Bank Danamon

Analysts Briefing

First Nine Months 2005 Results

JW Marriot Hotel, Jakarta

27 October 2005

Highlights of September YTD 2005 results vs. September YTD

Agenda

- **Financial Results**
- Updates
- Question & Answer

Income Statements Highlights

Rp. billion	**YTD Sept. 2004**	**YTD Sept. 2005**	**△ (YoY)**	**1Q 2005**	**2Q 2005**	**3Q 2005**	**△ (QoQ)**
Net Interest Income	2,945	**3,473**	18%	1,119	1,148	**1,206**	5%
Non-Interest Income	1,004	**1,046**	4%	350	395	**310**	(24%)
Operating Income	**3,949**	**4,519**	**14%**	**1,469**	**1,543**	**1,507**	**(2%)**
Manpower Costs	749	**1,151**	54%	381	378	**392**	4%
G & A Expenses	781	**873**	12%	258	279	**336**	20%
Operating Expenses	**1,530**	**2,024**	**32%**	**639**	**657**	**728**	**11%**
Pre-Provision Operating Profit	**2,419**	**2,495**	**3%**	**830**	**886**	**779**	**(12%)**
Provision & Recoveries	(249)	**(431)**	73%	(222)	(161)	**(48)**	(70%)
Non-operating Income / (Expenses)	(221)	**(180)**	(19%)	(58)	(89)	**(33)**	(63%)
Income before Tax	**2,447**	**2,746**	**12%**	**995**	**957**	**790**	**(17%)**
Income Tax	(629)	**(765)**	22%	(327)	(281)	**(157)**	(44%)
Net Income	**1,753**	**1,889**	**8%**	**640**	**645**	**604**	**(6%)**

Balance Sheets Highlights

Rp. billion	YTD Sept. 2004	YTD Sept. 2005	△ (YoY)	1Q 2005	2Q 2005	3Q 2005	△ (QoQ)
Assets & Commitments	59,770	**76,158**	27%	68,279	74,324	**76,158**	2%
Assets	54,352	**65,979**	21%	60,458	65,021	**65,979**	1%
Loans	25,980	**35,729**	38%	30,337	33,434	**35,729**	7%
Government Bonds	18,406	**14,798**	(20%)	18,033	16,011	**14,798**	(8%)
Deposits	36,448	**44,662**	23%	40,158	43,813	**44,662**	2%
Current Account	4,836	**4,830**	(0%)	4,974	4,750	**4,830**	2%
Savings	10,933	**9,183**	(16%)	10,063	9,695	**9,183**	(5%)
Time Deposits	20,678	**30,649**	48%	25,121	29,368	**30,649**	4%
Borrowings	1,436	**892**	(38%)	1,343	1,121	**892**	(20%)
Subordinated debt	3,429	**3,769**	10%	3,523	3,607	**3,769**	4%
Equity [a)]	8,144	**8,229**	1%	8,212	8,232	**8,229**	(0%)

Note: [a)] unrealized losses arising from the decrease in fair value of government bonds classified as available for sale securities recorded on the equity section amounted to Rp.387 billion as at September 30, 2005.

