



P T Bank Danamon Indonesia Tbk

Analyst Briefing 1H-2020

Jakarta, 30 July 2020

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1H20 Financial Highlights

Synergy with MUFG – 1 Year Anniversary

Unlock Potential with Global Business*

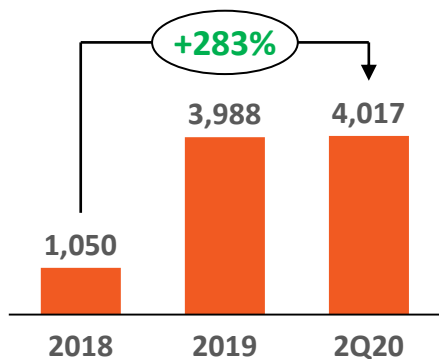


More than 1,900 Japanese companies and subsidiaries, contributed to 8.5% of Indonesia GDP and 24.4% of Indonesian export as of 2018.



Substantial relationship of Japanese and other global business with MUFG network, providing vast opportunities.

Rapid Growth on Synergy Loan



- Synergy loan are growing 283% since 2018.
- Danamon is still in the early stage of realizing synergy potentials with MUFG network and their ecosystems.

Liquidity Support from MUFG



- Money Market Facility USD 300mn
- For short-term funding mismatch
- Term Loan IDR 650bn and Standby Loan Facility up to USD 280mn
- For liquidity and loan growth

Key Synergy Deals in 1H20

Synergy Loan



- ✓ Real Estate Finance
- ✓ Mortgage Loan
- ✓ Working Capital

Financial Supply Chain



- ✓ Distributor Finance Program
- ✓ Supplier Finance

Sharia



- ✓ Sharia Koperasi Karyawan
- ✓ Sharia Leasing

Employee Benefit Program



- ✓ Employee Benefit Program (Payroll)
- ✓ Corporate Credit Card

Digital Partnership



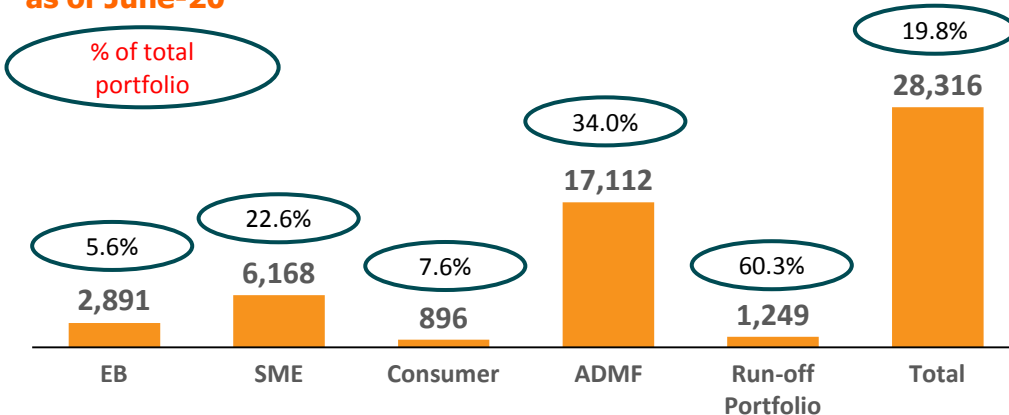
- ✓ MUFG Venture Capital investment
- ✓ Loan Channeling
- ✓ Partnership with ride-hailing and fintech companies

Danamon Crisis Command Center (CCC)



Update on COVID Related Restructured Loans

Booked total loan restructured (IDR bn) and % of loan portfolio, as of June-20



Prioritize Health and Safety to Ensure Business Continuity



Health and safety for our Employees



Conduct weekly Employee Health Survey via Danamon Care App.



Provide essential personal care to all employees and additional support for employees in needs.



Implement WFH protocol supported with stable and reliable IT infrastructure.



Providing easy access to healthcare and COVID-19 testings.



Stable operations and services for our Customers



Expand split locations of critical operation functions. Thermo check, sanitizers and health corners.



Dedicate 24/7 Disinfectant and Lock Down Protocols



Maintain 75% of branches in operational, with 95% of customers are transacting through Digital.



Broadcast educational and information on Covid-19 related.



Contribution to our Communities at large



Support Online Drivers in collaboration with BenihBaik and Yayasan Anak Bangsa Bisa (YABB).



Support "Gerakan 1 Juta Masker" in collaboration with "Indonesia Kuat".



Collaborate with BNPB and BP Jamsostek in providing insurance to 10K volunteers and medical equipments for medical workers.



Channeling donations from Employees



2020 Company's Update



1H20 Financial Highlights

Double digit PPOP and CASA growth despite economic slowdown

Prudent Loan Selection

- EB loan grew 16% YoY, partially contributed by MUFG collaborations. Focus growth in Blue-chip large corporate and SOE segments.
- Lower loan disbursement in ADMF and SME loans due to slower market demand.

Liquidity and Funding Growth

- CASA grew 14% YoY, comprised of growth in CA by 20% and SA by 10% YoY.
- Granular funding (CASA and TD Regular-IDR) increased by 19% YoY.
- CASA ratio reached 53.2%.
- Ample liquidity shown by healthy RIM, LDR, and LCR.

Profitability

- Stable NIM YoY.
- Operating income and PPOP grew 6% and 15% YoY, respectively.
- Cost to income ratio stood at 46.0%, improved 4.4% YoY.
- Proactive provisioning to strengthen balance sheet.

In Rp billion	1H19	1H20	YoY	1Q20	2Q20	QoQ
Total Assets	198,590	194,441	-2%	203,213	194,441	-4%
Total Loan Portfolio and Trade Finance ¹⁾	148,278	142,710	-4%	147,028	142,710	-3%
Total Loan Portfolio and Trade Finance excl. ADMF and Run-Off Portfolio ²⁾	87,520	90,292	3%	89,792	90,292	1%
Government Bonds	9,602	20,434	113%	14,621	20,434	40%
Total Funding	142,651	137,764	-3%	143,046	137,764	-4%
CASA	54,675	62,166	14%	59,684	62,166	4%
Time deposits	63,047	54,735	-13%	59,995	54,735	-9%
Borrowings and LT. Funding	24,929	20,863	-16%	23,367	20,863	-11%
Equity	42,628	42,711	0%	42,846	42,711	0%

1) Trade Finance includes marketable securities.

2) Run-Off Portfolio : ex-BNP + Micro

In billion IDR	1H19	1H20	YoY	1Q20	2Q20	QoQ
Net Interest Income	7,093	7,332	3%	3,800	3,532	-7%
Non Interest Income	1,667	1,963	18%	1,332	631	-53%
Operating Income	8,760	9,295	6%	5,132	4,163	-19%
Operating Expenses	(4,414)	(4,278)	-3%	(2,201)	(2,077)	-6%
PPOP	4,346	5,017	15%	2,931	2,086	-29%
Cost of Credit	(1,716)	(3,211)	87%	(1,148)	(2,063)	80%
Loss on Restructuring ¹⁾	-	(402)	100%	-	(402)	100%
Operating Profit	2,630	1,404	-47%	1,783	(379)	-121%
NPAT	1,813	845	-53%	1,245	(400)	-132%

1) Will be amortized as additional interest income throughout the remaining tenor of restructured loans.

