

PT Bussan Auto Finance

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CREDIT PROFILE

Corporate Rating

idAA/Stable

Rated Issues

Bond II/2018

Bond I/2017

idAA

idAA

Rating Period

February 11, 2019 – February 1, 2020

Bond II Year 2018 Series A:

February 11, 2019 – May 20, 2019

Rating History

FEB 2018

MAY 2017

SEP 2009

MAR 2008

JAN 2008

idAA/Stable

idAA/Stable

idAA-/Stable

idA+/Stable

idA/Stable

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Sep-2018	Dec-2017	Dec-2016	Dec-2015
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total assets [IDR bn]	10,485.1	8,015.3	7,320.3	8,879.9
Net receivables [IDR bn]	9,237.0	7,391.2	6,777.0	7,565.7
Net service assets [IDR bn]	9,507.0	7,596.3	7,021.0	7,846.8
Total equity [IDR bn]	1,891.7	1,845.0	1,666.3	1,603.8
Net interest revenue [IDR bn]	1,416.0	1,728.6	1,656.7	1,770.0
Net income [IDR bn]	114.6	182.7	82.1	2.98
Cost to income [%]	63.2	58.9	59.8	58.8
Operating profit margin [%]	7.3	11.6	5.3	0.4
ROAA (including off-balance) [%]	*1.7	2.4	1.0	0.0
NPR-balance/NSA [%]	5.0	4.6	5.6	4.9
Reserves/NSA [%]	2.8	2.7	3.4	3.4
Equity/NSA [%]	19.9	24.3	23.7	20.4
Total debt/equity [x]	4.2	3.0	3.1	4.2
Short-term liquidity ratio [%]	141.7	179.3	185.5	105.6
USD exchange rate [USD/IDR]	14,869	13,548	13,436	13,795

**Annualized*

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.

PT Bussan Auto Finance affirmed at "idAA"

PEFINDO has affirmed "idAA" ratings of PT Bussan Auto Finance (BAF), its Bond I/2017, and Bond II/2018. The outlook for the corporate rating is "stable".

PEFINDO has also affirmed its "idAA" rating to the Company's Bond II Year 2018 Series A of IDR500 billion, due on May 20, 2019. The Company's ability to pay its maturing bond is supported by its cash inflow from receivables installment amounting to around IDR700 billion per month. BAF also has a cash balance of IDR192 billion as of December 31, 2018.

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 rating reflects BAF's strong parent support, strong capitalization, and strong market position in the industry. However, the rating is constrained by its moderate asset quality and tight competition in motorcycle financing.

The rating may be raised if BAF significantly improves its business position in the financing industry, and at the same time improves its asset quality and profitability performances on a sustainable basis. On the other hand, the rating may be lowered if its asset quality and profitability performances suffer significant setbacks, or if PEFINDO considers that the parent's support has diminished significantly.

BAF was established in 1995 as PT Pembiayaan Getraco Indonesia. The Company was renamed to PT Danamon-Mitsui Otomotif Finance in 1997, and later changed to its present name in 1998. As of end of September 2018, the shareholders were: Mitsui (68%), Yamaha (18%), PT Mitsui Indonesia (12%), and PT Yamaha Indonesia Motor Manufacturing (2%). By the end of September 2018, BAF had 167 full branches, serving 750,865 accounts, with a workforce of 7,414 staff.

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