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PT Bank Danamon Indonesia Tbk

Investor & Analyst Briefing FY2023 Financial Results

Jakarta, 19 February 2024

PT Bank Danamon Indonesia Tbk, berizin dan diawasi oleh Otoritas Jasa Keuangan (OJK)
serta merupakan peserta penjaminan LPS 

**SAATNYA
PEGANG KENDALI**



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Strategy Highlights

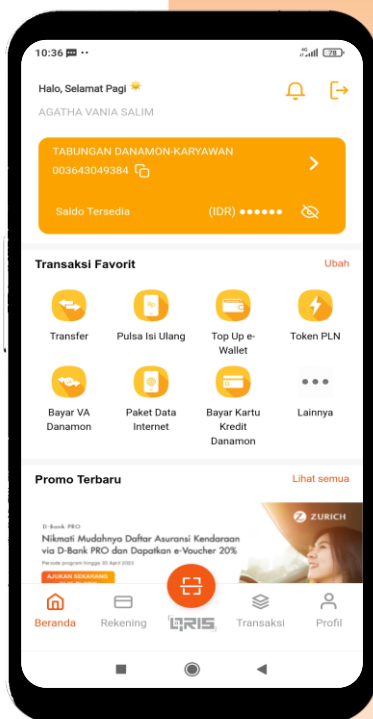
Financial Highlights



SAATNYA
PEGANG KENDALI

Continuous Development in Digital Banking: Enabling our Customers

D-Bank PRO for our Individual Customer



Self Administration

- ▶ Open new account
- ▶ D-Point redemption
- ▶ Debit & Credit Card management
- ▶ PIN activation & management

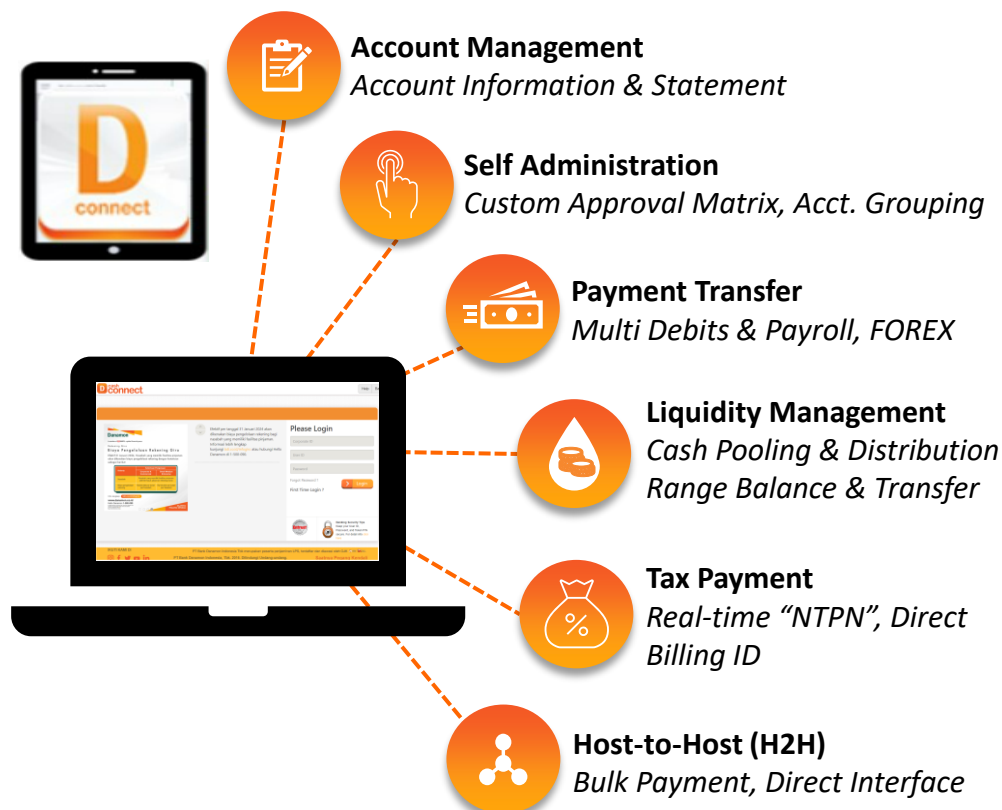
Access to Financial Solution

- ▶ Multi-Currency Account
- ▶ Mutual Fund & Bond
- ▶ Credit Card - My Own Installment
- ▶ Auto & Multi-Purpose Loan
- ▶ Insurance for Health & Vehicle

Ease for Payment

- ▶ Card-less Cash withdrawal
- ▶ FX Live Rate & Remittance
- ▶ Billing Payment - 76 billers
- ▶ Gaming & Streaming Voucher
- ▶ E-wallet & E-money top ups

Danamon Cash Connect for our Business Customer



Partnerships with Digital Players

QRIS Merchant



Direct Debit



API & Virtual Account



Next Generation Branch Concept: Refining our Customers' Experience

Encouraging Progresses from the Piloting* – Expand Relationships with Customers and Communities

Funding
(CASA & TD)



23% YoY

Loan
Disburse



11% YoY

of New-to-Bank

Danamon
Privilege



5% YoY

Danamon
Optimal



24% YoY

* Results from 5 Pilot Branches – Jakarta, Bandung, Bekasi, Semarang and Surabaya



53 branches
transformed across
18 cities in Indonesia



1

High Touch
Engagement

Seamless customer
interactions



2

Omni-Channel
Experience

Digitally savvy
technology



3

Gateway to Advisory
& Community

Center of knowledge
and advisory

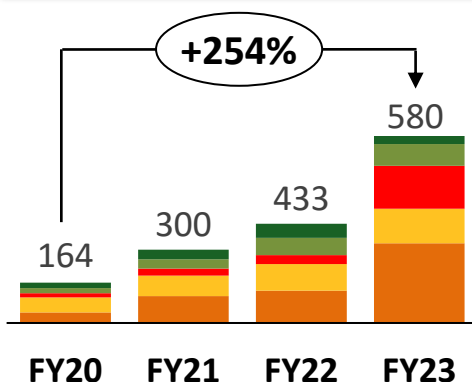


Group Collaboration & Synergy: Reaching the Ecosystem of our Customers

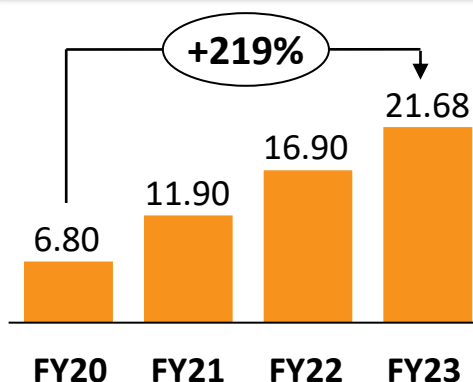
Danamon x MUFG



Number of Deals*



Synergy Loan (Rp tn)



*) Accumulated number of deals; legends by products:
 ■ Financial Supply Chain ■ Sharia Finance ■ Employee Benefit Program ■ EB Bilateral Loan ■ CASA, etc.

Joint Event



>200 Business Matching Meetings
 >125 Startups connected with Venture Capitals

Real Estate Ecosystem

32 Residential Projects from Japanese Developers

New Projects in 4Q23

Springhill Yume Green by



Luxe Court by

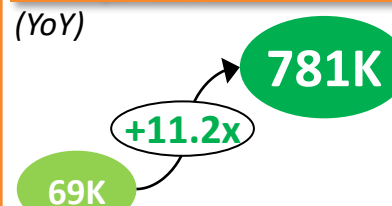


Danamon x Adira Finance

Automotive Ecosystem

CASA Opening for Adira Customers

(YoY)



Partnership Program



Auto Loan

for Danamon Customers

of Customer

▲ 112% YoY

Loan Value

▲ 98% YoY



Fleet Financing

for Danamon Customers

of Customer

▲ 22% YoY

Loan Value

▲ 85% YoY



Dealer Financing

for Adira Partners

of Customer

▲ 105% YoY

Loan Value

▲ 103% YoY

Joint Event




Aug-Dec 2023; 5 cities

Leverage our Group Capabilities in Indonesia and Globally


A Strong Banking & Multifinance Group...

