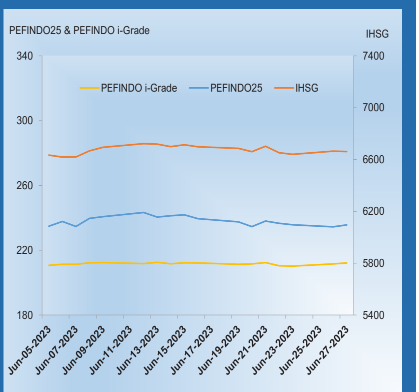
## Index PEFINDO 2023

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Economic & Business Media

PEFINDO
CREDIT RATING AGENCY

July 2023 Edition

# NEWSLETTER

## Analysis

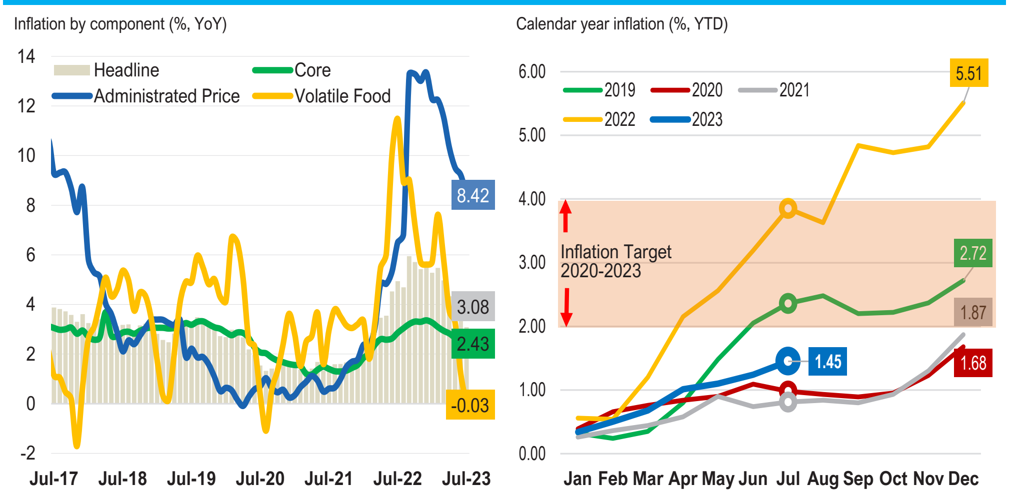
# OBSERVING EXCHANGE RATE AND INFLATION RISKS

Various countries in the world, especially the developed countries, are still working hard to suppress inflation so that it can return to the central bank's target range after experiencing increases since last year due to soaring energy and food commodity prices caused by the Russia-Ukraine War. In Indonesia itself, after the increase in the benchmark interest rate by the central bank by 225 bps from August 2022 to January 2023, inflation has entered the target range since May 2023 which recorded an achievement of 4.00% (YoY and then proceed with the realization that continues to decline to 3.52% (YoY) in June and 3.08% (YoY) in July 2023. Improvements continued in all components, including core inflation, administered prices, and volatile foods, which recorded a decline since the end of the first quarter in line with the stable and controlled prices of various commodities. Going forward, inflation is expected to remain under control and have a high chance of ending within the central bank's target range (3% ± 1%) in line with the maintained trajectory in July.

With controlled inflation, which is expected to be maintained within the target range until the end of the year, this has prompted the central bank to maintain its benchmark interest rate at 5.75% and then focus its policy direction on strengthening Rupiah exchange rate stability to control imported inflation and mitigate the impact propagation of the uncertainty that still surrounds the global economy. It is important to maintain exchange rate stability amid inflation in various countries which are currently still high so that high commodity prices abroad are not transmitted domestically and push inflation back up.

In addition, exchange rate stability is also important to minimize translation risk so that the Indonesian capital market, especially the domestic bond market, remains attractive to foreign investors. Unstable exchange rates will be less favored by foreign investors because it will be more difficult for them to estimate their profits due to the uncertainty arising from fluctuations in currency exchange rates.

**Exhibit 1. Inflation has Declined and is Expected to End Within The Target Range by The End of The Year**




Source: Central Statistical Agency, 2023.

Continued to page 2

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PEFINDO
CREDIT RATING AGENCY

# NEWSLETTER

## Analysis

*Written by:*

**Suhindarto**
***Economist***

Throughout semester 1 of 2023, we observe a relatively more stable exchange rate compared to 2022 and the historical average since 2005. This stability in exchange rates is due to foreign capital inflows which throughout semester 1 still entered the domestic capital market, especially the domestic capital market. government debt securities, along with the benchmark interest rate which is considered to have reached its highest point. Interest rates which are expected to have peaked will push yields on investing in the bond market to increase, and investors will enjoy a higher margin of profit when interest rates are lowered later.

### Preparing to Face the Challenge of Maintaining Exchange Rate Stability

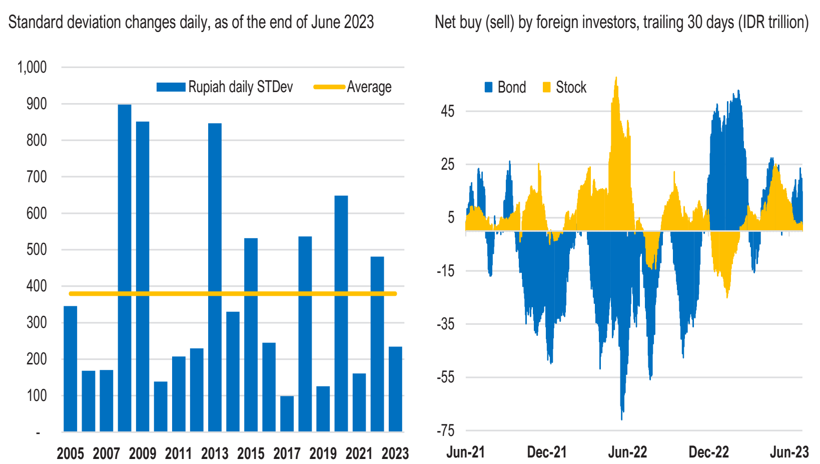
Continuing the good performance of the exchange rate throughout the first semester to continue in the second semester is not without challenges. There are several sources of vulnerability that will be tested from the external and internal sides. From the external side, challenges are presented by global economic conditions that are still shrouded in uncertainty, various developed countries that are still implementing monetary policy tightening, as well as several of Indonesia's main trading partner countries which are experiencing a slowdown in recovery. Global economic uncertainty is still high along with geopolitical tensions that are still ongoing, both from the Russia-Ukraine war, US-China rivalry, and conflicts in the Middle East which can escalate at any time, can trigger a shift in alternative assets from developing country currencies which are seen as riskier towards instruments that are categorized as safe-haven, such as precious metals and the US Dollar. Various developed countries, such as the United States of America, which are currently continuing their monetary policy tightening course, also pose a challenge to efforts to stabilize the Rupiah exchange rate. As we know, until the end of July, the spread between the ceiling of the Fed Funds Rate and the BI 7-Days Reverse Repo Rate was the lowest in history, namely only 25 bps. This could trigger capital flows out of Indonesia and weaken the Rupiah's position further if the Fed again raises its benchmark interest rate as expected in September 2023. Then, Indonesia's main trade partners, such as China, the United States, and Japan, are still experiencing difficulties in accelerating their economic recovery, resulting in a diminishing trade balance surplus and incoming foreign exchange also continuing to dwindle.

