PT Bank Danamon Indonesia Tbk

Analyst Briefing 9M-2020

Jakarta, 27 October 2020

SAATNYA
PEGANG KENDALI

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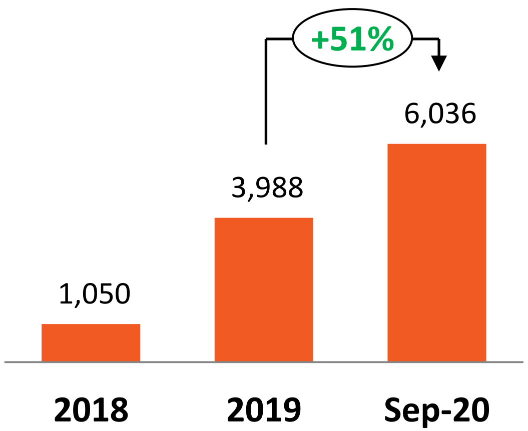
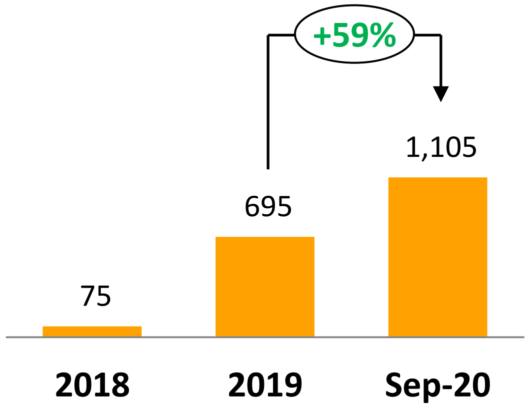
MUFG Collaboration Update

Growing Synergy Loan & CASA Balance (Rp bn)

Synergy Loan



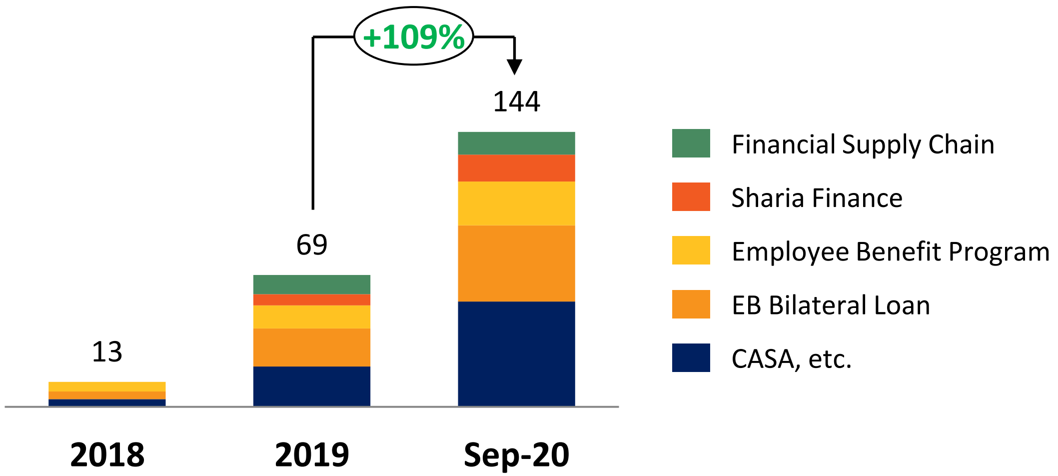
Synergy CASA



Ensuring Long-Term Growth

Digital Partnership	• Grab (Deposit, Credit Cards for Users) • Investree (Loan Channeling)
Joint Branding	• Donation to Online Drivers • Scholarship to Students
Human Capital	• Global Learning Program
Knowledge Sharing	• IT/Ops (Business Process Re-engineering, Robotics Process Automation) • Integrated Risk (Cyber Security risk, etc) • Compliance (Financial Crime, etc)

Realizing Synergy Deals (Accumulated Number of Deals)



Leveraging MUFG's Global Network

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Business Matching Fair

- **Bangkok/online – 27-29 Oct 2020**
- **Jakarta/online – 24-26 Feb 2021**

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Improvement in earnings and assets quality despite cautious outlook in the shorter term

Prudent Loan Selection

- Excluding ADMF and run-off portfolio, total loan grew 8% YoY.
- Further focus growth on blue-chip segment, EB portfolio grew 26% YoY, enhanced by collaboration with MUFG network.

Liquidity and Funding Growth

- CASA grew 13% YoY, CASA ratio stood at 51.5%.
- Granular funding increased by 12% YoY.
- Ample liquidity shown by healthy RIM, LDR, and LCR.

Asset Quality

- NPL ratio improved 90 bps QoQ to 3.2%.
- Loan loss coverage improved 26bps QoQ to 143.1%.
- We will continue to monitor restructured loans performance and provide sufficient coverage.

Profitability

- Treasury and non-credit related fee income grew 109% and 13% YoY, respectively.
- PPOP grew 9% YoY.
- 3Q'20 NPAT improved QoQ to Rp 632 bn.

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9M-2020 Balance Sheet highlights

In Rp billion	9M19	9M20	YoY	1Q20	2Q20	3Q20	QoQ
Total Assets	**195,826**	**196,631**	**0%**	**203,213**	**194,441**	**196,631**	**1%**
Total Loan Portfolio and Trade Finance[1)]	143,557	137,934	-4%	147,028	142,710	137,934	-3%
Total Loan Portfolio and Trade Finance excl. ADMF and Run-Off Portfolio[2)]	84,106	90,576	8%	89,792	90,292	90,576	0%
Government Bonds	13,636	22,832	67%	14,621	20,434	22,832	12%
Total Funding	**137,700**	**139,947**	**2%**	**143,046**	**137,764**	**140,373**	**2%**
CASA	54,196	61,333	13%	59,684	62,166	61,334	-1%
Time deposits	59,420	57,743	-3%	59,995	54,735	57,743	5%
Borrowings and LT. Funding	24,084	20,871	-13%	23,367	20,863	20,871	0%
Equity	**43,440**	**43,531**	**0%**	**42,846**	**42,711**	**43,531**	**2%**

1) *Trade Finance includes marketable securities.*
2) *Run-Off Portfolio : ex-BNP + Micro*

