



## LEVERAGING INDONESIA SECONDARY MORTGAGE CORPORATION

The 35<sup>th</sup> Annual African Union for Housing Finance (AUHF) Conference and  
The 31<sup>st</sup> International Union for Housing Finance (IUHF) World Congress  
Cape Town, November 2019

# Our Profile

## Brief Snapshot

- ✓ Established in July 2005, PT Sarana Multigriya Finansial (Persero) or (“SMF”) is a State-owned Enterprise of Indonesia which provides secondary mortgage financing. As the first and only secondary mortgage corporation in the country, the Company has taken an integral part, building a vital channel of funds which connect the capital market to mortgage lenders.
- ✓ the Company’s main objectives is to accelerate growth of mortgage volume in Indonesia in order to increase sustainability as well as affordability of housing finance for public, especially those in middle to lower class.

## Products & Services



Lending



Training & Advisory



Securitization



Housing Finance Information System



Residential Mortgage Backed Securities & Bonds

## Vision & Mission

### Our Vision:

Become an independent entity which support affordable and decent house ownership for every household in Indonesia

### Our Mission:

- ✓ Build and develop the secondary mortgage market
- ✓ Increase the availability of long term source of fund for housing sector
- ✓ Promoting affordability of house ownership for every household in Indonesia

## Company’s Ownership

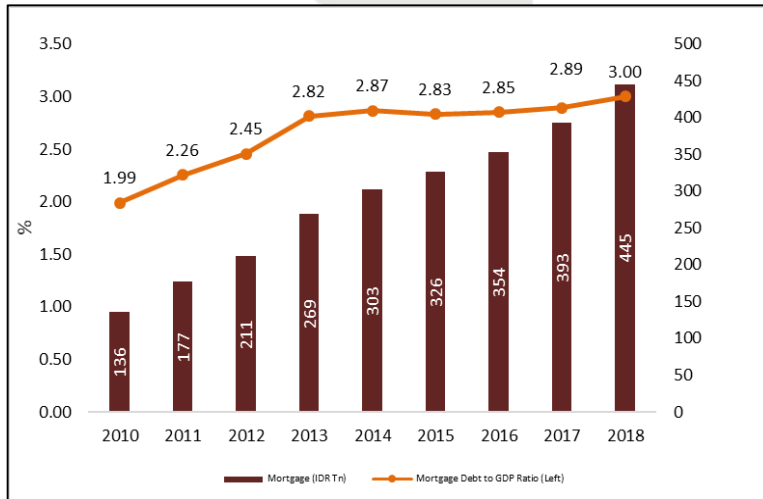


# Housing Finance In Indonesia

## Still has sizeable room to grow

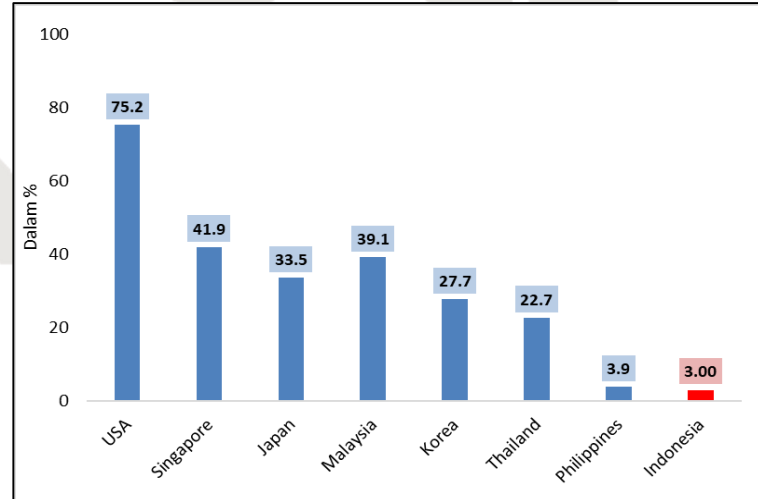
- ✓ Indonesia's mortgage to GDP ratio in 2018 is 3.0%.
- ✓ Low mortgage to GDP ratio showed that increasing of GDP is not followed by increasing in home ownership through mortgages.
- ✓ Low mortgage to total bank loan ratio and mortgage to GDP ratio indicate that primary mortgage market in Indonesia is not ideal yet and hence, still has sizeable room to grow.

