

PT Danareksa (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Jun-2017	Dec-2016	Dec-2015	Dec-2014
		(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	idA/Positive	3,356.1	3,607.4	3,719.3	3,454.4
Rated Issues		1,335.1	1,370.8	1,249.6	744.9
Shelf Registration Bond I Phase I/2012	idA	22.9	22.2	15.2	20.6
Shelf Registration Bond I Phase II/2014	idA	194.7	640.2	610.8	615.1
Rating Period		(50.6)	116.3	78.7	77.3
October 9, 2017 – October 1, 2018		(38.6)	142.4	106.7	118.6
Rating History		82.2	56.2	50.5	52.9
OCT 2016	idA/Stable	ROAA [%]	*(2.9)	3.2	2.2
OCT 2015	idA/Stable	Liquid Assets / Total Liabilities [%]	131.5	127.7	121.9
OCT 2014	idA/Stable	Liquid Assets / Total Assets [%]	82.9	79.2	80.9
OCT 2013	idA/Stable	Net Adjusted Working Capital or MKBD [IDR Bn]	251.4	241.9	425.8
OCT 2012	idA/Stable	LT Debt / Adjusted Assets [%]	26.0	24.2	41.5
JUN 2012	idA/Stable	USD Exchange Rate (USD/IDR)	13,328	13,473	13,785
NOV 2011	idA/Negative	<i>Adjusted Asset = Total Asset – Resale Agreement [Reverse Repo] Adjusted Revenue = Non Margin Revenue + Net Margin Income Cost to Income Ratio = Ordinary Expense / Adjusted Revenue *Annualized The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.</i>			

PEFINDO affirms "idA" rating for PT Danareksa (Persero) with "positive" outlook

PEFINDO has affirmed its "idA" ratings for PT Danareksa (Persero) (DNRK), its Shelf Registration Bond I Phase I/2012, and Shelf Registration Bond I Phase II/2014. The outlook for the corporate rating is "positive", reflecting our expectation of DNRK's transformation into an investment holding company for state-owned banks and financial services in the medium term, which may result in a significant change in its portfolio. We are of the view that the transformation would enhance DNRK's business profile and role to the national economy.

The ratings include DNRK's maturing Shelf-Registration Bond I Phase II/2014 Series A of IDR250 billion due on December 16, 2017 and Shelf-Registration Bond I Phase I/2012 Series B of IDR375 billion due on January 9, 2018. The Company's readiness to repay its maturing bonds is supported by its cash and equivalent balance amounted to IDR402.8 billion and marketable securities amounted to IDR675.2 billion at end of June 2017.

An obligor rated idA 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.

The ratings reflect the Company's strong support from the Indonesian government, strong business position, and adequate liquidity and financial flexibility. However, these strengths are partly offset by the volatile nature of the capital market and pressure on profitability profile.

The rating could be raised if the investment holding company plan materializes through the issuance of a government regulation or *Peraturan Pemerintah* (PP). Its new portfolio of investments, however, should consist of companies that have stronger credit profiles than its existing operating subsidiaries. The outlook may be revised back to stable if the planned holding entity fails to materialize or further delayed due to any significant obstacles or external factors from expected timetable.

Established in 1976, DNRK is a non-bank financial institution that owns one of the largest securities companies in Indonesia. As the holding company for four operating subsidiaries, it offers services in underwriting, financial advisory, brokerage, asset management, investment, and financing. It is wholly owned by the Indonesian government. At the end of June 2017, it had 404 employees and a network of 11 Sentra Investasi Danareksa (SID) offices, 5 SID outlets, and 17 SID *gerai* offices.

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