

Bank Danamon

Full Year 2002 Results

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Highlights:

- Net Income increased to Rp 948 bn from Rp 723 bn
- Earning per Share increased to Rp 38.66 from Rp 29.48
- Government bonds reduced by Rp 12.1 tn to Rp 15.6 tn
- Loan grew by Rp 7.7 tn to Rp 18.2 tn
- Interim Dividend of Rp 19 per share

Investor Relations

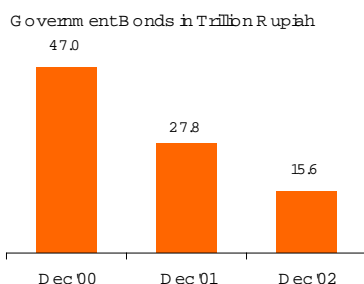
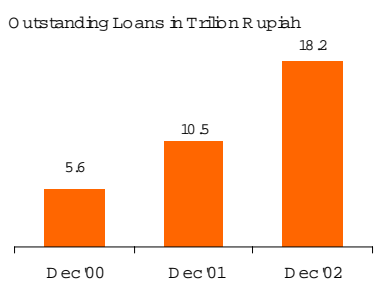
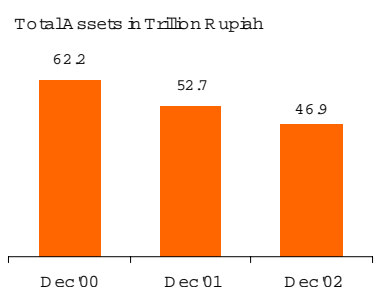
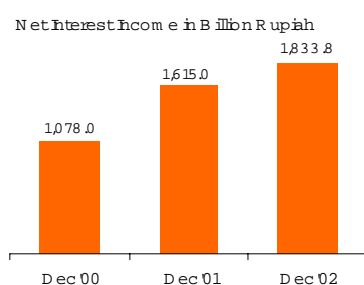
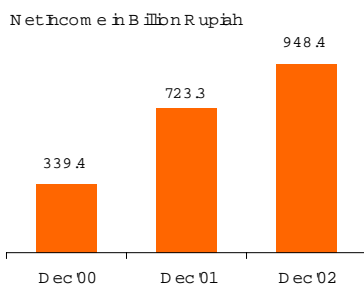
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Financial Performance in Year 2002



PT Bank Danamon Indonesia Tbk (BDI) recorded Rp 948 billion in net income for the year ended December 2002, a 31.1% increase against Rp 723 billion in year 2001. This significant growth was largely driven by higher net interest income, increase in fee-based income and gains on sales of marketable securities. This improvement has resulted in an increase in both ROAA and ROAE, being 2.0% and 22.3%, respectively as compared to last year's percentage of 1.4% and 16.1%.

In year 2002, net interest income increased by 13.6% to Rp 1,834 billion from Rp 1,615 billion in 2001, mainly due to lower interest expense, resulting from better deposits mix and declining in interest bearing liabilities. Overall, net interest margin improved to 3.8% in 2002 against 3.3% last year.

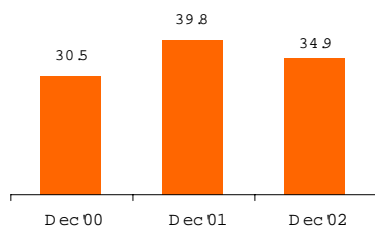
Interest income for year 2002 decreased by 5.7% to Rp 6,561 billion from Rp 6,959 billion last year that was largely driven by lower earning assets during the year as the government bonds were actively sold to the public in the form of mutual funds (Prima Investa). However, yield of earning assets increased to 14.9% in year 2002 as compared to 14.6% in year 2001, showing improvement in quality of assets.

In year 2002, interest expense decreased by 11.5% from Rp 5,344 billion to Rp 4,727 billion in 2001. The decline was primarily due to lower interest bearing liabilities during year 2002 as the Bank continues to reduce high cost time deposits and settle foreign currency borrowings (exchange offers). Cost of funds declined to 11.6% of total interest bearing liabilities as of December 31, 2002 as compared to 12.3% as of December 31, 2001. This decrease reflected the Bank's successful efforts in improving its funding composition by growing saving and current accounts (CASA) and replacing high cost time deposits with mutual funds.

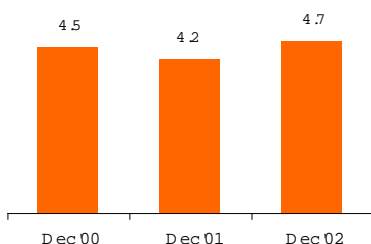
The Bank's other operating income increased by 35.0% to Rp 902 billion in 2002, compared to Rp 668 billion in 2001. This gain reflected a strong performance in the Bank's operational segments, evidence by ongoing growth in fee-based income arising from credit related transactions, third-party funds transactions and bancassurance unit (Prima Investa). As a result, the ratio of fee income to total operating income improved notably to 27.3% in year 2002 from 18.9% last year.

