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Director

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Vice President Director

Vera Eve Lim  
Chief Financial Officer

# Operating Review

Call Centre Award  
2005 for Service  
Excellence

Won Best MasterCard  
Electronic Card award  
from MasterCard  
International

Trisakti Institute  
Award for Customer  
Satisfaction

1<sup>st</sup> in Banking Service  
Excellence; the MRI  
Survey 2004 & 2005

Consumer Banking

# Your needs



**Ibu Tamara Geraldine**, a TV performer and personality is one of our better known customers. We asked her to judge our performance during the past year. **"I have been banking a long time with Bank Danamon because their staff are friendly and helpful. They don't just treat me this way, they treat all their customers the same. I could go as far as to say Bank Danamon treats everyone like a celebrity! At the same time they maintain a no nonsense professional approach and that's important to me - I feel my hard earned money is with people I trust."**

### Consumer Lending - Strong Growth

Loan growth was propelled to new highs in 2004. Total consumer loans were up 52% to Rp 12.1 trillion (compared to 30% growth in 2003) and the main contributor was again the auto sector. Consumer loans now account for 41% of the bank's total lending portfolio adding significantly to margin improvement. The acquisition of Adira Finance added 13% to the bank's total interest income.

Home loan growth in excess of 19% was a satisfactory performance. This core relationship is being leveraged to understand and meet individual customer needs with other services, a source of additional income for the future and a centerpiece in the bank's relationship-focused business model. Credit card outstandings grew over 19% in 2004, the bank was awarded the title of "Best MasterCard Electronic Card" in 2004 and we launched a new Platinum card. Asset quality in general remains good and the non-performing loans coverage of 137% for the bank as a whole is considered adequate.

### Third Party Funds (Deposits) - A Key Challenge

While Danamon Simpan Pinjam (DSP) and Adira Finance are performing well as the bank's lending engines, a key challenge going forward is the bank's ability to raise low cost funding to support future growth. Overall deposits increased in 2004 by 1% to Rp 40.8 trillion. Underlying growth was in fact higher at around 24% after stripping out the amount of Rp 7.3 trillion in funds placed on deposits after the termination of a mutual fund in the second half of 2003. Lower cost current accounts and savings accounts now represent 41% of the bank's deposits base. Our brand visibility and strength, our ability to offer customers convenience through easy access to our large network and growth of our ATMs to a total of 804 (not including the shared networks nationally and overseas) position us well. From a modest start, we have opened 57 new DSP offices for salaried customers in large firms or industrial estates as a distinct segment, to encourage savings growth and we are looking in the year ahead to develop this further. Over time, and especially as many of our branches are in close proximity to busy local markets, we expect solid and stable growth in the lower cost deposits segment.

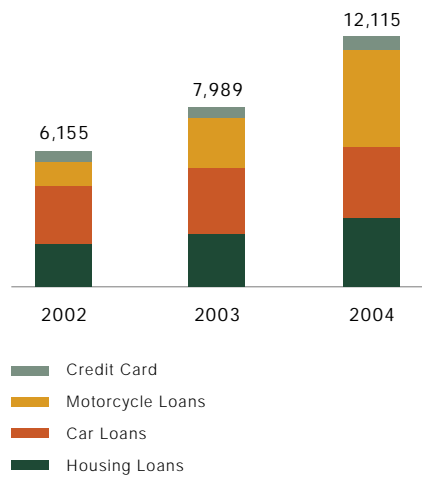


Bp Budiman Mulyono and his wife Ibu Feny Handoyo, owners of Pringgondani Restaurant in Cirebon. They are KPR (home loan) customer at Kelapa Gading branch. "To me size means reliability and that's important. But it's an added bonus that their customer service officers are so friendly."



## Consumer Credit

Rp billion



**Above** Ibu Retno Ishartini and her daughter Annisa, DSP Consumer Mass Market customers. "Bank Danamon's KPR (home loan) process is fast and easy with no administration fee and provision fee."

Bp Erlan Cahyana, customer of DSP Jababeka. "The Kredit Serba Guna (Multipurpose Credit) from Bank Danamon was quite straightforward to arrange and it's going well. Their ATM is near where I work so it's easy to withdraw money without waiting in line."





Bp Sudjono Barak Rimba chooses Bank Danamon PrimaGold for sound investment advice.

**Right Convenience** 24 hours a day is part of the “Bank Danamon cares” commitment. In addition to the expanding ATM network nationally, Bank Danamon customers can access their bank accounts directly through any DBS ATM in Singapore.

### No reason to look elsewhere

Our efforts throughout the past year have been to ensure that the Bank Danamon promise is properly targeted to the right segment. Bank Danamon customers have voted for good service and relevant products over lucky draws when choosing where to put their business. In the high net worth segment we offer investment galleries and PrimaGold as a distinct brand for the up-market segment. In the year ahead we plan to expand our range of investment services.

### Reach and Recognition

As we grow, it has been pleasing to see that we have been able to maintain our standards and during the year were fortunate to win the coveted top place overall among banks in the MRI Service Excellence Award. We also won the ATM Bersama Award for Most Active ATM and Best Partner.

Recognition of the bank’s performance is of course inextricably tied to the skills and efforts of our consumer bankers. An incentive plan to encourage frontliners to win more new business has also been prepared, in addition to regular surveys to monitor our competitiveness as an employer.



