PT BFI Finance Indonesia Tbk

1Q:19 Results

April 2019

Analyst Briefing

PT BFI Finance Indonesia Tbk terdaftar dan diawasi oleh OJK

1Q:19 Key Highlights

Well maintained asset quality backed by more conservative growth strategy

GROWTH

- New booking in 1Q19 reached Rp 3,350 bn or 9.0% (Rp 292 bn) QoQ decrease backed by tighter origination policy and partly driven by declined contribution from dealer related financing
- Total managed receivables grows 6.1% YoY to Rp 17,905 bn mainly contributed by NDF car

ASSET QUALITY

- NPL ratio slightly rose to 1.33% vs 1.21% QoQ
- COC maintained at 2.49% vs 2.45% per FY18, as a result of sound risk management implementation
- NPL coverage is well maintained at 1.6x

PROFITABILITY

- Net Interest Spread maintained at 11.61%, 32 bps down from 11.72% YoY. This is contributed by 49 bps decline in yield, offset by 38 bps improved in COF
- Net Revenue increased by 6.1% YoY to Rp 965 bn aligned with asset growth
- OPEX increased by 11.0% YoY mainly due to annual salary adjustment and additional professional/ consultation fee
- 03M:19 PBT and PAT both slightly decreased by 3.5% YoY to Rp 425 bn and Rp 338 bn, respectively.

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1Q:19 Key Highlights (continued)

Well maintained asset quality backed by more conservative growth strategy

OTHER UPDATES

- Total network recorded at 400 outlets in 1Q19, there's an opening of 1 branch and closing of 2 kiosks during the period.
- Completed a new syndicated loan with 4 MLABs (ANZ, MUFG, SCB & SMBC). Total facility amount upsized to USD 200 mio with additional 15 participant banks.
- Fitch Ratings has issued Press Release of recalibration of Indonesia Nation Scale which saw ratings revision of multiple companies, including BFI whose National Long-Term Rating revised to A+(idn) from AA-(idn). Other than BFI, there were 7 other FI's impacted, such as Bank Mandiri, BRI, FIF.
- PTTUN (Pengadilan Tinggi Tata Usaha Negara) or the Administrative High Court has issued ruling in favor of BFI in the case where both BFI and Ministry of Law and Human Rights (Kemenkumham) are Defendants. This has been updated in our Information Disclosure on IDX website
- AGMS and EGMS is scheduled to be held on 28 May 2019. Detail agenda is available on www.bfi.co.id

1Q:19 Balance Sheet (Proforma) Highlight

Slowing down of business growth mainly driven by Dealer Financing - Used Car

In Rp bil (unless otherwise stated)	1Q19	1Q18	YoYΔ	FY18	FY17	YoYΔ
New Bookings	3,350	4,161	↓ 19.5%	16,372	14,341	↑ 14.2%
Managed Receivables^	17,905	16,870	↑ 6.1%	18,340	15,936	↑ 15.1%
Total Net Receivables	16,750	16,191	↑ 3.5%	17,283	15,175	↑ 13.9%
Total Assets	18,464	17,833	↑ 3.5%	19,118	16,483	↑ 16.0%
Total Debt	11,183	11,692	↓ 4.4%	12,096	10,728	↑ 12.7%
Total Proforma Debt^	11,957	12,105	↓ 1.2%	12,780	11,252	↑ 13.6%
Total Equity	6,528	5,257	↑ 24.2%	6,204	4,904	↑ 26.5%

