OPTIMIZE, GROW, LEAD

PT BFI FINANCE INDONESIA: *1H15 RESULTS*

August 2015

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1H15 KEY UPDATES

GROWTH

- Consistently strong **Bookings, Revenue** growth, amidst subdued economic conditions
  - Net Revenue growth of 19% driven largely by strong Non-Dealer business and higher yields (80 bps yoy)
- Five new outlets

PROFITABILITY

- 1H15 PAT 15% growth yoy, with ability to maintain NIM, higher efficiency in operations, and strong receivables growth

ASSET QUALITY

- NPL of 1.72%, 14 bps higher yoy triggered by the challenging macro conditions

1H15 KEY UPDATES

KEY FUND RAISING UPDATES

- Issuance of Rp1 trillion *Obligasi Berkelanjutan II Tahap II Tahun 2015* (9.875-10.875% for 1-3 years tenor)
- USD50mm Term Loan from Qatar National Bank
- USD50mm Syndicated Loan from Emirates NBD

KEY A/EGM UPDATES (15 April 2015)

- Final Dividend from FY14 profits of Rp54/share paid on 15 May 2015 giving a final payout ratio 49.9%
- Dominic Picone and Sunata Tjiterosampurno appointed to BOC
- Approval to conduct Stock Buyback of up to 10% of total outstanding shares

KEY MANAGEMENT UPDATES

- New branch opening target scaled back to 10 outlets from initial target of 20

BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H15	1H14	YoYΔ		FY14	FY13	YoYΔ
New Bookings	5,647	4,546	↑ 24.2%	• Growth driven by Non-Dealer financing	9,295	8,652	↑ 7.4%
Managed Receivables^	12,528	10,463	↑ 19.7%		11,220	9,570	↑ 17.2%
Total Receivables	9,511	7,908	↑ 20.2%	• Higher gearing of 1.7x compared to 1.4x in 1H14	8,720	7,345	↑ 18.7%
Total Assets	10,740	8,990	↑ 19.5%		9,671	8,293	↑ 16.6%
Total Borrowings	6,562	5,006	↑ 31.1%	• Overall increase slower due payment of dividends	5,555	4,626	↑ 20.0%
Total Equity	3,823	3,523	↑ 8.5%		3,614	3,397	↑ 6.4%

* All absolute figures have been rounded to the closest Rp billion and therefore may have some discrepancies with percentage calculations
^ Includes off balance sheet financing

Strong Bookings growth in spite of slower economy and weak automotive & heavy equipment sales

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PROFIT & LOSS HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H15	1H14	YoY∆		2014	2013	YoY∆
Interest Income	1,165	942	↑ 23.7%	• Strong Non-Dealer revenue • Yield improvement of 80 bps YoY	1,660	1,374	↑ 20.8%
Financing Cost	504	382	↑ 31.9%		503	423	↑ 19.0%
Net Interest Income	661	560	↑ 18.0%		1,157	951	↑ 21.6%
Fee Based & Other Income	350	288	↑ 21.5%		600	492	↑ 21.9%
Net Revenue	1,011	848	↑ 19.2%	• Higher efficiencies in operations resulted in slower Opex growth	1,756	1,443	↑ 21.7%
Operating Expenses	481	399	↑ 20.6%		804	661	↑ 21.7%
Operating Income	530	449	↑ 18.0%		952	783	↑ 21.7%
Cost of Credit	160	103	↑ 55.3%	• Higher Leasing NPLs and write-offs in commodities and certain regions	204	115	↑ 77.1%
PBT	371	345	↑ 7.5%		748	667	↑ 12.1%
PAT	298	259	↑ 15.1%		597	509	↑ 17.4%
Comprehensive Income	297	259	↑ 14.7%		565	509	↑ 11.0%

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Higher yield resulting in strong Revenue growth, with efficient operational and cost management

