OPTIMIZE . GROW . LEAD

PT BFI FINANCE INDONESIA: *9M15 RESULTS*

October 2015

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9M15 KEY UPDATES

GROWTH

- **Bookings, Receivables, Revenue** growth, in spite of depressed economic conditions
  - Total Receivables grew 22% driven by strong Bookings as well as longer tenor loans
  - Net Revenue growth of 19% driven largely by strong Consumer Financing business, higher yields and increase in Receivables book
- Slower growth in Leasing book as Company continues to manage exposure to commodities and balance sheet health

PROFITABILITY

- 9M15 PAT growth of 11%
- Consistently higher ROA compared to peer average
- NIM improvement of 29 bps

ASSET QUALITY

- Manageable NPL of 1.59%, 8 bps lower yoy despite challenging macro conditions
- Whilst car and motorcycle NPLs are higher than historic levels they remain manageable and low relative to industry levels

9M15 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
- USD105mm Syndicated Loan from SMBC and Standard Chartered Bank

KEY A/EGM UPDATES (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
- Approval for the resignation of former Enterprise Risk Director, Harry Rodriguez

MANAGEMENT UPDATES

- Appointment of Sigit Hendra Gunawan as new Risk Management Head

BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	3Q15	2Q15	QoQΔ	9M15	9M14	YoYΔ
New Bookings	2,198	2,936	↓ 25.1%	7,844	6,812	↑ 15.2%
Managed Receivables^	12,439	12,528	↓ 0.7%	12,439	10,778	↑ 15.4%
Total Receivables	9,781	9,511	↑ 2.8%	9,781	8,047	↑ 21.6%
Total Assets	11,769	10,740	↑ 9.6%	11,769	9,023	↑ 30.4%
Total Borrowings	7,480	6,562	↑ 14.0%	7,480	5,051	↑ 48.1%
Total Equity	3,935	3,823	↑ 2.9%	3,935	3,672	↑ 7.2%

- Idul Fitri effect
- Selective origination

- Strong growth in all products except Heavy Equipment

- Growth driven by strong CF Receivables, higher cash position and derivative financial asset

* All absolute figures have been rounded to the closest Rp billion and therefore may have some discrepancies with percentage calculations

^ Includes channeling and joint financing transactions

Strong receivables growth in spite of lacklustre economy. In spite of 18% contraction in 4W sales yoy, bookings grew 15%

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PROFIT & LOSS HIGHLIGHTS

In Rp bil (unless otherwise stated)	3Q15	2Q15	QoQ∆	9M15	9M14	YoY∆
Interest Income	621	600	↑ 3.5%	1,786	1,455	↑ 22.8%
Financing Cost	280	264	↑ 6.1%	784	598	↑ 31.1%
Net Interest Income	341	336	↑ 1.5%	1,003	857	↑ 17.0%
Fee Based Income	95	95	0.0%	277	243	↑ 14.0%
Net Revenue	516	514	↑ 0.4%	1,526	1,287	↑ 18.6%
Operating Expenses	243	246	↓ 1.2%	723	591	↑ 22.3%
Operating Income	273	267	↑ 2.3%	803	696	↑ 15.4%
Cost of Credit	79	80	↓ 1.3%	238	153	↑ 55.6%
PBT	194	187	↑ 3.7%	565	543	↑ 3.5%
PAT	157	150	↑ 4.7%	455	408	↑ 11.5%

* All absolute figures have been rounded to the closest Rp billion and therefore may have some discrepancies with percentage calculations

- Strong Consumer Financing revenue
- Yield improvement of 11 bps
- Strong Receivables growth

- In line with higher revenue

- Higher write-offs in some regions (Kalimantan, Sulawesi)

- 25% tax rate applied for 9M14
- If assume 20% tax rate – yoy growth is 4.8%

Able to record strong revenue growth mainly from CF business and NIM improvement of 29 basis points

