

01

# Main Highlights





# 2018 Financial Highlights

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## NPAT Grew 6.5% in 2018

Net profit after taxation increased by 6.5% to Rp3.92 trillion from Rp3.68 trillion last year.



↑ 6.5%

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## Total Loan Growth ex Micro of 11.6%

Loan growth excluding micro grew 11.6% YoY.



↑ 11.6%

## Loan growth in key Segments

Adira Finance grew

↑ **13.4%**

Consumer mortgage grew

↑ **29.3%**

Enterprise grew

↑ **11.0%**

Small Medium Enterprises (SME) grew

↑ **9.7%**

## Improvement in Asset Quality

NPL improved to 2.7% from 2.8% last year. Credit cost improved to 2.5% from 2.8%.

NPL

↓ **2.7%**

Credit Cost

↓ **2.5%**

## Healthy Capital

CAR Remains Healthy. CAR consolidated increased to 22.2%.

↑ **22.2%**

# 2018

## Financial Highlights

| <b>Consolidated Statement Of Financial Position</b>                                       |  | <b>2018</b>   | <b>2017</b>   | <b>2016*</b>  |
|---|--|---------------|---------------|---------------|
| Assets  |  | 186,762       | 178,257       | 174,437       |
| Loans-gross <sup>a)</sup>   |  | 134,519       | 124,766       | 122,385       |
| Non Performing Loan   |  | 3,656         | 3,412         | 3,735         |
| Marketable Securities -gross  |  | 9,191         | 16,101        | 17,408        |
| Government Bonds  |  | 10,973        | 10,974        | 9,563         |
| Investments - Net   |  | 127           | 123           | 165           |
| Deposits from customers and others bank   |  | 110,848       | 106,531       | 106,612       |
| Total Funding <sup>c)</sup>   |  | 132,026       | 124,611       | 113,890       |
| Total Liabilities   |  | 144,822       | 139,085       | 138,059       |
| Equity and Non controlling interest   |  | 41,940        | 39,172        | 36,378        |
| Number of Shares Issues and Fully Paid (in Unit)  |  | 9,584,643,365 | 9,584,643,365 | 9,584,643,365 |
| <b>Consolidated Profit and Loss</b>   |  | <b>2018</b>   | <b>2017*</b>  | <b>2016*</b>  |
| Net Interest Income   |  | 14,241        | 13,980        | 13,607        |
| Other Operating Income  |  | 3,696         | 3,688         | 3,985         |
| Other Operating Expense   |  | 12,779        | 12,557        | 13,162        |
| Operating Income  |  | 5,158         | 5,110         | 4,430         |
| Non Operating Income - Net  |  | 232           | 223           | 538           |
| Income Before Tax   |  | 4,926         | 4,887         | 3,892         |
| Income Tax Expenses   |  | 1,354         | 1,494         | 1,546         |
| Net Income from Continuing Operation  |  | 3,571         | 3,394         | 2,346         |
| Net Income from Disposal Group Classified as Held-for-Sale                                |  | 536           | 434           | 447           |
| Income After Income Tax Expenses  |  | 4,107         | 3,828         | 2,793         |
| Net Income Attributable to Non-Controlling Interest                                       |  | 185           | 147           | 123           |
| Net Income Attributable to Equity Holders of the Parent Entity                            |  | 3,922         | 3,682         | 2,669         |
| Basic Earnings Per Share  |  | 409.21        | 384.11        | 278.52        |
| Comprehensive income attributable to equity holders of the parent entity                  |  | 3,939         | 3,573         | 2,715         |
| Comprehensive income attributable to non controlling interest                             |  | 188           | 136           | 119           |
| <b>Other Comprehensive Income</b>   |  | <b>2018</b>   | <b>2017*</b>  | <b>2016*</b>  |
| Actuarial gain/(loss) on post employment benefit  |  | 410           | (225)         | 47            |
| Income tax related to other comprehensive income  |  | (102)         | 56            | (12)          |
| Foreign Exchange Difference from Translation of Financial Statement in Foreign Currency   |  |               |               |               |
| Available for sale financial assets:  |  |               |               |               |
| 1. Gain/(Loss) in current year  |  | (276)         | 210           | -             |
| 2. Amount Transferred to profit or loss in respect of fair value change                   |  | (48)          | (109)         | 52            |
| Cash flow hedges:   |  |               |               |               |
| 1. Effective portion on fair value charges of derivative instruments for cash flow hedges |  | (26)          | (44)          | (38)          |
| Income tax related to other comprehensive income  |  | 62            | (8)           | (9)           |
| Other comprehensive income net of tax   |  | 19            | (119)         | 41            |
| Total Comprehensive Income  |  | 4,127         | 3,709         | 2,834         |

