

Rating Definition



1. Company Rating (General Obligation Rating)

Symbol	Company Rating (General Obligation Rating)
idAAA	An obligor rated idAAA has the highest rating assigned by PEFINDO. The obligors' capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior .
idAA	An obligor rated idAA differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors.
idA	An obligor rated idA indicates that, the obligor has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.
idBBB	An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
idBB	An obligor rated idBB has a somewhat weak capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. The obligor faces ongoing uncertainties or exposure to adverse business, financial or economic conditions which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.
idB	An obligor rated idB has a weak capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
idCCC	An obligor rated idCCC is currently vulnerable , and is dependent upon favorable business and financial conditions to meet its financial commitments.
idD / idSD	An obligor rated idD or idSD ("Selective Default") has failed to pay one or more of its financial obligations, rated or unrated, when it came due. An " SD " rating is assigned when PEFINDO believes that the obligor has selectively defaulted on a specific issue or class of obligations but will continue to make timely payments on its other obligations. An exception is warranted when a payment missed on the due date is made within the grace period, or whenever such a non-payment is subject to a bona fide commercial dispute. The ratings from idAA to idB may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category. <i>Rating Outlook</i> assesses the potential direction of an issuer's long-term credit rating over the intermediate to longer term. In determining a Rating Outlook, consideration is given to any changes in the economic and/or fundamental business conditions. A Rating Outlook is not necessarily a precursor of a rating change or future CreditWatch. <i>CreditWatch</i> is conducted if events occurred that materially could have positive, negative or developing impacts to the performances of an issuer's long-term credit rating. A CreditWatch will only be valid for a period of 1-3 months.

2. Long Term Debt Rating

Symbol	Long Term & Medium Term Debt Paper Rating
idAAA	A debt security rated idAAA has the highest rating assigned by PEFINDO. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is superior .
idAA	A debt security rated idAA differs from the highest rated debt only to a small degree. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is very strong .

idA	Debt security rated idA indicates that the obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong , however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt.
idBBB	Debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to its long-term financial commitments on the debt security.
idBB	Debt security rated idBB denotes somewhat weak protection parameters relative to other Indonesian debt securities. The obligor's capacity to meet its long-term financial commitments on the debt security is susceptible to major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity of the obligor to meet its financial commitments on the debt security.
idB	Debt security rated idB denotes weak protection parameters relative to other Indonesian debt securities. Although the obligor currently still has the capacity to meet its long-term financial commitments on the debt security, any adverse business, financial, or economic conditions would likely impair the capacity or willingness of the obligor to meet its long-term financial commitments on the debt security.
idCCC	Debt security rated idCCC is currently vulnerable to non-payment, and is dependent upon favorable business and financial conditions for the obligor to meet its long-term financial commitments on the debt security.
idD	Debt security is rated idD when it is in payment default , or default of a rated obligation occurs automatically upon the first occurrence of non-payment of the obligation. An exception is warranted when a payment missed on the due date is made within the grace period, or whenever such a non-payment is subject to a bona fide commercial dispute. <i>The ratings from idAA to idB may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.</i>

3. Long Term Sukuk Rating

Symbol Long Term Syariah Based Financing Instruments

idAAA(sy)	A syariah based financing instrument rated idAAA(sy) has the highest rating assigned by PEFINDO. The issuer's capacity to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is superior .
idAA(sy)	A syariah based financing instrument rated idAA(sy) differs from the highest rated instruments only to a small degree. The issuer's capacity to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is very strong .
idA(sy)	A syariah based financing instrument rated idA(sy) indicates that the issuer's capacity to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is strong . However, it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated instruments.
idBBB(sy)	A syariah based financing instrument rated idBBB(sy) denotes issuer's adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the issuer to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers.
idBB(sy)	A syariah based financing instrument rated idBB(sy) denotes somewhat weak protection parameters. The capacity to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is susceptible to major ongoing uncertainties or exposure to adverse business, financial or economic conditions.

