

Investor Newsletter

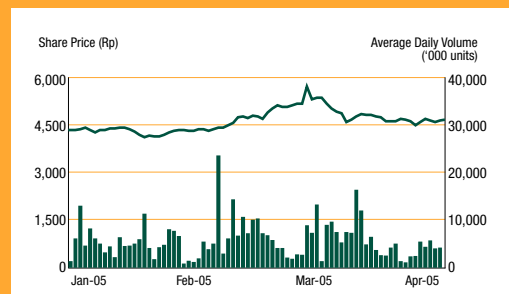
April 2005



Bank Danamon

We believe in You

Share Price (Ticker: BDMN)



Shareholders

	Mar 2004	Mar 2005	Change
Asia Financial (Indonesia) Pte Ltd	61.9%	65.8%	3.9%
Asset Management Co. qq. Ministry of Finance Republic Indonesia	20.5%	10.5%	(10.0%)
Public	17.6%	23.7%	6.1%

First Quarter 2005 Results

- **Net profit after tax increased 17% to Rp. 640 billion.**
- **Loans grew 45% to Rp. 30,337 billion.**
- **Net Interest Margin improved to 9.2%.**
- **Adira Finance's net profit rose 28% to Rp. 111 billion.**
- **419 DSP for Self Employed and 90 DSP for Consumer Mass Market were opened as of March 2005.**
- **Ratings upgrades from Moody's, PEFINDO and Fitch Ratings.**

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First Quarter 2005 Financial Results

Bank Danamon recorded first quarter 2005 net profit after tax of Rp. 640 billion, up 17% from Rp. 548 billion in the same corresponding period last year. Aside from increase in net interest income, profit was boosted by provision write-back of Rp. 222 billion in the first quarter of 2005 as a result of strong loan recovery. Accordingly, basic earnings per share (EPS) were Rp. 130.39 in the first quarter of 2005, compared with Rp. 111.27 for the year-ago quarter. The Bank's increasing profitability improved both its ROAA (after-tax) and ROAE (after-tax) to 4.2% and 34.2% from 3.8% and 34.4% in the first quarter of 2004, respectively.

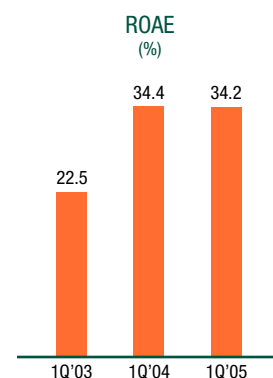
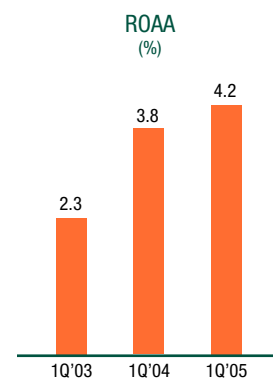
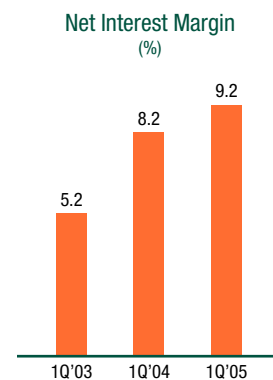
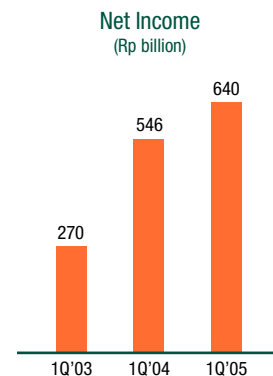
in billion Rupiah	1Q 2004 ^{a)}	1Q 2005	Chg (%)
CONSOLIDATED INCOME STATEMENT			
Net Interest Income	1,005	1,119	11.3
Other Operating Income	424	350	(17.5)
Total Operating Income	1,429	1,469	2.8
Provision for Possible Losses	46	(222)	n.m.
Other Operating Expenses	525	639	21.7
Net Income	546	640	17.2
Basic Earnings per Share (Rp)	111.27	130.39	17.2
CONSOLIDATED BALANCE SHEET			
Total Assets	56,230	60,458	7.5
Total Loans	20,962	30,337	44.7
Total Government Bonds	18,881	18,033	(4.5)
Total Liabilities	49,274	52,246	6.0
Third Party Funds	39,049	40,158	2.8
Total Equity	6,956	8,212	18.1
KEY FINANCIAL RATIOS (%)			
Net Interest Margin	8.2	9.2	1.0
Cost to Income	36.7	43.4	6.7
Return on Average Assets	3.8	4.2	0.4
Return on Average Equity	34.4	34.2	(0.2)
Loan to Deposit Ratio	54.1	76.4	22.3
NPL / Total Loans-Gross	7.5	2.9	(4.6)
NPL / Total Loans-Net	0.0	0.0	-
Loan Loss Allowances / NPL	153.5	140.4	(13.1)
Net Open Position	1.6	0.4	(1.2)
Capital Adequacy Ratio	38.3	29.6	(8.7)
Tier-1 Capital	24.8	21.5	(3.3)

^{a)} restated to include Adira Finance

In the first quarter of 2005, net interest income increased to Rp. 1,119 billion, up 11% from the same period last year largely as a result of higher interest income. Interest income grew 12% to Rp. 1,804 billion, indicating the extent of the expansion of the Bank's loan book and improvement in assets mix into higher margin loan portfolio. Loans contributed over 70% of the Bank's interest income in the first quarter of 2005 as compared to 57% in the prior year quarter. Meanwhile, government bonds portfolio contributed 17% of total interest income and consumer financing income from Adira Finance contributed a further 13%. Interest expense increased 12% to Rp. 685 billion, mainly driven by the increase in borrowings and deposits from other banks. Taken together, net interest margin improved over 100 bp to 9.2% in the first quarter of 2005, reflecting the benefit of higher yield on earning assets.

Other operating income (non-interest income) amounted to Rp. 350 billion in the first quarter of 2005, down 17% from the year-ago period. Recurring income declined 6% to Rp. 180 billion mainly due to lower fee-based income from consumer financing business. However, it was partially offset by higher fees and commissions from credit-related business that increased 30% in the first quarter of 2005. Furthermore, the decline in gain on sales of marketable securities and government bonds has caused non-recurring income to decline by 12% to Rp. 170 billion.