\* (restated)

| Key Financial Ratios (%)   | 2018   | 2017   | 2016*  |
|--|--------|--------|--------|
| <b>I. Capital</b>  |        |        |        |
| 1. Capital Adequacy Ratio (CAR) Consolidated   | 22.2   | 22.1   | 20.9   |
| CAR Tier I   | 21.4   | 21.3   | 20.1   |
| CAR Tier II  | 0.8    | 0.8    | 0.8    |
| 2. Assets to Equity (x)  | 3.9    | 4.6    | 4.8    |
| <b>II. Earning Assets</b>  |        |        |        |
| 1. Non-performing earning assets and non productive assets to total earnings and non productive assets | 2.0    | 1.8    | 1.9    |
| 2. Non-performing earning assets to total productive assets  | 2.3    | 2.2    | 2.4    |
| 3. Non Performing Loan (NPL) to Total Loans - Gross  | 2.7    | 2.8    | 3.1    |
| 4. Non Performing Loan (NPL) to Total Loans - Nett   | 1.9    | 1.8    | 1.8    |
| 5. Allowance for impairment losses for financial assets to productive assets                           | 2.8    | 2.8    | 3.0    |
| 6. Loan Loss Coverage  | 120.2  | 119.2  | 117.7  |
| <b>III. Rentability</b>  |        |        |        |
| 1. Return on Average Assets (ROAA) before tax  | 3.1    | 3.1    | 2.5    |
| 2. Return on Average Equity (ROAE)   | 10.6   | 10.5   | 8.0    |
| 3. Debt to Assets  | 0.74   | 0.78   | 0.79   |
| 4. Debt to Equity  | 2.86   | 3.55   | 3.80   |
| 5. Net Interest Margin (NIM)   | 8.9    | 9.3    | 8.9    |
| 6. Cost to income  | 48.8   | 49.0   | 48.8   |
| 7. Operating Expense to Operating Income   | 70.9   | 72.1   | 77.3   |
| 8. Cost of funds   | 4.4    | 4.4    | 5.1    |
| <b>IV. Liquidity</b>   |        |        |        |
| 1. Loan to Deposit Ratio (LDR)   | 95.0   | 93.3   | 91.0   |
| 2. CASA Ratio  | 47.1   | 48.3   | 46.0   |
| <b>V. Compliance</b>   |        |        |        |
| 1. a. Percentage of Violation of Legal Lending Limit   |        |        |        |
| a.1. Related Parties   | -      | -      | -      |
| a.2. Third Parties   | -      | -      | -      |
| b. Percentage of Excess of Legal Lending Limit   |        |        |        |
| b.1. Related Parties   | -      | -      | -      |
| b.2. Third Parties   | -      | -      | -      |
| 2. Minimum Reserve Requirement in Rupiah <sup>o)</sup>   | 17.2   | 19.4   | 16.6   |
| Primary  | 6.5    | 6.5    | 6.6    |
| Secondary  | 10.7   | 12.8   | 10.0   |
| 3. Minimum Reserve Requirement in Foreign Exchange   | 8.1    | 8.1    | 8.1    |
| 4. Net Open Position   | 1.2    | 0.8    | 0.7    |
| <b>VI. Others</b>  |        |        |        |
| 1. Total Employees <sup>o)</sup>   | 32,299 | 36,410 | 44,019 |
| 2. Total Branches <sup>o)</sup>  | 703    | 992    | 1,235  |
| 3. Total ATMs  | 1,433  | 1,396  | 1,431  |

The figures are derived from consolidated financial statements 2017 and 2018 which have been audited by Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) and 2016 which have been audited by Public Accounting Firm Purwantono, Suherman & Surja (a member firm of Ernst & Young Limited).

