OPTIMISE. GROW. LEAD

PT BFI FINANCE INDONESIA: *FY15 RESULTS*

Feb 2016

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FY15 KEY UPDATES

GROWTH

- **Receivables and Revenue** growth, amidst economic challenges
    - Total Receivables grew 16% whilst Managed Receivables (incl off balance sheet) grew 9% driven by Booking growth (8%) and longer tenor loans, outperforming industry receivables which declined by 0.8% yoy (*Bank Indonesia*), and in spite of contraction in national 4W sales by 16% (*Gaikindo*)
    - Net Revenue growth of 18% driven largely by strong Consumer Financing business, higher yields and increase in Receivables book
- 7 new outlets

PROFITABILITY

- 2015 PAT 8% yoy to Rp650 billion, with ability to maintain yields, higher efficiency in operations, and strong receivables growth
- ROAE improved to 17.1% vs 17.0% in 2014

ASSET QUALITY

- NPL improved to 1.33% from 1.48% in 2014 despite challenging macro conditions

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FY15 KEY UPDATES

FUND RAISING UPDATES

- Shelf issuance of Bond II Phase II 2015 (tenor 1-3 years) of Rp1 trillion
- Syndicated loan amounting to USD155 million from 2 syndications

DIVIDEND UPDATES

- Interim cash dividend from FY15 profits of Rp138/share paid in December 2015

MANAGEMENT UPDATES

- Resignation of Harry Rodriguez from BOD, replaced by Sigit Gunawan

OTHERS

- Shares buyback program amounting to 1.6 million shares or 0.1% up to Dec-15
- Awarded a positive outlook by Fitch Ratings to A+ (idn) positive In Dec-15 despite contracted industry growth

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BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H15	2H15	FY15	FY14	YoY∆
New Bookings	5,647	4,411	10,058	9,295	↑ 8.2%
Managed Receivables^	12,528	12,229	12,229	11,220	↑ 9.0%
Total Receivables	9,511	10,078	10,078	8,720	↑ 15.6%
Total Assets	10,740	11,770	11,770	9,683	↑ 21.6%
Total Borrowings^	9,562	9,457	9,457	8,039	↑ 17.6%
Total Equity	3,823	4,019	4,019	3,567	↑ 12.7%

* Absolute figures have been rounded to the closest Rp billion and may result in discrepancies in computation of totals of percentages

^ Includes channeling and joint financing transactions

- Driven by Non-Dealer growth which offset slower Dealer and HE financing

- Managed Receivables growth slower due to less Joint Financing

Overall solid FY15 performance albeit slower growth in 02H15

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PROFIT & LOSS HIGHLIGHTS

In Rp bil (unless otherwise stated)	1H15	2H15	FY15	FY14	YoY∆
Interest Income	1,165	1,250	2,415	1,989	↑ 21.4%
Financing Cost	504	559	1,063	822	↑ 29.3%
Net Interest Income	661	691	1,353	1,167	↑ 15.9%
Fee Based Income	182	201	383	326	↑ 17.6%
Net Revenue	1,011	1,055	2,066	1,754	↑ 17.8%
Operating Expenses	481	487	968	802	↑ 20.7%
Operating Income	530	568	1,099	953	↑ 15.3%
Cost of Credit	160	103	263	202	↑ 30.0%
PBT	371	465	835	751	↑ 11.3%
PAT **	298	353	650	600	↑ 8.4%

* Absolute figures have been rounded to the closest Rp billion and may result in discrepancies in computation of totals of percentages

** FY14 PAT has been restated due to change in accounting standard (PSAK No. 24 revised 2013) which affect an increased 2014 PAT from Rp 597 bn to Rp 600 bn

- Strong Consumer Financing revenue
- Yield improvement of 66 bps YoY
- Strong Receivables growth

- Mainly driven by employee related expenses

- Higher write-offs in some regions (Kalimantan, Sulawesi)
- Increase Loan loss reserve

