

PT Batavia Prosperindo Finance Tbk

Analysts: Handhayu Kusumowinahyu / Kreshna Dwinanta Armand

Phone/Fax/E-mail: (62-21) 72782380 / 72782371 / handhayu.kusumowinahyu@pefindo.co.id / kreshna.armand@pefindo.co.id

CREDIT PROFILE

Corporate Rating *idBBB/Stable*

Rated Issues

Shelf Reg. Bond I Phase II/2017 *idBBB*
Shelf Reg. Bond II/2018 *idBBB*

Rating Period

March 4, 2020 – March 1, 2021
March 4, 2020 – May 5, 2020 (Shelf Reg. Bond I Phase II/2017)

Rating History

MAR 2019 *idBBB/Stable*
OCT 2018 *idBBB/Negative*
MAR 2018 *idBBB/Stable*
MAR 2017 *idBBB/Stable*
MAR 2016 *idBBB/Stable*
APR 2015 *idBBB/Stable*
APR 2014 *idBBB/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Dec-2019	Dec-2018	Dec-2017	Dec-2016
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total assets [IDR bn]	1,821.6	1,827.7	1,571.3	1,037.6
Net receivables [IDR bn]	1,546.2	1,449.4	1,267.8	832.4
Net service assets [IDR bn]	1,735.0	1,617.2	1,472.5	1,180.5
Total equity [IDR Bn]	818.9	771.4	621.7	503.8
Net interest revenue [IDR bn]	191.0	179.8	141.5	105.4
Net income [IDR bn]	74.5	68.0	49.0	33.9
Cost to income [%]	61.7	59.4	64.8	61.2
Operating profit margin [%]	22.5	19.5	16.8	17.4
ROAA [%]	3.8	3.7	3.1	2.6
NPR-balance/NSA [%]	5.1	6.2	5.7	5.7
Reserves/NSA [%]	1.8	1.9	1.2	0.7
Equity/NSA [%]	47.2	47.7	42.2	42.7
Total debt/equity [x]	1.2	1.3	1.5	1.0
Short-term liquidity ratio [%]	220.1	809.6	210.0	308.6
USD exchange rate [IDR/USD]	13,901	14,481	13,548	13,436

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.

BPFI rated "idBBB" with "stable" outlook

PEFINDO has affirmed its "idBBB" ratings for PT Batavia Prosperindo Finance Tbk (BPFI) and the Company's Shelf Registration Bond II/2018. BPFI's Shelf Registration Bonds I Phase II/2017 of IDR300 billion will due on May 5, 2020. The Company's readiness to pay these maturing bonds is supported by its monthly receivables collection of around IDR132.2 billion and unused credit facility of IDR460.6 billion at end of December 2019. The Company also still has remaining plafond of Shelf Registration Bond II/2018 of IDR350 billion. 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 lead to a weakened capacity of the obligor to meet its financial commitments.

The rating reflects BPFI's established presence in the used car financing segment and its strong capitalization. However, the rating is constrained by its low operating efficiency, moderate asset quality, and the 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 deteriorate significantly. The rating may also be under pressure if its liquidity profile weakens considerably.

BPFI is a multi-finance company focused mainly on used car financing. As of December 31, 2019, it operated through one head office and 76 branches, supported by 1,317 employees. Its shareholders are PT Batavia Prosperindo Internasional Tbk (BPPI, 74.3%), Suzanna Tanojo (7.4%) UOB Kay Hian Pte Ltd (6.0%), and public (12.2%). BPPI is ultimately owned by Malacca Trust Limited, a financial services group operating in consumer financing, asset management, securities brokerage, and insurance.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.