PT BFI Finance Indonesia Tbk

1Q:21 Results

26 April 2021

Analyst Briefing

1Q:21 Key Highlights

Prudent restart booking strategy due to Covid-19 uncertainty

GROWTH

- YTD 3M:21 booking amounted to Rp2,937 bn, 35.3% QoQ increase. However it was down by 27.4% on a YoY basis, compared to pre covid booking
- Total managed receivables showed a decline of 2.1% QoQ and 26.8% YoY to Rp13,647 bn. March-21 marked a first month of ENR growth after continuous decline since Covid-19 pandemic hit last year

ASSET QUALITY

- NPF ratio increase from 1.72% to 2.26% QoQ. Loan restructuring has ended for 92% of restructured loans with some customers unable to fulfill their normal loan commitments
- LLR was maintained at 7.5%, up from 7.1% QoQ, and 3.5% YoY. NPL coverage slightly lower from 4.1x to of 3.3x QoQ, but slight increase from 3.1x YoY. High LLR continues to reflect prudent risk management
- NCL ratio declined from 4.12% to 2.00% QoQ, up from 1.03% YoY. More repossession and collateral disposal activities are expected in the following months, resulting in higher NCL and lower NPF
- 1Q21 COC ratio decline from 4.78% to 3.12% QoQ and from 4.18% YoY, partly due improvement in overall past due trend

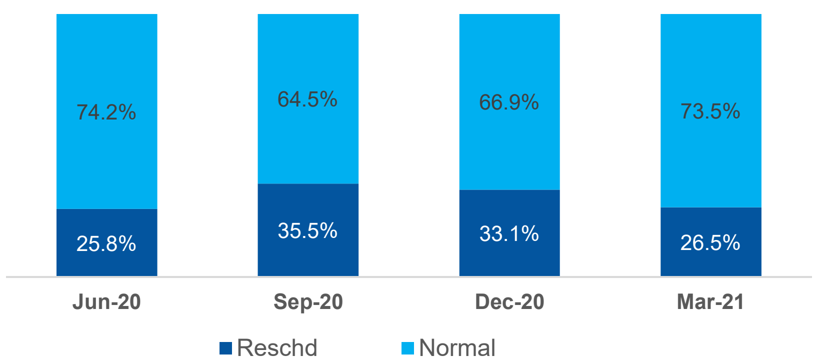
PROFITABILITY

- YTD Net Revenue decreased by 1.3% QoQ and 8.9% YoY to Rp780 bn driven by drop in average receivables balance and lower net interest spread, which declined from 12.02% to 11.12% QoQ, and from 13.00% YoY mostly driven by lower proportion of NDF Motor portfolio contribution; with COF stable at 8.6% range
- OPEX also decreased by 20.0% or Rp98 bn YoY to Rp390 bn mainly due to reduction of manpower related cost and overall non-essential opex
- COC decreased by 37.4% QoQ and 44.9% YoY to Rp108bn
- 1Q21 PBT and PAT reached Rp283 bn and Rp230 bn, improved over 30% QoQ yet down by 31.8% and 30.0% YoY, respectively

Update on Loan Restructuring

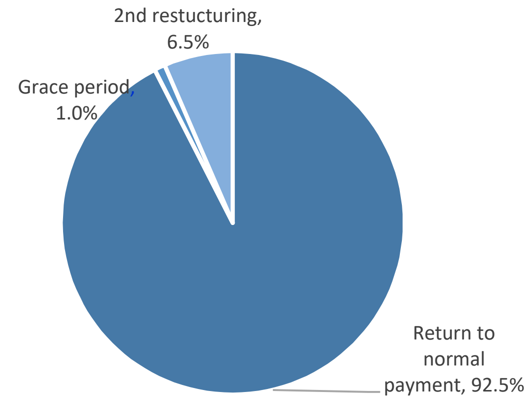
O/s restructured Loans managed down by 1/3 from Rp 5.3 tn in Aug-20 to Rp3.6 trillion in Mar-21

Covid-19 Restructured vs Normal Loans



* Rescheduling program has ended in Aug-20

Restructuring Options Provided



- As of Mar-21, 92% of restructured loans has returned to normal installment, 1% still under grace period and the remaining 6.5% granted 2nd restructuring with very strict review
- The OS restructured loan has down from the highest amount of Rp 5.3 trillion in Aug-20.

