PT BFI Finance Indonesia Tbk

FY:18 Results

February 2019

Analyst Briefing

FY:18 Key Highlights

Strong growth in new booking & income, improved net interest spread and rising COC

GROWTH

- New booking reached Rp16,372 bn, increase 14.2% YoY contributed mostly by NDF Car, followed by NDF Motorcycle and HETO
- Total managed receivables grew 15.1% YoY to Rp18,343 bn, while On B/S receivables increased by 14,6% to Rp17,661 bn

ASSET QUALITY

- NPL ratio rose to 1.21% from 0.95% last year, mainly driven by slight deterioration in Used Cars & Used Mcy segments
- COC ratio increased to 2.45% from 1.61% YoY, mainly due to additional provision for accounts impacted by earthquake in Palu with normalized COC at 1.94%.
- NPL coverage reached 1.70x

PROFITABILITY

- Net Interest Spread improved by 127 bps from 10.64% to 11.91% YoY mainly driven by lower COF
- PBT reached Rp1,841 bn or 23.7% YoY growth, backed by Net revenue growth of 26.7% and offset by increased COC of 87.0% and of Opex 19.6%. Revenue growth outpace Opex growth, resulted in positive JAWS ratio of 7.1%
- PAT reached Rp1,468 bn or 23.6% YoY growth.

FY:18 Key Highlights (continued)

Strong growth in new booking & income, improved net interest spread and rising COC

OTHER UPDATES

- Total outlets increase to 401 in FY18 vs 342 in FY17 consisting of 229 branches and 172 kiosks/"*gerai*" (includes 22 sharia branches which are located at existing branch offices)
- On 3rd August 2018, we were informed by Trinugraha Capital & Co. SCA that they have entered into Shares Sale and Purchase Agreement pursuant to which they will sell 2,977,912,340 shares in BFI (19.9% of total shares) to Compass Banca SpA, a wholly owned subsidiary of Mediobanca SpA, and approximately 1,646 million shares (c. 11%) in BFI to Star Finance S.R.L. Currently the process is still on going – pending approval from the authorities
- Fintech subsidiary, PT FIT (Finansial Integrasi Teknologi), has received OJK approval for P2P lending business under the name of Pinjam Modal (pinjammodal.id)
- On 14th October 2018, Fitch Ratings affirmed the National Long Term Rating at AA-(idn) and National Short-Term Rating at F1+(idn). The Outlook is Stable

FY:18 Balance Sheet (Proforma) Highlight

Successfully sustaining business growth in Non-Dealer Financing 4W,2W and HETO

In Rp bil (unless otherwise stated)	FY18	FY17	YoY∆	FY17	FY16	YoY∆
New Bookings	16,372	14,341	↑ 14.2%	14,341	10,743	↑ 33.5%
Managed Receivables^	18,340	15,936	↑ 15.1%	15,936	13,026	↑ 22.3%
Total Net Receivables	17,283	15,175	↑ 13.9%	15,175	11,583	↑ 31.0%
Total Assets	19,118	16,483	↑ 16.0%	16,483	12,476	↑ 32.1%
Total Debt	12,096	10,728	↑ 12.7%	10,728	7,656	↑ 40.1%
Total Proforma Debt^	12,780	11,252	↑ 13.6%	11,252	8,915	↑ 26.2%
Total Equity	6,204	4,904	↑ 26.5%	4,904	4,255	↑ 15.3%

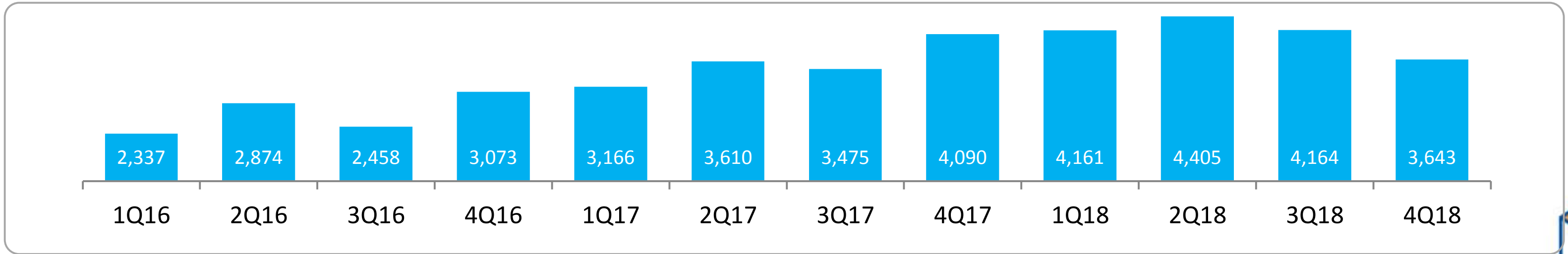
Driven by Non-Dealer 4W, 2W and HETO bookings growth

