Newsletter
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PEFINDO
CREDIT RATING AGENCY

Assessing The Komodo Bond Issuance

Foreword

Towards the end of 2017, PT Jasa Marga issued a bond referred to as "Komodo" at the London Stock Exchange – the first time an Indonesian company issuing bond at one of the world biggest financial centers – denominated in rupiah. The issuance is intended to raise funds from global investors to support infrastructure development in Indonesia and to accelerate domestic economic growth.

The Komodo bond is classified as a eurobond meaning that it is not denominated in the currency of the country where it is issued. The term simply indicates that the bonds are issued outside the country of origin of the issuer. It neither necessarily means the bonds are issued in Europe nor denominated in dollars. These kinds of bonds are grouped by denomination, such as eurodollar bond or euroyen bond. If significant amounts of this kind of bond are issued, they would be grouped together and called the eurorupiah bond.

The eurobonds as a financing instrument have gained popularity due to its flexibility to choose which country to issue, taking into consideration local regulations, interest rates, and market depth. To investors, eurobonds are also attractive since nominal prices are generally low and the markets are highly liquid.

The Komodo Bond is valued at IDR4 trillion (USD295.7 million) and will mature in three years (due on December 11, 2020). It is rated Baa3 with a positive outlook by Moody's and BB+ with a stable outlook by S&P. Investors warmly welcomed the bond as it was oversubscribed by almost four fold, reflecting investors' confidence in the company. The oversubscription allowed Jasa Marga to lower the interest rate from an initial indication of 7.875% to 7.5%.

In terms of cost, the 7.5% interest rate implies virtually no difference from the 7.45%-8.85% interest rate on the bond issued by a PT Jasa Marga subsidiary at the Indonesia Stock Exhange with an $_{id}$AAA rating from Pefindo. However, compared to bank financing, there is apparently a signifinat difference since investment credits, for example, carried an interest rate of 10.78% as of October 2017. Hence, given that there is no much cost difference, one may wonder why should a company issue a rupiah-denominated bond abroad? Why not issuing locally through the Indonesia Stock Exhange, and what will the impact be on both the issuer and the economy?

Benefits of Komodo Bond Issuance

Despite the insignificant cost difference, there are some benefits derived from issuing such bonds. To the issuer company, successfully penetrating a liquid and deep international market may reduce the risk of low absorption. Such a risk may be posed by the limitations of the domestic capital market in terms of both supply and demand. While corporate bond offerings in Indonesia have increased significantly over the past few years, reaching IDR397.8 trillion by the end of November 2017, the domestic bond market is still very limited compared to other countries. Indonesia's ratio of corporate bonds to Gross Domestic Product (GDP) is 2.6%, compared to 44.5% in Malaysia, 34.0% in Singapore, 20.3% in Thailand, 18.9% in China, and 6.3% in the Philippines.

There are a number of reasons for the limited supply. First, the process of issuing bonds is relatively more complicated and takes more time than borrowing from a bank. Second, at certain periods, there is no significant cost difference between bonds and bank loans. Third, only investment grade companies may have access to issuing bonds while their number is limited. Fourth, domestic companies have limited understanding of bond issuance. Lastly, some companies are reluctant to meet the obligation of information disclosure as one of the requirements to raise funds from the public.

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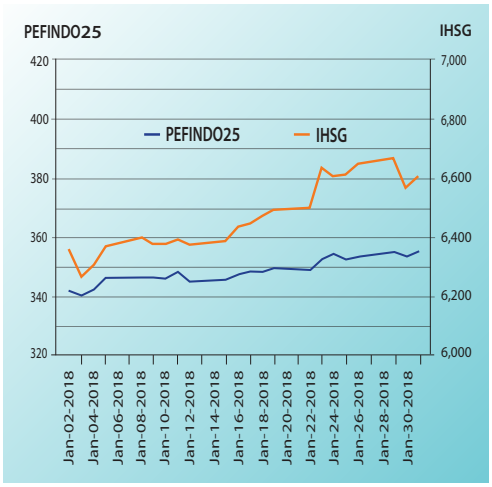

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From the demand side, first, the bond buyers are generally limited to institutional investors, such as pension funds and insurance companies. Second, institutional investors tend to be risk averse. Third, the 3- to 5-year tenor of domestic corporate bonds is relatively short, while foreign investors tend to favor 10- to 15-year tenors.

