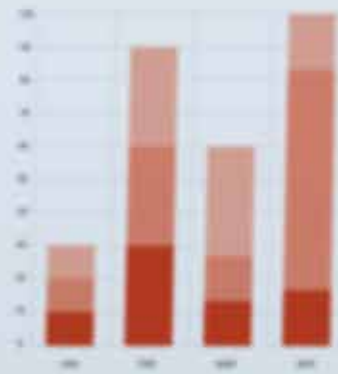




Financial



# Danamon Financial Performance FY'24



## MANAGEMENT DISCUSSION & ANALYSIS

# MACROECONOMIC OVERVIEW & BANKING INDUSTRY PROSPECT



"Indonesia recorded a 5.03% YoY economic growth in 2024, despite facing global challenges and geopolitical tensions. The main drivers of this growth were the acceleration of household consumption and gross fixed capital formation. The presidential elections also contributed to increased government spending and household consumption, particularly in the food, housing, healthcare, and education sectors was bolstered by social spending and, the stability of food prices. The commodities and processed goods sectors also made significant contributions."

## MACROECONOMIC

Indonesia recorded a 5.03% Year-on-Year (YoY) growth rate in 2024, despite facing global economic slowdown and geopolitical tensions. This growth was driven by a strong acceleration in household consumption and the formation of fixed capital, alongside a continued increase in foreign direct investment into Indonesia. The presidential elections also contributed to increased government spending and household consumption, particularly in the food, housing, healthcare, and education sectors. Additionally, the stability of food prices and social spending played a significant supporting role. The commodities and processed goods sectors, including food processing and rubber, also made notable contributions to Indonesia's economic growth.

From a global perspective, according to the World Economic Outlook report from the IMF in January 2025, global economic growth is projected at 3.2% YoY in 2024, slightly down from 3.3% YoY in 2023. This slowdown is attributed to high interest rates in the United States and a suboptimal recovery in China's economic growth, leading to weaker demand for commodities and industrial goods. Additionally, geopolitical uncertainties have contributed to a slower pace of disinflation.

Following the Federal Reserve's decision to begin cutting interest rates in Q3 2024, Bank Indonesia (BI) followed suit by lowering its BI-7DRR benchmark rate from 6.25% to 6.00% in September 2024. This move was aimed at stimulating the domestic economy while maintaining the stability of the Rupiah exchange rate.

Meanwhile, Indonesia's trade surplus in 2024 declined compared to 2023, falling to USD31.04 billion from USD36.89 billion. However, trade performance still played a key role in maintaining Indonesia's current account stability, with the current account deficit projected to remain under control at around 0.1%–0.9% of GDP throughout 2024.

Another positive catalyst is Indonesia's record-high foreign exchange reserves, which reached USD155.7 billion in December 2024. This amount is equivalent to 6.7 months of imports, or 6.5 months of imports plus government external debt payments, far exceeding international adequacy standards.

With a solid domestic economic foundation and favorable external factors, Indonesia is well-positioned to maintain positive growth momentum throughout 2024 and beyond.

In 2025, Bank Indonesia projects the economy to grow between 4.7%–5.5% YoY, with inflation remaining well-controlled at 2.5%±1%. Strong macroprudential policies and the acceleration of digital payment systems will support key sectors such as agriculture, manufacturing, transportation, tourism, and MSMEs, driving domestic economic activity and enhancing financial inclusion. Robust coordination between the Government and Bank Indonesia is expected to be a positive catalyst for job creation and strengthening the domestic economy, even as global risks remain a concern.



## BANKING INDUSTRY OVERVIEW

The Banking sector has demonstrated solid performance. According to Bank Indonesia data for November 2024, credit growth was recorded at 10.4% Year-to-Date (YTD), while third-party funds (DPK) grew by 4.5% (YTD), an improvement compared to 2023, where growth rates were 10.4% YoY and 3.7% YoY, respectively. However, the liquidity ratio against deposits saw a slight decrease, from 29% in 2023 to 26% in November 2024. On the capital front, the Capital Adequacy Ratio (CAR) remained strong at 27%, albeit slightly down from 28% in the previous year.

The slowdown in credit growth can be attributed to several factors, including the continued increase in Bank Indonesia's benchmark interest rate, which reached 6.25% in the first half of 2024, with a subsequent 25 basis point reduction in September 2024. In addition, the contraction in the manufacturing sector, influenced by global factors such as high U.S. interest rates and the slow recovery of China's economy, has dampened demand for commodities and domestically produced industrial goods. These factors have affected domestic productivity, thereby impacting credit distribution. Nonetheless, the majority of credit types still registered positive growth.

As of November 2024, working capital loans grew by 8.4% YoY, a slowdown from 10.7% YoY in 2023. Meanwhile, investment loans and consumer loans grew by 13.6% YoY and 10.6% YoY, respectively, surpassing the growth rates of 11.1% YoY and 9.0% YoY recorded in the previous year. In the MSME segment, credit growth stood at 3.4% YoY in November 2024, slower than the 7.2% YoY growth seen in 2023.

Other Banking performance ratios remained stable. The Net Interest Margin (NIM) showed a slight decline to 4.67% as of November 2024, down from 4.8% in 2023. The Return on Assets (ROA) remained flat at 2.8% in November 2024, slightly higher than 2.7% in 2023. Meanwhile, the Non-Performing Loan (NPL) ratio remained steady at 2.2%, the same as in the previous year.

The Banking industry is expected to have a better outlook in 2025, supported by the declining trend in global and domestic interest rates, which is anticipated to drive lower lending rates and foster healthier credit expansion. With Bank Indonesia's liquidity assistance facility (KLM) and stable lending rates in priority sectors, credit

growth is projected to reach 11-13% YoY. Solid capital adequacy ratios (CAR), well-managed non-performing loans (NPL), and sustained Corporate profitability will enhance the industry's resilience, while accommodative macroprudential policies and government incentives will further strengthen the financial system, ensuring stable and sustainable economic growth.

## DANAMON'S POSITION IN THE INDONESIAN BANKING INDUSTRY

Throughout 2024, Danamon continued to strengthen its strategic differentiation by growing as a Financial Group together with the MUFG ecosystem. This strategy successfully delivered solid results for the year, with Danamon reaching new records in both loans and funding.

Total consolidated loans grew by 8% YoY to reach Rp189.4 trillion, with solid Growth in almost all segments. The Enterprise Banking and Financial Institution (EBFI) include Trade Finance and Marketable Securities segment, supported by MUFG collaboration grew by 10% YoY reaching Rp87.1 trillion, while the Consumer Banking segment grew by 19% YoY to Rp20.9 trillion. The SME segment also recorded growth of 12% which amounted to Rp25.4 trillion. Furthermore, Adira Finance's loan disbursement relatively flat reaching Rp56.0 trillion. The increase in growth was accompanied by prudent risk management for healthy asset quality, with NPL improving from 2.2% at the end of previous year to 1.9% at the end of 2024.

In terms of funding, the Bank's total funding grew by 9% YoY reaching Rp154.8 trillion. Whereas granular funding grew by 8% YoY.

At the end of 2024, the Bank's Consolidated Net Profit After Tax (NPAT) amounted to Rp3.2 trillion, compared to Rp3.5 trillion in the same period last year. From the capital perspective, the Bank ended the year with a strong Capital Adequacy Ratio (CAR) of 26.2%, well above the regulatory minimum. These achievements put Danamon in a good position for future growth, as the Bank continues to strengthen synergies with the MUFG ecosystem as a Trusted Financial Group for value to customers.

# STRATEGIC REVIEW

## STRATEGIC FOCUS 2024

Throughout 2024, Danamon achieved sustainable growth as a Financial Group with growth in lending and funding, healthy asset quality, and sustainable profitability. This is supported by a focus on targeted ecosystems, such as automotive through various collaborations with Adira Finance, cooperation with associations and Hajj and Umrah travel companies, partnerships with secondary and higher educational institutions, and cooperation with property developers and Japanese real estate companies. In addition, Danamon also provides supply chain solutions through cash management and financial supply chain (FSC).

Danamon's growth was also driven by all business segments: Enterprise Banking and Financial Institutions (EBFI), Small and Medium Enterprises (SMEs), Consumer Banking, and Adira Finance. The EBFI segment strategy focused on credit growth with prudent principles and cash management solutions to increase funding and transactions, while the SME segment drives loan growth through collaboration with all Danamon business segments and more efficient credit processes. Consumer Banking served the privileged, optimal, and mass segments supported by the launch of new products in savings, wealth management, consumer credit, as well as various loyalty and customer acquisition programs.

Building synergies as a Financial Group, Danamon works closely with MUFG, Adira Finance, and Group entities to meet customer needs through various products and services in different segments across Indonesia. Danamon also continues to support sustainability through green financing and MUFG Net Zero World (MUFG NOW) forum that supports energy transition in Indonesia.

Danamon continued to transformed many of its branches into Next Generation Branch, integrating conventional and digital services. In line with that approach, we also developed digital channels for individual and business customers. As a part of its commitment to strengthen customer relationship, Danamon held the Hadiah Beruntun Program,

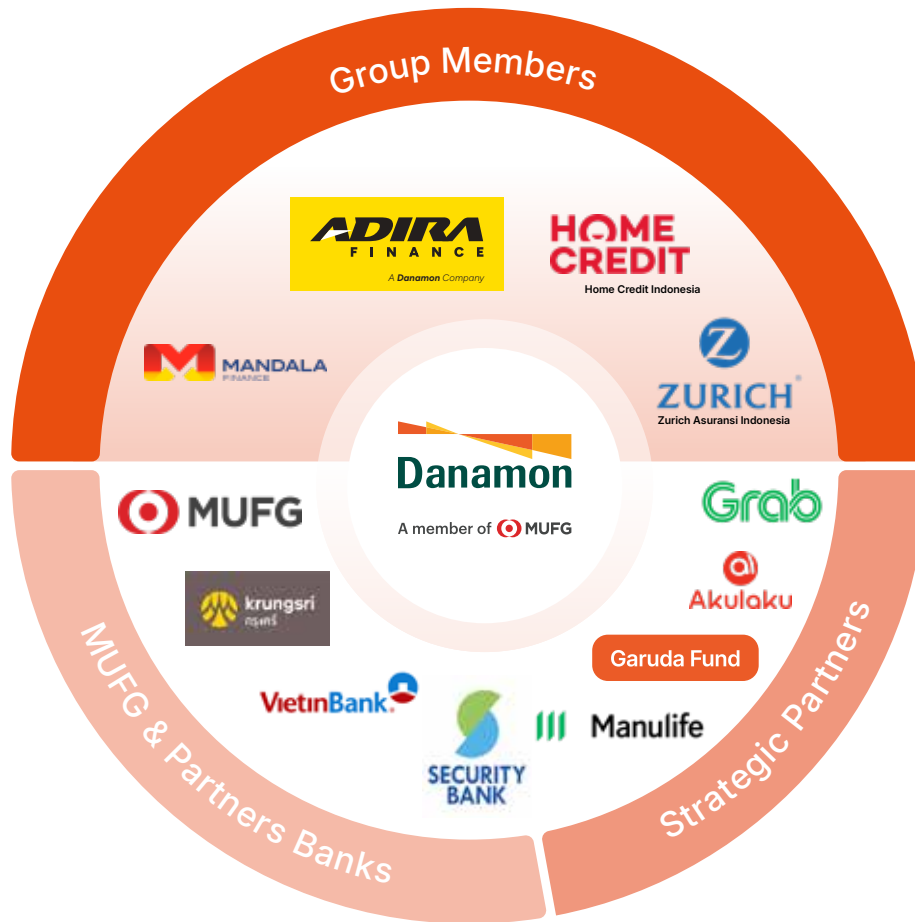
participated in the Indonesia International Motor Show (IIMS) and Bridestory Market, and organised the Danamon Syariah Travel Fair and DXPO by Danamon. Danamon also broadened business opportunities through incubation and inorganic growth, including the Garuda Fund venture fund, in collaborations with MUFG to support startups in Indonesia.

Danamon's commitment to the development and investment of Information Technology (IT) infrastructure, data analytics capabilities, and operational processes continues to be a priority. In developing human resources, Danamon organizes the Danamon Global Mobility Program, which encourages knowledge exchange at the global level and creates opportunities for young talents through, the Danamon Internship Program for college students and the Danamon Bankers Trainee for fresh graduates. This aims to prepare future leaders who are able to face the challenges and changes in the dynamic financial industry.

## STRATEGY IN 2025

To gain from the opportunities while overcoming challenges in 2025, Danamon has formulated the following key strategies:

- Build a superior proposition in targeted ecosystems, such as Automotive, Hajj & Umrah, Education, and Real Estate.
- Strengthen strategic cooperation with MUFG, Adira Finance, and other entities within the group.
- To support productivity and improve customer service; Danamon is committed to optimizing data analysis, improving operational processes, and encouraging digital development and branch transformation.
- Develop human resources by improving employee skills and knowledge. This is done through continuous learning programs and employee exchange initiatives within MUFG and its subsidiaries.