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KEY RATIOS

	3Q15	2Q15	QoQ∆	9M15	9M14	YoY∆
Net Interest Margin	8.3%	8.3%	Stable	8.2%	7.9%	↑ 30 bps
Cost to Income	47.1%	47.9%	↑ 80 bps	47.4%	45.8%	↑ 160 bps
COC / Avg Rec.	2.7%	2.7%	Stable	2.6%	2.0%	↑ 60 bps
ROAA	5.4%	5.7%	↓ 30 bps	5.8%	6.3%	↓ 50 bps
NPL*	1.59%	1.72%	↓ 13 bps	1.59%	1.67%	↑ 8 bps
LLR / Receivables	1.4%	1.4%	Stable	1.4%	1.3%	↑ 18 bps
Net Debt / Equity	1.7x	1.6x	↑ 10 bps	1.7x	1.3x	↑ 40 bps

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

- Increase in spite of lower interest rate environment

- Driven by slower economic growth especially in commodities driven areas

- Calculated based PD & LGD
- Compliance to IFRS No. 39 / PSAK No. 55

Maintains stable NIM and NPL despite of industry headwinds

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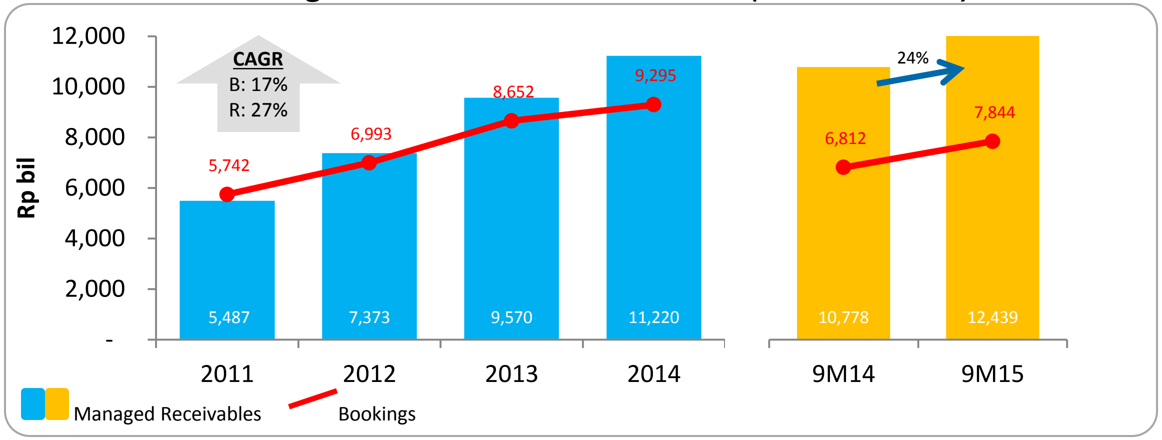
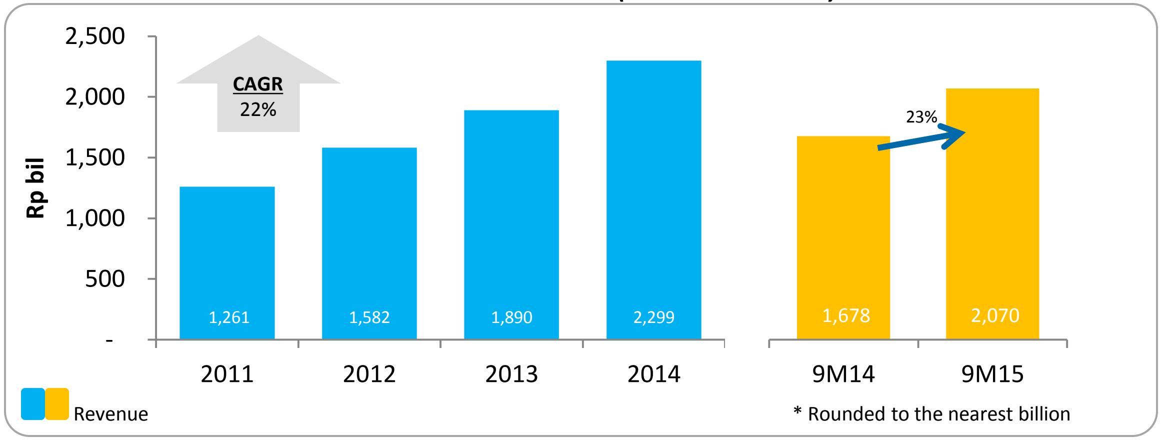
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2011-9M15)



