PT BFI Finance Indonesia Tbk

1Q 2018 Results

April 2018

Analyst Briefing

1Q18 Key Highlights

Strong growth; robust asset quality; improved Net Interest Spread & exceptional PAT surge

Growth

- 1Q18 new booking reached Rp4,161 bn, increase 31.4% YoY on backed by NDF Car, DF Used Car, Mcy and Heto
- Total managed receivables grows 24.6% YoY to Rp16,870 bn, while on net receivables increased by by 32.1% to Rp 16,327 bn due to declined JF facilities
- Yield Portfolio increases 18 bps YoY to 20.71% supported by larger proportion of higher yield portfolio

Asset Quality

- 1Q18 NPL ratio stood at 1.00% from 1.01% YoY due to continued vigilance in risk management and collection.
- COC ratio increased to 2.06% from 1.58% YoY, in line with increase in NCL from 0.95% to 1.24%

Funding

- Cost of fund decrease 146bps YoY from 10.45% to 8.99%, as a result of credit rating upgrade (by Fitch Ratings) and lower interest environment

Profitability

- 1Q18 Net Interest Spread improved by 163 bps from 10.09% to 11.72% yoy,
- 1Q18 PBT reached Rp441 bn, 38.2% YoY Growth, backed by Net revenue growth of 34.6% and offset by increased in COC 61.0% and opex 26.2%, Positive Jaws ratio of 8.3%, vs 6.4% in 1Q17.
- 1Q18 PAT reached Rp351 bn, 37.8% YoY Growth backed by normalized tax rate of 20%

1Q18 Key Highlights (continued)

Latest update

- Total o/s outlets by end of 1Q18: 356, increased 46 from 310 in 1Q17. New outlets opened in 1Q18 are 11 kiosks and 4 sharia kiosk; and closing 1 outlets (1 branch in Sungai Liat).
- Bonds phase IV in 2018 dated 6 March 2018 amounted to Rp2,165 bn, interest rate 6.40% (tenor : 370 days) to 7.60% p.a. (tenor : 3 years).
- Establishment of digital subsidiary PT Finansial Informasi Teknologi (FIT) operating license under OJK review
- Set up Sharia business unit (UUS) in 4Q17 and received business operation approval from OJK in Feb-18

1Q 2018 Balance Sheet (Proforma) Highlight

Successfully sustaining business growth in Non-Dealer Financing 4W,2W and HETO

In Rp bil (unless otherwise stated)	1Q18	1Q17	YoYΔ	FY17	FY16	YoYΔ
New Bookings	4,161	3,166	↑ 31.4%	14,341	10,743	↑ 33.5%
Managed Receivables^	16,870	13,535	↑ 24.6%	15,936	13,026	↑ 22.3%
Total Net Receivables	16,327	12,363	↑ 32.1%	15,352	11,583	↑ 32.5%
Total Assets	17,833	13,313	↑ 33.9%	16,483	12,476	↑ 32.1%
Total Debt	11,692	8,227	↑ 42.1%	10,728	7,656	↑ 40.1%
Total Proforma Debt^	12,105	9,190	↑ 31.7%	11,252	8,915	↑ 26.2%
Total Equity	5,257	4,499	↑ 16.8%	4,904	4,255	↑ 15.3%

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

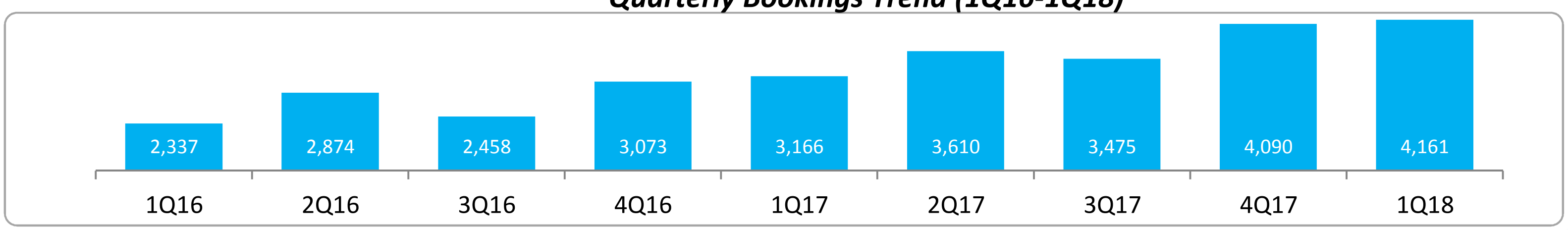
Higher growth vs managed rec. is due to declining JF