In year 2002, other operating expenses incurred amounted to Rp 1,747 billion, up 4.3% compared to Rp 1,675 billion in the previous year. A large part of the increase was primarily due to increase in general and administrative expenses, mainly in depreciation expenses. In 2002, the Bank changed its depreciation method, from double-declining method to the straight-line method, creating an additional Rp 32 billion in depreciation expense for the year. General and administrative expenses rose 35.6% to Rp 617 billion from Rp 455 billion last year. Aside from the impact of changes in depreciation method, this increment also attributable to increase in promotion expenses in order to socialize the Bank's new logo. In addition, salaries and employees' benefits increased by 6.5% to Rp 504 billion from Rp 473 billion last year in consequence of the Bank's strategy to improve the quality of its human capital by offering competitive salaries and benefits to attract and retain

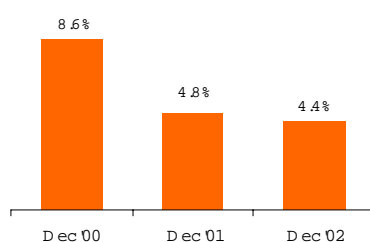
Third Party Funds in Trillion Rupiah



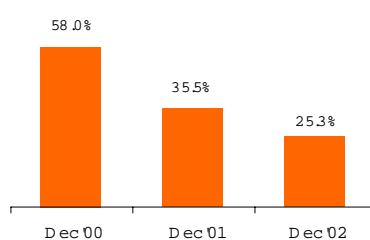
Total Equity in Trillion Rupiah



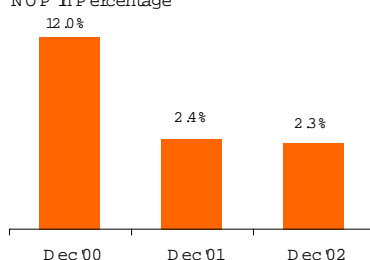
NPL in Percentage



CAR in Percentage



NOP in Percentage



talented employees. Taken together, cost to income ratio for year 2002 remained steady at 45.0%, compared to 44.8% in the prior year.

Exhibit I: Consolidated Statement of Income
Rp billion (December, 31)

	2002	2001	Change
Interest Income	6,561	6,959	(5.7%)
Interest Expense	4,727	5,344	(11.5%)
Net Interest Income	1,834	1,615	13.6%
Other Operating Income	902	668	35.2%
Other Operating Expenses	1,747	1,675	4.3%
Net Income	948	723	31.1%

The Bank's assets as of December 2002, decreased by 10.9% to Rp 46,911 billion from Rp 52,680 billion as of December 2001. The decline in assets mainly arose from reduction in government bonds as the Bank actively marketed Prima Investa, a new mutual funds product linked to government bonds.

The Bank's loan portfolio grew by Rp 7,712 billion or 73.6% from Rp 10,485 billion in December 2001 to Rp 18,197 billion in December 2002. This increase was mainly attributable to the Bank's initiative to grow its loan book to both increase yields on its earning assets and reduce the dependency on government bonds. As a result, loan portfolio now formed 38.8% of the total assets, up considerably from 19.9% in the previous year. Most of this growth was derived from consumer and SME market that accounted for 62% of the loan growth in 2002. This loan growth also led the Bank's loan-to-deposits ratio (LDR) to improve to 52.1% in December 2002 from 26.3% in December 2001.

In line with BDI's vision to be the bank of choice in consumer and SMEs market, the majority of the loan portfolio was directed to consumer and SMEs market. As of December 2002, loans to consumer and SMEs sectors made up 33.8% and 27.8% of the Bank's loan portfolio, respectively. Corporate loans accounted for 32.4% and the remaining 6.0% was commercial loans. This reflected a steep change in the Bank's loan portfolio if compared to the previous year. As of December 2001, the majority of the loan portfolio was directed towards the corporate sectors (33.5%) and commercial sectors (11.9%). Whereas the remaining 54.6% of the loan portfolio were evenly distributed into consumer and SMEs loans, being 28.9% and 25.7%, respectively. Going forward, BDI will maintain this composition, in which retail loans (consumer and SMEs loans) make up the majority of the Bank's loan portfolio.

The Bank continued to exercise caution and prudence with regard to credit expansion, limiting its lending activities to provide working capital loans to small and medium enterprises. In addition, rigorous risk monitoring continued to be applied and management remained focused on efforts to better examine loan issuance through credit scoring system for loan applications. As part of the risk management practices, the Bank diversifies its loan portfolios among economic sectors as well as debtors. In December 2002, loans were mainly distributed to major sectors of the economy, such as manufacturing (23.3%) and general trading and distribution (21.1%). In addition, the top twenty-five

PRODUCTS & SERVICES

Consumer Loans

- Housing Loans
- Auto Loans

Checking Account

- Primagirol Super9
- Giro Rupiah
- Giro Foreign Currency
- Primadollar

Saving Account

- Tabungan Danamon

Time Deposit

- Primadeposito Rupiah
- Primadeposito Foreign Currency
- Primadeposito On Call Rupiah
- Primadeposito On Call Foreign Currency