- 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
- 9M15 strong Bookings growth yoy in spite of weak new car sales

Revenue Growth (2011-9M15)

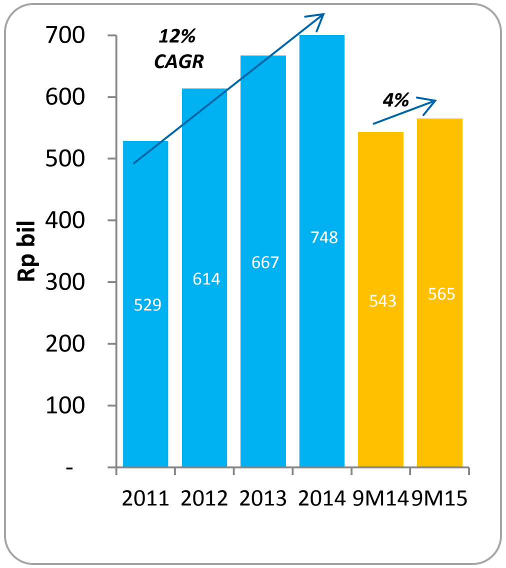


- Consistently strong growth in Revenue as a result of robust balance sheet
- Improvement in yield by 11 bps yoy
- Shows ability to maximise income generation from assets

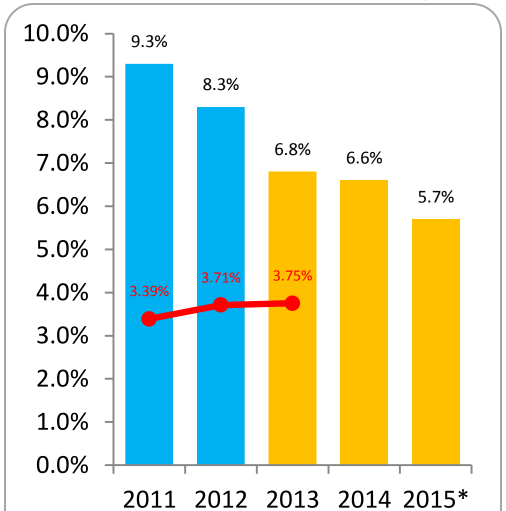
Sustainable loan and revenue growth over the years – backed by better asset mix