New bank loans drawdown and issuance of new Bond

* 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 (1Q16-1Q18)



Profit & Loss (Proforma) Highlights

Continued portfolio growth and Net Interest Spread enhancement play a critical role for improving profitability

In Rp bil (unless otherwise stated)	1Q18	1Q17	YoYΔ	FY17	FY16	YoYΔ
Interest Income	849	680	↑ 24.8%	2,967	2,532	↑ 17.2%
Financing Cost	259	235	↓ 10.1%	988	1,001	↓ 1.3%
Net Interest Income	590	445	↑ 32.6%	1,979	1,531	↑ 29.3%
Fees & Other Income	320	231	↑ 38.4%	1,090	826	↑ 31.9%
Net Revenue	910	676	↑ 34.6%	3,069	2,358	↑ 30.2%
Operating Expenses	385	305	↑ 26.2%	1,350	1,108	↑ 21.9%
Operating Income	525	371	↑ 41.4%	1,719	1,250	↑ 37.5%
Cost of Credit	84	52	↑ 61.0%	231	225	↑ 2.8%
PBT	441	319	↑ 38.2%	1,488	1,025	↑ 45.2%
PAT	351	254	↑ 37.8%	1,188	798	↑ 48.7%

- Strong Non Dealer Financing income
- Yield improvement of 18 bps YoY

In line with new booking growth

Manageable Increase driven largely by business volume growth

COC (in % to ANR) increased from 1.58% to 2.06% mainly driven from DF Used and motorcycle

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

Key Ratios

Improvement in all key ratios

	1Q18	1Q17	YoYΔ	FY17	FY16	YoYΔ
Net Interest Spread	11.72%	10.09%	↑ 163 bps	10.64%	8.85%	↑ 178 bps
Cost to Income	42.31%	45.11%	↓ 280 bps	44.00%	47.00%	↓ 300 bps
COC / Avg Rec.	2.06%	1.58%	↑ 48 bps	1.61%	1.80%	↓ 19 bps
JAWS	8.3%	6.4%	↑ 190 bps	8.3%	-0.4%	↑ 870 bps
ROAA (before tax)	10.37%	9.95%	↑ 42 bps	10.33%	8.68%	↑ 165 bps
ROAA (after tax)	8.25%	7.94%	↑ 31 bps	8.24%	6.76%	↑ 148 bps
ROAE (after tax)	27.63%	23.29%	↑ 434 bps	25.61%	19.37%	↑ 624 bps
NPL*	1.00%	1.01%	↓ 1 bps	0.95%	0.91%	↑ 4 bps
Debt / Equity	2.2x	1.8x	↑ 40 bps	2.2x	1.8x	↑ 40 bps

