



# PT Bank Danamon Indonesia Tbk

## Analyst Briefing FY-2020

Jakarta, 18 February 2021

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**FY20 Reflection & MUFG Collaboration Update**

**FY20 Financial Highlights**

# FY20 Reflection: Balancing strategy execution and adapting to the New Normal

While Danamon continued to execute its long-term strategies, our key priority during the year was to ensure the Bank's operational resilience due to the COVID 19 pandemic.

## Business & Customer Expansion

### Prudent lending Expansion across ecosystem



**25% EB growth, offset demand slowdown.**

**200% NPL coverage ratio.**



### Robust CASA Growth Through Institutional Approach

**18% CASA growth.**

**12% Granular Funding growth.**



### Enhance Fee Income with Unique Value Proposition

**128% increase in Treasury income.**

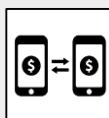
**Bancassurance partnership renewal.**

## Foundation Building & Collaboration



### Develop Human Capital

**Strengthened talent development programs for all levels.**



### IT, Digital & Process Improvement

**92% increase in TD via Mobile.**

**90% of transaction via digital.**



### Build a Strong Brand Identity

**Danamon Optimal Campaign.**  
**Financial Friday Webinars.**  
**Drive-in concert sponsorship.**



### MUFG Collaborations

**132% growth in synergy deals.**  
**71% growth in synergy loans.**  
**307% growth in synergy CASA.**

## Operational Resilience & Adapting to New Normal

### COVID 19 Restructuring



**862 K debtors processed.**

**41% restructured loans back to normal.**



### Robust Health & Safety Protocol

**Daily contact tracing, strict protocol and robust tests.**



### Reliable Business & Presence

**99% of branches already open for business.**



### Adaptive Way of Working

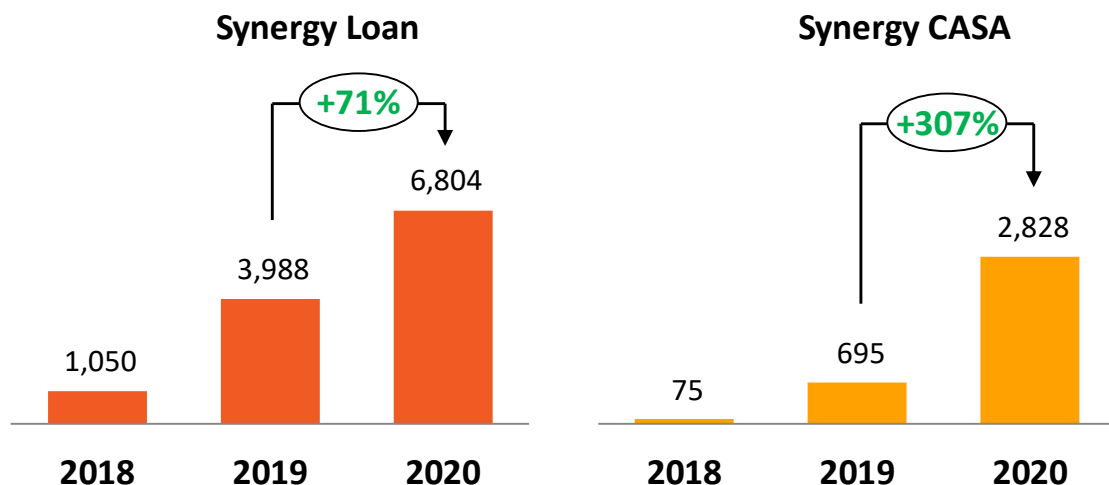
**>25 split ops and >50% WFH.**



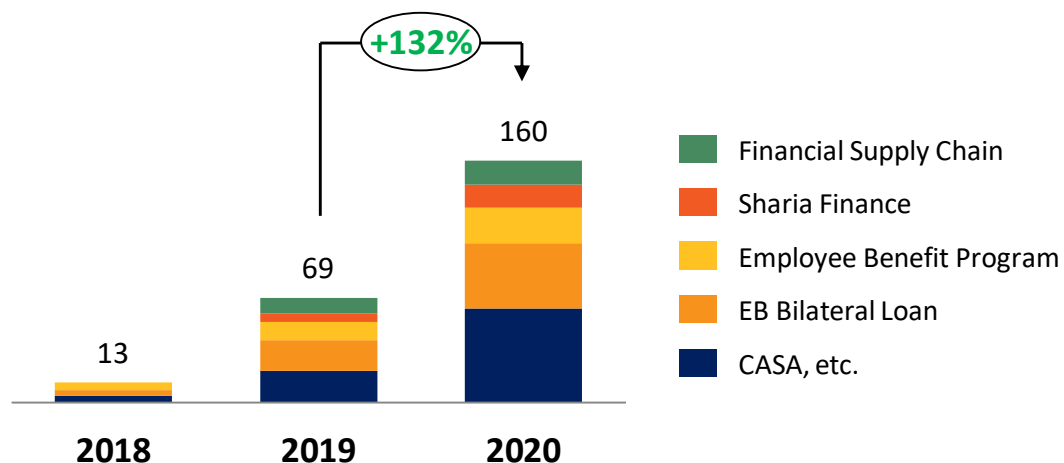
### Consistent Community Support

**Active partnerships and donations to the community.**

## Growing Synergy Loan & CASA Balance (Rp bn)



## Realizing Synergy Deals (Accumulated Number of Deals)



## Key Synergy Deals in 2020

Collaborative business leveraging MUFG's global network

### Dealer Finance



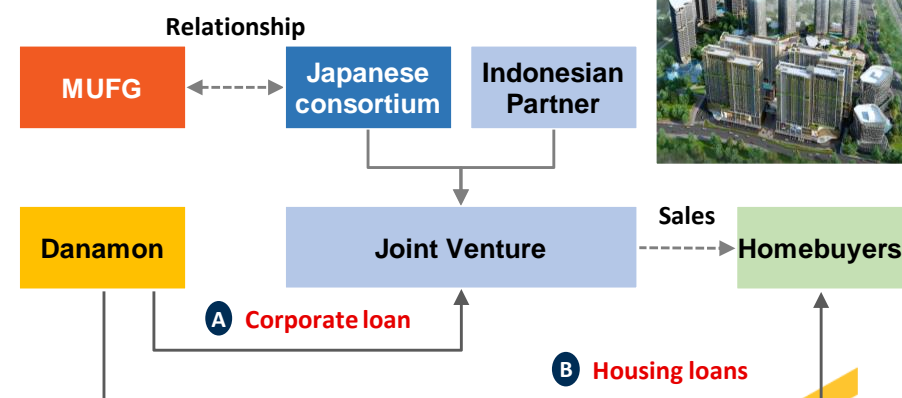
Provided financial services to auto dealers in order to support vehicle sales

### Real Estate Value Chain



Provided end-to-end support from the financing of a mixed-use urban development project to housing loans for the residence buyers

### <Business Scheme>



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FY20 Reflection & MUFG Collaboration Update



FY20 Financial Highlights

# Strong foundation for FY21 through CASA growth, healthy asset quality and record high coverage ratio

## Prudent Loan Selection

- Excluding ADMF and run-off portfolio, total loan grew 6% YoY.
- EB portfolio grew 25% YoY, supported by collaboration with MUFG network.
- ADMF loan disbursement grew 67% QoQ.

