Press Release
August 13, 2021

PT Bank Mayapada Internasional Tbk

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CREDIT PROFILE

Corporate Rating *$_{id}$BBB+/Stable*

Rated Issues

Subordinated Bond V/2018	*$_{id}$BBB-*
SR Subordinated Bond I/2017	*$_{id}$BBB-*
Subordinated Bond IV/2014	*$_{id}$BBB-*

Rating Period

August 10, 2021 - August 1, 2022

Rating History

AUG 2020	*$_{id}$BBB+/Negative*
JUL 2020	*$_{id}$BBB+/Negative*
JUL 2019	*$_{id}$BBB+/Negative*
JUL 2018	*$_{id}$A-/Negative*
JUN 2018	*$_{id}$A-/Stable*
MAY 2018	*$_{id}$A-/Stable*
JUN 2017	*$_{id}$A/Stable*
SEP 2016	*$_{id}$A-/Stable*

FINANCIAL HIGHLIGHTS

as of / for the years ended	**Mar-2021**	**Dec-2020**	**Dec-2019**	**Dec-2018**
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total assets [in IDR bn]	104,129.8	92,518.0	93,408.8	86,971.9
Total equity [in IDR bn]	13,804.8	12,914.5	12,342.0	10,788.6
Total gross loans [in IDR bn]	54,684.8	56,294.3	71,882.1	65,669.8
Total cust. dep.+ ST funding [in IDR bn]	82,702.3	72,357.4	77,009.1	71,510.5
Net interest revenue [in IDR bn]	139.1	170.6	2,919.8	2,969.6
Net income (loss) [in IDR bn]	47.9	64.2	528.1	437.4
NIR/average earning assets [%]	*0.8	0.2	3.4	3.8
Operating expense/operating income [%]	96.2	98.0	92.1	92.5
ROAA [%]	*0.2	0.1	0.6	0.5
NPL(3-5)/gross loans [%]	4.2	4.1	3.9	5.5
Loan loss reserves/NPL (3-5) [%]	80.8	103.7	101.6	57.3
Risk-weighted CAR [%]	15.6	15.5	16.2	15.8
Gross loans/total deposits (LDR) [%]	66.1	77.8	93.3	91.8
USD exchange rate [IDR/USD]	14,525	14,050	13,883	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%).