Bond issuers are also not exposed to exchange rate risk since coupon payments and bond redemptions are in rupiah. Though the settlement is in the US dollar, it will use the prevailing exchange rate as per the payment schedule. Therefore, the exchange rate risk is to be borne by the investors as clearly stated in the bond prospectus, of which investors should be well aware of. In the case of the Komodo Bonds, corporate reputation has soared following successful issuance of bonds in the international stock market.

In macro terms, the issuance of Komodo Bonds is essential to accelerating infrastucture development, which will give boost to economic growth through the emergence of new economic centers, reducing logistics costs, and expansion of job creation. The rapid infrastucture development over the past few years has contributed to promoting the competitiveness of Indonesia's economy. In the Global Competitiveness Report 2017-2018 published by the World Economic Forum, Indonesia's competitiveness index ranking climbed to 36th place among 137 countries from 41st place the previous year. The rise is supported by improvements in the infrastructure pillar, which moved from 60th place to 52nd. While progress has been made, evidently more still need to be done.

Another benefit from the issuance of infrastructure corporate bond is that no financing is needed from the state budget, hence allowing the goverment to allocate funds to other priority purposes to achieve development goals. It can also help prevent from the crowding out effect, a competition between the government and the private sector to raise funds, which may result in an adverse impact of pushing interest rates upward.

Recommendations

1. Rating improvement

In the domestic bond issuance process, PT Jasa Marga received an "$_{id}$AA" rating from Pefindo, which is only slightly lower than the highest rating of $_{id}$AAA. Companies at this level are considered to have a higher capacity to fulfill long-term obligations than any other obligor in Indonesia. However, the Komodo Bond only obtains a Baa3 rating from Moody's, which means it is classified as investment grade but at the lowest level. The S&P has even assigned a lower rating of BB+ , which falls under a non-investment grade. These facts show a very notable difference between the rating level for the same company given by domestic (Pefindo) and international ratings agencies (Moody's and S&P), reaching 7 notches with Moody's and 8 notches with S&P.

The differences in ratings can be explained by the fact that the international agencies use Indonesia's sovereign rating as the upper limit of the ratings of domestic companies issuing bonds at the international stock market. Hence, there is no possibility for domestic companies to get a rating higher than that of the sovereign rating. Currently, the government's debt rating is Baa3 from Moody's and BBB- from S&P, which are investment grade but at the lowest level, while the rating from Fitch is a notch higher at BBB.

Accordingly, there is a need to sustain improvements in the sovereign rating in the interest of both the government and the private sector. At the current rating, the yield of 10-year government bonds reached 6.49% as of December 15, 2017. This is higher than other Asian bonds, such as 5.69% for the Philippines, 5.37% for Vietnam, 3.97% for Malaysia, 2.39% for Thailand, and 1.95% for Singapore.

Rating upgrades will offer several benefits. First, the government can enjoy lower interest payments. Second, companies will have a chance to get higher ratings, which would also reduce their interest expenses. Third, it will attract more foreign investors to invest in the domestic capital market, which would spur its development. Lastly, the number of domestic investors will also increase due to "the herd behavior".

2. Rupiah stability

The continuity of the Komodo Bonds issuance also calls for the stability of the rupiah. Therefore, the rupiah stability should be maintained without losing its competitiveness; more specifically, it should not be overvalued. This is important because as investors purchase rupiah-denominated bonds, they take on exchange rate risks. Hence, a depreciation of the rupiah would lead to reduced returns or the worse even results in losses. In reality, up to the present the volatility of the rupiah is hard to predict as it is affected by both by external and internal factors. Nevertheless, by strengthening economic fundamentals, the volatility of the rupiah would be dampened.

3. Foreign debt management

Despite its advantages, issuing bonds in the international capital markets means accumulating foreign debt. Even though the debt is denominated in rupiah, the obligation to non-resident investors is equal to the obligation in foreign currency. This means the debt burden in foreign currency as a whole (government and private) needs to be managed carefully so as to prevent a repeat of the 1997-98 economic crisis, which was in part triggered by unrecorded private foreign debt. Ideally, the funds generated from bonds issued overseas are intended for investments or to enhance production capacities of export-oriented products. Thus, when the bond matures, there will be no pressure on the exchange rate because of sustained increase of foreign exchange in the market. ●

Securities Industry
in Rating Perspective

Kreshna Dwinanta Armand
FINANCIAL INSTITUTION RATING ANALYST

Industry Overview

The outlook for the securities industry is stable. PEFINDO is of the view that the industry has a moderate to high risk due to its concentrated nature in many aspects, including but not limited to instrument mix, composition of income components, and selection of active stocks. The industry is also fragmented with only a few companies dominating the industry in terms of trading values and business activities. Aside from technical reasons, we also attribute the risk to the industry's tendency to highly correlate with ungovernable external factors, ranging from domestic economic conditions to dynamics in global financial markets.