Improved NIM and manageable cost of credit drives PAT growth

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KEY RATIOS

	FY15	FY14	YoYΔ
Net Interest Margin	8.20%	7.85%	↑ 35 bps
Cost to Income	46.83%	45.84%	↑ 99 bps
COC / Avg Rec.	2.17%	1.94%	↑ 23 bps
ROAA	6.04%	6.81%	↓ 77 bps
NPL*	1.33%	1.48%	↓ 15 bps
Debt / Equity	1.63x	1.48x	↑ 0.15x

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

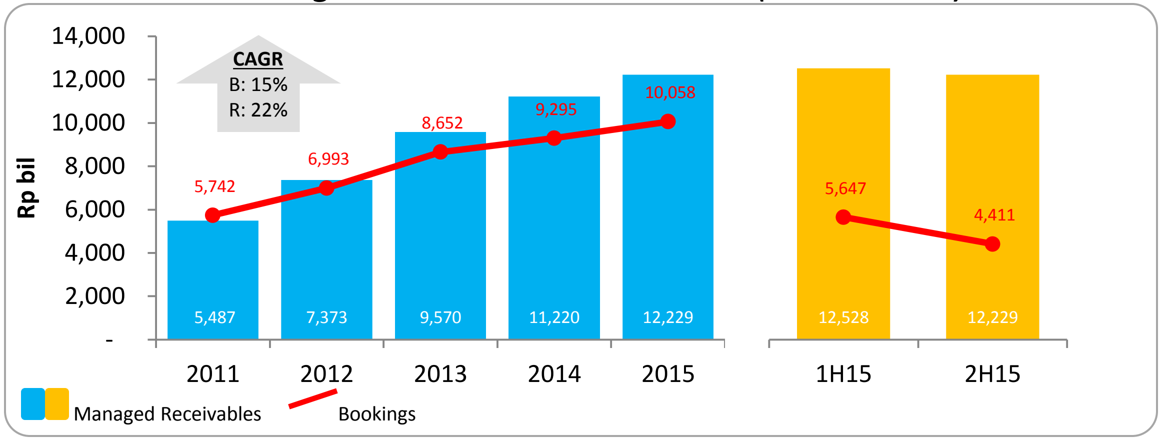
- Better funding mix resulting in higher overall portfolio yield

- Continue to show manageable asset quality despite challenging economic conditions

Maintains stable NIM and NPL despite of industry headwind

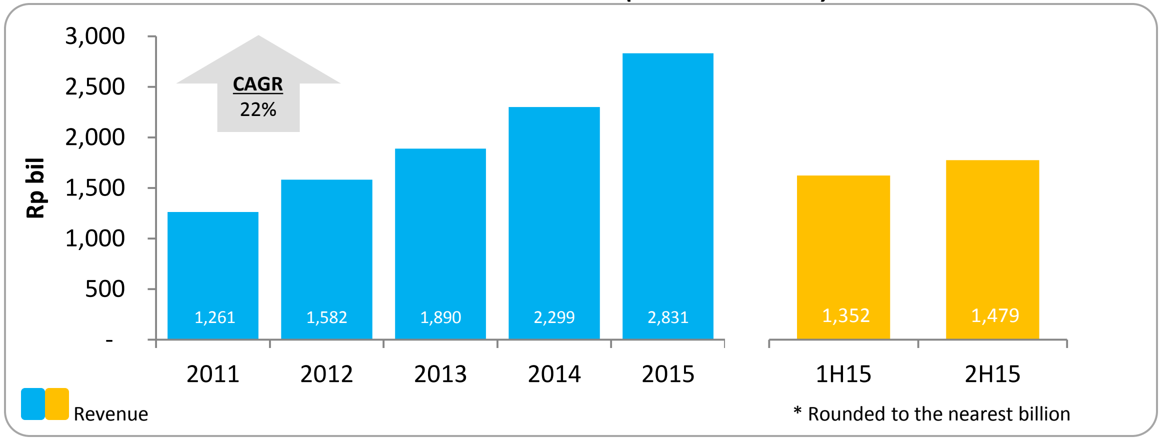
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2011-2015)