## 2024-2026 STRATEGIC DIRECTION: GROW AS A FINANCIAL GROUP

Double-digit growth  
in Lending & Funding with Sustainable Profitability

### Business Engines

Enterprise Banking &  
Financial Institution

SME  
Banking

Consumer  
Banking

Adira Finance &  
Group Entities

**A**

### Strategic Themes

1

Dominant  
in Targeted  
Ecosystems



2

Unique MUFG  
Proposition



3

Data Analytics  
& Process  
Improvement



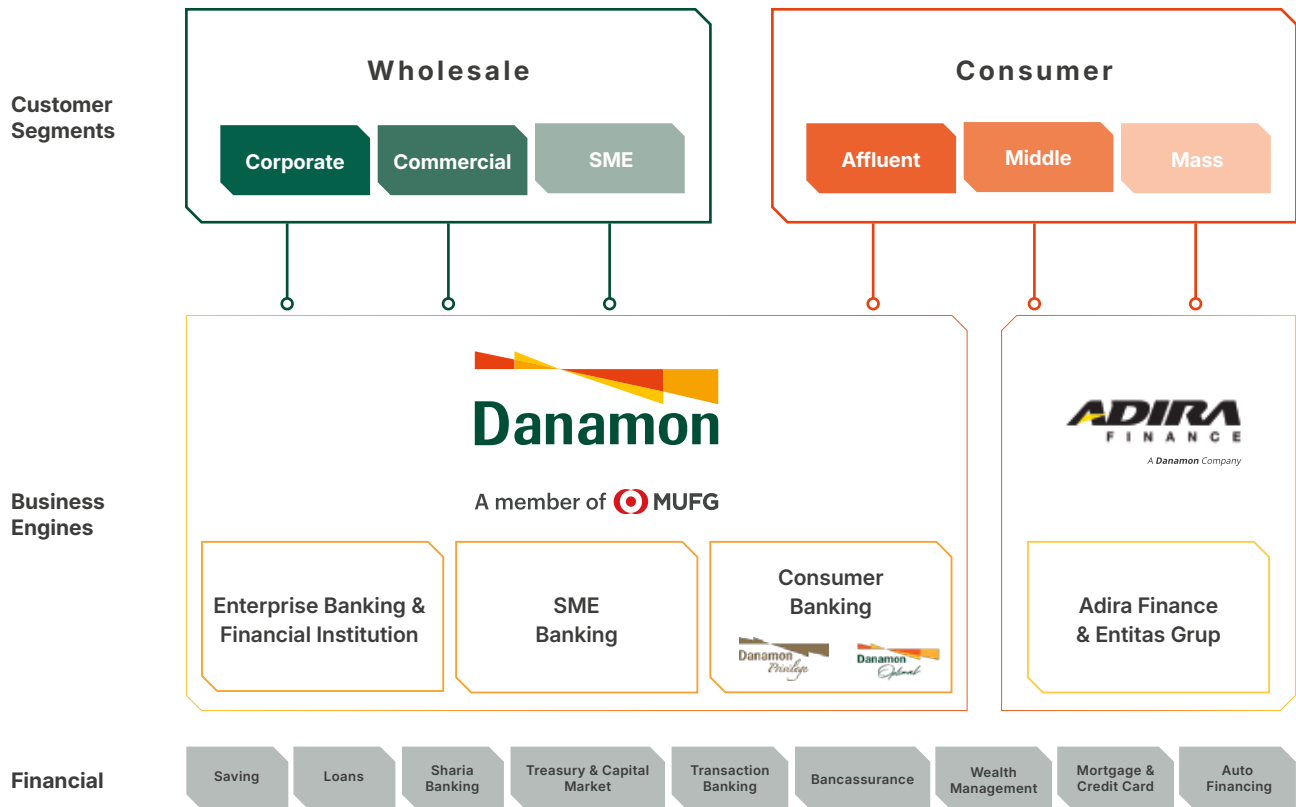
**B**

Foundation for Financial Group –  
New Business Incubation & Inorganic Growth

**C**

Core Business & Foundation Building –  
People, IT/Digital, Branding, Branches

# BUSINESS SEGMENT OPERATIONAL REVIEW



In 2024, Danamon continued its strategy of prudent loan growth through an ecosystem approach, sustained CASA growth through an institutional approach and increased fee income through a unique value proposition. In addition, collaboration with MUFG enabled Danamon to enter the Japanese Corporate and multinational customer markets through distributor financing, cash management, mortgage, and payroll accounts services.

# ENTERPRISE BANKING



"Amidst increasingly tight Banking competition and current global issues, Enterprise Banking delivered credit growth of 10% in 2024 compared to the previous year's position."

Enterprise Banking serves the Wholesale and Financial Institutions segment with a comprehensive range of financial solutions, such as loans, cash management, trade finance, and treasury services. By understanding and serving customer needs, Enterprise Banking intends to make Danamon the transactional Bank of choice.

## PRODUCTS AND SERVICES

Enterprise Banking offers the following products and services:

- Working Capital Loans (Trade Finance & Financial Supply Chain).
- Investment Loans.
- Cash Management (Payment, Collection, and Liquidity Management).
- Foreign exchange.
- Custodian.
- Project financing.
- Debt Capital Market.

## 2024 STRATEGIES AND INITIATIVES

Indonesia's economic conditions in 2024 showed positive growth, which was accompanied by a decline in Bank Indonesia's benchmark rate and the Federal Reserve Funds Rate (FFR) in the second half. However, the persistently unstable geopolitical tension that affected the global economy continued to have indirect impacts on the domestic Banking sector.

Despite that, Enterprise Banking continued to grow and deliver against all its stated targets with a constant focus on services as the business line deepened relationships with existing customers while expanding new customer portfolios and optimizing the entire ecosystem chain in a strategy that involved increasing cooperation with the MUFG Group.

Enterprise Banking is also committed to investing in human resources by attracting and retaining the best talent, implementing extensive training programs, including overseas training, and encouraging performance-based organizations.

## 2024 PERFORMANCE

Enterprise Banking loan portfolio grew by 10% YoY, thanks to the support of collaboration with MUFG Group.

## 2025 STRATEGIES AND INITIATIVES

Enterprise Banking will continue to implement the following strategies:

- Deepening relationships with existing customers.
- Acquiring new customers from our target markets and from within the overall ecosystem of existing customers.
- Continuing collaboration with MUFG Group to acquire customers from multinational companies and their value chains, and provide value-added products and services, such as Global Business Matching.
- Actively offering credit financing with other financial institutions through syndication loan, structured financing, agency, sell-down, and risk participation.
- Continuously maintaining third-party funds by offering comprehensive cash management solutions supported by the use of e-channels and digital solutions tailored to customer needs.
- Investing in human resources and enhance the skills of our employees through training and project assignments, both domestically and overseas with the support of MUFG.
- Continuing efforts to attract new talents while retaining and developing the existing ones.



# TREASURY & CAPITAL MARKET



"Synergy and collaboration with all lines of business, as well as parent entity MUFG Bank are key success factors for Treasury & Capital Market in ensuring the Bank's liquidity resilience and providing Danamon's treasury products and services to fulfill customer needs."

Treasury & Capital Market (TCM) is the core division within the liquidity risk management that ensures the Bank meets its liquidity requirement; this shall be achieved by laying an intense focus on efficient and prudent balance sheet management to support business expansion with due adherence to prudent Banking principles. The responsibility to manage the liquidity risk is inherent in the management of the Bank's balance sheet interest rate risk.

TCM is also a product partner of Danamon's line of business that offers basic Foreign Exchange (FX) and Marketable Securities solutions in addition to the more advanced solutions for customers that require hedging solutions and investment products.

Apart from being one of the rupiah-denominated Government Bond Primary Dealers, TCM also actively supports regulators in improving, formulating, and deepening more the Indonesian financial market.

## PRODUCTS AND SERVICES

TCM offers a wide range of products and services geared towards providing solutions for customers and performs trading activities. The products offered include Foreign Exchange (FX Today, FX Tomorrow, FX Spot, FX Forward, FX Swap, and Domestic Non-Deliverable Forward), Interest Rate Swap, Cross Currency Swap, Structured Products (Dual Currency Investment, Market Linked Deposit, and Call Spread Option), Marketable Securities (Government Bond and Corporate Bond under both Conventional and Sharia schemes, Bank Indonesia Rupiah Securities, and Bank

Indonesia Foreign Currency Securities), Money Market (Interbank & Bank Indonesia instruments), and Repo/ Reverse Repo.

Since Danamon was appointed by Bank Indonesia in 2021 as one of the Appointed Cross-Currency Dealer Banks (ACCD Bank) in order to facilitate Local Currency Settlements/Local Currency Transactions (LCS/LCT) for THB-IDR and CNY-IDR currency exchanges, its customers' transaction volume has been increasing. The transaction volume of LCS THB-IDR in 2023 increased by 103% compared to the previous year. With this service, the Bank's customers may enjoy more competitive FX rates and more efficient and faster fund remittances to institutions or individuals in the ACCD Bank's partner countries.

In 2024, Danamon was also selected as one of Bank Indonesia's Primary Dealer (PD) that allows Danamon to provide service to non-PDs according to the prevailing Bank Indonesia's regulations.

## 2024 STRATEGIES AND INITIATIVES

In 2024, TCM continuously focused on efficient balance sheet management strategies in Capital Management, Fair Value through Other Comprehensive Income (FVOCI) portfolio management, Contingency Funding Plan, as well as the Enhanced Treasury System and the Asset & Liability Management (ALM) System.

TCM Trading Team's activities support Treasury Sales Team by providing liquidity and competitive prices for

customers. TCM also offers alternative investments for retail customers, such as government bond and Corporate bond. This was geared towards increasing Danamon's fee-based income.

TCM continuously collaborates with the Bank's line of business to support customers seeking investment products and hedging instrument solutions to manage their exposure. TCM expanded collaboration with the MUFG Group's business network to tap business opportunities with Japanese companies' and multinational corporations' value chains as well as large Corporate action deals.

In line with the financial market deepening program of Bank Indonesia and the related authorities, TCM also participated in the Central Counterparty (CCP) program, the establishment process of the Self-Regulatory Organization (SRO) of the Indonesian Money Market and Foreign Exchange Market Association (Apuvindo), and the auction of Term Deposit in Foreign Currency from Foreign Exchange from Export Proceeds (TD Valas DHE), as well as Bank Indonesia Rupiah Securities (SRBI) and Bank Indonesia Foreign Currency Securities (SVBI) instruments.

## 2024 PERFORMANCE

TCM grew its Treasury Sales income by 26% compared to the previous year due to better performance contribution from Enterprise Banking and Financial Institution Sales. FX Treasury Sales volume increased by 7% compared to the previous year.

TCM has launched Structured Products, such as Dual Currency Investment (DCI) and Market Linked Deposit (MLD) to fulfill customers' investment needs. Supported by the relaxation of the Regulation of Board of Governors' Member (PADG) No. 11/2024 regarding FX Market Transaction, TCM managed to increase its MLD sales revenue as much as six times and quadruple its sales volume in 2023 compared to the previous year.

## 2025 STRATEGIES AND INITIATIVES

In 2025, TCM will continue to implement the following strategies:

1. Continuously improve the efficiency of balance sheet management strategies with prudential principles.
2. Continue collaborating with Danamon's line of business to provide solutions to customers who need investment products and hedging instruments to manage their exposure; continue collaborating with the MUFG Group's business network to tap more business opportunities with Japanese companies' and multinational corporations' value chains as well as to increase more Indonesian Government Bond deals.
3. Develop the Bank's investment services, such as Retail Bond Online, which aims to provide one-stop access for customers' bond investment activity.
4. Continue supporting Bank Indonesia initiatives in line with the 2025 Money Market Development Blueprint and the 2030 Bank Indonesia Payment System Blueprint, including other initiatives by regulators and other related authorities to support financial market deepening.

# TRANSACTION BANKING

## (CASH MANAGEMENT, TRADE FINANCE, & FINANCIAL SUPPLY CHAIN)



"Following the government's strategy in implementing digital economy in Indonesia, Danamon supports by continuing to develop digital services that prioritize ease, speed, reliability and system security in conducting Cash Management, Trade Finance, and Financial Supply Chain transactions."

Danamon's Transaction Banking continues to develop products that utilize the latest digital technology innovations to increase customer convenience through excellent services and reliable security.

This line of business offers a range of need-based products to meet the growing needs of its customers in various segments such as Corporate, Commercial, and Small & Medium Enterprises (SMEs). Through Cash Management, Trade Finance, and Financial Supply Chain services, Danamon serves customers with the right, effective, and competitive Banking transaction solutions.

Continuous development of the Internet Banking platform facilitates customers to perform online Cash Management, Trade Finance, and Financial Supply Chain transactions which able to assist customers to increase the efficiency of their business activities.

### PRODUCTS AND SERVICES

Transaction Banking provides the following products:

- **Cash Management**

Integrated Banking solutions help customers to optimally and yet efficiently manage cash flow, liquidity, and daily transactions. Danamon Cash Management allows customers to develop and execute business strategies more effectively.

- **Trade Finance & Services**

Danamon's Trade Finance services help customers to make trade transactions and get working capital financing, which cover international trade (import and export) and domestic trade.

- **Financial Supply Chain (FSC)**

Danamon's Financial Supply Chain supports the smooth transaction cycle between suppliers, distributors, and principals by providing not only working capital and payment facilities but also comprehensive business reports that give added value to the cooperation relationship and sustainability in the business ecosystem.