Securities companies typically have a large portion of their income coming from stock trading activities. As of November 2017 YTD, stocks have changed hands 67 million times compared to only 210,000 times for bonds, given the higher liquidity that stocks provide. The leaning towards stocks is in line with the brokerage business of securities companies, which depend on the Stableity of trading activity whose sustainable frequency throughout the year can support the companies' cashflows.

Brokerage Business Drives Income

The country's securities industry is driven by the performance of its brokerage business (which includes taking buy and sell orders from asset management companies), discretionary trading, margin income and investment banking (that comprises of underwriting and advisory services). Based on our observation, around 50% of the industry's income comes from brokerage businesses, around 15%-20% each from underwriting and margin income, 4%-6% from discretionary trading, and the rest from others such as current accounts and sundry income. In our view, the composition is properly well-balanced based on the Stableity of the income that each line of the business provides. We regard the brokerage business to be the bread-and-butter of the securities industry, and while it cannot entirely decouple from the capital market's performance, in terms of earnings Stableity it provides a more stable stream of income as trading takes place every working day. The business takes the law of large numbers into effect as the typical buy and sell commission is regulated at 0.20% and 0.30% (or 0.18% and 0.28% if done online), respectively. Investment banking may offer greater margins but the business is highly exposed to cyclicality. The same applies to discretionary trading, which fluctuates severely, seesawing along with the fluctuations in the market and marked-to-market income recognition. Margin income is also fairly limited because of the strict regulation that governs margin trading.

Competition Landscape

The industry is populated by 106 securities companies, with distribution skewed towards large firms. The top 10 companies make up around 40% of the total value traded in the stock market. This is somewhat similar to other financial industries, such banking and financing, where the top 10 players dominate at least 40% (or more than 60% in case of banking). Large players have major institutional clients that can guarantee smooth income streams over time, typically in the form of asset management companies, pension funds, insurance companies and so on. Institutional clients dominate the industry's portfolio at around 65% compared to 35% for retail, even though the number of the institutional clients account for just 2.3% of the total number of customers in the industry. We view the granularity of the income contributions as positive from a ratings perspective, however we are also aware that well-reputed institutional clients with long track records of partnership can be credit positive owing to the steadiness they provide to the income profile. To enlarge their retail base, many securities companies are developing their own online platforms. However, given that so many securities companies are doing the same, it can take considerable time to gain traction.

In our view, securities companies that have large operations and market shares tend to have better resilience in economic downcycles compared to smaller ones. Smaller companies with no strong franchise power are also expected to face tougher competition, which could pressure their margins. The essence of our assessment of business aspects is to capture the ability of companies to withstand competition in growing in business volumes. Larger scale operations also increase the likelihood of a company attracting and retaining key employees. It is our understanding that key personnel often make significant difference, since a few key people can attract a large volume of business, and so retention is often vital. From the potential customers' perspective, in the financial service industry, bigger firms may also reflect level of trustworthiness.

The strength of the company's Information Technology (IT) system also plays a more important part over time, as securities businesses typically deal with large volumes of transactions and various databases. We are of the view that an adequate IT system will only be a neutral factor to the rating, since IT has become highly ubiquitous among securities companies. Therefore, the lack of a robust IT system will have a negative effect, but a strong IT system will not be assessed in isolation and must be accompanied by other factors before having an impact on our assessment. Within PEFINDO's portfolio, we notice that IT use is getting more extensive, in large part driven not only by regulation but also by the need to have an extra edge in the market. We consider that IT investment is capital intensive, which could be an entry barrier for smaller companies.

