

PT Sinar Mas Multifinance

**Company Rating** *irA+/Stable*

**Rated Issues**

Obligasi Berkelanjutan II Sinar Mas Multifinance *irA+*  
 Obligasi Berkelanjutan III Sinar Mas Multifinance *irA+*

"Debt Securities with *irA* rating has a high level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating."

The plus sign (+) indicates that the rating given is closer to the rating scale above it.

**Rating Period**

May 4, 2026 – May 1, 2027

**Rating History**

April 2025 *irA+/Stable*  
 May 2024 *irA+/Stable*  
 April 2023 *irA+/Stable*  
 November 2022 *irA+/Stable*  
 May 2022 *irA+/Stable*  
 June 2021 *irA+/Stable*  
 April 2020 *irA+/Stable*

**Kredit Rating Indonesia affirms “*irA+*” ratings to Obligasi Berkelanjutan II Sinar Mas Multifinance amounting to IDR 2 trillion and Obligasi Berkelanjutan III Sinar Mas Multifinance amounting to IDR 2 trillion**

Kredit Rating Indonesia (“KRI”) affirms a Company Rating of “*irA+*” for PT Sinar Mas Multifinance (“SMMF” or “the Company”) with a “Stable” Outlook. At the same time, KRI affirms “*irA+*” ratings to Obligasi Berkelanjutan II Sinar Mas Multifinance amounting to IDR 2 trillion and Obligasi Berkelanjutan III Sinar Mas Multifinance amounting to IDR 2 trillion. These ratings reflect SMMF’s improved capitalization, a meaningful return to profitability in FY2025, and the continued strong financial support from its parent, PT Sinar Mas Multiartha Tbk (SMMA/*irAA*). The ratings also consider SMMF’s continued market share decline, profitability that remains below the industry average, and a gross Non Performing Financing (NPF) Ratio that is elevated relative to peers.

Founded in 1985, SMMF operates as a subsidiary of SMMA (*irAA*). As of December 2025, SMMA managed consolidated group assets of over IDR 100 trillion across its insurance, banking, and multifinance subsidiaries. SMMF focuses on consumer financing, particularly used car financing and sale-and-leaseback (*multiguna*), and recorded total assets of IDR 5.09 trillion (unaudited) as of December 2025, down from IDR 6.23 trillion in FY2024.

The asset contraction largely reflects the deliberate run-off of the factoring portfolio and lower bond-funded liabilities. Notwithstanding this, SMMF continues to receive strong financial backing from SMMA, evidenced by a shareholder loan of IDR 1.06 trillion, a perpetual loan of IDR 400 billion (classified as equity), and paid-up capital of IDR 1.55 trillion maintained since 2023. SMMA has further formalised its support through a Corporate Guarantee covering SMMF’s bank borrowings to its creditors.

The Company’s capitalization improved in FY2025. The Debt to Equity Ratio declined to 2.55x from 4.27x in FY2024--the lowest level in the past five years--driven by a significant reduction in interest-bearing liabilities following bond repayments. The Equity to Assets Ratio recovered to 27.56% from 18.48% in FY2024, supported by the return to profitability and a contracting asset base. Both ratios remain comfortably within *Otoritas Jasa Keuangan* (OJK) regulatory limits, though SMMF’s leverage remains higher than that of its closest peers.

The gross NPF Ratio edged up to 3.76% in FY2025 (FY2024: 3.45%), above the industry average of 2.51% and the highest among rated peers. Provision expense declined sharply to IDR 50.2 billion from IDR 415.8 billion in FY2024, consistent with the cessation of new factoring disbursements.

SMMF's financing receivables continued to decline, with net receivables reaching IDR 2.41 trillion at end-2025, down from IDR 3.14 trillion in FY2024 and IDR 3.51 trillion in FY2023. Market share across all financing products declined further to 0.77% (FY2024: 1.00%; FY2023: 1.33%). Meanwhile, within its core used car financing segment specifically, market share also declined to 2.81% in FY2025 (FY2024: 3.79%; FY2023: 5.26%). The decline in market share is attributable to the Company's selective booking strategy and tightened risk acceptance criteria, which aim to preserve asset quality. SMMF continues to operate 111 branches with no expansion plans. Going forward, the Company is pivoting toward sale-and-leaseback (*multiguna*) financing, which already accounted for approximately 30% of new bookings in FY2025.

In FY2025, SMMF returned to profitability for the first time since FY2021, recording net income of IDR 82.2 billion compared to a net loss of IDR 550.8 billion in FY2024. The Return on Assets improved to 1.46% (FY2024: -8.70%; FY2023: -5.33%), though it remains below the industry average of 4.17% as of December 2025. The adjusted Net Interest Margin (NIM) (NIM, excluding insurance underwriting) recovered to 6.47% (FY2024: 4.01%; FY2023: 6.90%), driven by lower interest expenses and a sharp decline in provision charges. KRI notes that FY2025 net income was partially supported by a one-time cash recovery in H2 2025 from previously written-off factoring receivables.

Looking ahead, a rating upgrade may be considered if the Company demonstrates sustained improvements in profitability, a reduction in the NPF ratio, and lower financing losses. Conversely, a significant deterioration in asset quality--particularly a material rise in the NPF ratio--or a weakening of financial support from SMMA could exert downward pressure on the ratings.

#### SMMF Financial Result Highlights

For the years ended	Dec 2025* (Unaudited)	Dec 2024 (Audited)	Dec 2023 (Audited)	Dec 2022 (Audited)
Total Assets (IDR, billion)	5,065.43	6,227.86	6,436.27	6,652.63
Total Debt (IDR, billion)	3,559.99	4,915.04	4,978.79	5,204.25
Total Equity (IDR, billion)	1,395.87	1,151.12	1,306.63	1,325.89
Total Adj. Revenue (IDR, billion)	910.31	843.59	1,224.14	1,195.46
Net Income (IDR, billion)	82.24	(550.77)	(349.07)	(238.63)
Debt to Equity (x)	2.55	4.27	3.81	3.93
Equity/Assets (%)	27.56	18.48	20.30	19.93
Adj. Net Interest Margin (%)	6.47	4.01	6.90	5.10
Cost/Income (%)	99.01	167.69	116.82	131.70
Return On Asset (%)	1.46	(8.70)	(5.33)	(3.46)
Return On Equity (%)	6.46	(44.82)	(26.52)	(16.52)
Gross NPF (%)	3.76	3.45	3.31	3.64

\*Note: SMMF Financial Statements for December 31, 2025 figures are Unaudited, Parent Only (Standalone); December 31, 2022–2024 figures are Audited, Consolidated.

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