

PT Hasjrat Multifinance (HMF)

Corporate rating

irBBB/Negative

Rated issues

Medium Term Notes Hasjrat Multifinance
Tahun 2019

irBBB

Rating Period

August 31, 2020 – September 1, 2021

Rating History

April 2020

irBBB

August 20, 2019 – September 1, 2020

irBBB

PT Kredit Rating Indonesia assigns the rating of ‘irBBB’ to Hasjrat Multifinance (HMF) with a ‘Negative’ outlook and affirms “irBBB” rating for its Medium Term Notes Hasjrat Multifinance Tahun 2019 amounting to Rp 1 trillion. The outlook reflects pressure on the financing industry caused by economy slow down during COVID-19 pandemic.

PT Kredit Rating Indonesia considers that with the national market share of around 0.5% for financing receivables, HMF has a fairly weak franchise. Although HMF's market share is weak nationally, HMF benefits as part of Hasjrat Abadi Group which has a dealership business unit with a dominant market share in Eastern Indonesia so that HMF has an adequate financing market share (around 39%) in the region.

The asset quality of HMF is below the industry average, with the ratio of non-performing financing at 8.4% at the end of June 2020 (2019: 5.9%), where industry's non-performing financing also decreased during pandemic period to 5.2% in June 2020 from 2.8% in 2019. We expect HMF's asset quality to remain below the industry average in the medium term.

HMF can experience a rating upgrade in the future, especially if the company succeeds in significantly increasing market share and / or reducing the ratio of non-performing financing receivables in the future. Conversely, the deterioration in credit quality marked by a significant increase in the ratio of non-performing financing receivables can be a major cause of future downgrades. The outlook will be reviewed for the next 1 year at the latest.

HMF Financial Results Highlights

As of/For the year ended	June 2020 (Unaudited)	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)
Total Adjusted Assets (Rp, bn)	2,737.5	2,633.3	2,359.9	2,048.1
Total Adjusted Equity (Rp, bn)	1,015.4	961.7	871.9	804.7
Financing receivables-net (Rp bn)	2576.2	2560	2,308.0	1,964.3
Total operating income (Rp bn)	193.69	319.73	311.4	292.1
Net income (Rp bn)	53.6	110.5	101.7	101.5
Net interest margin (%)	11.8	20.2	11.4	13.2
Return on assets (%)	3.0	6.4	4.6	5.6
Cost to income (%)	144.6	108.0	56.6	54.0
Debt/Equity (x)	1.4	1.5	1.5	1.3
Non performing financing (%)	8.4	5.9	6.3	5.8

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