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Slow Growth of China's Economy and The Impact For Indonesia

Preliminary

PEFINDO views the declining economic growth of China will have a positive and negative impact on the Indonesian economy. Although the IHSG increased by 0.27% (dtd) on January 22, 2019 (a day after China announced its 2018 economic growth), the fears about the declining of demand export products from Indonesia to China came to the fore. Understandably, since China is the largest trading partner of Indonesia. But in other side although the ongoing trade war issue between the U.S. and China is still gloomy, it is expected would have a positive impact by the increasing number of investment from China to Indonesia, and also to open up employment opportunity ahead through the relocation of their supply chain.

Storm clouds from China's economy

China's economic growth in 2018 has been the slowest rate since 1990. The National Bureau of Statistics of China stated that the growth in the second largest economy decelerated from 6.8% (YoY) in 2017 to 6.6% (YoY) in 2018. Just one day after the announcement, some centers of global financial market reacts negatively as indicated by the decline of the Shanghai Composite, Dow Jones, FTSE, and DAX by 1.18%, 1.21%, 0.99%, and 0.62%, respectively. As one of the world's largest economic engines and the leader of the global value chain, the declining China's economic growth is hurting and definitely will harm worldwide economy.

Some analysts believe the faltering domestic demand and bruising U.S tariffs are assumed as the main factors of the dragging economic growth. The data said that the retail sales growth accelerated to 8.2% YoY in 2018, but it declined compared to in 2017 growth of 9.0% YoY. At the same time, the Chinese Prompt Manufacturing Index (PMI) fell to 49.4 in December 2018 from 50.0 in the previous month and below the market consensus of 49.9.

For the full year of 2018, China has posted the lowest trade surplus since 2013, only at USD351.76 billion, lower than in 2017 when China posted USD422.5 billion trade surplus. However, the most interesting part is China's trade surplus with the U.S. that grew significantly, up to 17% YoY, and reached USD323.32 billion in 2018. It was the highest record since 2006, although the front loading behavior seems are the reason behind. The trade surplus consisted of 11.0% YoY growth of export from China to US in 2018, while imports from US only rose by 0.7% YoY within the period.

However, the pressure is not over yet, according to the World Bank's January 2019 Global Economic Prospects report, the forecast of China's economic growth will only be 6.2% (YoY) in 2019. The IMF also projected China's economic growth in 2019 to be 6.2% (YoY), the same with the IMF's previous prediction in October 2018, although the analysts consensus stated that the China's economic slowdown will only be slowing to 6.3% (YoY) this year.

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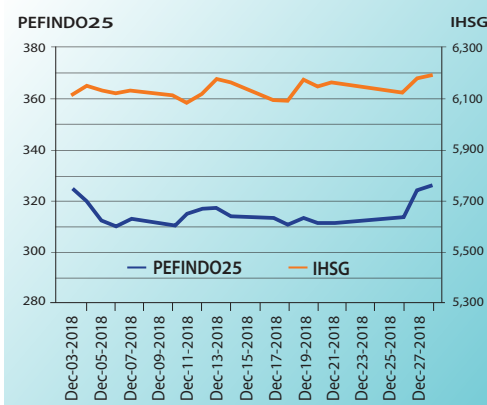
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Fikri C. Permana
ECONOMIST

The government pledged to focus on consumer investment led growth using the tax-cut policy and infrastructure spending, which is expected to boost the economy in 2019. However, the slowdown in global trade growth, especially the export side, due to the rise of unemployment rate and household debt, is estimated to hurt China's overall economic performance this year.

What will happen to Indonesia?

Indonesia and China have strong economic ties, with China being Indonesia's largest trading partner contributing USD66.02 billion trading value from January to November 2018. Because China's economic growth projection, by the Worldbank and IMF, was only 6.2% (YoY) for this year, Indonesia's exports to China are likely to drop. As a result, Indonesia's export to China, which usually accounted for 9% to 14% of Indonesia's total export (value between USD15.0 billion and USD25 billion) per year, would seem to decline.

Especially, Indonesia's exports to China had also been too focused on raw materials. It shows on the trade data and information center of Indonesia's Ministry of Trade in 2017. The biggest export products of Indonesia to China were mineral fuels including oil (USD7.0 billion), Animal/Vegetable

Fats and Oils (USD3.3 billion), and Iron and Steel (USD2.0 billion).

Although China remains Indonesia's largest trade partner, it led to a USD20.85 billion deficit on Indonesia's side until November 2018. It came from the imports that jumped by 28.5% YoY, whereas exports only grew by 15.0% YoY, based on Statistics Indonesia (BPS) data.

When the ongoing trade war issues (between the US and China) is still gloomy, on one side of production we assume that it will decline China's manufacturing sector and will impact to the decreasing demand for Indonesia's export products. We also view, it would push China's manufacturing companies to speed up plans moving parts of their supply chains from China to other countries, such as Vietnam, Thailand, and Indonesia.

Indonesia has seen that the shift is ongoing. Minister Airlangga Hartarto said on January 23, 2019: "several companies that produce textiles and footwear have explored the opportunity to move from China to Indonesia". Hopefully, it will impact positively through the increasing number of investment from China to Indonesia, and also to open up employment opportunity ahead. ●

Table 1. Indicators of Indonesia and China Economic Relationship

| Indicator | Export to China | Import From China | Direct Investment Flow in Indonesia |
|---------------|------------------|-------------------|-------------------------------------|
| Year | (% Total Export) | (% Total Import) | USD Million |
| 2012 | 11.49% | 15.59% | 318.00 |
| 2013 | 12.32% | 16.00% | 66.62 |
| 2014 | 9.87% | 17.23% | 1,068.21 |
| 2015 | 9.80% | 20.64% | 323.54 |
| 2016 | 11.79% | 22.58% | 354.77 |
| 2017 | 13.76% | 21.75% | 2,014.56 |
| Until Q3-2018 | 14.91% | 22.46% | 471.25 |

Sources: BKPM and Bank Indonesia (2018)



Yogie Surya Perdana
CORPORATE RATING ANALYST

Property Sector Will Continue to Remain Challenging

PEFINDO is of the view that the property sector in 2019 will continue to remain challenging, as rising political risk and regulatory uncertainty ahead of the presidential election in 2019, currency volatility, and rising mortgage rates may dampen demand.

