

PT Bank Rakyat Indonesia Agroniaga Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2016	Dec-2015	Dec-2014	Dec-2013	
		(Audited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idAA/Stable</i>					
Rated Issues						
<i>Bond I/2017 (NEW)</i>	<i>idAA</i>					
Rating Period						
<i>March 10, 2017 – March 1, 2018</i>						
Rating History						
<i>FEB 2017</i>	<i>idAA/Stable</i>					
<i>JUL 2014</i>	<i>idAA-/Stable</i>					
		Total assets [IDR bn]	11,378.0	8,364.5	6,388.3	5,124.1
		Total equity [IDR bn]	1,936.3	1,352.4	894.7	836.9
		Total gross loans [IDR bn]	8,179.8	6,044.5	4,694.6	3,698.6
		Total cust. deposits [IDR bn]	9,223.8	6,862.1	5,206.3	4,120.3
		Net interest revenue [IDR bn]	421.7	355.8	259.2	225.1
		Net income [IDR bn]	103.0	80.5	59.4	52.4
		NIR/average earning assets [%]	4.4	5.0	4.6	5.0
		Operating expense/income [%]	87.5	88.5	87.8	85.1
		ROAA [%]	1.0	1.1	1.0	1.1
		NPL (3-5)/gross loans [%]	2.9	1.9	2.0	2.2
		Loan loss reserve/NPL (3-5) [%]	102.4	116.3	108.5	122.0
		Risk weighted CAR [%]	23.7	22.1	19.1	21.6
		Gross loans/total deposits [%]	88.7	88.1	90.2	89.8
		USD exchange rate [USD/IDR]	13,473	13,785	12,385	12,170

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.

PEFINDO assigns "idAA" rating for PT Bank Rakyat Indonesia Agroniaga Tbk's proposed Bond I Year 2017

PEFINDO has affirmed its "idAA" rating to PT Bank Rakyat Indonesia Agroniaga Tbk (AGRO). PEFINDO has also assigned its "idAA" rating to the Bank's proposed Bond I Year 2017 of IDR500 billion. The outlook for the corporate rating is "stable".

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 financial commitments relative to that of other Indonesian obligors.

The rating reflects the Bank's status as a core subsidiary of PT Bank Rakyat Indonesia (Persero) Tbk (BBRI, rated idAAA/stable) and its strong capitalization profile. The rating is constrained by below average profitability, its loan concentration on the agribusiness sector, and less developed retail funds.

The rating may be raised should PEFINDO see a higher degree of support from BBRI as a result of the Bank's significantly increased contribution to BBRI due to improving business and financial profiles. On the other hand, AGRO's rating may be lowered if there is evidence of lower support from BBRI, such as a material decline in ownership, or the Bank's importance to BBRI has declined substantially due to deterioration in its market position or profitability indicators.

AGRO focuses its banking activities on agribusiness related sectors. It operates through 16 branches, 19 sub-branches, and four cash offices. As of December 31, 2016, the shares are held by BBRI (87.23%), Dana Pensiun Perkebunan (7.08%), and the public (5.69%).

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