PT BFI Finance Indonesia Tbk

1Q:20 Results

28 April 2020

Analyst Briefing

1Q:20 Key Highlights (1/2)

Maintaining prudent financial policy and good results amidst Covid-19 pandemic

GROWTH

- YTD 03M:20 booking was Rp4,043 bn and Rp 20.7% (Rp693 bn) increase YoY inspite of lower Mar-20 booking due to conscious effort to mitigate the risk amidst COVID-19 outbreak
- Total managed receivables grows 4.1% YoY to Rp18,635 bn and 0.6% on QoQ basis.

ASSET QUALITY

- NPL ratio improved to 1.12% vs 1.33% YoY but deteriorated from 0.85% on QoQ basis
- NCL ratio improved to 1.03% vs 2.15% YoY but increased from 0.75% on QoQ basis
- COC rose to 4.18% vs 2.49% last year. Higher COC was due to the implementation of PSAK 71 (IFRS 9) which require forward looking risk assessment. We have factored in the additional provision needed due to Covid-19
- NPL Coverage doubled from 1.6x to 3.1x YoY

PROFITABILITY

- Net Interest Spread improved by 139 bps from 11.61% to 13.00% YoY. Improved spread was also partially driven by improved Cost of Fund by 31 bps on YoY basis
- Net Revenue increased by 13.5% YoY to Rp1,095bn
- OPEX increased by 13.2% YoY to Rp484 bn mainly driven by employee benefit (eg. annual adjustment)
- 03M:20 PBT and PAT reached Rp 417 bn and Rp 330 bn, slightly decreased by 2.0% and 2.5%, respectively on YoY basis mainly driven by higher COC.

1Q:20 Key Highlights (2/2)

Maintaining prudent financial policy and good results amidst Covid-19 pandemic

OTHER UPDATES

- Total network recorded at 427 outlets, excluding 45 sharia branches which share premises with conventional branches, increased from 423 outlets in end of 2019. We plan to close approx. 20 outlets (kiosks) in 2Q20 due to consolidation amidst Covid-19
- On 11-Mar-20, Covid-19 was declared as world pandemic and will impact the Indonesian economy badly in 2Q20, since the confirmed cases has gradually increased and social distancing effort taken by government to limit the spread will also reduce economic activities significantly.
- The government recently issued POJK No.14 on 14-Apr-20 as a follow up to President Jokowi's instruction to provide loan relaxation to customers affected by Covid-19 directly and indirectly. This has resulted in a tremendous amount of loan restructuring request to the Company up to date (represents ± 10% portfolio).
- Restructuring scheme applied by the Company:
  - 6 months grace period with interest payment
  - Payment extension up to 6 months
  - Combination of the above

1Q:20 Balance Sheet Highlights- Consolidated

Conscious slowdown of bookings in Mar-20 due to Covid-19, after strong and continuous uptrend since Jun-19

*In Rp bil * (unless otherwise stated)*	1Q20	1Q19	YoYΔ	FY19	FY18	YoYΔ
New Bookings	4,043	3,350	↑ 20.7%	15,896	16,372	↓ 2.9%
Managed Receivables^	18,636	17,906	↑ 4.1%	18,509	18,343	↑ 0.9%
Total Net Receivables	17,413	16,750	↑ 4.0%	17,439	17,283	↑ 0.9%
Total Assets	19,678	18,642	↑ 5.6%	19,090	19,117	↓ 0.1%
Total Debt#	12,396	11,183	↑ 10.8%	11,488	12,096	↓ 5.0%
Total Proforma Debt^	12,980	11,957	↑ 8.6%	12,214	12,780	↓ 4.4%
Total Equity	6,306	6,528	↓ 3.4%	6,080	6,204	↓ 2.0%

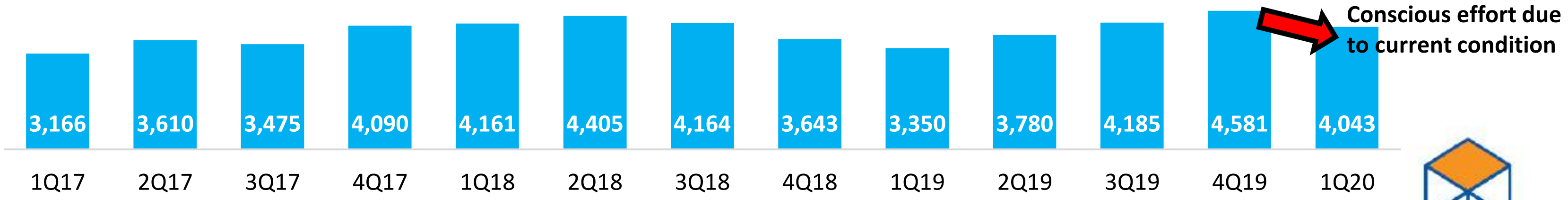
Driven mainly by NDF 4W and 2W businesses.

