

PT Bank Rakyat Indonesia Agroniaga Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2017	Dec-2016	Dec-2015	Dec-2014
			<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Corporate Rating	<i>idAA/Stable</i>	Total assets [IDR bn]	16,325.2	11,378.0	8,364.5	6,388.3
Rated Issues		Total equity [IDR bn]	3,111.3	1,936.3	1,352.4	894.7
<i>Bonds I/2017</i>	<i>idAA</i>	Total gross loans [IDR bn]	10,981.6	8,179.8	6,044.5	4,694.6
		Total cust. deposits [IDR bn]	12,421.9	9,223.8	6,862.1	5,206.3
Rating Period		Net interest revenue [IDR bn]	503.1	407.4	355.8	259.2
<i>March 9, 2018 – March 1, 2019</i>		Net income [IDR bn]	140.5	103.0	80.5	59.4
		NIR/average earning assets [%]	3.7	4.3	4.8	4.6
Rating History		Operating expense/income [%]	86.5	87.5	88.5	87.8
<i>MAR 2017</i>	<i>idAA/Stable</i>	ROAA [%]	1.0	1.0	1.1	1.0
<i>FEB 2017</i>	<i>idAA/Stable</i>	NPL (3-5)/gross loans [%]	2.6	2.9	1.9	2.0
<i>JUL 2014</i>	<i>idAA-/Stable</i>	Loan loss reserve/NPL (3-5) [%]	127.0	102.4	116.3	108.5
		Risk weighted CAR [%]	29.6	23.7	22.1	19.1
		Gross loans/total deposits [%]	88.4	88.7	88.1	90.2
		USD exchange rate [USD/IDR]	13,568	13,473	13,785	12,385

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 ratings reflect the very strong likelihood of support from the controlling shareholder, PT Bank Rakyat Indonesia (Persero) Tbk (BRI, rated idAAA/stable) and its strong capitalization profile. The ratings are constrained by moderate profitability, its loan concentration on the agribusiness sector, 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. On the other hand, BRI Agro's rating may be lowered if there is evidence of lower support from BRI, such as a material decline in ownership, or the Bank's importance to BRI has declined substantially due to deterioration in its market position or profitability indicators.

BRI Agro focuses its banking activities on agribusiness related sectors. It operates through 18 branches, 19 sub-branches, and four cash offices. As of December 31, 2017, the shares are held by BRI (86.82%), Dana Pensiun Perkebunan (5.98%), and the public (7.20%).

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