STABLE PROFITABILITY OVER THE YEARS

PBT Growth

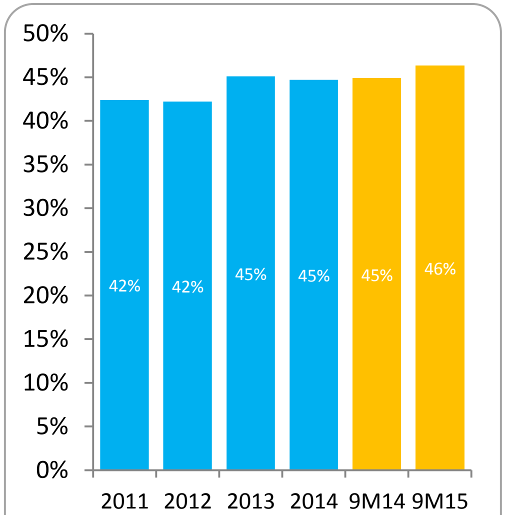


ROA Trend vs Industry



* 2015 annualised based on Sep-15 results
Source: Company, Infobank

*Cost-to-Income**



* G&A + Marketing Expense/Net Revenue

- Consistent PBT growth
- Efficiently OPEX management

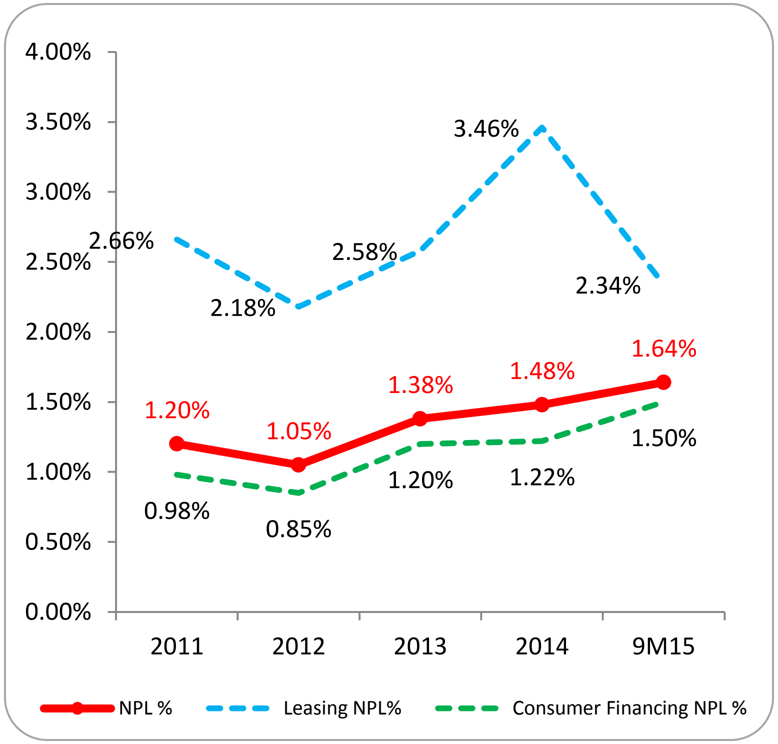
- One of the highest ROA companies in the industry
- Consistently outperformed industry

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

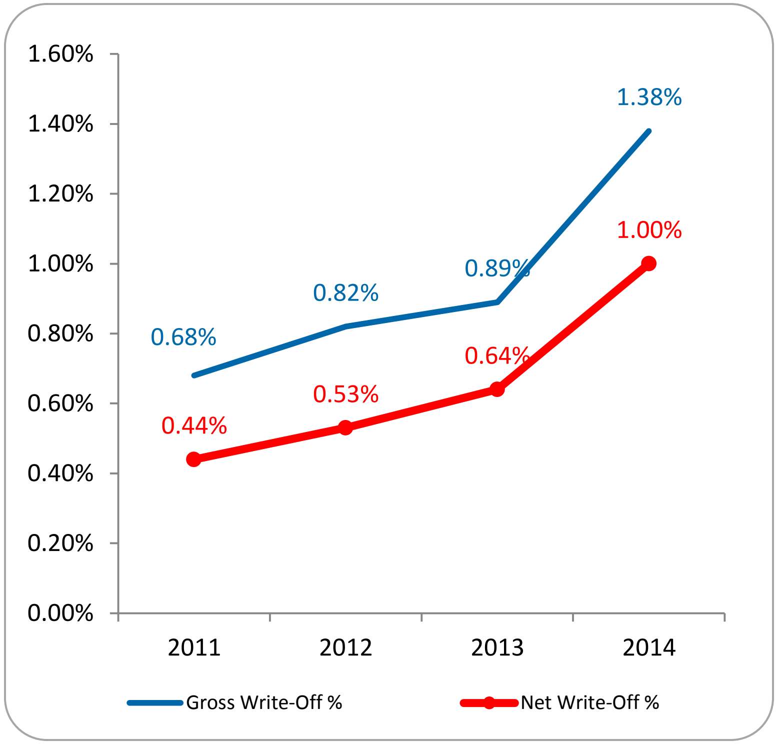
Still one of the most profitable multifinance companies, with ROAs much ahead of the industry average

ASSET QUALITY UNDER CONTROL

NPL Trend (2011-9M15)