## Liquidity and Funding Growth

- CASA grew 18% YoY, CASA ratio stood at 52.3%.
- Granular funding increased by 12% YoY.
- Ample liquidity shown by healthy RIM, LDR, and LCR.

## Asset Quality

- NPL ratio improved 20 bps YoY to 2.8%.
- Loan loss coverage reached record high at 200%
- Covid restructured loans stabilized at Rp 29.3tn, of which 41% are already entering normal payment.

## Profitability

- PPOP improved 14% QoQ.
- CIR improved 290 bps YoY at 48.5%.
- Treasury income doubling up from last year.

In Rp billion	2019	2020	YoY	1Q20	2Q20	3Q20	4Q20	QoQ
<b>Total Assets</b>	<b>193,534</b>	<b>200,890</b>	<b>4%</b>	<b>203,213</b>	<b>194,441</b>	<b>196,631</b>	<b>200,890</b>	<b>2%</b>
Total Loan Portfolio and Trade Finance <sup>1)</sup>	144,253	135,786	-6%	147,028	142,710	137,934	135,786	-2%
Total Loan Portfolio and Trade Finance excl. ADMF and Run-Off Portfolio <sup>2)</sup>	85,008	90,462	6%	89,792	90,292	90,576	90,462	0%
Government Bonds	14,227	25,535	79%	14,621	20,434	22,832	25,535	12%
<b>Total Funding</b>	<b>136,140</b>	<b>143,555</b>	<b>5%</b>	<b>143,046</b>	<b>137,764</b>	<b>139,947</b>	<b>143,555</b>	<b>3%</b>
CASA	55,829	65,999	18%	59,684	62,166	61,334	65,999	8%
Time deposits	56,465	60,212	7%	59,995	54,735	57,743	60,212	4%
Borrowings and LT. Funding	23,846	17,344	-27%	23,367	20,863	20,871	17,344	-17%
<b>Equity</b>	<b>44,937</b>	<b>43,108</b>	<b>-4%</b>	<b>42,846</b>	<b>42,711</b>	<b>43,531</b>	<b>43,108</b>	<b>-1%</b>

1) Trade Finance includes marketable securities.

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

In Rp billion	FY19	FY20	YoY	1Q20	2Q20	3Q20	4Q20	QoQ
<b>Net Interest Income<sup>1)</sup></b>	<b>14,440</b>	<b>13,645</b>	<b>-6%</b>	<b>3,800</b>	<b>3,130</b>	<b>3,309</b>	<b>3,406</b>	<b>3%</b>
Non Interest Income	3,679	3,322	-10%	1,332	631	622	737	18%
<b>Operating Income</b>	<b>18,119</b>	<b>16,967</b>	<b>-6%</b>	<b>5,132</b>	<b>3,761</b>	<b>3,931</b>	<b>4,143</b>	<b>5%</b>
Operating Expenses	-9,319	-8,237	12%	-2,201	-2,077	-2,006	-1,953	3%
<b>PPOP</b>	<b>8,800</b>	<b>8,730</b>	<b>-1%</b>	<b>2,931</b>	<b>1,684</b>	<b>1,925</b>	<b>2,190</b>	<b>14%</b>
Cost of Credit	-4,719	-6,523	-38%	-1,148	-2,063	-955	-2,357	-147%
<b>Operating Profit</b>	<b>4,081</b>	<b>2,207</b>	<b>-46%</b>	<b>1,784</b>	<b>-379</b>	<b>970</b>	<b>-168</b>	<b>-117%</b>
<b>NPAT</b>	<b>4,073</b>	<b>1,008</b>	<b>-75%</b>	<b>1,245</b>	<b>-400</b>	<b>632</b>	<b>-469</b>	<b>-174%</b>

1) Netted-off with loss on restructuring.



In %	FY19	FY20	YoY	1Q20	2Q20	3Q20	4Q20	QoQ
NIM <sup>1)</sup>	8.3	7.4	-0.9	8.4	6.9	7.1	7.2	0.1
CoC	3.4	4.7	1.3	3.3	5.8	2.8	7.1	4.3
Risk-adjusted NIM	4.9	2.7	-2.2	5.1	2.1	4.3	0.1	-4.2
Cost to Income <sup>1)</sup>	51.4	48.5	-2.9	42.9	49.9	51.0	47.1	-3.9
CASA Ratio	49.7	52.3	2.6	49.9	53.2	51.5	52.3	0.8
RIM	99.7	85.0	-14.7	95.9	95.1	89.8	85.0	-4.8
NPL Gross	3.0	2.8	-0.2	3.4	4.1	3.2	2.8	-0.4
Loan Loss Coverage (LLC)	112.6	199.9	87.3	129.3	117.2	142.2	199.9	57.7
Loan at Risk <sup>2)</sup> Coverage	23.7	38.6	14.9	27.2	34.7	28.8	38.6	9.8
ROAA	2.1	0.5	-1.6	2.5	-0.8	1.3	-0.9	-2.2
ROAE <sup>3)</sup>	11.1	2.6	-8.5	13.0	-0.8	6.6	-4.9	-11.5
CAR – Consolidated	24.2	25.0	0.8	22.1	23.4	24.9	25.0	0.1

1) Incorporated impact from netting-off loss on restructuring to interest income.

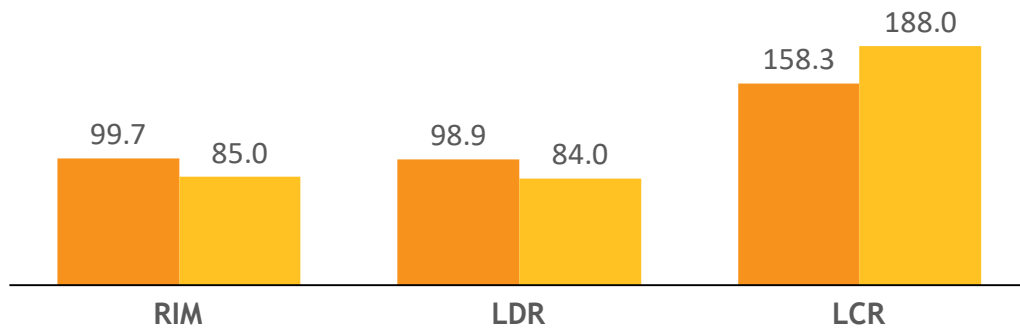
2) NPL + SM + Restructured Loan Coll. 1

3) Following new OJK regulation in July20, ROAEs are calculated per tier-1 capital.

