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For Immediate Release

Staying Adaptive during the Pandemic, BFI Finance Records Superior Performance Compared to the Industry & Remains Optimistic for a Rebound in 2021

SOUTH TANGERANG, MARCH 12, 2021 – PT BFI Finance Indonesia Tbk (BFI Finance) is committed to continuously adapting and maintaining its business sustainability amidst national economic recession due to the Covid-19 pandemic. This commitment is a big challenge considering the pandemic has affected almost all economic and industrial sectors. Financing industry has been directly affected as well because of a decrease in purchasing power in communities, which then caused a sudden demand for major financing relaxation and a worsening asset quality, specifically in the beginning of the pandemic.

Taking anticipation after a careful consideration, the Company temporarily stopped disbursing new loans during Q2-2020. This measure has brought good results as the Company gradually managed to improve asset quality and resumed disbursing new loans from the beginning of second semester until end of year, while continuously maintaining liquidity and rentability at a secure level. All of these measures have given satisfactory results. BFI Finance's recorded a better performance compared to financing industry average. As for asset quality, NPF ratio as of December 31, 2020 was at 1.72%, which was better than the industry average ratio of 4.01%.

The Company also booked Rp701.59 billion in net profit as of December 31, 2020 from net receivables of Rp12.70 trillion. The net profit figure was only corrected by 1.4% compared to the figure in 2019, while the industry average had profit contraction of 61.2% during 2020.

“We disbursed loans prudently and selectively before and during the pandemic, thereby we could control the worsening receivables quality while adapting to relevant work process and maintaining a fast and directed recovery, so that NPF ratio could improve at a level below industry average,” said Sudjono, Finance Director BFI Finance.

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Despite being selective, Sudjono ensured that the Company will stay committed to helping communities in their production and consumption activities by acting as their trusted financial partner.

Some efforts to support economic stability have been implemented, among others through credit restructuring. From April to August 2020, the Company has given financing relaxation to customers affected by the pandemic. As of December 31, 2020, the remaining amount of restructured receivables reached Rp4.6 trillion or 33.1% of total accounts receivable, which was a decline from the highest percentage of 35.5% in September 2020. The types of relaxation mostly given were delaying installments and extending loan tenure. Although the Financial Services Authority (OJK) does not obligate companies to set aside special reserves for restructured contracts, BFI Finance has set aside special reserves for those contracts.

“We understand that some customers whose contracts have been restructured will not be able to continue paying their obligatory installments and consequently it will increase our credit loss next year. Therefore, we have set aside additional provision this year, expecting that financial performance next year will not be burdened by the restructured contracts in 2020,” Sudjono explained.

BFI Finance also participated in the National Economic Recovery Program (PEN) to address the Covid-19 pandemic. By acting as a distributor of interest subsidy/margin subsidy for customers of micro, small and medium enterprises, the Company has disbursed interest subsidy from the government to around 74,000 BFI Finance’s eligible customers.

BFI Finance’s neat performance has also garnered trust and support from funding partners in both banking industry and capital market throughout the year 2020. Amidst the increasing risk due to the continuing Covid-19 pandemic in Indonesia, the Company continues to receive support from Indonesian prominent banks and syndicated facilities from foreign banks as well as issuing bonds, with a total facility amounting to Rp5.2 trillion.

“Looking back on the year 2020, we are grateful for the performance we have achieved amidst various challenges. Without hard work and trust from all of BFI

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Finance’s stakeholders, this crisis would have been much harder to deal with. Our target for the year 2021 is to return our business size to its pre-pandemic position. Certainly this target is extremely challenging and influenced by the developing external conditions as important supporting factors,” said Sudjono.

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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 8,000 employees in more than 300 outlets throughout Indonesia, including Sharia-based services.

BFI Finance has proven its expertise in multifinance business in Indonesia by achieving numerous awards until December 2020. The awards included “Excellent” predicate for 15 years in a row (2005-2019) in a category of “Financing Companies with assets above Rp10 Trillion” and the only Financing Company who won “The Biggest Leasing Financing” from the Infobank Multifinance Awards 2020. BFI Finance also received the Infobank Digital Brand Awards 2020. For Public Relations and Human Capital fields, The Company also been crowned the PR Indonesia Awards 2020 and the HR Excellence Awards 2020. Additionally, BFI Finance has successfully awarded the The Best Contact Center Indonesia 2020. BFI Finance is registered and monitored by OJK.

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