1Q:21 Balance Sheet Highlights - Consolidated

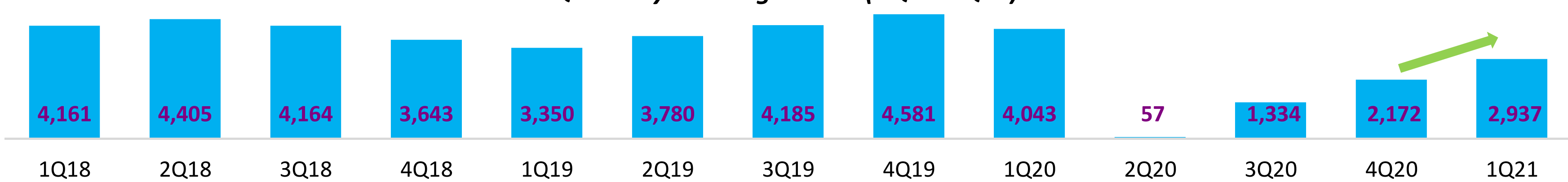
Drop in Booking and ENR due to prudent restart booking since Jul-20

*In Rpbil ** *(unless otherwise stated)*	1Q21	1Q20	YoYΔ	Comments	1Q21	4Q20	QoQΔ
New Bookings	2,937	4,043	↓ 27.4%	New normal vs pre covid	2,937	2,172	↑ 35.3%
Managed Receivables^	13,647	18,636	↓ 26.8%		13,647	13,947	↓ 2.1%
Total Net Receivables	12,444	17,413	↓ 28.5%	Impact of stop booking in 2Q20	12,444	12,700	↓ 2.0%
Total Assets	14,178	19,678	↓ 27.9%		14,178	15,201	↓ 6.7%
Total Debt#	6,447	12,396	↓ 48.0%		6,447	7,773	↓ 17.1%
Total Proforma Debt^	6,625	12,980	↓ 49.0%	Due to contracted receivables	6,625	8,032	↓ 17.5%
Total Equity	6,868	6,306	↑ 8.9%		6,868	6,606	↑ 4.0%

(*) All absolute figures have been rounded to the closest Rpbillion 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 (1Q18-1Q21)



1Q:21 Profit & Loss Highlights – Consolidated

Lower revenue and increased COC limit profitability growth during the year

*In Rpbil ** *(unless otherwise stated)*	1Q21	1Q20	YoY∆	Comments	1Q21	4Q20	QoQ∆
Interest Income	685	980	↓ 30.1%	Due to lower receivables balance	685	754	↓ 9.1%
Financing Cost	154	246	↓ 37.5%	Lower borrowings balance	154	185	↓ 16.8%
Net Interest Income	531	734	↓ 27.7%		531	569	↓ 6.6%
Fees & Other Income	249	362	↓ 31.4%	Due to decline of new booking & collection fee	249	220	↑ 13.1%
Net Revenue	780	1,096	↓ 28.9%		780	789	↓ 1.1%
Operating Expenses	390	487	↓ 20.0%	Improve efficiency & cut cost	390	409	↓ 4.7%
Operating Income	390	609	↓ 36.0%		390	380	↑ 2.7%
Cost of Credit	108	195	↓ 44.9%	CoC decreased by 106 bps YoY and 166 bps QoQ to 3.12%	108	172	↓ 37.4%
PBT **	283	414	↓ 31.8%		283	208	↑ 35.7%
PAT **	230	328	↓ 30.0%		230	181	↑ 26.8%

