PEFINDO
CREDIT RATING AGENCY

NEWSLETTER

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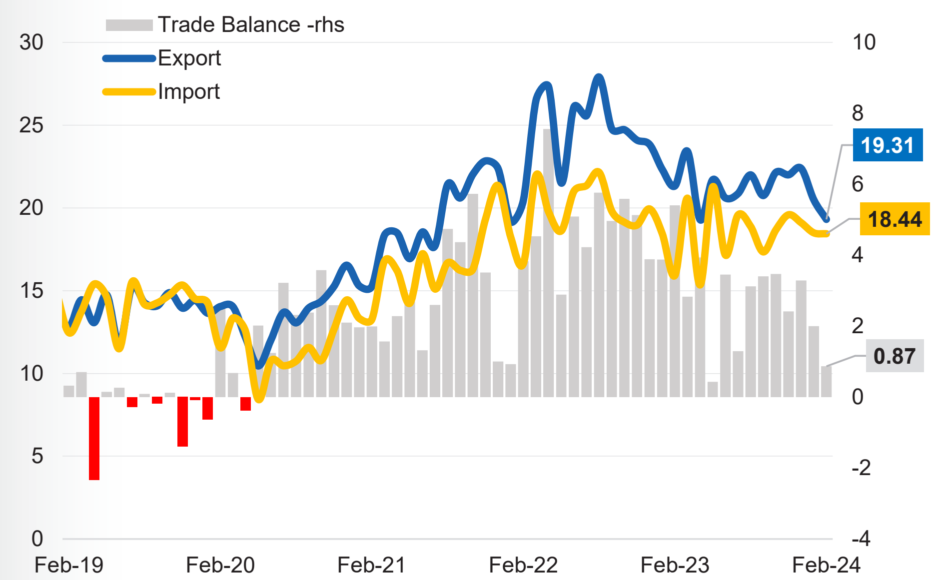
DOWNSTREAMING: SUPPORTING THE TRADE BALANCE AND RUPIAH EXCHANGE RATE

World trade trends in 2024 are projected to still be faced with high uncertainty after experiencing a significant slowdown in 2023. The UNCTAD report released in December 2023 stated that although several economic indicators give signals of improvement, geopolitical tensions are still escalated, the debt levels of various countries are still high, and increasing economic vulnerability is expected to remain negative factors that overshadow the recovery of world trade. Based on estimates by the WTO, world trade is estimated to only experience growth of 0.8% in 2023, a significant slowdown compared to the initial estimate in April, which was estimated to be able to grow 1.7%, and world trade growth in 2022 which record growth of 3.0%. One of the reasons for the slowdown in world trade throughout 2023 is the slowdown in world economic growth which is under pressure due to the high benchmark interest rates which various countries continue to maintain throughout 2023 to reduce inflation. This condition is expected to continue as various central banks in the world continue to maintain high interest rates at least until the second semester of 2024.

Exhibit 1. Indonesia's Trade Balance Still Records a Surplus for 46 Consecutive Months



Source: Central Statistic Agency, 2024.

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Address: Equity Tower 30th Floor, Sudirman Central Business District (SCBD) Lot 9, Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190, INDONESIA
Phone : (021) 50968469 | Fax : (021) 50968468
WWW.PEFINDO.COM

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Written by:
Suhindarto
Economist

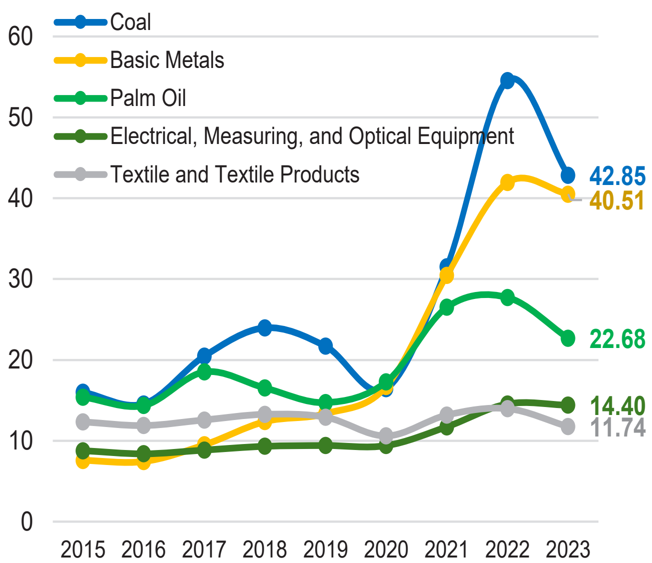
Slowing world trade also has an impact on Indonesia's trade balance. The trade balance surplus, which was previously realized quite high, continues to experience a downward trend since the end of 2022, throughout 2023, and even until February 2024. The slowdown in world trade along with the slowing global economy and the end of the super-cycle in coal and palm oil commodity prices have caused pressure on the trade balance surplus throughout this period. This then resulted in a decline in the export value of Indonesia's two main export commodities. It was recorded that the decline in the value of coal exports reached 21.4% and the decline in the value of palm oil exports reached 18.2%. The decline in export value for both commodities was greatly influenced by the decline in prices because this occurred when coal export volume increased by 13.7% and palm oil increased by 4.6%.

Amid the decline in the export value of these two leading commodities, there is another commodity that has consistently experienced an increase in export value over the last 10 years until it is currently the second-highest export value. These commodities are basic metal product commodities. Since the downstream program was launched around 2013 or 2014, base metal commodities have consistently experienced growth in export value, with the Compound Annual Growth Rate (CAGR) for the last 10 years reaching 16.1%. Even though the export value in 2023 will decrease by 3.4%, this decrease is relatively small compared to the other two leading commodities. Meanwhile, if viewed based on volume, exports of basic metal product commodities increased by 26.6% in 2023, which makes export volume growth from 2015 to 2023 reach 21.7% (CAGR).

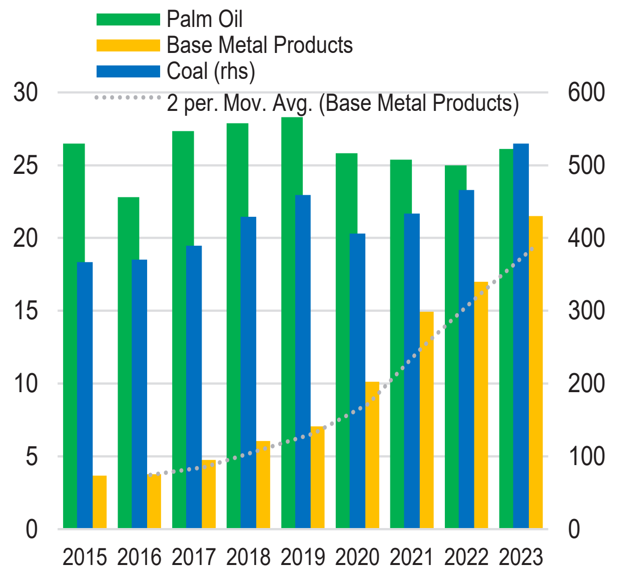
The emergence of base metal products as commodities with the second highest export value in Indonesia has occurred since 2020, after the launch of Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining which mandates that mineral commodities and coal is no longer exported raw. This then triggered the commodity downstreaming program to be further intensified. Base metal mining products are no longer allowed to be exported without being processed domestically first. Therefore, the added value resulting from exports of base metal products continues to increase. This condition then strengthened Indonesia's trade balance so that it could continue to experience a surplus since May 2020 or 46 months ago even though it was faced with a slowdown in world trade and normalization of commodity prices.