### STRATEGY & INITIATIVES IN 2024

- **Digital Banking Services**

1. Continuous improvement of Danamon Cash Connect with the addition of new features to provide a better experience for customers in making online and real-time business transactions such as BI Fast, BPJS Payments (Manpower and Health), Electricity and Taxes (MPNGen 3) and comprehensive Financial Supply Chain system for both suppliers and distributors, including for working capital financing needs.
2. API Central offers real-time connection services for Fund Transfer (payment), Virtual Account (billing), and Financial Supply Chain transactions that meet BI SNAP standards and in compliance with applicable regulatory provisions.

- **MUFG Collaboration**

Through collaboration with MUFG Bank, Transaction Banking continues to add new partnerships with principals and distributors across industries, including automotive, FMCG, pharmaceutical, building construction industry, and corporations affiliated with MUFG Group.

## 2024 PERFORMANCE

Despite facing numerous challenges in 2024, particularly with the market rate competition and the slowdown in the automotive sector, which impacted supply chain businesses, Transaction Banking has navigated 2024 successfully, achieving the following key milestones:

- Digitalization efforts have resulted in a 15% increase in active Internet Banking users across the Corporate, Commercial, and SME segments, contributing to a 25% growth in digital transactions in 2024.
- New partnerships have been established with 24 principals from the automotive, FMCG, building materials, and manufacturing industries, leading to the provision of working capital loans to 220 new distributors.
- Supply chain credit portfolio has increased by 41%, with a notable rise in the upstream sector, particularly supplier financing.
- Trade finance portfolio has grown by 26%, primarily driven by the Corporate and commercial segments.

## STRATEGY AND INITIATIVES FOR 2025

Transaction Banking will continue to develop product and service solutions and collaborate with MUFG Group in the areas of Cash Management, Trade Finance, and Financial Supply Chain.

1. Committed to the ongoing refinement of an integrated financial supply chain solution, with a focus of delivering comprehensive, seamless transaction services that are aligned with the critical needs of customers. The Bank's goal is to provide solutions that not only streamline financial operations but also adapt to the dynamic and evolving requirements of businesses across industries. Through continuous innovation and customer-centric approach, Danamon enhances the functionalities of its platform to ensure that it supports various aspects of the financial supply chain, from invoicing to payments and cash flow management.
2. The Bank continues on the development of Danamon Cash Connect (DCC) in focusing on providing domestic payments and remittances faster, easier, and more efficient. With streamlined payment processes and enhanced capabilities, DCC users can experience quicker transaction process, greater reliability, and better customer experience that simplifies their daily Banking tasks.

3. As one of the Appointed Cross Currency Dealers (ACCD), Danamon's TB supports the Government's program to increase direct settlement on transactions between IDR and the currencies of the destination countries and remain committed to continuing the Local Currency Settlement (LCS) service with several countries, including Thailand, China, and other currencies within the LCS coverage.
4. Danamon's API Central steadily expands the Digital Banking ecosystem by providing customers with seamless, efficient, and value-added financial solutions. With the introduction of new API features, the Bank expands service offerings to include:
  1. Direct Debit API – A robust solution for businesses to automate recurring payments, ensuring a smooth and reliable transaction process for subscription-based models, billings, and other automated payment services.
  2. Bill Payment API – A seamless integration tool that enables users to easily pay utility bills, loan repayments, and other regular payments directly from their platforms, improving convenience and efficiency for customers.
  3. Financial Supply Chain API – A strategic development aimed at optimizing the entire financial supply chain process, from procurement to invoicing, payments, and cash flow management, offering businesses the tools to automate and integrate their financial workflows for greater efficiency and transparency.
5. Develop cooperation with financial technology companies through various cooperation forums and investment participation.
6. Expand collaboration with the Bank's group companies in the domestic, regional, and global network to provide Danamon's clients with value-added and comprehensive financial services.

# SMALL MEDIUM ENTERPRISE BANKING



"Danamon's SME Banking focuses on small and medium business with a need for loans of up to Rp30 billion and annual sales turnover of up to Rp100 billion."

Danamon's Small Medium Enterprise (SME) Banking offers a range of comprehensive financial solutions that cover productive business loans, funding, transactions, foreign exchange, and protection (bancassurance).

## PRODUCTS AND SERVICES

### 1. Productive business loans

Working Capital (Overdraft Facilities and Demand Loans), Investment Financing (KAB – Term Instalment Loans), Financial Supply Chain financing, Trade Finance, Rural Bank (BPR) Loans, and Employee Cooperative Loans.

### 2. Funding

Deposit and transactional accounts for convenient operational transactions such as Current Accounts, Savings Accounts, and Term Deposits.

### 3. Transactions

Offering convenient transactions anywhere, anytime, through Danamon's network of branches across Indonesia and through digital channels such as Internet Banking, Mobile Banking, Cash Management, and Trade Finance.

### 4. Foreign Exchange

Offers convenience in foreign exchange to meet customer needs in making payments in foreign currency.

### 5. Bancassurance

Offering a range of products to protect business owners and their assets.

## 2024 STRATEGIES AND INITIATIVES

In 2024, Danamon's SME Banking focused on expanding customer relationships by optimizing the entire value chain ecosystem, including increasing collaboration with the MUFG Group.

Apart from utilizing external collaboration, Danamon's SME Banking also has internal strategies that focus on loan growth. A real example of this approach was the utilization of the Enterprise Banking ecosystem. Danamon's SME Banking offers financing to customers through this ecosystem, creating synergies between internal services that can expand access to financing and push the growth of relevant business sectors.

With a holistic approach to the ecosystem, not only does Danamon's SME Banking build sustainability in its own business, but it also plays an active stakeholder role that supports economic growth. Through this strategy, Danamon's SME Banking has presented itself as a pioneer in creating added value through a diverse ecosystem, which reflects the Company's vision to become a leading partner for SME business players in Indonesia.



## PERFORMANCE IN 2024

- The loan portfolio grew by 12% in 2024, marking the highest growth since 2017. This achievement was driven by strong inter-division collaboration, support from the MUFG Group, and disciplined credit process improvements.
- The deposit portfolio (CASA and TD) grew by 9% in 2024.
- SME Banking increased its Operating Income, primarily driven by Non-Interest Income transactions from Credit Related, Treasury (FX and Bonds), Trade Finance, and Cash Management Fees.

## STRATEGIES AND INITIATIVES FOR 2025

Small and Medium Enterprises (SME) Banking strategies, as follows:

### a. Inter-Division Collaboration

The 2025 business strategy will be supported by a culture of collaboration amongst various divisions at Danamon. To optimize business opportunities while creating more interactions and maintaining harmony between divisions.

The ultimate objective is to identify potential products or programs to offer to the customers that can eventually expand the market share of SME Banking and make it a one-stop Banking solution for the customers.

### b. Ecosystem Development

To acquire principal chains that have become existing debtors in Enterprise Banking while strengthening collaboration with the MUFG ecosystem and Adira as a group of companies, which is to be achieved by developing need-based financing products in each of the ecosystems.

SME Banking Collaboration with Adira offers loan facilities to dealers that have built long partnerships with Adira Finance. Dealers of both new and used motor vehicles falling under this segment are eligible for this loan facility. This action not only strengthens the business partner network but also poses a wider growth opportunity in the automotive ecosystem.

Furthermore, SME Banking will optimize the MUFG ecosystem in Indonesia through strategic collaborations with Multinational and Japanese customers, as well as digital partners in which MUFG has made investments.

### c. Process Efficiency

Based on simplified processes and policies, SME Banking will digitize its upstream-to-downstream process.

SME Banking will be developing technologies that can increase the efficiency of loan disbursement to customers, from pre-screening to loan disbursement.

The implementation of technology such as Optical Character Recognition (OCR) used to analyze current accounts and to make continuous development of the Loan Originating System (LOS) is expected to contribute to improving the effectiveness of the credit process for the SME segment.

### d. Expanding Regional Potential

Identifying regional characteristics and making a larger acquisition of customer chains within the same regions as an effort to expand the regions' customer network and bring to the customers a range of innovative and comprehensive financial solutions to meet their evolving needs and preferences within each of the regions.

# CONSUMER BANKING



"Consumer Banking remains committed to its vision of becoming a leading financial institution by ensuring seamless accessibility across all channels and providing solutions that address the evolving needs of customers."

Overall, Indonesia's economic situation in 2024 looked set for steady growth and showed resilience resulting from, but not limited to, navigating inflationary pressures, fostering investment, expanding infrastructure, and household consumption. Despite ongoing geopolitical tension, inflationary pressure, and supply chain adjustments, the domestic economy showed robust adaptability and strength.

In 2024, the Banking sector continued to face intense competition, shaped by a dynamic monetary environment. Elevated interest rates in the early year influenced market conditions, followed by a shift toward a more accommodative stance with rate reductions. Additionally, the increasing sophistication of digital offerings, customer-centric innovations, and strategic advancements by peer and Digital Banks further heightened the complexity of the competitive landscape. These factors pushed financial institutions to adapt rapidly to remain competitive in a shifting economic and technological environment.

To address these challenges, Consumer Banking has executed comprehensive strategies across multiple touchpoints. These include branch and Mobile Banking transformations, enhanced brand visibility, and deliver targeted communication. Delivering an exceptional customer experience remains central to all business initiatives, encompassing customer acquisition, engagement, and development innovative products.

## PRODUCTS AND SERVICES

- Privilege**  
 Provides specialized Banking services that cater high-net-worth individuals, offering exclusive features such as dedicated relationship managers, tailored financial products, priority access to services, and expedited transaction processes.
- Optimal**  
 Serves the emerging affluent segment by offering personalized financial advice and flexible Banking solutions designed to support customers in achieving their financial aspirations at every life stage.
- Savings**  
 Offers a comprehensive range of deposit products to cater diverse market segments, from affluent customers to mass market. These include savings accounts, current accounts, and time deposits.
- Loans**  
 Provides a variety of loan products to meet the diverse needs of customers, including secured options such as mortgages and car loans, and unsecured solutions like credit cards and cash loans.
- Investments and Bancassurance**  
 Offers a broad spectrum of investment and insurance products in collaboration with leading third-party financial institutions in Indonesia. For high-net-worth clients, personalized and exclusive services are available.
- Foreign Exchange & Structured Products**  
 Facilitates foreign exchange transactions with competitive pricing and seamless service experience.

## 2024 STRATEGIES AND INITIATIVES

In 2024, Consumer Banking achieved significant progress across all key metrics through customer expansion, continuous engagement initiatives, and product innovation. These initiatives are reinforced by leveraging ecosystem strategies, focusing on the end-to-end customer journey, and improving all customer channels.

Key highlights cover the launch of the “Danamon Hadiah Beruntun” program and Danamon LEBIH PRO debit card, contributing to deposit growth and boosting Danamon brand as a funding business. In Wealth Management, digital channels were effectively utilized to engage a wide range of customers by offering seamless and streamlined transactions, while branches continued to play a critical role in offering wealth solutions to the affluent segment.

The mortgage business demonstrated robust growth, driven by enhanced productivity measures and synergies with MUFG, as well as strengthened partnerships with developers and brokers. In the credit card business, collaboration with strategic business partners continues to offer attractive rewards and benefits. Car loan performance accelerated by a combination of a streamlined process, targeted communication, and strategic events.

To celebrate its 68<sup>th</sup> anniversary, Consumer Banking held DXPO by Danamon by offering a special campaign on a nationwide scale by events in strategic sites in Jakarta and Makassar. Consumer Banking also participated in 2024 Indonesia International Motor Show partnership with Adira Finance and MUFG to boost Danamon’s presence within the automotive ecosystem.

## 2025 STRATEGIES AND INITIATIVES

With renewed optimism in Indonesia’s economic outlook for 2025, Consumer Banking remains confident in achieving its objectives through well-defined and meticulously executed strategies, including:

- Leveraging targeted ecosystem-based approaches and partnerships with both conventional companies and startups to drive customer expansion and customer engagement, including automotive, education, sharia, and Supply Chain.
- Improving customer experience through enhancement of multiple customer touchpoints, e.g., branches, D-Bank PRO, and Hello Danamon.
- Fostering foreign currency proposition by promoting innovative products and attractive programs to drive deposits and high-value transactions.
- Increasing Privilege Centers establishment to expand the affluent customer base and accelerating Wealth Management business.
- Strengthening the mortgage business through targeted acquisition, customer retention, and cross-selling initiatives.
- Advancing the digitalization of the card business for a better customer journey and leveraging ecosystem synergies to boost utilization and market penetration.
- Continue to maintain stable, good asset quality by implementing risk-based collection strategies and upgrading collection system capabilities.

# SHARIA BANKING



"Danamon's Sharia Business Unit continues to support the development of digital Banking services in meeting community needs by providing through the Digital Platform as comprehensive solutions with Sharia Savings, Sharia Planning Savings (Hajj, Qurban, Education, etc.), and digital ZISWAF."

## SHARIA BANKING INDUSTRY

Based on OJK data, the current condition of Sharia Banking reflects conditions that are maintained to be stable and show positive growth. Sharia Banking assets reached Rp895.9 trillion as of September 2024, third-party funds grew by 12% YoY to Rp714.3 trillion. As of December 2024 Sharia Danamon assets grew by 14% yoy to Rp14.2 trillion.

In the future, sharia economics and finance must continue to increase their contribution to the national economy, adapt more quickly, and be able to respond to opportunities amidst increasingly complex global economic dynamics. Indonesia, as the country with the largest Muslim population in the world, has great potential for developing a halal ecosystem so that it can encourage even greater growth in the sharia market share.