idB(sy)	A syariah based financing instrument rated $_{id}B_{(sy)}$ denotes weak protection parameters. The capacity to meet long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, would likely be impaired by any adverse business, financial, or economic conditions.
idCCC(sy)	A syariah based financing instrument rated $_{id}CCC_{(sy)}$ is vulnerable to non-payment, and is dependent upon favorable business and financial conditions for the issuer to meet its long-term financial commitments under the syariah financing contract.
idD(sy)	A syariah based financing instrument rated $_{id}D_{(sy)}$ when it is in payment default upon the first occurrence of non-payment of the financial commitments under the syariah financing contract. An exception is warranted when a payment missed on the due date is made within the grace period, or whenever such a non-payment is subject to a bona fide commercial dispute. <i>The ratings from $_{id}AA_{(sy)}$ to $_{id}B_{(sy)}$ may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.</i>

4. Insurer Financial Strength Rating

Symbol	Insurer Financial Strength Rating (GO)
idAAA	An insurer rated $_{id}AAA$ has superior financial security characteristics relative to other insurers in Indonesia. ' $_{id}AAA$ ' is the highest Insurer Financial Strength Rating assigned by PEFINDO.
idAA	An insurer rated $_{id}AA$ has very strong financial security characteristics relative to other insurers in Indonesia, differing only slightly from those rated higher.
idA	An insurer rated $_{id}A$ has strong financial security characteristics relative to other insurers in Indonesia, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
idBBB	An insurer rated $_{id}BBB$ has adequate financial security characteristics relative to other insurers in Indonesia, but is more likely to be affected by adverse business conditions than are higher rated insurers.
idBB	An insurer rated $_{id}BB$ has somewhat weak financial security characteristics relative to other insurers in Indonesia. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.
idB	An insurer rated $_{id}B$ has weak financial security characteristics relative to other insurers in Indonesia. Adverse business conditions will likely impair its ability to meet financial commitments.
idCCC	An insurer rated $_{id}CCC$ has vulnerable financial security characteristics, and is dependent on favorable business conditions to meet financial commitments.
idR	An insurer rated $_{id}R$ is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. The rating does not apply to insurers subject only to non-financial actions such as market conduct violations. <i>The ratings from $_{id}AA$ to $_{id}B$ may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.</i> <i>Rating Outlook assesses the potential direction of an issuer's long-term credit rating over the intermediate to longer term. In determining a Rating Outlook, consideration is given to any changes in the economic and/or fundamental business conditions. A Rating Outlook is not necessarily a precursor of a rating change or future CreditWatch.</i> <i>Credit Watch is conducted if events occurred that materially could have positive, negative or developing impacts to the performances of an issuer's long-term credit rating. A CreditWatch will only be valid for a period of 1-3 months.</i>

5. Funds Rating

Symbol	MUTUAL FUNDS - CREDIT QUALITY RATING (PCR)
idAAAf	The fund's portfolio holdings provide superior protection against losses from probable credit defaults of the underlying securities assets portfolio.
idAAf	The fund's portfolio holdings provide very strong protection against losses from probable credit defaults of the underlying securities assets portfolio.
idAf	The fund's portfolio holdings provide strong protection against losses from probable credit defaults of the underlying securities assets portfolio.
idBBBf	The fund's portfolio holdings provide adequate protection against losses from probable credit defaults of the underlying securities assets portfolio.
idBBf	The fund's portfolio holdings provide somewhat weak protection against losses from probable credit defaults of the underlying securities assets portfolio.
idBf	The fund's portfolio holdings exhibit weak protection to losses from probable credit defaults of the underlying securities assets portfolio.
idCCCf	The fund's portfolio holdings make it vulnerable to losses from probable credit defaults of the underlying securities assets portfolio.
idDf	The funds fail to pay financial obligations to the investors. <i>The ratings from 'idAA_f' to 'idB_f' may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the rating category.</i>