Bancassurance

- Primajaga
- Primainvesta
- Rekening Investa
- Tabungan Pendidikan Danamon

Credit Card

- Fix' N Fast
- Visa
- Mastercard

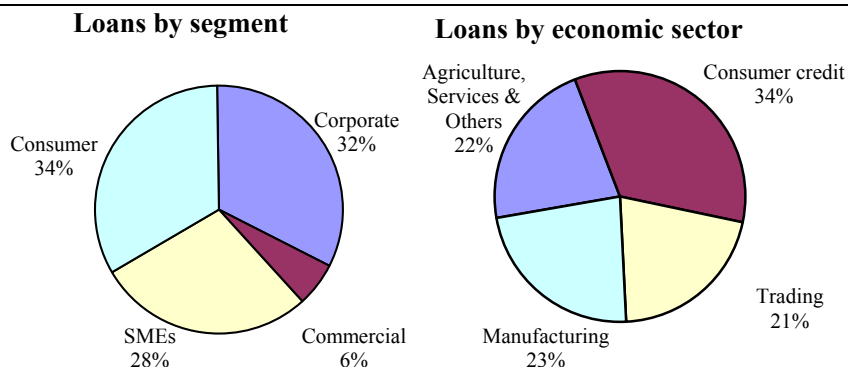
Other Services

- Remittance
- 24 Hour Phone Banking
- Collections
- Safe Deposit Box
- Foreign Exchange Trading
- Payroll

obligors only accounted for a total of Rp 4,474 billion or 24.6% of the Bank's total loan portfolio as at year-end 2002, hence minimizing loan concentration risk.

Exhibit II : Breakdown of loan portfolios

(December 31, 2002)



Total loans: Rp 18,197 billion

Non-performing loans (NPL) ratios are maintained at 4.4% level in December 2002 against 4.8% in December 2001, below the compliance target imposed by Bank Indonesia of 5%. The Bank's non-performing loans amounted to Rp 805 billion in December 2002 compared to Rp 505 billion last year. Of Rp 805 billion in NPLs at the end of December 2002, 3.8% were in the substandard category and 0.6% in the doubtful category. There was no loss category due to write off. As the Bank significantly expand its loan portfolio, the quality of some loans deteriorated to non-performing status from current status. However, the Bank's loan loss allowances increased to Rp 1,069 billion in 2002 (excluding Rp 502 billion provision for loans acquired from IBRA) from Rp 694 billion in 2001. Consequently NPL coverage, as measured by loan loss allowances to non-performing loans, still stood at 132.8% level in December 2002, against previous year's level of 137.4%. Going forward, the Bank continues to monitor non-performing loans and build up reserves against the uncertain economic conditions.

Government bonds fell steeply from Rp 27,768 billion in December 2001, or 43.7% to Rp 15,640 billion in December 2002. This was mainly resulted from the successful marketing of recap bond mutual fund (Prima Investa) that also aims to replace time deposits that generate high cost of funds. Since its first launch in late 2001, this product has been able to raise Rp 11.6 trillion in public funds and has contributed considerably to the Bank's fee-based income in 2002. Furthermore, the composition of government bonds has improved steadily as variable rate bonds held by the Bank have now outnumbered fixed rate bonds with the ratio being 77% : 23% as of December 2002 compared to last year ratio of 62% : 38%, thus reducing interest rate risk. As a result of the above, the Bank's dependency on government bonds has decreased substantially where recap bonds were now only accounted for 33.3% of the Bank's assets, compared to 52.7% a year earlier. Accordingly, the contribution of government bonds to the Bank's interest income declined steadily to 51.2% as of December 2002 against 73.1% last year.

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 Anika Faisal

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Carolina Dina Supriyanto

Credit Credit Officer

Susanto Onie

Chief Information & Technology Officer

Boy Trianto

Chief National Operation Officer

Ali Yong

Chief Human Resources Officer

RKW Pratomo

Head of Internal Audit

Godlip Pasaribu

Corporate Affairs

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Machfud Irfan

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Card Center

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Randy Pangalila

SME & Trade Finance

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Agribusiness Lending Center

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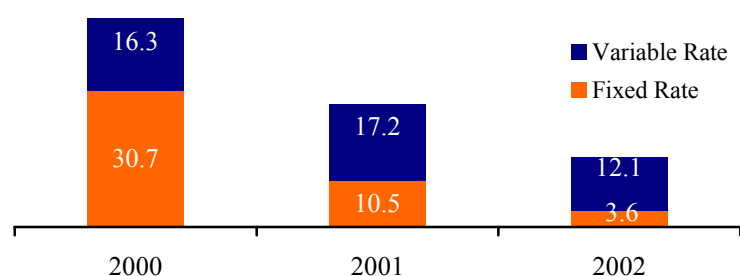
Trisiladi Supriyanto

Financial Institutions

Oliver Mambu

Exhibit III : Government Bonds

Rp trillion (December, 31)



Total liabilities as at December 31, 2002 decreased by 12.9% to Rp 42,259 billion from Rp 48,510 billion as at December 31, 2001. This decrease was primarily attributable to the replacement of high cost time deposits with Prima Investa and reduction of borrowings. Most of the reduction in borrowings was primarily due to settlement of the Bank's exchange offer facilities amounting to US\$ 73.1 million in year 2002.