We expect subdued demand for property ahead of the presidential election in April 2019 as some potential buyers are now taking the wait-and-see approach common during election cycles. We are also of the view that a prolonged weakness in the rupiah may add another reason for potential buyers to delay purchases on top of a rising mortgage rate environment. Over the near- to medium-term, we expect property purchases will be driven by real-demand from end users, which in our view, are more susceptible to the aforementioned factors, instead of speculative buyers. Accordingly, we do not expect presales to reach the levels seen during the 2012-2014 property boom. Our view is further supported by increasing mortgage usage relative to cash and installments along with the growing contribution of low- and mid-end segments. Despite the government's plan to help boost the sector through several deregulations (easing of loan-to-value or LTV rules, luxury and super luxury taxes), their impact, in our view, will likely be limited.

PEFINDO undertook a sectoral review of several rated and unrated developers. We are of the view that the slowdown in the property sector over the past few years has and will continue to put pressure on some of the developers' credit profiles, particularly capital structure and interest protection, as revenue recognition from presales vary from 6-12 months lag for land sales to up to 36 months for high-rise developments. Although we believe that developers with strong recurring income will have a better chance to withstand the deterioration in operating conditions, a decline in property sales will still be detrimental to credit profiles in the form of reduced revenues, EBITDA, and cash flows.

Presales performance for the nine months ending Sep. 30, 2018 (9M18) posted an aggregate 3.5% year-on-year (YoY) increase to IDR24.8 trillion. Although the numbers look promising, we observed that there has been a growing trend towards block sales among several developers over the past two years to compensate for weak property demand as well as, to some degree, ease liquidity and working capital. Although block sales will, to some extent, alleviate pressure on credit profiles over the short-term, they increase concentration risk, as a large portion of cash flow will depend on a single group of customers. This could

result in a volatile operating performance, and therefore becoming too dependent on block sales will be viewed as a credit negative by PEFINDO.

The weak property market since 2015 has resulted in several rating downgrades of rated developers by PEFINDO. Most of the downgrades were due to higher debt leverage, as the increase in their debt outpaced the increase in revenue. This is because of higher working capital needs since 2013 to fund the construction of properties, high-rise in particular, amid lower take-up rates as well as the depreciation of the rupiah. Before 2013, 100% of a mortgage could be disbursed by banks to developers within three months of signing the mortgage agreement. In 2013, Bank Indonesia issued tightening measures so that first mortgage disbursement was based on a percentage of completion, while funds for second mortgages onward could only be disbursed once the construction is completed. The recent relaxation of mortgage disbursement, in our view, should help developers improve their cash flows and leverage, particularly for developers with a high proportion of mortgage buyers, as developers will receive a portion of the mortgage faster.

We are of the view that most of the developers that we rated, except for BSDE, have limited headroom in their leverage and interest servicing capacity to absorb tougher operating conditions. We are also of the view that this will remain to be the case over the next 12 months. We believe that a further decline of 15%-20% in property sales in 2019 could trigger a downgrade for APLN, MDLN, and DILD, barring a substantial reduction in capital spending. For BSDE, its strong profitability, underpinned by its low-cost land bank and supported by a growing recurring income which accounted for 23% of revenue in 9M18, should provide enough buffer in its credit metrics in the event of a sales shortfall. PWON is viewed to have the strongest credit profile in the group as it benefits from

having a significant recurring income, which insulates it against volatility in the property market. In addition, we are of the view that SMRA has a moderate capacity to withstand a further deterioration in operating conditions, as it generates about 40% of its revenue from stable rental income. In 9M18, revenue from its rental investment properties adequately covered 2.5x of its interest expenses.

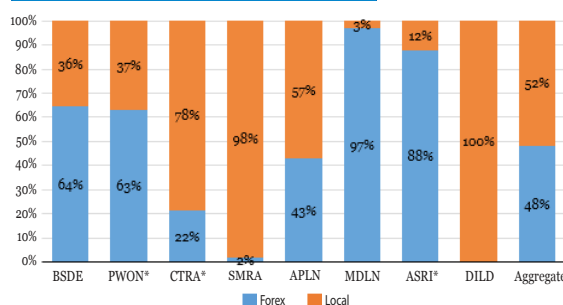
Increasing exposure to foreign-currency risk is a credit concern

Over the past few years, we have seen developers issuing US dollar-denominated bonds, taking advantage of the cheaper financing costs despite the cash flow mismatch (coupon rate ranges between 6.0%-12.75% per annum, including hedging costs of 1.3%-3.5%, compared to 11%-14% funding costs from banks and/or the onshore debt capital market). As of Sep. 30, 2018, foreign currency debt from developers covered in this report made up about 48% of total outstanding debt. With the rupiah depreciating 10% against US dollar year-to-date, the balance sheet and profitability of some of these developers with exposure to foreign currency debt have weakened, offsetting the cost advantage that was originally sought. We believe that a prolonged weakness in the rupiah will severely hurt developers' interest and debt repayment capacity.

