PT BFI FINANCE INDONESIA: *1H17 RESULTS*

July 2017

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

BFI FINANCE

1H17 KEY UPDATES

Growth

- 01H17 new booking reached Rp6,775 bn, increase 30.0% YoY on backed by NDF Car and Mcy
- Total managed receivables grows 15.1% YoY to Rp14,524 bn, while on net receivables increased by 27.7% to Rp 13,500 bn
- Yield Portfolio increases 64 bps YoY to 20.56% and 36 bps above budget of 20.20%

Asset Quality

- 01H17 NPL ratio improved to 1.09% from 1.51% YoY due to continued vigilance in risk management and collection. (Note: Writeoff policy for 4W & 2W changed to 210 days starting Dec-2016)
- COC ratio stood at 2.14% (vs 2.09% YoY) and detained by improvement in NCL from 1.52% to 0.94%.

Funding

- Cost of fund decrease 108bps YoY to 10.33%, supported by maturing higher funding and lower new funding cost
- The issuance of Bond III Phase II 2017 of Rp1 trillion in Mar-2017 and USD 100 million syndicated loan (lead by SCB, BTMU & SMBC)

Profitability

- NIM improved 172bps from 8.51% in 01H16 to 10.23% in 01H17
- 01H17 PBT reached Rp658 bn, 42.5% YoY Growth,
- 01H17 PAT reached Rp526 bn, 54.5% YoY Growth backed by normalized tax rate of 20%

Other updates

- Final dividend payment of Rp110 / share in May-17,bringing total cash dividend for 2016: Rp260 / share or eq. 48.7% payout ratio
- Stock split 1:10 has been completed successfully in Jun-17
- Appointment of Mr. Andrew Adiwijanto as Director (pending OJK's fit & proper test) to replace Mr. Cornellius Henry who reelected as Commissioner

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BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H17	1H16	YoYΔ	FY16	FY15	YoYΔ
New Bookings	6,775	5,211	↑ 30.0%	10,743	10,058	↑ 6.8%
Managed Receivables^	14,524	12,623	↑ 15.1%	13,026	12,229	↑ 6.5%
Total Net Receivables	13,535	10,603	↑ 27.7%	11,583	9,898	↑ 17.0%
Total Assets	14,688	11,683	↑ 25.7%	12,476	11,770	↑ 6.0%
Total Debt^	10,247	8,884	↑ 15.3%	8,915	9,457	↓ 5.7%
Total Equity	4,588	4,113	↑ 11.6%	4,255	4,019	↑ 5.9%

Driven by Non-Dealer 4W and 2W bookings growth

Higher growth vs managed rec. is due to declining JF

New bank loans drawdown and issuance of new Bond

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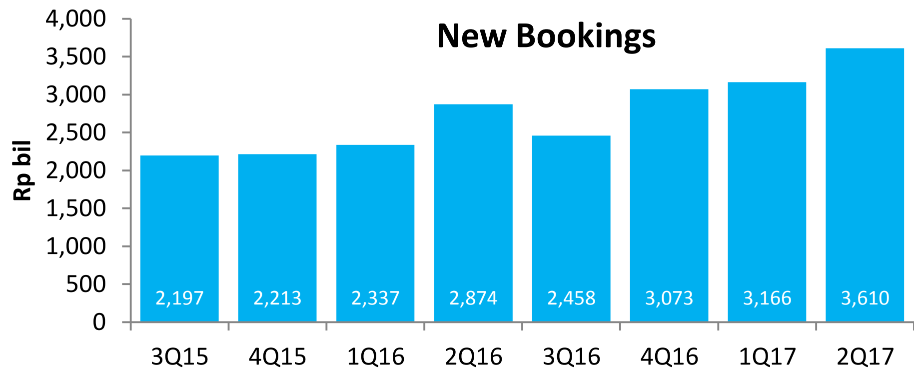
^ Includes channeling and joint financing transactions



