

**Speech by Kiyoshi Nishimura, Chief Executive Officer of Credit Guarantee and
Investment Facility at**

PT BCA Finance's MTN Signing Ceremony

Bapak Roni Haslim, President Director and Bapak Amirdin Halim, Director, PT BCA Finance

*Mr. Masaya Hirayama, President Director, Bank Sumitomo Mitsui Indonesia, Mr. Noburu Kato,
General Manager and Head of Investment Banking Asia, Sumitomo Mitsui Banking Corporation*

*Bapak Harianto Solichin, President Director, Mr. Tetsuo Takatsugi, Vice President Director,
Nikko Securities Indonesia*

Other distinguished guests, respected members of the media, ladies and gentlemen.

On behalf of the Board of Directors of Credit Guarantee and Investment Facility (CGIF), I would like to extend my sincere appreciation to Pak Roni Haslim for organizing today's signing ceremony. This wonderful ceremony is indeed a monumental occasion for all of us here but its significance goes beyond today's occasion as I would like to explain now.

We are extremely pleased and honored to have the opportunity to support BCA Finance's IDR bond issuance especially in helping the company reach a new investor, Dai-ichi Life Insurance Company Limited, one of the largest insurance companies in Japan.

Although small in size, this transaction is monumental in significance. There are many "firsts" accomplished today. This is the first time BCA Finance's IDR bonds have been placed with an investor in Japan. It is also the first time Dai-ichi Life Insurance Company Limited, one of leading institutional investors in the Japanese bond market has invested in corporate bonds in any emerging market, especially in an IDR bond. This transaction is also very important for us as it is CGIF's first guarantee transaction in Indonesia.

However, the list of accomplishments of this transaction, to my mind, is not yet complete. We at CGIF, envisage that what we have accomplished today will encourage many more issuers and investors like BCA Finance and Dai-ichi Life Insurance Company to come together. With greater mobilization of the region's savings and investment funds, the region will prosper together. This will truly complete the list of accomplishments of the hard work put in by all parties over the past few months for this transaction.

CGIF was established by the Governments of ASEAN + 3 countries, which consist of the 10 ASEAN member countries including, of course, Indonesia, and its “plus 3” partners; China, Japan and Korea. The governments of these 13 countries, together with the Asian Development Bank, ADB, started a regional cooperation initiative called the Asian Bond Market Initiative, ABMI, more than 10 years ago because of the lesson learned from the Asian Financial Crisis in the late nineties. Before the Asian Financial Crisis, many investments in the region were financed by short-term foreign currency borrowing from commercial banks. This caused a so called “double mismatch” problem; a mismatch in currency and a mismatch in tenor in financing investments which should have been financed by long-term local currency funds. This double mismatch problem was considered as one of the causes which brought a financial crisis to the region in the late nineties.

Therefore, the governments of ASEAN + 3 countries have determined to avoid the same mistake from happening, and have started ABMI. Under this initiative, these countries have been working together to develop deep and liquid local currency bond markets in the region, so that companies in the region can finance their investments by tapping local currency bond markets without worrying about the double mismatch problem. Our facility, CGIF, is one of the key elements of this regional cooperation initiative, ABMI.

With the assistance of the Asian Development Bank as its trustee, CGIF is the realization these countries’ ambition towards greater regional cooperation and the creation of a stronger foundation for sustainable economic growth of the region. Although still early in our history - having commenced our guarantee operations practically this year, CGIF has heavy responsibility on its shoulders to contribute to the creation of the region’s stronger financial foundation through helping to develop local currency bond markets and also spur greater mobilization of capital around and within ASEAN and the +3 countries.

It is true that the local currency bond markets in ASEAN have come a long way since the Asian Financial Crisis. But yet, there is more work that needs to be done. Additionally, the markets around the ASEAN region are currently at different phases of development and maturity. As such, all the key components under the ABMI will be important to the region. The respective policy makers’ firm commitment to the realization of an integrated region, with efficient movement of capital, will be a foundation of an even more vibrant region, which today is already recognised as one with vast potential. We just need to unlock this potential with greater cooperation.

At CGIF, we look to guaranteeing strong and established companies in the region which are not yet readily recognised by investors in the region. While BCA Finance is well appreciated by local Indonesian investors, it is not as well known amongst investors in

other countries like Japan. We hope to bring to the attention of more investors besides Dai-ichi Life Insurance Company Limited, BCA Finance's strong track record and superb performance. Besides BCA Finance, we hope to also bring to these investors' attention, the strong prospects of the auto financing sector here as well as that of the Indonesian economy. One only needs to look around and note the number of cars in Jakarta – I am sure many are financed by BCA Finance.

Notwithstanding this, I note that vehicle ownership in Indonesia still lags some of its regional peers and increasing it will require more capital to be mobilized. While the Indonesian Rupiah bond market has supported the sector rather well, more - substantially more - capital will be required in the future. It is therefore our role at CGIF to try to bridge the gap between strong companies in the region like BCA Finance and investors like Dai-ichi Life Insurance Company in a catalytic manner.

This role is particularly significant today. As Indonesia and the rest of the region brace for what is likely to be challenging and uncertain times in the aftermath of the Federal Reserves' potential tapering of its Quantitative Easing measures, the memory of the Asian Financial Crisis is once again looming in the region. As we all know, Indonesia was one of the hardest hit countries during the crisis. It suffered a lot economically, financially, politically and even socially. More than 16 years from the crisis, under the current concern for the Federal Reserves' tapering, Indonesia Rupiah has become once again one of the hardest hit currencies in the region.

However, we strongly believe Indonesia today is a totally different country from what Indonesia was 16 years ago. We are very proud that we have managed to bring this transaction to the market today, because this transaction demonstrates steadfast confidence amongst the region's long term investors, in particular, investors from Japan, towards Indonesia's economy and the Rupiah. Founded on this confidence, we hope that the short term outflows or even turbulence will be countered by long term inflows of investments from around the region.

We are truly appreciative of the support from Dai-ichi Life Insurance Company Limited for the confidence in our guarantee product. We hope to have its continued support for our other transactions. This transaction would also not have been possible without the role and support from Sumitomo Mitsui Banking Corporation as well as Nikko Securities Indonesia. My sincere thanks to you all.

Lastly, I would like to extend my heartfelt appreciation to BCA Finance for giving us the opportunity to work with you on your MTN. We look forward to add to our portfolio, more companies like BCA Finance from around the region, especially from Indonesia, as we prod along to build a strong portfolio of companies to support.

Thank you once again.