Nonetheless, most of the developers, except BSDE, at least partially hedge their US dollar bonds by using a call spread option to protect against the downside risk of exchange rate volatility. However, interest expenses, except for APLN, were left unhedged. APLN, being the most prudent in hedging in our view, recorded a gain of IDR103.9 billion and IDR69.6 billion from hedging its principal and interest obligations, respectively, in 9M18. Without any hedging options on US dollar bonds, we believe that developers' profitability and cash flows are at risk, given the rupiah's volatility. Nonetheless, for BSDE, the currency risk is partially mitigated by the long-dated maturities of its US dollar bonds, with

the closest one worth USD79 million due in 2020. ASRI, on the other hand, faces significant refinancing risk in the event of a tight liquidity market owing to its sizable USD235 million notes due in March 2020. This could eventually force ASRI to take on higher funding costs, as was done recently by MDLN, which issued US dollar bonds of USD150 million with a coupon rate of 10.75% (not including hedging cost). Part of the proceeds of this issuance will be used to refinance the its USD57 million bond due in August 2019. ●

Chart 1. Foreign Currency Debt vs Local Debt as of September 30, 2018



Source: PEFINDO and company data; * Unrated companies



M. Try Satria Pranata
MUNICIPAL ANALYST

Government and OJK Commitment to Support The Municipal

Bond Issuance: Revised Regulations of 2018

The government and Financial Service Authority (Otoritas Jasa Keuangan/OJK) have shown a strong commitment in supporting the municipal bond issuance as an alternative source of financing for local infrastructure development. Currently, massive infrastructure developments, which were not accompanied by the local government's fiscal capacity growth, make the alternative financing an absolute necessity. One of the supports was the revised regulations in December 2018, providing a legal certainty for municipal bond stakeholders.

In December 2018, the government issued the Government Regulation No. 56 Year 2018 (Peraturan Pemerintah or PP 56/2018) concerning Local Loans, which replaced the Government Regulation No. 30 Year 2011 (PP 30/2011) concerning Local Loans. Meanwhile, OJK issued the OJK Regulation (Peraturan OJK/POJK) No. 27/POJK.05/2018, POJK No. 28/POJK.05/2018, and POJK No. 29/POJK.05/2018, which revised the provision of the financial health of insurance/reinsurance companies, financial health of sharia insurance/reinsurance companies, and investment of pension funds.

The revised regulations were issued to support the municipal bonds issuance in Indonesia. Previously, the regulations relating to the municipal bonds were regulated in the Government Regulation No. 107 Year 2000, which continued to have at least four revisions to date. PEFINDO noted several crucial revisions that could support the whole process of the initial issuance of municipal bond in Indonesia.

Municipal bond was no longer a revenue bond

PP 56/2018 removed the obligation of an infrastructure project financed by the municipal bonds to generate revenues. The latest requirements for the issuance of the municipal bond are identical to the requirements for other long-term local loans, which must be used to finance infrastructure projects by fulfilling at least one of public service goals, that are generating direct local revenues, generating indirect revenues by saving local expenditures, or providing the economic and social benefits to the society.

This was different from PP 30/2011, which regulates the obligation of an infrastructure project that must be generating revenues. The revenues generated should become the main source of funds to service the principal and coupon payments of the municipal bonds, supplemented by other local revenues. However, in PP 56/2018, the main source of funds to service the principal and coupon payments of the municipal bonds is the local revenues. Thus, the municipal bond after PP 56/2018 was no longer a revenue bond, but a general bond.

Subsidiary loan and capital injection to BUMD

The current regulation affirms that the local government issuing a municipal bond could proceed it into a subsidiary loan or capital injection to its local government owned corporation (Badan Usaha Milik Daerah/BUMD), as long as it is intended to provide infrastructure, which is assigned by the local government as a public service obligation through a local regulation.

The previous regulation regarding the grant to BUMD sourced from the local loans was removed, thus providing equal responsibility both for local government and its BUMD to fulfill its debt service. The regulation of subsidiary loan and capital injection will be beneficial for an infrastructure development operated by the BUMD, such as water supply projects, local government's land bank utilizations for commercial use, etc.

Investor protection

PP 56/2018 adds several investor protection clauses that have not been regulated in PP 30/2011. Infrastructure projects funded by the municipal bond must be constructed, even though the funds from the issuance are insufficient. The local government

is responsible for enhancing the fund shortfall from other local revenues.

PP 56/2018 also regulates that the construction must not exceed the end of the budget year at the ending period of the head of the local government, unless the infrastructure is carried out to support the national strategic projects.

PP 56/2018 also regulates the obligation of debt service payments if it exceeds the period of the head of the local government who signed the loan agreement. The debt service must be continued by the superseded head of the local government. Therefore, PP 56/2018 provides the investor protection for volatile political nuances that would harm the debt service. In short, the new regulations forbid on obstructed projects and regulate the obligation to service debt, whoever the head of the local government is.

PP 56/2018 reaffirms the investor protection as regulated in PP 30/2011, in the case of the actual maturing debt service exceeds the budget, the head of the local government must continue to make payments with the amount due on a timely manner.

Expansion of the investor base

On the other hand, the latest POJK provides additional options of fund management to insurance/reinsurance company, sharia insurance/reinsurance company, and pension funds to invest in municipal bond/sharia bond. The POJK regulates the fund placement/investment for each financial institution in a municipal bond with a maximum of 20% of total investment, with an investment to one issuer/local government up to a maximum of 10% of total investment.

The POJK provides market for local governments that are interested in issuing the municipal bonds. Nevertheless, financial institution investors are required to invest their funds in the municipal bonds that have an investment grade rating from a credit rating agency, which is at least equivalent to BBB-rating or above.

