PT BFI FINANCE INDONESIA: *1Q17 RESULTS*

April 2017

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

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1Q17 KEY UPDATES

GROWTH

- **Receivables and Revenue** growth, amidst economic challenges
    - Total Net Receivables grew 20.1% whilst Managed Receivables (incl off balance sheet) grew 10.9% driven by Bookings growth (35.5%), in spite of shifting away from New 4W business
    - Net Revenue growth of 24.4% driven largely by strong Consumer Financing business, higher yields and increase in Receivables book
- 5 new outlets

PROFITABILITY

- Strong PAT growth of 59.0% yoy to Rp254 billion, on the back of higher NIM (169 bps above 1Q16), better cost of credit (1.58%), higher efficiency in operations, and strong receivables growth
- ROAE improved to 23.3% vs 15.9% in 1Q16

ASSET QUALITY

- NPL improved to 1.01% from 1.56% in 1Q16 due to continued vigilance in risk management and collection. (Note: Write-off policy for 4W & 2W changed to 210 days starting Dec-2016)

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BALANCE SHEET HIGHLIGHTS

In Rp bil (unless otherwise stated)	1Q17	1Q16	YoYΔ	FY16	FY15	YoYΔ
New Bookings	3,166	2,337	↑ 35.5%	10,743	10,058	↑ 6.8%
Managed Receivables^	13,535	12,200	↑ 10.9%	13,026	12,229	↑ 6.5%
Total Net Receivables	12,363	10,294	↑ 20.1%	11,583	9,898	↑ 17.0%
Total Assets	14,324	13,219	↑ 8.4%	12,476	11,770	↑ 6.0%
Total Debt^	9,190	8,669	↑ 6.0%	8,915	9,457	↓ 5.7%
Total Equity	4,499	4,008	↑ 12.3%	4,255	4,019	↑ 5.9%

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

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^ Includes channeling and joint financing transactions

Successfully shifter from New Dealer business to more lucrative Non-Dealer 4W product

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PROFIT & LOSS HIGHLIGHTS

In Rp bil (unless otherwise stated)	1Q17	1Q16	YoY∆	FY16	FY15	YoY∆
Interest Income	680	617	↑ 10.3%	2,532	2,415	↑ 4.8%
Financing Cost	235	262	↓ 10.4%	1,001	1,063	↓ 5.8%
Net Interest Income	445	354	↑ 25.6%	1,531	1,353	↑ 13.2%
Fee Based Income	144	113	↑ 27.2%	489	383	↑ 27.7%
Net Revenue	676	544	↑ 24.4%	2,358	2,066	↑ 14.1%
Operating Expenses	305	259	↑ 18.0%	1,108	968	↑ 14.5%
Operating Income	371	285	↑ 30.2%	1,250	1,099	↑ 13.7%
Cost of Credit	52	68	↓ 22.7%	225	263	↓ 14.4%
PBT	319	217	↑ 46.6%	1,025	835	↑ 22.8%
PAT	254	160	↑ 59.0%	798	650	↑ 22.8%

- Strong Non Dealer Financing income
- Yield improvement of 67 bps YoY

- Improvement in COF by 101 bps

- Increase driven largely by employee cost

- Coming off the top of the delinquency cycle

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Continued improvements in portfolio yield and Net Interest Margins

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KEY RATIOS

	1Q17	1Q16	YoY∆		FY16	FY15	YoY∆
Net Interest Margin	10.09%	8.40%	↑ 169 bps	• Improvement in both yield and COF	8.85%	8.20%	↑ 65 bps
Cost to Income	45.11%	47.55%	↓ 245 bps		47.00%	46.83%	↑ 17 bps
COC / Avg Rec.	1.58%	2.22%	↓ 64 bps	• Continue to show manageable asset quality	1.80%	2.17%	↓ 37 bps
ROAA	9.95%	7.42%	↑ 253 bps		8.68%	7.75%	↑ 93 bps
ROAE	23.29%	15.87%	↑ 742 bps	• Strong growth in PAT yoy	19.37%	16.90%	↑ 247 bps
NPL*	1.01%	1.56%	↓ 55 bps		0.91%	1.33%	↓ 42 bps
Debt / Equity	1.80x	1.64x	↑ 0.15x		1.76x	1.63x	↑ 0.13x

* Defined as Pastdue >90 days, Calculated from total managed receivables (including off B/S receivables)