Bank Danamon

Hp Isi ulang

Isi Ulang Pul  
langsung da



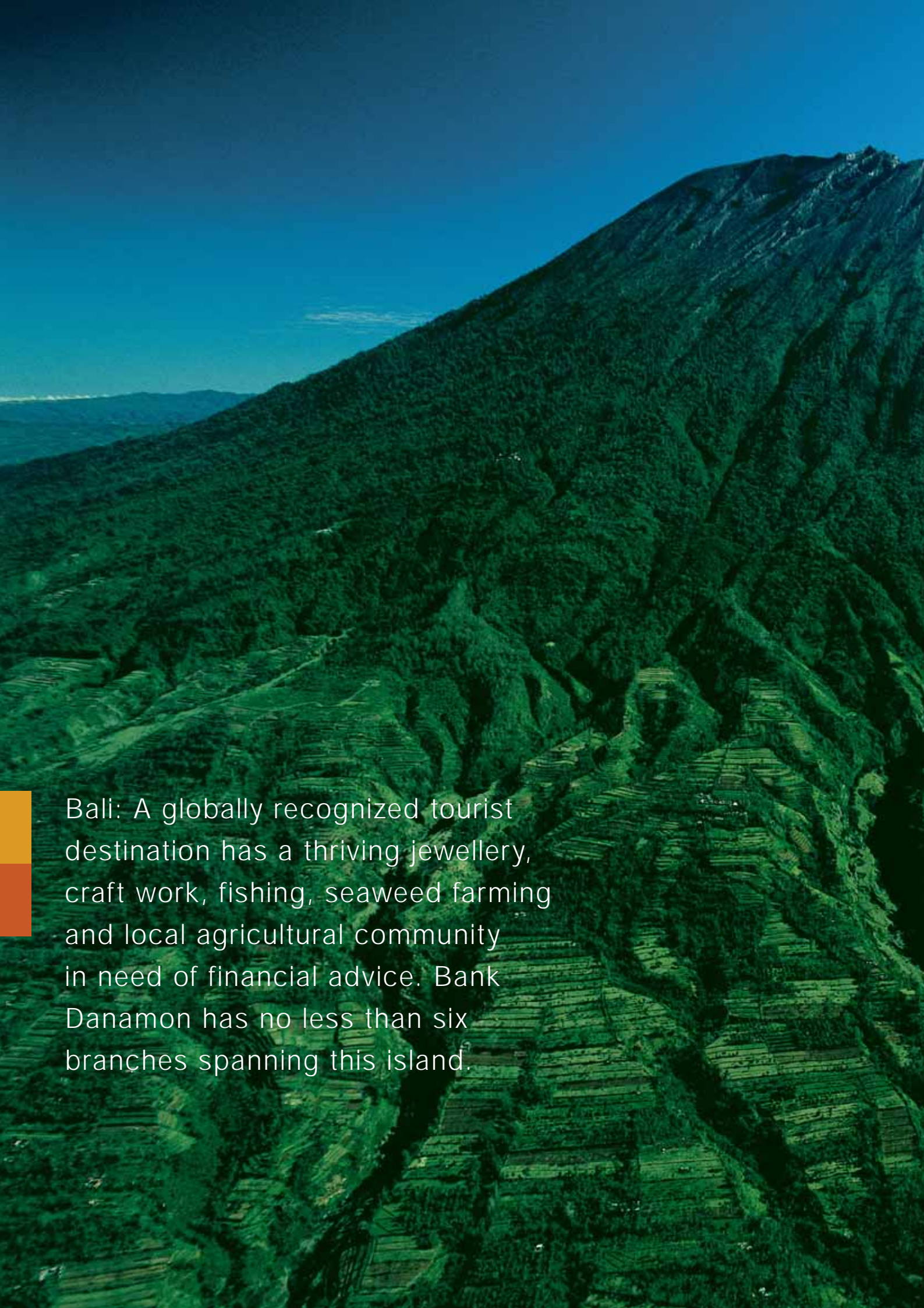
MENTARI

[www.danamon.co.id](http://www.danamon.co.id)

1234 1000

Send



An aerial photograph of a steep, lush green mountain slope in Bali. The mountain is covered in dense tropical forest. In the lower part of the image, there are terraced rice fields, which are visible as a series of horizontal, light-colored steps descending the hillside. The sky is a clear, deep blue. The overall scene is a beautiful representation of the island's natural and agricultural landscape.

Bali: A globally recognized tourist destination has a thriving jewellery, craft work, fishing, seaweed farming and local agricultural community in need of financial advice. Bank Danamon has no less than six branches spanning this island.





Mount Agung, Bali

The Danamon franchise for this region extends to a further 92 branches from East Java to the island string of Nusa Tenggara in the east.



Adira Finance

# You're on the move!





**Bp Junaedi**, warung soto owner, Jl Pasuruan, Menteng, Jakarta. Bapak Jun relies on his Adira-financed motorcycle to get around the venues of his several street side restaurants. **“On my motorcycle, I can beat traffic and keep the quality of the food at my warungs competitive.”**





One of the largest auto finance companies in Indonesia by market share and assets, operating 183 outlets nationwide, Adira Finance is unique in being multi-brand and in handling both motorcycle and car financing.

The best person qualified to comment on this business is the President Director of the company, Stanley S. Atmadja:

"The decision by Bank Danamon to purchase a 75% stake in Adira Finance always made perfect sense. The strength of the bank's balance sheet helps Adira Finance obtain competitively priced funding. Access to the Adira Finance network of 10,046 officers, which doubled during 2004, and to close to 10,000 auto dealers with whom we are in daily contact, provides the bank with a source of new customers in its growing DSP network.

We are targeting the same consumer segments together and together we can add value to the customer, for the bank's shareholders and for the finance company as it strengthens its reputation and builds its brand.

