

PT Bank Mayapada Internasional Tbk

Analysts: Danan Dito / Hasnalia Hanifah

Phone/Fax/E-mail: (62-21) 5096 8469 / 5096 8468 / danan.dito@pefindo.co.id / hasnalia.hanifah@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		as of / for the years ended			
Corporate Rating		Mar-2021	Dec-2020	Dec-2019	Dec-2018
<i>id</i> BBB+/Stable		(Unaudited)	(Audited)	(Audited)	(Audited)
Rated Issues		104,129.8	92,518.0	93,408.8	86,971.9
Subordinated Bond V/2018		13,804.8	12,914.5	12,342.0	10,788.6
SR Subordinated Bond I/2017		54,684.8	56,294.3	71,882.1	65,669.8
Subordinated Bond IV/2014		82,702.3	72,357.4	77,009.1	71,510.5
Rating Period		139.1	170.6	2,919.8	2,969.6
August 10, 2021 - August 1, 2022		47.9	64.2	528.1	437.4
Rating History		*0.8	0.2	3.4	3.8
AUG 2020		96.2	98.0	92.1	92.5
JUL 2020		ROAA [%]	*0.2	0.1	0.6
JUL 2019		NPL(3-5)/gross loans [%]	4.2	4.1	3.9
JUL 2018		Loan loss reserves/NPL (3-5) [%]	80.8	103.7	101.6
JUN 2018		Risk-weighted CAR [%]	15.6	15.5	16.2
MAY 2018		Gross loans/total deposits (LDR) [%]	66.1	77.8	93.3
JUN 2017		USD exchange rate [IDR/USD]	14,525	14,050	13,883
SEP 2016					14,380

*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.

Bank Mayapada's rating affirmed at "*id*BBB+", outlook revised to "Stable"

PEFINDO has affirmed the rating of PT Bank Mayapada Internasional Tbk (Bank Mayapada) at "*id*BBB+". PEFINDO has also affirmed the ratings of its outstanding Subordinated Bond V/2018, Shelf Registration Subordinated Bond I/2017, and Subordinated Bond IV/2014 at "*id*BBB-", two notches below the corporate rating due to the existence of non-viability clause as stated in POJK no. 11/POJK.03/2016. The outlook for the corporate rating is revised to "Stable" from "Negative", following the Bank's sustainability in maintaining its business position and key financial indicators amid the pandemic. Bank Mayapada has been able to maintain market share in the banking industry of around 1.0% - 1.2% in terms of assets, loans, and deposits, resolve asset quality issues and maintain manageable NPL ratios, and preserve its deposit base during liquidity pressure to maintain adequate liquidity position. As such, PEFINDO views that the Bank is likely to continue to sustain its business and financial performance, despite undergoing key changes to the shareholder and management composition following the reduction of ownership from JPMCB-Cathay Life Insurance Co Ltd as one of its major shareholders, as well as facing significant challenges to continue improving its asset quality and profitability performance.

We are of the view that the Covid-19 pandemic has continued to impact the overall banking industry's risk profile by causing a substantial business downturn in almost all sectors, resulting in lower demand for loans and other banking services, and weakening borrowers' repayment capacities, which continue to exert pressure on banks' profitability and liquidity indicators. At the moment, we maintain our view that Covid-19 still bears a significant impact on Bank Mayapada's overall credit profile due to existing pressure on its asset quality and profitability, although conversely, the liquidity pressure on the Bank's deposit base has subsided.

The rating may be raised if Bank Mayapada shows a sustainable improvement of its asset quality and profitability profile, which must be accompanied by a marked improvement of the Bank's loan and funding diversification profile. Conversely, the rating may be lowered if any of the Bank's financial indicators suffer significant deterioration, particularly its capitalization or liquidity position.

An obligor rated *id*BBB has an adequate capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments. The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

A debt security rated *id*BBB denotes adequate protection parameters relative to those of other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to weaken the issuer's capacity to meet its long-term financial commitments on the debt security. The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects the Bank's strong business position, moderate capitalization, 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 1Q2021, it had 3,324 employees, one head office, 39 branches, 91 sub-branches, three cash offices, 83 functional offices, 216 ATMs, and one automatic deposit machine (ADM) connected to 120,000 Prima and Bersama ATMs. Its shareholders were PT Mayapada Karunia (29.89%), JPMCB-Cathay Life Insurance Co Ltd (Cathay Life, 21.56%), Galasco Investments Ltd (12.67%), Liang Xian Ltd (12.39%), Unity Rise Ltd (7.31%), and the public (16.18%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.