PT BFI FINANCE INDONESIA: *3Q17 RESULTS*

October 2017

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

BFI FINANCE

UPDATES AS OF SEP-17

Growth

- 9M17 new booking reached Rp10,251 bil, increase 33.7% YoY on backed by NDF 4W and 2W
- Total managed receivables grows 18.5% YoY to Rp14,972 bil, while on net receivables increased by by 33.2% to Rp 14,356 bil
- Yield Portfolio increases 61 bps YoY to 20.62% supported by larger proportion of higher yield portfolio

Asset Quality

- 9M17 NPL ratio improved to 1.11% from 1.75% YoY due to continued vigilance in risk management and collection. (Note: Write-off policy for 4W & 2W changed to 210 days starting Dec-2016)
- COC ratio also improved to 1.70% from 2.12% YoY, in line with the improvement in NCL from 1.51% to 1.05%.

Funding

- Cost of fund decrease 115bps YoY from 11.38% to 10.22%, supported by maturing higher cost of funding and lower new funding cost
- Signing of USD100 mm syndicated loan (led by SCB, SMBC & BTMU) and further upsized to USD125 mm after receiving substantial over subscription

Profitability

- Net Interest Spread improved by 176bps from 8.63% in 9M16 to 10.39% in 9M17
- 9M17 PBT reached Rp1,055 bil, 46.8% YoY Growth
- 9M17 PAT reached Rp842 bil, 52.1% YoY Growth backed by normalized tax rate of 20%

Other

- Fit and Proper – Cornelius Henry confirmed as Commissioner and Andrew Adiwijanto as Director
- Setting up of subsidiary PT Finansial Integrasi Teknologi for digital initiatives
- Approval for setting up of sharia business unit

BFI FINANCE

BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	9M17	9M16	YoY∆	FY16	FY15	YoY∆
New Bookings	10,251	7,669	↑ 33.7%	10,743	10,058	↑ 6.8%
Managed Receivables^	14,972	12,639	↑ 18.5%	13,026	12,229	↑ 6.5%
Total Net Receivables	14,356	10,779	↑ 33.2%	11,583	9,898	↑ 17.0%
Total Assets	15,326	11,680	↑ 31.2%	12,476	11,770	↑ 6.0%
Total Debt	9,754	6,961	↑ 40.1%	7,656	7,318	↑ 4.6%
Total Proforma Debt^	10,237	8,569	↑ 19.5%	8,915	9,457	↓ 5.7%
Total Equity	4,890	4,197	↑ 16.5%	4,255	4,019	↑ 5.9%

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

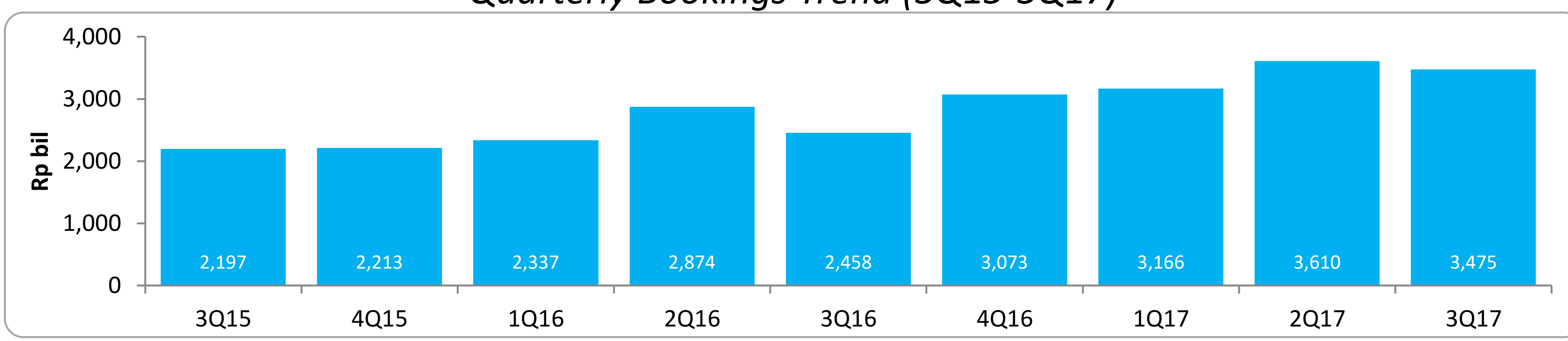
Higher growth vs managed rec. is due to declining JF