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

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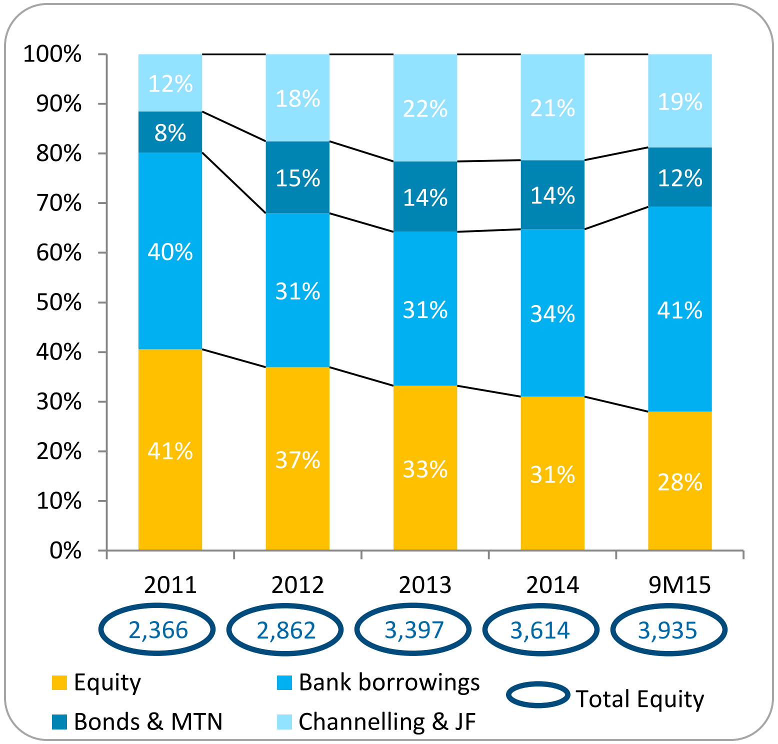
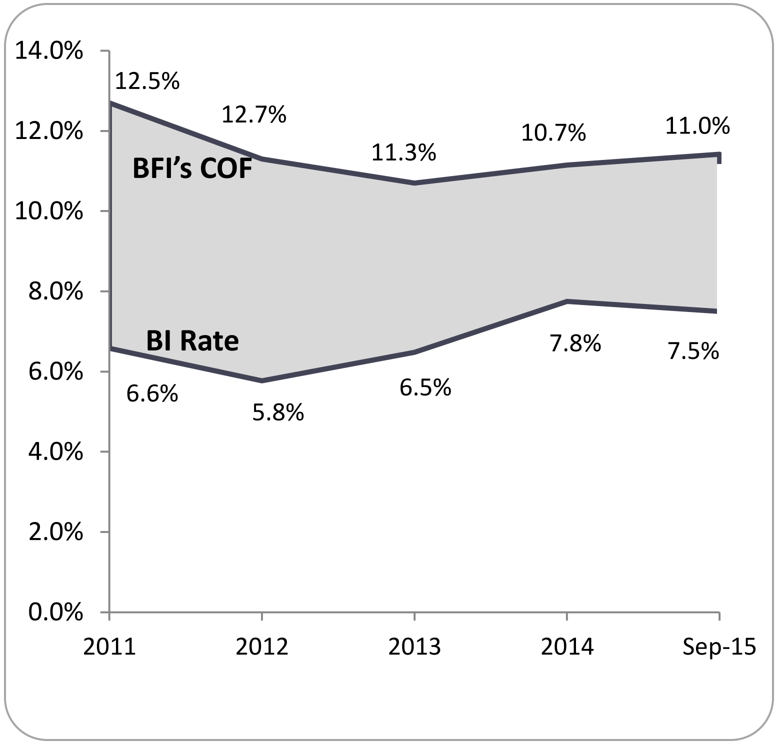
STRONG CAPITAL BASE

Source of Funding (2011-9M15)



Cost of Funds (2011-9M15)