New bank loans drawdown and issuance of new bonds

* 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 (1Q16-4Q18)



Profit & Loss (Proforma) Highlights

Continued portfolio growth and Net Interest Spread enhancement

In Rp bil (unless otherwise stated)	FY18	FY17	YoYΔ	FY17	FY16	YoYΔ
Interest Income	3,637	2,967	↑ 22.6%	2,967	2,532	↑ 17.2%
Financing Cost	1,082	988	↑ 9.5%	988	1,001	↓ 1.3%
Net Interest Income	2,555	1,979	↑ 29.1%	1,979	1,531	↑ 29.3%
Fees & Other Income	1,333	1,090	↑ 22.3%	1,090	826	↑ 31.9%
Net Revenue	3,888	3,069	↑ 26.7%	3,069	2,358	↑ 30.2%
Operating Expenses	1,615	1,350	↑ 19.6%	1,350	1,108	↑ 21.9%
Operating Income	2,273	1,719	↑ 32.2%	1,719	1,250	↑ 37.5%
Cost of Credit	433	231	↑ 87.0%	231	225	↑ 2.8%
PBT	1,840	1,488	↑ 23.7%	1,488	1,025	↑ 45.2%
PAT	1,468	1,188	↑ 23.7%	1,188	798	↑ 48.7%

Strong growth in NDF income

Higher Borrowings and Bonds with 140 bps lower COF

Manageable increase driven largely by business vol. growth

COC increased from 1.61%% to 2.45%% with DF Used, NDF Car & Mcy as the highest contributors. Includes additional provision for Palu.

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

Key Ratios

Improvement in interest spread and cost management

	FY18	FY17	YoYΔ	FY17	FY16	YoYΔ
Net Interest Spread	11.91%	10.64%	↑ 127 bps	10.64%	8.85%	↑ 178 bps
Cost to Income	41.54%	44.00%	↓ 246 bps	44.00%	47.00%	↓ 300 bps
COC / Avg. Rec.	2.45%	1.61%	↑ 84 bps	1.61%	1.80%	↓ 19 bps
JAWS	7.1%	8.3%	↓ 92 bps	8.3%	-0.4%	↑ 870 bps
ROAA (before tax)	9.98%	10.33%	↓ 35 bps	10.33%	8.68%	↑ 165 bps
ROAA (after tax)	7.96%	8.24%	↓ 28 bps	8.24%	6.76%	↑ 148 bps
ROAE (after tax)	26.68%	25.61%	↑ 107 bps	25.61%	19.37%	↑ 624 bps
NPL*	1.21%	0.95%	↑ 26 bps	0.95%	0.91%	↑ 4 bps
Debt / Equity	1.9x	2.2x	↓ 11 bps	2.2x	1.8x	↑ 40 bps