9M-2020 Income Statement

In Rp billion	9M19	9M20	YoY	1Q20	2Q20	3Q20	QoQ
Net Interest Income	**10,714**	**10,806**	**1%**	**3,800**	**3,532**	**3,474**	**-2%**
Non Interest Income	2,565	2,585	1%	1,332	631	622	-1%
Operating Income	**13,279**	**13,391**	**1%**	**5,132**	**4,163**	**4,096**	**-2%**
Operating Expenses	(6,726)	(6,284)	7%	(2,201)	(2,077)	(2,006)	3%
PPOP	**6,550**	**7,107**	**9%**	**2,931**	**2,086**	**2,090**	**0%**
Cost of Credit	(2,818)	(4,166)	-48%	(1,148)	(2,063)	(955)	54%
Loss on Restructuring[1)]	-	(567)	-100%	-	(402)	(165)	59%
Operating Profit	**3,732**	**2,374**	**-36%**	**1,783**	**(379)**	**970**	**356%**
NPAT	**2,597**	**1,477**	**-43%**	**1,245**	**(400)**	**632**	**258%**

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

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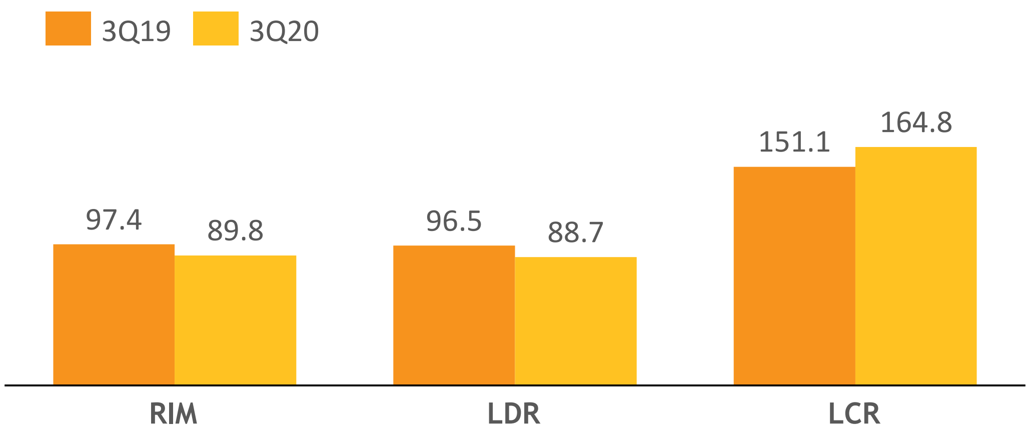
9M-2020 Key Financial Ratios

In %	9M19	9M20	YoY	1Q20	2Q20	3Q20	QoQ
NIM	8.2	7.9	(0.3)	8.4	7.9	7.6	(0.3)
CoC	2.7	4.0	1.3	3.3	5.8	2.8	3.0
Risk-adjusted NIM	5.5	4.0	(1.5)	5.1	2.1	4.7	2.7
Cost to Income	50.7	46.9	(3.8)	42.9	49.9	49.0	0.9
CASA Ratio	47.7	51.5	3.8	49.9	53.2	51.5	-1.7
RIM	97.4	89.8	(7.6)	95.9	95.1	89.8	(5.3)
NPL Gross	3.2	3.2	-	3.4	4.2	3.2	0.9
Loan Loss Coverage (LLC)	98.0	142.2	44.2	129.3	117.2	142.2	25.0
Loan at Risk[1)] Coverage	20.3	28.8	8.5	27.2	34.7	28.8	-5.9
ROAA	1.8	1.0	(0.8)	2.5	(0.8)	1.3	2.1
ROAE[2)]	9.6	5.2	(4.4)	13.0	(4.2)	6.6	10.9
CAR – Consolidated	22.5	24.9	2.4	22.1	23.4	24.9	1.5

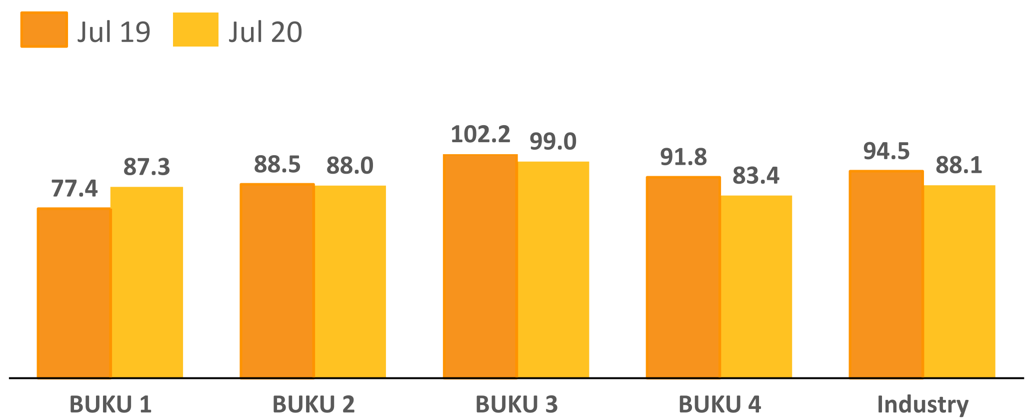
1) *NPL + SM + Restructured Loan Coll. 1*
2) *Following new OJK regulation in July20, ROAEs are calculated per tier-1 capital.*