On the internal side, the challenge in efforts to stabilize the exchange rate arises from how to keep the foreign exchange generated from exports stored in the country for quite a long time. We can see the difficulty of keeping incoming foreign exchange in the country for a long time from the trade balance which experienced a surplus for 38 consecutive months, but foreign exchange reserves have not changed much since 2019 and are in the range of USD120 billion to USD146 billion, where the last position was in June foreign exchange reserves were at the level of USD137.54 billion.

To face these various challenges, the government has prepared several policies to maintain the stability of the rupiah exchange rate, including through a downstream mineral commodity export policy and the issuance of Government Regulation Number 36 of 2023 concerning Export Earning from Exploitation, Management, and/or Processing Activities Natural Resources. The export downstream policy is carried out to encourage an increase in the added value of exports of mineral commodities which are Indonesia's advantages. This was done to overcome the challenges of a declining trade balance surplus due to the normalization of the prices of leading export commodities as well as weak demand from Indonesia's main trading partners. With this policy, it is hoped that income from exports of mineral commodities will be able to increase in line with the increase in the added value of commodities from Indonesia and then this can also encourage more foreign exchange to come in which can ultimately maintain the stability of the rupiah exchange rate. Then the Government Regulation No. 36/2023 policy is applied to exports from the mining, plantation, forestry, and fisheries sectors, where 30% of foreign exchange from exports of natural resources from these sectors must be stored in the Indonesian financial system. This can increase liquidity and potential availability of foreign currency in the country reaching USD60.9 billion. That way, the stability of the Rupiah exchange rate can be maintained more optimally through a higher increase in foreign exchange.

We appreciate and fully support the policy initiatives pursued by the government and the central bank. One form of support that can be provided from the corporate side is through our compliance with the policies that have been initiated. This compliance will be a good contribution and at the same time, help mitigate the risks previously described. We hope that this policy will immediately have a good impact and support efforts to stabilize the Rupiah exchange rate, both in the short and long term. Thus, with a relatively more stable exchange rate, we will be able to keep inflation within the target range because the spillover effect of imported inflation can be minimized, and investing in the Indonesian capital market will remain attractive in line with low translation risk.

**Exhibit 2. Exchange Rate Fluctuations and Translation Risks are Relatively Controlled, Domestic Capital Market is Still Relatively Attractive**




Source: Bloomberg, 2023.

*Written by:*

**Hanif Pradipta**
***Financial Institution Ratings Analyst***

*Written by:*

**Hasnalia Hanifah**
***Financial Institution Ratings Analyst***

# BPD'S CREDIT TREND REFLECTS ITS RESILIENT CAPTIVE BUSINESS

PEFINDO views that the overall business profile of Regional Development Banks (BPD) will remain strong in the medium term. This is mainly supported by BPD's strong captive business, in the form of consumer loans to ASN (*Aparatur Sipil Negara*), which benefited from BPD's status as a regional-owned enterprise (BUMD). PEFINDO also considers that ASN loans will remain important for BPD's business, considering its very good quality as well as the high margins.

The pandemic that occurred in 2020 has raised the overall banking industry risk profile, causing a substantial decline in most business sectors, as well as a decrease in credit and banking services demand. However, we are of the view that the impact of the pandemic on BPD's overall credit profile has been manageable, supported by its main loan disbursement of consumer loans to ASN. ASN loan were not significantly affected by the pandemic since its installment payments are directly deducted from its fixed income. This segment supports BPD's revenue and cash flow amid the pandemic and acts as a cushion against potential asset quality decline.

**Strong Market Presence in Its Region**

PEFINDO views that BPD has a dominant market share in the region, supported by a captive business from a close relationship with the regional government as a shareholder. This is further reinforced by BPD' role as treasurers for local governments, handling cash management and salary payments for civil servants. These factors have proven to be difficult to replicate or control by other commercial banks, as evidenced by BPD typically commanding over 50% of the credit services to ASN in their respective regions. The synergy serves as an important factor for the strong presence of BPD in their provinces, as reflected in the BPD's loans market share compared to total loans in each respective region, ranging from 10% to 40% in PEFINDO's portfolio.

In terms of funding, BPD also benefited from regional governments as its shareholders, considering that regional government funds are a significant contributor to its third-party funds. BPD plays a crucial role as a treasurer for regional governments by managing financial transactions and funds for local governments in their respective regions. This gives BPD a competitive edge as regional government funds are a major contributor to third-party funds throughout the year. In addition, as shareholders in BPD, regional governments have a personal interest in ensuring the bank's financial performance remains strong. BPD can provide substantial benefits to the region through business synergy, such as financing local development projects and supporting the growth of local businesses, in addition to high dividend yields contributing as a significant contributor to local revenue (PAD). Accordingly, we believe that BPD will continue to maintain its formidable presence in its respective region.

**Strong Business Stability With a Sustained Growth From Its Captive Business**

We view that BPD's earnings quality is strengthened by the stability of its captive business in the form of ASN loans. As of FY2020, the first year of the pandemic, BPD demonstrated its business stability by recording net interest revenue, net income, and loan growth of 2.4%, 5.6%, and 5.2%, respectively. This contrasts with the overall banking industry which contracted by -1.8%, -33.1%, and -2.4%, respectively. BPD's growth during the pandemic was supported by consumer loans, dominated by ASN loans, which grew by 5.7% from 10.1% during the same period.

We also view the growth of BPD's consumer loans during the pandemic as sustainable, considering its stable asset quality indicators. As of FY2022, its NPL remained stable at 2.1%, compared to 2.5% in FY2021 and 2.8% in FY2020, better than the total banking industry's NPL of 2.4%, 3.0%, and 3.1% during the same period. In addition, BPD's restructured loan in the PEFINDO portfolio range from 5% to 15%, lower than the banking industry at the 10%-30% range. Therefore, we view the regulator's upcoming actions to withdraw stimulus or relaxations which were given in response to the pandemic are unlikely to significantly weaken BPD's balance sheet.

