



PT Bank Danamon Indonesia Tbk

Analysts Briefing 1Q 2019

Jakarta, 23 April 2019

Strong consumer demand in mortgage and automotive financing, coupled by YoY improvement in asset quality

Growth in key engines

- Excluding Micro, Loan Portfolio and Trade Finance grew 10% YoY
- Consumer Mortgage grew 27% YoY
- ADMF loans grew 14% YoY strongly supported by 2W financing
- Enterprise Banking and SME grew 7% and 6% YoY, respectively

Improved asset quality

- CoC improved to 2.4%
- NPL improved 40 bps YoY to 2.8%

NPAT momentum picked up

- Lower NPAT YoY due to slow January result
- NPAT momentum picked up in Feb and March and is expected to continue with stronger demand post election, improved asset quality and disciplined opex management

1Q 2019 Balance Sheet highlights

In Rp billion	1Q18	1Q19	YoY	4Q18	1Q19	QoQ
Total Assets	179,555	190,042	6%	186,762	190,042	2%
Total Loan Portfolio and Trade Finance ¹⁾	130,181	138,041	6%	139,497	138,041	-1%
Total Loan Portfolio and Trade Finance ¹⁾ excl. Micro	124,487	136,423	10%	137,219	136,423	-1%
Government Bonds ²⁾	10,154	10,232	1%	10,973	10,232	-7%
Total Funding	123,974	132,913	7%	131,976	132,913	1%
CASA	50,072	50,945	2%	52,064	50,945	-2%
Time deposits	53,678	59,527	11%	58,494	59,527	2%
Borrowings and LT. Funding	20,224	22,441	11%	21,468	22,441	5%
Equity	38,336	40,936	7%	41,311	40,936	-1%

1) Trade Finance includes related marketable securities

2) Reclass in 1Q19 and 4Q18 due to signing of Conditional Sale and Subscription Agreement related to divestment of Adira Insurance, as presented in published financial statements

1Q 2019 Income Statement

In Rp billion	1Q18	1Q19	YoY	4Q18	1Q19	QoQ
Net Interest Income	3,599	3,541	-2%	3,609	3,541	-2%
<i>Net Interest Income excl. micro</i>	3,439	3,507	2%	3,557	3,507	-1%
Non Interest Income ¹⁾	795	797	0%	842	797	-5%
Operating Income	4,394	4,337	-1%	4,451	4,337	-3%
Operating Expenses	2,118	2,157	-2%	2,208	2,157	2%
PPOP ²⁾	2,275	2,181	-4%	2,243	2,181	-3%
Cost of Credit	798	810	-1%	751	810	-8%
Operating Profit	1,477	1,371	-8%	1,492	1,371	-8%
NPAT ²⁾	1,044	933	-11%	884	933	6%

1) Consist of 2% higher fee income of Rp813 bn in 1Q19 vs Rp797 bn in 1Q18

2) Due to signing of Conditional Sale and Subscription Agreement related to divestment of Adira Insurance, as presented in published financial statements, Adira Insurance's net income is presented in a separate line of profit or loss as net income from disposal group classified as held-for-sale

1Q 2019 Key Financial Ratios

In %	1Q18	1Q19	YoY	4Q18	1Q19	QoQ
NIM	9.0	8.4	(0.6)	9.0	8.4	(0.6)
CoC	2.5	2.4	0.1	2.2	2.4	(0.2)
Risk-adjusted NIM	6.5	6.0	(0.5)	6.8	6.0	(0.8)
Cost to Income	48.2	49.7	(1.5)	49.6	49.7	(0.1)
CASA Ratio	48.3	46.1	(2.2)	47.1	46.1	(1.0)
RIM	n/a	96.4	n/m	97.2	96.4	(0.8)
NPL Gross	3.2	2.8	0.4	2.7	2.8	(0.0)
NPL Gross, including Trade Finance ¹⁾	3.0	2.7	0.3	2.6	2.7	(0.0)
Loan Loss Coverage (LLC)	126.5	114.0	(12.5)	120.2	114.0	(6.2)
ROAA	2.3	2.0	(0.3)	2.2	2.0	(0.2)
ROAE	11.5	9.7	(1.8)	10.6	9.7	(0.9)
CAR - Consolidated	21.6	22.0	0.4	22.2	22.0	(0.2)

1) Trade finance includes related marketable securities

More efficient cost structure without Micro Banking

	Consolidated Financials – with SEMM			Consolidated Financials – If without SEMM*		
	1Q18	1Q19	YoY	1Q18	1Q19	YoY
NIM (%)	9.0	8.4	(0.6)	9.0	8.4	(0.6)
Cost of Credit (%)	2.5	2.4	0.1	2.6	2.5	0.1
Cost-to-Income Ratio (%)	48.2	49.7	(1.5)	45.8	47.2	(1.4)
Net Profit Before Taxes (Rp bn)	1,477	1,371	-7%	1,487	1,420	-5%
ROAE (%)	11.5	9.7	(1.8)	12.0	10.3	(1.7)

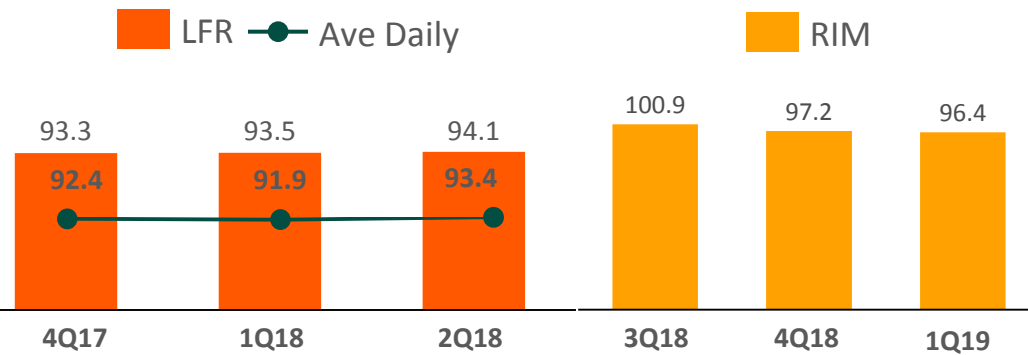
* Opex reduction are based on SEMM direct cost only