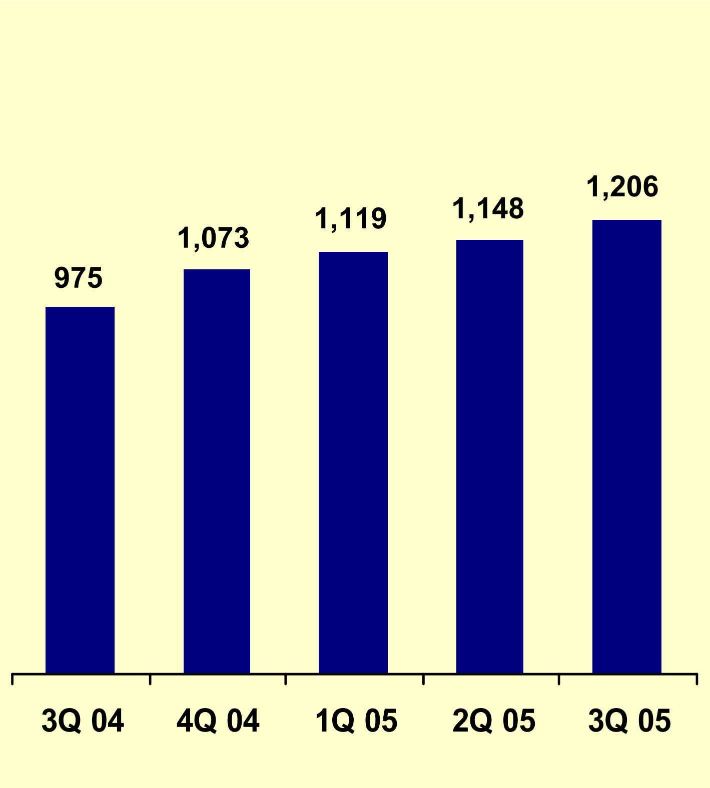
Key Ratios

%	YTD Sept. 2004	YTD Sept. 2005	△ (YoY)	1Q 2005	2Q 2005	3Q 2005	△ (QoQ)
Net Interest Margin [a]	8.0	**9.0**	1.0	9.2	9.1	**8.8**	(0.3)
Non-interest Income / Operating Income	25.4	**23.1**	(2.3)	23.8	25.6	**20.0**	(5.6)
Cost to Income	40.0	**44.7**	4.7	43.4	42.7	**44.7**	2.0
Loan to Deposit	71.9	**82.4**	10.5	76.4	77.4	**82.4**	5.0
Capital Adequacy [b]	30.2	**24.4**	(5.8)	27.7	23.5	**24.4**	0.9
Equity / Asset	15.0	**12.5**	(2.5)	13.6	12.6	**12.5**	(0.1)
ROAA	4.4	**4.0**	(0.4)	4.2	4.1	**3.7**	(0.4)
ROAE	37.8	**33.2**	(4.6)	34.2	34.4	**31.0**	(3.4)
NPL - Gross	5.8	**2.2**	(3.6)	2.9	2.7	**2.2**	(0.5)
LLP / NPL [c]	139.9	**135.7**	(4.2)	142.7	132.2	**135.7**	3.5

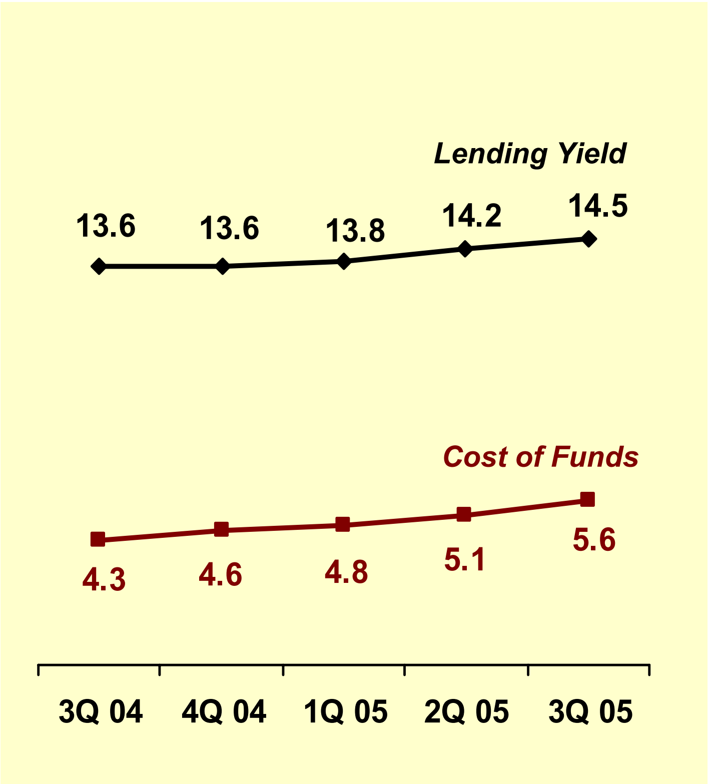
Note: [a] Includes credit related fees and commission as per BI new regulations
[b] After market risk charge
[c] Including Adira Finance