Third-party funds constitute the main source of funding for the bank. As such, the Bank has always placed a strong emphasis on maintaining an effective and sufficient level of third party funding to meet the Bank's lending, inter-bank transactions and treasury activities. As of December 2002, third-party funds totaled to Rp 34,898 billion, down by 12.3% from Rp 39,799 billion a year earlier mainly as a result of the Bank's aggressive efforts to improve funding composition by replacing high cost of time deposits with Prima Investa.

The Bank was successful in diversifying its funding composition beyond time deposits as time deposits only accounted for 58% of total third-party funds as of December 2002, down considerably from 72% a year earlier. Savings accounts grew by 45.9% to Rp 10,091 billion at December 2002 from Rp 6,915 billion a year earlier, resulting from the Bank's aggressive efforts to improve funding composition by improving marketing program and enhancing product features. Current accounts increased by 9.4% from Rp 4,181 billion in December 2001 to Rp 4,572 billion at year-end 2002 primarily due to fund shifting to the Bank's new current account product, called "PrimaGiro Super 9", a product with hybrid functions of both savings and current accounts. Consequently, CASA to total third-party funds increased to 42.1% in 2002 from 27.9% in 2001.

Exhibit IV : Consolidated Assets & Liabilities

Rp billion (December, 31)

	2002	2001	Growth
Total Assets	46,911	52,680	(10.9%)
Loans	18,197	10,485	73.6%
Government Bonds	15,640	27,768	(43.7%)
Total Liabilities	42,259	48,510	(12.9%)
Third Party Funds	34,898	39,799	(12.3%)
Total Equity	4,652	4,171	11.5%

The Bank's capital adequacy ratio (CAR) as of December 2002 remained strong at 25.3% level, more than three times the BIS minimum requirements of 8.0%. There was a reduction in the Bank's CAR from December 2001 position of 35.5% mainly due to loan expansion. As of December 2002, Tier 1 and Tier 2 capital ratio stood at 21.7% and 3.9%, respectively. Using Basel II simulation that also includes market and credit risk, BDI's capital adequacy still stood at 18.8% level.


The Bank's net open position was slightly reduced to 2.3% in December 2002 from 2.4% in December 2001, hence reducing foreign exchange risk. This ratio has been managed consistently below 5%, well below the central bank's regulation of 20%. 

Exhibit V : Ratios

% (December, 31)

	2002	2001
Net Interest Margin	3.8	3.3
Return on Average Assets	2.0	1.4
Return on Average Equity	22.3	16.1
Loan to Deposits Ratio	52.1	26.3
Provision / NPLs*	132.8	137.4
Net Open Position	2.3	2.4
Capital Adequacy Ratio	25.3	35.5

*allowances for 2002 excludes assets purchased from IBRA amounting to Rp 502 billion.

New Initiatives Highlights

BDI has embarked on a number of key initiatives in 2002, and the highlights are as follows:

■ **Prima Investa**, mutual funds that invest most of its funds in government recap bonds. Prima Investa is sold with a period of placement similar to time deposits (1, 3, 6 or 12 months) and paying a fixed interest rate. Prima Investa has a minimum placement of Rp 50 million and a cap of Rp 20 billion per person. The launch of Prima Investa has enabled the Bank to reduce its reliance on fixed rate government bonds. Since its introduction in December 2001, subscription has reached Rp 11.6 trillion as of December 2002 with 28,178 customers. The fee-based income generated through this product also contributed almost a quarter of the Bank's total fee-based income in year 2002.

■ **Rekening Investa**, money market mutual funds. Launched in September 2002, this product is the most recent investment product introduced by BDI. This product is an alternative investment-linked banking product to Prima Investa where customers are given the opportunity to maximize the value of their funds on a daily basis instead of locking them within certain periods. The rate of return is within the

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range of time deposits and Prima Investa. The minimum placement is Rp 100 million for individual and Rp 250 million for corporate with a maximum of Rp 10 billion. In less than three months period, this product has generated total funds of Rp 791 billion with approximately 2,000 customers (NOA) as of December 2002.

■ **Tabungan Pendidikan Danamon (TPD)**, an education savings product aimed at accumulating a specific target fund level dedicated for a child's education. TPD offers not only higher returns compared to regular savings but also financial protection through the insurance coverage bundled in the product. Additionally, TPD offers flexibility for customers to choose their monthly installments (from Rp 100,000 per month to Rp 5,000,000 per month), set their time plan (from 1-20 years) and access free cash after 2 years of the effective term. Since its introduction at the end of May 2002, the Bank has been able to generate total funds aggregating to Rp 83 billion with approximately 24,000 customers (NOA) as of December 2002.