Improvement in both yield and CoF

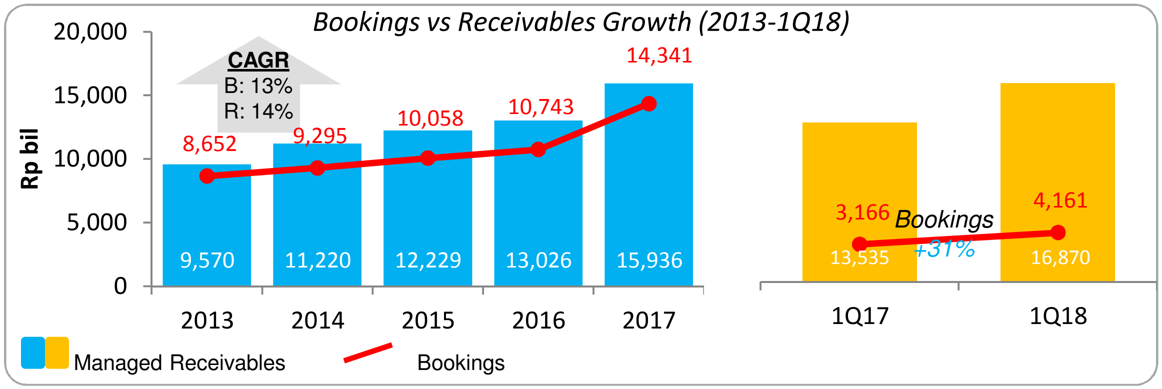
Strong growth in PAT yoy

Stable NPL due to prudent risk mgt & shorter WO cycle

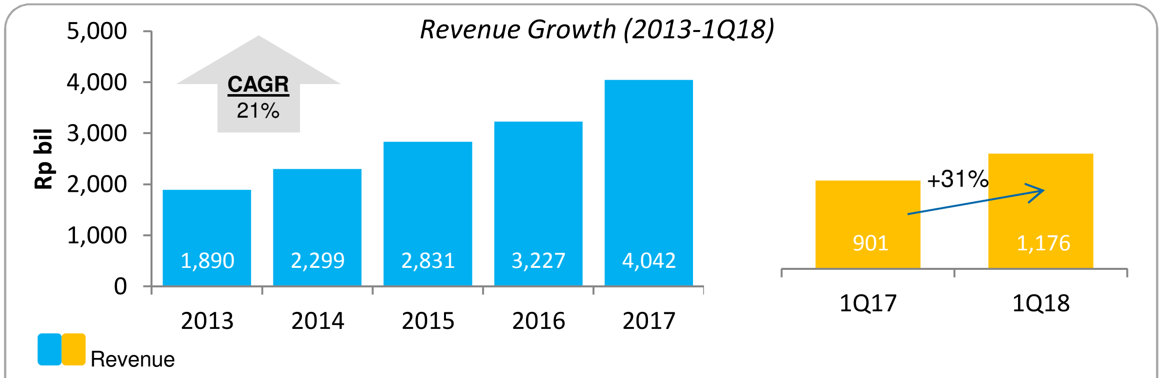
* Defined as Pastdue >90 days, Calculated from total managed receivables (including off B/S receivables)

Ability to build a more robust balance sheet

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



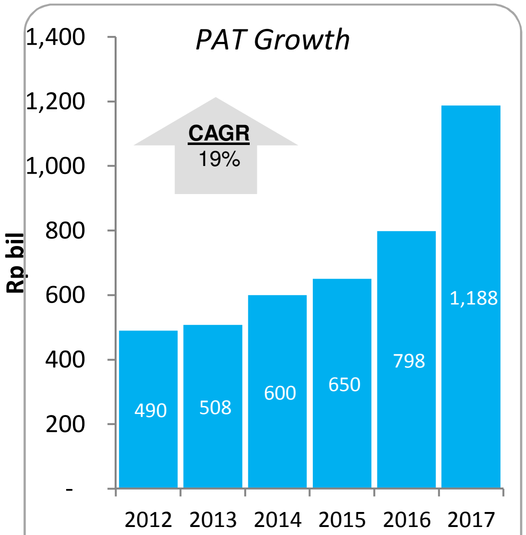
- Loan book shows improvement over the years – able to improve quality and tenor of loans booked, resulting in consistent Receivables growth compared to Bookings
- CAGR growth yoy higher than the industry

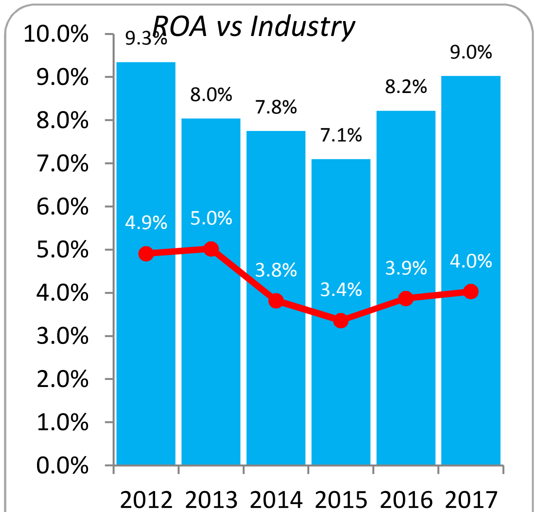


- Consistently strong growth in Revenue as a result of robust balance sheet
- Shows ability to maximise income generation from assets