## DANAMON SHARIA BANKING

Danamon's Sharia Business Unit is a Sharia Banking based on sharia principles with the vision of "Helping Millions of People to Achieve Prosperity with Justice Values Based on Sharia Principles."

Danamon Sharia serves all segments, starting from consumers, SMEs, corporations, financial institutions, and communities, to meet customer needs by continuing to develop and strengthen Sharia Banking through business expansion, product development, and strengthening relationships with the concept of leveraging both in terms of infrastructure and distribution networks. This growth is supported by the strong business network of the MUFG Group, which is the Bank's strength in developing Sharia business.

## PRODUCTS AND SERVICES

Developing unique, creative, and digital-based products is an important factor for the success of Danamon Sharia Banking in all segments by offering competitive and customer-oriented products and services as follows:

- **Deposits**

A diverse range of deposit products designed to cater the needs of customers across various segments, accessible both digitally and through branch services. The digital Sharia savings account (Danamon Save iB) and the digital Sharia savings plan (Tabungan Perencanaan Syariah iB) enable customers to open accounts without visiting a Danamon branch. Additionally, the multi-currency savings account (DL Pro iB) has been developed, offering the convenience of managing nine currencies within a single account, catering to customers who frequently engage in multi-currency transactions. The Hajj Savings Account (RTJH) is directly integrated with the government's Integrated Hajj Management Computerization System (SISKOHAT). These products complement other Sharia savings offerings, including the Hajj planning savings account (Tabungan Rencana Haji iB), Umrah planning savings account (Tabungan BISA Umrah iB), Qurban planning savings account (Tabungan BISA Qurban iB), Danamon Lebih iB, FlexiMax iB, Giro BISA iB, and Deposito iB.

- **Financing**

A comprehensive range of financing products designed to meet the funding needs of individuals and businesses alike, including Sharia Home Ownership Financing, Sharia Leasing Financing, Special Hajj Financing, Hajj & Umrah Travel Financing, Sharia Trade Financing, Employee Cooperative Financing, Sharia Working Capital Financing, Investment Financing, Heavy Equipment Financing, as well as Green and Sustainable Financing.

### • Investment and Bancassurance

A selection of Sharia-compliant Investment and Bancassurance products is available in collaboration with leading financial institutions in Indonesia. These include equity-based investment products, term life insurance under Sharia principles, and unit-linked life insurance.

### • Service

Banking transaction services through digital and branches include Cash Management (Danamon Cash Connect), Digital Onboarding for both individuals and communities, ZISWAF Recipients (*zakat, infak, sedekah, and wakaf*) through Social Banking and D-Bank PRO, as well as services to the Education community/Islamic institutions, employees and Hajj and Umrah travel.

## 2024 PERFORMANCE

Sharia's assets grew by 14% in December 2024 compared to the same period the previous year (year-on-year) with a profit of Rp136 billion. This shows that the growth rate is faster than the growth rate of the Banking market in general, and sales of sharia products can be further increased to achieve higher growth.

### • Sharia Financing

Danamon Sharia Banking focuses on developing Sharia Leasing and Sharia Mortgage Financing while still applying the principle of prudence in lending. In December 2024, Sharia financing grew year-on-year to Rp11.7 trillion.

### • Sharia Funding

In December 2024, sharia funding reached Rp9 trillion. This increase was caused by a leveraging strategy and supported by the Sharia First program, which is spread throughout Indonesia.

## BUSINESS/PRODUCT FOCUS

Danamon Sharia provides financial solutions for customers through a series of complete, unique, and creative sharia-based products and services.

On the funding side, the Sharia Business Unit will continue to develop comprehensive digital-based products by strengthening the funding structure through developing the Muslim ecosystem and also developing business, especially Hajj and Umrah services. In the financing sector, Danamon Sharia Banking continues to develop unique financing products, namely Sharia Leasing, Employee Cooperative Financing, Sharia Mortgage, and Danamon BISA Haji, which provide more benefits for customers by optimizing cooperation and collaboration with the MUFG Group.

Danamon Sharia continues to increase the productivity of its human resources by increasing their knowledge and capabilities, especially in terms of product promotion and Sharia Banking.

Danamon Sharia continues to improve risk management and good Corporate governance. The infrastructure and technology have been upgraded and refined to be more integrated. This initiative has increased the level of service to customers by reducing and integrating several processes in the parent Bank's system.

## AWARD

In 2024, Danamon Syariah received several awards, namely:

- 2<sup>nd</sup> Rank Overall Sharia Business Unit – 13<sup>th</sup> Infobank Digital Brand Recognition Awards 2024.
- 2<sup>nd</sup> Rank Sharia Business Units, Conventional Commercial Banks - 13<sup>th</sup> Infobank Digital Brand Recognition Awards 2024.
- 2<sup>nd</sup> Rank in The Best Overall UUS in Excellent Service – 21<sup>st</sup> Infobank Banking Service Excellence Awards.
- 1<sup>st</sup> Rank in The Best ATM Branch - 21<sup>st</sup> Infobank Banking Service Excellence Awards.
- Jawa Pos 7 Most Popular Brand of the Year 2024 in the Finance – Sharia Banking category.
- 1<sup>st</sup> Rank in BPKH Banking Award – BPS BPIH Contribution category on Growth of Hajj Registration 2024.
- 3<sup>rd</sup> Rank in BPKH Banking Award 2024 – BPS BPIH category for Registration of Best Young Hajj 2024.
- 3<sup>rd</sup> Rank in BPKH Banking Award 2024 – BPS BPIH category for Best Hajj Registration 2024.

## 2025 STRATEGIES AND INITIATIVES

Danamon's Sharia Business Unit has developed a number of strategic initiatives to expand services in 2025 by strengthening collaboration with the parent Bank and MUFG Group, including ADMF, focus on granular fund growth by developing services tailored to specific communities, including the education sector, Hajj and Umrah pilgrims, as well as Islamic institutions, through an end-to-end approach.

In line with the Bank's strategy in 2025, the Danamon Sharia Business Unit will improve its products and services through Digital Banking platforms and be oriented towards customer needs by continuing to develop unique and creative products so that they can be competitive in the era of digitalization. Danamon's Sharia Business Unit continues to maintain the principle of prudence in providing financing as one of the steps in growing quality sharia assets.



# GROUP MARKETING



"Through 7 important elements, namely brand identity, brand associations, brand image, perception of quality, brand awareness, brand experience and brand loyalty, the Marketing Group aims to continue building brand values."

Group Marketing aims to develop strong Danamon brand equity, through 7 important elements, namely brand identity, brand association, brand image, perception of quality, brand awareness, brand experience and brand loyalty by communicating customer-centered, technology-backed brand positioning for solutions with human touch through products, services, channels and brand stories.

The Marketing Group consists of:

- **Brand Strategy:** Building Danamon's Corporate identity in a modern image by rejuvenating and humanizing the story about Danamon.
- **Marketing Communications:** Creating customer attention and demand through stories about relevant products, services and channels.
- **Corporate Communications:** Maintaining the Bank's reputation and managing public opinion, through media and public relations, communication crisis handling, and internal communications.
- **Digital Marketing:** referred also to as online marketing, is brand promotion to build relationships with potential new customers through digital channels. The role of Digital Marketing in this case includes managing digital channels such as the Danamon Corporate Website (DCW), email, Danamon social media accounts, Search Engine Optimization and Search Engine Marketing, digital marketing analytics, and mobile advertising and displays to ensure our online presence and increase brand awareness, marketing initiatives and sales.
- **Brand Activations:** Building brand relevance and scale that gives the perception that Danamon is "everywhere", and creating a strong brand presence in people's lives by bringing brand experiences that are relevant to their aspirations, needs and lifestyle.

- **Marketing Research:** Developing a marketing organization that is driven by a deep understanding of people's behavior and strong marketing budget management.
- **Marketing Planning & Governance:** Responsible in managing marketing budget Bankwide, monitoring and tracking to review its usage and effectiveness. Governance Management for Group Marketing.

## MARKETING ACTIVITIES 2024

### Tumbuh Bersama Danamon Group (Grow with Danamon Group)

Danamon, supported by MUFG's global and local network as its parent Company, along with its groups such as Adira Finance, Zurich Insurance Indonesia, Home Credit Indonesia, and strategic partners, is committed to making the continuous transformation into One Financial Group ready to be a trusted financial partner. With a focus on customer satisfaction and sustainable innovation, Danamon and its group provide holistic financial solutions tailored to meet the needs of shareholders, customers, employees, and regulators so that we can grow and achieve financial goals together.

### Indonesia International Motor Show 2024

Danamon, in collaboration with Adira Finance and supported by MUFG, is committed to supporting the automotive industry through e.g. its presence at one of the largest automotive exhibitions in Indonesia, with synergies that strengthen all parts of the automotive financial supply chain in Indonesia, from upstream to downstream. With a holistic financial solutions approach, Danamon Group is ready to grow with customers and support them at every stage to achieve their financial goals.

### **DXPO by Danamon 2024**

DXPO by Danamon showcases Danamon's extensive network and its group of companies, offering customer-driven holistic financial solutions. This program serves as evidence of Danamon and its group of companies' commitment to always being there with the customers and growing with them at every stage of their lives.

### **Danamon Investment Matching Fair**

MUFG, Danamon, MUFG Innovation Partners (MUIP), and Adira Finance hosted the Danamon Investment Matching Fair 2024 on October 22, 2024, as part of their commitment to supporting the growth of startups in Indonesia. The event, held at the Glass House, The Ritz-Carlton Pacific Place, brought together over 30 startups and venture capitalists. In addition to a sharing session on the MUIP Garuda Fund, the event featured business matching and networking sessions for all participants.

### **Cosmetic Business Matching Fair**

Through a partnership with the Tokyo SME Support Center and supported by MUFG and MU Research and Consultant Indonesia (MURCI), Danamon once again hosted the Business Matching Fair 2024 on Thursday, November 7, 2024. This event is a yearly agenda designed to connect customers with specialized solution providers that can address the former specific needs and challenges. This year, the focus was on Cosmetic Industry and the event featured on three main agendas: seminars, Business Matching Meetings, and a Networking Lunch. In the seminar, solution providers present engaging presentations, explaining products and services specifically designed to meet the diverse needs of Danamon customers.

### **MUFG NOW**

MUFG Bank, Ltd. (MUFG), in collaboration with PT Bank Danamon Indonesia Tbk (Danamon), held the inaugural MUFG Net Zero World (MUFG NOW) 2024 event in Jakarta, at the Raffles Hotel. MUFG NOW is Danamon's flagship event in terms of thought leadership and engagement in the Asia Pacific, aimed at involving stakeholders from policy makers, business leaders, to industry experts in supporting the sustainability agenda in Asia.

### **Danamon Syariah Travel Fair**

PT Bank Danamon Indonesia Tbk (Danamon), through its Sharia Business Unit (UUS Danamon), organized the Danamon Syariah Travel Fair (DSTF) 2024, which took place from March 21 to 24, 2024, at Gandaria City Mall, Jakarta. During DSTF 2024, Danamon Syariah showcased various inspiring and informative activities such as sharia-compliant financial products and featured 14 Hajj & Umrah travel agents and 19 F&B and lifestyle partners.

### **Danamon Golf Event**

The Danamon Golf Event 2024 was successfully held on Saturday, July 27, 2024, at Damai Indah Golf, PIK Course Jakarta. The event was attended by 144 participants, consisting of Enterprise Banking and Financial Institutions customers along with representatives from Danamon and Group Members. This valuable moment helped us connect on a more personal level and maintain our long-established collaboration.

### **Bridestory Market**

Danamon participated in the Bridestory Market as part of its commitment to supporting customers through every stage of their life journey. Recognizing marriage as one of life's most significant milestones, Danamon sought to provide tailored financial solutions to help individuals and couples plan and manage their financial goals with confidence. By engaging with prospective clients in this unique setting, Danamon reinforced its role as a trusted partner in enabling financial growth and security, from life's beginnings to its many important milestones. This initiative reflects Danamon's broader vision of enriching lives through personalized and accessible financial service.

### Journalist Class

This event was organized by the Marketing Group as part of the annual Financial Literacy program and must be reported to the OJK's Sipeduli application. The purpose of this activity is to provide junior journalists from the business/economics/Banking desk with knowledge regarding the mechanisms of products/services offered by Banks in general. Throughout 2024, two Journalist Class activities were held with two themes "Investasment 101: Membangun Masa Depan Finansial Dana" dan "Wujudkan Kemerdekaan Finansial dengan Menabung."

### STRATEGY AND ACTION PLAN 2025

- Building awareness of Danamon's Brand through branding, products, services and channels.
- Building awareness of Danamon's Brand by being present and relevant in customers live.
- Building awareness of the Danamon Brand as a trusted modern Bank with global and local capabilities.
- Refreshing the Bank's Image through brands and products, as well as through internal Danamon employees (Danamoners).
- Strengthening solution-based communications for products, services and channels as a value proposition based on a combination of superior products, services and channels as well as strong, meaningful and relevant communications that build strong emotional connections; Positioning our product features, services and selected channels to help customers identify their financial needs, find solutions and have better control over their finances.

# PT ADIRA DINAMIKA MULTI FINANCE TBK



"Adira Finance continues to strengthen collaboration within the group (Danamon and MUFG) to support the growth of the automotive ecosystem."