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

(#) Consists of borrowings and debt securities issued (^) Includes channeling and joint financing transactions

Quarterly Bookings Trend (1Q17-1Q20)



1Q:20 Profit & Loss Highlights – Consolidated

Higher revenue from portfolio growth set-off by increasing COC, mainly related to the outbreak of COVID-19 and the subsequent economic impact, incl. lower expected repayment capacity

*In Rp bil * (unless otherwise stated)*	1Q20	1Q19	YoY∆	FY19	FY18	YoY∆
Interest Income	980	918	↑ 6.8%	3,704	3,595	↑ 3.0%
Financing Cost	246	258	↓ 4.4%	1,008	1,035	↓ 2.7%
Net Interest Income	734	660	↑ 11.2%	2,696	2,559	↑ 5.4%
Fees & Other Income	362	307	↑ 18.1%	1,370	1,332	↑ 2.9%
Net Revenue	1,096	967	↑ 13.4%	4,066	3.891	↑ 4.5%
Operating Expenses	487	428	↑ 13.7%	2,695	1,617	↑ 66.7%
Operating Income	609	539	↑ 13.1%	1,371	2.275	↓ 39.8%
Cost of Credit	195	113	↑ 72.5%	279	435	↓ 36.1%
PBT **	414	426	↓ 2.6%	1,092	1,840	↓ 40.7%
PAT **	328	337	↓ 2.7%	712	1,468	↓ 51.5%

Due to growth in portfolio esp. during 2H19 up to Feb'20

Lower avg. Borrowings and Bonds with 31 bps lower COF

Manageable increase driven largely by business vol. growth and employee -related expenses

COC increased from 2.49% to 4.18% due to increasing past due accounts as well as lower repayment capacity

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

** BFI only PBT and PAT as of 31 March 2020 was at Rp 417 bn and Rp 330 bn, respectively

Key Ratios

Maintained strong key ratios despite lower growth and external challenges

	1Q20	1Q19	YoYΔ	FY19	FY18	YoYΔ
Net Interest Spread	13.00%	11.61%	↑ 139 bps	11.84%	11.91%	↓ 7 bps
Cost to Income	44.18%	44.27%	↓ 9 bps	66.12%	41.54%	↑ 2,458 bps
COC / Avg. Rec.	4.18%	2.49%	↑ 169 bps	1.53%	2.45%	↓ 92 bps
ROAA (before tax)	8.57%	8.84%	↓ 27 bps	5.83%	9.98%	↓ 415 bps
ROAA (after tax)	6.79%	7.03%	↓ 24 bps	3.81%	7.96%	↓ 415 bps
ROAE (after tax)	21.17%	21.27%	↓ 10 bps	11.35%	26.68%	↓ 1,533 bps
NPL *	1.12%	1.33%	↓ 21 bps	0.85%	1.21%	↓ 36 bps
Net Gearing Ratio #	1.9x	1.7x	↑ 23 bps	1.7x	1.9x	↓ 25 bps

