

PT Bank Sumut

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Dec-2018	Dec-2017	Dec-2016	Dec-2015
		(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA/Stable</i>	28,121.1	28,931.8	26,170.0	24,130.1
Rated Issues		3,173.6	2,994.5	2,719.1	1,992.4
<i>Shelf Reg. Sub-Debt II/Year 2018</i>		21,762.0	20,644.0	19,532.1	18,696.0
<i>Phase I</i>	<i>idBBB+</i>	22,226.9	23,159.0	20,804.0	19,453.2
Rating Period		2,125.3	2,172.1	2,088.5	1,898.4
<i>March 11, 2019 – March 1, 2020</i>		502.6	630.0	584.5	464.9
Rating History		7.4	7.4	7.9	7.3
<i>MAR 2018</i>	<i>idA/Stable</i>	80.0	75.4	75.7	80.5
<i>MAR 2017</i>	<i>idA/Stable</i>	2.1	2.7	2.7	2.3
<i>MAR 2016</i>	<i>idA/Stable</i>	3.8	4.4	4.7	5.0
<i>MAR 2015</i>	<i>idA/Stable</i>	73.1	77.8	93.4	82.3
<i>SEP 2014</i>	<i>idA/Stable</i>	17.9	15.9	16.4	14.4
		97.9	89.1	93.9	96.1
		14,380	13,568	13,473	13,785

(1 Average of earning assets based on monthly average in each year
(2 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 "idBBB+" rating for the Bank's outstanding Subordinated Debt II/2018 Phase I. 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.

A debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to weaken the capacity of the obligor to meet its long-term financial commitments on the debt security. The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

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

The rating may be raised if BSMT makes further improvements to its capitalization and asset quality, as well as maintaining a stable market share on a consistent basis. On the other hand, the rating may be lowered if its market share declines significantly in North Sumatra as a result of decline of civil servant (PNS) loans. 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 2018, the North Sumatra provincial government was the largest shareholder at 41.67%, followed by North Sumatra municipal governments (58.33%). It employs 2,542 staff to operate its 299 offices and has 309 self-owned ATMs.

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