

BVIC's corporate rating affirmed at "idA-", its outlook revised to "negative"

PEFINDO has affirmed its "idA-" ratings for PT Bank Victoria International Tbk (BVIC) and its outstanding Bond III/2012 and Bond IV/2013, as well as its "idBBB+" ratings for the Bank's outstanding Subordinated Bond II/2012 and Subordinated Bond III/2013. The outlook for the corporate rating is revised to "negative" from "stable". The outlook revision was mainly driven by the Bank's weakening asset quality profile as seen on increasing non-performing loans (NPL) and special mention loans. Aggressive lending activities in the past and unfavorable macroeconomic conditions have adversely affected the performance of its asset quality. Higher loan provisions is a demand to temper the credit risk, stressing its profitability. The ratings reflect its strong capitalization and strong liquidity. However, the ratings are constrained by its weak asset quality, below average profitability, and exposure to concentration risk.

BVIC is a commercial bank that targets affluent and mass affluent customers. As of December 31, 2015, it was owned by PT Victoria Investama Tbk (39.37%), Suzanna Tanojo (12.35%), Atrium Asia Investment Management Pte Ltd (8.19%), PT Suryayudha Investindo Cipta (5.87%), PT Nata Patindo (3.08%), and the public (31.14%).

Rating Period: April 5, 2016 – April 1, 2017
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