Micro Banking Update

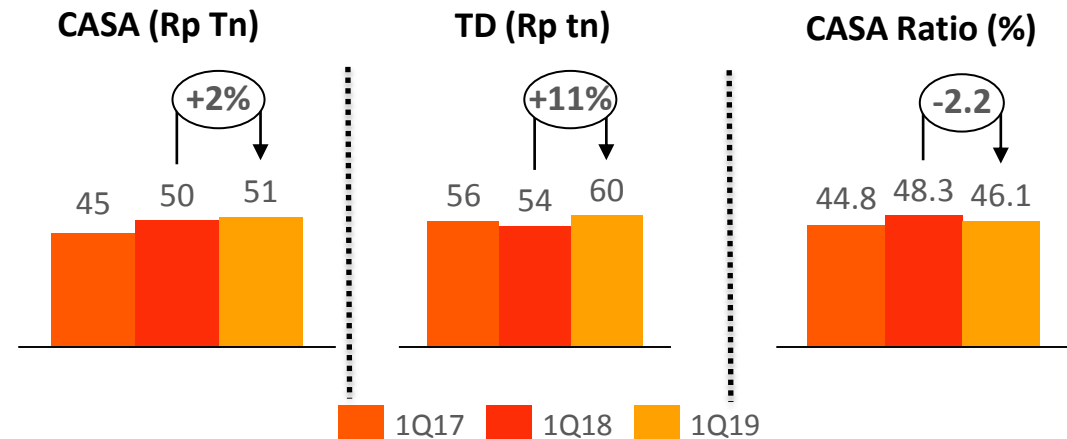
- > Micro banking will continue to focus on improving credit quality, collections, and recoveries as well as on streamlining the network

Ample liquidity to support growth

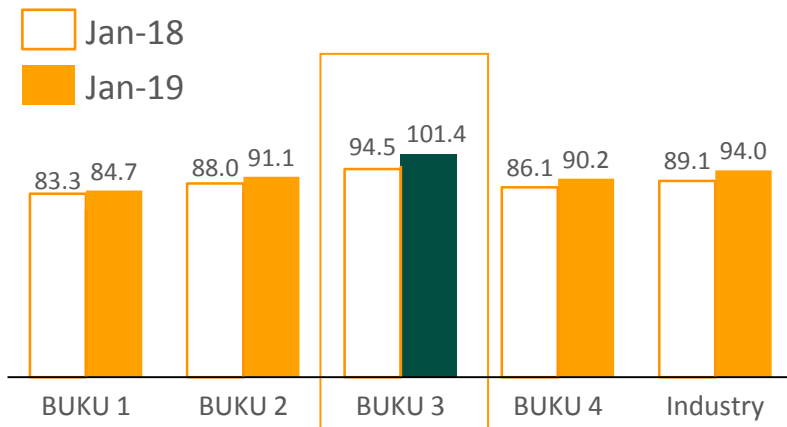
Regulatory RIM* (%) – RIM successfully maintained



CASA, TD, & CASA Ratio – Stable CASA



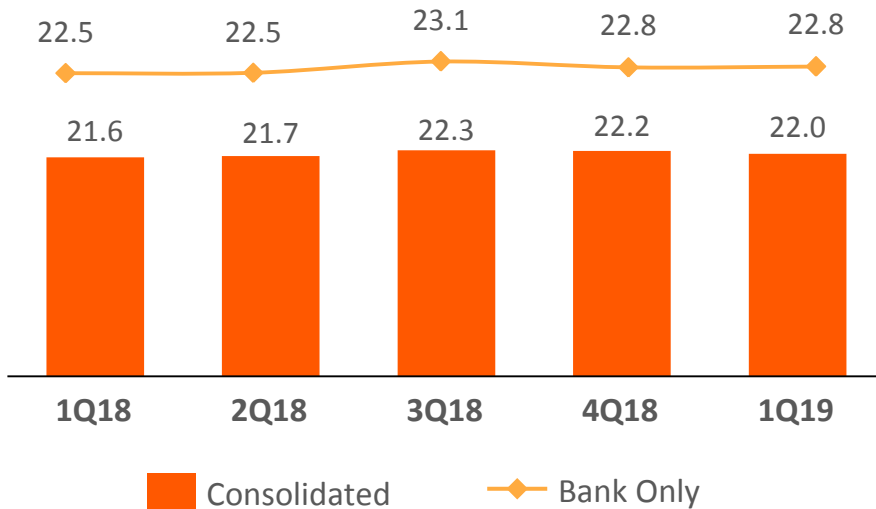
LDR (%) by BUKU – BUKU 3 Banks posted the highest LDR



- RIM has stabilized in the first quarter and aligned with management's appetite
- Upcoming bond issuance will provide stable long-term funding
- Danamon's LDR is at 94.3%

