

PT Suzuki Finance Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
Corporate Rating	<i>idA-/Stable</i>	As of/for the year ended	Sep-2021 <i>(Unaudited)</i>	Dec-2020 <i>(Audited)</i>	Dec-2019 <i>(Audited)</i>	Dec-2018 <i>(Audited)</i>
Rated Issues	-	Total assets [IDR bn]	5,546.4	6,036.2	6,023.8	6,084.5
		Net receivables [IDR bn]	4,934.5	5,466.2	5,452.5	5,421.5
		Net service assets [IDR bn]	5,205.0	5,731.3	5,617.9	5,591.4
		Total equity [IDR bn]	789.2	737.2	965.5	1,184.7
Rating Period		Net interest revenue [IDR bn]	352.4	340.2	437.9	409.6
<i>November 23, 2021 – November 1, 2022</i>		Net income (loss) [IDR bn]	(2.1)	(167.9)	(173.4)	(94.6)
		Cost to income [%]	57.4	94.7	93.7	69.9
Rating History		Operating profit margin [%]	(0.5)	(24.7)	(22.3)	(9.9)
<i>NOV 2020</i>	<i>idA-/Stable</i>	ROAA [%]	*(0.0)	(2.8)	(2.9)	(1.8)
<i>SEP 2019</i>	<i>idA-/Stable</i>	NPR-balance/NSA [%]	7.4	6.5	6.2	6.5
<i>AUG 2018</i>	<i>idA-/Stable</i>	Reserves/NSA [%]	5.2	4.6	2.9	3.0
<i>AUG 2017</i>	<i>idA-/Stable</i>	Equity/NSA [%]	15.2	12.9	17.2	21.2
<i>JAN 2016</i>	<i>idA-/Stable</i>	Total debt/equity [x]	5.8	6.7	4.8	3.9
		Short-term liquidity ratio [%]	143.9	86.1	139.3	133.6
		USD exchange rate [USD/IDR]	14,307	14,105	13,901	14,481

**Annualized*

ROAA=return on average assets - calculated using profit after tax or net profit

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 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, 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.

The rating reflects SUFI's status as a strategically important subsidiary of Suzuki Motor Corporation (SMC or the Parent), its above average capitalization, and strong liquidity and financial flexibility. However, the rating is constrained by its very weak profitability performance and weak asset quality.

The rating may be revised upward provided that SUFI significantly and consistently strengthens its market position in the financing industry, which could be driven by forging stronger business synergy with its Parent, while simultaneously continuing to improve its financial performance, particularly its asset quality and profitability. Conversely, the rating may be revised downward if its asset quality or profitability exhibit further deterioration. The rating may also be subject to downgrade if its capitalization significantly deteriorates.

Established in January 2005, SUFI was initially engaged in Suzuki new motorcycle financing services. In 2019, it began financing Suzuki new cars, and non-Suzuki used motorcycles. As of September 30, 2021, it operated 48 branches covering major cities in Java, Bali, Sumatra, Kalimantan, and Sulawesi, supported by 1,735 employees. SUFI's shareholders at the end of September 2021 were Suzuki Motor Corporation (84%), PT Tritunggal Inti Permata (15%), and PT Indomobil Multi Jasa (1%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.