

## PT Capital Strategic Invesco

## Corporate rating

*ir*A/Stable

## Rated Issues

Proposed 'MTN Capital Strategic Invesco I Tahun 2022'

*ir*A

"Debt Securities with an *ir*A rating has a high level of certainty to honor its obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating"

## Rating Period

January 4, 2022 – January 1, 2023

## Rating History

December 2021

*ir*A/Stable
**Kredit Rating Indonesia assigns '*ir*A' rating Proposed MTN Capital Strategic Invesco I Tahun 2021 totaling IDR 700 billion**

Kredit Rating Indonesia (KRI) affirms a Corporate Rating of '*ir*A' for PT Capital Strategic Invesco (CSI or the Company) with "Stable" outlook. At the same time, KRI also assigns '*ir*A' to Proposed MTN Capital Strategic Invesco I Tahun 2022 totaling IDR700 billion. The company's capacity to repay its debt is supported by its low leverage and sustainable revenue from its wide range of business segment.

PT Capital Strategic Invesco is parent company of PT Capital Financial Indonesia Tbk (CASA), a listed holding company with subsidiaries mainly engaged in financial services. Through CASA's subsidiaries, the Company provides banking, life insurance, venture capital, capital market, and financial technology services. The Company recorded Rp33.8 trillion of assets and Rp11.8 trillion of revenue as of FY2020 and further posted Rp38.60 trillion and Rp8.71 trillion during the first semester of 2021. Major contributors of CSI's asset are coming from Banking (60%), and Life Insurance (29%), while the main contributors of revenue are net premium (80%) and loans (10%).

KRI evaluates CSI's rating based on the credit quality of CASA's major subsidiaries, which are Bank Capital Indonesia, Capital Life Indonesia, and Capital Life Syariah. The credit profile of Bank Capital Indonesia and Capital Life Indonesia is the main anchor of CASA's credit rating as BACA is the largest contributor of CASA in terms of asset and CLI in term of revenue.

PT Capital Life Indonesia (CLI or the Company) provides life insurance service with 7.3% market share in terms of gross written premium (GWP) as of 3Q21. CLI's gross written premium has increased from Rp7.8 trillion in 2018 to Rp9.7 trillion in September 2021. The Company's policyholder increased from 37,883 policyholders in FY18 to 143,718 policyholders in FY20. It recorded 5.0% of ROE with RBC stood at 195% as of 3Q21, higher than regulatory requirement of 120%.

PT Bank Capital Indonesia Tbk (BACA or the Company) is a bank with Rp 22.1 trillion of asset and held 0,85% of BUKU 2 loan market share as of September 2021. BACA owned 82 offices mostly at Greater Jakarta to support their business activities. The company is continuing to develop its IT infrastructure and human resources to become a digital bank. As the bank's total loan was shrinking to only IDR4.6 trillion in September 2021 from IDR6.4 trillion in 2020 and IDR9.7 trillion in 2019, BACA's NIM down to -4.1% in September 2021 from 0.3% in 2020 and 2.0 in 2019. BACA's ROA stood at 0.13% at September 2021, decreased from 0.31% at 2020 but improved from 0.09% at end 2019 though still lower than industry's average of 1.91%. BACA's NPL decreased from 3.5% in 2019 to 0.00% in Dec 2020 (NPL industry: 3.1%) as the company writes off non-performing loans amounting Rp4.5 trillion. The CAR level was in adequate level of 12.7% at FY19, 18.1% at FY20 and 25.4% in September 2021.

PT Capital Life Syariah (CLS or the Company) is one of CASA subsidiaries in sharia life insurance with 36.8% market shares in terms of GWP as of September 2021. CLS recorded GWP of Rp 18.7 billion in FY20, increased from Rp 15.9 billion in the previous year. The Company's policyholder significantly increased from 2,757 policyholders in FY18 to 13,057 policyholders in FY20. CLS recorded 2.3% of ROE and RBC stood at 997% as of September 2021, far higher than OJK requirement of 120%.

## CSI Financial Results Highlights

As of/For the year ended	Sep 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, Bn)	37,379.11	33,838.98	35,981.69	13,548.59
Total Equity (IDR, Bn)	3,975.49	3,790.25	3,349.88	2,812.05
Total Revenue (IDR, Bn)	12,110.21	16,237.54	12,357.90	8,224.15
Total Expense (IDR, Bn)	11,993.45	11,706.99	12,184.96	8,089.97
Net Income (IDR, Bn)	80.92	105.40	15.00	124.40
Debt to Equity Ratio (x)	0.18	0.31	0.35	NM
Liabilities/Total Assets (%)	89.41	88.80	90.69	79.24
Return On Asset (%)	0.22	0.31	0.04	0.92
Return On Equity (%)	2.04	2.78	0.45	4.42

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