Net interest income increases on the back of higher asset yield

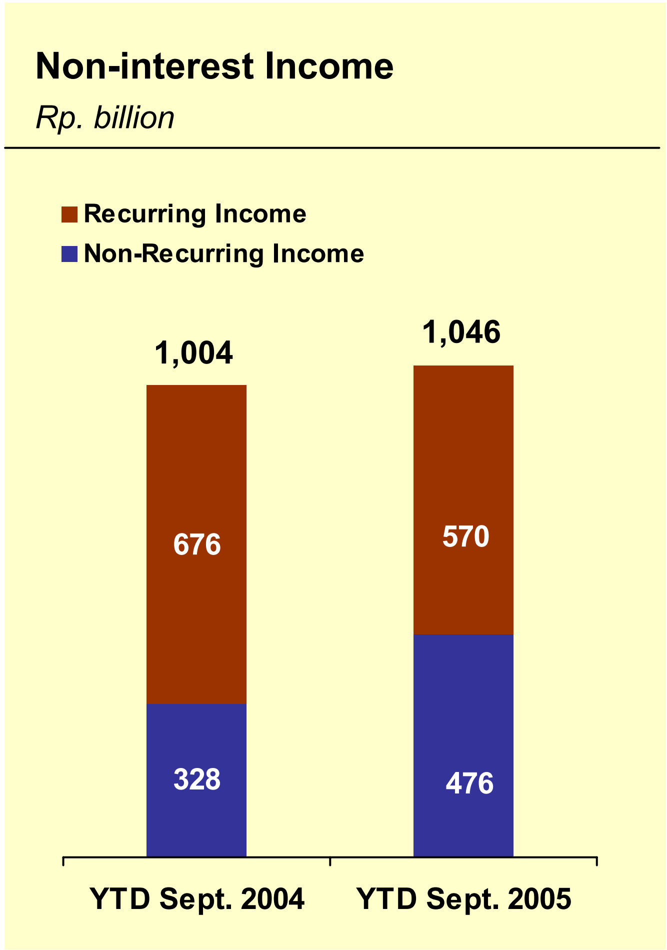
Net Interest Income
Rp. billion



Asset Yield and Cost of Funds
%



Non-interest income sustained by higher gain on sale of marketable securities and government bonds



Rp. Billion	YTD Sept. 2004	YTD Sept. 2005	△ YoY
Recurring Income	**676**	**570**	**(16%)**
Credit-related fees & commission	358	313	(13%)
Other fee income	318	257	(19%)
Non-Recurring Income	**328**	**476**	**45%**
Gain on sale of mark. securities and bonds	275	453	65%
Non-recurring fees	53	23	(57%)
Total	**1,004**	**1,046**	**4%**