# Ample liquidity supported by double digit CASA growth

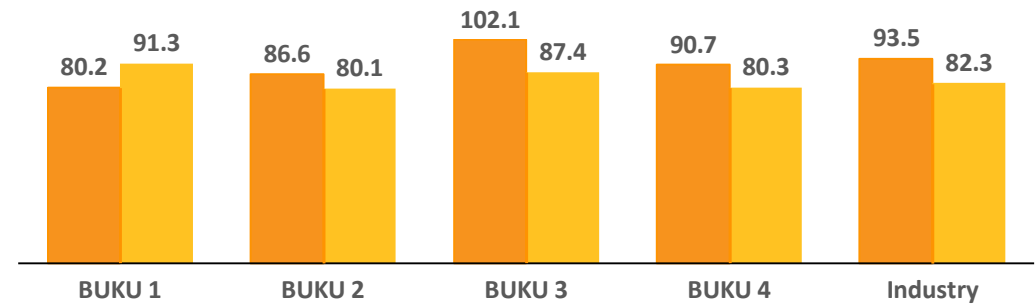
## RIM, LDR, and LCR (%) – Healthy Liquidity

4Q19 4Q20



## LDR (%) by BUKU

Nov 19 Nov 20



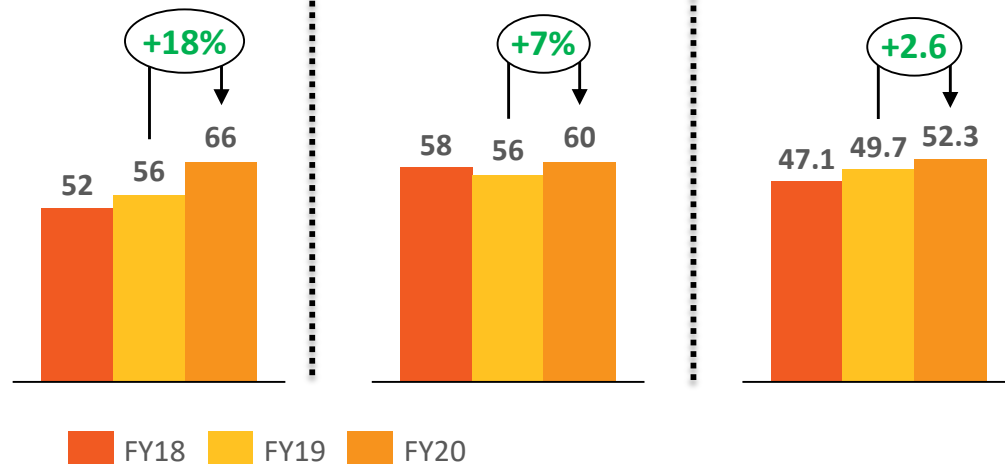
Source: SPI OJK Nov 20

## CASA, TD, & CASA Ratio – Improved CASA Ratio

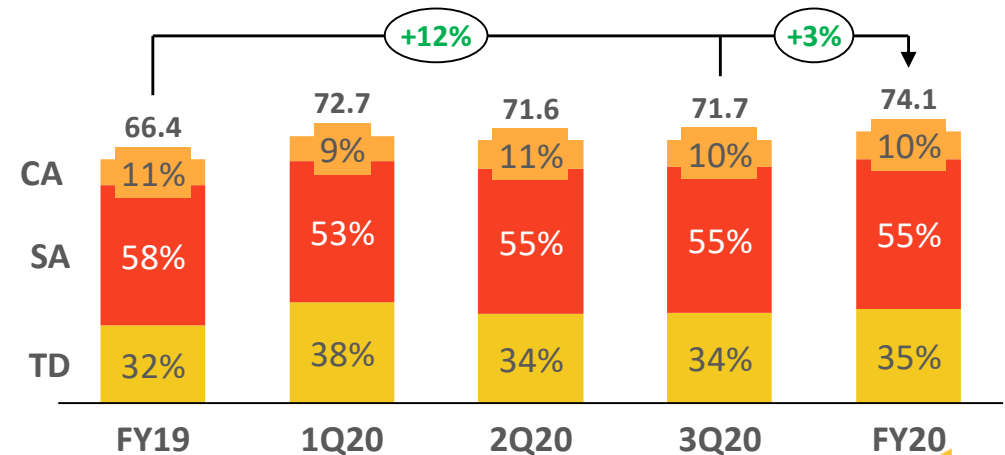
CASA (Rp tn)

TD (Rp tn)

CASA Ratio (%)



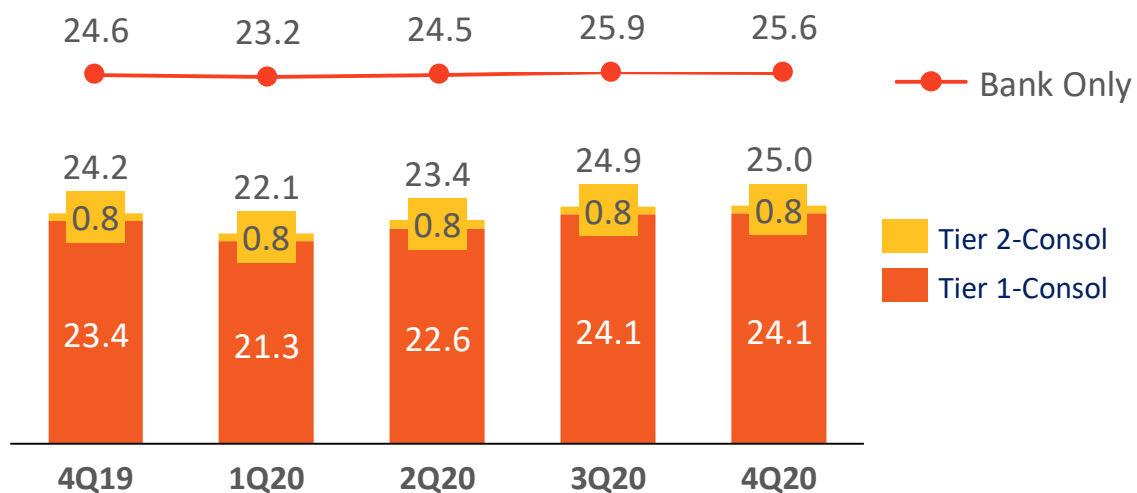
## Strong Focus on Granular Funding\* (Rp tn)



