

Vera Eve Lim

vera.lim@danamon.co.id

I Dewa Made Susila, CFA

dewa@danamon.co.id

Menara Bank Danamon, 6th Floor

Jl. Prof. Dr. Satrio Kav. E IV No. 6 Jakarta 12950

Tel +62 (021) 5799 1001-03 Fax +62 (021) 5799 1445

<i>in billion Rupiah</i>	Q1 2003	Q1 2004	Chg (%)
Income Statement			
Net Interest Income	609	944	55.0
Other Operating Income	165	257	55.8
Provision for Possible Losses	460	43	-90.7
Other Operating Expenses	40	451	1,027.5
Net Income	270	503	86.3
Earnings per Share (Rp)	54.99	102.49	86.3
Balance Sheet			
Total Assets	47,193	54,887	16.3
Total Loans ¹	20,282	20,962	3.4
Total Government Bonds	14,135	18,881	33.6
Total Liabilities	42,270	47,931	13.4
Third Party Funds	34,424	38,709	12.4
Total Equity	4,923	6,956	41.3
Key Financial Ratios (%)			
Net Interest Margin	4.6	6.7	2.1
Return on Average Assets	2.3	3.8	1.5
Return on Average Equity	22.5	34.4	11.9
Loan to Deposits Ratio ¹	58.9	54.1	-4.8
NPL / Total Loans ²	2.8	4.7	1.9
NPL / Total Loans ³	0.0	0.0	0.0
Loan Loss Allowances / NPL ⁴	163.3	153.5	-9.8
Net Open Position	3.1	1.6	-1.5
Capital Adequacy Ratio	25.1	38.3	13.2
Tier 1 Capital	21.6	24.8	3.2

¹Include loans purchased from IBRA at purchase price

²After BI minimum provision

³After the Bank's total provision

⁴Loan loss allowances excludes allowances for loans purchased from IBRA

Shareholders	Mar 2003	Mar 2004	Change
Asia Financial (Indonesia) Pte Ltd	-	61.9%	61.9%
Republic of Indonesia Ministry of Finance	99.4%	20.5%	-78.9%
Public	0.6%	17.6%	17.0%

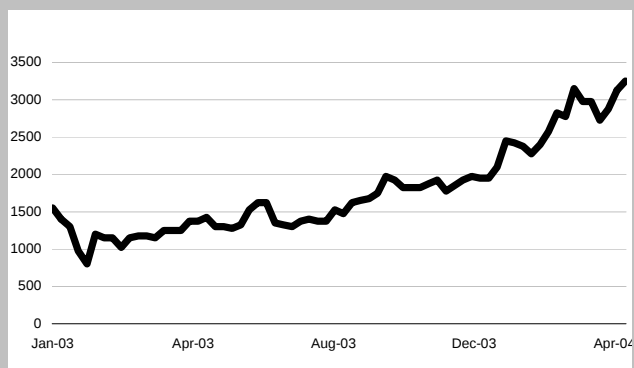
Investor Newsletter

April 2004

First Quarter 2004 Results

- ❑ Net profit after tax increased to Rp. 503 billion from Rp. 270 billion.
- ❑ Net Interest Margin improved significantly to 6.7% from 4.6%.
- ❑ The Bank completed its US\$ 300 million subordinated debt issuance on March 30, 2004.
- ❑ The Bank concluded the acquisition of 75% of Adira Finance's stake on April 8, 2004.

Share Price (Ticker: BDMN)



Source: Bloomberg

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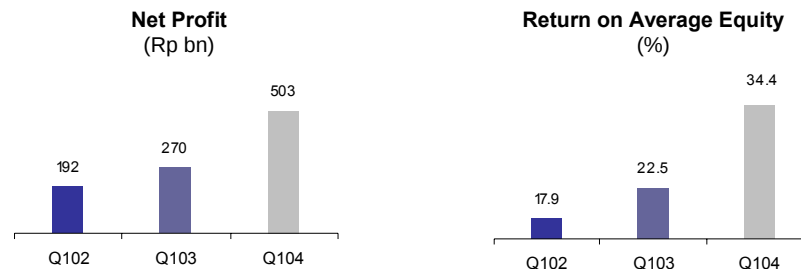
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FIRST QUARTER 2004 FINANCIAL RESULTS

Danamon recorded first quarter 2004 net profit after tax of Rp. 503 billion, up 86.3% over Rp. 270 billion in the same corresponding period last year, mainly contributed by higher net interest income. Accordingly, earnings per share were Rp. 102.49 in the first quarter of 2004, compared with Rp. 54.99 for the year-ago quarter. The Bank's improving profitability resulted in an increase in both its ROAA (after-tax) and ROAE (after-tax) to 3.8% and 34.4%, as compared to 2.3% and 22.5%, respectively, in the first quarter of 2003.

*...Net profit up
86.3%...*

Exhibit I. Profitability



*...Net interest
margin improved to
6.7%...*

Net interest income in the first quarter of 2004 increased by 55.0% to Rp. 944 billion. This increase was due primarily to lower interest expense as a result of new management's initiative to decrease funding costs by cutting interest rates on deposits. Net interest margin was 6.7% for 2004 first quarter, an improvement of over 200 basis points over the same period last year, reflecting the benefit of lower funding costs.