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

** BFI only PBT and PAT for 1Q21 was at Rp286 bn and Rp233 bn, respectively

Key Ratios

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

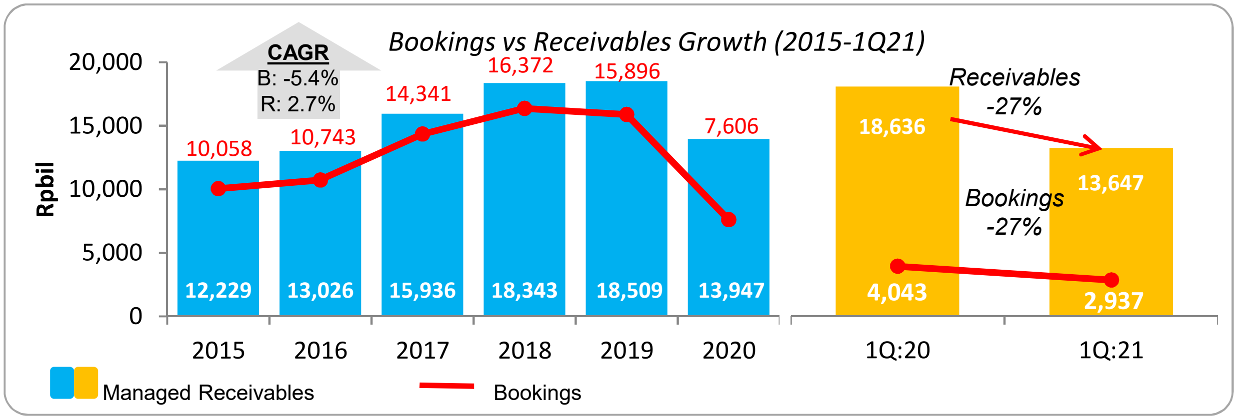
	1Q21	1Q20	YoYΔ	Comments	1Q21	4Q20	QoQΔ
Net Interest Spread	11.12%	13.00%	↓ 188 bps	Encouraging trend with improvement QOQ yield despite increase in COF	11.12%	12.02%	↓ 90 bps
Cost to Income	49.45%	44.18%	↑ 527 bps		49.45%	51.85%	↓ 240 bps
COC / Avg. Rec.	3.12%	4.18%	↓ 106 bps	COC decreased by 45% YoY to Rp108 bn	3.12%	4.78%	↓ 166 bps
ROAA (before tax)	7.73%	8.57%	↓ 84 bps		7.73%	5.22%	↑ 251 bps
ROAA (after tax)	6.29%	6.79%	↓ 50 bps	Slower business and profitability overall due to conscious effort to halt business but booking restart in 3Q showing encouraging QoQ performance	6.29%	4.53%	↑ 176 bps
ROAE (after tax)	13.82%	21.17%	↓ 735 bps		13.82%	11.23%	↑ 258 bps
NPF*	2.26%	1.12%	↑ 115 bps	YoY NPF higher but significant improvement in NPF QoQ due to rigorous risk mitigation strategy	2.26%	1.72%	↑ 55 bps
Net Gearing Ratio #	0.8x	1.9x	↓ 102 bps		0.8x	1.0x	↓ 11 bps

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

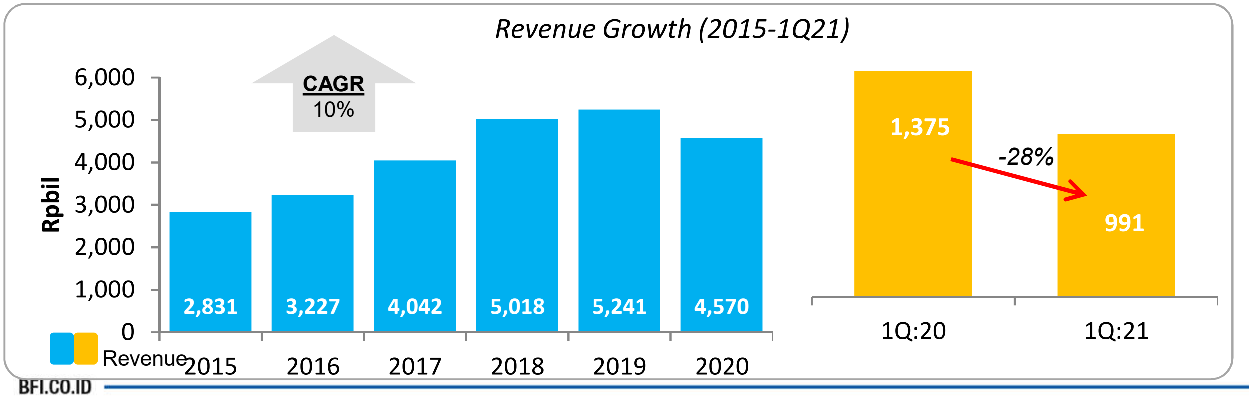
Includes channeling and joint financing transactions