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

# Strong capital structure as foundation for growth

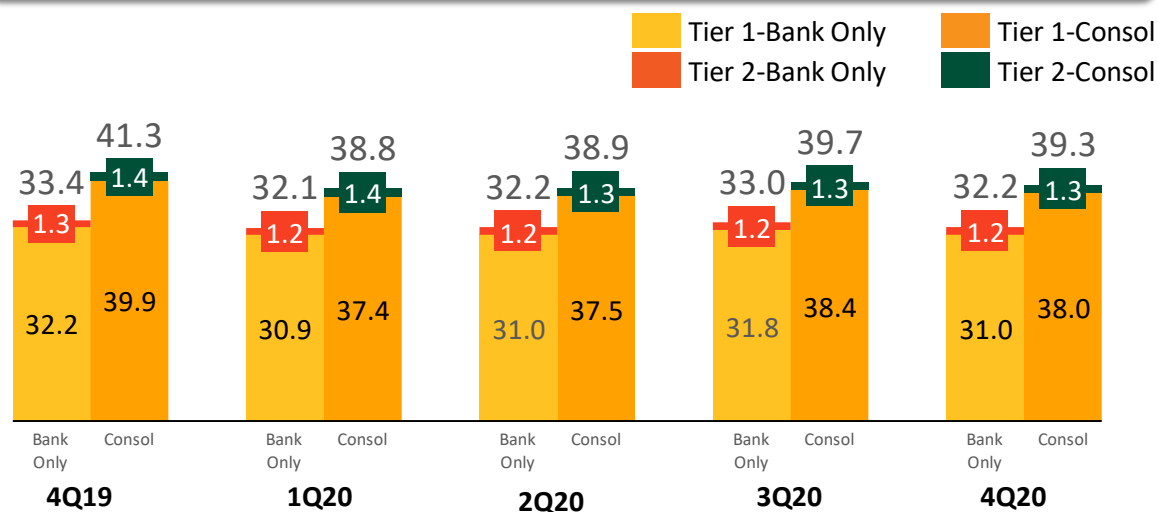
## Capital Adequacy Ratio (%)



## Market and Operational Risk Charges (%)

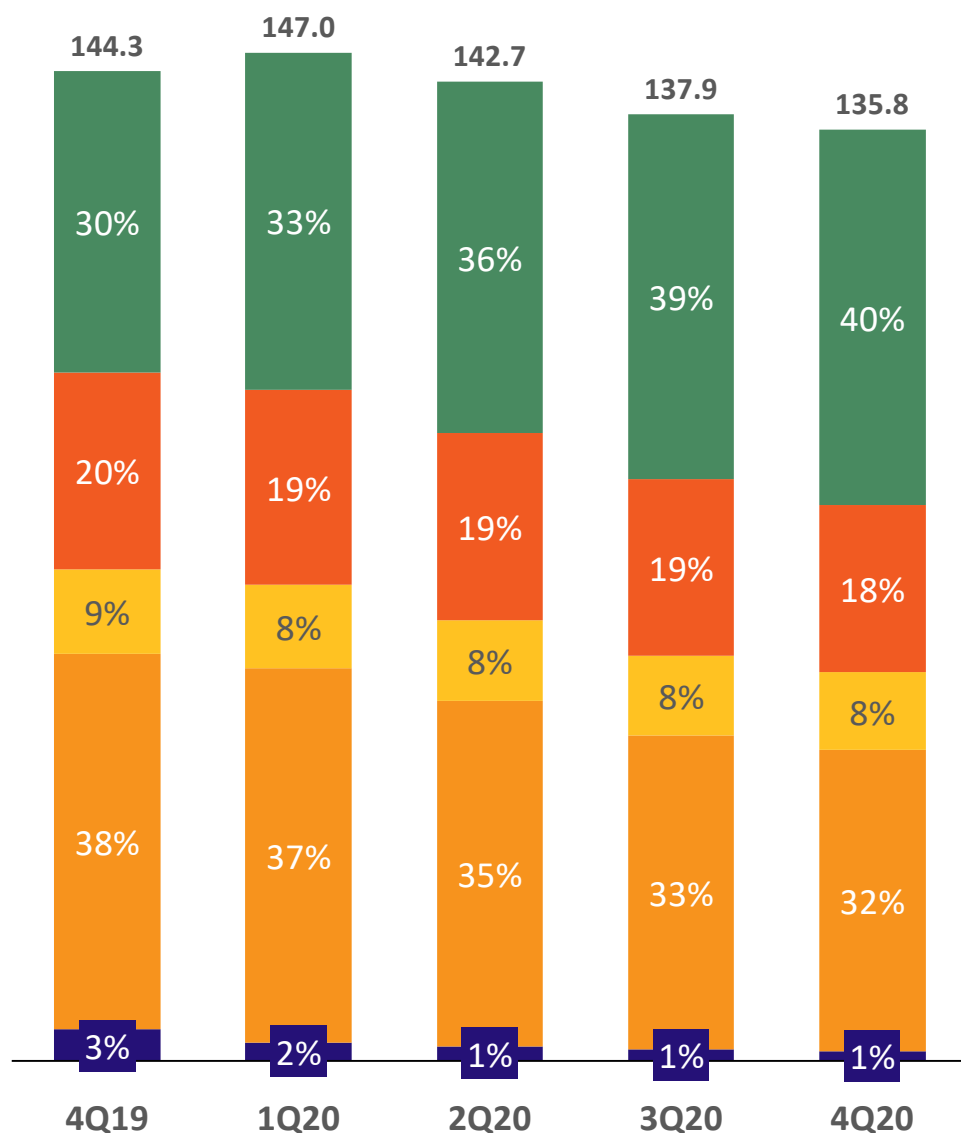
%	4Q19	1Q20	2Q20	3Q20	4Q20
CAR w/ Credit Risk	30.5	27.6	29.8	31.9	32.3
Market Risk Charge	-0.2	-0.1	-0.2	-0.1	-0.3
Operational Risk Charge	-6.1	-5.4	-6.2	-6.9	-7.0
CAR Consolidated	24.2	22.1	23.4	24.9	25.0

## Tier 1 and Tier 2 Consolidated Capital



# Diversified growth engine to minimize impact of economic slowdown

Composition of Loan Portfolio & Trade Finance<sup>1)</sup> (Rp tn)



Growth of Loan Portfolio & Trade Finance<sup>1)</sup> (Rp bn)

Rp bn	4Q19	4Q20	YoY	QoQ
Enterprise <sup>2)</sup> & FI	43,966	54,773	25%	3%
SME	28,709	24,407	-15%	-5%
Consumer	12,332	11,282	-9%	-3%
Mortgage	9,208	8,738	-5%	-3%
Others <sup>3)</sup>	3,124	2,544	-19%	-5%
Adira Finance	54,756	44,010	-20%	-4%
<b>Total excl run-off portfolio<sup>4)</sup></b>	<b>139,763</b>	<b>134,472</b>	<b>-4%</b>	<b>-1%</b>
Run-off portfolio <sup>4)</sup>	4,490	1,314	-71%	-19%
<b>Total</b>	<b>144,253</b>	<b>135,786</b>	<b>-6%</b>	<b>-2%</b>

1) Trade finance includes marketable securities.

