

Highlights 2006

22 February

Bank Danamon and American Express signed an agreement to transfer American Express card and merchant businesses in Indonesia

A conditional business transfer agreement was signed with American Express Bank Ltd., related to its card and service businesses in Indonesia.



15 May

The International Finance Corporation (IFC) provided Rp 1.3 trillion loan to Bank Danamon

This represented the largest local currency facility offered by IFC to a client and the largest single transaction to date in Indonesia. This funding will be oriented towards SME and mass market businesses.



22 May

Annual General Meeting of Shareholders (AGMS)

The AGMS approved, among others, the appointment of Ali Yong, Sanjiv Malhotra, Vera Eve Lim and Rene Eugene Burger as Directors.



19 June

Launch of Danamon Award 2006

A recognition to those who enable others: an award for individuals, small, medium and large scale businesses as well as non-profit organizations who nurture and translate the values of Bank Danamon.



18 July

50th Anniversary Celebrations

Activities with internal and external stakeholders, included:

- Employee Family Day
- Gala Dinner
- Golf Tournament
- Danamon Award
- Empowerment Seminar Series in 7 regions



9 August

Launch of "Danamon Menjemput Impian" promo

The programme included a Rp 1.5 billion Gasoline Giveaway and more than 10,000 prizes to customers, including holiday packages to any destination in the world.



18 September

Awarded "Best Bank in Indonesia" by Global Finance magazine in its World's Best Bank Awards 2006

Bank Danamon was recognised as the Best Bank in Indonesia by Global Finance magazine in 2006 - an award received for 3 consecutive years.



6 November

Hosted the "Empowerment to Accelerate Economic Development" seminar. Presented the Danamon Award to 6 recipients

Hernando De Soto, world-renowned economist and President of Peru's Institute for Liberty & Democracy (ILD), led discussions and presented the Danamon Award.



Everyday we are empowering ourselves...





...to care for and enable *all* ✓ our customers to prosper

DANAMON SIMPAN PINJAM
see page 28

CONSUMER BANKING
see page 30

ADIRA FINANCE
see page 34

SEMM & CMM

Credit Card **Syariah Banking**
see page 32 see page 36



Mass market loans grew by 71% in 2006 to Rp 6,227 billion.

Bank Danamon credit card operations grew 40% in 2006, as we added American Express to our local card portfolio.

Adira Finance continued to dominate its market with a record 553,934 new motorcycles financed. The accent on lending for underlying business use continued to prove a sound strategy.

NETWORK
see page 24

INFORMATION TECHNOLOGY
see page 48

HUMAN RESOURCES
see page 44



Bank Danamon is open for business via 11,000 ATMs and over 1,200 branches, including DSP and Adira Finance, in 192 major towns and cities.

Convergence with our main IT platform gave Syariah customers full service access at all branches.

Recruitment, career planning and training are vital growth areas at Bank Danamon. We hired 4,076 staff in 2006.

COMMERCIAL BANKING & SME

see page 38

CORPORATE BANKING

see page 40

**TREASURY, CAPITAL
MARKETS & FINANCIAL
INSTITUTIONS**

see page 42



Commercial credit continued to record encouraging growth with lending up 18% year on year.

SME lending grew a solid 11% in 2006.

Bank Danamon's Corporate team remained focused on providing customers with innovative financial solutions and added value.

Bank Danamon obtained long term funding of Rp 1.3 trillion (equivalent to US\$ 150 million) from the IFC in a landmark facility agreement for the private sector in Indonesia.

RISK MANAGEMENT

see page 55

DANAMON PEDULI

see page 50



Our risk management is thorough and our customers are responsible: non performing loans were only 3.3 per cent of the total portfolio in 2006.

Community support: Bank Danamon employees take time away from busy jobs to support the young and those in need in the post earthquake restorations in Yogyakarta.