

**PT Capital Strategic Invesco**

**Company rating**

*irA-/Stable*

**Rated Issues**

MTN Capital Strategic Invesco I Tahun 2022

*irA-*

MTN Capital Strategic Invesco II Tahun 2022

*irA-*

**Rating Period**

September 5, 2024 – September 1, 2025

**Rating History**

September, 2023

*irA-/Stable*

September, 2022

*irA-/Stable*

May, 2022

*irA/Stable*

January, 2022

*irA/Stable*

December, 2021

*irA/Stable*

"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"

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

**Kredit Rating Indonesia has affirmed '*irA-*' rating to MTN Capital Strategic Invesco II Tahun 2022 and MTN Capital Strategic Invesco I Tahun 2022**

Kredit Rating Indonesia (KRI) has affirmed a Company Rating of '*irA-*' for PT Capital Strategic Invesco (CSI or the Company) with a "Stable" outlook. At the same time, KRI has affirmed '*irA-*' ratings to MTN Capital Strategic Invesco II Tahun 2022 totalling IDR750 billion and MTN Capital Strategic Invesco I Tahun 2022 totalling IDR700 billion. The rating reflects the credit quality of CSI's major subsidiaries.

CSI is parent company of PT Capital Financial Indonesia Tbk (CASA/*irA-*), a publicly listed holding company, operates primarily in the financial services sector through its various subsidiaries. Its diverse business portfolio encompasses banking, life insurance, venture capital, capital markets, and financial technology services. As of June 2024, CSI recorded total assets of IDR31.67 trillion and generated revenue of IDR3.30 trillion. Banking constitutes the largest portion of its assets, contributing 64.31%, followed by conventional life insurance at 13.71%. On the revenue side, insurance premiums lead contributes with 62.94%, while interest income from loans accounts for 14.17%.

KRI evaluates CSI's rating based on the credit quality of CASA's major subsidiaries, which are PT Bank Capital Indonesia Tbk (BACA/*irBBB+*) and PT Capital Life Indonesia (CLI/*irA*). The credit profile of BACA and CLI is the main anchor of CASA's credit rating as BACA is the largest contributor of CASA in terms of assets and CLI in terms of revenue.

BACA, a listed bank in Indonesia, possesses IDR20.38 trillion in assets. However, as of the first half of 2024, its loan market share stood at only 0.09%, equivalent to IDR7.08 trillion (FY23: IDR7.02 trillion; FY22: IDR2.89 trillion; FY21: IDR2.31 trillion). BACA experienced significant loan growth from IDR2.89 trillion in FY22 to IDR7.02 trillion in FY23, primarily driven by the corporate sector. The bank's strategic shift in debtor segmentation from corporate to retail, planned through a takeover process, is facing delays due to challenges surrounding pension loans. In the interim, while awaiting the acquisition's finalization and necessary infrastructure preparation, BACA is expanding its credit portfolio by focusing on corporate loans, particularly in the real estate sector.

BACA's net interest margin has shown improvement, although it remains negative at -0.74% in 1H24 (FY23: -2.95%; FY22: -3.31%; FY21: -4.14%). This improvement aligns with the increase in loan disbursements in recent years. On the other hand, BACA's non-performing loan (NPL) ratio decreased significantly from 3.5% in FY19 to 0.00% in FY20, due to the bank's efforts to write off non-performing loans during that year. The NPL ratio has remained at a low level of 0.07% in 1H24, outperforming the industry average of 2.26%. BACA's Capital Adequacy Ratio remains robust at 33.80% as of 1H24 (FY23: 35.57%; FY22: 32.26%; FY21: 40.52%).

CLI, a provider of conventional life insurance services, currently holds a 2.94% market share based on gross written premium (GWP) as of May 2024. However, the company recorded a GWP of IDR2.07 trillion in the 1H24, marking a decrease from IDR3.31 trillion 1H23. This decline is attributed by CLI's strategic shift towards prioritizing traditional risk-based general insurance products since 2022. CLI demonstrates financial strength with a return on average assets of 0.60% and a robust

## KREDIT RATING INDONESIA

September 6, 2024

Risk-Based Capital (RBC) ratio of 263% as of the first half of 2024. This RBC ratio comfortably surpasses the regulatory requirement of 120%.

## CSI Financial Results Highlights (Consolidated)

As of/For the years ended	Jun 2024 (Unaudited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	31,667.98	30,792.78	34,923.02	38,114.89
Total Adjusted Debt (IDR, Bn)	2,699.80	2,700.59	2,953.83	1,710.47
Total Adjusted Equity (IDR, Bn)	1,844.33	1,727.08	2,132.84	1,107.12
Total Revenue (IDR, Bn)	3,304.20	7,596.47	11,103.68	15,562.57
Total Operating Expense (IDR, Bn)	3,225.60	7,401.54	10,953.83	15,501.93
Net Income After Tax (IDR, Bn)	5.41	17.95	822.14	42.98
Debt to Equity Ratio (x)	1.46	1.56	1.38	1.54
Liabilities/Total Assets (%)	81.36	81.48	82.69	88.12
Return on Asset (%)	0.03	0.05	2.25	0.12
Return on Equity (%)	0.61	0.93	50.75	4.33

**Analysts** : Furqon Abrory Samara ([furqon.samara@kreditratingindonesia.com](mailto:furqon.samara@kreditratingindonesia.com))  
Cut Nabila Saraziva ([cut.nabila@kreditratingindonesia.com](mailto:cut.nabila@kreditratingindonesia.com))

**DISCLAIMER**

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.