

PT Verena Multi Finance Tbk

Analysts: Dyah Puspita Rini / Putri Amanda

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / dyah.rini@pefindo.co.id / putri.amanda@pefindo.co.id

CREDIT PROFILE

Corporate Rating *idA-/Stable*

Rated Issues

Shelf Registered Bond I/2012 *idA-*

Rating Period

September 1, 2016 - September 1, 2017

Shelf-Registration Bond I Phase I/2012

Series C

September 1, 2016 - December 11, 2016

Rating History

SEP 2015 *idA-/Stable*

SEP 2014 *idA-/Stable*

SEP 2013 *idA/Stable*

SEP 2012 *idA/Stable*

JAN 2011 *idA/Stable*

DEC 2011 *idA/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Jun-2016	Dec-2015	Dec-2014	Dec- 2013
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total assets [IDR bn]	1,821.4	1,894.3	2,154.7	2,102.2
Net receivables [IDR bn]	1,648.2	1,751.9	1,978.7	1,893.6
Net service assets [IDR bn]	2,190.1	2,271.0	2,592.5	2,663.8
Total equity [IDR bn]	285.4	284.3	283.0	258.7
Net interest revenue [IDR bn]	36.2	98.7	127.2	145.9
Net income [IDR bn]	1.1	2.4	24.5	34.5
Cost to income [%]	85.4	65.5	58.8	55.4
Operating profit margin [%]	1.2	1.6	8.3	13.1
ROAA (including off-balance) [%]	*0.1	0.1	0.9	1.3
NPR-balance/NSA [%]	5.7	5.4	4.9	4.1
Reserves/NSA [%]	1.4	1.6	1.3	1.6
Equity/NSA [%]	13.0	12.5	10.9	9.7
Total debt (on-balance)/equity [x]	5.2	5.5	6.3	6.9
Short-term liquidity ratio [%]	114.2	132.1	155.1	133.3
USD exchange rate [USD/IDR]	13,180	13,785	12,440	12,189

**Annualized*

ROAA=return on average assets (including off balance sheet). NPR=non-performing receivables. NSA=net service assets.

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO affirmed its "idA-" ratings for PT Verena Multi Finance Tbk

PEFINDO has affirmed the ratings of PT Verena Multi Finance Tbk (VRNA) and its outstanding Shelf-Registration Bond I/2012 at "idA-". The outlook for the corporate rating is "stable".

An obligor rated idA indicates that, the obligor has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The Minus (-) sign in a particular rating indicates that the rating is relatively weak within the respective rating category.

The ratings reflect strong support from PT Bank Pan Indonesia Tbk (Bank Panin, idAA/stable) and its adequate liquidity and financial flexibility profile. However, the ratings are constrained by its weak profitability and moderate asset quality.

The rating may be raised if the Company is able to consistently improve its business position and at the same time improve its profitability and asset quality profile. On the other hand, the rating may be lowered if there is a material decrease in Bank Panin's ownership and level of support. It also could be under pressure if VRNA's business position or if its profitability and asset quality indicators deteriorate significantly.

VRNA's Shelf-Registration Bond I Phase I/2012 Series C of IDR23 billion matures on December 11, 2016. Its readiness to pay for the maturing bonds is supported by its cash and cash equivalent of IDR15.3 billion at the end of July 2016 and monthly internal cash generation from the financing business of around IDR141 billion.

VRNA is a finance company which focuses on used cars, mostly Japanese brands. It also provides new cars financing and starts tapping into property financing in 2015. As of June 30, 2016, its shareholders were PT Bank Panin Indonesia Tbk (42.87%), PT Verena Kapital (24.35%), Murniaty Santoso (9.74%), and the public (23.04%).

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