Ample liquidity supported by growth on CASA and TD regular

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

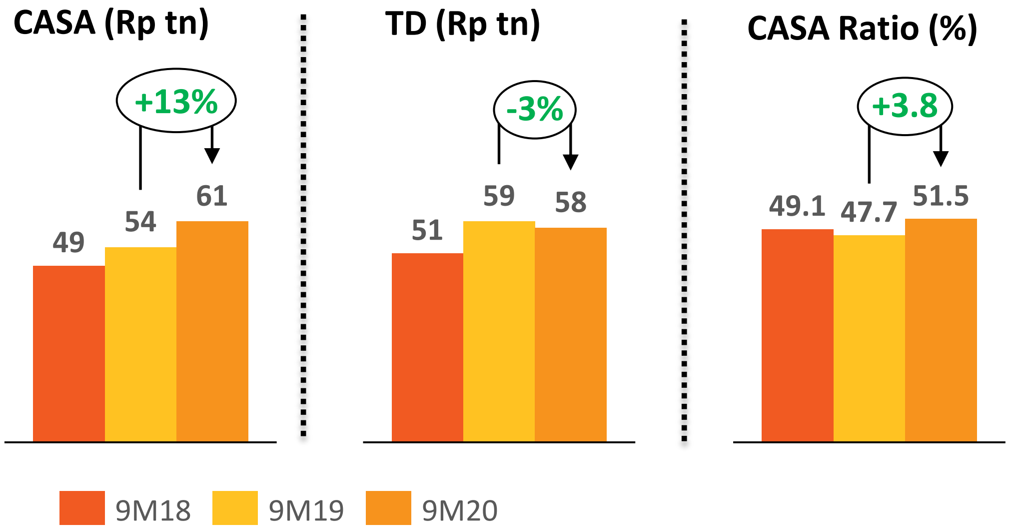


LDR (%) by BUKU

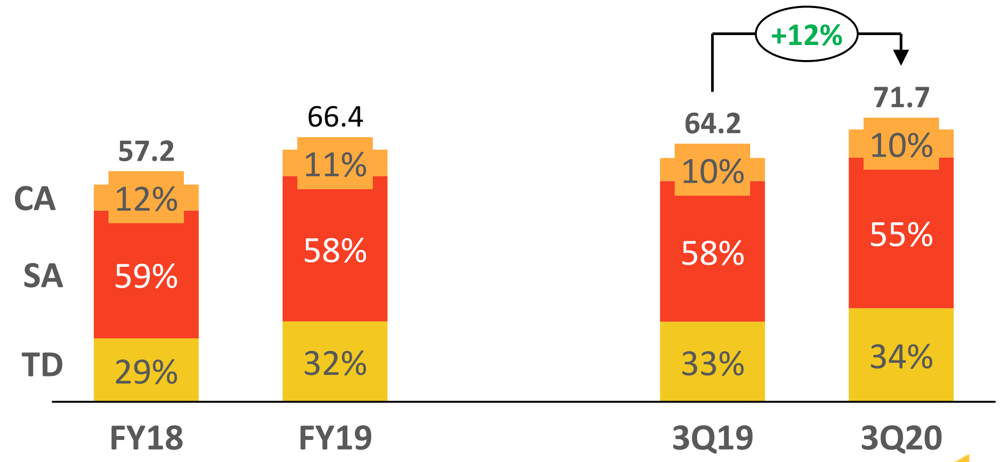


Source: SPI OJK July 20

CASA , TD, & CASA Ratio – Improved CASA Ratio



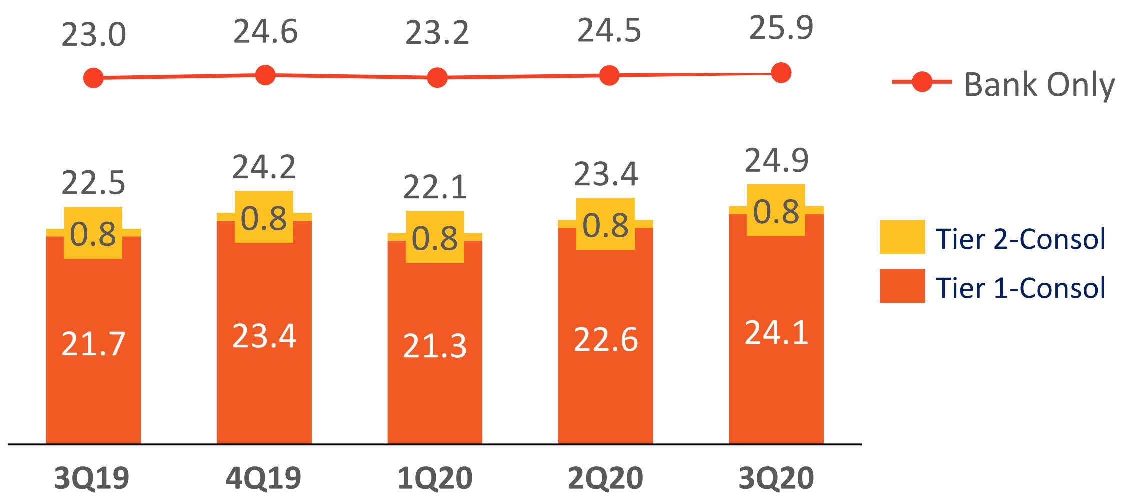
Strong Focus on Granular Funding* (Rp tn)



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

Robust capital structure

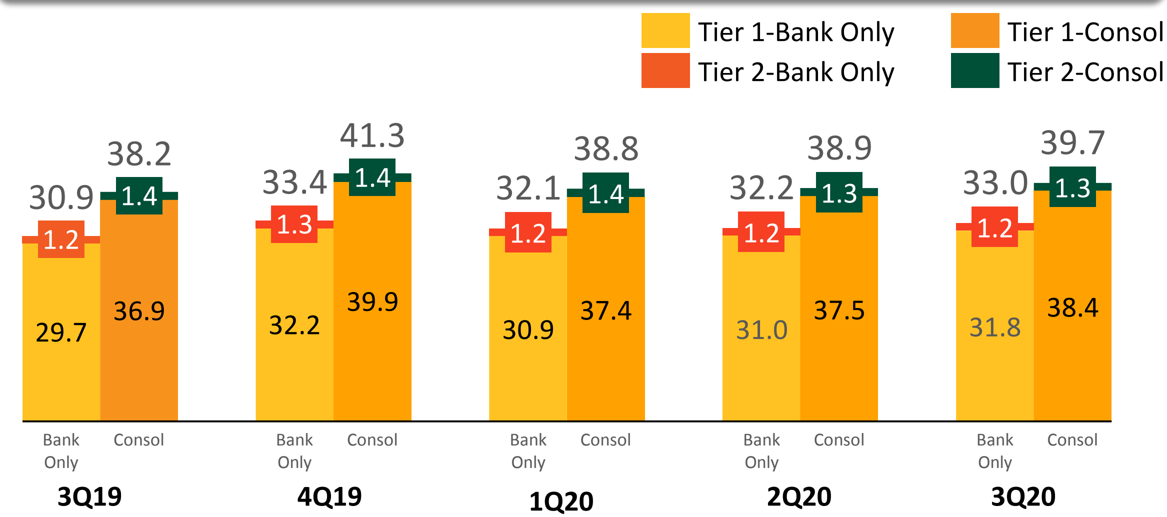
Capital Adequacy Ratio (%)



Market and Operational Risk Charges (%)