■ **SME Center**. In line with the Bank's vision to be the bank of choice in SME and consumer sectors, the establishment of SME Center is one of the alternative network to achieve substantial growth in SME sector business development along with the decentralization of credit process in big cities. The basic concept of this SME center is to provide working capital for visible businesses that are not bankable according to regular bank's credit approval process. To achieve this, BDI cooperates with other strategic partners, such as financing with PNM and credit guarantee with Perum SPU. As of December 2002, total credits that were channeled through SME Center has reached Rp 439 billion. Currently, nine SME Centers have been operating in Denpasar, Makassar, Padang, Jakarta, Bandung, Semarang, Surabaya, Medan and Balikpapan.

■ **Consumer Lending Center (CLC)**. This center is established to simplify and speed up the loan application process, hence improving service to customers and enhancing the Bank's competitive position in the market. CLC is also aimed to achieve better risk management control by centralizing control of acquisition, maintenance and collection process. CLC has now been established in Jakarta, Medan and Surabaya.

■ **Danamon Access Center (DAC)**. This is a phone banking service that provides the Bank's customer with 24-hour access to the banking services such as funds transfer, account openings, balance inquiry, etc. DAC also enables the Bank's customers to obtain their phone banking personal identification number (PIN) through the Bank's ATM network. This new service is expected to broaden the user base of DAC and hence reducing the high cost associated with in-branch services. Total DAC transactions during year 2002 reached up to 509,000 transactions. DAC also targets to expand its coverage to 7 big cities in Bandung, Surabaya, Semarang, Medan, Denpasar, Balikpapan and Makassar.

■ **PrimaGold Banking**, a priority banking service for individuals with high net worth, equipped with comprehensive suite of wealth

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management products geared towards optimizing the customer's personal assets. PrimaGold banking requires minimum funds of Rp 500 million, or combined funds and loans of Rp 800 million for new customers. Since the first establishment of PrimaGold Banking (PGB) Center in June 2002 at Menara Danamon (BDI's new headquarter), six other PGB Centers have been opened in Kelapa Gading-Jakarta, Medan, Balikpapan, Surabaya, Makassar and Bandung. As of December 2002, this service has managed to contribute third party funds totaling to Rp 2.5 trillion whilst providing loans amounted to Rp 116 billion.

■ **Syariah Banking.** The establishment of syariah banking is based on the consideration of the size of muslim population in Indonesia (more than 80%), therefore providing a large potential of syariah banking development. BDI has opened two syariah banking in Jakarta and West Sumatra. BDI established the third Syariah branch in Banda Aceh on January 2003 that is determined to foster growth in Nangroe Aceh Darussalam (NAD). BDI plans to expand its Syariah Banking to 6 other cities: Sidoarjo, Martapura, Bandung, Solo, Makassar and Medan.

■ **Card Center.** The Bank's primary Card Center is a business unit with a complete suite of credit card management, including marketing, sales acquisition, application processing, operations, customer service and credit card collection. The Card Center currently manages 190,000 cardholders of Visa and Mastercard with approximately Rp 500 billion in receivables. The Bank's Card Center is also supported by 5 regional card centers in Bandung, Surabaya, Yogya, Medan and Makassar. One of the Bank's innovative products in credit card is the introduction of Fix n Fast, a fixed installment credit card, in November 2001. It has generated a balance of Rp 306.7 billion in receivables with approximately 50,000 applicants each month, thus contributing more than half of total credit card receivables as of December 2002. **In recognition of the success of Fix n Fast, in January 2003, MasterCard International awarded Fix n Fast "Most Innovative Product and Highest Usage for MasterCard Electronic in Indonesia".**

■ **ATM.** As part of the effort to improve service to its customers, BDI continues to add and improve features and services to its ATM, such as an increase in withdrawal & transfer limits, cash withdrawal using Danamon's credit card, credit card payments, purchases of cellular phone prepaid credits, etc. Since November 2002, customers of Astra Credit Companies, one of the leading automotive financial institutions, will be able to make car installment payment through the Bank's ATMs. In addition the Bank's customers will have easy access to the Bank's ATMs in 1,924 locations through the networking of "Jaringan ATM Bersama". 

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Latest News

■ **Interim Dividend.** In November 2002, the Bank declared an interim dividend of Rp 19 per share for an aggregate payment of Rp 467 billion. This represents approximately 65% of the Bank's net profit in the first nine months of 2002. This also reflects significant increase if compared to last year's interim dividend of Rp 5.85 per share, an aggregate payment of Rp 144 billion or approximately 20% of the Bank's net profit in the first three quarters of 2001. The Bank's dividend payment was in the form of cash to public shareholders and government bonds to IBRA.

■ **Reverse Stock Split.** The Bank has undertaken a 5 to 1 reverse stock split which was publicly announced on December 20th, 2002. The reverse stock split became effective on January 22nd, 2003, resulting in new shares outstanding of 4,906,922,000 against 24,534,610,000. Besides improving the price level of the stock and increasing its trading liquidity, this reverse stock split is also aimed to support IBRA's divestment program on the Bank by making the Bank's share more attractive to potential investors.

