

INVESTOR COMPANY UPDATE

JUNE 2020



HIGHLIGHTS

As of June 2020

Exchange Rate: USD 1 = IDR 14,302



Total Revenue

IDR **2.78** Trillion
≈USD 194.5 Million



Net Profit

IDR **0.99** Trillion
≈USD 69.1 Million



Total Assets

IDR **77.93** Trillion
≈USD 5.4 Billion

Total Liabilities

IDR **38.21** Trillion
≈USD 2.7 Billion

Total Equity

IDR **36.96** Trillion
≈USD 2.6 Billion



Commitment

IDR **99.0** Trillion
≈USD 6.9 Billion



Outstanding

IDR **64.4** Trillion
≈USD 4.5 Billion

DER

1.1 x

NPL (gross)

1.23 %


NPL (net)

0.12 %

Loan Loss Provision

227.6 %

RATING RELEASE



Press Release
April 9, 2020

PT Sarana Multi Infrastruktur (Persero)

Analysts: Adrian Nour / Hendro Utomo

Phone/Fax/E-mail: (62-21) 7278 2282 / 7278 2272 / adrian.nour@pefindo.co.id / hendro.utomo@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Dec-2019	Dec-2018	Dec-2017	Dec-2016
Corporate Rating	idAAA/Stable				
Rated Issues					
Bonds I/2014	idAAA	75,818.6	62,493.2	55,385.9	44,332.1
Shelf Registered Bonds I/2016	idAAA	58,429.0	46,455.7	33,939.4	32,926.6
Shelf Registered Green Bonds I/2018	idAAA	74,689.0	61,225.4	54,361.4	43,676.2
Shelf Registered Sukuk I/2018	idAAA	36,854.2	35,575.9	34,321.2	30,835.7
Shelf Registered Bonds II/2019	idAAA	2,918.8	2,410.2	2,250.9	1,836.0
Shelf Registered Bonds II/2019 Phase I Series A	idAAA	1,703.6	1,531.1	1,262.0	1,212.8
		15.3	16.1	15.3	14.6
		43.0	50.6	53.3	67.0
		2.5	2.6	2.5	3.1
		1.3	1.5	1.5	0.6
		2.1	1.8	1.8	0.8
		63.1	76.6	101.1	93.6
		1.0	0.7	0.6	0.4
		13,901	14,481	13,548	13,436

ROAA = return on average assets (including off-balance sheet); NPM = non-performing receivables (overdue > 30 days). The above ratios have been computed based on information from the company and audited accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PT Sarana Multi Infrastruktur (Persero) rated "idAAA", outlook stable

PEFINDO has affirmed its "idAAA" ratings for PT Sarana Multi Infrastruktur (Persero) (SMI) and its outstanding bonds, and affirmed its "idAAA" rating for the Company's outstanding Shelf Registered Sukuk Mudharabah I/2018. At the same time, PEFINDO affirmed its "idAAA" rating to SMI's Shelf Registered Bonds II/2019 Phase I Series A amounting of IDR24.0 billion that will mature on July 5, 2020. As of December 31, 2019, SMI recorded IDR13.8 trillion in cash and cash equivalent as well as marketable securities to support the repayment of its maturing debt. The outlook for the corporate rating is "stable".

An obligor rated idAAA has the highest rating assigned by PEFINDO. Its capacity to meet its long-term financial commitments, relative to that of other Indonesian obligors, is superior.

The rating for the green bonds only reflects SMI's capacity to meet its long-term financial commitments on the debt security, and does not reflect the green certification of the debt security. In case the green certification is downgraded, which may trigger the acceleration of the principal payment and/or a step up on the coupon rate of the debt security, PEFINDO will conduct a special review of the rating assigned to SMI and its outstanding debt security.

The corporate rating reflects SMI's status as a critical government-related entity, the high potential demand for infrastructure financing, its very strong capitalization profile, and strong liquidity and financial flexibility indicators. The rating is constrained by its concentrated financing profile and limited number of viable infrastructure projects.