Banking



Danamon


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MUFG


Jakarta Branch

Multifinance




ADIRA
FINANCE

A Danamon Company



HOME CREDIT




MANDALA
FINANCE

1)

1) subject to closing transaction


...with Local and Digital Presence

of Branch Network



>1,100 Combined outlets


of Cash Point




>30K ATMs ²⁾ **>22K** Indomaret




2) Including ATM Bersama, PRIMA and ALTO

Digital Platform








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A Danamon Company




Powered by PT Mandala Multifinance, Tbk



My HomeCredit Indonesia

Digital Partnership: Garuda Fund

...and a Global Connection




MUFG

>400 locations in Japan,

~2,400 in **50** countries


Partner Banks in Southeast Asia

1




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2



Nâng giá trị cuộc sống

3



SECURITY BANK

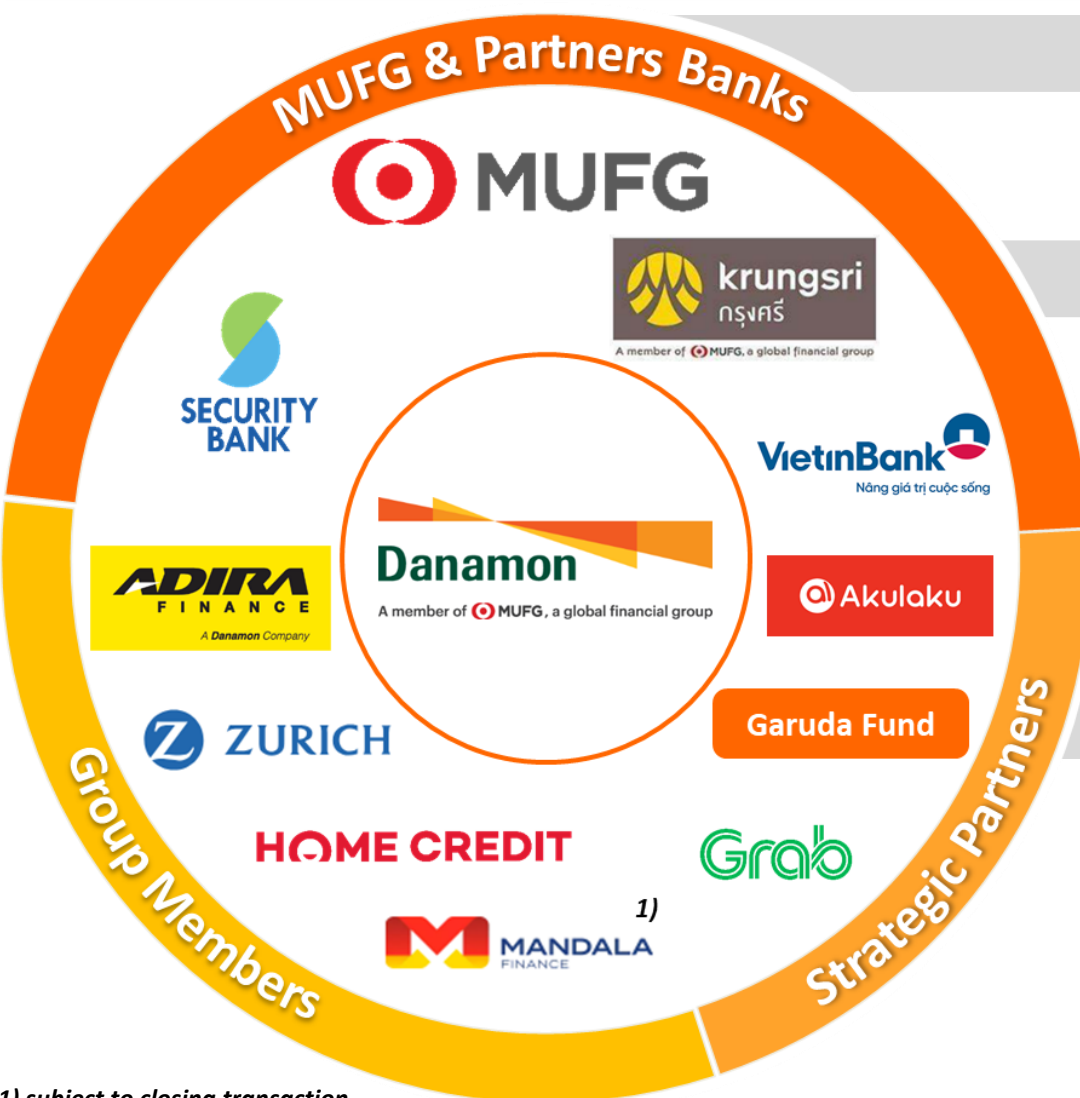
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Grow as a Financial Group, Dominant in Targeted Ecosystems

2024 – 2026 Strategic Direction

“Grow as a Financial Group”

Double-digit growth in lending & funding with sustainable profitability



Business Engines

EB&FI	SME	Consumer	Adira Finance & Group Entities
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Strategic Themes

1 <u>Dominant in targeted ecosystems</u>	2 <u>Unique MUFG proposition</u>	3 <u>Data analytics & process improvement</u>
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Foundation for Financial Group

New business incubation and inorganic growth

Optimize Core Business & Foundation Building

Core Business			
Prudent Lending	Robust CASA	Strong Fee Income	Group Synergy
Foundation Building			
People	IT & Digital	Branding	Branch Network

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Strategy Highlights

Financial Highlights



SAATNYA
PEGANG KENDALI

Record High in Loan Backed by Healthy Asset Quality



Strong Growth in all Engines

- **Total Loan and Trade Finance** reached Rp 174.9 trillion, an **increase of 19% YoY**.
- **Consumer Loan** grew **41% YoY** supported by focus on Japanese ecosystems and completion of Standard Chartered portfolio acquisition.
- Compared to the same period last year, **ADMF New Financing** increased by **31%**.



Liquidity and Funding Growth

- **Total Third-Party Deposits** reached Rp 140.4 trillion, **increased by 10% YoY**.
- While funding growth shifted to TD due to higher interest rate environment, **Granular Funding** also grew by **10% YoY**.



Healthy Asset Quality

- **LAR%** (include COVID restructure still under forbearance) improved by 100bps YoY, **managed down to 11.6%**.
- **NPL Coverage Ratio** reached **265.9%** from 230.8% in previous year.
- **Gross NPL Ratio** improved by 40bps YoY to **2.2%**.



Profitability

- **NIM** improved by 20bps YoY to **8.2%** despite higher interest rate environment.
- **Operating Income** grew by 7% YoY to **Rp 18.2 trillion**
- **NPAT** reached **Rp 3.5 trillion**, increased by 6% YoY.

Double Digit Growth in Loan and Funding

In Rp bn	Dec-22	Dec-23	YoY	Mar-23	Jun-23	Sep-23	Dec-23	QoQ
Total Assets	197,730	221,305	12%	203,516	203,935	208,277	221,305	6%
Total Loan Portfolio and Trade Finance ¹⁾	146,719	174,882	19%	151,816	161,033	166,183	174,882	5%
Government Bonds	18,786	16,318	-13%	19,699	18,149	14,186	16,318	15%
Total Funding	137,164	155,447	13%	138,609	140,806	144,491	155,447	8%
CASA	81,392	73,444	-10%	73,841	71,094	67,372	73,444	9%
Time deposits	45,964	66,988	46%	51,672	55,892	62,889	66,988	7%
Borrowings and LT. Funding	9,809	15,015	53%	13,096	13,820	14,230	15,015	6%
Equity	46,844	49,237	5%	46,513	47,331	48,289	49,237	2%

1) Trade Finance includes marketable securities.