Successfully able to sustain business growth from Non-Dealer Financing 4W and 2W

PROFIT & LOSS HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H17	1H16	YoYΔ		FY16	FY15	YoYΔ
Interest Income	1,401	1,239	↑ 13.1%	• Strong Non Dealer Financing income • Yield improvement of 64 bps YoY	2,532	2,415	↑ 4.8%
Financing Cost	483	512	↓ 5.7%		1,001	1,063	↓ 5.8%
Net Interest Income	918	727	↑ 26.3%		1,531	1,353	↑ 13.2%
Fee Based Income	311	240	↑ 29.9%	In line with new booking growth	489	383	↑ 27.7%
Net Revenue	1,423	1,127	↑ 26.2%		2,358	2,066	↑ 14.1%
Operating Expenses	619	535	↑ 15.6%	Manageable Increase driven largely by business volume growth	1,108	968	↑ 14.5%
Operating Income	804	592	↑ 35.8%		1,250	1,099	↑ 13.7%
Cost of Credit	146	130	↑ 12.0%	Controllable COC despite shorter WO cycle (210 DPD vs 270 DPD)	225	263	↓ 14.4%
PBT	658	462	↑ 42.5%		1,025	835	↑ 22.8%
PAT	526	340	↑ 54.5%	Normalized tax rate in 01H17	798	650	↑ 22.8%

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Continued improvements in portfolio yield and Net Interest Margins

KEY RATIOS

	1H17	1H16	YoY∆	FY16	FY15	YoY∆
Net Interest Margin	10.23%	8.51%	↑ 172 bps	8.85%	8.20%	↑ 65 bps
Cost to Income	43.48%	47.47%	↓ 399 bps	47.00%	46.83%	↑ 17 bps
COC / Avg Rec.	2.14%	2.11%	↑ 3 bps	1.80%	2.17%	↓ 37 bps
ROAA	9.84%	7.92%	↑ 192 bps	8.68%	7.75%	↑ 93 bps
ROAE	23.62%	16.84%	↑ 678 bps	19.37%	16.90%	↑ 247 bps
NPL*	1.09%	1.51%	↓ 42 bps	0.91%	1.33%	↓ 42 bps
Debt / Equity	2.01x	1.66x	↑ 0.35x	1.76x	1.63x	↑ 0.13x

Improvement in both yield and COF

To increase reserve coverage to productive assets and NPL

Strong growth in PAT yoy

Improved NPL due to prudent risk mgt & shorter WO cycle

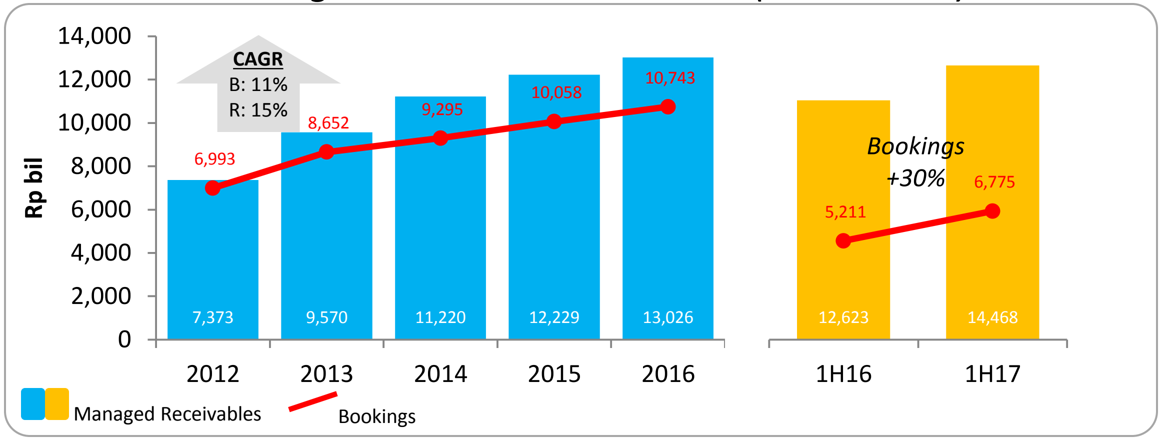
* Defined as Pastdue >90 days, Calculated from total managed receivables (including off B/S receivables)

Maintain strong financial ratios which reflect robust business performance management