Strong capital structure

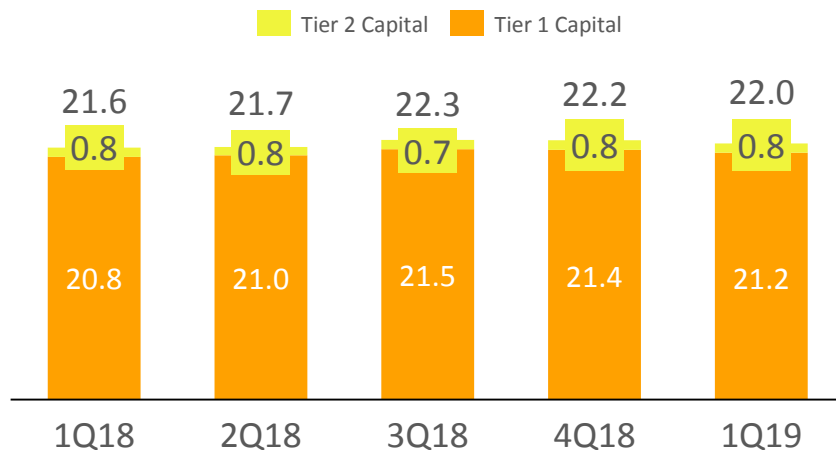
Capital Adequacy Ratio (%)



Market and Operational Risk Charges (%)

%	1Q18	2Q18	3Q18	4Q18	1Q19
CAR w/ Credit Risk	27.6	27.6	28.3	28.1	27.8
Market Risk Charge	0.1	0.1	0.1	0.1	0.1
Operational Risk Charge	5.9	5.8	5.9	5.8	5.8
CAR Consolidated	21.6	21.7	22.3	22.2	22.0

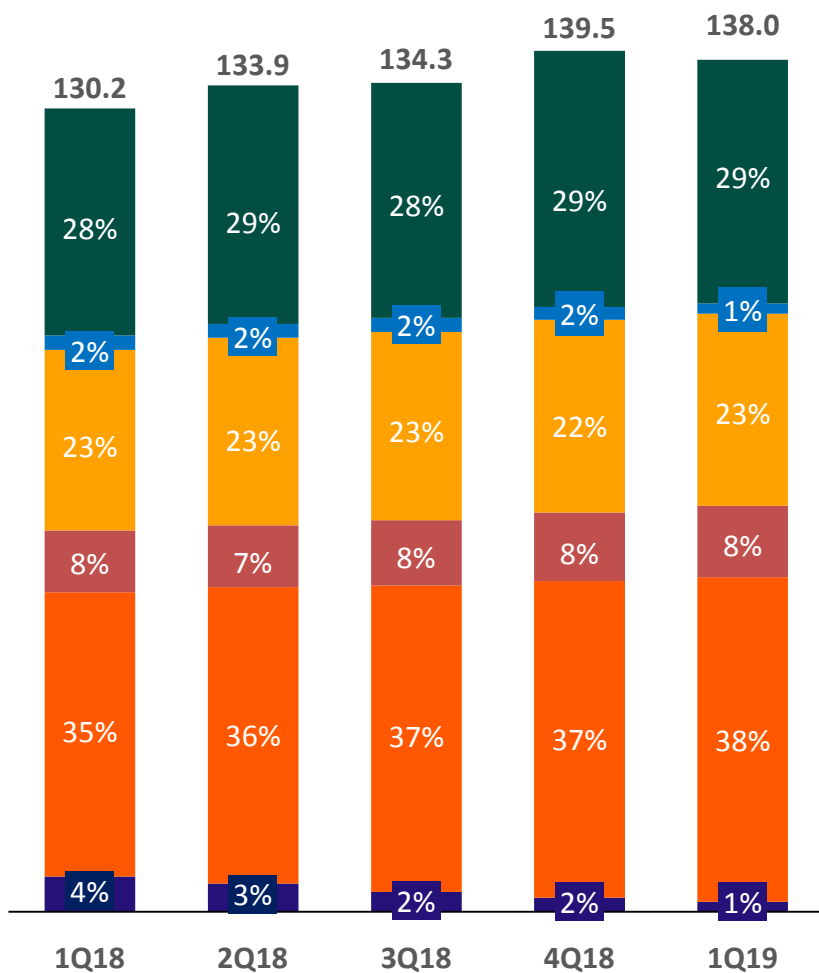
Tier 1 and Tier 2 Consolidated Capital Ratio (%)



- The capital level is significantly above the minimum regulatory requirement

Double digit YoY growth in Mortgage and Adira Finance

Composition of Loan Portfolio & Trade Finance¹⁾
(Rp tn)



Growth of Loan Portfolio & Trade Finance¹⁾

Rp bn	1Q18	1Q19	YoY	QoQ
Enterprise ²⁾ & FI	36,807	39,492	7%	-5%
ABF	2,308	1,616	-30%	-23%
SME	29,291	31,126	6%	0%
Consumer	10,004	11,609	16%	4%
Mortgage	6,565	8,319	27%	6%
Others ³⁾	3,439	3,290	-4%	0%
Adira Finance	46,076	52,581	14%	3%
Total excl Micro	124,487	136,423	10%	-1%
SEMM (Micro)	5,694	1,618	-72%	-29%
Total	130,181	138,041	6%	-1%

