

PT AB Sinar Mas Multifinance (ABSM)

Corporate rating

***ir*A-/Stable**

Rated Issues

Proposed Obligasi AB Sinar Mas Multifinance II Tahun 2021

***ir*A-**

Obligasi AB Sinar Mas Multifinance 2020

***ir*A-**

Rating Period

May 18, 2021 – June 1, 2022

"Debt Securities with *ir*A 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 minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

Rating History

April 30, 2021 – May 1, 2022

***ir*A-**

May 14, 2020 – May 1, 2021

***ir*A-**

Kredit Rating Indonesia assigns '*ir*A-' rating to Proposed Obligasi AB Sinar Mas Multifinance II Tahun 2021 amounting to IDR 500 billion.

Kredit Rating Indonesia (KRI) has also affirmed a Corporate Rating of '*ir*A-' for PT AB Sinar Mas Multifinance (ABSM or the Company) with "stable" outlook. At the same time, KRI has affirmed '*ir*A-' rating to Obligasi AB Sinar Mas Multifinance 2020. The rating reflects strong support to ABSM from the parent company (PT Sinar Mas Multiartha Tbk/*ir*AA) and improved efficiency in 2020.

KRI views that ABSM rating is a reflection of commitment from its majority shareholder, SMMA (*ir*AA), to provide operational support to ABSM. The Company distributed most of its financing to SMMA's affiliates in the last 4 years.

As of FY 2020, Operational profit to Average Asset profits increased in 2020 to 6.2% from 2.9% in the previous year due to a significant increase in net interest revenue. Operating Cost to Income also improved in 2020 to 42.5% from 51.9% in 2019. Net interest revenue in 2020 increased to IDR87.7 billion from IDR55.3 billion in the previous year.

ABSM's rating is sensitive to the company's efficiency and SMMA's support the company.

ABSM Financial Results Highlights

For the year ended	Dec-2020 (Audited)	Dec-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Total Assets (IDR bn)	847.09	789.05	917.93	1071.59	292.00
Total Debt (IDR bn)	353.62	325.60	473.72	552.78	38.38
Total Equity (IDR bn)	468.75	451.95	436.44	413.12	244.64
Net Interest Revenue (IDR bn)	87.72	55.29	63.84	53.53	138.06
Net Income (IDR bn)	36.01	15.38	17.87	25.76	27.87
Operating Cost to Income (IDR bn)					
	42.46	51.92	37.23	35.59	32.89
Debt to Equity Ratio (x)	0.75	0.72	1.09	1.34	0.16
Equity/Asset (%)	55.34	57.28	47.55	38.55	83.78
Return On Asset (%)	5.87	1.80	1.80	3.78	6.90
Return On Equity (%)	10.43	3.46	4.21	7.83	8.50
NPF (%)	0.00	0.12	0.09	0.02	0.01

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