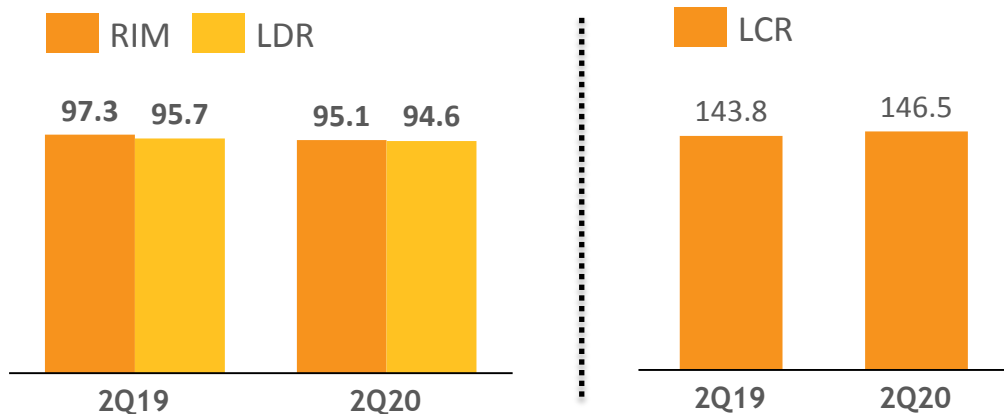
1H-2020 Key Financial Ratios

In %	1H19	1H20	YoY	1Q20	2Q20	QoQ
NIM	8.2	8.2	(0.0)	8.4	7.9	(0.5)
CoC	2.5	4.5	2.0	3.3	5.8	2.5
Risk-adjusted NIM	5.7	3.7	(2.0)	5.1	2.1	(3.0)
Cost to Income	50.4	46.0	(4.4)	42.9	49.9	7.0
CASA Ratio	46.4	53.2	6.8	49.9	53.2	3.3
RIM	97.3	95.1	(2.2)	95.9	95.1	(0.8)
NPL Gross	3.2	4.2	1.0	3.4	4.2	0.8
Loan Loss Coverage (LLC)	93.5	117.2	23.7	129.3	117.2	(12.1)
Loan at Risk ¹⁾ Coverage	19.7	34.7	15.0	27.2	34.7	7.5
ROAA	1.9	0.9	(1.0)	2.5	(0.8)	(3.3)
ROAE	9.4	4.2	(5.2)	12.4	(4.0)	(16.3)
CAR – Consolidated	21.7	23.4	1.7	22.1	23.4	1.3

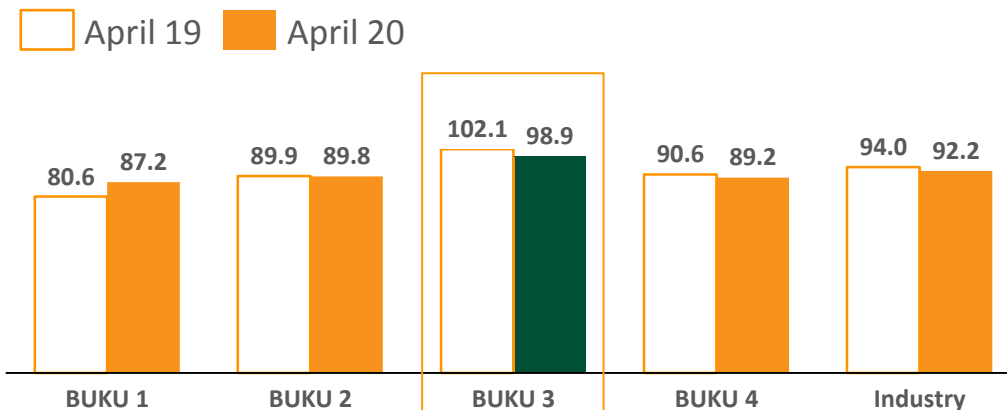
1) NPL + SM + Restructured Loan Coll. 1

Ample liquidity strengthened by CASA growth

RIM, LDR, and LCR (%) – Healthy Liquidity



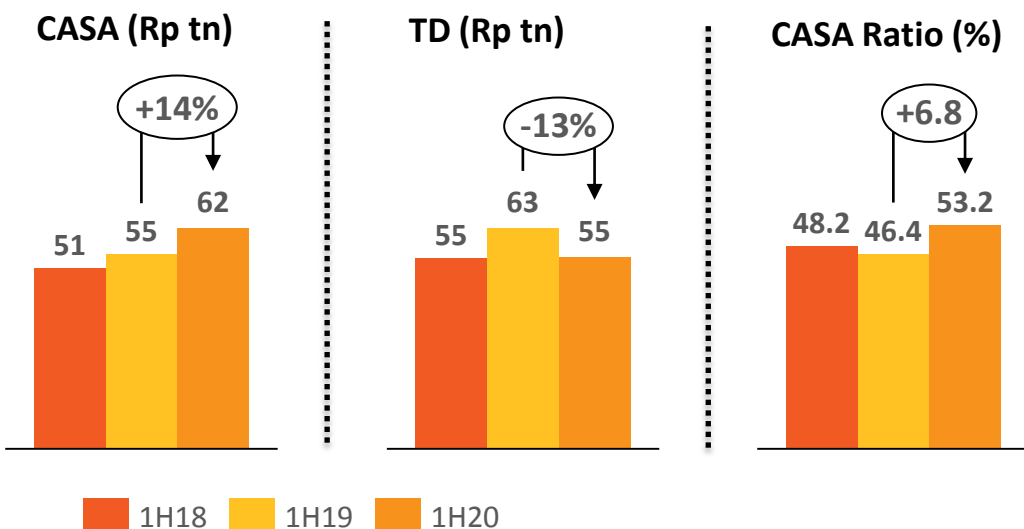
LDR (%) by BUKU



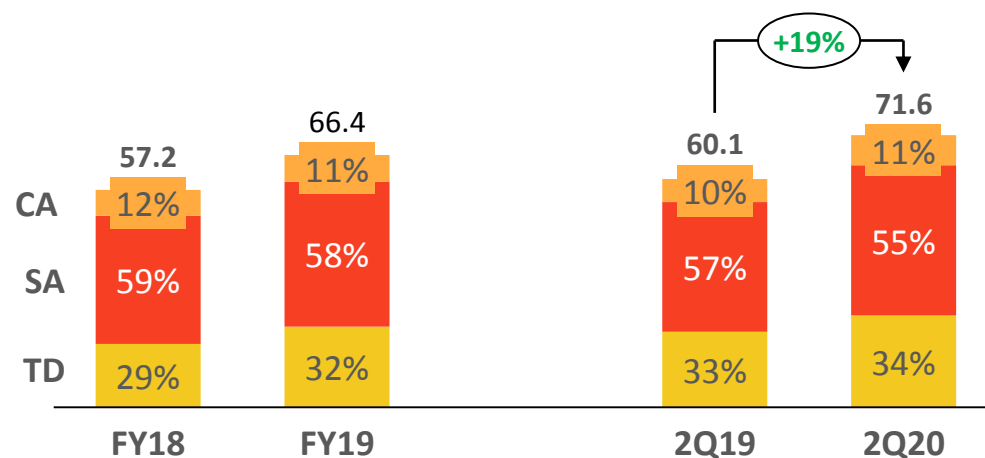
Note : As of May-20, BDI become BUKU IV Banks