Exhibit 2. Development of Indonesia's 3 Highest Value Export Products

(Export Value based on Product, in USD Billion)



(Export Volume based on Product, in Million Ton)



Source: Central Statistic Agency and Bank Indonesia, 2024.

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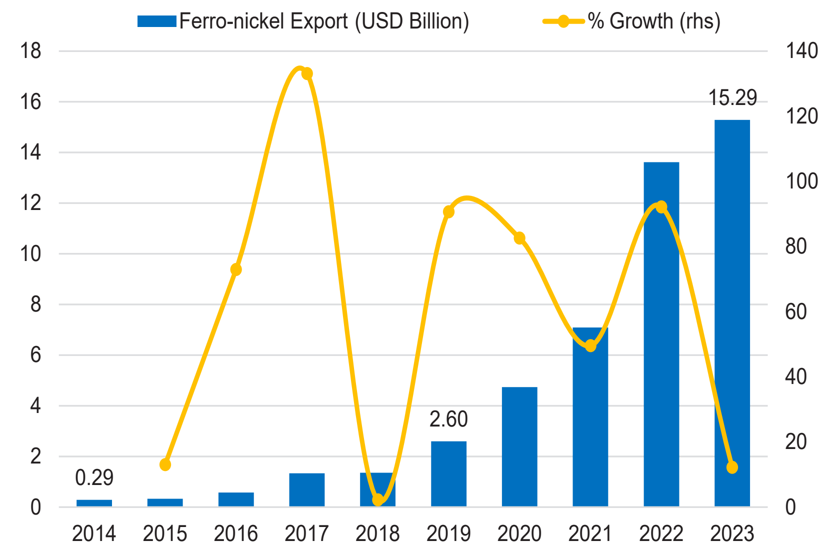
The main cause of the increase in exports of base metal products is the rapid growth in the export value of Ferro Alloy commodities. This commodity has experienced significant growth, where in 2014 the export value was only USD0.3 billion with a share of 28.90% of all base metal product exports, then it grew until in 2023 it reached USD15.3 billion with a share of 57.29%. This increase was supported by Ferro Nickel exports (99.9% share of Ferro Alloy) which increased significantly after the downstream policy with value growth over the last 10 years reaching 48% (CAGR).

With the large impact of the downstream policy implemented on nickel commodities, it is hoped that this can be continued to expand downstream for other mining and non-mining commodities. After being applied to nickel commodities, downstream mining products are planned to be expanded to bauxite and copper products. We view that the diversification and expansion of downstream products must continue to be supported to create greater value added domestically and also increase the export value of processed products from Indonesia. Downstreaming from Nickel Ore to Ferronickel is just the first step, if this can be expanded to further derivative products, then this will have a huge impact on the added value created. The diversity of downstream commodities also plays an important role in decentralizing dependence on one commodity, thereby increasing the resilience of Indonesia's trade balance. With the increasing diversity of commodities produced and the added value created being higher, this will make Indonesia's trade balance more solid.

However, we also need to be alert and anticipate one of the downside risks that is emerging and could continue to overshadow the downstream policy that has so far been carried out for the nickel commodity, namely the presence of a substitute product called lithium-ferro-phosphate (LFP). The presence of LFP is a challenge for Indonesian nickel commodities, even though currently there are market differences for batteries made from each of these commodities. Nickel is still considered a basic material for more energy-dense batteries, so they can contain more energy. However, LFP is considered a relatively cheaper raw material for batteries, making it more affordable to produce the main components of electric cars. The existence of LFP needs to be anticipated by continuing to expand downstream carried out on nickel commodities. Meanwhile, on the other hand, commodity diversification carried out downstream also needs to continue as explained previously.

A solid trade balance surplus driven by downstream policies will have a good impact on the economy in general, especially on the stability of our exchange rate. A more stable exchange rate will have a positive impact on the business world and financial markets. Good exchange rate stability will reduce translation risk, which will increase the ability of investors and the business world to better estimate profits and reduce transaction costs in financial markets. With a more conducive exchange rate, it is hoped that this will make investing in Indonesia even more attractive, especially for foreign investors because they do not have to face the risks of a more volatile exchange rate when investing in Indonesia. For the business world, especially those with debt abroad, high exchange rate fluctuations will make paying off their foreign debt even more expensive. High-interest rates and an unstable exchange rate will be a combination that can make paying their foreign debt costs even more expensive. Therefore, the stability of the rupiah exchange rate, especially against the United States (US) dollar, is a very important factor to continue to maintain, and downstream policies will play an important role in the future in achieving this goal.

Exhibit 3. The Increase in Exports of Base Metal Products is Driven by The Soaring Value of Ferro-Nickel Exports in the Last 10 Years



Source: Trademap, 2024.

Written by:

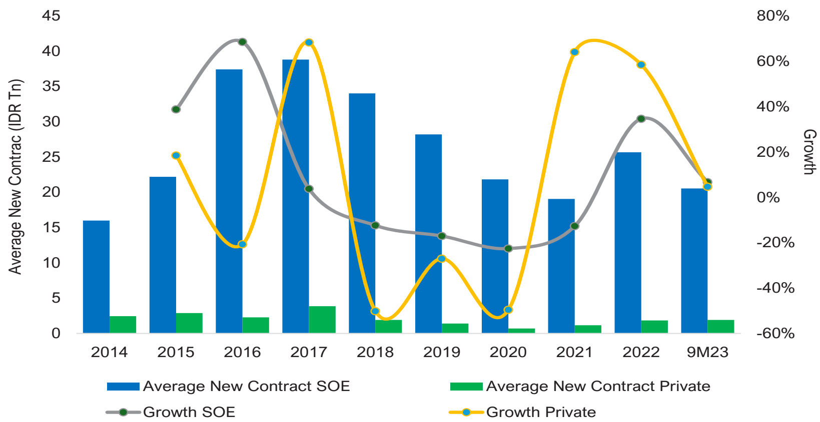
Resnanda Dahono

Non-Financial Institution Ratings 2 Analyst

CONTRACT SIZE AND FINANCIAL POLICY IN RELATION TO CONSTRUCTION COMPANIES'S CREDIT RATING

Indonesian construction firms have generally benefited from the massive infrastructure development over the past decade. The government's focus corresponds to the rising trend of state budget allocation for infrastructure to more than IDR420 trillion in 2024 from only around IDR178 trillion in 2014 with a proportion ranging around 10%-19% of the total state budget. The benefits are reflected in the new contracts gained by the major construction firms. For instance, the average aggregate order book of state-owned construction firms: PT Hutama Karya (Persero) (PTHK), PT Pembangunan Perumahan (Persero) Tbk (PTPP), PT Wijaya Karya (Persero) Tbk (WIKA), PT Waskita Karya (Persero) Tbk (WSKT), and PT Adhi Karya (Persero) Tbk (ADHI) – has tripled to around IDR460 trillion in 2019-2023 from only around IDR150 trillion in 2014 with an average new contract gained at around IDR30 trillion per year within 2015-2023. On the contrary, we have seen a relatively less aggressive new contracts achievement of listed private construction firms: PT Total Bangun Persada Tbk (TOTL), PT Acset Indonusa Tbk (ACST), PT Nusa Raya Cipta Tbk (NRCA), PT Nusa Konstruksi Enjiniring Tbk (DGIK), and PT Totalindo Eka Persada Tbk (TOTL), with an insignificant aggregate contract value compared to the state-owned construction firms. In context, the average new contracts obtained by the listed private construction firms was around IDR2 trillion annually in 2015-2023, less than 10% of the state-owned firms' figures as private construction firms' new contracts were mainly from private commercial and residential buildings with only several coming from infrastructure projects.