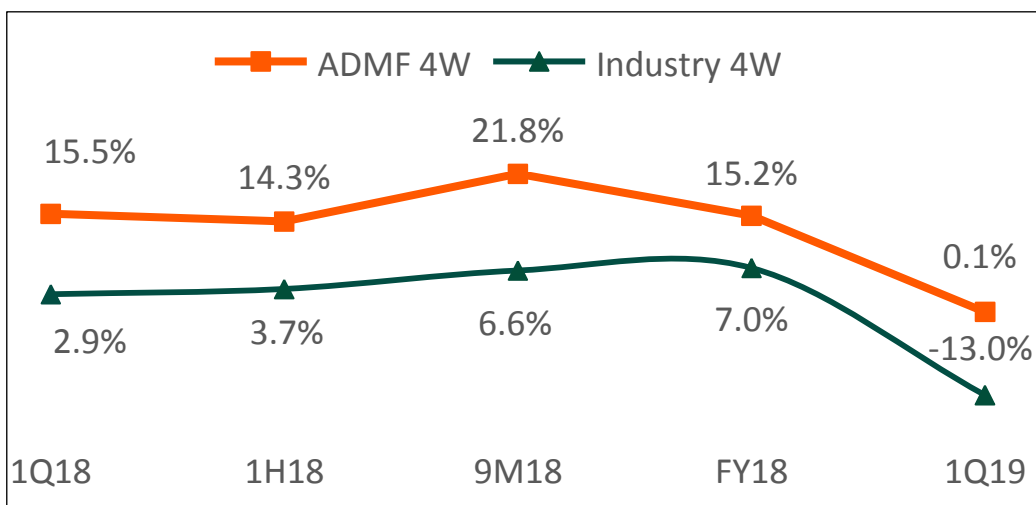
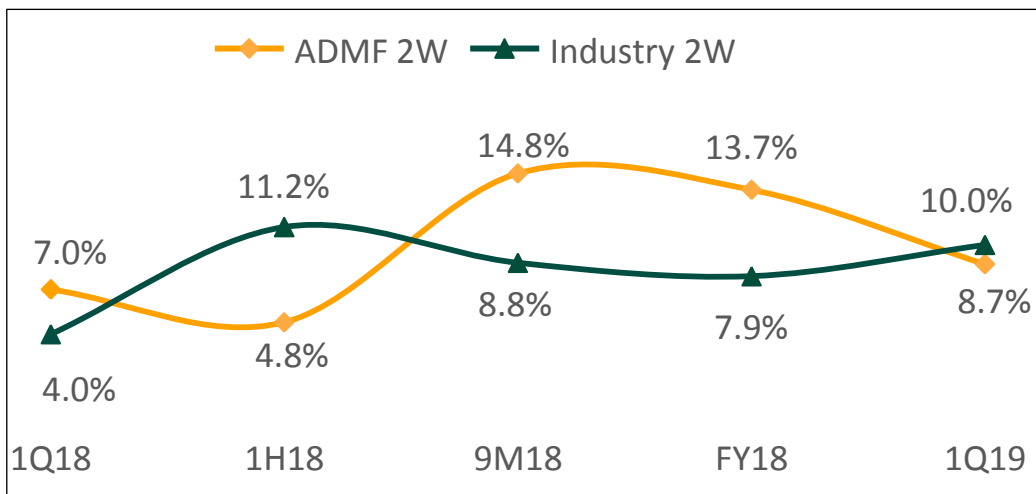
1) Trade finance includes related marketable securities

2) Enterprise Banking: Commercial and Corporate

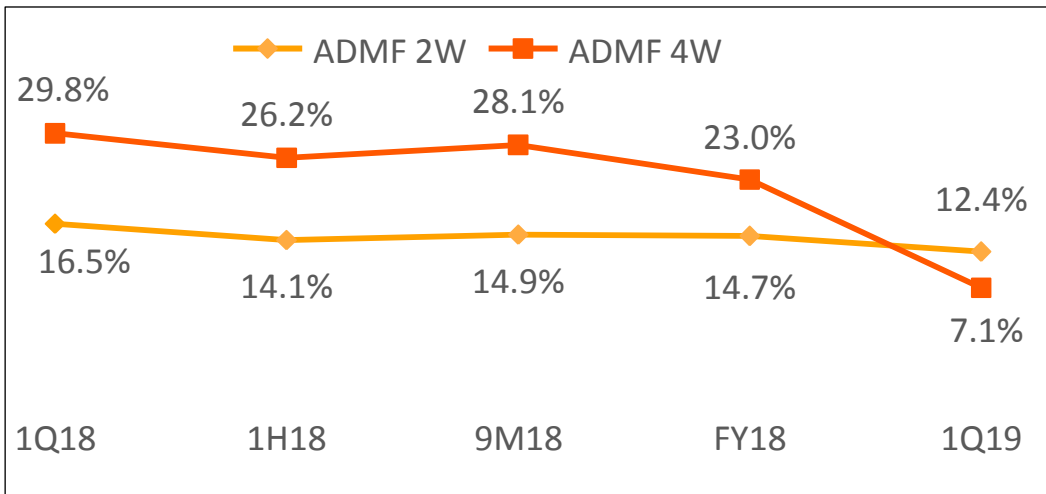
3) Unsecured Personal Loan, Credit Card, and Other

ADMF's 2W new financing grew double digit

ADMF units New Financing vs. Industry (% YoY growth based on cumulative YTD)



ADMF New Financing amount (% YoY growth)



