

PT Bank BNP Paribas Indonesia

Analysts: Adrian Noer / Danan Dito

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / adrian.noer@pefindo.co.id / danan.dito@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Jun-2020	Dec-2019	Dec-2018	Dec-2017
		(Unaudited)	(Audited)	Audited	Audited
Corporate Rating	<i>idAAA/Stable</i>	23,496.5	24,388.6	22,831.9	17,708.4
Rated Issues		6,081.4	5,721.8	5,661.0	2,634.2
-		11,838.4	10,957.0	11,147.7	8,333.6
Rating Period		7,924.9	9,448.9	7,403.5	5,956.4
<i>October 5, 2020 – October 1, 2021</i>		257.8	619.1	513.6	379.7
Rating History		409.1	278.6	247.2	380.1
<i>AUG 2019</i>	<i>idAAA/Stable</i>	*2.2	2.7	2.6	2.1
<i>JUN 2018</i>	<i>idAAA/Stable</i>	57.3	71.0	66.2	53.3
<i>MAR 2017</i>	<i>idAAA/Stable</i>	ROAA [%]	*3.4	1.2	1.2
<i>FEB 2016</i>	<i>idAAA/Stable</i>	NPL (3-5)/gross loans [%]	4.0	4.1	0.0
		Loan loss reserve/NPL (3-5) [%]	94.8	57.3	N/A
		Risk weighted CAR [%]	28.4	30.1	29.4
		Gross loans/total deposits [%]	149.4	116.0	150.6
		USD exchange rate [USD/IDR]	14,255	13,883	14,380
					13,548

*) 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.

PT Bank BNP Paribas Indonesia rated "idAAA" with stable outlook

PEFINDO has assigned its "idAAA" rating to PT Bank BNP Paribas Indonesia (BBPI). The outlook for the corporate credit rating is "stable".

An obligor rated idAAA has the highest rating assigned by PEFINDO. Its capacity to meet its long-term financial commitments, relative to that of other Indonesian obligors, is superior.

The rating reflects BBPI's very strong support from its Parent, BNP Paribas SA (BNP Paribas, rated "A+/Negative" by Standard & Poor's), its very strong capitalization, and strong liquidity and financial flexibility. These strengths are partly offset by its concentrated loan and deposit profiles.

The rating may be lowered if we view a material decline in terms of support from BNP Paribas, which can be reflected by BNP Paribas reducing its ownership or span of control in BBPI substantially.

We are of the view that the COVID-19 pandemic has increased the overall banking industry's risk profile, causing a substantial business downturn in almost all sectors, resulting in lower demand for loans and other banking services. In addition, the business slowdown has weakened debtors' repayment capabilities, with asset quality deterioration subsequently putting additional pressure on the banks' profitability and liquidity indicators. We are of the view the impact of COVID-19 pandemic on BBPI's overall credit profile will remain manageable, mainly driven by our view on the continuing very strong support from the Parent. In addition, BBPI's very strong capitalization and liquidity profiles should partly mitigate the Bank's substantial loan exposure to sectors affected by the pandemic. PEFINDO will continue to closely monitor the impact of the pandemic on the Bank's performance and overall credit profile.

BBPI is a joint venture bank that focuses on corporate banking, targeting multinational companies and large local corporates. It operates from its head office in Jakarta and supported by 106 employees as of June 2020. The Bank's shareholders at the end of June 2020 (1H2020) were BNP Paribas SA (99.0%) and PT BNP Paribas Securities Indonesia (1.0%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.