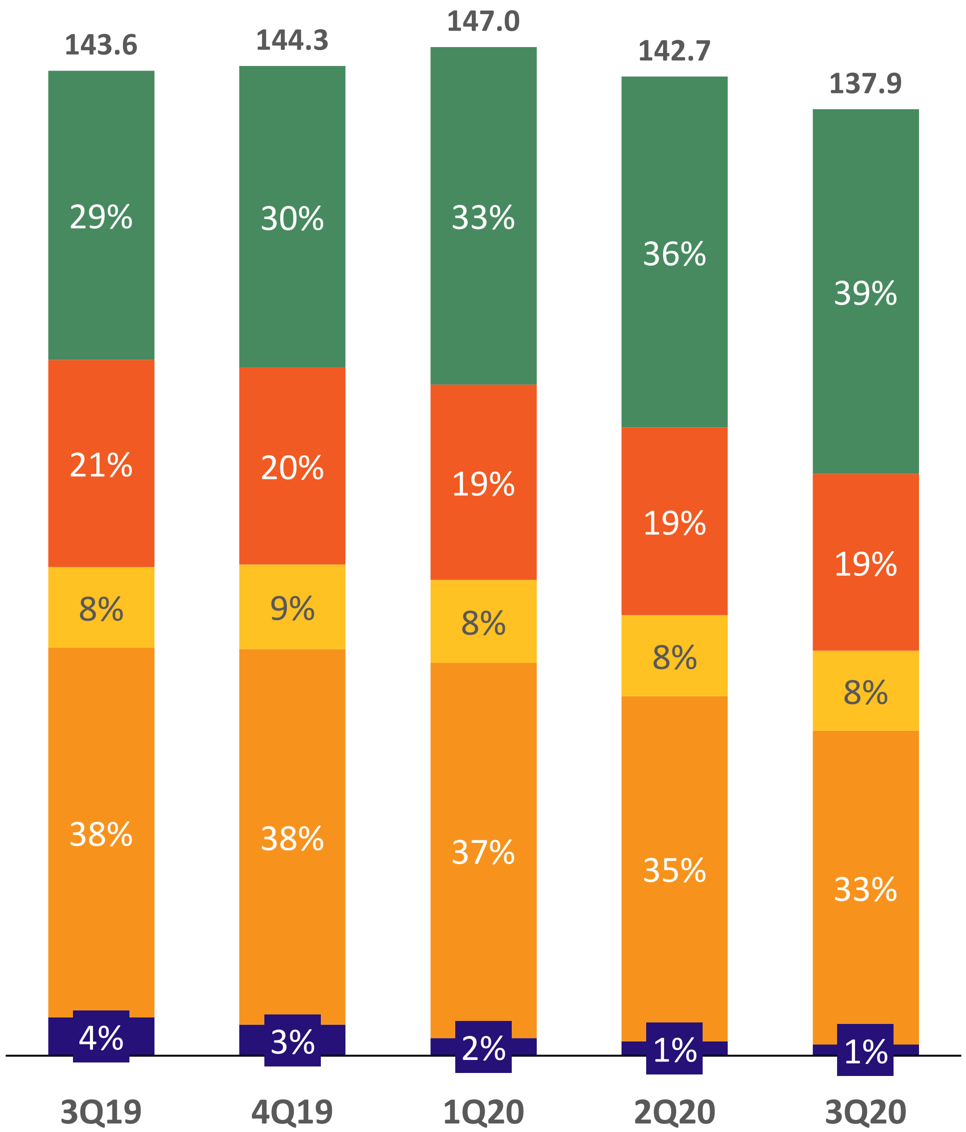
%	3Q19	4Q19	1Q20	2Q20	3Q20
CAR w/ Credit Risk	28.4	30.5	27.6	29.8	31.9
Market Risk Charge	-0.1	-0.2	-0.1	-0.2	-0.1
Operational Risk Charge	-5.8	-6.1	-5.4	-6.2	-6.9
CAR Consolidated	22.5	24.2	22.1	23.4	24.9

Tier 1 and Tier 2 Consolidated Capital



Further expansion on EB segment supported by MUFG Collaborations

Composition of Loan Portfolio & Trade Finance[1] (Rp tn)



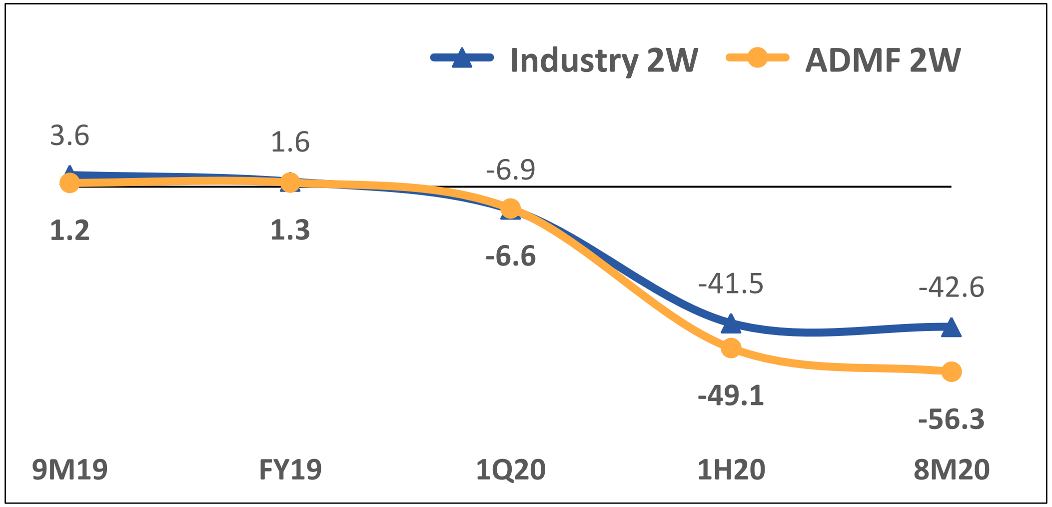
Growth of Loan Portfolio & Trade Finance[1] (Rp bn)