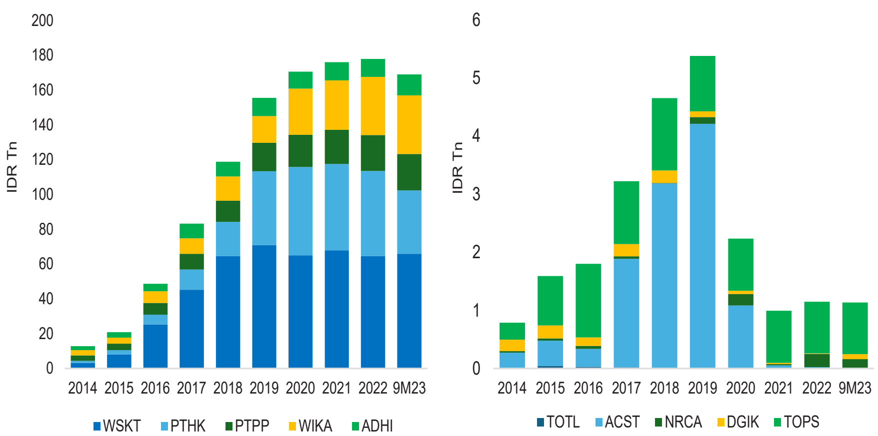
Exhibit 1. Average New Contracts State-Owned and Listed Private Construction Firms



Source: Company, IDX, processed by PEFINDO.

To support these new projects, the state-owned companies' debts have surged more than 13-fold to around IDR170 trillion as of September 30, 2023, compared to the end of 2014. As most state-owned companies also own the concession rights (not only being the developer) and previously were taking on contracts with turnkey-based payment, the exposure to liquidity risk from the mismatch of cash flows also escalated. It is due to the long-term investment nature of its income-generating assets with delayed and disrupted project completion due to the pandemic, whereas turnkey project payment will be received after the construction is completed, longer than anticipated, especially compared to the debt maturities, indicating their aggressive financial policy. On the other hand, the listed private construction companies' debts have been relatively stable at around IDR1.1 trillion as of September 30, 2023, compared to the end of 2014 at around IDR800 billion. The year 2017-2020 was an exception as ACST increased its debt by more than 13-fold to around IDR4.2 trillion at the end of 2019, compared to the end of 2016, to support its infrastructure projects, mostly financed by bank loans, which later were taken over by shareholder's loans in 2019 and then converted into equity within 2020-2021. This less aggressive financing policy of private construction firms aligns with their insignificant order book sizes compared to the state-owned construction firms.

Exhibit 2. Debt Trends of State-Owned and Listed Private Construction Firms



Source: Company, IDX, processed by PEFINDO.

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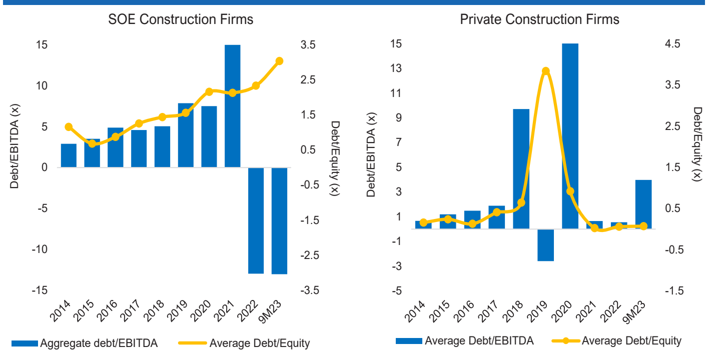
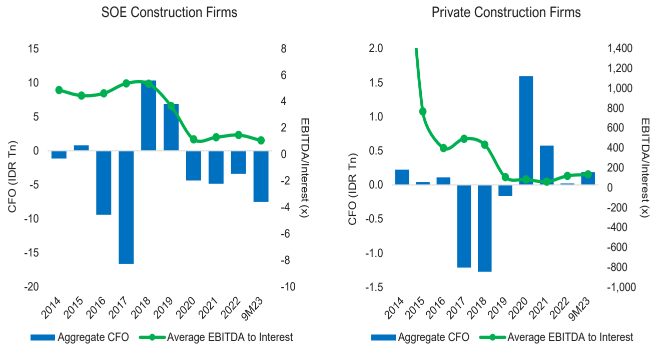
We have also seen a quicker recovery in most of the listed private construction firms' credit profiles. Despite the relatively volatile EBITDA realization, which aligns with the new contract achievement, their less aggressive financing policy has led to a more conservative leverage ratio, as measured by debt-to-EBITDA. This is also reflected in a healthier cash flow from operation (CFO) with a stronger interest coverage ratio, as measured by EBITDA-to-Interest. In 2018 and 2020, DGIK recorded significantly lower EBITDA due to weaker performance from its commercial and residential segments, worsened by the COVID-19 pandemic, which led its Debt-to-EBITDA ratio to jump to more than 30x. ACST has also recorded negative EBITDA since 2019 because of the delays and cost overruns of its infrastructure projects. In August 2023, TOPS managed to complete its debt restructuring, which was mainly due to its high exposure to the weakening high-rise building market and the surging price of materials triggered by the global supply chain disruption. Despite that, the total debts of the major listed private construction firms were declining, and the leverage ratio has improved since 2021 along with its normalized EBITDA realization. Its CFO and interest coverage ratio has also been maintained at a relatively healthy level, indicating a lower risk of cash flow mismatch from its operation and ultimately lower liquidity risk. This condition is contrary to the state-owned construction firms which whose average capital structure has become increasingly unsustainable due to their aggressive financing policy. Since 2021, there have been two high-profile state-owned construction firms that have had to go through a debt restructuring with their creditors, which resulted in reduced interest rates and lengthened tenors, despite their key roles in the development of the national strategic projects.

Exhibit 3. Average Leverage Ratio of State-Owned and Major Listed Private Construction Firms



Source: Company, IDX, processed by PEFINDO.

Exhibit 4. Aggregate CFO and Average EBITDA/Interest of State-Owned and Major Listed Private Construction Firms



Source: Company, IDX, processed by PEFINDO.

Given the financial difficulties faced by several state-owned construction firms, we have reassessed their business risk profile and financial flexibility, which have led to a lower credit rating for several of the firms. Previously, we were of the view that a substantial order book should translate into strong earnings, and thus, a strong credit profile. Currently, the focus is on how construction firms manage their financial policy considering the sizable working capital requirement to execute their order books and minimizing any future cash flow mismatch if any such risk is present. Failure to do so may trigger a reassessment of other large construction firms. This contrasts with the smaller construction firms, which have insignificant order books and less aggressive financing policies, where we see healthier balance sheets and stronger financial profiles.

Key Success Factors for the Construction Industry

There are several key success factors according to PEFINDO's rating methodology in assessing the construction industry's business risk profile. In analyzing its market position, we will examine its competitive advantage in the tender process, particularly in securing contracts, reflected by tender win ratio, work in hand, and revenue growth. It should also be supported by high reliability, a strong reputation, and a proven track record in delivering various kinds of projects.

The company's ability to diversify its revenue sources regarding business lines, customer base, and operational areas are also assessed. We are of the view that having more diversified revenue sources will lead to a relatively more resilient to any adverse changes in business or economic conditions. Suppliers' profiles are also important factors that minimize operational risks to maintain the availability and continuity of material requirements.

The analysis should also include a comprehensive assessment of the company's ability to successfully complete projects in a timely manner with no cost overrun. Past successful experiences in major projects can also enhance the company's reputation. Expertise and technological capabilities to do specific and sophisticated projects are also incorporated. Moreover, the number of nonperforming projects and the ability to handle and settle particular projects also become an important factor.