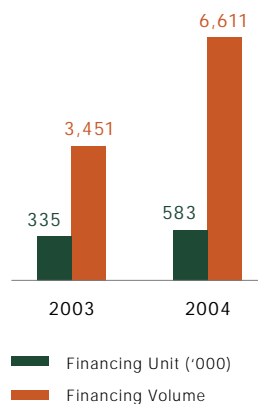
We financed over 580,000 units of motorcycles and cars in 2004, a growth of 74% generating a 56% improvement in total revenue to Rp 1,013 billion. In addition to our main motorcycle financing we grew both new and used car financing satisfactorily and further expansion in the second hand motorcycle market offers good prospects. We also launched an Adira Finance credit card in conjunction with the bank."



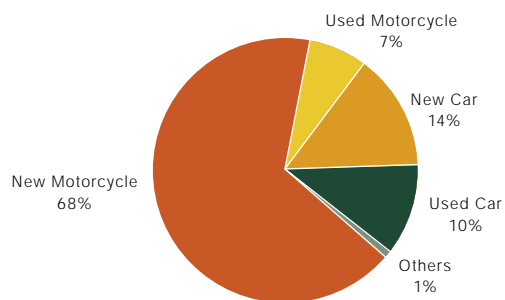
Ibu Shanti, a satisfied customer. Adira Finance, the reason why so many new and used car owners are happy.

#### New Financing

Rp billion



#### Breakdown of New Financing Volume as of 31 Dec, 2004




A photograph of Stanley S. Atmadja, a man with dark hair, smiling and wearing a dark suit, light blue shirt, and patterned tie. He is standing in a modern interior space with light-colored walls and a dark wooden railing. His right hand is resting on the railing.

"We financed over 580,000 units of motorcycles and cars in 2004, a growth of 74% generating a 56% improvement in total revenue to Rp 1,013 billion."

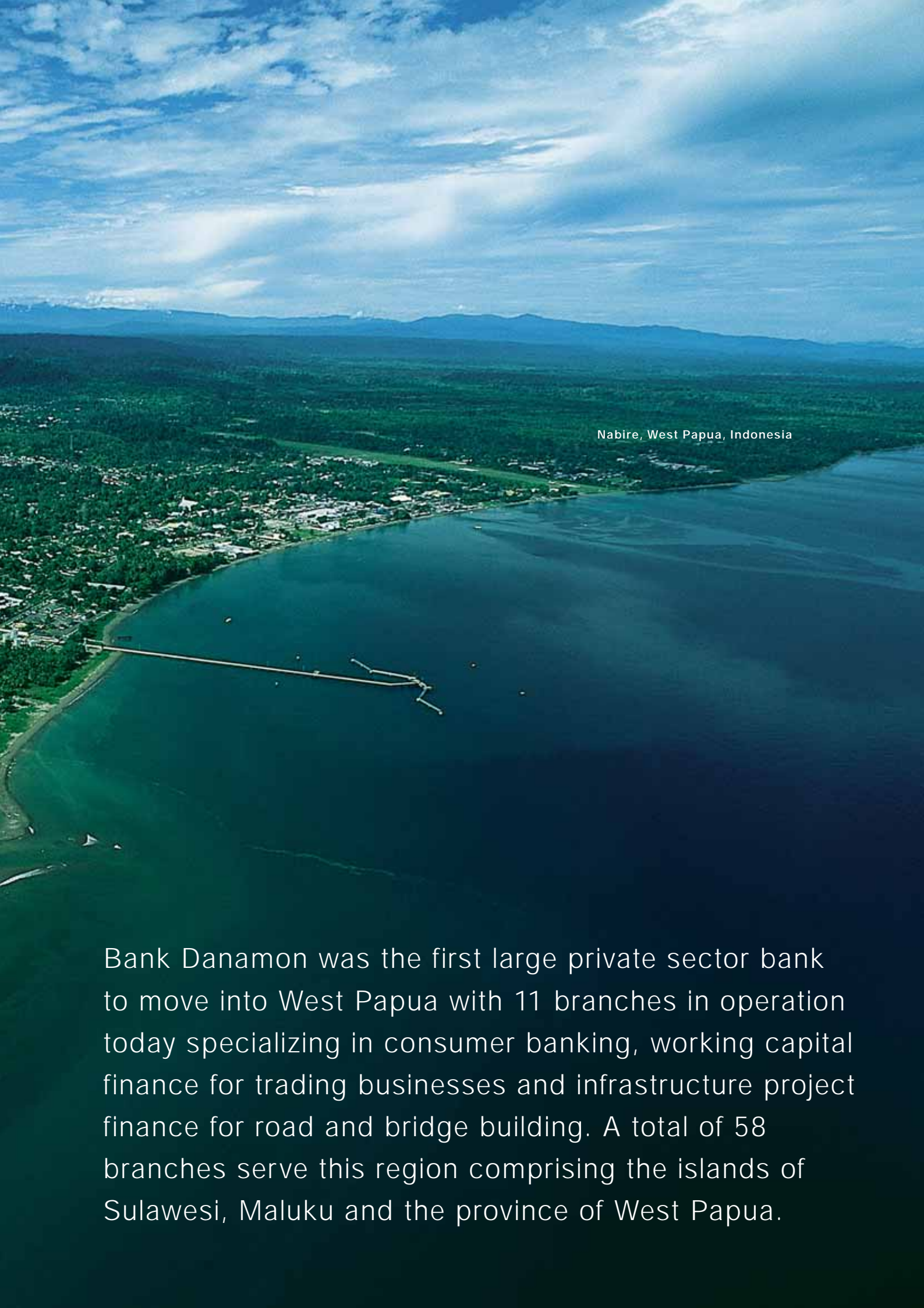
**Stanley S. Atmadja**  
President Director  
PT Adira Dinamika Multi Finance Tbk.