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KEY RATIOS

	1H15	1H14	YoY∆		2014	2013	YoY∆
Net Interest Margin	8.2%	7.9%	↑ 0.3%	• Resilient and able to pass through the increase interest	7.9%	7.9%	↓ 0.0%
Cost to Income	47.5%	47.1%	↑ 0.4%		45.8%	45.8%	↓ 0.0%
COC / Avg Rec.	2.7%	2.1%	↑ 0.6%	• Higher credit cost driven by several Leasing accounts	1.9%	1.4%	↑ 0.6%
NPL*	1.72%	1.58%	↑ 0.14%		1.5%	1.4%	↑ 0.1%
LLR / Receivables	1.4%	1.2%	↑ 0.2%	• Calculated based PD & LGD • Compliance to IFRS No. 39 / PSAK No. 55	1.9%	1.4%	↑ 0.5%
Debt / Equity	1.6x	1.3x	↑ 0.3x		1.5x	1.4x	↑ 0.1x

* Defined as Pastdue >90 days, Calculated from total managed receivables (included off B/S receivables)

Maintains stable NIM and NPL despite of industry headwind

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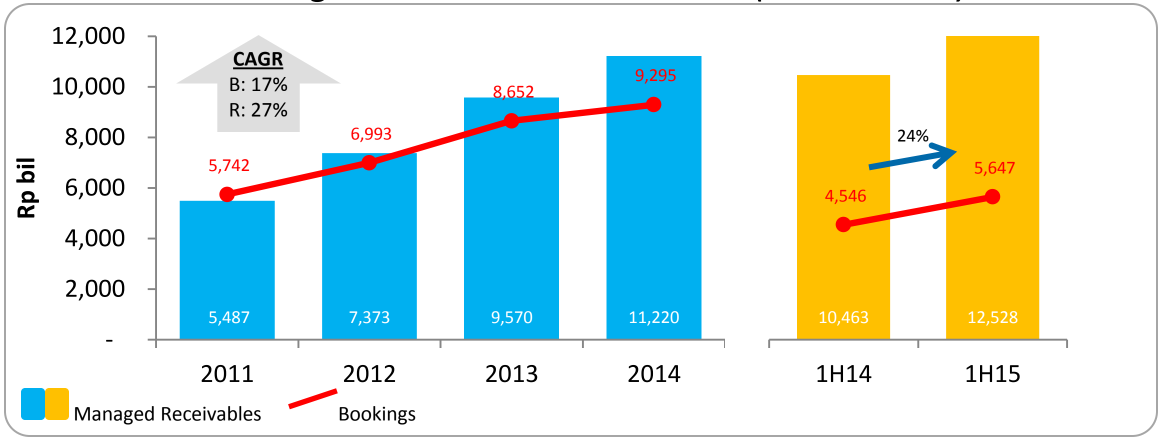
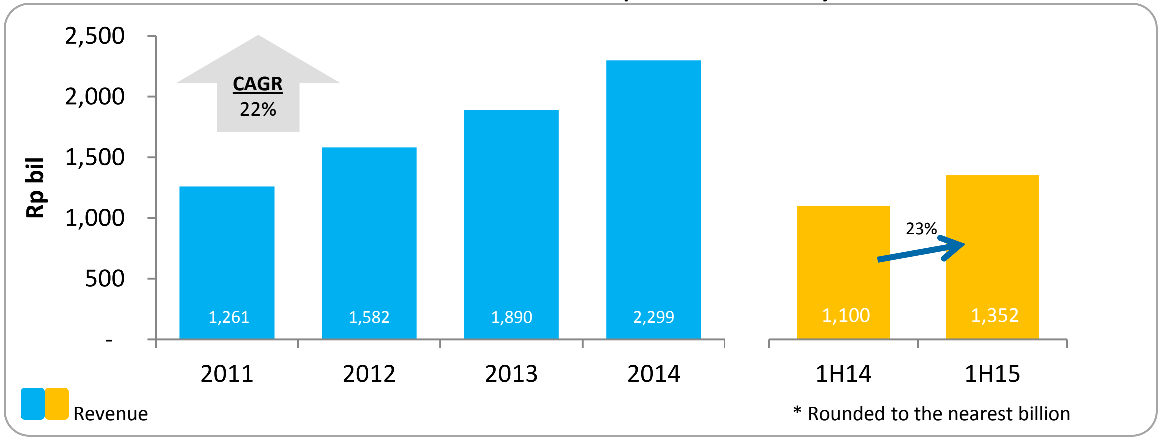
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2010-1H15)