BFI FINANCE

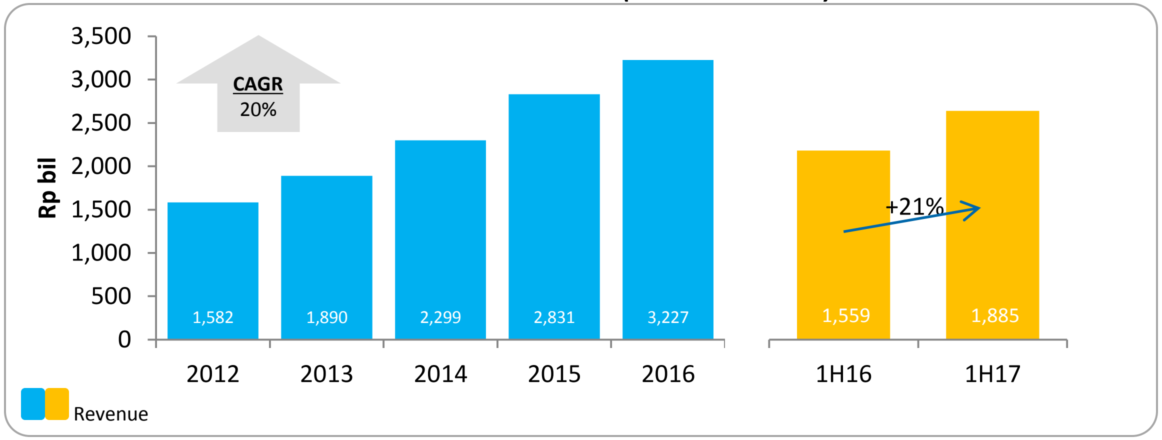
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2012-1H17)



- Loan book shows improvement over the years – able to improve quality and tenor of loans booked, resulting in consistent Receivables growth compared to Bookings
- CAGR growth yoy higher than the industry

Revenue Growth (2012-1H17)



- Consistently strong growth in Revenue as a result of robust balance sheet
- Shows ability to maximise income generation from assets

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

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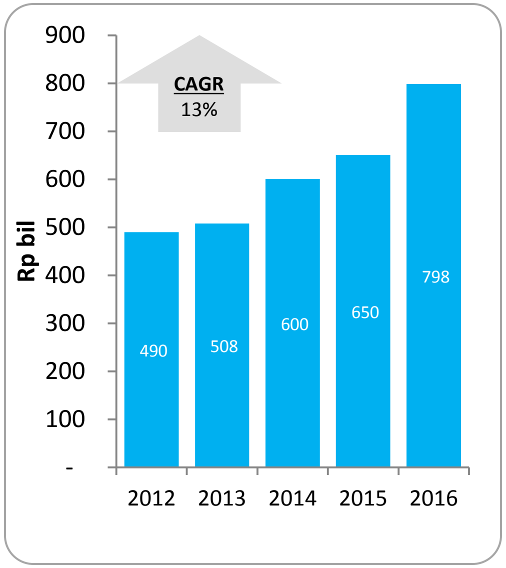
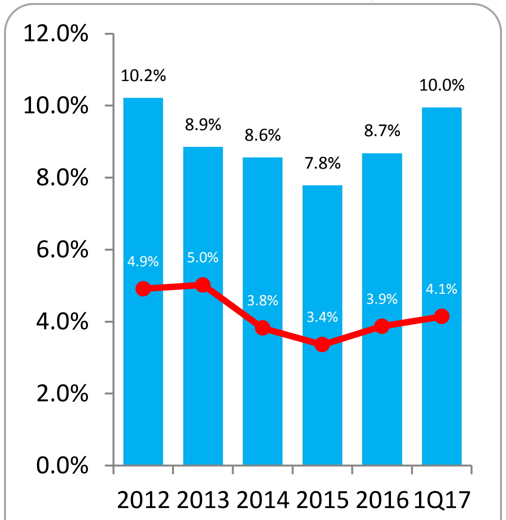
STABLE PROFITABILITY OVER THE YEARS