Indonesia Mortgage to GDP Ratio



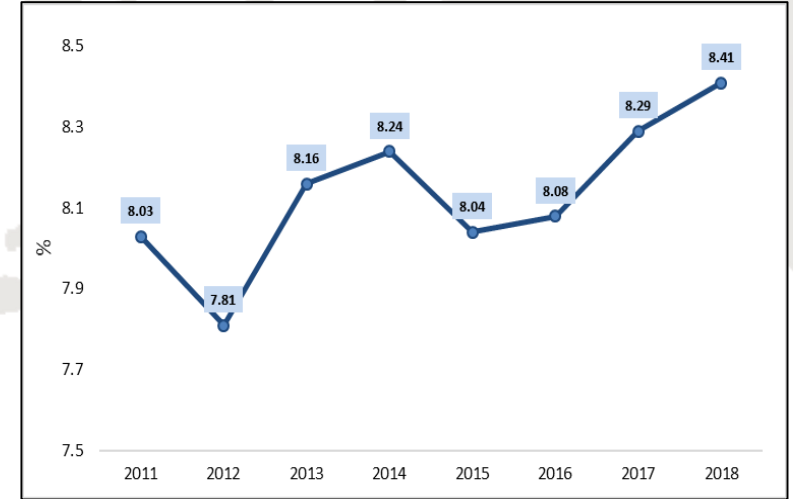
Source: CEIC, 2019

Mortgage Penetration by Country in 2018



Source: CEIC, 2019

Indonesia Mortgage to Total Bank Loan Ratio



Source: Financial Services Authority, 2019

# DECREASING GOV'T FISCAL BURDEN PROGRAM

## HOUSING FINANCE LIQUIDITY FACILITY (FLPP)

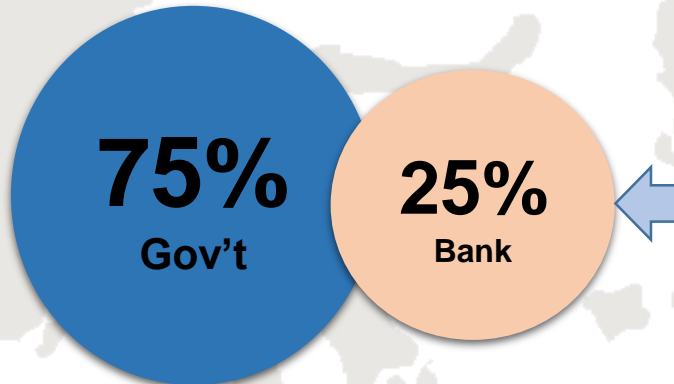


### TERMS

- Have an ID card
- Did not own a House
- Never received government subsidies for home ownership
- Low income people with maximum income of IDR 4 Million (USD 285) per month for landed house and IDR 7 Million (USD 500) per month for vertical house

### SMF ROLE

Providing fund for bank's portion in the Gov't subsidized mortgage (KPR FLPP)



Without SMF



60,000 Houses



With SMF

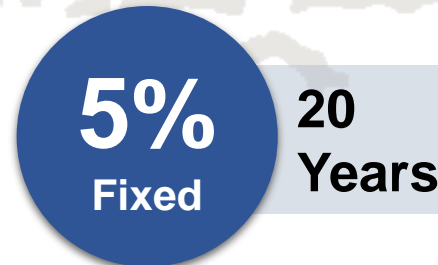


72,000 Houses

### MAX SELLING PRICE

	Landed House	Apartment
Java & Sumatera	USD 10,000	USD 21,400
Papua & West Papua	USD 15,150	USD 30,800

### INTEREST RATE



### REALIZATION 2019

USD 78.5 Million  
34,450 Houses

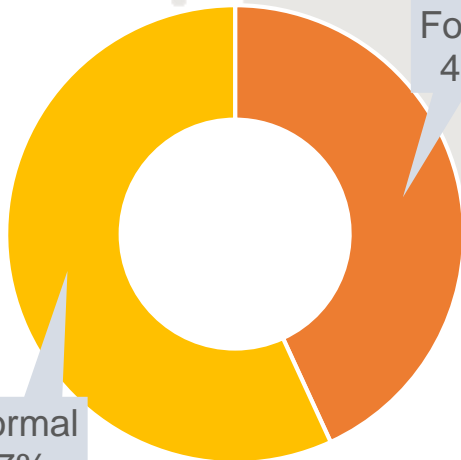


# SMF – GRAB MORTGAGE PROGRAM



**INDONESIA WORKERS**

**124.000.000**



Formal  
43%

Informal  
57%

## SMF SOLUTION



An online ride hailing platform that has been operated in Indonesia since 2012. Uber-like Company.

## PROGRAM'S AIM

Helping **informal worker with non-fixed income**, considered non bankable, to get access to housing finance program

## TERMS & CONDITION

- Grab Car Driver
- Minimum rating: 4.5 Star
- Has been driving for Grab at least 1 year
- Nett Income USD 565/Month

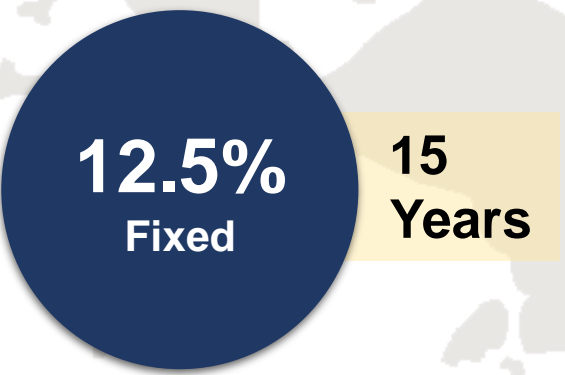
## HOUSE PRICE

Max USD 24,770  
DP 1%

## SCHEME

- SMF is in cooperation with 2 financing company to provide this program
- Daily collection scheme

## RATE & TENURE



## REALIZATION

**> 400** Applications → **±100** Approved



**Ngiyabonga**

# SMF Initiative Program

## 4 SMF Initiatives Program



1

Decreasing Gov't Financial Burden Program

SMF provides fund for bank's portion in the Gov't subsidized mortgage (KPR FLPP)

**5%** fixed **20** years

2

SMF Disaster Recovery Mortgage

In cooperation with regional bank and local government. SMF developed financing program for house repairment affected by nature disaster

**7.5%** fixed **10** years

3

SMF House Upgrading for Slum Area

SMF synergizes with Ministry of Public Works and Housing to provide house renovating / building program in slum area

4

SMF Homestay Financing

SMF synergizes with Ministry of Tourism to provide financing for homestay construction or repairment