

PT Batavia Prosperindo Finance Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2018	Dec-2017	Dec-2016	Dec-2015
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idBBB/Stable</i>	Total assets [IDR bn]	1,827.7	1,571.3	1,037.6	981.9
Rated Issues		Net receivables [IDR bn]	1,449.4	1,267.8	832.4	812.9
<i>Shelf Reg. Bond I Phase II/2017</i>	<i>idBBB</i>	Net service assets [IDR bn]	1,615.8	1,472.5	1,180.5	1,018.8
<i>Shelf Reg. Bond II/2018</i>	<i>idBBB</i>	Total equity [IDR Bn]	771.4	621.7	503.8	499.4
Rating Period		Net interest revenue [IDR bn]	179.8	141.5	105.4	113.9
<i>March 12, 2019 – March 1, 2020</i>		Net income [IDR bn]	68.0	48.9	33.9	41.4
Rating History		Cost to income [%]	59.4	64.8	61.2	54.9
<i>OCT 2018</i>	<i>idBBB/Negative</i>	Operating profit margin [%]	19.5	16.8	17.4	22.4
<i>MAR 2018</i>	<i>idBBB/Stable</i>	ROAA [%]	3.7	3.1	2.6	3.2
<i>MAR 2017</i>	<i>idBBB/Stable</i>	NPR-balance/NSA [%]	6.2	5.7	5.7	5.3
<i>MAR 2016</i>	<i>idBBB/Stable</i>	Reserves/NSA [%]	1.8	1.2	0.7	0.5
<i>APR 2015</i>	<i>idBBB/Stable</i>	Equity/NSA [%]	47.7	42.2	42.7	49.0
<i>APR 2014</i>	<i>idBBB/Stable</i>	Total debt/equity [x]	1.3	1.5	1.0	0.9
<i>APR 2013</i>	<i>idBBB/Stable</i>	Short-term liquidity ratio [%]	806.1	208.9	308.6	157.4
		USD exchange rate [IDR/USD]	14,481	13,548	13,436	13,795

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 Batavia Prosperindo Finance Tbk rated "idBBB", outlook revised to "stable" from "negative"

PEFINDO has revised the corporate rating outlook of PT Batavia Prosperindo Finance Tbk (BPFI) to "stable" from "negative". The outlook revision reflects our view on the Company's ability to obtain sustainable funding sources and grow its financing portfolio amid tight liquidity faced by independent finance companies. As of January 2019, BPFI had IDR290.3 billion unused credit facilities from several domestic banks such as PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank BTPN Tbk, and PT Bank Central Asia Tbk, compared to IDR124.3 billion as of June 2018. Increasing amount of unused credit facilities should indicate the Company's capability in obtaining confidence from banks amid their more selective approach to independent finance companies. In addition, the Company can utilize its unused Shelf Registration Bond II/2018 of IDR350 billion and tap capital market through right issue, recently in March 2018 raising additional capital of IDR98.6 billion. BPFI's new financing was recorded at IDR1,375 billion during 2018, quite in line with its target of IDR1,400 billion. BPFI's corporate rating and the ratings of its outstanding Shelf Registration Bond I Phase II/2017 and Shelf Registration Bond II/2018 have been affirmed at "idBBB".

An obligor rated *idBBB* 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 weaken its capacity to meet its financial commitments.

The rating reflects BPFI's established presence in the used car segment and its strong capitalization. However, the rating is constrained by its below average asset quality, low operating efficiency, and tight competition within the industry.

The rating may be raised if BPFI significantly improves its market position, asset quality, and profitability indicators on a consistent basis. The rating could be lowered if its asset quality and profitability deteriorates significantly. The rating may also be under pressure if its liquidity profile weakens considerably.

BPFI is a multi-finance company focusing mainly on used car financing. As of December 31, 2018, it operated through one head office and 68 branches, supported by 1,265 employees. It is 72.9% owned by Malacca Trust Limited directly and indirectly through subsidiaries, 5.9% by UOB Kay Hian Pte Ltd, while the remaining 21.2% is publicly traded. Malacca Trust Limited is a financial services group operating in consumer financing, asset management, securities brokerage, and insurance.

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