YoY Net Profit Growth Driven by Higher Operating Income

In Rp bn	FY22	FY23	YoY	1Q23	2Q23	3Q23	4Q23	QoQ
Net Interest Income	14,118	15,212	8%	3,715	3,725	3,857	3,916	2%
Non Interest Income	2,819	2,991	6%	679	652	687	974	42%
Operating Income	16,937	18,203	7%	4,393	4,377	4,544	4,890	8%
Operating Expenses	(9,214)	(9,957)	8%	(2,413)	(2,467)	(2,469)	(2,608)	6%
PPOP	7,723	8,247	7%	1,981	1,910	2,075	2,281	10%
Cost of Credit	(3,301)	(3,687)	12%	(894)	(993)	(797)	(1,003)	26%
Operating Profit	4,422	4,560	3%	1,087	917	1,278	1,278	0%
NPAT	3,302	3,504	6%	818	690	1,053	943	-10%

Stable Margin and Well-maintained Asset Quality

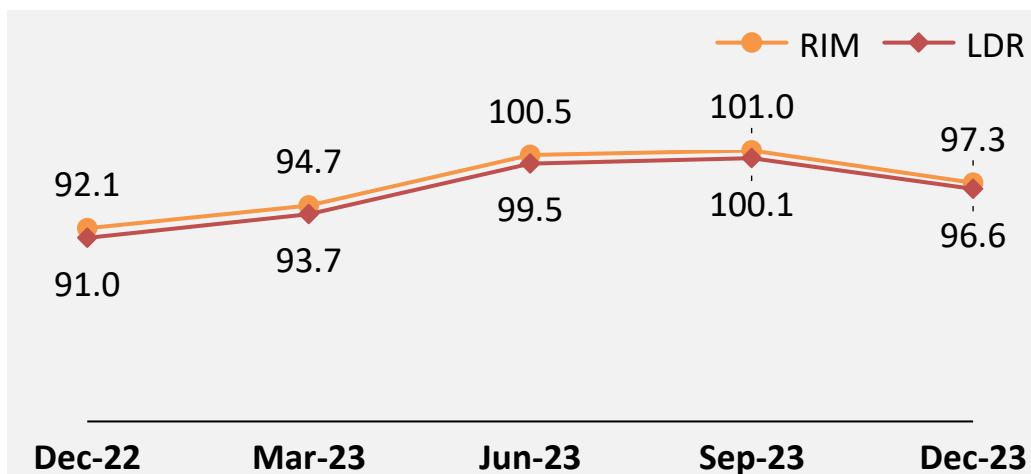
In %	FY22	FY23	YoY	1Q23	2Q23	3Q23	4Q23	QoQ
NIM	8.0	8.2	0.2	8.4	8.1	8.1	8.0	-0.1
CoC	2.4	2.4	0.0	2.5	2.6	2.0	2.4	0.4
Risk-adjusted NIM	5.6	5.8	0.2	5.9	5.5	6.1	5.6	-0.5
Cost to Income	54.4	54.7	0.3	54.9	56.4	54.3	53.3	-1.0
CASA Ratio	63.9	52.3	-11.6	58.8	56.0	51.7	52.3	0.6
RIM	92.1	97.3	5.2	94.7	100.5	101.0	97.3	-3.7
NPL Gross	2.6	2.2	-0.4	2.4	2.3	2.3	2.2	-0.1
Loan Loss Coverage (LLC)	230.8	265.9	35.1	254.2	259.9	252.7	265.9	13.2
Loan at Risk Coverage excl. COVID ¹⁾	56.1	54.8	-1.3	55.7	53.0	53.3	54.8	1.5
Loan at Risk Coverage incl. COVID ²⁾	48.0	50.0	2.0	48.3	47.2	48.0	50.0	2.0
ROAA	1.7	1.7	0.0	1.6	1.4	2.0	1.8	-0.2
ROAE	8.3	8.3	0.0	7.8	6.6	9.9	8.6	-1.3
CAR – Consolidated	26.3	27.5	1.2	28.5	28.2	28.4	27.5	-0.9

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

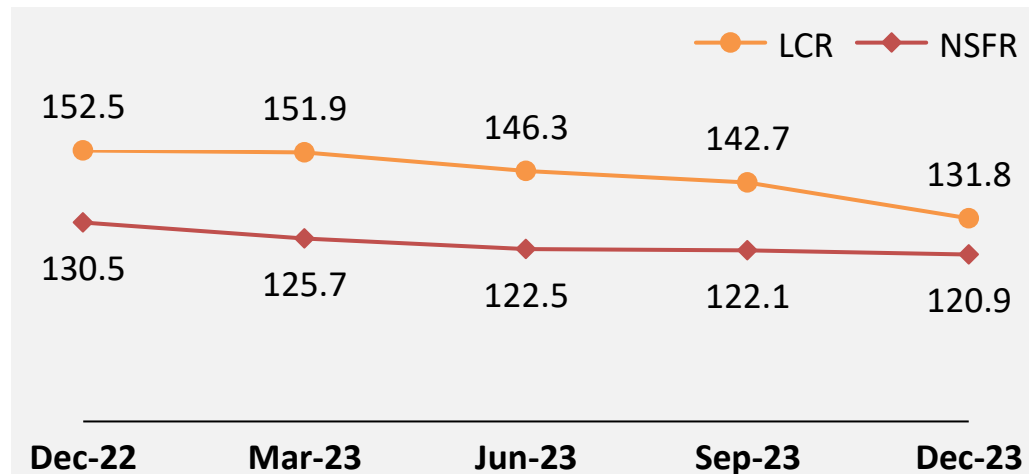
2) NPL + SM + Restructured Loan Coll. 1 including COVID Restructured Loans (Under Forbearance).

Stable Liquidity Supported by Growth in Granular Funding

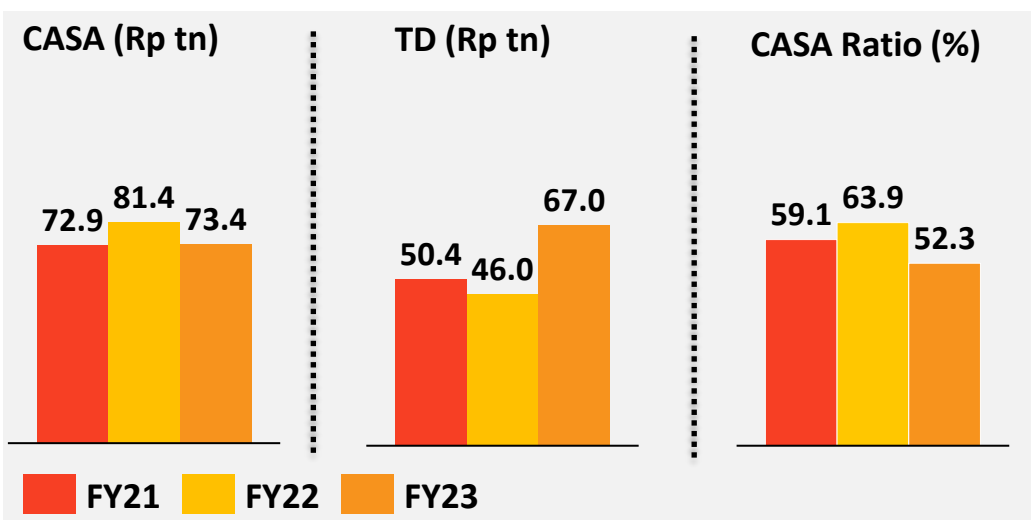
RIM & LDR (%)