An aerial photograph of Nabire, Indonesia, showing a coastal town with dense greenery and a river. The town is built on a hillside overlooking the sea, with numerous small buildings and a few larger structures. A river flows through the town, and a road is visible. The background shows more hills and a cloudy sky.

Nabire: Twice in 2004, this important commercial centre was hit by earthquakes measuring up to 7.2 on the Richter Scale with the loss of 24 lives and devastation to 150 houses and other buildings. Bank Danamon was the first private sector company to offer assistance in the form of food, clothing and medical supplies. We continue to play a role in helping Nabire recover through construction materials procurement.





Nabire, West Papua, Indonesia

Bank Danamon was the first large private sector bank to move into West Papua with 11 branches in operation today specializing in consumer banking, working capital finance for trading businesses and infrastructure project finance for road and bridge building. A total of 58 branches serve this region comprising the islands of Sulawesi, Maluku and the province of West Papua.



Islamic Banking Award  
2004 for Syariah  
Service Quality



Syariah Banking

Your lifestyle



The Most Comfortable  
Office, Best Teller, ATM and  
Phone banking, Syariah  
Banking Awards 2004

2<sup>nd</sup> place in the SGS  
Quality awards for  
ISO implementation

**Bp. H. Nasan Hasannudin** and his wife **Ibu Hj. Wiwin Wilayah**,  
Bank Danamon Syariah customers. **"We have a very good  
relationship with Danamon Syariah employees, their service  
is very good. The Danamon Syariah branch is also close to  
both our home and our business in Ciracas."**

### **New branches, new products**

A core operation of ten Syariah branches and 130 key staff within the Bank Danamon branch network delivered 49% in loan growth in 2004. A new branch was opened in Makassar and three new sub branches were opened in Tanah Abang, Bekasi and Cikampek.

Entering its fourth year of operation, market education and product development are still the major priorities. A specific unit “Layanan Usaha Kecil” (Small Business Services) was established in 2004. In addition, considerable effort was put into marketing “champions” such as a special investment product (Mudharabah Muqayyadah) and a financial lease (Ijarah Muntahiyah Bit Tamlik).

### **Extending the Danamon brand promise in a growing segment**

Danamon Syariah, offers a dedicated, discrete service under its own management team, with its own accounting system and specialist staff. Syariah customers are no different when it comes to appreciating good service, and we remain committed to building on the reputation already associated with the Danamon brand. The bank received four Syariah Banking Awards in 2004 for most comfortable office, best teller, best ATM service and best phone service. We were also delighted to gain recognition through an award from SGS for the implementation of ISO standards.




The logo consists of three overlapping triangles pointing to the right. The top triangle is orange, the middle one is yellow, and the bottom one is red.

Bank Danamon

SYARIAH




An aerial photograph of Yogyakarta, Indonesia, showing a dense urban landscape with numerous buildings and streets. In the background, the silhouette of Mount Kidul is visible against a blue sky with scattered clouds. The city's layout is a mix of traditional and modern architecture.

Yogyakarta: In the busy centre  
of this historic city, we rub  
shoulders with 5,000 stallholders  
every day at Beringharjo market,  
the site of one of the first of our  
Danamon Simpan Pinjam (DSP)  
units. This is supporting local  
trade, but on a grand scale.


Beringharjo traditional market, and aerial view of Yogyakarta and Mount Kidul



An aerial photograph of Yogyakarta, Indonesia, showing a dense urban landscape with numerous buildings and green spaces. In the background, the iconic Mount Merapi is visible under a blue sky with scattered white clouds. The city's layout is a mix of traditional and modern architecture, with a prominent large building complex in the lower center.

Bank Danamon has  
5 city branches in  
Yogyakarta and a further  
62 branches in the  
Central Java region.






207 DSP units opened to  
cater to the Self-employed  
Mass Market segment

Launched Danamon  
Sahabat, a new branding  
for Commercial Banking

Self-employed Mass Market, SME & Commercial Banking

# Your aspirations

A portrait of Ibu Djuminten, an elderly woman with short dark hair, smiling warmly. She is wearing a black traditional Indonesian garment (Korpri) with a colorful batik scarf (Kerudung) draped over her shoulders. The background is a blurred indoor setting, possibly a market or a home. The text "A market leader in the SME segment" is overlaid on the right side of the image.

A market leader in  
the SME segment

**Ibu Djuminten**, traditional crackers seller and DSP customer,  
Beringharjo, Yogyakarta. **"DSP is close by, giving me  
convenience and security in our busy market."**



In 2004, Bank Danamon redefined the way we wanted to serve the SME market in Indonesia. We essentially saw the overall SME market to consist of three very distinct segments and made the strategic decision to reorganize this business of the bank to serve each segment with its own unique value proposition, business model and growth path. By doing so, we aim to develop three separate robust relationship-centric businesses that will reach international standards in terms of risk management, operational integrity, cost efficiency and most importantly, customer satisfaction and fulfillment. The ultimate aim is to build the most distinctive SME franchise in Indonesia and in doing so, help our customers and the local economy grow and prosper.

### Commercial Banking (Danamon Sahabat)

The Commercial segment is defined as companies with annual sales turnover of Rp 20-300 billion. Most of these companies have more than 5 years of business operating experience. They are currently all served by the formal banking sector today but face the challenges of banks not being able to address all their needs and lacking long-term commitment.