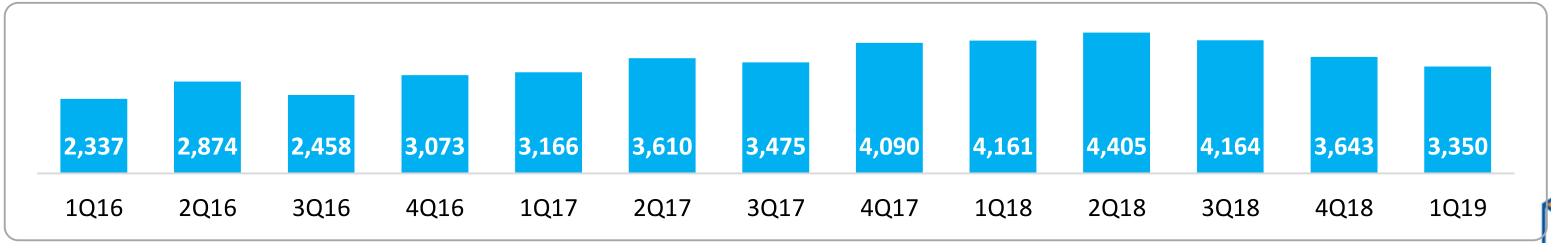
Driven mainly by product refocus from DF Used and put more focus on NDF 4W and 2W.

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 (1Q16-1Q19)



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Profit & Loss (Proforma) Highlights

Higher revenue from portfolio growth impeded by increasing COC

In Rp bil (unless otherwise stated)m	1Q19	1Q18	YoY∆	FY18	FY17	YoY∆
Interest Income	933	849	↑ 9.9%	3,637	2,967	↑ 22.6%
Financing Cost	275	259	↑ 6.0%	1,082	988	↑ 9.5%
Net Interest Income	659	590	↑ 11.6%	2,555	1,979	↑ 29.1%
Fees & Other Income	307	320	↓ 4.1%	1,333	1,090	↑ 22.3%
Net Revenue	965	910	↑ 6.1%	3,888	3,069	↑ 26.7%
Operating Expenses	428	385	↑ 11.0%	1,615	1,350	↑ 19.6%
Operating Income	538	525	↑ 2.4%	2,273	1,719	↑ 32.2%
Cost of Credit	112	84	↑ 33.4%	433	231	↑ 87.0%
PBT	425	441	↓ 3.5%	1,840	1,488	↑ 23.7%
PAT	338	351	↓ 3.5%	1,468	1,188	↑ 23.7%

Growth in NDF Income & Deposit Interest

Higher Borrowings and Bonds with 38 bps lower COF

Manageable increase driven largely by business vol. growth

COC increased from 2.06% to 2.49% with DF Used, HETO and NDF Car as the highest contributors.

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Key Ratios

Maintained strong key ratios despite lower growth

	1Q19	1Q18	YoYΔ	FY18	FY17	YoYΔ
Net Interest Spread	11.61%	11.72%	↓ 12 bps	11.91%	10.64%	↑ 127 bps
Cost to Income	44.30%	42.31%	↑ 199 bps	41.54%	44.00%	↓ 246 bps
COC / Avg. Rec.	2.49%	2.06%	↑ 43 bps	2.45%	1.61%	↑ 84 bps
ROAA (before tax)	8.84%	10.37%	↓ 153 bps	9.98%	10.33%	↓ 35 bps
ROAA (after tax)	7.03%	8.25%	↓ 121 bps	7.96%	8.24%	↓ 28 bps
ROAE (after tax)	21.27%	27.63%	↓ 636 bps	26.68%	25.61%	↑ 107 bps
NPL*	1.33%	1.00%	↑ 33 bps	1.21%	0.95%	↑ 26 bps
Debt / Equity	1.7x	2.2x	↓ 11 bps	1.9x	2.2x	↓ 11 bps

Lower COF by 38 bps offset 50 bps dip in yield

Slower growth in PAT YoY due to rising COC and higher equity due to no interim dividends