Note:

- Including loans, receivables from consumer financing of Adira Finance and lease receivable from Adira Finance, current account with BI and other banks, placement with BI and other banks, marketable securities, derivative receivable, acceptance receivables.
- Including customers time deposit, time deposit from other banks, Securities Issued and long term funding (>1 year maturity).
- Excluding funding from other banks.
- In line with PBI No. 20/3 / PBI / 2018 and PADG No. 20/30 / PADG / 2018 about Minimum Reserve Requirement in Rupiah and Foreign Currency for Conventional Commercial Banks (BUK), Sharia Commercial Banks (BUS) and Sharia Business Units (JUS).
- Including Adira Finance and Adira Insurance.

# Sharia Highlights 2018

**Table Of Margin Distribution**

For The Month Of December 2018

(In million Rupiah)

| Indicator                      | Average balance  | Revenue to be distributed | Depositor's portion |                              |                               |
|--------------------------------|------------------|---------------------------|---------------------|------------------------------|-------------------------------|
|                                |                  |                           | Ratio (%)           | Total bonus & profit sharing | Rate of return indication (%) |
|                                | A                | B                         | C                   | D                            | E                             |
| <b>A FINANCING</b>             |                  |                           |                     |                              |                               |
| 1. Bank                        | 215,984          | 2,213                     | -                   | -                            | -                             |
| 2. Non Bank                    | 3,809,355        | 31,836                    | -                   | -                            | -                             |
| <b>B FUNDING</b>               |                  |                           |                     |                              |                               |
| 1. Wadiah current accounts     |                  |                           |                     |                              |                               |
| a. Bank                        | 5,041            | 43                        | -                   | -                            | -                             |
| b. Non Bank                    | 275,012          | 2,342                     | -                   | -                            | -                             |
| 2. Mudharabah current accounts |                  |                           |                     |                              |                               |
| a. Bank                        | 33,285           | 283                       | 10                  | 28                           | 1.00                          |
| b. Non Bank                    | 343,937          | 2,929                     | 10                  | 293                          | 1.00                          |
| 3. Wadiah savings              |                  |                           |                     |                              |                               |
| a. Bank                        | -                | -                         | -                   | -                            | -                             |
| b. Non Bank                    | 6,509            | 55                        | -                   | -                            | -                             |
| 4. Mudharabah savings          |                  |                           |                     |                              |                               |
| a. Bank                        | 38,926           | 332                       | 13                  | 43                           | 1.31                          |
| b. Non Bank                    | 654,438          | 5,573                     | 13                  | 724                          | 1.30                          |
| 5. Mudharabah deposits         |                  |                           |                     |                              |                               |
| a. Bank                        |                  |                           |                     |                              |                               |
| - 1 month                      | 314,577          | 2,679                     | 42                  | 1,125                        | 4.21                          |
| - 3 months                     | 40,774           | 347                       | 42                  | 146                          | 4.21                          |
| - 6 months                     | -                | -                         | -                   | -                            | -                             |
| - 12 months                    | 14,084           | 120                       | 42                  | 50                           | 4.21                          |
| a. Non Bank                    |                  |                           |                     |                              |                               |
| - 1 month                      | 1,717,126        | 14,624                    | 42                  | 6,142                        | 4.21                          |
| - 3 months                     | 314,758          | 2,681                     | 42                  | 1,126                        | 4.21                          |
| - 6 months                     | 108,183          | 921                       | 42                  | 387                          | 4.21                          |
| - 12 months                    | 300,969          | 2,563                     | 42                  | 1,076                        | 4.21                          |
| <b>TOTAL</b>                   | <b>4,167,619</b> | <b>35,492</b>             |                     |                              |                               |

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### Sources and Utilisation of Qardh Funds

For The Years Ended 31 December 2018 and 2017

(In million Rupiah)

| Description                                | 2018  | 2017  | 2016 |
|--|-------|-------|------|
| 1 Sources of Qardh funds                   |       |       |      |
| a. Infaq                                   | 307   | 116   | 232  |
| b. Shadaqah                                | -     | -     | -    |
| c. Productive Qardh funds refund           | -     | -     | -    |
| d. Penalties                               | 1030  | 666   | 744  |
| e. Others                                  | -     | -     | -    |
| Total Qardh funds                          | 1,337 | 782   | 976  |
| 2 Utilisation of Qardh funds               |       |       |      |
| a. Financing                               | -     | -     | -    |
| b. Donation                                | 715   | 1,061 | 845  |
| c. Others                                  | -     | -     | -    |
| Total Utilisation of Qardh funds           | 715   | 1,061 | 845  |
| 3 Increase on utilisation of funds         | 622   | (279) | 132  |
| 4 Qardh funds at the beginning of the year | 477   | 756   | 624  |
| 5 Qardh funds at the end of the year       | 1,099 | 477   | 756  |

