



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
March 12, 2014

Bank Sumut's ratings affirmed at "idA+", its outlook revised to "negative"

PEFINDO has revised the rating outlook on PT Bank Sumut (BSMT or the Bank) to "**negative**" from "**stable**". The revision is mainly triggered by weakening asset quality for almost all asset categories. The rating could be lowered if its asset quality indicators do not improve in the near future. The "idA+" ratings for the Bank and its outstanding Bonds III/2011 as well as the "idA" rating for the Bank's outstanding Sub-Debt I/2011 reflect the Bank's captive market in North Sumatera province and strong profitability. However, the ratings are constrained by the Bank's moderate capitalization and its weak asset quality.

BSMT is a regional development bank in Sumatera Utara, which focuses on consumer and micro, small, and medium (MSME) segments. As of December 31, 2013, the Provincial Government of Sumatera Utara was the largest shareholder with 53.21% ownership, followed by the District Governments in Sumatera Utara (46.79%). BSMT employed 2,616 staffs supported by 226 offices and 233 self-owned ATMs by the end of 2013.

Rating Period: March 10, 2014 – March 1, 2015
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