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



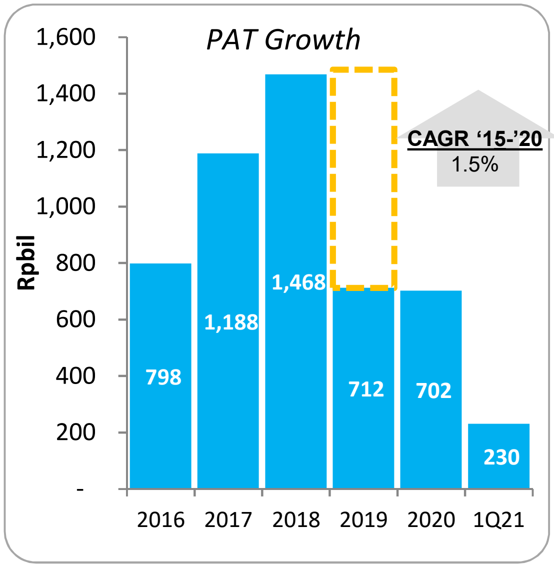
- Consistently growing receivable in the last 5-years with CAGR growth outpace the industry
- Lower receivables in 2020 mainly driven by our prudent risk decision to limit new booking, in light of the current pandemic and its economic impact (eg. lower repayment capacity thus higher delinquency).

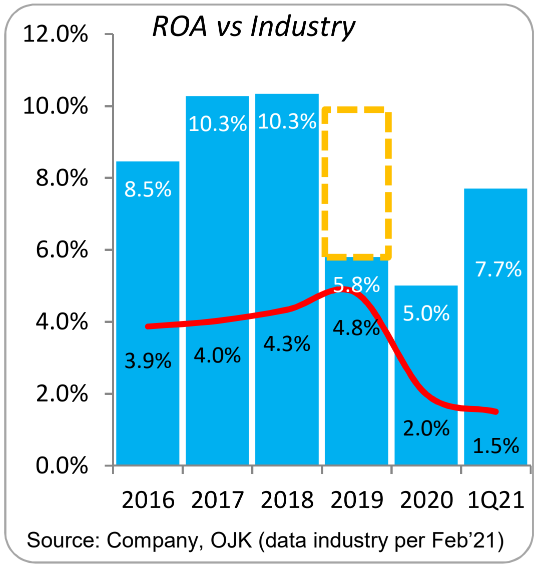


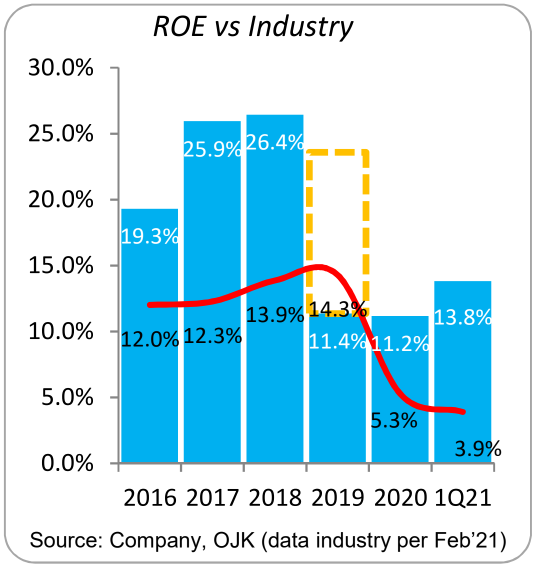
- Consistently strong growth in Revenue as a result of robust balance sheet growth and good spread management (Yield vs COF) in the last 5-years
- Lower revenue in 2020 mainly driven by lower new booking as explained above as well as increased NPF.

Stable profitability over the years

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







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.

