

PT Bank Rakyat Indonesia Agroniaga Tbk

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CREDIT PROFILE

Corporate Rating *idAA/Stable*

Rated Issues

Bonds I/2017 *idAA*

Rating Period

March 12, 2019 – March 1, 2020

Rating History

MAR 2018 *idAA/Stable*

MAR 2017 *idAA/Stable*

FEB 2017 *idAA/Stable*

JUL 2014 *idAA-/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Dec-2018 <i>Audited</i>	Dec-2017 <i>Audited</i>	Dec-2016 <i>Audited</i>	Dec-2015 <i>Audited</i>
Total assets [IDR bn]	23,313.7	16,322.6	11,378.0	8,364.5
Total equity [IDR bn]	4,424.3	3,111.3	1,936.3	1,352.4
Total gross loans [IDR bn]	15,670.8	10,981.6	8,179.8	6,044.5
Total cust. deposits [IDR bn]	18,064.5	12,419.3	9,223.8	6,862.1
Net interest revenue [IDR bn]	675.9	503.1	407.4	355.8
Net income [IDR bn]	204.2	140.5	103.0	80.5
NIR/average earning assets [%]	3.5	3.7	4.3	5.0
Operating expense/income [%]	83.0	86.5	87.5	88.5
ROAA [%]	1.0	1.0	1.0	1.1
NPL (3-5)/gross loans [%]	2.9	2.6	2.9	2.9
Loan loss reserve/NPL (3-5) [%]	100.7	127.0	101.7	74.4
Risk weighted CAR [%]	28.3	29.6	23.7	22.1
Gross loans/total deposits [%]	86.7	88.3	88.7	88.1
USD exchange rate [USD/IDR]	14,380	13,568	13,473	13,785

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.

BRI Agro's rating affirmed at "idAA" with stable outlook

PEFINDO has affirmed its "idAA" ratings to PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) and its outstanding Bonds I/2017. 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 very strong likelihood of support from the controlling shareholder, PT Bank Rakyat Indonesia (Persero) Tbk (BRI, rated idAAA/stable), its very strong capitalization profile, and above average market position. The rating is constrained by moderate profitability, concentrated loan profile, and less developed retail funds.

The rating may be raised should PEFINDO see a higher degree of support from BRI as a result of the Bank's significantly increased contribution. BRI Agro's rating may be lowered if there is evidence of lower support from BRI, such as a material decline in ownership, or its importance to BRI declines substantially due to deterioration of its market position or profitability indicators.

BRI Agro focuses on agribusiness related sectors and operates through 18 branches, 20 sub-branches, and four cash offices. As of December 31, 2018, its shares were held by BRI (87.10%), Dana Pensiun Perkebunan (6.33%), board of directors (0.01%) and public (6.56%).

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