

PT Equity Finance Indonesia

Analysts: Adrian Noer / Hendro Utomo

Phone/Fax/E-mail: (62-21) 72782380/72782371/adrian.noer@pefindo.co.id/hendro.utomo@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2016	Dec-2015	Dec-2014	Dec-2013
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>id</i> BBB/Negative	Total assets [IDR bn]	879.4	1,006.0	1,057.7	863.0
Rated Issues		Net receivables [IDR bn]	755.4	939.9	1,005.1	812.2
MTN III/2015	<i>id</i> BBB	Net service assets [IDR bn]	773.3	958.0	1,023.5	830.7
MTN IV/2015	<i>id</i> BBB	Total equity [IDR bn]	330.9	309.9	294.6	276.4
MTN V	<i>id</i> BBB	Net interest revenue [IDR bn]	64.6	72.8	77.3	64.5
Rating Period		Net income [IDR bn]	19.7	18.7	23.9	18.5
April 11, 2017 – November 1, 2017		Cost to income [%]	67.5	66.8	56.0	57.5
Rating History		Operating profit margin [%]	15.0	14.2	19.1	20.4
NOV 2016	<i>id</i> BBB/Negative	ROAA [%]	2.1	1.8	2.5	2.6
DEC 2015	<i>id</i> BBB/Stable	NPR-balance/NSA [%]	6.4	6.8	4.1	2.6
		Reserves/NSA [%]	2.3	1.9	1.8	2.2
		Equity/NSA [%]	42.8	32.4	28.8	33.3
		Total debt/equity [x]	1.6	2.2	2.5	2.0
		Short-term liquidity ratio [%]	209.5	233.2	154.1	282.1
		USD exchange rate [USD/IDR]	13,436	13,795	12,385	12,170

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.

PEFINDO affirms "*id*BBB" rating for PT Equity Finance Indonesia

PEFINDO has affirmed its "*id*BBB" ratings to PT Equity Finance Indonesia (EQFI) and its Medium-Term Notes (MTN) III/2015, MTN IV/2015, and MTN V up to IDR200 billion. The outlook for the corporate rating is "**negative**". The negative outlook was mainly driven by the Company's declining business position and its persistently high non-performing receivable (NPR) during the past two years.

An obligor rated *id*BBB 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.

The ratings reflect the Company's strong capitalization and adequate liquidity position. However, the ratings are constrained by its very weak asset quality, below average profitability, and weak market position.

The rating could be lowered if we were to see any further deterioration in the Company's business position and asset quality indicators. PEFINDO may revise the outlook into "stable" if it improves its business position and its NPR performance.

EQFI was established in December 1982 as PT Pamor Cipta Inti, and changed its name to PT Equity Finance Indonesia on May 24, 2006. It is primarily classified as a multifinance company, providing financing for new and used commercial vehicles, leasing for heavy equipment and machinery, and factoring. It has 149 employees operating through its head office and 12 branches managing 1,275 accounts. As of December 31, 2016, 59.1% of its shares were owned by PT Equity Development Investment Tbk (Parent), a holding company for all Equity Group Companies (a total of eight companies); and 40.9% were held by its Parent's subsidiaries, consisting of PT Ventura Investasi Utama (13.9%), PT Equity Life Indonesia (6.9%), and PT Datindo Entrycom (20.1%).

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