## PROFILE

PT Adira Dinamika Multi Finance, Tbk. (Adira Finance) was established in 1990 and commenced operations in 1991. In 2004, Adira Finance conducted an Initial Public Offering, and PT Bank Danamon Indonesia Tbk (Danamon) became the majority shareholder with 75% ownership. Following subsequent Corporate actions, Danamon currently owns 92.07% of Adira Finance. As a subsidiary of Danamon, Adira Finance is part of the MUFG Group, one of the largest Banks in the world.

Adira Finance has become a leading Company in the financing sector that serves a variety of brands and products. Adira Finance has also presented mobile/digital platforms Adiraku, Danadira, momobil.id, momotor.id, moservice.id, and dicicilaja.com. As of December 31, 2024, Adira Finance operates 508 business networks throughout Indonesia, supported by around 17 thousand employees to serve 2.0 million consumers with total managed receivables reaching Rp56.0 trillion.

## 2024 STRATEGIES AND WORK PROGRAMS

Adira Finance implements several strategies and programs to respond to challenges in 2024, including:

### 1. Strategies in Business Development

- Adira Finance continues to strengthen its penetration in the automotive business through product diversification, offering various attractive sales programs for customers, strengthening good relations with dealers, and enhancing collaboration within the MUFG group to support the growth of the automotive ecosystem.
- Adira Finance expands networks to non-automotive businesses by continuing to diversify the products offered to support business growth, such as Solusi Dana financing, heavy equipment, and others.
- Adira Finance focuses on increasing customer retention by offering loyalty and referral programs, as well as conducting cross-selling based on needs to existing consumers. Thus, providing a better customer experience to support the growth of the Company's financing.
- Adira Finance accelerates digitalization within the Company and its ecosystem to improve business efficiency and effectiveness, as well as invests in digital businesses (Adiraku, Danadira, momobil.id, momotor.id, moservice.id, and dicicilaja.com).

- Adira Finance will continue to manage its asset quality in order to keep the NPL ratio under control by applying prudent risk-management principles.
- Adira Finance secures sufficient liquidity to fund business requirements and to meet all financial obligations.

## 2. Strategies in managing optimal funding

Throughout 2024, Adira Finance had sufficient liquidity to pay its financial obligations and fund its business needs using income from its customers' installment payments and available funding sources facilities.

Adira Finance diversified its funding sources through continuous support from joint financing with its parent Company, Danamon, and external borrowings, including Bank loans and bonds. As of December 2024, joint financing represented 48% of managed receivables.

Adira Finance's total external borrowings in December 2024 has increased by 11.3% year-on-year to Rp17.8 trillion consisting of onshore and offshore Bank loans and bonds & sukuk, each contributing 60% and 40%, respectively. As a result, the Company's gearing ratio recorded 1.7 times in 2024.

As part of the Company's effort to diversify its sources of funding, Adira Finance issues bonds on an annual basis. Adira Finance issued the Continuous Bonds VI Phase III and Continuous Sukuk Mudharabah V Phase III in April 2024, amounting to Rp2.0 trillion, followed by the Continuous Bonds VI Phase IV in October 2024 for Rp2.0 trillion. Both were oversubscribed 2.3x, which demonstrates Adira Finance's high credibility in the investor community.

Throughout 2024, Adira Finance has succeeded in maintaining its domestic rating of idAAA/Stable from the local rating agency (Pefindo). In addition, the Company also maintained its international ratings of BBB from Fitch Ratings and Baa1/Stable from Moody's. The preservation of these ratings

can positively impact investor confidence in Adira Finance. Furthermore, this rating is expected to strengthen the Company's ability to access more competitive funding sources, both domestically and internationally.

## 3. Initiatives to increase productivity and operational excellence

**a. Strengthening the Organization.** Adira Finance strengthens the organization especially in information technology organization, organization of digital business, credit and risk, and several other functions to support the implementation of its business strategies.

**b. Productivity Improvement.** Initiatives to increase productivity are carried out through various programs, including the adjustment of productivity calculation and allocation of manpower with consideration of business achievements, business potentials and specific regional characteristics. Additionally, regular refreshment training programs were conducted for upskilling and optimizing technical expertise.

**c. Human Resources development through an improved learning ecosystem.** The learning methods have become more varied according to the needs and contexts of the learning objective: online, offline or hybrid.

**d. Cultivating relationships between employees.** Various team-building activities were conducted to create a productive, innovative, and enjoyable work environment, such as Adira Got Talent, various sports activities, the Livewell Healthy Living campaign, the Festival Pasar Rakyat (FPR), the Best Employee Competition, and other major events.

**e. Culture Development which Supports Business Initiatives, Innovation, and Employee Productivity.** Various culture development activities undertaken in 2023 were aimed to empowering of Adira Top values (Advance, Reliable, dan Obsessed).



**f. Improvement of Digital Capability.** Through various programs such as IT transformation, the School of Digital program with certifications regarding IT & digital skills.

**g. Improving the role of Change Management.** The role of Change Management is carried out by improving the supervision of the implementation of transformation projects and the implementation of policies regarding mindset change, work pattern and employee behaviour.

## 2024 PERFORMANCE

Details of the 2024 business performance are outlined in the following table:

Details	YoY	2023	2024 Achievement	2024 Projection
Total Assets (Rp trillion)	5.0%	31.0	32.6	33.2
Net Profit (Rp trillion)	27.6%	1.9	1.4	1.6
New Financing (Rp trillion)	(11.9%)	41.6	36.6	41.6
Non- Performing Financing (%)	0.3%	1.9%	2.2%	Maintain around 2.2%
Market Share-Motorcycles (%)	(1.2%)	9.7%	8.5%	8.5%
Market Share-Cars (%)	(1.0%)	5.0%	4.0%	3.9%

## 2025 STRATEGIES AND PLANS

Adira Finance's several strategies to be executed in 2025 are as follows:

- Adira Finance continues to strengthen its penetration in the automotive business through product diversification, offering various attractive sales programs for customers, strengthening good relations with dealers, and enhancing collaboration within the MUFG group to support the growth of the automotive ecosystem.
- Adira Finance expands networks to non-automotive businesses by continuing to diversify the products offered to support business growth such as Solusi Dana financing, heavy equipment, and others.
- Adira Finance focuses on increasing customer retention by offering loyalty and referral programs, as well as conducting cross-selling based on needs to existing consumers. Thus, providing a better customer experience to support the growth of the Company's financing.
- Adira Finance accelerates digitalization within the Company and its ecosystem to improve business efficiency and effectiveness, as well as investing in digital businesses (Adiraku, Danadira, momobil.id, momotor.id, moservice.id, and dicicilaja.com).
- Adira Finance continues to manage its asset quality in order to keep the NPL ratio under control by applying prudent risk-management principles.
- Adira Finance secures sufficient liquidity to fund business requirements and to meet all financial obligations.

# FINANCIAL REVIEW

In 2024, Danamon recorded total consolidated gross loan (including consumer financing and finance lease receivables) of Rp185.8 trillion, increased by 7.4% compared to 2023. Danamon gross NPL ratio (consolidated) was well managed at 1.9% at the end of 2024, improved 30bps compared to 2.2% at the end of 2023.

NPL Coverage ratio stood at 287.2%, increased compared to 265.9% at the end of previous year.

The following financial reviews are based on Danamon and its subsidiary consolidated financial statements position as of 31 December 2024, and consolidated financial performance and consolidated cash flows for the corresponding fiscal year, in accordance with Indonesian Financial Accounting Standards.

The Public Accounting Firm Liana Ramon Xenia & Rekan (member of Deloitte Southeast Asia Limited) as a KAP registered within the Ministry of Finance and Financial Services Authority (FSA) (as regulated in the Regulation of the Minister of Finance Number 186/PMK.01/2021 and the Regulation of the Financial Services Authority Number 9 of 2023) and also registered within the Indonesian Institute of Public Accountants (IAPI) with an unmodified opinion.

(in Rp billion)

Description	2024			2023		
	Retail <sup>1</sup>	Wholesale <sup>2</sup>	Total	Retail <sup>1</sup>	Wholesale <sup>2</sup>	Total
Assets	76,455	149,897	226,353	72,154	134,782	206,936
Liabilities	76,687	100,632	177,319	71,638	84,897	156,535
Net Interest Income	10,869	4,736	15,605	10,622	4,594	15,216
Non-Interest Income	3,435	1,191	4,627	3,206	1,054	4,260
Operating Income	14,304	5,927	20,231	13,828	5,648	19,476
Operating Expenses	(8,781)	(2,719)	(11,500)	(8,365)	(2,662)	(11,027)
Cost of Credit	(4,022)	(469)	(4,491)	(2,767)	(900)	(3,667)
Non-Operating Income and Expenses	(85)	28	(57)	(68)	(19)	(87)
Restructuring cost			-			-
Profit before Income Tax			4,184			4,694
Income Tax			(893)			(1,036)
Net Income from Continuing Operations			3,291			3,658
Net Income			3,291			3,658
Net Profit After Income Tax Attributable to Parent Entity			3,179			3,504

1 Consists of product and services (includes loans, deposits and other transactions) for individual customer and balances with retail customer.

2 Consists of products and services (includes loans, deposit, and other transaction) for the small-medium enterprise, commercial, Corporate, financial institution customers, and treasury activities.

## CONSOLIDATED FINANCIAL STATEMENTS POSITION

Danamon posted total assets of Rp242.32 trillion in 2024, increased by 9.5% compared to Rp221.30 trillion in the previous year. The assets growth was largely due to an increase in loans - net and Government Bonds by 9.1% and 14.6% to Rp148.75 trillion and Rp18.70 trillion, respectively.

In line with the increment in assets, the Bank's total liabilities was also increased from Rp171.35 trillion in 2023 to Rp190.49 trillion in 2024. The increasing liabilities was mainly due to an increase in Third Party Funds (TPF) by 9.4% to Rp154.8 trillion in 2024. Previously, Danamon's TPF was recorded at Rp141.44 trillion.

## ASSETS

(in Rp billion)

Description	2024	2023	Growth YoY
Cash	2,468	2,362	4.5%
Current Accounts with Bank Indonesia	6,382	5,035	26.8%
Current Accounts with Other Banks-net	1,670	2,134	-21.7%
Placements with Bank Indonesia and other Banks - net	4,417	9,032	-51.1%
Marketable securities - net	14,479	5,645	156%
Loans - net	148,747	136,314	9.1%
Consumer Financing Receivables & Finance Lease Receivables - net	27,937	27,645	1.1%
Government Bonds	18,699	16,318	14.6%
Fixed assets and Right-of-Use Assets-net	2,483	2,161	14.9%
Others	15,036	14,659	3%
<b>Total assets</b>	<b>242,334</b>	<b>221,305</b>	<b>9.5%</b>

### CASH

Danamon posted cash of Rp2.47 trillion as of 31 December 2024, 4.5% higher than the previous year's position of Rp2.36 trillion. Cash contributed 1.0% of Danamon's total assets.

### CURRENT ACCOUNTS WITH BANK INDONESIA

Current Accounts with Bank Indonesia increased by 26.8% to Rp6.38 trillion from Rp5.04 trillion in the previous year following lower reserve requirements. The ratio of Danamon's reserve requirement in Rupiah is 6.95% while reserve requirement in foreign currencies is 2.10% in 2024.

### CURRENT ACCOUNTS WITH OTHER BANKS

Current Accounts with other Banks in 2024 decreased by 21.7% to Rp1.67 trillion. Current Accounts with other Banks accounted for 0.7% of total assets in 2024.

### PLACEMENT WITH OTHER BANKS AND BANK INDONESIA

Danamon's placements with Other Banks and Bank Indonesia decreased by 51.1% to Rp4.41 trillion in 2024 compared to Rp9.03 trillion in previous year. The decrease was driven by lower placement in Time Deposits of Bank Indonesia denominated in both Rupiah and foreign currencies.

Based on the prevailing BI regulations, all placements with other Banks and Bank Indonesia as of 31 December 2024 and 31 December 2023 are classified as current.

### MARKETABLE SECURITIES

Based on the issuer, Danamon's securities are Corporate bonds issued by Banks and corporations. Securities issued by Banks have a larger portion of 69.9% compared to securities issued by corporations of 30.1%.

### GOVERNMENT BONDS

Danamon's government bonds increased by 14.6% from Rp16.31 trillion in 2023 to Rp18.70 trillion in 2024 which was driven by higher government bonds denominated in Rupiah.

### LOANS

In 2024, disbursed net loans reached Rp148.7 trillion, 9.1% higher than in 2023, while gross loans grew by 8.8% year-over-year (YoY) to Rp156.3 trillion. Additionally, loans continued to have the largest contribution to total assets, standing at 61.4% in 2024.

Based on currency type, loans denominated in Rupiah and foreign currencies increased by 7.2% and 24.1%, respectively, in 2024.

The portions of these two types of loans were 89.2% and 10.8%, respectively, in 2024.

Meanwhile, based on the types and orientation of use, working capital loans still had the largest portion at 57.7% in 2024, while investment loans accounted for 16.9% of total loans. Cumulatively, these two types of credit for productive purposes contributed 74.6% of loans in 2024.

