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 lead to a weakened capacity of the obligor to meet its financial commitments.

The rating reflects Kopnus’ strong partnership with PT Pos Indonesia, its strong asset quality profile, and moderate capitalization. The rating is constrained by its limited presence in the financing industry, high operating expenses, and limited financial flexibility.

The rating could be raised if Kopnus strengthens its business presence consistently and substantially, and at the same time improves its operating efficiency. The rating could be lowered if its business profile weakens, which may result from a material decline in its partnership with PT Pos Indonesia, or if its capitalization profile weakens significantly.

Established in October 2004, Koperasi Nusantara is a cooperative that partners with banks through channeling schemes. It has a notable partnership with PT Pos Indonesia, or if its capitalization profile weakens significantly.