

PT Komatsu Astra Finance

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Sep-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idAA+/Stable</i>					
Rated Issues	-					
Rating Period	February 6, 2020 – February 1, 2021					
Rating History						
JUL 2018	<i>idAA+/Stable</i>					
MAR 2017	<i>idAA+/Stable</i>					
JAN 2016	<i>idAA+/Stable</i>					
		Total assets [IDR bn]	339.4	386.3	315.2	263.5
		Net receivables [IDR bn]	323.9	360.0	295.0	228.2
		Net service assets [IDR bn]	329.8	366.6	300.0	232.6
		Total equity [IDR bn]	115.6	108.1	99.7	96.0
		Net interest revenue [IDR bn]	12.1	16.4	13.4	11.3
		Net income [IDR bn]	7.5	8.4	6.5	6.9
		Cost to income [%]	25.5	24.8	25.0	24.8
		Operating profit margin [%]	47.8	40.4	46.0	64.7
		ROAA (including off-balance) [%]	*2.7	2.4	2.3	2.6
		NPR-balance/NSA [%]	1.0	1.1	1.4	0.6
		Reserves/NSA [%]	1.8	1.8	1.7	1.9
		Equity/NSA [%]	35.0	29.5	33.2	41.3
		Total debt (on-balance)/equity [x]	1.9	2.5	2.1	1.7
		Short-term liquidity ratio [%]	183.6	156.8	156.5	170.1
		USD exchange rate [USD/IDR]	14,174	14,481	13,548	13,436

*annualized

ROAA=return on average assets (including off balance sheet). NPR=non-performing receivables (overdue >30days).

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 Komatsu Astra Finance rated "idAA+" with stable outlook

PEFINDO has assigned its "idAA+" rating to PT Komatsu Astra Finance (KAF). The outlook for the rating is "stable".

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 Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The rating reflects KAF's status as a strategic subsidiary of its ultimate shareholders, Komatsu Limited, Japan (Komatsu) and PT Astra International Tbk (Astra), its strong market position in the heavy equipment leasing business, and very strong capitalization. The rating is constrained by its concentrated financing portfolio and the inherent risks of exposure to coal price fluctuations.

The rating may be raised if KAF strengthens its market position substantially and consistently, while maintaining its strong financial profile. It may be lowered if there is a material shift in the support of the Company's shareholders, particularly a significant decline in the ownership level of and/or business integration with the Astra Group. The rating may also be lowered if there is a material deterioration in the Company's asset quality or profitability.

KAF is a financing arm of the Komatsu and Astra groups, and focuses primarily on financing leases of Komatsu heavy equipment. It is a 50:50 joint venture company between PT Komatsu Indonesia, a direct subsidiary of Komatsu Limited, Japan (rated A/stable by Standard and Poor's) and PT Sedaya Multi Investama, a direct subsidiary of PT Astra International Tbk (rated BBB+/stable by Standard and Poor's). Komatsu is one of the largest business groups in Japan, with main businesses in the manufacture and sale of construction and mining equipment, utilities, forest machines and industrial machinery. Astra is one of the largest conglomerates in Indonesia, engaged in a number of business lines, including automotive, heavy equipment, and agribusiness.

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.