

PT Sinarmas Penjaminan Kredit (SPK)

Financial Strength rating *ir*AA/Stable

Rated Issues -

“Surety Company 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 Surety Company.”

Rating Period

April 28, 2021 – May 1, 2022

Kredit Rating Indonesia (KRI) assigns a financial strength rating of ‘*ir*AA’ for PT Simas Penjaminan Kredit (SPK or the Company) with “Stable” outlook. The rating reflects SPK’s relatively high market share in the industry, strong parent support and strong liquidity.

SPK is a surety company that was established in 2019 and started running its business in 2020 after obtained business license from OJK in January 2020. As the newest company in industry, the Company secured relatively high market share in terms of Net Return Guarantee Services (Net Guarantee Fee) of 11% in 2020. SPK is owned by PT Asuransi Sinarmas (*ir*AAA) with 75% of share and PT Reasuransi Nusantara Makmur of 25% share.

The Company is capable to capitalize its advantage as a part of Sinarmas Group by using the brand for marketing. As a subsidiary of PT Asuransi Sinar Mas (*ir*AAA), 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.

In 2020, the Company recorded liquidity ratio of 5009%, higher than minimum requirement of 120% based on OJK regulations. Its liquidity ratio was highest compare to its peers. We believe that the Company is liquid enough to cover sudden current liabilities.

SPK has 6 types of products: Credit Guarantee, Surety Bond, Bank Guarantee, Trade Guarantee, Customs Bond, Excise Bond. In 2020, 99.3% of Guarantee Fee's contribution came from credit guarantees and 0.7% from surety bond. SPK has plan to cooperate with Regional Guarantee Association to get partners with reputable regional guarantee companies. In addition, SPK plans to establish a sharia business unit which is in the process of licensing with the OJK.

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

Simas Penjaminan Financial Results Highlights

As of/for the years ended	Dec 2020 (Audited)	Dec 2019 (Unaudited)
Total Assets (IDR Bn)	3,289.4	152.5
Total Equity (IDR Bn)	166.4	152.4
Total Investment exc. Cash (IDR Bn)	304.9	151.3
Net Guarantee Fee (IDR Bn)	156.4	0.0
Net Claims (IDR Bn)	340.2	0.0
Underwriting Result (IDR Bn)	(4.6)	0.0
Net Income After Tax (IDR Bn)	9.3	2.4
ROAA (%)	0.5	1.6
Loss Ratio (%)	217.5	0.0
Net Guarantee Fee / Equity (x)	0.9	0.0
Equity/Total Assets [%]	5.1	99.9
Gearing Ratio (x)	27.13	0.0

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