Source : SPI OJK April 20

CASA , TD, & CASA Ratio – Prominent CASA



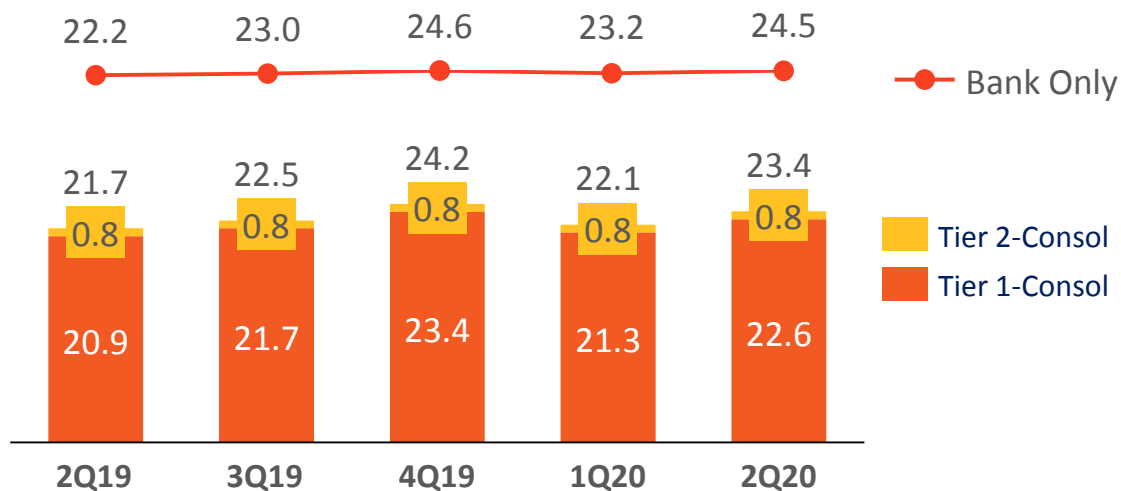
Strong Focus on Granular Funding* (Rp Tn)



*CA, SA and regular TD IDR from Consumer and SME banking

Solid capital structure to withstand tough economic times

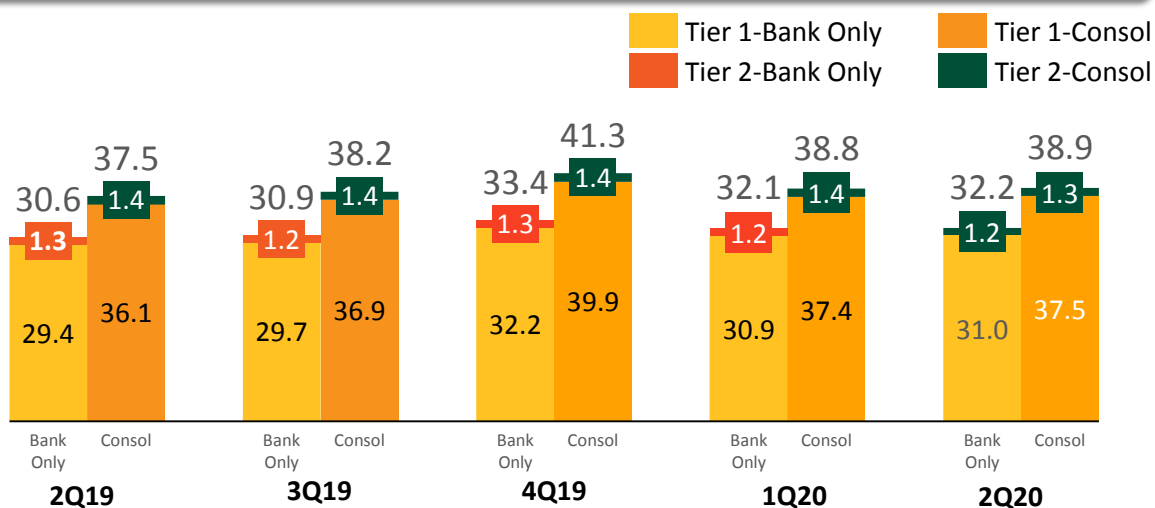
Capital Adequacy Ratio (%)



Market and Operational Risk Charges (%)

%	2Q19	3Q19	4Q19	1Q20	2Q20
CAR w/ Credit Risk	27.2	28.4	30.5	27.6	29.8
Market Risk Charge	-0.1	-0.1	-0.2	-0.1	-0.2
Operational Risk Charge	-5.4	-5.8	-6.1	-5.4	-6.2
CAR Consolidated	21.7	22.5	24.2	22.1	23.4