PAT Growth

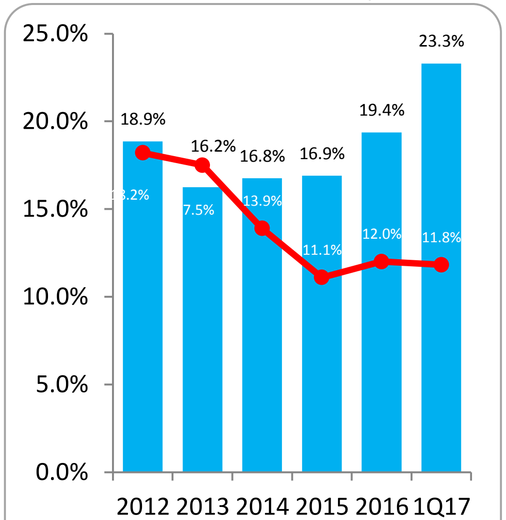


ROA vs Industry



Source: Company, OJK

ROE vs Industry



Source: Company, OJK

- PAT growth in spite of slowing economy
- Continued efficient OPEX management in spite of aggressive expansion over the years

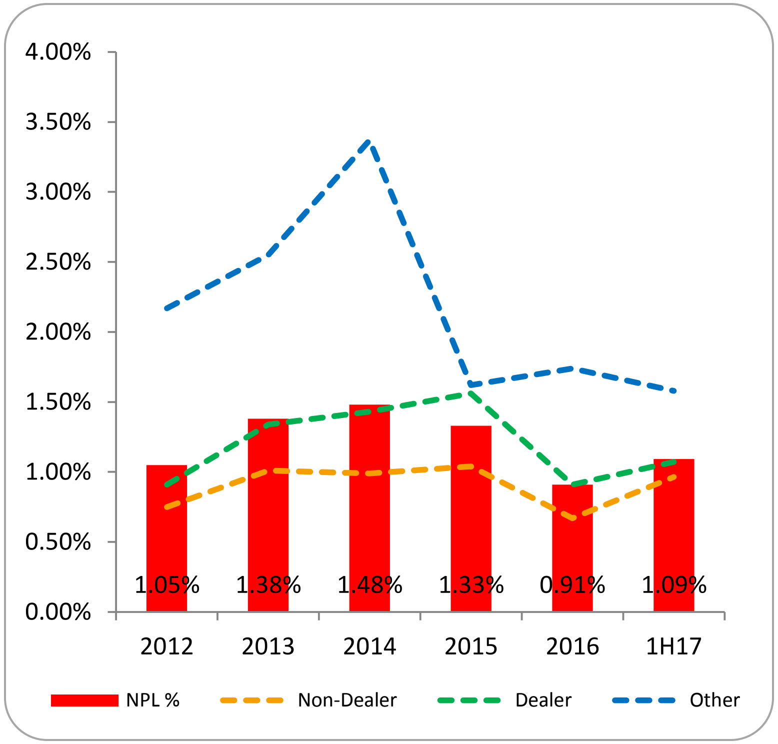
- One of the highest ROA companies in the industry
- Consistently outperformed industry

- ROE improving over the years

Still one of the most profitable multifinance companies,
with Returns on Equity and Assets much ahead of the industry

