
	Sukuk Wakalah Year 2026	idA(sy)	-
185	**Reasuransi Indonesia Utama (Persero)**	idA	Negative
	Mandatory Convertible Bond I Year 2014	idA-	-
186	**Reasuransi Syariah Indonesia**	idA-	Stable
187	**Ricobana Abadi**	idSD	-
	MTN Year 2017	idD	-
188	**RMK Energy Tbk.**	idA	Stable
	SR Bond Year 2025 and 2026	idA	-
189	**Rolas Nusantara Medika**	idBBB+	Stable
190	**Rukun Raharja Tbk.**	idA+	Stable
191	**Samudera Indonesia Tbk.**	idA+	Stable
	SR Sukuk Ijarah Year 2023, 2025, and 2026	idA+(sy)	-
192	**Sarana Mitra Luas Tbk.**	idA-	Stable
	Bond Year 2024	idAAA(cg)	-
193	**Sarana Multi Infrastruktur (Persero)**	idAAA	Stable
	SR Bond Year 2016, 2019, 2023, 2024, and 2025	idAAA	-
	SR Sukuk Mudharabah Year 2019, 2024, and 2025	idAAA(sy)	-
	SR Sustainability Bond Year 2025 and 2026	idAAA	-
194	**Sarana Multigriya Finansial (Persero)**	idAAA	Stable
	SR Bond Year 2021, 2022, 2023, 2024, 2025, and 2026	idAAA	-
	SR Sukuk Musyarakah Year 2023, 2025, and 2026	idAAA(sy)	-
	SR Social Bond Year 2023, 2024, and 2025	idAAA	-
	SR Social Sukuk Musyarakah Year 2023 and 2025	idAAA(sy)	-
195	**Sejahteraraya Anugrahjaya Tbk.**	idA	Stable
	Bond Year 2022	idA	-
196	**Semen Baturaja (Persero) Tbk.**	idAA-	Stable
197	**Semen Indonesia (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2022	idAAA	-
198	**Sinar Mas Agro Resources and Technology Tbk.**	idAA-	Stable
	SR Bond Year 2021, 2022, 2025, and 2026	idAA-	-
	SR Sukuk Ijarah Year 2025 and 2026	idAA-(sy)	-
199	**Sinergi Properti Pratama**	idA-	Stable
	MTN Year 2025	idA-	-
200	**Solusi Sinergi Digital Tbk.**	idA	Stable
201	**Steel Pipe Industry of Indonesia Tbk.**	idA	Stable
	SR Bond Year 2023 and 2025	idA	-
	SR Sukuk Ijarah Year 2023 and 2025	idA(sy)	-
	Sustainability Linked Bond Year 2024	idAAA(cg)	-
202	**Sumber Global Energy Tbk.**	idA-	Stable
	SR Bond Year 2024 and 2025	idA-	-
203	**Summarecon Agung Tbk.**	idA+	Stable
	SR Bond Year 2022, 2023, 2024, and 2025	idA+	-
204	**Summit Oto Finance**	idAAA	Stable
	Bond Year 2025	idAAA	-
205	**Surya Artha Nusantara Finance**	idAA+	Stable
	SR Bond Year 2023, 2025, and 2026	idAA+	-
206	**Tamaris Hidro**		
	Bond Year 2022	idAAA(sf)	-
207	**TBS Energi Utama Tbk.**	idA	Stable
	Bond Year 2023	idA	-
	Sukuk Wakalah *Jangka Panjang* Year 2025	idA(sy)	-
	SR Bond Year 2025 and 2026	idA	-
208	**Telkom Indonesia (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2015	idAAA	-
209	**Timah Tbk.**	idA+	Stable
210	**Trans-Pacific Petrochemical Indotama**	idBBB-	Stable
211	**Transportasi Jakarta**	idAA+	Stable
212	**Trimegah Sekuritas Indonesia Tbk.**	idA	Stable
	SR Bond Year 2023, 2025, and 2026	idA	-
213	**Wahana Inti Selaras**	idA	Stable
	Bond Year 2022, 2023, and 2024	idA	-
	SR Bond Year 2025 and 2026	idA	-
214	**Wahana Ottomitra Multiartha Tbk.**	idAAA	Stable
	SR Bond Year 2024, 2025, and 2026	idAAA	-
215	**Waskita Beton Precast Tbk.**	idB	Stable
	Bond Year 2022	idB	-
	Mandatory Convertible Bond Year 2023	idB	-
216	**Waskita Karya (Persero) Tbk.**	idSD	-
	SR Bond Year 2018 and 2020	idB	-
	SR Bond Year 2019	idD	-
	Bond Year 2021 and 2022	idAAA(gg)	-
	Sukuk Mudharabah Year 2022	idAAA(sy)(gg)	-
217	**Wijaya Karya (Persero) Tbk.**	idB	CreditWatch with Negative Implication
	SR Bond Year 2020, 2021, and 2022	idB	-
	SR Sukuk Mudharabah Year 2020, 2021, and 2022	idB(sy)	-
218	**Wika Tirta Jaya Jatiluhur - Project Rating**	idA(sf)	-
219	**Wulandari Bangun Laksana Tbk.**	idA-	Stable
220	**Xolare RCR Energy Tbk.**	idBBB+	Stable

Notes: SR = Shelf Registration.

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