

PT Suzuki Finance Indonesia

Analysts: Handhayu Kusumowinahyu / Danan Dito

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2371 / handhayu.kusumowinahyu@pefindo.co.id / danan.dito@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
Corporate Rating	<i>idA-/Stable</i>	As of/for the year ended	Jun-2017 (Unaudited)	Dec-2016 (Audited)	Dec-2015 (Audited)	Dec-2014 (Audited)
Rated Issues		Total assets [IDR bn]	3,727.5	3,468.4	4,404.6	4,892.7
Rating Period	August 21, 2017 – August 1, 2018	Net receivables [IDR bn]	3,226.9	2,955.2	3,696.1	4,421.3
Rating History		Net service assets [IDR bn]	3,318.9	3,038.5	3,858.4	4,553.2
JAN 2016	<i>idA-/Stable</i>	Total equity [IDR bn]	1,255.9	1,285.6	991.9	1,111.6
JUL 2010	<i>idA-/Stable</i>	Net interest revenue [IDR bn]	128.3	505.0	461.6	506.1
JUN 2009	<i>idA-/Stable</i>	Net income (loss) [IDR bn]	(16.8)	(71.6)	(133.4)	42.6
		Cost to income [%]	78.1	60.1	59.8	52.7
		Operating profit margin [%]	(2.6)	(10.9)	(18.7)	5.8
		ROAA [%]	*(0.9)	(1.8)	(2.9)	1.0
		NPR-balance/NSA [%]	8.3	9.0	16.3	10.3
		Reserves/NSA [%]	2.8	2.7	4.2	2.9
		Equity/NSA [%]	37.8	42.3	25.7	24.4
		Total debt/equity [x]	1.9	1.6	3.4	3.3
		Short-term liquidity ratio [%]	131.0	139.5	102.6	159.2
		USD exchange rate [USD/IDR]	13,319	13,473	13,785	12,385

*Annualized

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.

PEFINDO assigns "idA-" rating for PT Suzuki Finance Indonesia

PEFINDO has assigned its "idA-" rating for PT Suzuki Finance Indonesia (SUFI). The outlook for the corporate rating is "stable".

An obligor rated *idA* has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects SUFI's status as a strategically important subsidiary of Suzuki Motor Corporation (the Parent), its very strong capitalization, and strong liquidity profile. However, the rating is constrained by pressure on the sales of Suzuki brand automotive products, its weak asset quality, and very weak profitability performance.

The rating may be raised if SUFI significantly strengthens its market position in the financing industry on a consistent basis. The Company should also demonstrate its ability to execute its asset quality cleanup and efficiency programs successfully. On the other hand, the rating could be lowered if there is a material decline in support from its Parent. The rating could also be lowered if there is any further deterioration in its asset quality or profitability performance.

Launched in January 2005, the Company used to provide financing only for Suzuki motorcycles. In 2009, the Company started to finance cars and non-Suzuki used motorcycles. As of June 30, 2017, SUFI operated 208 distribution channels covering major cities in Java, Bali, Sumatra, Kalimantan, and Sulawesi, supported by 2,814 employees. The Company is owned by Suzuki Motor Corporation of Japan (80%), Itochu Corporation of Japan (19%), and PT Indomobil Multi Jasa (1%).

DISCLAIMER

PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. PEFINDO cannot be held liable for its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO's public ratings and analyses are made available on its website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.