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PT Bank Danamon Indonesia Tbk

Analyst Briefing 9M - 2021

Jakarta, 27 October 2021

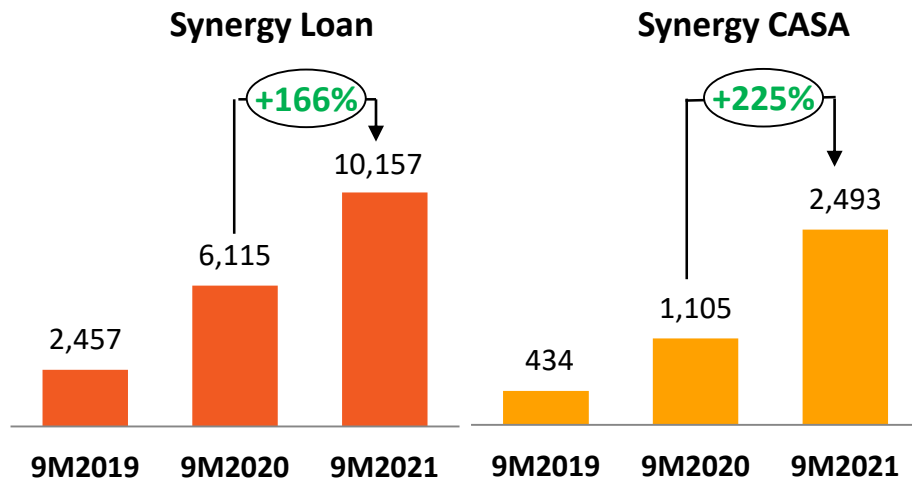


MUFG Collaboration & Digital Highlights Update

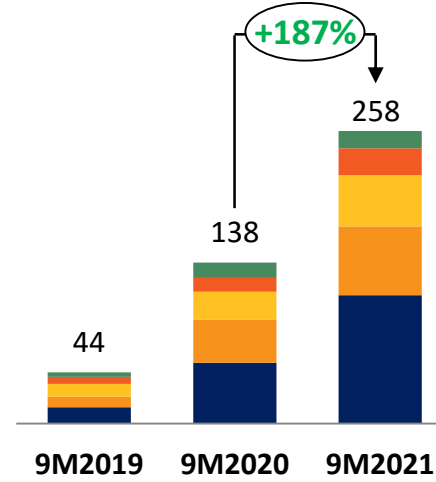
9M21 Financial Highlights

MUFG Collaboration and Digital Highlights Update

Growing Synergy Loan & CASA Balance (Rp bn)



Realizing Synergy Deals (Accumulated Number of Deals)



Notable Deals

Loan



- Financial Supply Chain
- Sharia Finance
- Employee Benefit Program

CASA

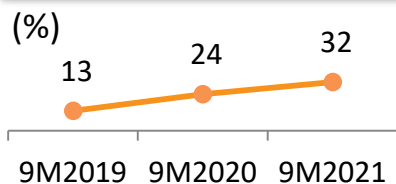


Mandated Virtual Account transaction from a large finance company.

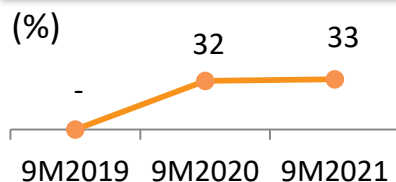
- EB Bilateral Loan
- CASA, etc.

Digital is a key strategy to expand customer reach

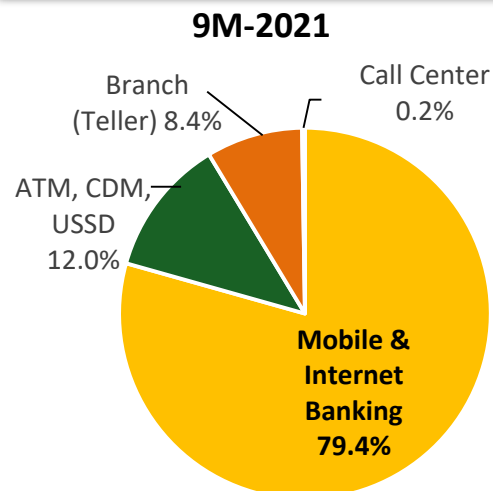
TD Online Transactions



Bonds Transactions



Digital Transaction Penetration



Highlights



End to end customer onboarding, lending and repayment process



Online onboarding & single sign-on



Cardless cash withdrawal at Danamon ATM networks



Inter-bank transfer partnership

SAATNYA
PEGANG KENDALI



MUFG Collaboration & Digital Highlights Update



9M21 Financial Highlights

Continuous improvement despite challenges due to social restriction (PPKM)

Prudent Loan Selection

- EB portfolio grew 8% YoY and reached Rp57 tn, supported by collaboration with MUFG network and focus on blue chip and SOE customers.
- Along with improvement in the auto financing industry, ADMF's 3Q21 new financing increased by 95% compared to the same period last year.

Granular Funding Growth

- In line with the Bank's focus on granular funding, CASA grew 10% YoY.
- CASA ratio improved 610bps YoY to 57.6%

Asset Quality

- NPL coverage increased from 142% in the same period last year to 170%.
- COVID restructured loans improved by 59% YoY to Rp 7.5tn.
- Loan at Risk (LAR) declined 930bps YoY to 18.8%

Profitability

- NIM was stable YoY at 7.6% and QoQ at 7.8%.
- Risk adjusted NIM increased 20bps YoY to 3.8% and 70bps QoQ to 4.2%.
- NPAT reached Rp 1.4 tn in 9M21.

9M-2021 Balance Sheet Highlights

In Rp billion	9M20	9M21	YoY	1Q21	2Q21	3Q21	QoQ
Total Assets	196,631	188,280	-4%	193,993	193,751	188,280	-3%
Total Loan Portfolio and Trade Finance ¹⁾	137,934	129,511	-6%	132,407	131,434	129,511	-1%
Total Loan Portfolio and Trade Finance excl. ADMF and Run-Off Portfolio ²⁾	90,576	88,802	-2%	89,314	89,254	88,802	-1%
Government Bonds	22,832	31,078	36%	30,510	34,877	31,078	-11%
Total Funding	139,947	128,920	-8%	135,904	134,609	128,920	-4%
CASA	61,333	67,383	10%	66,608	68,184	67,383	-1%
Time deposits	57,743	49,678	-14%	55,080	52,874	49,678	-6%
Borrowings and LT. Funding	20,871	11,859	-43%	14,216	13,551	11,859	-12%
Equity	43,531	44,260	2%	43,481	43,780	44,260	1%

1) Trade Finance includes marketable securities.