**Continued to page 4**

**Compliance With POJK 12/2020 is Still Uncertain for BPD With Core Capital Below IDR3 Trillion**

PEFINDO is of the view that meeting the minimum core capital requirement of IDR3 trillion by the end of 2024, as mandated by POJK 12/2020, is still uncertain for twelve out of twenty-six BPD as of FY2022. Non-compliance may lead to various sanctions, such as being downgraded to a rural bank, forced merger, or voluntary liquidation. Given the transaction complexities and multi-level bureaucracy of local governments at both the provincial and district/city levels, leads to a significant challenge in obtaining approval for any corporate actions.

Furthermore, given that many BPD are significant revenue sources for regional governments, their existing shareholders may prioritize maintaining this revenue stream instead of injecting capital to meet the minimum core capital requirement, even with the deadline approaches at the end of 2024. This may be due to the regional government's limited financial capacity to inject a significant amount of capital. Additionally, we note that many regional local governments continue to draw dividend payments with a high payout ratio, indicating a low willingness from shareholders to comply with the minimum core capital regulation.

**BPD Ratings in PEFINDO Portfolio**

The ratings we assigned to BPD indicate that BPD have a stronger ability than other Indonesian obligors to meet their long-term financial commitments, although they may be more susceptible to adverse changes in circumstances and economic conditions than higher-rated obligors. Upon revisiting our business risk assessment on BPD by incorporating lessons learned throughout the pandemic, we recognized the strong business stability and competitiveness of BPD due to their close synergy with regional governments. Due to BPD's conservative business, we are of the view that BPD's credit risk profile should be lower compared to other commercial banks which are more exposed to industrial risks and macroeconomic impacts, despite its limited market share and economic scale in its respective areas.

However, this does not mean that the credit risk profiles of all BPD are the same. Reviewing the rating assessment, we appreciate BPD which shows business stability and higher earnings, which, in our view, lowers the probability of default on their financial obligations. Up to May 2023, we have adjusted by raising the ratings of several BPD, namely Bank BJB, Bank Jatim, Bank Sumsel Babel, and Bank Papua. We expect that there will be further adjustments to the rating upgrades for the other BPD in our portfolio this year, although these upgrades may not necessarily be assigned to all BPD in the portfolio. In addition to the stability of the business and financial performance amid the pandemic, other qualitative considerations, such as meeting minimum core capital, increasing credit underwriting capacity, and corporate governance, will also determine our rating action.

**Table 1. Published BPD Ratings in PEFINDO Portfolio (Rating as of June 30, 2023)**

| Bank | Rating | Assets *(IDR billion)* | Loans (IDR billion) | Deposits *(IDR billion)* | CAR (%) | NPL (%) | BOPO (%) | NIM (%) | ROAA (%) |
|---|---|---|---|---|---|---|---|---|---|
| BPD Jawa Barat dan Banten Tbk | $_{id}$AA | 181,241.3 | 115,755.6 | 131,189.7 | 19.4 | 1.4 | 80.0 | 5.3 | 1.3 |
| Bank Jabar Banten Syariah | $_{id}$AA- | 12,445.8 | 7,441.2 | 9,119.6 | 22.1 | 4.0 | 82.7 | 5.1 | 0.9 |
| Bank DKI | $_{id}$AA | 78,884.9 | 48,374.5 | 65,104.6 | 24.8 | 1.7 | 78.2 | 4.1 | 1.3 |
| BPD Jawa Timur Tbk | $_{id}$AA- | 103,031.4 | 46,196.7 | 81,767.4 | 24.7 | 2.8 | 73.8 | 5.1 | 1.5 |
| BPD Jawa Tengah | $_{id}$A+ | 84,493.8 | 57,256.6 | 66,841.2 | 21.7 | 2.5 | 67.4 | 6.6 | 3.0 |
| Bank Sulselbar | $_{id}$A+ | 29,653.3 | 21,803.5 | 19,548.4 | 27.5 | 1.2 | 67.9 | 6.3 | 2.3 |
| Bank Sumsel Babel | $_{id}$A+ | 35,299.9 | 20,899.9 | 27,338.3 | 21.5 | 2.8 | 76.3 | 7.7 | 1.6 |
| BPD Bali | $_{id}$A+ | 32,160.7 | 20,068.3 | 26,453.0 | 21.6 | 2.4 | 68.9 | 6.1 | 2.0 |
| Bank Sumut | $_{id}$A | 40,619.10 | 27,853.05 | 31,911.00 | 20.1 | 2.6 | 73.4 | 6.8 | 1.8 |
| BPD DIY | $_{id}$A | 16,850.90 | 9,992.67 | 12,516.69 | 31.4 | 2.9 | 69.2 | 5.7 | 1.7 |
| BPD Papua | $_{id}$A | 29,812.1 | 18,151.9 | 24,130.5 | 23.5 | 2.9 | 76.1 | 6.1 | 1.4 |
| BPD Nusa Tenggara Timur | $_{id}$A- | 17,032.12 | 11,815.14 | 12,799.28 | 26.9 | 2.6 | 80.6 | 7.1 | 1.4 |
| BPD Bengkulu | $_{id}$A- | 8,677.76 | 6,289.04 | 6,952.32 | 24.5 | 1.0 | 81.6 | 7.0 | 1.4 |
| BPD Sulawesi Tengah | $_{id}$A- | 11,963.91 | 6,267.45 | 8,145.07 | 25.9 | 3.1 | 65.5 | 5.6 | 2.1 |

All financial information as of December 31, 2022.
The above ratios have been computed based on information from the companies and published accounts.
Where applicable, some items have been reclassified according to PEFINDO's definitions.

* More can read in website PEFINDO articles

## PEFINDO's Analyst Gathering


PEFINDO held the second Analyst Gathering on July 12, 2023, via zoom video conference. The second Analyst Gathering discussed the outlook for the Telecommunication and Transporation sectors in 2023. This theme was selected based on the high interest of participants in the previous Analyst Gathering activity on April 13, 2023, to discuss the Telecommunication and Transportation sectors.

This event began with a presentation by the Rating Director of PEFINDO, Mr. Hendro Utomo, regarding the development of corporate bonds, then continued with presentation by Martin Pandiangan and Yogie Surya Perdana regarding the outlook for the Telecommunication and Transportation sector in 2023.

The session was closed with a presentation from Suhindarto, Economist of PEFINDO, regarding the latest economic and market developments. After the presentation from the speakers, this event was continued with a Fun Quiz containing previously presented materials. 10 Fun Quiz winners were given several prizes, announced at the end of the event, along with the lucky draw.

## PEFINDO's Press Conference

PEFINDO held a Press Conference event on July 18, 2023. This activity was held through a zoom video conference and was attended by 32 journalists from 25 media. Through this Press Release, PEFINDO hopes that journalists can be supported in getting the latest news related to bond rating activities at PEFINDO.


