

PT Pan Pacific Investama (PPI)

Corporate rating *irA/Stable*

Rated Issues

*Proposed Medium Term Note (MTN)
Pan Pacific Investama II Tahun 2022* *irA*
*MTN Pan Pacific Investama I
Tahun 2022* *irA*

"Debt Securities with irA 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 debt securities with a higher rating."

Rating Period

May 19, 2022 – June 1, 2023

Rating History

December 2021 *irA/Stable*

Kredit Rating Indonesia assigns '*irA*' rating to Proposed Medium Term Note (MTN) Pan Pacific Investama II Tahun 2022 totaling IDR 500 billion.

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*irA*' for PT Pan Pacific Investama (PPI or the Company) with "stable" outlook. At the same time, KRI also assigns '*irA*' to Proposed Medium Term Note (MTN) Pan Pacific Investama II Tahun 2022 totaling IDR 500 billion. In addition, KRI also affirms '*irA*' to MTN Pan Pacific Investama I Tahun 2022 totaling IDR 350 billion. The company's capacity to repay its debt is supported by satisfactory profitability from its subsidiaries despite concern of its growth sustainability.

PPI is parent company of PT Pacific Strategic Financial Tbk (APIC/*irA*), a listed holding company with subsidiaries mainly engaged in financial services. Through APIC's subsidiaries, the Company provides life insurance, factoring, and capital market services. The Company recorded IDR2.26 Trillion of revenue and IDR6.51 trillion of asset in 2021. Major contributors of the revenue are Insurance premium (72%), Securities (11%), and Multifinance (3%) while the main contributors of asset are short term Investment (45%), securities portfolio (19%), and factoring (3%).

KRI evaluates PPI's rating based on the credit quality of APIC's major subsidiaries, which are PT Pacific Life Insurance (PLI), PT Pacific Sekuritas Indonesia (PSI) and PT Pacific Multifinance (PMF). 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.

PLI 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 IDR1.6 trillion in 2021, translating to 0.9% of market share. PLI recorded 2.2% of ROE with RBC ratio stood at 141% as of 2021, higher than regulatory requirement of 120%.

PSI is one of the most active securities companies in the industry. PSI has managed IDR9.3 Trillion equity transaction value as of 1Q2022 or 1.24% market share. PSI recorded 8.4% of ROE as of 2021, higher than its peers.

PMF is one of APIC subsidiaries in financing segment with 0.14% market share in financing industry as of 2021. PMF recorded 0.8% of ROA and 0.0% of NPF in 2021.

PPI Financial Results Highlights (Consolidated)

| For the year ended | Dec 2021 (Audited) | Dec 2020 (Audited) | Dec 2019 (Audited) | Dec 2018 (Audited) |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Assets (IDR, Bn) | 6,245.9 | 4,885.1 | 3,653.1 | 2,896.8 |
| Total Debt (IDR, Bn) | 1,597.9 | 2,406.2 | 1,362.9 | 592.9 |
| Total Equity (IDR, Bn) | 1,923.1 | 1,771.9 | 1,674.5 | 1,569.3 |
| Total Revenue (IDR, Bn) | 2,262.6 | 2,275.5 | 1,193.6 | 473.6 |
| Net Income (IDR, Bn) | 151.2 | 96.0 | 102.9 | 70.4 |
| Net Profit Margin (%) | 6.7 | 4.2 | 8.6 | 14.8 |
| Debt to Equity Ratio (X) | 0.8 | 1.4 | 0.8 | 0.4 |
| Debt/total asset (%) | 25.6 | 49.3 | 37.3 | 20.5 |
| Return on Asset (%) | 2.4 | 2.0 | 2.8 | 2.4 |
| Return on Equity (%) | 11.5 | 5.4 | 6.1 | 4.5 |

Analyst : Gromy Pilipi Pranata Purba (Gromy.Purba@kreditratingindonesia.com)
 Furqon Abrory Samara (furqon.samara@kreditratingindonesia.com)

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