Stable profitability over the years

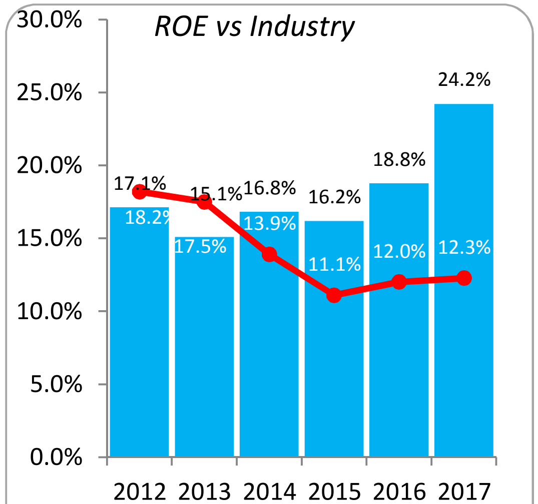
Still one of the most profitable multifinance companies, with ROA and ROE much ahead of the industry





Source: Company, OJK

* 2017 ROA calculated using PBT/Assets, using Dec'17 data for industry



Source: Company, OJK

* 2017 ROE calculated using PAT/Equity, using Dec'17 data for industry

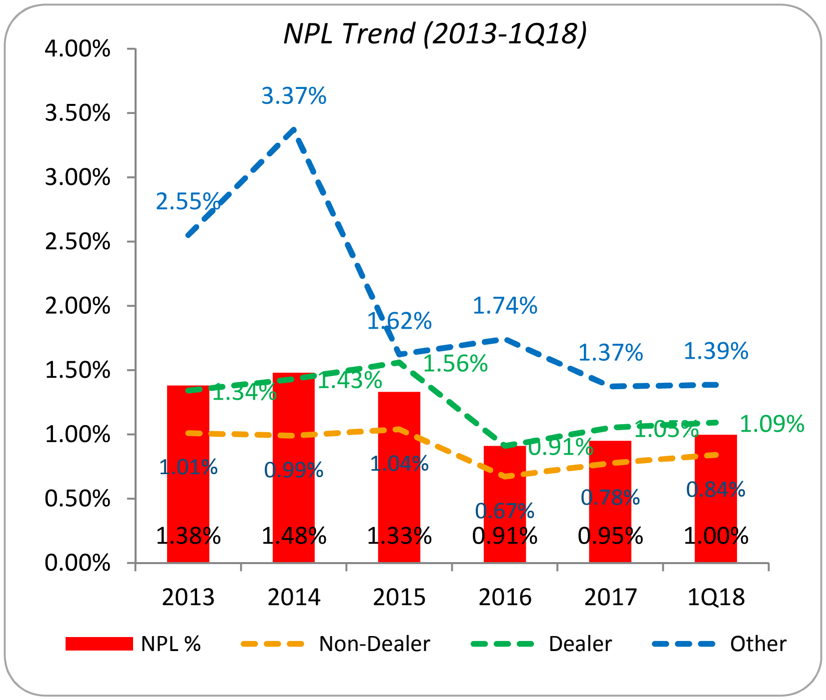
- PAT growth in spite of slowing economy
- Continued efficient OPEX management in spite of aggressive expansion over the years

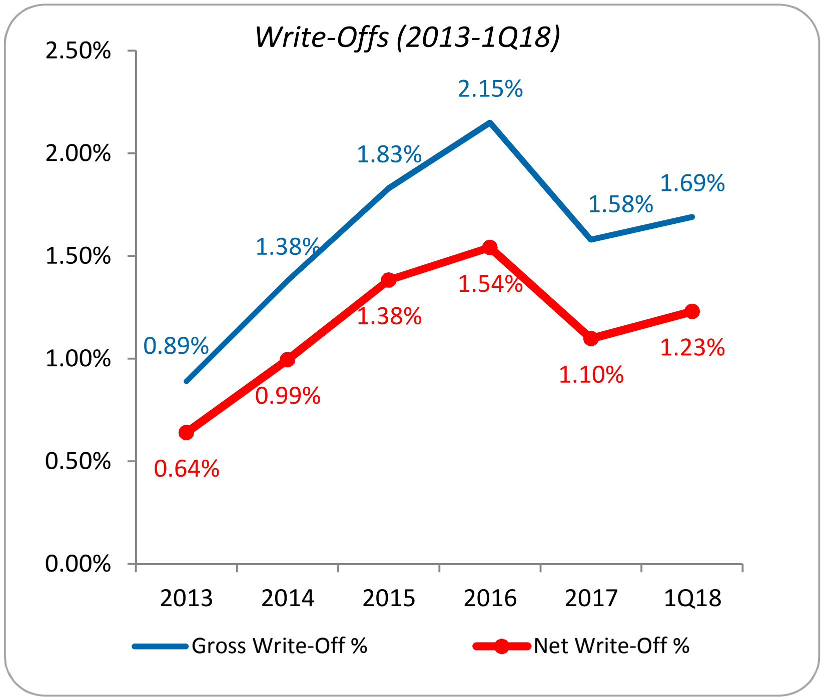
- One of the highest ROA companies in the industry
- Consistently outperformed industry