Tier 1 and Tier 2 Consolidated Capital



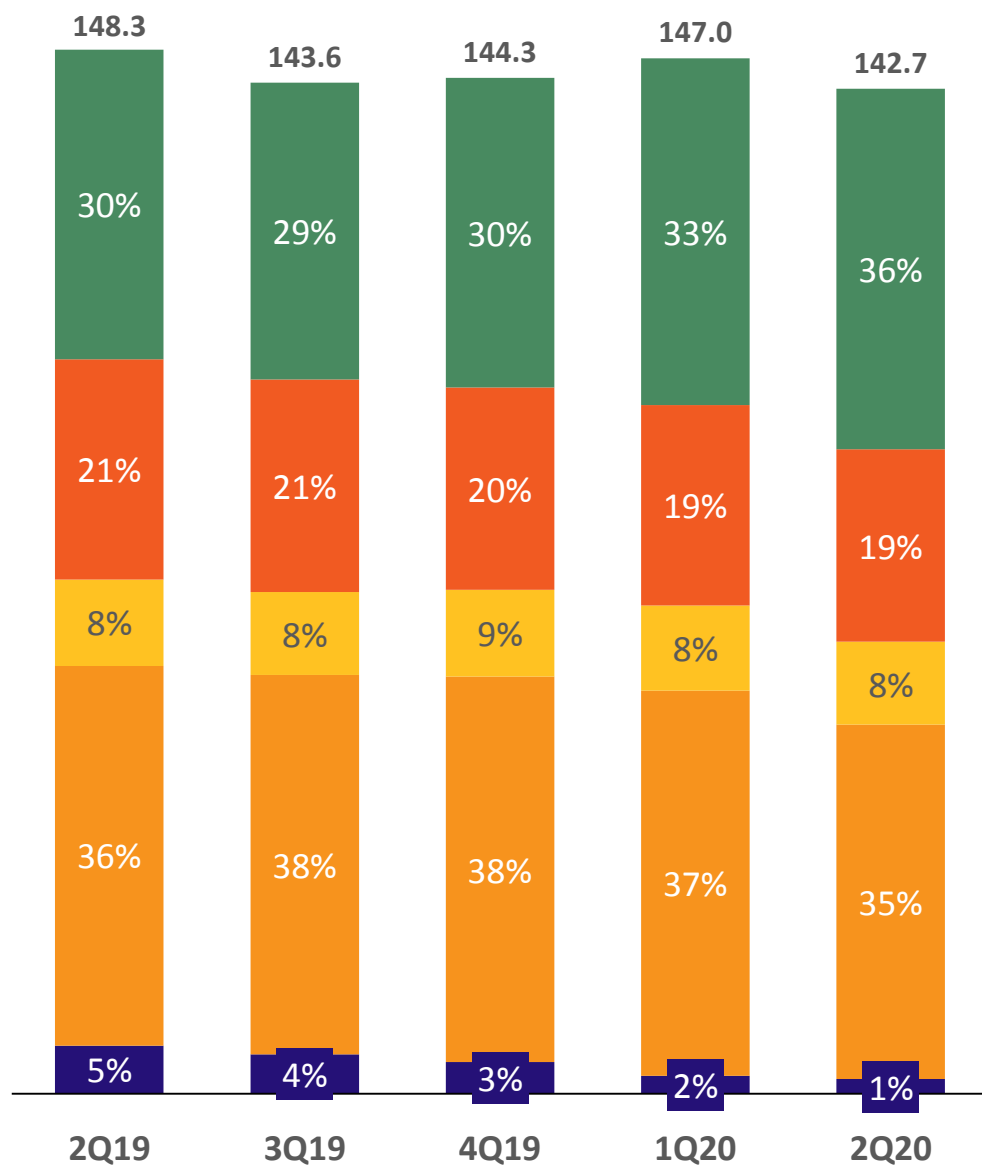
Official BUKU IV : New Opportunity



- BDI holds high capital level to withstand against challenging economic conditions.
- As of May-2020, BDI was officially announced by OJK as a **BUKU IV** Bank, affirming our strong capital.

Prudent loan selection and selective growth in Enterprise Banking

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



Growth of Loan Portfolio & Trade Finance¹⁾ (Rp bn)

Rp bn	1H19	1H20	YoY	QoQ
Enterprise ²⁾ & FI	44,288	51,175	16%	4%
SME	31,298	27,342	-13%	-4%
Consumer	11,932	11,775	-1%	-3%
Mortgage	8,654	8,777	1%	-1%
Others ³⁾	3,278	2,998	-9%	-8%
Adira Finance	53,925	50,348	-7%	-8%
Total excl run-off portfolio ⁴⁾	141,445	140,640	-1%	-3%
Run-off portfolio ⁴⁾	6,833	2,070	-70%	-19%
Total	148,278	142,710	-4%	-3%

1) Trade finance includes marketable securities.

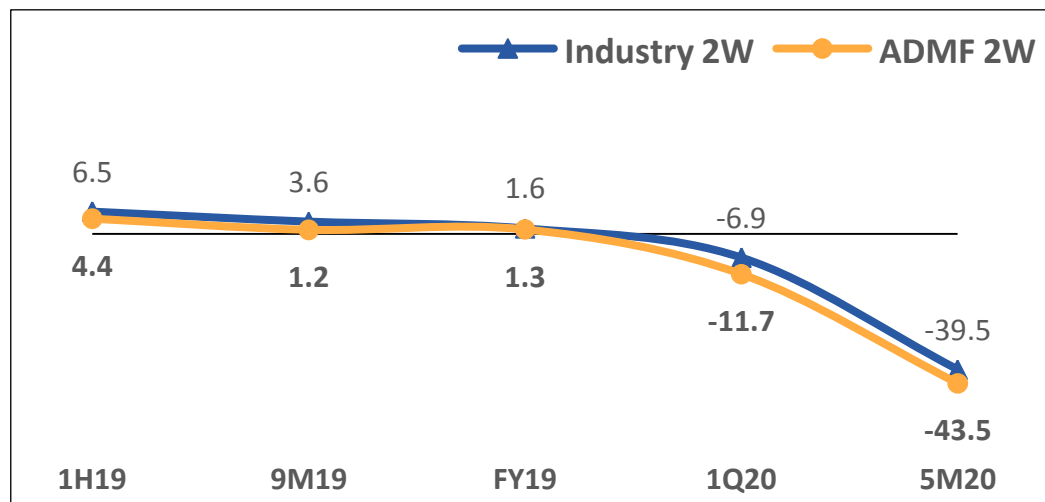
2) Enterprise Banking: Commercial and Corporate.

3) Unsecured Personal Loan, Credit Card, and Other.

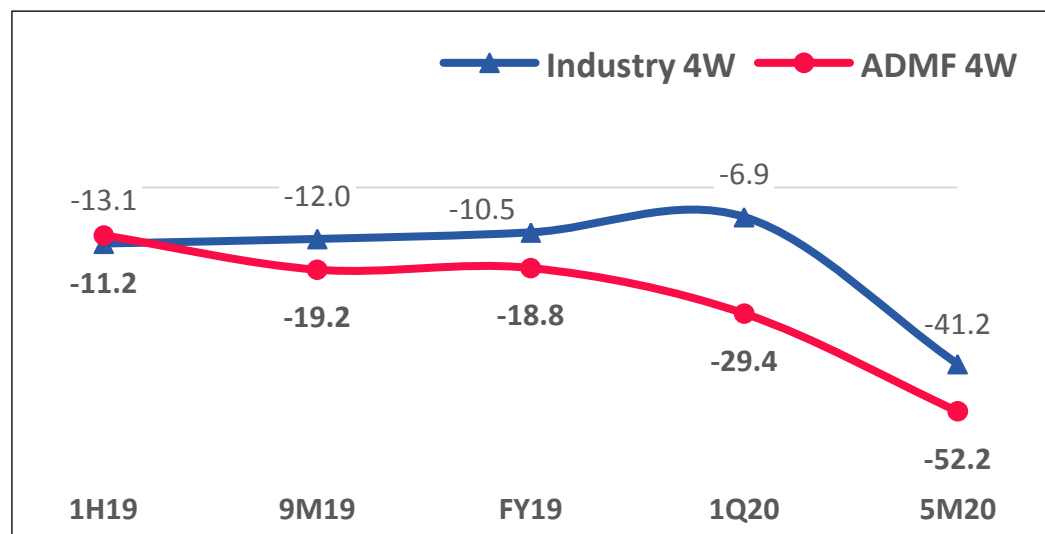
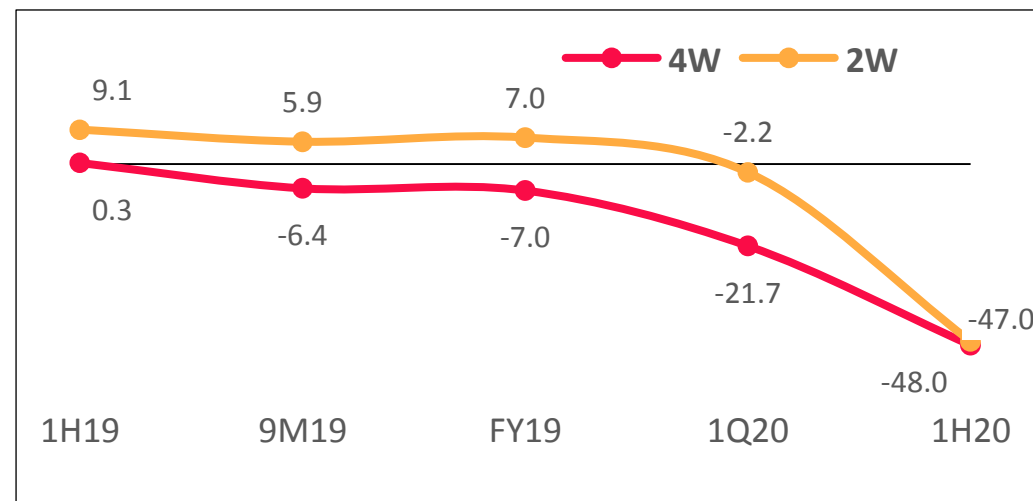
4) Run-off portfolio : ex-BNP portfolio+Micro

