

PT Suzuki Finance Indonesia

Credit Rating(s)

General Obligation (GO) idA-/Stable

Rating Period

December 11, 2023 – December 1, 2024

Published Rating History

DEC 2022	idA-/Stable
NOV 2021	idA-/Stable
NOV 2020	idA-/Stable
SEP 2019	idA-/Stable
AUG 2018	idA-/Stable
AUG 2017	idA-/Stable
JAN 2016	idA-/Stable

PEFINDO has assigned its "idA-" rating with stable outlook to PT Suzuki Finance Indonesia (SUFI). The rating reflects SUFI's status as a strategically important subsidiary of Suzuki Motor Corporation (SMC or the Parent), its above average capitalization, as well as above average liquidity and financial flexibility. However, the rating is constrained by its very weak profitability and asset quality profiles, as well as intense competition in the automotive financing segment.

The rating could be raised if we see stronger support from SMC combined with consistent and significant improvement in SUFI's business position and financial performance. Conversely, the ratings may be downgraded if the Company continues to show deterioration in profitability or asset quality performance, which may also lead to a lower degree of importance and support from SMC.

Established in January 2005, SUFI was initially engaged in Suzuki new motorcycle financing services. In 2009, it began financing Suzuki new cars and non-Suzuki used motorcycles. As of September 30, 2023, the Company operated 78 branches supported by 1,454 employees covering major cities in Java, Bali, Sumatra, Kalimantan, and Sulawesi. SUFI is owned by the Suzuki Motor Corporation (84%), PT Tritunggal Inti Permata (15%), and PT Indomobil Multi Jasa Tbk (1%).

Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it 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 its category.

Financial Highlights

As of/for the year ended	Sep-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total assets [IDR bn]	4,640.4	5,051.6	5,326.8	6,036.2
Net receivables [IDR bn]	4,130.1	4,540.5	4,852.9	5,466.2
Net service assets [IDR bn]	4,368.8	4,806.7	5,136.3	5,731.3
Total equity [IDR Bn]	804.4	821.9	824.3	737.2
Net interest revenue [IDR bn]	251.3	433.1	472.1	340.2
Net income [IDR bn]	(43.4)	38.5	10.8	(167.9)
Cost to income [%]	64.5	68.1	60.6	94.7
Operating profit margin [%]	(7.7)	6.6	1.8	(24.7)
ROAA [%]	*(1.2)	0.7	0.2	(2.8)
NPR-balance/NSA [%]	8.5	7.0	7.4	6.5
Reserves/NSA [%]	5.5	5.5	5.5	4.6
Equity/NSA [%]	18.4	17.1	16.0	12.9
Total debt/equity [x]	4.6	4.9	5.2	6.7
USD exchange rate [IDR/USD]	15,526	15,731	14,269	14,105

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.

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