

PT HEKSA Solution Insurance

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CREDIT PROFILE

Financial Strength

Rating *idBBB+/Stable*

Rated Issues

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Rating Period

November 14, 2018 – November 1, 2019

Rating History

SEP 2017

idBBB/Stable

SEP 2015

idBBB/Stable

FINANCIAL HIGHLIGHTS

As of / for the years ended

	Jun-2018 (Unaudited)	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)
Total assets [IDR bn]	1,181.6	978.4	802.7	610.3
Total equity [IDR bn]	217.7	182.3	144.1	91.1
Total investment [IDR bn]	844.0	696.5	498.9	367.5
Net written premiums [IDR bn]	264.2	388.6	264.2	192.4
Net claims [IDR bn]	228.3	301.2	202.2	208.1
Underwriting results [IDR bn]	43.1	97.3	68.5	(15.6)
Net income after tax [IDR bn]	19.3	26.0	22.1	(21.9)
Total comprehensive income [IDR bn]	19.3	25.4	22.0	(21.7)
ROAA [%]	*3.6	2.9	3.1	(3.7)
Loss ratio [%]	86.4	77.5	76.5	108.1
Net written premiums/equity [x]	*2.4	2.1	1.8	2.1
Retention ratio [%]	75.1	69.4	72.6	65.9
Equity/total assets [%]	18.4	18.6	18.0	14.9
Risk based capital; RBC [%]	136.4	172.4	125.9	42.4
USD exchange rate [IDR/USD]	14,404	13,548	13,436	13,795

*Annualized

Loss ratio = (net claims +/- changes in claim reserves) / net written premiums

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO assigns "idBBB+" rating to PT Heksa Solution Insurance

PEFINDO has assigned its "idBBB+" financial strength rating to PT Heksa Solution Insurance (HEKSA). The outlook for the rating is "stable".

An insurer rated idBBB has adequate financial security characteristics relative to other companies in Indonesia, but is more likely to be affected by adverse business conditions than higher rated insurers.

The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The rating reflects HEKSA's captive market from strategic partner, adequate liquidity, and average asset quality. However, the rating is constrained by its modest capitalization and moderate operating performance.

The rating may be raised if the Company improves its market position, operating performance, and capitalization profile on a sustainable basis. This would have to be accompanied by business diversification that improves significantly, and stable contributions from existing businesses. The rating could be lowered if the Company's existing captive business significantly declines, or if it fails to achieve its targets due to the underachievement of its new business strategies. The rating may also be under pressure if its operating performance and capitalization weaken substantially.

HEKSA is a life insurance company focused on credit life insurance for individual bank debtors. It also offers other products, such as a one-year life insurance coverage, personal accident insurance, and a unit-linked plan that was just launched in May 2017. As of June 30, 2018, it was 59.64% owned by PT Bumi Narendro Mukti, 19.12% by PT Nastiti Tunggal Karya, 11.34% by PT Alpha Omega Sejahtera, 5.99% by Inkopabtri (*Induk Koperasi Purnawirawan dan Warakawuri TNI-Polri*), 2.03% by Organisasi Nahdlatul Ulama, and 1.89% by Christoffel Mewengkang. It has 93 employees in its head office in Jakarta.

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