

PT Century Tokyo Leasing Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
Corporate Rating	<i>idAA/Stable</i>	As of/for the year ended	Jun-2018 (Unaudited)	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)
Rated Issues		Total assets [IDR bn]	1,853.2	1,957.2	2,122.7	2,041.7
<i>MTN I/2016</i>	<i>idAAA(cg)</i>	Net receivables [IDR bn]	1,728.2	1,876.9	2,100.7	2,022.5
		Net service assets [IDR bn]	1,766.4	1,916.2	2,100.7	2,022.5
		Total equity [IDR bn]	430.7	411.9	401.3	359.5
		Net interest revenue [IDR bn]	34.5	81.2	86.9	67.1
Rating Period		Net income [IDR bn]	18.9	11.0	41.9	31.8
<i>October 9, 2018 – October 1, 2019</i>		Cost to income [%]	44.5	35.9	29.6	32.9
		Operating profit margin [%]	32.9	9.7	43.1	45.9
		ROAA [%]	*2.0	0.5	2.0	1.8
		NPR-balance/NSA [%]	1.8	1.6	1.5	0.0
		Reserves/NSA [%]	2.2	2.0	0.0	0.0
Rating History		Equity/NSA [%]	24.4	21.5	19.1	17.8
<i>OCT 2017</i>	<i>idAA-/Stable</i>	Total debt/equity [x]	3.2	3.7	4.2	4.6
<i>OCT 2016</i>	<i>idAA-/Stable</i>	Short-term liquidity ratio [%]	52.6	49.1	63.7	44.7
		USD exchange rate [USD/IDR]	14,404	13,548	13,436	13,795

*annualized

ROAA: return on average assets; NPR: non-performing receivables, overdue > 30 days

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.

PEFINDO affirms "*idAAA(cg)*" rating to PT Century Tokyo Leasing Indonesia's MTN I/2016

PEFINDO has raised PT Century Tokyo Leasing Indonesia (CTLI)'s corporate rating to "*idAA*" from "*idAA-*". The upgrade reflects PEFINDO's view of stronger degree of support for CTLI from Tokyo Century Corporation, Japan (the Parent, rated A+/*Stable* by Japan Credit Rating or JCR) with its business being closely integrated, and our expectation of continued strong support which will sustain its business position in the financing industry in the near to medium term. The outlook for the corporate rating is "**Stable**".

PEFINDO also affirmed its "*idAAA(cg)*" rating for the Company's Medium-Term Notes (MTN) I/2016. The MTN rating is based on a full, unconditional and irrevocable guarantee from TCC, which fully covers the its principal and interest payments. PEFINDO views the Parent as having strong financial capacity and a very strong likelihood of supporting CTLI, including in fulfilling its guarantee obligation to the MTN issuance.

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.

A debt security rated *idAAA* has the highest rating assigned by PEFINDO. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is superior. The rating suffix (cg) indicates that the rating incorporates securities in the form of a corporate guarantee.

The "*idAA*" corporate rating reflects the very strong likelihood of support from the Parent, its strong asset quality, and strong financial flexibility with corporate guarantee to all of CTLI's loan including its MTN issuance. However, the rating is constrained by its concentrated financing portfolio and tight competition.

The corporate rating may be raised if CTLI significantly improves its business risk profile on a consistent basis, by strengthening its market presence with a more diversified business portfolio, while maintaining the strong asset quality. On the other hand, the rating may be lowered if there is a material decline in parent support such as increasing portion of CTLI's funding exposure without parent's guarantee, or if CTLI suffers a considerable deterioration in any of its asset quality, capitalization, or business performance that may affect the profitability.

Founded in 2011, CTLI provides financing services to Japanese-related companies in the automotive and manufacturing sectors, as well as to well-known domestic multinational companies in various sectors. As of end-June 2018, it operated through its head office in Jakarta with 20 employees. CTLI is 85.0% owned by TCC and 15.0% by PT Sinar Mas Multiartha Tbk.

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