

PT Bank Sumut

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2017	Dec-2016	Dec-2015	Dec-2014
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA/Stable</i>	Total assets [IDR bn]	28,931.8	26,170.0	24,130.1	23,394.8
Rated Issues		Total equity [IDR bn]	2,994.5	2,719.1	1,992.4	1,995.7
<i>Sub-Debt I/Year 2011</i>	<i>idA-</i>	Total gross loans [IDR bn]	20,644.0	19,532.1	18,696.0	18,160.9
Rating Period		Total cust. deposits [IDR bn]	23,159.0	20,804.0	19,453.2	18,939.5
<i>March 23, 2018 – March 1, 2019</i>		Net interest revenue [IDR bn]	2,172.1	2,088.5	1,898.4	1,821.9
Rating History		Net income [IDR bn]	630.0	584.5	464.9	465.2
<i>MAR 2017</i>	<i>idA/Stable</i>	NIR/average earning assets [%] (1)	7.4	7.9	7.3	8.1
<i>MAR 2016</i>	<i>idA/Stable</i>	Oper. expense/oper. income [%] (2)	77.9	79.5	82.2	80.3
<i>MAR 2015</i>	<i>idA/Stable</i>	ROAA (before tax) [%] (3)	2.7	2.7	2.3	2.6
<i>SEP 2014</i>	<i>idA/Stable</i>	NPL (3-5)/gross loans [%]	4.4	4.7	5.0	5.5
<i>MAR 2014</i>	<i>idA+ /Negative</i>	Loan loss reserve/Bad debt (3-5) [%]	77.8	93.4	82.3	76.5
<i>MAR 2013</i>	<i>idA+ /Stable</i>	Risk weighted CAR [%]	15.9	16.4	14.4	14.4
<i>MAR 2012</i>	<i>idA+ /Stable</i>	Gross loans/total deposits [%]	89.1	93.9	96.1	95.9
<i>MAR 2011</i>	<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 indicates that the rating 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 ratings may be raised if BSMT makes significant improvements to its capitalization, asset quality, and efficiency on a consistent basis. On the other hand, the ratings may be lowered if its market share declines significantly in North Sumatra. They 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 (FY2017), 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.

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