The revised regulations provided by the government and OJK should be utilized by the local governments to accelerate the issuance of municipal bond as one of the financing options for the massive infrastructure development in the regions. PEFINDO, as the credit rating agency registered in OJK, with other stakeholders encourage the local governments to utilize this moment for the acceleration of local development. ●

| Differences | PP 30/2011 | PP 56/2018 |
|--|--|--|
| Type of municipal bond | Revenue bond | General bond |
| Source of funds of debt service (principal and coupon payment) | If revenue from infrastructure projects is insufficient, it could use other local revenues | Local revenues |
| Subsidiary loan to BUMD | Through subsidiary loan, grants, and capital injection | Through subsidiary loan and capital injection |
| Investor protection | If the debt service due exceeds the budget, it must still be paid | <ul style="list-style-type: none"> If the debt service due exceeds the budget, it must still be paid The project must be constructed before the end of the period of the head of the local government The debt service payments exceed the period of the head of the local government, it must still be paid by the superseded head of the local government |

Media Forum



PEFINDO organized a media forum on Friday, December 21, 2018. The event took place in Seminar 2 room of Bursa Efek Indonesia. In the event, Salyadi Saputra as President Director of PEFINDO presented the exposure of corporate bond development in 2018, while the outlook of corporate bond in 2019 was presented by Fikri C. Permana from Economic Research Department of PEFINDO. Both speakers answered some questions from media about the increase of bond issuance in the country and mandates received by PEFINDO. The event was covered by 23 medias. ●

PEFINDO 25th Anniversary



At the end of 2018, PEFINDO celebrated the 25th anniversary with the Gala Dinner celebration at Soehanna Hall on December 21, 2018. Mr. Inarno Djajadi as President Director of Indonesia Stock Exchange (IDX), Ms. Friderica Widayarsi as President Director of Indonesia Central Securities Depository (KSEI), and Mr. Hasan Fawzi as Development Director of IDX came to the event. Former Directors, Commissioners, and employees of PEFINDO were also invited to attend the event. The atmosphere of excitement and kinship was felt during the celebration. The event was enlivened by a standup comedy by Juwi Purwoto and a video of Happy Birthday greetings from various parties. ●

Newsletter

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More Calm Indonesia Bond Market

Wasis Kurnianto
ECONOMIC RESEARCH



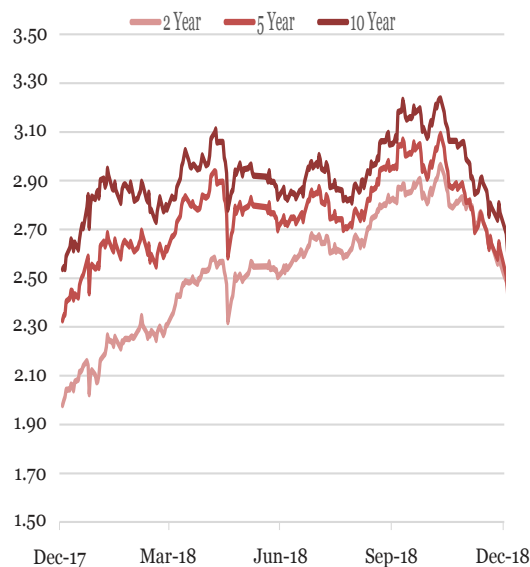
PEFINDO view two factors are still the headline for the global bond market, i.e. trade policy and economic policy in the US. From domestic, since foreign investor represents substantial ownership, bonds market are sensitive to changes in exchange rate and internal and external policy rates, as they are exposing foreigner's capital gain. To minimize the negative impact of global market turmoil, we need to broaden and deepen the domestic capital market by increasing domestic investors, although it might take more time.

Year 2018 is an unfavorable year for the financial market, particularly in emerging markets. Fed Fund Rate (FFR) hike forced monetary authority in a number of countries to revise up their benchmark rates to avoid capital outflow. At the same time, the trade war is more intense. Both factors has put a pressure on the bond market performance.

Although U.S. government shutdown and the turmoil of oil price could expose temporary negative effects, the market is a little relieved and sees that the pressure of rising interest rates may be relatively limited. The Fed released a statement that it is not the right time to immediately raise interest rates at the beginning of 2019.

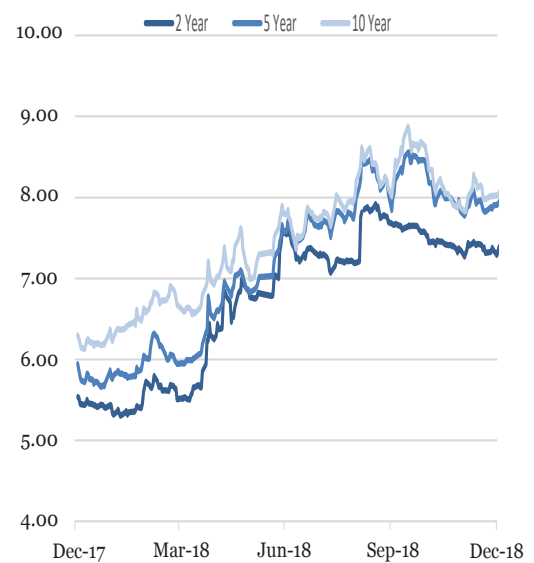
Less pressure in global market supports the domestic bond market as indicated by a decline in yield curve (chart 2). It is also reflected at the oversubscribe in the bond auction. As a front-loading strategy, Ministry of Finance reported an oversubscribe of 2,11 times for the auction during January 2019 and was absorbed IDR97,85 trillion of government debt. On the composition, Sukuk with one year tenor recorded the highest bid-to-cover ratio of 6,58x. The oversubscribe reflects investor's high convenience and confidence to invest in the domestic bond market. ●