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Diversity and Parent Support Add to Business Resiliency

A more diversified business means that a company will be able to provide a wider range of services to its clients and rely on more sources of income. However, this diversification comes at the expense of commiting more resources to each line of business. We also look at the correlation between the activities and segments that a company engages in. A high correlation among a company's various businesses can introduce high volatility in its income. Thus, as a securities company's business is highly volatile, a higher proportion of relatively more stable cash flows could help sustain its operations during business or economic downturns. We also regard the diversity of clientele types. Retail, high net worth individuals, and institutional clients are of different characteristics, and aside from the granularity of the business, a less granular business model can also be compensated by the Stableity of income from large clients. Other business components that can affect our risk assessment are the very high proportion of day trading business, high level of proprietary trading, and high dependence on a few clients.

We also scrutinize management aspects, as we are of the view that management quality and track record are the most important things in conducting a rating assessment of a securities company. Only good quality management can navigate a company through challenging periods. Parents, promoters or shareholders are also related to this management assessment. The track record of parents in terms of business growth, risk appetite, transparency, commitment, and financial support is highly regarded in our ratings. Thus, it is natural that our rating is often significantly affected by the presence of owners that have superior financial capacities and commitments to support the companies being assessed in times of need or difficulty.

Financial Examination: Liquidity, Capitalization and Profitability

Liquidity is of utmost importance, given that securities companies have to settle highly frequent transactions daily and deal with third party funds. Fortunately, the separation of client accounts from the company's has been enforced and regulated after the case of a well-known securities company in 2008, where billions of rupiah were embezzled from thousands of clients. The new regulations partly alleviated the risk of fund commingling and helped repair the reputational dent on the industry. Aside from that major case, there were other controversies caused by smaller companies, which were immediately addressed. In our view, frequent cases of suspension of securities companies due to alleged fraudulent activities may result in reduced confidence from potential customers, investors or creditors. This, in turn, would affect the risk profile of the industry and the investors' appetite to have a stake in the instruments issued by the industry. Aside from qualitative assessments, we look at a company's liquid assets to adjusted assets ratio, short and long-term debts to adjusted assets ratio, and the availability of loan facilities as our general yardsticks with regard to this aspect. In our portfolio, the liquid assets to total liabilities ratio of securities companies is typically above 100%, but this does not make the industry risk-free since there will still be counterparty risk in those liquid asset components. The industry is also noted for its limited financial flexibility given the low appetite from the banking sector, its limited uncommitted assets to be collateralized, and its limited track record in debt issuance.

The analysis of a company's capitalization profile covers the company's capital in terms of size, regulatory requirements, capital structure, and internal capital generation. We look at how much cushion a company has, considering whether it can sustain its operational activities and withstand any economic shock in times of distress. We generally gauge capitalization quantitatively by looking at adjusted net working capital. However, the ratios will not be taken in isolation and must be assessed along with other qualitative aspects. The only strict quantitative items that we look at regardless of other things are regulatory-related thresholds.

Last but not least, we are of the view that a company must be profitable to be able to serve its going concerns. We look into a company's ability to sustain its operating profit and margin during various business dynamics and economic cycles, the quality of its earnings, and rentability figures. We also analyze its cost structure, looking at the level of fixed costs and total costs in relation to less-cyclical income. In our portfolio, the corporate business typically provides lower margins but comes in higher value and can serve as the initial backbone of a company's income profile. Retail business becomes attractive once the company invests in IT system development to cope with more demanding transaction traffic.

Most of the industry's risks results from the fluctuating nature of the business given its high correlation with the capital market conditions, as well as controversial cases in the past that may result in lower confidence from potential customers, investors or creditors.

Stable outlook for PEFINDO's rated portfolio

PEFINDO has published the ratings of three securities companies, and their ratings span from $_{id}$BBB+ to $_{id}$A. The outlook for all rated securities companies is stable. We expect them to have a moderate growth in 2018, on the back of moderate to strong business profile, level of capitalization and liquidity position. Parent company's capacity, capability, and its willingness to support can also be a crucial factor to the rating. The common issues still remain on the volatility of the stock market, and the level of expense due to investments in IT and cost of key personnel retention. ●

Rated Securities Companies

Company	Rating / Outlook	Market share in trading value	Equity (IDR bn)	Adjusted net working capital (IDR bn)	Debt/EBITDA	ROAA
PT Trimegah Sekuritas Indonesia Tbk	$_{id}$A/Stable	3.1%	681.4	324.5	3.1x	3.5%
PT NH Korindo Sekuritas Indonesia	$_{id}$A/Stable	0.9%	250.0	379.8	7.3x	2.7%
PT MNC Securities	$_{id}$BBB+/Stable	2.1%	441.3	279.3	2.3x	1.1%

Source: PEFINDO's database and published financial statements (as of September 30, 2017)
EBITDA (earnings before interest, tax, depreciation and amortization); ROAA (return on average assets).