The rating could be lowered if there is a material reduction in support from the government, which may result from a significant deterioration in SMI's business and asset quality profiles.

PEFINDO views the COVID-19 outbreak will have a minimal impact in the infrastructure financing industry considering that infrastructure is critical to support economic activities in Indonesia. This is also has been supported by the direction of the government to put infrastructure as one of the top priority sectors.

We expect this outbreak to have a minimal impact on SMI's credit profile, considering its financing portfolio is mostly come from SOEs and municipalities that in our view have a better or lower risk. PEFINDO is of the view that these segments have a strong ability to maintain creditworthiness in the face of an economic downturn. In addition, we also consider SMI's strong underwriting policy and tight monitoring activities will reduce a potential significant shock in its business or financial profile. Furthermore, its financing portfolio is further supported by guarantee by the government which reduces the uncertainty of collection performance.

PEFINDO will continue to closely monitor these conditions to assess how the impact of COVID-19 is developing, and should there be material alterations we will conduct the necessary rating actions.

SMI is a state-owned entity established to serve as a catalyst in the acceleration of infrastructure development in Indonesia, by providing an alternative source of funds for project financing and promoting public-private partnerships (PPP). SMI is wholly owned by the government.

5/05/2020



Fitch Affirms Sarana Multi Infrastruktur at 'BBB'/AAA(idn); Outlook Stable

RATING ACTION COMMENTARY

Fitch Affirms Sarana Multi Infrastruktur at 'BBB'/AAA(idn); Outlook Stable

Tue 19 May, 2020 - 6:08 AM ET

Fitch Ratings - Jakarta - 19 May 2020: Fitch Ratings has affirmed PT Sarana Multi Infrastruktur (Persero)'s (SMI) Long-Term Foreign and Local-Currency Issuer Default Ratings (IDRs) at 'BBB' and Short-Term Foreign-Currency IDR at 'F2'. Fitch Ratings Indonesia has also affirmed the National Long-Term Rating at 'AAA(idn)'. The Outlook is Stable.

SMI is an Indonesian state-owned enterprise. Its key mission is to support the country's infrastructure development by extending financing to infrastructure projects and providing financial, investment and training advisory services for public-private partnership (PPP) projects.

'AAA(idn)' National Ratings denote the highest rating assigned by the agency in our National Rating scale for Indonesia. This rating is assigned to issuers or obligations with the lowest expectation of default risk relative to all other issuers or obligations in the same country.

KEY RATING DRIVERS

PT SMI received **idAAA (outlook stable)** rating from Pefindo on **9th April 2020**. Pefindo has also assessed the impact of Covid-19 to PT SMI, and has stated that it will have **minimal impact** in the infrastructure financing industry.

PT SMI received **BBB international rating and AAA(idn) (outlook stable)** from Fitch Ratings on **19th May 2020**, consistent with the previous period. Fitch classifies SMI as a government-related entity (GRE) that is credit linked to the Indonesia sovereign.



AGENDA

- 1 About PT SMI
- 2 Business Activities
- 3 Financial Performance
- 4 Initiatives on SDGs

ABOUT PT SMI (a Special Mission Vehicle Of MoF)

PT Sarana Multi Infrastruktur (Persero) ("PT SMI") was established in 2009 as a State-Owned Enterprise under the Minister of Finance Regulation No. 100/PMK.010/2009 on Infrastructure Financing Companies.

Structure of PT SMI



Government of Indonesia

Shareholder

Ministry of Finance
Republic of Indonesia

100%



30%



Vision

"A leading catalyst in the acceleration on the national infrastructure development"

Mission

1. To become a strategic partner who provides added value in infrastructure development in Indonesia.
2. To establish flexible financing products.
3. To provide quality services which comply with good corporate governance.

PT SMI carries the duty of supporting the Government's infrastructure development agenda for Indonesia through partnerships with private and/or multilateral financial institutions including in Public-Private Partnership (PPP) projects. As such, PT SMI can serve as a catalyst in accelerating infrastructure development in Indonesia.