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

9M-2021 Income Statement

In Rp billion	9M20	9M21	YoY	1Q21	2Q21	3Q21	QoQ
Net Interest Income¹⁾	10,233	10,232	0%	3,316	3,500	3,416	-2%
Non Interest Income	2,585	1,954	-24%	659	691	604	-13%
Operating Income	12,818	12,186	-5%	3,975	4,191	4,020	-4%
Operating Expenses	(6,284)	(6,367)	-1%	(2,051)	(2,149)	(2,166)	-1%
PPOP	6,534	5,820	-11%	1,924	2,042	1,854	-9%
Cost of Credit	(4,166)	(3,672)	12%	(1,158)	(1,371)	(1,143)	17%
Operating Profit	2,368	2,147	-9%	766	670	711	6%
NPAT	1,477	1,409	-5%	522	476	411	-14%

1) Netted-off with loss on restructuring.

9M-2021 Key Financial Ratios

In %	9M20	9M21	YoY	1Q21	2Q21	3Q21	QoQ
NIM ¹⁾	7.6	7.6	0.1	7.3	7.8	7.8	0.0
CoC	4.0	3.8	-0.2	3.6	4.3	3.6	-0.7
Risk-adjusted NIM	3.6	3.8	0.2	3.7	3.5	4.2	0.7
Cost to Income	49.0	52.2	-3.2	51.6	51.3	53.9	2.6
CASA Ratio	51.5	57.6	6.1	54.7	56.3	57.6	1.3
RIM	89.8	89.1	-0.8	86.6	86.7	89.1	2.4
NPL Gross	3.2	3.1	-0.2	3.3	3.0	3.1	0.1
Loan Loss Coverage (LLC)	142.2	169.7	27.6	171.0	176.9	169.7	-7.2
Loan at Risk Coverage excl. COVID ²⁾	32.3	40.9	8.6	41.6	38.5	40.9	2.5
Loan at Risk Coverage incl. COVID ³⁾	16.8	28.3	11.5	26.4	27.3	28.3	1.0
ROAA	1.0	1.0	0.0	1.1	1.0	0.9	-0.1
ROAE ⁴⁾	5.2	4.9	-0.3	5.5	5.0	4.2	-0.8
CAR – Consolidated	24.9	26.4	1.5	25.7	26.1	26.4	0.3

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

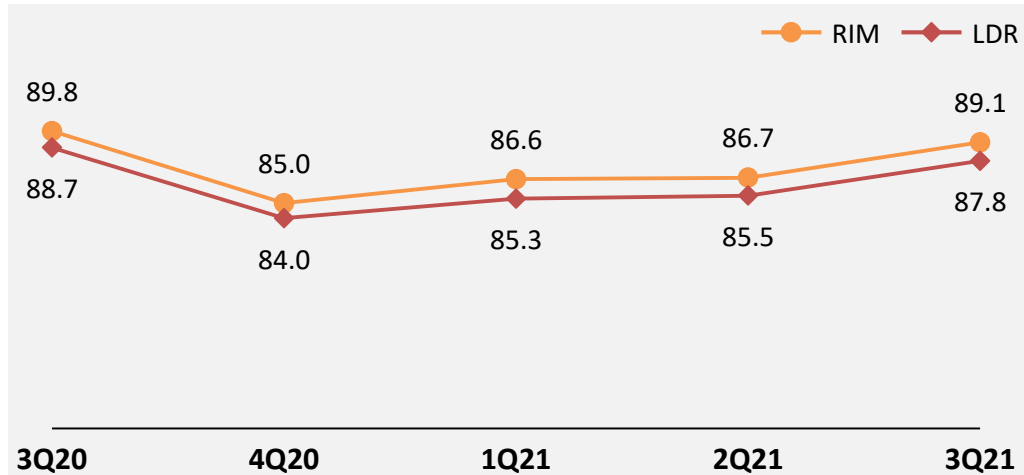
2) NPL + SM + Restructured Loan Coll. 1.

3) NPL + SM + Restructured Loan Coll. 1 including COVID Restructured Loans (Under Forbearance).

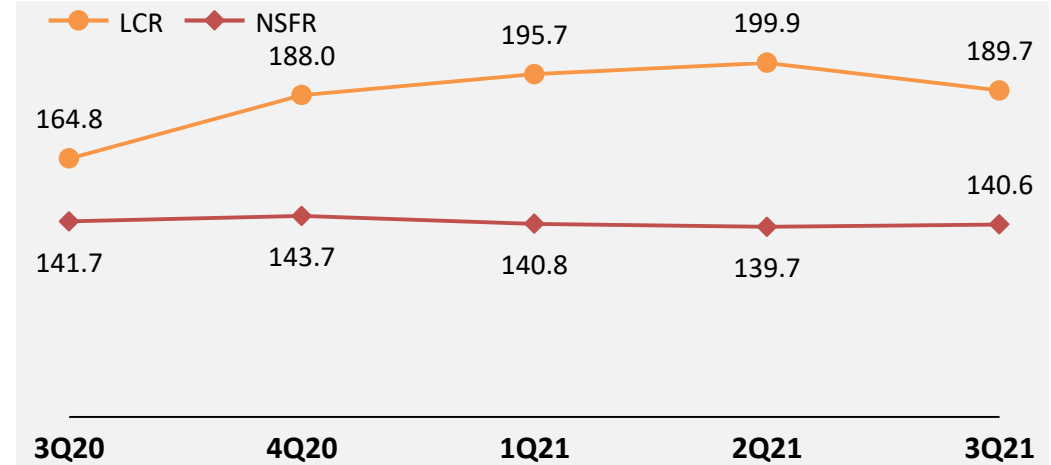
4) Following new OJK regulation in July20, ROAEs are calculated per tier-1 capital.