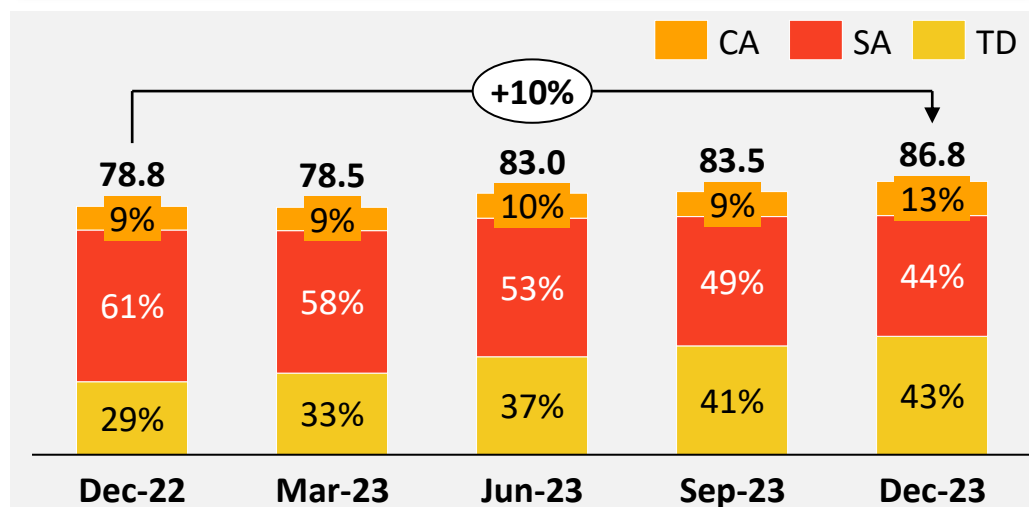
LCR & NSFR (%)



CASA , TD & CASA Ratio



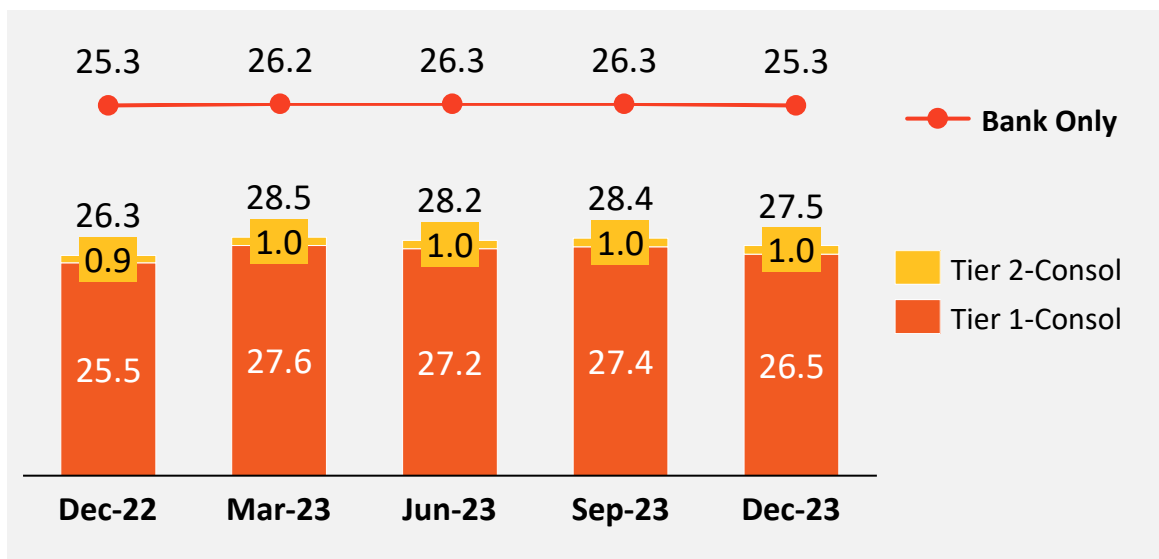
Strong Focus on Granular Funding* (Rp tn)



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

Strong Capital Structure as Foundation for Growth

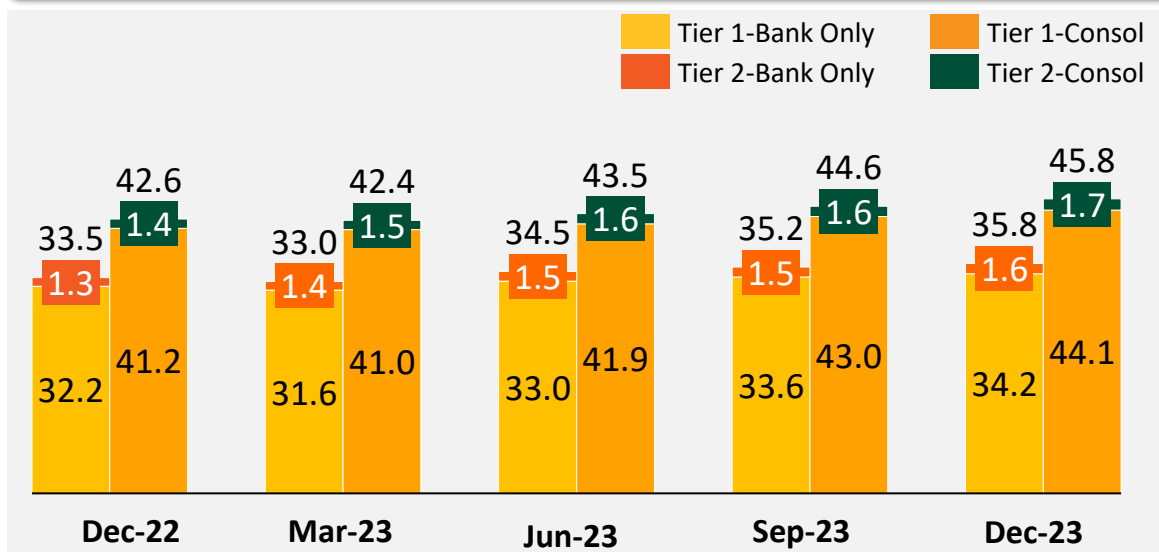
Capital Adequacy Ratio (%)



Market and Operational Risk Charges (%)

%	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
CAR w/ Credit Risk	33.4	31.5	31.0	31.0	29.8
Market Risk Charge	-0.2	-0.5	-0.5	-0.3	-0.2
Operational Risk Charge	-6.9	-2.5	-2.3	-2.3	-2.1
CAR Consolidated	26.3	28.5	28.2	28.4	27.5

