

PT Bussan Auto Finance

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2019	Dec-2018	Dec-2017	Dec-2016	
		<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	
Corporate Rating	<i>idAA/Stable</i>	Total assets [IDR bn]	12,642.2	11,116.8	8,015.3	7,320.3
Rated Issues		Net receivables [IDR bn]	11,620.8	9,993.0	7,391.2	6,777.0
<i>Bond III/2019</i>	<i>idAA</i>	Net service assets [IDR bn]	12,253.6	10,274.0	7,596.3	7,021.0
<i>Bond II/2018</i>	<i>idAA</i>	Total equity [IDR bn]	1,886.7	2,000.6	1,845.0	1,666.3
<i>Bond I/2017</i>	<i>idAA</i>	Net interest revenue [IDR bn]	2,764.7	2,144.4	1,728.6	1,656.7
Rating Period		Net income [IDR bn]	294.3	224.1	182.7	82.1
<i>April 1, 2020 – April 1, 2021</i>		Cost to income [%]	45.7	52.9	58.3	59.8
Rating History		Operating profit margin [%]	11.4	12.0	11.8	5.3
<i>AUG 2019</i>	<i>idAA/Stable</i>	ROAA (including off-balance) [%]	2.5	2.3	2.4	1.0
<i>FEB 2019</i>	<i>idAA/Stable</i>	NPR-balance/NSA [%]	3.3	4.9	4.5	5.6
<i>FEB 2018</i>	<i>idAA/Stable</i>	Reserves/NSA [%]	5.2	2.7	2.7	3.4
<i>MAY 2017</i>	<i>idAA/Stable</i>	Equity/NSA [%]	15.4	19.5	24.3	23.7
<i>SEP 2009</i>	<i>idAA-/Stable</i>	Total debt/equity [x]	5.2	4.1	3.0	3.0
<i>MAR 2008</i>	<i>idA+/Stable</i>	Short-term liquidity ratio [%]	195.6	134.6	180.4	185.5
<i>JAN 2008</i>	<i>idA/Stable</i>	USD exchange rate [USD/IDR]	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.

PT Bussan Auto Finance's rating affirmed at "idAA"

PEFINDO has affirmed "idAA" ratings of PT Bussan Auto Finance (BAF), its Bond I/2017, Bond II/2018, and Bond III/2019. The outlook for the corporate 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 rating reflects BAF's strong parent support, strong capitalization, and strong market position in the industry. 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. 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.

PEFINDO views the COVID-19 outbreak will have a significant impact in the financing industry in terms of growth, asset quality, and profitability, particularly from the economic sectors that are directly impacted such as hotel, tourism, restaurant, and transportation. Limited access for workers combined with weaker demand may also affect manufacturing and commodity-based trading sectors. The capability of debtors from those economic sectors may be significantly affected, resulting in lower ability to repay their financial obligations, thus affecting the financial profiles of the finance companies as well. The impact should be partly mitigated by the implementation of POJK no.11/POJK/03/2020, allowing banks and financing companies to provide certain relaxations to manage the credit quality of COVID-19-affected debtors.

At the moment, we are of the view that BAF's credit profile will remain relatively unchanged amid this outbreak, supported by the existence of Mitsui Co, Ltd and Yamaha Motor Co, Ltd as the shareholders, both providing funding access and captive business to BAF. This factor should compensate impact of COVID-19 to BAF's financing portfolio and its expansion plan, where around 50% of its financing portfolio is generated from Java, areas that are significantly impacted by the outbreak.

PEFINDO will closely monitor these conditions to continually assess the impact of COVID-19, and should there be any material development we will conduct the necessary actions.

BAF was established in 1995 as PT Pembiayaan Getraco Indonesia. It was renamed PT Danamon-Mitsui Otomotif Finance in 1997, and changed to its present name in 1998. As of December 2019, its shareholders were: Mitsui Co, Ltd (Mitsui, 65.0%); Yamaha Motor Co, Ltd (Yamaha, 17.7%); PT Sinergi Autoindo Abadi (15.0%); and PT Yamaha Indonesia Motor Manufacturing (2.3%). It had 191 branches, serving 928,445 accounts, with a workforce of 6,423 staff.

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.