- Loan book shows improvement over the years – able to improve quality and tenor of loans booked, resulting in consistently faster Receivables growth compared to Bookings
- 1H15 strong Bookings growth yoy in spite of weak new car sales

Revenue Growth (2010-1H15)



- Consistently strong growth in Revenue as a result of robust balance sheet
- Improvement in yield by 80 bps yoy
- Shows ability to maximise income generation from assets

Sustainable loan and revenue growth over the years – backed by better asset mix

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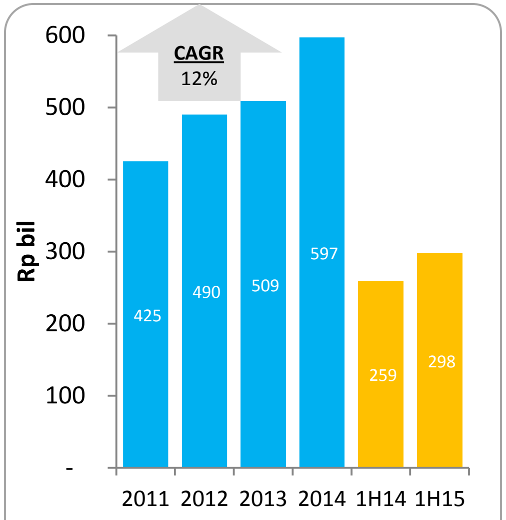
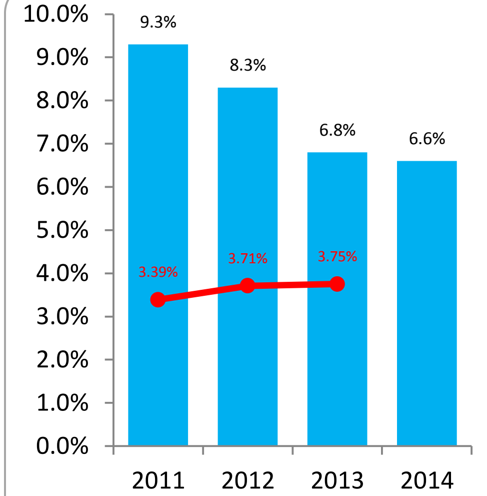
STABLE PROFITABILITY OVER THE YEARS

PAT Growth



- Consistent PAT growth
- Efficient OPEX management in spite of aggressive expansion over the years

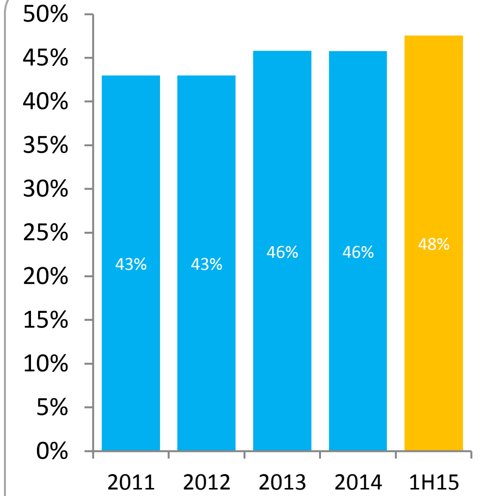
ROA Trend vs Industry



Source: Company, Infobank

- One of the highest ROA companies in the industry
- Consistently outperformed industry

*Cost-to-Income**



* G&A + Marketing Expense/Net Revenue

- Cost-to-income generally stable in spite of expansion of distribution outlets and human capital to support business growth

Still one of the most profitable multifinance companies, with ROAs much ahead of the industry