Increasing NPL due to slight deterioration of asset quality

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

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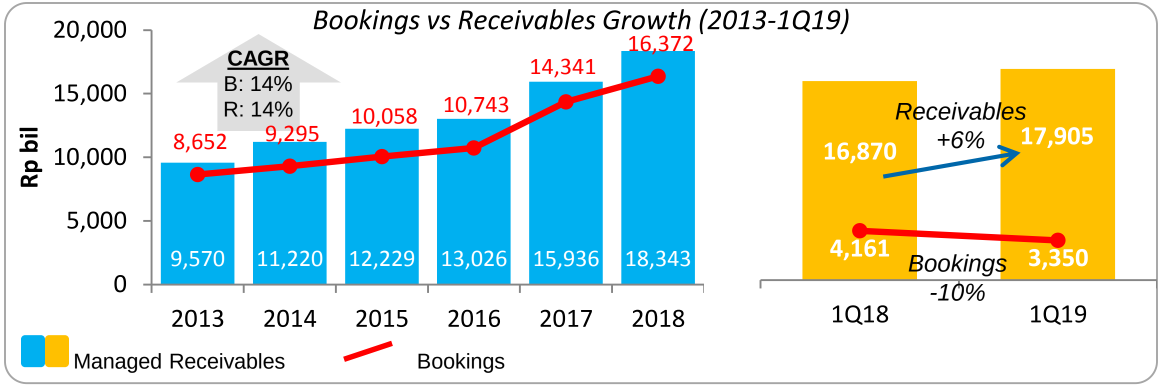
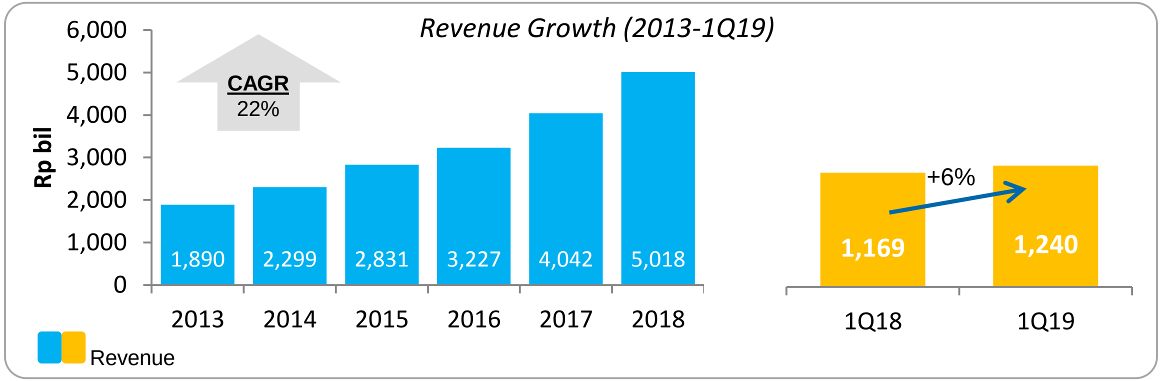
Ability to build a more robust balance sheet

Sustainable financing receivables and revenue growth over the years



- Receivables keep growing consistently over the years
- Slightly lower booking in 1Q19 due to product refocus strategy
- CAGR growth yoy higher than the industry



- Consistently strong growth in Revenue as a result of robust balance sheet growth and good spread management (Yield vs COF)
- Shows ability to maximise income generation from assets

