

PT Bank Mayapada Internasional Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		as of / for the years ended			
		Mar-2018	Dec-2017	Dec-2016	Dec-2015
		(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA-/Negative</i>	79,789.9	74,745.6	60,839.1	47,306.0
Rated Issues		8,685.4	8,543.4	7,053.5	4,587.1
<i>Subordinated Bond V/2018 (NEW)</i>	<i>idBBB</i>	58,989.7	56,420.1	47,197.3	34,241.0
<i>Shelf Registration</i>		67,440.9	62,633.5	51,640.3	41,257.4
<i>Subordinated Bond I/2017</i>	<i>idBBB</i>	683.5	2,600.1	2,417.6	1,696.0
<i>Subordinated Bond IV/2014</i>	<i>idBBB</i>	142.9	675.4	820.2	652.3
<i>Subordinated Bond III/2013</i>	<i>idBBB+</i>	*3.7	4.0	4.6	4.2
Rating Period		89.5	87.1	82.8	82.6
<i>July 16, 2018 - July 1, 2019</i>		ROAA [%]	*0.7	1.0	1.5
Rating History		NPL(3-5)/gross loans [%]	6.0	5.6	2.1
<i>JUN 2018</i>	<i>idA-/Stable</i>	Loan loss reserves/NPL (3-5) [%]	35.3	33.6	52.6
<i>MAY 2018</i>	<i>idA-/Stable</i>	Risk-weighted CAR [%]	12.2	14.1	13.3
<i>JUN 2017</i>	<i>idA-/Stable</i>	Gross loans/total deposits (LDR) [%]	87.5	90.1	91.4
<i>SEP 2016</i>	<i>idA-/Stable</i>	USD exchange rate [IDR/USD]	13,768	13,568	13,473
<i>SEP 2015</i>	<i>idA-/Negative</i>				
<i>SEP 2014</i>	<i>idA-/Stable</i>				
<i>MAR 2014</i>	<i>idA-/Stable</i>				
<i>MAR 2013</i>	<i>idA-/Stable</i>				

**Annualized*

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.

"idBBB" rating for Bank Mayapada's proposed Subordinated Bond V/2018

PEFINDO has affirmed its "idA-" rating for PT Bank Mayapada Internasional Tbk (Bank Mayapada). PEFINDO has also affirmed its "idBBB" ratings for the Bank's outstanding Shelf Registration Subordinated Bond I/2017 and Subordinated Bond IV/2014, as well as its "idBBB+" rating for the Bank's outstanding Subordinated Bond III/2013. At the same time, PEFINDO has also assigned its "idBBB" rating to the Bank's proposed Subordinated Bond V/2018 with a maximum amount of IDR3 trillion. However, the outlook for the corporate rating is revised to "negative" from "stable". The outlook revision was mainly driven by the Bank's potentially weakening asset quality profile as seen on the increasing non-performing loans (NPL) and special mention loans (SML). The Bank recorded high NPL ratio at 6.0% as of March 31, 2018 (1Q2018) and 5.6% as of FY2017. We also see pressure for further deterioration due to the higher pool of SML ratio that has averaged of more than 30% in the last four quarters since 1H2017.

The rating may be lowered if its asset quality issue could not be addressed in a prompt and sustainable basis. Any persistency in its NPL and SML, or any deterioration in those indicators, in near term, could drive the rating downward. Pressure in rating may also arise if the Bank fails to conduct a successful rights issue and other efforts to improve its capitalization profile in a timely manner as planned. PEFINDO may revise the outlook to "stable" if the Bank could manage to significantly curb its NPL and SML, and could maintain its asset quality improvement over near to medium term.

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

A debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to weaken the capacity of the obligor to meet its long-term financial commitments on the debt security.

The minus (-) sign in a particular rating indicates that it is relatively weak within the respective rating category. The plus (+) sign indicates that it is relatively strong within the respective rating category.

The corporate rating reflects strong support from Cathay Life, a moderate business position, and adequate liquidity. The rating is constrained by the Bank's very weak asset quality, high exposure to the corporate sector, and high funding dependence on time deposits.

Bank Mayapada is a commercial bank, focusing on the corporate and small and medium-sized enterprise (SME) segments. As of 1Q2018, it had 3,440 employees and one head office, 38 branches, 90 sub-branches, four cash offices, 83 functional offices, 144 ATMs, and one ADM connected to 103,645 Prima and Bersama ATMs. Its shareholders were JPMCB-Cathay Life Insurance Co Ltd (40%), PT Mayapada Karunia (26.42%), Galasco Investments Ltd (10%), Unity Rise Ltd (7.31%), and the public (16.27%).

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