

## PT Bank Central Asia Tbk

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
Corporate Rating: <i>idAAA/Stable</i>		As of/for the years ended	Dec-2020 (audited)	Dec-2019 (audited)	Dec-2018 (audited)	Dec-2017 (audited)
<b>Rated Issues:</b>		Total Asset [in IDR Bn]	1,075,570.3	918,989.3	824,787.9	750,319.7
<i>Shelf Registration Sub Bond I</i>	<i>idAA</i>	Total Equity [in IDR Bn]	184,596.3	174,042.9	151,659.7	131,303.6
		Total Gross Loan [in IDR Bn]	574,589.6	586,939.6	538,099.4	467,508.8
		Total Cust. Deposits [in IDR Bn]	835,435.5	700,015.6	630,433.3	581,594.1
<b>Rating Period:</b>		Net Interest Revenue [in IDR Bn]	54,161.3	50,477.4	45,290.5	41,826.5
<i>March 1, 2021 – March 1, 2022</i>		Net Income (Loss) [in IDR Bn]	27,131.1	28,565.1	25,855.2	23,310.0
		NIR/Average Earning Asset [%]	5.8	6.2	6.2	6.3
<b>Rating History:</b>		Operating expense/Operating income[%]	59.4	55.6	54.6	56.7
<i>MAR 2020</i>	<i>idAAA/Stable</i>	ROAA [%]	2.7	3.3	3.3	3.3
<i>MAR 2019</i>	<i>idAAA/Stable</i>	NPL (3-5)/Gross Loans [%]	1.8	1.3	1.4	1.5
<i>MAR 2018</i>	<i>idAAA/Stable</i>	Loan Loss Reserves/NPL (3-5) [%]	261.0	189.2	178.7	190.7
		Risk-Weighted CAR [%]	26.9	24.6	24.0	23.6
		Gross Loans/Total Deposits [%]	68.8	83.8	85.4	80.4
		USD Exchange Rate [IDR/USD]	14,050	13,883	14,380	13,568

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 Central Asia's rating affirmed at idAAA

PEFINDO has affirmed its "idAAA" corporate rating for PT Bank Central Asia Tbk (BBCA), and its "idAA" rating for the Bank's Shelf Registered Subordinated Bond I/2018 of IDR500 billion. The outlook for the corporate rating is "stable". The subordinated bond is rated two notches below BBCA's corporate rating to incorporate the risk of the debt instrument being written down in the event of non-viability, as stated under central bank regulation 15/12/PBI/2013.

An obligor rated idAAA has the highest rating assigned by PEFINDO. The obligor's capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior. The corporate rating reflects BBCA's superior market position with a very strong franchise in transactional banking, very strong liquidity profile, and very strong capitalization profile. The rating also incorporates the risk emanating from tight competition and challenging macroeconomic conditions.

The rating could be lowered if BBCA's market position, asset quality, or profitability deteriorate substantially and consistently.

We are of the view that the pandemic has heightened the overall banking industry's risk profile arising from a marked business downturn in almost all sectors, resulting in subdued demand for loans and other banking services. The business slowdown has also weakened the borrowers' repayment capacity. While the fundamental asset quality problems can be solved through a restructuring process as stipulated in the POJK 48/2020, further deterioration will aggravate the pressure on the banks' profitability and liquidity indicators. Overall, we are of the view that the impact of the pandemic is manageable, underpinned by active asset-liability management and adequate liquidity cushions, including additional liquidity derived from the reduction of the statutory reserve requirement (GWM) rate, despite the potentially low risk prompted by the banks' third-party funds withdrawal. We are of the view the impact of COVID-19 on BBCA's overall credit profile will remain manageable, buttressed by the factors mentioned above. The Bank has 54.7% exposure of its total loan portfolio to sectors affected by COVID-19, such as manufacturing, trading, restaurant & hotel, transportation, and construction as of December 31, 2020. Loan delinquency risk from these sectors will potentially affect the Bank's asset quality and profitability. To anticipate and cope with this issue, the Bank has continuously employed relatively stringent underwriting and loan monitoring policy, and also set aside a loan loss provision to non-performing loans amply at 261.0% as of December 31, 2020. PEFINDO will continue to closely monitor the impact of the pandemic on its performance and overall credit profile.

BBCA is one of the largest commercial banks in Indonesia. It offers a complete range of banking services, including corporate, commercial, consumer, international, and treasury. It also provides consumer finance, insurance, and sharia services through its subsidiaries. As of December 31, 2020 (FY2020), it was 54.94% owned by PT Dwimuria Investama Andalan (ultimately owned by Robert Budi Hartono and Bambang Hartono), its board of commissioners and directors (0.19%), and the public (44.87%). It has a comprehensive network throughout Indonesia supported by 1,248 offices, 17,623 self-owned ATMs and 26,123 employees as of December 2020.

**DISCLAIMER**

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