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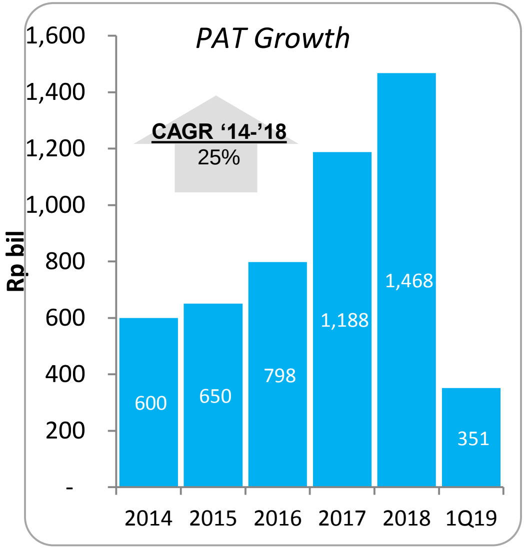
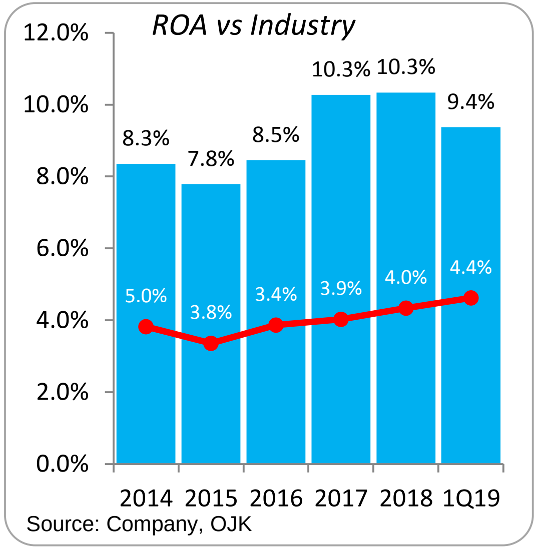
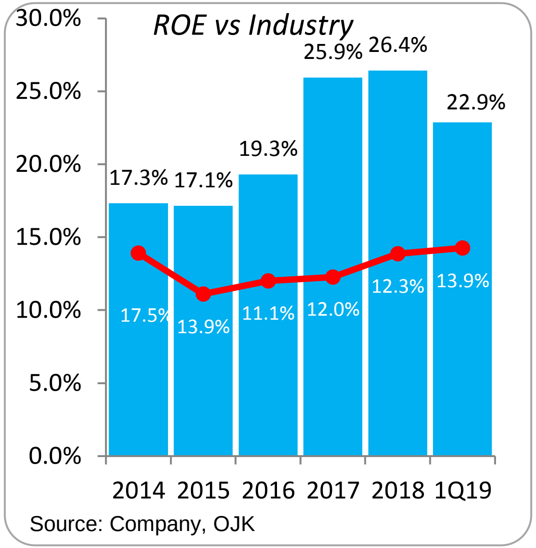
Stable profitability over the years

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

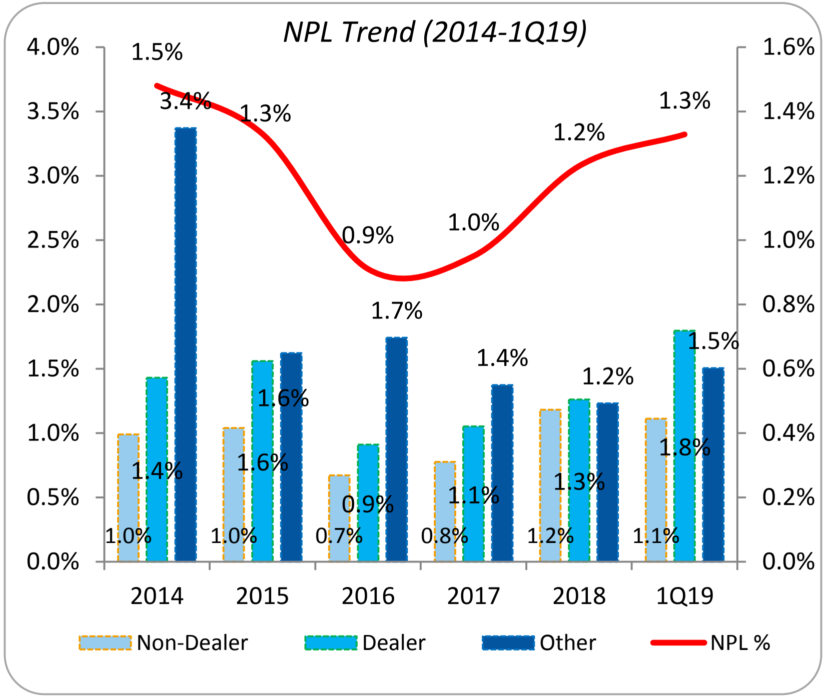
ROE remains stable and high above average industry over the years