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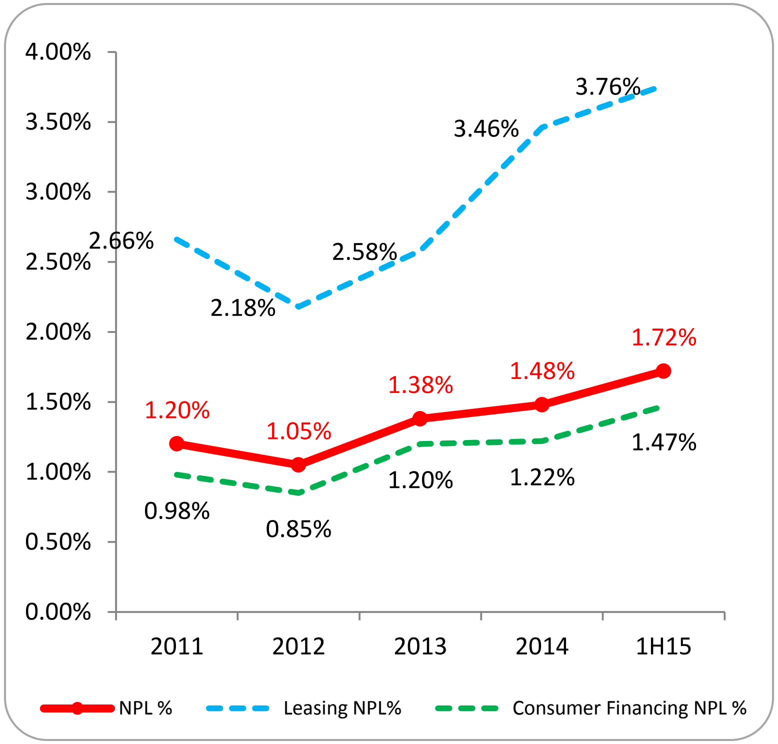
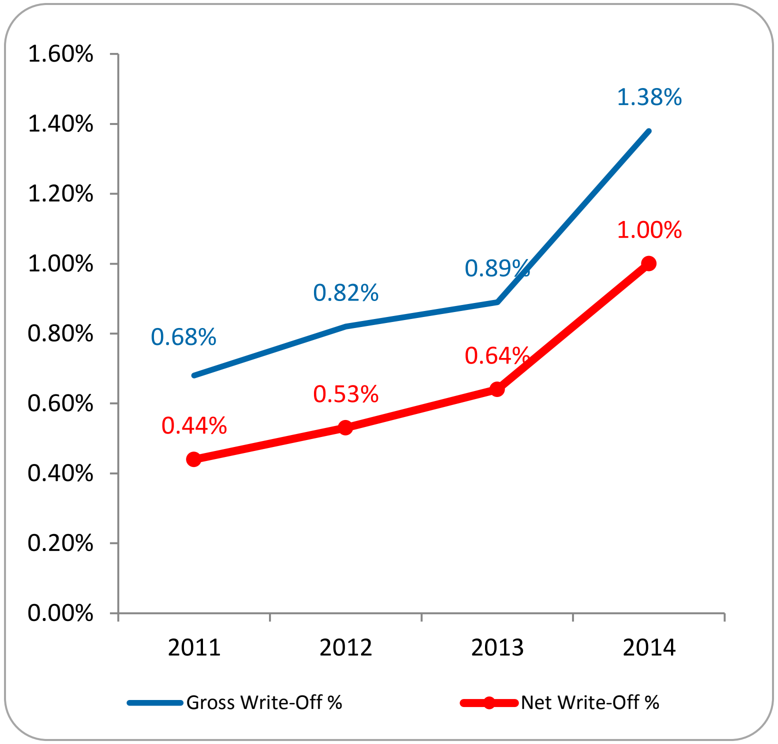
ASSET QUALITY UNDER CONTROL

NPL Trend (2011-1H15)



Write-Offs (2011-2014)