New bank loans drawdown and issuance of new Bond

* 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

Quarterly Bookings Trend (3Q15-3Q17)



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

PROFIT & LOSS HIGHLIGHTS (PROFORMA)

In Rp bil (unless otherwise stated)	9M17	9M16	YoYΔ	FY16	FY15	YoYΔ
Interest Income	2,162	1,873	↑ 15.4%	2,532	2,415	↑ 4.8%
Financing Cost	(735)	(759)	↓ 3.1%	1,001	1,063	↓ 5.8%
Net Interest Income	1,426	1,115	↑ 28.0%	1,531	1,353	↑ 13.2%
Fees & Other Income	776	598	↑ 29.8%	826	713	↑ 15.8%
Net Revenue	2,203	1,713	↑ 28.6%	2,358	2,066	↑ 14.1%
Operating Expenses	(970)	(798)	↑ 21.6%	1,108	968	↑ 14.5%
Operating Income	1,233	916	↑ 34.7%	1,250	1,099	↑ 13.7%
Cost of Credit	(178)	(197)	↓ 9.5%	225	263	↓ 14.4%
PBT	1,055	719	↑ 46.8%	1,025	835	↑ 22.8%
PAT	842	554	↑ 52.1%	798	650	↑ 22.8%

- Strong Non Dealer Financing income
- Yield improvement of 61 bps YoY

In line with new booking growth

Manageable Increase driven largely by business volume growth

Improved CoC despite shorter WO cycle (210 DPD vs 270 DPD)

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

Continued improvements in portfolio yield and Net Interest Margins

BFI FINANCE

KEY RATIOS

	9M17	9M16	YoY∆		FY16	FY15	YoY∆
Net Interest Spread	10.39%	8.63%	↑ 176 bps	Improvement in both yield and CoF	8.85%	8.20%	↑ 65 bps
Cost to Income	44.01%	46.56%	↓ 254 bps		47.00%	46.83%	↑ 17 bps
COC / Avg Rec.	1.70%	2.12%	↓ 42 bps	Improvement in CoC in line with improvement in NCL	1.80%	2.17%	↓ 37 bps
ROAA	10.14%	8.23%	↑ 191 bps		8.68%	7.75%	↑ 93 bps
ROAE	24.63%	18.16%	↑ 647 bps	Strong growth in PAT yoy	19.37%	16.90%	↑ 247 bps
NPL*	1.11%	1.75%	↓ 64 bps	Improved NPL due to prudent risk mgt & shorter WO cycle	0.91%	1.33%	↓ 42 bps
Debt / Equity	2.0x	1.7x	↑ 30 bps		1.8x	1.8x	Stable

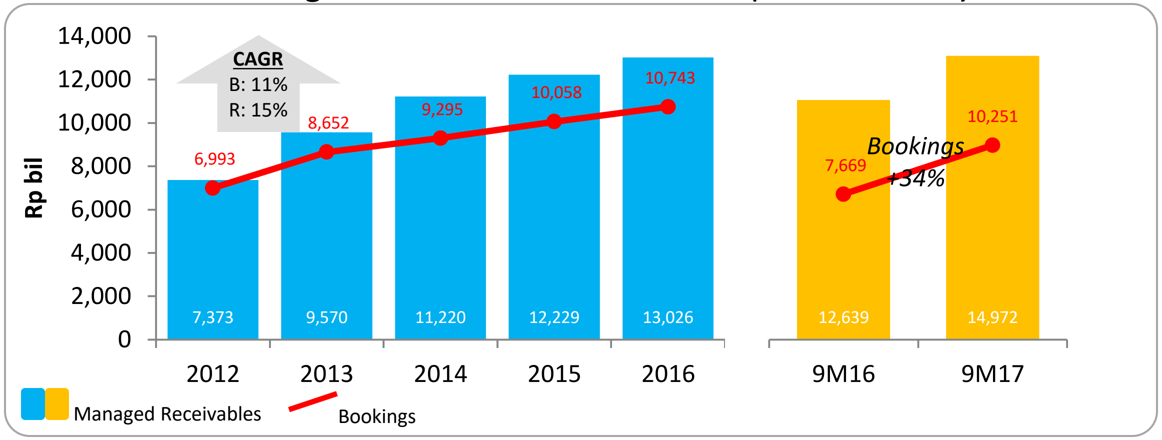
* Defined as Pastdue >90 days, Calculated from total managed receivables (including off B/S receivables)

