

# Report from the President Commissioner



**Ng Kee Choe**  
President Commissioner

“Along with the country’s encouraging economic growth, it gives me great pleasure to report that Danamon has been able to achieve highly satisfactory results.”

Dear Shareholders,

2007 was a prosperous year for Indonesia. The country enjoyed higher economic growth of 6.3% in 2007 compared to 5.5% in 2006. Inflation fell to 6.6% and interest rates continued to decrease, improving consumer confidence and consumption. With these positive developments, the banking sector posted impressive loan growth of 26% on the back of low interest rates and higher economic activity. Asset quality of the banking sector also improved as reflected in the Non Performing Loan (NPL) ratio which declined to 4.1% from 6.1% a year ago.

Along with the country’s encouraging economic growth, it gives me great pleasure to report that Danamon has been able to achieve highly satisfactory results. We closed the year with an operating revenue of Rp 8,877 billion, a 27% increase compared to the previous year. Net profit after tax rose by 60% to Rp 2,117 billion and earnings per share rose to Rp 423.27.

These results affirm the robustness of our strategy to target high margin businesses. Despite increased pressure on margins, Danamon was able to achieve a superior net interest margin of 10.4%, which is one of the highest in the country. These achievements were also due to our investments in human resource development, risk management and network technology which have enabled us to expand our business while maintaining a high quality loan portfolio. Our loans grew by 24%, while our NPL ratio declined to 2.3%.

For financial year 2006, shareholders had approved a dividend of Rp 131.44 per share. The dividend was paid in June 2007. The dividend for financial year 2007 will be considered at the Annual General Meeting of Shareholders on 3 April 2008.

Last year also saw important developments in the bank’s corporate governance. To build a stronger and more independent Board structure, we reorganized our Committees so that all Committees under the Board of Commissioners are chaired by Independent

Commissioners. In line with Basel II requirements, a comprehensive risk management organization has been put in place to support Danamon’s growth.

In February 2008, our majority shareholder, Fullerton Financial Holdings Pte. Ltd. (FFH), has decided not to pursue a merger between Danamon and Bank Internasional Indonesia (BII) and takes the option of a sale of its interest in BII. The decision will result in FFH being the controlling shareholder of Danamon only. FFH expects to complete the ownership structure adjustment before December 2010 deadline as set out by Bank Indonesia’s Single Presence Policy.

Danamon continues to contribute to the community through the many voluntary programs spearheaded by our social foundation, Danamon Peduli. Our staff actively supported this good cause with a high degree of commitment and enthusiasm. Danamon employee volunteers continue to work with the community to revitalize traditional markets across the country and to provide support to regions affected by natural disasters. This level of volunteerism showed by our employees clearly demonstrates that they are not only enthusiastic in work but also in active community service. A description of our work ‘to care and enable millions to prosper’ is found in the corporate social responsibility section of this annual report.

Despite challenges to the global economy due to concerns of a worldwide economic slowdown and oil price increases, the growth momentum of the national economy is likely to continue. With single digit inflation, high economic growth and low interest rates, the banking industry should continue to expand and play a crucial role in supporting the nation’s aspirations.

Our solid business model, robust risk management and best-in-class human resource, place us in an ideal position to benefit from the country’s potential. Going forward we will continue to invest in our employees, technology, network and products to build a lasting business franchise. Through disciplined execution, the Bank is positioned strategically to seize and capitalize on opportunities in the market.

The progress we have made and the results we have achieved would not have been possible without the patronage and strong support of our customers and partners, and the commitment, dedication and hard work of the Directors and staff. I would like to express my deep gratitude and appreciation to all of them. I would also like to thank my fellow Commissioners for their counsel, advice, and contributions given to me.

I am proud of our team for bringing us to this point, and I am grateful to you, our shareholders, for your continuing support. I hope and trust that you are pleased with how your Bank is evolving and growing.

Together with our customers, partners and you, my colleagues and I are excited by the opportunities going forward. We are ready and prepared to seize them to propel Danamon to greater heights.



**Ng Kee Choe**  
President Commissioner

## Board of Commissioners



Left to right (Standing):

**Gan Chee Yen**  
Commissioner

**Harry Arief Soepardi Sukadis**  
Independent Commissioner

**Victor Liew Cheng San**  
Commissioner

Left to right (Seated):

**Manggi Taruna Habir**  
Independent Commissioner

**Ng Kee Choe**  
President Commissioner

**J.B. Kristiadi**  
Independent Commissioner

**Milan R. Shuster**  
Independent Commissioner