

PT Mega Central Finance

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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	idA-/Stable	Total assets [IDR bn]	2,545.7	2,242.1	2,213.5	1,444.5
Rated Issues	-	Net receivables [IDR bn]	2,096.4	2,004.6	2,047.7	1,306.2
		Net service assets [IDR bn]	10,446.9	9,137.4	5,492.5	3,613.8
		Total equity [IDR bn]	480.3	423.5	332.5	275.5
Rating Period	August 19, 2019 – August 1, 2020	Net interest revenue [IDR bn]	250.7	649.5	455.5	408.6
		Net income [IDR bn]	43.5	87.0	65.6	35.9
		Cost to income [%]	75.2	78.1	75.5	78.5
Rating History		Operating profit margin [%]	14.6	14.5	14.1	11.2
AUG 2017	idA-/Stable	ROAA (including off-balance) [%]	*0.9	1.2	1.4	1.1
JUL 2016	idA-/Stable	NPR-balance/NSA [%]	3.4	3.0	3.7	3.7
		Reserves/NSA [%]	0.2	0.1	0.2	0.2
		Equity/NSA [%]	4.6	4.6	6.1	7.6
		Total debt/equity [x]	3.3	3.7	5.1	3.7
		Short-term liquidity ratio [%]	235.7	147.8	94.9	238.0
		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.

Mega Central Finance rated "idA-" with stable outlook

PEFINDO has assigned its "idA-" rating to PT Mega Central Finance (Mega Central Finance). The outlook for the corporate rating is "stable".

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

The rating reflects Mega Central Finance's strong synergy with the Group, its strong market position supported by an extensive distribution channel and infrastructure, and strong capitalization. The rating is constrained by its below average profitability performance, moderate asset quality from the motorcycle financing segment, and tight competition in the financing industry.

The rating may be raised if Mega Central Finance consistently strengthens its market presence in the industry, while maintaining its capitalization indicators. The rating may be lowered if its business profile weakens, or if its asset quality and profitability figures deteriorate considerably.

Mega Central Finance is a finance company for new and used motorcycle financing, focusing on non-Yamaha brands (mostly Honda), while its sister company PT Mega Auto Finance (Mega Auto Finance) focuses on Yamaha. It also provides financing for new and used cars. As of June 30, 2019, its shareholders were PT Mega Corpora (57.5%), Marubeni Corporation (27%), PT Grez International (12.5%), and PT Marubeni Indonesia (3%). PT Mega Corpora is a holding company for financial services, and it is 99.99% owned by CT Corpora.

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