Maintain strong financial ratios which reflect robust business performance management

BFI FINANCE

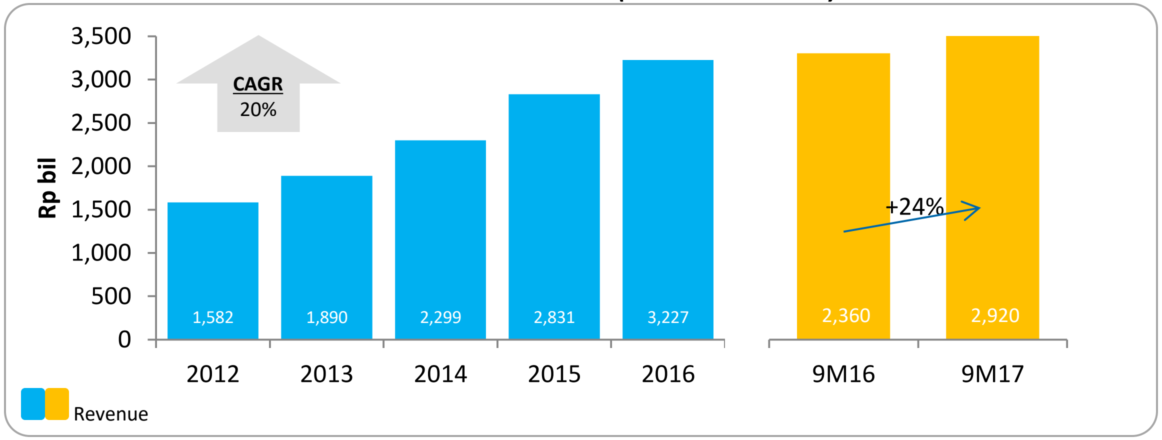
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2012-9M17)



- 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 (2012-9M17)



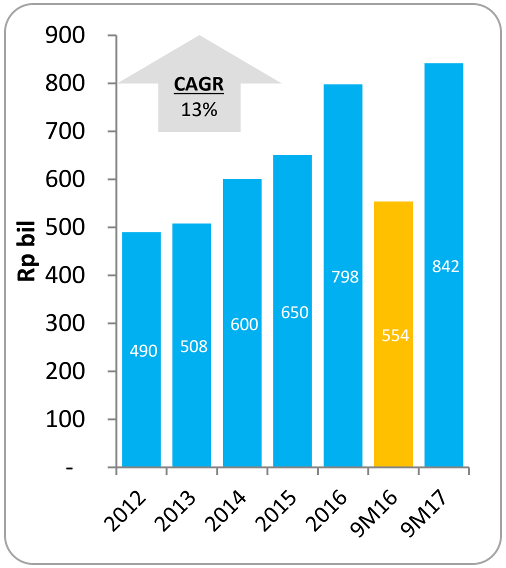
- Consistently strong growth in Revenue as a result of robust balance sheet
- Shows ability to maximise income generation from assets