Operating management should also be analyzed by assessing the company's ability to reduce costs and optimize efficiency. Companies offering more competitive pricing without risking their quality will be better positioned to win a tender. Good management combined with control over account receivables and payables are an important factor in maintaining working capital requirements as low as possible, maintaining a healthier cash flow from the operation, and minimizing the dependency on external funding. The analysis of operating margins is also assessed by comparing the company's ratios with other players in the same industry or industries with similar characteristics to measure its competitiveness.

LAUNCH OF BNI AM IDX – PEFINDO PRIME BANK INDEX MUTUAL FUND

The first investment instrument based on the IDX-PEFINDO Prime Bank index has officially launched. On Tuesday, February 27, 2024, PT BNI Asset Management (BNI-AM) collaborated with PT Pemeringkat Efek Indonesia (PEFINDO) to launch the BNI AM IDX-PEFINDO Prime Bank Index Mutual Fund. The event was opened by remarks from the Acting President Director of BNI-AM, Mr. Donny Susatio Adjie, and continued by the President Director of PEFINDO, Mrs. Irmawati. In the talk show session, PEFINDO was represented by Suhindarto as Acting Head of the Economic Research Division, while the Director of Investment, Mr. Putut Endro Andanawarih represented BNI-AM. The launch of this mutual fund is a very significant milestone for the IDX-PEFINDO Prime Bank index, and it is hoped that this will be a good step to introduce the credibility of the PEFINDO index product further so that it can become more widely known and a reliable reference for investors who want to invest in the capital market.

FOCUS GROUP DISCUSSION (FGD) OF OUTLOOK ON THE INDONESIAN ECONOMY AFTER THE 2024 NATIONAL ELECTION BY THE RURAL BANKS OF KREDIT MANDIRI INDONESIA (BPR KMI)

PT Pemeringkat Efek Indonesia (PEFINDO) received an invitation as the speaker from the Rural Banks of Kredit Mandiri Indonesia (BPR KMI). The event, which was held in the format of Focus Group Discussion (FGD), was held on March 15, 2024. At this event, PEFINDO, represented by Suhindarto as Acting Head of the Economic Research Division/Economist and Ahmad Nasrudin, who is an Analyst in the Economic Research Division, delivered material about the Indonesian Economic Outlook after the 2024 National Election which has been completed.

Written by:

Ahmad Nasrudin

Economic Research Analyst

DEMAND STRUCTURE FOR GOVERNMENT BONDS IN INDONESIA, MALAYSIA, AND THAILAND

The percentage of foreign ownership in the government debt securities market has decreased in recent years, the same as in two neighboring countries, Malaysia, and Thailand. Foreigners held 14.93%, or USD56.33 billion, as of the end of December 2023. This percentage is slightly higher than Thailand (10.88%, valued at USD27.87 billion) but lower than Malaysia (22.72%, valued at USD56.52 billion).

However, Indonesia has shown a more rapid decline in recent years. Ownership reached around 38.57% (USD82.38 billion) in 2019, far exceeding ownership in Malaysia and Thailand (Exhibit 1). The percentage has dropped quite drastically and now only holds around 15% (USD56.33 billion). Meanwhile, the decline in ownership in Thailand and Malaysia was relatively low. In Malaysia, foreign ownership decreased from 24.91% to 22.72% during the comparison period, although in nominal terms, it rose from USD46.53 billion to USD56.52 billion. Meanwhile, the percentage fell from 16.97% (USD32.47 billion) to 10.88% (USD27.87 billion) in Thailand.

The drastic decline in foreign ownership in the government debt securities market since 2019 has been largely absorbed by domestic investors rather than Indonesian banks. Net demand by domestic investors reached IDR2.48 quadrillion during 2019-2023, including IDR1.01 quadrillion by banks, IDR0.63 quadrillion by insurance and pension funds, IDR0.36 trillion by individuals, and so on. Meanwhile, total net purchases by Bank Indonesia amounted to IDR0.28 quadrillion.

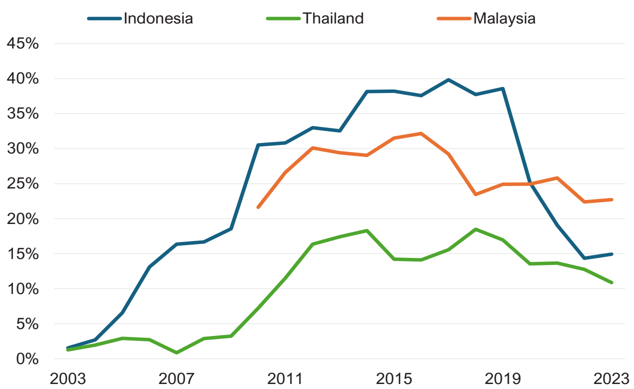
The decline in foreign ownership underscores how domestic investors are significantly increasing their role in the government debt securities market. We view this development as positive because it supports market stability. What we mean by this is that the government debt market will be determined more by domestic rather than foreign fundamentals. Thus, the market is less exposed to volatility when foreigners exit and enter in response to external sentiment.

Increasing ownership by domestic investors is vital as Indonesia's debt levels have grown strongly over the past decade (Exhibit 2). Outstanding government debt grew at a CAGR of 14.28%, one and a half times higher than in Malaysia (9.64%) and Thailand (10.10%). And if we only consider the 2014-2023 period, the percentage reaches 18.65%.

A strong growth market requires strengthening domestic demand to support stability. When foreigners hold a large portion of the outstanding, their decisions to enter and exit will have a significant impact on exchange rates and debt markets. Volatile exchange rates - because, at the same time, trade surpluses are still relatively small to offset foreign portfolio capital flows - increase the premium when investing in the debt securities market. As a result, this volatility has the potential to give rise to instability in financial markets when external conditions worsen, such as when the Fed and central banks in developed countries raise interest rates near mid-2022.

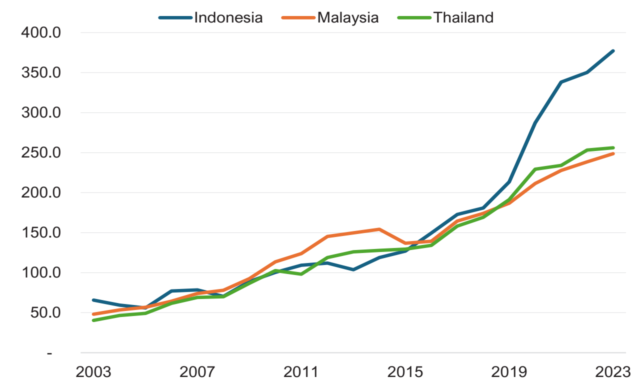
On the other hand, on the one hand, domestic demand is not susceptible to changes in premiums to compensate for translation risks. On the other hand, their selling action also does not affect translation risks. In other words, their economic decisions are influenced by and influence fundamental factors such as interest rates, inflation, and government deficits. For this reason, domestic investors must play a bigger role than foreign investors amidst the surge in outstanding in the secondary market.

Exhibit 1. Percentage of Foreign Investor Ownership in Local Currency Government Debt Securities



Source: AsianBondOnline.

Exhibit 2. Outstanding Local Currency Government Debt Securities (USD Billion)



Source: AsianBondOnline.

