

## Panin Bank's ratings affirmed at "idAA" with stable outlook

PEFINDO has affirmed its "idAA" ratings for PT Bank Pan Indonesia Tbk (Panin Bank or the Bank) and its outstanding bonds. PEFINDO has also affirmed the "idAA-" ratings of the Bank's outstanding subordinated bonds. The outlook for the corporate rating is "stable". At the same time, PEFINDO has assigned its "idAA" rating to the Company's proposed Shelf Registration Bond II program of up to IDR10.0 trillion and its "idA+" rating to the Company's proposed Shelf Registration Subordinated Bond II program of up to IDR2.5 trillion. The proposed subordinated bonds is rated two notches below Panin Bank's corporate rating to incorporate the risk of debt instrument being written down in the event of non-viability, as stated under regulation 15/12/PBI/2013. The ratings reflect the Bank's very strong market position in the commercial and retail loan segments, its strong capitalization, and its strong likelihood of support from ANZ Banking Group (ANZ, AA-/stable by S&P) as a major shareholder. However, these strengths are partly offset by pressure in profitability performance.

Panin Bank provides commercial banking services through 565 offices in 30 provinces in Indonesia. At present, the Bank has around 11,000 employees and 1,023 self-owned ATMs, which are linked to the ALTO and ATM Bersama networks. Currently, the Bank owns 51.86% of PT Bank Panin Syariah Tbk, 51.49% of PT Clipan Finance Tbk, and 42.87% of PT Verena Multi Finance Tbk. As of December 31, 2015, Panin Bank's shareholder structure consisted of PT Panin Financial Tbk (46.04%), Votraint No. 1103 PTY Ltd owned by ANZ (38.82%), and the public (15.14%).

Rating Period: April 1, 2016 – April 1, 2017  
Contact Analyst: Adrian Noer & Hendro Utomo  
[adrian.noer@pefindo.co.id](mailto:adrian.noer@pefindo.co.id) & [hendro.utomo@pefindo.co.id](mailto:hendro.utomo@pefindo.co.id)

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