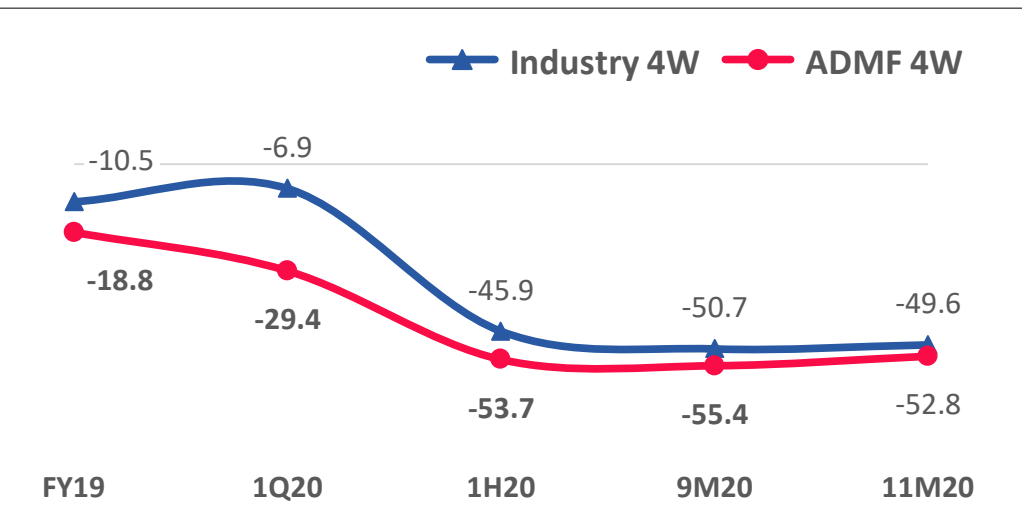
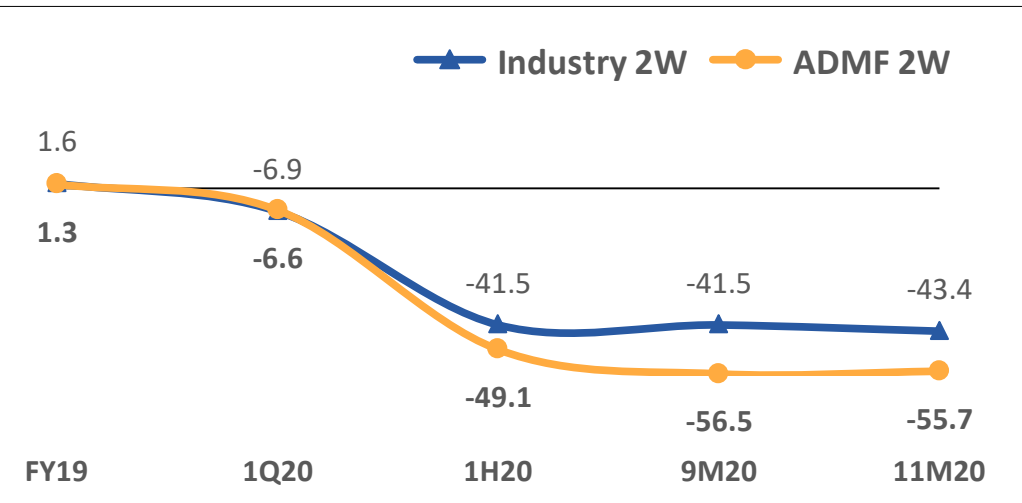
2) Enterprise Banking: Commercial and Corporate.

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

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

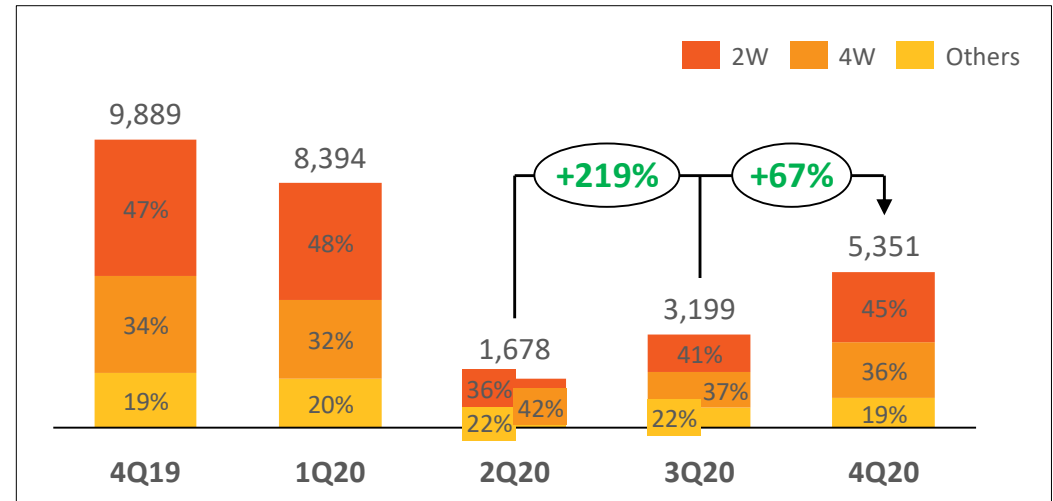
# ADMF : Encouraging Recovery on New Financing

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



Note: Industry data from AISI and Gaikindo.

## ADMF Loan Disbursement Amount (in Rp bn)



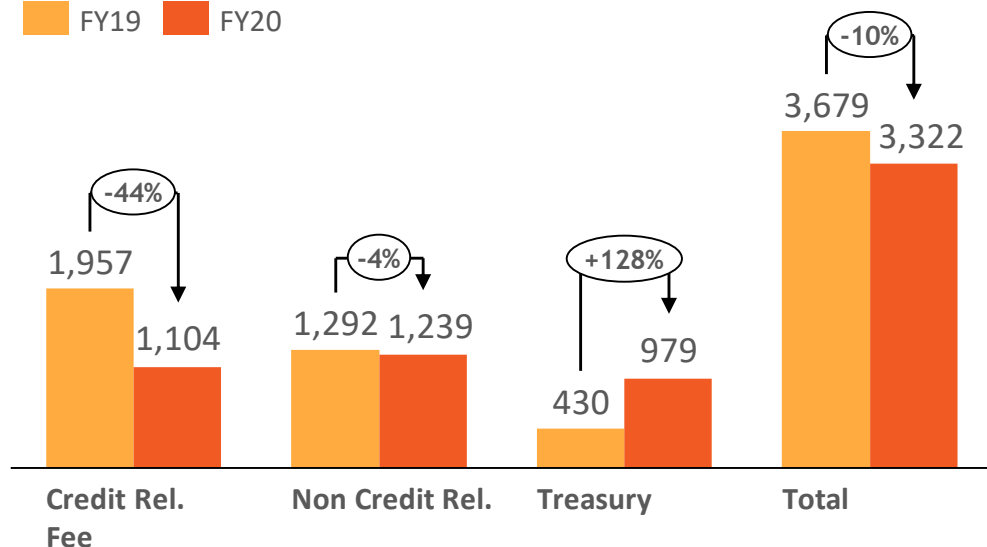
## ADMF Outstanding Loans

Rp bn	FY19	FY20	YoY	9M20	QoQ
2W auto loans	25,735	19,358	-25%	20,472	-5%
4W auto loans	27,378	24,395	-11%	25,008	-2%
White goods and others	1,643	257	-84%	258	0%
<b>Total Loans</b>	<b>54,756</b>	<b>44,010</b>	<b>-20%</b>	<b>45,738</b>	<b>-4%</b>

