PT BFI Finance Indonesia Tbk
9M20 Results

October 2020

Analyst Briefing

9M20 Key Highlights

Prudent restart booking strategy due to Covid-19 uncertainty

GROWTH

- New booking in 3Q20 reached Rp1,334 bn, restarted booking in Jul-20 after temporary stop booking policy amidst covid-19; as a result, 9M20 booking was down 52.0% YoY from Rp 11,315 bn to Rp5,435 bn; and total managed receivables declined by 9.1% QoQ and 17.6% YoY to Rp14,828 bn.

ASSET QUALITY

- NPL ratio improved from 3.73% to 2.67% QoQ as a result of the Company's strong mitigation efforts. In spite of this, LLR increased from 5.89% to 6.51% QoQ resulting in higher NPL coverage from 1.6x to of 2.4x.
- NCL ratio increased from 2.64% to 4.48% QoQ, while 9M20 NCL was 2.62%, from 1.99% YoY. Higher NCL due to more repossession and collateral disposal activities and automatic Write-Offs.
- 3Q20 COC ratio improved from 9.95 % to 4.84% QoQ while 9M20 COC rose to 6.35% vs 1.83% YoY, partly due to higher LLR for NPL coverage.

PROFITABILITY

- Net Interest Spread increased from 11.04% to 11.62% QoQ, thanks to improved yield from new booking activities in 3Q20. 9M20 Yield was recorded at 20.4%, only down by 10 bps YoY; whilst COF improved 31 bps to 8.46% YoY.
- Nevertheless, 9M20 Net Revenue decreased by 8.3% YoY to Rp2,726 bn driven by drop in receivables balance. On a QoQ basis, 3Q20 net revenue improved 1.5% to Rp821 bn.
- Opex increased 8.6% QoQ to Rp393 bn as business resumed in 3Q20. On YoY basis, Opex reduced by 8.6% or Rp 116 bn to Rp1,239 bn mainly due to reduction of manpower related cost and overall non-essential expenses.
- COC reduced from Rp435 bn to Rp 188 bn QoQ, but increased by 231% YoY to Rp817 bn.
- 9M20 PBT and PAT reached Rp662 bn and Rp521 bn, down by 51.6% and 52.2% YoY respectively, mostly due to increased COC.

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OTHERS

- Total of 385 outlets, excluding 45 sharia branches sharing premises with conventional branches. 22 kiosks closed in 3Q20 (38 kiosks YTD reduction as compared to Dec-19).
- Issuance of Shelf Registered IDR Bond IV in Sep-20 with total issuance amount of Rp832 bn, consisting of Seri A (1 year) Rp437 bn with 8.5% p.a. coupon; Seri B (3 years) Rp395 bn with 9.5% p.a. coupon. DBS, Mansek, Trimegah, Danareksa and BNI Securities were Joint Lead Underwriters.
- In accordance to MoF regulation No. 85.PMK.05.2020 as a follow up to PP No. 23.2020, BFI has processed interest subsidy for its customers who fulfill the criteria as follow:

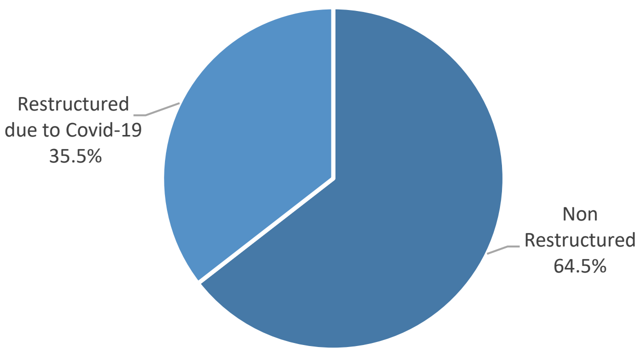
Eligible Loan size as of 29-Feb-20	Interest Subsidy to Customer *		Note
	1st 3 months	Next 3 months	
Rp10 mio - Rp500 mio	6%	3%	Subsidy is given to max 2 contracts per customer with the total exposure up to Rp500 mio
Rp500 mio - Rp10 bio	3%	2%	Must be under restructuring program from creditors and only apply to 1 financing contract

Total claim received from MoF amounting to Rp66.7 bn, distributed to 66K eligible customers. Those payment received were further allocated as customer partial payment.

