

PT Bank Pan Indonesia Tbk

Analyst: Adrian Noer / Hendro Utomo

Tel/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / adrian.noer@pefindo.co.id / hendro.utomo@pefindo.co.id

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>idAA/Stable</i>	Total assets [IDR bn]	213,541.8	199,175.1	183,120.5	172,638.7
Rated Issues		Total equity [IDR bn]	33,981.9	31,614.9	28,351.2	20,802.2
<i>Shelf Reg. Sub-Debt I/2012</i>	<i>idAA-</i>	Total gross loans [IDR bn]	131,954.4	128,109.5	120,403.1	113,937.0
<i>Shelf Reg. Bond II/2016</i>	<i>idAA</i>	Total cust. deposits [IDR bn]	145,670.6	142,654.2	128,316.4	126,105.3
<i>Shelf Reg. Sub-Debt II/2016</i>	<i>idA+</i>	Net interest revenue [IDR bn]	8,651.0	8,443.0	7,201.3	6,206.9
Rating Period		Net income [IDR bn]	2,412.5	2,405.3	1,372.8	2,366.8
<i>April 10, 2018 – April 1, 2019</i>		NIR/average earning assets [%]	4.5	4.8	4.3	3.8
Rating History		Operating expense/income [%]	84.2	82.2	85.8	78.0
<i>MAR 2018</i>	<i>idAA/Stable</i>	ROAA [%]	1.2	1.3	0.8	1.4
<i>APR 2017</i>	<i>idAA/Stable</i>	NPL (3-5)/gross loans [%]	2.8	2.8	2.4	2.0
<i>APR 2016</i>	<i>idAA/Stable</i>	Loan loss reserve/NPL (3-5) [%]	88.7	84.4	90.7	87.9
<i>OCT 2015</i>	<i>idAA/Stable</i>	Risk weighted CAR [%]	22.0	20.5	20.1	17.3
		Gross loans/total deposits [%]	90.6	89.8	93.8	90.4
		USD exchange rate [USD/IDR]	13,568	13,473	13,785	12,385

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) and its Shelf Registered Bond II/2016 of up to IDR10.0 trillion. PEFINDO has also affirmed the "idAA-" rating for Panin Bank's Shelf Registered Subordinated Bond I/2012. The rating of its Shelf Registered Subordinated Bond II/2016, which is subject to potential write-down in the event of non-viability, has been 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 rating reflects 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-/negative 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 562 offices in 30 provinces in Indonesia. At present, it has around 10,914 employees and 967 self-owned ATMs, which are linked to the ALTO and ATM Bersama networks. Currently, it owns 44.68% of PT Bank Panin Dubai Syariah Tbk, 51.49% of PT Clipan Finance Tbk, and 57.54% of PT Verena Multi Finance Tbk. As of December 31, 2017, 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%).

DISCLAIMER

PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents in this report or publication. PEFINDO cannot be held liable for its use, its partial use, lack of use, in combination with other products or used solely, nor can it be held responsible for the result from its use or lack of its use in any investment or other kinds of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the base of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO public ratings and analyses are made available on its Website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.