

PT Sinarmas Penjaminan Kredit (SPK)

Financial Strength rating *irAA/Stable*

Rated Issues -

Rating Period

September 11, 2023 – September 1, 2024

“Surety Company 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 Surety Company.”

Rating History

July, 2022 *irAA/Stable*

April, 2021 *irAA/Stable*

Kredit Rating Indonesia has assigned ‘*irAA*’ rating to PT Sinarmas Penjaminan Kredit.

Kredit Rating Indonesia (KRI) has assigned a Financial Strength Rating of ‘*irAA*’ for PT Sinarmas Penjaminan Kredit (SPK or the Company) with “Stable” outlook. The rating reflects SPK’s sound capitalization, strong liquidity and parent support. However, significant decrease of SPK’s revenue is also considered in the rating.

SPK is owned by PT Asuransi Sinar Mas (ASM/*irAAA*) with 75% ownership and PT Reasuransi Nusantara Makmur (*irAA-*) of 25% share ownership. As a subsidiary of ASM (*irAAA*), SPK has the advantage of utilizing the network owned by ASM which is spread across various regions. ASM as the parent company of SPK also has given full guarantee for SPK in case there is liquidity difficulty in foreseeable future. However, in terms of beneficiaries (policy holders), the contribution from Sinarmas group has decreased from 24.9% in 2021 to only 0.1% in 2022.

Downward rating pressures can come from further declining market share and significant decrease of liquidity ratio, which eroding the Company’s ability to mitigate risk from its underwriting and investment activities.

SPK Financial Results Highlights

For the years ended	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Unaudited)
Total Assets (IDR, Bn)	3,245.5	3,311.4	3,289.4	152.5
Total Equity (IDR, Bn)	194.6	172.5	166.4	152.4
Total Investment exc. Cash (IDR, Bn)	468.2	458.2	340.9	151.3
Net Guarantee Revenue (IDR, Bn)	54.5	56.3	335.7	0.0
Net Claims (IDR, Bn)	45.7	69.5	340.2	0.0
Underwriting Result (IDR, Bn)	8.8	(13.2)	(4.6)	0.0
Net Income After Tax (IDR, Bn)	26.9	6.9	9.3	2.4
ROAA (%)	0.8	0.2	0.3	1.6
Net Guarantee Revenue / Equity (x)	0.3	0.3	2.0	0.0
Equity/Total Assets (%)	6.0	5.2	5.1	99.9
Gearing Ratio (x)	29.0	31.0	27.1	0.0

Analysts : Gromy Pilipi Pranata Purba (gromy.purba@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.