In the first quarter of 2005, other operating expenses increased 22% to Rp. 639 billion, driven by business expansion of DSP and Adira Finance. General and administrative expenses declined 7% to Rp. 227 billion, mainly due to lower advertising and promotions costs. Meanwhile, salaries and employee benefits increased 53% to Rp. 381 billion primarily attributable to the recruitment of 5,000 new hires in relation to business expansion and increase in compensation benefits (employee stock option – E/MSOP). Nevertheless, the Bank was able to manage its cost-to-income ratio at 43%.

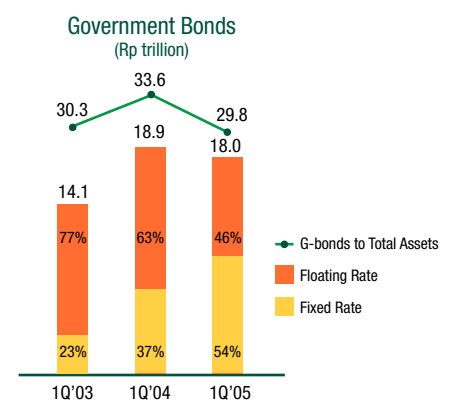
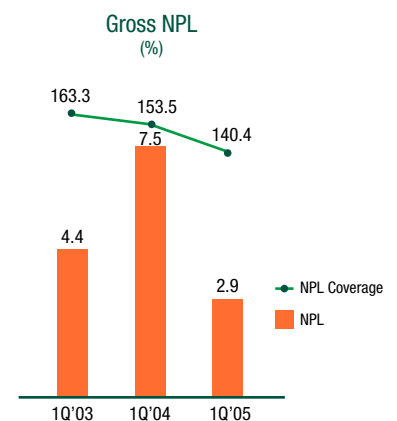
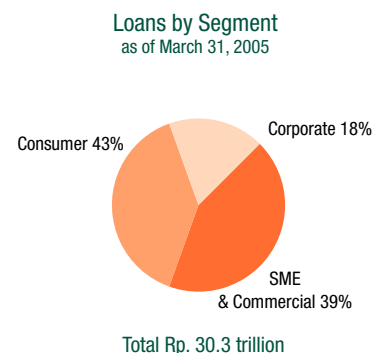
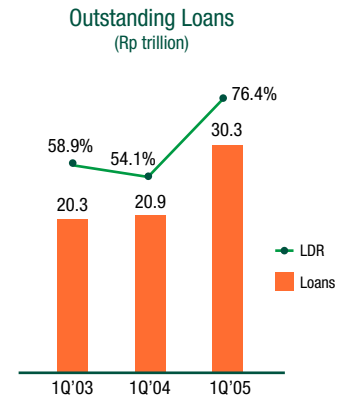


There was a noticeable reduction in allowances for possible losses on earnings assets in the first quarter of 2005. The Bank was able to recover Rp. 225 billion of non-performing loans, resulting in a provision reversal of Rp. 222 billion as compared to Rp. 46 billion provision expenses in the first quarter of 2004.

In the first quarter of 2005, the Bank incurred Rp. 58 billion in net non-operating expenses that consist of Rp. 22 billion goodwill amortization in relation to Adira Finance acquisition and loss on disposal of foreclosed assets.

Loans grew 45% to Rp. 30,337 billion as at March 31, 2005 from Rp. 20,962 billion a year ago, largely derived from consumer and SME & commercial sectors. Consumer loans rose 58% to Rp. 12,949 billion mainly supported from strong growth in Adira Finance's auto financing. Consumer loans now accounted for 43% of total loans as compared to 39% a year earlier. Within the Bank's consumer loans, motorcycle lending contributed 47% of total consumer loans, car loans 26%, housing loans 22% and credit card 5%. SME & commercial loans, which accounted for 39% of loan book, up 48% to Rp. 11,792 billion. Meanwhile, corporate loans grew by Rp. 775 billion or 16% to Rp. 5,596 billion as at March 31, 2005. This loan growth led the Bank's loan-to-deposits ratio (LDR) to rise to 76% as at March 31, 2005 from 54% a year earlier.

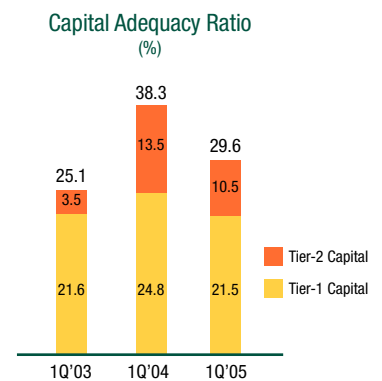
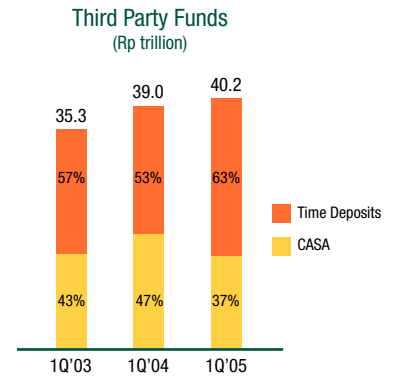
Bank Danamon continues to prudently manage its asset quality amid loan expansion. The Bank's asset quality has shown significant improvement as non-performing loans (NPLs) were reduced substantially to Rp. 866 billion as at March 31, 2005 from Rp. 1,562 billion a year earlier, mainly due to strong loan recovery. As such, gross NPL ratio was down to 2.9% as at March 31, 2005 as compared with 7.5% a year earlier. Furthermore, excluding ex. IBRA loans, NPL was at 1.6% as at March 31, 2005. Net NPLs remained zero as loan loss allowances of Rp. 1,214 billion far exceeding NPLs as indicated by NPL coverage ratio of 140% as at March 31, 2005.



Government bonds were reduced by Rp. 848 billion to Rp. 18,033 billion as at March 31, 2005, accounting for 30% of the Bank's assets. Furthermore, contribution to interest income declined to 17% in the first quarter of 2005 against 34% in 2004 first quarter.

Third party funds (deposits) which accounted for 77% of total liabilities, increased slightly to Rp. 40,158 billion as at March 31, 2005 from Rp. 39,049 billion a year earlier. Excluding Rp. 2,652 billion deposits withdrawal by IBRA upon its termination in April 2004, total deposits in fact grew Rp. 3,761 billion, or 10% from the same period last year. Current accounts and savings (CASA) declined 18% largely due to the withdrawal of IBRA fund. CASA now accounted for 37% of third party funds as at March 31, 2005.

The Bank's capitalization, as measured by equity to asset ratio, improved to 13.6% against 12.7% last year as it continues to record profits. As at March 31, 2005, capital adequacy ratio (CAR) was at 29.6%, down from 38.3% last year mainly as a result of loan expansion. Tier-1 and Tier-2 capital ratio stood at 21.5% and 10.5% as compared with 24.8% and 13.5%, respectively, as at March 31, 2004.