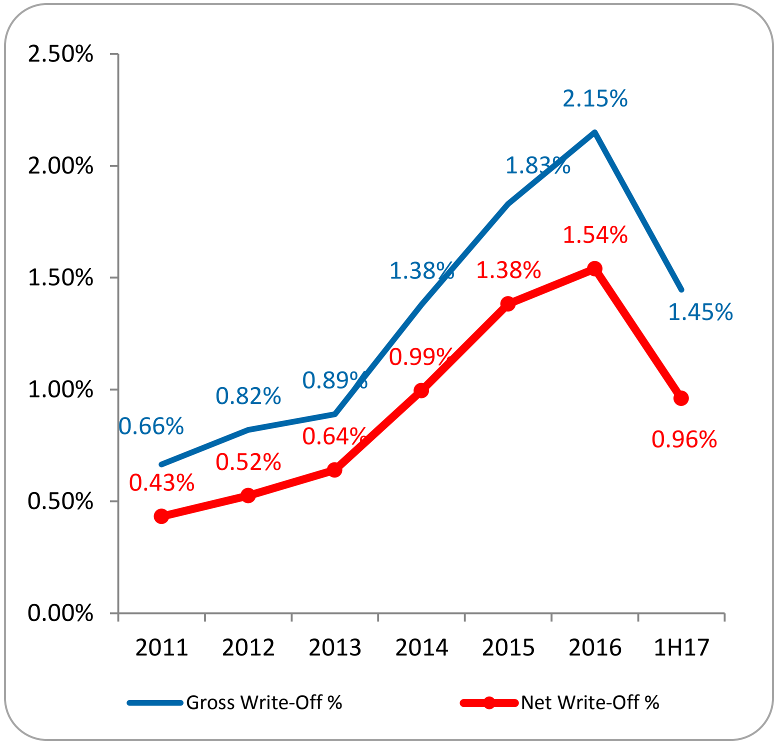
ASSET QUALITY UNDER CONTROL

NPL Trend (2012-1H17)



- Well managed balance sheet with low NPLs

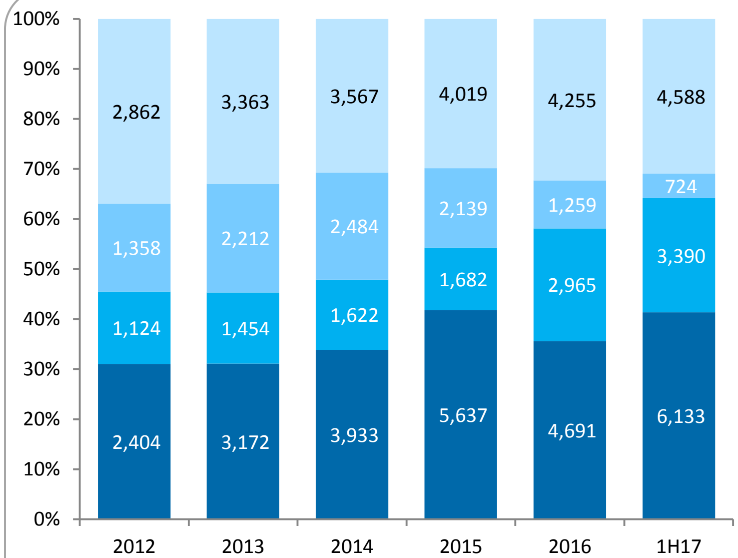
Write-Offs (2012-1H17)



- Lower write off than its peers
- Write-off policy for 4W and 2W changed to 210 days in Dec-16

STRONG CAPITAL BASE

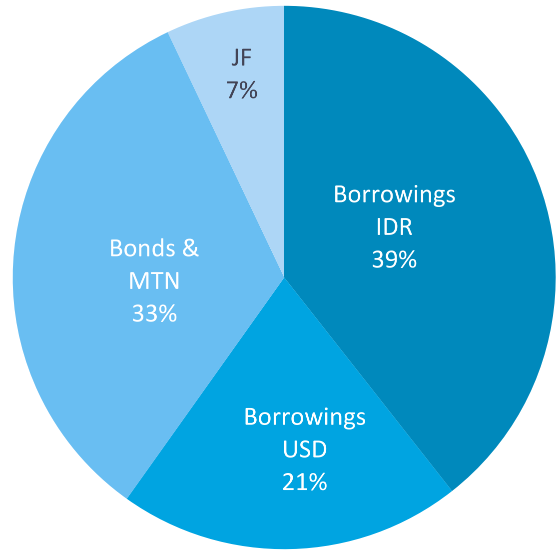
Source of Funding (2012-1H17)