### Sources and Distribution Zakat Funds Danamon Syariah Business Unit

UUS : Bank Danamon Indonesia

date : December 31, 2018

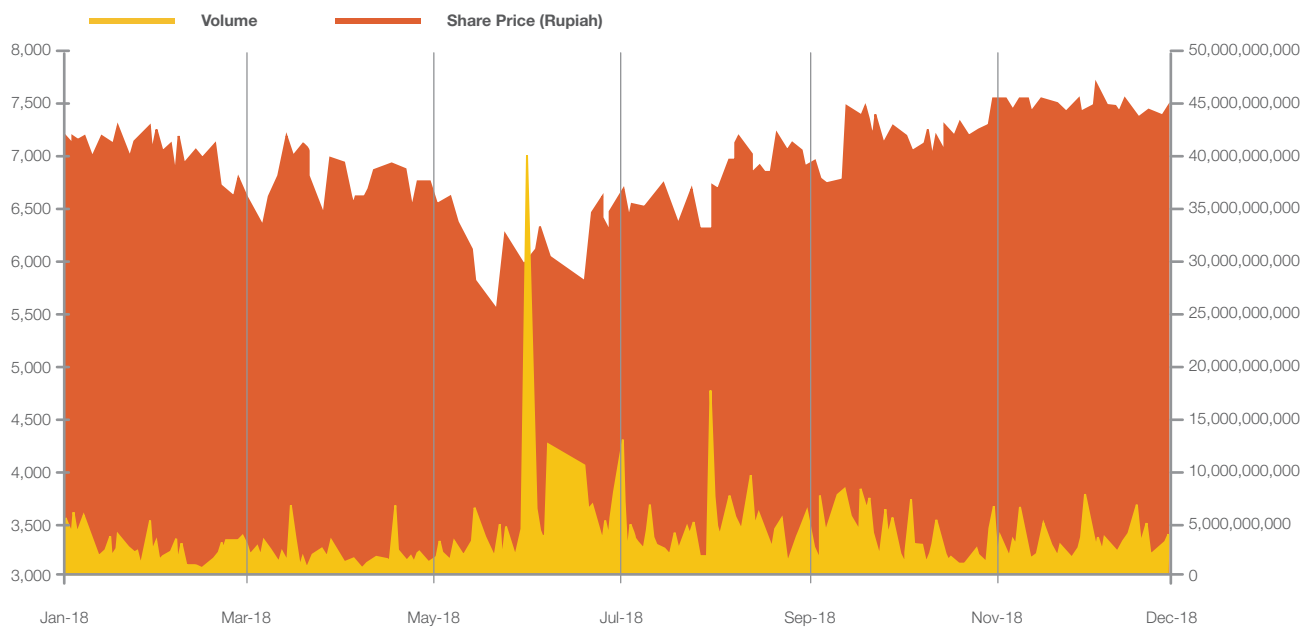
(In million Rupiah)

| Description  | 2018  | 2017  | 2016  |
|--|-------|-------|-------|
| 1 Initial Balance of Zakat Funds                         | 2,470 | 306   | 160   |
| 2 Source of Zakat Funds:                                 |       |       |       |
| a. Internal UUS  | -     | -     | -     |
| b. External UUS  | 1,560 | 2,335 | 5,452 |
| 3 Distribution zakat funds to zakat administrator entity |       |       |       |
| a. Amil Zakat Institution                                | 153   | 172   | 5,307 |
| b. Amil Zakat Board                                      | -     | -     | -     |
| 4 Increase (decrease) zakat funds                        | 1,407 | 2,163 | 145   |
| 5 Ending balance of zakat funds                          | 3,877 | 2,470 | 306   |