■ **IBRA's Divestment Plan.** During Press Release on January 20th, 2003, IBRA announced the plan for divesting up to 71% of its shares BDI. IBRA intends to divest 51% of BDI through a strategic sale and a maximum of 20% through a market placement. The following table summarizes the next steps in the Strategic Sale process:

Agenda	Period
Distribution of Overview Document and Confidentiality Agreement (CA)	Week IV January 2003
Bidder Registration Submission Period of Letter of Interest (LoI) and Execution of the CA	Week IV January until Week II February 2003
Distribution of Information Memorandum Commences	Week I February 2003
Preliminary Non Binding Bids	Week III February 2003
Announcement of the Short-Listed Bidders	Week III February 2003
Due Diligence for Short-Listed Investors	Week III February 2003
Final Binding Bids	Week IV March 2003
Fit & Proper Test Process	Week IV March until Week II April 2003
Negotiation of Sales and Purchase Agreement and Closing	Week II April until Week IV April 2003

IBRA intends to initiate the Market Placement in parallel with the Strategic Sale. Such Market Placement will be implemented separately via the direct placement of shares of up to 20% through capital market as IBRA sees fit. 

Background


The Bank was established in July 1956 under the name of PT. Bank Kopra Indonesia. In 1976, the Bank's name was changed into its current name PT. Bank Danamon Indonesia. The Bank continued to expand and at November 5th, 1988, became the first Indonesian private foreign exchange bank after obtaining its foreign exchange license from the Central Bank (Bank Indonesia).

To sustain growth, the Bank's 12,000,000 shares with Rp 1,000 par value per share was offered to the public through Initial Public Offering (IPO) on December 1989 to raise capital. Since then, the Bank had undertaken three Limited Offerings (Rights Issue) in 1994, 1996 and 1999.

BDI was taken over by the Government of Indonesia in April 1998 as it ran into liquidity insolvency as a result of the Asian financial crisis in 1997. The Bank was placed under the care of the Indonesian Bank Restructuring Agency (IBRA) to be included in the bank recapitalization and merger program. The Government first recapitalization was done through an injection amounting to Rp 32 trillion into the Bank's capital and merger with Bank PDFCI (after being recapitalized), which reached completion in December 30, 1999.

In June 2000, BDI completed yet another merger with 8 Bank Take Over (BTOs), namely Bank Jaya, Bank Tiara Asia, Bank Pos Nusantara, Bank Rama, Bank Tamara, Bank Nusa Nasional, Bank Duta, and Bank Risjad Salim Internasional. Prior to the merger, in May 2000, the Bank received second recapitalization from the Government through capital injection of Rp 28 trillion in order to fulfill the requirements of BI regarding the minimum Capital Adequacy Ratio (CAR) after the transfer into the Bank of all the assets and liabilities of the BTOs banks which have capital deficiency. As a result, BDI re-emerged as one of Indonesia's biggest banks along with Bank Central Asia in the private sector, and with Bank Mandiri, Bank BNI and Bank BRI in the public sector.

After the recapitalization and merger, the Bank continues to strengthen its position in the Indonesian banking sector by focusing on consumer and SMEs sectors, in line with the Bank's vision and mission to become the bank of choice for consumer and SMEs. In order to achieve this, the Bank focuses its attention on three critical areas, which are financial strategy, network & distribution strategy and human resources & managerial strategy.

Going forward, the focus of the Bank remains on the development of its retail banking, fulfilling the financial needs of its consumer and individual customers. With a new and dynamic corporate logo and signature, the Bank embarks on a new chapter that revitalizes the Bank's visual identity therefore enables the Bank to look forward to the future with greater confidence and focus. 

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Consolidated Financial Statements^{*)}