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

BFI FINANCE

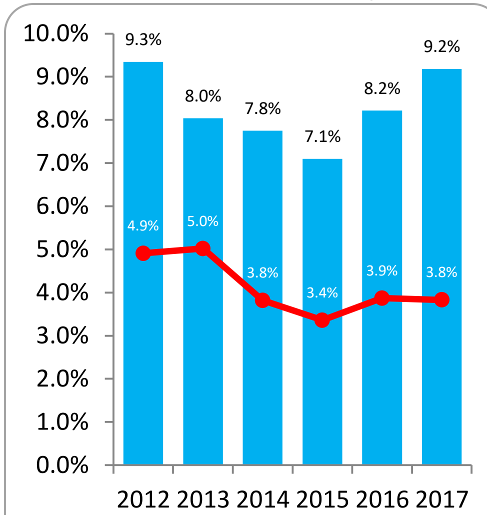
STABLE PROFITABILITY OVER THE YEARS

PAT Growth



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

ROA vs Industry

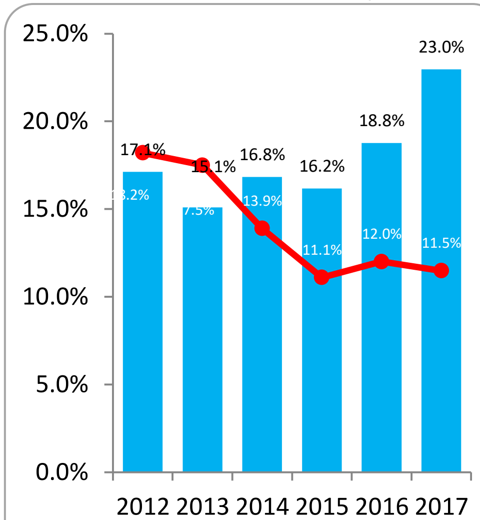


Source: Company, OJK

* 2017 annualised based on Sep-17 results
ROA calculated using PBT/Assets

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

ROE vs Industry



Source: Company, OJK

* 2017 annualised based on Sep-17 results
ROE calculated using PAT/Equity

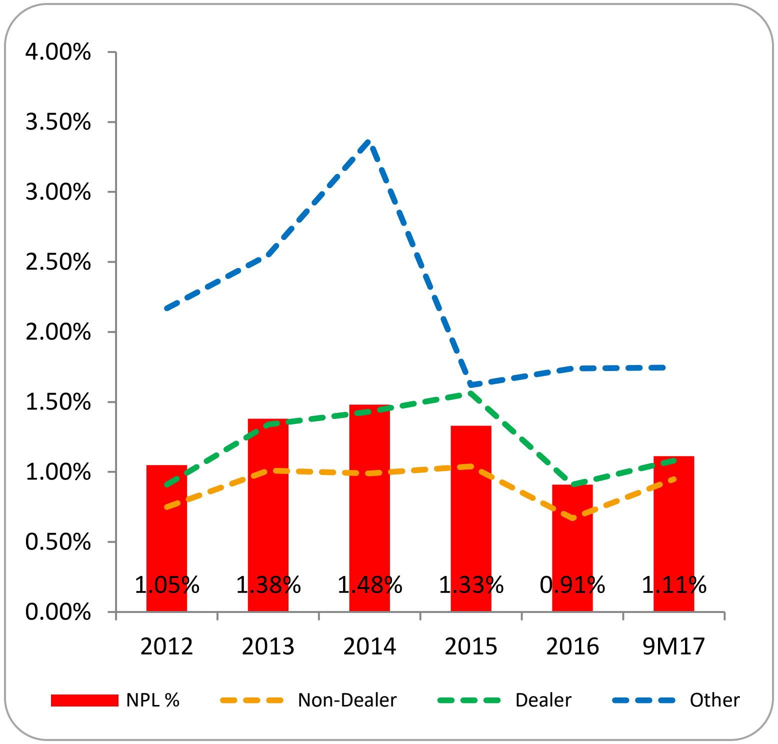
- ROE improving over the years

Still one of the most profitable multifinance companies, with ROA and ROE much ahead of the industry

