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BFI Finance to Issue Rp500 Billion Bonds to Support Financing for the Community

SOUTH TANGERANG, AUGUST 3, 2020 - To support financing distribution to the public in S2/2020, PT BFI Finance Indonesia Tbk (BFI Finance), which has a wide-spread financing service network in Indonesia, will issue *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap III Tahun 2020* with emissions value of Rp500 billion. The bond issuance is part of the *Penawaran Umum Berkelanjutan (PUB) IV* (or serial bond) with a total fundraising target of Rp8 trillion which has been approved by the Financial Services Authority (OJK).

Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap III Tahun 2020 is offered in two series of bonds with a total value of Rp500 billion, where Series A have a period of 370 (three hundred and seventy) calendar days from the Issuance Date and Series B with a period of 3 (three) years from the Issuance Date.

BFI Finance has issued bonds since 2007 with a total emission value of more than Rp11 trillion up to June 30, 2020. Of the total emission, more than Rp8.5 trillion has been paid according to the maturity date of each bond.

The Initial Offering Period for *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap III Tahun 2020* has commenced from July 28, 2020 to August 12, 2020. Payment from investors is scheduled on September 7, 2020 and the Company shall receive funds from the bonds issuance dated September 8, 2020. *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap III Tahun 2020* will be listed on the Indonesia Stock Exchange on September 9, 2020.

The Company appointed five well-known Underwriters for the issuance of the bonds, namely PT BNI Sekuritas, PT Danareksa Sekuritas, PT DBS Vickers Sekuritas, PT Mandiri Sekuritas and PT Trimegah Sekuritas. Whereas PT Bank Tabungan Negara (Persero) Tbk was appointed as Trustee.

Finance Director and Corporate Secretary of BFI Finance, Sudjono, expressed optimism that the issuance of the bonds will again receive a positive response from the market, given that BFI Finance's track record has been well known by investors and fulfilled the criteria to implement the PUB as stipulated in OJK Regulation No. 36/POJK.04/2014.



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BFI Finance obtained a long-term securities rating from PT Fitch Ratings Indonesia (Fitch) rated 'A+(idn)' for the bonds issuance. The national rating in 'A' category shows a relatively low default-risk expectations on other Indonesian issuers or debt securities.

Indonesia's financing sector is indeed facing significant pressure in terms of business growth, profitability, and asset quality due to the economic slowdown caused by the covid-19 pandemic and social restrictive measures imposed by the government.

However, Fitch estimates that BFI Finance will have sufficient liquidity to absorb the impact of lower income and higher credit costs caused by the pandemic. BFI Finance's margin is higher than its peers, as the Company is the market leader in the used car financing segment.

In line with such estimates, BFI Finance has conducted prudent financial management and risk management, where the provision of impairment losses has been increased from 2.0% at the end of 2019 to 6.0% at the end of S1 2020. This step is to anticipate potential receivable losses that will arise in S2. BFI Finance also has a very low gearing ratio at the level of 1.7x compared to the industry average, in addition to a very large total equity of Rp6.1 trillion or equivalent to the minimum capital of BUKU III banking category.

With business risks and liquidity maintained in S1 2020, BFI Finance is also one of the publicly listed companies that paid cash dividends of Rp180 billion at the end of July 2020 consistently as in previous years.

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About BFI Finance

BFI Finance is a finance company focusing on financing for various purposes such as investment, business capital, and multipurpose using collateral ranging from automobile, motorcycle, heavy equipment, machinery, property, and else. BFI Finance has now grown into one of the largest finance companies in Indonesia, having the widest network and vastest range of products, and supported by more than 9,000 employees in more than 400 outlets throughout Indonesia, with 45 of them provide Sharia-based services.

BFI Finance has proven its mastery in multifinance business in Indonesia by achieving numerous prestigious awards year after year. Some of the awards achieved in 2019 include Multifinance Company with "Excellent" Financial Performance in 2018, and special awards for "The Most Efficient Finance Company" and "The Biggest Leasing Financing" from Infobank Multifinance Awards 2019. "Best Equitable Treatment of Shareholders" trophy for one of the best 50 public companies in



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implementing Good Corporate Governance (GCG) from Indonesian Institute for Corporate Directorship (IICD). The company was also crowned as “The Best Finance Company” by Indonesian Financial Services Association (APPI). Apart from that, BFI Finance has also received an award for “Best Companies to Work for in Asia 2019” from HR Asia Awards Indonesia. BFI Finance is registered and monitored by OJK.

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