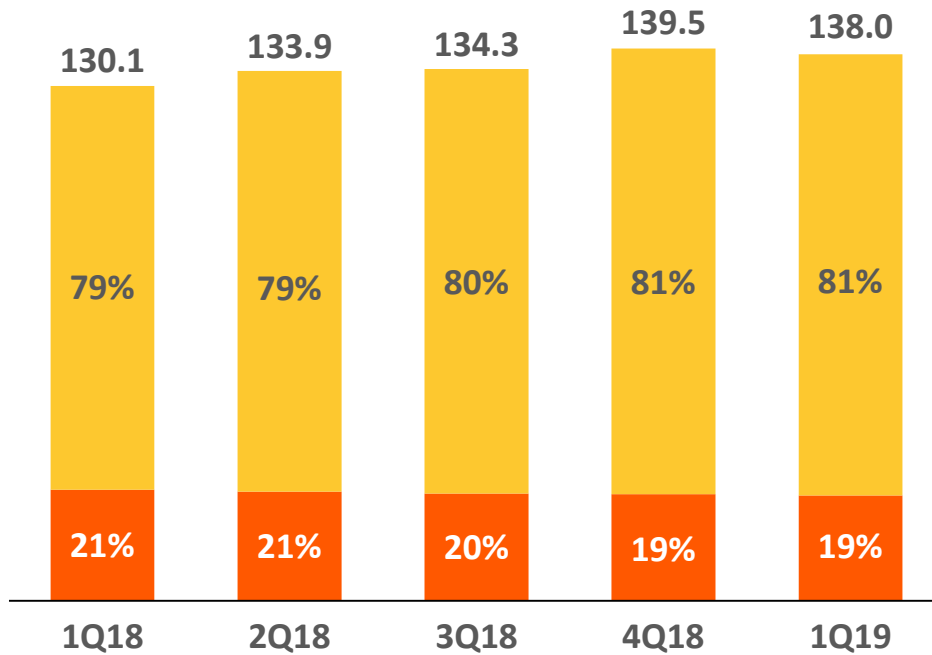
ADMF Outstanding Loans

Rp bn	1Q18	1Q19	YoY	4Q18	QoQ
2W auto loans*	20,409	23,263	14%	22,776	2%
4W auto loans*	23,849	27,465	15%	26,638	3%
White goods and others*	1,819	1,853	2%	1,882	-2%
Adira Finance	46,076	52,581	14%	51,296	3%

* Restated to include reclassification of certain collateralized multipurpose loans into White goods and others.

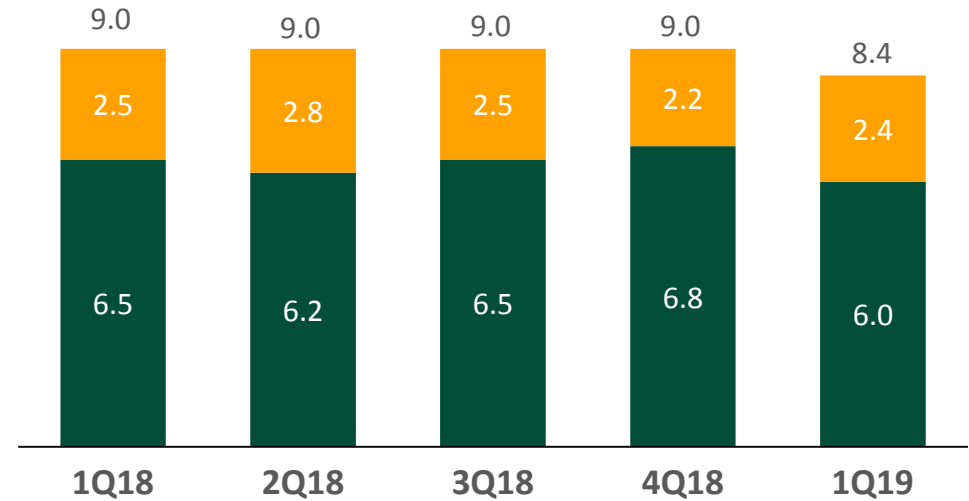
Going forward, lower NIM should be partially offset by improvement in Cost of Credit

Composition of Loan Portfolio & Trade Finance
(Rp tn)



Higher Yield (SEM + 2W+ Durable goods)
Lower Yield (Non-Mass Market + 4W)

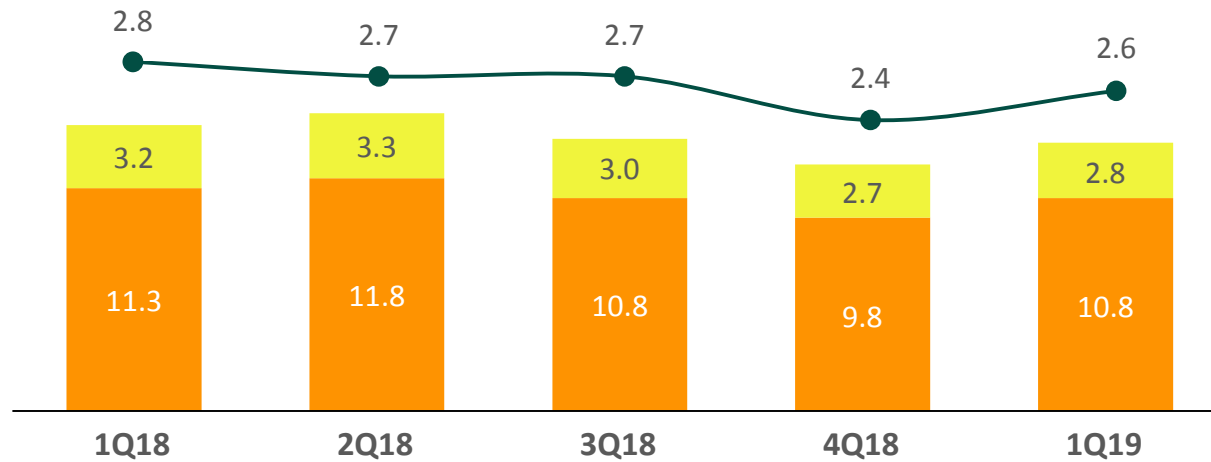
NIM and Risk-Adjusted NIM
(%)



