

EBA-SP SMF-BTN02 2016

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CREDIT PROFILE

Corporate Rating	-	Originator	: PT Bank Tabungan Negara Tbk (Persero) (BBTN)
		Servicer	: BBTN
		Issuer/Arranger	: PT Sarana Multigriya Finansial (Persero) (SMF)
Rated Issues		Custodian bank/trustee	: PT Bank Rakyat Indonesia (Persero) Tbk (BBRI)
Class A EBA-SP	<i>idAAA(sf)</i>	Cut-off date	: August 31, 2018
		Original number of loans	: 11,280
		Total current balance	: IDR678,317,494,168
Rating Period		Total current balance – Class A	: IDR591,317,494,168
October 9, 2018 – October 1, 2019		Total current balance – Class B	: IDR87,000,000,000
		Weighted average original term	: 12.7 years
Rating History		Weighted average remaining term	: 5.4 years
OCT 2017	<i>idAAA(sf)</i>	Weighted average seasoning	: 7.3 years
OCT 2016	<i>idAAA(sf)</i>	Weighted average current LTV	: 44.5%
		Weighted average debt to income (DTI) ratio	: 34.9%
		Interest rate type	: Floating
		Credit enhancement	: Subordination of Class B EBA-SP, reserve fund and excess spread

Rating of EBA SP SMF-BTN02 2016 is affirmed at “*idAAA(sf)*”

PEFINDO has affirmed its “*idAAA(sf)*” rating for the IDR591.3 billion Class A EBA-SP SMF-BTN02 2016 issued by PT Sarana Multigriya Finansial (Persero) (SMF, rated “*idAAA*”/stable) out of a total outstanding pool of IDR678.3 billion, with a cut-off date of August 31, 2018.

A debt security rated *idAAA* has the highest rating assigned by PEFINDO. The obligors’ capacity to meet its long-term financial commitment 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 the favorable underlying loans profile, the very strong profile of PT Bank Tabungan Negara Tbk (Persero) (BBTN, rated *idAA+*/stable) as the servicer, and credit enhancement in the form of the Class B EBA-SP and reserve fund from SMF. The rating, however, is limited by the high non-performing loans ratio, below average debt to income ratio, and a bigger portion of the A2 tranche resulting in an increased cash flow burden.

BBTN, as the originator, sold 11,280 mortgage loans in one portfolio to SMF, who in turn transformed the mortgage loans to issue the asset-backed securities (EBA) using participation certificate scheme (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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