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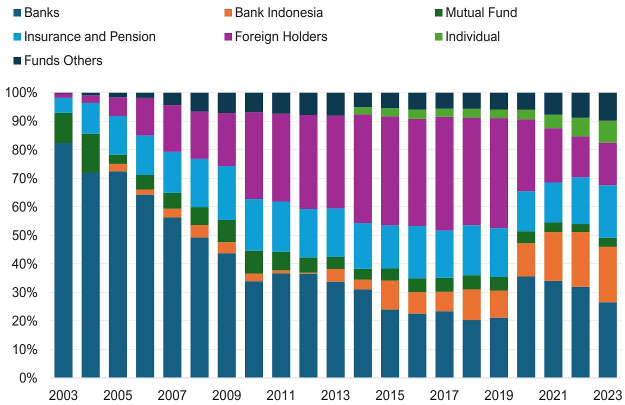
Currently, the domestic market has seen a rapid increase in ownership by domestic investors. Foreigners, in proportion, hold fewer and fewer government debt securities. Among domestic investors, individual investors have grown the most significantly thanks to the increasing number of investors, increasing number of series offered, easier access, and affordable initial investment. Their ownership increased at a CAGR rate of 34.40% from IDR30.41 trillion in 2014 to IDR435.05 trillion in 2023. Now, their percentage is 7.71% of the total outstanding in the secondary market, higher than Thailand's (6.26%).

Exhibit 3. Ownership Structure of Government Debt Securities in Indonesia (%)



Source: AsianBondOnline.

Apart from individual investors, insurance companies and pension funds were the most aggressive in buying government debt securities. Together, they held IDR1.04 quadrillion, or 18.47% of the total outstanding. Their ownership grew at a CAGR of 20.54% during 2014-2023. The next positions are banks and mutual funds, each growing at a CAGR of 16.59% and 16.27% and, as of 2023, holding IDR1.50 quadrillion and IDR0.18 quadrillion, respectively.

If we dig deeper, ownership of debt securities in the Indonesian market is relatively spread among investors compared to Malaysia. The three largest holders of debt securities in 2023 hold a total market share of 83.62%. Meanwhile, in Indonesia, the percentage is lower, namely 64.41%. Just like in Indonesia, banks are the largest holders in Malaysia; their portion reaches 32.84%. Next are the Social Security Institutions at 28.05% and foreign investors at 22.72%.

Even though it is relatively less concentrated, like in Indonesia, the ownership structure is slightly different in Thailand. Most government debt securities are held in Contractual Savings Funds such as national provident funds, social pension insurance systems, and life insurance companies, with a portion of 23.81%. The next largest portion is insurance companies (20.60%) and banks (20.54%). Meanwhile, individual investors hold around 6.26%, slightly below Indonesia.

In closing, we assess that maintaining stability in the debt securities market requires increasing the solidity of domestic demand. Significant ownership by domestic investors will remain a necessity amidst a significant increase in outstanding - which has occurred in the last decade - and the need to support the rupiah amidst a relatively low trade surplus.

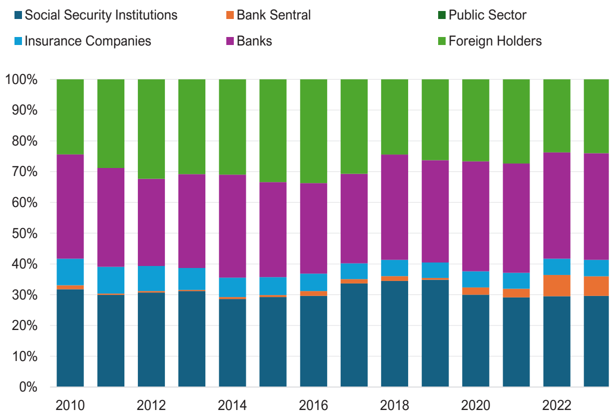
Specifically, we highlight why spurring the growth of retail investors will be crucial in the future. First, their transactions in the market are relatively small because they involve small amounts. Thus, their selling or buying actions contribute less than institutional investors to market volatility.

Second, increasing access will support sustainable household consumption. Government debt securities offer higher coupons than deposits. So, when they put more into the debt securities market, the impact on household consumption through the wealth effect will be greater.

Third, prosperity in the economy is created from and by the household sector. On the one hand, households earn interest on their money. On the other hand, they will benefit from government programs financed through debt, such as infrastructure development. In other words, the greatest benefits from government debt securities will be enjoyed mostly by domestic economic actors.

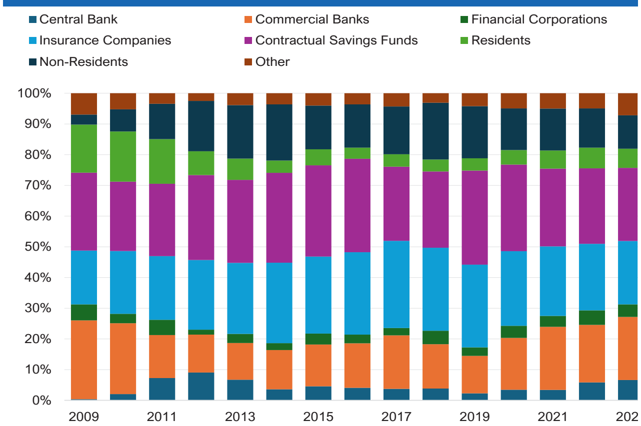
Fourth, increasing access to the debt securities market will increase the national savings rate. Thus, there are more loanable funds available in the economy, which ultimately reduces the crowding-out effect on the economy and private investment when the government increases borrowing in the economy.

Exhibit 4. The Ownership Structure of Government Debt Securities in Malaysia (%)



Source: AsianBondOnline.

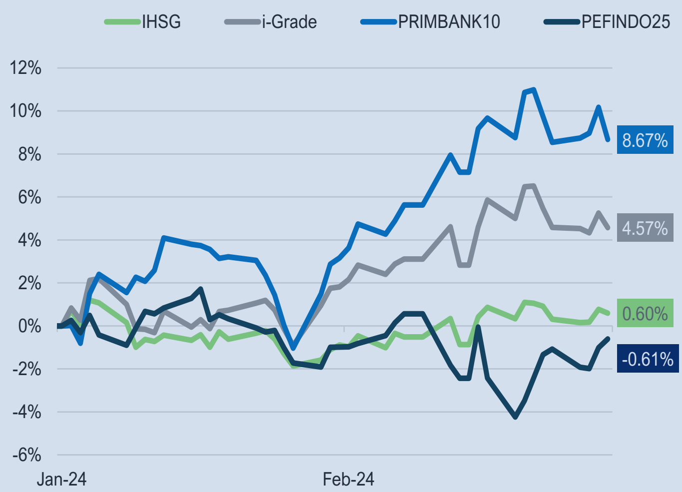
Exhibit 5. The Ownership Structure of Government Debt Securities in Thailand (%)



Source: AsianBondOnline.