ROE improving over the years

Asset quality under control

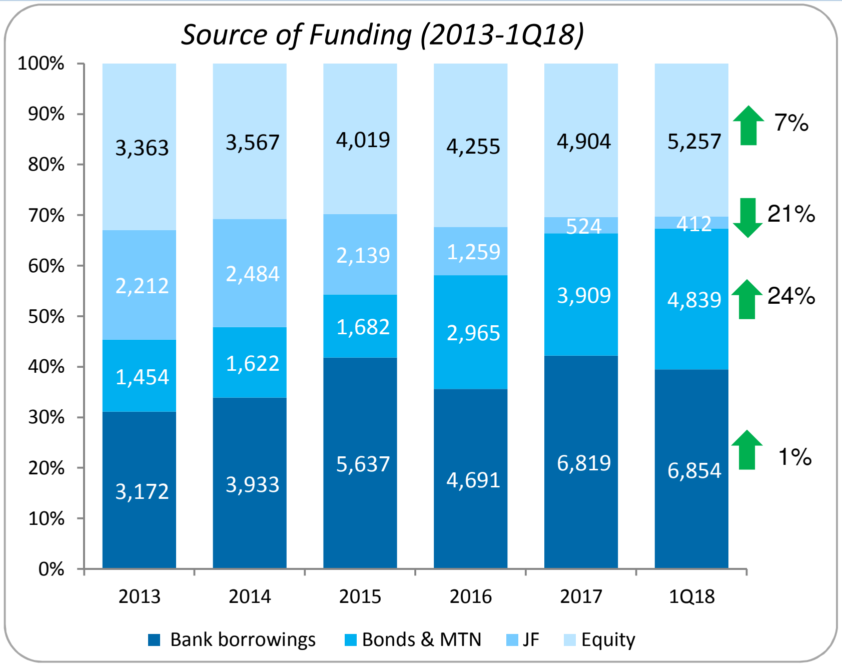
Well managed balance sheet with low NPLs; Lower write-off than its peers

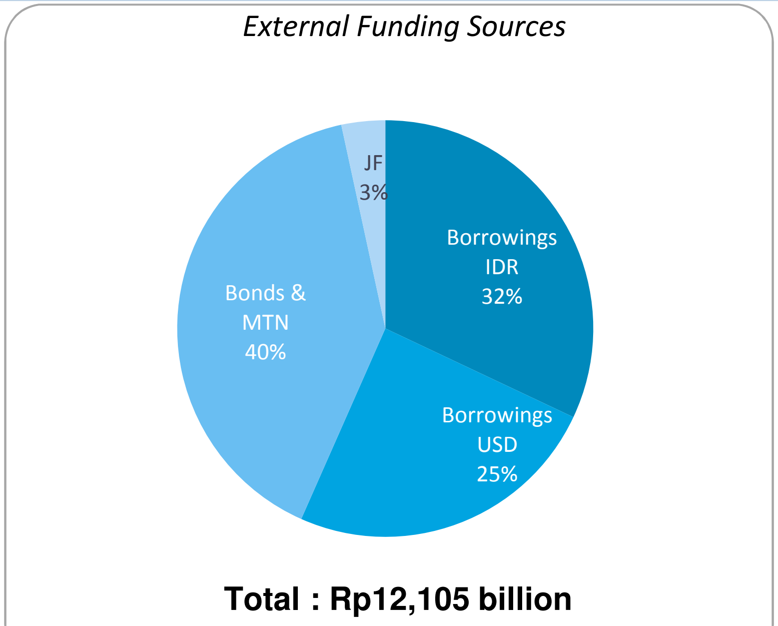




Strong capital base

More diversified capital structure, resulting in better management of borrowing cost and stable NIM