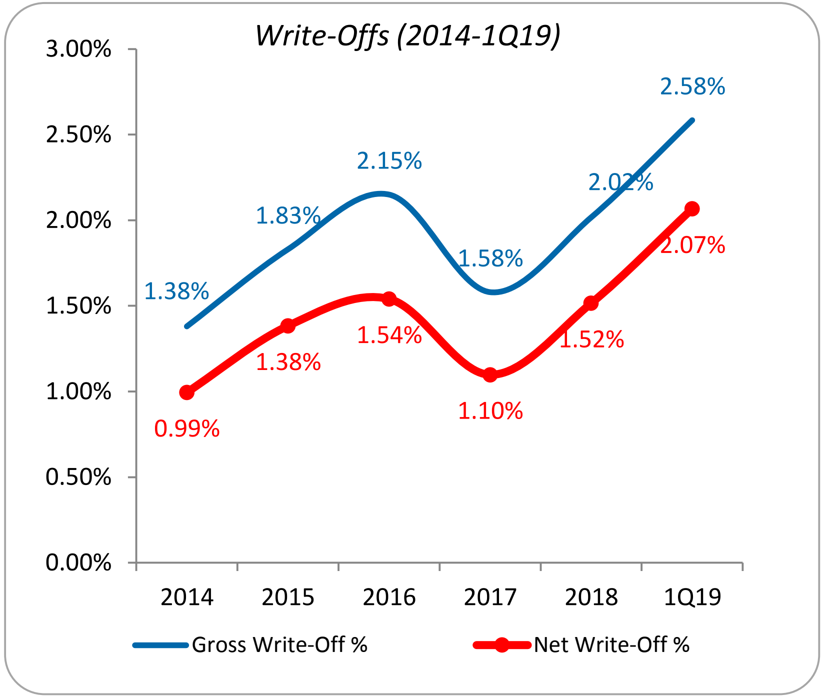
ROA Company is calculated using PBT/Average Total Assets