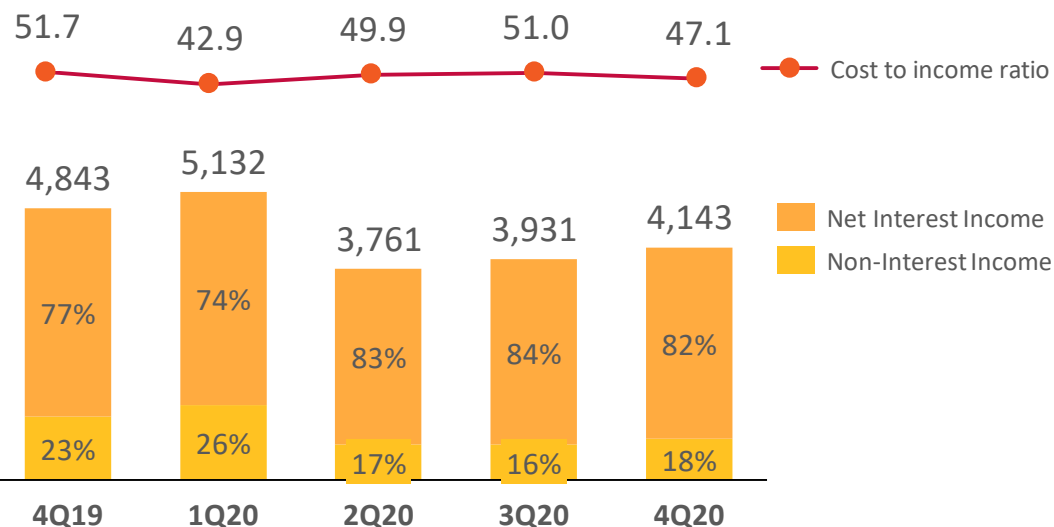
# Sustainable Non-Interest Income supported by Treasury and Wealth Management

## Non-Interest Income (Rp bn)

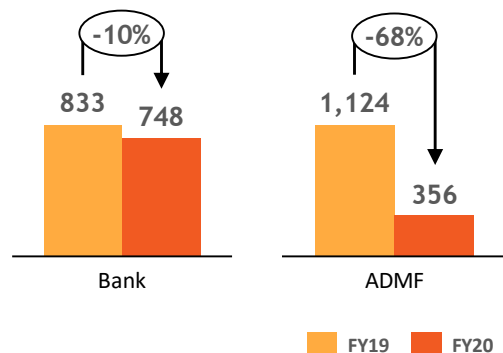
FY19 FY20



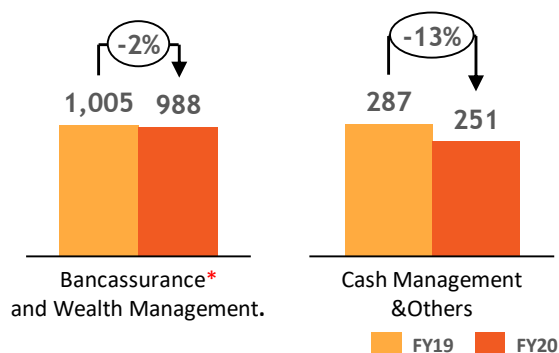
## Revenue Composition



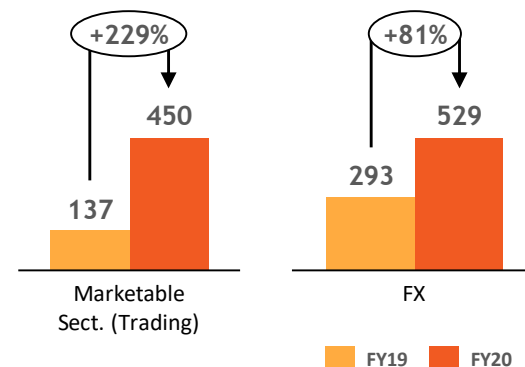
## Credit Related Fee



## Non- Credit Related Fee



## Treasury Income

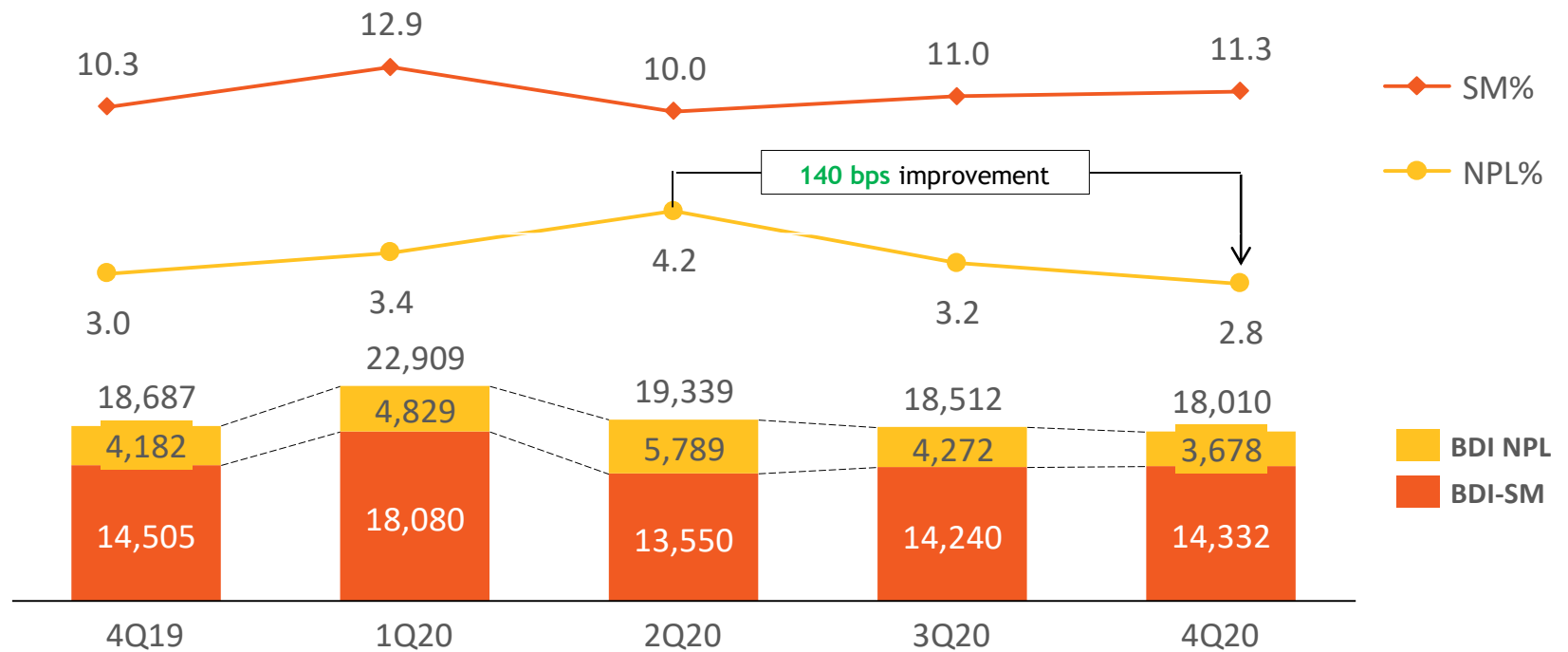


\* FY19 include fee from general insurance (AI).