Granular funding through digital and institutional approach

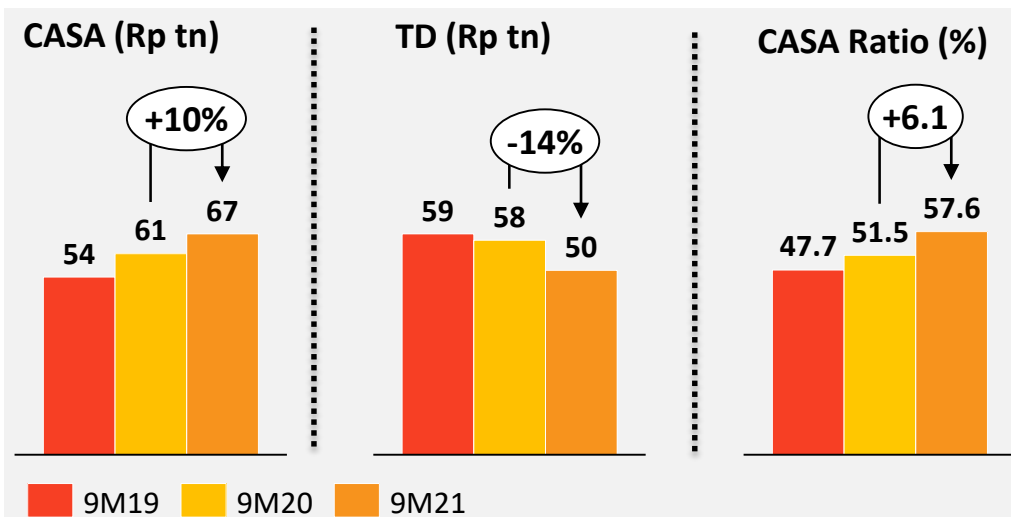
RIM & LDR (%)



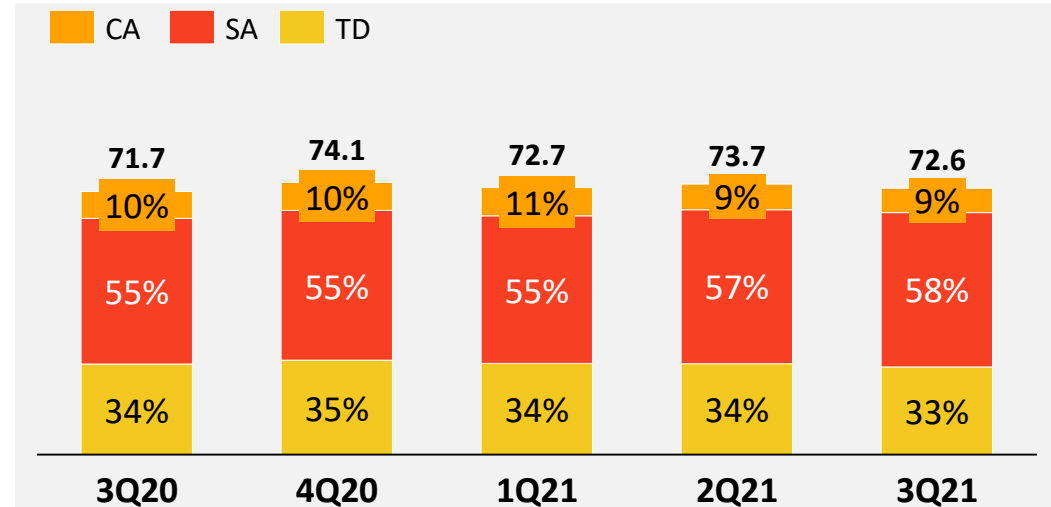
LCR & NSFR (%)



CASA , TD & CASA Ratio – Improved CASA Ratio



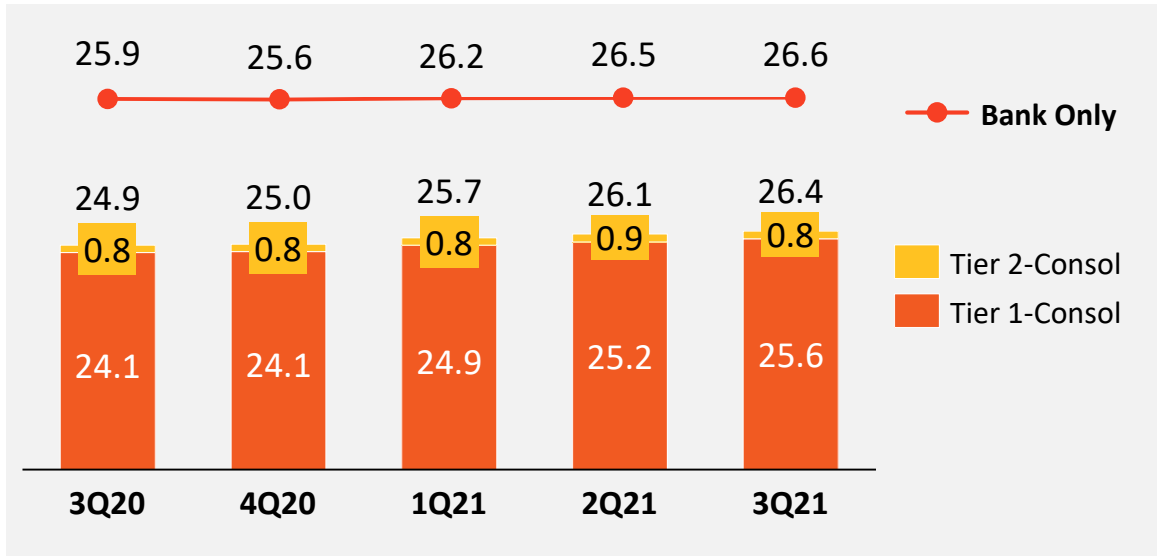
Strong Focus on Granular Funding* (Rp tn)



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

Strong capital as foundation for growth

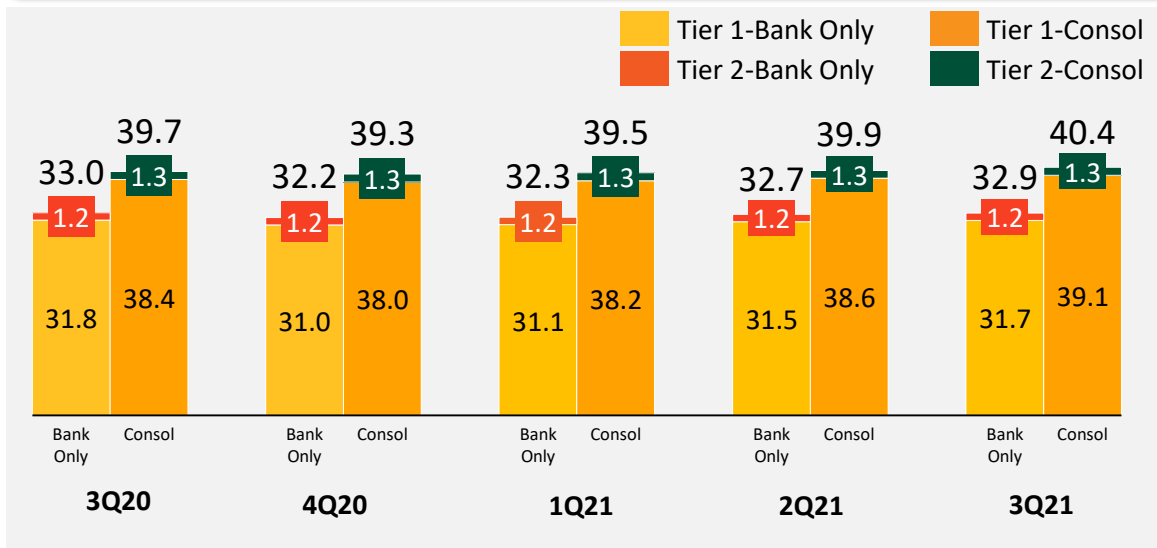
Capital Adequacy Ratio (%)