Maintain prudent underwriting to prepare for industry recovery

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



ADMF New Financing amount (% YoY growth)

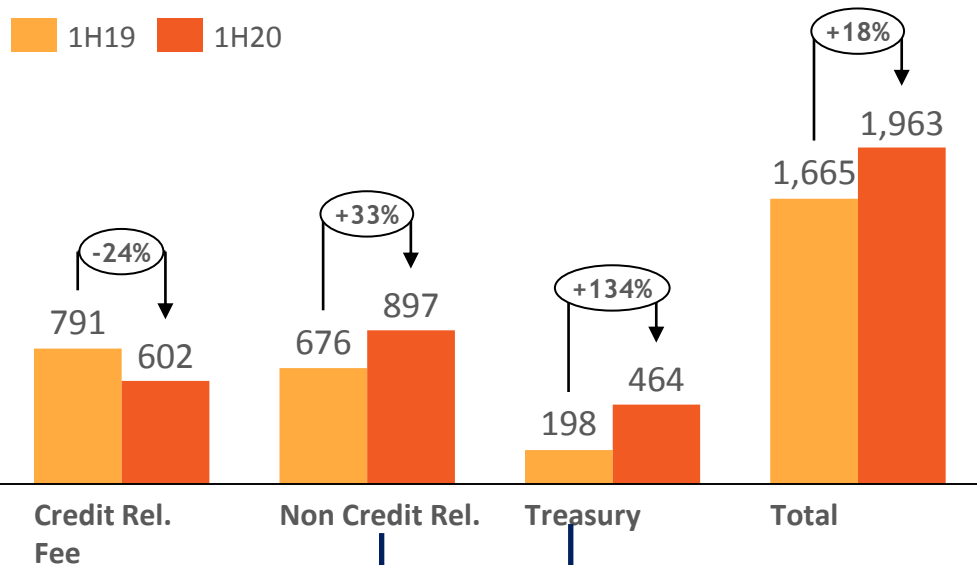


ADMF Outstanding Loans

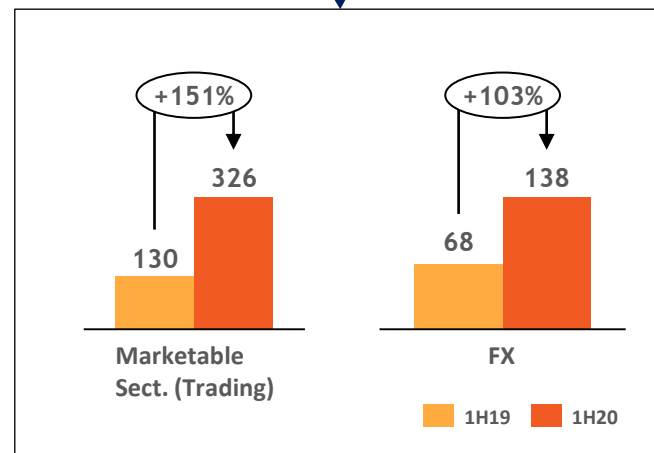
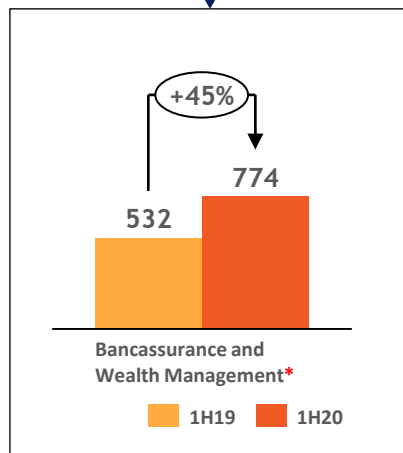
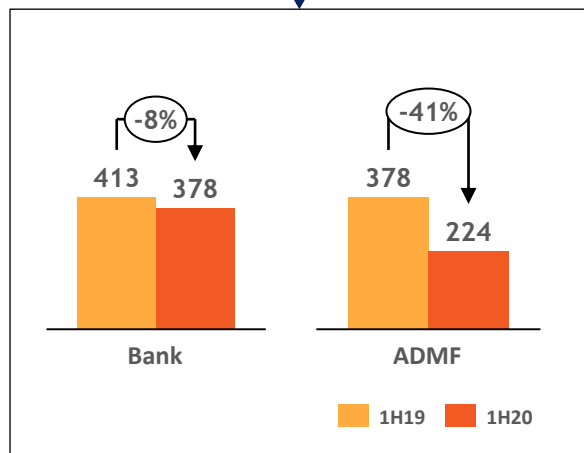
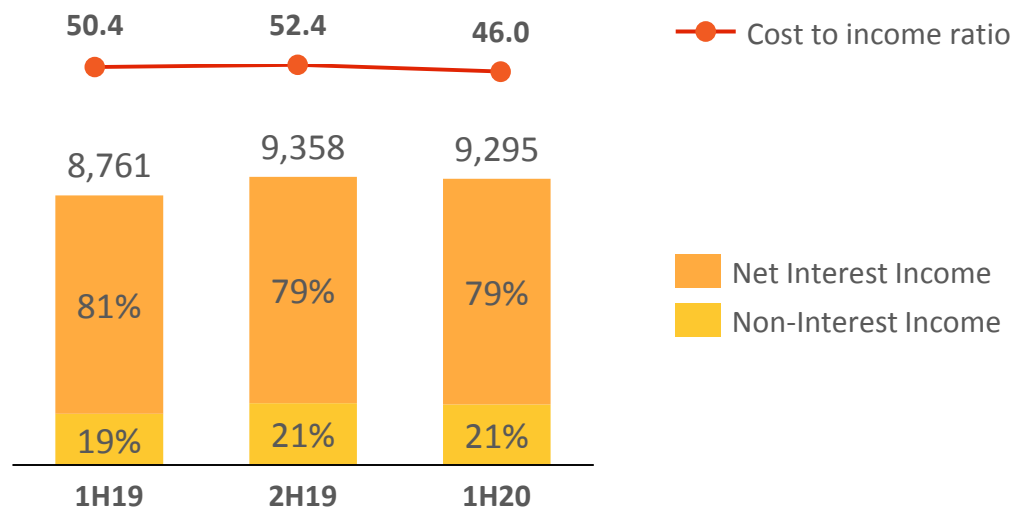
Rp bn	1H19	1H20	YoY	1Q20	QoQ
2W auto loans	24,149	23,365	-3%	25,748	-9%
4W auto loans	27,920	26,684	-4%	27,858	-4%
White goods and others	1,856	338	-82%	1,073	-68%
Total Loans	53,925	50,388	-7%	54,679	-8%