This activity began with a presentation by the Head of the Non-Financial Services Rating Division I, Ms. Niken Indriarsih, regarding the non-financial services I rating activities. The event was followed by a presentation from Agung Iskandar (PEFINDO's non-financial services rating division II analyst) regarding non-financial services rating II activities. And the last presentation was given by Danan Dito, Head of PEFINDO financial services rating division, regarding financial services rating activities. The event was ended with reporters and speakers having a question and answer session.

# THE VOLATILITY IS NOT OVER, ATTENTION IS BEING FOCUSED ON CORPORATE DEBT IN THE U.S.

*Written by:*

**Ahmad Nasrudin**

***Economic Research Analyst***

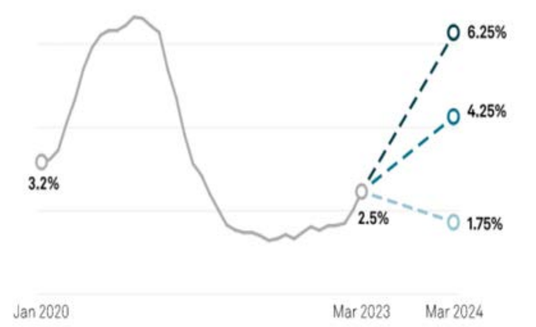
The extra high-interest environment has worried the market over the financial burden of companies in the U.S. At the moment, thankfully, their incomes are hefty due to a tight labor market, supporting earnings and domestic work prospects. Thus, household consumption is still resilient. However, if interest rates are kept high for as long as the Fed projects in June, the pressure on financial leverage will likely become more significant, amplifying risk and volatility for financial markets.

The Fed raised its policy rate again by 25 basis points (bps) at the beginning of July 2023. The upper limit of the Fed Fund Rate is now at 5.5% and has surpassed its highest level since the pre-2008 crisis (5.25% in 2006). This percentage is only 100 bps lower than the record in 2000 (6.5%). Conditions in July still left problems because the headline inflation rate slightly rose from 0.2% to 3.20% while the core inflation rate was still rigid to fall below 4% and remained at 4.7%.

High-interest rates weigh on the economy. Reducing price increases by aggressively tightening monetary policy has the potential to take its toll, falling economic growth. Demand for goods and services fell, paring business prospects for profits.

But, the U.S. economy has yet to head in a direction closer to the target. The inflation rate has yet to fall to the target level. The unemployment rate is also still low, thanks to job creation in the service sector. This situation then opens expectations about further hikes in interest rates and maintains them until next year.

**Exhibit 1. The U.S. Trailing-12-Month Speculative-Grade Corporate Default Rate**




Source: S&P.

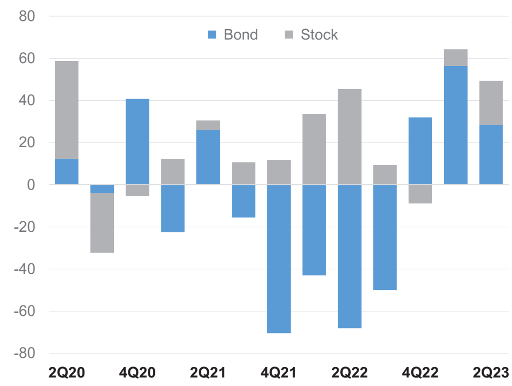
For businesses, high-interest rates will put a heavy strain on their balance sheets. Having enjoyed low-interest rates - around 0.25%-2.5% - since the 2008 crisis, they now have to face increasing interest rates multiple times, leaving them to bear soaring financial leverage. This situation has raised concerns among financial market players about how long businesses can survive amidst extra high-interest rates.

The high-interest environment burdens companies when they want to reissue debt to finance working capital, invest or repay debt as it matures. The cost of funds has more than doubled, leaving the market concerned about the sustainability of their debt.

There will be USD1.8 trillion in corporate debt due in 2024 and 2025, according to Goldman Sachs estimates. Approximately USD790 billion will mature in 2024, and USD1.07 trillion will mature in 2025.

Significant debt maturing - and needing to be refinanced - could create problems for companies as interest rates have been aggressively raised. They can be slammed with higher debt servicing costs because interest rates remain high. Moreover, interest rates take a long time to come down. Citing the Fed's projections in June 2023, it will only return to 2.5% after 2025. The Fed projects interest rates will remain at a median of 5.6% in 2023, 4.6% in 2024, and 3.4% in 2025; further rate hikes after July could see the projection lifted higher than previously thought.

**Exhibit 2. Net Buy Foreign Investors in The Stock Market and Government Bonds (IDR Trillion)**




Source: Bloomberg.

The increase in interest will also eat into corporate earnings through its effect on consumer demand. High-interest rates will increase the tendency of consumers to hold back their consumption and make them prefer to put their funds in bank savings and instruments that can provide quite high returns. So, on the one hand, companies have to deal with rising interest expenses and spend more money to pay interest regularly. On the other hand, they collect less money because extra high-interest rates will force households to hold their consumption.

Tighter credit conditions are creating latent problems for U.S. companies. Moreover, several companies, especially those with speculative credit ratings, usually have debt with floating interest rates, which allows the increase in interest costs to creep up gradually. Then, if the economy weakens and the unemployment rate rises, businesses will likely face great financial stress. Worsening prospects for jobs and earnings will drop the demand for goods and services, hitting companies harder as interest rates were kept high.

As a result, the market fears USD1.8 trillion in debt maturing in the next two years. It could be at risk of default if the Fed sticks to holding rates steady due to stubborn inflation. So far, corporate debt defaults in 2023 exceeded the total defaults recorded last year. If core inflation remains stubbornly to come down and the Fed persists in maintaining interest rates at current levels, the default rate in the U.S. will likely head toward the S&P pessimistic level (6.25%). And the default rate will peak in the fourth quarter of next year.

Increased U.S. corporate defaults will create more volatility in global financial markets. The pressure on foreign capital outflows will increase. This situation is a concern for the domestic capital market. Despite sound economic fundamentals, a robust domestic demand base, and lower supply, pressure on the U.S. market could bring fluctuations in the short term due to more speculation in the domestic capital market. They will exploit short-term negative sentiment to get out and come back to buy cheap when the price is low enough. Or – and this is what we expect – they switch to domestic asset classes, where government debt is more advantageous than the stock market because of its greater resilience to risk.

We believe guarding the rupiah and maintaining solid economic growth is an important task. In our opinion, Rupiah stability is essential for translation risk to remain low. With a wide yield spread to the U.S. market and a sloping inflation rate around Bank Indonesia's target, the domestic bond market will remain attractive. And for foreign investors, the attractiveness depends on how stable the rupiah is.