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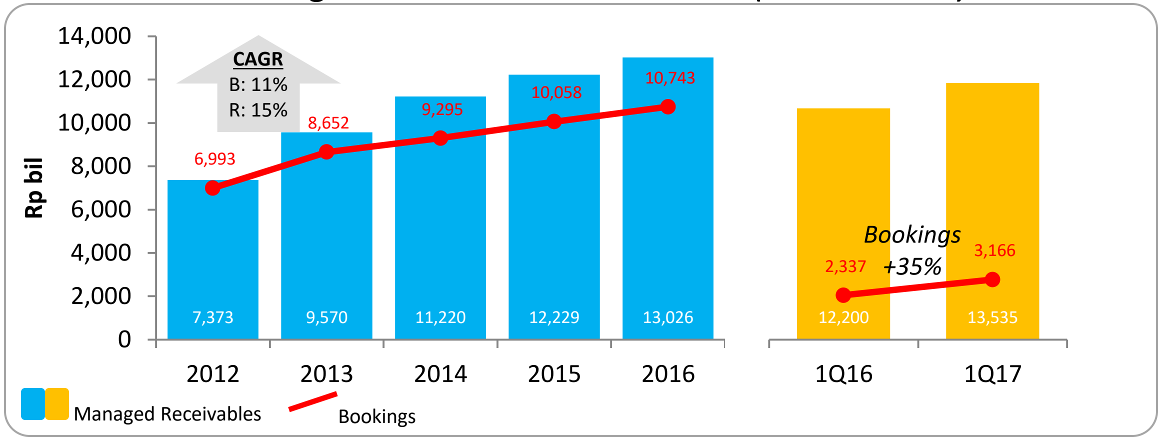
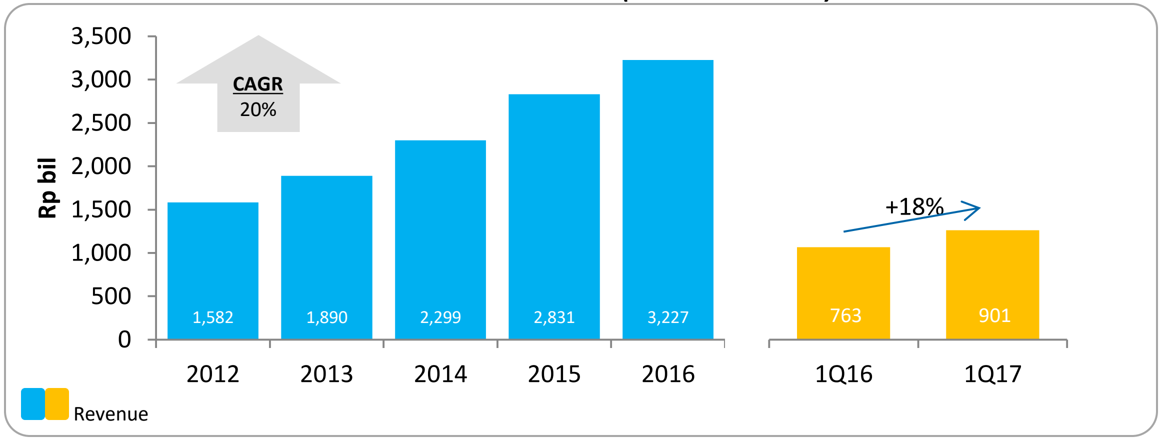
ABILITY TO BUILD A MORE ROBUST BALANCE SHEET

Bookings vs Receivables Growth (2012-1Q17)



- Loan book shows improvement over the years – able to improve quality and tenor of loans booked, resulting in consistent Receivables growth compared to Bookings
- FY16 recorded Receivables growth yoy higher than the industry

Revenue Growth (2012-1Q17)