UPDATES

Corporate Actions & Initiatives

• Adira Finance

In the first quarter of 2005, Adira Finance (75% owned by Danamon) posted Rp. 111 billion in net profit, up 28% compared to 2004 first quarter. This increase was primarily due to strong growth in its auto financing. Total new financing in the first quarter of 2005 amounted to Rp. 1,998 billion, up 86% compared to the prior year quarter. New motorcycle financing is the main contributor as total number of units financed reached over 124,000 units as at March 31, 2005, representing a 37% growth from last year. While used motorcycle financing unit increased almost three fold to approximately 24,000 units. New car and used car financing also increased substantially by 221% and 113%, respectively, to 4,300 units and 4,400 units. Electronic financing has shown an encouraging growth from nil in the first quarter of 2004 to 10,000 units or Rp. 33 billion in the first quarter of 2005.

• DSP Self-Employed Mass Market (Banking for Self-Employed Individuals)

A year after it was launched, DSP Self-Employed Mass Market now has 419 units with total lending of Rp. 1,098 billion and Rp. 125 billion in funding. NPL for these units remain at a low level of 0.24%. Bank Danamon plans to open up to 636 units by mid-year 2005 and generate Rp. 4 trillion in lending from these units by end of 2005.

• DSP Consumer Mass Market (Banking for Lower Income Consumers)

Introduced in June 2004, DSP Consumer Mass Market now has 90 units in operation, generating Rp. 416 billion in lending and Rp. 261 billion in funding. Bank Danamon plans to open up to 372 units and generate Rp. 2.6 trillion in lending by end of 2005.

• AGMS

Bank Danamon is scheduled to hold its Annual General Meeting of Shareholders on May 9, 2005 with the following agenda:

- To approve the report of the Board of Directors for the fiscal year ending December 31, 2004 and to approve the Balance Sheet and Profit/Loss Statement for book year ending December 31, 2004,
- To determine the appropriation of the Bank's profit for the year ending December 31, 2004 (including approval on the Bank's final dividend),
- To confirm the expiration and appointment of the Bank's members of Board of Commissioners and Board of Directors,
- To delegate the authority to the Board of Commissioners to determine the roles and responsibility among members of the Board of Directors and to determine the salary and remunerations of members of Board of Directors,
- To determine the salary and remuneration to members of the Board of Commissioners.

- **Final Dividend**

Bank Danamon plans to pay a final dividend of approximately Rp. 327 billion or Rp. 66.67 in addition to the interim dividend of Rp. 877 billion paid in December 2004. This represents a 50% dividend payout ratio from the Bank's full year profit in 2004. This final dividend awaits the approval from the Bank's AGMS in May 2005.

- **Rupiah Bond Issuance**

The Bank decided to postpone the issuance of its IDR 2.5 trillion Rupiah bond due to uncondusive market conditions.

- **Credit Ratings**

Bank Danamon's credit ratings have been upgraded by rating agencies, reflecting the improvement in its business and financial profile.

Rating Agencies	Ratings and Outlook	
Moody's <i>April 2005</i>	Long Term & Short Term Bank Deposit	B3/ Pos/ Not Prime
	Bank Financial Strength	E+/Positive
	Subordinated Debt	B2/Positive
PEFINDO (Indonesia) <i>March 2005</i>	Corporate Rating	^{id} A+/Stable
	Bond Rating	^{id} A+/Stable
Fitch Ratings <i>February 2005</i>	Long Term & Short Term Foreign Currency	BB+/Positive/B
	National (Long-Term)	A- (idn)/Positive
Standard & Poor's <i>December 2004</i>	Long Term & Short Term Local Currency	BB-/Stable/B
	Long Term & Short Term Foreign Currency	B+/Positive/B
	Subordinated Debt	B/Stable

Awards & Accolades

- Best Bank in Indonesia from Global Finance Best Emerging Market Banks Award 2005.
- First rank for service excellence from MRI & InfoBank Award 2005.
- Best Trade Finance Banks and Providers 2005 in Indonesia from Global Finance.
- The Best Call Centre for Banking Category from Call Centre Award 2005 for Service Excellence.

BALANCE SHEETS
AS AT 31 MARCH 2005 AND 2004
(In million Rupiah)