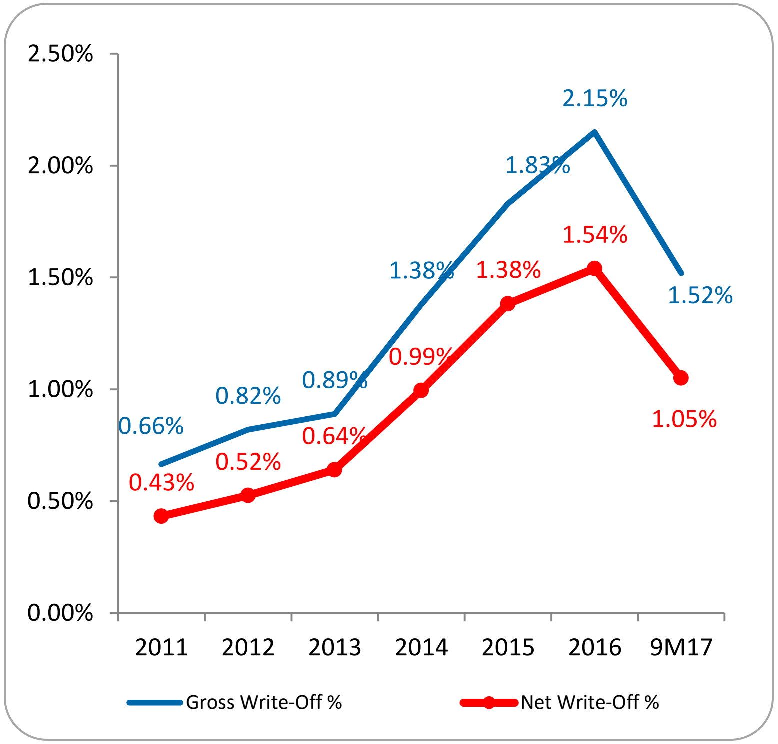
BFI FINANCE

ASSET QUALITY UNDER CONTROL

NPL Trend (2012-9M17)



Write-Offs (2012-9M17)

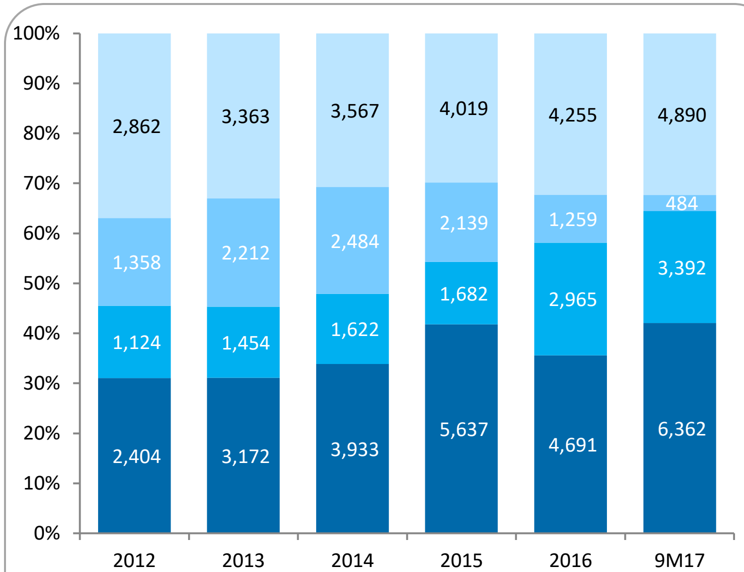


- Well managed balance sheet with low NPLs

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

STRONG CAPITAL BASE

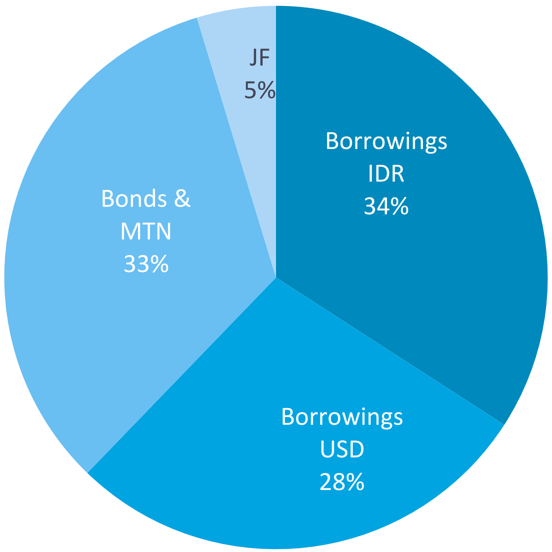
Source of Funding (2012-9M17)