- 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
- FY15 recorded Receivables growth yoy in spite of weak automotive sales

Revenue Growth (2011-2015)

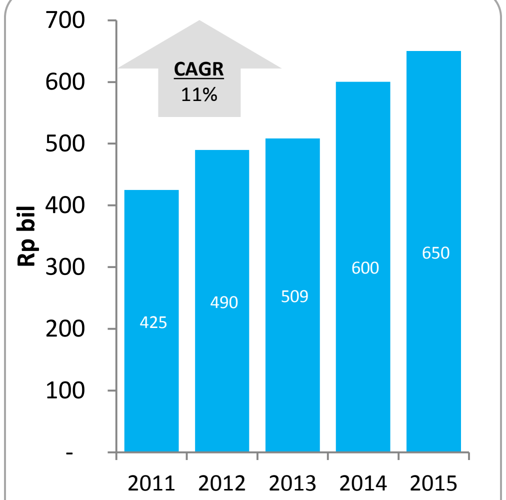


- Consistently strong growth in Revenue as a result of robust balance sheet
- Shows ability to maximise income generation from assets

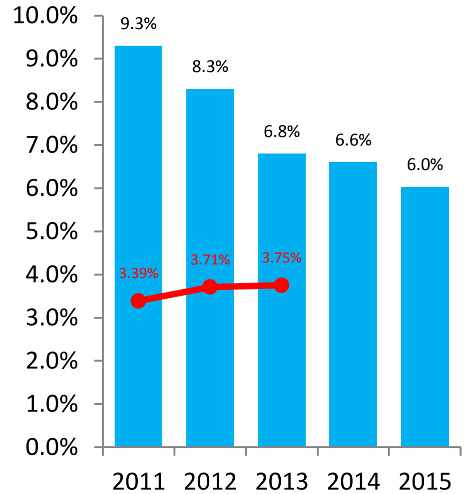
Sustainable loan and revenue growth over the years – backed by better asset mix

