

PT Surya Artha Nusantara Finance

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2017 (unaudited)	Dec-2016 (audited)	Dec-2015 (audited)	Dec-2014 (audited)
Corporate Rating	<i>idAA-/Stable</i>	Total assets [IDR Bn]	5,680.1	6,791.8	6,693.0	7,002.0
		Net receivables [IDR Bn]	5,125.9	5,336.5	5,259.9	5,185.6
Rated Issues		Net service assets [IDR Bn]	5,370.9	5,604.1	5,653.3	5,606.2
Shelf Reg. Bond I	<i>idAA-</i>	Total equity [IDR Bn]	1,449.8	1,444.1	1,408.1	1,386.2
MTN VII/2015	<i>idAA-</i>	Net interest revenue [IDR Bn]	159.3	182.3	255.1	393.3
Shelf Reg. Bond II	<i>idAA-</i>	Net income [IDR Bn]	37.1	80.9	110.5	212.4
		Cost to income [%]	36.1	34.9	22.1	16.9
Rating Period		Operating profit margin [%]	11.1	17.8	19.7	37.3
<i>February 2, 2018 – February 1, 2019</i>		ROAA [%]	0.6	1.2	1.6	3.0
		NPR-balance/NSA [%]	8.0	6.8	11.9	18.6
SR Bond II/2017 phase II Series A		Reserves/NSA [%]	4.2	4.2	5.3	5.6
<i>February 2, 2018 – April 10, 2018</i>		Equity/NSA [%]	27.0	25.8	24.9	24.7
		Total debt/equity [x]	2.7	3.5	3.5	3.9
MTN VII/2015 Series B		Short-term liquidity ratio [%]	187.0	209.5	302.8	234.0
<i>February 2, 2018 – May 8, 2018</i>		USD exchange rate [IDR/USD]	13,548	13,436	13,795	12,440
Rating History		<small>ROAA=return on average assets. NPR=non-performing receivables >30 days. NSA=net service assets. 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.</small>				
FEB 2017	<i>idAA-/Stable</i>					
FEB 2016	<i>idAA-/Stable</i>					
2015	<i>idAA-/Stable</i>					
OCT 2014	<i>idAA-/Stable</i>					

PEFINDO affirms its "idAA-" rating for PT Surya Artha Nusantara Finance

PEFINDO has affirmed its "idAA-" ratings for PT Surya Artha Nusantara Finance (SANF), its outstanding Shelf-Registered Bond I, Shelf Registered Bond II, and Medium-Term Notes (MTN) VII. The outlook for the corporate credit rating is "stable". The Company's readiness to fulfill its maturing Shelf Registered Bond II/2017 phase II Series A of IDR801 billion due on April 10, 2018 and MTN VII/2015 Series B of IDR200 billion due on May 8, 2018 is by utilizing internal funds from receivables collection amounting to around IDR294.4 billion per month. The Company also had cash and cash equivalents position at IDR252.3 billion and unused funding facility at IDR1.7 trillion as of December 31, 2017.

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. The minus (-) sign in a particular rating indicates that it is relatively weak within its rating category.

The ratings reflect SANF's strong support from PT Astra International Tbk (ASII or Astra Group, rated BBB/stable by Standard & Poor's), its strong market position in the heavy equipment leasing business, and sound capitalization. However, the ratings are constrained by its below average asset quality, inherent risks of exposure to coal price fluctuations, and pressure on profitability profile.

The rating may be raised if the Company is able to strengthen its market position while consistently maintaining a sound financial profile. On the other hand, the rating may be lowered if there is a material shift in the support of its shareholders, particularly a significant decline in the ownership level of and/or business integration with the Astra Group. In addition, the rating may be lowered if there is a material deterioration in its asset quality or profitability.

SANF is one of the largest heavy equipment finance companies in Indonesia. It is jointly owned by Astra Group through a subsidiary (60%) and Marubeni Group of Japan, directly and through a subsidiary (40%). ASII is one of the largest business conglomerates in Indonesia, engaged in a number of business lines, including automotive, heavy equipment, and agribusiness. Marubeni is one of the largest business groups in Japan with a wide variety of trading and industrial activities.

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