

PT Usaha Pembiayaan RelianceIndonesia (REFI)

Company Rating *ir*BBB/Stable

Rated Issue
Obligasi I REFI Tahun 2022 (Seri A, Seri B, dan Seri C) *ir*BBB

Rating Period
May 2, 2024 – May 2, 2025

Rating History

April, 2023	<i>ir</i> BBB/Stable
April, 2022	<i>ir</i> BBB/Stable
October, 2021	<i>ir</i> BBB/Stable
May, 2021	<i>ir</i> BBB/Stable

Kredit Rating Indonesia has affirmed a Company Rating of ‘*ir*BBB’ for PT Usaha Pembiayaan RelianceIndonesia with ‘Stable’ Outlook

Kredit Rating Indonesia (KRI) has affirmed a company rating of ‘*ir*BBB’ for PT Usaha Pembiayaan Reliance Indonesia (REFI or the Company) with a ‘Stable’ outlook. Simultaneously, KRI has also affirmed ‘*ir*BBB’ rating for the Company’s Obligasi I REFI Tahun 2022 (Series A, B, and C) totaling IDR400 billion. The ratings reflect REFI’s moderate leverage levels, adequate profitability, and diverse funding sources. Additionally, the company’s very small market share and the challenges associated with its new financing strategy have been considered in the ratings.

REFI was established as PT Sebaru Sejahtera Finance Corporation in 1989. The company has undergone several name changes, with the most recent being in 2012, when it was renamed PT Usaha Pembiayaan RelianceIndonesia following its acquisition by PT Reliance Capital Management. Originally focused on working capital and investment financing, REFI shifted its focus in 2020 to mortgage, productive financing through communities, and multipurpose financing via a digital platform. The company now prioritizes mortgage financing for stalled apartment units, productive financing for supply chain operations, and digitization of the end-to-end financing process, initiated in mid-2022. KRI continues to monitor the outcomes of the company’s newly implemented strategy.

The company’s shareholders include PT Reliance Capital Management, holding an 85% stake, and PT Asuransi Reliance Indonesia, holding 15%. As of December 2023, REFI’s Debt to Equity ratio was 1.52x, below the industry average of 2.26x, and well within the OJK regulation maximum of 10x. The equity to assets ratio slightly increased from 32.91% in 2022 to 33.96% in 2023.

In December 2023, REFI’s Return on Assets (ROA) was positive at 1.34%, though it showed a decline from the previous year’s 3.06% (2021: 2.8%, 2020: 4.7%, 2019: 0.3%). The low profitability in 2019 was due to high SGA expenses and impairment losses on receivables. This ratio dramatically improved by the end of 2020 following a recovery of impairment losses amounting to IDR 43 billion.

After navigating through the COVID-19 pandemic, REFI has been able to secure new funding sources. As of December 2023, it has maintained funding from Pusat Investasi Pemerintah and PT Sarana Multigriya Finansial and received new funding from various financial institutions. Moreover, REFI’s funding pipeline from domestic and international creditors is set to bolster the company’s potential for future growth and business development.

KRI sees that REFI’s strategic shift to focus more on mortgage financing will encounter significant challenges from banks, which traditionally dominate this sector. Additionally, KRI considers that more time is needed to evaluate the long-term sustainability of the mortgage financing strategy, particularly concerning stalled apartment projects. Furthermore, KRI points out that the company’s small market share is a limiting factor in its rating.

REFI Financial Results Highlights

As of/For the year ended	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (IDR, Bn)	708.68	702.53	482.43	443.46
Total Debt (IDR, Bn)	365.18	432.53	239.45	210.10
Total Equity (IDR, Bn)	240.67	231.20	212.55	200.12
Total Revenue (IDR, Bn)	69.59	85.76	64.95	53.26
Net Interest Revenue (IDR, Bn)	34.43	48.36	31.87	29.40
Net Income (IDR, Bn)	9.47	18.13	12.88	21.64
Debt to Equity Ratio (x)	1.52	1.87	1.13	1.05
Equity/Assets (%)	33.96	32.91	44.06	45.13
Cost/Income (%)	63.82	54.90	62.59	57.21
Return On Asset (%)	1.34	3.06	2.78	4.68
Return On Equity (%)	4.02	8.17	6.24	11.15
NPF (%)	1.66	1.76	1.62	1.90

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