STABLE PROFITABILITY OVER THE YEARS

PAT Growth

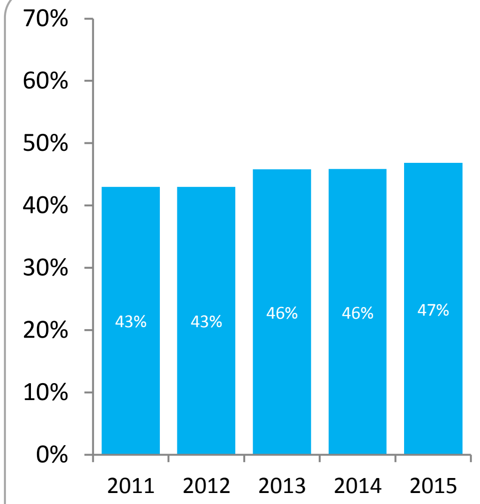


ROA Trend vs Industry



* 2014 annualised based on Sep-14 results
Source: Company, Infobank

*Cost-to-Income**



* G&A + Marketing Expense/Net Revenue

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

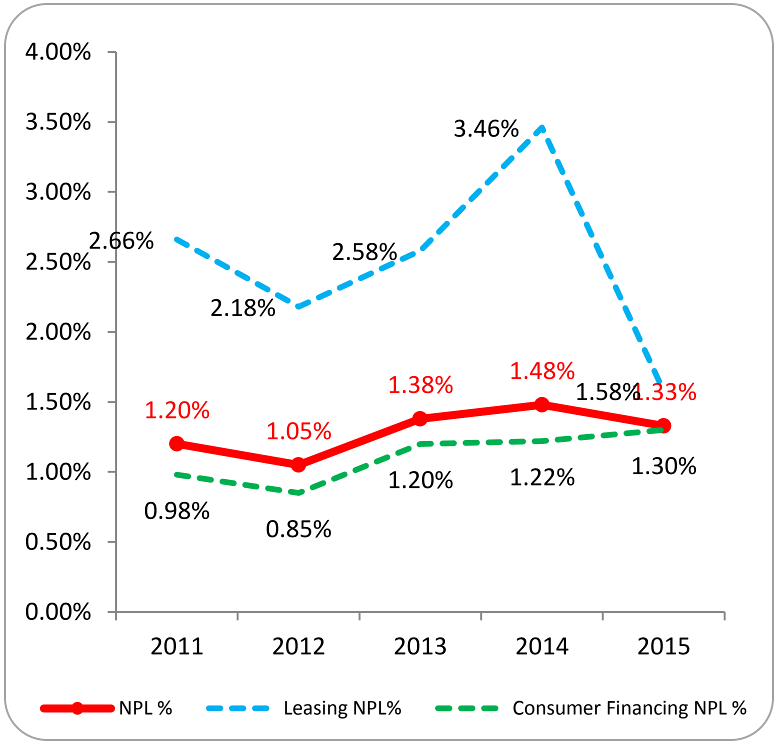
- One of the highest ROA companies in the industry
- Consistently outperformed industry

- Cost-to-income stable in spite of expansion

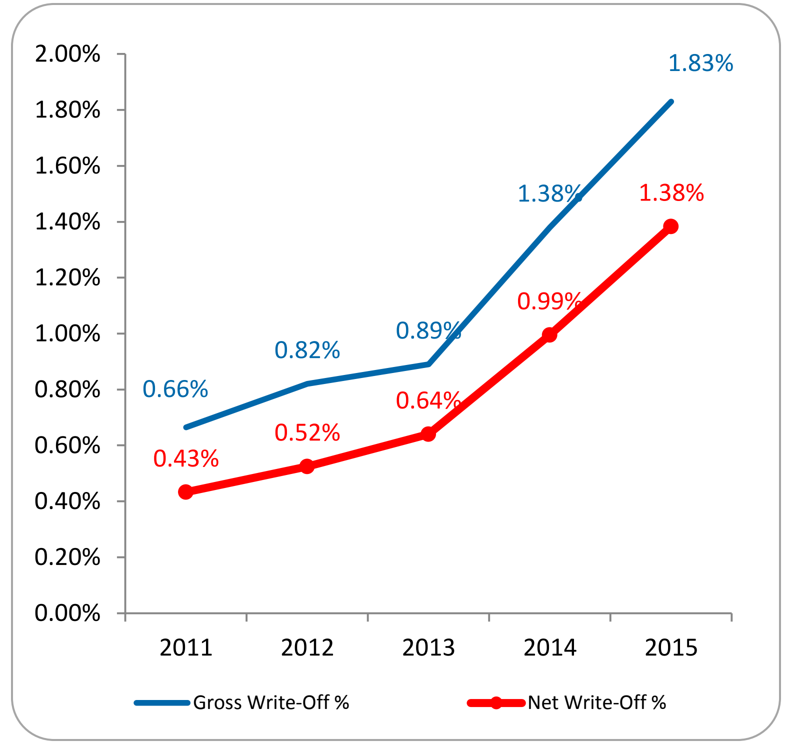
Still one of the most profitable multifinance companies, with ROAs much ahead of the industry

ASSET QUALITY UNDER CONTROL

NPL Trend (2011-2015)



Write-Offs (2011-2015)



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

- Managable net write-offs of less than 1% over the years
- Lower write off than its peers

Despite NPL has improved, Higher Write-offs occurred due to economic conditions, especially in commodity related sectors