*...Cost-to-Income
ratio maintained at
43.3% level...*

Other operating income increased to Rp. 257 billion, or 55.8% mainly from gain on sale of marketable securities. However, fee-based income declined by 42.5% to Rp. 77 billion which was primarily driven by the discontinuance of Prima Investa. Hence, the contribution of fee-based income to operating income decreased to 30.0% from 81.2% in 2003 first quarter.

In the first quarter of 2004, other operating expenses (excluding provision for possible losses) increased to Rp. 451 billion. General and administrative expenses increased by 68.9% to Rp. 223 billion, mainly due to higher promotion and operational expenses. Salaries and employee benefits increased by 41.0% to Rp. 220 billion as a result of the Bank's effort to improve the quality of its personnel by offering competitive salaries and benefits. Overall, cost-to-income ratio was maintained at 43.3% level.

In addition, the Bank has set aside Rp. 42 billion in provision for possible losses on earning assets as a reflection of the Bank's conservatism in managing credit risk.

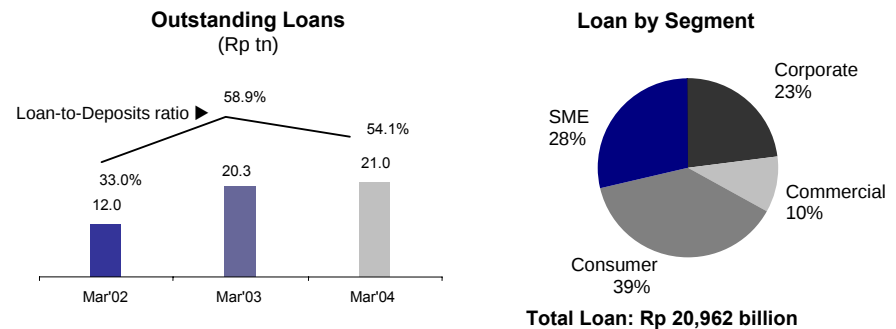
*...Loan-to-Deposits
ratio reached
54.1%...*

As at March 31, 2004, the Bank's outstanding loans increased slightly to Rp. 20,962 billion, mainly driven by organic growth and partially offset by settlement in loans purchased from IBRA with a purchase price of Rp. 737 billion. As a result, the Bank's loan-to-deposits ratio (LDR) remained at 54.1%.

The Bank remains committed to realize its vision to be the nationwide bank of choice in the consumer and SMEs sectors as reflected by loans to consumer and SMEs sectors that accounted for 39% and 28% of the Bank's loan portfolio, respectively, as at March 31, 2004.

Exhibit II. Breakdown of Loan Portfolio

(As of March 31)

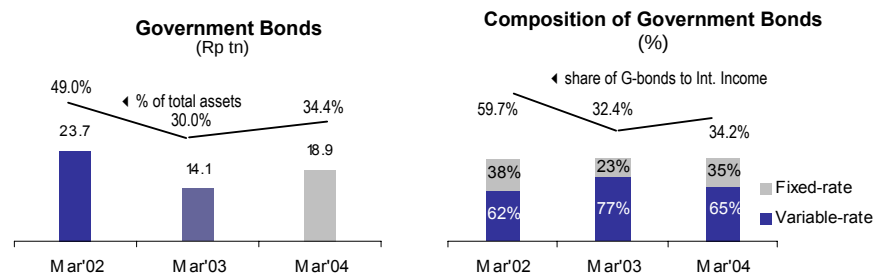


The remaining loans purchased from IBRA of Rp. 7,829 billion with a purchase price of Rp. 1,337 billion, amounted to Rp. 737 billion (purchase price) as at March 31, 2004. Out of this amount, Rp. 476 billion has been restructured as at March 31, 2004. Furthermore, these remaining loans balance of Rp. 737 billion have been fully provided for.

Non-performing loans (NPLs) amounted to Rp. 1,562 billion as at March 31, 2004 as compared to NPLs of Rp. 885 billion a year earlier. This increase was primarily due to loans purchased from IBRA as well as a consequence of the Bank's decision to reclassify downwards the collectibility rating of some loans in September 2003. Consequently, NPL ratio (gross NPL deducted by BI minimum provision) increased to 4.7% from 2.8%. However, net NPL remained zero as NPL coverage still stood at 153.5% level as loan loss allowances amounted to Rp. 1,658 billion.

...Net NPL remained zero.....

Exhibit III. Government Bonds



Government bonds increased to Rp. 18,881 billion as at March 31, 2004, as compared to Rp. 14,135 billion a year earlier. This was primarily due to the termination of the mutual fund product (Prima Investa) as well as to benefit from the declining SBI rates. As a result, government bonds accounted for 34.4% of the Bank's assets, up from 30.0% a year earlier. Accordingly, their contribution to interest income was 34.2% as at March 31, 2004, up from 32.4% in the previous year.

