

## EBA-SP SMF-BTN02

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### REDIT PROFILE

<b>Corporate Rating</b>	-	Originator	:	PT Bank Tabungan Negara Tbk (Persero) (BBTN)
		Servicer	:	BBTN
		Issuer/Arranger	:	PT Sarana Multigriya Finansial (Persero) (SMF)
		Custodian bank/trustee	:	PT Bank Rakyat Indonesia (Persero) Tbk (BBRI)
<b>Rated Issues</b>		Cut-off date	:	August 31, 2021
<i>Class A EBA-SP</i>	<i>idAAA(sf)</i>	Original number of loans	:	11,280
		Total current balance	:	IDR271,938,623,539
<b>Rating Period</b>		Total current balance – Class A	:	IDR184,938,623,539
<i>October 7, 2021 – October 1, 2022</i>		Total current balance – Class B	:	IDR87,000,000,000
		Weighted average original term	:	13.5 years
<b>Rating History</b>		Weighted average remaining term	:	2.9 years
<i>OCT 2020</i>	<i>idAAA(sf)</i>	Weighted average seasoning	:	10.6 years
<i>OCT 2019</i>	<i>idAAA(sf)</i>	Weighted average current LTV	:	29.0%
<i>OCT 2018</i>	<i>idAAA(sf)</i>	Weighted average debt to income (DTI) ratio	:	33.5%
<i>OCT 2017</i>	<i>idAAA(sf)</i>	Interest rate type	:	Floating
<i>OCT 2016</i>	<i>idAAA(sf)</i>	Credit enhancement	:	Subordination of Class B EBA-SP, reserve fund and excess spread

### PEFINDO affirms "idAAA(sf)" rating for EBA-SP SMF-BTN02

PEFINDO has affirmed its "idAAA(sf)" rating for the Class A EBA-SP SMF-BTN02 issued by PT Sarana Multigriya Finansial (Persero) (SMF, rated "idAAA"/stable). As of the cut-off date of August 31, 2021, the total outstanding pool was IDR271.9 billion, consisting of IDR184.9 billion in Class A EBA and IDR87.0 billion in unrated Class B EBA, which represented 8.7% of the total original securitized pool of IDR1.0 trillion.

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 rating suffix (sf) means the rating is for a structured finance transaction.

The rating reflects strong underlying assets with long seasoning and low loan-to-value (LTV) ratio, strong profile of servicer, and credit enhancement in the form of the Class B EBA-SP, excess spread, and reserve fund. The rating is limited by the mortgage pool's high non-performing loan (NPL) and below average debt to income (DTI) ratios.

We are of the view that the risks associated with the Covid-19 pandemic are mitigated by a diversified pool of individual loans and sufficient reserve accounts to cover at least three months of interest payments and senior expenses. In addition, there is a credit enhancement factor in the form of an additional reserve, provided to counter the sustained deterioration in the securitized pool due to the prolonged effects of the pandemic, with the ultimate objective of maintaining the parity of the EBA's credit profile at its current rating.

The originator, PT Bank Tabungan Negara Tbk (Persero) (Bank BTN, rated idAA+/stable), sold 11,280 mortgage loans in one portfolio to SMF, which in turn transformed the loans to issue the EBA-SP. PT Bank Rakyat Indonesia (Persero), Tbk (BBRI, rated "idAAA"/stable) was appointed by SMF as trustee and custodian bank for the transaction.

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