Lower COF by 140 bps offset 12 bps dip in yield

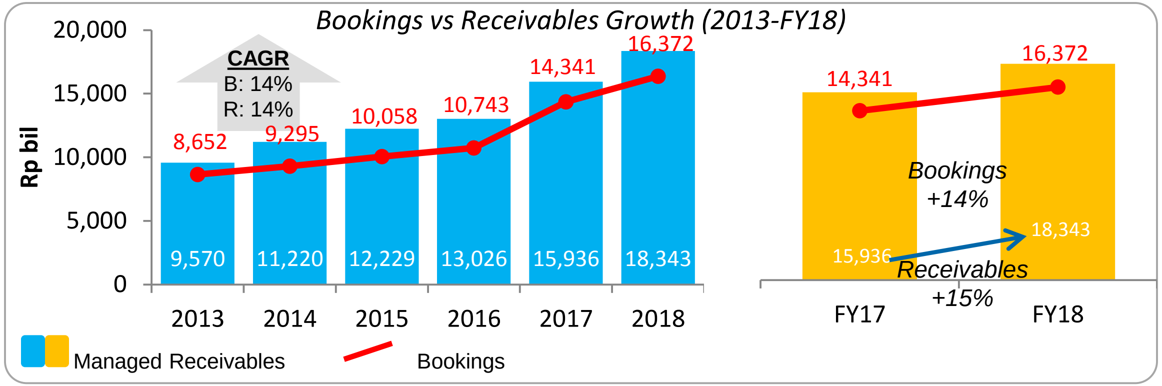
Slower growth in PAT YoY due to rising COC

Increasing NPL, mainly due to economic slowdown

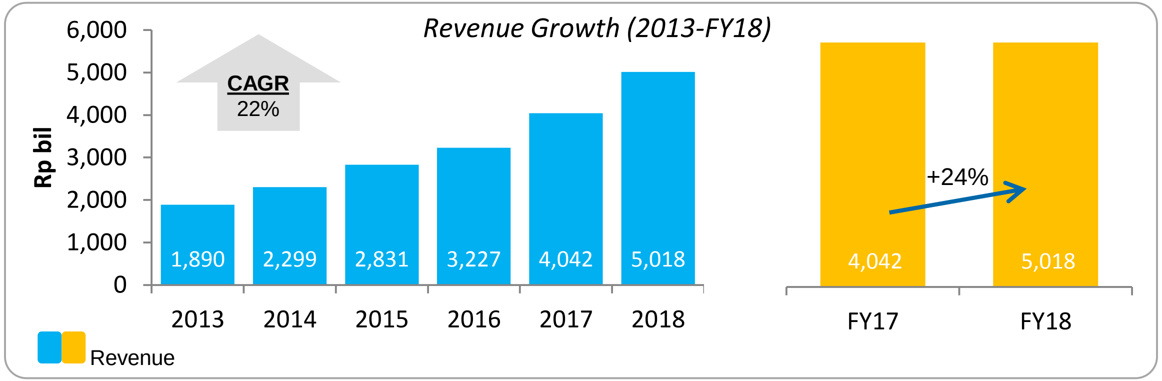
* Defined as Past Due >90 days, Calculated from total managed receivables (including Off B/S Receivables)

Ability to build a more robust balance sheet

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



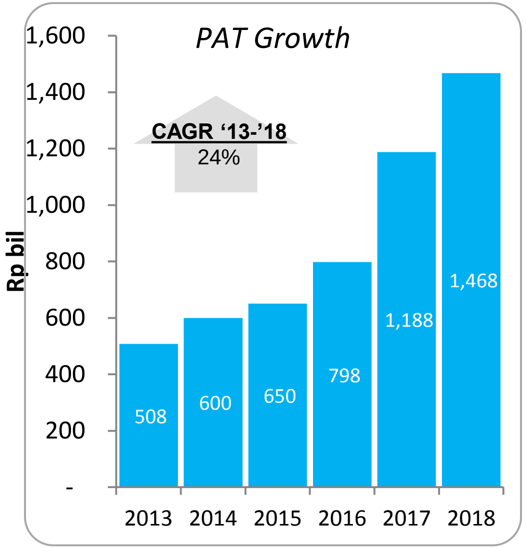
- Loan book shows improvement over the years – able to improve quality and tenor of loans booked, resulting in consistent Receivables growth compared to Bookings
- CAGR growth yoy higher than the industry

