

**PT Bank Pan Indonesia Tbk.**

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	<b>Dec-2014</b>	<b>Dec-2013</b>
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAA/Stable</i>	Total assets [IDR bn]	199,175.1	183,120.5	172,638.7	164,190.6
<b>Rated Issues</b>		Total equity [IDR bn]	34,200.8	30,806.2	23,056.9	19,552.5
<i>Shelf Reg. Bond I/2012</i>	<i>idAA</i>	Total gross loans [IDR bn]	128,109.5	120,403.1	113,937.0	104,829.9
<i>Shelf Reg. Sub-Debt I/2012</i>	<i>idAA-</i>	Total customer deposits [IDR bn]	142,654.2	128,316.4	126,105.3	120,256.7
<i>Sub-Debt III/2010</i>	<i>idAA-</i>	Net interest revenue [IDR bn]	8,443.0	7,201.3	6,206.9	6,085.7
<i>Shelf Reg. Bond II/2016</i>	<i>idAA</i>	Net income [IDR bn]	2,405.3	1,372.8	2,366.8	2,258.4
<i>Shelf Reg. Sub-Debt II/2016</i>	<i>idA+</i>	NIR/average earning assets [%]	4.8	4.3	3.8	4.0
<b>Rating Period</b>		Operating expense/income [%]	82.2	87.3	80.2	76.9
<i>April 10, 2017 – April 1, 2018</i>		ROAA [%]	1.3	0.6	1.3	1.4
<b>Rating History</b>		NPL (3-5)/gross loans [%]	2.8	2.4	2.0	2.1
<i>APR 2016</i>	<i>idAA/Stable</i>	Loan loss reserve/NPL (3-5) [%]	84.4	90.7	87.9	79.0
<i>OCT 2015</i>	<i>idAA/Stable</i>	Risk weighted CAR [%]	20.5	20.1	17.3	16.7
<i>OCT 2014</i>	<i>idAA/Stable</i>	Gross loans/total deposits [%]	89.8	93.8	90.4	87.2
<i>OCT 2013</i>	<i>idAA/Stable</i>	USD exchange rate [USD/IDR]	13,473	13,785	12,385	12,170
<i>OCT 2012</i>	<i>idAA/Stable</i>					
<i>AUG 2012</i>	<i>idAA/Stable</i>					
<i>AUG 2011</i>	<i>idAA/Stable</i>					
<i>OCT 2010</i>	<i>idAA/Stable</i>					

*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 "idAA" rating for Panin Bank**

PEFINDO has affirmed its "idAA" ratings for PT Bank Pan Indonesia Tbk (Panin Bank), its Shelf Registered Bond I/2012, and Shelf Registered Bond II/2016 of up to 10.0 trillion. PEFINDO has also affirmed the "idAA-" ratings for its Subordinated Debt III/2010 and Shelf Registered Subordinated Bond I/2012. The rating of its Shelf Registered Subordinated Bond II/2016 of up to IDR2.5 trillion, which is subject to potential write-down in the event of non-viability, was affirmed at "idA+". The outlook for the corporate rating is "stable".

An obligor rated idAA differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors.

A debt security rated idAA differs from the highest rated debt only to a small degree. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is very strong. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Debt security rated idA indicates that the obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The ratings reflect the Bank's very strong business position in the commercial and retail loan segments, its very 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 moderate profitability performance.

Panin Bank's rating may be raised if it is able to strengthen its market position significantly as well as consistently improve its profitability indicators. On the other hand, the rating can be lowered if it experiences a sharp deterioration in its profitability and asset quality indicators. It will also be under pressure if PEFINDO perceives any decline in the level of support from ANZ.

Panin Bank provides commercial banking services through 565 offices in 30 provinces in Indonesia. At present, it has around 10,000 employees and 981 self-owned ATMs, which are linked to the ALTO and ATM Bersama networks. Currently, it owns 51.61% of PT Bank Panin Dubai Syariah Tbk, 51.49% of PT Clipan Finance Tbk, and 42.87% of PT Verena Multi Finance Tbk. As of December 31, 2016, Panin Bank's shareholder structure consisted of PT Panin Financial Tbk (46.04%), Votrant No. 1103 PTY Ltd owned by ANZ (38.82%), and the public (15.14%).

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