No.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2005	2004	2005	2004
ASSETS					
1.	Cash	707,086	729,126	719,330	729,129
2.	Placements with Bank Indonesia				
	a. Current accounts with Bank Indonesia	3,094,795	1,982,906	3,094,795	1,982,906
	b. Certificates of Bank Indonesia	215,212	5,165,360	215,212	5,165,360
	c. Wadiah Certificates of Bank Indonesia	-	45,150	-	45,150
	d. Others	-	-	-	-
3.	Current accounts with other banks				
	a. Rupiah	14,264	34,238	100,311	37,463
	b. Foreign currencies	668,182	3,142,728	668,182	3,142,728
	Allowance for possible losses on current accounts with other banks -/-	(6,824)	(31,770)	(6,824)	(31,770)
4.	Placements with other banks				
	a. Rupiah	615,000	735,000	617,010	735,000
	Allowance for possible losses on placements with other banks -/-	(6,150)	(7,350)	(6,150)	(7,350)
	b. Foreign currencies	75,964	1,749,320	75,964	1,749,320
	Allowance for possible losses on placements with other banks -/-	(760)	(17,493)	(760)	(17,493)
5.	Placement with other Syariah banks	-	11,003	-	11,003
	Allowance for possible losses on placement with other Syariah banks -/-	-	(110)	-	(110)
6.	Marketable securities				
	a. Rupiah				
	i. Trading	19,201	5,393	19,201	5,393
	ii. Available for sale	295,954	40,096	295,954	40,096
	iii. Held to maturity	73,518	178,846	73,518	178,846
	Allowance for marketable securities -/-	(3,887)	(2,243)	(3,887)	(2,243)
	b. Foreign currency				
	i. Trading	-	207,507	-	207,507
	ii. Available for sale	686,675	879,814	686,675	879,814
	iii. Held to maturity	872,401	24,534	872,401	24,534
	Allowance for marketable securities -/-	(15,590)	(11,504)	(15,590)	(11,504)
7.	Marketable securities - Syariah bonds	115,128	85,000	115,128	85,000
	Allowance for possible losses on marketable securities - Syariah bonds -/-	(1,151)	(850)	(1,151)	(850)
8.	Government bonds				
	i. Trading	190,073	690,504	190,073	690,504
	ii. Available for sale	6,704,734	6,658,177	6,704,734	6,658,177
	iii. Held to maturity	11,138,277	11,532,385	11,138,277	11,532,385
9.	Securities purchased under resale agreements (reverse repo)				
	a. Rupiah	-	23,900	-	23,900
	Allowance for possible losses on securities purchased under resale agreements -/-	-	(239)	-	(239)
	b. Foreign currencies	-	-	-	-
	Allowance for possible losses on securities purchased under resale agreements -/-	-	-	-	-
10.	Derivative receivables	34,338	952	34,338	952
	Allowance for possible losses on derivative receivable -/-	(344)	(9)	(344)	(9)
11.a.	Loans (excluding loans purchased from IBRA)				
	a. Rupiah				
	i. Related parties	5,966	6,602	5,966	6,602
	ii. Third parties	26,842,153	18,136,968	26,842,153	18,137,459
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(765,050)	(1,599,321)	(765,050)	(1,599,321)
	b. Foreign currencies				
	i. Related parties	-	-	-	-
	ii. Third parties	3,045,515	1,945,235	3,045,515	1,945,235
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(172,962)	(99,981)	(172,962)	(99,981)
	Deferred income -/-	-	(63,774)	-	(63,774)
11.b.	Loans purchased from IBRA				
	a. Rupiah	67,376	164,057	67,376	164,057
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(62,507)	(152,178)	(62,507)	(152,178)
	Deferred income -/-	(4,869)	(11,879)	(4,869)	(11,879)
	b. Foreign currencies	201,526	572,974	201,526	572,974
	Allowance for possible losses on loans purchased from IBRA -/-	(199,063)	(544,022)	(199,063)	(544,022)
	Deferred income -/-	(2,463)	(28,952)	(2,463)	(28,952)
12.	Consumer financing receivables	-	-	897,639	-
	Allowance for possible losses on consumer financing receivables -/-	-	-	(22,642)	-
13.	Syariah financing				
	a. Murabahah financing	154,519	121,685	154,519	121,685
	b. Istishna financing	-	9,277	-	9,277
	c. Qardh financing	2,452	2,130	2,452	2,130
	c. Mudharabah financing	16,661	2,095	16,661	2,095
	d. Musyarakah financing	786	527	786	527
	Allowance for possible losses on Syariah financing -/-	(14,591)	(1,935)	(14,591)	(1,935)
14.	Acceptance receivables	540,681	452,074	540,681	452,074
	Allowance for possible losses on acceptance receivables -/-	(5,971)	(5,821)	(5,971)	(5,821)
15.	Investments	1,096,004	42,198	82,391	42,792
	Allowance for possible losses on investments -/-	(10,315)	(1,874)	(414)	(1,874)
16.	Goodwill - net	-	-	587,071	-
17.	Interest receivable	518,371	428,946	518,371	428,946
18.	Prepaid expenses	190,714	124,565	190,714	124,565
19.	Prepaid taxes	152,220	3,051	167,248	3,744
20.	Deferred tax assets	121,407	90,110	121,407	90,110
21.	Fixed assets	1,796,318	1,008,553	1,946,153	1,013,129
	Accumulated depreciation of fixed assets -/-	(572,501)	(403,364)	(605,393)	(406,253)
22.	Unutilized properties	40,087	-	40,087	-
23.	Leased assets	-	-	-	-
	Accumulated depreciation of leased assets -/-	-	-	-	-
24.	Foreclosed assets	122,470	5,562	128,810	5,562
25.	Other assets	744,528	809,671	1,170,287	814,126
	TOTAL ASSETS	59,334,911	54,865,001	60,458,244	54,876,149

BALANCE SHEETS
AS AT 31 MARCH 2005 AND 2004
(In million Rupiah)

No.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2005	2004	2005	2004
LIABILITIES					
1.	Current accounts				
a.	Rupiah	2,952,579	3,577,992	2,882,984	3,577,992
b.	Foreign currencies	1,942,622	3,328,634	1,942,622	3,328,634
2.	Wadiah current accounts	13,216	11,669	13,216	11,669
3.	Other current liabilities	231,616	134,094	231,616	134,094
4.	Savings	10,030,046	11,075,617	10,030,046	11,075,617
5.	Syariah savings				
a.	Wadiah savings	945	1,258	945	1,258
b.	Mudharabah savings	32,356	29,104	32,356	29,104
6.	Time deposits				
a.	Rupiah				
i.	Related parties	3,174	-	3,174	-
ii.	Third parties	22,461,712	18,024,084	22,461,712	18,024,084
b.	Foreign currencies				
i.	Related parties	131	-	131	-
ii.	Third parties	2,128,256	2,477,811	2,128,256	2,477,811
7.	Mudharabah time deposits	80,120	182,368	80,120	182,368
8.	Certificates of deposits				
a.	Rupiah	-	-	-	-
b.	Foreign currencies	-	-	-	-
9.	Mudharabah time deposits from other banks	72,897	50,993	72,897	50,993
10.	Wadiah current accounts from other banks	19	-	19	-
11.	Deposits from other banks	1,102,443	367,082	1,102,443	367,082
12.	Securities sold under repurchase agreement (Repo)	2,449,493	1,000,000	2,449,493	1,000,000
13.	Derivative payables	10,451	1,459	10,451	1,459
14.	Acceptance payables	540,681	452,076	540,681	452,076
15.	Marketable securities issued				
a.	Rupiah	557,038	7,965	1,050,964	7,965
b.	Foreign currencies	37,933	405,292	37,933	405,292
16.	Borrowings				
a.	Short term funding facilities from Bank Indonesia	-	-	-	-
b.	Others				
i.	Rupiah				
-	Related parties	-	-	-	-
-	Third parties	539,147	622,396	762,905	622,396
ii.	Foreign currencies				
-	Related parties	-	-	-	-
-	Third parties	580,418	237,787	580,418	237,787
17.	Estimated allowance for possible losses on off balance sheet transactions	14,746	9,319	14,746	9,319
18.	Lease payables	-	-	-	-
19.	Accruals	216,535	221,690	216,535	221,690
20.	Estimated tax payable	-	-	-	-
21.	Deferred tax liabilities	-	-	92,340	-
22.	Other liabilities	1,446,226	2,280,637	1,674,598	2,291,164
23.	Subordinated loans				
a.	Related parties	-	-	-	-
b.	Third parties	3,522,636	3,254,746	3,522,636	3,254,746
24.	Loan capital				
a.	Related parties	-	-	-	-
b.	Third parties	155,000	155,000	155,000	155,000
25.	Minority interests	-	-	154,532	1,029
26.	Equity				
a.	Paid up capital	3,562,261	3,562,261	3,562,261	3,562,261
b.	General and reserve	24,873	24,873	24,873	24,873
c.	Additional paid up capital	89,557	25,412	89,557	25,412
d.	Capital donation	-	-	-	-
e.	Paid up capital fund	-	-	-	-
f.	Difference in foreign currency translation	2,942	2,907	2,942	2,907
g.	Differences arising from the revaluation of the assets and liabilities due to quasi reorganization	-	-	-	-
h.	Unrealized gain (loss) from marketable securities and government bonds	540,621	996,185	540,621	996,185
i.	Other comprehensive income	-	-	-	-
j.	Retained earnings*)	3,992,221	2,344,290	3,992,221	2,343,882
TOTAL LIABILITIES AND EQUITY		59,334,911	54,865,001	60,458,244	54,876,149