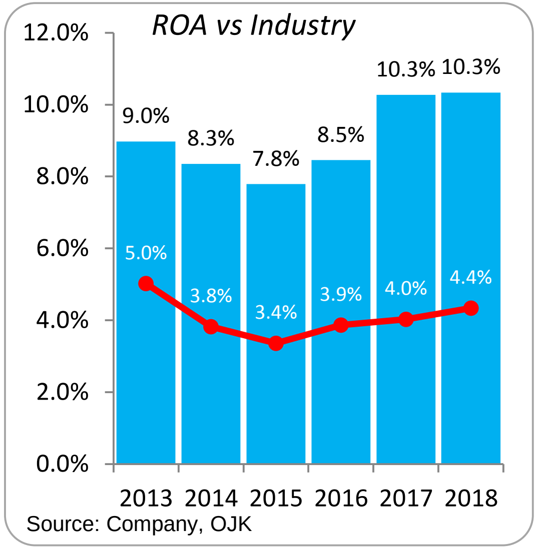


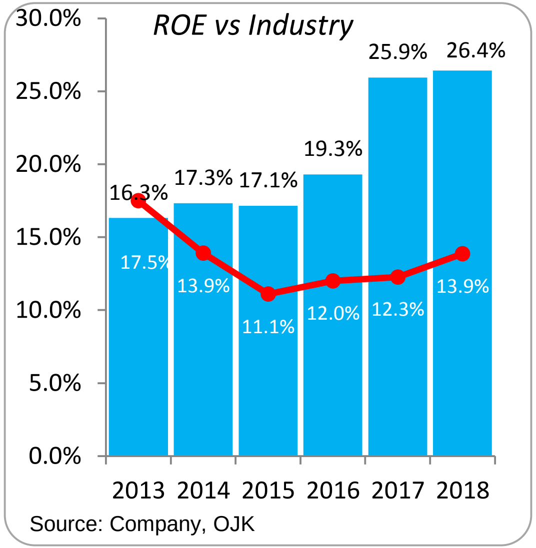
- Consistently strong growth in Revenue as a result of robust balance sheet
- Shows ability to maximise income generation from assets

Stable profitability over the years

Still one of the most profitable multi-finance companies, with ROA and ROE above the industry







PAT growth in spite of slowing economy and challenging market condition

One of the highest ROA companies in the industry and consistently outperformed industry

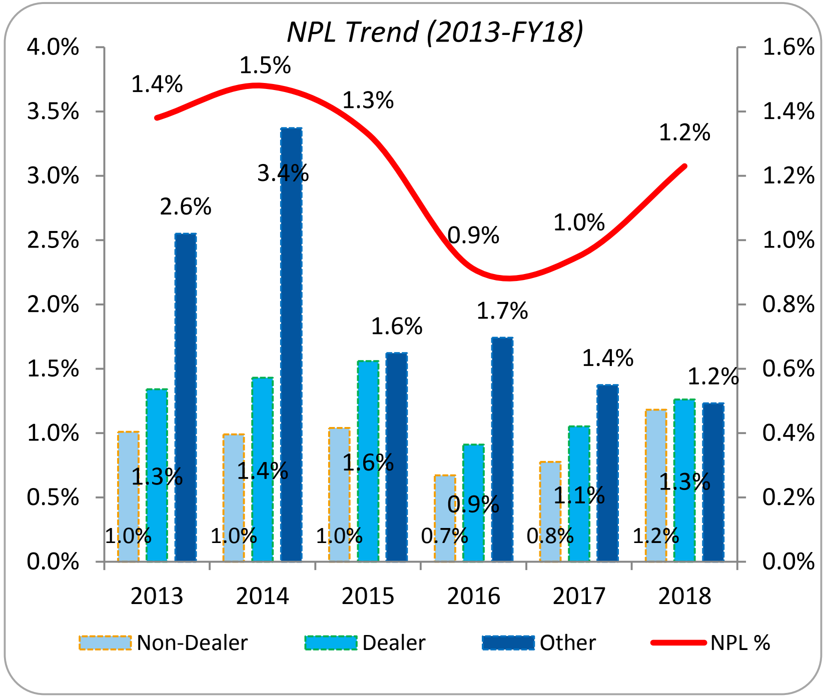
ROA Company is calculated using PBT/Average Total Assets