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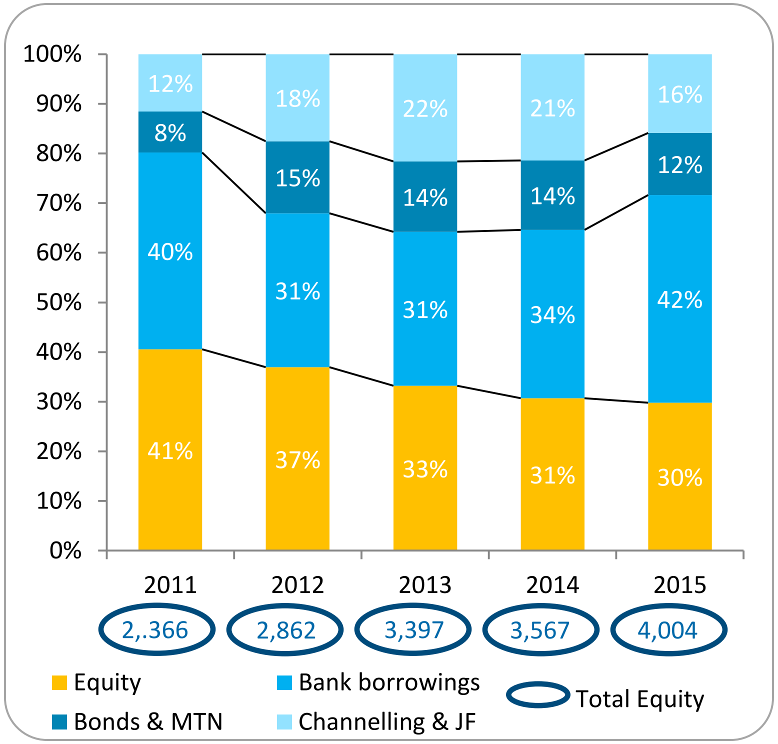
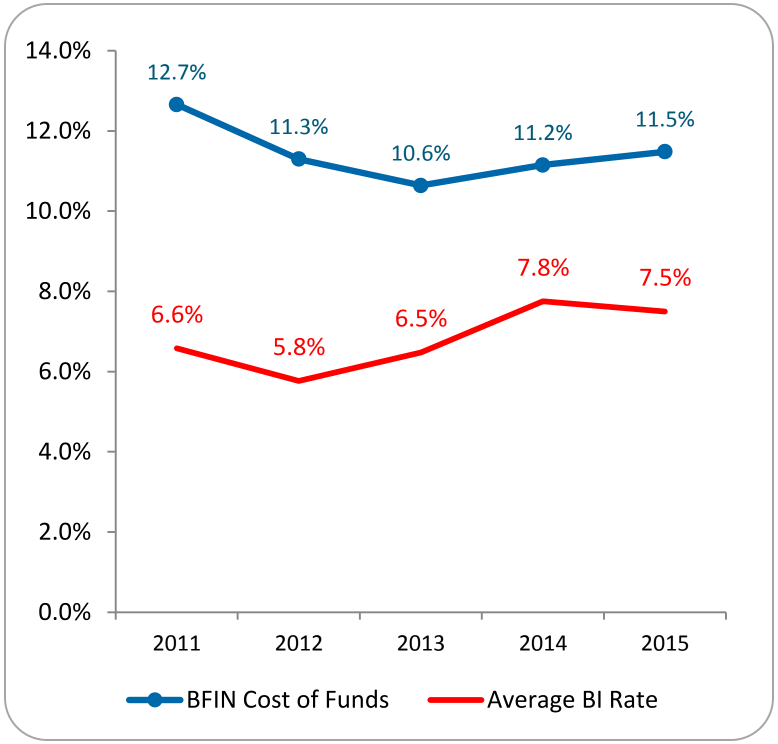
STRONG CAPITAL BASE

Source of Funding (2011-2015)



Cost of Funds (2011-2015)