Note: Industry data from AISI and Gaikindo.

Non-Interest Income (Rp bn)



Revenue Composition

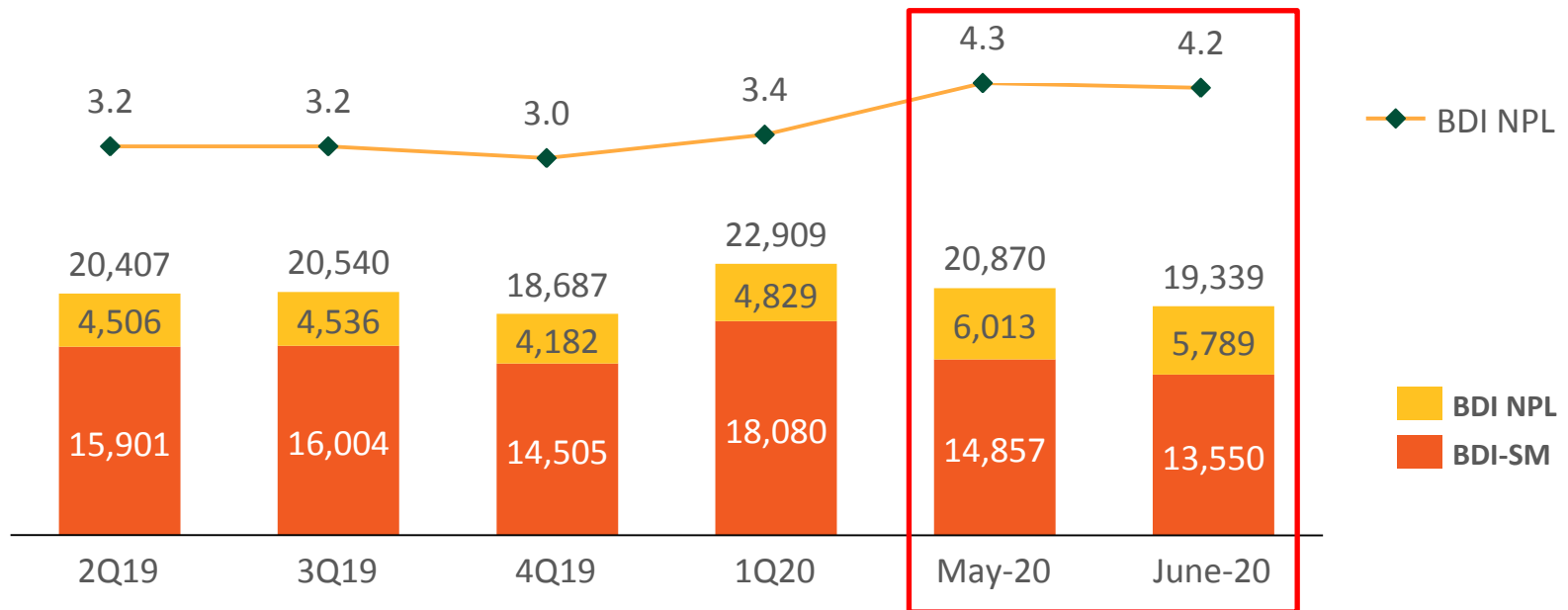


* 1H2019 include fee from general insurance (AI).

Improvement in SM despite pressure in NPL

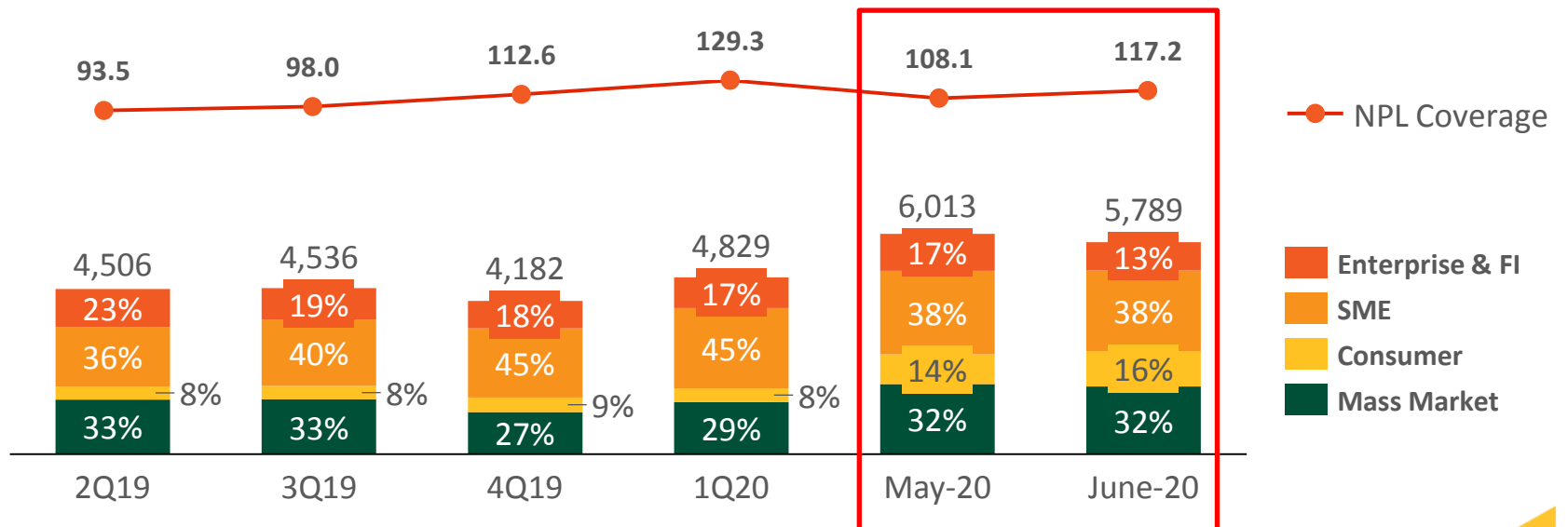
NPL % of Total Loans

NPL and SM amount (Rp bn)