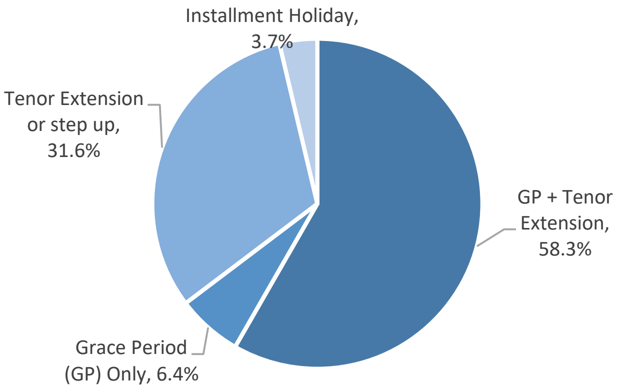
Update on Loan Restructuring

BFI has Restructured Rp5.23 trillion of Loans as of Sep-20

Loans Restructured due to Covid-19



Restructuring Options Provided



- 58 % of BFI's restructuring scheme is a combination of grace period of principal and tenor extension.
- As of Sep-20, only 3.7% of the scheme qualified for Installment Holiday.

9M20 Balance Sheet Highlights - Consolidated

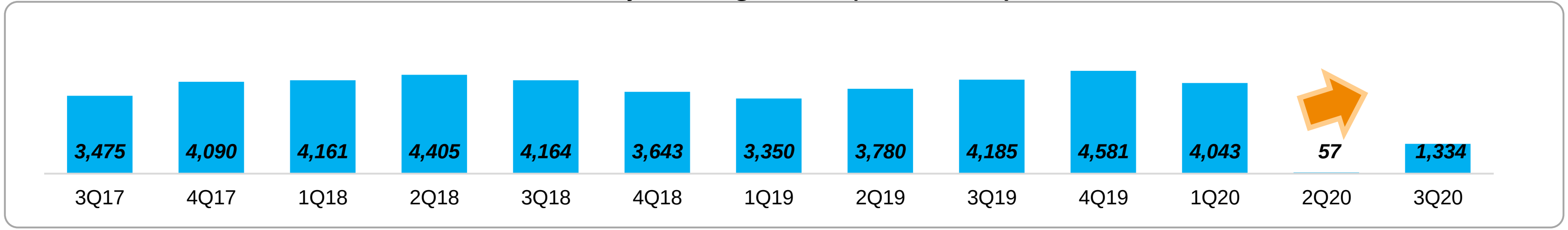
Drop in Booking and ENR due to prudent restart booking since Jul-20

*In Rp bil ** *(unless otherwise stated)*	3Q20	2Q20	QoQ Δ	Comments	9M20	9M19	YoYΔ
New Bookings	1,334	57	↑ 2,240%	Bookings slowly restarting since Jul-20	5,435	11,315	↓ 52.0%
Managed Receivables^	14,829	16,307	↓ 9.1%	Due to 2Q20 stop booking	14,829	18,000	↓ 17.6%
Total Net Receivables	13,516	15,858	↓ 14.8%		13,516	16,774	↓ 19.4%
Total Assets	16,743	17,285	↓ 3.1%		16,743	18,694	↓ 10.4%
Total Debt#	9,634	10,278	↓ 6.3%		9,634	11,384	↓ 15.4%
Total Proforma Debt^	9,983	10,699	↓ 6.7%		9,983	12,262	↓ 18.6%
Total Equity	6,298	6,151	↑ 2.4%		6,298	6,501	↓ 3.1%

(*) 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 (3Q17-3Q20)



