

PT Bank Capital Indonesia Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2021	Dec-2020	Dec-2019	Dec-2018
			Unaudited	Audited	Audited	Audited
Corporate Rating	idBBB+/Negative	Total Asset [in IDR Bn]	22,334.5	20,223.6	18,959.6	18,019.6
Rated Issues		Total Equity [in IDR Bn]	2,123.1	1,640.4	1,537.6	1,485.0
Subordinated Bond III/2017	idBBB-	Total Gross Loan [in IDR Bn]	2,311.8	6,438.1	9,753.1	8,013.3
Subordinated Bond II/2015	idBBB-	Total Cust. Dep.+ ST Funding [in IDR Bn]	18,713.8	16,368.6	16,107.0	15,422.5
		Net Interest Revenue [in IDR Bn]	(520.7)	47.4	347.2	431.0
		Net Income (Loss) [in IDR Bn]	30.5	61.4	15.9	106.5
		NIR/Average Earning Asset [%]	-4.2	0.3	2.0	2.6
Rating Period		Operating expense/operating income [%]	97.1	94.4	98.1	89.6
April 1, 2022 – April 1, 2023		ROAA [%]	0.1	0.3	0.1	0.6
		NPL (3-5)/Gross Loans [%]	0.0	0.0	3.5	3.0
Rating History		Loan Loss Reserves/NPL (3-5) [%]	0.0	0.0	48.5	16.8
APR 2021	idBBB+/Negative	Risk-Weighted CAR [%]	40.4	18.1	12.7	18.7
APR 2020	idBBB+/Negative	Gross Loans/Total Deposits (LDR) [%]	12.4	39.3	60.6	52.0
APR 2019	idBBB+/Stable	USD Exchange Rate [IDR/USD]	14,253	14,105	13,883	14,380
APR 2018	idBBB+/Stable					
APR 2017	idBBB+/Stable					

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.

PT Bank Capital Indonesia Tbk's rating affirmed at "idBBB+", outlook maintained at "negative"

PEFINDO has affirmed its "idBBB+" rating to PT Bank Capital Indonesia Tbk (Bank Capital or the Bank). PEFINDO also has affirmed its "idBBB-" ratings for its outstanding subordinated bonds. We maintained a "negative" outlook for the corporate rating, reflecting the state of the Bank's core capital which was recorded at IDR2.1 trillion as of December 31, 2021 (FY2021), compared to the core capital requirement of IDR3 trillion by the end of 2022. We view that Bank Capital's compliance with the requirement will highly rely on the right issue realization this year. In terms of business, Bank Capital's loan balance declined by 64.1% YoY to IDR2.3 trillion as of FY2021, mainly attributable to debtors' repayment and its business refocusing, leading to a negative net interest revenue of IDR520.7 billion in 2021. The Bank is currently penetrating a new segment to recover its loan base, however such an effort calls for an extended time and considerable costs before delivering its intended outcome, dependent on the success of the Bank's business transformation.

The rating may be lowered if Bank Capital fails to fulfill the core capital requirement in 2022, and its business transformation experience persistent challenges resulting further pressure in its business position and profitability indicators. PEFINDO may revise the outlook back to stable if Bank Capital could fulfill the core capital requirements and demonstrate the realization of its business transformation in the near term.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments. The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

A debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. Adverse economic conditions or changing circumstances are more likely to weaken the capacity of the obligor to meet its long-term financial commitments on the debt security. The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects Bank Capital's adequate liquidity, moderate capitalization profile and asset quality. The rating is constrained by weak profitability profile, and pressure on its market position attributable to low loan book.

Established in 1989, Bank Capital is a commercial bank focused on retail lending. Its operations are supported by its head office, five branch offices, 20 sub-branches, and 57 cash offices. As of FY2021, it was 14.71% owned by PT Inigo Global Capital, 13.96% by PT Delta Indo Swakarsa, 10.94% by KPD Simas Equity Fund, and 60.39% by the public. PT Inigo Global Capital and PT Delta Indo Swakarsa are ultimately owned by Danny Nugroho.

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.