

2016 Financial Highlights



Net operating income and NPAT grew by double-digit

Net operating income grew 25% to Rp4.9 trillion while tax expense increased by 97% resulted from one-time tax expense due to Tax Amnesty participation. Net Profit After Taxes grew 12% to Rp2.7 trillion.

↑ 25% ↑ 12%



Composition of CASA

CASA ratio increased by 340 bps from prior year to reach 46.0%.

↑ 46.0%



Loan portfolio excluding Micro grew

Combined portfolio* excluding Micro loans grew 4% QoQ and 2% YoY.

↑ 4%

↑ 2%

*Include Trade Finance and related Marketable securities.

SME, Wholesale and Consumer Mortgage portfolio grew double digit at 10.1%, 10.8% and 20.8% YOY.

↑ 10.1% ↑ 10.8%

↑ 20.8%



Loan Quality Improved

NPL amount decreased 4.1% YoY to Rp3.7 trillion. NPL ratio stood at 3.1%.

↓ 4.1%



Consolidated CAR

CAR ratio stood at 20.9% or higher than 19.7% in the previous year.

↑ 20.89%

(In billions of Rupiah except share data)	2016	2015	2014
CONSOLIDATED BALANCE SHEET			
Assets	174,087	188,057	195,821
Earning Assets-gross ^{a)}	166,651	180,106	187,409
Loans-Gross ^{b)}	122,385	129,367	139,057
Non Performing Loans	3,743	3,895	3,235
Marketable Securities-Gross	17,446	6,392	8,910
Government Bonds	9,563	6,916	6,605
Deposits ^{h)}	106,612	116,967	118,921
Total Funding ^{c)}	113,890	128,788	136,728
Total Liabilities	137,709	153,843	163,174
Equity and Minority Interest	36,378	34,215	32,647
Investments-Net	165	158	158
Number of Shares Issued and Fully Paid (in units)	9,584,643,365	9,584,643,365	9,584,643,365
CONSOLIDATED INCOME STATEMENTS			
Interest Income	20,655	22,421	22,991
Interest Expense	6,876	8,772	9,312
Net Interest and Underwriting Income	14,400	14,175	14,107
Other Operating Income	4,071	4,082	4,336
General and Administrative Expenses	3,020	3,415	3,652
Salaries and Employee Benefits	4,879	4,834	5,811
Allowance for Impairment Losses	4,441	5,082	3,986
Net Operating Income	4,934	3,819	4,063
Non-Operating Expenses-Net	541	538	510
Income Before Tax and Minority Interest	4,393	3,281	3,553
Income Tax Expense	1,600	812	870
Net Income	2,793	2,469	2,683
Net Income-attributable to parent entity	2,669	2,393	2,604
Other Comprehensive Income/(Expense)	41	69	79
Total Comprehensive Income	2,834	2,538	78
Basic Earnings Per Share	278.52	249.70	271.69
Total Comprehensive income-attributable to equity holders of the parent entity	2,715	2,459	2,761
Total Comprehensive income-attributable to non-controlling interest	119	78	79

(In billions of Rupiah except share data)	2016	2015	2014
KEY FINANCIAL RATIOS (%)			
I. Capital			
1. Capital Adequacy Ratio (CAR) Consolidated ^{d)}	20.9	19.7	17.9
Tier I	20.1	18.8	17.7
Tier II	0.8	0.8	0.2
2. Assets to Equity	4.8	5.5	6.0
II. Earning Assets			
1. Non Performing Earning Assets and Non Productive Assets to Total Earnings and Non Productive Assets	1.9	2.0	1.5
2. Non Performing Earning Assets to Total Productive Assets	2.4	2.5	1.9
3. Non Performing Loans (NPL) to Total Loans-Gross	3.1	3.0	2.3
4. Non Performing Loan (NPL) to Total Loans-Net	1.8	1.9	1.3
5. Allowance for Impairment Losses for Financial Assets to Productive Assets ^{e)}	3.0	2.9	2.3
6. Loan Loss Coverage	116.9	112.0	122.6
III. Rentability			
1. Return on Average Assets (ROAA)	2.5	1.7	1.9
2. Return on Average Equity (ROAE)	8.0	7.4	8.6
3. Debt to Assets	0.79	0.82	0.83
4. Debt to Equity	3.79	4.50	4.93
5. Net Interest Margin (NIM)	8.9	8.2	8.4
6. Cost to Income	48.8	52.0	55.7
7. Fee Income	22.1	21.2	22.4
8. Operating Expense to Operating Income	77.3	83.37	76.40
9. Cost of Funds	5.1	5.9	6.4