PEFINDO INDEX

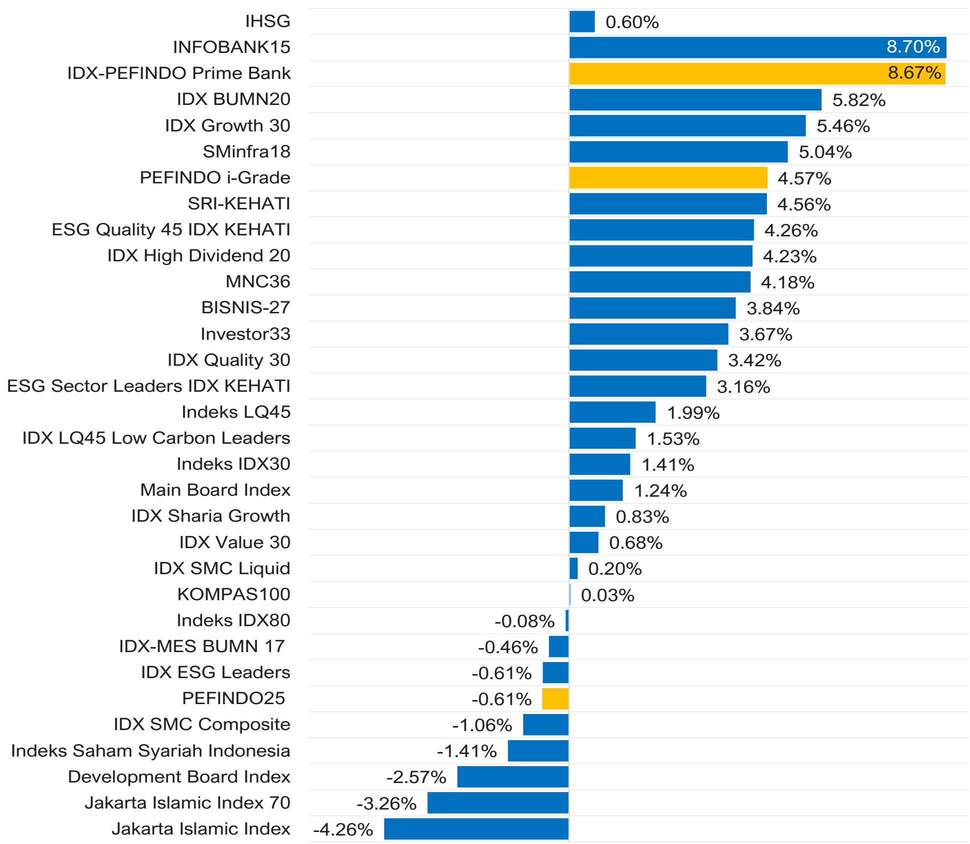
PEFINDO Index Year-to-Date Return Performance in 2024



Throughout the period January to February 2024, the PEFINDO Index generally continues to show good performance, mainly like the two PEFINDO rating-based indices, namely, the PEFINDO i-Grade Index and the IDX-PEFINDO Prime Bank. The IDX-PEFINDO Prime Bank Index is ranked second in the stock index with the best performance until February 2024 among all stock indexes listed on the Indonesia Stock Exchange (IDX). On a year-to-date (YTD) basis, the IDX-PEFINDO Prime Bank Index was able to provide a return of 8.67% (YTD). Furthermore, good performance was also recorded by the PEFINDO i-Grade Index in sixth position, recording a return of 4.57% (YTD). The performance of the second index is far superior to the JCI which only recorded a return of 0.60% YTD. However, in contrast to this, PEFINDO25 still shows a return of negative 0.61% YTD.

Source: Indonesia Stock Exchange (IDX).

Comparison of The YTD Performance of The PEFINDO Index with Other Stock Indices



Source: Indonesia Stock Exchange (IDX).

Companies & Debt Securities Rated by PEFINDO

February 29, 2024

No	Company	Rating	Outlook
1	**Adhi Commuter Properti**	idBBB	Stable
	Bond Year 2021 and 2022	idBBB	-
	Sukuk Ijarah *Jangka Panjang* Year 2023	idBBB(sy)	-
	Bond Year 2023	idAAA(cg)	-
2	**Adhi Guna Putera**	idA-	Stable
	MTN Year 2022	idA-	-
3	**Adhi Karya (Persero) Tbk.**	idA-	Stable
	SR Bond Year 2019, 2021, and 2022	idA-	-
4	**Adi Sarana Armada Tbk.**	idA-	Stable
5	**Adira Dinamika Multi Finance Tbk.**	idAAA	Stable
	SR Bond Year 2019, 2021, 2022, and 2023	idAAA	-
	SR Sukuk Mudharabah Year 2019, 2021, 2022, and 2023	idAAA(sy)	-
6	**AKR Corporindo Tbk.**	idAA	Stable
	SR Bond Year 2017	idAA	-
7	**Allo Bank Indonesia Tbk.**	idA	Stable
8	**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)	-
	Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2023	idAA+(sy)	-
9	**Angkasa Pura II**	idAAA	Stable
	Bond Year 2016	idAAA	-
	SR Bond Year 2020	idAAA	-
10	**Ansaf Inti Resources**	idBBB	Stable
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 2019, 2021, and 2022	idAAA	-
14	**Asuransi Bhakti Bhayangkara**	idBBB	Stable
15	**Asuransi Binagriya Upakara**	idBBB+	Stable
16	**Asuransi Central Asia**	idAA-	Stable
17	**Asuransi Kredit Indonesia**	idAA+	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 Aceh Syariah**	idA+	Stable
25	**Bank BCA Syariah**	idAA+	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 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 KB Bukopin Tbk.**	idAAA	Stable
34	**Bank Mandiri (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2016, 2017, and 2020	idAAA	-
	Subordinated MTN Year 2023	idAA	-
	SR Green Bond Year 2023	idAAA	-
35	**Bank Mayapada Internasional Tbk.**	idBBB+	Stable
	Subordinated Bond Year 2018	idBBB-	-
	SR Subordinated Bond Year 2017	idBBB-	-
36	**Bank Maybank Indonesia Tbk.**	idAAA	Stable
	SR Bond Year 2017, 2019, and 2022	idAAA	-
37	**Bank Mega Tbk.**	idAA-	Stable
38	**Bank Muamalat Indonesia Tbk.**	idA+	Stable
	Sukuk Mudharabah Year 2021	idA+(sy)	-
39	**Bank Negara Indonesia (Persero) Tbk.**	idAAA	Stable
	Green Bond Year 2022	idAAA	-
40	**Bank Oke Indonesia Tbk.**	idA-	Stable
41	**Bank Pan Indonesia Tbk.**	idAA	Stable
	SR Subordinated Bond Year 2017 and 2018	idA+	-
42	**Bank Panin Dubai Syariah Tbk.**	idAA-	Stable
43	**Bank Pembangunan Daerah Bali**	idA+	Stable
44	**Bank Pembangunan Daerah Bengkulu**	idA-	Stable
45	**Bank Pembangunan Daerah Daerah Istimewa Yogyakarta**	idA	Stable
46	**Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.**	idAA	Stable
	SR Bond Year 2017 and 2019	idAA	-
	SR Subordinated Bond Year 2017, 2020, 2021, and 2022	idA+	-
47	**Bank Pembangunan Daerah Jawa Tengah**	idAA-	Stable
