

PT Bank Pembangunan Daerah Nusa Tenggara Timur

Credit Rating(s)

General Obligation (GO)	idA-/Stable
Continuous Bonds I/2018	idA-

Rating Period

September 1, 2022 – September 1, 2023

Published Rating History

SEP 2021	idA-/Stable
SEP 2020	idA-/Stable
SEP 2019	idA-/Stable
SEP 2018	idA/Negative
APR 2018	idA/Stable
APR 2017	idA/Stable
APR 2016	idA/Stable
APR 2015	idA-/Stable
APR 2014	idA-/Stable

PEFINDO has affirmed its “idA-” ratings to PT Bank Pembangunan Daerah Nusa Tenggara Timur (Bank NTT) and its Continuous Bond I/2018. The outlook for the corporate rating is “stable”.

The corporate rating reflects Bank NTT’s captive market in the region, very strong capitalization, and above average liquidity. 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 improving its asset quality and profitability profiles. On the other hand, the rating may be lowered if PEFINDO views a significant decline in its market position or if there is a material deterioration in its financial indicators, especially asset quality and profitability figures.

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, 2022 (1H2022), it was 28.44% owned by the provincial government of NTT, 71.49% by the district and regency municipal governments in NTT, and the remaining 0.07% shares owned by individuals.

Rating Definition

An obligor rated idA 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-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total assets [IDR bn]	17,419.9	15,666.7	14,720.4	14,520.4
Total equity [IDR bn]	2,427.7	2,308.2	2,066.0	1,993.4
Total gross loans [IDR bn]	11,260.5	11,181.3	10,722.1	10,207.3
Total customer deposits [IDR bn]	14,172.8	12,493.1	10,292.6	10,879.7
Net interest revenue [IDR bn]	513.9	938.0	924.5	1,024.1
Net income [IDR bn]	105.0	228.3	236.3	236.5
NIR/average earning assets [%]	6.7	6.7	6.8	8.5
Operating expense/income [%]	88.0	81.2	80.3	79.3
ROAA [%]	1.3	1.5	1.6	1.8
NPL (3-5)/gross loans [%]	2.7	2.6	4.5	4.0
Loan loss reserve/NPL (3-5) [%]	60.2	60.3	61.3	63.9
Risk weighted CAR [%]	24.4	24.3	21.5	21.0
Gross loans/total deposits [%]	79.5	89.5	104.2	93.8
USD exchange rate [USD/IDR]	14,848	14,269	14,105	13,901

*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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