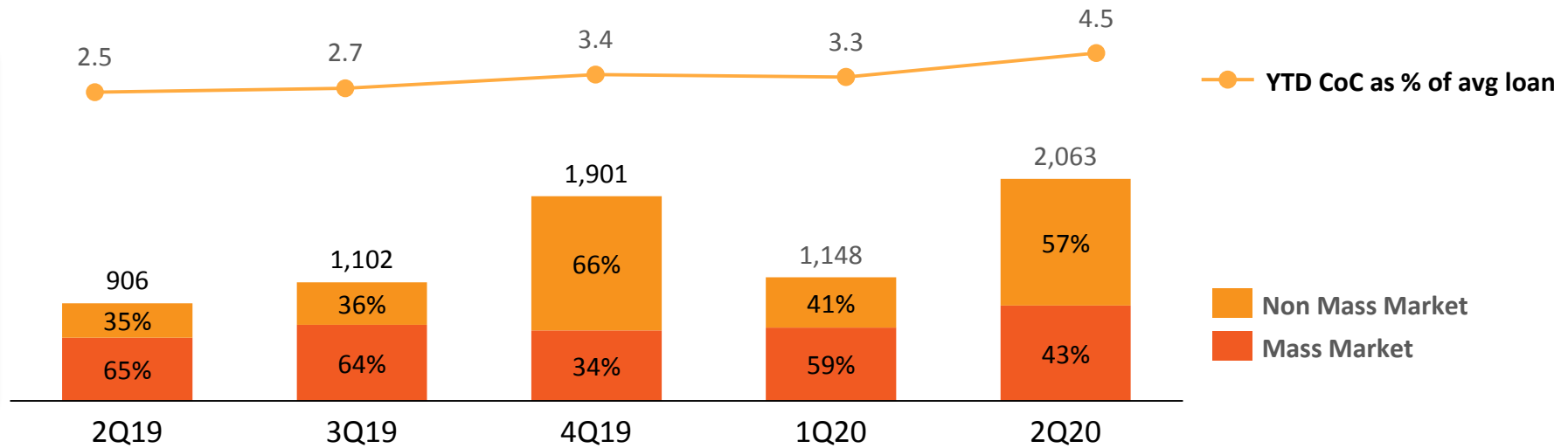
NPL Coverage Ratio (%)

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

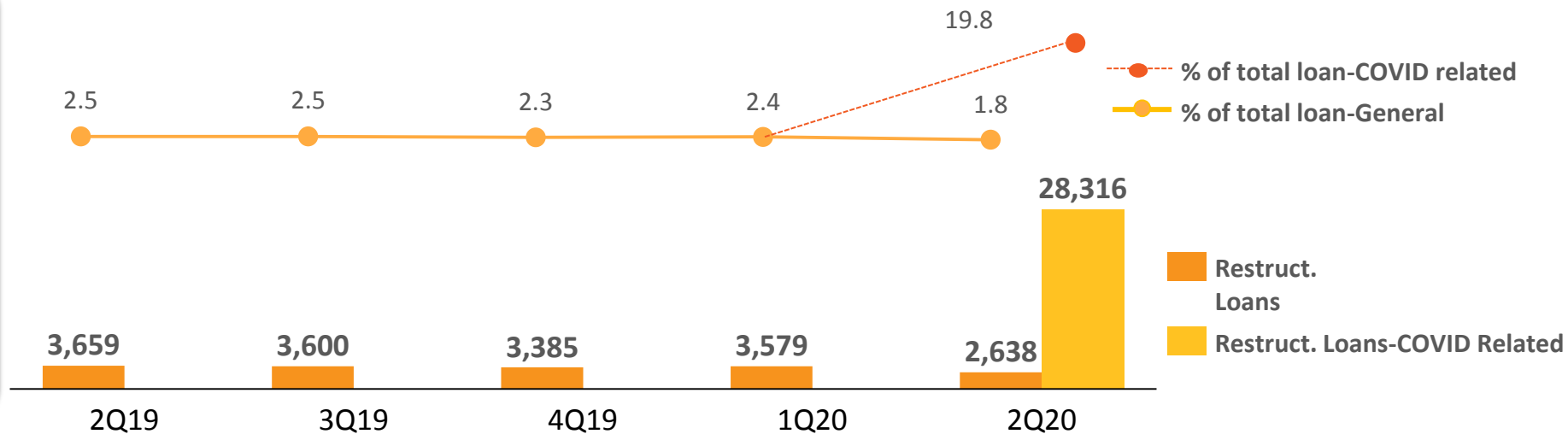


Proactive provisioning during challenging economic environment

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

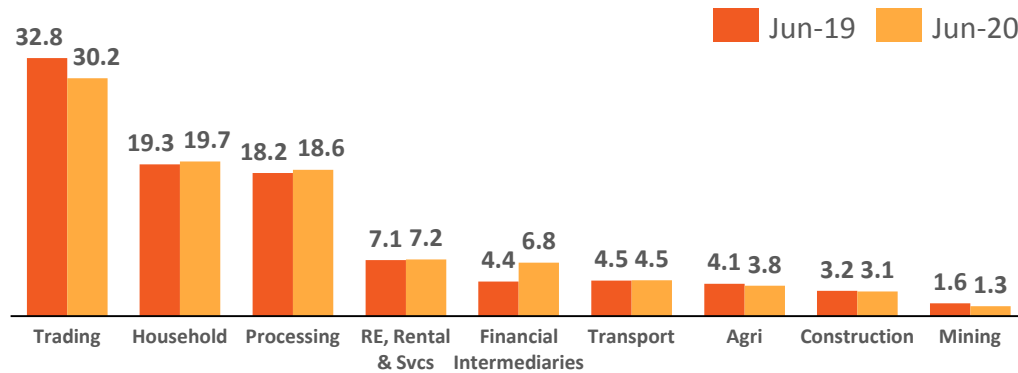


Restructured Loans (% of Total Loans and Rp bn)

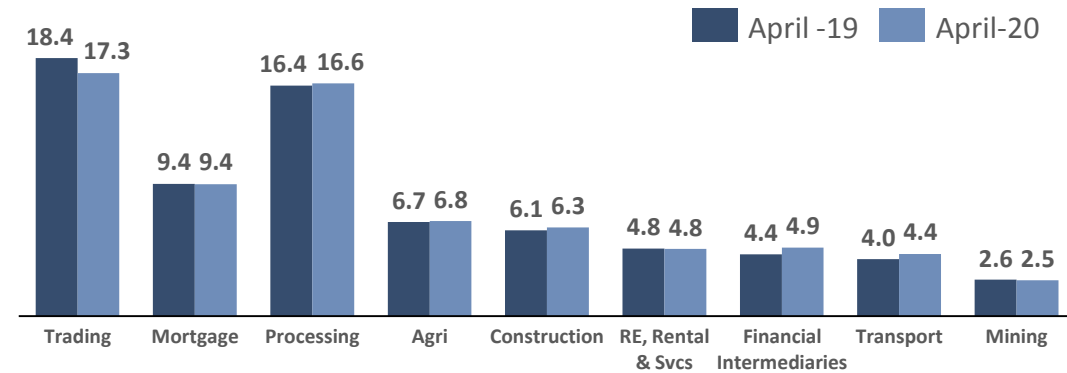


Continuous monitoring of asset quality in key sectors

BDI Loans by Sector (% of total loans)