Additionally, consumer loans increased by 8.8% to Rp39.7 trillion in 2024, driven by various government stimuli aimed at increasing people's purchasing power

The following table shows loans disbursement based on economic sector:

(in Rp billion)

Description	2024	2023	Growth (YoY)
Wholesale and retail	32,269	27,467	17.5%
Manufacturing	30,112	27,555	9.3%
Financial intermediary	23,322	18,431	26.5%
Transportation, warehousing, and communications	8,010	7,535	6.3%
Construction	3,028	5,048	-40.0%
Households	39,545	36,251	9.0%
Others	19,975	21,364	-6.5%
<b>Total-gross</b>	<b>156,261</b>	<b>143,651</b>	<b>8.8%</b>

The following table shows loans disbursement based on geography:

(in Rp billion)

Description	2024	2023	Growth (YoY)
Jakarta, Bogor, Tangerang, Karawang, Bekasi, and Lampung	109,973	102,296	7.5%
West Java	6,919	6,802	1.7%
North Sumatra	10,892	10,045	8.4%
East Java	8,866	7,434	19.3%
Central Java and Yogyakarta	6,682	6,027	10.9%
Sulawesi, Maluku, and Papua	5,096	4,403	15.7%
Kalimantan	3,935	3,256	20.9%
South Sumatra	2,403	2,100	16.0%
Bali, NTT, and NTB	1,496	1,289	16.0%
<b>Total-gross</b>	<b>156,261</b>	<b>143,651</b>	<b>8.8%</b>

## PRIME LENDING RATE

Following are the Prime Lending Rate calculated and published at the end of December 2023 and 2024:

Data Period: December 2023	Non-MSME Loan		MSME Loan			Mortgage	Non Mortgage
	Corporate	Retail	Medium	Small	Micro		
Cost of Fund (%)	5.16%	5.07%	N/A	N/A	N/A	4.43%	4.82%
Overhead Cost (%)	2.49%	2.95%	N/A	N/A	N/A	2.89%	3.81%
Profit Margin (%)	0.85%	0.98%	N/A	N/A	N/A	0.68%	0.62%
<b>Prime Lending Rate (%) Cost of Funding + Overhead Cost + Profit Margin)</b>	<b>8.50%</b>	<b>9.00%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.00%</b>	<b>9.25%</b>

Data Period: December 2024	Non-MSME Loan		MSME Loan			Mortgage	Non Mortgage
	Corporate	Retail	Medium	Small	Micro		
Cost of Fund (%)	4.61%	4.61%	4.61%	4.61%	N/A	4.61%	4.61%
Overhead Cost (%)	3.14%	3.14%	3.14%	3.14%	N/A	3.14%	3.14%
Profit Margin (%)	0.75%	1.25%	1.75%	1.75%	N/A	0.25%	1.50%
Prime Lending Rate (%) Cost of Funding + Overhead Cost + Profit Margin)	8.50%	9.00%	9.50%	9.50%	N/A	8.00%	9.25%

The weighted average effective interest rate per annum for the year ended 31 December 2024 was 8.7% for Rupiah and 6.0% for foreign currencies. In the previous year, the effective interest rates were 8.4% and 6.0%, respectively.

### CONSUMER FINANCING RECEIVABLES AND FINANCE LEASE RECEIVABLES

In addition to Bank loans, Danamon also provides consumer financing receivables and finance lease receivables on a consolidated basis through its subsidiary, Adira Finance. Net consumer financing receivables and finance leases slightly increased by 1.0% to Rp27.94 trillion in 2024, up from Rp27.64 trillion in the previous year, in line with the weakening automotive sector in 2024.

#### Collectability of Loans, Consumer Financing and Finance Leases

Description	2024	2023
NPL-Gross	1.9%	2.2%
Special Mention	7.5%	8.0%
Current	90.6%	89.8%

### FIXED ASSETS AND RIGHT-OF-USE ASSETS

Danamon's fixed assets and Right-of-use assets in 2024 increased by 14.9% to Rp2.48 trillion from Rp2.16 trillion in the previous year. The increase was mainly due to the ongoing branch transformation projects in major cities across Indonesia to serve our customers better.

(in Rp billion)

Fixed Assets	2024	2023	Growth (YoY)
Land	626	614	2.0%
Building	735	616	19.3%
Office Supplies	388	302	28.5%
Motor vehicles	11	10	10%
<b>Total fixed assets - net</b>	<b>1,760</b>	<b>1,542</b>	<b>14.1%</b>
<b>Rights of use assets</b>			
Cost	1,329	1,091	21.8%
Accumulated amortization	(607)	(473)	28.3%
Net book value	722	618	16.8%
<b>Total fixed assets and right of use assets</b>	<b>2,483</b>	<b>2,161</b>	<b>14.9%</b>

### OTHER ASSETS

Danamon's other assets comprising of accounts other than those described above. The total other assets reached Rp15.03 trillion in 2024 from Rp14.66 trillion in the previous year.



## LIABILITIES

To support the loan growth, Danamon's funding sources consist of customer deposits, deposits from other Banks, securities issued and borrowings.

(in Rp billion)

Description	2024	2023	Growth (YoY)
Customer Deposits	150,569	138,412	8.8%
Deposits from Other Banks	4,205	3,032	38.7%
<b>Total Third-Party Funds</b>	<b>154,774</b>	<b>141,444</b>	<b>9.4%</b>
Bonds Payable	7,139	6,694	6.6%
Borrowings	10,450	8,321	25.6%
Subordinated Loans	25	25	-
Others	18,120	14,861	21.9%
<b>Total</b>	<b>190,508</b>	<b>171,345</b>	<b>11.2%</b>

## DEPOSITS FROM CUSTOMERS

Danamon's Customer's deposits amounted to Rp150.6 trillion in 2024, comprised of 41.4% in Current and Savings Accounts (CASA) and 58.6% in Time Deposits.

Deposits from customer's contribution to total liabilities reached 80.8% and 79.0% in 2023 and 2024 respectively.

(in Rp billion)

Description	2024	2023	Growth (YoY)
Current Account	26,098	33,580	-22.3%
Savings	36,188	38,169	-5.2%
Time Deposits	88,283	66,663	32.4%
<b>Total</b>	<b>150,569</b>	<b>138,412</b>	<b>8.8%</b>

## DEPOSITS FROM OTHER BANKS

Danamon also has deposits from other Banks as a funding source for business expansion. In 2024, deposits from other Banks reached Rp4.20 trillion, up by 38.7% from the previous year's position of Rp3.03 trillion.

## SECURITIES ISSUED

On a consolidated basis, Danamon's outstanding bonds reached Rp7.13 trillion in 2024, 6.6% higher than the previous year's position of Rp6.69 trillion. Danamon's subsidiary, Adira Finance, issue bonds to support financing business activities. Adira Finance's total bonds that have not yet matured minus underwriting fees and others are Rp6.31 trillion in 2023, higher than Rp5.84 trillion in the previous year. All Adira Finance's bonds were rated idAAA by Pemeringkat Efek (Pefindo).

In addition, Adira Finance has a Sukuk Mudharabah of Rp831.83 billion in 2024, slightly lower than the previous year's position of Rp859.00 billion. All of Adira Finance's Mudharabah sukuk were also rated idAAA(sy) by Pemeringkat Efek (Pefindo).

Bonds issued by Danamon has fully matured in 2022.

## BORROWINGS

Danamon's subsidiary, Adira Finance, also has long-term financing schemes with term of more than one year as another source of stable funding. The borrowings received came from various Institutions either abroad or domestic which demonstrates Danamon group's high flexibility in obtaining funding sources.

The total borrowings received in 2024 was worth Rp10.45 trillion, a 25.6% increase than previous year's position of Rp8.32 trillion. An increase in the borrowings received was mainly due to an increasing loan in foreign denomination from Rp235 billion to Rp5.16 trillion in 2024.

## SUBORDINATED LOANS

Danamon has a strong financial support from its controlling shareholder. On 27 November 2018, the Bank entered into a subordinated loan agreement amounted to Rp25.00 billion with fixed interest rate of 9.27% with MUFG Bank, Ltd., a related party. The subordinated loan was fully disbursed from MUFG Bank, Ltd. on 4 December 2018. The subordinated loan has been extended on 4 December 2023 with fixed interest rate of 7.33% per annum and will mature in 5 years from the loan extension date.

## EQUITY

Danamon booked a strong equity in 2024, reaching Rp51.83 trillion. This was largely supported by a 5.6% increase in retained earnings to Rp37.20 trillion in 2024.

(in Rp billion)

Description	2024	2023	Growth (YoY)
Issued and fully paid	5,996	5,996	0.0%
Additional paid-up capital	7,986	7,986	0.0%
Other equity components	(115)	18	-738.9%
Retained earnings	37,200	35,236	5.6%
Non-controlling interests	758	723	4.8%
<b>Total</b>	<b>51,826</b>	<b>49,959</b>	<b>3.7%</b>

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in Rp billion)

Description	2024	2023	Growth (YoY)
Interest income	22,789	20,210	12.8%
Interest expense	(7,184)	(4,994)	43.9%
Interest income – net	15,605	15,216	2.6%
Other operating income – net	4,627	4,260	8.6%
Other operating expenses	(15,992)	(14,694)	8.8%
Net operating income	4,240	4,782	-11.3%
Non-operating income-net	(57)	(88)	35.2%
Income before tax expense	4,183	4,694	-10.9%
Tax expense	(893)	(1,036)	13.8%
Net income	3,290	3,658	-10.0%
<b>Total comprehensive income for the year</b>	<b>3,170</b>	<b>3,698</b>	<b>-14.3%</b>
<b>Net profit attributable to:</b>			
Parent entity	3,179	3,504	-9.3%
Non-controlling interests	112	154	-27.3%
<b>Total comprehensive income for the year attributable to:</b>			
Parent entity	3,057	3,549	-13.9%
Non-controlling interests	112	150	-25.3%
Net income per share (full amount)	325	359	-9.5%

## NET INTEREST INCOME

In line with the increasing interest income in 2024, Danamon booked a 2.6% YoY growth in net interest income to Rp15.60 trillion compared to previous year's amount of Rp15.22 trillion.

## OTHER OPERATING INCOME

Other operating income reached Rp4.63 trillion in 2024, improved by 8.6% compared to the previous year, mainly driven by higher gains from foreign exchange transactions – net, higher income from other fees and lower losses from changes in fair value of financial instruments at fair value through profit or loss – net.

## OTHER OPERATING EXPENSES

Danamon's other operating expenses was dominated by salaries and employee benefits, general & administrative expenses as well provision for impairment losses. In 2024, other operating expense accounts increased 8.8% YoY to Rp16.00 trillion from Rp14.70 trillion in 2023.

## NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT

Net income attributable to Owners of the Parent Entity reached Rp3.18 trillion compared to Rp3.50 trillion in previous year. In 2024, Danamon's earning per share reached Rp325 per share (full amount), compared to Rp358 per share (full amount) in previous year.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in Rp billion)

Description	2024	2023	Growth (YoY)
Net cash provided from/(used by) operating activities	(28)	(6,378)	99.6%
Net cash provided from/(used by) investing activities	(9,431)	1,415	-766.5%
Net cash provided from/(used by) financing activities	5,823	3,878	50.2%
Net increase/(decrease) in cash and cash equivalents	(3,636)	(1,086)	-234.8%
Cash and cash equivalents at beginning of the year	18,563	19,661	-5.6%
Cash and cash equivalents at the end of year	14,937	18,563	-19.5%

## CASH FLOWS FROM OPERATING ACTIVITIES

Danamon posted a net cash used by operating activities amounted to Rp28 billion in 2024. This was 99.6% lower than previous year's net cash used by operating activities of Rp6.38 trillion, in line with increase in receipts from consumer financing transactions and lower payments for new consumer financing transactions.

## CASH FLOWS FROM INVESTING ACTIVITIES

Danamon recorded net cash provided by investment activities of Rp9.43 trillion in 2024, a 766.5% decrease compared to the previous year's net cash provided by investing activities of Rp1.42 trillion. This decrease was mainly due to more acquisition of Marketable Securities and Government Bonds – amortized cost and fair value through other comprehensive income in 2024.

## CASH FLOWS FROM FINANCING ACTIVITIES

Danamon reported that net cash provided for financing activities of Rp5.82 trillion in 2024, increased 50.2% from previous year's net cash provided for financing activities of Rp3.88 trillion. This increase was mainly due to increase in securities sold under repurchase agreement.

## KEY FINANCIAL RATIO

Danamon conducts its business activities prudently and complied with the regulations of Bank Indonesia, OJK as well as other prevailing laws and regulations.

The Bank is able to meet the financial ratios set by the regulator amidst the pandemic challenges. Danamon's key financial ratios are as follows:

Key Financial Ratios (%)	2024	2023
CAR-Consolidated	26.2	27.5
Gross NPL-Consolidated	1.9	2.2
ROA-Consolidated	1.4	1.7
ROE-Consolidated	7.1	8.3
NIM-Consolidated	7.3	7.7
RIM-Consolidated	97.5	97.3
LDR-Bank Only	96.5	96.5
Cost to Income-Bank Only	54.1	51.6

## DEBT REPAYMENT CAPABILITY AND RECEIVABLES COLLECTIBILITY

### Debt Repayment Capability

From an external perspective, the indicator of Danamon's debt repayment capability is provided by rating agencies either national or international scale through their ratings assigned to Danamon. Pefindo, a national rating agency, issued an excellent rating for Danamon by assigning a Corporate rating of idAAA with a Stable outlook.