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

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

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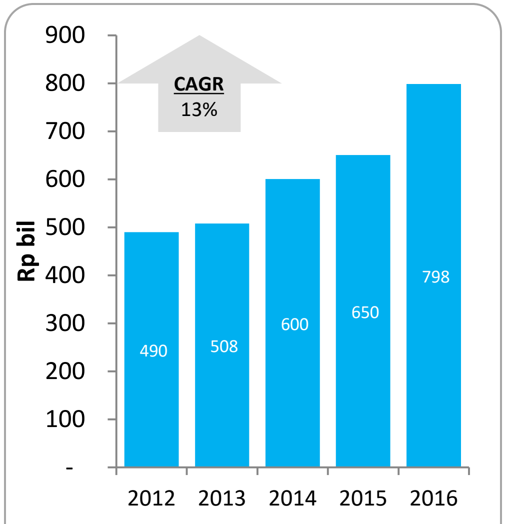
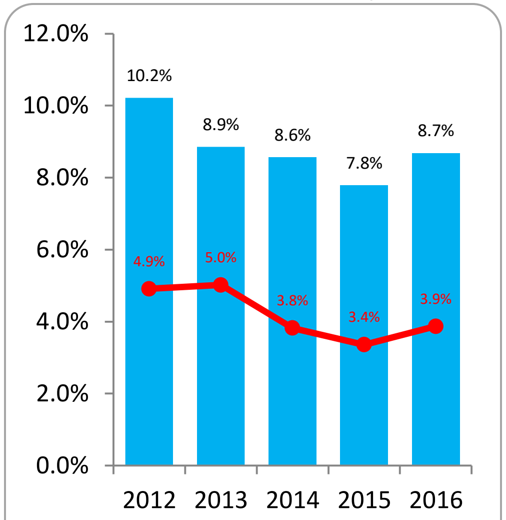
STABLE PROFITABILITY OVER THE YEARS

PAT Growth

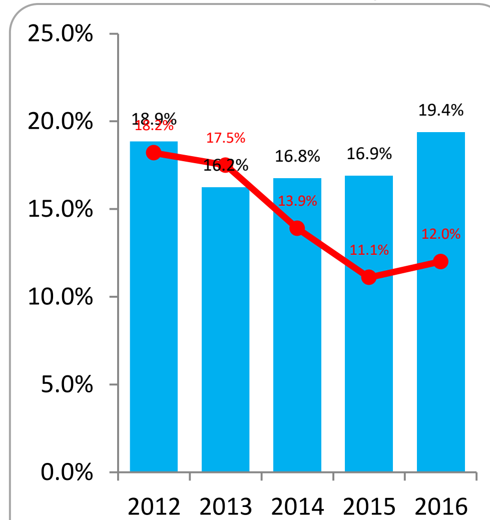


ROA vs Industry



Source: Company, OJK

ROE vs Industry



Source: Company, OJK

- PAT growth in spite of slowing economy
- Continued efficient OPEX management in spite of aggressive expansion over the years

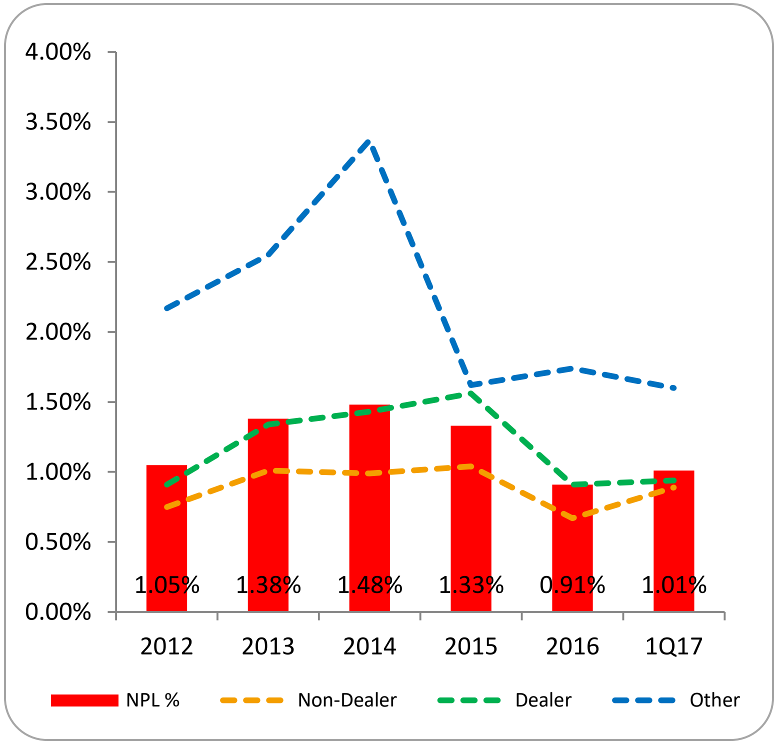
- One of the highest ROA companies in the industry
- Consistently outperformed industry