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The Government's Non-Budget Investment Financing Scheme (PINA)

In order to promote the Government's Non-Budget Investment Financing scheme (PINA) to finance the equity of infrastructure projects and strategic projects, which are financially and commercially feasible to the private sectors and SOEs, on January 18, 2018 the Ministry of National Development Planning/National Development Planning Agency (PPN/Bappenas) has organized the PINA Day 2018: Infrastructure Project Financing and Structure of PINA Cooperation. Through an alternative funding scheme, Non-Budget Investment Financing (PINA) scheme, the Ministry has prepared 34 projects with a total value of about USD25.8 billion in the pipelines offered to domestic and foreign investors. President Director of PEFINDO, Salyadi Saputra, became one of the speakers in this event, who actively discussed with CEO of PINA Center for Private Investment, Ekoputro Adijayanto, Director of PT Indonesia Power, Sripeni Inten Cahyani, Director of Treasury of PT Bank Mandiri (Persero) Tbk, Darmawan Junaedi, Secretary of Implementation Committee for Acceleration of Priority Infrastructure Delivery (KPPIP), Bastary Pandi Indra, Director of PT Nusantara Infrastruktur, Ridwan Irawan, and President Director of PT Bahana Pembinaan Usaha Indonesia, Marciano H Herman. ●

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Corporate Bond:
Breaking New Records

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Indonesia corporate bond reported new issuances of IDR155.7 trillion, up by 36.6% year on year (YoY) from IDR114.0 trillion in 2016. It is the third consecutive record of growth above 30%.

In 2017, Indonesia corporate bond reported new issuances of IDR155.7 trillion, up by 36.6% year on year (YoY) from IDR114.0 trillion in 2016. It is the third consecutive record of growth above 30%. Declined yield lowered the issuance cost, driving the issuers to pursue funding from domestic bond market, both for refinancing, working capital need, or business expansion.

The strong demand led the yield to move down. Compared to December 31, 2016, the government bond yield average closed down by 110-178 basis point (bps) on December 31, 2017. The current low yield was also accompanied by less volatiliy, calculated by the difference between the highest yield and the lowest yield divided by the lowest yield, reflecting strong domestic fundamental. For 10-year government bond yield, the volatility was only 26.45% in 2017, better than 113.48% in 2008.

Domestic fundamental remained robust, as reflected by low inflation and interest rates, improved economic growth, and low volatility of rupiah. External sentiments had low impact on the domestic market. The monetary policy in developed countries varied, with more concern on the US market, while the policy in the other countries was unchanged. The sovereign rating upgrade has attracted huge demand from the global market with net foreign investment in the government bond reaching IDR170.3 trillion (+58.8%) for 2017.

As a benchmark, lower government yield means cheaper cost of corporate bond issuance. Most issuers still preferred three-year and five-year tenor, which constituted 58.8% of total issuance in 2017. In term of cost, they offered cheaper coupon. For AAA-rated companies, three-year corporate bond was offered at 7.86% (down from 8.00% in 2016) and three-year corporate bond was priced at 8.00% (lower than 8.67% in 2016). Similarly, for A-rated companies, their coupon was down from around 10.03%-10.19% to 9.32%-9.94% for the same tenor.

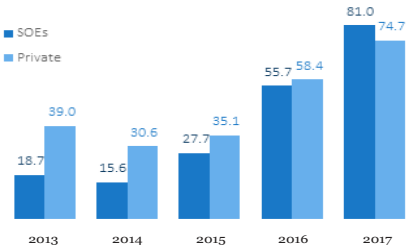
Banking sector becomes the largest issuer, taking over from financing companies for two consecutive years, in line with increased funding needs for capital and meeting credit targets (see the chart). New issuance from the banking sector amounted to IDR55.1 trillion (+4.7% YoY), while financing companies posted IDR41.7 trillion (+14.4% YoY) new issuance.