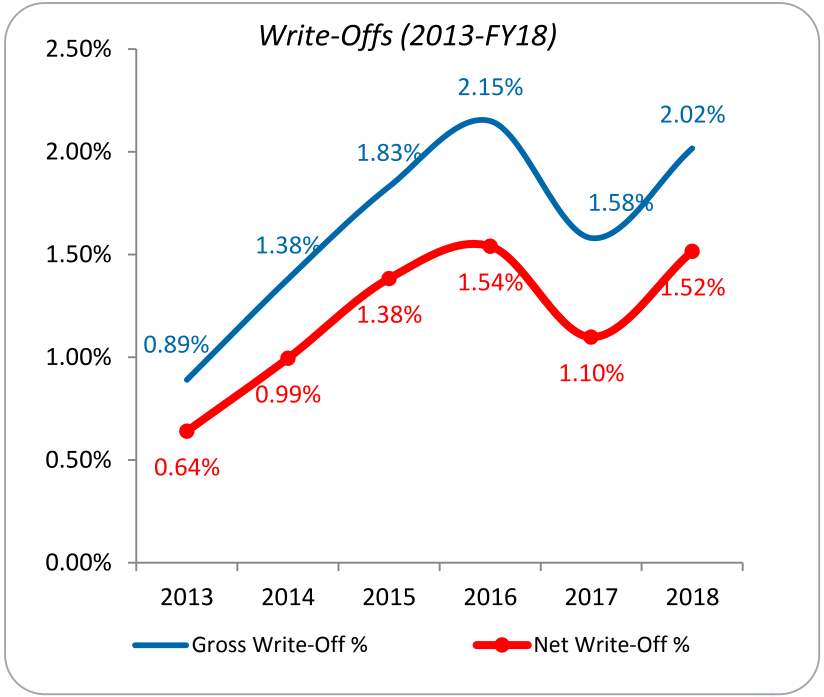
ROE improving over the years

ROE Company is calculated using PAT/Average Total Equity

Asset quality under control

Well managed balance sheet with low NPLs and write-off

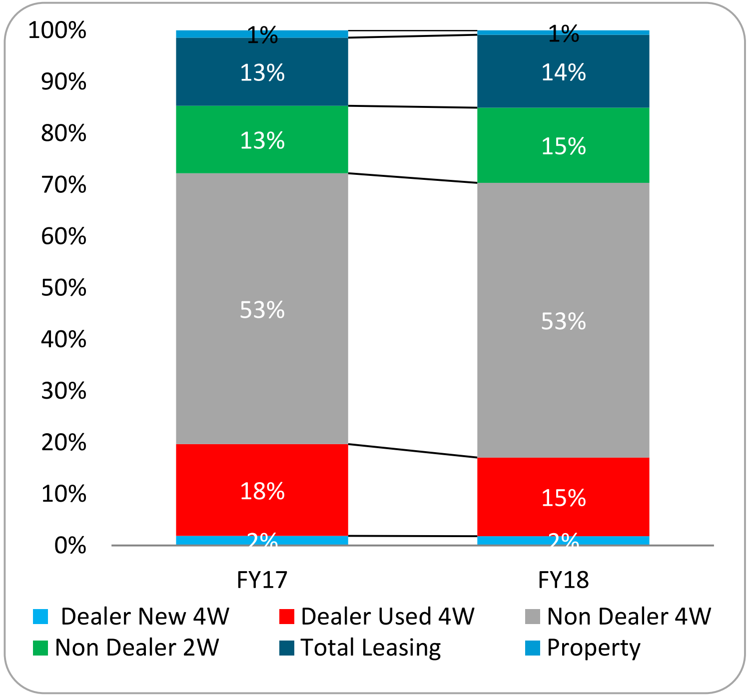




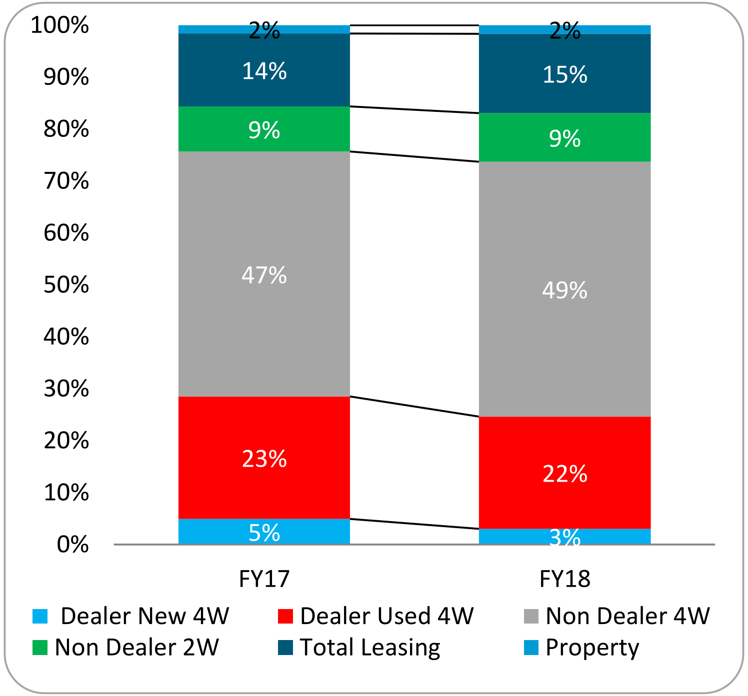