3Q20 Profit & Loss Highlights – Consolidated

Lower revenue and increased COC limit profitability growth during the quarter

*In Rp bil ** *(unless otherwise stated)*	3Q20	2Q20	QoQ∆	Comments	9M20	9M19	YoY∆
Interest Income	797	844	↓ 5.6%		2,621	2,753	↓ 4.8%
Financing Cost	207	232	↓ 10.8%	Lower borrowings overall although COF has increased QoQ by 37 bps but still 31 bps lower YoY	685	760	↓ 9.8%
Net Interest Income	590	612	↓ 3.6%		1,936	1,993	↓ 2.9%
Fees & Other Income	232	199	↑ 16.6%	Shows an improvement in business QoQ	793	986	↓ 19.6%
Net Revenue	822	811	↑ 1.4%		2,729	2,979	↓ 8.4%
Operating Expenses	397	366	↑ 8.5%	Higher QoQ with the restart of bookings but lower YoY mainly due to lower employee and non-essential expenses	1,250	1,363	↓ 8.3%
Operating Income	425	445	↓ 4.5%		1,479	1,616	↓ 8.5%
Cost of Credit	188	435	↓ 56.8%	Improved QoQ but rose YoY to 6.35% vs 1.83% partly due to higher LLR for NPL coverage	818	248	↑ 230.1%
PBT **	238	10	↑ 2,280%		662	1,368	↓ 51.6%
PAT **	189	4	↑ 4,625%		521	1,090	↓ 52.2%

* 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 for 9M20 was at Rp670 bn and Rp529 bn, respectively

Key Ratios

Profitability took a hit due to higher delinquency slightly offset by better opex management

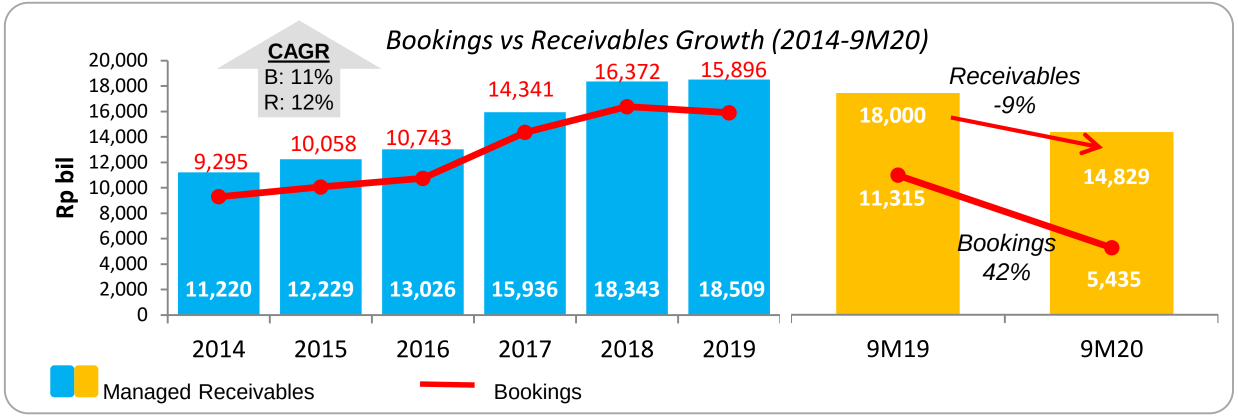
	3Q20	2Q20	QoQ∆	Comments	9M20	9M19	YoY∆
Net Interest Spread	11.62%	11.04%	↑ 57 bps	Encouraging trend with improvement QoQ yield despite increase in COF	11.94%	11.73%	↑ 21 bps
Cost to Income	47.85%	44.70%	↑ 314 bps		45.44%	45.55%	↓ 11 bps
COC / Avg. Rec.	4.84%	9.95%	↓ 511 bps	COC reduced from Rp435 bn to Rp188 bn QoQ, but increased by 231% YoY to Rp817 bn	6.35%	1.83%	↑ 452 bps
ROAA (before tax)	5.77%	0.27%	↑ 549 bps	Slower business and profitability overall due to conscious effort to halt business but booking restart in 3Q showing encouraging QoQ performance	4.94%	9.70%	↓ 476 bps
ROAA (after tax)	4.59%	0.16%	↑ 443 bps		3.90%	7.74%	↓ 383 bps
ROAE (after tax)	12.29%	0.47%	↑ 1,182 bps		11.33%	23.02%	↓ 1,168 bps
NPL*	2.67%	3.73%	↓ 106 bps	YoY NPL higher but significant improvement in NPL QoQ due to rigorous risk mitigation strategy	2.67%	1.06%	↑ 161 bps
Net Gearing Ratio #	1.3x	1.5x	↓ 26 bps		1.3x	1.7x	↓ 49 bps