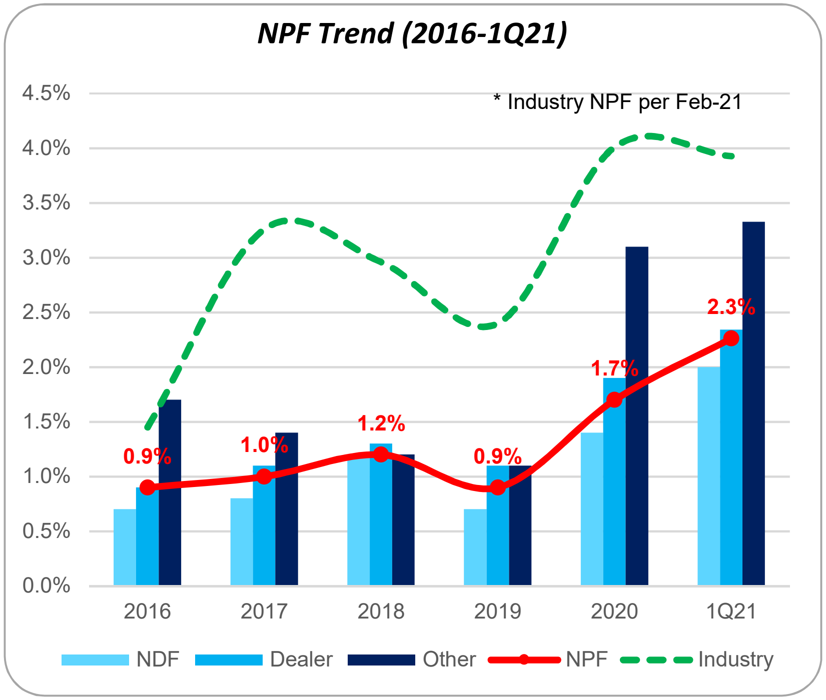
Show result w/o settlement-related expenses

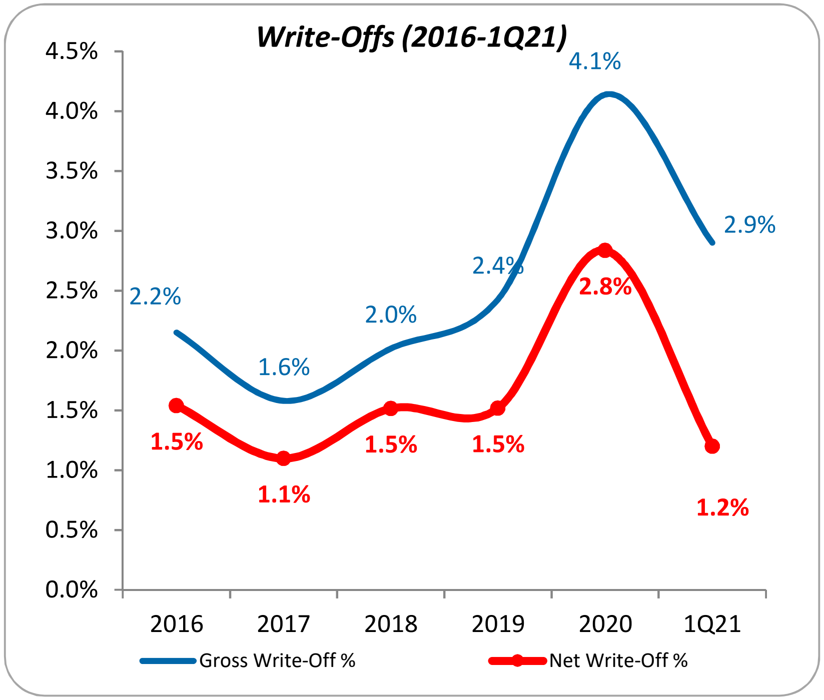
ROA Company is calculated using PBT/Average Total Assets

