

PT BFI Finance Indonesia Tbk
9M:21 Results



25 October 2021

Analyst Briefing

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9M:21 Key Highlights

Growth in new booking and bottom-line with continued improvement in asset quality

GROWTH

- YTD 9M:21 booking was Rp9,387 bn, 4.2% QoQ increase, and 72.7% YoY (2Q20 saw a temporary halt in bookings)
- Total managed receivables increase of 0.9% QoQ but 7.3% down to Rp13,748 bn YoY, while net receivables increase 1.8% QoQ and down 5.2% YoY to Rp12,811 bn

ASSET QUALITY

- NPF ratio was 1.97%, improved from 2.15% QoQ and 2.67% YoY
- LLR decreased from 6.7% to 6.3% QoQ, and from 6.5% YoY. NPF coverage on the uptrend at 3.2x, from 3.1x QoQ, and from 2.4x YoY
- NCL ratio down from 5.01% to 2.72% QoQ, and but slightly higher than 2.62% YoY as a result of more repossession and collateral disposal
- COC ratio declined QoQ from 1.63% to 0.49% and from 6.35% to 1.75% YoY, due to improvement in overall delinquency and declining of restructured loan balance

PROFITABILITY

- Net Revenue increased 4.1% QoQ to Rp812 bn but down by 13.1% YoY to Rp2,373 bn primarily due to declining average receivables balance
- OPEX increased 6.4% QoQ to Rp 414 bn in line with increased business activity; decreased 4.5% YoY to Rp1,193 bn due to reduction of manpower related cost and overall non-essentials
- 03Q21 PBT and PAT improved 13.7% and 19.7% whilst 9M21 PBT and PAT increased 51.1% and 52.9% YoY to reach Rp1,000 bn and Rp796 bn respectively



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Growth in new booking and bottom-line with continued improvement in asset quality

FUNDING ACTIVITIES

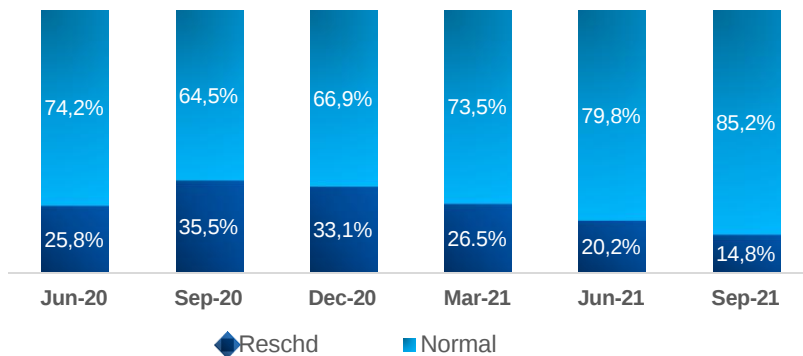
- Closed the first USD syndicated loans since the pandemic in Aug-21, amounting to USD 80 million, up from launched size of USD 50 mnn with SCB acted as sole MLAB with other 8 participant banks
- Issuance of shelf registered Bond – PUB V phase II in Aug-21 with total issuance amount of Rp 1 tn the received great response with 4.5x book building.
 - ✓ Seri A (1 year) Rp 210 bn with 5.25% p.a. coupon
 - ✓ Seri B (2 years) Rp 260 bn with 6.25% p.a. coupon
 - ✓ Seri C (3 years) Rp 530 bn with 7.25% p.a. coupon



Update on Loan Restructuring

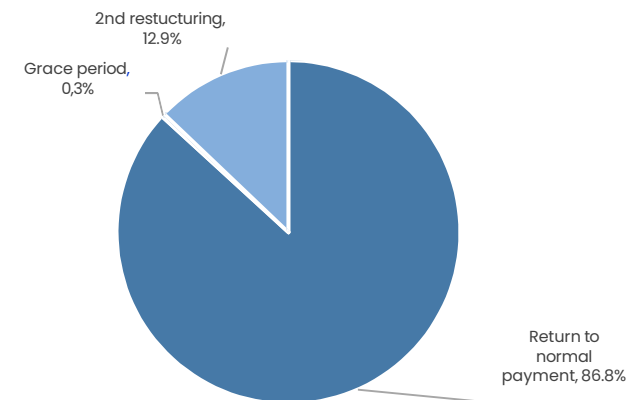
Loan Restructuring due to Covid-19 declined to 14.8% or Rp2.0 tn, with 26.4% allocated reserve

