

## PT Bhakti Multi Artha Tbk

**Company Rating** *ii*BBB/Stable

**Rated Issues**

MTN Bhakti Multi Artha I Tahun 2022 *ii*BBB

**Rating Period**

February 27, 2023 – March 1, 2024

"Obligor with an *ii*BBB rating have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than the higher rating categories."

**Rating History**

March, 2022

*ii*BBB/Stable

### Kredit Rating Indonesia affirms '*ii*BBB' rating to MTN Bhakti Multi Artha I Tahun 2022 totaling IDR 250 Billion

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*ii*BBB' for PT Bhakti Multi Artha Tbk (BHAT or the Company) with "Stable" outlook. At the same time, KRI also affirms *ii*BBB' to MTN Bhakti Multi Artha I totaling IDR 250 Billion. The rating reflects BHAT's capacity to repay its debt is supported by relatively moderate leverage despite concern of the company's growth sustainability.

BHAT is parent company of PT Nasional Investindo Perkasa (NIP), a holding company with a subsidiary mainly engage in financial service. Through NIP's subsidiary, the Company provides life insurance service in Indonesia. The Company recorded IDR736.03 billion of total assets and IDR107.37 billion of revenue as of FY20 and further posted IDR1,050.88 billion and IDR120.00 during the 3Q22. Major contributor of the revenue is insurance premium (100%) while the main contributor of asset is investment (85%).

KRI evaluates BHAT's rating based on the credit quality of NIP's subsidiary, which is PT Asuransi Jiwa Nasional (ASJN). The credit profile of ASJN is the main anchor of NIP's credit rating as ASJN is the largest contributor of NIP in term of asset and revenue.

ASJN specializes in life insurance products. However, ASJN's Risk Based Capital (RBC) ratio has shown a decreasing trend, dropping from 910% in FY18 to 307% as of September 2022. Despite this decline, ASJN still maintains a minimum RBC ratio that is double the requirement set by OJK, which is a minimum of 120%. In terms of BHAT, the company's Debt-to-Equity ratio has increased from 0.00x in 2021 to 0.46x in 3Q22. Nevertheless, we believe that the company can still maintain its level of leverage in line with the MTN repayment plan that will be carried out by its parent company. KRI sees that ASJN's liquid assets in September 2022 were 1.85 times higher than its technical reserves. As a result, we believe that ASJN has sufficient liquidity to cover any sudden claims.

ASJN has a relatively small market share in terms of gross written premium, with the company's market share ranging from 0.027% to 0.089% over the past four years (FY18 – 3Q22). As of September 2022, ASJN loss ratio was 82.39%. By focusing on selling traditional (risk-based) life insurance products which are its main product, ASJN is able to keep its loss ratio below 100%. The total contribution of all ASJN policyholders comes from group premiums of 63 policies with 70,976 coverage as of September 2022.

**BHAT Financial Results Highlights (Consolidated)**

As of/For the year ended	Sept 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Assets (IDR, bn)	1,050.88	736.03	400.90	238.74
Total Equity (IDR, bn)	536.02	536.02	516.04	306.89
Total Revenue (IDR, bn)	120.00	107.37	85.03	63.33
Total Expense (IDR, bn)	115.55	101.02	82.51	61.86
Net Income (IDR, bn)	1.40	9.45	11.77	2.92
Debt to Equity Ratio (x)	0.46	0.00	0.00	0.00
Liabilities/Total Assets (%)	48.63	26.68	20.29	22.65
Return on Asset (%)	0.21	1.36	2.24	0.91
Return on Equity (%)	0.35	1.80	2.86	1.89

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