

PT Bank Pembangunan Daerah Kalimantan Selatan

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
Corporate Rating	^{id} A-/Stable	Sep-2019	Dec-2018	Dec-2017	Dec-2016
Rated Issues	-	(Unaudited)	(Audited)	(Audited)	(Audited)
		17,085.3	13,182.4	11,881.8	11,882.2
		1,866.1	1,771.4	1,771.6	1,723.4
		11,492.4	8,971.6	8,381.2	8,151.8
		14,399.5	9,998.7	8,067.5	7,652.0
		660.9	769.1	787.7	795.1
		172.7	102.8	159.5	203.7
		*6.2	6.6	7.1	7.5
		84.2	87.8	83.5	78.1
		*1.5	0.8	1.3	1.8
		5.0	4.1	5.6	4.2
		59.8	74.7	47.3	56.6
		21.2	25.6	19.8	22.7
		79.8	89.7	103.9	106.5
		14,174	14,560	13,555	13,473

**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 Kalsel rated "^{id}A-" with stable outlook

PEFINDO has assigned the rating of PT Bank Pembangunan Daerah Kalimantan Selatan (Bank Kalsel) at "^{id}A-". The outlook for the corporate rating is "**stable**".

An obligor rated ^{id}A has a strong capacity to meet its long-term financial commitments relative to that 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. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects Bank Kalsel's captive market in South Kalimantan province, very strong capitalization, and above average liquidity profile. The rating is constrained by its below average asset quality, moderate profitability, and the tightening competition in the productive loan segment.

The rating may be raised if Bank Kalsel significantly strengthens its business position and makes significant and sustainable improvements to its asset quality profile and profitability. The rating may be lowered if its asset quality and profitability profile continue to deteriorate, or its business position weakens substantially.

Bank Kalsel was established in 1964 as a regional development bank (BPD) focused on South Kalimantan. As of September 30, 2019 (9M2019), it was 27.7% owned by the South Kalimantan provincial government, and the remaining 72.3% by the cities and regencies in the province. Its business activities are supported by 1,185 employees and a network of 17 branches, 45 sub-branches, and 115 cash offices and payment points.

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.