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

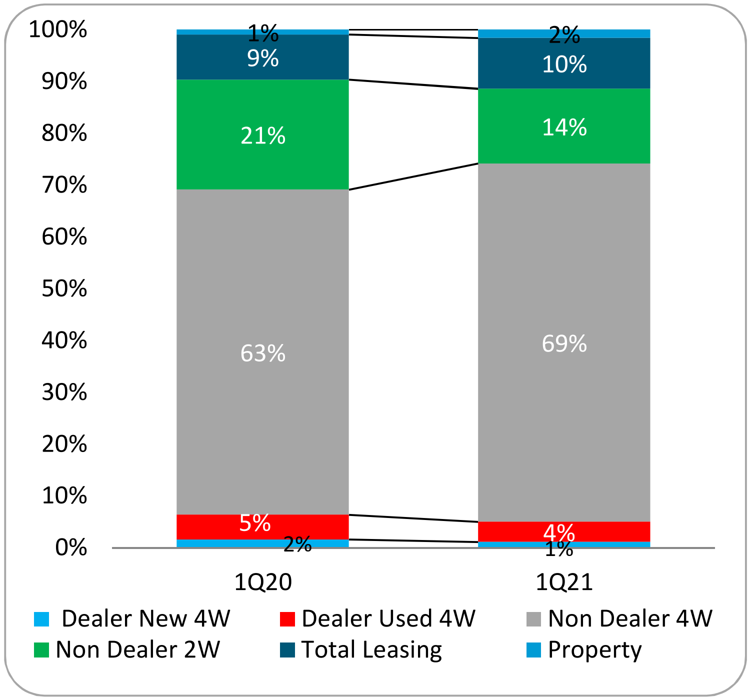




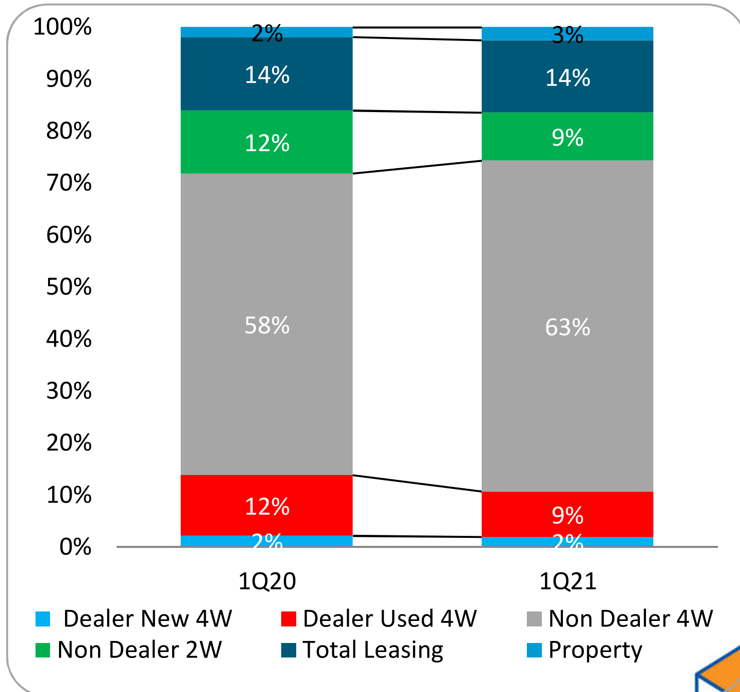
Asset Composition

Non-Dealer business continue to become our engine of growth with new bookings of 83% while asset composition grew to 72%.

Booking Composition (1Q20 vs 1Q21)