(In billions of Rupiah except share data)	2016	2015	2014
IV. Liquidity			
1. LFR ^{d)}	91.0	87.5	92.6
2. CASA Ratio	46.0	42.6	49.2
V. Compliance			
1.a. Percentage of Violations of Legal Lending Limit			
a.1. Related Parties	0.0	0.0	0.0
a.2. Third Parties	0.0	0.0	0.0
b. Percentage of Excess of Legal Lending Limit			
b.1. Related Parties	0.0	0.0	0.0
b.2. Third Parties	0.0	0.0	0.0
2. GWM Rupiah ^{e)}			
Primary	6.6	7.6	8.1
Secondary	10.0	8.1	11.6
3. Minimum Reserve Requirement in Foreign Exchange			
4. Net Open Position	0.7	0.3	1.1
VI. Others			
1. Total Employees ^{d)}	44,019	50,226	60,618
2. Total Branches ^{d)}	1,859	1,901	2,156
3. Total ATMs	1,431	1,454	1,473

The figures are derived from consolidated financial statements 2016, and 2015 which have been audited by Public Accounting Firm Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Limited), and 2014 which have been audited by Public Accounting Firm Purwantono, Suherman & Surja (a member firm of Ernst & Young Limited).

Notes

- a) Including loans, receivables from consumer financing of Adira Finance and Adira Kredit, lease receivables from Adira Finance, current account with BI and other banks, placements with BI and other banks, marketable securities, derivative receivables, acceptance receivables.
- b) Including receivables from consumer financing of Adira Finance and Adira Kredit.
- c) Including customer time deposits, time deposits from other banks, Securities Issued and long term funding (>1 year maturity).
- d) Excluding time deposits from other banks.
- e) In line with BI regulation No. 15/15/PBI/2013 dated 24 December 2013 regarding "Reserve Requirement (RR) of Commercial Banks in Bank Indonesia in Rupiah and Foreign Currency For Conventional Bank", starting 31 December 2013, Primary RR for Rupiah Currency is set at 8% from total third party funds in Rupiah and Secondary RR is set at 4% from total third party funds in Rupiah. RR in foreign currency is set at 8% of total third party funds in foreign currency. In line with BI regulation No. 17/21/PBI/2015 dated 1 December 2015, RR Primer in Rupiah is set at 7.5 % of total third party funds. RR primary is changed again to 6.5% of total third party funds based on BI regulation No.18/3/PBI/2016 dated 10 March 2016.
- f) Including Adira Finance, Adira Kredit and Adira Insurance.

SOURCES AND DISTRIBUTION ZAKAT FUNDS**Danamon Syariah Business Unit**

(Rp million)

No	Description	2016	2015	2014
1.	Initial Balance of Zakat Funds	160	1,844	299
2.	Source of Zakat Funds:			
	a. Internal UUS	-	-	-
	b. External UUS	5,452	393	1,848
3.	Distribution zakat funds to zakat administrator entity			
	a. Amil Zakat Institution	5,307	2,077	303
	b. Amil Zakat Board	-	-	-
4.	Increase (decrease) zakat funds	145	(1,684)	1,545
5.	Ending balance of zakat funds	305	160	1,844

SOURCES AND DISTRIBUTION QARDH FUNDS

(Rp million)

