

## PT Jaminan Pembiayaan Askrindo Syariah

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
Corporate Rating	<i>idA+/Stable</i>	As of/for the year ended	Sep-2020 (Unaudited)	Dec-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)
<b>Rated Issues</b>	N/A	Total assets [IDR bn]	837.4	622.7	401.2	391.4
		Total equity [IDR bn]	520.2	510.4	325.5	310.6
		Total investment [IDR bn]	598.2	527.3	349.8	318.9
		Net guarantee fee [IDR bn]	158.7	232.3	161.3	129.7
<b>Rating Period</b>		Net claims [IDR bn]	64.8	83.8	67.1	74.4
	December 21, 2020 – December 1, 2021	Underwriting result [IDR bn]	44.7	105.6	69.8	35.5
		Net income after tax [IDR bn]	10.2	36.6	14.1	6.2
<b>Rating History</b>		Total comprehensive income [IDR bn]	9.8	34.8	14.9	6.5
	NOV 2020	ROAA [%]	*1.9	7.1	3.6	1.7
	<i>idA+/Stable</i>	Loss ratio [%]	40.8	36.1	41.6	57.4
		Net guarantee fee/equity [x]	0.4	0.5	0.5	0.4
		Retention ratio [%]	63.6	71.5	70.7	73.5
		Equity/total assets [%]	62.1	82.0	81.1	79.4
		Gearing ratio [x]	20.4	19.8	32.0	29.5
		Exchange rate [USD/IDR]	14,918	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.

### Askrindo Syariah rated "idA+", outlook "stable"

PEFINDO has assigned its "idA+" financial strength rating to PT Jaminan Pembiayaan Askrindo Syariah (Askrindo Syariah). The outlook for the corporate rating is "stable".

A guarantee provider 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 are guarantee providers with higher ratings. The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The rating reflects Askrindo Syariah's very strong likelihood of support from its Parent company, PT Asuransi Kredit Indonesia (Askrindo or the Parent), sound liquidity, and above average capitalization and reserves. The rating is constrained by its moderate operating performance and tight competition in the industry.

The rating may be raised if PEFINDO sees a higher degree of support from the Parent as a result of its significantly increased contribution. It also needs to improve its presence in the credit guarantee industry, accompanied by a steady improvement in its capitalization performance. However, the rating may be lowered if PEFINDO views its Parent's support slackens. It may also be revised downward in case of a sharp decline in its market position, or if its capitalization profile or asset quality profile weakens substantially.

We are of the view that the COVID-19 pandemic has moderately impacted the credit guarantee industry's generation of new business as a result of declining new loan disbursement by banks and finance companies. Moreover, claim activities may increase following the economic recession, which adversely affects the debtors' repayment capacity, although this is partly mitigated by the relaxation scheme for eligible debtors affected by the pandemic. We expect the credit guarantee industry to further augment its reserve provision, so as to enable industry players to cover its potential underwriting losses. The prevailing low interest rate and heightening investment market volatility will also weigh on industry players' profitability and slacken capital accumulation over the near term. However, credit guarantee companies typically have a key position in their niche market and manage to record modest growth in their guarantee volumes. We expect the industry to maintain a sufficient buffer over its mandatory solvency requirements, supported by a re-guarantee scheme. We view the industry's liquidity as adequate with sufficient holdings of liquid assets, which remain supportive of its short-term repayment needs.

We view the impact of COVID-19 on Askrindo Syariah's overall credit profile to remain moderate, given its sound liquidity and above-average capitalization profile. Its investments are mainly placed in liquid instruments such as time deposits at above 60%. This conservative investment strategy, in our view, helps mitigate the risk of liquidity needs that potentially arise from the high claims potential from the micro-segment, which has dominated its guarantee portfolio at 70% in 9M2020. We will remain vigilant on the industry and the Company's performance during this pandemic, particularly regarding its business risk profile and its liquidity position to cover its potential financial liabilities.

Askrindo Syariah was established in November 2012 to provide guarantees for productive and consumer financing under sharia principles. As of September 30, 2020, more than 99.9% of its shares were owned by PT (Persero) Asuransi Kredit Indonesia (Askrindo) and the remaining share was held by Yayasan Kesejahteraan Karyawan Askrindo (YDKKA).

**DISCLAIMER**

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