

PT Sarana Multigriya Finansial (Persero)

Credit Rating(s)

General Obligation	idAAA/Stable
SR Social Bond I (New)	idAAA
SR Bond VII	idAAA
SR Bond VI	idAAA
SR Bond V	idAAA
SR Bond IV	idAAA
SR Social Sukuk Musyarakah I (New)	idAAA _(sy)
SR Sukuk Musyarakah I	idAAA _(sy)

Rating Period

October 10, 2023 – September 1, 2024

Published Rating History

SEP 2023	idAAA/Stable
MAR 2023	idAAA/Stable
APR 2022	idAAA/Stable
APR 2021	idAAA/Stable
SEP 2020	idAAA/Stable
JUL 2020	idAAA/Stable

Rating Definition

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

PEFINDO has assigned its "idAAA" rating to PT Sarana Multigriya Finansial (Persero) (SMF)'s Tbk's Shelf Registration Social Bond I with a maximum amount of IDR8 trillion and "idAAA_(sy)" rating to the Company's proposed Shelf-Registration Social Sukuk Musyarakah I with a maximum amount of IDR1.5 trillion. At the same time, PEFINDO has affirmed its "idAAA" ratings to SMF and its outstanding bonds, as well as its "idAAA_(sy)" ratings to SMF's outstanding Sukuk. Outlook for the corporate rating is "stable". The rating is mainly driven by a very strong likelihood of support from the Indonesian government (the Parent), in addition to the Company's standalone credit profile which reflects its the very strong support capitalization profile of the Parent, favorable asset quality, and very strong capitalization and liquidity profile, but somewhat constrained by slow growth of mortgage loan securitization products.

The rating may be lowered if PEFINDO views a considerable deterioration in the Parent's level support, which may be reflected by a substantially lower degree of control from the Parent, or SMF suffers from significant deterioration in its business and financial performance without any sign of extraordinary support from the Parent.

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 and other housing related loans as underlying collateral. SMF is wholly owned by the government.

Financial Highlights

As of/for the year ended	Jun-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total assets [IDR bn]	34,275.0	32,957.1	33,727.4	32,506.8
Total outstanding loans [IDR bn]	30,103.0	27,251.8	22,723.0	25,023.2
Total equity [IDR bn]	16,485.2	16,320.5	14,020.9	11,429.0
Net interest revenue [IDR bn]	387.7	653.8	708.0	811.6
Net income [IDR bn]	243.2	417.7	459.9	469.8
Cost to income [%]	20.6	25.2	24.0	17.3
Operating profit margin [%]	30.8	29.2	26.5	25.4
ROAA [%]	*1.4	1.3	1.3	1.7
NPL/outstanding loans [%]	0.0	0.0	0.0	0.0
Equity/net serviced assets [%]	54.8	59.9	61.7	45.7
Total debt/equity [x]	1.1	1.3	1.4	1.8
Short-term liquidity ratio [%]	280.7	349.3	221.1	192.3
USD exchange rate [USD/IDR]	15,026	15,731	14,269	14,105

*Annualized

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.

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