PT Bank Pan Indonesia Tbk

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PEFINDO affirms “μAA” rating for Panin Bank

PEFINDO has affirmed its “μAA” ratings for PT Bank Pan Indonesia Tbk (Panin Bank) and its outstanding Shelf Registered Bond III/2018 of up to IDR10.0 trillion and Shelf Registered Bond II/2016. PEFINDO has also affirmed the “μAA-” rating for the Bank’s outstanding Shelf Registered Subordinated Bond I/2012. The ratings of its outstanding Shelf Registered Subordinated Bond III/2018 of up to IDR6.0 trillion and Shelf Registered Subordinated Bond II/2016, which is subject to a potential write-down in the event of nonviability, were affirmed at “μA+”. The outlook for the corporate rating is “stable”.

An obligor rated μAA 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 μAA 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 μA 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 capitalization, strong market position, and the strong likelihood of support from ANZ Banking Group (ANZ, AA-/negative by S&P). These strengths are partly offset by moderate asset quality.

Panin Bank's rating may be raised if it strengthens its market position significantly and consistently improves its financial indicators, particularly asset quality, profitability, and liquidity profiles. The rating may be lowered if it experiences a sharp deterioration in its asset quality and profitability measures. The rating could also be under pressure if PEFINDO perceives any decline in the level of support from ANZ, including if its divestment plan materializes and PEFINDO view that the new shareholder has weaker capability and willingness to support the Bank during financial distress.

Panin Bank provides commercial banking services through 550 offices in 30 provinces in Indonesia. It has 10,498 employees and 964 self-owned ATMs. It owns 53.7% of PT Bank Panin Dubai Syariah Tbk, and 51.5% of PT Cipin Finance Tbk. As of December 31, 2018, its shareholder structure consisted of PT Panin Financial Tbk (46.04%), Vostrait No. 1103 PTY Ltd owned by ANZ (38.82%), and the public (15.14%).

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