

PT Verena Multi Finance Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2019 (Unaudited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)	
Corporate Rating	<i>idA/Stable</i>					
Rated Issues						
MTN II/2017	<i>idA</i>					
Rating Period						
September 5, 2019 - September 1, 2020						
September 5, 2019 - December 5, 2019 for MTN II/2017						
Rating History						
MAY 2019	<i>idA/Stable</i>					
SEP 2018	<i>idA-/Negative</i>					
SEP 2017	<i>idA-/Stable</i>					
SEP 2016	<i>idA-/Stable</i>					
SEP 2015	<i>idA-/Stable</i>					
SEP 2014	<i>idA-/Stable</i>					
SEP 2013	<i>idA/Stable</i>					
SEP 2012	<i>idA/Stable</i>					
		Total assets [IDR bn]	2,607.8	1,565.5	1,750.4	1,790.5
		Net receivables [IDR bn]	2,283.0	1,290.8	1,326.9	1,605.6
		Net service assets [IDR bn]	2,425.2	1,478.2	2,150.1	2,151.3
		Total equity [IDR bn]	635.8	271.1	464.2	286.7
		Net interest revenue [IDR bn]	44.8	70.1	98.2	80.5
		Net income [IDR bn]	(32.0)	(192.8)	7.6	6.5
		Cost to income [%]	105.1	79.9	64.7	76.0
		Operating profit margin [%]	(20.4)	(85.8)	3.2	2.8
		ROAA [%]	*(3.0)	(10.0)	0.3	0.3
		NPR-balance/NSA [%]	5.8	9.1	7.1	5.6
		Reserves/NSA [%]	1.9	2.1	1.8	1.6%
		Equity/NSA [%]	26.2	18.3	21.6	13.3
		Total debt/equity [x]	3.0	4.6	2.6	5.1
		Short-term liquidity ratio [%]	75.9	72.8	130.9	115.0
		USD exchange rate [USD/IDR]	14,141	14,481	13,548	13,436
		*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.				

Verena Multi Finance's rating affirmed at "idA"

PEFINDO has affirmed its "idA" ratings for PT Verena Multi Finance Tbk (Verena Multi Finance) and its outstanding Medium-Term Notes (MTN) II/2017. The outlook for the corporate rating is "stable".

Verena Multi Finance's MTN II/2017 amounting to IDR100 billion is maturing on December 5, 2019. The Company's readiness to pay for the maturing MTN is supported by its monthly receivables collection of around IDR132 billion, as well as cash and cash equivalents of IDR119.1 billion as of June 30, 2019 (1H2019).

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.

The corporate rating reflects the Company's strong support from the majority shareholder, sound capitalization, and strong asset liability management and financial flexibility. However, the rating is constrained by its weak profitability, weak asset quality, and pressure on growth of new financing.

The rating may be raised if PEFINDO sees a higher degree of support from IBJ Leasing Co Ltd (IBJ Leasing) as a result of the Company's consistently increasing contribution to the Parent due to improving business and financial profiles. On the other hand, the Company's rating may be lowered if there is evidence of lower support from the Parent, which may be indicated by a material decline in ownership, or if its importance to IBJ Leasing weakens substantially due to a deterioration in its market position, asset quality or profitability indicators.

Verena Multi Finance is a finance company focuses on leasing and consumer financing, particularly used car financing. As of 1H2019, its shareholders were IBJ Leasing (67.44%), PT Bank Pan Indonesia Tbk (Bank Panin, rated idAA/Stable) (26.15%), and public (6.41%).

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