

PT NH Korindo Sekuritas Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Sep-2017	Dec-2016	Dec-2015	Dec-2014	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA/Stable</i>	995.1	939.7	537.2	508.1	
Rated Issues		250.0	230.5	129.0	131.6	
-		0.5	9.0	0.0	3.9	
Rating Period		83.3	76.4	67.9	61.3	
<i>December 14, 2017 – December 1, 2018</i>		19.5	1.2	(2.4)	8.8	
Rating History		19.5	4.5	0.0	11.3	
-		64.9	78.3	75.1	60.0	
		ROAA [%]	*2.7	0.2	(0.5)	2.0
		Liquid Assets / Total Liabilities [%]	130.5	130.3	125.2	132.0
		Liquid Assets / Total Assets [%]	97.7	98.4	95.1	97.8
		Net Adjusted Working Capital or MKBD [IDR Bn]	379.8	207.7	133.6	41.8
		LT Debt / Adjusted Assets [%]	27.1	29.5	38.4	20.8
		USD Exchange Rate (USD/IDR)	13,492	13,436	13,795	12,385

*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.

NH Korindo Sekuritas Indonesia is rated "idA" with stable outlook

PEFINDO has assigned its "idA" rating to PT NH Korindo Sekuritas Indonesia (NHKS or the Company). The outlook for the corporate rating is "stable".

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.

The rating reflects the Company's strong support from NH Investment & Securities Co. Ltd Korea (the Parent), adequate liquidity, and sound capitalization. However, the rating is constrained by tight competition in the capital market and its moderate profitability.

The rating may be raised if NHKS strengthens its business position significantly by consistently increasing its revenue from its brokerage business while demonstrating higher resiliency during capital market downturns. This should be accompanied by a strong liquidity profile and financial flexibility. On the other hand, the rating may be lowered if there is a material decline in support from the Parent, or the Company's business position or profitability deteriorates significantly.

NHKS is a securities company that was established in 1990 as a joint venture under the name PT Garudapara Investindo. It was known as PT Woori Korindo Securities Indonesia before NH Investment & Securities Korea became its majority shareholder in 2015. It focuses on brokerage services for equity and debt instruments for retail and institutional clients, with a small portion of other business in investment banking. It operates through its head office in Jakarta and one branch in Bumi Serpong Damai, Tangerang, with 91 employees. As of September 30, 2017, it was 80.0% owned by NH Investment & Securities Co. Ltd Korea, 14.0% owned by PT Korindo Abadi, and 6.0% owned by PT Clemont Finance Indonesia.

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