

## PT Sarana Multigriya Finansial (Persero)

Analysts: Kreshna Dwinanta Armand / Hasnalia Hanifah

Phone/Fax/E-mail: (62-21) 509 684 69 / 509 684 68 / [kreshna.armand@pefindo.co.id](mailto:kreshna.armand@pefindo.co.id) / [hasnalia.hanifah@pefindo.co.id](mailto:hasnalia.hanifah@pefindo.co.id)

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2020	Dec-2019	Dec-2018	Dec-2017
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAAA/Stable</i>	Total assets [IDR bn]	32,506.8	26,698.3	19,491.6	15,662.6
<b>Rated Issues</b>		Total outstanding loans [IDR bn]	25,023.2	22,311.6	15,374.9	11,102.6
SR Bond VI/2021 (NEW)	<i>idAAA</i>	Total equity [IDR bn]	11,429.0	9,348.9	8,185.9	7,873.4
SR Sk Mudharabah II/2021 (NEW)	<i>idAAA(sy)</i>	Net interest revenue [IDR bn]	811.6	723.1	644.3	590.0
MTN X (Sukuk Mudharabah)/2020	<i>idAAA(sy)</i>	Net income [IDR bn]	469.8	472.9	436.5	397.4
MTN IX/2020	<i>idAAA</i>	Cost to income [%]	17.3	17.5	13.8	14.8
SR Sukuk Mudharabah I/2019	<i>idAAA(sy)</i>	Operating profit margin [%]	25.4	32.3	41.6	43.1
SR Bond V/2019	<i>idAAA</i>	ROAA [%]	1.6	2.0	2.5	2.8
SR Bond IV/2017	<i>idAAA</i>	NPL/outstanding loans [%]	0.0	0.0	0.0	0.0
SR Bond III/2015	<i>idAAA</i>	Equity/net serviced assets [%]	45.7	41.9	53.2	70.9
<b>Rating Period</b>		Total debt/equity [x]	1.8	1.8	1.4	1.0
April 6, 2021 – April 1, 2022		Short-term liquidity ratio [%]	192.3	102.6	232.3	336.2
		USD exchange rate [USD/IDR]	14,105	13,901	14,481	13,548
<b>Rating History</b>		<i>ROAA = Return on Average Assets. NPR = Non-Performing Loan.</i>				
SEP 2020	<i>idAAA/Stable</i>	<i>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.</i>				
JUL 2020	<i>idAAA/Stable</i>					
SEP 2019	<i>idAAA/Stable</i>					
APR 2019	<i>idAAA/Stable</i>					
MAY 2018	<i>idAAA/Stable</i>					

### SMF's proposed bonds rated "idAAA"

PEFINDO has assigned its "idAAA" rating to the proposed Shelf-Registration Bond VI PT Sarana Multigriya Finansial (Persero) (SMF) Year 2021 with a maximum amount of IDR17 trillion and "idAAA(sy)" rating to the proposed Shelf-Registration Sukuk Mudharabah II Year 2021 with a maximum amount of IDR3.5 trillion. At the same time, PEFINDO has affirmed the "idAAA" ratings of SMF and its outstanding bonds and MTN, as well as its "idAAA(sy)" rating of its outstanding Sukuk. The outlook for the corporate rating is "stable".

An obligor rated idAAA has the highest rating assigned by PEFINDO. The obligor's capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior. The suffix (sy) indicates that the rating mandates compliance with Islamic principles.

The corporate rating reflects SMF's very strong support from the Indonesian government, favorable asset quality, and very strong capitalization and liquidity profiles. However, the rating is still constrained by the slow growth of mortgage loan securitization products.

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

PEFINDO views the COVID-19 pandemic bears a limited impact to the mortgage financing sector considering the degree of importance of housing to people in general and the very large number of housing backlog in Indonesia. The Government's strong impetus to put housing as one of the important sector in the country's development framework also provide a long term sustainability in the sector. Historically well-maintained price level and underwriting policy has also kept the sector in check, avoiding any potential significant bubble prior to the pandemic.

We expect this pandemic to have a limited effect to SMF's credit profile, considering the high degree of support from the Government, especially in terms of capitalization, and how the Company has performed under special mission backed by a number of regulations, as well as the resiliency of its financing portfolio. The Company's financing portfolio mostly consists financings to mortgage banks with a recourse term that put the repayment risk of the end-debtors to be as remote as possible. PEFINDO is of the view that these factors should gain the Company the ability to maintain creditworthiness in the face of an economic downturn. In addition, we also consider SMF's strong underwriting policy and tight monitoring should provide an additional layer of cushion to encounter any potential volatility in its business or financial profile.

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

**DISCLAIMER**

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