PT Bank Danamon Indonesia Tbk and Subsidiary

ASSETS	2002	2001	LIABILITIES & EQUITY	2002	2001
<i>Rp million (as of December, 31)</i>	Audited	Audited	<i>Rp million (as of December, 31)</i>	Audited	Audited
Cash	1,052,192	820,322	Current Accounts		
Current Accounts with Bank Ind.	1,747,820	2,104,766	Rupiah	2,675,221	2,564,213
Current Accounts with Other Banks			Foreign currencies	1,896,499	1,616,873
Rupiah	74,244	108,983	Obligations due immediately	535,025	895,418
Foreign currencies	271,408	1,409,064	Saving Deposits	10,090,604	6,914,531
Placements with Other Banks			Time Deposits		
Rupiah	128,109	362,013	Rupiah	16,473,512	25,810,714
Foreign currencies	855,661	1,749,833	Foreign currencies	3,761,828	2,892,721
Allowance for possible losses	(13,294)	(48,857)	Certificates of Deposits	-	-
Marketable Securities			Deposits from Other Banks	436,014	170,864
Rupiah	3,909,902	3,427,981	Marketable Securities Sold under		
Foreign currencies	3,337,437	2,010,616	Repurchase Agreement	1,500,000	470,833
Allowance for possible losses	(35,976)	(123,811)	Derivative Payables	3	278
Government Bonds	15,639,724	27,768,254	Acceptance Liabilities	180,466	161,602
Securities under resale agreements	-	-	Marketable Securities Issued		
Allowance for possible losses	-	-	Rupiah	50,919	51,495
Derivative receivables	29	425	Foreign currencies	801,471	1,691,206
Allowance for possible losses	-	-	Borrowings		
Loans			Rupiah	581,549	611,353
Rupiah	15,724,140	8,889,171	Foreign currencies	108,999	240,933
Foreign currencies	2,473,233	1,595,364	Accrued Expenses	163,162	274,208
Allowance for possible losses	(1,570,874)	(693,614)	Tax Payables	-	-
Acceptance Receivables	180,466	161,602	Allowance for Possible Losses on Off		
Allowance for possible losses	(2,722)	(1,616)	Balance Sheet Transactions	366,661	351,477
Investments in Share of Stock	43,531	52,636	Other Liabilities	1,747,934	2,895,015
Allowance for possible losses	(4,548)	(13,377)	Subordinated Loans	731,759	738,751
Accrued Interests Receivables	502,370	1,155,412	Loan Capital	155,000	155,000
Prepaid Expenses	82,810	32,769	Minority Interest	1,909	2,277
Prepaid Taxes	7,459	6,816	Equity		
Deferred Tax Assets	328,830	370,080	Paid up capital	3,562,261	3,562,261
Fixed Asset	1,041,962	793,812	Additional paid up capital	25,412	25,412
Accumulated depreciation	(375,577)	(314,563)	Other paid up capital	189	189
Real and Chattel Properties	4,030	5,058	Diff. in foreign currency translation	2,923	2,939
Other Assets	1,508,980	1,051,207	Retained earning	1,062,026	579,783
TOTAL	46,911,346	52,680,346	TOTAL	46,911,346	52,680,346

^{*)} Exchange Rate Rp 8,950 to US\$ (as of December 31, 2002) and Rp 10,400 to US\$ (as of December 31, 2001). All figures have been adjusted as per Bank Indonesia regulation No. 3/22/PBI, dated 13 December 2001 and SE Bank Indonesia No. 3/30/DPNP, dated 14 December 2001.

Consolidated Financial Statements ^{*)}

PT Bank Danamon Indonesia Tbk and Subsidiary

INCOME STATEMENTS <i>Rp million (as of December, 31)</i>	2002 Audited	2001 Audited	COMMITMENTS & CONTINGENCIES <i>Rp million (as of December, 31)</i>	2002 Audited	2001 Audited
OPERATING INCOME AND EXPENSES			COMMITMENTS		
Interest Income			Commitment Receivables		
Interest	6,560,596	6,959,234	Unused borrowing facilities	9,072	20,335
Fees and commissions	92,570	66,424	Others	497,187	-
Total interest income	6,653,166	7,025,658	Total Commitment Receivables	506,259	20,335
Interest Expenses			Commitment Payables		
Interest	4,726,831	5,344,259	Unused loan facilities	3,021,640	1,707,519
Fees and commissions	323	16	Outstanding irrevocable L/C	296,317	129,789
Total interest expenses	4,727,154	5,344,275	Obligations to repurchase assets sold under repurchase agreements		-
Net Interest Income	1,926,012	1,681,383	Others	528,459	273,142
Other Operating Income			Total Commitment Payables	3,846,416	2,110,450
Foreign exchange gain	-	-	Commitment Payables - Net	(3,340,157)	(2,090,115)
Other fees and commissions	434,774	110,791	CONTINGENCIES		
Gain on sale of marketable securities	3,843	-	Contingent Receivables		
Others	371,108	490,985	Interest receivable on non- performing assets	99,145	80,503
Total other operating income	809,725	601,776	Others	-	-
Other Operating Expenses			Total Contingent Receivables	99,145	80,503
General & administrative expenses	616,609	454,955	Contingent Payables		
Salaries and employee benefits	503,815	472,855	Guarantees issued	390,858	280,228
Loss in foreign exchange	12,104	7,431	Channeling loans	-	-
Loss from decline in fair value of marketable securities	147,966	542,804	Others	-	1,230,317
Allowance for possible losses on earning assets & off bs trans.	278,773	2,691	Total Contingent Payables	390,858	1,510,545
Others	187,166	194,336	Contingent Payables - Net	(291,713)	(1,430,042)
Total other operating expenses	1,746,433	1,675,072			
Net Operating Income	989,304	608,087	CAPITAL RATIO	2002	2001
NON OPERATING INCOME (EXPENSES) – NET	(21)	146,381	<i>(as of December, 31)</i>		
INCOME BEFORE TAX	989,283	754,468	Bank Indonesia		
INCOME TAX	41,249	31,568	Tier 1	21.73%	30.22%
INCOME AFTER TAX	948,034	722,900	Tier 2	3.87%	5.73%
MINORITY INTEREST IN NET LOSSES OF SUBSIDIARY	368	410	Total	25.33%	35.49%
NET INCOME	948,402	723,310	Bassel II *	18.75%	N/A
DIVIDEND	(466,158)	(143,527)	Note: *Simulation Standard Model Bassel II		
NUMBER OF SHARES	24,535	24,535			
BASIC EARNINGS PER SHARE	Rp 38.66	Rp 29.48	SHAREHOLDERS	2002	2001
			<i>(as of December, 31)</i>		
			The Government of Indonesia (IBRA)	99.35%	99.35%
			PT Danamon International	0.00%	0.10%
			Public	0.65%	0.55%