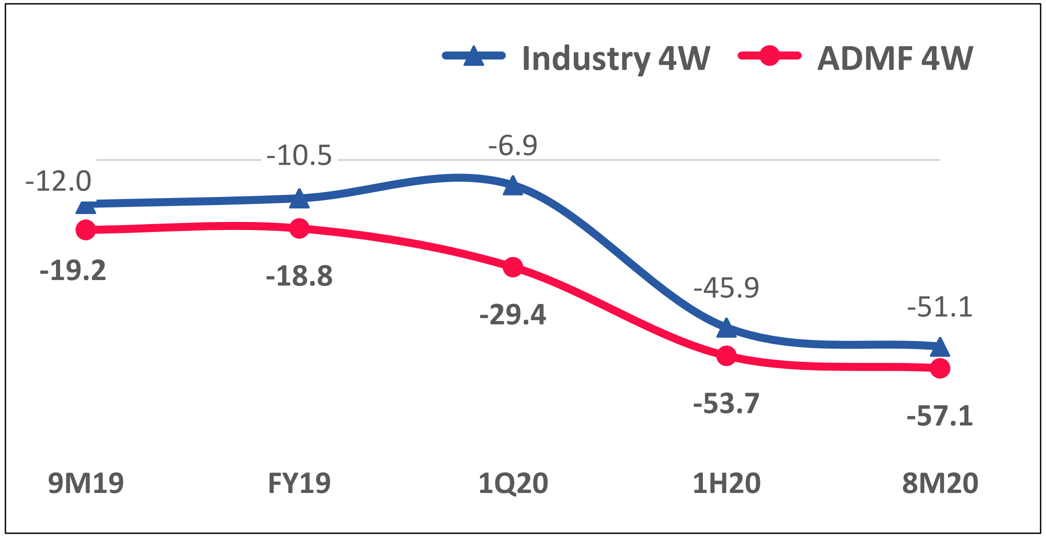
Rp bn	3Q19	3Q20	YoY	QoQ
Enterprise[2] & FI	42,137	53,141	**26%**	**4%**
SME	30,200	25,780	**-15%**	**-6%**
Consumer	11,769	11,655	**-1%**	**-1%**
Mortgage	9,023	8,964	-1%	-1%
Others[3]	2,746	2,692	-2%	-3%
Adira Finance	53,865	45,738	**-15%**	**-9%**
Total excl run-off portfolio[4]	**137,971**	**136,314**	**-1%**	**-3%**
Run-off portfolio[4]	5,585	1,620	-71%	-22%
Total	**143,556**	**137,934**	**-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*

ADMF: Early demand recovery trend, although still far below Pre-Covid level

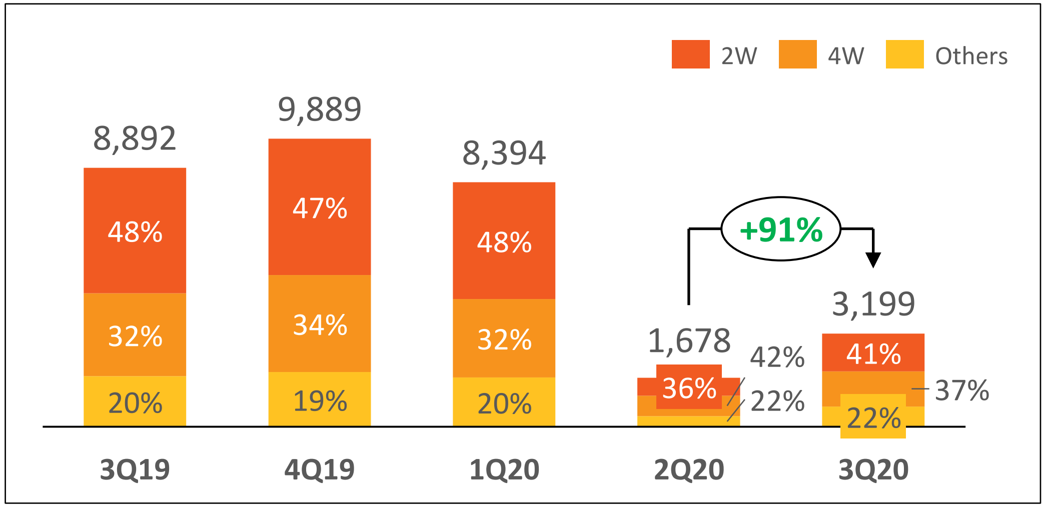
ADMF units New Financing vs. Industry (% YoY growth based on cumulative YTD)





Note: Industry data from AISI and Gaikindo.

ADMF New Financing amount (in Rp bn)