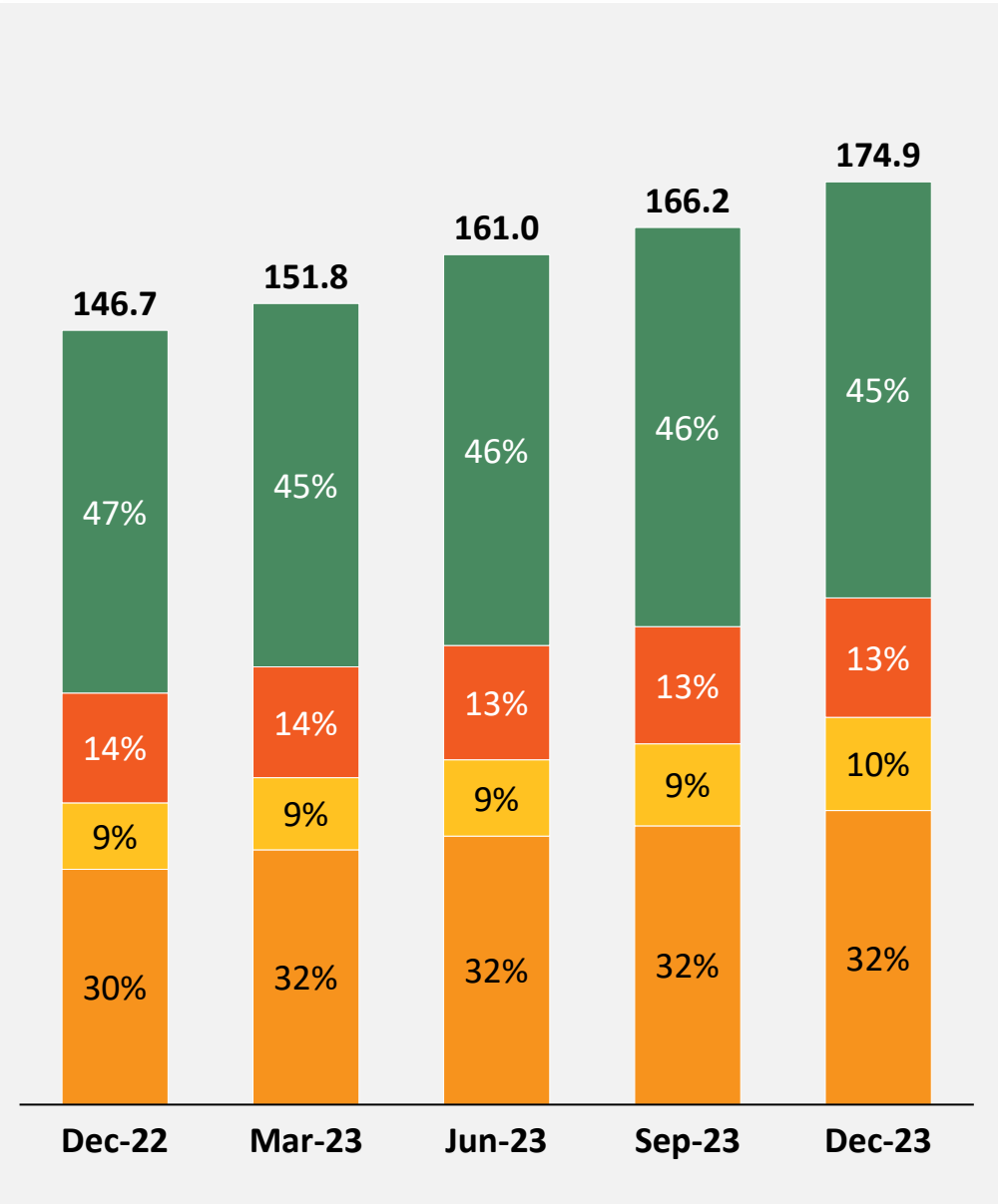
Tier 1 and Tier 2 Consolidated Capital



- **Consolidated Capital Adequacy Ratio (CAR) was 27.5%**, far above the minimum regulatory requirement.
- **Almost 100% of the capital derived from Tier 1 Capital.**

Record High in Loan Supported by All Business Engines

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



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

	Rp bn	Dec-22	Dec-23	YoY	Sep-23	QoQ
Wholesale Business	EB ²⁾ & FI	68,707	78,844	15%	75,633	4%
	SME	20,856	22,644	9%	22,159	2%
Consumer Business	Consumer ³⁾	12,570	17,668	41%	15,574	13%
	Adira Finance	44,586	55,727	25%	52,816	6%
Total		146,719	174,882	19%	166,183	5%

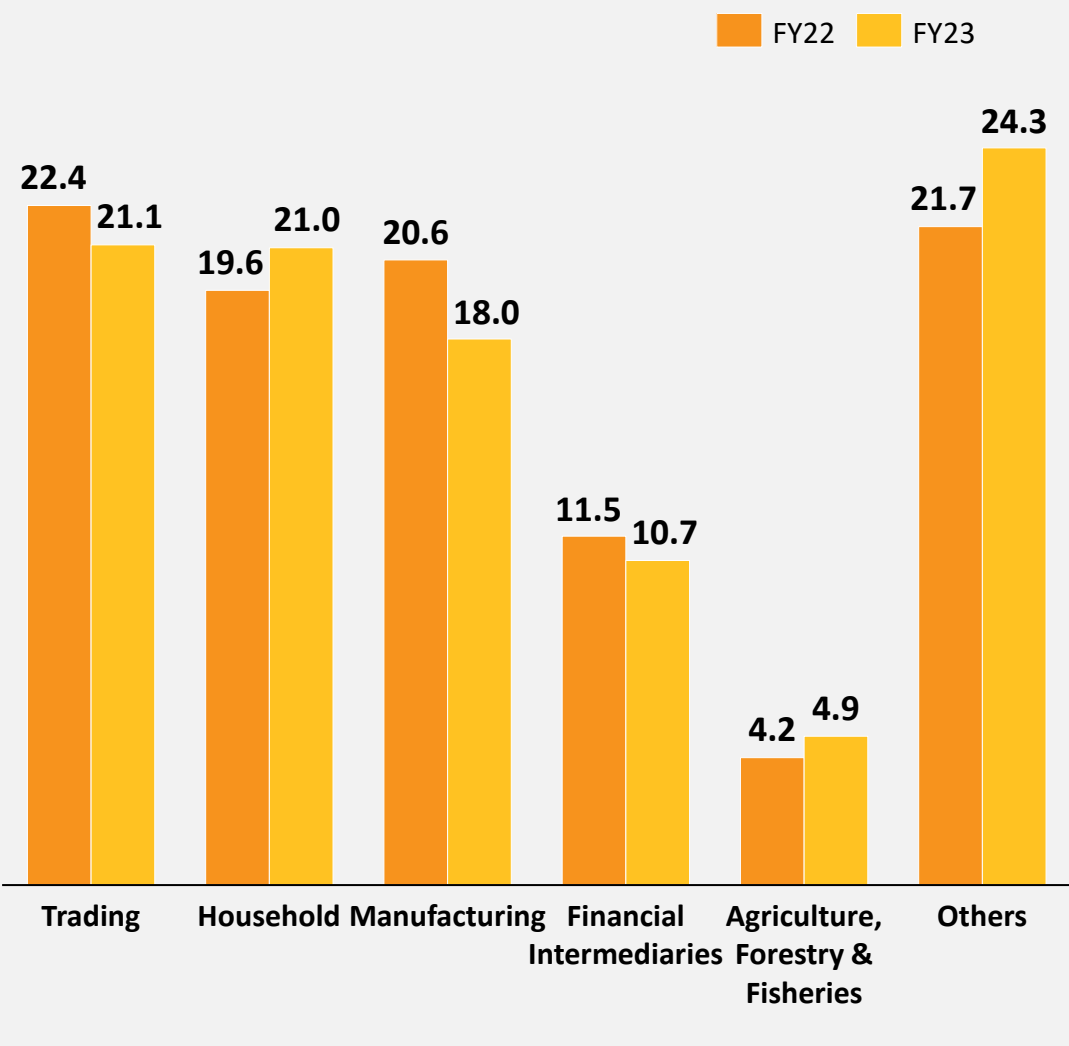
1) Trade finance includes marketable securities.

2) Enterprise Banking: Commercial and Corporate.

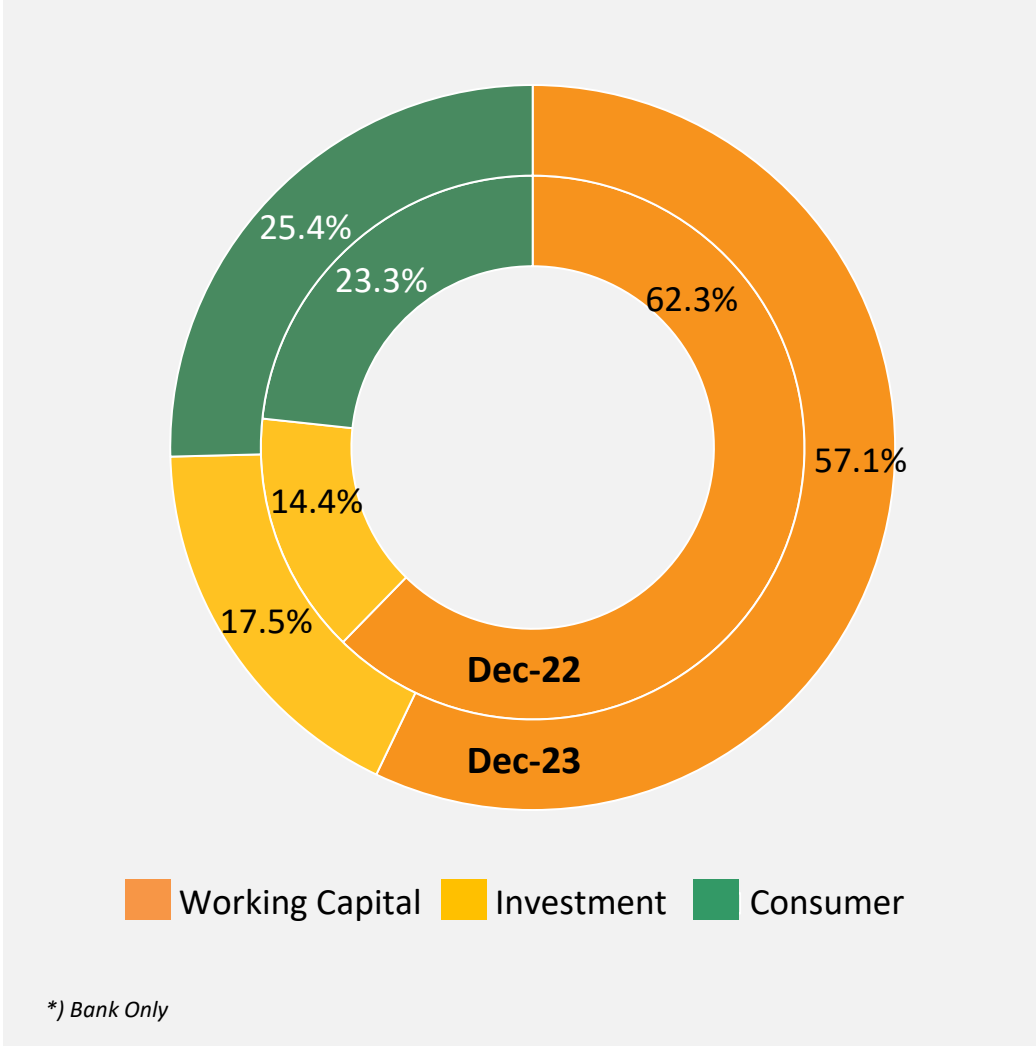
3) Consumer: Mortgage, Unsecured Personal Loan, Credit Card, and Others.

