

PT Bank Pembangunan Daerah Nusa Tenggara Timur

Credit Rating(s)

General Obligation (GO)	^{id} A-/Stable
Continuous Bonds I/2018	^{id} A-

Rating Period

September 11, 2023 – September 1, 2024

Continuous Bonds I/2018 Series C

September 11, 2023 – December 3, 2023

Published Rating History

SEP 2022	^{id} A-/Stable
SEP 2021	^{id} A-/Stable
SEP 2020	^{id} A-/Stable
SEP 2019	^{id} A-/Stable
SEP 2018	^{id} A/Negative

PEFINDO has affirmed its “^{id}A-” rating to PT Bank Pembangunan Daerah Nusa Tenggara Timur (Bank NTT) and its outstanding bonds. Bank NTT’s Continuous Bonds I/2018 Series C of IDR 80 billion will mature on December 3, 2023 and the Bank will repay the maturing bonds is supported by its cash and placement in central bank amounting to IDR1.68 trillion as of June 30, 2023. The outlook for the corporate rating is “stable”.

The corporate rating reflects Bank NTT’s captive market in the region, above average liquidity, and high capital adequacy ratio. The rating is constrained by its modest profitability, concentrated funding profile, and tightening competition in the productive loan segment.

The rating may be raised if Bank NTT significantly strengthens its business position and funding structure, while fulfill improving its asset quality and profitability profiles. Conversely, the rating may be lowered if PEFINDO views a significant decline in its market position or if its financial indicators especially asset quality and profitability figures, deteriorate significantly. Failure to address the minimum regulatory core capital in timely manner can also trigger the rating downgrade.

Established in 1962, Bank NTT is a regional development bank (BPD), primarily focusing its business activities in East Nusa Tenggara (Nusa Tenggara Timur or NTT) Province. As of June 30, 2023 (1H2023), it was 25.98% owned by the provincial government of NTT, 73.95% by the district and regency municipal governments in NTT, and the remaining 0.07% shares owned by individuals.

Rating Definition

An obligor rated ^{id}A has a strong capacity to meet its long-term financial commitments relative to those 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.

Financial Highlights

As of/for the year ended	Jun-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total assets [IDR bn]	15,739.0	17,032.1	15,666.7	14,720.4
Total equity [IDR bn]	2,477.7	2,568.9	2,308.2	2,066.0
Total gross loans [IDR bn]	11,990.7	11,815.1	11,181.3	10,722.1
Total customer deposits [IDR bn]	12,116.8	12,799.3	12,493.1	10,292.6
Net interest revenue [IDR bn]	503.5	1,069.9	938.0	924.5
Net income [IDR bn]	60.6	228.9	228.3	236.3
NIR/average earning assets [%]	*6.6	7.2	6.7	6.8
Operating expense/income [%]	92.0	80.6	81.2	80.3
ROAA [%]	*0.7	1.4	1.5	1.6
NPL (3-5)/gross loans [%]	3.9	2.6	2.6	4.5
Loan loss reserve/NPL (3-5) [%]	51.9	55.2	60.3	61.3
Risk weighted CAR [%]	23.7	26.9	24.3	21.5
Gross loans/total deposits [%]	99.0	92.3	89.5	104.2
USD exchange rate [USD/IDR]	15,026	15,731	14,269	14,105

*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.

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