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

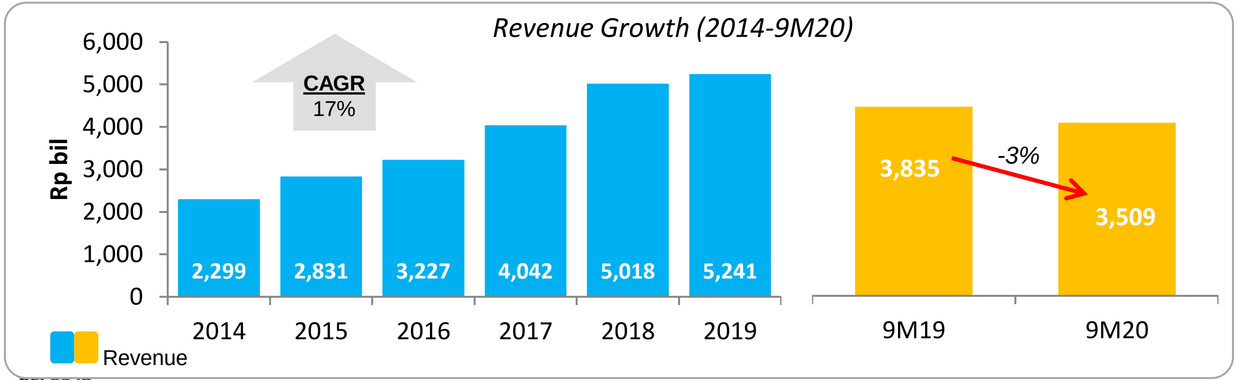
Includes channeling and joint financing transactions

Ability to build a robust balance sheet

Stable growth over the years. Pandemic has resulted in a conscious slowdown of our business with priority on risk management



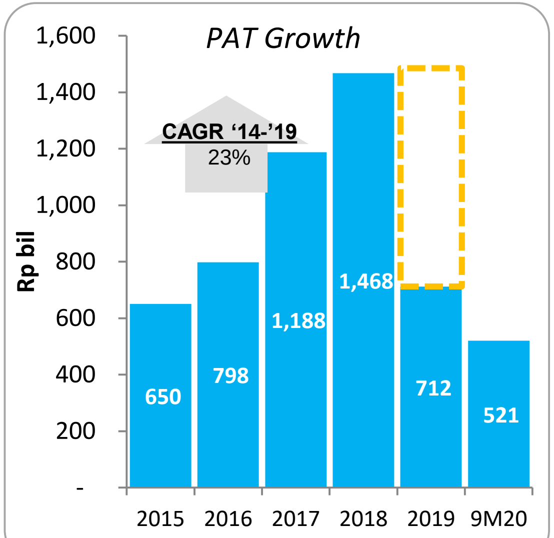
- Consistently growing receivable in the last 5 years with CAGR growth outpace the industry;
- Lower receivables in 2020 mainly driven by our prudent risk decision to limit new booking, in light of the current pandemic and its economic impact (e.g. lower repayment capacity thus higher delinquency).

