

PT Bank Victoria International Tbk

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CREDIT PROFILE

Corporate Rating *idA-/Stable*

Rated Issues

Shelf.Reg Bond I 2017 (NEW) *idA-*
Shelf.Reg Sub-Debt I 2017 (NEW) *idBBB*
Bond IV/2013 *idA-*
Sub-Debt III/2013 *idBBB+*
Bond III/2012 *idA-*
Sub-Debt II/2012 *idBBB+*

Rating Period

April 3, 2017 – April 1, 2018

Bond III/2012
April 3, 2017 – June 27, 2017

Rating History

APR 2016 *idA-/Negative*
APR 2015 *idA-/Stable*
APR 2014 *idA-/Stable*
APR 2013 *idA-/Stable*
APR 2012 *idBBB+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Dec-2016	Dec-2015	Dec-2014	Dec-2013
	(Audited)	(Audited)	(Audited)	(Audited)
Total assets [IDR bn]	26,000.0	23,250.7	21,364.9	19,153.1
Total equity [IDR bn]	2,626.3	2,113.7	1,759.8	1,626.5
Total gross loans [IDR bn]	14,537.9	13,094.0	12,430.4	11,220.4
Total cust. dep.+ ST funding [IDR bn]	20,691.8	18,256.3	17,294.8	15,132.3
Net interest revenue [IDR bn]	303.6	356.5	337.6	415.3
Net income (loss) [IDR bn]	100.4	94.1	105.7	244.4
NIR/average earning assets [%]	1.3	1.7	1.7	2.5
Operating expense/operating income [%]	96.6	95.8	95.2	81.7
ROAA [%]	0.4	0.4	0.5	1.3
NPL (3-5)/gross loans [%]	4.1	4.9	3.8	0.9
Loan loss reserves/NPL (3-5) [%]	45.7	41.8	38.8	156.0
Risk-weighted CAR [%]	25.1	19.0	18.3	18.5
Gross loans/total deposits (LDR) [%]	70.3	71.7	71.9	74.1
USD exchange rate [IDR/USD]	13,473	13,795	12,440	12,170

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 Victoria International Tbk's rating affirmed at "idA-", outlook revised back to "stable"

PEFINDO has affirmed its "idA-" ratings to PT Bank Victoria International Tbk (BVIC) and its outstanding Bond III/2012 and Bond IV/2013, as well as its "idBBB+" ratings to the Bank's outstanding Subordinated Bond II/2012 and Subordinated Bond III/2013. At the same time, PEFINDO has also assigned its "idA-" rating to the Bank's proposed Shelf Registration Bond I Year 2017 with a maximum amount of IDR600 billion and "idBBB" rating to the Bank's the Bank's proposed Shelf Registration Subordinated Bond I Year 2017 with a maximum amount of IDR400 billion. The outlook for the corporate rating has been revised to "stable" from "negative", driven by the sustainability of the improvement of its asset quality indicators. Its non-performing loans (NPL) ratio and special mention loans (SML) ratio were at 4.1% and 10.4%, respectively, as of December 31, 2016 (FY2016), improved from 4.9% and 11.5%, respectively, as of FY2015. Despite continuing asset quality pressure due to the difficult macroeconomic environment, a severe deterioration is unlikely.

The Bank's Bond III/2012 of IDR200 billion is maturing on June 27, 2017. The Bank's readiness to pay for the maturing bond is supported by its liquid assets of IDR8.4 trillion as of February 28, 2017.

An obligor rated idA indicates that the obligor has a strong capacity to meet its long-term financial commitments relative to that 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.

Debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to its long-term financial commitments on the debt security.

The Plus (+) sign indicates that the rating is relatively strong within the respective rating category. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The ratings reflect its strong capitalization and strong liquidity. However, the ratings are constrained by its weak asset quality, weak profitability, and exposure to concentration risk.

The rating may be raised if BVIC strengthens its business profile and improves its asset quality and profitability substantially and consistently. On the other hand, the rating may be lowered if its asset quality and profitability figures considerably deteriorate.

BVIC is a commercial bank targeting affluent and mass affluent customers. As of FY2016, it was owned by PT Victoria Investama Tbk (45.43%), Suzanna Tanojo (11.99%), Deutsche Investitions- und Entwicklungsgesellschaft (9.0%), PT Suryayudha Investindo Cipta (4.96%), PT Nata Patindo (2.62%), and the public (26.0%).

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