

## PT Asuransi Jasa Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2020*	Dec-2019	Dec-2018	Dec-2017
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	idAA/Stable	Total assets [IDR bn]	12,877.1	12,688.0	13,475.8	11,752.7
<b>Rated Issues</b>	-	Total equity [IDR bn]	3,305.7	3,267.4	3,168.0	3,029.5
		Total investments-without cash [IDR bn]	2,782.0	2,053.9	1,958.4	2,075.4
		Net written premiums [IDR bn]	557.2	2,794.6	2,760.9	2,620.4
<b>Rating Period</b>		Net claims – including reserves [IDR bn]	357.9	1,493.1	1,376.3	1,188.5
July 16, 2020 – July 1, 2021		Underwriting results [IDR bn]	(13.3)	465.2	315.6	649.7
		Net income after tax [IDR bn]	(60.6)	106.5	201.6	360.7
<b>Rating History</b>		Total comprehensive income [IDR bn]	(59.4)	125.9	194.7	360.6
DEC 2018	idAA/Stable	ROAA [%]	** (1.9)	0.8	1.6	2.9
JUL 2017	idAA/Stable	Loss ratio [%]	64.2	53.4	49.8	45.4
SEP 2015	idAA/Stable	Net written premiums/equity [x]	**0.7	0.9	0.9	0.9
APR 2014	idAA/Stable	Retention ratio [%]	62.3	51.8	49.2	48.8
FEB 2014	idAA-/Stable	Equity/total assets [%]	25.7	25.8	23.5	25.8
NOV 2012	idAA-/Stable	Risk based capital (RBC) [%]	213.4	183.1	177.6	193.2
AUG 2011	idAA-/Stable	USD exchange rate [IDR/USD]	16,367	13,901	14,481	13,548

\*ROAA and net income before tax  
\*\*Annualized  
Loss ratio = Net Claims (including 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.

### Asuransi Jasindo rated "idAA" with stable outlook

PEFINDO has assigned its "idAA" financial strength rating to PT Asuransi Jasa Indonesia (Asuransi Jasindo or the Company). The outlook for the rating is "stable". The recent appointment of PT Bahana Pembinaan Usaha Indonesia (Persero) as the holding company for state-owned insurers and guarantor, as stipulated in PP No.20 Year 2020 should have a neutral impact on the overall credit profile of Asuransi Jasindo and other state-owned insurers. Though Asuransi Jasindo no longer has its state-owned (Persero) status, PEFINDO is of the view that Government of Indonesia is still its ultimate controlling shareholder, with special rights as stated in the regulation, and therefore the Company's privileges as a state-owned enterprise (SOE) will remain intact. As such, we are of the view that its business profile, financial position, and degree of importance to the government will remain unchanged under the new insurance holding structure.

An insurer rated idAA has very strong financial security characteristics relative to other companies in Indonesia, differing only slightly from those rated higher.

The rating reflects Asuransi Jasindo's strong synergy with SOEs, its very strong market position in the general insurance industry, and a strong liquidity profile. The rating is partly offset by its average operating performance and moderate capitalization.

The rating may be raised if the Company generates a significant and sustainable increase in market share, followed by a sustainable improvement in financial profiles. The rating could be lowered if PEFINDO views there is a lower level of support from the shareholders, or if any of its business or financial profiles weaken substantially.

We are of the view that social distancing initiatives amid the COVID-19 pandemic will have a moderate impact on new business generation in the insurance industry, particularly classes of business that are directly impacted such as motor vehicles, credit insurance, and marine cargo. The property sector may also be affected to a lesser degree, as demand for property insurance renewal is still in place. The significant COVID-19 impact on the affected classes of business may limit general insurance companies' ability to obtain new business and renew their policies, thus affecting their financial profiles, especially operating performance and liquidity. Generally, we expect insurance companies to have a sufficient liquidity buffer, as a significant portion of their investments are placed in liquid assets.

We expect the COVID-19 pandemic to have a manageable impact on Asuransi Jasindo, supported by its strong liquidity profile and strong competitive edge from its synergy with SOEs, catering to a niche market amid increased business growth risk. We expect the Company to maintain a sizable portion of its investment portfolio in cash and time deposits in reputable banks, for reciprocal business and to manage its liquidity against potential claims. This is reflected by its high portion of cash and time deposits at around 50% of its portfolio at March 31, 2020 and December 31, 2019. We are of the view that this investment profile should be less affected by the COVID-19 pandemic. However, we also note that an economic downturn resulting from the pandemic raises concerns over lower new premium generation in some classes of business, such as energy, marine cargo, credit insurance, and motor vehicle. PEFINDO will continue to closely monitor these conditions to assess how the impact of COVID-19 is developing, and should there be material changes, we will conduct the necessary rating actions.

Established in 1973, Asuransi Jasindo provides various general insurance products, mainly for fire, aviation, oil and gas, and motor vehicles. It is ultimately owned by Government of Indonesia through PT Bahana Pembinaan Usaha Indonesia (Persero) which has a 99.0098% shareholding via series B shares. The rest is owned through direct holding of series A shares. It operates through a head office in Jakarta, supported by 48 branch offices and 40 marketing offices.

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