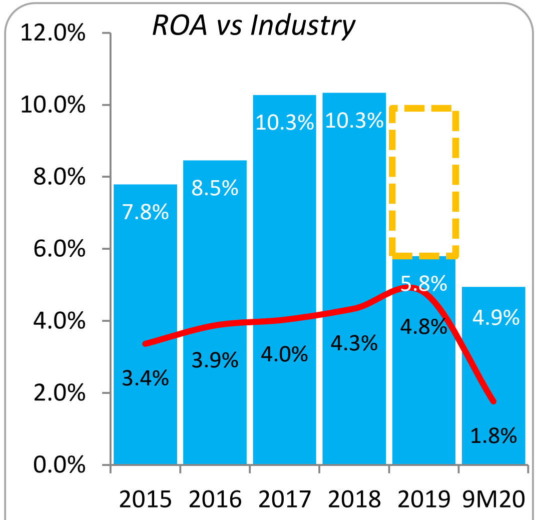


- Consistently strong growth in Revenue as a result of robust balance sheet growth and good spread management (Yield vs COF) in the last 5 years;
- Lower revenue in 2020 mainly driven by lower new booking as explained above as well as increased NPF.

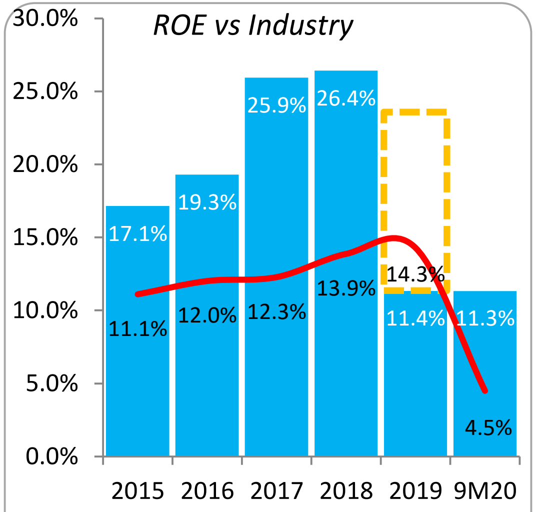
Stable profitability over the years

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





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



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

PAT negatively impacted due to challenging market condition and higher delinquency which drove provision up.

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

ROE remains consistently stable and high above average industry.

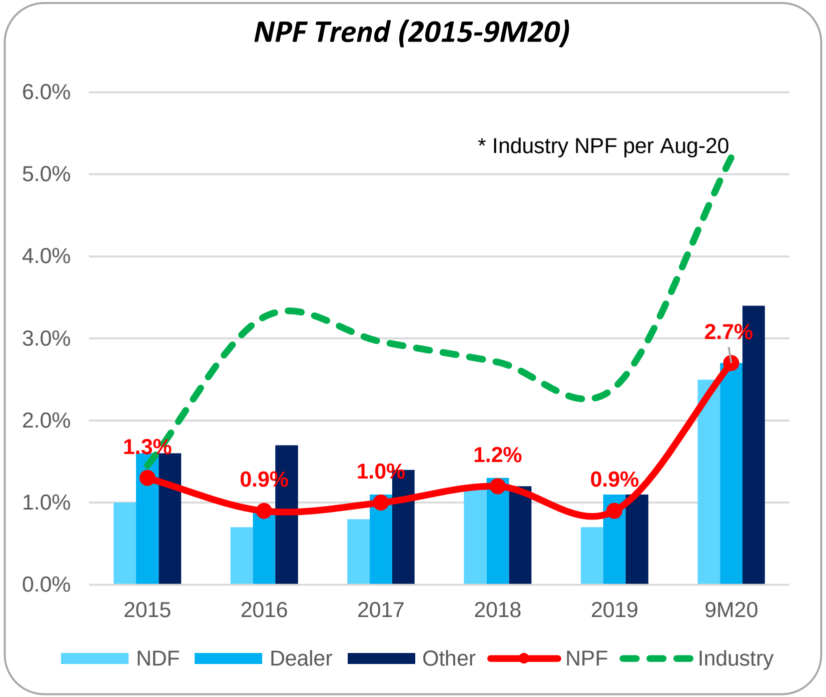
Show result w/o settlement-related expenses

