

PT PPA Finance

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Mar-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB/Stable</i>					
Rated Issues	-	Total assets [IDR bn]	979.8	963.5	863.7	633.3
		Net receivables [IDR bn]	941.3	907.6	779.3	598.7
		Net service assets [IDR bn]	959.8	926.1	785.5	598.7
		Total equity [IDR bn]	224.9	221.6	210.0	145.6
Rating Period	May 10, 2019 – May 1, 2020	Net interest revenue [IDR bn]	9.6	49.3	32.0	34.1
		Net income [IDR bn]	3.4	15.1	14.5	12.8
		Cost to income [%]	54.1	35.8	46.0	50.0
Rating History	-	Operating profit margin [%]	15.3	15.9	18.7	20.2
		ROAA [%]	*1.4	1.7	1.9	2.1
		NPR-balance/NSA [%]	2.2	2.6	2.3	1.4
		Reserves/NSA [%]	1.9	2.0	0.8	0.0
		Equity/NSA [%]	23.4	23.9	26.7	24.3
		Total debt/equity [x]	2.9	3.0	2.7	2.8
		Short-term liquidity ratio [%]	132.9	129.4	1709.5	440.0
		USD exchange rate [USD/IDR]	14,244	14,481	13,548	13,436

*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.

PPA Finance rated "idBBB" with stable outlook

PEFINDO has assigned its "idBBB" rating to PT PPA Finance (PPA Finance). The outlook for the corporate rating is "stable".

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 corporate rating reflects PPA Finance's niche market within PT Perusahaan Pengelola Aset (Persero) Group and state-owned enterprises, and above average capitalization. The rating is constrained by its concentrated financing portfolio, low margin business model, and tight competition in leasing segment.

The rating may be raised if PPA Finance significantly strengthens its business position in the financing industry on a consistent basis. The rating could be lowered if we see any significant deterioration in its business position, or its profitability and asset quality performance weaken substantially.

Established in December 2009, PPA Finance is engaged in leasing, factoring, and consumer finance. It operates through head office in Jakarta with 16 employees. As of March 31, 2019, it was 99.99% owned by PT Perusahaan Pengelola Aset (Persero) (PPA) and 0.01% owned by employee cooperative of PPA.

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