CoC Risk Adj NIM

Asset Quality improved from the same period in previous year

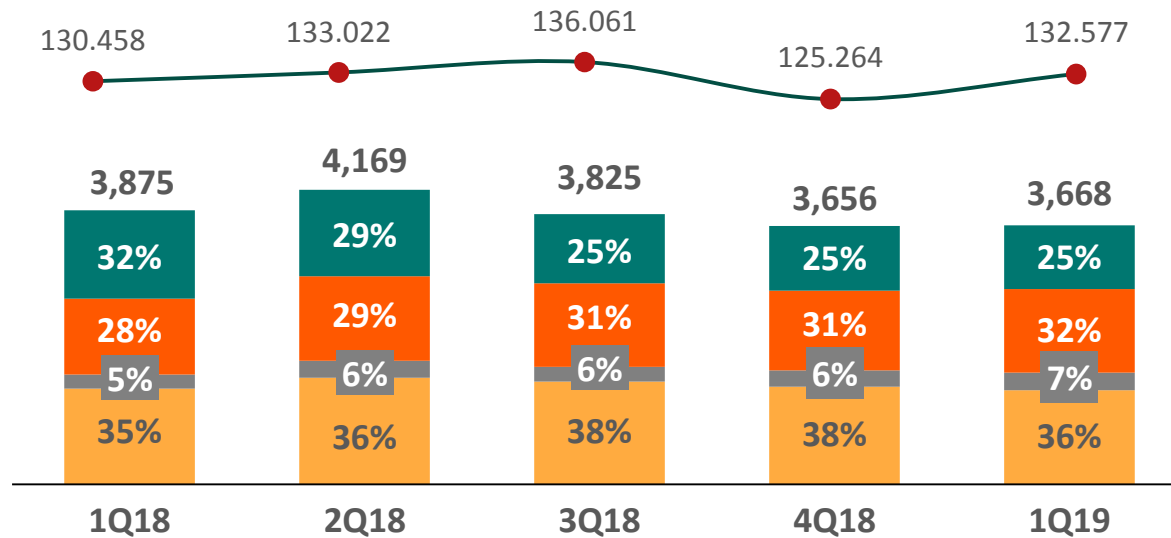
Loan Collectability (% of Total Loans)



Industry's NPL Ratio

BDI NPL
BDI-SM

NPL amount (Rp bn) and Composition (% of Total NPL)



Industry's NPL

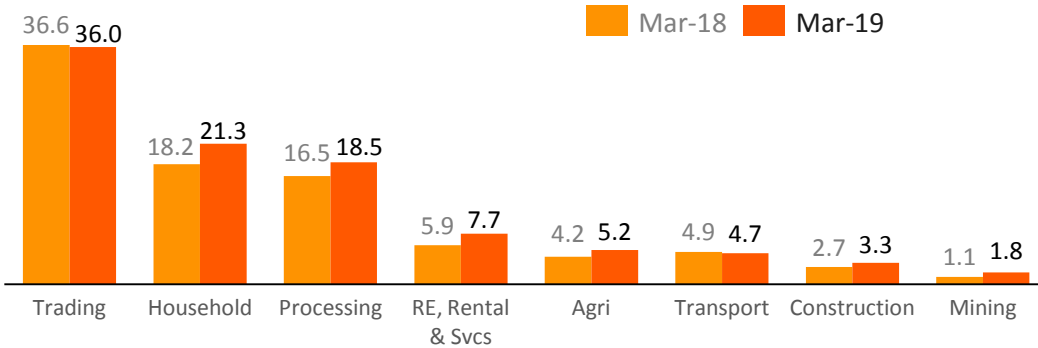
BDI's NPL

Enterprise & FI
SME
Consumer
Mass Market

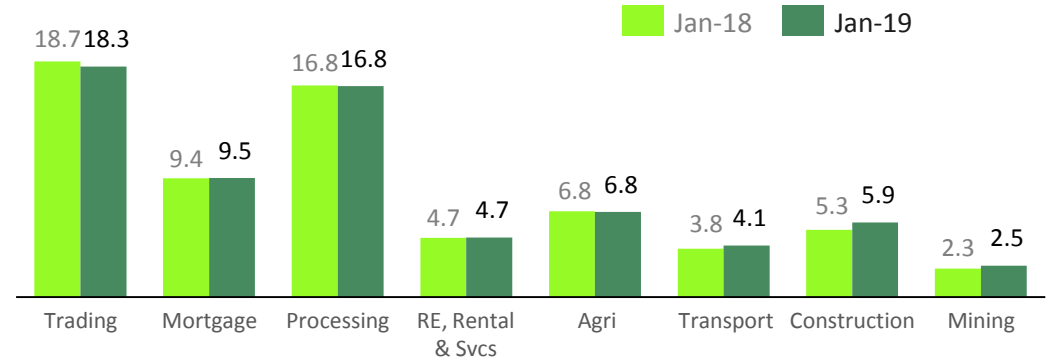
Source : Industry NPL based on SPI as of Jan 2019

Lower NPL than industry in many key sectors

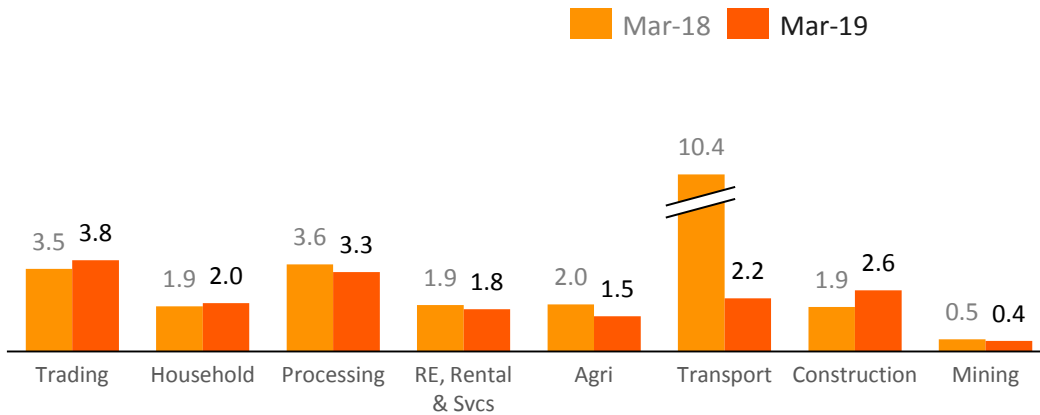
BDI Loans by Sector (% of total loans)