6. Short Term Debt Rating

Symbol	Short Term Debt Paper Rating
idA1+	A short-term debt security rated idA1+ has the highest rating category assigned by PEFINDO. The obligor's capacity to meet its short-term commitments on the debt security, relative to other Indonesian obligors, is superior .
idA1	A short-term debt rated idA1 is slightly more susceptible to adverse changes in circumstances and economic conditions than the highest rated debt. The obligor's capacity to meet its short-term financial commitments on the debt security, relative to other Indonesian obligors, is strong .
idA2	A short-term debt security rated idA2 denotes above average protection parameters relative to other short-term Indonesian debt securities.
idA3	A short-term debt security rated idA3 denotes adequate protection parameters. It is, however, more vulnerable to adverse effects of changes in circumstances than debt securities carrying higher rating categories.
idB	A short-term debt security rated idB denotes significant vulnerability to adverse business, financial, or economic conditions regarding timely payment of interest or repayment of principal, relative to other short-term Indonesian debt securities.
idC	A short-term debt security rated idC denotes doubtful capacity for payment.
idD	A short-term debt security rated idD denotes payment default . An exception is warranted when a payment missed on the due date is made within the grace period, or whenever such a non-payment is subject to a bona fide commercial dispute.

7. Short Term Sukuk Rating

Symbol	Short Term Syariah-Based Financing Instruments
idA1+(sy)	A short-term syariah based financing instrument rated idA1+(sy) has the highest rating category assigned by PEFINDO. The issuer's capacity to meet its short-term commitments under the syariah financing contract, relative to other Indonesian issuers, is superior .
idA1(sy)	A short-term syariah based financing instrument rated idA1(sy) is slightly more susceptible to adverse changes in circumstances and economic conditions than the highest rated ones. The issuer's capacity to meet its short-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is strong .
idA2(sy)	A short-term syariah based financing instrument rated idA2(sy) denotes above average protection parameters of the issuer to meet its short-term financial commitments under the syariah financing contract, relative to other Indonesian issuers.
idA3(sy)	A short-term syariah based financing instrument rated idA3(sy) denotes adequate protection parameters. The issuer's capacity to meet its short-term financial commitments under the syariah financing contract is, however, more vulnerable to adverse effects of changes in circumstances.
idB(sy)	A short-term syariah based financing instrument rated idB(sy) denotes significant vulnerability to adverse business, financial, or economic conditions of the issuer to meet its short-term financial commitments under the syariah financing contract, relative to other Indonesian issuers.
idC(sy)	A short-term syariah based financing instrument rated idC(sy) denotes doubtful capacity of the issuer to meet its short-term financial commitments under the syariah financing contract.
idD(sy)	A short-term syariah based financing instrument rated idD(sy) denotes payment default under the syariah financing contract. An exception is warranted when a payment missed on the due date is made within the grace period, or whenever such a non-payment is subject to a bona fide commercial dispute.

Shelf Registration (PUB/Penawaran Umum Berkelanjutan)

A type of public offering where certain issuers are allowed to offer securities without a separate prospectus for each phase of offering, subject to a predefined maximum value of issuance up to two years period from effective date. PUB can be prepared so that the issue can be offered quickly as soon as funds are needed or market conditions are favorable.

Coupon Payment Schedule:

A (Annual), SA (Semi Annual), Q (Quarterly), M (Monthly), Z (Zero Coupon), SPD (Specific Date), UCD (Upon Conversion Date), N.A (Not Applicable)

Ratings Suffix:

- (sy) = The rating mandates Islamic principles compliant.
- (bg) = The rating incorporates security in the form of bank guarantee.
- (cg) = The rating incorporates security in the form of corporate guarantee.
- (ba) = The rating is based on information provided by a bank.
- (pi) = The rating is based on publicly available information.
- (sf) = The rating is for a structured-finance transaction.

PEFINDO LONG TERM - RATING GRADE NOTCHING

1.	idAAA	7.	idA-	13.	idBB-
2.	idAA+	8.	idBBB+	14.	idB+
3.	idAA	9.	idBBB	15.	idB
4.	idAA-	10.	idBBB-	16.	idB-
5.	idA+	11.	idBB+	17.	idCCC
6.	idA	12.	idBB	18.	idD

PEFINDO SHORT TERM - RATING GRADE NOTCHING

1.	idA1+	5.	idB
2.	idA1	6.	idC
3.	idA2	7.	idD
4.	idA3		