BOARD OF COMMISSIONER AND DIRECTORS

Board of Commissioner



Mahendra Siregar
President Commissioner



Iskandar Saleh
Independent
Commissioner



Sukatmo Padmosukarso
Independent
Commissioner



Suryo Utomo
Commissioner



**Kunta Wibawa
Dasa Nugraha**
Commissioner

Sharia Supervisory Board



Kanny Hidayat
Chairman



Abdul Mughni
Member

Directors



Edwin Syahrudat
President Director



Sylvi J. Gani
Director



Darwin T. Djajawinata
Director



M. Ghozir Indra Dalel
Director



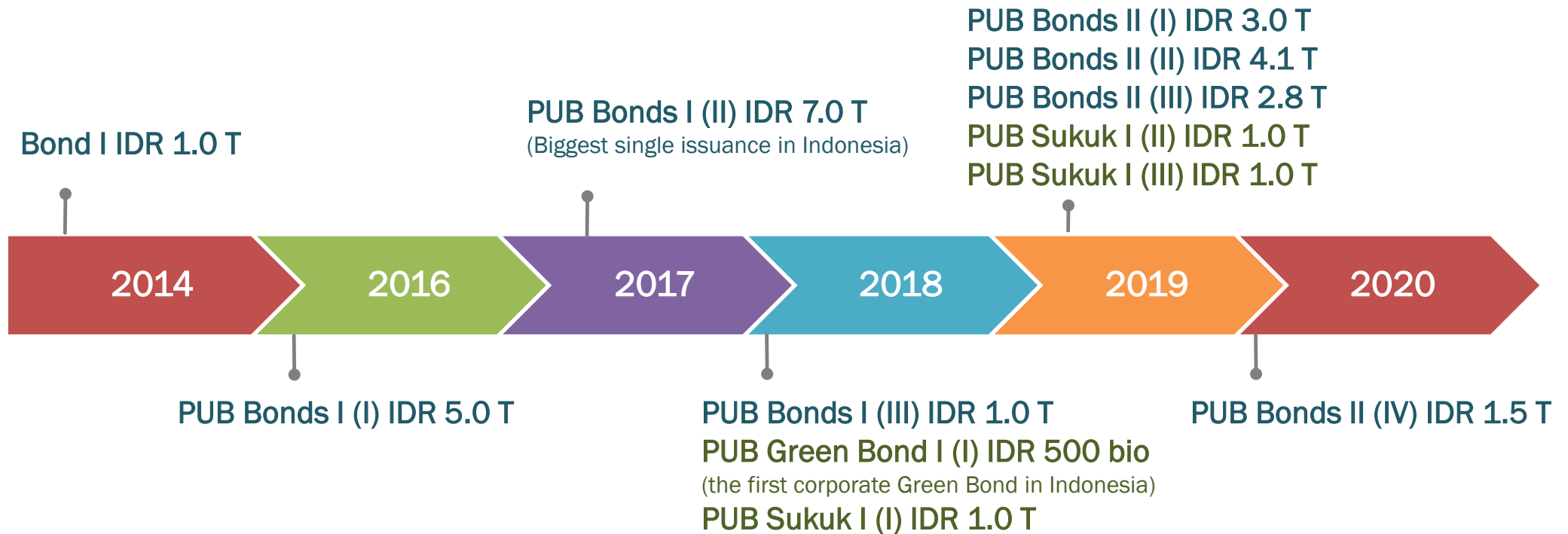
Faaris Pranawa
Director



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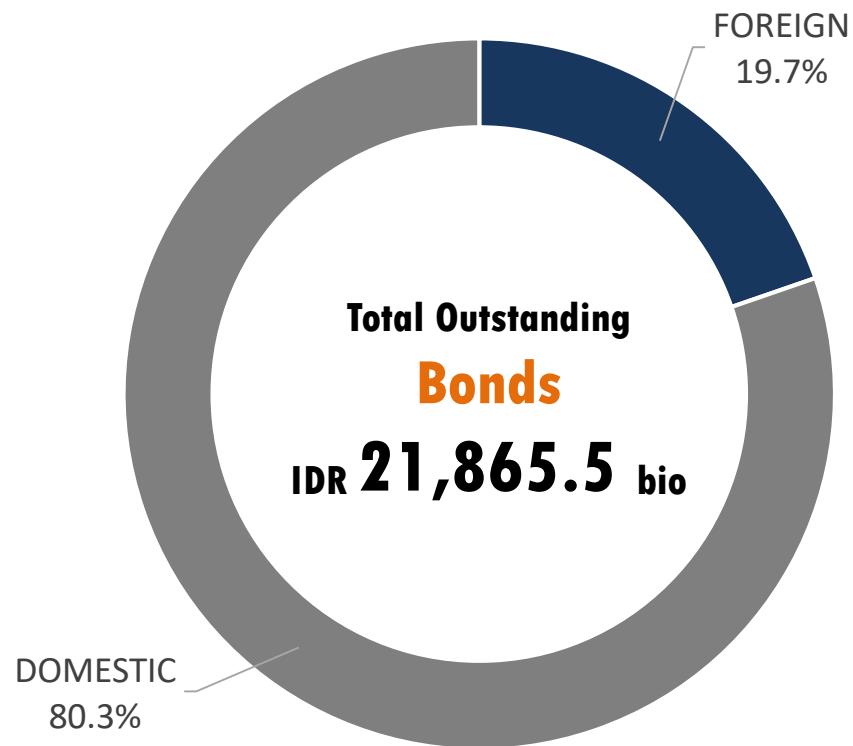
BONDS ISSUANCE



In 2019, PT SMI issued the highest total corporate bonds with the amount of IDR 11.9 trillion

BOND HOLDER

June 2020



Foreign bond holders accounted for 19.7% of total outstanding Bonds.

In several bond issuances, PT SMI's bonds received a high demand and were oversubscribed.

Apart from the market fluctuation due to the spread of Covid-19, the recent PUB Bonds II (IV) were oversubscribed for 2.0x.

SOCIAL ECONOMIC BENEFIT OF FINANCED PROJECTS[^]

As of June 2020

Green Bond Environmental Impact for 2019

GHG Emission Avoided **245,582 ton CO₂e**

Energy Savings **3,075 TJ**

Renewable Energy produces **122,639 MWh**

Renewable Capacity Added **17.5 MW**

Better access



Provide electricity to **3.84 million homes** or **15.3 millions people**



Clean water contribution to **2.4 million homes** or **9.7 million people**



Natural gas supply to **21,000 homes**

Increase Productivity



Additional **3,452.6 MW** of electric power capacity



Clean water production with capacity of **16,890 l/s**



Additional fuel production of **31,000 bpd**



Gas stock capacity increased to **10,000 MT**

Infrastructure & Rolling Stock Improvement



3,114 km toll roads (including public roads)