Asset Composition

NDF booking reached 68% whilst Managed Receivables increased from 56% in FY17 to 58% in FY18

Booking Composition (FY17 vs FY18)

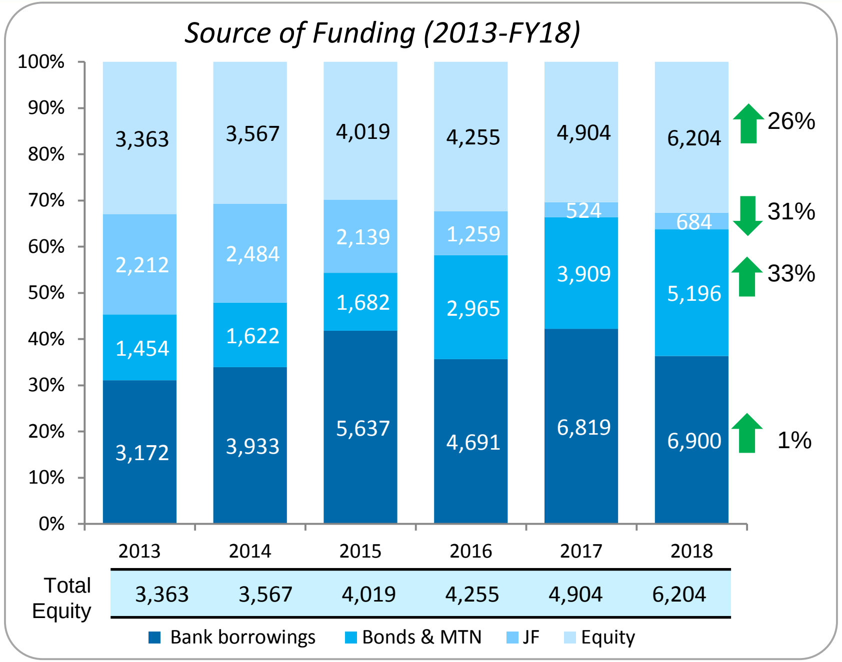


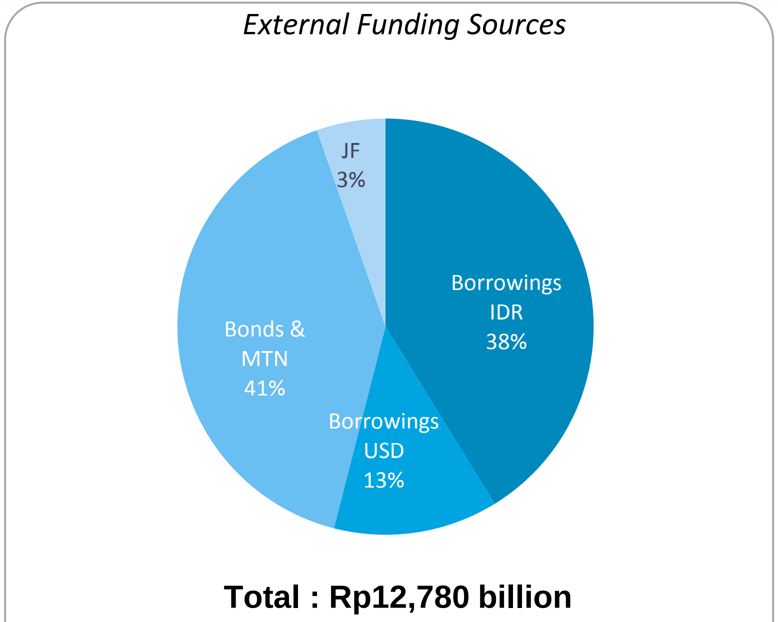
Managed Receivables Composition (FY17 vs FY18)



