



Fitch Assigns QNB Indonesia's Senior Bonds 'AAA(idn)' Rating

Fitch Ratings - Jakarta - 18 March 2020:

Fitch Ratings Indonesia has assigned a National Long-Term Rating of 'AAA(idn)' to PT Bank QNB Indonesia Tbk's (AAA(idn)/Stable) IDR100 billion bond issuance under the first tranche of the bank's first bond programme (AAA(idn)). The bonds were issued on 5 July 2019 with a maturity of three years and the proceeds have been used to support the bank's growth.

'AAA' National Long-Term Ratings denote the highest rating assigned by the agency in its National Rating scale for that country. This rating is assigned to issuers or obligations with the lowest expectation of default risk relative to all other issuers or obligations in the same country or monetary union.

Key Rating Drivers

The rating of the bond, bond programme and the second-tranche issuance ratings assigned on 26 November 2019 are at the same level as QNB Indonesia's National Long-Term Rating in accordance with Fitch's criteria. This is because issuance from the programme represents the bank's direct and senior unsecured obligations and ranks equally with all its other senior unsecured obligations.

QNB Indonesia's National Long-Term Rating is support-driven and reflects Fitch's expectation that the bank's higher-rated parent has high ability and propensity to provide timely extraordinary support to its Indonesian subsidiary, should it be needed. QNB Indonesia is 92.5%-owned by Qatar National Bank (Q.P.S.C.) (A+/Stable/bbb+), whose Issuer Default Ratings are in turn driven by Fitch's expectation of the Qatari authorities' (AA-/Stable) ability and propensity to support its banks.

RATING SENSITIVITIES

Any change to the bank's National Long-Term Rating would affect the issue rating.

QNB Indonesia's National Long-Term Rating is sensitive to a perceived weakening of support from the parent, including from major ownership changes. A multiple-notch downgrade of the parent's rating could also negatively affect the subsidiary's rating, although Fitch believes this to be a remote prospect in the near to medium term.

There is no rating upside, as the rating is already at the highest point on the National Rating scale.

Date of Relevant Committee

26 September 2019

RATING ACTIONS

ENTITY/DEBT	RATING		
PT Bank QNB Indonesia Tbk			
senior unsecured	Natl LT AAA(idn) New Rating		

Additional information is available on www.fitchratings.com

Applicable Criteria

National Scale Ratings Criteria (pub. 18 Jul 2018)

Bank Rating Criteria (pub. 28 Feb 2020)

Additional Disclosures

Solicitation Status

Endorsement Policy

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