A new record also came from State Owned Enterprises' (SOEs) bond issuance. In 2017, the issuance of corporate bonds by SOEs reached IDR81.0 trillion, higher than the private sector. Of the total, four major banks recorded bond issuance of IDR24.3 trillion or nearly one-third of total new issuance by SOEs, comprising of PT Bank Rakyat Indonesia (Persero) Tbk of IDR10.3 trillion, PT Bank Mandiri (Persero) Tbk of IDR6.0 trillion, PT Bank Tabungan Negara (Persero) Tbk of IDR5.0 trillion and PT Bank Negara Indonesia (Persero) Tbk of IDR3.0 trillion. Meanwhile, there are three SOEs from the construction sector issuing bonds worth IDR13.1 trillion.

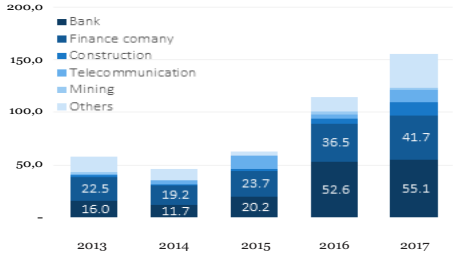
In the secondary market, during 2017, the corporate bond transactions also reported the new highest record in the last decade. The value of daily transaction in the bond market reached IDR1.3 trillion per day, up 45.3% from the previous year. Meanwhile, the daily frequency also recorded an increase of about 26.5% from 98 times in 2016 to 124 times in 2017. ●