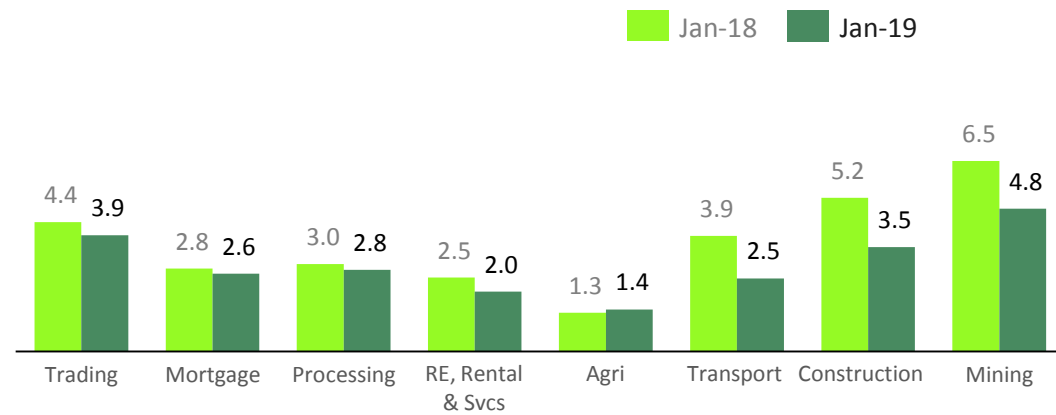
Industry Loans by Sector (% of total loans)



BDI NPL by Sector (%)



Industry NPL by Sector (%)

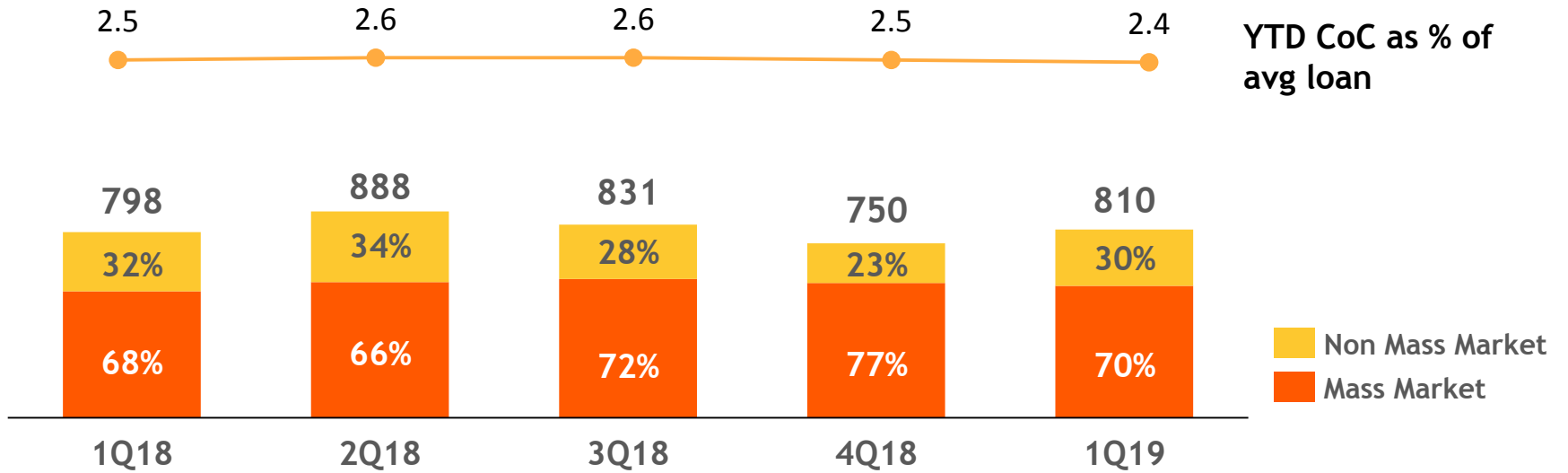


- Previous periods' legacy NPL from Transportation has been written off

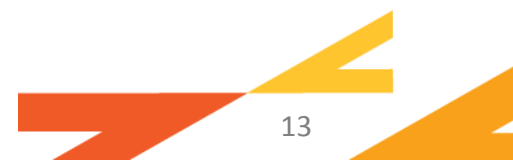
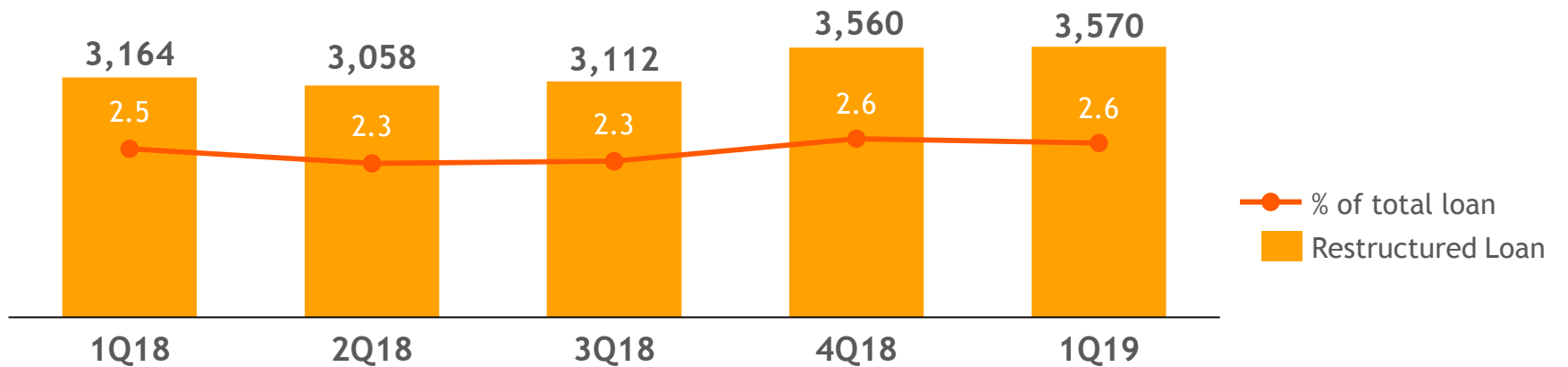
Source: SPI Jan'19

