

PT Suzuki Finance Indonesia

Analysts: Adrian Noer / Danan Dito

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2371 / adrian.noer@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-2019 (Unaudited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Rated Issues	-	Total assets [IDR bn]	6,110.8	6,084.5	4,549.5	3,468.4
Rating Period	September 17, 2019 – September 1, 2020	Net receivables [IDR bn]	5,466.8	5,421.5	4,033.0	2,955.2
Rating History		Net service assets [IDR bn]	5,652.5	5,591.4	4,119.4	3,038.5
AUG 2018	<i>idA-/Stable</i>	Total equity [IDR bn]	1,064.1	1,184.7	1,271.2	1,285.6
AUG 2017	<i>idA-/Stable</i>	Net interest revenue [IDR bn]	213.5	409.6	310.8	505.0
JAN 2016	<i>idA-/Stable</i>	Net income (loss) [IDR bn]	(95.1)	(94.6)	7.3	(71.6)
JUL 2010	<i>idA-/Stable</i>	Cost to income [%]	67.4	69.9	78.1	76.6
JUN 2009	<i>idA-/Stable</i>	Operating profit margin [%]	(19.6)	(9.9)	2.1	(13.0)
		ROAA [%]	*(3.1)	(1.8)	0.2	(1.8)
		NPR-balance/NSA [%]	8.0	6.5	5.5	9.0
		Reserves/NSA [%]	3.3	3.0	2.1	2.7
		Equity/NSA [%]	18.8	21.2	30.9	42.3
		Total debt/equity [x]	4.4	3.9	2.4	1.6
		Short-term liquidity ratio [%]	202.2	133.6	111.8	148.9
		USD exchange rate [USD/IDR]	14,244	14,481	13,548	13,436

*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.

PT Suzuki Finance Indonesia rated "idA-" with stable outlook

PEFINDO has assigned its "idA-" rating to 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 (SMC or the Parent), its strong capitalization, and strong liquidity and financial flexibility. However, the rating is constrained by its weak asset quality and weak profitability performance.

The rating may be raised if SUFI significantly and consistently strengthens its market position in the financing industry, which could be driven by greater business synergy with the Parent, while at the same time continuously improving its financial performance, particularly its asset quality and profitability. On the other hand, the rating could be lowered if its asset quality or profitability performance deteriorates further. The rating could also be lowered if its capitalization significantly deteriorates.

Established in January 2005, SUFI was initially engaged in Suzuki new motorcycle financing services. In 2009, it began financing cars and non-Suzuki used motorcycles. As of June 30, 2019, it operated 193 distribution channels covering major cities in Java, Bali, Sumatra, Kalimantan, and Sulawesi, supported by 2,831 employees. It is owned by the Suzuki Motor Corporation of Japan (80%), Itochu Corporation of Japan (19%), and PT Indomobil Multi Jasa (1%).

DISCLAIMER

PT Pemingkat 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.