

PT Mandala Multifinance Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)	
Corporate Rating	<i>idA/Stable</i>					
Rated Issues						
Shelf Reg. Bond III/2018	<i>idA</i>					
Rating Period						
April 8, 2019 – April 1, 2020						
April 8, 2019 – July 10, 2019 for Shelf Reg. Bond III Phase I Year 2018 Series A						
Rating History						
OCT 2018	<i>idA/Negative</i>					
APR 2018	<i>idA/Stable</i>					
FEB 2018	<i>idA/Stable</i>					
FEB 2017	<i>idA/Negative</i>					
FEB 2016	<i>idA/Stable</i>					
FEB 2015	<i>idA/Stable</i>					
APR 2014	<i>idA/Stable</i>					
APR 2013	<i>idA/Stable</i>					
APR 2012	<i>idA/Stable</i>					
DEC 2011	<i>idA/Stable</i>					
		Total assets [IDR bn]	3,621.7	3,215.2	3,562.2	4,595.1
		Net receivables [IDR bn]	3,382.0	2,910.1	3,263.0	4,228.0
		Net service assets [IDR bn]	3,363.0	2,947.0	3,313.0	4,522.0
		Total equity [IDR bn]	2,060.7	1,934.0	1,813.4	1,594.4
		Net interest revenue [IDR bn]	1,317.0	1,248.2	1,183.2	1,287.7
		Net income [IDR bn]	333.3	332.9	255.3	246.6
		Cost to income [%]	58.2	57.7	64.7	64.3
		Operating profit margin [%]	31.0	31.8	23.8	21.3
		ROAA [%]	9.7	9.8	6.1	4.9
		NPR-balance/NSA [%]	4.3	2.7	3.4	3.6
		Reserves/NSA [%]	1.2	0.8	1.0	0.8
		Equity/NSA [%]	61.3	65.6	54.8	35.3
		Total debt/equity [x]	0.7	0.6	0.9	1.8
		Short-term liquidity ratio [%]	371.6	351.5	271.3	274.6
		USD exchange rate [USD/IDR]	14,481	13,548	13,436	13,795
		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.				

Mandala Finance rating affirmed at “idA”, outlook revised to “stable” from “negative”

PEFINDO has revised the corporate rating outlook of PT Mandala Multifinance Tbk (Mandala Finance) to “stable” from “negative”. The outlook revision reflects our view on the Company's ability to obtain sustainable funding sources amid the tight liquidity in the financing industry, particularly for those without strong affiliation with banks as sustainable funding sources or reputable brand principals as potential sources of the captive market. At end of March 2019, Mandala Finance had around IDR1 trillion of unused credit facilities from several domestic banks including PT Bank Central Asia Tbk, PT Bank Negara Indonesia (Persero) Tbk, PT Bank Permata Tbk, and PT Bank BTPN Tbk. By having sufficient funding sources, the Company managed to grow its total new financing to IDR3.8 trillion as of December 31, 2018 (FY2018), an increased from IDR3.3 trillion as of FY2017. Its corporate rating and the rating of its outstanding Shelf Registration Bond III Year 2018 have been affirmed at “idA”.

Mandala Finance's Shelf-Registration Bonds III Phase I Year 2018 Series A amounting to IDR300 billion is maturing on July 10, 2019. The Company's readiness to pay for the maturing bond is supported by its cash and cash equivalent of IDR60.1 billion as of FY2018 and its monthly receivables collection of around IDR376 billion.

An obligor rated *idA* 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 corporate rating reflects the Company's very strong capitalization, strong profitability performance, and established presence in the used motorcycle financing business outside Java. However, the rating is constrained by challenges to grow new financing and tight competition in the industry.

The rating may be raised if Mandala Finance consistently strengthens its market presence in the industry, while maintaining its capitalization, asset quality, and profitability indicators. On the other hand, the rating may be lowered if the Company's business profile weakens, or if its asset quality and profitability figures deteriorate considerably.

Mandala Finance focuses on new and used motorcycle financing. Its ultimate major shareholder, PT Jayamandiri Gemasejati, and its affiliate, PT Lautan Teduh Interniaga, hold the Yamaha dealerships in West Java and Lampung, respectively. However, the Company's business is not solely focused on Yamaha motorcycles, as it also provides financing for other brands, such as Honda and Suzuki. As of FY2018, its shareholders were PT Jayamandiri Gemasejati (70.42%), Alex Hendrawan (5.06%), and the public (24.52%).

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