

PT HEKSA Solution Insurance

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of / for the years ended	Jun-2017	Dec-2016	Dec-2015	Dec-2014
			(Unaudited)	(Audited)	(Audited)	(Audited)
Financial Strength Rating	<i>idBBB+/Stable</i>	Total assets [IDR bn]	868.3	802.7	610.3	586.9
		Total equity [IDR bn]	164.9	144.1	91.1	122.9
Rated Issues		Total investment [IDR bn]	*579.4	520.5	374.9	309.4
-		Net premium written [IDR bn]	135.4	264.2	192.4	164.6
		Net claims [IDR bn]	36.5	119.1	119.2	100.9
Rating Period		Underwriting result [IDR bn]	47.9	68.5	(15.6)	18.6
<i>September 8, 2017 – September 1, 2018</i>		Net income after tax [IDR bn]	17.5	22.1	(21.9)	17.3
		Total comprehensive income [IDR bn]	17.5	22.0	(21.7)	17.0
Rating History		ROAA [%]	**4.2	3.1	(3.7)	3.2
<i>SEP 2015</i>	<i>idBBB/Stable</i>	Loss ratio [%]	63.5	76.5	108.1	84.8
		Net premium written / equity [x]	**1.6	1.8	2.1	1.3
		Retention ratio [%]	59.8	72.6	65.9	67.1
		Equity/total assets [%]	19.0	18.0	14.9	20.9
		Risk based capital; RBC [%]	121.7	125.9	42.4	132.2
		USD exchange rate [IDR/USD]	13,286	13,436	13,795	12,440
		<i>*Including Cash and Bank</i>				
		<i>**Annualized</i>				
		<i>Loss ratio = (net claims +/- changes in claim reserves)/ net written premiums</i>				
		<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.</i>				

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 its strategic partners, adequate liquidity, and the potential contribution of new businesses. However, the rating is constrained by its modest capitalization and average 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 business. The rating could be lowered if the Company's existing 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 an insurance company focused on credit life insurance for individual bank debtors. It also has other products, such as one-year life insurance coverage, personal accident insurance, and unit-linked insurance that was launched in May 2017. As of June 30, 2017, it operated through a head office with 87 permanent employees. Changes in its shareholders in May 2016 have led to this current structure: 54.0% owned by PT Bumi Narendro Mukti, 18.1% by PT Nastiti Tunggal Karya, 15.0% by PT Alpha Omega Sejahtera, 7.9% by Inkoppabri (Induk Koperasi Purnawirawan dan Warakawuri TNI-Polri), 2.5% by Organisasi Nahdlatul Ulama, and 2.5% by Chris Mewengkang, SH.

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