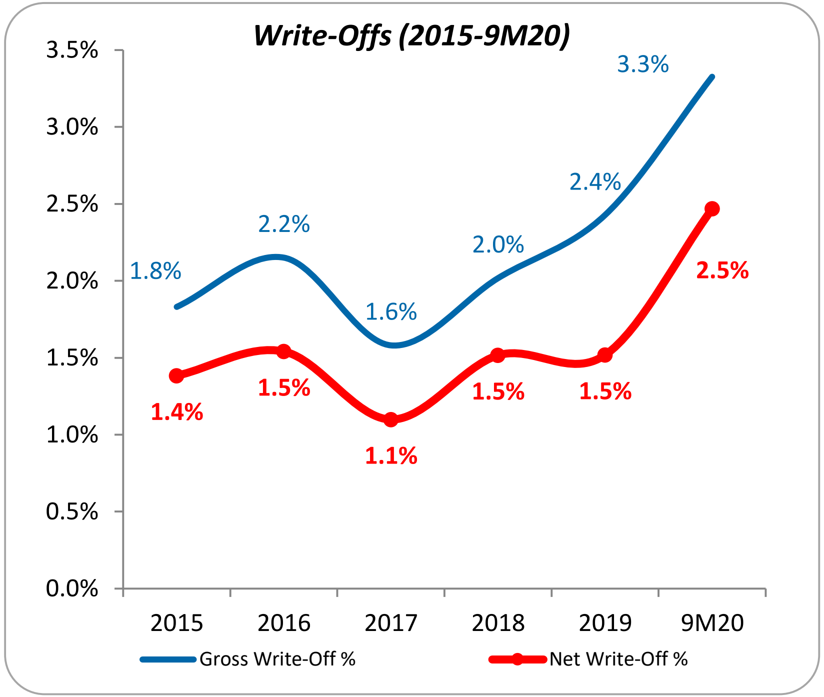
ROA Company is calculated using PBT/Average Total Assets

ROE Company is calculated using PAT/Average Total Equity

Rigorous risk and balance sheet quality management

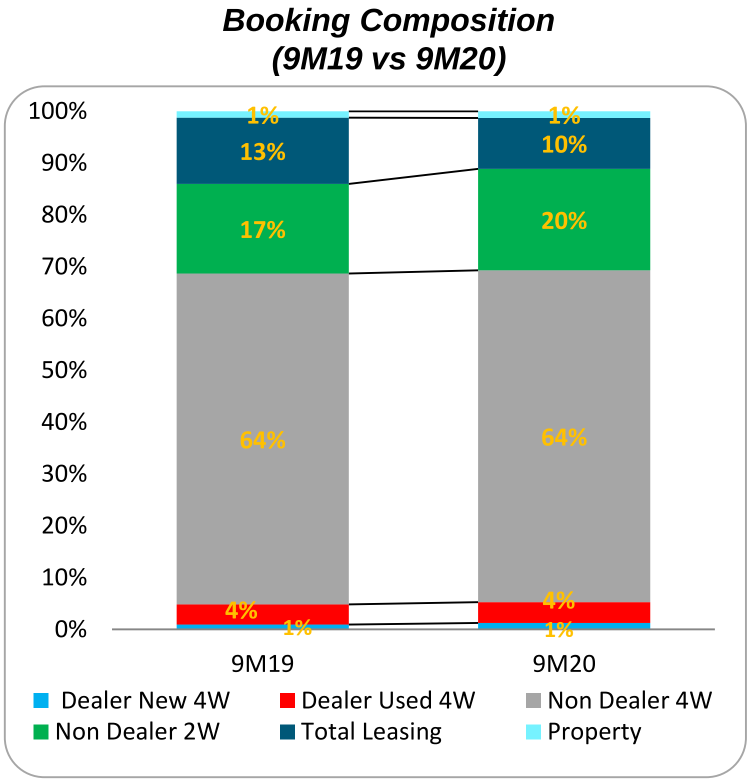
Higher NPFs amidst Covid-19 outbreak across all segments but expect to stabilize and continue to decrease towards end of the year