^{*)} Exchange Rate Rp 8,950 to US\$ (as of December 31, 2002) and Rp 10,400 to US\$ (as of December 31, 2001). All figures have been adjusted as per Bank Indonesia regulation No. 3/22/PBI, dated 13 December 2001 and SE Bank Indonesia No. 3/30/DPNP, dated 14 December 2001.

Financial Highlights

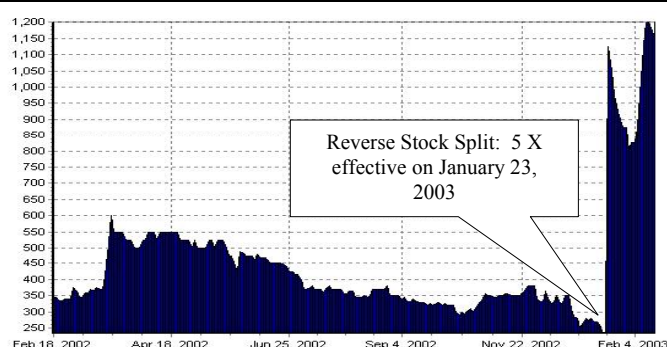
PT Bank Danamon Indonesia Tbk and Subsidiary

Loan Collectibility (as of 31 December)	2002		2001	
	Rp mn	%	Rp mn	%
Current	16,483	90.6	8,471	80.8
Special Mention	909	5.0	1,509	14.4
Substandard	696	3.8	253	2.4
Doubtful	109	0.6	28	0.3
Bad Debts	-	-	224	2.1
Total	18,197	100.0	10,485	100.0

Loan by Economic Sector (as of 31 December)	2002		2001	
	Rp mn	%	Rp mn	%
Manufacturing	4,247	23.3	2,275	21.7
Trade, restaurant & hotel	3,834	21.1	2,174	20.8
Agriculture	589	3.2	1,185	11.3
Construction	267	1.5	104	1.0
Transportation	419	2.3	179	1.7
Mining	560	3.1	51	0.5
Electricity, gas & water	238	1.3	277	2.6
Business services	998	5.5	640	6.1
Social services	582	3.2	412	3.9
Others	6,463	35.5	3,188	30.4
Total	18,197	100.0	10,485	100.0

Loan by segment (as of 31 December)	2002		2001	
	Rp mn	%	Rp mn	%
Corporate	5,898	32.4	3,512	33.5
Commercial	1,096	6.0	1,250	11.9
Small & medium ent.	5,048	27.8	2,689	25.7
Consumers	6,155	33.8	3,034	28.9
Total	18,197	100.0	10,485	100.0

Share Price (Quote: BDMN)



Source: IndoExchange

Key Financial Ratios (as of 31 December)	2002	2001
Loan to Deposits Ratio (LDR)	52.10	26.32
Return on Average Assets (ROAA)	2.01	1.36
Return on Average Equity (ROAE)	22.27	16.10
Net Interest Margin (NIM)	3.80	3.30
Yield of Earning Assets	14.88	14.61
Cost of Fund	11.60	12.25
Income Gov Bonds/Interest Income	51.20	73.05
Fee Income to Total Operating Income	27.25	18.91
Cost to Income	45.04	44.80
Non Performing Assets/Total Earning Assets	1.93	1.34
Loss Allowance/Total Earning Assets*	2.58	1.91
Loss Allowance/NPA*	135.97	142.47
Non Performing Loans/Total Loans (NPL)	4.42	4.82
Loan Loss Allowance to Total Loans*	5.87	6.61
NPL Coverage*	132.80	137.35
Net Open Position (NOP)	2.31	2.40
Capital Adequacy Ratio (CAR)	25.33	35.49
Earning per Share (EPS)	Rp 38.66	Rp 29.48

* allowances for 2002 excludes assets purchased from IBRA (Rp 502 billion)

Network & Employees (as of 31 December)	2002	2001
Branch offices	472	465
ATM	739	692
No. of employees	13,156	13,197

Credit Ratings		
FITCH IBCA	Short Term Credit Ratings	B
(November 2002)	Long Term Credit Ratings	B
Standard & Poor's	Short Term Credit Ratings	B-
(October 2002)	Long Term Credit Ratings	B-
	Outlook	Stable
PEFINDO	Company Rating	idBBB+
(May 2002)	Outlook	Stable
Moody's*	Long Term Bank Deposits	Caa1
(January 2002)	Financial Strength	E+
Capital Intelligence*	Foreign Currency	C
(January 2003)	Domestic Strength	BB+
	Support	3

Note: * Public Information Rating

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