Market and Operational Risk Charges (%)

%	3Q20	4Q20	1Q21	2Q21	3Q21
CAR w/ Credit Risk	31.9	32.3	33.4	34.0	34.3
Market Risk Charge	-0.1	-0.3	-0.3	-0.4	-0.3
Operational Risk Charge	-6.9	-7.0	-7.4	-7.5	-7.6
CAR Consolidated	24.9	25.0	25.7	26.1	26.4

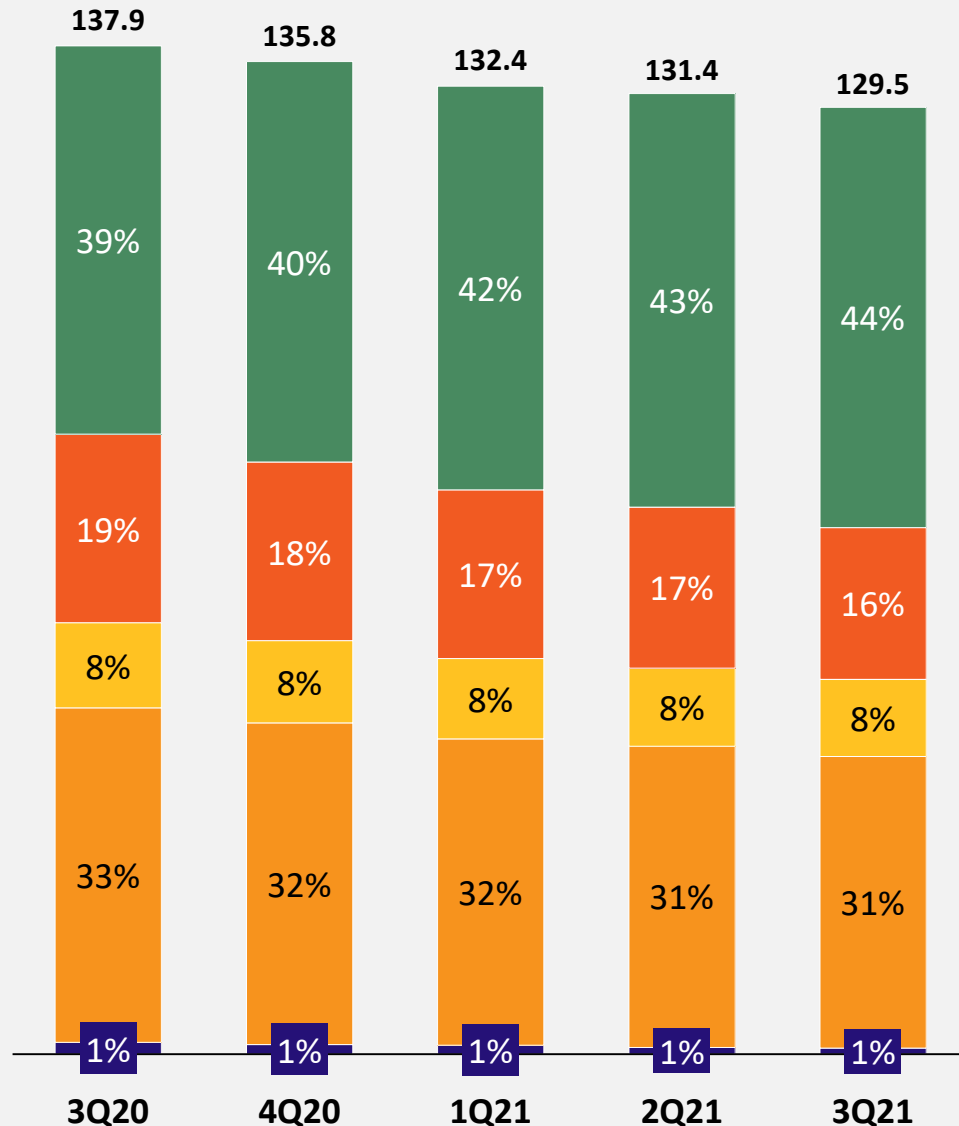
Tier 1 and Tier 2 Consolidated Capital



- Consolidated Capital Adequacy Ratio (CAR) was 26.4%, far above the minimum requirement.
- Almost 100% of the capital derived was from Tier 1 Capital.

Growth in Enterprise Banking supported by MUFG collaboration despite tighter social restrictions in early Q3'21

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



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

Rp bn	9M20	9M21	YoY	QoQ
Enterprise Banking ²⁾ & FI	53,141	57,478	8%	2%
SME	25,780	20,762	-19%	-6%
Consumer	11,655	10,562	-9%	-1%
Mortgage	8,964	8,341	-7%	-1%
Others ³⁾	2,692	2,221	-17%	-3%
Adira Finance	45,738	39,900	-13%	-3%
Total excl run-off portfolio⁴⁾	136,314	128,702	-6%	-1%
Run-off portfolio ⁴⁾	1,620	808	-50%	-13%
Total	137,934	129,511	-6%	-1%