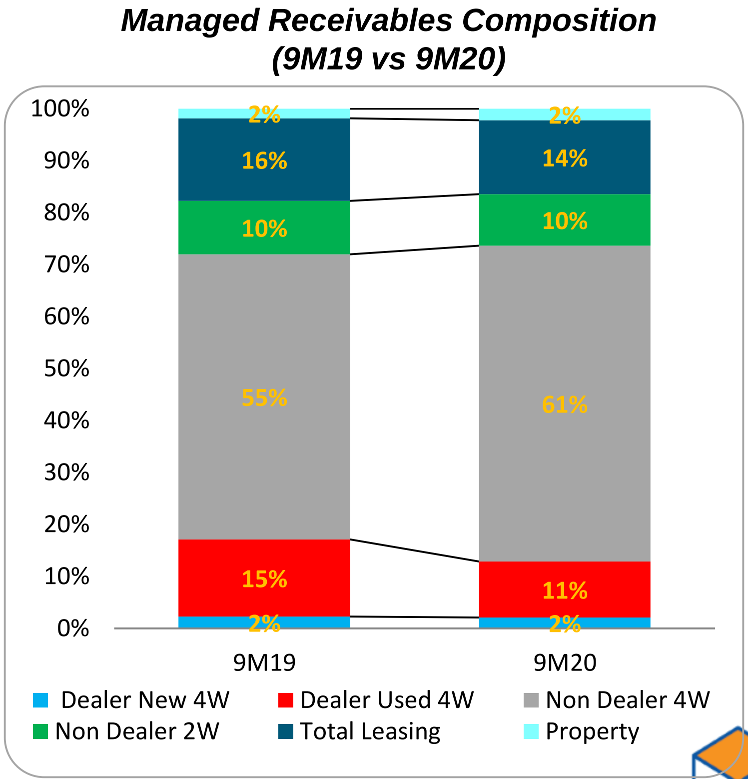




Asset Composition

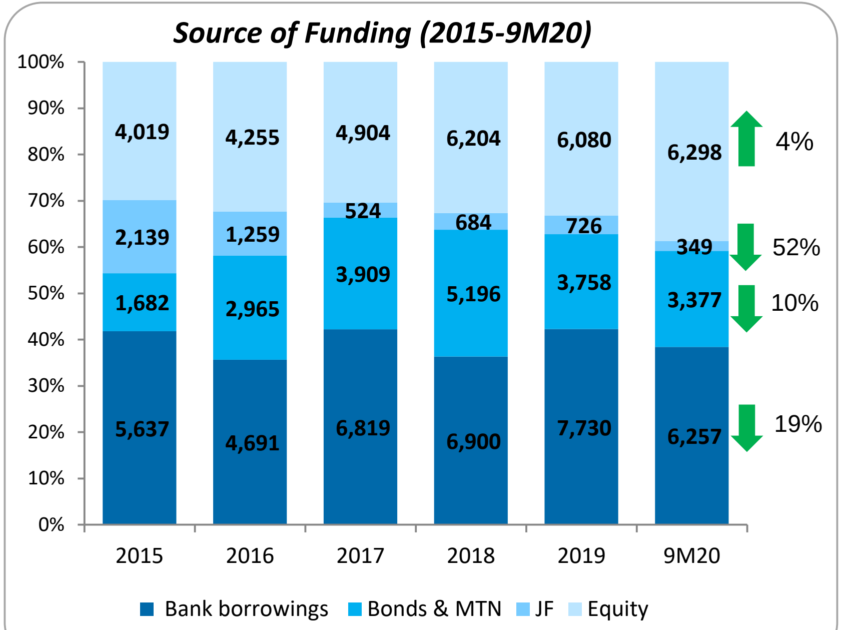
Non-Dealer business continue to become our engine of growth with new bookings of 84% while asset composition grew to 71%