Covid-19 Restructured vs Normal Loans



* Rescheduling program has ended in Aug-20

Restructuring Options Provided



- As of Sept-21, 86.8% of restructured loans have reverted to normal loan status, 0.3% still under grace period and the remaining 12.9% granted 2nd restructuring with strict review
- Rescheduling program covered 14,8% of total receivables as of 30-Sep-21, down from 35.5% in Sep-20.
- Substantive provision amounting to Rp 539 bn or 26.4% of total restructured loans has been allocated to cover the potential loss

9M:21 Balance Sheet Highlights – Consolidated

Gradual recovery with booking and receivables QoQ growth

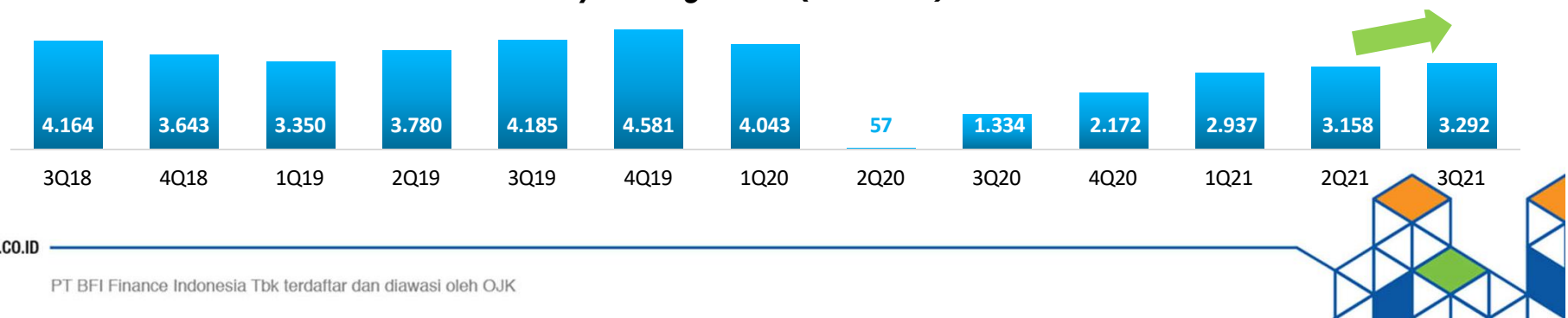
In Rpbil *

(unless otherwise stated)	9M21	9M20	YoYΔ	Comments	3Q21	2Q21	QoQΔ
New Bookings	9,387	5,435	↑ 72.7%	New normal vs pre covid	3,292	3,158	↑ 4.2%
Managed Receivables[^]	13,748	14,829	↓ 7.3%		13,748	13,628	↑ 0.9%
Total Net Receivables	12,811	13,516	↓ 5.2%	Impact of stop booking in 2Q20	12,811	12,590	↑ 1.8%
Total Assets	14,645	16,743	↓ 12.5%		14,645	14,211	↑ 3.1%
Total Debt[#]	6,621	9,634	↓ 31.3%		6,621	6,599	↑ 0.3%
Total Proforma Debt[^]	6,697	9,983	↓ 32.9%	Due to lower booking, loan payment	6,697	6,718	↓ 0.3%
Total Equity	7,190	6,298	↑ 14.1%		7,190	6,875	↑ 4.6%

(*) 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 (3Q18–3Q21)



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9M:21 Profit & Loss Highlights – Consolidated

Profitability growth driven by steep decline in CoC and lower Opex

<i>In Rp bil *</i> (unless otherwise stated)	9M21	9M20	YoYΔ	Comments	3Q21	2Q21	QoQΔ
Interest Income	2,056	2,621	↓ 21.6%	Due to lower receivables balance	691	679	↑ 1.9%
Financing Cost	436	685	↓ 36.3%	Lower borrowings balance	141	141	↑ 0.3%
Net Interest Income	1,620	1,936	↓ 16.4%		550	538	↑ 2.3%
Fees & Other Income	753	793	↓ 5.0%	Due to decline of new booking & collection fee	262	242	↑ 8.2%
Net Revenue	2,373	2,729	↓ 13.1%		812	780	↑ 4.1%
Operating Expenses	1,193	1,250	↓ 4.5%	Improve efficiency & cut cost	414	389	↑ 6.4%
Operating Income	1,180	1,479	↓ 20.3%		398	391	↑ 1.8%
Cost of Credit	180	818	↓ 78.0%	CoC decreased by 460 bps YoY to 1.75% and 114 bps QoQ to 0.49%	17	56	↓ 69.7%
PBT **	1,000	662	↑ 51.1%		381	335	↑ 13.7%
PAT **	796	521	↑ 52.9%		309	258	↑ 19.7%

