An obligor rated "idAA" differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term obligations.

Bank BJB, established in 1961 as a regional development bank (BPD), focuses on West Java and Banten provinces. The "idAA" rating for Bank BJB's MTN I/2016 reflects its very strong market position in the banking industry, captive market in West Java and Banten provinces, strong capitalization profile, and very strong profitability.

PT Pemeringkat Efek Indonesia (PEFINDO) has assigned its "idAA" ratings for MTN I/2016, with an outlook of "Stable". The ratings are constrained by high non-performing loans (NPL) from productive sectors and concentrated lending to large institutions.

PEFINDO confirms the "idAA" ratings of Bank BJB and its outstanding Bonds VII/2011. The outlook of the corporate rating is "Stable". An obligor rated "AA" differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to other Indonesian obligors.

The ratings reflect Bank BJB's very strong market position in the banking industry, its captive market in West Java and Banten provinces, and its very strong capitalization profile. However, ratings are constrained by high non-performing loans (NPL) from the productive segment and its concentrated funding to large institutions.

The ratings could be raised if Bank BJB substantially strengthens its business profile and improves its asset quality indicators on a consistent basis. The ratings may be lowered if financial indicators deteriorate significantly, particularly profitability and asset quality profiles.

Bank BJB was established in 1961 as a regional development bank (BPD), focusing on West Java and Banten provinces. As of September 30, 2016, it was 75.0% owned by the provincial and municipal governments in West Java and Banten, and 25.0% by the public.

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