# Asset quality improvement combined with stronger coverage

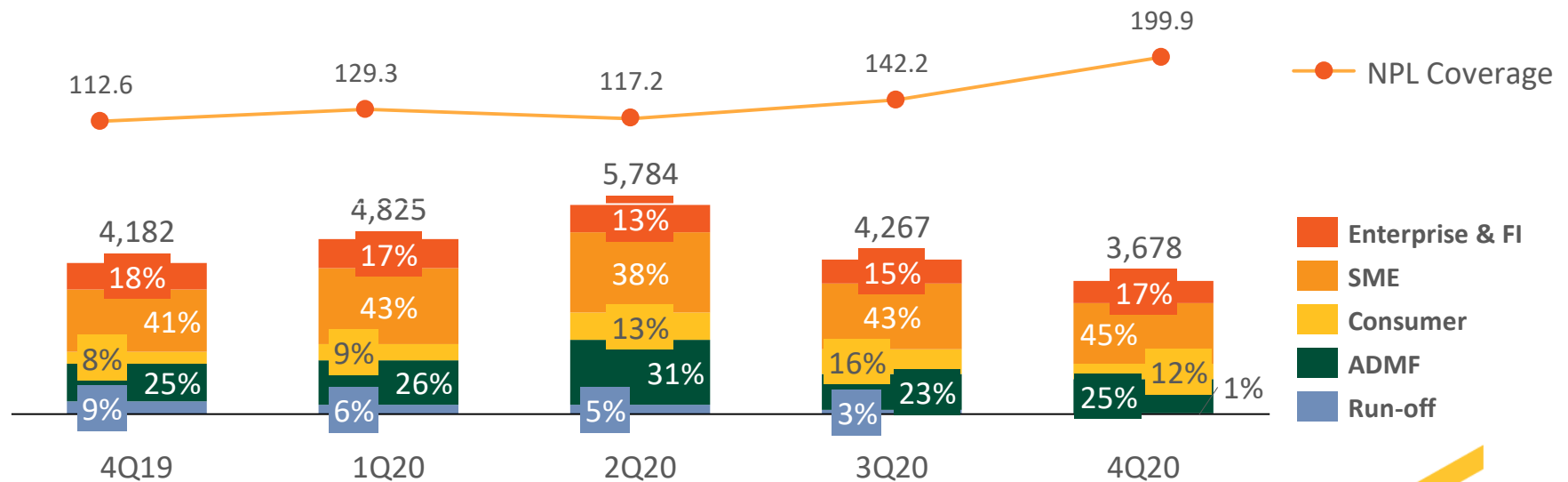
NPL and SM % of Total Loans

NPL and SM amount (Rp bn)



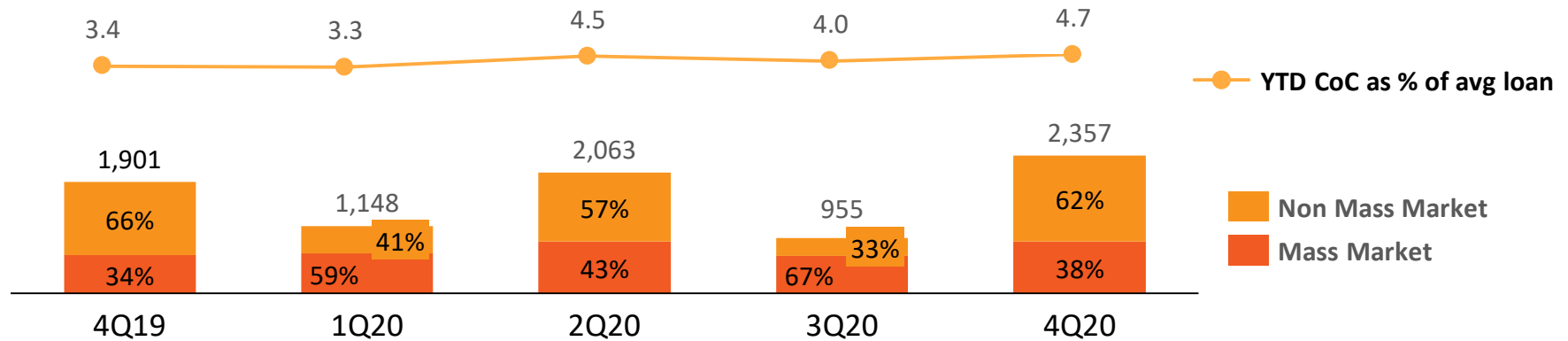
NPL Coverage Ratio (%)