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

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Key Ratios

Positive QoQ and YoY trends on key financial ratios

	9M21	9M20	YoYΔ	Comments	3Q21	2Q21	QoQΔ
Net Interest Spread	11.33%	11.94%	↓ 60 bps	Encouraging trend with improvement QoQ yield	11.49%	11.22%	↑ 26 bps
Cost to Income	49.67%	45.44%	↑ 423 bps		50.34%	49.19%	↑ 116 bps
COC / Avg. Rec.	1.75%	6.35%	↓ 460 bps	COC decreased by 78% YoY to Rp180 bn	0.49%	1.63%	↓ 114 bps
ROAA (after tax)	7.38%	3.90%	↑ 348 bps	PAT growth driven by decreased CoC, CoF, and Opex	8.65%	7.32%	↑ 133 bps
ROAE (after tax)	15.65%	11.33%	↑ 432 bps		17.76%	15.28%	↑ 248 bps
NPF*	1.97%	2.67%	↓ 70 bps	YoY and QoQ improvement in NPF due to rigorous risk mitigation strategy	1.97%	2.15%	↓ 18 bps
Net Gearing Ratio #	0.8x	1.3x	↓ 44 bps		0.8x	0.9x	↓ 7 bps

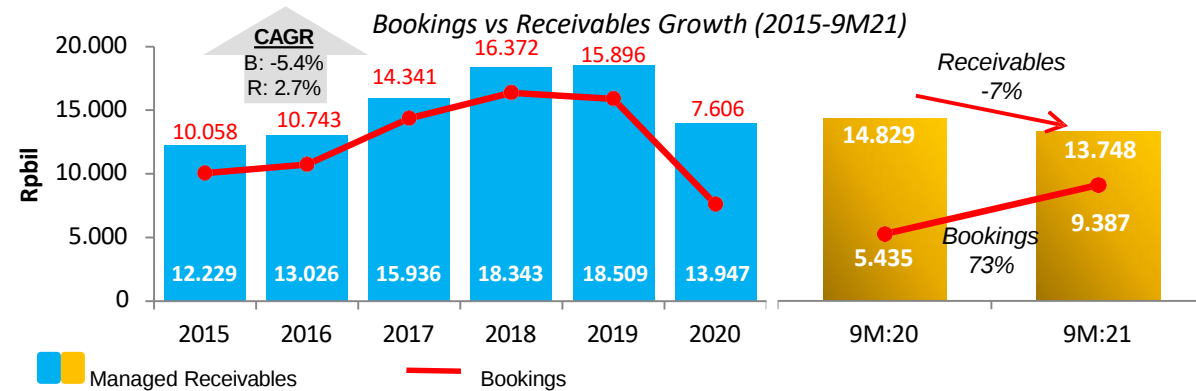
* Defined as Past Due >90 days, Calculated from total managed receivables (including Off B/S Receivables)

