

## PT Bank Pembangunan Daerah Papua

### Credit Rating(s)

General Obligation (GO) idA/Stable

### Rating Period

December 21, 2023 – December 1, 2024

### Published Rating History

DEC 2022	idA/Stable
DEC 2021	idA-/Stable
OCT 2020	idA-/Stable
OCT 2015	idA-/Stable
JUN 2015	idA/Negative
NOV 2014	idA/Stable
JUL 2013	idA/Stable

PEFINDO has assigned its “idA” rating with stable outlook to PT Bank Pembangunan Daerah Papua (Bank Papua). The rating mainly reflects Bank Papua’s captive market in Papua and West Papua provinces, very strong capitalization, and strong liquidity profile. The rating is constrained by its weak asset quality, below average profitability, and tight competition in the productive loan segment.

The rating may be raised if Bank Papua significantly strengthens its business position and improves its asset quality and profitability profiles sustainably. However, the rating may be lowered if there is a considerable deterioration in its business position, or if any of its financial profiles weaken substantially.

Bank Papua is a regional development bank operating in Papua and West Papua provinces, focusing on both the corporate and consumer segments. As of September 30, 2023, it was 24.0% owned by the Papua provincial government, 15.7% by the West Papua provincial government, 58.1% by the city and district governments in Papua and West Papua, and 2.2% by Koperasi Serba Usaha Bank Papua Berdikari. Its business activities are supported by 2,610 employees and a network of 42 branches, 59 sub-branches, as well as 121 cash offices and payment points.

### Financial Highlights

As of/for the year ended	Sep-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total assets [IDR bn]	36,016.6	29,812.1	26,122.6	25,876.1
Total equity [IDR bn]	4,049.1	3,773.3	3,431.4	3,117.0
Total gross loans [IDR bn]	19,468.1	18,151.9	17,598.4	17,034.1
Total customer deposits [IDR bn]	31,045.9	24,130.5	20,785.0	20,353.8
Net interest revenue [IDR bn]	1,357.8	1,581.2	1,453.3	1,559.6
Net income [IDR bn]	420.0	388.8	352.5	345.5
NIR/average earning assets [%]	5.8	6.1	6.1	6.3
Operating expense/income [%]	89.8	76.1	79.4	80.4
ROAA [%]	1.7	1.4	1.4	1.3
NPL (3-5)/gross loans [%]	3.1	2.9	3.4	4.2
Loan loss reserve/NPL (3-5) [%]	116.3	119.1	118.1	117.3
Risk weighted CAR [%]	25.2	23.5	23.2	20.7
Gross loans/total deposits [%]	62.7	75.2	84.7	83.7
USD exchange rate [USD/IDR]	15,526	15,731	14,269	14,105

*\*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.

### Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

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