

PT Nasional Investindo Perkasa

Company Rating *ii*BBB/Stable

Rated Issues -

Rating Period
February 27, 2023 – March 1, 2024Rating History
March, 2022 *ii*BBB/Stable

"Obligor with an *ii*BBB rating have an adequate level of certainty to honor the financial obligations. 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 Nasional Investindo Perkasa with "Stable" outlook

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*ii*BBB' for PT Nasional Investindo Perkasa (NIP or the Company) with "Stable" outlook. The rating reflects NIP's capacity to repay its debt is supported by relatively low leverage despite concern of the company's growth sustainability.

NIP is parent company of PT Asuransi Jiwa Nasional (ASJN), an operating company that mainly engage in financial service. Through its subsidiary, the Company provides life insurance service in Indonesia. The Company recorded IDR803.52 billion of total assets and IDR120.00 billion of revenue as of September 2022. Major contributor of the revenue is insurance premium (100%) while the main contributor of asset is investment (79%).

KRI evaluates NIP's rating based on the credit quality of ASJN. The credit profile of ASJN is the main anchor of NIP's credit rating as ASJN is the largest contributor of NIP in term of asset and revenue.

ASJN specializes in life insurance products. However, ASJN's Risk Based Capital (RBC) ratio has shown a decreasing trend, dropping from 910% in FY18 to 307% as of September 2022. Despite this decline, ASJN still maintains a minimum RBC ratio that is double the requirement set by OJK, which is a minimum of 120%. In terms of NIP, the company's Debt-to-Equity ratio was maintained at 0.00x until 3Q22. KRI sees that ASJN's liquid assets in September 2022 were 1.85 times higher than its technical reserves. As a result, we believe that ASJN has sufficient liquidity to cover any sudden claims.

ASJN has a relatively small market share in terms of gross written premium, with the company's market share only ranging from 0.027% to 0.089% over the past four years (FY18 – 3Q22). As of September 2022, ASJN loss ratio was 82.39%. By focusing on selling traditional (risk-based) life insurance products which are its main product, ASJN is able to keep its loss ratio below 100%. The total contribution of all ASJN policyholders comes from group premiums of 63 policies with 70,976 coverage as of September 2022.

NIP Financial Results Highlights (Consolidated)

As of/For the year ended	Sep 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Assets (IDR, bn)	803.52	738.31	653.39	399.86
Total Equity (IDR, bn)	207.64	198.62	376.33	161.68
Total Revenue (IDR, bn)	120.00	107.37	85.03	63.33
Total Expense (IDR, bn)	115.55	106.27	77.17	61.69
Net Income (IDR, bn)	10.30	13.20	17.11	3.10
Debt to Equity Ratio (x)	0.00	0.00	0.00	0.00
Liabilities/Total Assets (%)	73.93	72.86	42.15	59.16
Return on Asset (%)	1.78	1.90	3.25	0.97
Return on Equity (%)	6.76	4.59	6.36	1.95

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