

## PT Capital Financial Indonesia Tbk

Corporate rating *irA*/Stable

### Rated Issues

Proposed 'MTN Capital Financial Indonesia Tahun 2021' *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

October 8, 2021 – October 1, 2021

### Kredit Rating Indonesia assigns '*irA*' rating to Proposed Medium Term Notes 'MTN Capital Financial Indonesia Tahun 2021' totaling IDR1.0 Trillion

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of '*irA*' for PT Capital Financial Indonesia Tbk (CASA or the Company) with "Stable" outlook. At the same time, KRI also assigns '*irA*' ratings to proposed Medium Term Notes 'MTN Capital Financial Indonesia Tahun 2021' amounting to IDR 1 trillion. The proceed of this issuance is used to business expansion through its subsidiaries. The company's capacity to repay its MTN is supported by its low leverage and sustainable revenue from its wide range of business segment.

PT Capital Financial Indonesia Tbk (CASA) is a listed holding company with subsidiaries mainly engaged in financial services. Through its 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 CASA's asset are coming from Banking (60%), and Life Insurance (29%), while the main contributors of revenue are net premium (80%) and loans (10%).

PT Capital Life Indonesia (CLI or the Company) provides life insurance service with 5.4% market share in terms of gross written premium (GWP) as of FY20. CLI's gross written premium has increased from Rp7.8 trillion in 2018 to Rp9.4 trillion in 2020. The Company's policyholder increased from 37,883 policyholders in FY18 to 143,718 policyholders in FY20. It recorded 4.2% of ROE with RBC stood at 198% as of 2020, higher than regulatory requirement of 120%.

PT Bank Capital Indonesia Tbk (BACA or the Company) is a bank with Rp 23.8 trillion of asset and held 2.51 % of BUKU 2 loan market share as of June 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 IDR4.3 trillion in June 2021 from IDR6.4 trillion in 2020 and IDR9.7 trillion in 2019, BACA's NIM down to -3.6% in June 2021 from 0.3% in 2020 and 2.0 in 2019. BACA's ROA stood at 0.11% at June 2021, decreased from 0.31% at 2020 but improved from 0.09% at end 2019 though still lower than industry's average of 1.88%. 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 26.2% in June 2021.

PT Capital Life Syariah (CLS or the Company) is one of CASA subsidiaries in sharia life insurance with 35.6% market shares in terms of GWP as of June 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 3.3% of ROE and RBC stood at 1033% as of end 2020, far higher than OJK requirement of 12%. KRI further rating actions for CASA's MTN will be influenced by (but not limited to) the profitability, leverage level, and company's credit quality.

## CASA Financial Results Highlights

As of/For the year ended	Jun 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, bn)	38,597.00	33,838.54	35,981.24	13,548.37
Total Equity (IDR, bn)	7,991.09	7,805.74	7,395.82	6,054.72
Total Revenue (IDR, bn)	8,705.24	11,756.82	12,357.90	8,224.15
Total Expense (IDR, bn)	8,666.05	11,706.99	12,184.96	8,089.96
Net Income (IDR, bn)	22.39	105.40	14.77	124.40
Debt to Equity (x)	0.74	1.03	1.53	0.29
Liabilities/Total Assets (%)	79.30	76.93	79.45	55.31
Return On Asset (%)	0.06	0.31	0.04	0.92
Return On Equity (%)	0.27	1.35	0.20	2.05

**Analysts** : Furqon Samara ([Furqon.Samara@kreditratingindonesia.com](mailto:Furqon.Samara@kreditratingindonesia.com))  
Gromy Purba ([Gromy.Purba@kreditratingindonesia.com](mailto:Gromy.Purba@kreditratingindonesia.com))

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