Lower COF by 31 bps and higher yield by 108 bps

Lower PAT due to increased COC as explained in prev. slide

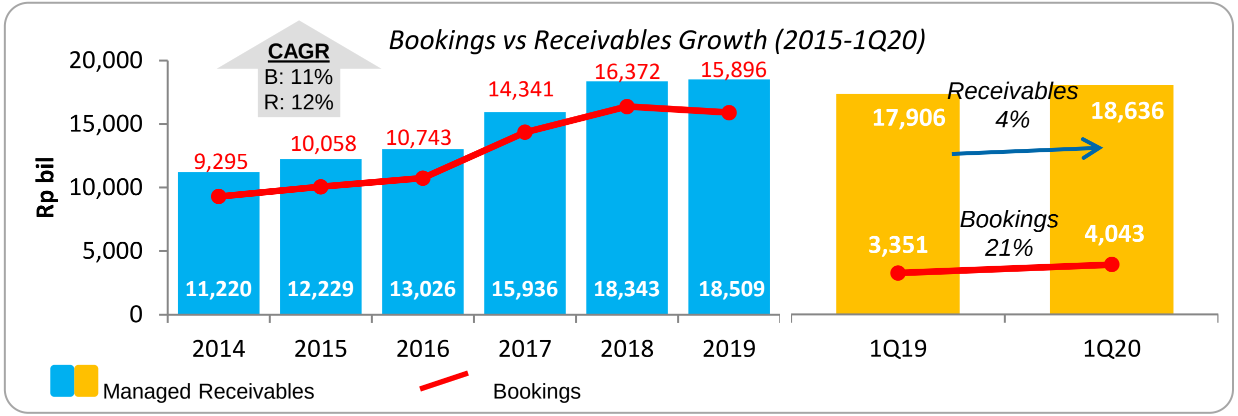
Increase in NPL across all products

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

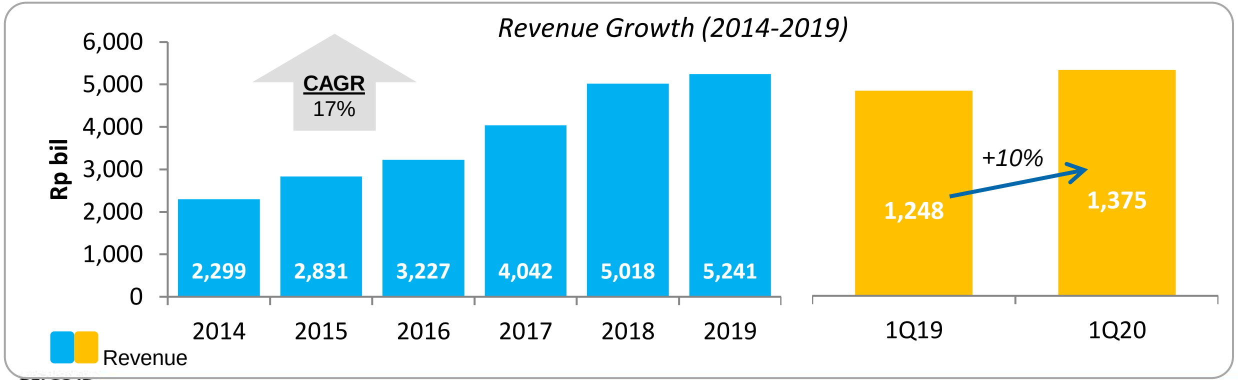
Includes channeling and joint financing transactions

Ability to build a more robust balance sheet

Stable financing receivables and revenue growth over the years. Positive trend on YoY basis, but looming risk ahead as COVID-19 outbreak started to negatively impact Indonesia's economic condition.



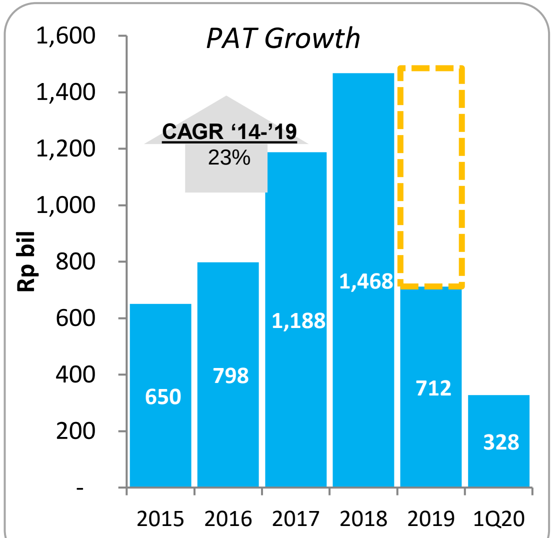
- Higher receivable in 1Q20 due to continued positive trend of business growth in 2H19 to Feb'20
- Similarly, quarterly booking continue to grow in Jan-Feb'20. However, Company started to slow the growth in March as COVID-19 outbreak negatively impacted Indonesia economic condition.
- CAGR growth yoy higher than the industry