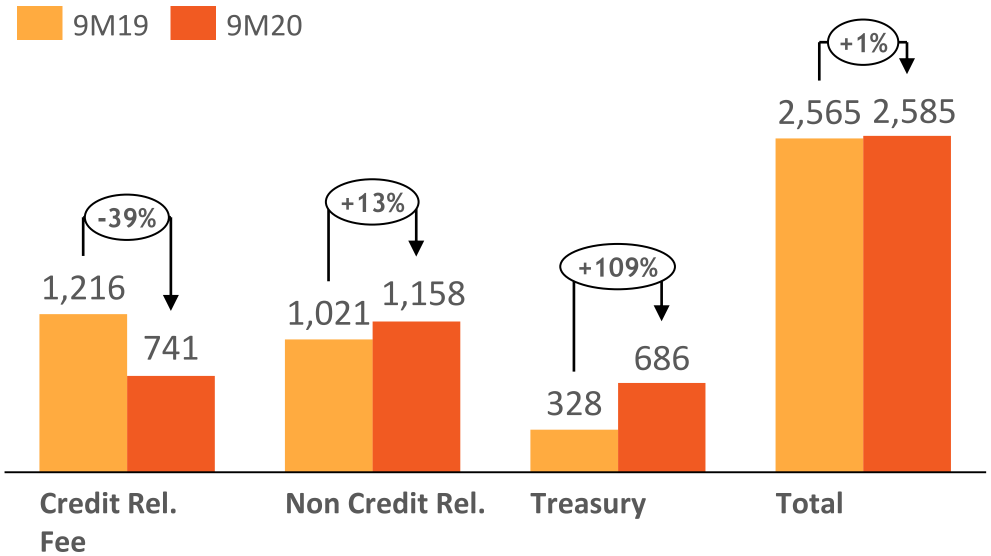


ADMF Outstanding Loans

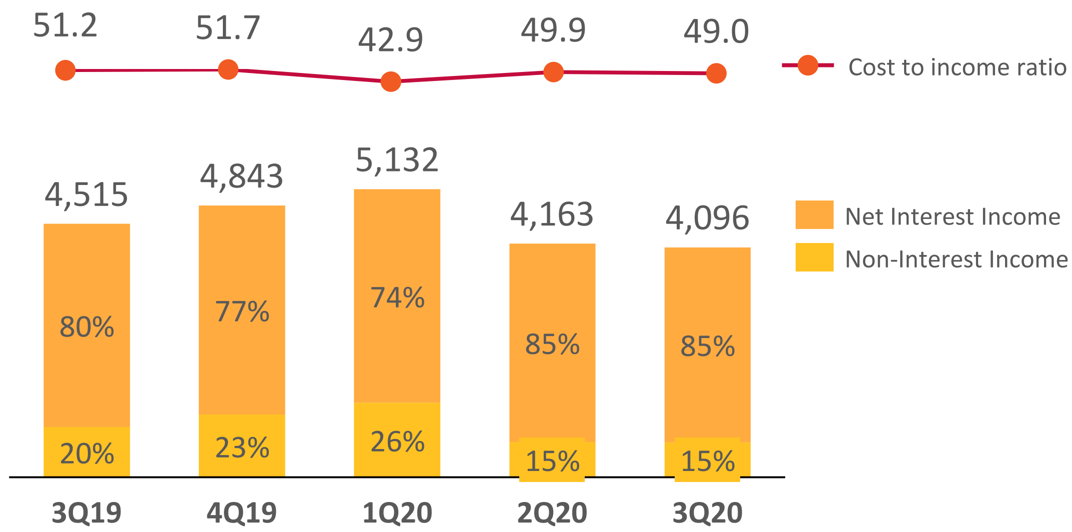
Rp bn	9M19	9M20	YoY	1H19	QoQ
2W auto loans	24,405	20,472	-16%	23,365	-12%
4W auto loans	27,735	25,008	-10%	26,684	-6%
White goods and others	1,725	258	-85%	338	-24%
Total Loans	**53,865**	**45,738**	**-15%**	**50,387**	**-9%**

Strong growth on Treasury and Bancassurance

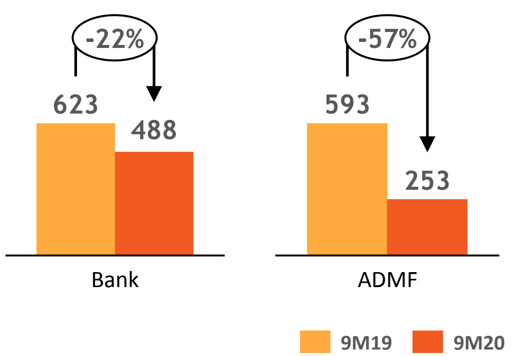
Non-Interest Income (Rp bn)



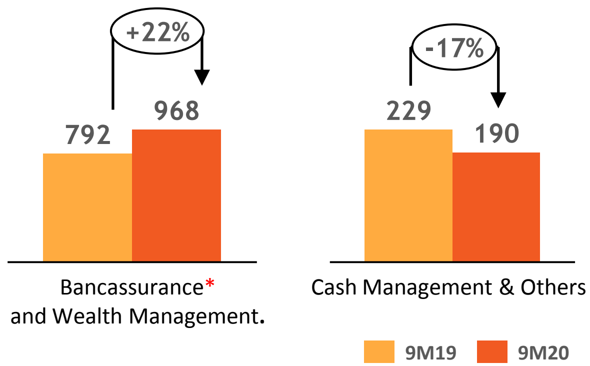
Revenue Composition



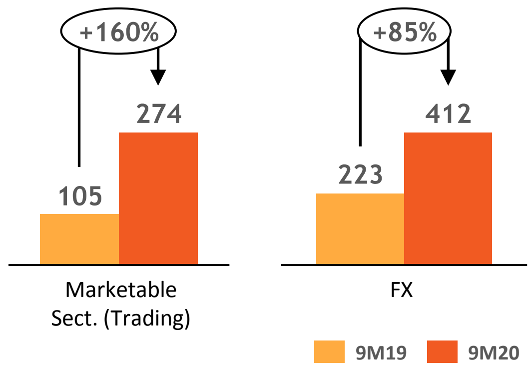
Credit Related Fee



Non- Credit Related Fee



Treasury Non Int Income

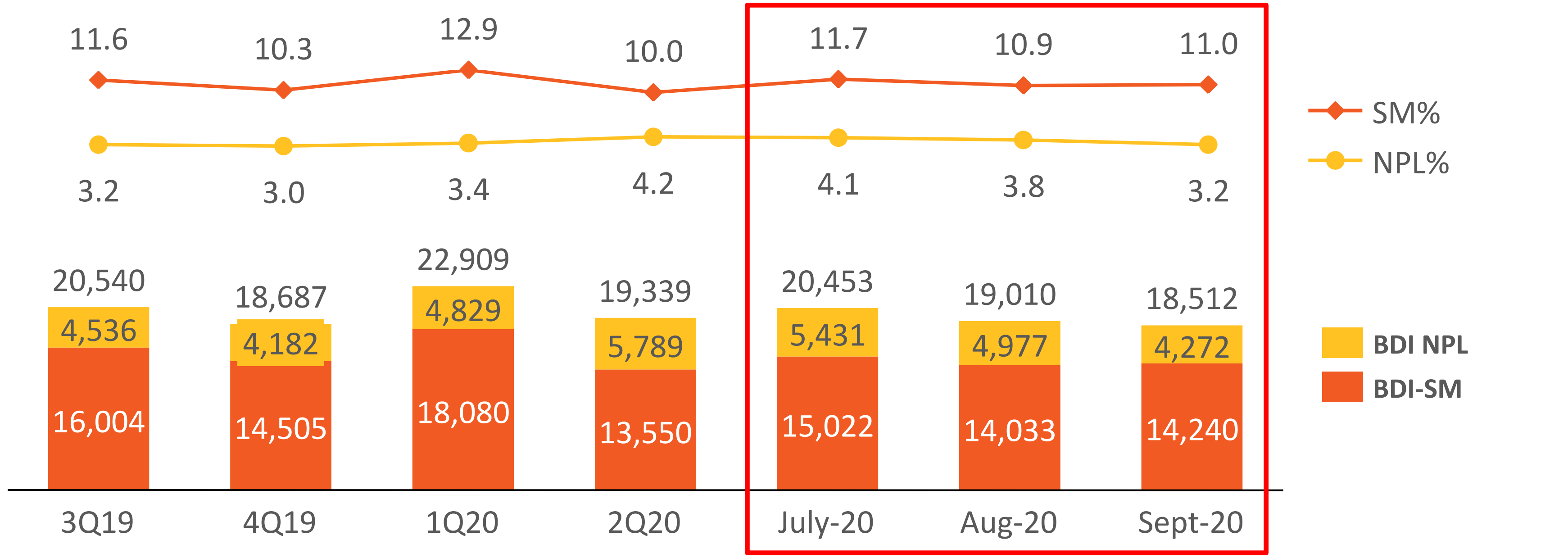


* 3Q19 include fee from general insurance (AI).