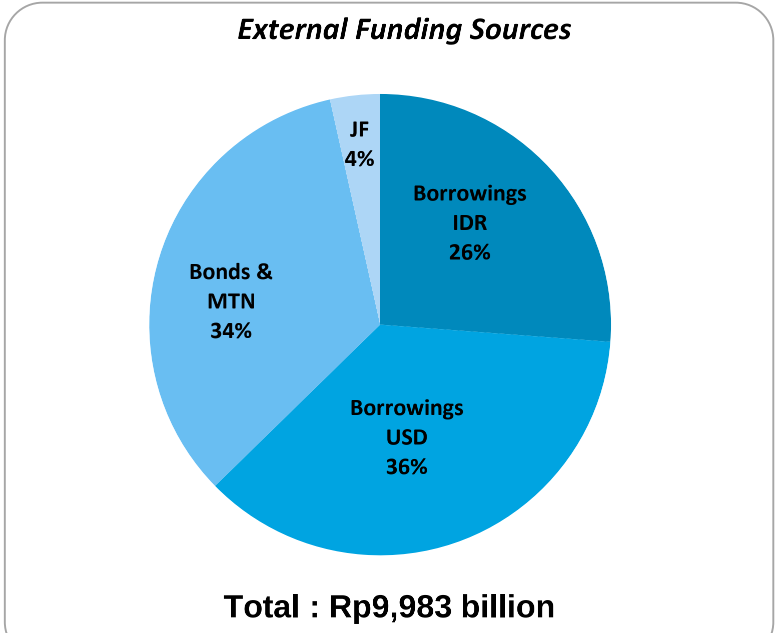




Strong capital base

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





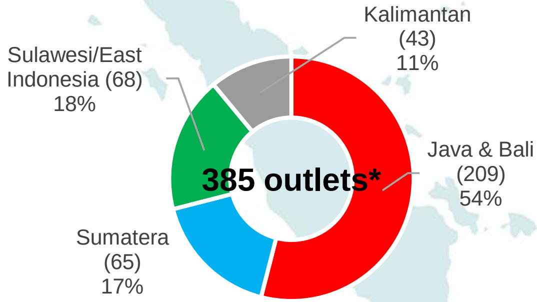
- Decline in Bonds & MTN caused by repayment of due principal
- Increase in Bank borrowings, specifically in USD, mainly to capitalize on favorable rate and swap cost offered by the banks

- 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 30 September 2020

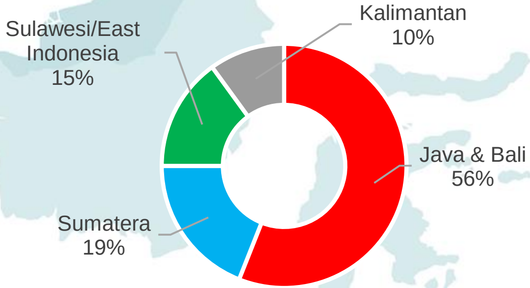
Extensive coverage throughout the country

Outlets

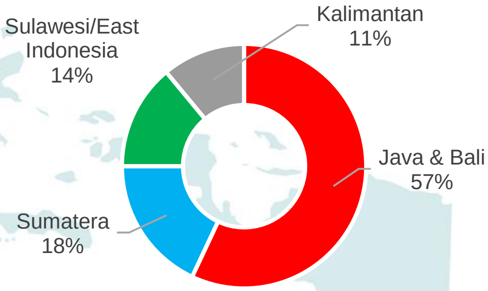


* Includes 45 Sharia branches sharing premises with existing branches

Managed Receivables



Bookings



Thank you