

## PT Bank Sumut

*Analysts:* Danan Dito / Adrian Noer

*Phone/Fax/E-mail:* (62-21) 72782380 / 72782370 / [danan.dito@pefindo.co.id](mailto:danan.dito@pefindo.co.id) / [adrian.noer@pefindo.co.id](mailto:adrian.noer@pefindo.co.id)

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	<b>Dec-2014</b>
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA/Stable</i>	Total assets [IDR bn]	28,931.8	26,170.0	24,130.1	23,394.8
<b>Rated Issues</b>		Total equity [IDR bn]	2,994.5	2,719.1	1,992.4	1,995.7
<b>Sub-Debt I/Year 2011</b>	<i>idA-</i>	Total gross loans [IDR bn]	20,644.0	19,532.1	18,696.0	18,160.9
<b>Rating Period</b>		Total cust. deposits [IDR bn]	23,159.0	20,804.0	19,453.2	18,939.5
<b>March 9, 2018 – March 1, 2019</b>		Net interest revenue [IDR bn]	2,172.1	2,088.5	1,898.4	1,821.9
<b>Rating History</b>		Net income [IDR bn]	630.0	584.5	464.9	465.2
<b>MAR 2017</b>	<i>idA/Stable</i>	NIR/average earning assets [%] (1)	7.4	7.9	7.3	8.1
<b>MAR 2016</b>	<i>idA/Stable</i>	Oper. expense/oper. income [%] (2)	77.9	79.5	82.2	80.3
<b>MAR 2015</b>	<i>idA/Stable</i>	ROAA (before tax) [%] (3)	2.7	2.7	2.3	2.6
<b>SEP 2014</b>	<i>idA/Stable</i>	NPL (3-5)/gross loans [%]	4.4	4.7	5.0	5.5
<b>MAR 2014</b>	<i>idA+ /Negative</i>	Loan loss reserve/Bad debt (3-5) [%]	77.8	93.4	82.3	76.5
<b>MAR 2013</b>	<i>idA+ /Stable</i>	Risk weighted CAR [%]	15.9	16.4	14.4	14.4
<b>MAR 2012</b>	<i>idA+ /Stable</i>	Gross loans/total deposits [%]	89.1	93.9	96.1	95.9
<b>MAR 2011</b>	<i>idA+ /Stable</i>	USD exchange rate [USD/IDR]	13,568	13,473	13,785	12,385

(1) Average of earning assets based on monthly average in each year

(2) Figures based on client calculation

(3) Average of total assets based on monthly average in each year

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.

### PEFINDO affirms "idA" rating for PT Bank Sumut

PEFINDO has affirmed its "idA" rating for PT Bank Sumut (BSMT) and its "idA-" rating for its outstanding Subordinated Debt I/2011. The outlook for the corporate rating is "stable".

An obligor rated idA 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.

The minus (-) sign in a particular rating indicates that it is relatively weak within the respective rating category.

The ratings reflect BSMT's captive market in North Sumatra province, strong margin from the high yield segment, and adequate liquidity and financial flexibility. However, the ratings are constrained by its below average asset quality.

The rating may be raised if BSMT makes significant improvements to its capitalization, asset quality, and efficiency level on a consistent basis. On the other hand, the rating may be lowered if its market share suffers a significant decline in North Sumatra. The rating could also be under pressure if PEFINDO views a significant decline in its asset quality and profitability.

BSMT is a regional development bank (BPD) in North Sumatra focused on the consumer and micro, small, and medium (MSME) segments. At the end of December 2017 -on RR, the North Sumatra provincial government was the largest shareholder at 46.82%, followed by North Sumatra municipal governments (53.18%). It employs 2,542 staff to operate its 290 offices and has 293 self-owned ATMs.

#### DISCLAIMER

PT Pernerintah Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. PEFINDO cannot be held liable for its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO's public ratings and analyses are made available on its website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.