

### “idA+” rating to Bank Sulselbar’s proposed bonds

PEFINDO has assigned its “idA+” rating to PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat (Bank Sulselbar) and its proposed Shelf-Registration Bond I with a maximum amount of IDR950 billion, and its “idA+(sy)” rating to the Bank’s proposed Sukuk Mudharabah II/2016 with a maximum amount of IDR50 billion. The outlook for the corporate rating is “stable”. The ratings reflect the Bank’s captive market in the provinces of South Sulawesi and West Sulawesi, very strong capitalization, and very strong asset quality. However, the ratings are constrained by its concentrated funding from regional governments and institutions and tight competition in the productive loan segment.

Established in 1961, Bank Sulselbar is the regional development bank (Bank Pembangunan Daerah, BPD) of South Sulawesi and West Sulawesi. The Bank engages in commercial banking with most of its services directed to the South Sulawesi and West Sulawesi Governments and their employees. It has 1,035 employees and has a network of one head office, 35 branch offices, two sub-branches and 80 offices. As of December 31, 2015, it was 33.01% owned by the Provincial Government of South Sulawesi, 1.10% by the Provincial Government of West Sulawesi, and the remaining 65.89% shares were held by 29 cities and regencies in South Sulawesi & West Sulawesi.

Rating Period: March 18, 2016 – February 1, 2017  
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