Meanwhile, an international rating agency Fitch assigns National Ratings for Long Term and Short Term to AAA(IDN) and F1+(IDN) respectively, whilst Foreign Currency Ratings for Long Term and Short Term are BBB and F2, respectively. In 2024 Fitch upgraded Danamon's Operating Environment rating to bbb- from bb+ and the Viability Rating to bb+ from bb. The outlook for the long-term rating from Fitch is Stable.

The Bank's participation in the guarantee program of the Indonesian Deposit Insurance Corporation (LPS) also strengthens its ability to pay depositors' third-party funds.

From an internal perspective, Danamon's ability to meet all obligations, both long-term and short-term, is measured through several ratios such as liquidity ratios, solvency ratios, and profitability ratios.

### Solvency Ratio

The capital ratio is one of the parameters used in measuring the solvency ratio. Danamon always ensures that its capital is able to meet Capital Adequacy Ratio (CAR) requirement which includes credit risk, market risk and operational risk. On a consolidated basis, Danamon recorded a CAR of 26.2% in 2024, far above the minimum CAR ratio required by the regulator.

### Profitability Ratio

Danamon's financial ratios to measure its profitability and performance efficiency are Return to Average Assets (ROAA), Return to Average Equity (ROAE), Net Interest Margin (NIM), and Operating Expenses to Operating Income (BOPO) ratio.

Danamon recorded profitability ratios of ROAA and ROAE of 1.4% and 7.1% respectively in 2024. Meanwhile, Net Interest Margin (NIM) ratio was recorded at 7.3% in 2024 compared to 8.2% in 2023. On the other hand, Danamon's BOPO ratio was recorded at 79.7% in 2024 compared to 75.7% in the previous year.

## Liquidity Ratio

The Bank's liquidity management is very important to Danamon since it is closely related to the Bank's ability to meet either short-term or long-term obligations. Key measures of liquidity risk for Danamon includes the Macroprudential Intermediation Ratio (RIM), Loan to Deposit Ratio (LDR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). These ratios are 97.5%, 96.5%, 144.8% and 120.2%, respectively in 2024 compared to 97.3%, 96.6%, 131.8% and 120.9%, respectively in 2023. All the ratios indicated ample liquidity for Danamon.

## CAPITAL STRUCTURE

### Capital Structure Components

Danamon is committed to managing a strong and healthy capital structure as foundation for sustainable business growth.

Based on POJK No. 34/POJK.03/2016 regarding Capital Adequacy Ratio for Commercial Banks, capital of Bank comprises of:

- Core capital (Tier 1 capital) comprising of main core capital and additional core capital.
- Supplementary capital (Tier 2).

Core capital has a portion of 95.4% of Danamon's total capital in 2024.

(in Rp billion)

Description	Bank Only			Consolidated		
	2024	2023	YoY	2024	2023	YoY
Core Capital (Tier-I)	36,132	34,157	5.8%	46,240	44,058	5.0%
Supplementary Capital (Tier-II)	1,740	1,596	9.0%	1,857	1,697	9.4%
Total Capital	37,872	35,753	5.9%	48,097	45,755	5.1%
Credit, Operational, Market Risk Weighted Assets	155,064	141,110	9.9%	183,263	166,274	10.2%
CAR	24.4%	25.3%	-0.9 p.p*	26.2%	27.5%	-1.3 p.p*

\*Point Percentage

### Management Policy on Capital Structure

Management's policy on capital structure is reflected in Danamon's CAR (Capital Adequacy Ratio) as one indicators of the Bank's capital adequacy. The Bank's ability to grow and accommodate the possible risk of loss is measured through CAR.

Danamon consistently maintains capital adequacy level above the minimum CAR level stipulated by the regulator. Danamon's consolidated CAR ratio reached 26.2% in 2024, while in 2023 CAR was 27.5%.

Danamon also performed an Internal Capital Adequacy Assessment Process (ICAAP) to determine capital adequacy in accordance with the risk profile and determine strategies to maintain capital levels. The Bank's risk profile in 2023 is rated Low to Moderate (2). In accordance with POJK No. 34/ POJK.03/2016 and SEOJK No.26/SEOJK.03/2016, CAR that must be provided by considering the risk profile rating of Low to Moderate (2) and Basel 3 Capital Buffer in 2024 is 9.0%.

### Basis for Determining Management Policy on Capital Structure

In setting capital structure policies, management considers various factors amongst others economic projections, business growth potential, risk appetite, stress testing results, and capital ratio targets. Through this plan, Danamon is expected to be able to take advantage of growth and strategic opportunities, perform its business within the corridor of risk appetite and comply with prevailing regulations, maximize shareholder returns, and survive through various economic cycles. Supported by data analysis, the Board of Directors and Commissioners of Danamon conduct planning, studies and discussions related to the Bank's capital.

## Commitments and Contingencies

Danamon's loan facility commitment to customers as well as contingencies, including in the form of income in settlement and Bank guarantees received.

Cumulatively, in 2024 total commitment liabilities and net contingent liabilities amounted to Rp13.53 trillion or an 8.5% increase compared to the previous year's position of Rp12.48 trillion.

(in Rp billion)

Description	2024	2023	Growth (YoY)
Unused loan facilities to debtors	4,898	4,923	-0.5%
Outstanding irrevocable letters of credit	1,082	853	26.9%
Total commitment payable	5,980	5,776	3.5%
Contingent receivables			
Guarantee from other Banks	766	744	3.0%
Total contingent receivables	766	744	3.0%
Contingent payables			
Guarantees issued	8,320	7,448	11.7%
Total contingent payables	8,320	7,448	11.7%
Contingent payables - net	7,554	6,704	12.7%
Commitment payables and contingent payables - net	13,534	12,480	8.5%

## IMPACT OF CHANGES IN INTEREST RATE AND FOREIGN CURRENCIES ON BANK PERFORMANCE

### Impact of Interest Rate Changes

Changes in interest rates have an impact towards Banking industry by adjusting Bank interest rates for retail loans; consumers, including mortgages. Bank Indonesia has maintained the 7-Day Reverse Repo Rate (BI7DRR) in the level 6.0% at the end of 2024.

The impact of interest rates changes on the performance of the Bank can encourage more optimal credit absorption, trigger the economy to be more advanced so as to improve the Bank's performance. Danamon's interest rate risk management regularly conducts a sensitivity analysis based on a number of scenarios to see the impact of changes in interest rates. This is important because interest rate risk is the probability of loss that may occur as a result of the opposite movement in positions vis-à-vis the interest rate market or the Bank's transactions.

### Impact of Foreign Currencies Changes

Foreign exchange rate risk arises from on and off-balance sheet positions in both assets and liabilities through transactions in foreign currencies. Danamon measures foreign exchange rate risk in order to understand the impact of exchange rate movements on the Bank's income and capital.

### Investment Properties

Danamon does not own property assets that are used for investment purposes until the period ended 31 December 2024.



### Material Commitments for Capital Goods Investment

Until the end of 2024, Danamon has no material commitments related to capital goods investment. Thus, data related to the name of party making commitments; purpose of the commitments; the source of funds expected to fulfil these commitments; the currency being denominated; and the Company's plans to hedge the risk from its associated foreign currency position are not presented in this section.

### Capital Expenditures Realized in The Last Fiscal Year

Danamon invests in capital goods in the form of fixed assets comprising of land, buildings, equipment, machinery, office furniture, motor vehicles and non-fixed assets such as system and infrastructure development.

### Material Information and Facts Occurring After the Accountant's Report Date

There is no material information and facts that occurred after the date of the accountant's report.

### Comparison of 2024 Target and Realization

Uncertainties and challenges of economic conditions in 2024 resulted in lower profitability compared to the target set in the previous year, mainly due to an increase in provision cost. However, the total loan managed to exceed the previously set targets.

### Dividend Policy

Based on the decision of the Annual General Meeting of Shareholders ("AGMS") dated 22 March 2024, it was decided amongst other to distribute cash dividends for 2023 financial year, representing 35.0% of the 2023 net profit of Rp1,226,358,700,000 or amounting to Rp125.48 per share.

The dividend payments for the last 3 financial years are as follows:

Fiscal Year	AGMS date	% Net Profit	Dividend per Share for series A and series B (Rp full amount)	Total Dividend Payment (Rp Billion)	Payment date	General & Mandatory Reserves (Rp Billion)
2023	22-Mar-24	35%	125.48	1,226.3	25-Apr-23	35.0
2022	29-Mar-23	35%	118.26	1,155.8	4-May-23	33.0
2021	25-Mar-22	35%	56.33	550.6	28-Apr-22	15.7

### Employee and/or Management Equity Ownership Program

In 2024, Danamon did not have a share option program for the Board of Directors, Board of Commissioners or employees. Henceforth, the Bank did not provide related information regarding:

1. Number of ESOP/MSOP shares and their realization;
2. Term of time;
3. Requirements for eligible employees and/or management; and
4. Exercise price.

### Realization of Proceeds from Public Offering

In 2024, Danamon as a parent Company did not conduct any public offerings, either bonds or shares. Thus information related to the total proceeds; plan for the use of proceeds; details of the use of proceeds; proceeds balance; and approval date of the GMS/RUPO for changes in the use of proceeds (if any) was not presented.

### Important Changes in The Bank and Bank Business groups In 2024

Danamon reported that there were no important changes that occurred in the Bank and the Bank's business groups as of 31 December 2024 which affected Danamon's financial position.

### Other Important Transactions in Significant Amount

There was no other important transaction in significant amounts executed by Danamon throughout 2024 other than those described in this Management Discussion and Analysis chapter.

### Material Transactions Containing Conflicts of Interest

Throughout 2024, Danamon did not record transactions containing conflicts of interest.

### Transactions with Affiliated Parties/Related Parties

Danamon conducts various transactions with related parties which are not conflict of interest transactions in performing its business activities. The transaction is executed fairly based on normal commercial terms such as transactions with unrelated parties. More complete information related to transactions with related parties can be seen in the attachment of 2024 audited financial report of PT Bank Danamon Indonesia Tbk (Note No. 47).

### INFORMATION ON TRANSACTIONS RELATED TO INVESTMENTS, EXPANSION, DIVESTMENT, ACQUISITION AND RESTRUCTURING

#### Investment

Danamon did not conducted investment activities in 2024 so that information regarding purpose, transaction value and source of funds for investment activities are not presented.

#### Expansion

Danamon did not execute expansion activities in 2024 so that information regarding purpose, transaction value and source of funds for acquisition activities are not presented.

#### Divestment

Danamon did not perform divestment activities in 2024 so that information regarding purpose, transaction value and source of funds for divestment activities are not disclosed.

#### Acquisition

Danamon did not execute acquisition activities in 2024 so that information regarding purpose, transaction value and source of funds for acquisition activities are not presented.

#### Restructuring

There were no debt or capital restructuring activities in 2024. Therefore, Danamon did not provide information related to restructuring activities in terms of objectives, transaction value and sources of funds for restructuring activities.

## REGULATORY CHANGES THAT HAD A SIGNIFICANT INFLUENCE ON BANK AND ITS FINANCIAL STATEMENTS IN 2024

No.	BI/OJK Regulation	Description	Impact on BDI	Impact on Financial Statements
1	SEOJK No.25/SEOJK.03/2023 tentang Penerapan Manajemen Risiko bagi Bank Umum Syariah (BUS) dan Unit Usaha Syariah (UUS).	<p>1. The main points of concern from SEOJK No.25/SEOJK.03/2023:</p> <ul style="list-style-type: none"> <li>Active oversight by the Board of Directors, Board of Commissioners, and Sharia Supervisory Board (DPS) in the implementation of risk management, including compliance with Sharia principles.</li> <li>Active role of the DPS in the implementation of Risk Management across all types of risks (10 types of risks), including through: <ul style="list-style-type: none"> <li>&gt; At Evaluation of risk management policies and procedures in compliance with Sharia principles at least once a year.</li> <li>&gt; Evaluation of the accountability of the Board of Directors and providing corrective guidance on the implementation of risk management in compliance with Sharia principles at least once in a quarter.</li> <li>&gt; Both evaluation worksheets are available in the SEOJK.</li> </ul> </li> <li>To support the active oversight of the DPS, the Bank provides functions that support the implementation of risk management related to compliance with Sharia principles. These functions include Sharia compliance functions, Sharia risk management functions, and Sharia internal audit functions.</li> <li>A more detailed Sharia Risk Profile Assessment that includes the application of Sharia principles across 10 types of risks.</li> </ul>	<ul style="list-style-type: none"> <li>Danamon needs to adjust its policies related to the implementation of risk management by involving the active role of the DPS.</li> <li>Danamon needs to set up a working unit to implement Sharia compliance functions, Sharia risk management functions, and Sharia internal audit functions, as well as coordination mechanisms among functions with the Islamic business unit.</li> <li>Danamon needs to adjust the Guidelines and Work Regulations of the DPS that offers guideline for the active oversight of the DPS.</li> </ul>	Has no impact on the composition of the Financial Statements.
2	POJK No. 21 of 2023 concerning Digital Services by Commercial Banks.	<p>1. In this regulation, the OJK requires Banks to:</p> <ul style="list-style-type: none"> <li>Have IT infrastructure and management that can support the optimization of digital services, including the security of customers' personal data.</li> <li>Implement risk management, consumer protection, and provide education to customers regarding digital services.</li> <li>Conduct identification and verification of customers or potential customers using digital services.</li> <li>Be able to grant access to customer and/or potential customer data and information to Bank partners based on consent and for benefit of the customer and/or potential customer.</li> </ul> <p>2. This new regulation also stipulates that digital services related to payment systems are treated as basic products, thus their licensing will be fully regulated by Bank Indonesia (such as QRIS, e-Money).</p>	<p>Bank telah melakukan pengkinian atas kebijakan dan prosedur penyelenggaraan Layanan Digital, diantaranya untuk:</p> <ul style="list-style-type: none"> <li>Reporting on Digital Services,</li> <li>Creating access management features for customers, and</li> <li>Implementing biometric characteristics as one of the authentication factors for customers in electronic face-to-face verification and non-face-to-face electronic verification.</li> </ul>	Has no impact on the composition of the Financial Statements.
3	POJK No. 2 of 2024 concerning the Implementation of Sharia Governance for Sharia Banks and Sharia Business Units.	<p>This new OJK regulation focuses on the enhancement of the functions of the Sharia Supervisory Board (DPS):</p> <ol style="list-style-type: none"> <li>Effective January 2025, the DPS will be considered a "Primary Party," meaning that its members must obtain approval from the OJK. The DPS will also be regarded as a "Related Party" of the Bank and will be subject to monitoring of the Maximum Limit of Credit Provision.</li> <li>Effective January 2026, the DPS must have a minimum of 3 members and a maximum of 50% of the total number of Board of Directors members.</li> <li>The DPS shall conduct: (a) meetings at least once a month; (b) joint meetings with the Board of Commissioners at least once every 4 months; (c) joint meetings with the Board of Directors at least once every 4 months.</li> <li>An External Review of the implementation of Sharia governance shall be conducted by a Public Accountant registered with the OJK at least once every 3 years (the first review will be conducted in 2027 for the period from July 2024 to June 2027).</li> </ol>	The Bank needs to update the Guidelines and Work Regulations of the DPS.	Has no impact on the composition of the Financial Statements.



