

## PT Asuransi Bangun Askrida

Analysts: Hanif Pradipta/Imelda Rusli

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / [hanif.pradipta@pefindo.co.id](mailto:hanif.pradipta@pefindo.co.id) / [imelda.rusli@pefindo.co.id](mailto:imelda.rusli@pefindo.co.id)

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>			
		<b>As of / for the years 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>idA+/Stable</i>	3,126.0	3,399.4	2,978.8	2,703.3
<b>Rated Issues</b>		877.1	877.2	903.2	814.9
<i>N/A</i>		1,725.8	1,904.6	1,883.9	1,872.9
<b>Rating Period</b>		570.9	3,006.3	3,150.3	2,583.6
<i>June 15, 2020 – June 1, 2021</i>		473.9	1,694.3	1,573.9	1,166.4
<b>Rating History</b>		53.3	431.4	650.3	507.4
<i>MAY 2019</i>	<i>idA+/Stable</i>	8.1	70.2	178.0	167.7
<i>MAY 2018</i>	<i>idA+/Stable</i>	8.1	80.0	160.3	172.6
<i>APR 2017</i>	<i>idA+/Stable</i>	ROAA [%]	*1.0	2.2	6.3
<i>APR 2016</i>	<i>idA+/Stable</i>	Loss ratio [%]	83.0	56.4	50.0
<i>APR 2015</i>	<i>idA+/Stable</i>	Net premium written / equity [x]	*2.6	3.4	3.5
<i>APR 2014</i>	<i>idA+/Stable</i>	Retention ratio [%]	81.6	84.8	85.6
<i>APR 2013</i>	<i>idA+/Stable</i>	Equity/total assets [%]	28.1	25.8	30.3
<i>APR 2012</i>	<i>idA+/Stable</i>	Risk based capital; RBC [%]	181.9	198.6	214.9
<i>FEB 2011</i>	<i>idA+/Stable</i>	USD exchange rate [IDR/USD]	16,367	13,901	14,481
					13,548

*\*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.*

### Askrida rated "idA+" with "stable" outlook

PEFINDO has assigned its "idA+" financial strength rating to PT Asuransi Bangun Askrida (Askrida). The outlook for the rating is "stable".

An insurer rated idA has strong financial security characteristics relative to other companies in Indonesia, but is somewhat more likely to be affected by adverse business conditions than insurers with higher ratings. The Plus (+) sign indicates that the rating is relatively strong within its category.

The rating reflects Askrida's strong synergy with its shareholders, strong capitalization, and sound liquidity. However, the rating is constrained by the Company's modest operating performance due to a high loss ratio, and tight competition in the non-captive general insurance market.

The rating may be raised if PEFINDO sees a significant and sustainable improvement in its business position, for both its captive and non-captive markets, along with improvement in its financial profiles. The rating could be lowered if its business position in its captive market weakens significantly, or if it suffers a considerable deterioration in capitalization or operating performance.

We are of the view that social distancing initiatives amid the COVID-19 pandemic will moderately impact new business generation in the insurance industry, particularly classes of business 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 in renewing 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 the investments are placed in liquid assets.

We are of the view that COVID-19 will have a moderate effect on Askrida, supported by its sound liquidity position to support potential claim payments. It will maintain a high composition of its investment portfolio in time deposits in reputable banks, for reciprocal business and to manage its liquidity profile against potential claims. This is reflected by a high portion of above 80% in March 31, 2020 and December 31, 2019. We are of the view that this investment profile should be less affected by the pandemic. There should be no substantial amount of additional claims caused by the pandemic in its insurance products. We also acknowledge that the pandemic has adversely reduced new premium generation in most business classes, including its core product in credit insurance. We will continue to monitor its business and financial performance, particularly premium generation, operating performance, and liquidity profiles.

Askrida is a general insurance company focusing on its captive market in credit insurance for regional development banks (BPDs). It also offers a wide variety of general insurance services such as coverage for fire/property, motor vehicles, surety bonds, personal accident, cargo, and miscellaneous items. Its head office in Jakarta is supported by a network of 39 branches covering all provinces in Indonesia, and a workforce of 583 employees as of March 2020. Its shareholders comprise 51 entities, including several BPDs, BPD pension funds, BPD employee foundations, and regional governments (Pemda). Its three largest shareholders as of March 31, 2020 were Pemerintah Provinsi Sumatera Barat (16.5%), Dana Pensiun PT BPD Jawa Barat Banten (13.8%), and PT BPD Jawa Barat dan Banten Tbk (10.2%).

**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.*