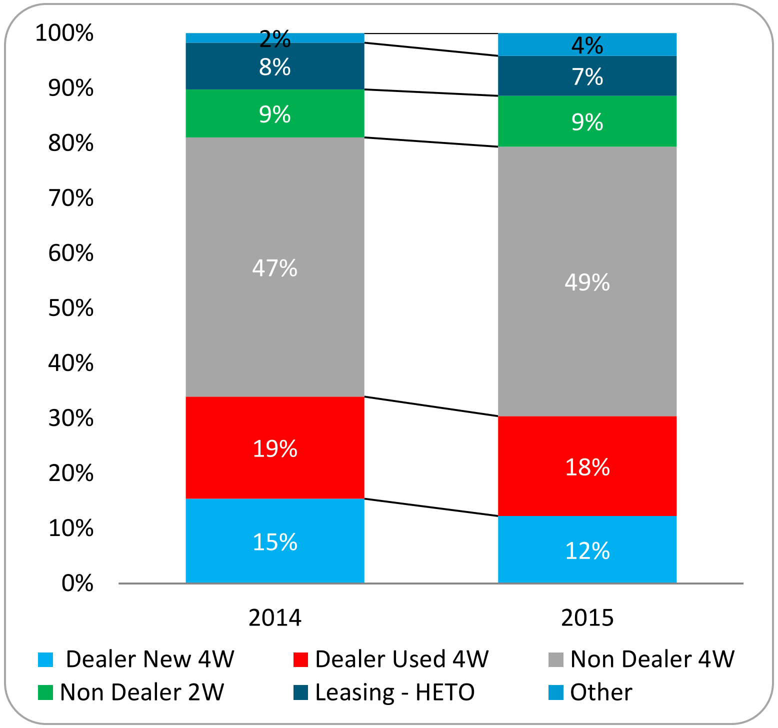
- Increasingly more diversified funding sources, which has helped especially in the last year to mitigate increasing cost of borrowings from local banks

- Cost of fund is slightly increased in 2015, yet it is pass through to the new lending, hence no margin compression is arisen

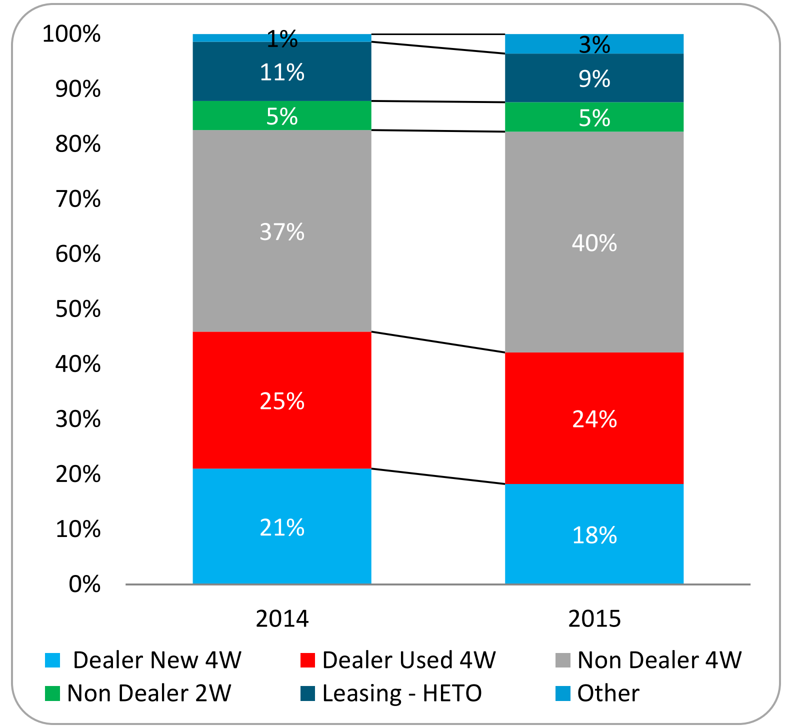
Capital structure more diversified, resulting in better management of borrowing cost and stable NIM

ASSET COMPOSITION

Booking Composition
(2014 vs 2015)



Managed Receivables Composition
(2014 vs 2015)



Continuous effort to shift the business towards higher yield and lower ticket segment has showed up : receivables grew from 42% in FY14 to 45% in FY15