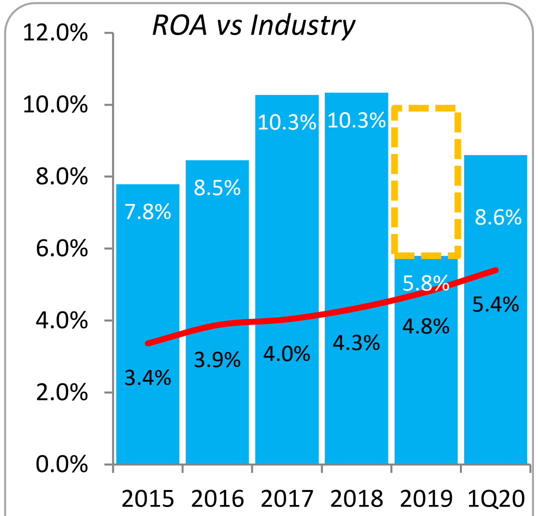


- Consistently strong growth in Revenue as a result of robust balance sheet growth and good spread management (Yield vs COF)
- Shows ability to maximise income generation from assets

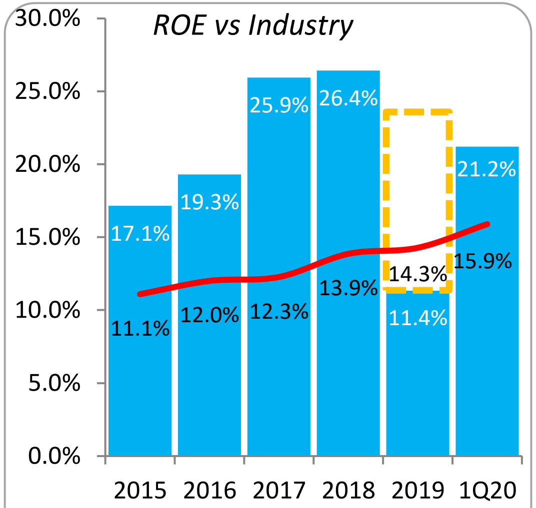
Stable profitability over the years

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





Source: Company, OJK (data industry per Feb'20)



Source: Company, OJK (data industry per Feb'20)

PAT slightly growth in spite of slowing economy and challenging market condition (exclude settlement-related expenses).

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

ROE remains consistently stable and high above average industry. Drop in FY19 partly due to no interim dividend in 2018.

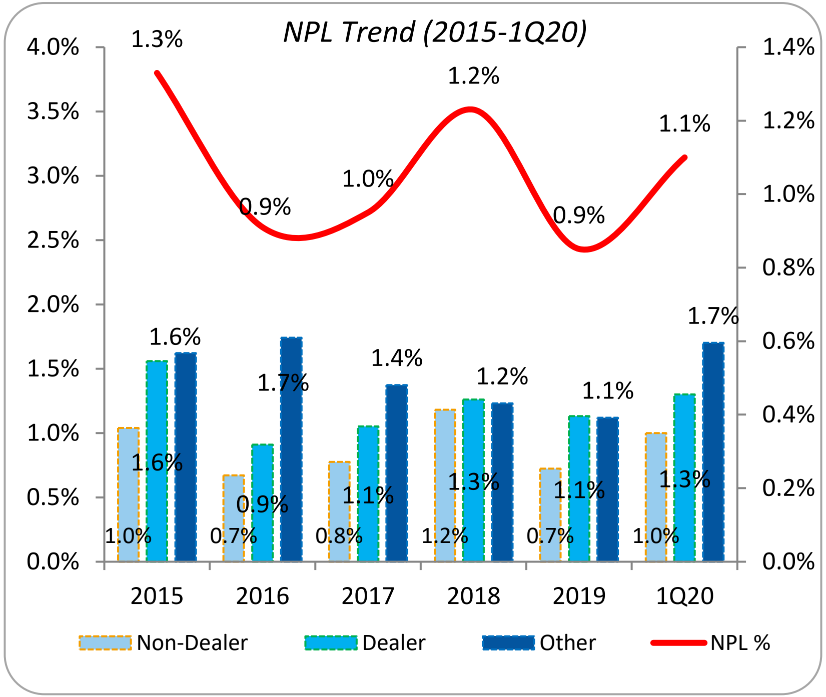
Show result w/o settlement-related expenses