48	**Bank Pembangunan Daerah Jawa Timur Tbk.**	idAA-	Stable
49	**Bank Pembangunan Daerah Kalimantan Barat**	idA	Stable
50	**Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara**	idA	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 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 and 2023	idAAA	-
	Subordinated Bond Year 2023	idAA	-
58	**Bank Sumut**	idA	Stable
	SR Subordinated Bond Year 2018	idBBB+	-
59	**Bank Syariah Indonesia Tbk.**	idAAA	Stable
	Sukuk Mudharabah Subordinated *Jangka Menengah* Year 2023	idAA(sy)	-
60	**Bank Tabungan Negara (Persero) Tbk.**	idAAA	Stable
61	**Bank Victoria International Tbk.**	idA-	Stable
	SR Bond Year 2023	idA-	-
	SR Subordinated Bond Year 2017, 2018, 2019, and 2020	idBBB	-
62	**Barito Pacific Tbk.**	idA+	Stable
	SR Bond Year 2019, 2020, 2021, 2022, and 2023	idA+	-
63	**BCA Finance**	idAAA	Stable
64	**BCA Multi Finance**	idAA	Stable
65	**BNI Life Insurance**	idAA+	Stable
66	**BRI Asuransi Indonesia**	idAA	Stable
67	**BRI Multifinance Indonesia**	idAA	Stable
	MTN Year 2021	idAA	-
	Bond Year 2022 and 2023	idAA	-
68	**Bukit Asam Tbk.**	idAA	Stable
69	**Bukit Makmur Mandiri Utama**	idA+	Stable
	Bond Year 2023	idA+	-
70	**Bumi Serpong Damai Tbk.**	idAA	Stable
	SR Bond Year 2022	idAA	-
	SR Sukuk Ijarah Year 2022	idAA(sy)	-
71	**Bussan Auto Finance**	idAAA	Stable
	SR Bond Year 2022 and 2023	idAAA	-
72	**Chandra Asri Pacific Tbk.**	idAA-	Stable
	SR Bond Year 2017, 2018,, 2020, 2021, 2022, and 2023	idAA-	-
73	**Chandra Sakti Utama Leasing**	idA+	Stable
74	**Credit Guarantee and Investment Facility**	idAAA	Stable
75	**Dana Investasi Infrastruktur Toll Road Mandiri-001**	idAA-	Stable
76	**Danareksa (Persero)**	idAA	Stable
	Bond Year 2023	idAA	-
77	**Dayamitra Telekomunikasi Tbk.**	idAAA	Stable
	MTN Year 2023	idAAA	-
78	**Dharma Satya Nusantara Tbk.**	idA	Stable
	SR Bond Year 2020	idA	-
79	**Dian Swastatika Sentosa Tbk.**	idAA	Stable
80	**Elnusa Tbk.**	idAA	Stable
	SR Sukuk Ijarah Year 2020	idAA(sy)	-
81	**Federal International Finance**	idAAA	Stable
	SR Bond Year 2021, 2022, and 2023	idAAA	-
82	**Global Mediacom Tbk.**	idA+	Stable
	SR Bond Year 2017, 2020, 2021, 2022, and 2023	idA+	-
	SR Sukuk Ijarah Year 2017, 2020, 2021, 2022, and 2023	idA+(sy)	-
83	**Gunung Raja Paksi Tbk.**	idA	Stable
84	**Hartadinata Abadi Tbk.**	idA	Stable
	SR Bond Year 2019	idA	-
85	**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)	-
86	**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)	-
87	**Indofood Sukses Makmur Tbk.**	idAA+	Stable
88	**Indomobil Finance Indonesia**	idA+	Stable
	SR Bond Year 2020, 2021, 2022, and 2023	idA+	-
89	**Indonesia Asahan Aluminium**	idAA-	Stable
90	**Indonesia Infrastructure Finance**	idAAA	Stable
	SR Bond Year 2019, 2020, and 2023	idAAA	-
	Green Perpetual Notes Year 2023	idAA	-
91	**Indonesia Paradise Property Tbk.**	idBBB+	Stable
92	**Indoperkasa Suksesjaya Reasuransi**	idA-	Stable
93	**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)	-
94	**Industri Kereta Api (Persero)**	idBBB+	Stable
	Sukuk Mudharabah Year 2020	idBBB+(sy)	-
95	**Integra Indocabinet Tbk.**	idA-	Negative
	SR Bond Year 2021 and 2022	idA-	-
	SR Sukuk Mudharabah Year 2021 and 2022	idA-(sy)	-
96	**Integrasi Jaringan Ekosistem**		
	Project Rating	idA-(sf)	-
97	**J Resources Asia Pasifik Tbk.**	idBBB+	Stable
	SR Bond Year 2020	idBBB+	-
	MTN Year 2022	idBBB+	-
98	**J Trust Bank Indonesia Tbk.**	idBBB+	Stable
99	**Jakarta Lingkar Baratsatu**	idAA-	Stable
100	**Jaminan Kredit Indonesia**	idAA+	Stable
101	**Jaminan Pembiayaan Askrindo Syariah**	idA+	Stable
102	**Jasa Marga (Persero) Tbk.**	idAA	Stable
	SR Bond Year 2020	idAA	-
103	**Jasa Raharja**	idAAA	Stable
104	**Jasamarga Pandaan Tol**	idAA-	Stable
	Sukuk Ijarah Year 2019	idAA-(sy)	-
105	**Kapuas Prima Coal Tbk.**	idSD	-
	Bond Year 2018	idCCC	-