For such customers, we have set up a specific business to serve them with a unique value proposition. We position ourselves as a reliable partner, offering a comprehensive product suite through a dedicated team of highly qualified relationship managers operating out of the bigger cities in Indonesia. We have since created a separate brand for this business - Danamon Sahabat - to emphasise our full relationship positioning and our long-term commitment to our customers. We have also dramatically enhanced our product and service capabilities to match our customers' needs in all areas of their business. We believe that with such a commitment to our customers, we are well-positioned to help commercial sized companies in Indonesia become the corporate engine of the future.



Bp Hendra B. Sjarifudin, President Director of PT Kenari Djaja. In the past year Danamon Sahabat has rolled out a new business model and new products for the commercial customer using 5 new centres in Jakarta, Medan, Surabaya, Semarang and Bandung.



### SME Banking

Our SME segment is defined as small companies with annual sales turnover of around Rp 2-20 billion. There are approximately 300,000 such companies in Indonesia. These companies are typically owner-managed and lack financial sophistication. They are mostly already served by banks today, though not necessarily for their borrowing needs due to lack of formal financial records and small balances.

Bank Danamon is currently already a market leader in this segment but we are committed to sharpening our professionalism, relationship model and efficiency to better serve the needs of these customers. We position ourselves as a financial one-stop shop offering targeted business loans, cash management and savings products, delivered through dedicated SME relationship officers operating out of our existing branches throughout Indonesia. Our people are trained to be able to address all our SME customers' needs through our unique product bundles and to cultivate the customers to use Bank Danamon as their sole bank to help grow their businesses. Our processes are also redesigned to have the kind of fast turnaround and convenience that these customers value. Total SME and commercial sector loans grew 36% to Rp 10,796 billion, representing a 37% share of the bank's total lending and contributing significantly to margins.



Above The batik print process in action.

Ibu Pertiwi, a SME customer manages her own garment factory in Yogyakarta, under the brand name Batik Pertiwi.





DSP Unit Manager Bp Nanan Ernawan in Beringharjo with traders. Regular meetings between DSP employees and traders in the market form a means of communication, sharing of ideas, and informal quality circles where skills and competency building can be discussed.

#### **Self-employed Mass Market (Danamon Simpan Pinjam)**

In the first quarter of 2004, after months of rigorous field study we made a commitment to serve the self-employed mass market and opened six units as pilots in Java. The self-employed mass market consists of approximately 19 million micro-businesses with annual sales turnover of under Rp 2 billion. These micro-businesses are underserved today by traditional banks, resulting in many of them having to resort to informal financing channels like underground money lenders and local self-help groups. The type of documentation needs, collateral requirements and high operating costs make most Indonesian banks not ready to serve this segment properly, resulting in low banking penetration rates.

We set up a specific community banking channel named Danamon Simpan Pinjam (DSP) to serve this type of customer. DSP uses very simple physical infrastructure, advanced but low-cost technology, local employees and streamlined processes in a bid to offer these customers the greatest value in terms of speed, simplicity and convenience. These DSP units are all located in the heart of the local community to serve the customers at their convenience and to be close enough to them to offer a highly customised relationship, suitable to local preferences.