*) After eliminated with deficit of 32,968.831 through quasi - reorganization on 1 January 2001

**STATEMENTS OF INCOME AND RETAINED EARNINGS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2005 AND 2004**

(In million Rupiah, except earnings per share)

No.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2005	2004	2005	2004
INCOME AND EXPENSES FROM OPERATIONS					
1.	Interest income, fees and commissions				
1.1.	Interest income				
a.	Rupiah	1,371,266	1,352,603	1,676,530	1,352,603
b.	Foreign currencies	117,621	49,997	117,621	49,997
1.2.	Fees and commissions income				
a.	Rupiah	38,526	37,262	55,801	37,262
b.	Foreign currencies	4,151	9,581	4,151	9,581
	Total interest income, fees and commissions	1,531,564	1,449,443	1,854,103	1,449,443
2.	Interest expenses, fees and commissions				
2.1.	Interest expenses				
a.	Rupiah	570,320	511,421	594,524	511,421
b.	Foreign currencies	63,304	28,670	63,304	28,670
2.2.	Fees and commissions expenses	124	44	3,839	44
	Total interest expenses, fees and commissions	633,748	540,135	661,667	540,135
	Net interest income	897,816	909,308	1,192,436	909,308
3.	Syariah income				
3.1.	Murabahah margin	5,366	4,636	5,366	4,636
3.2.	Mudharabah profit sharing	4,915	2,551	4,915	2,551
3.3.	Wadiah bonus income	-	348	-	348
	Total Syariah income	10,281	7,535	10,281	7,535
4.	Syariah expenses				
4.1.	Mudharabah loss sharing	2,260	3,932	2,260	3,932
4.2.	Wadiah bonus expenses	-	-	-	-
	Total Syariah expenses	2,260	3,932	2,260	3,932
	Net interest income - Syariah	8,021	3,603	8,021	3,603
5.	Other operating income				
5.1.	Fees and commissions	54,886	66,591	54,886	66,591
5.2.	Gain on foreign exchange transactions	13,794	5,782	13,794	5,782
5.3.	Gain from increase in fair value of marketable securities and government bonds	-	-	-	-
5.4.	Other income	225,361	278,826	225,361	279,315
	Total other operating income	294,041	351,199	294,041	351,688
6.	Income from investment in subsidiary	83,378	-	-	-
7.	Allowance for possible losses in earning assets	(234,122)	42,268	(223,097)	42,268
8.	Allowance for possible losses on commitments and contingencies	1,033	662	1,033	662
9.	Other operating expenses				
9.1.	General and administrative expenses	193,377	191,373	226,707	191,690
9.2.	Salaries and employee benefits	317,547	219,649	380,767	220,110
9.3.	Losses from decline in fair value of marketable securities and government bonds	4,595	4,591	4,595	4,591
9.4.	Losses on foreign exchange transactions	-	-	-	-
9.5.	Third party premium expenses	24,747	26,817	24,747	26,817
9.6.	Promotion expenses	12,340	30,907	20,789	30,907
9.7.	Other expenses	6,006	26,127	6,006	26,314
	Total other operating expenses	558,612	499,464	663,661	500,429
10.	Amortization of goodwill	21,743	-	21,743	-
	NET OPERATING INCOME	935,990	721,716	1,031,208	721,240
NON-OPERATING INCOME AND EXPENSES					
11.	Non - operating income	16,458	29,520	19,794	29,548
12.	Non - operating expenses	39,424	52,538	55,972	52,543
	NON OPERATING INCOME/(EXPENSES) - NET	(22,966)	(23,018)	(36,178)	(22,995)
13.	Extraordinary Income / (Expense)	-	-	-	-
	INCOME BEFORE TAX	913,024	698,698	995,030	698,246
14.	Income tax -/-				
-	Deferred	57,084	195,389	72,577	195,389
-	Current year	216,144	-	254,865	-
	INCOME AFTER TAX	639,796	503,310	667,588	502,856
16.	Minority interest -/-	-	-	(27,792)	45
17.	Retained earnings balance at the beginning of year	3,352,425	2,467,381	3,352,425	2,467,381
18.	Dividend -/-	-	(611,200)	-	(611,200)
19.	Others -/-	-	(15,200)	-	(15,200)
20.	Retained earnings at the end of year	3,992,221	2,344,290	3,992,221	2,343,882
21.	Basic earning per share	-	-	130.39	102.49
22.	Diluted earning per share *)	-	-	130.09	-**)

*) After considering the effect of stock option granted to qualified employees in 2004

**) Diluted earnings per share is not applicable for 1Q2004

COMMITMENTS AND CONTINGENCIES**AS AT 31 MARCH 2005 AND 2004**

(In million Rupiah)

No.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2005	2004	2005	2004
COMMITMENTS					
Commitment Receivables					
1.	Unused Borrowing Facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
2.	Others	-	-	-	-
	Total Commitment Receivables	-	-	-	-
Commitment Payables					
1.	Unused Loans Facilities				
	a. Rupiah	5,125,307	4,086,955	5,125,307	4,086,955
	b. Foreign currencies	1,327,859	382,103	1,327,859	382,103
2.	Outstanding Irrevocable letters of credit	773,413	478,674	773,413	478,674
3.	Others	358	-	358	-
	Total Commitment Payables	7,226,937	4,947,732	7,226,937	4,947,732
	Commitment Payables, Net	(7,226,937)	(4,947,732)	(7,226,937)	(4,947,732)
CONTINGENCIES					
Contingent Receivables					
1.	Guarantees Received	-	-	-	-
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
2.	Interest Receivables on Non Performing Assets				
	a. Rupiah	66,647	51,506	66,647	51,506
	b. Foreign currencies	3,098	9,851	3,098	9,851
3.	Others	119	-	119	-
	Total Contingent Receivables	69,864	61,357	69,864	61,357
Contingent Payables					
1.	Guarantees Issued in the form of :				
	a. Bank Guarantees				
	- Rupiah	509,081	392,555	509,081	392,555
	- Foreign currencies	154,923	48,912	154,923	48,912
	b. Others	-	13,424	-	13,424
2.	Outstanding Irrevocable letters of credit	-	-	-	-
3.	Others	-	-	-	-
	Total Contingent Payables	664,004	454,891	664,004	454,891
	Contingent Payables, Net	(594,140)	(393,534)	(594,140)	(393,534)

