

BNTT's rating upgraded to "idA"

PEFINDO has raised the ratings for PT Bank Pembangunan Daerah Nusa Tenggara Timur (BNTT) and the Bank's outstanding Bond I/2011 to "idA" from "idA-". The outlook for the corporate rating is "stable". The upgrade reflects the Bank's continuously improving capitalization and profitability profiles, while maintaining its strong presence in the region. The ratings reflect BNTT's strong market position in its captive market, very strong capitalization, and strong profitability. However, the ratings are constrained by the Bank's limited capacity to access third-party funding, pressure in asset quality, and tightening competition in productive loan segment. PEFINDO is of the view that the Bank should be able to repay the maturing Bond I/2011 Series C of IDR230 billion on July 8, 2016, using its cash and cash equivalents at IDR1.5 trillion as of December 31, 2015 and its monthly loan payment collection of around IDR102.7 billion.

Established in 1962, BNTT is a commercial bank that caters primarily to the government and employees of East Nusa Tenggara Province (Nusa Tenggara Timur or NTT). The Bank has 1,559 and its head office is supported by a network of 23 branch offices, 37 sub-branches, 54 cash offices, and 53 functional units. As of December 31, 2015, the Bank was 32.63% owned by the provincial government of NTT, 67.32% by the district and municipal governments of NTT, and the remaining 0.05% was owned by individuals.

Rating Period: April 5, 2016 – April 1, 2017
Rating Period for Bond I/2011 Series C: April 5, 2016 – July 8, 2016
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