As at March 31, 2004, total liabilities increased to Rp. 47,931 billion compared with Rp. 42,270 billion in the previous year. This was mainly derived from the increase in third party funds as well as the issuance of subordinated debt. The termination of Prima Investa has prompted the customers to redeposit their money back to time

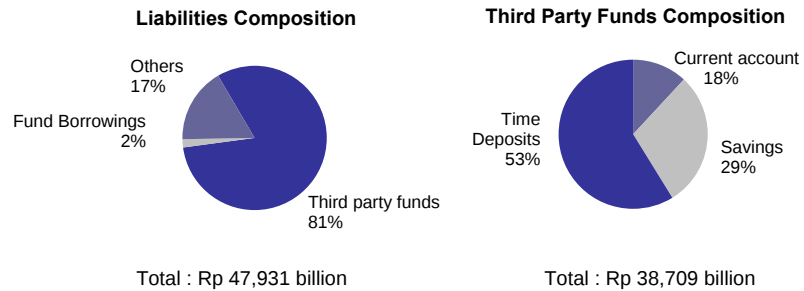
...Government bonds now account for 34.4% assets...

...Third Party Funds grew by 12.4%...

deposits. As a result, total third party funds rose to Rp. 38,709 billion from Rp. 34,424 billion a year earlier. Furthermore, current account and savings (CASA) accounted for 46.6% of third party funds as at March 31, 2004, up from 41.9% in the prior year.

Exhibit IV. Liabilities Composition and Third Party Funds

(March 31, 2004)



...CAR improved to
38.3%...

Danamon's capitalization, as measured by equity to asset ratio, improved to 12.7% as the Bank continues to record improving earning results and retained part of its earnings. Furthermore, the Bank's capital adequacy ratio (CAR) improved significantly to 38.3% as a result of the Bank's issuance of US\$ 300 million subordinated debt in March 2004 which is part of its effort to increase Tier 2 capital in relation to Adira Finance acquisition. As a result, Tier 1 and Tier 2 capital ratio increased to 24.8% and 13.5% from 21.6% and 3.5%, respectively as at March 31, 2003. Furthermore, calculated based on the Bassel II Simulation Model which also accounted for market and operating risk, the Bank's CAR is estimated to stay at a 35.7% level.

UPDATES

■ Corporate Actions & Initiatives

- **AGMS & EGMS.** On March 26, 2004, Danamon held its Annual General Shareholders Meeting (AGMS) and Extraordinary General Shareholders Meeting (EGMS).
 - In the AGMS, the following Board of Commissioners and Board of Directors are appointed:

Commissioner	: Ng Kee Choe*
Commissioner	: Liew Cheng San Victor*
Director	: Hora Tejpal Singh*

**these appointments shall be valid if and when Bank Indonesia grants an approval of such appointments.*
 - Among the resolutions in the EGMS was to approve the transaction of takeover/equity subscription in a maximum of 75% of the shares issued by PT Adira Dinamika Multi Finance Tbk (Adira Finance).
 - During the EGMS, the Bank's proposed plan for Employee/Management Stock Option Plan (E/MSOP) was also approved by issuing additional shares Series B Without Pre-emptive Rights of up to a maximum of 5% of the total currently issued and fully paid up shares. This represents an aggregate 245,346,100 shares Series B with a par value of Rp. 500 per share. The main purpose of this E/MSOP program is to retain and give recognition to outstanding members of the Boards as well as employees whose contributions are essential to the well-being of the Bank.
- **Dividend.** During the AGMS, Rp. 611.2 billion was approved to be paid out as dividend for the fiscal year 2003 which represents a 40% dividend payout ratio of the Bank's full year net profit of 2003, or equal to Rp. 124.5 per share. Final dividend of Rp 194 billion (or Rp 39.5 per share) will be paid on May 14, 2004.
- **Subordinated Debt Issuance.** On March 30, 2004, Danamon concluded a 10 non-call five subordinated debt issue. At US\$ 300 million, the issue is Indonesia's biggest offshore bank capital deal ever and is also the first sub-debt issuance by an Indonesian private bank. The Notes bear interest at a rate of 7.65% p.a. payable semi-annually with an issuance price of 99.592% and yield of 7.75%. The Notes will mature on March 30, 2014 and have been rated "B3" by Moody's and "B-" by Standard & Poor's. The purpose of the issuance is to provide additional Tier-2 capital to strengthen the Bank's capital base as well as to meet the capital requirement needed for the Adira Finance acquisition.

■ Awards & Accolades

- **InfoBank MRI Banking Service Excellence Award.** Based on its 2004 survey conducted by Marketing Research Indonesia, Danamon was ranked 1st in overall service category among 20 private, national and foreign banks in Indonesia. Danamon's position has steadily improved from 12th position in 2002 survey and 2nd position in 2003 survey.
- **Sharia Banking Quality Award.** A survey conducted by economy and syariah business magazine, *Modal* along with Karin Business Consulting (KBC), awarded *Sharia Banking Quality Award* to Danamon and 4 other banks for their services quality to customers. Danamon was awarded best in the category of The Best Teller, The Most Comfortable Office and The Most Comfortable ATM.