

## PT Sinar Mas Multiartha Tbk (SMMA)

### Corporate rating

*ir*AA/Stable

### Rated Issues

*Obligasi Berkelanjutan II Sinar Mas Multiartha Tahun 2021*  
*Obligasi Berkelanjutan Sinar Mas Multiartha I 2020*

*ir*AA

*ir*AA

“Debt securities with *ir*AA 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

June 24, 2022 – July 1, 2023

### Rating History

June, 2021

*ir*AA

May, 2020

*ir*AA

### Kredit Rating Indonesia affirms '*ir*AA' rating to Obligasi Berkelanjutan II Sinar Mas Multiartha Tahun 2021 totaling IDR5 trillion.

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*ir*AA' for PT Sinar Mas Multiartha Tbk (SMMA or the Company) with a 'Stable' outlook. At the same time, KRI affirms '*ir*AA' rating to Obligasi Berkelanjutan II Sinar Mas Multiartha Tahun 2021 totaling IDR5 trillion. KRI also affirms '*ir*AA' rating to Obligasi Berkelanjutan Sinar Mas Multiartha I 2020 totaling IDR1 trillion. 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 December 2021, SMMA's shares were owned by Bank of Singapore S/A PT Sinar Mas Cakrawala (51.13%), PT Sinar Mas Cakrawala (7.77%), and public (42.10%). The Company recorded IDR38.5 Tn of revenue and IDR117.5 Tn of asset as of December 2021. Major contributors of the revenue are insurance (IDR27.7 Tn) and interest revenue (IDR5.3 Tn) while the main contributors of asset are short term Investment (IDR69.0 Tn), loans (IDR16.1 Tn), and financing receivables (IDR5.1 Tn).

KRI evaluates SMMA's bond ratings based on the credit quality of its three major subsidiaries, which are PT Asuransi Sinar Mas (ASM - *ir*AAA), PT Bank Sinarmas Tbk (BSIM - *ir*A+) and PT Sinar Mas Multifinance (SMMF - *ir*A+). 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 contribution to SMMA assets was 49% with revenue contribution of 68% in 2021.

As of 9M21, BSIM owned 436 offices across Indonesia to support their business activities. The Company has relatively small market share as of in 2021, with only 0.3% lending market share and 0.4% third party fund market share. BSIM's CAR has improved from 17.1% in 2020 to 29.1% in 2021 (industry: 25.7%) due to additional capital from warrant conversion. SMMF has long been established as a used car financing, although the company has a small franchise in the industry. With total financing receivables of IDR3.8 trillion at end 2021

(2020: IDR5.3 trillion; 2019: IDR6.2 trillion), SMMF only represented around 1.0% market share.

KRI further rating actions for SMMA's bonds will be influenced by (but not limited to) the company's credit quality, leverage level and profitability.

#### SMMA Financial Results Highlights (consolidated)

For the year ended	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)
Total Assets (IDR, Bn)	117,510.0	107,913.1	99,715.6	100,663.5	89,086.78
Total Debt (IDR, Bn)	7,801.1	8,438.7	7,125.6	5,705.4	4,864.0
Total Equity (IDR, Bn)	22,782.3	22,379.1	23,088.1	30,794.9	22,946.3
Total Revenue (IDR, Bn)	38,533.1	38,259.4	30,517.1	28,726.9	32,883.3
Net Income (IDR, Bn)	991.8	16.7	5,780.2	1,299.5	1,838.5
Net Profit Margin (%)	2.6	0.04	18.9	4.5	5.6
Debt to Equity Ratio (X)	0.34	0.38	0.32	0.23	0.21
Debt to Asset (x)	0.07	0.08	0.07	0.06	0.05
Return on Asset (%)	0.8	0.02	5.8	1.3	2.1
Return on Equity (%)	4.4	0.1	25.0	4.2	8.0

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