CoC Ratio continued to improve at 2.4%

Cost of Credit
(% of Avg Loans and Rp bn)

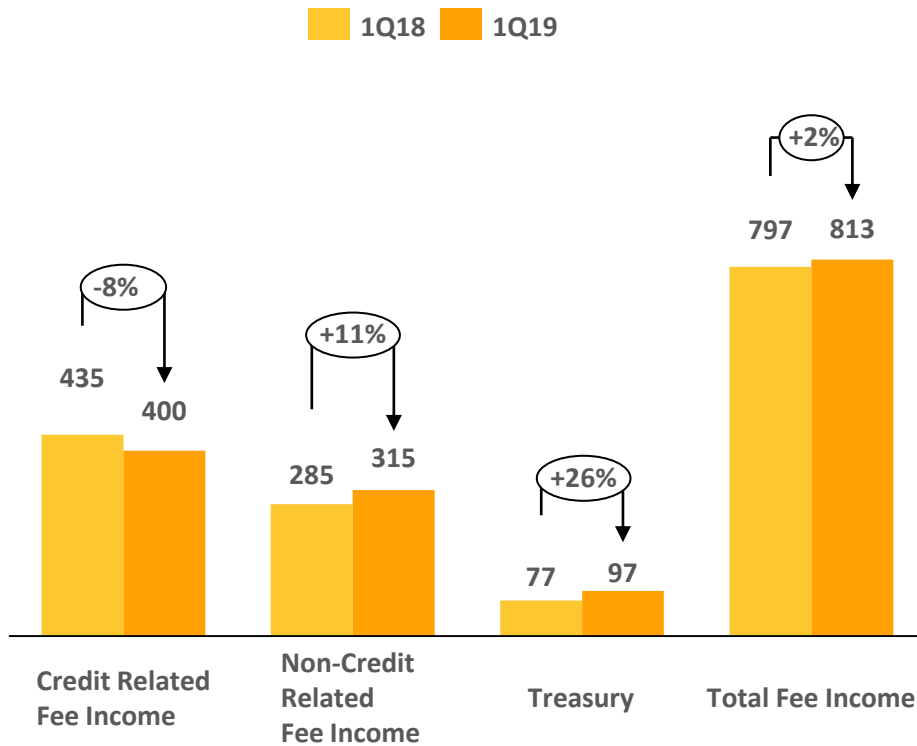


Restructured Loans
(% of Total Loans and Rp bn)

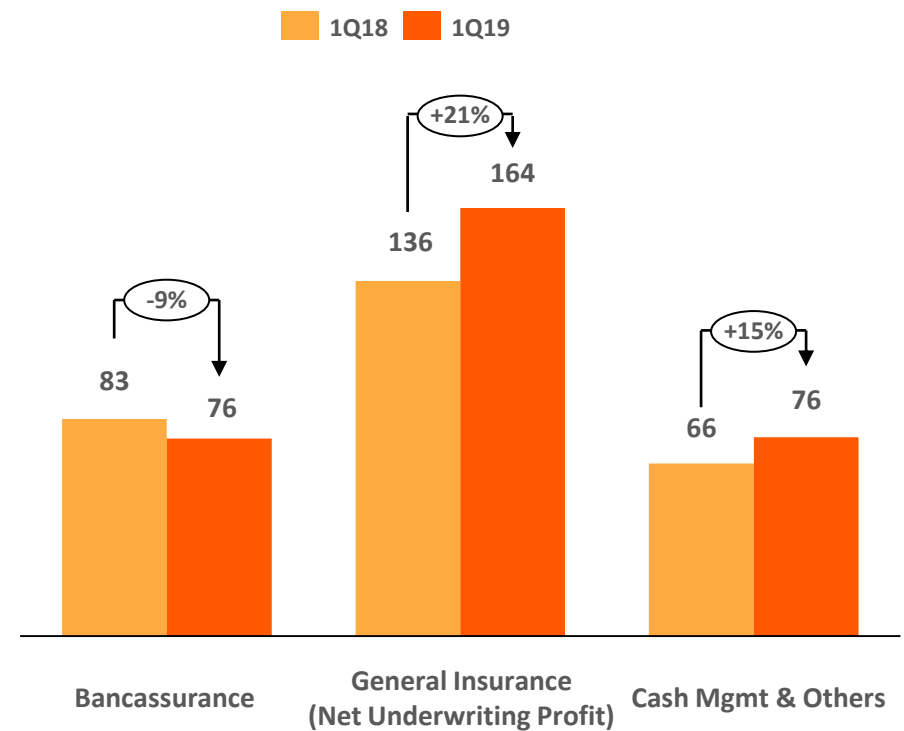


Strong growth in General Insurance and Cash Management fees

Fee Income (Rp bn)



Non-Credit Related Fee Income (Rp bn)



THANK YOU

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