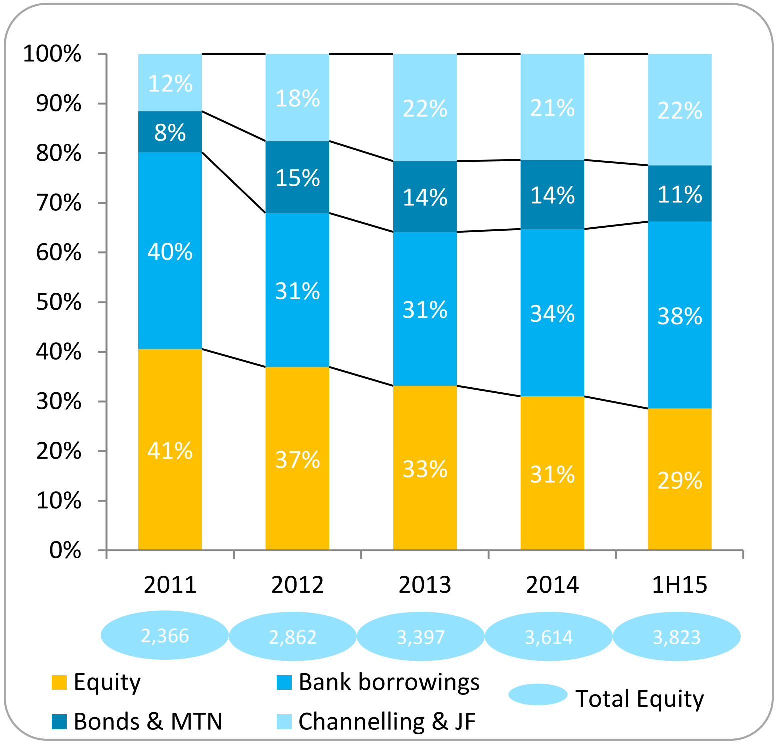
- Increased portfolio NPL driven by loans to commodities sector, mainly in Kalimantan

- Expect some deterioration in 2015 due to continued weak commodity sector

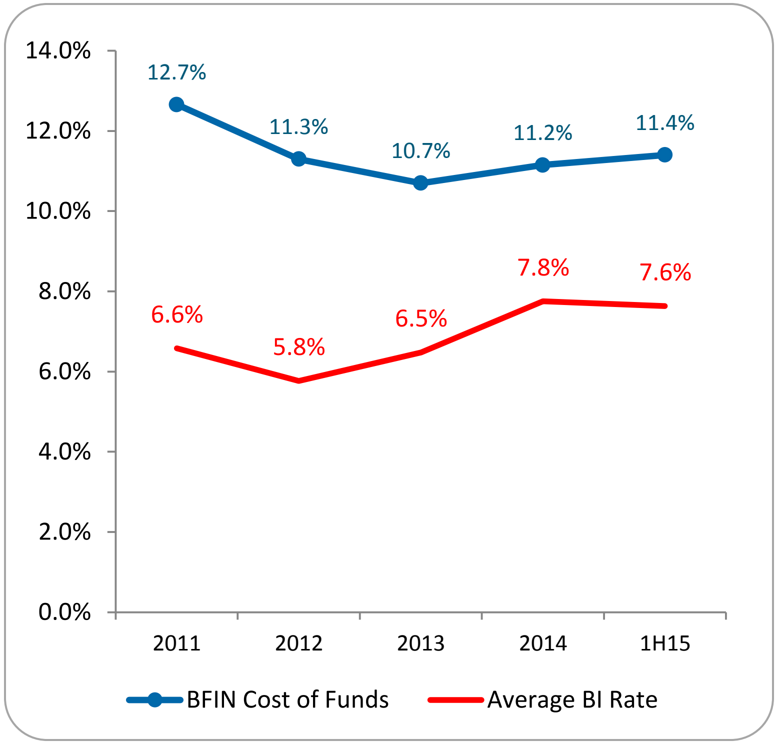
Higher NPLs and Write-offs due to economic conditions, especially in commodity related sectors

STRONG CAPITAL BASE

Source of Funding (2011-1H15)



Cost of Funds (2011-1H15)



- Increasingly more diversified funding sources, which has helped especially in the last year to mitigate increasing cost of borrowings from local banks

- Favourable cost of funds trend compared to benchmark BI rate movement – able to maintain NIMs even in adverse market conditions

Capital structure more diversified, resulting in better management of borrowing cost and stable NIM