80 additional electric trains and revitalization of **438 train carriages**



52,000 tower telecommunication projects



2,700 km of fiber optic network in the centre of Indonesia

Public Service Improvement



Serving **76 million users** of telecommunication service across Indonesia



Health facility for **720 new patients/year**



Additional facility of **1,661 new hospital beds**



Passenger capacity increased to **7.3 million/year**



Additional capacity of **37.5 million airport passengers per year**



Flow of port goods capacity increased to **2.52 million TEUs per year**



Irrigation to **185 thousand hectares paddy fields**

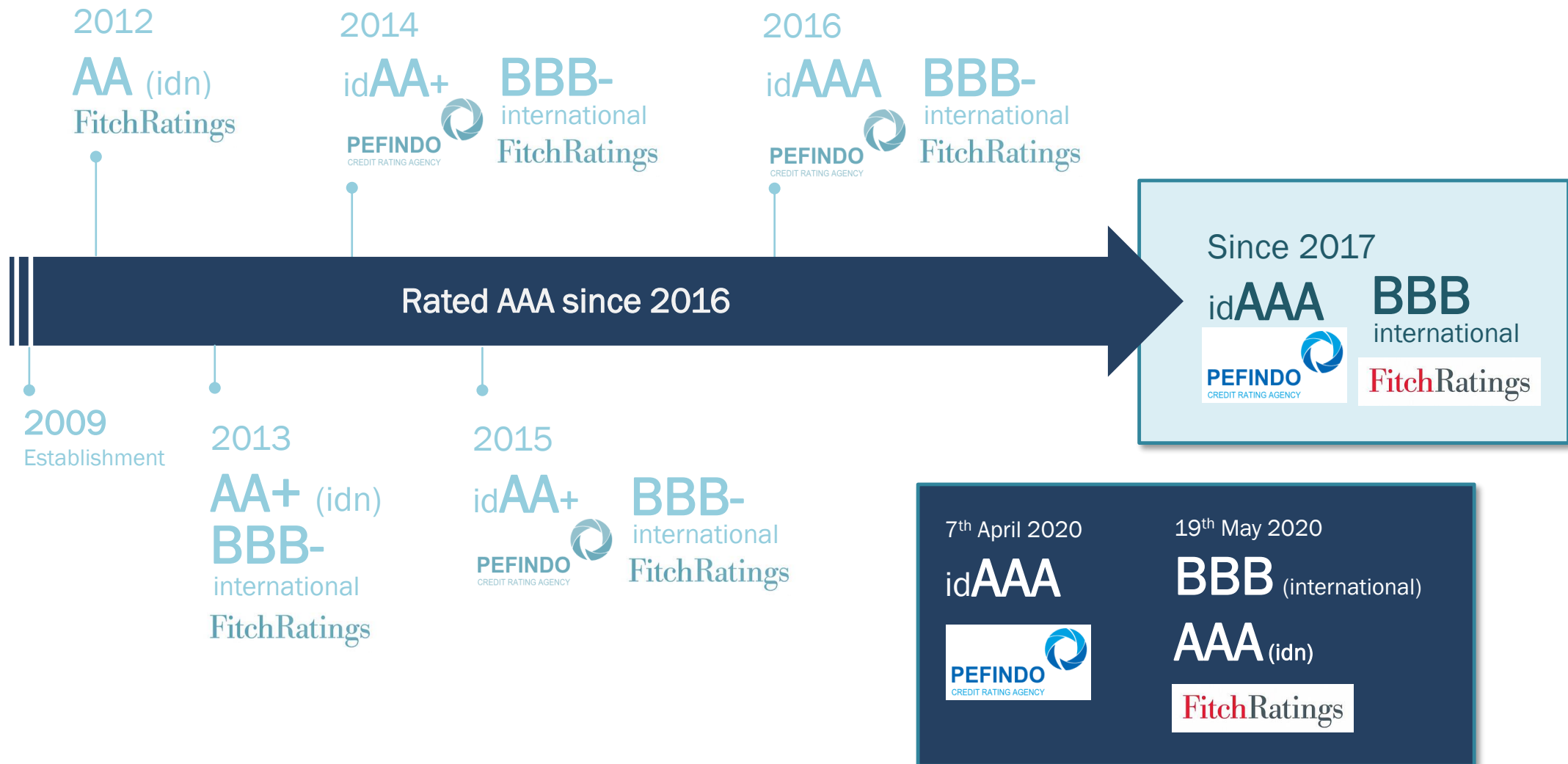
[^]including municipal financing and PPP Project Development (cumulative)

Assumptions:
a) 1 household consumes 900 Watt for lighting b) 1 household inhabited by 4 people c) Basic water requirement in Metropolitan Area (per person) = 150 Litre/day

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CORPORATE RATING



FINANCIAL HIGHLIGHTS

Profitability

(Rp Billion)	2017	2018	2019	2Q19	2Q20
Net Interest Inc.	2,222	2,398	3,070	1,552	1,395
Non Interest Inc.	40	81	78	45	34
Gross Income	2,262	2,479	3,148	1,597	1,429
Opr. Expense	(405)	(457)	(480)	(268)	(228)
Pre-provision	1,857	2,022	2,668	1,330	1,201
Cost of Credit	(322)	(207)	(498)	(102)	(63)
Income Before Tax	1,535	1,815	2,170	1,228	1,138
Comprehensive Income	1,728	1,526	1,784	1,007	965

Aside from the global market fluctuation due to the spread of Covid-19, PT SMI is still maintaining a good financial performance.