	2012	2013	2014	2015	2016	1H17
Total Equity	2,862	3,363	3,567	4,019	4,255	4,588

Bank borrowings | Bonds & MTN | JF | Equity

External Funding Sources



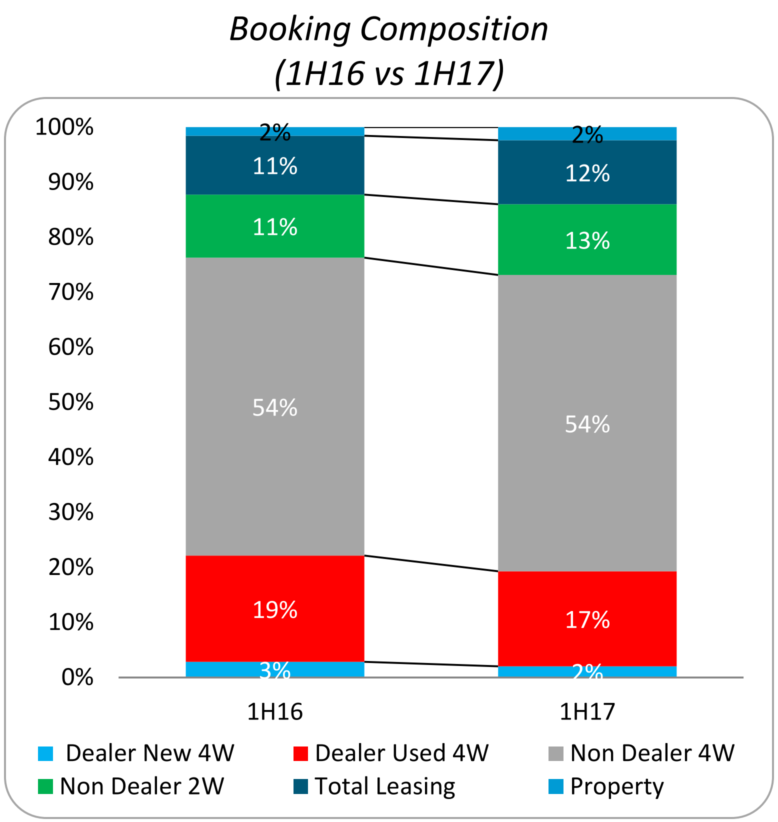
Total : Rp10,247 Billion

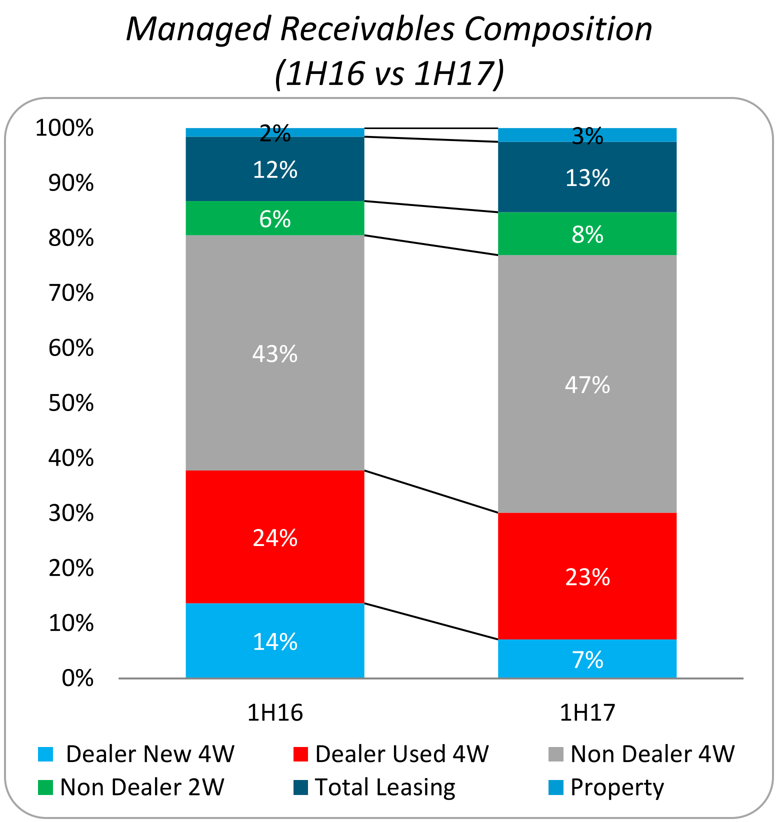
- Increasingly larger proportion of bonds issued, taking advantage of improved pricing climate for bonds since last year
- The decline e in Joint Financing activities contributes to better funding cost

- Corporate rating upgrade by Fitch Ratings to AA-(idn) by end of 2016 has improved BFI credit profiles and impact to overall COF
- Adequate additional facilities in pipelines to support further business expansion