Chart 1. U.S. Treasury Yield During 2018



Source: Bloomberg

Chart 2. Indonesia Government Bond Yield During 2018



Source: Bloomberg



companies & bonds rated by PEFINDO

| No | Company | Rating | Outlook |
|----|---|--|----------|
| 1 | Adhi Karya (Persero) Tbk. Shelf Registration Bond Year 2012, 2013, and 2017 | idA- | Stable |
| 2 | Adhi Persada Properti MTN Year 2017 | idBBB | Negative |
| 3 | Adira Dinamika Multi Finance Tbk. Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018 Shelf Registration Sukuk Mudharabah Year 2016, 2017, and 2018 | idAAA idAAA idAAA(sy) | Stable |
| 4 | Adonai Pialang Asuransi Shelf Registration Sukuk Mudharabah Year 2016, 2017, and 2018 | idBBB | Stable |
| 5 | Agung Podomoro Land Tbk. Shelf Registration Bond Year 2014 and 2015 | idA- | Stable |
| 6 | AKR Corporindo Tbk. Bond Year 2012 Shelf Registration Bond Year 2017 | idAA- idAA- idAA- | Positive |
| 7 | Andalan Finance Indonesia | idA- | Negative |
| 8 | Aneka Tambang Tbk. Shelf Registration Bond Year 2011 | idA- idA- | Stable |
| 9 | Angkasa Pura I (Persero) Bond Year 2016 Sukuk Ijarah Year 2016 | idAAA idAAA idAAA(sy) | Stable |
| 10 | Angkasa Pura II (Persero) Bond Year 2016 Shelf Registration Bond Year 2018 | idAAA idAAA idAAA | Stable |
| 11 | Asahimas Flat Glass Tbk. | idA | Stable |
| 12 | ASDP Indonesia Ferry (Persero) | idAA | Stable |
| 13 | Astra Sedaya Finance | idAAA | Stable |
| 14 | Asuransi Bangun Askrida | idA+ | Stable |
| 15 | Asuransi Bhakti Bhayangkara | idBBB | Stable |
| 16 | Asuransi Binagriya Upakara | idBBB+ | Stable |
| 17 | Asuransi Bringin Sejahtera Artamakmur | idA | Stable |
| 18 | Asuransi Central Asia | idA+ | Stable |
| 19 | Asuransi Jasa Indonesia (Persero) | idAA | Stable |
| 20 | Asuransi Jiwa Taspen | idA+ | Stable |
| 21 | Asuransi Kredit Indonesia (Persero) | idA+ | Stable |
| 22 | Asuransi Sinar Mas | idA+ | Stable |
| 23 | Asuransi Tri Pakarta | idA- | Stable |
| 24 | Asuransi Tugu Kresna Pratama | idBBB+ | Stable |
| 25 | Asuransi Umum BCA | idAA | Stable |
| 26 | Bali Towerindo Sentra Tbk. MTN Year 2017 | idBBB+ idBBB+ | Stable |
| 27 | Bank BNI Syariah | idAA+ | Stable |
| 28 | Bank BNP Paribas Indonesia | idAAA | Stable |
| 29 | Bank Bukopin Tbk. Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2015 and 2017 | idA- idBBB+ idBBB | Stable |
| 30 | Bank Capital Indonesia Tbk. Subordinated Bond Year 2014, 2015, and 2017 | idBBB+ | Stable |
| 31 | Bank Central Asia Tbk. Shelf Registration Subordinated Bond Year 2018 | idBBB- | Stable |
| 32 | Bank CIMB Niaga Tbk. Shelf Registration Bond Year 2016, 2017, and 2018 Subordinated Bond Year 2018 Shelf Registration Sukuk Mudharabah Year 2018 | idAAA idAAA idAA idAAA(sy) | Stable |
| 33 | Bank Danamon Indonesia Tbk. | idAAA | Stable |
| 34 | Bank DKI Shelf Registration Bond Year 2016 | idAA- | Stable |
| 35 | Bank Kesejahteraan Ekonomi Subordinated Bond Year 2016 | idBBB+ idBBB- | Negative |
| 36 | Bank Mandiri (Persero) Tbk. Shelf Registration Bond Year 2016, 2017, and 2018 Subordinated MTN Year 2018 | idAAA idAAA idAA | Stable |
| 37 | Bank Mayapada Internasional Tbk. Subordinated Bond Year 2013 Subordinated Bond Year 2014 and 2018 Shelf Registration Subordinated Bond Year 2017 | idA- idBBB+ idBBB idBBB | Negative |
| 38 | Bank Maybank Indonesia Tbk. Shelf Registration Bond Year 2017 and 2018 Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2014 and 2016 Shelf Registration Sukuk Mudharabah Year 2016 and 2017 | idAAA idAAA idAA+ idAA idAAA(sy) | Stable |
| 39 | Bank Negara Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017 Subordinated MTN Year 2018 | idAAA idAAA idAA | Stable |
| 40 | Bank OCBC NISP Tbk. Shelf Registration Bond Year 2016, 2017, and 2018 | idAAA idAAA | Stable |
| 41 | Bank Pan Indonesia Tbk. Shelf Registration Bond Year 2016 and 2018 Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2016, 2017, and 2018 | idAA idAA idAA- idAA+ | Stable |
| 42 | Bank Panin Dubai Syariah Tbk. | idA+ | Stable |
| 43 | Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. Shelf Registration Bond Year 2017 and 2018 Shelf Registration Subordinated Bond Year 2017 | idAA- idAA- idA | Stable |
| 44 | Bank Pembangunan Daerah Jawa Tengah Subordinated Bond Year 2015 MTN Year 2017 MTN Syariah Mudharabah Year 2017 | idAA- idA idAA- idAA-(sy) | Stable |
| 45 | Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara | idA | Stable |
| 46 | Bank Pembangunan Daerah Nusa Tenggara Timur Shelf Registration Bond Year 2018 | idA | Negative |
| 47 | Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat Shelf Registration Bond Year 2016 and 2018 Sukuk Mudharabah Year 2016 | idA+ idA+ idA+(sy) | Stable |

