

## PT Sinarmas Sekuritas

Corporate rating *ir*AA/Stable

## Rated Issues

N/A

## Rating Period

December 27, 2019 – January 1, 2021

“An obligor 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 Obligor.”

Kredit Rating Indonesia assigns ‘*ir*AA’ corporate rating of PT Sinarmas Sekuritas

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of ‘*ir*AA’ for PT Sinarmas Sekuritas (SMAS or the Company) with a ‘Stable’ outlook. The rating reflects SMAS strong market position, well capitalized balance sheet, strong liquidity and satisfactory profitability.

SMAS has a relatively low asset to equity (1.4 x) with no interest bearing debt on its balance sheet as of September 2019. With no need of significant capital expenditures in the futures and no plan of significant change in business model, we are of the view that SMAS can maintain capital and leverage at the current satisfactory level. Regulatory net working capital of SMAS stood at IDR499 bn in September 2019, or almost 20 times higher than the required level by regulator. SMAS held a significant cash buffer, around 20% of its asset in the period.

KRI further rating actions for SMAS will be influenced by (but not limited to) the company’s leverage level and higher risk appetite through higher reliance of proprietary trading and margin financing.

## SMAS Financial Results Highlights

As of/For the year ended	Sept 2019 (Unaudited)	Dec 2018 (Audited)	Dec 2017 (Audited)	Dec 2016 (Audited)
Total Assets (IDR, bn)	1,569	2,236	1,853	1,632
Total Liabilities (IDR, bn)	413	1,079	518	433
Total Equity (IDR, bn)	1,156	1,157	1,335	1,199
Total Revenue (IDR, bn)	216	284	312	323
Net Income (IDR, bn)	100	121	138	162
EBITDA Margin (%)	40.3	42.6	53.2	59.8
Return on Asset (%)	8.5	5.4	7.4	9.9
Return on Equity (%)	11.5	13.9	13.8	18
Asset to Equity (x)	1.4	1.9	1.4	1.4
Return on Permanent Capital (%)	10.10	9.86	13.21	17.38
USD Exchange Rate (IDR/USD)	14,174	14,481	13,548	13,436

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