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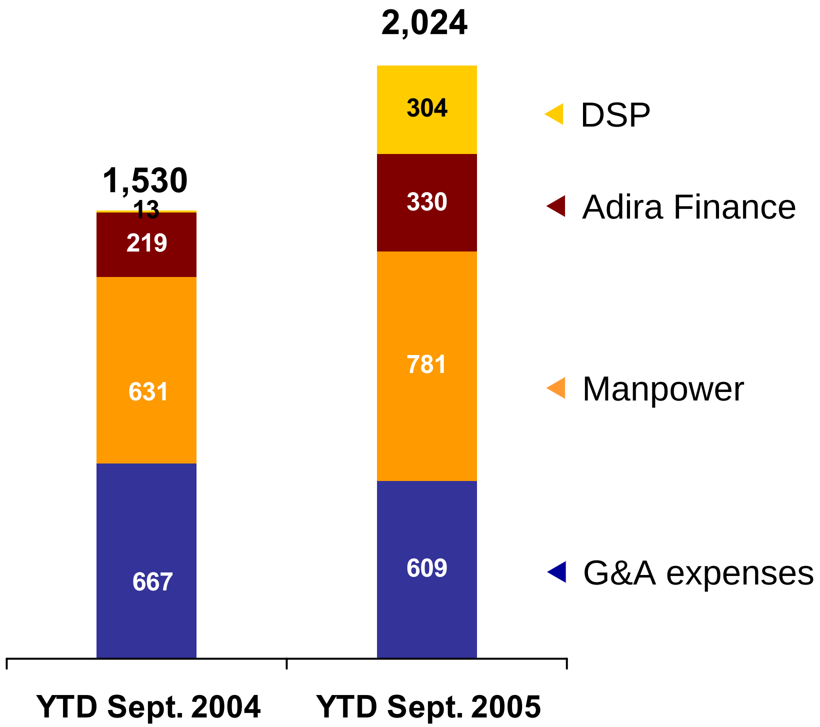
Increase in expenses driven by business growth