Includes channeling and joint financing transactions

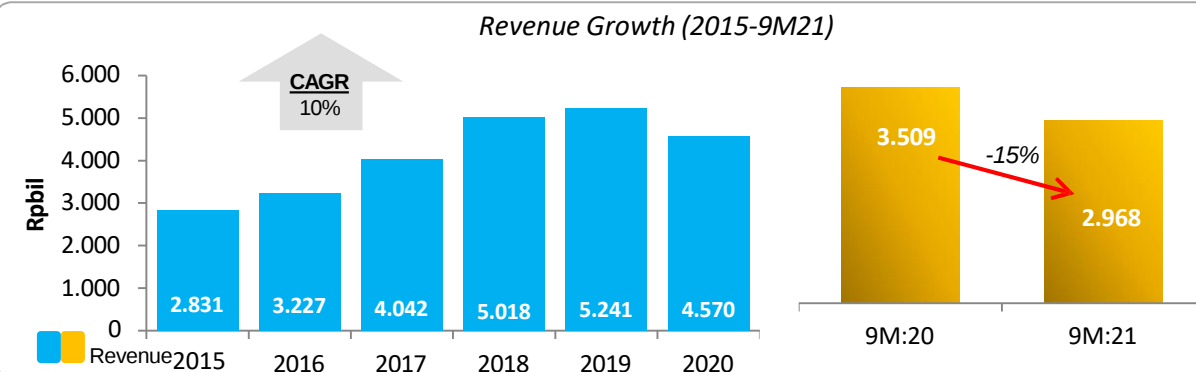


Ability to build a robust balance sheet

Pandemic has resulted in a deliberate 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 2021 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 2021 mainly driven by declining managed receivables because of pandemic.

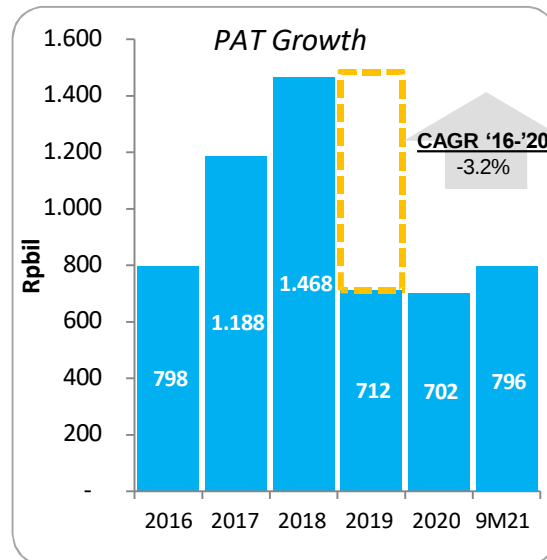
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Stable profitability over the years

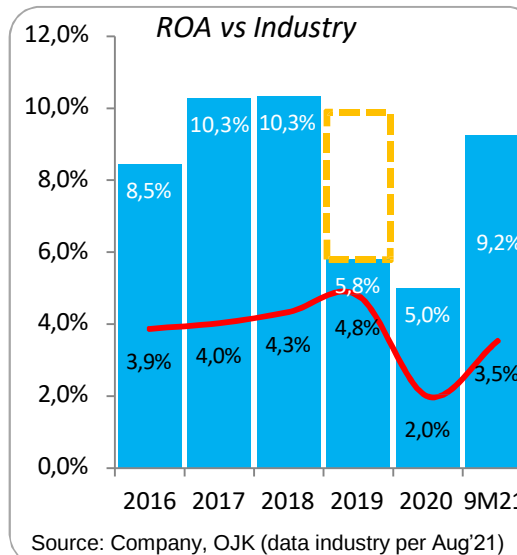
Still one of the most profitable multi-finance companies, with ROA and ROE above the industry



PAT negatively impacted due to challenging market condition and declining managed receivables because of pandemic

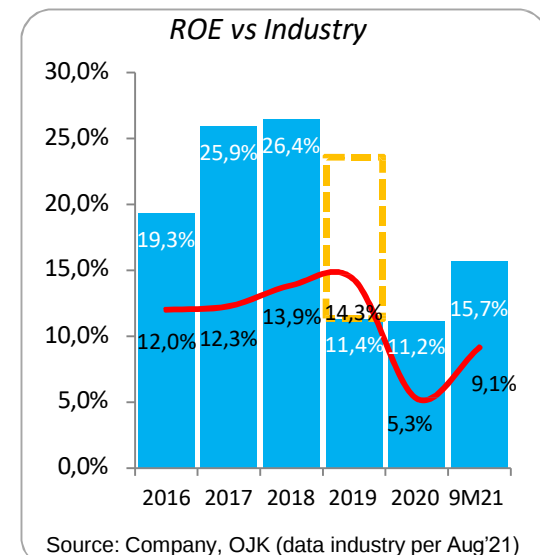
Show result w/o settlement-related expenses

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

ROA Company is calculated using $PBT / \text{Average Total Assets}$



ROE remains consistently stable and high above average industry.