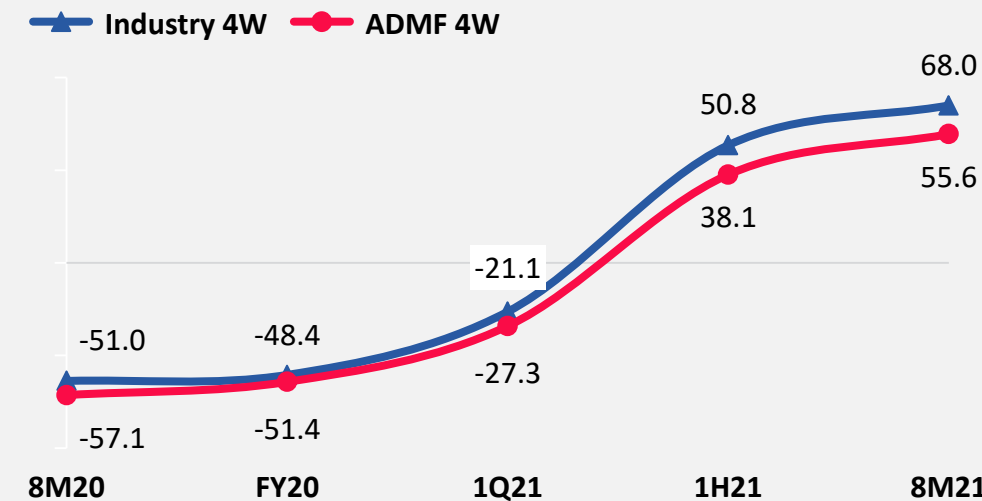
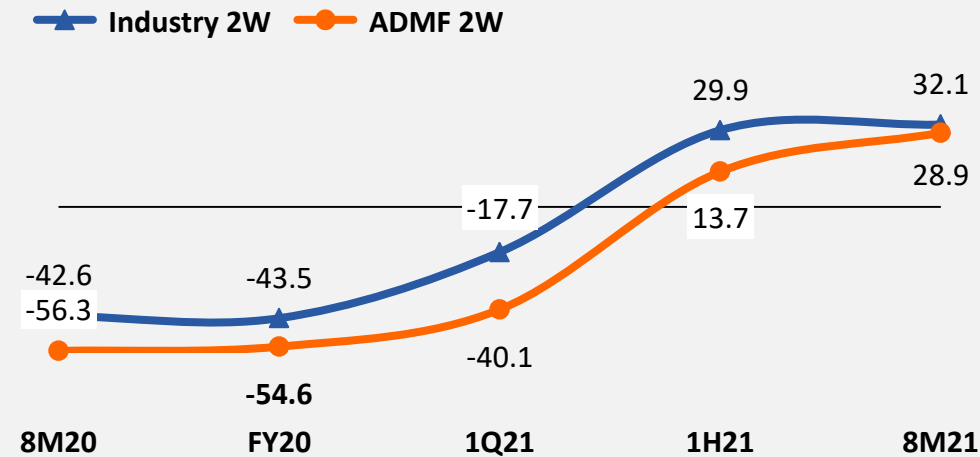
1) Trade finance includes marketable securities.
 2) Enterprise Banking: Commercial and Corporate.

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

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

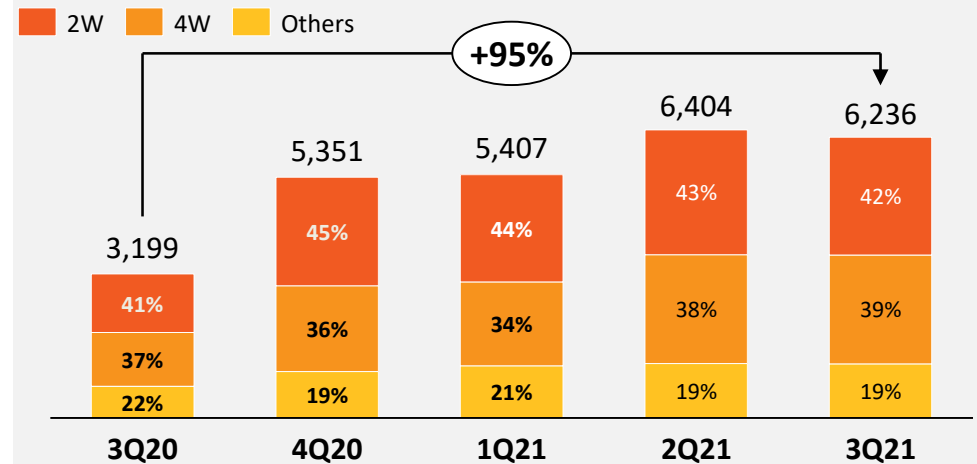
Improvement in ADMF new unit financing along with industry recovery

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)



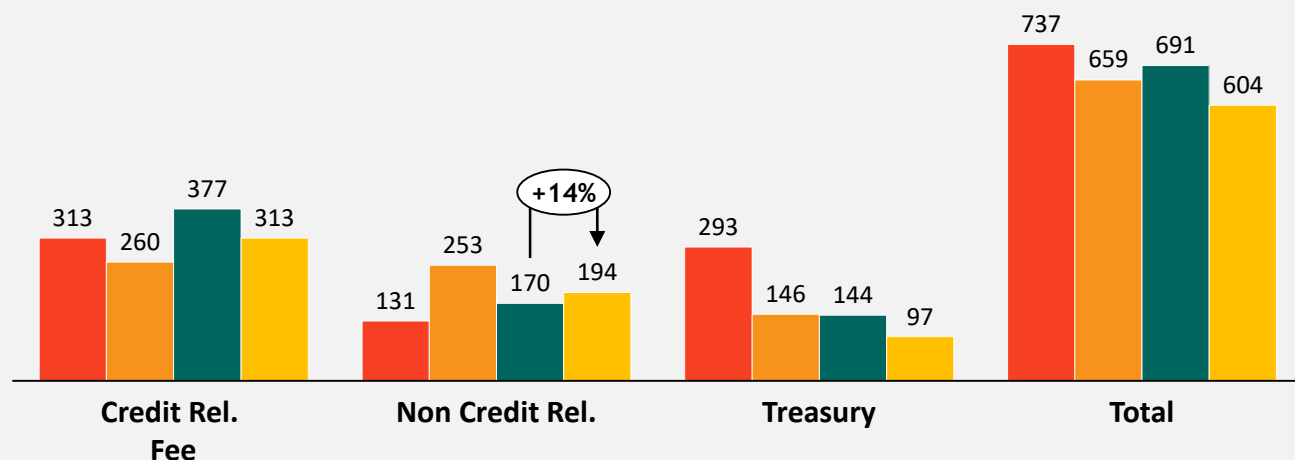
ADMF Outstanding Loans

Rp bn	9M20	9M21	YoY	2Q21	QoQ
2W auto loans	20,644	16,737	-19%	17,498	-4%
4W auto loans	25,218	22,956	-9%	23,539	-2%
White goods and others	260	207	-20%	216	-4%
Total Loans	46,121	39,901	-13%	41,253	-3%