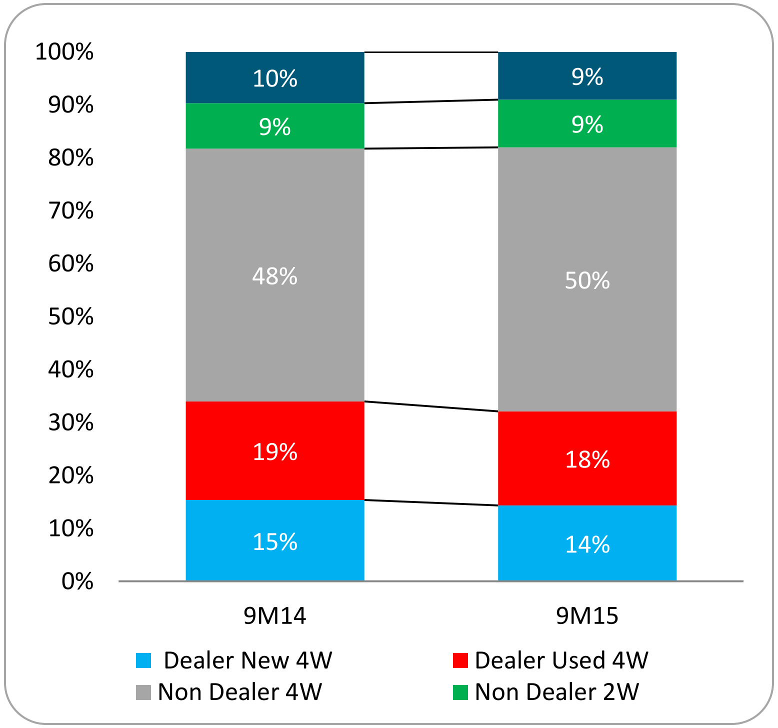
- Increasingly more diversified funding sources, which has helped especially in the last year to mitigate increasing cost of borrowings from local banks

- Slight increase in cost of funds but able to maintain NIMs even in adverse market conditions

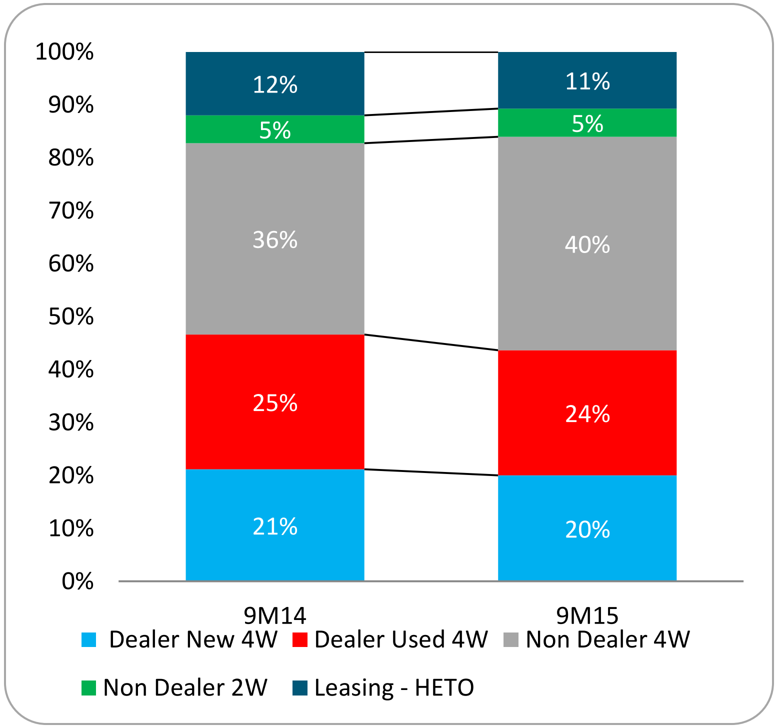
Capital structure more diversified, resulting in better management of borrowing cost and stable NIM

ASSET COMPOSITION – BY PRODUCT

Booking Composition (9M14 vs 9M15)



Managed Receivables Composition (9M14 vs 9M15)