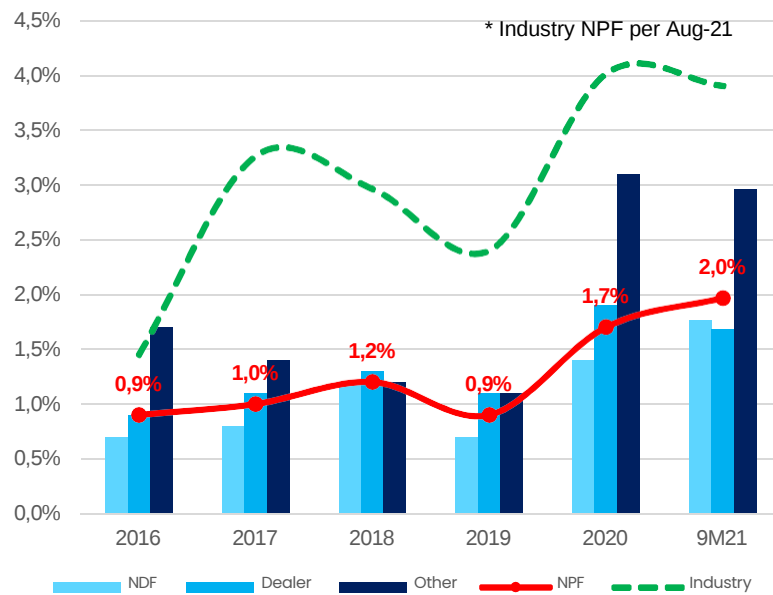
ROE Company is calculated using $PAT / \text{Average Total Equity}$



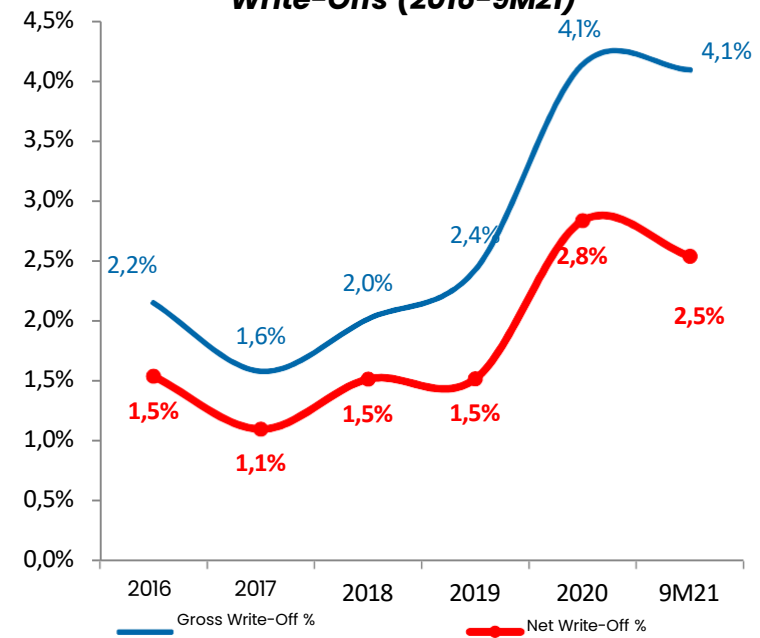
Rigorous risk and balance sheet quality management

Higher NPF levels across all segments but expect to improve by end of the year

NPF Trend (2016-9M21)



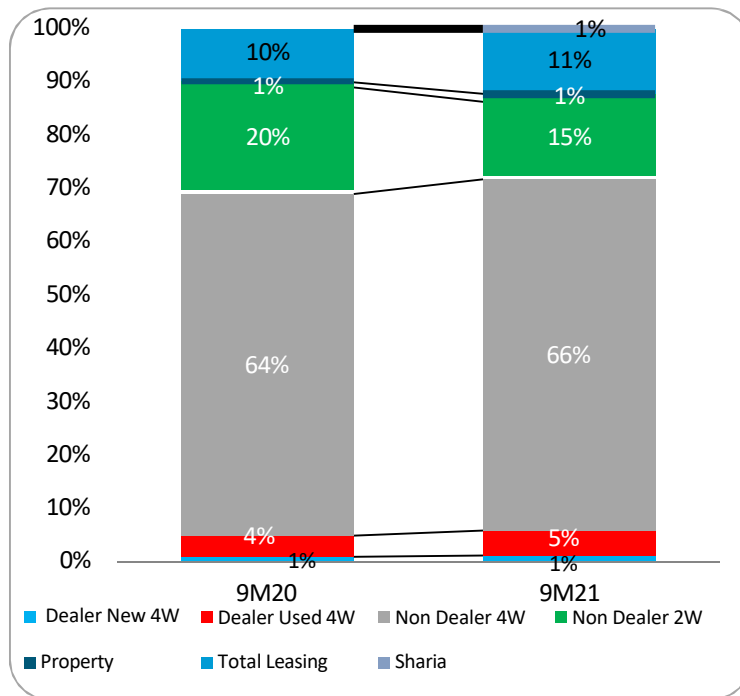
Write-Offs (2016-9M21)



