

## PT Andalan Finance Indonesia

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### CREDIT PROFILE

**Corporate Rating** idA-/Stable

#### Rated Issues

MTN I/2018 (proposed) idA-

#### Rating Period

April 2, 2018 – April 1, 2019

#### Rating History

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### FINANCIAL HIGHLIGHTS

As of/for the year ended

	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)	Dec-2014 (Audited)
Total assets [IDR bn]	5,604.6	4,344.7	3,950.0	3,804.5
Net receivables [IDR bn]	5,208.9	4,060.3	3,485.4	3,278.9
Net service assets [IDR bn]	6,089.6	5,061.4	4,266.8	3,839.1
Total equity [IDR bn]	671.6	595.5	517.5	458.7
Net interest revenue [IDR bn]	389.1	258.9	189.0	115.7
Net income [IDR bn]	91.7	79.1	60.8	65.6
Cost to income [%]	66.4	67.7	63.4	68.0
Operating profit margin [%]	11.5	11.5	7.1	10.9
ROAA (including off-balance) [%]	1.6	1.6	1.4	1.7
NPR-balance/NSA [%]	4.4	4.0	4.5	4.1
Reserves/NSA [%]	1.7	1.6	2.3	1.2
Equity/NSA [%]	11.0	11.8	12.1	11.9
Total debt (on-balance)/equity [x]	7.1	6.1	6.2	6.9
Short-term liquidity ratio [%]	153.1	145.3	138.7	138.2
USD exchange rate [USD/IDR]	13,548	13,436	13,795	12,440

*ROAA=return on average assets - calculated using profit after tax or net profit, including joint financing*

*NPR-balance=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.*

### PT Andalan Finance Indonesia rated "idA-" with stable outlook

PEFINDO has assigned its "idA-" ratings to PT Andalan Finance Indonesia (Andalan Finance) and to the Company's Medium-Term Notes (MTN) I/2018 with a maximum amount of IDR2 trillion. 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 corporate rating reflects Andalan Finance's strong business integration with its affiliated dealers, strong business position, and strong liquidity profile. However, the rating is constrained by the Company's modest capitalization, below average profitability, and moderate asset quality.

The rating may be raised if Andalan Finance significantly improves its market position on a sustainable basis, and at the same time improves its capitalization, profitability, and asset quality profiles. The rating could be lowered if there is a substantial deterioration in its market position, which may be driven by a significant downward shift in business integration with its affiliated dealers, or if any of its financial indicators deteriorate considerably.

Andalan Finance is a financing company focused on used and new car financing. It acts as the financing arm for its affiliate Nasmoco Group, which holds the Toyota car dealerships for Central Java and Yogyakarta provinces. Andalan Finance was owned by PT Industri dan Perdagangan Bintraco Dharma Tbk (60.23%) and PT New Ratna Motor (39.77%). Its business operation is supported by 1,460 employees and 42 branches/marketing offices across Java and several major cities in Medan, Pontianak, Makassar, and Denpasar.

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