EARNING ASSET QUALITY AND OTHER INFORMATION**AS AT 31 MARCH 2005**

(In million Rupiah)

No.	ACCOUNTS	(31 MARCH 2005)					Total
		Current	Special Mention	Substandard	Doubtful	Loss	
I. RELATED PARTIES							
A. PRODUCTIVE ASSET							
1.	Placement with Other Banks	-	-	-	-	-	-
2.	Marketable Securities issued by third parties or Bank Indonesia	-	-	-	-	-	-
3.	Loans to third parties						
	a. Small Business Credit (KUK)	85	-	-	-	-	85
	b. Property Loans						
	i. Restructured	-	-	-	-	-	-
	ii. Unrestructured	-	-	-	-	-	-
	c. Other Restructured Loan	-	-	-	-	-	-
	d. Others	5,881	-	-	-	-	5,881
4.	Investment in third parties						
	a. Non-bank Financial Institution	1,050,570	-	-	-	-	1,050,570
	b. For Loans Restructuring Purposes	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
5.	Other Receivables from third parties	-	-	-	-	-	-
6.	Commitments and Contingencies to third parties	-	-	-	-	-	-
B. NON PRODUCTIVE ASSET							
1.	Unutilized properties	-	-	-	-	-	-
2.	Foreclosed Asset	-	-	-	-	-	-
3.	Interbranch and Suspense Account	-	-	-	-	-	-
II. NON RELATED PARTIES							
A. PRODUCTIVE ASSET							
1.	Placement with Other Banks	2,491,762	1,401	-	-	-	2,493,163
2.	Marketable Securities & Government Bonds issued by third parties or Bank Indonesia	19,285,626	-	-	-	-	19,285,626
3a.	Loans (gross) to third parties excluding loans purchased from IBRA						
	a. Small Business Credit (KUK)	2,774,873	170,072	39,370	30,123	7,621	3,022,059
	b. Property Loans						
	i. Restructured	74,357	8,112	1,700	24,502	-	108,671
	ii. Unrestructured	1,959,152	38,844	6,816	3,120	-	2,007,932
	c. Other Restructured Loan	338,147	66,238	193,903	54,813	14,285	667,386
	d. Others	21,694,396	2,272,235	49,794	73,119	129,473	24,219,017
3b.	Loans Purchased from IBRA	10,215	-	170,296	56,904	17,952	255,367
4.	Investment						
	a. Non-bank Financial Institution	-	-	-	-	-	-
	b. For Loans Restructuring Purposes	-	-	-	-	-	-
	c. Others	22,259	25	-	-	-	22,284
5.	Other Receivables from third parties	575,058	15,243	-	1	1,545	591,847
6.	Commitments and Contingencies to third parties	1,427,917	9,500	-	-	-	1,437,417
B. NON PRODUCTIVE ASSET							
1.	Unutilized properties	40,087	-	-	-	-	40,087
2.	Foreclosed Asset	112,470	-	-	-	-	122,470
3.	Interbranch and Suspense Account	58,865	-	-	-	-	58,865
	TOTAL	51,931,820	2,581,670	461,879	242,582	170,876	55,388,827
4.	Required allowance for possible losses on earning assets	334,621	129,084	69,282	121,291	170,876	825,153
5.	Allowance for possible losses on earning assets (excluding Loans Purchased from IBRA)						1,019,465
	Allowance for possible losses on Loans Purchased from IBRA						255,366
6.	Collateralized Assets						
	a. To Bank Indonesia						28,797
	b. To Other Banks						-
7.	Percentage of Small Business Credit to Total Loan						11.01%
8.	Percentage of Small Business Credit Debtor to Total Debtors						6.97%

EARNING ASSET QUALITY AND OTHER INFORMATION

AS AT 31 MARCH 2004

(In million Rupiah)

No.	ACCOUNTS	(31 MARCH 2004)					Total
		Current	Special Mention	Substandard	Doubtful	Loss	
I. RELATED PARTIES							
A. PRODUCTIVE ASSET							
1.	Placement with Other Banks	-	-	-	-	-	-
2.	Marketable Securities issued by third parties or Bank Indonesia	-	-	-	-	-	-
3.	Loans to third parties						
	a. Small Business Credit (KUK)	500	-	-	-	-	500
	b. Property Loans						
	i. Restructured	-	-	-	-	-	-
	ii. Unrestructured	-	-	-	-	-	-
	c. Other Restructured Loan	-	-	-	-	-	-
	d. Others	6,102	-	-	-	-	6,102
4.	Investment in third parties						
	a. Non-bank Financial Institution	-	-	-	-	-	-
	b. For Loans Restructuring Purposes	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
5.	Other Receivables from third parties	-	-	-	-	-	-
6.	Commitments and Contingencies to third parties	-	-	-	-	-	-
B. NON PRODUCTIVE ASSET							
1.	Unutilized properties	-	-	-	-	-	-
2.	Foreclosed Asset	-	-	-	-	-	-
3.	Interbranch and Suspense Account	-	-	-	-	-	-
II. NON RELATED PARTIES							
A. PRODUCTIVE ASSET							
1.	Placement with Other Banks	6,899,585	522	-	-	-	6,900,107
2.	Marketable Securities & Government Bonds issued by third parties or Bank Indonesia	24,386,158	-	-	-	393	24,386,551
3a.	Loans (gross) to third parties excluding loans purchased from IBRA						
	a. Small Business Credit (KUK)	1,810,277	113,583	82,897	27,360	12,765	2,046,882
	b. Property Loans						
	i. Restructured	107,341	1,387	-	-	143	108,871
	ii. Unrestructured	1,272,629	31,208	6,404	2,213	517	1,312,971
	c. Other Restructured Loan	61,278	4,522	577	296,495	2,828	365,700
	d. Others	14,965,696	738,941	354,799	109,119	174,237	16,342,792
3b.	Loans Purchased from IBRA	158,689	-	502,793	6,000	69,548	737,030
4.	Investment						
	a. Non-bank Financial Institution	-	-	-	-	-	-
	b. For Loans Restructuring Purposes	-	-	-	-	-	-
	c. Others	19,123	25	-	-	-	19,148
5.	Other Receivables from third parties	446,344	21,372	4,582	90	11,858	484,246
6.	Commitments and Contingencies to third parties	930,026	3,495	-	-	44	933,565
B. NON PRODUCTIVE ASSET							
1.	Unutilized properties	-	-	-	-	-	-
2.	Foreclosed Asset	-	-	-	-	-	-
3.	Interbranch and Suspense Account	-	-	-	-	-	-
	TOTAL	51,063,748	915,055	952,052	441,277	272,333	53,644,465
4.	Required allowance for possible losses on earning assets	270,173	45,753	142,808	220,639	272,333	951,706
5.	Allowance for possible losses on earning assets (excluding Loans Purchased from IBRA)						1,802,064
	Allowance for possible losses on Loans Purchased from IBRA						696,200
6.	Collateralized Assets						
	a. To Bank Indonesia						28,797
	b. To Other Banks						-
7.	Percentage of Small Business Credit to Total Loan						11.26%
8.	Percentage of Small Business Credit Debtor to Total Debtors						4.29%