Improving trend on NPL and NPL coverage

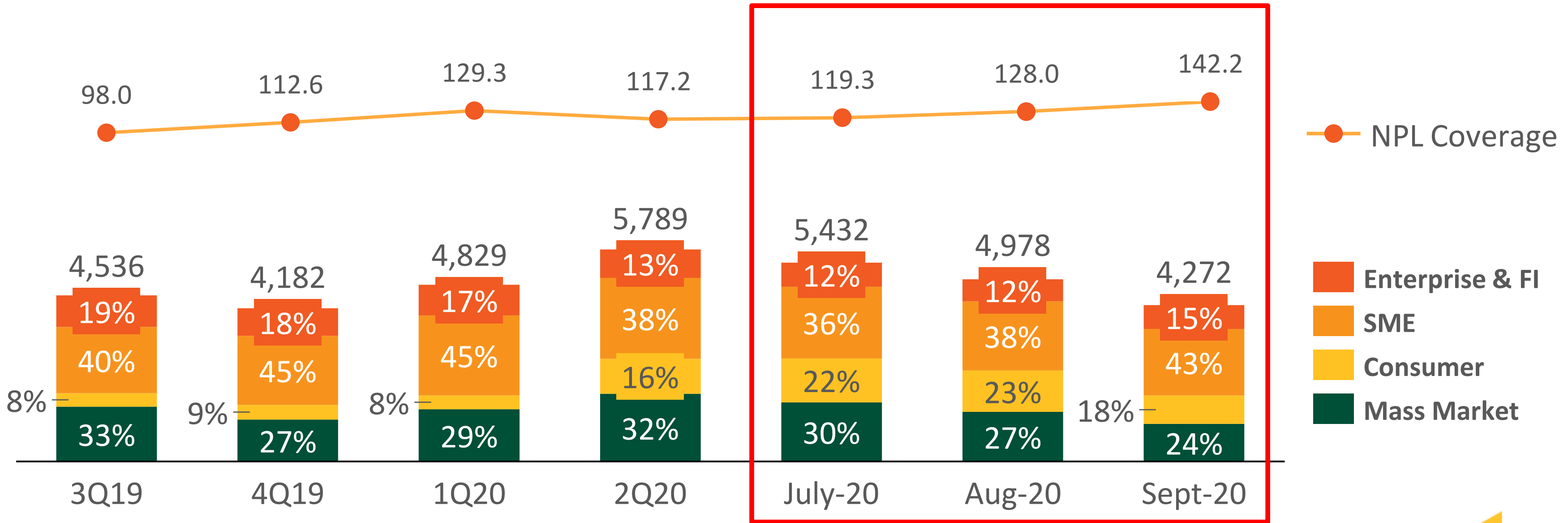
NPL and SM % of Total Loans

NPL and SM amount (Rp bn)



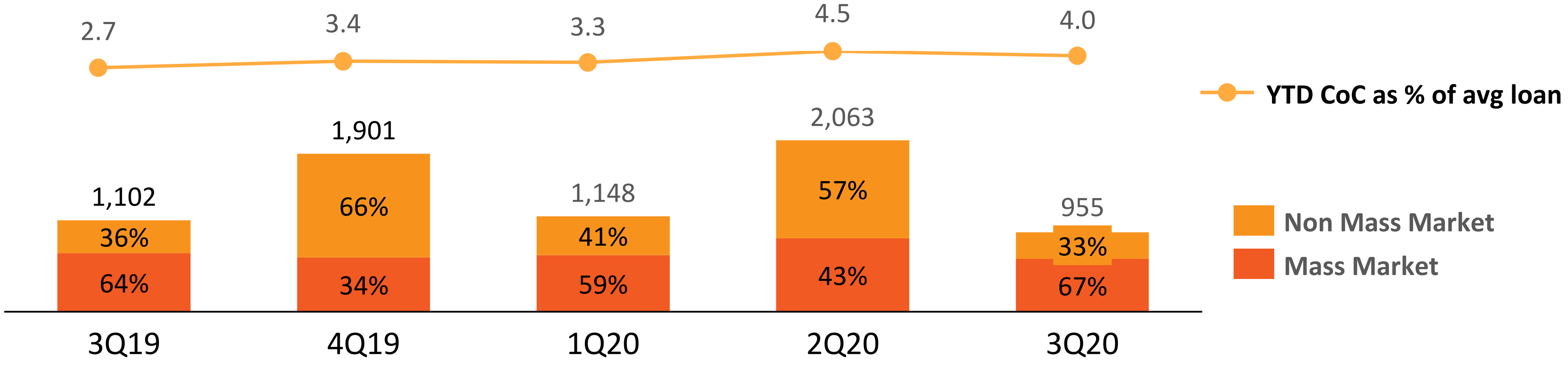
NPL Coverage Ratio (%)

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



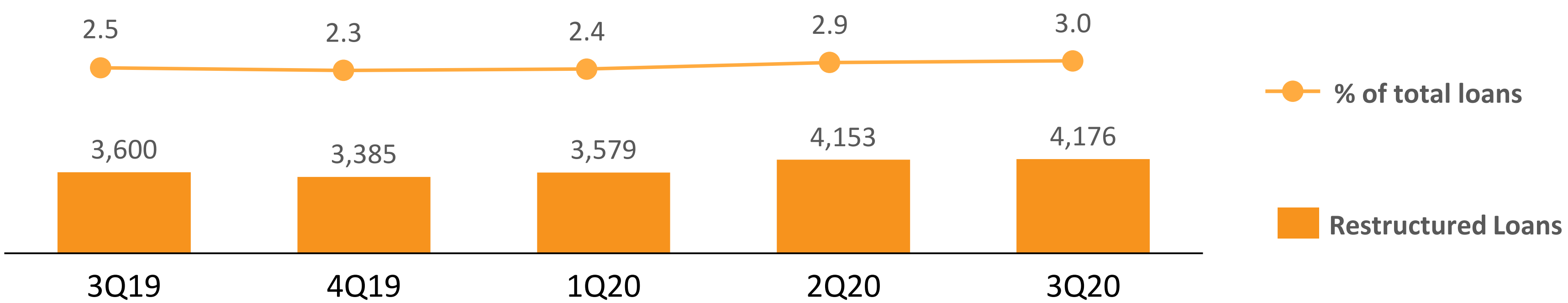
Sufficient provisioning and stable restructured loans

