

PT Asuransi Jiwa Nasional

Financial Strength Rating *ii*BBB/Stable

Rated Issues N/A

Rating Period
March 1, 2022 – March 1, 2023

"Insurance Company with an *ii*BBB rating have an adequate level of certainty to honor the financial obligations to policyholder. However, this certainty is more likely to diminish in the future than the higher rating categories."

Kredit Rating Indonesia assigns '*ii*BBB' rating to PT Asuransi Jiwa Nasional with "Stable" outlook

Kredit Rating Indonesia (KRI) assigns a Financial Strength Rating of '*ii*BBB' for PT Asuransi Jiwa Nasional (ASJN or the Company) with "Stable" outlook. The rating reflects ASJN's sound capitalization and sufficient liquid assets to cover technical reserves. The rating is constrained by the company's relatively very small market share of GWP and high loss ratio.

ASJN was incorporated in 2017 and is headquartered in Jakarta Pusat, Indonesia. PT Asuransi Jiwa Nasional focuses on the life insurance business in Indonesia. The Company's shareholder composition as of September 30, 2021, was PT Nasional Investindo Perkasa (99%) and PT Nasional Niaga Abadi (1%).

The Risk Based Capital (RBC) ratio of ASJN shows a downward trend from 1023% in FY17 to 409% in September 2021. The decrease in RBC shows that the Company's working capital is being utilized properly and we see that this ratio is sufficient to cover negative shocks to risk. ASJN maintains a minimum RBC ratio double from the OJK requirement (OJK: min 120%, ASJN: min 240%).

KRI sees that the Company's liquid assets are 2.04x higher than its technical reserves in September 2021. Thus, we believe the Company is liquid enough to cover sudden claims. As of September 2021, ASJN's liquid assets to technical reserves are relatively higher than its peers.

ASJN commenced its operational activities in 2017 or has been in the life insurance industry for about 5 years. In terms of gross written premium, ASJN's has a relatively very small market share. In last 4 years (FY18 – 3Q21), ASJN's GWP market share has ranged from 0.027% - 0.044%.

ASJN's loss ratio shows a figure more than 100% in September 2021, indicating the company's net claims are higher than the net premium written (NPW). The effects of the COVID-19 in 2021 have caused an increase in claims to the Company, while on the net premium written side, there have been delays in premium payments from policyholders.

We are of the view that the ratings are constrained by ASJN's very small market share which limits the development of company's size and the increasing loss ratio which erodes its ability to mitigate risk from its underwriting and investment activities.

ASJN Financial Results Highlights

As of/For the year ended	Sep 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, bn)	344.86	297.98	254.09	237.88
Total Equity (IDR, bn)	171.50	165.80	162.42	156.96
Investment exc. Cash (IDR, bn)	243.97	208.86	192.19	163.12
Net Premium Written (IDR, bn)	44.93	56.92	35.49	43.64
Net Claims (IDR, bn)	34.31	20.55	22.23	6.44
Net income After Tax (IDR, bn)	-0.37	7.42	2.57	1.39
ROAA (%)	-0.16	2.69	1.05	0.63
Loss Ratio (%)	105.92	66.01	70.29	51.37
Net Premium Written/Equity (x)	0.35	0.34	0.22	0.28
Retention Ratio (%)	85.25	75.04	70.03	70.37
Equity/Total Assets (%)	49.73	55.64	63.92	65.98
Risk Based Capital; RBC (%)	408.60	548.60	818.78	909.51

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