| No | Company | Rating | Outlook |
|----|--|---------------------------------|----------|
| 48 | Bank Pembangunan Daerah Sumatera Barat (Bank Nagari) Subordinated Bond Year 2012 Bond Year 2015 Sukuk Mudharabah Year 2015 | idA idA- idA idA(sy) | Stable |
| 49 | Bank Permata Tbk. Shelf Registration Subordinated Bond Year 2013 Shelf Registration Subordinated Bond Year 2014 Subordinated Bond Year 2012 | idAAA idAA+ idAA idAA+ | Stable |
| 50 | Bank QNB Indonesia Tbk. | idAA | Stable |
| 51 | Bank Rakyat Indonesia (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, 2017, and 2018 Subordinated Bond Year 2018 | idAAA idAAA idAA | Stable |
| 52 | Bank Rakyat Indonesia Agroniaga Tbk. Bond Year 2017 | idAA idAA | Stable |
| 53 | Bank Resona Perdana MTN Year 2016 | idAA- idAA- | Stable |
| 54 | Bank Sahabat Sampoerna | idA | Stable |
| 55 | Bank Shinhan Indonesia | idAAA | Stable |
| 56 | Bank Sumitomo Mitsui Indonesia MTN | idAAA idAAA | Stable |
| 57 | Bank Sumut Shelf Registration Subordinated Bond Year 2018 | idA idBBB+ | Stable |
| 58 | Bank Syariah Mandiri Sukuk Mudharabah Subordinated Year 2016 | idAA+ idAA-(sy) | Stable |
| 59 | Bank Tabungan Negara (Persero) Tbk. Bond Year 2010 and 2011 Shelf Registration Bond Year 2012, 2013, 2015, 2016, and 2017 | idAA+ idAA+ idAA+ | Stable |
| 60 | Bank Victoria International Tbk. Subordinated Bond Year 2012 and 2013 Shelf Registration Bond Year 2017 and 2018 Shelf Registration Subordinated Bond Year 2017 and 2018 | idA- idBBB+ idA- idBBB | Stable |
| 61 | Bank Woori Saudara Indonesia 1906 Tbk. Subordinated Bond Year 2012 | idAA+ idAA | Stable |
| 62 | Barata Indonesia (Persero) MTN Year 2017 | idBBB idBBB | Stable |
| 63 | Batavia Prosperindo Finance Tbk. Shelf Registration Bond Year 2017 and 2018 | idBBB idBBB | Negative |
| 64 | BCA Finance Shelf Registration Bond Year 2016 | idAAA idAAA | Stable |
| 65 | Bio Farma (Persero) MTN Year 2018 MTN Syariah Mudharabah Year 2018 | idAAA idAAA idAAA(sy) | Stable |
| 66 | BNI Life Insurance | idAA+ | Stable |
| 67 | BRI Multifinance Indonesia | idAA- | Stable |
| 68 | Bukaka Teknik Utama Tbk. | idBBB+ | Stable |
| 69 | Bumi Serpong Damai Tbk. Shelf Registration Bond Year 2012 and 2016 | idAA- idAA- | Stable |
| 70 | Bussan Auto Finance Bond Year 2017 and 2018 | idAA idAA | Stable |
| 71 | Century Tokyo Leasing Indonesia MTN Year 2016 | idAA idAAA(cg) | Stable |
| 72 | Chandra Asri Petrochemical Tbk. Bond Year 2016 Shelf Registration Bond Year 2017 and 2018 | idAA- idAA- idAA- | Stable |
| 73 | Chandra Sakti Utama Leasing Bond Year 2017 | idA idA | Stable |
| 74 | CIMB-Principal Asset Management | idA- | Stable |
| 75 | Clipan Finance Indonesia Tbk. MTN Year 2018 | idAA- idAA- | Stable |
| 76 | CSM Corporatama | idBBB+ | Stable |
| 77 | Danareksa (Persero) Shelf Registration Bond Year 2014 | idA | Stable |
| 78 | Express Transindo Utama Tbk. Bond Year 2014 | idSD idD | - |
| 79 | Fast Food Indonesia Tbk. Bond Year 2016 | idAA idAA | Stable |
| 80 | Federal International Finance Shelf Registration Bond Year 2016, 2017, and 2018 | idAAA idAAA | Stable |
| 81 | Finansia Multi Finance MTN Year 2017 | idBBB+ idBBB+ | Stable |
| 82 | Garuda Indonesia (Persero) Tbk. | idBBB+ | Stable |
| 83 | Global Mediacom Tbk. Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017 | idA+ idA+ idA+(sy) | Negative |
| 84 | Graha Informatika Nusantara MTN Year 2016 | idBBB idBBB | Stable |
| 85 | Hakaaston MTN Year 2018 | idBBB+ idBBB+ | Stable |
| 86 | Hartadinata Abadi Tbk. | idA- | Stable |
| 87 | Heksa Solution Insurance | idBBB+ | Stable |
| 88 | Hutama Karya (Persero) Bond Year 2013 Shelf Registration Bond Year 2016 and 2017 | idA idAAA(gg) | Stable |
| 89 | Impact Pratama Industri Tbk. Bond Year 2016 | idA- idA- | Negative |
| 90 | Indofood Sukses Makmur Tbk. Bond Year 2014 and 2017 | idAA+ idAA+ | Stable |
| 91 | Indomobil Finance Indonesia Shelf Registration Bond Year 2015, 2016, 2017, and 2018 | idA idA | Stable |
| 92 | Indonesia Infrastructure Finance Bond Year 2016 | idAAA idAAA | Stable |
| 93 | Indonesia Power | idAAA | Stable |

