

## Bank Sumut's rating affirmed at "idA"

PEFINDO has affirmed the ratings for PT Bank Sumut (BSMT) and its outstanding Bonds III/2011 at "idA". At the same time, PEFINDO has also affirmed the rating for the Bank's outstanding Sub-Debt I/2011 at "idA-". The outlook of the corporate rating is "stable". The ratings reflect the Bank's captive market in North Sumatera province and strong margin from high-yield segment. However, the ratings are constrained by its moderate capitalization and below average asset quality.

BSMT is a regional development bank in North Sumatera, which focuses on the consumer and micro, small, and medium (MSME) segments. At the end of December 2014 (FY2014), the North Sumatera provincial government was the largest shareholder with 51.89%, followed by North Sumatera municipal governments (48.11%). BSMT employs 2,539 staff to operate its 252 offices and has 239 self-owned ATMs.

Rating Period: March 10, 2015 – March 1, 2016  
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