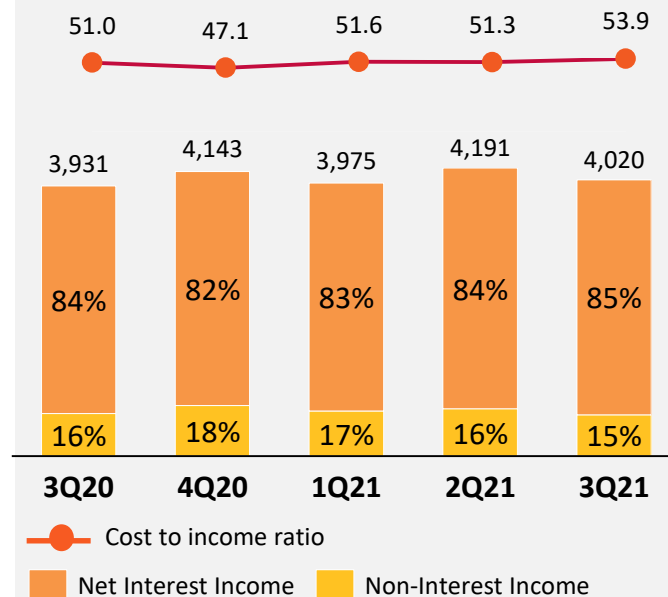
Diversified non-interest income source providing stable trend post-pandemic

Non-Interest Income (Rp bn)

4Q20 1Q21 2Q21 3Q21

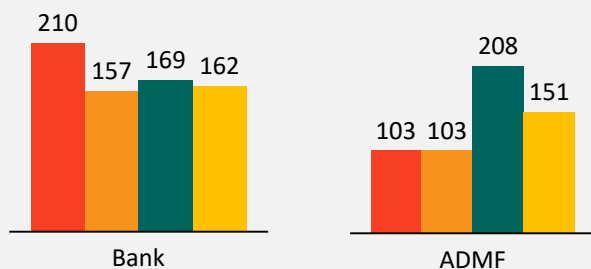


Revenue Composition



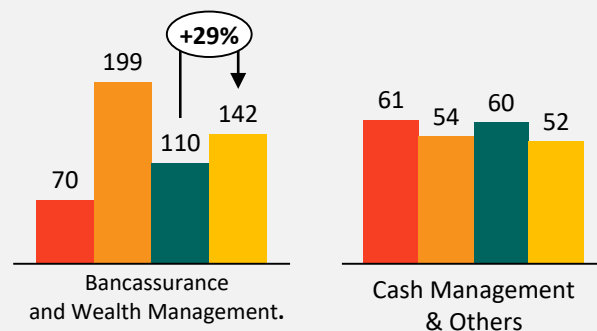
Credit Related Fee

4Q20 1Q21 2Q21 3Q21



Non- Credit Related Fee

4Q20 1Q21 2Q21 3Q21

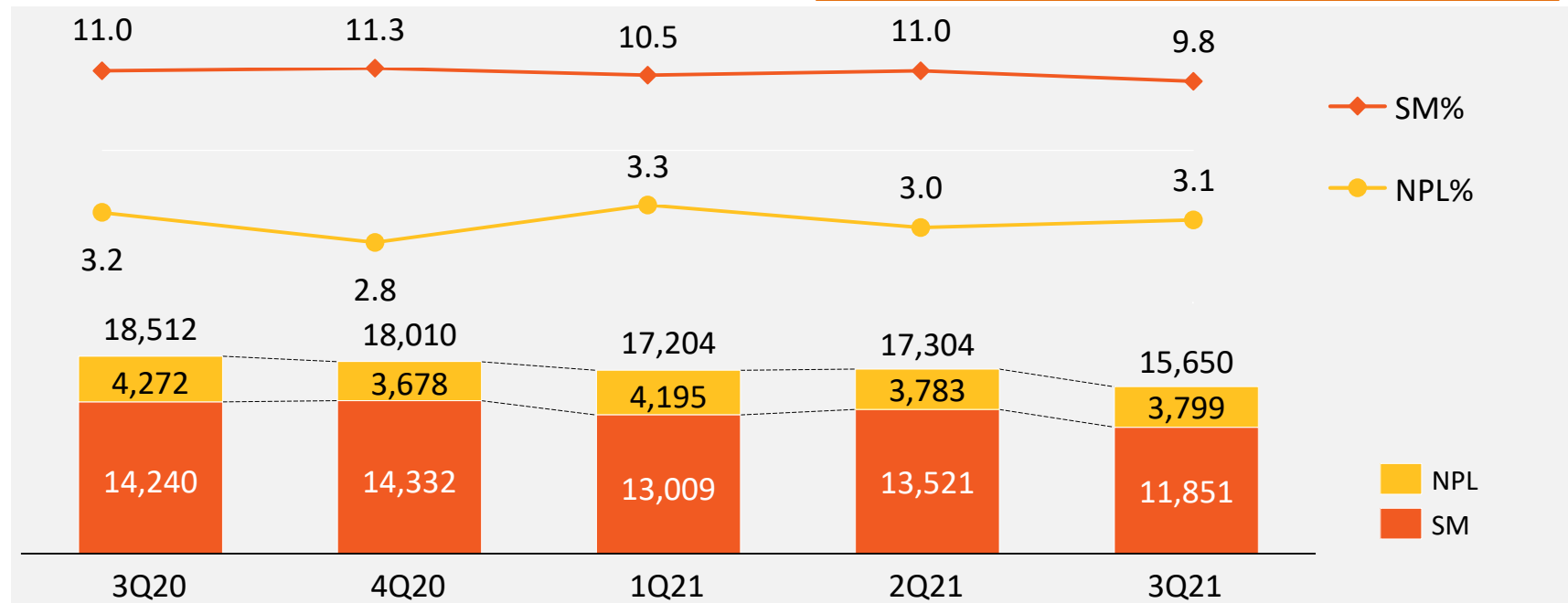


- ADMF credit related fee trend in line with disbursement growth.
- Bancassurance and Wealth Management showed improving trend.

