Information Technology

Progress continued during the year in completing key milestones on the bank's roadmap to provide a truly world-class IT platform to all areas of Bank Danamon's business by 2009.

Areas addressed include Treasury, Trade Finance, Collection and Central Limits systems, and the capacity upgrade of the current core banking system. The rollout of a new credit card processing system, completed in a record 4 months, will enable us to grow our cards portfolio in Indonesia. An MIS pricing and profitability system has been implemented. A new loan origination system has been implemented in some areas, and will continue to be rolled out in 2007.

We also progressed in overhauling our recovery capability which, in 2007, will provide us with complete restoration from a back-up site within 30 minutes, day or night. Bank Indonesia requirements specify a maximum of 24 hours for this process. We continued ongoing enhancements to ensure adequate IT security for our servers, networks and desktops, including improved monitoring.

The evaluation of a new core banking system to handle the needs of Bank Danamon's multiple businesses and expanding branch network has been completed. The new core banking system, when fully implemented, will scale-up IT systems' capacity and reliability to serve more than 10 million customers. It will significantly enhance flexibility, time to market, and service quality to meet the diverse needs of our customers. The first phase for DSP will be implemented by early 2007 and the second phase for conventional businesses by the end of 2008.

We also completed the evaluation of a new switching system. This will be implemented through 2007 and 2008 as part of our programme to expand and improve our network of electronic channels, including ATMs, EDCs and call centres. In 2007, we will also enhance our cards platform to support the AMEX business. A CRM (Customer Relationship Management) platform is being planned for implementation in 2008. It is expected that all milestones on the bank's original roadmap will be completed by the middle of 2009.