

## CMBI Credit Commentary - TBLAIJ

### TBLAIJ – Loan conclusion should lead to positive rating action

TBLA concluded the syndicated loans of USD236mn from 7 banks including state-owned banks such as Bank Mandiri, BRI and Indonesia Eximbank. The conclusion has largely removed the refinancing risk of TBLA's only USD issue (TBLAIJ'23 with an o/s amount of USD168mn due Jan'23). As we wrote in our initiation report on TBLAIJ dated 29 Nov'21, we expect Moody's to at least take TBLA out from review for downgrade and revise TBLA's rating outlook to stable. At 98.875, TBLAIJ'23 is trading at a YTM of 8.2%. TBLAIJ'23 offers a good risk and reward profile and is a short-dated and lower-beta play away from Chinese HY.

Indeed, the size of the syndicated loans is larger than our expectation of USD170-200mn while funding costs are in line with those of its existing loans. The additional amount could be used to early redeem up to 79% of its o/s IDR bonds of cUSD84mn due Mar'23, and helps lengthen TBLA's debt maturity profile notably. The syndicated loans are comprised of 2 tranches: USD170mn Tranche A for the refinancing of TBLAIJ'23 and IDR900bn (cUSD66mn) Tranche B for refinancing of other debts. The tenor of loans is 5-yr and extendable for another 2 years. The funding costs are 3M LIBOR+5.65 p.a. (Tranche A) and 3M JIBOR+9% p.a. (Tranche B), the margin will increase 25bps p.a. for both tranches and Tranche B margin will be capped after 75bps increase.

Please see our [initiation report](#) for detailed analysis of TBLA's credit fundamental.

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