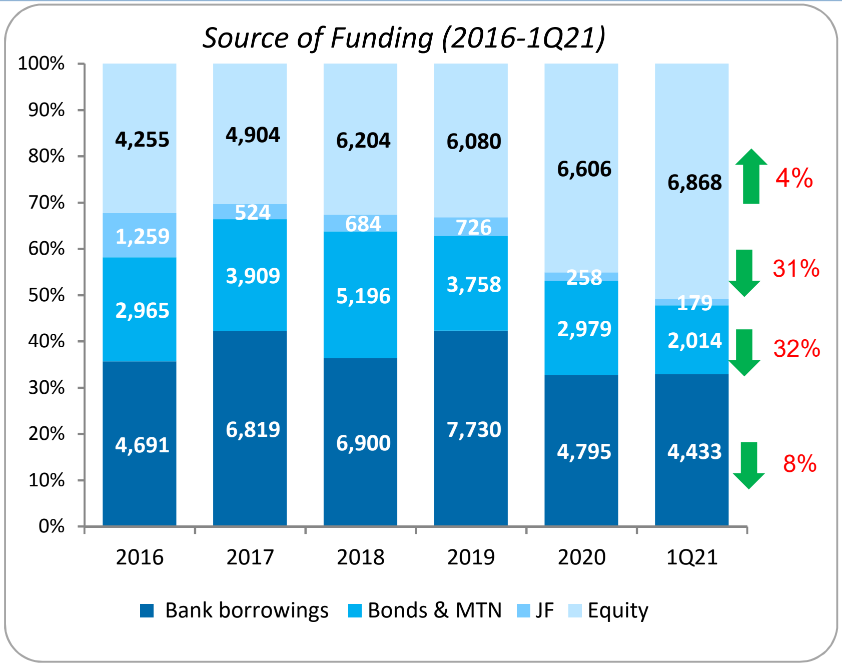


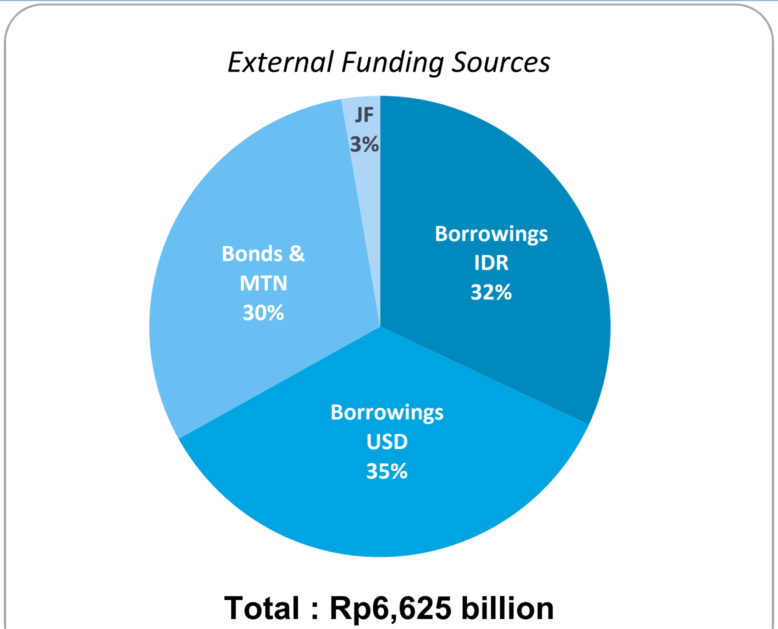
Managed Receivables Composition (1Q20 vs 1Q21)



Strong capital base

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



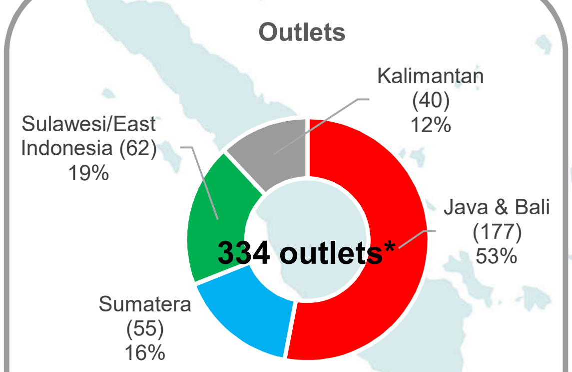


- Decline in Bonds & MTN caused by repayment of due principal
- Increase in Bank borrowings, specifically in USD, mainly to capitalize on favorable rate and swap cost offered by the banks

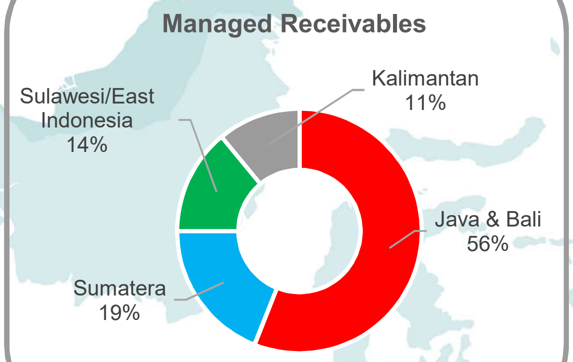
- Well-diversified funding sources is important to reduce dependency and risk
- Adequate facilities in pipeline to support daily operational and further business expansion

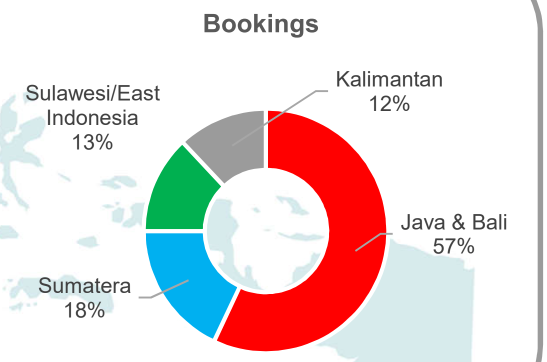
Business Distribution and Branch Network as at 31 March 2021

Extensive coverage throughout the country



* Includes 45 Sharia branches sharing premises with existing branches





Thank You