Improvement in Special Mention loans, with stable NPL

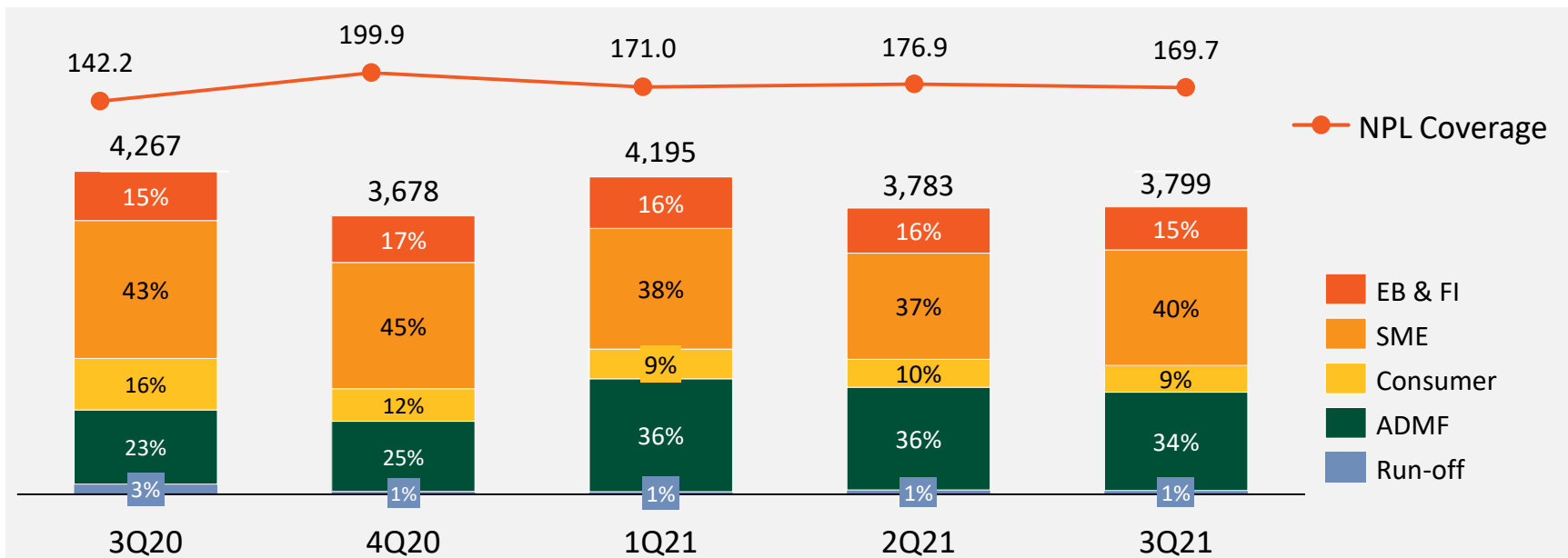
NPL and SM %
of Total Loans

NPL and SM
amount
(Rp bn)



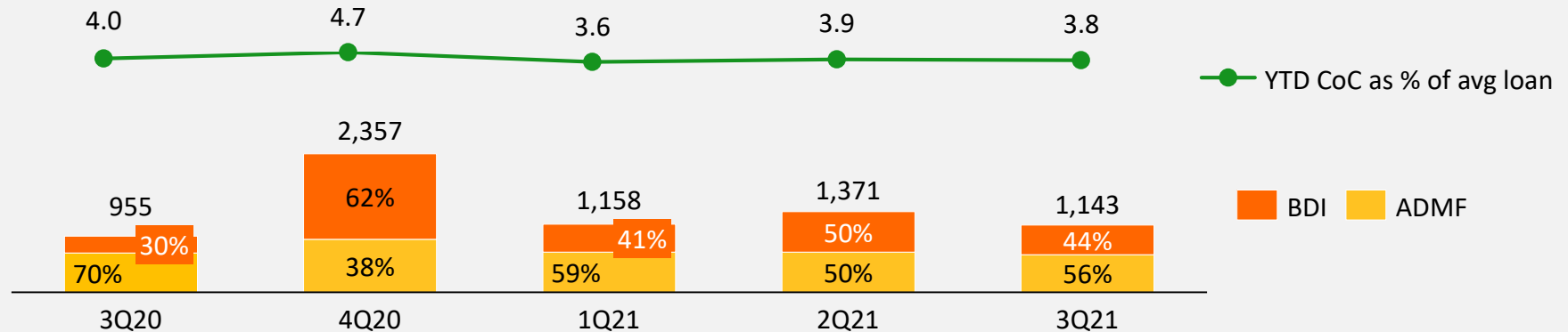
NPL Coverage
Ratio (%)