CAPITAL ADEQUACY RATIO AS AT 31 MARCH 2005 AND 2004 (In million Rupiah)

No.	DESCRIPTION	31 March 2005	31 March 2004
I.	COMPONENTS		
A.	CORE CAPITAL	7,628,683	5,849,114
1.	Paid up capital	3,562,261	3,562,261
2.	Disclosed reserves		
a.	Additional paid up capital	89,557	25,412
b.	Discount on nominal value of shares (-/-)	-	-
c.	Capital donation	-	-
d.	General and specific reserves	24,873	24,873
e.	Prior years' profit after tax	3,589,738	1,884,312
f.	Prior years' losses	-	-
g.	Current year profit net of taxes (50%)	359,312	349,349
h.	Current year loss -/-	-	-
i.	Difference in foreign currency translation of overseas branch		
1)	Positive adjustment	2,942	2,907
2)	Negative adjustment -/-	-	-
j.	Paid up capital fund	-	-
k.	Decline in fair value of available for sale securities	-	-
3.	Goodwill (-/-)	-	-
4.	Differences arising from the revaluation of the assets and liabilities due to the quasi reorganization	-	-
B.	SUPPLEMENTARY CAPITAL	3,739,074	3,219,097
1.	Reserve from revaluation of fixed assets		
2.	Differences arising from the revaluation of the assets and liabilities due to the quasi reorganization		
3.	General allowance for possible losses on earning assets (max 1.25% of weighted risk-based assets)	-	-
		341,383	294,540
4.	Loan capital		
5.	Subordinated loan (max 50% of core capital)	3,397,691	2,924,557
6.	Increase in fair value of available for sale securities	-	-
C.	TOTAL SUPPLEMENTARY CAPITAL WHICH FULFILL THE REQUIREMENTS	-	-
D.	ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK	-	-
II.	TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B)	11,367,757	9,068,211
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK	11,367,757	9,068,211
IV.	INVESTMENT (-/-)	889,180	42,198
V.	TOTAL CAPITAL	10,478,577	9,026,013
VI.	TOTAL CAPITAL FOR CREDIT RISK AND MARKET RISK (III-IV)	10,478,577	9,026,013
VII.	RISK WEIGHTED ASSETS - CREDIT RISK	35,418,207	23,563,190
VIII.	RISK WEIGHTED ASSETS - MARKET RISK	2,379,582	1,710,565
IX.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK CHARGE (V : VII)	29.59%	38.31%
X.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND MARKET RISK CHARGE (VI : (VII+VIII))	27.72%	35.71%
XI.	EXCESS OF ADDITIONAL SUPPLEMENTARY CAPITAL RATIO (C-D) : (VII+VIII)	-	-
XII.	MINIMUM REQUIRED CAPITAL ADEQUACY RATIO	8%	8%

^{*)} Capital Adequacy Ratio (CAR) with market risk charge is presented as an additional information and calculated base on Bank Indonesia Regulation No. 5/12/PBI/2003 dated 17 July 2003 regarding "Capital Adequacy Ratio for Commercial Banks by Considering Market Risk".

STATEMENT OF LOANS PURCHASED FROM IBRA AS AT 31 MARCH 2005 (In million Rupiah)

No.	DESCRIPTION	BALANCE
A	Summary of loans purchased from IBRA	
	Loan principal (sustainable loan)	7,829,245
	Purchase price	1,337,135
	Allowance for possible losses/ deferred income	6,492,110
B	Summary of loans principal	
	Beginning, 1 January 2004	290,690
	Foreign exchange translation adjustment	3,538
	Loan purchased from IBRA during the year	-
	Loan repayments during the year	(17,716)
	Write-offs during the year	(13,814)
	Ending Balance, 31 December 2004	262,698
C	Summary of allowance for possible losses (including differences between loans principal and purchase price)	
	Beginning, 1 January 2004	(283,407)
	Foreign exchange translation adjustment	(3,489)
	Loan purchased from IBRA during the year	-
	Loan repayments during the year	17,716
	Write-offs during the year	13,814
	Increase in allowance for possible losses during the year	-
	Ending Balance, 31 December 2004	(255,366)
D	Summary of deferred income	
	Beginning, 1 January 2004	(7,283)
	Foreign exchange translation adjustment	(49)
	Difference between loans purchase prices and restructured loans value during the year	-
	Write-offs during the year	-
	Loan repayments during the year	-
	Adjusted deferred income	-
	Ending Balance, 31 December 2004	(7,332)
E	Interest income and other income recognised on loans purchased from IBRA	-
F	Restructured loans	-
G	Additional loan facilities for debtors of loans purchased from IBRA	-
H	No intermediaries entity was used in purchasing loans from IBRA	-

**FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS
AS AT 31 MARCH 2005**

No.	TRANSACTION	Market Value		Derivative Receivable and Payable		Net Market Value
		Hedging	Others	Receivables	Payables	
A. Related to Exchange rate						
1.	Spot	-	70,893	1,797	(1,413)	-
2.	Forwards	-	160,955	5,339	(594)	-
3.	Options					
a.	Purchased	-	30,023	577	(203)	-
b.	Written	-				-
4.	Futures	-	93,300	530		-
5.	Swaps	-	460,687	26,095	(8,240)	-
6.	Others	-				-
B. Related to Interest rate						
1.	Forwards	-	-	-	-	-
2.	Options					
a.	Purchased	-	-	-	-	-
b.	Written	-	-	-	-	-
3.	Futures	-	-	-	-	-
4.	Swaps	-	-	-	-	-
5.	Others	-	-	-	-	-
C. Others						
TOTAL				34,338	(10,450)	

