

**PT Sarana Multigriya Finansial (Persero)**

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	<b>Dec-2014</b>	<b>Dec-2013</b>
			<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
<b>Corporate Rating</b>	<i>idAAA/Stable</i>	Total assets [IDR Bn]	13,122.3	10,061.2	9,533.3	7,477.4
<b>Rated Issues</b>		Total outstanding loans [IDR Bn]	8,320.7	7,842.5	6,501.2	6,230.5
Shelf Reg. Bond IV/ 2017	<i>idAAA</i>	Total equity [IDR bn]	6,524.3	5,212.3	3,964.2	2,790.9
Shelf Reg. Bond III/ 2015	<i>idAAA</i>	Net interest revenue [IDR bn]	469.5	374.5	264.5	238.7
Shelf Reg. Bond II/ 2012	<i>idAAA</i>	Net income [IDR bn]	317.3	247.8	173.3	144.7
<b>Rating Period</b>		Cost to income [%]	16.4	16.0	17.7	19.0
May 29, 2017 – May 1, 2018		Operating profit margin [%]	41.2	38.1	32.9	35.2
<b>Rating History</b>		ROAA [%]	2.7	2.5	2.0	2.1
APR 2017	<i>idAAA/Stable</i>	NPL/outstanding loans [%]	0.0	0.0	0.0	0.0
FEB 2017	<i>idAAA/Stable</i>	Equity/total assets [%]	78.4	66.5	61.0	44.8
SEP 2016	<i>idAA+/Stable</i>	Total debt/equity [x]	1.0	0.9	1.4	1.7
SEP 2015	<i>idAA+/Stable</i>	Short-term liquidity ratio [%]	327.5	575.2	241.4	201.6
APR 2015	<i>idAA+/Stable</i>	USD exchange rate [USD/IDR]	13,436	13,795	12,440	12,189
AUG 2014	<i>idAA+/Stable</i>					

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.

**PEFINDO affirms its “idAAA” rating to PT Sarana Multigriya Finansial (Persero)**

PEFINDO has affirmed the “idAAA” ratings of PT Sarana Multigriya Finansial (Persero) (SMF) and its outstanding Shelf-Registration Bond II/2012, Shelf-Registration Bond III/2015, and Shelf-Registration Bond IV/2017. The outlook for the corporate rating is “stable”.

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. In a span of around eleven years (FY2005-FY2016), it has disbursed loans totaling IDR20.2 trillion to more than 336,000 debtors through banks and finance companies, and facilitated mortgage securitization amounting to IDR7.155 trillion. SMF is wholly owned by the government.

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