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

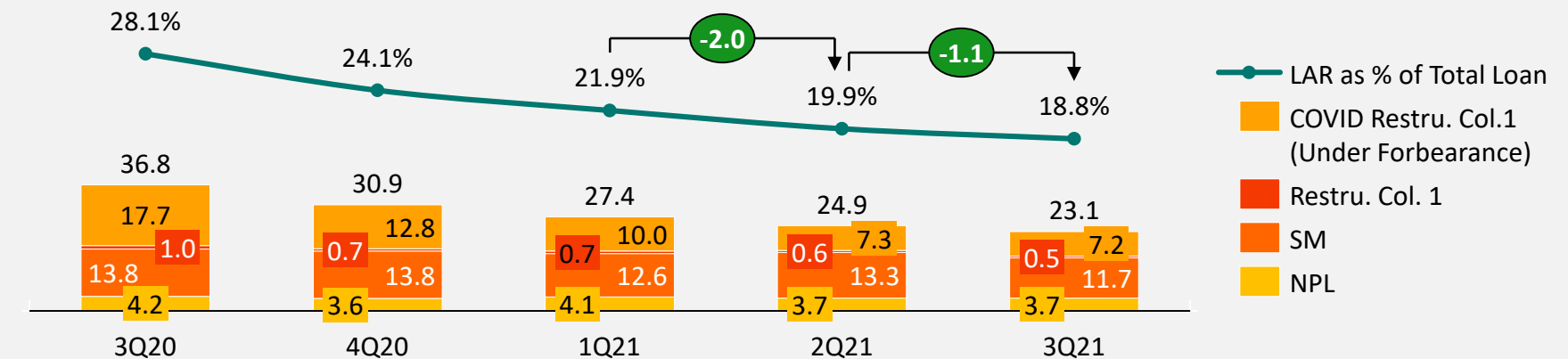


COVID Restructured Loans and Loan at Risk continued to trend down

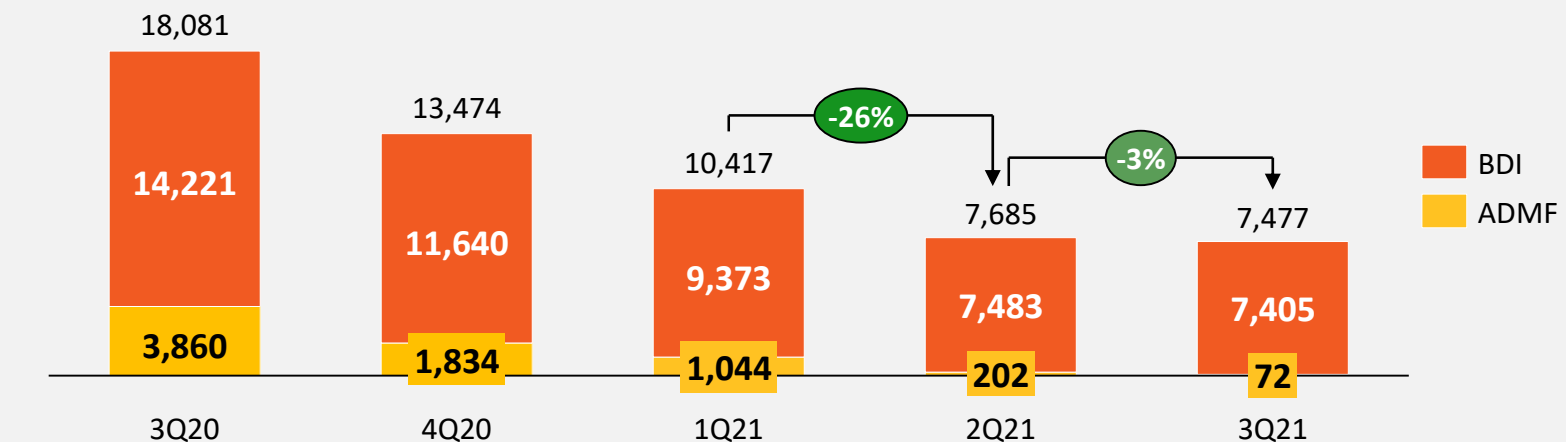
Cost of Credit (% of Avg Loans and Rp bn)



Loan at Risk (% of Total Loans and Rp bn)

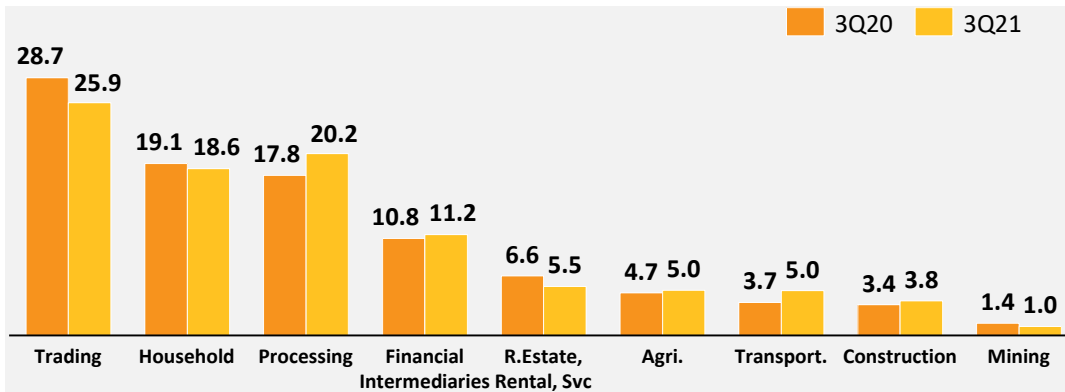


COVID related Restructured Loans – Under Forbearance (Rp bn)

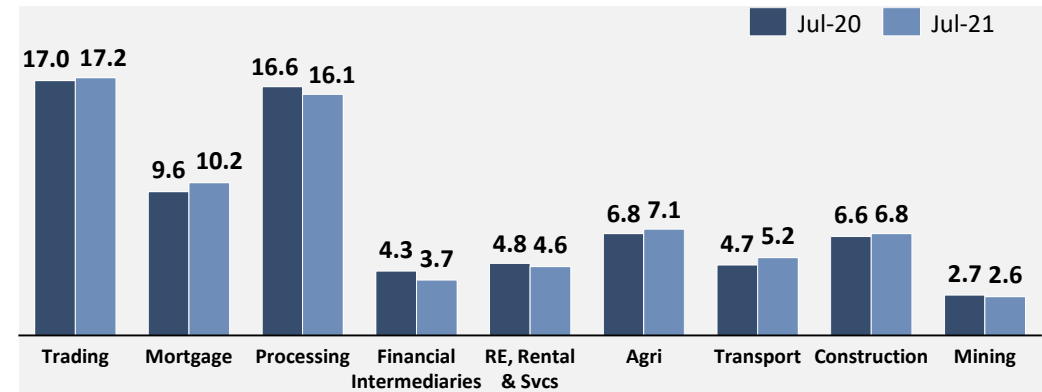


Picked up demand in Processing, Transportation and Construction industries

BDI Loans by Sector (% of total loans)



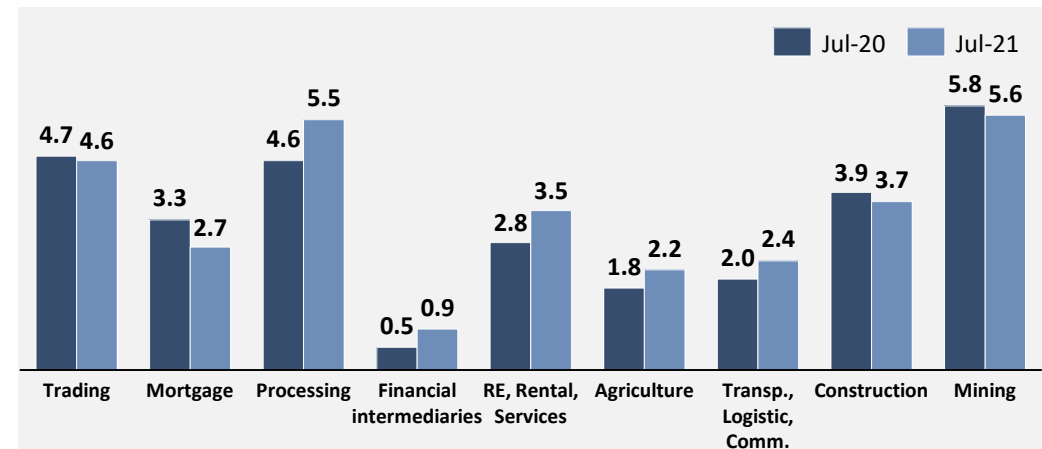
Industry Loans by Sector (% of total loans)



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

Sectors	ENR		NPL %	
	3Q20	3Q21	3Q20	3Q21
Trading	38,982	33,013	4.7%	4.0%
Household	25,999	23,679	3.8%	3.2%
Processing	24,228	25,809	2.1%	3.4%
Financial Intermediaries	14,666	14,306	0.1%	0.2%
R.Estate, Rental, Svc	9,007	6,956	2.5%	3.0%
Agri.	6,441	6,433	1.2%	1.4%
Transport.	4,988	6,349	4.9%	3.6%
Construction	4,661	4,905	5.6%	2.5%
Mining	1,849	1,289	0.8%	2.1%

Industry NPL by Sector (%)



Source : SPI OJK Jul-21



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THANK YOU

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