

PT Batavia Prosperindo Finance Tbk

Analysts: Handhayu Kusumowinahyu / Kreshna Dwinanta Armand

Phone/Fax/E-mail: (62-21) 50968469 / 50968468 / handhayu.kusumowinahyu@pefindo.co.id / kreshna.armand@pefindo.co.id

| CREDIT PROFILE | | FINANCIAL HIGHLIGHTS | | | |
|--|-----------------------|---------------------------------|-----------------|-----------------|-----------------|
| | | As of/for the year ended | | | |
| | | Dec-2020 | Dec-2019 | Dec-2018 | Dec-2017 |
| | | (Audited) | (Audited) | (Audited) | (Audited) |
| Corporate Rating | <i>idBBB/Stable</i> | | | | |
| Rated Issues | | | | | |
| <i>Shelf Reg. Bond I Phase II/2017</i> | <i>idBBB</i> | 1,472.6 | 1,821.6 | 1,827.7 | 1,571.3 |
| <i>Shelf Reg. Bond II/2018</i> | <i>idBBB</i> | 1,156.3 | 1,546.2 | 1,449.4 | 1,267.8 |
| | | 1,361.2 | 1,735.0 | 1,617.2 | 1,472.5 |
| | | 859.1 | 819.3 | 771.4 | 621.7 |
| | | 161.1 | 191.0 | 179.8 | 141.5 |
| | | 41.3 | 74.9 | 68.0 | 49.0 |
| | | 71.4 | 61.7 | 59.4 | 64.8 |
| | | 15.1 | 22.5 | 19.5 | 16.8 |
| | | 2.3 | 3.8 | 3.7 | 3.1 |
| | | 6.1 | 5.1 | 6.2 | 5.7 |
| | | 1.7 | 1.8 | 1.8 | 1.2 |
| | | 63.1 | 47.2 | 47.7 | 42.2 |
| | | 0.6 | 1.2 | 1.3 | 1.5 |
| | | 178.4 | 220.1 | 806.1 | 208.9 |
| | | 14,105 | 14,481 | 14,481 | 13,548 |
| Rating Period | | | | | |
| <i>February 10, 2021 – February 1, 2022</i> | | | | | |
| <i>February 10, 2021 – May 14, 2021 (Shelf Reg. Bond II Phase II/2020)</i> | | | | | |
| Rating History | | | | | |
| <i>MAR 2020</i> | <i>idBBB/Stable</i> | | | | |
| <i>MAR 2019</i> | <i>idBBB/Stable</i> | | | | |
| <i>OCT 2018</i> | <i>idBBB/Negative</i> | | | | |
| <i>MAR 2018</i> | <i>idBBB/Stable</i> | | | | |
| <i>MAR 2017</i> | <i>idBBB/Stable</i> | | | | |
| <i>MAR 2016</i> | <i>idBBB/Stable</i> | | | | |
| <i>APR 2015</i> | <i>idBBB/Stable</i> | | | | |
| <i>APR 2014</i> | <i>idBBB/Stable</i> | | | | |

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 and Shelf Registration Bond II Phase II/2020. The outlook for the corporate rating is "stable". The Company's readiness to pay its maturing Shelf Registration Bond II Phase II/2020 of IDR200 billion due on May 14, 2021, is supported by its monthly receivables collection of around IDR80 billion and unused credit facility of IDR285.5 billion at the end of December 2020.

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 strong capitalization. The rating is constrained by its low operating efficiency, moderate asset quality, and tight competition in the industry.

The rating may be raised if BPFI significantly improves its market position, asset quality, and profitability indicators on a consistent basis. Conversely, 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.

PEFINDO is of the view that the COVID-19 pandemic has significantly impacted the financing industry in terms of growth, asset quality, and profitability, particularly the economic sectors suffering direct impact such as hotels, tourism, restaurants, and transportation. Manufacturing and commodity-based trading sectors are also affected at a lesser degree, as people's access to work sites is limited. Borrowers from these sectors are significantly affected, resulting in a lower ability to repay their financial obligations, thus affecting the financial profiles of finance companies. Although the POJK 58/POJK.05/2020 allows finance companies to continue restructuring accounts impacted by COVID-19 to maintain manageable asset quality ratios, the implementation also carries a moral hazard risk as a non-affected borrower may be tempted to stop paying their installments.

We expect COVID-19 to have a manageable impact on BPFI's credit profile, given its diversified funding structure which enabled it to preserve funding from banks and debt market. BPFI has also been applying stronger underwriting criteria and intensifying collection efforts, supported by strong IT infrastructure. This should offset concerns of a business downturn given the projected subdued growth in the automotive sales nationwide in the next 18-24 months which should affect demand for automotive purchase financing services. PEFINDO will continue to remain vigilant in monitoring the impact of the pandemic on its performance and overall credit profile.

BPFI is a multi-finance company focused mainly on used car financing. As of December 31, 2020 (FY2020), it operated through one head office and 75 branches, supported by 1,186 employees. Its shareholders are PT Batavia Prosperindo Internasional Tbk (BPPI, 74.4%), 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.

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