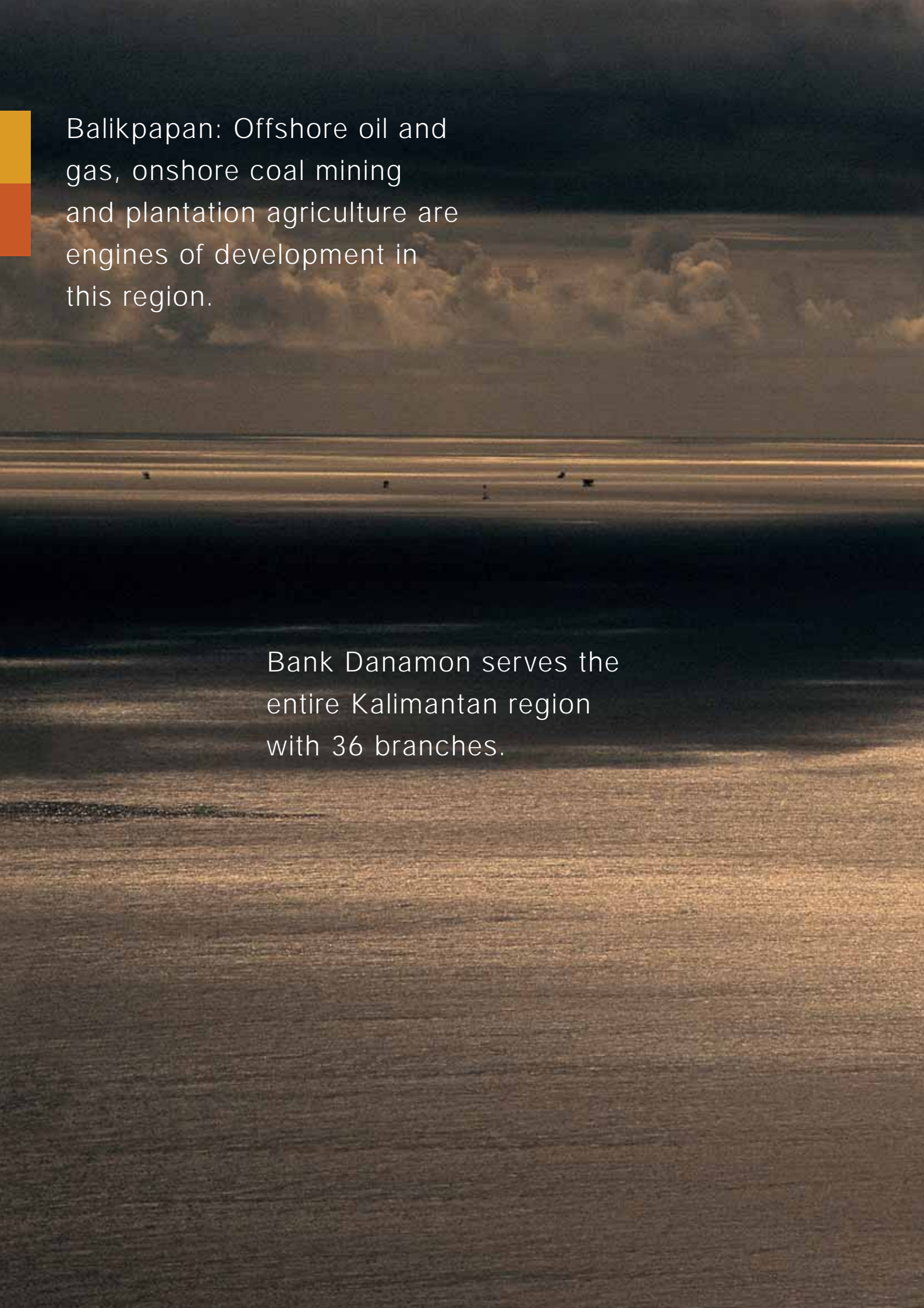


The first DSP branch was opened in March 2004 and its services were greeted with great enthusiasm by customers. By December 31st, 2004 a total 207 DSP units had opened with Rp 545 billion in loans made to the self-employed sector from a base of zero in just 9 months.

To manage this loan growth, an Internal Control Unit (ICU) has been set up giving speedier credit processing and better controls.

As stated earlier, the DSP model is intended as a means to build a loan business in an underserved market. Setting high funding targets is not a priority at this point, but we plan to continue to build this cost effective network rapidly over the year ahead to sustain our competitive advantage. A low cost operating base is an essential part of our overall strategy to preserve profitability and capitalise on superior penetration into a high growth market segment.

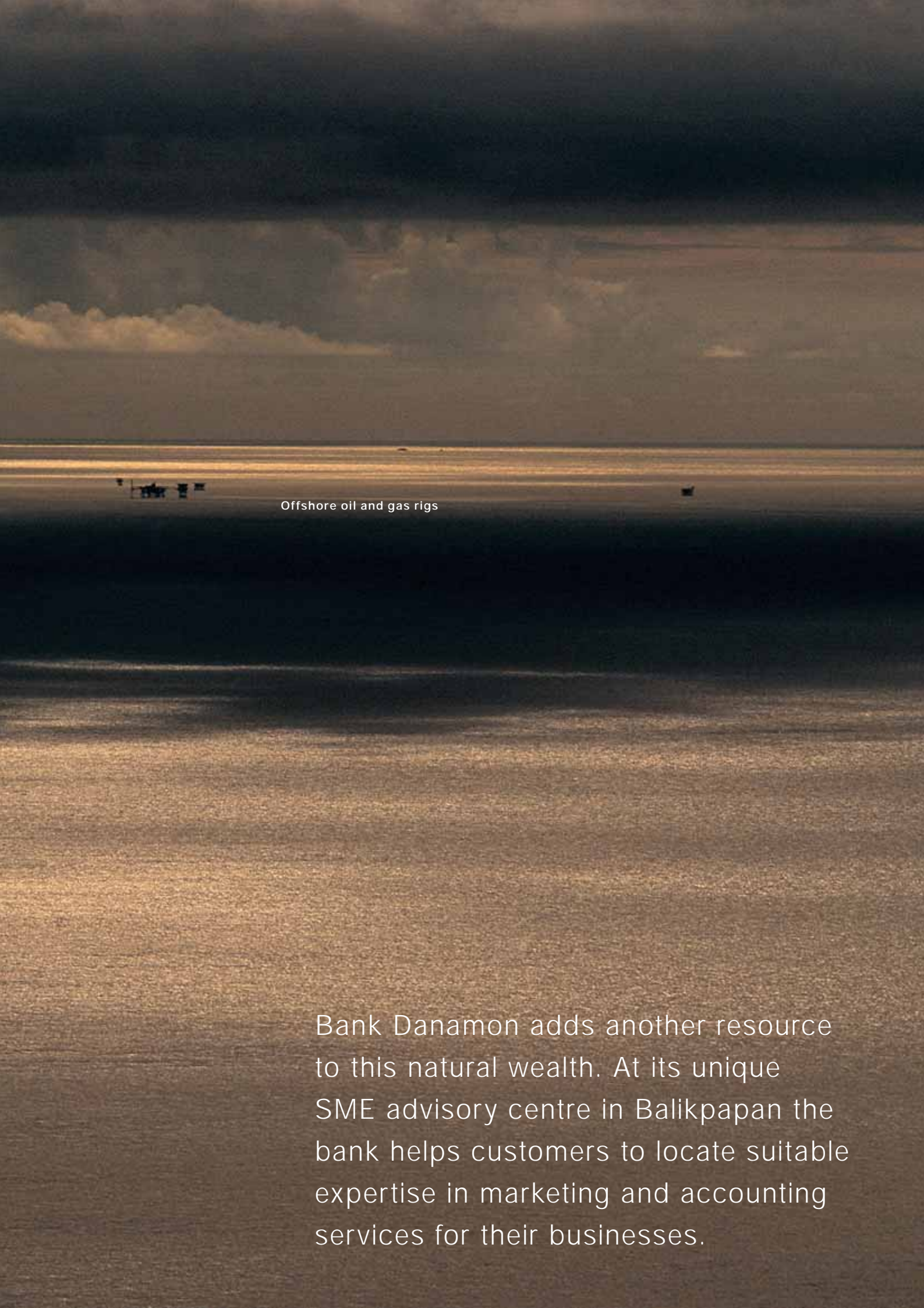




Balikpapan: Offshore oil and gas, onshore coal mining and plantation agriculture are engines of development in this region.