	2012	2013	2014	2015	2016	9M17
Total Equity	2,862	3,363	3,567	4,019	4,255	4,890

Bank borrowings | Bonds & MTN | JF | Equity

External Funding Sources



Total : Rp10,237 billion

- Increasingly larger proportion of bonds issued, taking advantage of improved pricing climate for bonds since last year
- Decline in Joint Financing contribute to better funding cost

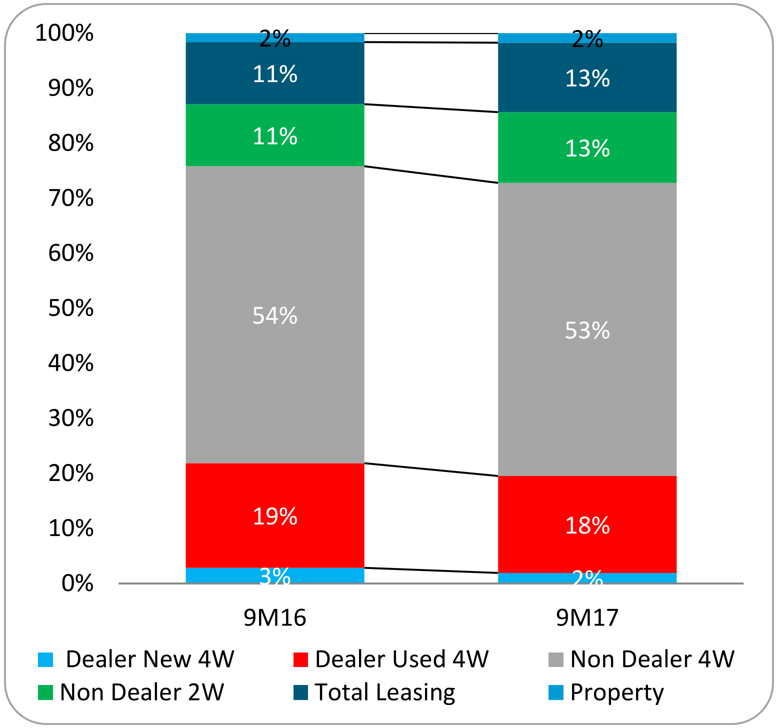
- Corporate rating upgrade by Fitch Ratings to AA-(idn) has improved BFI credit profile and CoF
- Adequate facilities in pipeline to support further business expansion

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

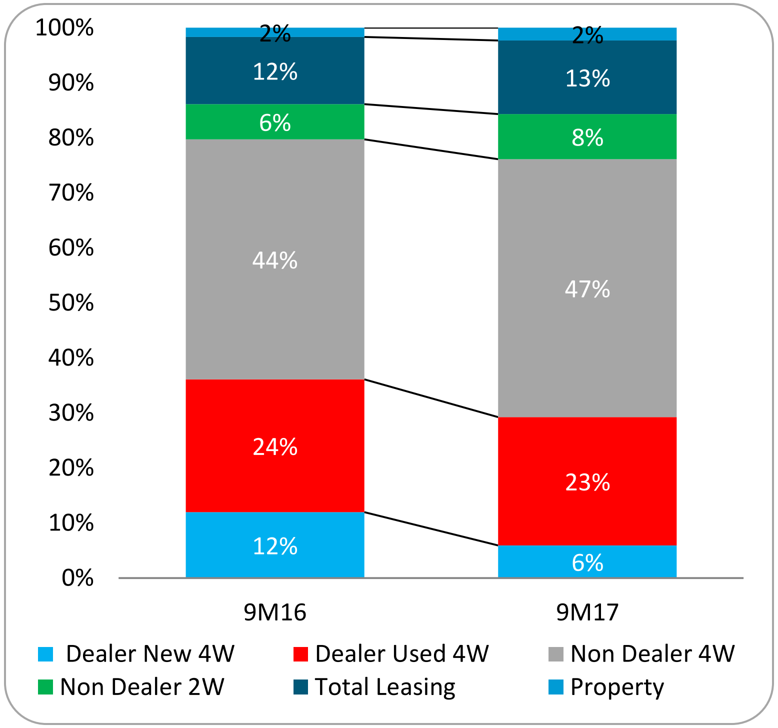
BFI FINANCE

ASSET COMPOSITION

Booking Composition (9M16 vs 9M17)



