

PT Hasjrat Multifinance (HMF)

Company Rating

***ii*BBB+/Stable**

Rated Issues

Medium Term Notes III Tahun 2019
PT Hasjrat Multifinance

***ii*BBB+**

“Debt securities with an ***ii*BBB** have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.”

The plus sign (+) indicates that the rating given is closer to the rating scale above it.

Rating Period

August 31, 2022 – September 1, 2023

Rating History

August, 2021

***ii*BBB/Stable**

May, 2021

***ii*BBB/Stable**

August, 2020

***ii*BBB/Negative**

April, 2020

***ii*BBB/Negative**

August, 2019

***ii*BBB/Stable**

Kredit Rating Indonesia upgrades the ratings of PT Hasjrat Multifinance (HMF or the Company) and HMF’s Medium Term Notes III Tahun 2019 from *ii*BBB to *ii*BBB+.

Kredit Rating Indonesia (KRI) upgrades the ratings of PT Hasjrat Multifinance (HMF or the Company) and HMF’s Medium Term Notes III Tahun 2019 of IDR1 trillion from *ii*BBB to *ii*BBB+. The outlook of the rating is Stable. The ratings reflect well HMF’s diversified financing portfolio and strong parent support. However, lower asset quality than industry average is also considered.

KRI considers that with the national market share of around 0.7% 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 (Toyota car market share: 34%; Yamaha motorcycle market share: 48%) so that HMF has an adequate financing market share in the region.

HMF recorded total financing receivables of IDR2.5 trillion (2020: IDR2.7 trillion), dominated by vehicle financing, where the proportion of new car financing was around 44% and new motorcycles around 26%. The rest of the financing portfolio is dominated by working capital and investment financing. In 2021, the Company started to diversify its portfolio by providing financing to car dealers from other brands (Hyundai and DFSK) in Greater Jakarta.

The asset quality of HMF is below the industry average, with the ratio of non-performing financing at 5.4% in 2021 (2020: 6.9%), where industry’s non-performing financing also decreased during pandemic period to 3.5% in 2021 from 4.0% in 2020. The company has relatively high buffer for its non performing financing where loan loss coverage stood at 121.3% in 2021, significantly increased from 45.7% in 2020. By applying various strategies, we expect HMF’s asset quality to gradually improve in the medium term.

In 2021, HMF has a good level of capitalization and leverage, shown by the gearing ratio at the level of 1.6x (2020: 1.9x), below the industry average of 2.0x. HMF’s DER ratio in 2021 showed a decrease, due to additional capital in 2021 to IDR350Bn from conversion of retained earnings. The company’s parent company plans to inject another capital injection to IDR 500Bn in 2022.

HMF Financial Results Highlights

As of/For the year ended	Mar 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Adjusted Assets (Rp, bn)	2,547.2	2,551.8	2,873.7	2,633.3	2,359.9
Total Adjusted Equity (Rp, bn)	1,022.0	974.8	969.2	961.7	871.9
Financing Receivables (Rp, bn)	2,406.9	2,397.9	2,559.6	2,584.3	2,316.3
Total Operating Income (Rp, bn)	50.5	95.3	134.1	172.4	153.6
Net Income (Rp, bn)	47.16	54.97	82.69	110.47	101.73
Net Interest Margin (%)	6.0	10.7	9.5	9.9	10.9
Return on Asset (%)	3.7	2.0	3.0	4.4	4.6
Cost to Income (%)	63.0	86.3	77.2	66.5	69.2
Debt/Equity (x)	1.3	1.6	2.0	1.5	1.5
Non-Performing Financing (%)	5.1	5.4	6.9	5.9	6.3

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