- ROE improving over the years

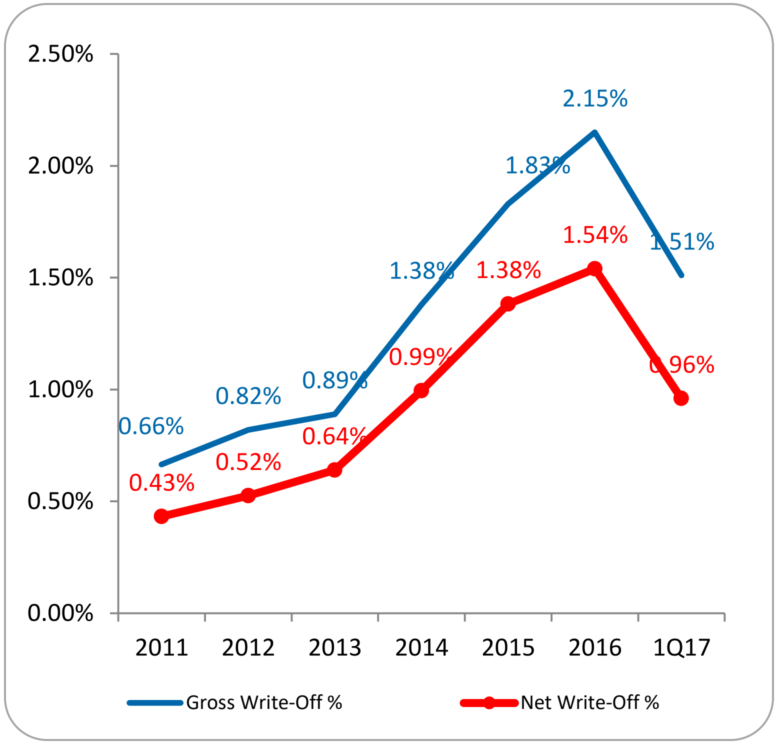
Still one of the most profitable multifinance companies, with Returns on Equity and Assets much ahead of the industry

ASSET QUALITY UNDER CONTROL

NPL Trend (2012-1Q17)



Write-Offs (2012-1Q17)

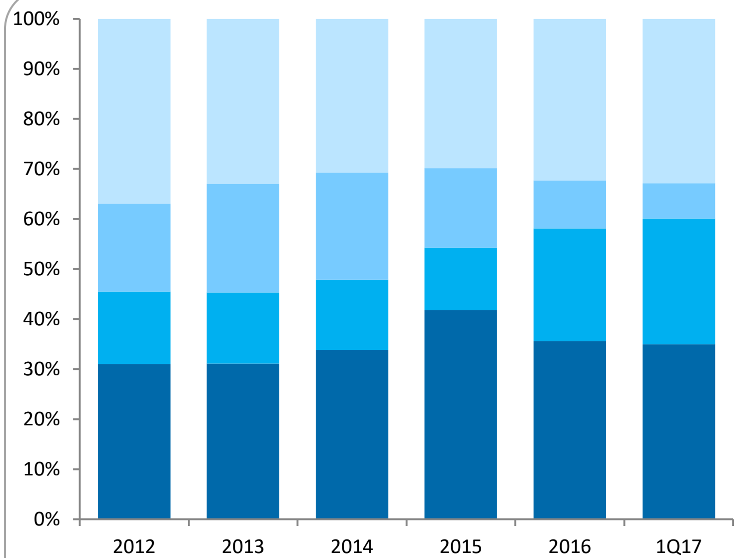


- Well managed balance sheet with low NPLs

- Lower write off than its peers
- Write-off policy for 4W and 2W changed to 210 days in Dec-16

STRONG CAPITAL BASE

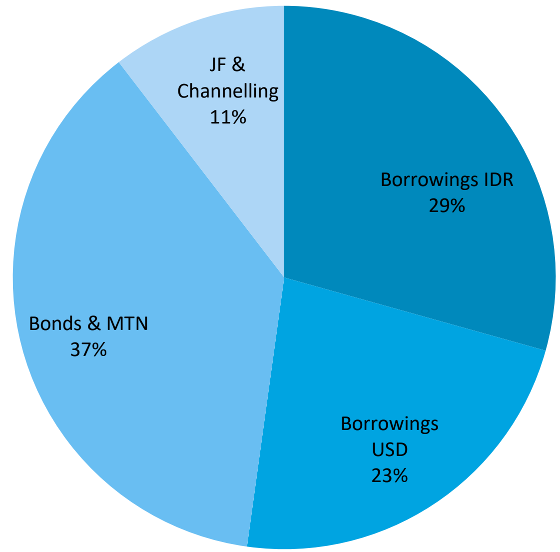
Source of Funding (2012-1Q17)



