

PT Sinar Mas Multiartha Tbk (SMMA)

Corporate rating *irAA*/Stable

Rated Issues

Proposed Obligasi Berkelanjutan III Sinar Mas Multiartha Tbk Tahun 2024 *irAA*

Obligasi Berkelanjutan II Sinar Mas Multiartha Tahun 2021 *irAA*

Obligasi Berkelanjutan Sinar Mas Multiartha I 2020 *irAA*

“Debt securities with *irAA* rating has a very high level of certainty to honor the financial obligations. There is, however, a slight difference in the rating scale with the highest qualification level of debt securities.”

Rating Period

January 2, 2024 – January 1, 2025

Rating History

July, 2023 *irAA*

June, 2022 *irAA*

June, 2021 *irAA*

May, 2020 *irAA*

Kredit Rating Indonesia has assigned '*irAA*' rating to Proposed Obligasi Berkelanjutan III Sinar Mas Multiartha Tbk Tahun 2024.

Kredit Rating Indonesia (KRI) has affirmed a Company Rating of '*irAA*' for PT Sinar Mas Multiartha Tbk (SMMA or the Company) with a 'Stable' outlook. At the same time, KRI has assigned '*irAA*' rating to Proposed Obligasi Berkelanjutan III Sinar Mas Multiartha Tbk Tahun 2024. KRI also has affirmed '*irAA*' rating to Obligasi Berkelanjutan II Sinar Mas Multiartha Tahun 2021 totaling IDR5 Tn and Obligasi Berkelanjutan Sinar Mas Multiartha I 2020 totaling IDR1 Tn. The rating reflects credit quality of SMMA's major subsidiaries.

SMMA is a listed holding company that is part of Sinar Mas group with subsidiaries mainly engaged in financial services. Through its subsidiaries, the Company provides banking, leasing, factoring, consumer financing, automotive, truck, and heavy equipment financing, insurance, and capital market services.

As of September 2023, SMMA's shares were owned by PT Sinar Mas Cakrawala (50.5%) and public (49.5%). The Company recorded IDR18.9 Tn of revenue and IDR113.9 Tn of total assets. Major contributors of the revenue are insurance (IDR12.0 Tn) and interest revenue (IDR4.4 Tn) while the main contributors of asset are short term Investment (IDR63.3 Tn), loans (IDR16.0 Tn), and financing receivables (IDR4.7 Tn). 87% of the bond issued will be utilized to shareholder loan to its subsidiaries, PT AB Sinar Mas Multifinance (*irA*/Stable) and PT Sinarmas Multifinance (*irA+*/Stable), working capital (10%) and refinancing (3%).

KRI evaluates SMMA's bond ratings based on the credit quality of its three major subsidiaries, which are PT Asuransi Sinar Mas (ASM/*irAAA*), PT Bank Sinarmas Tbk (BSIM/*irA+*) and PT Sinar Mas Multifinance (SMMF/*irA+*). The credit profile of Asuransi Sinar Mas is the main anchor of SMMA's credit rating as ASM is the largest subsidiary of SMMA in terms of asset and revenue. ASM's underwriting income contribution to SMMA revenue was 63.5% in 9M2023.

SMMA Financial Results Highlights (consolidated)

For the year ended	Sep 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Assets (IDR, Bn)	113,958.1	114,406.8	117,510.0	107,913.1	99,715.6
Total Debt (IDR, Bn)	10,580.8	10,689.5	7,801.1	8,438.7	7,125.6
Total Equity (IDR, Bn)	25,417.1	23,675.1	22,782.3	22,379.1	23,088.1
Total Revenue (IDR, Bn)	18,960.5	33,188.1	38,533.1	38,259.4	30,517.1
Net Income (IDR, Bn)	1,500.6	902.0	991.8	16.7	5,070.6
Net Profit Margin (%)	7.9	2.7	2.6	0.04	16.6
Debt to Equity Ratio (X)	0.4	0.5	0.3	0.4	0.3
Debt to Asset (x)	0.09	0.09	0.07	0.08	0.07
Return on Asset (%)	1.3	0.8	0.8	0.02	5.1
Return on Equity (%)	5.9	3.8	4.4	0.07	22.0

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