

## PT Jasa Raharja

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| <b>CREDIT PROFILE</b>                  |                     | <b>FINANCIAL HIGHLIGHTS – parent only figures</b> |                    |                  |                  |                  |
|--|---------------------|---|--------------------|------------------|------------------|------------------|
|  |                     | <b>As of/for the year ended</b>                   | <b>Mar-2020</b>    | <b>Dec-2019</b>  | <b>Dec-2018</b>  | <b>Dec-2017</b>  |
|  |                     |   | <b>(Unaudited)</b> | <b>(Audited)</b> | <b>(Audited)</b> | <b>(Audited)</b> |
| <b>Corporate Rating</b>                | <i>idAAA/Stable</i> | Total assets [IDR bn]                             | 14,263.8           | 14,804.4         | 13,893.2         | 13,949.1         |
| <b>Rated Issues</b>                    |                     | Total equity [IDR bn]                             | 10,847.4           | 11,355.3         | 10,622.9         | 10,699.8         |
| <i>N/A</i>                             |                     | Total investments without cash [IDR bn]           | 13,004.4           | 13,489.8         | 12,643.8         | 12,727.4         |
| <b>Rating Period</b>                   |                     | Net written premiums [IDR bn]                     | 1,058.4            | 4,594.1          | 4,551.7          | 4,280.2          |
| <i>May 29, 2020 – December 1, 2020</i> |                     | Net claims [IDR bn]                               | 630.4              | 2,804.1          | 2,722.6          | 2,230.0          |
| <b>Rating History</b>                  |                     | Underwriting results [IDR bn]                     | 385.6              | 1,415.5          | 1,663.4          | 1,496.2          |
| <i>DEC 2019</i>                        | <i>idAAA/Stable</i> | Net income after tax [IDR bn]                     | 332.4              | 1,551.8          | 1,620.2          | 1,843.6          |
| <i>DEC 2018</i>                        | <i>idAAA/Stable</i> | Total comprehensive income [IDR bn]               | 332.4              | 1,551.8          | 1,620.2          | 1,843.6          |
| <i>DEC 2017</i>                        | <i>idAAA/Stable</i> | ROAA [%]  | *9.1               | 10.8             | 11.6             | 14.1             |
| <i>DEC 2016</i>                        | <i>idAAA/Stable</i> | Loss ratio [%]                                    | 59.6               | 61.0             | 59.8             | 52.1             |
| <i>DEC 2015</i>                        | <i>idAAA/Stable</i> | Net written premiums /equity [x]                  | *0.4               | 0.4              | 0.4              | 0.4              |
| <i>DEC 2014</i>                        | <i>idAAA/Stable</i> | Retention ratio [%]                               | 97.7               | 97.5             | 97.0             | 97.1             |
| <i>DEC 2013</i>                        | <i>idAAA/Stable</i> | Equity/total assets [%]                           | 76.0               | 76.7             | 76.5             | 76.7             |
| <i>DEC 2012</i>                        | <i>idAAA/Stable</i> | Risk based capital (RBC) [%]                      | 585.9              | 580.3            | 620.7            | 689.0            |
|  |                     | USD exchange rate [IDR/USD]                       | 16,367             | 13,901           | 14,481           | 13,548           |

*Loss ratio = Net Claims (including reserves) / Net written premiums*  
\*Annualized  
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.

### Under the new insurance holding structure, Jasa Raharja's rating affirmed at "idAAA" with stable outlook

PEFINDO has affirmed its "idAAA" financial strength rating to PT Jasa Raharja (Jasa Raharja). The outlook for the rating is "stable". In our view, the recent appointment of PT Bahana Pembinaan Usaha Indonesia (PBU) as the holding company for state-owned insurers and guarantor as stipulated in PP No. 20/2020 should have a neutral impact to Jasa Raharja and other state-owned insurers' overall credit profile. Despite no longer maintaining its state-owned (Persero) status, PEFINDO is of the view that Government of Indonesia is still the ultimate controlling shareholder with its special rights as stated in the regulation, and therefore Jasa Raharja's privilege as the state-owned enterprise will remain intact. Jasa Raharja will also maintain its status as the compulsory insurance sole provider for basic protection of public transportation accident victims and the third-party of traffic accidents. As such, we are of the view that Jasa Raharja's business profile, financial position, and degree of importance to the government will remain unchanged under the new insurance holding structure.

An insurer rated idAAA has superior financial security characteristics relative to other companies in Indonesia. idAAA is the highest Insurer Financial Strength Rating assigned by PEFINDO.

The rating reflects Jasa Raharja's key public service provider role representing the Indonesian government, very strong business profile as the compulsory insurance sole provider for basic protection compensation of public transportation accident victims and the third-party of traffic accidents, superior capitalization, and strong operating performance. The rating is moderated by its exposure to capital market volatility.

The rating may be lowered if there is material evidence of declining support from the government. Such downside pressure may arise if Jasa Raharja's role to provide basic protection for public passenger traffic accidents diminishes significantly.

We expect the COVID-19 outbreak to have a manageable impact on Jasa Raharja's credit profile, considering its function as an extension of the government in serving accident victim. It is compulsory to use the Company's service as it has been set out on Law No. 33/1964 on the mandatory passenger accident insurance fund, and Law No. 34/1964 on the mandatory road traffic accident insurance fund. It will continue to run the mandate, as specified on PP No. 20/2020. In our view, the COVID-19 pandemic should not translate into a substantial escalation in the potential claim from public passenger or traffic accident. This should offset the concern of a potential lower premium generation from declining automotive sales and public transportation utilization due to the large-scale social restriction policy following the COVID-19 pandemic, as well as capital market volatility which may affect Jasa Raharja investment portfolio performance.

Jasa Raharja was established to carry out specific tasks related to the implementation of Law No. 33/1964 and Law No. 34/1964. As of March 2020, its shares were owned by PBU at 99.99998%, while the remainder own by the Government of Indonesia through its Series A *dwiwarna* shares.

**DISCLAIMER**

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