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

ASSET COMPOSITION

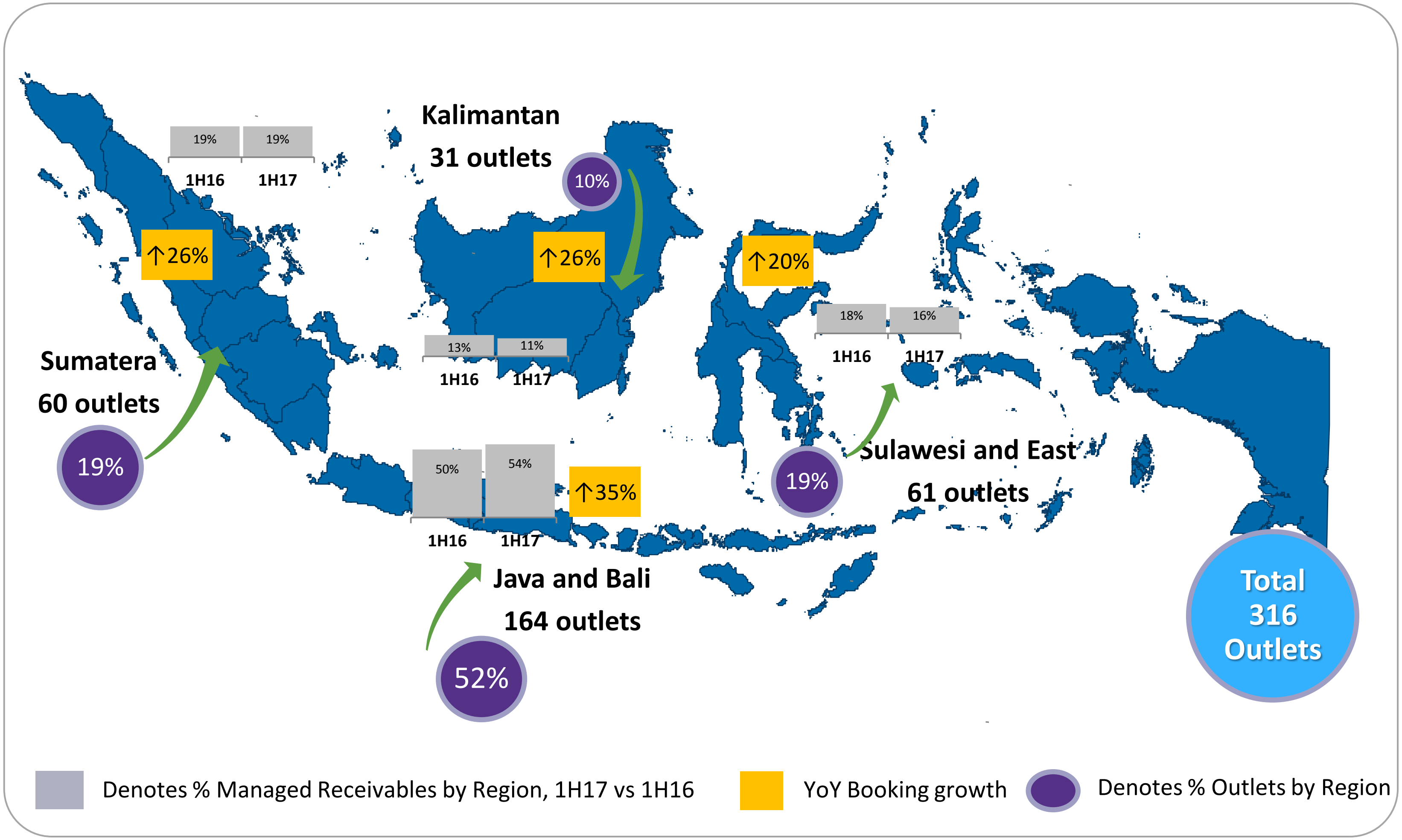




Continuous effort to shift the business towards higher yield segments

DISTRIBUTION NETWORK (AS AT JUN-17)

Business Distribution and Branch Network



Highest growth is observed in Jawa Bali and followed by Sumatera

Thank you