Loan is Well Diversified Across Economic Sectors

Loans by Sector (% of total loans)



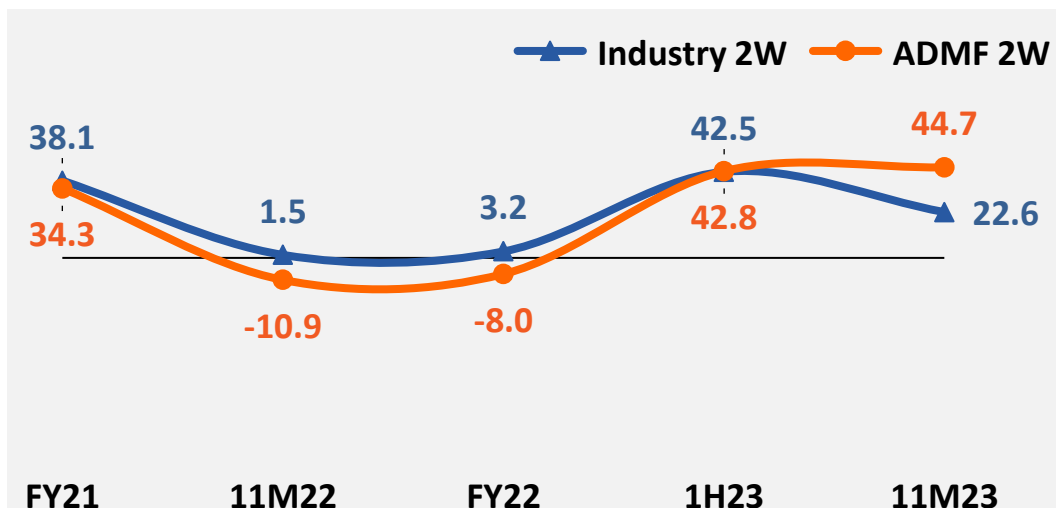
Loans by Purpose*



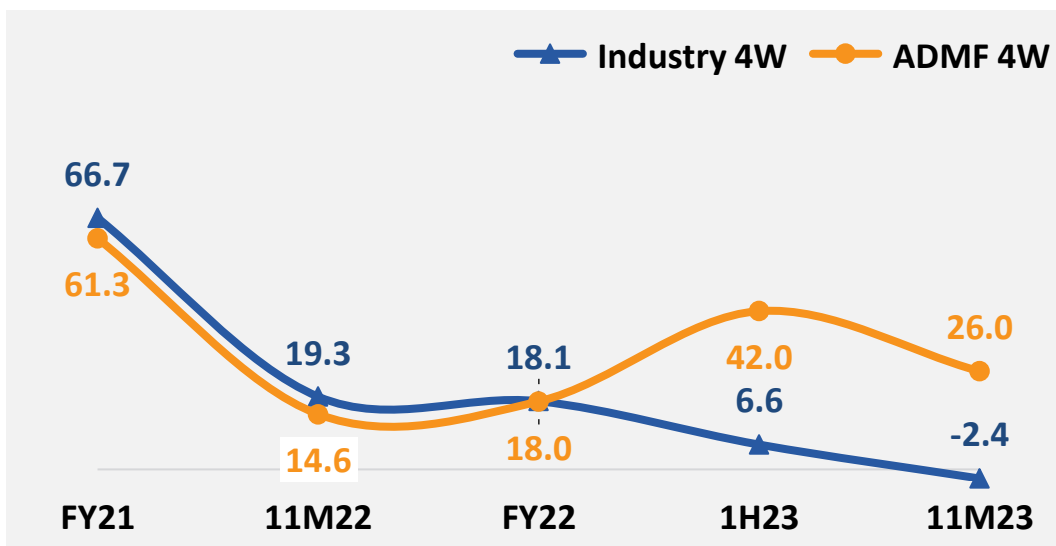
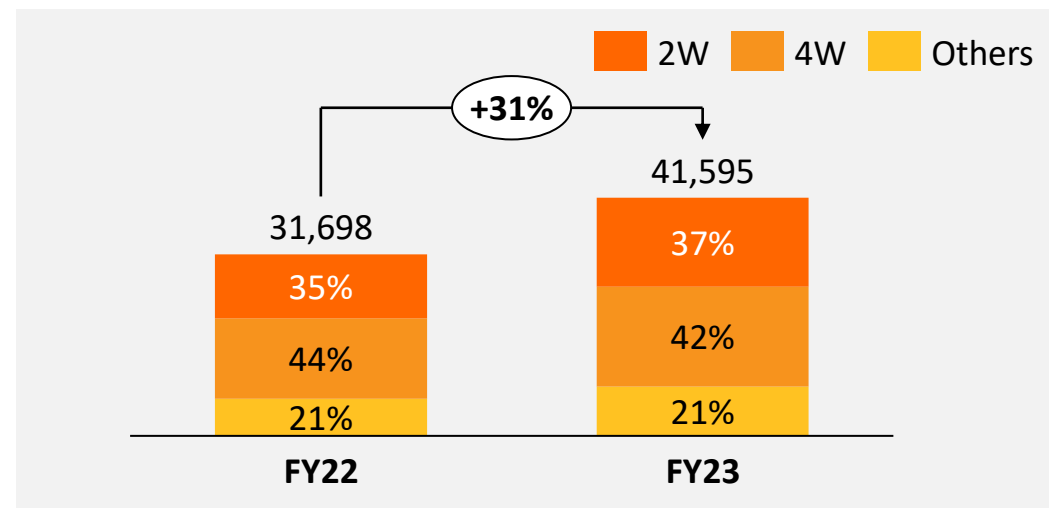
*) Bank Only

Above Industry Growth for ADMF New Financing

ADMF Units New Financing Growth vs. Industry



ADMF New Financing Amount (in Rp bn)



(% YoY growth based on cumulative YTD)

Note: Industry data from AISI and Gaikindo.