# Share and Bond Highlights

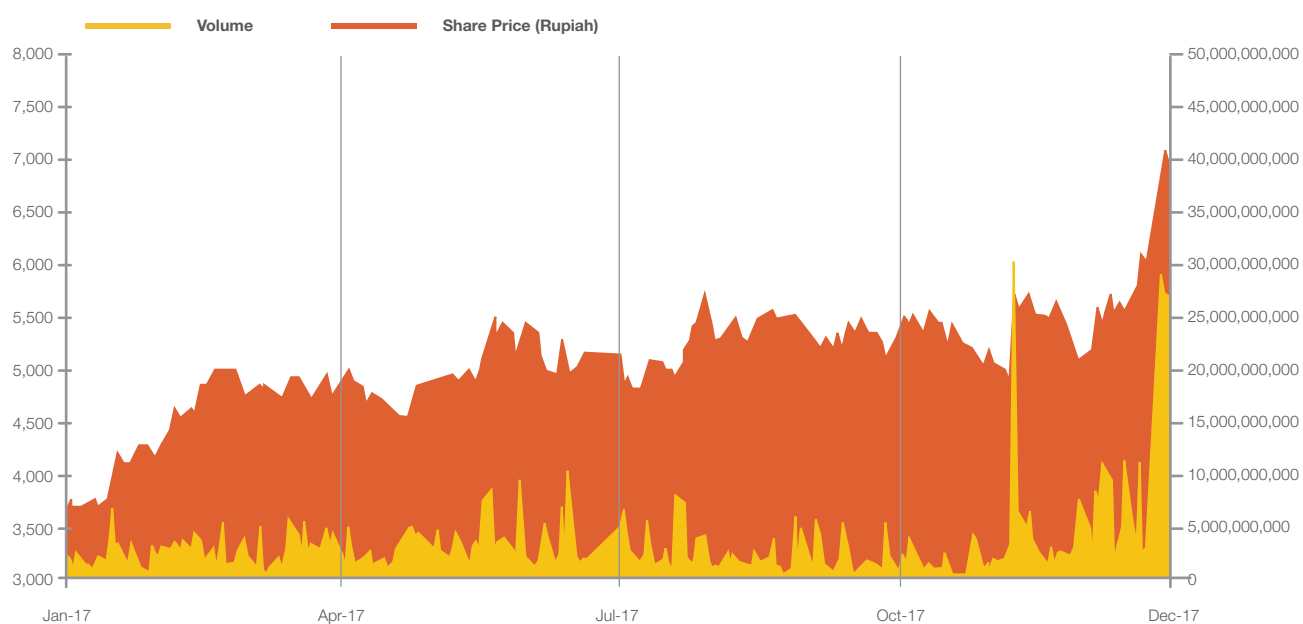
Danamon's Share Price Performance 2018



Volume and Share Price

| Share Price (Rp) | 2018    |        |         |         |                         |
|------------------|---------|--------|---------|---------|-------------------------|
|                  | Highest | Lowest | Closing | Average | Market Cap (Rp Million) |
| First Quarter    | 7,175   | 6,150  | 6,875   | 6,851   | 65,894,423              |
| Second Quarter   | 6,875   | 5,425  | 6,375   | 6,298   | 61,102,101              |
| Third Quarter    | 7,400   | 6,250  | 7,200   | 6,776   | 69,009,432              |
| Fourth Quarter   | 7,600   | 6,925  | 7,550   | 7,286   | 72,364,057              |

### Danamon's Share Price Performance 2017



### Volume and Share Price

| Share Price (Rp) | 2017    |        |         |         |                         |
|------------------|---------|--------|---------|---------|-------------------------|
|                  | Highest | Lowest | Closing | Average | Market Cap (Rp Million) |
| First Quarter    | 5,025   | 3,620  | 4,700   | 4,468   | 45,047,823              |
| Second Quarter   | 5,500   | 4,520  | 5,125   | 4,991   | 49,121,297              |
| Third Quarter    | 5,700   | 4,800  | 5,200   | 5,270   | 49,840,145              |
| Fourth Quarter   | 7,075   | 4,850  | 6,960   | 5,493   | 66,709,117              |

# Securities Ratings

| Pefindo      |                                    |            |
|--------------|------------------------------------|------------|
| Sep-18       | Outlook                            | Stable     |
|              | Corporate Rating                   | idAAA      |
| Fitch Rating |                                    |            |
| Oct-18       | Outlook                            | Stable     |
|              | Lt Issuer Default Rating           | BBB        |
|              | St Issuer Default Rating           | F2         |
|              | National Long Term                 | AAA (IDN)  |
|              | National Short Term                | F1+ (IDN)  |
|              | Viability Rating                   | BB+        |
|              | Support Rating                     | 2          |
| Moody's      |                                    |            |
| Apr-18       | Outlook                            | Stable     |
|              | Bank Deposits                      | Baa2 / P-2 |
|              | Baseline Credit Assesment          | Baa3       |
|              | Adjusted Baseline Credit Assesment | Baa2       |