No	Description	2016	2015	2014
1.	The source of Qardh fund at the beginning of the period	624	1,348	1,576
2.	Receipt of funds virtue			
	a. Infaq	232	2	132
	b. Shadaqah	-	-	-
	c. Productive Qardh funds refund	-	-	-
	c. Penalties	744	688	1,284
	d. Non-halal Income	-	-	-
	e. Others	-	-	-
	Total Receipts	976	690	1,416
3.	Utilization of Qardh Funds			
	a. Productive Qardh fund	-	-	-
	b. Donation	845	1,414	1,643
	c. Other utilisation for public interest	-	-	-
	Total Utilisation	845	1,414	1,643
4.	Increase (decrease) on Utilization of Qardh Funds	132	(724)	(228)
5.	Source of Qardh fund at the end of period	756	624	1,348

Table of Margin Distribution (Rp million)

No.	Type of funding	2016					2015				
		Average balance	Revenues to be distributed	Depositor's portion			Average balance	Revenues to be distributed	Depositor's portion		
				Ratio (%)	Total bonus & profit sharing	Rate of return indication (%)			Ratio (%)	Total bonus & profit sharing	Rate of return indication (%)
A	B	C	D	E	A	B	C	D	E		
A. FINANCING											
1.	Bank	317,875	3,332	-	-	-	285,118	2,979	-	-	-
2.	Non Bank	3,006,326	30,865	-	-	-	2,884,449	29,246	-	-	-
B. FUNDING											
1	Wadiah current accounts										
a.	Bank	5,592	47	-	-	-	5,182	44	-	-	-
b.	Non Bank	276,156	2,345	-	-	-	263,301	2,243	-	-	-
2	Mudharabah current accounts										
a.	Bank	27,657	235	10.00	24	1.00	13,492	115	10.00	11	1.00
b.	Non Bank	269,235	2,287	10.00	229	1.00	207,731	1,770	10.00	177	1.00
3	Wadiah savings										
a.	Bank	-	-	-	-	-	-	-	-	-	-
b.	Non Bank	6,348	54	-	-	-	2,389	20	-	-	-
4	Mudharabah savings										
a.	Bank	24,989	212	13.00	28	1.30	19,686	168	13.00	22	1.30
b.	Non Bank	335,330	2,848	13.00	370	1.30	259,245	2,208	13.00	287	1.30
5	Mudharabah deposits										
a.	Bank										
-	1 month	639,555	5,432	42.00	2,281	4.21	420,314	3,581	42.00	1,504	4.21
-	3 months	13,677	116	42.00	49	4.21	6,629	56	42.00	24	4.21
-	6 months	2,839	24	45.00	11	4.49	0	0	42.00	0	4.21
-	12 months	4,949	42	42.00	18	4.21	5,189	44	42.00	19	4.21
b.	Non Bank										
-	1 month	1,644,289	13,965	42.00	5,865	4.21	1,535,582	13,081	42.00	5,494	4.21
-	3 months	101,383	861	42.00	362	4.21	33,884	289	42.00	121	4.21
-	6 months	135,875	1,154	42.00	485	4.21	17,164	146	42.00	61	4.21
-	12 months	11,994	102	42.00	43	4.22	10,367	88	42.00	37	4.21
TOTAL		3,499,868	29,724				2,800,157	23,854		7,757	

	2014				
	Average balance	Revenues to be distributed	Depositor's portion		
			Ratio (%)	Total bonus & profit sharing	Rate of return indication (%)
A	B	C	D	E	
	239,828	2,364	-	-	-
	2,200,153	20,061	-	-	-
	3,769	32	-	-	-
	297,121	2,530	-	-	-
	9,166	78	10.00	8	1.00
	176,377	1,502	10.00	150	1.00
	-	-	-	-	-
	3,043	26	-	-	-
	32,193	274	13.00	36	1.30
	264,896	2,256	13.00	293	1.30
	203,542	1,733	46.00	797	4.61
	67,742	577	46.00	265	4.61
	84	1	46.00	0	4.61
	4,245	36	46.00	17	4.61
	1,130,724	9,630	46.00	4,430	4.61
	67,810	578	46.00	266	4.61
	52,121	444	46.00	204	4.61
	10,717	91	46.00	42	4.61
	2,323,549	19,788		6,508	