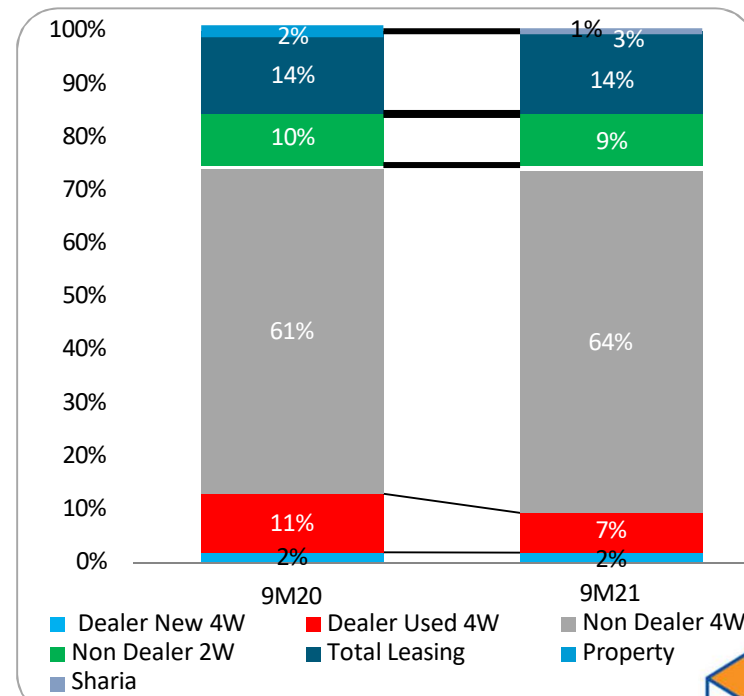
Asset Composition

Non-Dealer business continues to be focus and growth engine

**Booking Composition
(9M20 vs 9M21)**

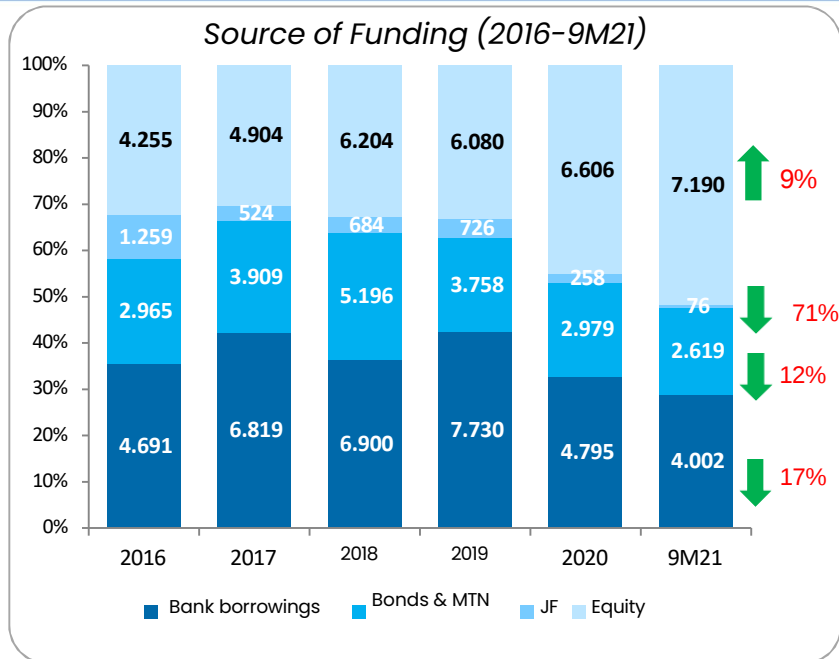


**Managed Receivables Composition
(9M20 vs 9M21)**

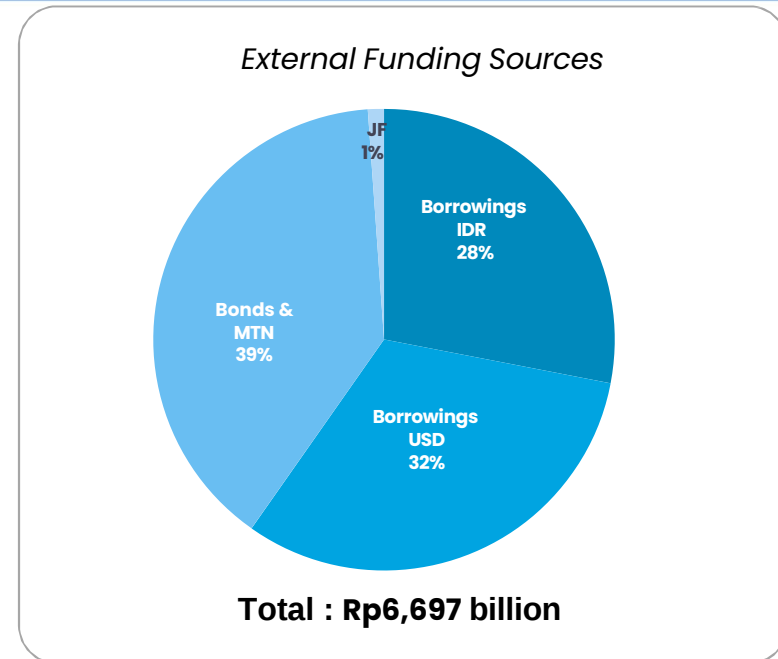


Strong capital base

Diversified capital structure and funding sources, Equity crossed the Rp 7tn marks for the first time in BFI's history



- Decline in Bank Borrowings, Bonds & MTN and JF caused by repayment of due principal