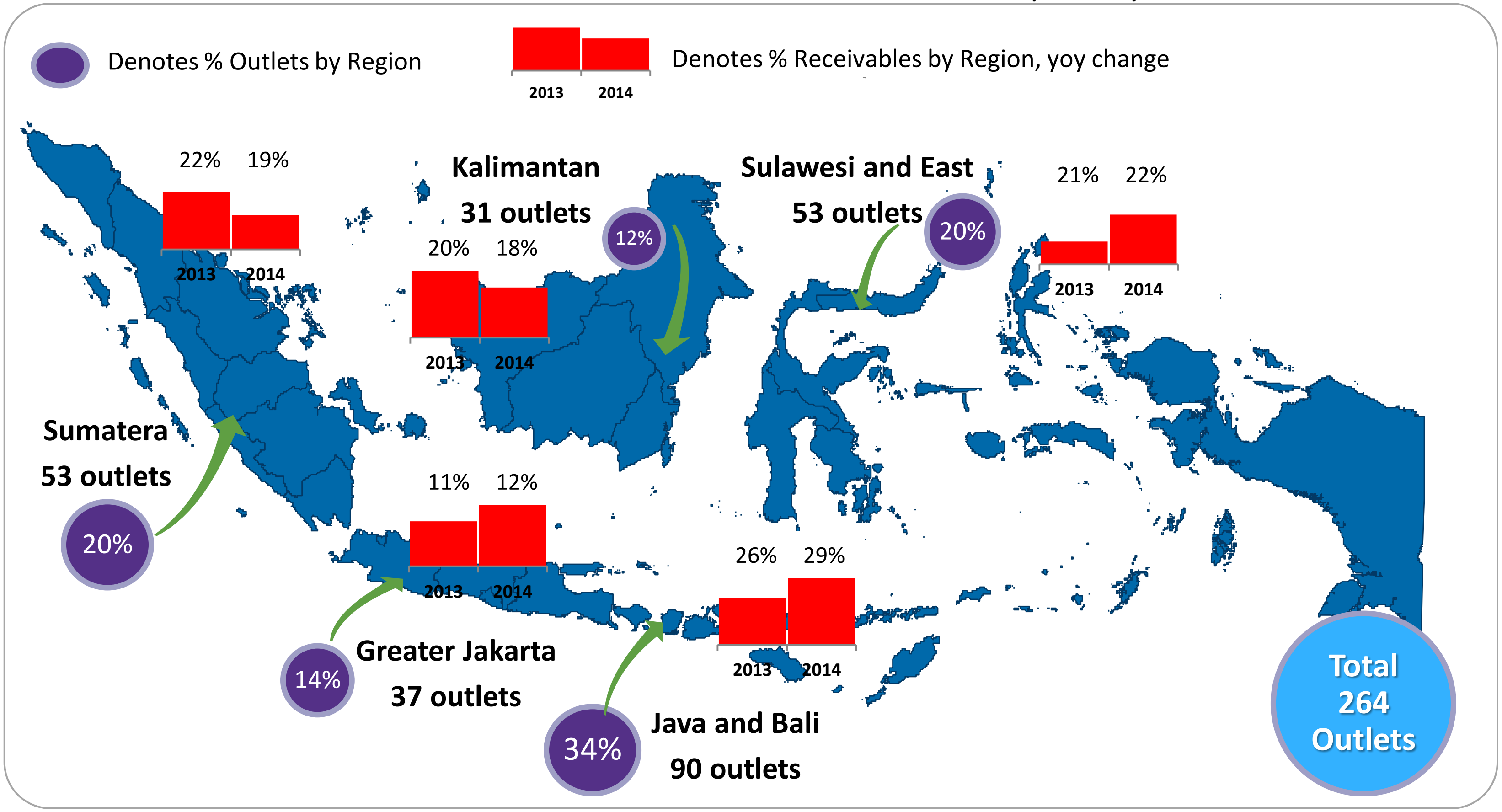


- Continue to focus on Used 4W financing – to finance higher yield products in order to maintain portfolio yields

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

STRONG FOOTPRINT OUTSIDE JAVA

Business Distribution and Branch Network (9M15)



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

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