No.	BI/OJK Regulation	Description	Impact on BDI	Impact on Financial Statements
4	POJK No. 3 of 2024 concerning the Implementation of Financial Sector Technology Innovation (ITSK).	<p>This regulation has several relevant objectives and provisions:</p> <ol style="list-style-type: none"> <li>1. The provision of space and facilitation for testing/development of technology innovations (sandbox) in the financial sector, allowing businesses to test technology innovations before they are widely implemented.</li> <li>2. Licensing, monitoring, and evaluation related to technology innovations aimed at ensuring the sustainability and security of innovations in the financial sector.</li> </ol>	There is no direct impact on the Bank, except when the Bank plans to have ITSK initiatives or collaborate with partners providing ITSK that must comply with the requirements of this regulation.	Has no impact on the composition of the Financial Statements.
5	POJK No. 5 of 2024 concerning the Determination of Supervisory Status and Handling of Issues for Commercial Banks.	<ol style="list-style-type: none"> <li>1. Integrating existing regulations regarding Systemic Banks with the supervisory status of the OJK.</li> <li>2. Bank supervisory status: (i) Banks under normal supervision; (ii) Banks under rehabilitation; and (iii) Banks in resolution.</li> <li>3. The Recovery Plan for Conventional Banks that have Islamic Business Units (UUS) must obtain an opinion from the Sharia Supervisory Board (DPS) regarding compliance with Sharia principles.</li> </ol>	The Bank needs to update its Recovery Plan and Recovery Policy.	Has no impact on the composition of the Financial Statements.
6	PBI No. 2 of 2024 concerning Information System Security and Cyber Resilience for Payment System Providers, Money Market and Foreign Exchange Market Participants, and Other Parties Regulated and Overseen by Bank Indonesia (BI).	<ol style="list-style-type: none"> <li>1. The new BI regulation governs various provisions that specifically address the implementation of information system security and cyber resilience.</li> <li>2. Security and resilience of systems must be implemented based on good governance, a comprehensive strategy, risk management, cultural development, and preparedness for cyber incidents.</li> <li>3. BI will issue additional regulations as guidelines for implementation</li> </ol>	Further implementation will follow the issuance of the PADG.	Has no impact on the composition of the Financial Statements.
7	PADG No. 4 of 2024 concerning Amendments to PADG No. 11 of 2023 regarding the Implementation Regulation of Macprudential Liquidity Incentive Policy (KLM).	<ol style="list-style-type: none"> <li>1. The total incentive for the Minimum Reserve Requirement (GWM) remains unchanged at a maximum of 4%.</li> <li>2. Expanding the category of priority financing sectors that can be considered for incentives, namely: <ul style="list-style-type: none"> <li>• Automotive, Trade, Electricity, Gas, Water, and Community Services.</li> <li>• Creative Economy.</li> </ul> </li> </ol>	The Bank has received GWM incentives (3 periods) for the period from June 1 to December 31, 2024.	Has no impact on the composition of the Financial Statements.
8	PBI No. 5 of 2024 concerning Competency Standardization in the Payment System (SK SP)	<p>To strengthen the quality of human resources in the payment system sector, BI aligns regulations regarding competency development with the National Competency Standards:</p> <ol style="list-style-type: none"> <li>1. Competency Certification is mandatory for human resources engaged in Payment System Activities.</li> <li>2. These activities include operational activities of the payment system, services for processing Rupiah currency, foreign currency/foreign banknotes, settlement of treasury transactions and trade financing, administration of securities, and other payment system operations as determined by BI.</li> <li>3. There are 3 qualification levels according to function/role: Implementer level, Supervisor level, and Board Member level or equivalent/ Executive Officer.</li> </ol>	<ul style="list-style-type: none"> <li>• The Bank needs to submit a funding provision plan for SK SP for the year 2025 to the Regulator.</li> <li>• The Bank needs to continuously strives to meet the obligation of possessing SK SP in accordance with the regulations.</li> </ul>	Has no impact on the composition of the Financial Statements.

No.	BI/OJK Regulation	Description	Impact on BDI	Impact on Financial Statements
9	PADG No. 6 of 2024 concerning Amendments to PADG No. 4 of 2023 regarding Export Proceeds in Foreign Exchange (DHE SDA) and Import Payment in Foreign Exchange (DPI).	<ol style="list-style-type: none"> <li>This regulation aims to ensure more effective oversight of the inflow, placement, and use of DHE, particularly those originating from the exploitation, management, and/or processing of natural resources, into the Indonesian financial system.</li> <li>This regulation adds several obligations for Banks to: <ul style="list-style-type: none"> <li>Ensure that exporters with export values of less than USD 25,000 submit a Voluntary Statement to credit a Special Account (Reksus). The Bank forwards this statement to BI;</li> <li>Ensure the placement</li> </ul> </li> </ol>	The Bank needs to update its internal arrangements in accordance with applicable regulations.	Has no impact on the composition of the Financial Statements.
10	POJK No. 12 of 2024 concerning the Implementation of Anti-Fraud Strategies for Financial Service Institutions.	<p>The OJK emphasizes the implementation of anti-fraud regulations for all financial service institutions (such as Banks, insurance companies, securities, financing, etc.):</p> <ol style="list-style-type: none"> <li>This regulation expands and further details various types of activities that can be classified as fraud, such as corruption, asset misuse, financial statement fraud, and disclosure of confidential information.</li> <li>The implementation of Anti-Fraud Strategies must include preventive and handling measures to specifically ensure that business activities are not exploited to facilitate criminal activities.</li> <li>Financial Service Institutions (PJK) must provide education and competency development related to anti-fraud policies for internal parties, as well as education and/or socialization of policies to external parties, at least once a year.</li> <li>Failure to comply with regulatory provisions may result in sanctions ranging from warning letters to the suspension of business activities.</li> </ol>	The Bank needs to submit its Anti-Fraud Strategy to the Regulator.	Has no impact on the composition of the Financial Statements.
11	PBI No. 7 of 2024 and PADG No. 7 of 2024 concerning the Foreign Funding Ratio of Banks (RPLN).	<ol style="list-style-type: none"> <li>RPLN is defined as Short-Term Liabilities to Bank Capital calculated on a daily basis. BI sets a maximum limit for RPLN at 30%, with adjustments based on countercyclical parameters.</li> <li>As a macroprudential policy instrument, RPLN has two features: countercyclical and risk-based. The RPLN limit can be increased or relaxed when Banks require additional foreign funding, and can be reduced or tightened when the need for foreign funding is sufficient, making it more dynamic. The Short-Term Liabilities considered in RPLN consist of the Bank's Short-Term Foreign Debt, Domestic Short-Term Foreign Currency Securities, and/or Short-Term Risk Participation Transactions (TPR).</li> </ol>	The Bank needs to implement the maximum RPLN limit and continuously maintains the RPLN threshold.	Has no impact on the composition of the Financial Statements.
12	POJK No. 13 of 2024 concerning Transparency and Publication of the Basic Lending Rate (SBDK) for Conventional Banks.	<ol style="list-style-type: none"> <li>SBDK serves as the indicator of the lowest interest rate.</li> <li>The SBDK report must be prepared in a complete, accurate, current, comprehensive, and comparable manner. The Board of Directors and Commissioners are responsible for the completeness and accuracy of the components used in the SBDK calculation.</li> <li>Banks are required to publish the SBDK through their websites, at every Bank branch, and through digital channels, as well as report the SBDK to the OJK.</li> <li>The components of SBDK are defined in more detail and linked to cost codes in the Integrated Bank Monthly Report.</li> <li>The implementation of consumer protection related to the disclosure of effective and flat interest rates.</li> </ol>	<ul style="list-style-type: none"> <li>Danamon has adjusted the SBDK calculation method in accordance with the regulations and has updated its internal provisions in the preparation and determination of the SBDK.</li> <li>Danamon has announced the SBDK through its website, branch offices, and digital channels in accordance with the guidelines set by the OJK.</li> </ul>	Has no impact on the composition of the Financial Statements.

No.	BI/OJK Regulation	Description	Impact on BDI	Impact on Financial Statements
13	POJK No. 15 of 2024 concerning the Integrity of Bank Financial Reporting.	To ensure that the Bank's financial reports and information are accurate, precise, and of high integrity, Banks are required to: 1. Establish internal control policies and procedures applicable to the financial reporting process. 2. Form a special unit responsible for preventing fraud or manipulation of Financial Information and/or Financial Statements. 3. Submit an Internal Control Report as part of the Bank's Annual Report. 4. Sanctions for non-compliance include administrative fines and financial penalties ranging from a minimum of IDR 2 billion to a maximum of IDR 50 billion for each violation.	<ul style="list-style-type: none"> <li>The Bank needs to prepare Internal Control Policies in the Financial Reporting Process.</li> <li>The Bank needs to establish a special working unit within the timeframe set by the regulatory provisions.</li> <li>The Bank needs to submit the Internal Control Report in the Bank's Annual Report starting in 2025.</li> </ul>	Has no impact on the composition of the Financial Statements.
14	PADG No. 17 of 2024 concerning the Implementation of Competency Standardization in the Payment System (SK SP).	This regulation serves as the implementation guideline for PBI No. 5 of 2024 regarding SK SP. 1. SK SP supersedes the PADG concerning SPPUR. 2. Banks are required to certify SK SP for human resources involved in payment system activities (previously SPPUR certification). Deadline: December 2026. 3. Banks must submit an annual funding provision plan for SK SP certification	<ul style="list-style-type: none"> <li>The Bank needs to submit its funding provision plan for SK SP for the year 2025 to the Regulator.</li> <li>The Bank needs to continuously strive to meet the obligation of possessing SK SP.</li> </ul>	Has no impact on the composition of the Financial Statements.
15	PADG No. 19 of 2024 (6th amendment to PADG 21/2019) concerning the Loan to Value (LTV)/Financing to Value (FTV) Ratio for Property Loans/Financing and Down Payments for Motor Vehicle Loans/Financing.	BI maintains the LTV/FTV ratio provisions for property loans/financing at a maximum of 100% and the Down Payment for Motor Vehicle Loans/Financing at a minimum of 0%, effective from January 1 to December 31, 2025.	Danamon needs to extend the property financing policy to a maximum of 100%, while continuing to observe the principles of prudence and risk management until December 31, 2025.	Has no impact on the composition of the Financial Statements.

### Changes in Accounting Policies

The following standards, amendments and annual improvements became effective since 1 January 2024 and are relevant to the Bank and Subsidiary:

- Amendment to PSAK 201 (formerly PSAK 1) "Presentation of Financial Statement" related to Long-term Liabilities with the covenant.
- Amendment to PSAK 116 (formerly PSAK 73) "Lease" related to lease liabilities in sale and lease-back transactions.
- Amendment to PSAK 207 (formerly PSAK 2) "Cash Flow Statements" and PSAK 107 (formerly PSAK 60) "Financial Instrument: Disclosures" related to disclosures of supplier financing arrangements.
- 2024 Annual Adjustment to PSAK. 407 (formerly PSAK 107) "Akuntansi Ijarah". This adjustment harmonizes and maintains consistency in the arrangements for revenue recognition and presentation of ijarah for indirect services.

The implementation of PSAK above does not cause significant change to the financial reporting and disclosure in the consolidated financial statements. [POJK C.6]