**KEY FINANCIAL RATIOS
AS AT 31 MARCH 2005 AND 2004**

No.	RATIO (%)	2005	2004
CONSOLIDATED RATIOS :			
I. Earning assets			
1.	Non-Performing Productive Assets	1.56%	3.11%
2.	NPL gross	2.86%	7.47%
3.	NPL net after minimum BI provision on possible losses	1.68%	4.66%
4.	NPL net after the Bank's total provision on possible losses	0.00%	0.00%
5.	Allowance for possible losses on productive assets	2.33%	4.66%
II. Rentability			
1.	ROA after tax	4.22%	3.78%
2.	ROA before tax	6.03%	5.25%
3.	Return on average core capital	34.22%	34.37%
4.	Return on average equity	31.33%	32.38%
5.	NIM including third party premium expenses	9.16%	7.06%
6.	Cost to income	43.40%	43.30%
BANK RATIOS :			
I. CAPITAL			
1.	Capital Adequacy Ratio (CAR) without market risk charge	29.59%	38.31%
2.	Capital Adequacy Ratio (CAR) with market risk charge	27.72%	35.71%
3.	Fixed Assets to Capital	15.80%	11.17%
II. Earning assets			
1.	Non-Performing Productive Assets	1.59%	3.11%
2.	NPL gross	2.86%	7.47%
3.	NPL net after minimum BI provision of possible losses	1.68%	4.66%
4.	NPL after the bank's total provision on possible losses	0.00%	0.00%
5.	Allowance for possible losses on productive assets	2.33%	4.66%
6.	Fulfillment of allowance for possible losses	155.77%	262.50%
III. Rentability			
1.	ROA after tax	4.34%	3.78%
2.	ROA before tax	6.20%	5.25%
3.	Return on average core capital	34.22%	34.37%
4.	Return on average equity	31.33%	32.38%
5.	NIM excluding third party premium expenses	7.19%	7.27%
6.	NIM including third party premium expenses	6.99%	7.06%
7.	Operating expenses to operating revenues	51.23%	60.09%
8.	Cost to income	45.40%	43.30%
IV. Liquidity			
	Loan to deposit ratio (LDR)	76.39%	54.05%
V. Compliance			
1.a.	Percentage violation on legal lending limit		
a.1.	Related parties	0.00%	0.00%
a.2.	Third parties	0.00%	0.00%
b.	Percentage lending in excess of the legal lending limit		
b.1.	Related parties	1.25%	0.00%
b.2.	Third parties	0.00%	0.00%
2.	Statutory reserve requirements (Rupiah)	8.08%	5.15%
3.	Net open position *)	0.36%	1.63%
4.	Net open position on balance sheet **)	4.37%	0.00%

*) Net open position calculation includes balance sheets and off balance sheets accounts

**) Net open position calculation inc egarding

"Amendment of Bank Indonesia Regulation No. 5/13/PB II/2003 Concerning the net open position for commercial Banks"

MANAGEMENT OF THE BANK (As at 31 March 2005)		SHAREHOLDERS (As at 31 March 2005)
BOARD OF COMMISSIONERS	BOARD OF DIRECTORS	
1. President Commissioner : Sim Kee Boon	1. President Director : Francis Andrew Rozario	1. State-owned Asset Management Company 10.50%
2. Vice Pres. Commissioner : I Nyoman Sender	2. Vice Pres. Director : Emirsyah Satar	2. Asia Financial (Indonesia) Pte. Ltd. 65.76%
3. Commissioner : Soemarno Surono	3. Director : Muliadi Rahardja	3. Public 23.74%
4. Commissioner : Milan Robert Shuster	4. Director : Gatot Mudiantoro Suwondo	TOTAL 100%
5. Commissioner : Sri Adiningsih	5. Director : Anika Faisal	
6. Commissioner : Gan Chee Yen	6. Director : Jerry Ng	
7. Commissioner : Edwin Gerungan	7. Director : Tejpal Singh Hora	
8. Commissioner : Harry Arief Soepardi Sukadis		
9. Commissioner : Ng Kee Choe		
10. Commissioner : Liew Cheng San Victor		

Notes :

- The consolidated balance sheets and consolidated commitments and contingencies as at 31 March 2005 and 2004, consolidated statement of income and consolidated retained earnings for the years ended 31 March 2005 and 2004 are prepared based on consolidated financial statements as at and for the years ended 31 March 2005 and 2004 which were audited by the Public Accounting Firm Haryanto Sahari & Rekan – PricewaterhouseCoopers (partner in-charge, Drs. Haryanto Sahari) who expressed an unqualified opinion on these consolidated financial statements. The above financial statements are published in order to comply with Bank Indonesia regulation No. 3/22/PBI dated 13 December 2001 regarding the “Transparency of Bank’s Financial Condition” and prepared based on Circular Letter of Bank Indonesia No. 3/30/DPNP dated 14 December 2001 regarding “Quarterly and Monthly Published Financial Statements of Commercial Banks” and Certain Reports Submitted to Bank Indonesia and Rule of Capital Market Supervisory Agency (Bapepam) No. VIII.G.7. Decision of Chairman of Bapepam No. Kep-06/PM/2000 dated 13 March 2000 regarding “Guidelines For the Preparation of Financial Statements and refer to No. X.K.2 Decision of Chairman of Bapepam No. Kep-36/PM/2003 dated 30 September 2003 regarding “Obligation to submit Periodic Financial Statements”.
- For comparatives purposes, certain accounts in the consolidated financial statements as at and for the year ended 31 March 2004 have been reclassified to conform with presentation of consolidated financial statement as at and for the year ended 31 March 2005.
- The ultimate shareholder of Asia Financial (Indonesia) Pte. Ltd. is Temasek Holding Pte. Ltd. an investment holding company based in Singapore which is wholly owned by the Government of Singapore.
- Referring to the circular letters of Bank Indonesia No. 3/30/DPNP dated 14 December 2001 regarding “Quarterly and monthly published financial statements of Commercial Banks, we are unable to publish the consolidated financial statements of the parent company.
- Exchange rate as at 31 March 2005 : USD 1 = Rp 9,471.5 Exchange rate as at 31 March 2004 : USD 1 = Rp 8,562.5

Jakarta, 29 April 2005
 Board of Directors



Francis Andrew Rozario
 President Director



Jerry Ng
 Director

NOTES

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