

Consumer Banking

Consumer banking remains a vital part of Bank Danamon. In 2005 consumer lending, including motorcycle and car financing offered through Adira Finance, our subsidiary, contributed 42% of the bank's total loan assets. Consumer deposits constituting 67% of total deposits are the main source of funding.

We continued to improve our offer, in terms of value propositions, functions and capabilities; and to complete the building blocks to create a unique position in each of three market segments, namely mass affluent banking, personal banking and credit cards.

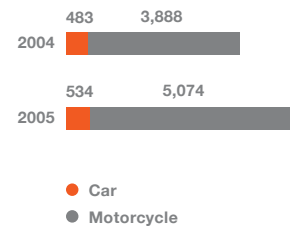
Affluent banking

To capture the potential of the fast growing mass affluent segment, we have re-positioned Affluent Banking at Bank Danamon to become the provider of wealth management products and services designed to meet the needs of customers, including a premier experience that is comprehensive and delivered by skilled, trained Relationship Managers. In addition to a new VISA Infinite PrimaGold card, we launched a series of treasury related investment products providing customers with higher returns on their investments, in accordance with their appetite for financial risk.

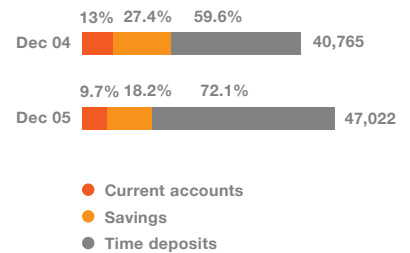
Personal Banking

Service has been one of our strongest pillars over the recent past and we are encouraged by the numerous recognitions and awards, just to name a few, Market Research Indonesia (MRI) award as "Best Overall Performance in Service Excellence", category 1 and "The Best Call Centre 2005" for banking category from Marketing Magazine and Center for Customer Satisfaction and Loyalty.

Sales Volume of Motorcycles and Cars (in thousand units)



Third Party Funds (Rp Billion)



PrimaGold Banking launches the Infinite credit card.

We believe there is always room for further improvement. In the desire to bring consistency and predictability of our customer experience at any point of contact with us, we have embarked on an exercise to produce a consistent look and feel to our branches, to further upgrade the skills of our front-liners, introduce a new sales process, and a more robust performance management system, aligning personal bankers' key performance indicators with the Bank's overall business objectives.

During the year, a number of new products were introduced, notably Danamon One, which we believe over time will be a core product for our personal customer base, emphasizing relationship banking and delivering a strong branding message. In home loans, we initiated one of the first ever mortgage products that allows land owners to obtain financing for construction, a niche in the market that has been largely ignored up to now.

Credit Card

Our Credit Card business outpaced the industry growing at 30% in terms of number of customers and 43% in terms of receivables which now stood at over Rp 800 billion. In addition, merchant business volume grew by 27%.

In addition to the Visa Infinite card a co-branded card was launched in partnership with Prudential, one of the leading life insurance companies in Indonesia. Given the significant potential of this business and the strategy of the bank to grow high margin businesses, credit card has now been recognised as a separate business with senior management and a recently appointed head with international experience to manage this business.



danamonone

Danamon One - a unique combination of three services.

