

Axinan Labuan Limited

Financial Strength Rating *ii*BBB/Stable

Rated Issues -

Rating Period
April 26, 2024 – May 1, 2025

Rating History -

"Reinsurance Company with an *ii*BBB rating has 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 has assigned '*ii*BBB' Financial Strength Rating of Axinan Labuan Limited with a 'Stable' outlook.

Kredit Rating Indonesia (KRI) has assigned an '*ii*BBB' Financial Strength Rating to Axinan Labuan Limited ('AXNN' or 'the Company') with a 'Stable' outlook. The rating for AXNN reflects the ease and support from the parent company in securing business from its captive market, its conservative investment policy, and sound operating performance. However, the rating is constrained by the company's small size and limited business diversification.

The company was incorporated under the Labuan Companies Act 1990, which allows AXNN to market its products outside the Labuan area. Through its parent company, Axinan Pte. Ltd. (also known as Igloo), AXNN primarily targets the insurtech business within Igloo's ecosystem across the Southeast Asian market, with a particular focus on Indonesia. AXNN is wholly owned by Igloo, functioning as its reinsurance business branch.

As a newcomer in the reinsurance field, AXNN commenced operations in 2019. AXNN's size is relatively small, with a gross written premium (GWP) of only USD0.67 million in 2023 (FY22: USD0.67 million; FY21: USD0.74 million). The company targets a significant increase in 2024, aligned with tapping into Igloo's market in Indonesia following the acquisition of a rating. AXNN recorded a sound operating performance in 2023, with a return on average assets (ROAA) of 6.44% (FY22: 5.98%; FY21: 0.19%) and a loss ratio of 29.47% (FY22: 48.95%; FY21: 91.86%). Additionally, all of AXNN's investments were allocated in cash and bank balances, constituting a conservative strategy as these investments are highly liquid and carry a very low probability of default.

A constraining factor for the company is that AXNN's product diversification has primarily concentrated on only two classes of business: Cargo, which accounted for 60% of the gross premium in 2023, and Personal Accident, which represented 40% in the same year. Simultaneously, AXNN's gross written premium contributions are limited solely to its parent company, the Igloo business ecosystem.

REFI Financial Results Highlights

| For the year ended | Dec 2023 (Unaudited) | Dec 2022 (Audited) | Dec 2021 (Audited) | Dec 2020 (Audited) |
|-----------------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Total Assets (USD, Mn) | 2.96 | 2.79 | 2.57 | 2.53 |
| Total Equity (USD, Mn) | 2.86 | 2.68 | 2.52 | 2.44 |
| Total Investment include Cash (USD, Mn) | 2.28 | 2.45 | 2.48 | 2.53 |
| Net Premium Written (USD, Mn) | 0.67 | 0.67 | 0.74 | 0.03 |
| Net Claims (USD, Mn) | 0.20 | 0.33 | 677.4 | 0.04 |
| Net Income After Tax (USD, Mn) | 0.19 | 0.16 | 0.004 | (0.04) |
| ROAA (%) | 6.44 | 5.98 | 0.19 | (1.43) |
| Loss Ratio (%) | 29.47 | 48.95 | 91.86 | 127.15 |
| Net Premium Written / Equity (x) | 0.23 | 0.25 | 0.29 | 0.01 |
| Retention Ratio (%) | 100.00 | 100.00 | 100.00 | 100.00 |
| Equity/Total Assets (%) | 96.57 | 95.74 | 97.85 | 96.56 |
| Currency Exchange Rate (USD/IDR) | 15,415 | 15,534 | 14,292 | 14,194 |

Analysts : Furqon Abrory Samara (Furqon.Samara@kreditratingindonesia.com)
Cut Nabila Saraziva (Cut.Nabila@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.