

PT Bank Sahabat Sampoerna

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Jun-2020	Dec-2019	Dec-2018	Dec-2017
		(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA-/Stable</i>	11,422.1	11,510.7	9,820.9	8,197.2
Rated Issues		1,529.3	1,641.6	1,360.2	1,279.5
-		8,726.0	7,845.7	7,235.7	6,235.4
Rating Period		9,440.8	9,685.2	7,855.9	6,696.6
<i>October 14, 2020 – October 1, 2021</i>		312.2	664.1	629.3	531.7
Rating History		30.2	18.5	79.0	36.6
<i>JAN 2018</i>	<i>idA/Stable</i>	*5.7	6.5	7.2	7.0
		91.7	96.5	88.8	93.9
		*0.5	0.2	0.9	0.5
		3.8	4.3	3.2	2.9
		99.6	68.6	56.6	40.0
		17.8	21.1	19.5	19.9
		92.4	81.0	92.1	93.1
		14,302	13,901	14,481	13,548

**) 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.

Bank Sampoerna rated "idA-" with stable outlook

PEFINDO has assigned its "idA-" rating to PT Bank Sahabat Sampoerna (Bank Sampoerna). 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 indicates that the rating is relatively weak within its category.

The rating reflects the Bank's strong collaboration with its affiliated cooperative partner, strong likelihood of support from Sampoerna Strategic Group as the majority shareholder, and strong capitalization. The rating is constrained by its weak asset quality, and modest profitability performance.

The rating may be raised if the Bank strengthens its business position significantly on a consistent basis. This should be accompanied by an improvement in its financial performance, particularly its profitability and asset quality indicators. The rating may be lowered if there is a reduction of support from the Sampoerna Strategic Group, or if its business collaboration with its affiliated cooperative partner declines significantly. The rating may also be under pressure if its asset quality or profitability performance deteriorates significantly.

We are of the view that the COVID-19 pandemic has increased the overall banking industry's risk profile, causing a substantial business downturn in almost all sectors, resulting in lower demand for loans and other banking services. The business slowdown has also weakened debtor repayment capabilities, with asset quality deterioration subsequently putting additional pressure on bank profitability and liquidity indicators. We view the impact of the pandemic on Bank Sampoerna's overall credit profile as moderate, supported by its liquidity and financial flexibility in maintaining depositors' confidence, backed by the existence of Sampoerna Strategic Group as the controlling shareholder. These should partly mitigate the substantial exposure to micro, small and medium-size enterprise segment that highly affected by COVID-19 pandemic.

The Bank focuses its activities on the micro, small and medium-sized enterprise (MSME) segment. As of June 30, 2020 (1H2020), it was owned by PT Sampoerna Investama (78.5%), a company belonging to Sampoerna Strategic Group (Sampoerna); PT Cakrawala Mulia Prima (17.4%), incorporated under Alfa Group; Abakus (Asia Pacific) Pte Ltd. (3.1%), and Ekadharmajanto Kasih (1.0%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.