FINANCIAL HIGHLIGHTS

Financial Position

(Rp Billion)	2017	2018	2019	2Q19	2Q20
Total Assets	55,386	62,493	75,819	67,776	77,933
Cash & M Sec.	18,266	12,100	13,781	8,754	13,209
Gross Loans Receivable and Sharia Financing	33,927	46,440	58,427	54,943	61,334
Borrowings (net)	6,325	11,916	15,798	13,424	18,293
Debt Securities issued (net)	14,243	14,232	22,089	17,332	21,853
Total Liabilities	21,065	25,917	35,964	29,699	38,213
Equity	34,321	35,576	36,854	36,077	36,960

PT SMI is continuously conduct fundraising both from Banks and the Capital Market through the issuance of Bonds. In 2019, PT SMI issued Bonds with a total amount of almost IDR 12 trillion.



FINANCIAL HIGHLIGHTS

Key Ratios


	2017	2018	2019	2Q19	2Q20
NIM	4.08%	3.90%	4.10%	4.80%	3.62%
Cost of Credit	0.95%	0.45%	0.85%	0.37%	0.21%
Cost to Income	17.25%	18.24%	17.14%	15.86%	15.62%
DER	0.6x	0.7x	1.0x	0.9x	1.1x
ROA	2.28%	2.45%	2.25%	2.99%	2.53%
ROE	3.68%	4.30%	4.62%	5.61%	5.34%
Capital to Asset	61.97%	56.93%	48.61%	53.23%	47.42%
LLP	85.43%	117.84%	180.24%	133.88%	227.60%
NPL Gross	2.07%	1.51%	1.16%	1.24%	1.23%
NPL Net	1.19%	0.65%	0.05%	0.44%	0.12%

PT SMI has a relatively low DER and NPL, with Net NPL of 0.12% compared with the Banks' average of 0.58%.

RISK MANAGEMENT

		Risk Management Implementation Quality				
		<i>Strong</i>	<i>Satisfactory</i>	<i>Fair</i>	<i>Marginal</i>	<i>Unsatisfactory</i>
Inherent Risk	<i>Low</i>					
	<i>Low to Moderate</i>		 			
	<i>Moderate</i>		Q4 '19	Q1 '20		
	<i>Moderate to High</i>					
	<i>High</i>					