Bank Danamon serves the entire Kalimantan region with 36 branches.





Offshore oil and gas rigs

Bank Danamon adds another resource to this natural wealth. At its unique SME advisory centre in Balikpapan the bank helps customers to locate suitable expertise in marketing and accounting services for their businesses.





2004 Best Trade Finance  
Bank in Indonesia according  
to Global Finance

Corporate Banking & Financial Institutions

Your business partner



One of our objectives in 2004 was to become more widely recognised as the local bank with international banking products and capability. According to **Mr. Kim Joo Hyung**, President Director of South Korean consumer electronics giant - PT LG Electronics Indonesia, we made the grade: **“Danamon’s relationship starting June 2004 was a milestone in that it was the first local Indonesian bank relationship to be approved by our Head Office. It was a decision based on their attitude to service, reliability and ability to structure transactions. Our business needs are often complex but their willingness to innovate has produced the solutions we needed.”**

## Corporate Banking

The Corporate Banking annual results demonstrate the strong leadership and the implementation of the focused business strategy put in place by the new management in the beginning of 2004. This strategy was to create a relationship oriented corporate banking team, introduce value added product based solutions, establish a client oriented sales culture and focus marketing efforts on a select group of Indonesian and multinational corporations with domestic operations.

To implement this new approach, we redesigned the coverage model in Corporate Banking and created three distinct coverage teams:

- Full Relationship Team: To cover the largest Indonesian corporations, which require complex financial solutions, access to numerous financial products and substantial credit requirements.
- Selected Relationship Team: To cover medium to large Indonesian and multinational corporations, which require several financial products and have moderate credit requirements.
- Focus Relationship Team: To cover Indonesian and multinational corporations, which require cash management, overdraft, electronic banking and foreign exchange services.



Courtesy of PT United Tractors Tbk

Corporate lending accounted for 22% of total loans in 2004 with a wide range of exposure including some of the more exciting growth sectors in the economy.

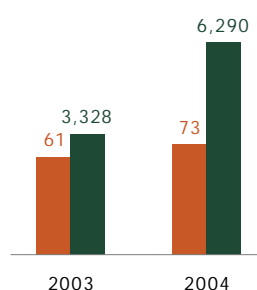
The new coverage model has two key benefits. First, it establishes teams based on the type of banking relationship the client requires. Second, it allows Corporate Banking to match clients with the bankers best suited to meet their needs. Both benefits underscore our commitment to being a relationship focused corporate bank.

In addition to redesigning the coverage model, Corporate Banking worked closely with Bank Danamon's product groups to expand the product suite available to our clients. We now offer a full set of products within the following categories: (1) cash management, (2) trade finance, (3) custody, (4) corporate finance and (5) treasury and derivatives.

These changes created positive momentum that was first noticed in the beginning of 2004 and accelerated throughout the year. Aside from our strong performance, we have good reason for continued optimism. For the first time in several years, there is market consensus that Indonesia is experiencing a stable economic and political environment, growth in foreign direct investment, strong equity and bond markets and a governmental focus on tax issues, anti-corruption legislation and infrastructure development.

### Corporate Lending

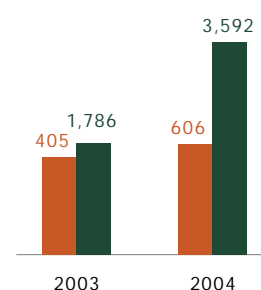
Rp billion



Number of Customers  
Lending Volume

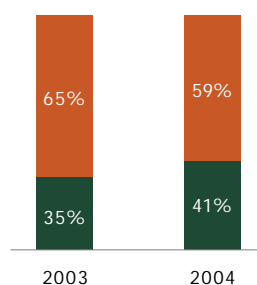
### Corporate Funding

Rp billion



Number of Customers  
Funding Volume

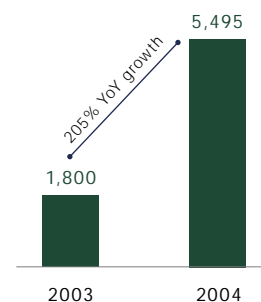
### Funding Composition



Time Deposits  
Current Accounts & Savings Accounts

### Trade Finance Volume

Rp billion



Note: Figure are net of loans managed by the Special Asset Management unit (including those purchased from IBRA) and include corporate bonds approved by Corporate Banking and Financial Institutions



## Financial Institutions

Financial Institutions also benefited from a revised business strategy and new management in 2004. We focused on core Financial Institutions businesses such as correspondent banking, interbank money market operations, international remittances and establishing additional credit lines with several international banks to support Trade Finance and Treasury. Additionally, Financial Institutions expanded its business scope by initiating coverage of non-bank financial institutions, such as insurance companies, pension funds and securities houses.

The focus of Financial Institutions is similar to that of Corporate Banking – to build and maintain strong relationships with a broad set of customers. Furthermore, as the results of 2004 demonstrate, Financial Institutions substantially increased its lending and funding volumes while moderately growing its customer base. This is largely the result of effective cross selling, done in cooperation with treasury, trade finance and the cash management product teams.

