

PT SMI's Stride Strengthening as Development Bank

JAKARTA, December 25th, 2020 - In the middle of current economic uncertainties due to Covid-19 pandemic, PT Sarana Multi Infrastruktur (Persero) ("the Company" or "PT SMI") is continue strengthening its steps to carry the role as development bank (Development Financial Institution / Development Bank). This has reflected in PT SMI's business plan for 2021, as which PT SMI has been mandated by the Government to become one of the key entities to execute national economic recovery program, including in this case, helping local governments' economic recovery as well as keep supporting local governments' infrastructure development as requirements for economic recovery.

In 2021, PT SMI will continue to support national strategic projects through Company's various financing schemes and innovations (this include financing for sustainable development) as well as to encourage the implementation of Public Private Partnership (PPP). The Company intends to continue the platform of SDG Indonesia One (SIO) thru blended finance scheme with the main aim to support the achievement of SDGs in Indonesia by combining various support sources. These were conveyed in the Company's business plan which has been presented at PT SMI's General Meeting of Shareholders of the Company's Business Plan and Budget for Year 2021 ("RUPS RKAP 2021") which has been held (16/12).

To support the implementation of the National Economic Recovery ("PEN") program, PT SMI has been given an expanded mandate through Government Regulation No. 53/2020. Through this regulation, PT SMI can optimize the function to implement the assignment of PEN program for local governments ("PEN DA") and the Government Investment program for the recovery of some State-Owned Enterprises ("BUMN" or "SOE") which affected by the Covid-19 pandemic ("Government Investment" or "IP PEN"). This mandate expansion provided added value to PT SMI, as the institution with the ability to carry out PEN programs.

PEN DA has been implementing through loans forwarding from the Government to PT SMI which continue to be lent to particular Local/Regional Government ("Pemda"). Meanwhile, the implementation of IP PEN has been carrying out by managing Government's non-permanent investments to SOEs affected by the Covid-19 pandemic. As per November 2020, PT SMI approved PEN DA loan facility with the total commitment of IDR 10.65 trillion to 21 regions / regions in Indonesia. On the other hand, in carrying out the assignment of the IP PEN, PT SMI has been managed the Government's Non-Permanent Investment facilities to PT Kereta Api Indonesia (Persero) ("KAI") worth of IDR 3.5 trillion, which plan to immediately followed by PT Garuda Indonesia (Persero) Tbk ("GIAA") and PT Krakatau Steel (Persero) Tbk ("KRAS"), which both are currently in the finalization process.

Through the government's trust and various innovations made, PT SMI is projected to increase its financial performances in 2021. The loan outstanding amount is projected to increase by 42% from IDR 73.99 trillion in 2020 to IDR 105.12 trillion in 2021, higher than the range of credit growth projected by Bank Indonesia, the Financial Services Authority and the Guarantee Institution, which are 9% -11%, 5-6%, and 8.24%, respectively, and also higher than national banks credit growth average of 5-6% per annum.

As highlights, the Company's RUPS RKAP 2021 is also projected some improvements in several financial performance posts in 2020. Operating Revenues in 2020 is projected to increase by 6.21% from Rp 5.19 trillion in 2019 to Rp 5.52 trillion in 2020 followed by net profit increment by 3.03% from Rp 1.7 trillion to Rp 1.76 trillion. In addition, PT SMI is projected to record hikes in assests, liabilities and equity. Assets is projected to grow by 34.77% from IDR 75.82 trillion at the end of 2019 to IDR 102.18 trillion at the end of 2020. Liabilities is projected to grow 66.31% from IDR 38.96 trillion to IDR 64.8 trillion, as well as equity which is also projected to increase by 1.42% from IDR 36.85 trillion to IDR 37.38 trillion.

The projected Return on Assets (ROA) increment in 2020 expressed the ability of PT SMI to meet shareholders expectations as well as ability to manage the Company's capital in optimizing its revenue and profitability achievement. PT SMI has been able to manage its capital figure properly by combining various sources of capital from bonds and syndicated loans.

Furthermore, we will still facing challenges following our optimism for year 2021. Therefore, PT SMI has taken various anticipatory steps to continue supporting business continuity in line with the Company's mandate. For example, in distributing PEN funds, PT SMI has collaborated with law enforcement and supervisory agencies to prevent potential fraud in managing PEN funds. In addition, PT SMI also strives to maintain public trust through increasing human resource capacities, adjustments to Company's organizational structure, and keep optimizing the Whistle Blowing System (WBS) mechanism as the efforts to monitor and control any behavior or actions that might violate the code of ethics committed by the employees.

To support Government various development plans, PT SMI as the Ministry of Finance's Special Mission Vehicles ("SMV") continues the commitment as an ecosystem enabler in all of its business pillars. PT SMI is also committed to continue acting as sustainability promoter, so that it can support the achievement of Indonesia sustainability by increasing synergy and collaboration with various parties, both in national and international scales. Not only from the business side, PT SMI is also committed in prioritizing Good Corporate Governance principles and regulations in all of the Company's operational activities.

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About PT Sarana Multi Infrastruktur (Persero) ("PT SMI")

PT Sarana Multi Infrastruktur (Persero) ("PT SMI") was established on February 26, 2009 as a State-Owned Enterprise under the coordination of the Ministry of Finance in the form of a Non-Bank Financial Institution (LKBB), with a role and mandate as a catalyst for the acceleration of infrastructure development.

PT SMI has various functions and unique products/features to support the acceleration of infrastructure development which not only functions as an infrastructure financing but also as an enabler through the implementation of a Public Private Partnership (PPP) scheme which includes various financial institutions, both private and multilateral. PT SMI actively supports the PPP implementation and encourages the acceleration of infrastructure development in the regions through regional loan products.

PT SMI has three business pillars, namely (1) Funding and Investment, financing for infrastructure projects, (2) Consultancy Services, solutions to the needs of professionals and experts in the infrastructure sector, and (3) Project Development, assistance for the Person in Charge of Cooperation Projects (PJPK) in preparing infrastructure projects.

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