

## PT Mandala Multifinance Tbk's ratings affirmed at "idA"

PEFINDO has affirmed its "idA" ratings for PT Mandala Multifinance Tbk (MFIN) and its outstanding Shelf-Registration Bond I/2014 Phase II and Shelf-Registration Bonds II/2015 Phase I. The outlook for the corporate rating is "stable". The ratings reflect the Company's strong business position in the used motorcycle financing business outside Java, very strong capitalization, and strong profitability performance. However, the ratings are constrained by the Company's asset quality pressure due to challenging macroeconomic conditions and tight competition in the industry.

MFIN is a finance company for both new and used motorcycles. Its ultimate major shareholders, PT Jayamandiri Gemasejati, and its affiliated company, PT Lautan Teduh Interniaga, are the holders of Yamaha dealerships in West Java and Lampung, respectively. However, MFIN's business is not solely focused on Yamaha motorcycles, as it also provides financing for other brands, such as Honda and Suzuki. As of September 30, 2015, MFIN was owned by PT Jayamandiri Gemasejati (70.42%), Alex Hendrawan (5.06%), and the public (24.52%).

Rating Period: February 10, 2016 – February 1, 2017

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