

PT Verena Multi Finance Tbk

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| CREDIT PROFILE | | FINANCIAL HIGHLIGHTS | | | | |
|--|--------------------|------------------------------------|-----------|-----------|-----------|--------|
| | | As of/for the year ended | | | | |
| | | Jun-2017 | Dec-2016 | Dec-2015 | Dec-2014 | |
| | | (Unaudited) | (Audited) | (Audited) | (Audited) | |
| Corporate Rating | <i>idA-/Stable</i> | 1,839.6 | 1,790.5 | 1,894.4 | 2,154.8 | |
| Rated Issues | | 1,559.4 | 1,605.7 | 1,751.9 | 1,978.7 | |
| <i>Shelf Registration Bond I/2012</i> | <i>idA-</i> | 2,162.3 | 2,151.3 | 2,271.1 | 2,592.5 | |
| Rating Period | | 462.2 | 286.7 | 284.4 | 283.0 | |
| <i>September 8, 2017 - September 1, 2018</i> | | 42.0 | 80.5 | 98.8 | 127.2 | |
| Rating History | | 1.6 | 6.5 | 2.4 | 24.5 | |
| <i>SEP 2016</i> | <i>idA-/Stable</i> | 75.7 | 76.0 | 65.5 | 58.8 | |
| <i>SEP 2015</i> | <i>idA-/Stable</i> | 1.3 | 2.8 | 1.6 | 8.3 | |
| <i>SEP 2014</i> | <i>idA-/Stable</i> | ROAA (including off-balance) [%] | *0.1 | 0.3 | 0.1 | 0.9 |
| <i>SEP 2013</i> | <i>idA-/Stable</i> | NPR-balance/NSA [%] | 7.2 | 5.6 | 5.4 | 4.9 |
| <i>SEP 2012</i> | <i>idA-/Stable</i> | Reserves/NSA [%] | 2.0 | 1.6 | 1.6 | 1.3 |
| <i>JAN 2011</i> | <i>idA-/Stable</i> | Equity/NSA [%] | 21.4 | 13.3 | 12.5 | 10.9 |
| <i>DEC 2011</i> | <i>idA-/Stable</i> | Total debt (on-balance)/equity [x] | 2.8 | 5.0 | 5.5 | 6.3 |
| | | Short-term liquidity ratio [%] | 135.9 | 113.8 | 132.1 | 155.7 |
| | | USD exchange rate [USD/IDR] | 13,319 | 13,436 | 13,785 | 12,440 |

*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 affirms its "idA-" rating 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), sound capitalization, and its adequate liquidity and financial flexibility profile. However, the ratings are constrained by its weak profitability, below average asset quality, and pressure on growth of new financing.

The rating may be raised if the Company is able to translate the strong equity base from Bank Panin and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) into a stronger and more sustainable business position, and at the same time improve its profitability and asset quality profiles. On the other hand, the rating may be lowered if there is a material decrease in Bank Panin's ownership and level of support. The rating could also be under pressure if its business profile weakens resulting from the continuing pressure in growing its new financing, or if its profitability and asset quality figures deteriorate considerably.

VRNA is a finance company that focuses on used cars. It also provides new cars and property financing. At end-May 2017, the Company received a capital injection through rights issue of IDR177.3 billion, which increased its total equity to IDR462.2 billion as of June 30, 2017 from IDR286.7 billion as of December 31, 2016. Accordingly, as of May 31, 2017, the shareholders composition changed with Bank Panin's ownership increased to 57.54% from previously 42.87%. DEG, one of the largest financial institutions development in Europe and also a member of KfW Bankengruppe (KfW-German banking group), rated AAA from Standard & Poor's, entered as one of the shareholders with 19.99% ownership. The remaining shareholders were PT Verena Kapital (9.44%) and public (13.03%). In addition to its financial statements being consolidated with Bank Panin, it is also integrated with the Panin Group financial conglomeration in terms of corporate governance, risk management, and internal audit. It will also receive technical assistance from DEG to strengthen the Company's performance.

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