Both Corporate Banking and Financial Institutions have experienced strong growth in 2004. During this growth phase, these groups have remained focused on credit risk by increasing asset quality through selecting financially strong clients and utilising sensible credit judgment and financial structuring.

In 2005, Corporate Banking and Financial Institutions groups will continue to focus on building a quality customer base, maintaining high credit standards, effective cross selling of multiple products and, most importantly, remaining focused on our clients banking requirements.

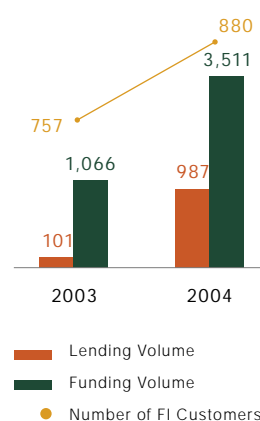
## Joint Finance / Asset Buy

This group, which reports to the Corporate Banking and Financial Institutions Head, provides credit to consumer finance companies for motorcycle and automobile loans. Historically, Bank Danamon has been a leader in this type of financing. The acquisition of Adira Finance caused a temporary decline in the overall exposure of our consumer finance portfolio. However, Bank Danamon remains committed to this business and is in the process of expanding the number of finance companies we support.

Client's Sector	Bank Danamon Financing
<b>State Owned financial institutions</b>	A structured US\$ 50 million short term loan, and foreign exchange settlement line, to increase our client's trade finance activities
<b>Integrated textile manufacturing</b>	A structured IDR term loan with an embedded cross currency swap, which reduced our client's US\$ funding costs and eliminated foreign exchange exposure
<b>Information Technology</b>	A US\$ 20.5 million term loan and trade finance facilities, which allowed our client to expand its business substantially
<b>Coal mining contractor</b>	A US\$ 35 million term facility, secured by assets and receivables, to finance new mining equipment, used to expand operations. Additional facilities include a foreign exchange line and a forward facility for hedging
<b>Healthcare distribution</b>	A real time cash management information system to manage nationwide receivables and payables. Provides a single bank solution by utilising Bank Danamon's nationwide banking network

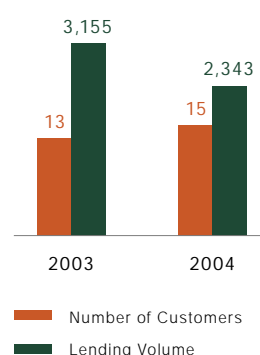
## Financial Institutions

Rp billion



## Joint Finance / Asset Buy

Rp billion






An aerial photograph of a vast palm oil plantation. The image shows a dense grid of young palm trees, their fronds creating a textured green pattern. A light-colored dirt road runs vertically through the right side of the frame. On this road, a red truck is visible, carrying a large load of harvested palm fronds. To the left of the road, there is a small, simple structure with a white roof, possibly a guard post or a small office. The overall scene depicts a large-scale agricultural operation.

Sumatra: Working with regional banks and cooperatives. Bank Danamon helps support thousands of farmers via financing agreements with plantation owners and with local rural credit banks (BPR's). 82 agreements signed in 2004.





A network of 62 branches  
serves North, West and  
South Sumatra.

Oil palm plantation, Sumatra

We play a role at every stage  
from financing at the grassroots  
level to acting as an intermediary  
between mid-sized local banks  
and international financial markets  
to facilitate trade finance and  
manage the underlying foreign  
exchange transactions.





Treasury

# Your treasury expert





PT Kalbe Farma Tbk, a household word in OTC pharmaceuticals uses Bank Danamon's treasury team for a variety of their needs. Says Director **Bp Vidjongtius**, **"Bank Danamon has created a strong bond with us as a customer and we are pleased with the service, the speed and timely use of relevant information helps us manage our business effectively."**

### **A new business model and a stronger profile**

Our treasury operations underwent a transformation in 2004. We moved from a utility role in managing the bank's balance sheet and liquidity into a discrete business unit focused on specific market segments with a well-defined business model. We closed the year having built an experienced sales and dealing team with an international reputation. Bank Danamon's own subordinated debt issue for US\$300 million was a new benchmark for a local private sector bank and a deal size double that of the previous largest issue. An order book double the issue amount demonstrated significant institutional appetite and recognition of the bank's standing and prospects.

### **Better service to key segments**

We added 12 experienced dealing staff and developed a more varied product range aimed at five core customer groups. In each group considerable effort has gone into strengthening our customer relationship management by developing product ideas based on practical needs. In personal banking we offered retail foreign exchange services and for the affluent, a greater variety of yield enhancing investment products tailored to individual situations. For the SME customer we provided retail foreign exchange among other products while for the Corporate and Commercial customer segments we concentrated on hedging solutions through swaps and options. In the institutional sector our strengths lay in fixed income capabilities and in our distribution. Our market share in treasury products tripled and we feel confident it will increase further as we are beginning to penetrate new customers through cross selling opportunities via the Corporate Banking division among others and leveraging our broader product offer with more expertise to serve an expanding client base.







### Market presence

We concentrated in 2004 on building our profile in the Rupiah/FX market and in the local fixed income market. We were active in both primary Government bond auctions and in the secondary market, for both Government and Corporate bonds.

We continued our role to ensure the bank was prudently and adequately funded at all times. The successful subordinated debt issue provided the liquidity needed for the bank's expanding asset base. Good trading profits were achieved in foreign exchange and fixed income. We made progress during the year with retiring some of our higher cost liabilities and improving asset yields.

In 2004, we added experienced dealing staff and developed a more varied product range aimed at five core customer groups.