Operating Expenses

Rp. billion



32% YoY Expenses Growth

- 19% DSP expansion
- 7 % Adira Finance
- 6% M/ESOP
- (0%) Existing businesses

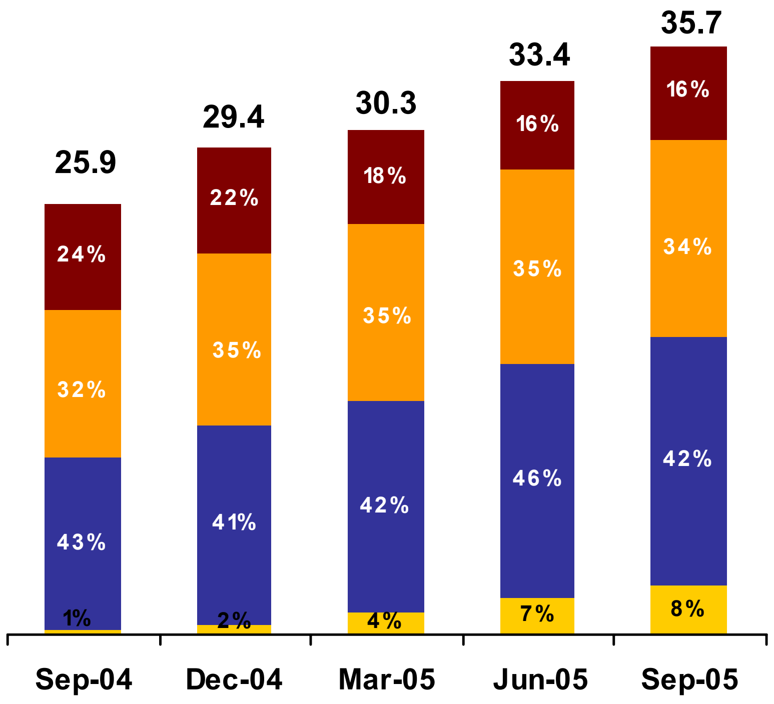
11% QoQ Expenses Growth

- 7% DSP expansion
- 1% Adira Finance
- 14% M/ESOP
- (11%) Existing businesses

Robust loan growth in mass-market sector

Outstanding Loans

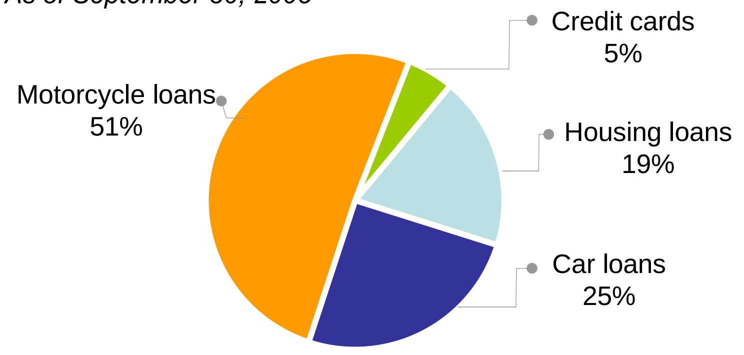
Rp. trillion



Growth (YoY)	Rp. bn	△
Corporate	(431)	(7%)
SME & Commercial	3,493	42%
Consumer	3,928	35%
Mass Market	2,760	1,238%
Total	**9,749**	**38%**