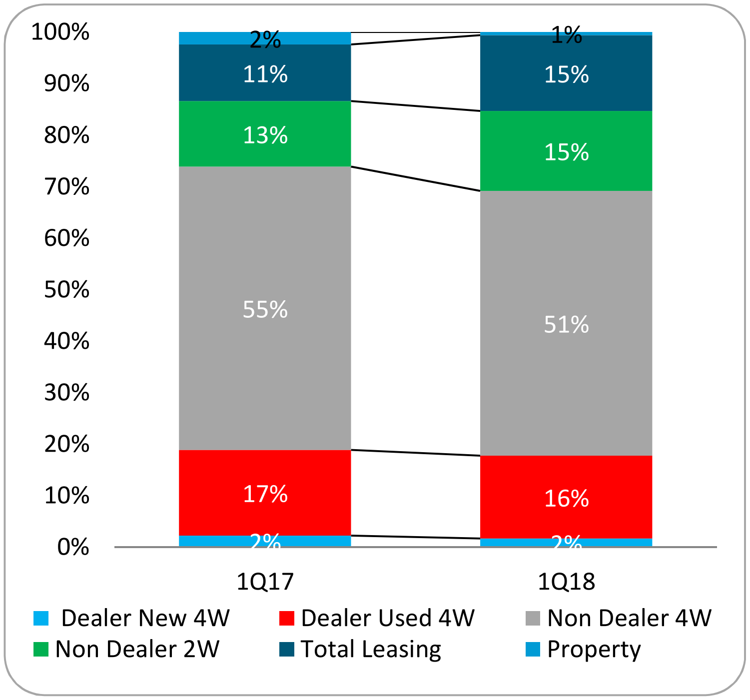
- Increasingly larger proportion of bonds issued, taking advantage of improved pricing climate for bonds since last year
- Decline in Joint Financing contribute to better funding cost

- Corporate rating upgrade by Fitch Ratings to AA-(idn) has improved BFI credit profile and CoF
- Adequate facilities in pipeline to support further business expansion

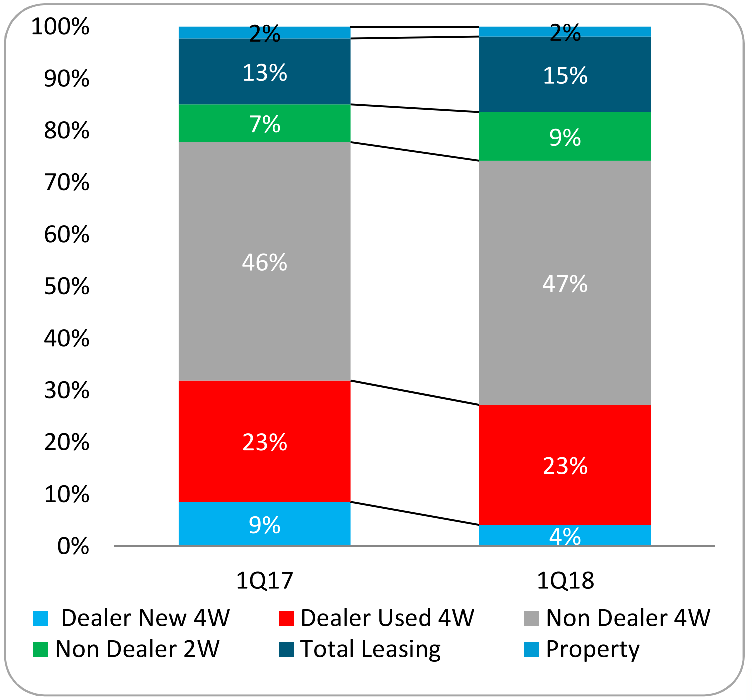
Asset Composition

Total NDF portfolio (4W + 2W) increased from 53% in 1Q17 to 56% in 1Q18, while NDF booking reached 66%

Booking Composition (1Q17 vs 1Q18)



Managed Receivables Composition (1Q17 vs 1Q18)



Business Distribution and Branch Network as at Mar-18

Current expansion focused on Java