Notes: SR = Shelf Registration

Companies & Debt Securities Rated by PEFINDO

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No	Company	Rating	Outlook
106	**Kereta Api Indonesia (Persero)**	idAAA	Stable
	Bond Year 2017 and 2019	idAAA	-
	SR Bond Year 2022	idAAA	-
	SR Sukuk Ijarah Year 2022	idAAA(sy	-
107	**Ketrosden Triasmitra**		
	Bond Year 2020	idAAA(cg)	-
108	**KIK EBA (Asset Backed Securities)**		
	KIK EBA Bahana Bukopin	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-BTN08 Class A	idAAA(sf)	-
	EBA-SP SMF-BMRI01 Class A	idAAA(sf)	-
	EBAS-SP SMF-BRIS01 Class A	idAAA(sf)(sy)	-
109	**Lautan Luas Tbk.**	idA	Positive
	SR Bond Year 2020 and 2021	idA	-
110	**Lembaga Pembiayaan Ekspor Indonesia**	idAAA	Stable
	SR Bond Year 2017, 2018, and 2019	idAAA	-
	SR Sukuk Mudharabah Year 2018 and 2019	idAAA(sy)	-
111	**Lembaga Penjamin Simpanan**	idAAA	Stable
112	**Lontar Papyrus Pulp and Paper Industry**	idA	Stable
	SR Bond Year 2021, 2022, and 2023	idA	-
113	**Mandala Multifinance Tbk.**	idA	Positive
	SR Bond Year 2021	idA	-
	SR Sukuk Mudharabah Year 2022 and 2023	idA(sy)	-
114	**Mandiri Tunas Finance**	idAAA	Stable
	SR Bond Year 2019, 2020, 2021, 2022, and 2023	idAAA	-
115	**Mandiri Utama Finance**	idAAA	Stable
116	**Marga Lingkar Jakarta**		
	Bond Year 2017	idAAA(sf)	-
117	**Mayora Indah Tbk.**	idAA	Stable
	SR Bond Year 2020 and 2022	idAA	-
118	**Medco Energi Internasional Tbk.**	idAA-	Stable
	SR Bond Year 2017, 2020, 2021, 2022, 2023, and 2024	idAA-	-
119	**Medco Power Indonesia**	idA	Stable
	Bond Year 2018	idA	-
	Sukuk Wakalah Year 2018 and 2019	idA(sy)	-
	SR Sukuk Wakalah Year 2022 and 2024	idA(sy)	-
120	**Medikaloka Hermina Tbk.**	idAA	Stable
	SR Bond Year 2020 and 2022	idAA	-
121	**Merdeka Battery Materials Tbk.**	idA	Stable
122	**Merdeka Copper Gold Tbk.**	idA+	Stable
	SR Bond Year 2021, 2022, 2023, and 2024	idA+	-
123	**MNC Energy Investments Tbk.**	idA-	Stable
	SR Bond Year 2023	idA-	-
	SR Sukuk Wakalah Year 2023	idA-(sy)	-
124	**MNC Kapital Indonesia Tbk.**	idBBB+	Stable
	SR Bond Year 2022 and 2023	idBBB+	-
125	**Mora Telematika Indonesia**	idA+	Stable
	SR Sukuk Ijarah Year 2019, 2020, 2021, 2023, and 2024	idA+(sy)	-
126	**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	idA+	-
	SR Green Bond Year 2023	idA+	-
	SR Sukuk Mudharabah Year 2023	idA+(sy)	-
127	**Oto Multiartha**	idAA+	Positive
	Bond Year 2019	idAA+	-
	SR Bond Year 2023	idAA+	-
128	**Patra Jasa**	idA+	Stable
129	**Pegadaian**	idAAA	Stable
	SR Bond Year 2020, 2021, 2022, 2023, and 2024	idAAA	-
	SR Sukuk Mudharabah Year 2020, 2021, 2022, and 2023	idAAA(sy)	-
130	**Pelabuhan Indonesia (Persero)**	idAAA	Stable
	Bond Year 2016 and 2018	idAAA	-
131	**Pembangunan Jaya Ancol Tbk.**	idA+	Stable
	SR Bond Year 2021	idA+	-
132	**Pembangunan Perumahan (Persero) Tbk.**	idA	Stable
	SR Bond Year 2019, 2021, 2022, and 2023	idA	-
	SR Sukuk Mudharabah Year 2021, 2022, and 2023	idA(sy)	-
133	**Penjaminan Jamkrindo Syariah**	idA+	Stable
134	**Perkebunan Nusantara I**	idBBB	Stable
	MTN Year 2018	idBBB	-
	MTN VIII	idBBB+(cg)	-
135	**Perkebunan Nusantara III (Persero)**	idBBB+	Positive
	MTN Year 2019	idBBB+	-
	Sukuk Ijarah Year 2019	idBBB+(sy)	-
136	**Perkebunan Nusantara V**	idBBB+	Positive
	MTN Year 2021	idBBB+	-
137	**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)	-
138	**Perum Perumnas**	idBBB-	Negative
	MTN Year 2018 and 2019	idBBB-	-
	Long-Term Notes Year 2020	idBBB-	-
139	**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)	-
140	**Perusahaan Pengelola Aset**	idAA	Stable
	Bond Year 2020	idAA	-
	Sukuk Wakalah Bi Al-Istitsmar *Jangka Panjang* Year 2022	idAA(sy)	-
	SR Commercial Paper Year 2023	idA1+	-
141	**Pindad**	idBBB+	Stable
	MTN Year 2021	idBBB+	-
142	**Pindo Deli Pulp and Paper Mills**	idA	Stable
	Bond Year 2022 and 2023	idA	-
	Sukuk Mudharabah Year 2022 and 2023	idA(sy)	-
143	**PLN Nusantara Renewables**	idA+	Stable
144	**Polytama Propindo**	idA-	Stable
	Bond Year 2020	idA-	-
	Bond Year 2021	idAAA(cg)	-
	Sukuk Ijarah Year 2021	idAAA(sy)(cg)	-
	Sukuk Ijarah *Jangka Menengah* Year 2022	idAAA(sy)(cg)	-
145	**Pos Indonesia (Persero)**	idBBB+	Stable
	MTN Year 2021	idBBB+	-
146	**PP Presisi Tbk.**	idBBB+	Stable
	SR Bond Year 2022	idBBB+	-
147	**PP Properti Tbk.**	idBBB-	Stable
	SR Bond 2020, 2021, and 2022	idBBB-	-
148	**Pratama Mitra Sejati**	idA-	Stable
149	**Prima Armada Raya**	idA-	Stable
150	**Provident Investasi Bersama Tbk.**	idA	Stable
	SR Bond Year 2023	idA	-
151	**Pupuk Indonesia (Persero)**	idAAA	Stable
	SR Bond Year 2017, 2020, and 2021	idAAA	-
152	**Reasuransi Indonesia Utama (Persero)**	idA+	Negative
	Mandatory Convertible Bond I Year 2014	idA	-
153	**Reasuransi Nasional Indonesia**	idBBB+	Stable
154	**Reasuransi Syariah Indonesia**	idA-	Stable
155	**Ricobana Abadi**	idSD	-
	MTN Year 2017	idD	-
156	**Sampoerna Agro Tbk.**	idA	Stable
	SR Bond Year 2020, 2021, and 2022	idA	-
	SR Sukuk Ijarah Year 2020, 2021, and 2022	idA(sy)	-
157	**Samudera Indonesia Tbk.**	idA+	Stable
	SR Sukuk Ijarah Year 2023	idA+(sy)	-
158	**Sarana Multi Infrastruktur (Persero)**	idAAA	Stable
	SR Bond Year 2016, 2019, 2020, 2022, and 2023	idAAA	-
	SR Sukuk Mudharabah Year 2019 and 2022	idAAA(sy)	-
159	**Sarana Multigriya Finansial (Persero)**	idAAA	Stable
	SR Bond Year 2019, 2020, 2021, 2022, 2023, and 2024	idAAA	-
	SR Sukuk Musyarakah Year 2023 and 2024	idAAA(sy)	-
	SR Social Insight Bond Year 2023	idAAA	-
	SR Social Insight Sukuk Musyarakah Year 2023	idAAA(sy)	-
160	**Satria Antaran Prima Tbk.**	idBBB	Stable
161	**Sejahteraraya Anugrahjaya Tbk.**	idA	Stable
	Bond Year 2022	idA	-
162	**Semen Indonesia (Persero) Tbk.**	idAA+	Positive
	SR Bond Year 2019 and 2022	idAA+	-
163	**Sinar Mas Agro Resources and Technology Tbk.**	idAA-	Stable
	SR Bond Year 2020, 2021, and 2022	idAA-	-
164	**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)	-
165	**Sumber Global Energy Tbk.**	idA-	Stable
166	**Summarecon Agung Tbk.**	idA+	Stable
	SR Bond Year 2019, 2022, and 2023	idA+	-
167	**Surya Artha Nusantara Finance**	idAA	Stable
	SR Bond Year 2022 and 2023	idAA	-
168	**Suzuki Finance Indonesia**	idA-	Stable
169	**Tamaris Hidro**		
	Bond Year 2022	idAAA(sf)	-
170	**TBS Energi Utama Tbk.**	idA	Stable
	Bond Year 2023	idA	-
171	**Telkom Indonesia (Persero) Tbk.**	idAAA	Stable
	SR Bond Year 2015	idAAA	-
172	**Timah Tbk.**	idA	Stable
	SR Bond Year 2019	idA	-
	SR Sukuk Ijarah Year 2019	idA(sy)	-
	MTN Year 2022	idA	-
173	**Trimegah Sekuritas Indonesia Tbk.**	idA	Stable
	MTN Year 2021	idA	-
	SR Bond Year 2023	idA	-
174	**Ultrajaya Milk Industry & Trading Company Tbk.**	idAA	Stable
175	**Voksel Electric Tbk.**	idBBB	Stable
	Bond Year 2019	idBBB	-
176	**Wahana Inti Selaras**	idA	Stable
	Bond Year 2022 and 2023	idA	-
177	**Waskita Beton Precast Tbk.**	idB	Stable
	Bond Year 2022	idB	-
	Mandatory Convertible Bond Year 2023	idB	-
178	**Waskita Karya (Persero) Tbk.**	idSD	-
	SR Bond Year 2018	idD	-
	SR Bond Year 2019	idD	-
	SR Bond Year 2020	idD	-
	Bond Year 2021 and 2022	idAAA(gg)	-
	Sukuk Mudharabah Year 2022	idAAA(sy)(gg)	-
179	**Wijaya Karya (Persero) Tbk.**	idSD	-
	SR Bond Year 2020, 2021, and 2022	idCCC	-
	SR Sukuk Mudharabah Year 2020, 2021, and 2022	idCCC(sy)	-
	SR Sukuk Mudharabah I Phase I Year 2020 Series A	idD	-
180	**Wijaya Karya Beton Tbk.**	idA-	Stable
181	**Wika Realty**	idBB+	Stable
	MTN Year 2019	idBB+	-
	Convertible Bond Year 2019	idBB+(cg)	-

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