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

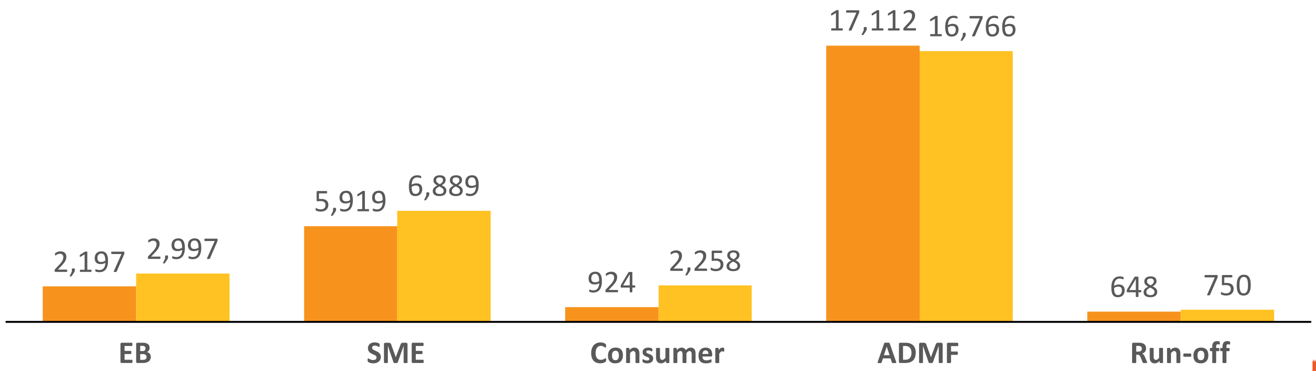


Restructured Loans (% of Total Loans and Rp bn)

Restructured Loans - General



Restructured Loans – COVID Related



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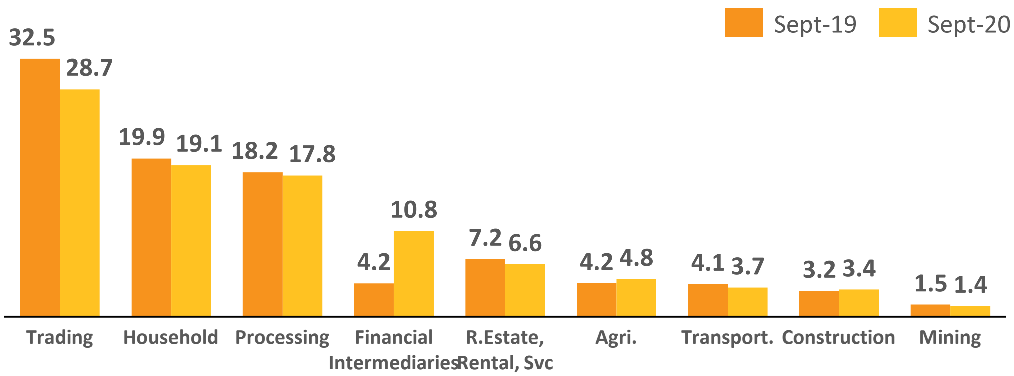
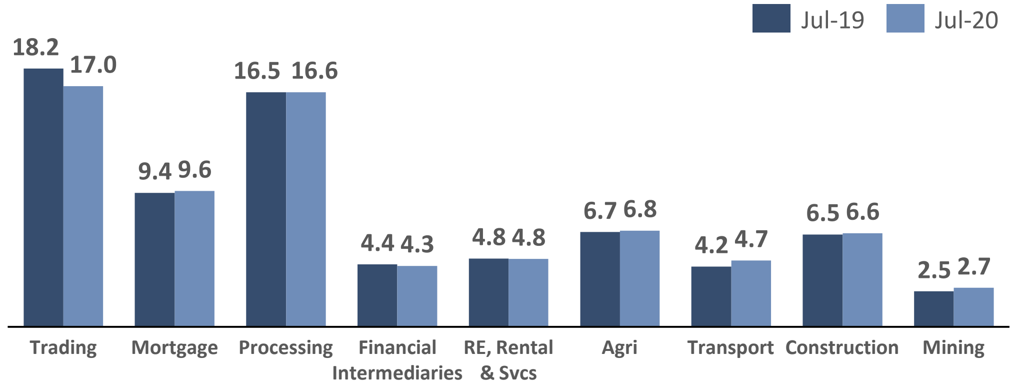
Continuous monitoring of asset quality in key sectors

BDI Loans by Sector (% of total loans)



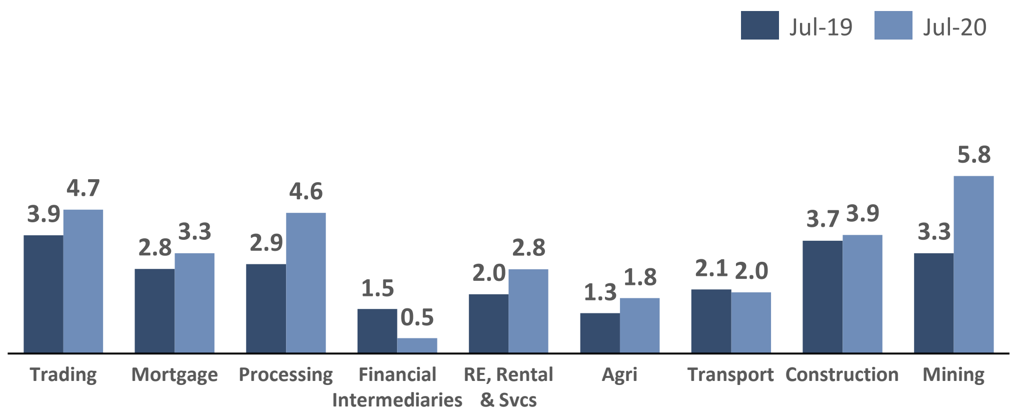
Industry Loans by Sector (% of total loans)



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

Sectors	ENR		NPL %	
	3Q19	3Q20	3Q19	3Q20
Trading	43,650	37,144	4.5%	4.9%
Household	27,295	25,002	2.5%	3.8%
Processing	24,732	23,728	3.4%	2.1%
Financial Intermediaries	5,890	14,653	0.1%	0.1%
R.Estate, Rental, Svc	9,952	8,780	2.1%	2.4%
Agri.	5,798	6,362	1.9%	1.6%
Transport.	5,597	4,745	3.3%	4.5%
Construction	4,343	4,399	4.4%	5.5%
Mining	2,135	1,835	0.7%	0.6%

Industry NPL by Sector (%)



Source : SPI OJK Jul-20

THANK YOU

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