

## PT Taspen (Persero)

Analysts: Handhayu Kusumowinahyu / Danan Dito

Phone/Fax/E-mail: (62-21) 72782380 / 72782370 / [handhayu.kusumowinahyu@pefindo.co.id](mailto:handhayu.kusumowinahyu@pefindo.co.id) / [danan.dito@pefindo.co.id](mailto:danan.dito@pefindo.co.id)

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Jun-2020	Dec-2019	Dec-2018	Dec-2017
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAAA/Stable</i>	Total assets [IDR bn]	261,757.9	263,253.5	231,866.0	230,378.5
<b>Rated Issues</b>	-	Total equity [IDR bn]	7,578.7	11,415.9	9,718.7	13,958.7
		Total investments [IDR bn]	256,115.9	253,321.6	216,757.4	209,002.8
<b>Rating Period</b>	October 5, 2020 – October 1, 2021	Net written premiums [IDR bn]	4,263.2	9,069.4	8,088.3	8,481.1
		Net claims [IDR bn]	8,711.0	17,715.9	15,289.4	15,128.4
<b>Rating History</b>		Underwriting results [IDR bn]	(4,447.8)	(8,646.6)	(7,201.0)	(6,647.4)
AUG 2014	<i>idAAA/Stable</i>	Net income after tax [IDR bn]	(5.8)	394.9	271.6	721.7
NOV 2012	<i>idAAA/Stable</i>	Total comprehensive income [IDR bn]	(3,828.2)	1,698.7	(4,238.9)	2,655.9
		ROAA [%]	*(0.0)	0.2	0.1	0.3
		Loss ratio [%]	204.3	195.3	189.0	178.4
		Net written premiums/equity [x]	1.1	0.8	0.8	0.6
		Retention ratio [%]	100.0	100.0	100.0	100.0
		Equity/total assets [%]	2.9	4.3	4.2	6.1
		Investment Adequacy Ratio (RKI) [%]	107.5	111.5	108.9	114.2
		USD exchange rate	14,302	13,901	14,481	13,568
		<i>*Annualized</i>				

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.

### Taspen rated "idAAA" with stable outlook

PEFINDO has assigned its "idAAA" financial strength rating to PT Taspen (Persero) (Taspen). The outlook for the corporate rating is "stable".

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 Taspen's key public service role in providing insurance for civil servants in Indonesia, very strong business profile and adequate liquidity position. The rating is constrained by its moderate operating performance and moderate capitalization and reserves.

The rating may be lowered if there is material evidence of declining support from the government. Such downside pressure may arise if Taspen's role to provide retirement insurance and pension payments for civil servants (PNS) diminishes significantly.

We expect the COVID-19 pandemic to have a minimal impact on Taspen. In our view, the pandemic should not lead to a decline in premium generation, as Taspen service is compulsory by regulation and there is no plan for downward adjustment to PNS basic salaries. This should offset the concern over potential lower premium generation by its subsidiary due to declining business amid the pandemic, as well as capital market volatility that may affect Taspen's investment portfolio performance.

Taspen is the only provider of retirement insurance (Tabungan Hari Tua, THT), pension program and death protection (Jaminan Kematian, JKM) and working accident protection (Jaminan Kecelakaan Kerja, JKK) to PNS in Indonesia, covering the central government, regional government, judges, state officials, military officers (retired before 1989), and war veterans. It operates through its head office, 6 main offices, and 51 branches, and cooperates with 46 banks and other institutions as payment points and supported by 1,645 employees as of June 2020. It is wholly owned by the Indonesian government.

#### DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.