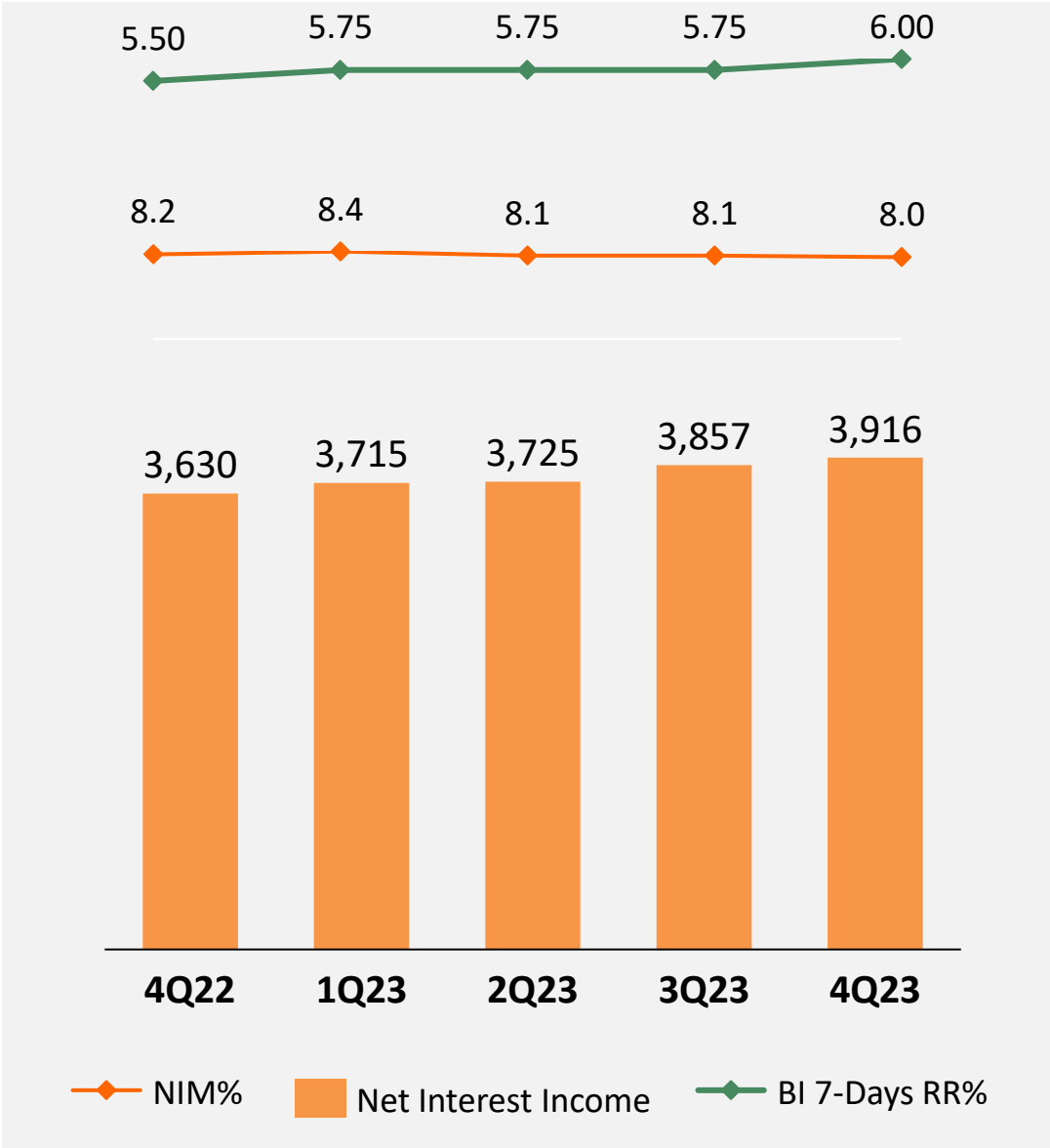
ADMF Outstanding Loans

Rp bn	Dec-22	Dec-23	YoY	Sep-23	QoQ
2W Auto Loans	14,572	18,529	27%	17,596	5%
4W Auto Loans	23,247	27,742	19%	26,480	5%
Multi-Purpose Loans	6,528	8,739	34%	8,138	7%
Others*	238	717	201%	602	19%
Total Loans	44,586	55,727	25%	52,816	6%

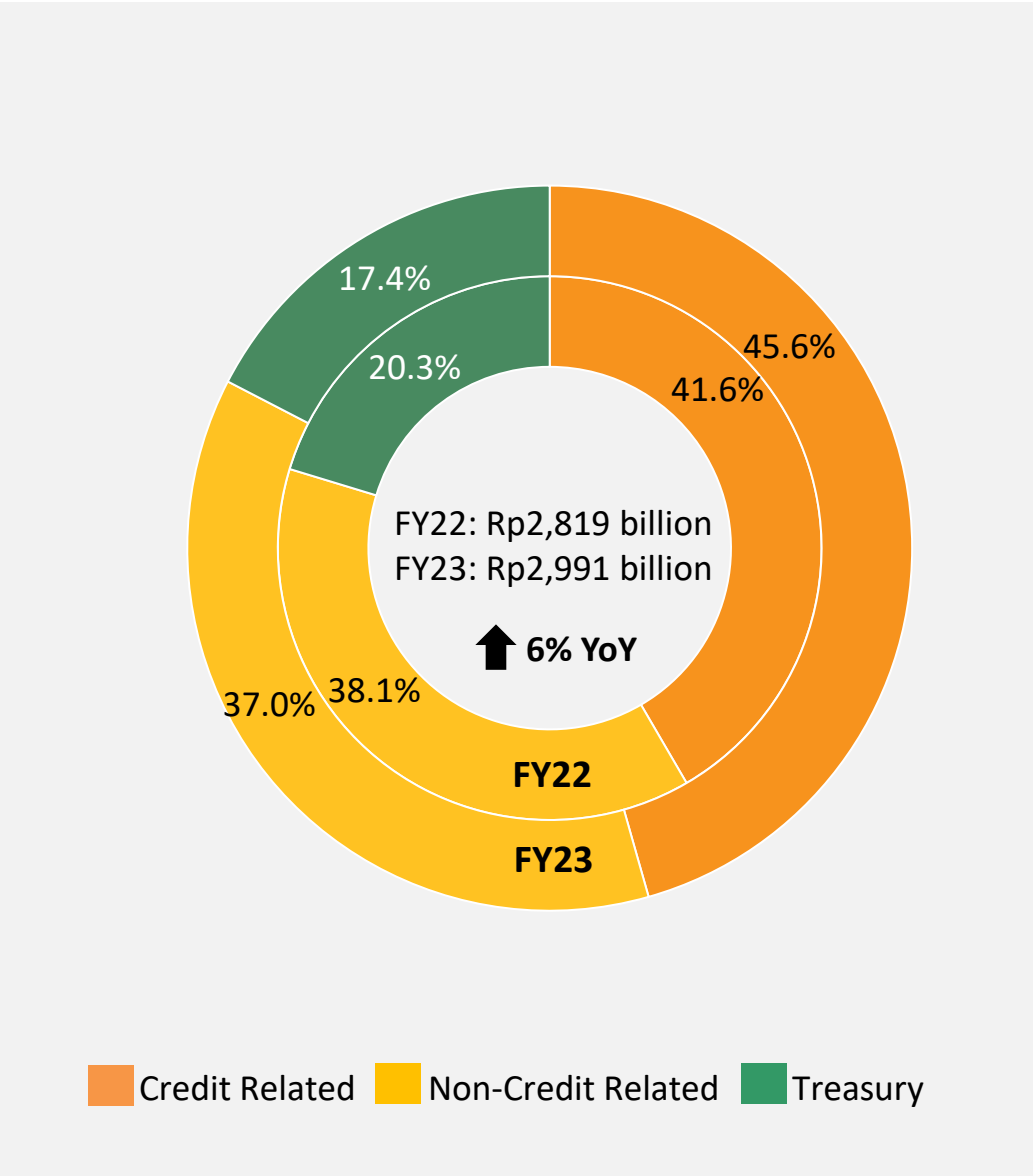
*White goods, heavy equipment and others

Stable NIM Trend and 6% YoY growth in Non-Interest Income

Net Interest Income (Rp bn)



