



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
March 14, 2014

Rating of PT Sarana Multigriya Finansial (Persero) upgraded to “_{id}AA+”

PEFINDO has upgraded its ratings for PT Sarana Multigriya Finansial (Persero) (SMF) and its outstanding Shelf-Registration Bond II/2012 Phase I and Shelf-Registration Bond II/2013 Phase II to “_{id}AA+” from “_{id}AA”. At the same time, PEFINDO has assigned “_{id}AA+” rating to the proposed issuance of Shelf Registration Bond II/2014 Phase III. Outlook for the corporate rating is “**Stable**”. The upgrade reflects more favorable regulatory framework for SMF to further support mortgage securitization. Overall, the ratings reflect strong support from the Government of Indonesia (GOI), very strong capitalization profile, and favorable asset quality. However, the ratings are constrained by the low demand for mortgage loan securitization.

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 by providing financing to mortgage lenders, such as banks and finance companies, with the mortgage loans as underlying collateral. In the span of over seven years (2006 – September 2013), it has disbursed loans of IDR12 trillion to over 300,000 debtors. SMF is wholly owned by GOI.

Rating Period: March 12, 2014 – October 1, 2014

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