

PT Sarana Multigriya Finansial (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Sep-2016	Dec-2015	Dec-2014	Dec-2013	
		<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	
Corporate Rating	<i>idAAA/Stable</i>					
Rated Issues						
Shelf Reg. Bond III/ 2015	<i>idAAA</i>	Total assets [IDR Bn]	12,524.2	10,061.2	9,533.3	7,477.4
Shelf Reg. Bond II/ 2014	<i>idAAA</i>	Total outstanding loans [IDR Bn]	8,388.9	7,842.5	6,501.2	6,230.5
		Total equity [IDR bn]	5,463.1	5,212.3	3,964.2	2,790.9
		Net interest revenue [IDR bn]	354.6	374.5	264.5	238.7
		Net income [IDR bn]	250.8	247.8	173.3	144.7
Rating Period		Cost to income [%]	12.7	16.0	17.7	19.0
February 6, 2017 – September 1, 2017		Operating profit margin [%]	44.5	38.1	32.9	35.2
		ROAA [%]	*3.0	2.5	2.0	2.1
Rating History		NPL/outstanding loans [%]	0.0	0.0	0.0	0.0
SEP 2016	<i>idAA+/Stable</i>	Equity/total assets [%]	65.1	66.5	61.0	44.8
SEP 2015	<i>idAA+/Stable</i>	Total debt/equity [x]	1.3	0.9	1.4	1.7
APR 2015	<i>idAA+/Stable</i>	Short-term liquidity ratio [%]	230.3	575.2	241.4	201.6
AUG 2014	<i>idAA+/Stable</i>	USD exchange rate [USD/IDR]	12,998	13,795	12,440	12,189
MAR 2014	<i>idAA+/Stable</i>					
OCT 2013	<i>idAA/Stable</i>					
FEB 2013	<i>idAA/Stable</i>					

*annualized
ROAA = Return on Average Assets. NPR = Non-Performing Loan

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PT Sarana Multigriya Finansial (Persero)'s rating upgraded to "idAAA"

PEFINDO has upgraded the ratings of PT Sarana Multigriya Finansial (Persero) (SMF) and its outstanding Shelf-Registration Bond II/2012 and Shelf-Registration Bond III/2015 to "idAAA" from "idAA+". The outlook for the corporate rating is "stable". The upgrade reflects the stronger level of support from the Government of Indonesia, especially in terms of regulatory framework, which in our view, will affect the operational scale of the Company as well as its role in the national housing program. Through Presidential Decree no.101/2016 in December 2016, the government has removed the time limit previously given to SMF up to the year 2018 related to its liquidity provider for mortgage lenders. Without this limitation, we view that SMF will be able to substantially enhance its role in housing financing to support the government's effort to increase home ownership. As the sole government-controlled secondary mortgage financing entity in the country, the Company benefits substantially from government initiatives to regulations that support national housing program. In the near to medium term, PEFINDO also sees an increase in business potential for the Company as it has become the fiscal tool for the Government's housing finance liquidity facility program.

An obligor rated idAAA has the highest rating assigned by PEFINDO. The obligors' capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior.

The ratings reflect SMF's very strong support from the Government of Indonesia, very strong capitalization profile, and favorable asset quality. However, the ratings are still constrained by the slow growth of mortgage loan securitization industry.

The rating could be lowered if PEFINDO witnesses any sign of material decrease in Government support.

SMF is a state-owned entity that carries a special mission to increase home ownership in Indonesia. It does this through the development of a secondary mortgage market by providing financing to mortgage lenders, such as banks and finance companies, with the mortgage loans as underlying collateral. SMF is wholly owned by the government.

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