

## **PT Sarana Multigriva Finansial (Persero)**

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<b>CREDIT PROFILE</b>		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2020	Dec-2019	Dec-2018	Dec-2017
Corporate Rating	<sub>id</sub> AAA/Stable		(Unaudited)	(Audited)	(Audited)	(Audited)
		Total assets [IDR bn]	29,112.4	26,698.3	19,491.6	15,662.6
Rated Issues		Total outstanding loans [IDR bn]	22,497.7	22,311.6	15,374.9	11,102.6
MTN IX/2020 (NEW)	id <b>AAA</b>	Total equity [IDR bn]	9,417.2	9,348.9	8,185.9	7,873.4
Commercial Paper 2019	<sub>id</sub> A1+	Net interest revenue [IDR bn]	193.2	723.1	644.3	590.0
SR Sukuk Mudharabah I/2019	idAAA <sub>(sy)</sub>	Net income [IDR bn]	112.9	472.9	436.5	397.4
SR Bond V/2019	idAAA	Cost to income [%]	23.9	17.5	13.8	14.8
SR Bond IV/2017	id <b>AAA</b>	Operating profit margin [%]	26.6	32.3	41.6	43.1
SR Bond III/2015	<sub>id</sub> AAA	ROAA [%]	*1.6	2.0	2.5	2.8
		NPL/outstanding loans [%]	0.0	0.0	0.0	0.0
Rating Period		Equity/net serviced assets [%]	41.9	41.9	53.2	70.9
July 16, 2020 - July 1, 2021		Total debt/equity [x]	2.1	1.8	1.4	1.0
		Short-term liquidity ratio [%]	141.1	102.6	232.3	336.2
Rating History		USD exchange rate [USD/IDR]	16,367	13,901	14,481	13,548
SEP 2019	idAAA/Stable					
APR 2019	idAAA/Stable	*Annualized				
MAY 2018	<sub>id</sub> AAA/Stable	ROAA = Return on Average Assets. NPR = Non-Per The above ratios have been computed based on ini		omnany and nublic	hed accounts Wh	ara annlicable
APR 2018	idAAA/Stable	some items have been reclassified according to PEI		ompany and publis	ineu accounts. Will	сте аррпсавіе,
APR 2017	idAAA/Stable	-				

## "idAAA" rating assigned to PT Sarana Multigriya Finansial (Persero)'s Proposed MTN

PEFINDO has assigned its "¡dAAA" rating to the proposed Medium-Term Notes (MTN) IX PT Sarana Multigriya Finansial (Persero) (SMF) Year 2020 of up to IDR700 billion. At the same time, PEFINDO has affirmed the "¡dAAA" ratings of SMF and its outstanding Shelf-Registration Bond III/2015, Shelf-Registration Bond IV/2017, and Shelf-Registration Bond V/2019. PEFINDO has also affirmed the "¡dAAA(sy)" rating of the Company's Shelf Registered Sukuk Mudharabah I/2019 and the "¡dA1+" rating of the Company's Commercial Paper I/2019. 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.

A short-term debt security rated  $_{id}$ A1+ has the highest rating category assigned by PEFINDO. The obligor's capacity to meet its short-term commitments on the debt security, relative to other Indonesian obligors, is superior.

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.

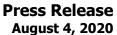
The rating could be lowered if PEFINDO witnesses any sign of material decrease in government support.

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.

http://www.pefindo.com August 2020





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