| No | Company | Rating | Outlook |
|-----|---|---|---|
| 94 | Indosat Tbk. Bond Year 2012 Sukuk Ijarah Year 2012 Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018 Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, and 2017 | idAAA idAAA idAAA(sy) idAAA idAAA(sy) | Stable - - - - |
| 95 | Industri Kereta Api (Persero) MTN Year 2017 | idA- | Negative |
| 96 | INKA Multi Solusi MTN Syariah Mudharabah Year 2017 | idBBB idBBB(sy) | Negative |
| 97 | Intiland Development Tbk. Bond Year 2016 | idBBB+ | Stable |
| 98 | J Resources Nusantara MTN Year 2017 and 2018 | idBBB+ | Stable |
| 99 | Jakarta Lingkar Baratsatu Bond Year 2018 | idA idA+ | Stable |
| 100 | Jamkrida Jabar | idA+ | Stable |
| 101 | Jasa Marga (Persero) Tbk. Bond Year 2010 Shelf Registration Bond Year 2014 | idAAA idAAA idAAA | Stable - - |
| 102 | Jasa Raharja (Persero) | idAAA | Stable |
| 103 | Kapuas Prima Coal Tbk. Bond Year 2018 | idBBB | Stable |
| 104 | Kereta Api Indonesia (Persero) Bond Year 2017 | idBBB | Stable |
| 105 | KIK EBA (Asset Backed Securities) KIK EBA Danareksa BTN - KPR BTN Class A KIK EBA Danareksa Indonesia Power PLN 1-Class A EBA KIK EBA Mandiri JSMR01 Class A KIK EBA Mandiri GIAA01 Class A EBA EBA-SP SMF-BTN01 Class A EBA-SP SMF-BTN02 Class A EBA-SP SMF-BTN03 Class A EBA-SP SMF-BTN04 Class A EBA-SP SMF-BMRI01 Class A | idAAA idAAA idAAA(sf) idAAA(sf) idAA+(sf)(cg) idAAA idAAA idAAA idAAA idAAA idAAA | - - - - - - - - - - - |
| 106 | Kimia Farma (Persero) Tbk. MTN Year 2017 and 2018 | idAAA idAA- | Stable |
| 107 | Lautan Luas Tbk. Shelf Registration Bond Year 2017 | idAA- idA- | Stable |
| 108 | Lembaga Pembiayaan Ekspor Indonesia Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018 MTN Year 2016 Shelf Registration Sukuk Mudharabah Year 2018 | idAAA idAAA idAAA idAAA(sy) | Stable - - - |
| 109 | Lembaga Penjamin Simpanan | idAAA | Stable |
| 110 | Lontar Papyrus Pulp and Paper Industry MTN Year 2017 Sukuk Mudharabah Year 2018 | idA+ idA+ idA+(sy) | Stable - - |
| 111 | Mandala Multifinance Tbk. Shelf Registration Bond Year 2018 | idA | Negative |
| 112 | Mandiri Tunas Finance Shelf Registration Bond Year 2015, 2016, 2017, and 2019 | idAA+ idAA+ | Stable |
| 113 | Marga Lingkar Jakarta Bond Year 2017 | idAAA(sf) | Stable |
| 114 | Maskapai Reasuransi Indonesia Tbk. | idAA- | Stable |
| 115 | Mayora Indah Tbk. Bond Year 2012 Shelf Registration Bond Year 2017 and 2018 | idAA idAA | Stable - |
| 116 | Medco Energi Internasional Tbk. Shelf Registration Bond Year 2016, 2017, and 2018 MTN Year 2016 | idA+ idA+ idA+ | Stable - - |
| 117 | Medco Power Indonesia Bond Year 2018 Sukuk Wakalah Year 2018 | idA idA idA(sy) | Stable - - |
| 118 | Mitra Adiperkasa Tbk. Shelf Registration Bond Year 2014 | idAA idAA | Stable - |
| 119 | Mitsubishi UFJ Lease & Finance Finance MTN Year 2016 | idAAA(cg) | - |
| 120 | MNC Guna Usaha Indonesia MTN Year 2017 and 2018 | idBBB(cg) | - |
| 121 | MNC Kapital Indonesia Tbk. Shelf Registration Bond Year 2018 | idBBB idBBB | Stable - |
| 122 | MNC Pictures MTN Syariah Ijarah Year 2018 | idBBB+ idA+(sy)(cg) | Stable - |
| 123 | Modernland Realty Tbk. Shelf Registration Bond Year 2015 | idA- idA- | Stable - |
| 124 | Mora Telematika Indonesia Bond Year 2017 | idA | Stable |
| 125 | Nindya Karya (Persero) MTN Year 2017 | idBBB+ idBBB+ | Stable - |
| 126 | Nippon Indosari Corpindo Tbk. Shelf Registration Bond Year 2015 | idAA- idAA- | Stable - |
| 127 | Oto Multiartha Bond Year 2017 and 2018 | idAA+ idAA+ | Stable - |
| 128 | Pabrik Gula Rajawali I MTN Year 2018 | idA- idA- | Stable - |
| 129 | Panorama Sentrawisata Tbk. MTN Year 2018 | idA- idA- | Stable - |
| 130 | Pegadaian (Persero) Bond Year 2009 Shelf Registration Bond Year 2011, 2012, 2013, 2014, 2015, 2017, and 2018 MTN Syariah Mudharabah Year 2018 | idAAA idAAA idAAA idAAA(sy) | Stable - - - |
| 131 | Pelabuhan Indonesia I (Persero) Bond Year 2016 | idAA | Stable |
| 132 | Pelabuhan Indonesia IV (Persero) Bond Year 2018 | idAA idAA | Stable - |
| 133 | Pembangunan Jaya Ancol Tbk. Shelf Registration Bond Year 2016 and 2018 | idAA- idAA- | Negative - |