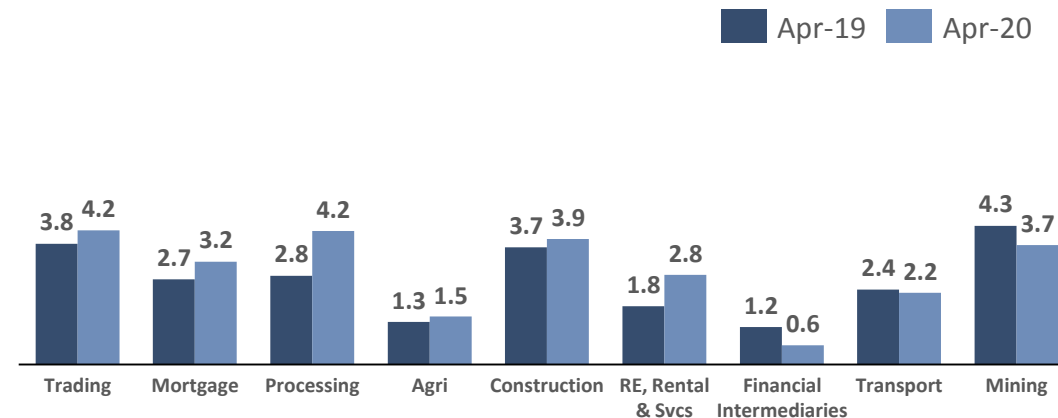
Industry Loans by Sector (% of total loans)



BDI Key Sectors ENR (IDR bn) and NPL (%)

Sectors	ENR		NPL %	
	1H19	1H20	1H19	1H20
Trading	47,056	41,783	4.0	5.6
Household	27,733	27,184	2.6	4.6
Processing	26,185	25,696	2.9	2.7
R.Estate, Rental, Svc	10,189	9,927	2.2	3.5
Financial Intermediaries	6,265	9,336	0.0	0.3
Agriculture	6,442	6,274	1.9	1.9
Transport	5,941	5,311	3.1	7.6
Construction	4,545	4,308	3.8	8.3
Mining	2,262	1,733	11.5	3.4

Industry NPL by Sector (%)



Source : SPI –OJK April 20

THANK YOU

Investor Relations

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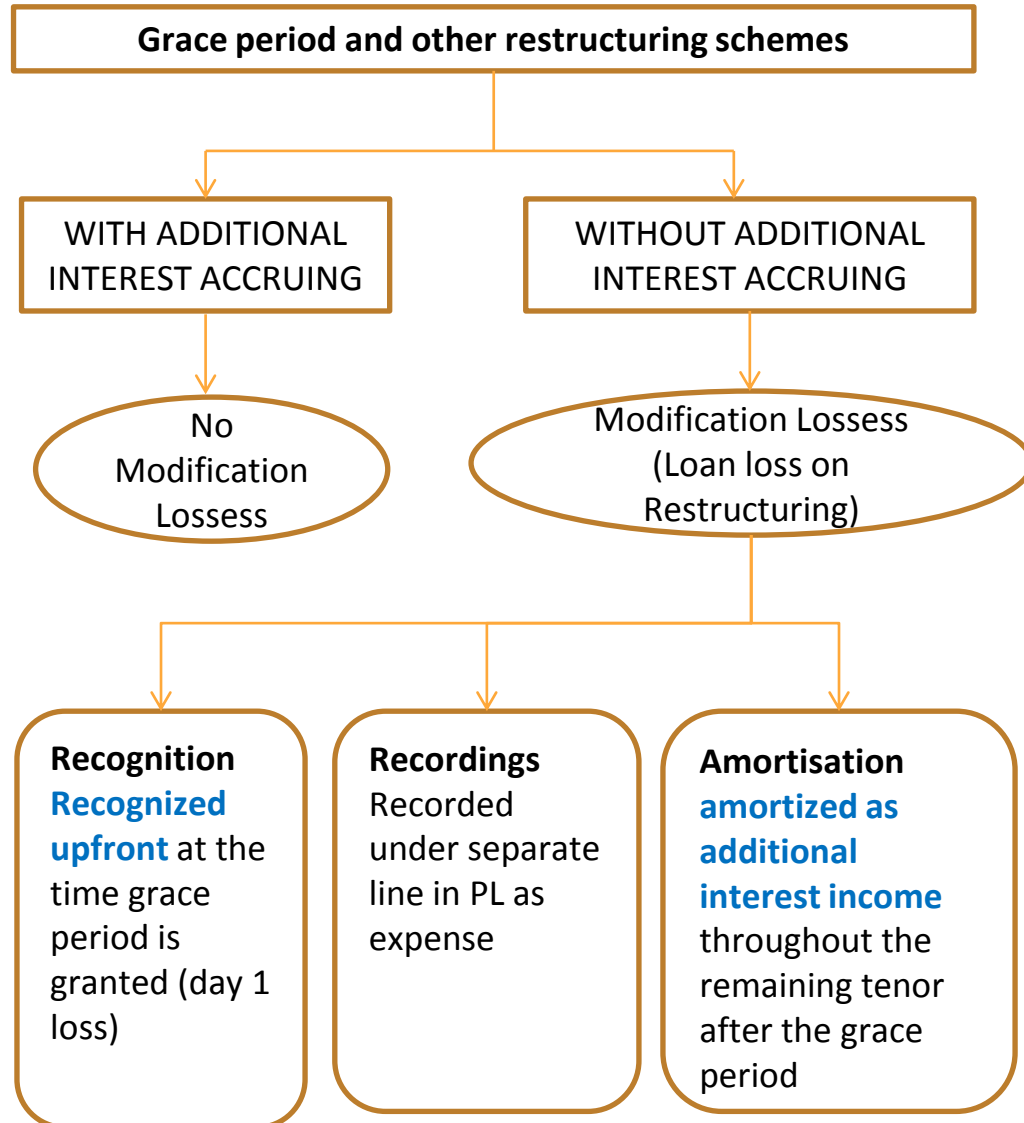
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Loan Loss Restructure- Changes on Contractual Cash Flow



Relevant Factors :

- Impact from restructured loans to the present value of future cash flow resulted to modification loss and staging shift.
- Most of grace period schemes are applied on ADMF's customer.
- There are no interest being waived, and it's continued to be charged, the revised NPV of cash flows will be lower from shifting period.