ROE Company is calculated using PAT/Average Total Equity

Asset quality under control

Well managed balance sheet with controllable NPLs and write-off

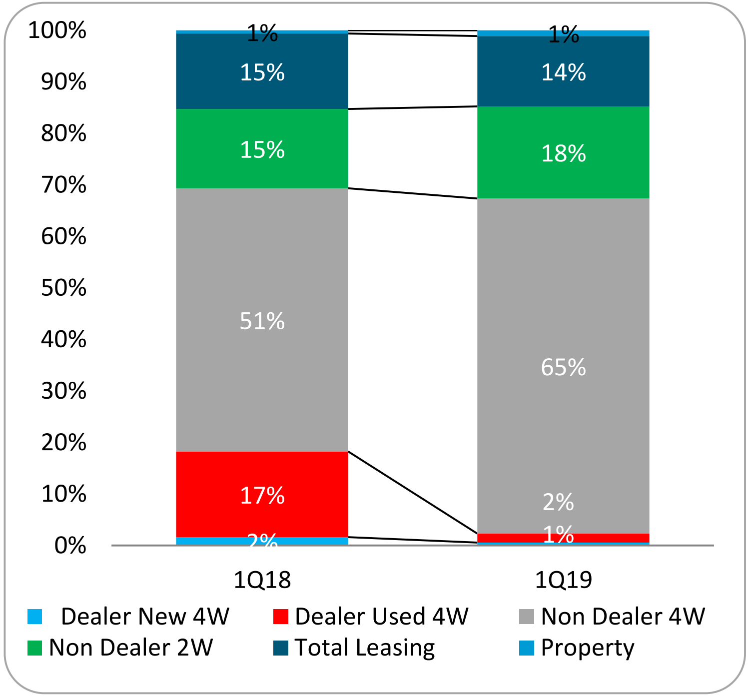




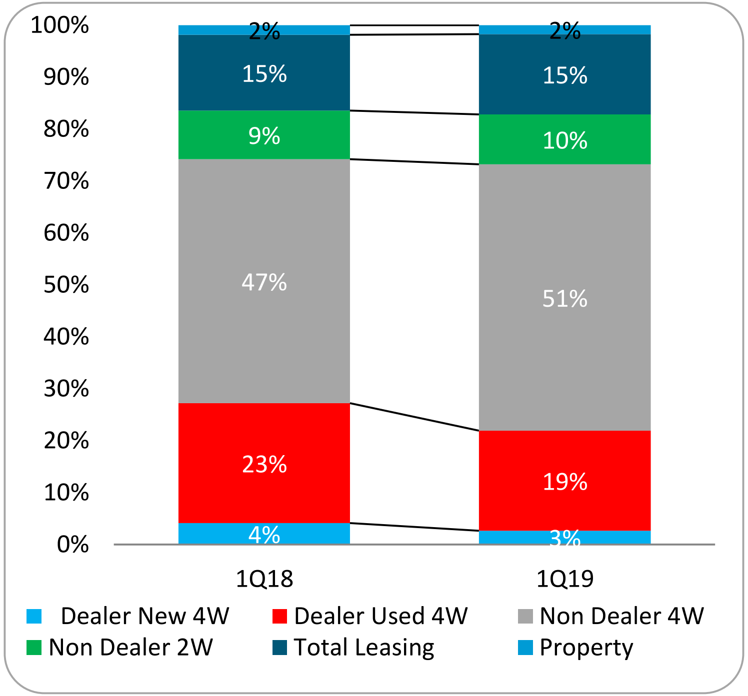
Asset Composition

NDF booking reached 83% whilst Dealer's contribution drop as part of product refocus strategy

Booking Composition (1Q18 vs 1Q19)



Managed Receivables Composition (1Q18 vs 1Q19)



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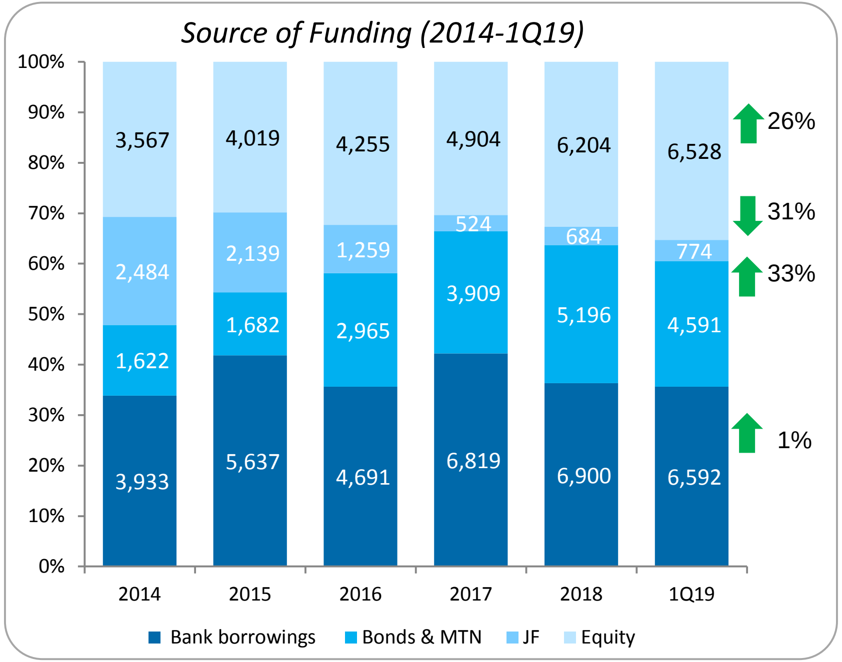
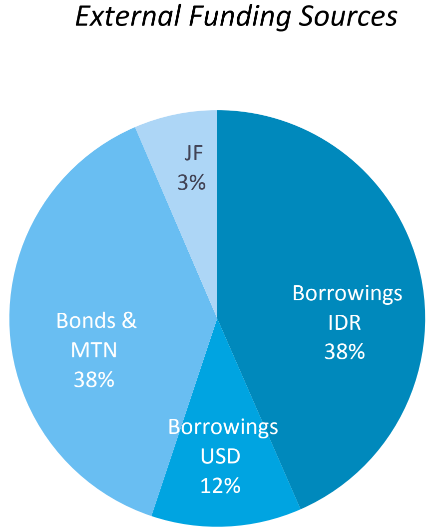
Strong capital base

