

## PT Pacific Strategic Financial Tbk (APIC)

### Corporate rating

*ir*A/Stable

### Rated Issues

*Proposed MTN Pacific Strategic Financial Tahun 2021*

*ir*A

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

### Rating Period

August 18, 2021 – September 1, 2022

### Rating History

August 28, 2020

*ir*A

### Kredit Rating Indonesia assigns '*ir*A' rating to Proposed MTN Pacific Strategic Financial Tahun 2020 totaling IDR 500 billion.

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of '*ir*A' for PT Pacific Strategic Financial Tbk (APIC or the Company) with "stable" outlook. At the same time, KRI also assigns '*ir*A' ratings to PT Pacific Strategic Financial Tbk's proposed MTN Pacific Strategic Financial Tahun 2021 amounting IDR 500 billion. The company's capacity to repay its debt is supported by satisfactory profitability despite its sustainable growth.

PT Pacific Strategic Financial Tbk (APIC) is a listed holding company with subsidiaries mainly engaged in financial services. Through its subsidiaries, the Company provides life insurance, factoring, and capital market services. The Company recorded IDR2.27 Trillion of revenue and IDR4.88 Trillion of asset as of FY2020. Major contributors of the revenue are Life Insurance (75%), Securities (5%), and Multifinance (3.4%) while the main contributors of asset are short term Investment (34%), securities portfolio (20%), and factoring (14%).

KRI evaluates APIC's rating based on the credit quality of its three major subsidiaries, which are Pacific Life Insurance, Pacific Sekuritas Indonesia and Pacific Multifinance. The credit profile of Pacific Life Insurance is the main anchor of APIC's credit rating as PLI is the largest contributor of APIC in terms of asset and revenue.

PT Pacific Life Insurance (PLI or the Company) provides life insurance products. In a relatively short period PLI's gross written premium (GWP) has significantly increased from IDR2.9 billion in 2017 to IDR1.7 trillion in 2020, translating to 1.0% of market share. The company recorded 2.4% of ROE with RBC ratio stood at 168% as of 2020, higher than regulatory requirement of 120%.

Pacific Sekuritas Indonesia (PSI) is one of most active securities companies in the industry. The company has managed IDR41.3 Trillion equity transaction value as of 2Q2021 or 1.28% market share. The company recorded 8.5% of ROE as of 2020, higher than its peers.

Pacific Multifinance (PMF) is one of APIC subsidiaries in financing segment with 0.24% market share in financing industry as of 2020. 80% of proceed from the proposed MTN Pacific Strategic Financial Tahun 2021 will be allocated to PMF. Previously the Company provided factoring financing in the textile industry with customer locations in Jakarta. In 2020 the company has switched its financing to logistics and healthcare in order to mitigate risks

during pandemic Covid-19. PMF recorded 0.5% of ROA and 2.3% of NPF as of 2Q2021, lower than the NPF industry of 4.0%.

### APIC Financial Results Highlights (Consolidated)

As of/For the year ended	June 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)
Total Assets (IDR, bn)	5,355.4	4,881.9	3,652.9	2,896.6	2,393.4
Total Debt (IDR, bn)	3,197.9	2,838.8	1,362.9	592.9	203.8
Total Equity (IDR, bn)	2,086.5	1,960.9	1,834.8	1,729.5	1,657.4
Total Revenue (IDR, bn)	1,087.3	2,275.5	1,123.9	423.8	226.8
Net Income (IDR, bn)	122.8	124.7	102.9	70.4	124.9
Net Profit Margin [%]	2.3	5.5	8.6	14.8	48.7
Debt to Equity Ratio [X]	1.5	1.4	0.7	0.3	0.1
Debt / total asset (%)	59.7	58.1	50.2	59.7	69.3
Return on Asset [%]	2.3	2.6	5.6	4.1	7.5
Return on Equity [%]	5.9	6.4	2.8	2.4	5.2

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