Strong capital base

More diversified capital structure, resulting in ability to manage borrowing cost and stable NIM



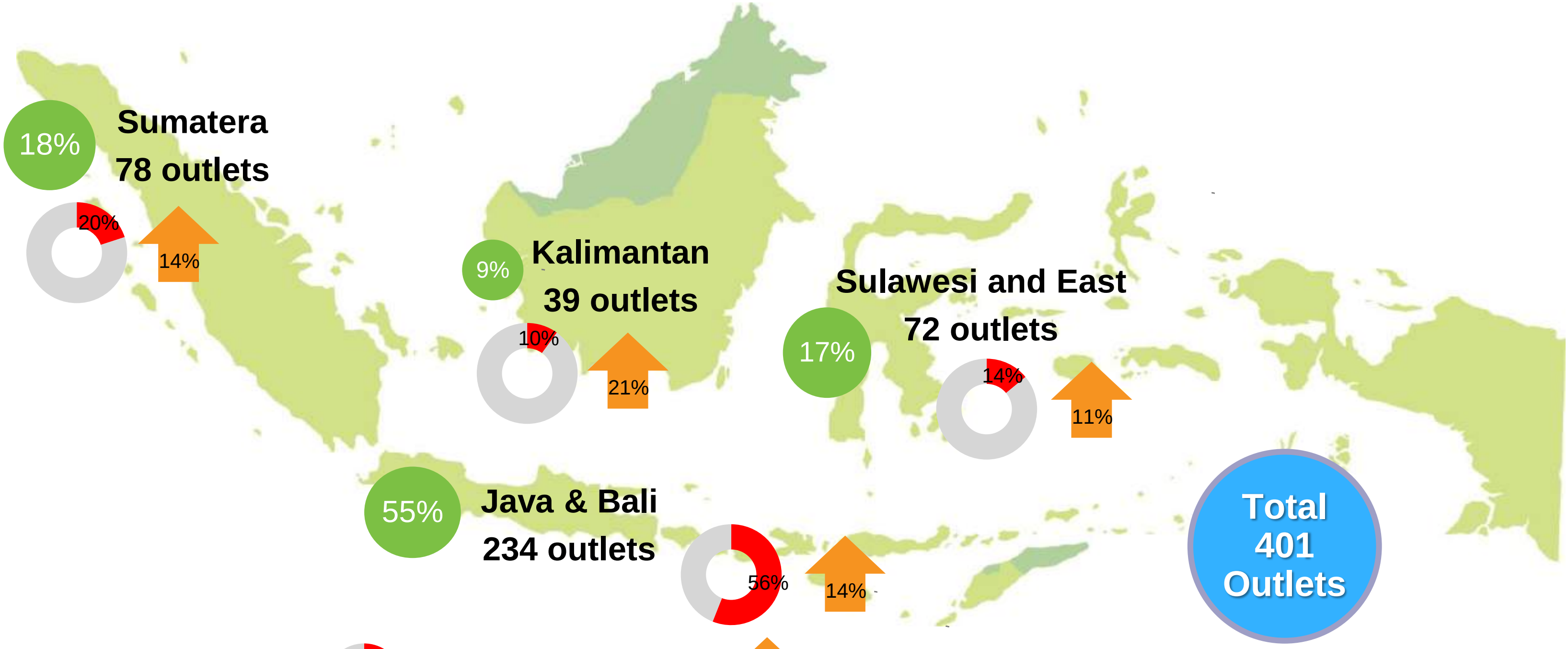


- Increasingly larger proportion of bonds issued, taking advantage of improved pricing climate for bonds up to 1H18
- Decline in Joint Financing contribute to better funding cost

- 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

Business Distribution and Branch Network as of 31 Dec-18

Heavier expansion on Kalimantan and Sumatera



% Outlets by Region

% Managed Receivables

FY17-FY18
Bookings growth

(with 22 Sharia branches)

Thank You