	2012	2013	2014	2015	2016	1Q17
Total Equity	2,862	3,363	3,567	4,019	4,255	4,499

■ Bank borrowings ■ Bonds & MTN ■ Channelling ■ Equity

External Funding Sources



Total : Rp9,190 bil

- Increasingly larger proportion of bonds issued, taking advantage of improved pricing climate for bonds since last year

- Recent corporate rating upgrade by Fitch Ratings to AA-(idn) has improved BFI capability to tap broaden Bond's investors
- Adequate additional facilities in pipelines to support further business expansion

Capital structure more diversified, resulting in better management of borrowing cost and stable NIM

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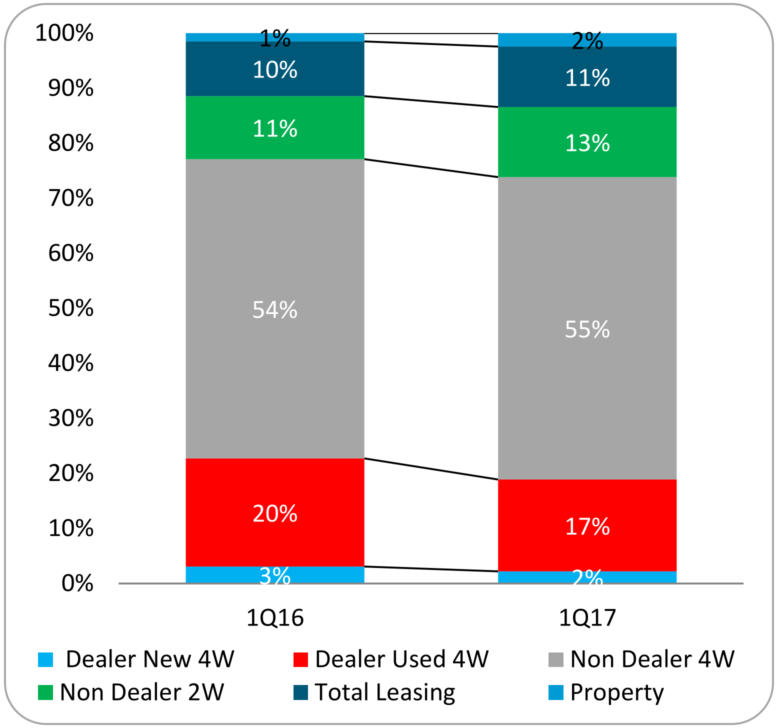
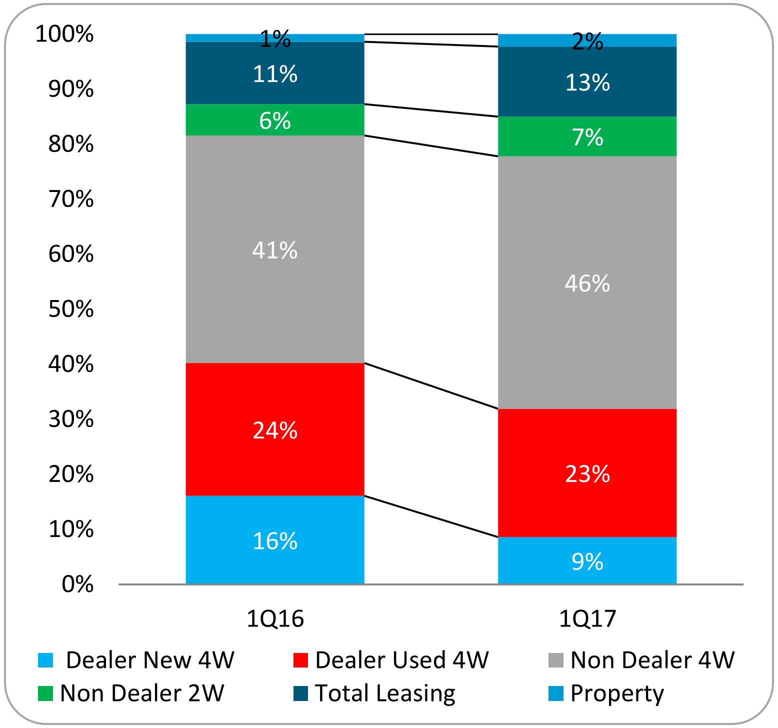
ASSET COMPOSITION