| No | Company | Rating | Outlook |
|-----|--|---|--|
| 134 | Pembangunan Perumahan (Persero) Tbk. Shelf Registration Bond Year 2015 and 2018 Perpetual Bond | idA+ idA+ idA- | Stable - - |
| 135 | Penjaminan Infrastruktur Indonesia (Persero) | idAAA | Stable |
| 136 | Perikanan Nusantara (Persero) MTN Year 2017 | idBBB- idBBB- | Stable - |
| 137 | Perkebunan Nusantara III (Persero) | idA | Stable |
| 138 | Perkebunan Nusantara X | idBBB | Stable |
| 139 | Permodalan Nasional Madani (Persero) Shelf Registration Bond Year 2014, 2016, 2017, and 2018 Sukuk Mudharabah Year 2017 MTN Year 2018 | idA idA(sy) idA | Stable - - |
| 140 | Perum Jaminan Kredit Indonesia (Jamkrindo) | idAA+ | Stable |
| 141 | Perum Perikanan Indonesia MTN Year 2017 | idBBB idBBB | Stable - |
| 142 | Perum Perumnas MTN Year 2015, 2016, 2017, and 2018 | idBBB+ idBBB+ | Stable - |
| 143 | Perusahaan Gas Negara Tbk. | idAAA | Stable |
| 144 | Perusahaan Listrik Negara (Persero) Bond Year 2006, 2007, and 2010 Shelf Registration Bond Year 2013, 2017, and 2018 Sukuk Ijarah Year 2010 Shelf Registration Sukuk Ijarah Year 2013, 2017, and 2018 | idAAA idAAA idAAA idAAA(sy) idAAA(sy) | Stable - - - - |
| 145 | Perusahaan Perseroan (Persero) Telekomunikasi Indonesia Tbk. Bond Year 2010 Shelf Registration Bond Year 2015 MTN Year 2018 MTN Syariah Ijarah Year 2018 | idAAA idAAA idAAA idAAA idAAA(sy) | Stable - - - - |
| 146 | Phapros Tbk. MTN Year 2017 | idA- idA- | Stable - |
| 147 | Pindad (Persero) MTN Year 2017 | idA- idA- | Stable - |
| 148 | PP Properti Tbk. MTN Year 2016 Bond Year 2016 | idBBB idBBB idBBB | Stable - - |
| 149 | Radana Bhaskara Finance Tbk. MTN Year 2017 and 2018 MTN Syariah Mudharabah Year 2017 | idBBB- idBBB- idBBB-(sy) | Stable - - |
| 150 | Rajawali Nusantara Indonesia (Persero) MTN Year 2017 Sukuk Ijarah Year 2017 | idBBB+ idBBB+(sy) | Stable - |
| 151 | Reasuransi Indonesia Utama (Persero) Mandatory Convertible Bond I Year 2014 | idAA idAA- | Stable - |
| 152 | Reasuransi Syariah Indonesia | idA+ | Stable |
| 153 | Ricobana Abadi MTN Year 2017 | idBBB idBBB | Stable - |
| 154 | Sarana Multi Infrastruktur (Persero) Bond Year 2014 Shelf Registration Bond Year 2016, 2017, and 2018 Shelf Registration Green Bond Year 2018 Shelf Registration Sukuk Mudharabah Year 2018 | idAAA idAAA idAAA idAAA(sy) | Stable - - - |
| 155 | Sarana Multigriya Finansial (Persero) Shelf Registration Bond Year 2012, 2013, 2016, 2017, and 2018 Sukuk Mudharabah Year 2017 | idAAA idAAA(sy) | Stable - |
| 156 | Semen Baturaja (Persero) Tbk. MTN Year 2018 | idA idA | Stable - |
| 157 | Semen Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017 | idAA+ idA | Credit Watch with Negative Implication Positive |
| 158 | Siantar Top Tbk. Shelf Registration Bond Year 2016 | idA | Positive |
| 159 | Siba Surya | idBBB+ | Stable |
| 160 | Sumberdaya Sewatama Bond Year 2012 Sukuk Ijarah Year 2012 | idBB idBB idBB(sy) | Stable - - |
| 161 | Summarecon Agung Tbk. Shelf Registration Bond Year 2014, 2015, 2017, and 2018 Shelf Registration Sukuk Ijarah Year 2014 | idA idA idA(sy) | Stable - - |
| 162 | Surya Artha Nusantara Finance Shelf Registration Bond Year 2016 and 2017 | idAA- idAA- | Stable - |
| 163 | Surya Semesta Internusa Tbk. Shelf Registration Bond Year 2016 | idA- idA- | Negative - |
| 164 | Suzuki Finance Indonesia | idA- | Stable |
| 165 | Tiga Pilar Sejahtera Food Tbk. Bond Year 2013 Sukuk Ijarah Year 2013 and 2016 | idSD idD idD(sy) | - - - |
| 166 | Timah (Persero) Tbk Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017 | idA+ idA+ idA+(sy) | Stable - - |
| 167 | Tiphone Mobile Indonesia Tbk. Shelf Registration Bond Year 2016 and 2017 | idBBB+ idBBB+ | Stable - |
| 168 | Tridomain Performance Materials Tbk. MTN Year 2017 and 2018 Bond Year 2018 | idA- idA- idA- | Stable - - |
| 169 | Trimegah Sekuritas Indonesia Tbk. MTN Year 2018 | idA | Stable |
| 170 | Verena Multi Finance Tbk. MTN Year 2017 | idA- idA- | Negative - |
| 171 | Waskita Karya (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, and 2017 | idA- idA- | Positive - |
| 172 | Waskita Toll Road Shelf Registration MTN Year 2018 | idBBB+ idBBB+ | Stable - |
| 173 | Wijaya Karya Beton Tbk. | idA+ | Stable |
| 174 | Wika Realty MTN Year 2016 dan 2017 | idBBB idBBB | Stable - |