

## PT Bank Panin Dubai Syariah Tbk

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Jun-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA+/Stable</i>	Total assets [in IDR bn]	10,602.2	11,135.8	8,771.0	8,629.3
<b>Rated Issues</b>		Total equity [in IDR bn]	1,695.8	1,694.6	1,668.5	274.2
-		Total gross financing [in IDR bn]	8,272.9	8,335.2	6,134.0	6,542.9
		Total deposits [in IDR bn]	7,843.4	8,707.7	6,904.6	7,522.3
<b>Rating Period</b>		Net revenue [in IDR bn]	77.1	122.8	179.4	266.4
<i>August 3, 2020 – August 1, 2021</i>		Net income (loss) [in IDR bn]	1.6	13.2	20.8	(968.9)
		NR/average earning assets [%]	*1.6	1.4	2.2	3.2
<b>Rating History</b>		Operating expense/income [%]	99.8	97.6	99.4	218.1
<i>AUG 2019</i>	<i>idA+/Stable</i>	ROAA [%]	*0.0	0.1	0.2	-11.1
<i>JUL 2018</i>	<i>idA+/Stable</i>	NPF (3-5)/financing [%]	3.8	3.8	4.8	12.5
<i>MAR 2018</i>	<i>idAA-/Negative</i>	Loss reserves/NPF (3-5) [%]	81.9	76.0	85.5	68.3
<i>APR 2017</i>	<i>idAA-/Stable</i>	Risk-weighted CAR [%]	16.3	14.5	23.2	11.5
<i>JUN 2016</i>	<i>idA+/Stable</i>	Financing/deposits ratio [%]	105.5	95.7	88.8	87.0
<i>MAY 2015</i>	<i>idA+/Stable</i>	Exchange rate [USD/IDR]	14,255	13,883	14,380	13,568
<i>JAN 2014</i>	<i>idA+/Stable</i>	<i>*annualized</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.*

### Panin Dubai Syariah rated "idA+" with stable outlook

PEFINDO has assigned its "idA+" rating to PT Bank Panin Dubai Syariah Tbk (Panin Dubai Syariah). The outlook for the 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. The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The rating reflects the very strong likelihood of support from shareholders, strong capitalization, and moderate market position. The rating is constrained by weak profitability indicators, below average asset quality profiles, and exposure to concentration risk.

The rating may be raised if there is strong evidence of greater support from the shareholders, which may be reflected by significant improvement in terms of business integration. This must also be accompanied by a substantially greater contribution to its shareholders, reflected by significant improvement in asset quality and profitability indicators on a consistent basis. The rating could be lowered if there is a material decline in support from shareholders or its asset quality and profitability profiles continue to deteriorate substantially.

We are of the view that the COVID-19 pandemic may increase the overall banking industry risk profile by causing a substantial business downturn in almost all sectors, lowering the demand for financing and other banking services. The downturn will weaken debtor repayment capability, putting pressure on asset quality, profitability, and liquidity indicators. We are of the view that the impact of COVID-19 on Panin Dubai Syariah's overall credit profile will remain manageable, supported by very strong likelihood of support from shareholders both Dubai Islamic Bank PJSC (DIB) and PT Bank Pan Indonesia Tbk (Panin Bank, rated idAA/Stable), strong capitalization and moderate market position. We acknowledge its substantial exposure to sectors affected by COVID-19 such as hotels and restaurants, households, business services, construction, transportation, real estate, and trading, representing 60.4% of its total financing portfolio as of March 2020. A significant addition of financing delinquencies from these sectors will increase pressure on Panin Dubai Syariah's already below average asset quality profile. PEFINDO will continue to monitor closely the impact of COVID-19 on its performance and overall credit profile.

Established in 2009, Panin Dubai Syariah provides banking services under Islamic principles. As of June 30, 2020, its shareholders were Panin Bank (53.7%), DIB (38.3%), and the public (8.0%).

**DISCLAIMER**

*The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.*