New Corporate Bond Issuance In The Last Five Years

By Type of Ownerships



By Industry



Source: KSEI, PEFINDO Database

companies & bonds rated by PEFINDO

PEFINDO CREDIT RATING AGENCY

January 31, 2018

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

No	Company	Rating	Outlook
91	**Indonesia Infrastructure Finance**	idAAA	Stable
	Bond Year 2016	idAAA	-
92	**Indonesia Power**	idAAA	Stable
93	**Indosat Tbk.**	idAAA	Stable
	Bond Year 2012	idAAA	-
	Sukuk Ijarah Year 2012	idAAA(sy)	-
	Shelf Registration Bond Year 2014, 2015, 2016, and 2017	idAAA	-
	Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, and 2017	idAAA(sy)	-
94	**Indosurya Inti Finance**	idBBB+	Stable
95	**Industri Kereta Api (Persero)**	idA	Stable
	MTN Year 2017	idA	-
96	**Infrastruktur Bisnis Sejahtera**	idBBB+	Stable
97	**INKA Multi Solusi**	idBBB+	Stable
	MTN Syariah Mudharabah Year 2017	idBBB+(sy)	-
98	**Inti Bangun Sejahtera Tbk.**	idA-	Stable
99	**Intiland Development Tbk.**	idA-	Negative
	Bond Year 2013 and 2016	idA-	-
100	**J Resources Nusantara**	idA	Stable
	MTN Year 2017	idA	-
101	**Jamkrida Banten**	idBBB-	Stable
102	**Jamkrida Jabar**	idBBB	Stable
103	**Jasa Marga (Persero) Tbk.**	idAA	Stable
	Bond Year 2010	idAA	-
	Shelf Registration Bond Year 2013 and 2014	idAA	-
104	**Jasa Raharja (Persero)**	idAAA	Stable
105	**Kereta Api Indonesia (Persero)**	idAAA	Stable
	Bond Year 2017	idAAA	-
106	**KIK EBA (Asset Backed Securities)**		
	KIK EBA Danareksa BTN - KPR BTN Class A	idAAA	-
	KIK EBA Danareksa Indonesia Power PLN 1-EBA Class A	idAAA(sf)	-
	KIK EBA Mandiri JSMR01 Class A	idAAA(sf)	-
	EBA-SP SMF-BTN01 Class A	idAAA	-
	EBA-SP SMF-BTN02 Class A	idAAA	-
	EBA-SP SMF-BTN03 Class A	idAAA	-
	EBA SP SMF-BMRI01 ClassA	idAAA	-
107	**Kimia Farma (Persero) Tbk.**	idAA-	Stable
	MTN Year 2016 and 2017	idAA-	-
108	**Komatsu Astra Finance**	idAA+	Stable
109	**Koperasi Simpan Pinjam Nusantara**	idBBB	Stable
110	**Lautan Luas Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2013 and 2017	idA-	-
111	**Lembaga Pembiayaan Ekspor Indonesia**	idAAA	Stable
	Shelf Registration Bond Year 2011, 2014, 2015, 2016, and 2017	idAAA	-
	MTN Year 2016	idAAA	-
112	**Lembaga Penjamin Simpanan**	idAAA	Stable
113	**Len Industri (Persero)**	idBBB-	Stable
	MTN Year 2017	idBBB-	-
114	**Mandala Multifinance Tbk.**	idA	Negative
	Shelf Registration Bond Year 2015	idA	-
115	**Mandiri Tunas Finance**	idAA+	Stable
	Shelf Registration Bond Year 2014, 2015, 2016, and 2017	idAA+	-
116	**Marga Lingkar Jakarta**		
	Bond Year 2017	idAAA(sf)	-
117	**Mayora Indah Tbk.**	idAA	Stable
	Bond Year 2012	idAA	-
	Shelf Registration Bond Year 2017	idAA	-
118	**Medco Energi Internasional Tbk.**	idA+	Stable
	Shelf Registration Bond Year 2013, 2016, and 2017	idA+	-
	MTN Year 2016	idA+	-
119	**Mega Auto Finance**	idA-	Stable
120	**Mega Central Finance**	idA-	Stable
121	**Mitra Adiperkasa Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2014	idAA-	-
122	**Mitra Bisnis Keluarga Ventura**	idBBB+	Stable
123	**Mitsubishi UFJ Lease & Finance Finance**		
	MTN Year 2015 and 2016	idAAA(cg)	-
124	**MNC Guna Usaha Indonesia**		
	MTN Year 2017	idBBB(cg)	-
125	**MNC Kapital Indonesia Tbk.**	idBBB	Stable
	Shelf Registration Bond Year 2013	idBBB	-
126	**MNC Pictures**	idBBB+	Stable
	MTN Syariah Ijarah Year 2018	idA+(sy) (cg)	-
127	**MNC Securities**	idBBB+	Stable
	MTN Year 2016	idBBB+	-
128	**Modernland Realty Tbk.**	idA	Negative
	Shelf Registration Bond Year 2015	idA	-
129	**Mora Telematika Indonesia**	idA	Stable
	Bond Year 2017	idA	-
130	**NH Korindo Sekuritas Indonesia**	idA	Stable
131	**Nindya Karya (Persero)**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
132	**Nippon Indosari Corpindo Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2013 and 2015	idAA-	-
133	**Nusa Surya Ciptadana**	idA-	Stable
134	**Oto Multiartha**	idAA+	Stable
	Bond Year 2017	idAA+	-
135	**Panorama Sentrawisata Tbk.**	idA-	Stable
	Shelf Registration Bond Year 2013 and 2015	idA-	-
136	**Pegadaian (Persero)**	idAAA	Stable
	Bond Year 2003 and 2009	idAAA	-