Booking Composition (1Q16 vs 1Q17)



Managed Receivables Composition (1Q16 vs 1Q17)



Continuous effort to shift the business towards higher yield segments

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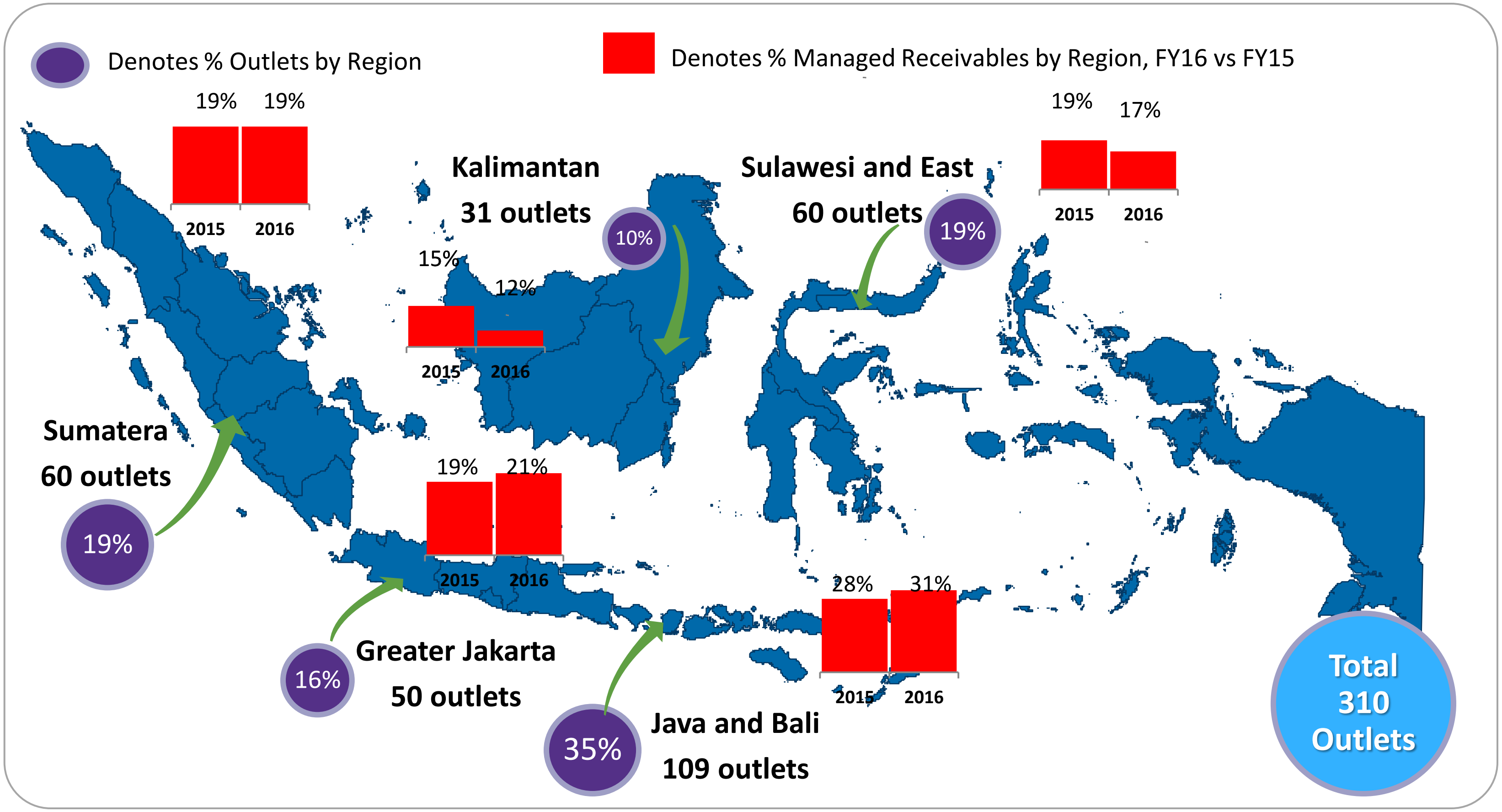
DISTRIBUTION NETWORK (AS AT MAR-17)

Business Distribution and Branch Network



Moving focus away from Kalimantan and Sumatera to other lower risk areas