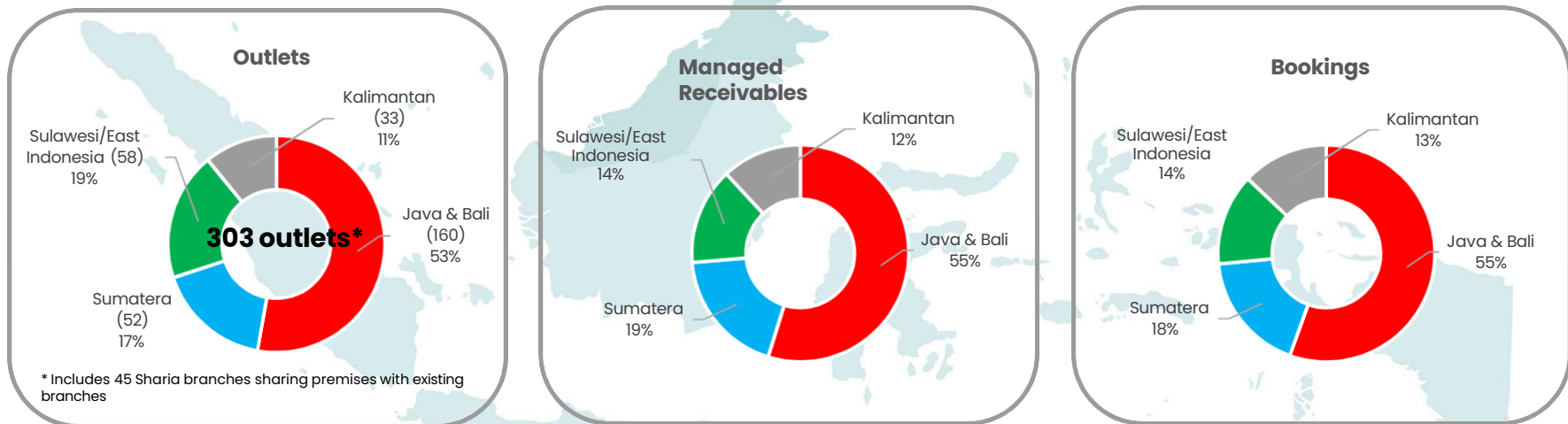


- Well-diversified funding sources is important to reduce dependency and risk
- Adequate facilities in pipeline to support daily operational and further business expansion



Business Distribution and Branch Network as at 30 September 2021

Consolidation of network strategy in line with stricter underwriting, especially for Non Dealer 2W



Thank You

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