

PT Andalan Finance Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Mar-2019	Dec-2018	Dec-2017	Dec-2016	
		<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	
Corporate Rating	idBBB+/Stable					
Rated Issues	-	Total assets [IDR bn]	5,633.6	6,259.3	5,604.6	4,344.7
		Net receivables [IDR bn]	5,214.4	5,945.2	5,236.6	4,060.3
		Net service assets [IDR bn]	5,961.1	6,502.5	6,089.6	5,061.4
		Total equity [IDR bn]	802.2	761.3	671.6	595.5
Rating Period	May 9, 2019 – May 1, 2020	Net interest revenue [IDR bn]	83.9	424.1	389.1	258.9
		Net income [IDR bn]	10.5	99.7	91.7	79.1
		Cost to income [%]	91.3	51.3	66.4	67.7
Rating History		Operating profit margin [%]	3.9	10.6	11.5	11.5
OCT 2018	idA-/Negative	ROAA (including off-balance) [%]	*0.6	1.5	1.6	1.6
APR 2018	idA-/Stable	NPR-balance/NSA [%]	4.4	6.2	4.4	4.0
		Reserves/NSA [%]	1.7	1.4	1.7	1.6
		Equity/NSA [%]	13.5	11.7	11.0	11.8
		Total debt (on-balance)/equity [x]	5.9	7.0	7.1	6.1
		Short-term liquidity ratio [%]	101.8	110.1	153.1	145.3
		USD exchange rate [USD/IDR]	14,244	14,481	13,548	13,514

*Annualized
ROAA=return on average assets (including off balance sheet). NPR=non-performing receivables. 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 Andalan Finance Indonesia rated "idBBB+" with stable outlook

PEFINDO has assigned its "idBBB+" rating to PT Andalan Finance Indonesia (Andalan Finance). The outlook for the corporate rating is "stable".

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments. The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The corporate rating reflects Andalan Finance's strong business integration with its affiliated dealers, moderate capitalization, and average diversification profile. The rating is constrained by the challenges to grow new financing, below average profitability, and pressure on 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 may be lowered if the transition to the new business model does not materialize as expected, as this could lead to a weakening market presence and business profile. The rating could also be lowered if its asset quality or profitability performance deteriorates considerably.

Andalan Finance is a financing company focused on used and new cars. It acts as the financing arm for its affiliate Nasmoco Group, which holds the Toyota car dealerships for Central Java and Yogyakarta provinces. As of March 31, 2019, Andalan Finance was owned by PT Industri dan Perdagangan Bintraco Dharma Tbk (60.23%) and PT New Ratna Motor (39.77%). Its business operations are supported by 1,137 employees and 43 branches across Java and several major cities in Medan, Pontianak, Makassar, and Denpasar.

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