A stable rupiah makes translation risk low. Thus, returns on investing in the domestic capital market can be calculated more. And we think the market needs a buffer like the stock market to absorp foreign funds. Thus, when there is speculation when taking profits, foreigners do not leave, but only move to the stock market or vice versa. Of course, this requires us to keep the economy growing solidly because it is important to maintain interest in the stock market. After all, stock market performance is closely related to economic growth.

# Companies & Debt Securities Rated by PEFINDO

June 30, 2023

| No | Company | Rating | Outlook |
|---|---|---|---|
| 1 | **Adhi Commuter Properti** | idBBB | Stable |
| | Bond Year 2021 and 2022 | idBBB | - |
| 2 | **Adhi Guna Putera** | idA- | Stable |
| | MTN Year 2022 | idA- | - |
| 3 | **Adhi Karya (Persero) Tbk.** | idA- | Stable |
| | SR Bond Year 2019, 2020, 2021, and 2022 | idA- | - |
| 4 | **Adi Sarana Armada Tbk.** | idA- | Stable |
| | Convertible Bond Year 2021 | idA- | - |
| 5 | **Adira Dinamika Multi Finance Tbk.** | idAAA | Stable |
| | SR Bond Year 2018, 2019, 2020, 2021, and 2022 | idAAA | - |
| | SR Sukuk Mudharabah Year 2019, 2021, and 2022 | idAAA(sy) | - |
| 6 | **AKR Corporindo Tbk.** | idAA | Stable |
| | SR Bond Year 2017 | idAA | - |
| 7 | **Angkasa Pura I** | idAA+ | Stable |
| | Bond Year 2016 | idAA+ | - |
| | Sukuk Ijarah Year 2016 | idAA+(sy) | - |
| | SR Bond Year 2021 | idAA+ | - |
| | SR Sukuk Ijarah Year 2021 | idAA+(sy) | - |
| 8 | **Angkasa Pura II** | idAA+ | Stable |
| | Bond Year 2016 | idAA+ | - |
| | SR Bond Year 2018 and 2020 | idAA+ | - |
| 9 | **ASDP Indonesia Ferry (Persero)** | idAA | Stable |
| 10 | **Astra Sedaya Finance** | idAAA | Stable |
| | SR Bond Year 2019, 2020, 2021, and 2022 | idAAA | - |
| 11 | **Asuransi Bangun Askrida** | idA | Stable |
| 12 | **Asuransi Bhakti Bhayangkara** | idBBB | Stable |
| 13 | **Asuransi Central Asia** | idAA- | Stable |
| 14 | **Asuransi Jiwa Inhealth Indonesia** | idAA | Stable |
| 15 | **Asuransi Jiwa Taspen** | idA- | Stable |
| 16 | **Asuransi Kredit Indonesia** | idAA+ | Stable |
| 17 | **Asuransi Perisai Listrik Nasional** | idBBB+ | Stable |
| 18 | **Asuransi Sahabat Artha Proteksi** | idBBB | Stable |
| 19 | **Asuransi Sinar Mas** | idAA+ | Stable |
| 20 | **Asuransi Tri Pakarta** | idA | Stable |
| 21 | **Asuransi Umum BCA** | idAA | Stable |
| 22 | **Bahana Pembinaan Usaha Indonesia (Persero)** | idAAA | Stable |
| | MTN Year 2022 | idAAA | - |
| 23 | **Bali Towerindo Sentra Tbk.** | idA- | Stable |
| | SR Sukuk Ijarah Year 2022 | idA-(sy) | - |
| 24 | **Bank BCA Syariah** | idAA+ | Stable |
| 25 | **Bank BNP Paribas Indonesia** | idAAA | Stable |
| 26 | **Bank BTPN Tbk.** | idAAA | Stable |
| 27 | **Bank Capital Indonesia Tbk.** | idBBB+ | Stable |
| | Subordinated Bond Year 2017 | idBBB- | - |
| 28 | **Bank Central Asia Tbk.** | idAAA | Stable |
| | SR Subordinated Bond Year 2018 | idAA | - |
| 29 | **Bank China Construction Bank Indonesia Tbk.** | idAAA | Stable |
| 30 | **Bank CIMB Niaga Tbk.** | idAAA | Stable |
| | SR Bond Year 2018 and 2019 | idAAA | - |
| | SR Subordinated Bond Year 2019 | idAA | - |
| | Subordinated Bond Year 2018 | idAA | - |
| | SR Sukuk Mudharabah Year 2019 and 2020 | idAAA(sy) | - |
| 31 | **Bank Danamon Indonesia Tbk.** | idAAA | Stable |
| 32 | **Bank DKI** | idAA | Stable |
| 33 | **Bank Jabar Banten Syariah** | idAA- | Stable |
| 34 | **Bank KB Bukopin Tbk.** | idAAA | Stable |
| | SR Subordinated Bond Year 2017 | idAA | - |
| 35 | **Bank Mandiri (Persero) Tbk.** | idAAA | Stable |
| | SR Bond Year 2016, 2017, 2018, and 2020 | idAAA | - |
| | Subordinated MTN Year 2018 and 2023 | idAA | - |
| 36 | **Bank Mandiri Taspen** | idAAA | Stable |
| 37 | **Bank Mayapada Internasional Tbk.** | idBBB+ | Stable |
| | Subordinated Bond Year 2018 | idBBB- | - |
| | SR Subordinated Bond Year 2017 | idBBB- | - |
| 38 | **Bank Maybank Indonesia Tbk.** | idAAA | Stable |
| | SR Bond Year 2017, 2018, 2019, and 2022 | idAAA | - |
| 39 | **Bank Mega Tbk.** | idAA- | Stable |
| 40 | **Bank Muamalat Indonesia Tbk.** | idA+ | Stable |
| | Sukuk Mudharabah Year 2021 | idA+(sy) | - |
| 41 | **Bank Negara Indonesia (Persero) Tbk.** | idAAA | Stable |
| | Subordinated MTN Year 2018 | idAA | - |
| | Green Bond Year 2022 | idAAA | - |
| 42 | **Bank Oke Indonesia Tbk.** | idA- | Stable |
| 43 | **Bank Pan Indonesia Tbk.** | idAA | Stable |
| | SR Bond Year 2018 | idAA | - |
| | SR Subordinated Bond Year 2017 and 2018 | idA+ | - |
| 44 | **Bank Panin Dubai Syariah Tbk.** | idA+ | Stable |
| 45 | **Bank Pembangunan Daerah Bali** | idA+ | Stable |
| 46 | **Bank Pembangunan Daerah Bengkulu** | idA- | Stable |
| 47 | **Bank Pembangunan Daerah Daerah Istimewa Yogyakarta** | idA | Stable |
| 48 | **Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.** | idAA | Stable |
| | SR Bond Year 2017, 2018, and 2019 | idAA | - |