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

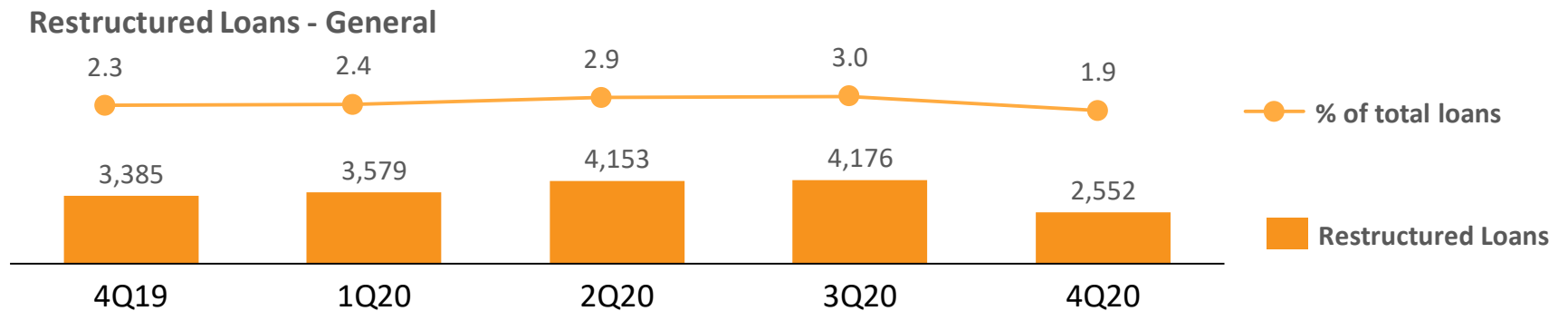


# Proactive provisioning and better than expected COVID restructured loan trend

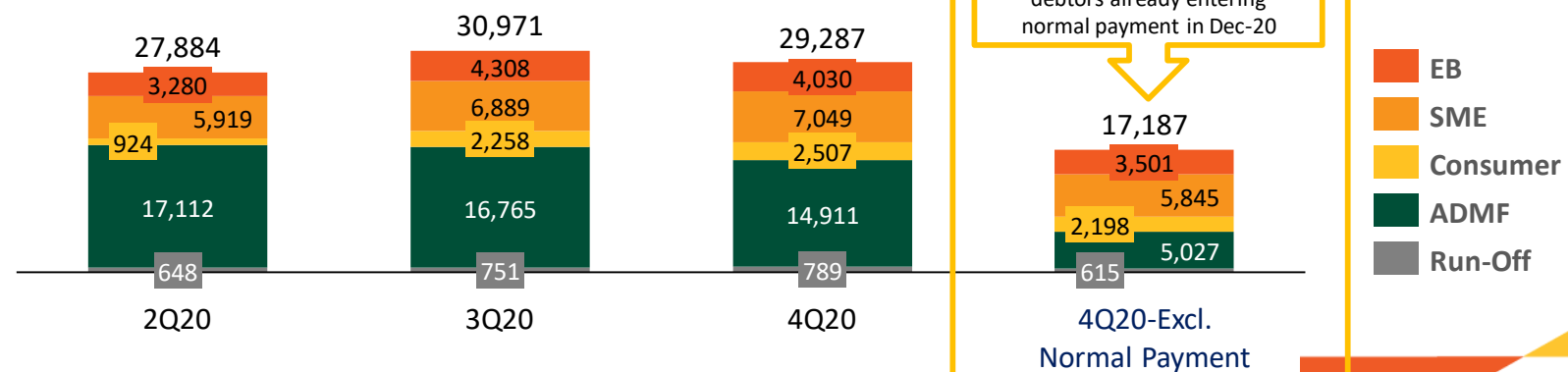
## Cost of Credit (% of Avg Loans and Rp bn)



## Restructured Loans (% of Total Loans and Rp bn)



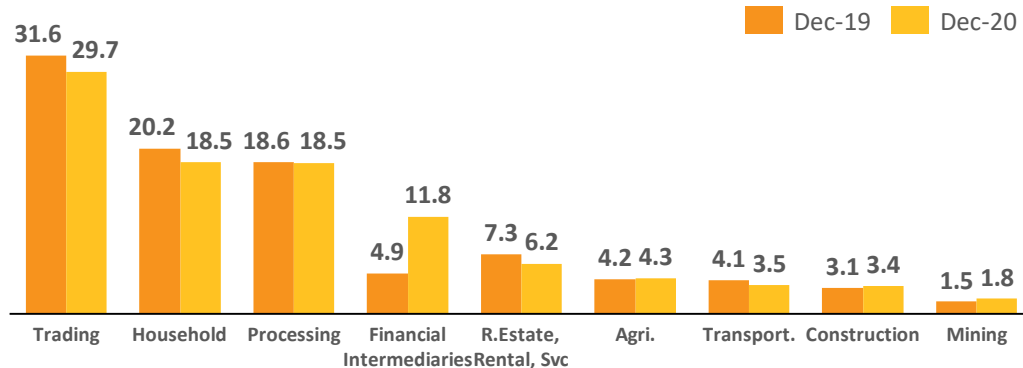
## Restructured Loans – COVID Related



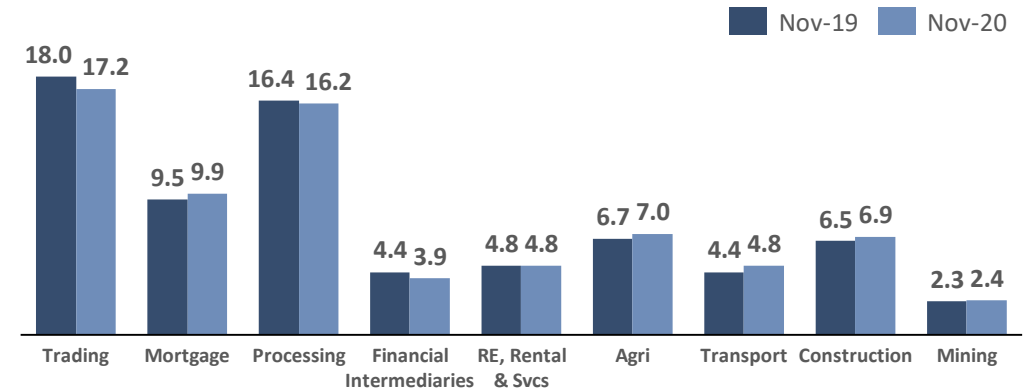


# Continuous monitoring of asset quality in key sectors

## BDI Loans by Sector (% of total loans)



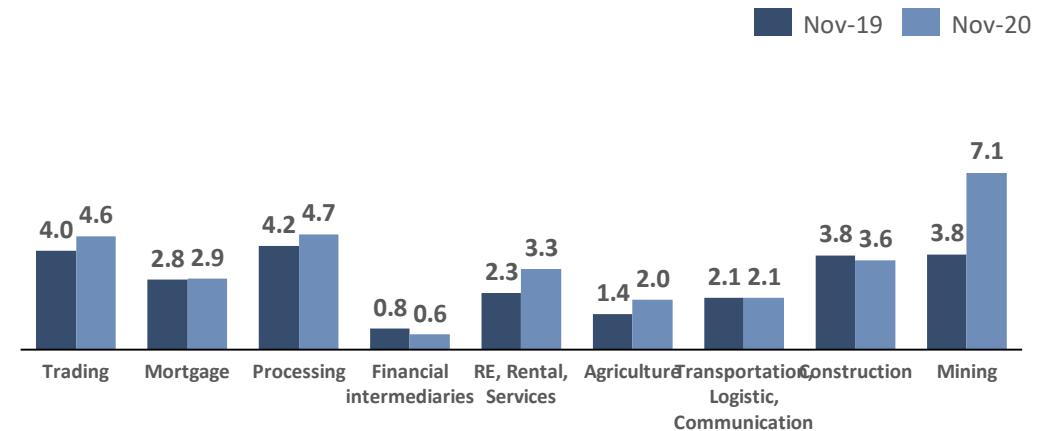
## Industry Loans by Sector (% of total loans)



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

Sectors	ENR		NPL %	
	4Q19	4Q20	4Q19	4Q20
Trading	44,950	39,652	4.2%	4.5%
Household	28,732	24,780	2.4%	3.0%
Processing	26,420	24,774	2.8%	1.5%
Financial Intermediaries	7,030	15,821	0.1%	0.1%
R.Estate, Rental, Svc	10,401	8,238	1.7%	2.5%
Agri.	5,930	5,781	1.7%	1.3%
Transport.	5,762	4,644	3.6%	4.0%
Construction	4,434	4,520	4.9%	4.8%
Mining	2,104	2,454	0.7%	0.5%

## Industry NPL by Sector (%)



Source : SPI OJK Nov-20

# THANK YOU

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