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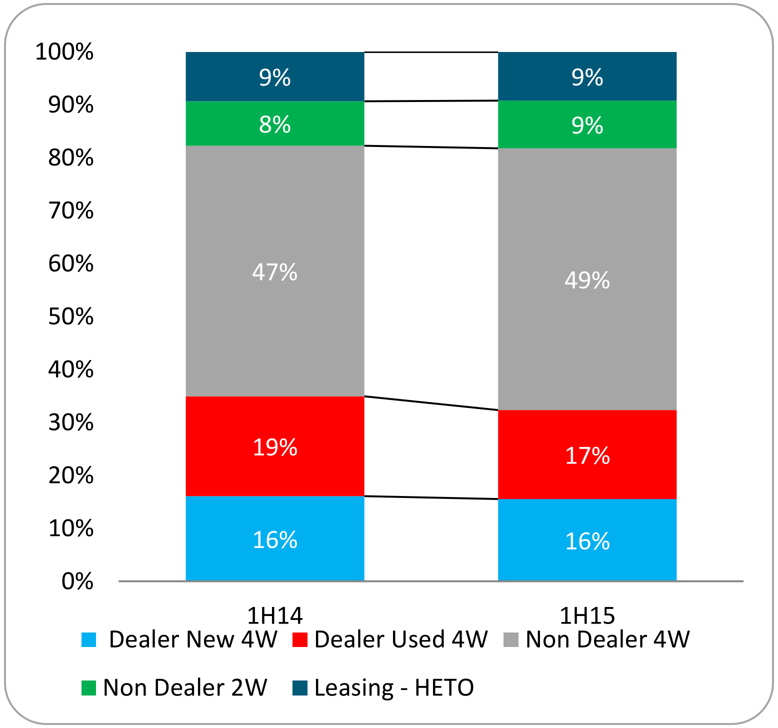
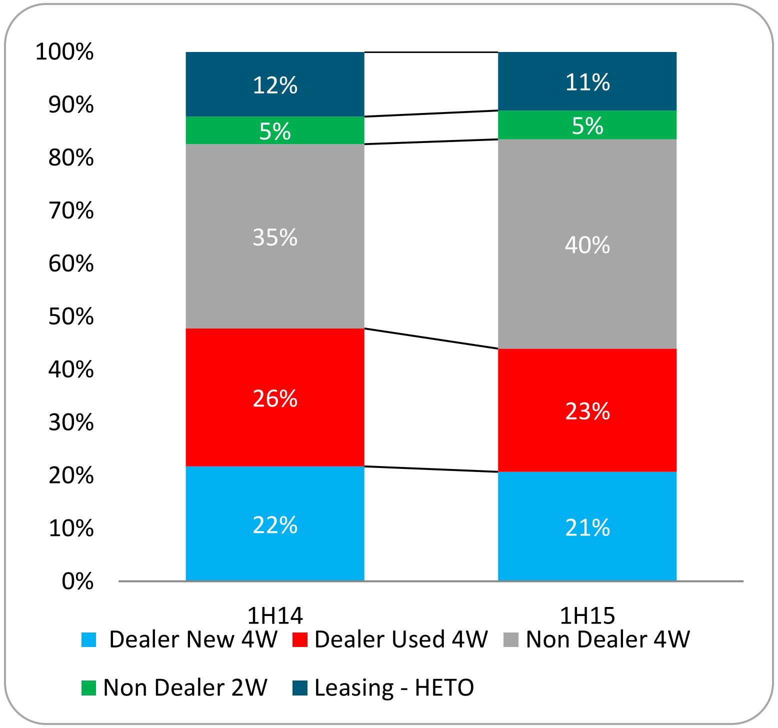
ASSET COMPOSITION

Booking Composition
(1H14 vs 1H15)



Managed Receivables Composition
(1H14 vs 1H15)



- Continue to focus on Used 4W financing – to finance higher yield products in order to maintain portfolio yields

- Continue to reduce exposure to Heavy Equipment
- Strong Non-Dealer growth testament to well executed branch network expansion strategy