| | SR Subordinated Bond Year 2017, 2020, 2021, and 2022 | idA+ | - |
| 49 | **Bank Pembangunan Daerah Jawa Tengah** | idA+ | Stable |
| 50 | **Bank Pembangunan Daerah Jawa Timur Tbk.** | idAA- | Stable |
| 51 | **Bank Pembangunan Daerah Nusa Tenggara Timur** | idA- | Stable |
| | SR Bond Year 2018 | idA- | - |
| 52 | **Bank Pembangunan Daerah Papua** | idA | Stable |
| 53 | **Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat** | idA+ | Stable |
| | SR Bond Year 2018, 2020, and 2021 | idA+ | - |
| 54 | **Bank Pembangunan Daerah Sulawesi Tengah** | idA- | Stable |
| 55 | **Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung** | idA+ | Stable |
| 56 | **Bank Permata Tbk.** | idAAA | Stable |
| 57 | **Bank Rakyat Indonesia (Persero) Tbk.** | idAAA | Stable |
| | SR Bond Year 2016, 2017, 2018, and 2019 | idAAA | - |
| | SR Green Bond Year 2022 | idAAA | - |
| 58 | **Bank Sahabat Sampoerna** | idA- | Stable |
| 59 | **Bank Sumut** | idA | Stable |
| | SR Subordinated Bond Year 2018 | idBBB+ | - |
| 60 | **Bank Syariah Indonesia Tbk.** | idAAA | Stable |
| | Sukuk Mudharabah Subordinated Year 2016 | idAA(sy) | - |
| 61 | **Bank Tabungan Negara (Persero) Tbk.** | idAAA | Stable |
| 62 | **Bank Victoria International Tbk.** | idA- | Stable |
| | SR Bond Year 2023 | idA- | - |
| | SR Subordinated Bond Year 2017, 2018, 2019, and 2020 | idBBB | - |
| 63 | **Barito Pacific Tbk.** | idA+ | Stable |
| | SR Bond Year 2019, 2020, 2021, 2022, and 2023 | idA+ | - |
| 64 | **BCA Finance** | idAAA | Stable |
| 65 | **BCA Multi Finance** | idAA | Stable |
| 66 | **BNI Life Insurance** | idAA+ | Stable |
| 67 | **BRI Asuransi Indonesia** | idAA | Stable |
| 68 | **BRI Multifinance Indonesia** | idAA | Stable |
| | MTN Year 2021 | idAA | - |
| | Bond Year 2022 | idAA | - |
| 69 | **Bumi Serpong Damai Tbk.** | idAA- | Stable |
| | SR Bond Year 2022 | idAA- | - |
| | SR Sukuk Ijarah Year 2022 | idAA-(sy) | - |
| 70 | **Bussan Auto Finance** | idAAA | Stable |
| | SR Bond Year 2022 and 2023 | idAAA | - |
| 71 | **Chandra Asri Petrochemical Tbk.** | idAA- | Stable |
| | SR Bond Year 2017, 2018,, 2020, 2021, 2022, and 2023 | idAA- | - |
| 72 | **Chandra Sakti Utama Leasing** | idA | Stable |
| 73 | **Credit Guarantee and Investment Facility** | idAAA | Stable |
| 74 | **CSM Corporatama** | idA- | Stable |
| 75 | **Dana Investasi Infrastruktur Toll Road Mandiri-001** | idAA- | Stable |
| 76 | **Danareksa (Persero)** | idAA | Stable |
| | Bond Year 2023 | idAA | - |
| 77 | **Dharma Satya Nusantara Tbk.** | idA | Stable |
| | SR Bond Year 2020 | idA | - |
| 78 | **Elnusa Tbk.** | idAA | Stable |
| | SR Sukuk Ijarah Year 2020 | idAA(sy) | - |
| 79 | **Federal International Finance** | idAAA | Stable |
| | SR Bond Year 2020, 2021, 2022, and 2023 | idAAA | - |
| 80 | **Global Mediacom Tbk.** | idA+ | Stable |
| | SR Bond Year 2017, 2020, 2021, and 2022 | idA+ | - |
| | SR Sukuk Ijarah Year 2017, 2020, 2021, and 2022 | idA+(sy) | - |
| 81 | **Hartadinata Abadi Tbk.** | idA- | Stable |
| | SR Bond Year 2019 | idA- | - |
| 82 | **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) | - |
| 83 | **Indah Kiat Pulp and Paper Tbk.** | idA+ | Stable |
| | SR Bond Year 2020, 2021, 2022, and 2023 | idA+ | - |
| | SR Sukuk Mudharabah Year 2021, 2022, and 2023 | idA+(sy) | - |
| 84 | **Indofood Sukses Makmur Tbk.** | idAA+ | Stable |
| 85 | **Indomobil Finance Indonesia** | idA+ | Stable |
| | SR Bond Year 2020, 2021, 2022, and 2023 | idA+ | - |
| 86 | **Indonesia Infrastructure Finance** | idAAA | Stable |
| | Bond Year 2016 | idAAA | - |
| | SR Bond Year 2019 and 2020 | idAAA | - |
| 87 | **Indonesia Paradise Property Tbk.** | idBBB+ | Stable |
| 88 | **Indosat Tbk.** | idAAA | Stable |
| | SR Bond Year 2014, 2015, 2016, 2017, 2018, 2019, and 2022 | idAAA | - |
| | SR Sukuk Ijarah Year 2015, 2016, 2017, 2019, and 2022 | idAAA(sy) | - |
| 89 | **Industri Kereta Api (Persero)** | idBBB+ | Stable |
| | Sukuk Mudharabah Year 2020 | idBBB+(sy) | - |
| 90 | **Integra Indocabinet Tbk.** | idA | Stable |
| | SR Bond Year 2021 and 2022 | idA | - |
| | SR Sukuk Mudharabah Year 2021 and 2022 | idA(sy) | - |
| 91 | **Integrasi Jaringan Ekosistem** | | |
| | Project Rating | idA-(sf) | - |
| 92 | **J Resources Asia Pasifik Tbk.** | idBBB+ | Stable |
| | SR Bond Year 2020 | idBBB+ | - |
| | MTN Year 2022 | idBBB+ | - |
| 93 | **Jakarta Lingkar Baratsatu** | idAA- | Stable |
| | Bond Year 2018 | idAA- | - |
| 94 | **Jaminan Kredit Indonesia** | idAA+ | Stable |
| 95 | **Jaminan Pembiayaan Askrindo Syariah** | idA+ | Stable |
| 96 | **Jamkrida Jabar** | idBBB | Stable |
| 97 | **Jasa Marga (Persero) Tbk.** | idAA | Stable |
| | SR Bond Year 2020 | idAA | - |
| 98 | **Jasa Raharja** | idAAA | Stable |
| 99 | **Jasamarga Pandaan Tol** | idAA- | Stable |
| | Sukuk Ijarah Year 2019 | idAA-(sy) | - |
| 100 | **Kapuas Prima Coal Tbk.** | idBBB | Positive |
| | Bond Year 2018 | idBBB | - |