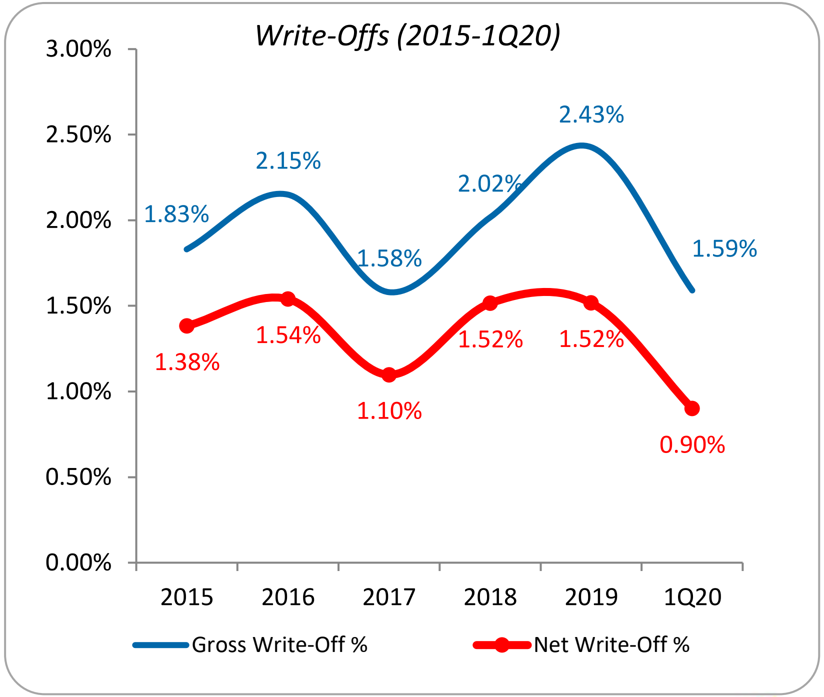
ROA Company is calculated using PBT/Average Total Assets

ROE Company is calculated using PAT/Average Total Equity

Asset quality still under control

Higher NPLs as customers' repayment capacity negatively impacted by COVID-19 outbreak.