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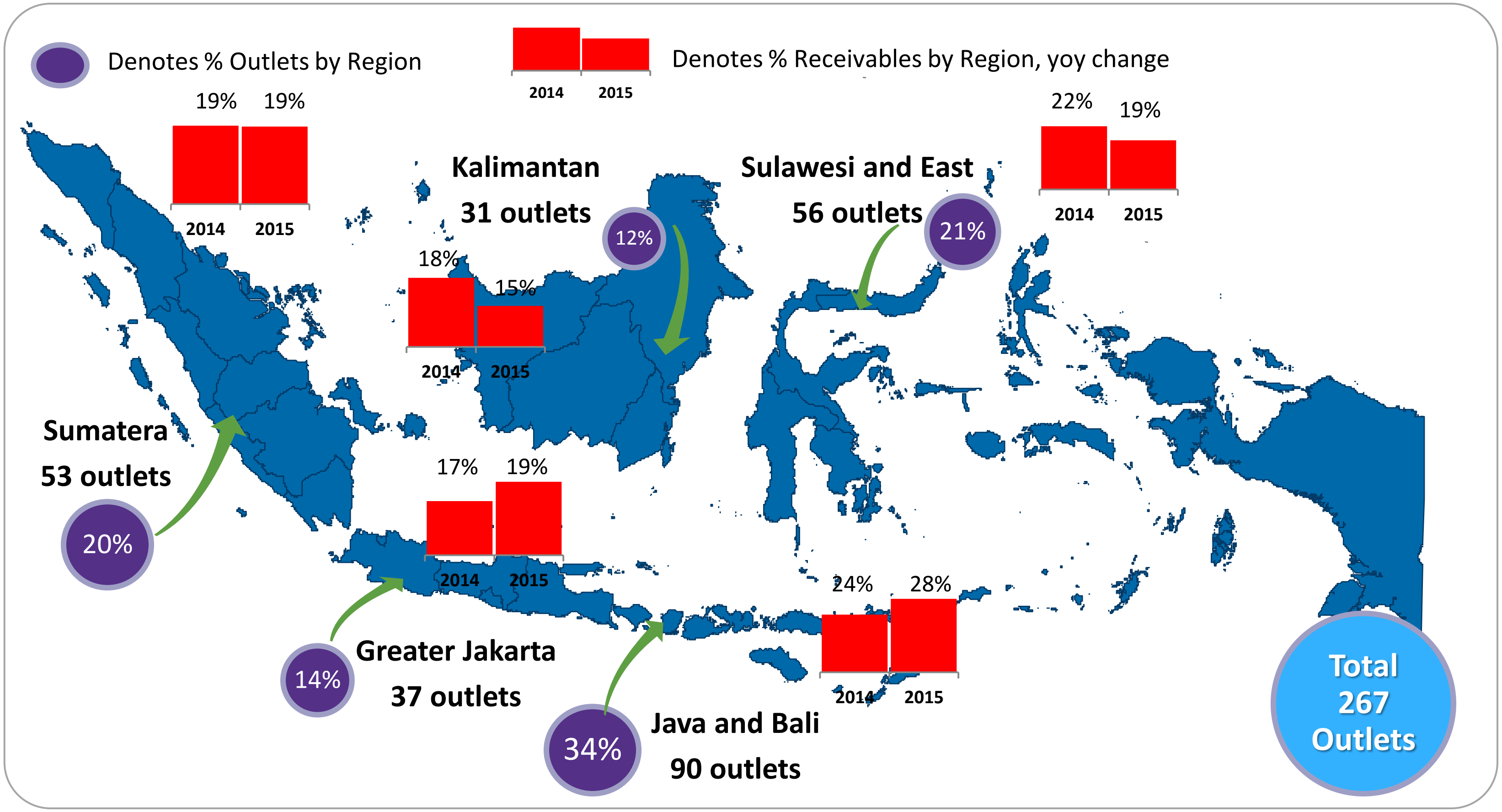
2015 DISTRIBUTION NETWORK

Business Distribution and Branch Network



Moving focus away from Kalimantan and Sumatera to other lower risk areas