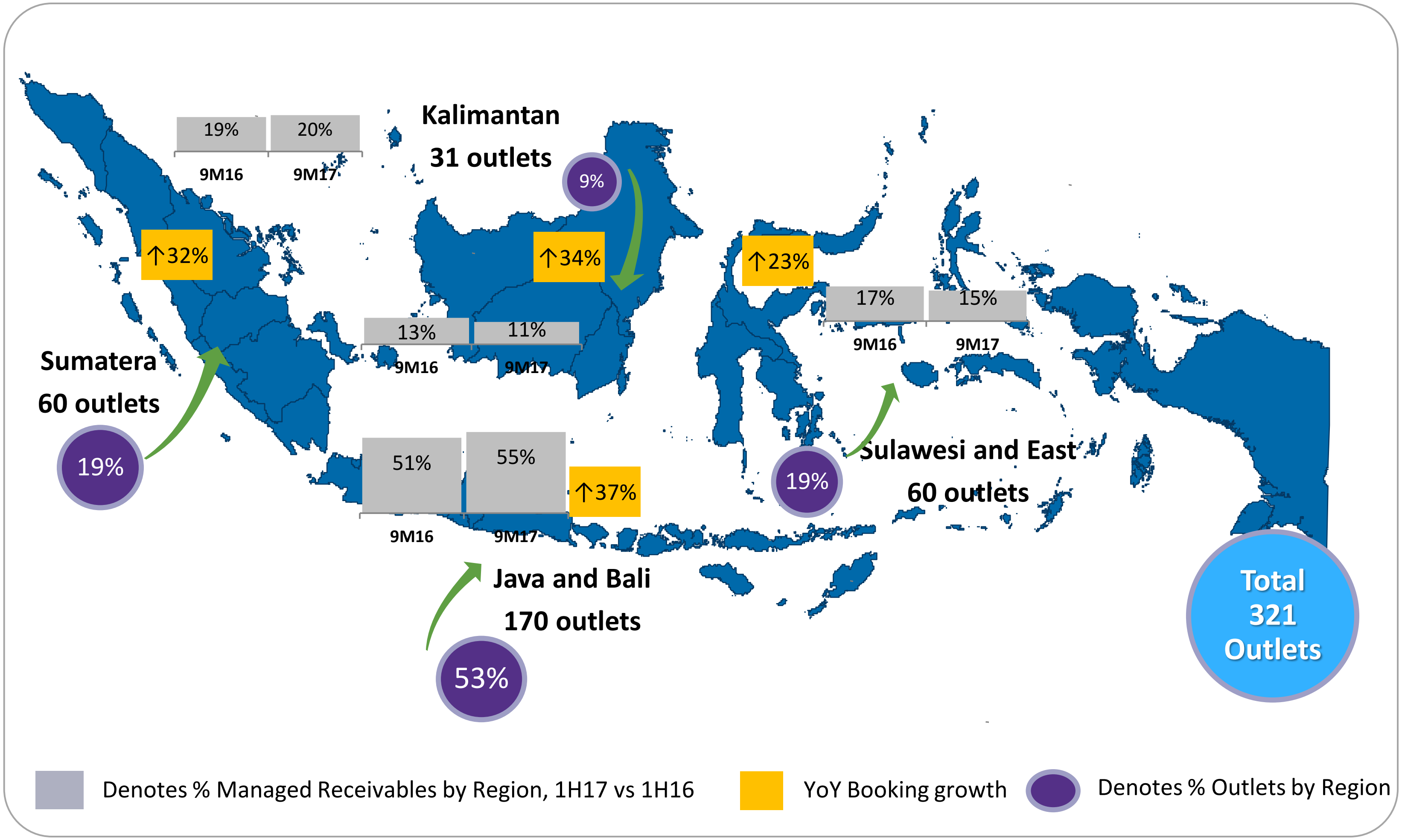
Managed Receivables Composition (9M16 vs 9M17)



Continuous effort to shift the business towards higher yield segments

DISTRIBUTION NETWORK (AS AT SEP-17)

Business Distribution and Branch Network



Current expansion focused on Java

BFI FINANCE