Notes: SR = Shelf Registration

# Companies & Debt Securities Rated by PEFINDO

June 30, 2023

| No | Company | Rating | Outlook |
|---|---|---|---|
| 101 | **Kereta Api Indonesia (Persero)** | idAAA | Stable |
| | Bond Year 2017 and 2019 | idAAA | - |
| | SR Bond Year 2022 | idAAA | - |
| | SR Sukuk Ijarah Year 2022 | idAAA(sy) | - |
| 102 | **Ketrosden Triasmitra** | | |
| | Bond Year 2020 | idAAA(cg) | - |
| 103 | **KIK EBA (Asset Backed Securities)** | | |
| | KIK EBA Bahana Bukopin | idAAA(sf) | - |
| | EBA-SP SMF-BTN02 Class A | idAAA(sf) | - |
| | EBA-SP SMF-BTN03 Class A | idAAA(sf) | - |
| | EBA-SP SMF-BTN04 Class A | 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-BMRI01 Class A | idAAA(sf) | - |
| | EBAS-SP SMF-BRIS01 Class A | idAAA(sf)(sy) | - |
| 104 | **Lautan Luas Tbk.** | idA | Positive |
| | SR Bond Year 2020 and 2021 | idA | - |
| 105 | **Lembaga Pembiayaan Ekspor Indonesia** | idAAA | Stable |
| | SR Bond Year 2016, 2017, 2018, 2019, and 2020 | idAAA | - |
| | SR Sukuk Mudharabah Year 2018 and 2019 | idAAA(sy) | - |
| 106 | **Lembaga Penjamin Simpanan** | idAAA | Stable |
| 107 | **Lontar Papyrus Pulp and Paper Industry** | idA | Positive |
| | Sukuk Mudharabah Year 2018 | idA(sy) | - |
| | SR Bond Year 2021 and 2022 | idA | - |
| 108 | **Mandala Multifinance Tbk.** | idA | Stable |
| | SR Bond Year 2020 and 2021 | idA | - |
| | SR Sukuk Mudharabah Year 2022 and 2023 | idA(sy) | - |
| 109 | **Mandiri Tunas Finance** | idAAA | Stable |
| | SR Bond Year 2019, 2020, 2021, and 2022 | idAAA | - |
| 110 | **Marga Lingkar Jakarta** | | |
| | Bond Year 2017 | idAAA(sf) | - |
| 111 | **Mayora Indah Tbk.** | idAA | Stable |
| | SR Bond Year 2020 and 2022 | idAA | - |
| 112 | **Medco Energi Internasional Tbk.** | idAA- | Stable |
| | SR Bond Year 2016, 2017, 2018, 2020, 2021, and 2022 | idAA- | - |
| 113 | **Medco Power Indonesia** | idA | Stable |
| | Bond Year 2018 | idA | - |
| | Sukuk Wakalah Year 2018 and 2019 | idA(sy) | - |
| | SR Sukuk Wakalah Year 2022 | idA(sy) | - |
| 114 | **Medikaloka Hermina Tbk.** | idAA | Stable |
| | SR Bond Year 2020 and 2022 | idAA | - |
| 115 | **Merdeka Copper Gold Tbk.** | idA+ | Stable |
| | SR Bond Year 2020, 2021, 2022, and 2023 | idA+ | - |
| 116 | **MNC Kapital Indonesia Tbk.** | idBBB+ | Stable |
| | SR Bond Year 2018 and 2022 | idBBB+ | - |
| 117 | **Mora Telematika Indonesia** | idA+ | Stable |
| | SR Sukuk Ijarah Year 2019, 2020, and 2021 | idA+(sy) | - |
| 118 | **Nusa Surya Ciptadana** | idA- | Stable |
| 119 | **Oki Pulp and Paper Mills** | idA+ | Stable |
| | Bond Year 2021 and 2022 | idA+ | - |
| | Sukuk Mudharabah Year 2021 and 2022 | idA+(sy) | - |
| 120 | **Oto Multiartha** | idAA+ | Stable |
| | Bond Year 2019 | idAA+ | - |
| 121 | **Pegadaian** | idAAA | Stable |
| | SR Bond Year 2020, 2021, 2022, and 2023 | idAAA | - |
| | SR Sukuk Mudharabah Year 2020, 2021, 2022, and 2023 | idAAA(sy) | - |
| 122 | **Pelabuhan Indonesia (Persero)** | idAAA | Stable |
| | Bond Year 2016 and 2018 | idAAA | - |
| 123 | **Pembangunan Jaya Ancol Tbk.** | idA+ | Stable |
| | SR Bond Year 2021 | idA+ | - |
| 124 | **Pembangunan Perumahan (Persero) Tbk.** | idA | Stable |
| | SR Bond Year 2018, 2019, 2021, 2022, and 2023 | idA | - |
| | SR Sukuk Mudharabah Year 2021, 2022, and 2023 | idA(sy) | - |
| 125 | **Penjaminan Jamkrindo Syariah** | idA+ | Stable |
| 126 | **Penjaminan Kredit Daerah Banten (Jamkrida Banten)** | idBBB | Stable |
| 127 | **Perkebunan Nusantara III (Persero)** | idBBB+ | Positive |
| | MTN Year 2018 and 2019 | idBBB+ | - |
| | MTN Syariah Ijarah Year 2018 | idBBB+(sy) | - |
| | Sukuk Ijarah Year 2019 | idBBB+(sy) | - |
| 128 | **Perkebunan Nusantara V** | idBBB+ | Stable |
| | MTN Year 2021 | idBBB+ | - |
| 129 | **Perkebunan Nusantara X** | idBBB | Stable |
| | MTN Year 2018 | idBBB | - |
| 130 | **Permodalan Nasional Madani** | idAA+ | Stable |
| | SR Bond Year 2019, 2020, 2021, and 2022 | idAA+ | - |
| | Sukuk Mudharabah Year 2019 and 2020 | idAA+(sy) | - |
| | SR Sukuk Mudharabah Year 2021 and 2023 | idAA+(sy) | - |
| | Sukuk Mudharabah *Jangka Menengah* Year 2022 | idAA+(sy) | - |
| 131 | **Perum Perumnas** | idBBB- | Negative |
| | MTN Year 2018 and 2019 | idBBB- | - |
| | Long-Term Notes Year 2020 | idBBB- | - |
| 132 | **Perusahaan Listrik Negara (Persero)** | idAAA | Stable |
| | SR Bond Year 2013, 2017, 2018, 2019, and 2020 | idAAA | - |
| | SR Sukuk Ijarah Year 2013, 2017, 2018, 2019, and 2020 | idAAA(sy) | - |
| 133 | **Perusahaan Pengelola Aset** | idAA | Stable |