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## Information on Bonds/Sukuk

As of December 31, 2018

| Debt securities   | Effective notification date | Letter number       | Amount    | The trustee                            | Interest payment schedule |
|---|-----------------------------|---------------------|-----------|--|---------------------------|
| Adira Finance Continuing Bonds II Phase III Year 2014 (Continuing Bonds II Phase III)                       | February 2013               | No. S-37/D.04/2013  | 1,500,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds II Phase IV Year 2014 (Continuing Bonds II Phase IV)                         | February 2013               | No. S-37/D.04/2013  | 1,503,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase I Year 2015 (Continuing Bonds III Phase I)                         | June 2015                   | No. S-279/D.04/2015 | 979,000   | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase II Year 2015 (Continuing Bonds III Phase II)                       | June 2015                   | No. S-279/D.04/2015 | 1,437,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase III Year 2016 (Continuing Bonds III Phase III)                     | June 2015                   | No. S-279/D.04/2015 | 1,101,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase IV Year 2016 (Continuing Bonds III Phase IV)                       | June 2015                   | No. S-279/D.04/2015 | 1,700,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase V Year 2017 (Continuing Bonds III Phase V)                         | June 2015                   | No. S-279/D.04/2015 | 2,014,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds III Phase VI Year 2017 (Continuing Bonds III Phase VI)                       | June 2015                   | No. S-279/D.04/2015 | 769,000   | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds IV Phase I Year 2017 (Continuing Bonds IV Phase I)                           | December 2017               | No. S-458/D.04/2017 | 1,300,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds IV Phase II Year 2018 (Continuing Bonds IV Phase II)                         | December 2017               | No. S-458/D.04/2017 | 1,630,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Bonds IV Phase III Year 2018 (Continuing Bonds IV Phase III)                       | December 2017               | No. S-458/D.04/2017 | 2,260,000 | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Sukuk Mudharabah II Phase II Year 2016 (Continuing Sukuk Mudharabah II Phase II)   | June 2015                   | No. S-279/D.04/2015 | 86,000    | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Sukuk Mudharabah II Phase III Year 2017 (Continuing Sukuk Mudharabah II Phase III) | June 2015                   | No. S-279/D.04/2015 | 386,000   | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Sukuk Mudharabah III Phase I Year 2017 (Continuing Sukuk Mudharabah III Phase I)   | December 2017               | No. S-458/D.04/2017 | 200,000   | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |
| Adira Finance Continuing Sukuk Mudharabah III Phase II Year 2018 (Continuing Sukuk Mudharabah III Phase II) | December 2017               | No. S-458/D.04/2017 | 490,000   | PT Bank Negara Indonesia (Persero) Tbk | Quarterly                 |

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12 February

Bank Danamon Announces 38% NPAT Growth In Its Full Year 2017 Results



22 February

Chinese New Year Celebration with Customers



21 July

Danamon Celebrated 62<sup>nd</sup> Anniversary.



31 July

OJK Approves MUFG Bank to Increase its Investment in Bank Danamon



20 August

Danamon Syariah Ready to Accept Hajj Pilgrimage Fund Deposits



27 September

Bank Danamon Enters into a Conditional Agreement to Sell a Majority Stake in Adira Insurance to Zurich



**13 March**

Bank Danamon Launches Digital Wallet Service



**30 May**

Fast Breaking with Media.



**02 August**

Bank Danamon and Adira Donate Books for Indonesia



**03 August**

Completion of 40.0% Investment in Bank Danamon by MUFG Bank



**24 October**

Bank Danamon Announces First Nine Months of 2018 Results



**30 October**

Bank Danamon Supports PT Toyota Housing Indonesia In Home Ownership Financing

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**19** November

Bank Danamon Holds Extraordinary General Shareholders' Meeting



**28** November

5,000 Runners Decide Their Own Finish Lines While Running at Danamon Run 2018



**04** December

2019 Economic Outlook with Media



**06** December

Supporting Development in The Digital Era, Danamon Launches API Central

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