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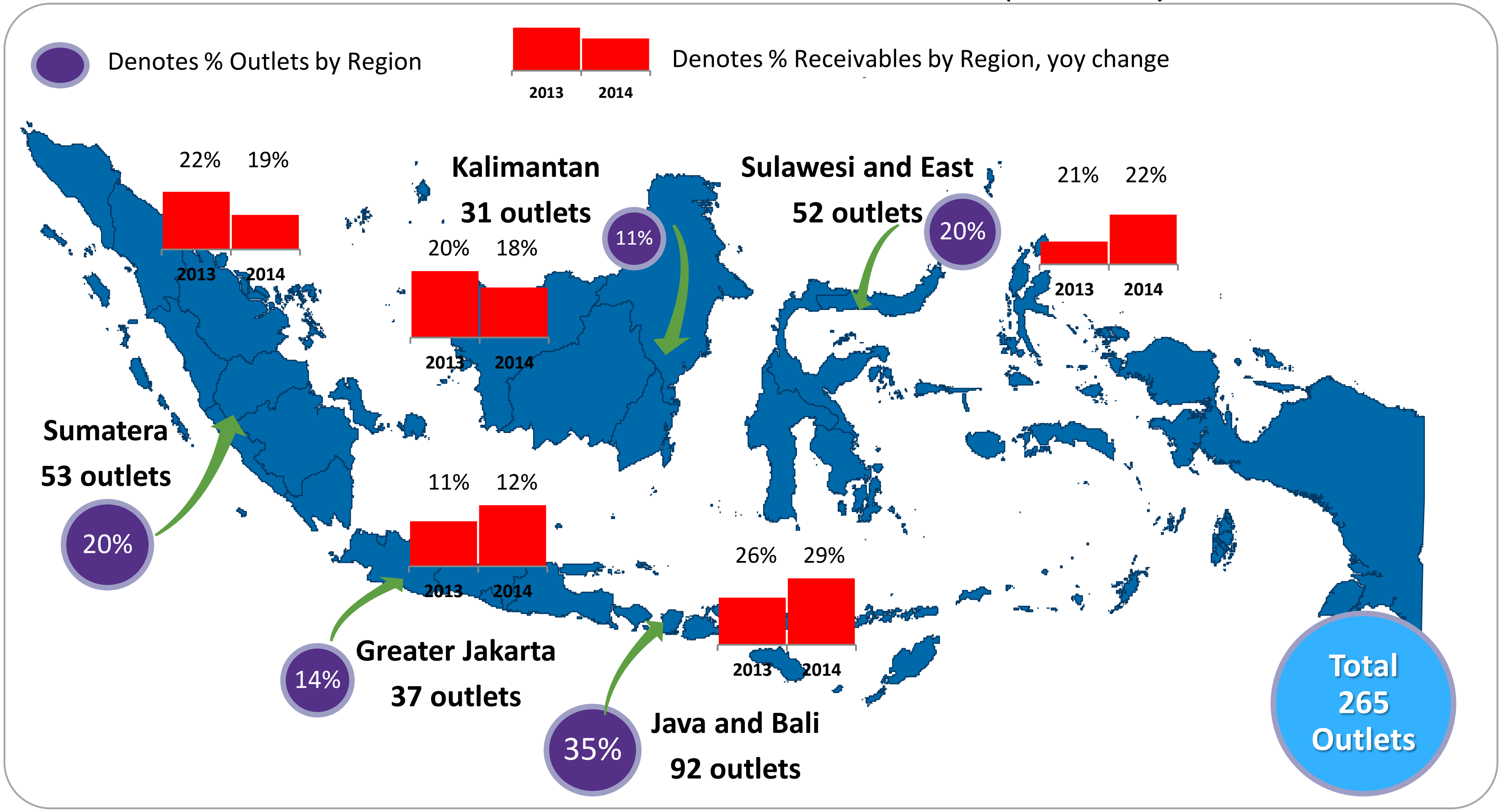
STRONG FOOTPRINT OUTSIDE JAVA

Business Distribution and Branch Network (Jun-2015)



Target another 5 branches for the rest of the year, in view of slowing economy

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