

KIK EBA MANDIRI GIAA01 :

Corporate rating

Rated Instruments

EBA – Class A

*ir***BBB-** (sf)(cg)

Rating Period

May 4, 2021 – May 1, 2022

Rating History

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“Debt securities with an *ir***BBB** rating have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.

The negative sign (-) indicates that the rating has a high likelihood of a downward rating revision in the near to medium term compared to the higher rating category.

EBA – Class A: Instruments Profile

Principal	IDR1,800,000,000,000 (90%)
Total principal outstanding of EBA Class A, as of March 30, 2020	IDR1,080,000,000,000
Issuer	PT Mandiri Manajemen Investasi (“MMI”)
Originator	PT Garuda Indonesia (Persero) Tbk (“GIAA”)
Collection agent / servicer	PT Garuda Indonesia (Persero) Tbk (“GIAA”)
Custodian bank / trustee	PT Bank Maybank Indonesia Tbk (“BNII”)
Underlying assets	Rights for GIAA’s sales.
Amount of expected cash flow	In total of IDR2,615,000,000,000 for both EBA - Class A and Class B.
Tenor	5 years (expected last payment on July 27, 2023)
Annual principal repayment	IDR360 Bn (guaranteed by PT Asuransi Kredit Indonesia “Askrindo”), paid once a year
Investment return payment	Quarterly
Credit enhancement	External credit enhancement from PT Askrindo Mandatory sinking fund

Kredit Rating Indonesia assigns ‘*ir***BBB-**’ rating to Class A KIK EBA Mandiri GIAA01

KRI has assigned “*ir***BBB-**” rating for Class A KIK EBA Mandiri GIAA01 (“KIK-MandiriGIAA01”) with an outstanding value of IDR1.08 trillion. The rating reflects a weak credit profile of PT Garuda Indonesia (Persero) Tbk (“GIAA”) as the servicer and originator of the securities. The underlying asset of KIK-MANDIRIGIAA01 is GIAA’s future cash flows until 2023, replacing the previous five-year future cash flows from the Middle-East routes. Credit enhancement for KIK-MandiriGIAA01 comes in the form of Class B KIK EBA Mandiri GIAA01, commitment letter from GIAA’s management to fulfill all of the obligations related to the KIK-MandiriGIAA01, as well as mandatory sinking fund as requested by PT Mandiri Manajemen Investasi (“MMI”) and PT Asuransi Kredit Indonesia (“Askrindo”).

The COVID-19 pandemic has weakened GIAA’s credit profile due to travel ban and social distancing restriction. A restriction to travel during Eid Al Fitr Holiday to prevent the spreading of COVID-19 virus from Indonesian Government also put another negative impact to GIAA. However, we also see that the Indonesian Government still provides some supports by way of providing stimulus program (Pemulihan Ekonomi Nasional or PEN) in a total of IDR8.5 trillion to GIAA, of which the first IDR1.0 trillion is expected to be realized in 2Q2021.

KIK EBA Mandiri GIAA01 is an asset-backed securities established by MMI as the investment manager and PT Bank Maybank Indonesia Tbk (“BNII”) as the custodian bank.

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