Diversified capital structure and funding source, resulting in stable Net Interest Spread





Total : Rp11,957 billion

- 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

- Well-diversified funding sources is important to reduce dependency and risk
- Adequate facilities in pipeline to support further business expansion

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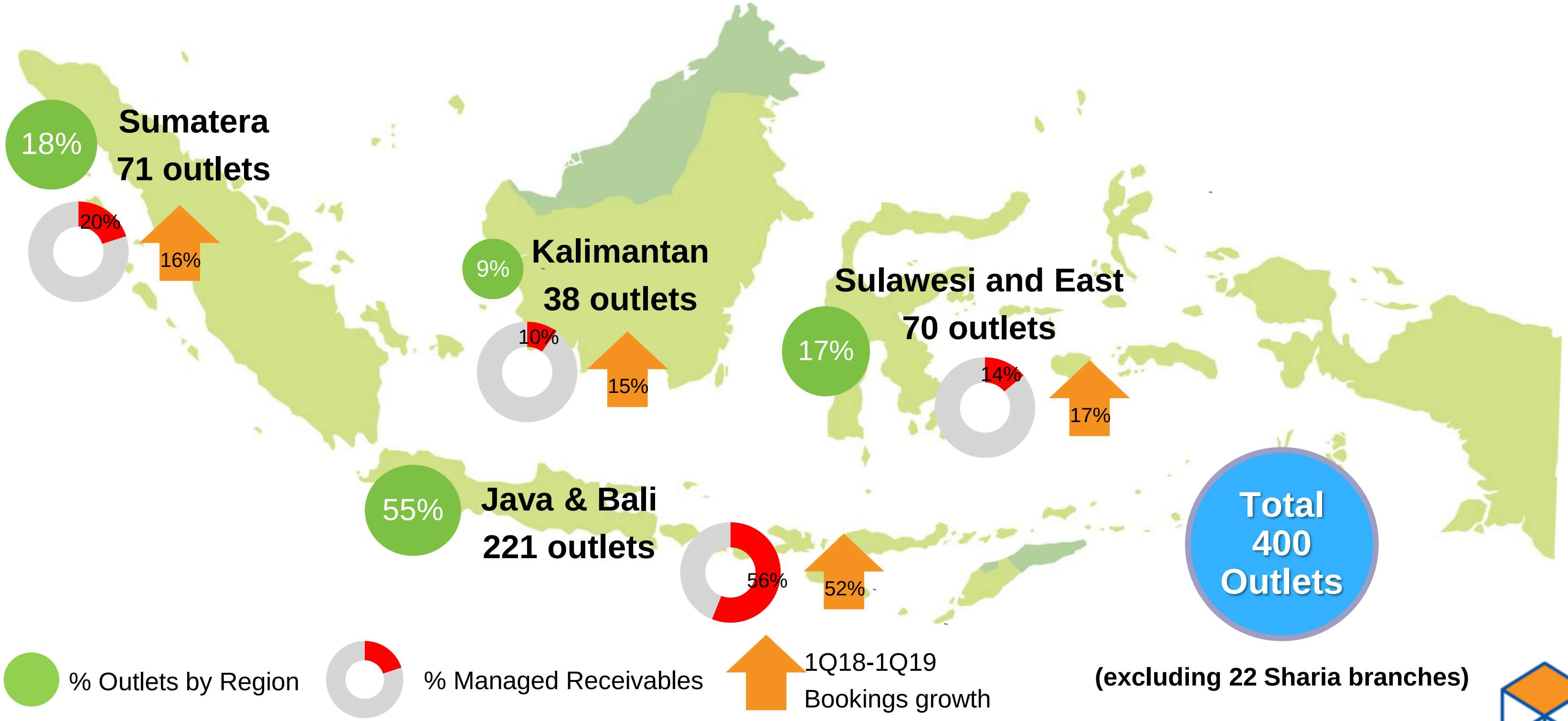
Business Distribution and Branch Network as of 31 Mar-19

Strong footprint with higher growth on Java and Bali



(excluding 22 Sharia branches)

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Thank You

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