Non-Interest Income



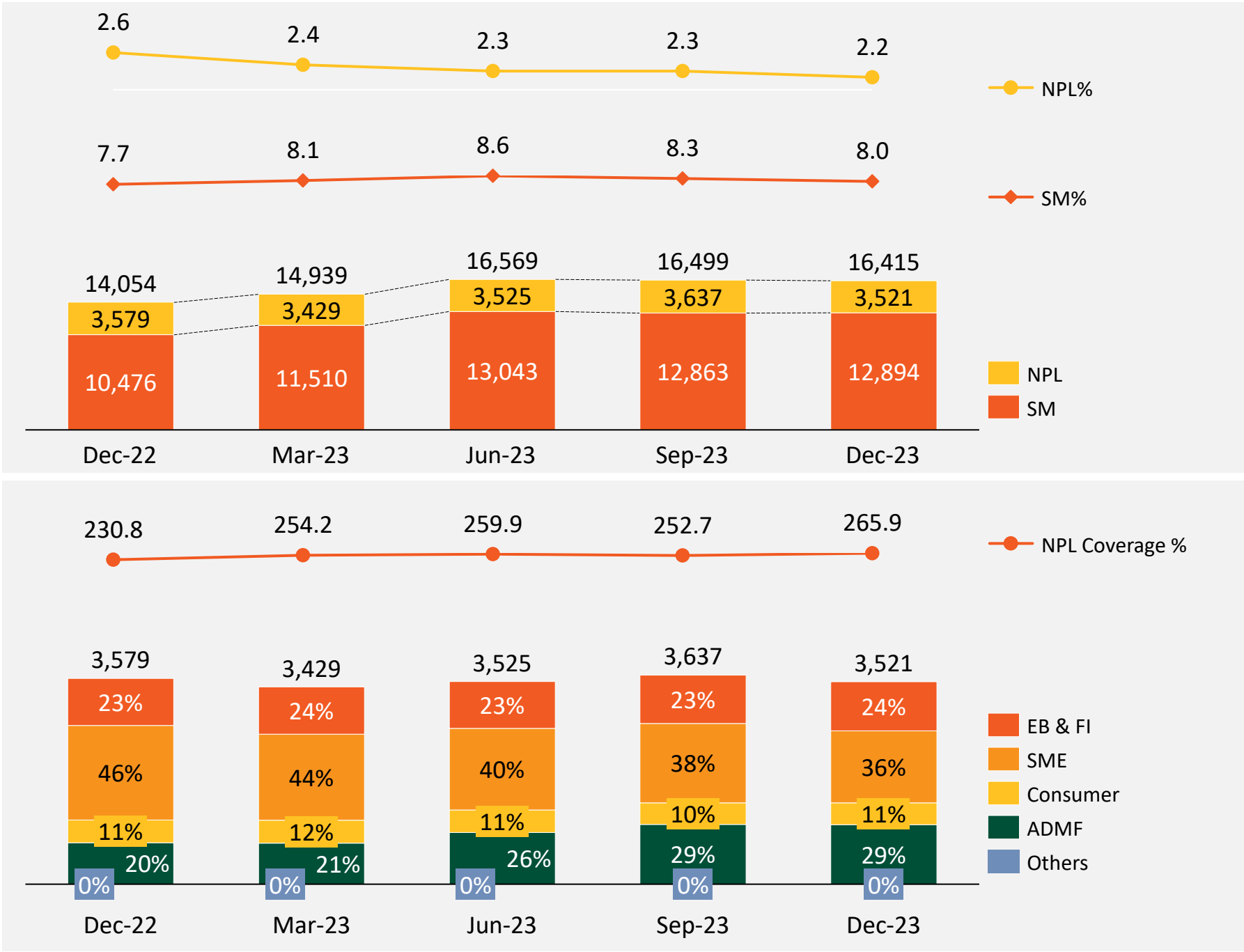
NPL ratio continue to improve, combined with strong NPL Coverage Ratio

NPL and SM Ratio (%)

NPL and SM amount (Rp bn)

NPL Coverage Ratio (%)

NPL amount and composition (% of total NPL)

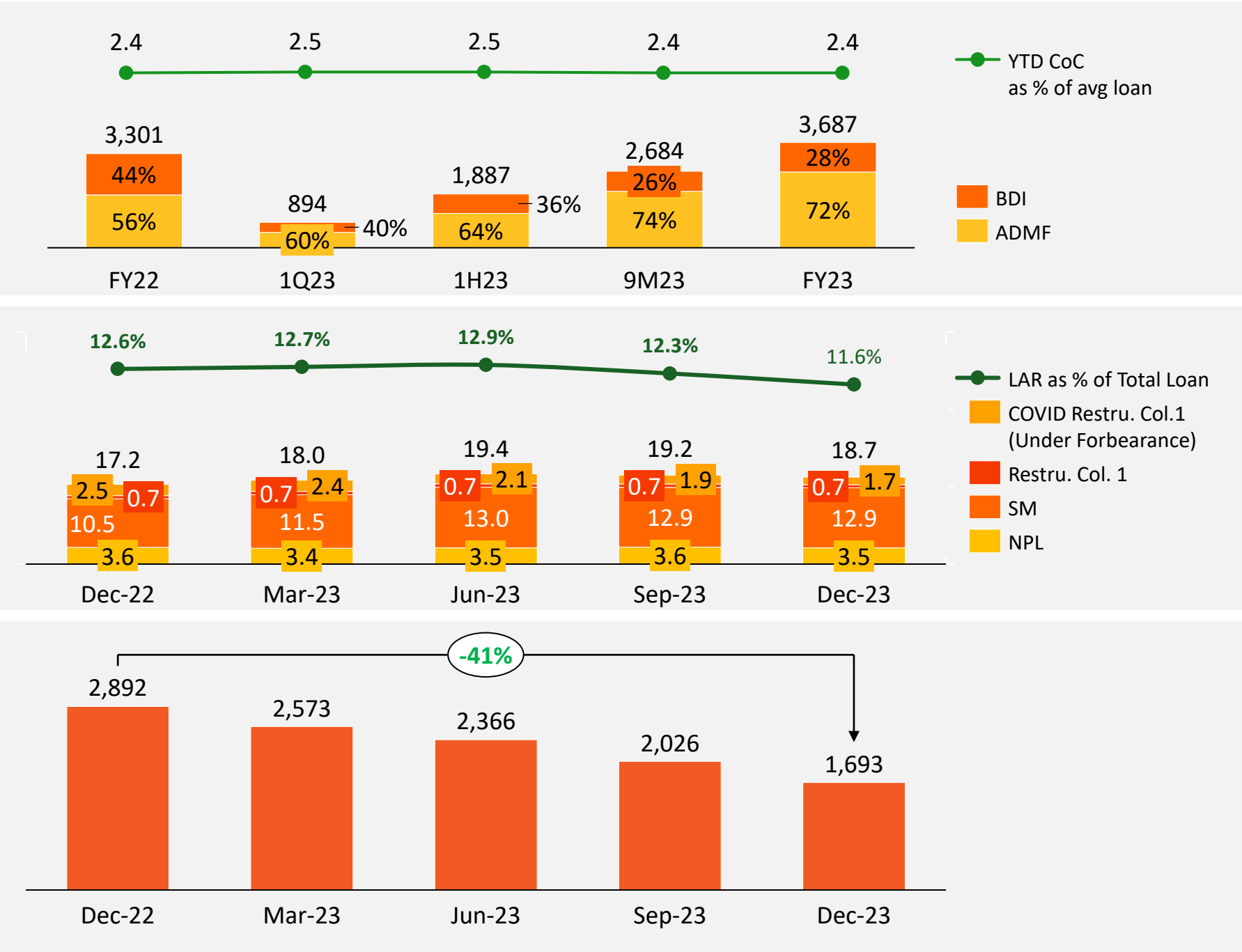


Loan at Risk Ratio Continues to Decline

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

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

COVID related
Restructured
Loans – Under
Forbearance
(Rp bn)





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THANK YOU

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PT Bank Danamon Indonesia Tbk, berizin dan diawasi oleh Otoritas Jasa Keuangan (OJK)
serta merupakan peserta penjaminan LPS 

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