



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
September 4, 2014

VRNA's ratings lowered to "idA-" from "idA"

PEFINDO has lowered the ratings of PT Verena Multi Finance Tbk (VRNA) and its outstanding Shelf Registered Bond I/2012 and MTN I/2011 to "idA-" from "idA". Outlook for the corporate rating is "stable". The downgrade is mainly driven by VRNA's limited capitalization that has affected the company ability to expand its market share and to compete with strong based equity multi-finance companies. The ratings reflect the Company's strong support from PT Bank Pan Indonesia Tbk (Bank Panin, idAA/stable), adequate liquidity and financial flexibility profile. However, the ratings are constrained by intensifying competition and below average capitalization.

VRNA's MTN I/2011 of IDR200 billion will mature on December 15, 2014. The Company's readiness to repay its maturing bond is supported by its cash and cash equivalent balance amounting to IDR26.2 billion as of June 30, 2014 (1H2014), the collection of its consumer and leasing financing receivables of around IDR100 billion per month, and unused loan facility from banks amounting IDR900 billion.

VRNA, which is focused on used car financing, began entering the lease financing for heavy equipment and machinery sector in 2011. The Company's major shareholder is Bank Panin with 42.87% ownership, followed by PT Verena Kapital (24.35%), Murniaty Santoso (9.74%), and the public (23.04%).

Rating Period: September 2, 2014 – September 1, 2015
Rating Period MTN I/2011: September 2, 2014 – December 15, 2014
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