| | Bond Year 2020 | idAA | - |
| | Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2022 | idAA(sy) | - |
| | Commercial Paper Year 2022 | idA1+ | - |
| 134 | **Pindad** | idBBB+ | Stable |
| | MTN Year 2021 | idBBB+ | - |
| 135 | **Pindo Deli Pulp & Paper Mills** | idA | Stable |
| | Bond Year 2022 | idA | - |
| | Sukuk Mudharabah Year 2022 | idA(sy) | - |
| 136 | **Polytama Propindo** | idA- | Stable |
| | Bond Year 2020 | idA- | - |
| | Sukuk Ijarah Year 2020 | idA-(sy) | - |
| | Bond Year 2021 | idAAA(cg) | - |
| | Sukuk Ijarah Year 2021 | idAAA(sy)(cg) | - |
| | Sukuk Ijarah *Jangka Menengah* Year 2022 | idAAA(sy)(cg) | - |
| 137 | **Pos Indonesia (Persero)** | idBBB+ | Stable |
| | MTN Year 2021 | idBBB+ | - |
| 138 | **PP Presisi Tbk.** | idBBB+ | Stable |
| | SR Bond Year 2022 | idBBB+ | - |
| 139 | **PP Properti Tbk.** | idBBB- | Stable |
| | SR Bond 2018, 2020, 2021, and 2022 | idBBB- | - |
| 140 | **Provident Investasi Bersama Tbk.** | idA | Stable |
| | SR Bond Year 2023 | idA | - |
| 141 | **Putra Indotenaga** | idA- | Stable |
| 142 | **Reasuransi Indonesia Utama (Persero)** | idAA- | Stable |
| | Mandatory Convertible Bond I Year 2014 | idA+ | - |
| 143 | **Reasuransi Syariah Indonesia** | idA | Stable |
| 144 | **Ricobana Abadi** | idCCC | Negative |
| | MTN Year 2017 | idCCC | - |
| 145 | **Sampoerna Agro Tbk.** | idA | Stable |
| | SR Bond Year 2020, 2021, and 2022 | idA | - |
| | SR Sukuk Ijarah Year 2020, 2021, and 2022 | idA(sy) | - |
| 146 | **Samudera Indonesia Tbk.** | idA+ | Stable |
| 147 | **Sarana Multi Infrastruktur (Persero)** | idAAA | Stable |
| | SR Bond Year 2016, 2019, 2020, 2022, and 2023 | idAAA | - |
| | SR Green Bond Year 2018 | idAAA | - |
| | SR Sukuk Mudharabah Year 2018, 2019, and 2022 | idAAA(sy) | - |
| 148 | **Sarana Multigriya Finansial (Persero)** | idAAA | Stable |
| | SR Bond Year 2019, 2020, 2021, 2022, and 2023 | idAAA | - |
| | SR Sukuk Mudharabah Year 2021 | idAAA(sy) | - |
| 149 | **Satria Antaran Prima Tbk.** | idBBB | Stable |
| 150 | **Sejahteraraya Anugrahjaya Tbk.** | idA | Stable |
| | Bond Year 2022 | idA | - |
| 151 | **Semen Indonesia (Persero) Tbk.** | idAA+ | Stable |
| | SR Bond Year 2019 and 2022 | idAA+ | - |
| 152 | **Shinhan Indo Finance** | idA- | Stable |
| 153 | **Sinar Mas Agro Resources and Technology Tbk.** | idAA- | Stable |
| | SR Bond Year 2020, 2021, and 2022 | idAA- | - |
| 154 | **Steel Pipe Industry of Indonesia Tbk.** | idA- | Stable |
| | SR Bond Year 2021, 2022, and 2023 | idA- | - |
| | SR Sukuk Ijarah Year 2021, 2022, and 2023 | idA-(sy) | - |
| 155 | **Sumberdaya Sewatama** | idB+ | Stable |
| 156 | **Summarecon Agung Tbk.** | idA+ | Stable |
| | SR Bond Year 2019 and 2022 | idA+ | - |
| 157 | **Surya Artha Nusantara Finance** | idAA | Stable |
| | SR Bond Year 2022 and 2023 | idAA | - |
| 158 | **Suzuki Finance Indonesia** | idA- | Stable |
| 159 | **Tamaris Hidro** | | |
| | Bond Year 2022 | idAAA(sf) | - |
| 160 | **TBS Energi Utama Tbk.** | idA | Stable |
| | Bond Year 2023 | idA | - |
| 161 | **Telkom Indonesia (Persero) Tbk.** | idAAA | Stable |
| | SR Bond Year 2015 | idAAA | - |
| 162 | **Timah Tbk.** | idA | Stable |
| | SR Bond Year 2019 | idA | - |
| | SR Sukuk Ijarah Year 2019 | idA(sy) | - |
| | MTN Year 2022 | idA | - |
| 163 | **Transkon Jaya Tbk.** | idBBB | Stable |
| 164 | **Trimegah Sekuritas Indonesia Tbk.** | idA | Stable |
| | MTN Year 2021 | idA | - |
| 165 | **Ultrajaya Milk Industry & Trading Company Tbk.** | idAA | Stable |
| | MTN Year 2020 | idAA | - |
| 166 | **Voksel Electric Tbk.** | idBBB | Stable |
| | Bond Year 2019 | idBBB | - |
| 167 | **Wahana Inti Selaras** | idA | Stable |
| | Bond Year 2022 | idA | - |
| 168 | **Waskita Beton Precast Tbk.** | idB | Stable |
| | Bond Year 2022 | idB | - |
| 169 | **Waskita Karya (Persero) Tbk.** | idSD | - |
| | SR Bond Year 2018 and 2019 | idCCC | - |
| | SR Bond III Phase II Year 2018 | idD | - |
| | SR Bond Year 2020 | idD | - |
| | Bond Year 2021 and 2022 | idAAA(gg) | - |
| | Sukuk Mudharabah Year 2022 | idAAA(sy)(gg) | - |
| 170 | **Waskita Toll Road** | idBB+ | Stable |
| 171 | **Wijaya Karya (Persero) Tbk.** | idBBB | Negative |
| | SR Bond Year 2020, 2021, and 2022 | idBBB | - |
| | SR Sukuk Mudharabah Year 2020, 2021, and 2022 | idBBB(sy) | - |
| 172 | **Wijaya Karya Beton Tbk.** | idA- | Stable |
| 173 | **Wika Realty** | idBB+ | Stable |
| | MTN Year 2019 | idBB+ | - |
| | Convertible Bond Year 2019 | idBB+(cg) | - |

Notes: SR = Shelf Registration