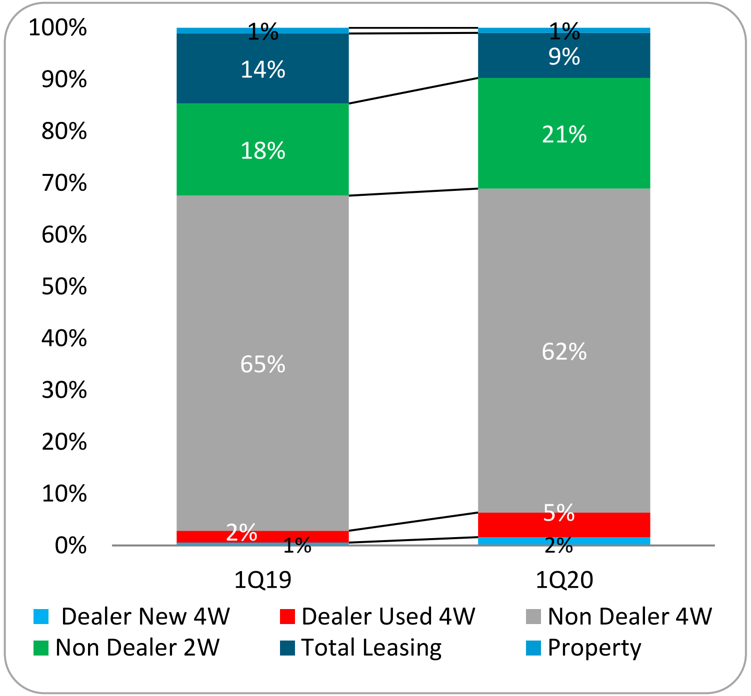




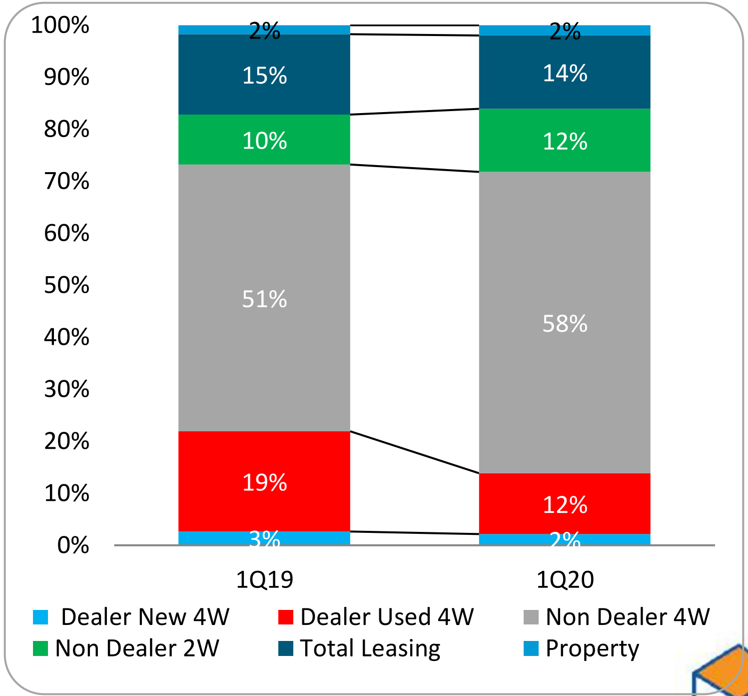
Asset Composition

Non Dealer's booking reached 83% while asset composition grew to 70%. Dealer's portfolio drop as part of product refocus strategy in 2019.

Booking Composition (1Q19 vs 1Q20)



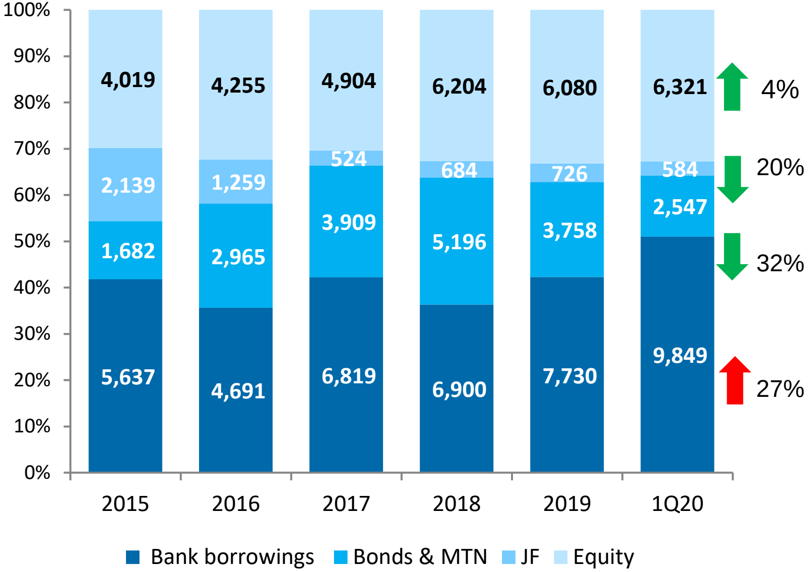
Managed Receivables Composition (1Q19 vs 1Q20)



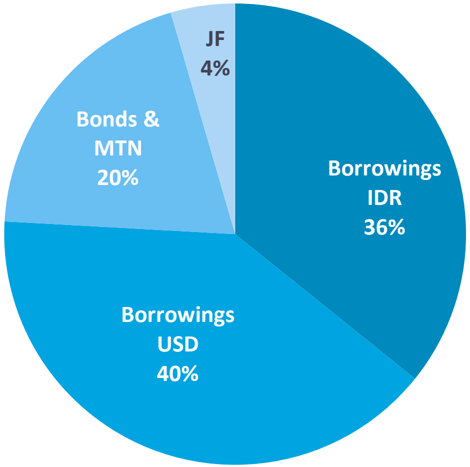
Strong capital base

Diversified capital structure and funding sources to manage risk and facilitate further business growth

Source of Funding (2015-1Q20)



External Funding Sources



Total : Rp12,980 billion

- Decline in Bonds & MTN caused by repayment of due principal
- Increase in Bank borrowings, specifically in USD, mainly to capitalize on favorable rate and swap cost offered by the banks

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

Business Distribution and Branch Network as at 31 March 2020

Extensive coverage throughout the country