AWARDS


 <p>Performance & Financial Highlight</p>	<ul style="list-style-type: none"> ▶ “Outstanding Sustainable Project Financing to recognize success in financing Water Supply Project”, The Karlsruhe Sustainable Finance Award, 2019 ▶ SOE with a “Very Good” Financial Performance in 2017, 9th Infobank BUMN Awards, 2018 ▶ Golden Trophy for “Very Good” Financial Performance in 5 consecutive years, 9th Infobank BUMN Awards, 2018 ▶ “3rd Winner of Listed Financial Institution”, Annual Report Award (ARA) 2017 ▶ “Excellent Financial Performance for 5 consecutive years (period 2012-2016)”, InfoBank BUMN Award 2017 ▶ “SOE with Excellent Financial Performance in 2016”, InfoBank 8th BUMN Award 2017 ▶ “The Best Bond Issuance in 2017 in Financial Sector Category”, Investor Magazine ▶ Umbulan PPP as “Project Finance of The Year” (2014) from 7th Global Infrastructure Leadership Forum in New York, AS ▶ “The Best SOE under Ministry of Finance”, InfoBank BUMN Award 2015 ▶ The Best SOE 2019”, SOE under Ministry of Finance, Majalah Investor ▶ “Best Inaugural Green Bond in Southeast Asia 2018”, 12th Annual Alpha Southeast Asia Deal & Solution Awards 2018
<p>Marketing, Branding, and Innovation</p>	<ul style="list-style-type: none"> ▶ “Indonesian Best Companies in Creating Leaders From Within 2019”, Financial Institution Category, SWA Magazine ▶ One of the winners “Indonesian Green Company Award 2019”, SWA Magazine ▶ Best Innovation in Sustainable Financial Products and Services, The Karlsruhe Sustainable Finance Awards, 2018 ▶ Infrastructure Innovation Award , CMO Asia, 2017 ▶ The Best CMO Branding & Marketing BUMN 2017, 5th BUMN Branding & Marketing Award 2017, BUMN Track Magazine ▶ Silver Winner “Corporate Branding”, Corporate Communication Category, 5th BUMN Branding & Marketing Award 2017, BUMN Track Magazine ▶ “Special Mention for Accelerating Infrastructure Development”, Indonesia Appreciation for SOEs 2017, Warta Ekonomi ▶ Hay Group and SWA Magazine: “Employers of Choice 2015”
<p>Risk</p>	<ul style="list-style-type: none"> ▶ “ASEAN Risk Award 2019”, Public Initiative category (Green Bond) ▶ Merit Award “Category 9: Unit Risk and Compliance Manager (URCM)”, ADFIAP Awards 2019
<p>CSR</p>	<ul style="list-style-type: none"> ▶ “The highest number of students in Height and Weight Measurement” from Indonesia World Records Museum (MURI) for health CSR with theme of “Grow Healthy Together” in 2017 ▶ “Top CSR 2018 on Infrastructure Financing Sector”, “Top CSR 2018 on Education Program-Perahu Pustaka”, and “Top Leader on CSR Commitment 2018”, Top CSR Awards 2018, BusinessNews Indonesia Magazine


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SUPPORTING THE ACHIEVEMENT OF SDGS

1 Financing and Investment

 **Sulawesi Utara Regional Hospital**
Sulawesi Utara

3 GOOD HEALTH AND WELL-BEING


PT SMI's role
Financing Regional Hospital construction in Sulawesi Utara

2 Consultation Services

 **Sustainable Energy Program**
Supporting UNDP

7 AFFORDABLE AND CLEAN ENERGY


PT SMI's role
Review project documentation for 7 Renewable Energy Projects in Indonesia

3 Project Development

 **Kamijoro Drinking Water Supply System**
DI Yogyakarta

6 CLEAN WATER AND SANITATION


PT SMI's role
Provide project preparation facility

Concrete Steps in Climate Action

4 Implementation of the 10 Elements of Environmental and Social Safeguards

6 Establishment of SDG Indonesia One Platform



PT SMI has played a role in 16 goals (out of 17 goals) to support the SDGs

5 Activities Related to Climate Action

1. The Sustainable Financing Division has channeled IDR743.3 billion for more than 400 MW renewable energy projects
2. First geothermal project financing: 10 MW Small Scale Dieng Geothermal Power Plant
3. Collaboration with GIZ on the Project Preparation Facility of the Semarang BRT project
4. Collaboration with GGGI related to the de-risking instruments study in Indonesia and technical review of waste-to-energy technology
6. Geothermal project assignment :
 - a) Wae Sano (government drilling)
 - b) Jailolo (government drilling)
7. Instrument guarantee products assessment with CPI

THANK YOU

PT Sarana Multi Infrastruktur (Persero)

Sahid Sudirman Center, Lantai 47-48
Jl. Jenderal Sudirman No. 86
Jakarta 10220, Indonesia
Tel: (62-21) 8082 5288 (*hunting*)
Fax: (62-21) 8082 5258

Website : www.ptsmi.co.id

Email : investorrelations@ptsmi.co.id

#BaktiuntukNegeri



@ptsmi



ptsmi_id



PT Sarana Multi Infrastruktur (Persero)