	Shelf Registration Bond Year 2011, 2012, 2013, 2014, 2015, and 2017	idAAA	-
137	**Pelabuhan Indonesia I (Persero)**	idAA	Stable
	Bond Year 2016	idAA	-
138	**Pelabuhan Indonesia III (Persero)**	idAA+	Stable
139	**Pelabuhan Indonesia IV (Persero)**	idAA	Stable
140	**Pembangunan Jaya Ancol Tbk.**	idAA-	Stable
	Shelf Registration Bond Year 2016	idAA-	-
141	**Pembangunan Perumahan (Persero) Tbk.**	idA+	Stable
	Shelf Registration Bond Year 2013 and 2015	idA+	-
142	**Perikanan Nusantara (Persero)**	idBBB-	Stable
	MTN I Year 2017	idBBB-	-
143	**Perkebunan Nusantara III (Persero)**	idA	Stable
	MTN Year 2015	idA	-
144	**Perkebunan Nusantara X**	idBBB	Stable
	Bond Year 2013	idBBB	-
145	**Permodalan Nasional Madani (Persero)**	idA	Stable
	Bond Year 2013	idA	-
	Shelf Registration Bond Year 2014, 2016, and 2017	idA	-
	Sukuk Mudharabah Year 2017	idA(sy)	-
146	**Perum Jaminan Kredit Indonesia (Jamkrindo)**	idAA+	Stable
147	**Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia**	idAAA	Stable
148	**Perum Perikanan Indonesia**	idBBB+	Stable
	MTN Year 2017	idBBB+	-
149	**Perum Perumnas**	idBBB+	Stable
	MTN Year 2015, 2016, and 2017	idBBB+	-
150	**Perusahaan Gas Negara (Persero) Tbk.**	idAAA	Stable
151	**Perusahaan Listrik Negara (Persero)**	idAAA	Stable
	Bond Year 2006, 2007, and 2010	idAAA	-
	Shelf Registration Bond Year 2013 and 2017	idAAA	-
	Sukuk Ijarah Year 2010	idAAA(sy)	-
	Shelf Registration Sukuk Ijarah Year 2013 and 2017	idAAA(sy)	-
152	**Perusahaan Perseroan (Persero) Telekomunikasi Indonesia Tbk.**	idAAA	Stable
	Bond Year 2010	idAAA	-
	Shelf Registration Bond Year 2015	idAAA	-
153	**Phapros Tbk.**	idA-	Stable
	MTN Year 2017	idA-	-
154	**Pindad (Persero)**	idA-	Stable
	MTN Year 2017	idA-	-
155	**PP Properti Tbk.**	idBBB	Stable
	MTN Year 2016	idBBB	-
	Bond Year 2016	idBBB	-
156	**Pupuk Kalimantan Timur**	idAA+	Stable
157	**Pupuk Sriwidjaja Palembang**	idAA-	Stable
158	**Rajawali Nusantara Indonesia (Persero)**	idA-	Stable
	MTN Year 2017	idA-	-
	Sukuk Ijarah Year 2017	idA-(sy)	-
159	**Reasuransi Indonesia Utama (Persero)**	idAA	Stable
	Mandatory Convertible Bond I Year 2014	idAA-	-
160	**Rekayasa Industri**	idBBB+	Stable
161	**Ricobana Abadi**	idBBB-	Stable
	MTN Year 2017	idBBB-	-
162	**Sarana Multi Infrastruktur (Persero)**	idAAA	Stable
	Bond Year 2014	idAAA	-
	Shelf Registration Bond Year 2016 and 2017	idAAA	-
163	**Sarana Multigriya Finansial (Persero)**	idAAA	Stable
	Shelf Registration Bond Year 2012, 2013, 2015, 2016, and 2017	idAAA	-
	Sukuk Mudharabah Year 2017	idAAA(sy)	-
164	**Semen Baturaja (Persero) Tbk.**	idA	Stable
165	**Semen Indonesia (Persero) Tbk.**	idAA+	Stable
	Shelf Registration Bond Year 2017	idAA+	-
166	**Siantar Top Tbk.**	idA	Stable
	Shelf Registration Bond Year 2016	idA	-
167	**Sumberdaya Sewatama**	idBB+	Stable
	Bond Year 2012	idBB+	-
	Sukuk Ijarah Year 2012	idBB+(sy)	-
168	**Summarecon Agung Tbk.**	idA+	Negative
	Shelf Registration Bond Year 2013, 2014, 2015, and 2017	idA+	-
	Shelf Registration Sukuk Ijarah Year 2013, 2014, and 2015	idA+(sy)	-
169	**Sunprima Nusantara Pembiayaan**	idA-	Stable
	MTN Year 2017	idA-	-
170	**Surya Artha Nusantara Finance**	idAA-	Stable
	MTN Year 2015	idAA-	-
	Shelf Registration Bond Year 2015, 2016, and 2017	idAA-	-
171	**Surya Semesta Internusa Tbk.**	idA	Negative
	Shelf Registration Bond Year 2016	idA	-
172	**Suzuki Finance Indonesia**	idA-	Stable
173	**Tiga Pilar Sejahtera Food Tbk.**	idBB+	CreditWatch with Negative Implication
	Bond Year 2013	idBB+	-
	Sukuk Ijarah Year 2013 and 2016	idBB+(sy)	-
174	**Timah (Persero) Tbk**	idA+	Stable
	Shelf Registration Bond Year 2017	idA+	-
	Shelf Registration Sukuk Ijarah Year 2017	idA+(sy)	-
175	**Tiphone Mobile Indonesia Tbk.**	idA	Stable
	Shelf Registration Bond Year 2015, 2016, and 2017	idA	-
176	**Trimegah Sekuritas Indonesia Tbk.**	idA	Stable
177	**Verena Multi Finance Tbk.**	idA-	Stable
	MTN Year 2017	idA-	-
178	**Waskita Karya (Persero) Tbk.**	idA-	Positive
	Shelf Registration Bond Year 2015, 2016, and 2017	idA-	-
179	**Wika Realty**	idBBB+	Stable
	MTN Year 2015, 2016, and 2017	idBBB+	-