Breakdown of Consumer Loans

As of September 30, 2005

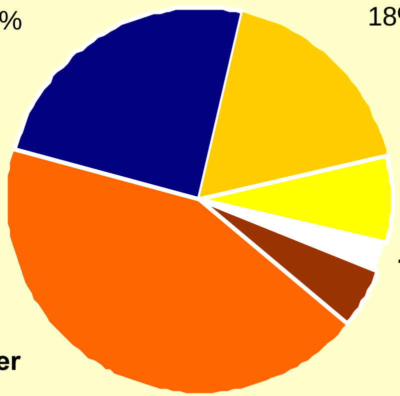


Total Loans Rp. 15,018 billion

Well diversified loan portfolio

Loans by Economic Sector

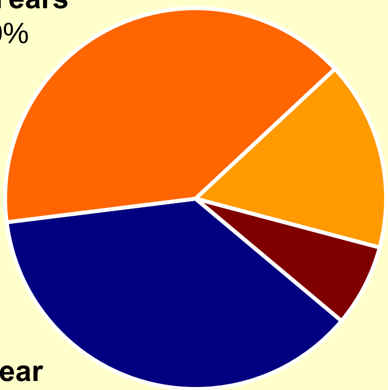
As of September 30, 2005



Total Loans Rp. 35,729 billion

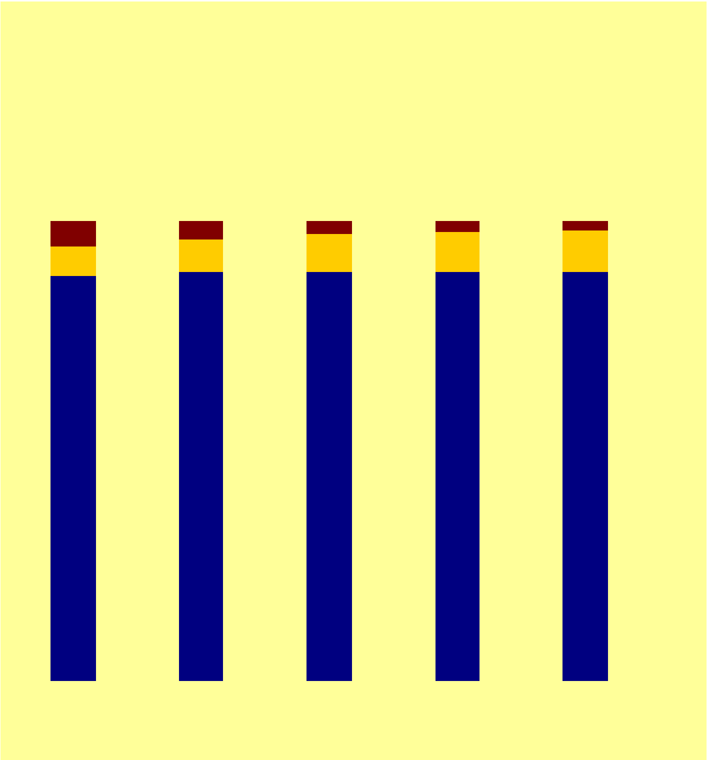
Loans by Tenor

As of September 30, 2005



Total Loans Rp. 35,729 billion

Non-performing loans declined due to strong loan recoveries

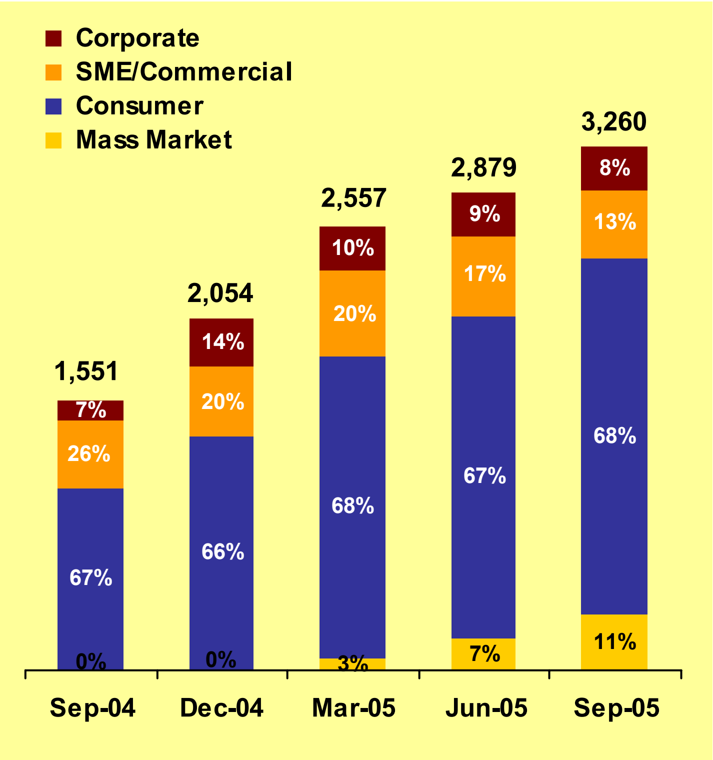


Increase in special mention loans primarily due to growing exposure in consumer finance business

Special mention loans are concentrated on DPD 1 – 30 days, representing over two-third of special mention loans

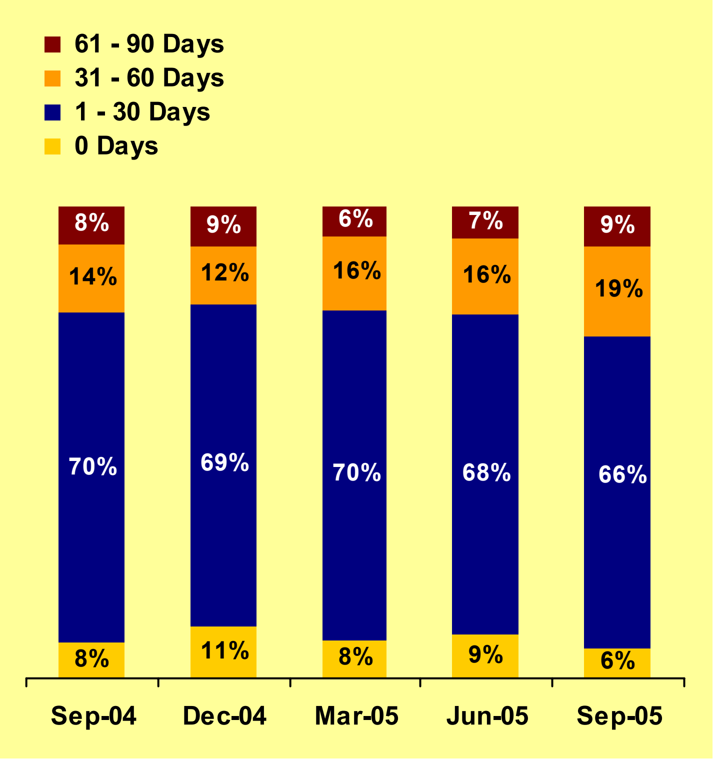
Special Mention Loans

Rp. billion



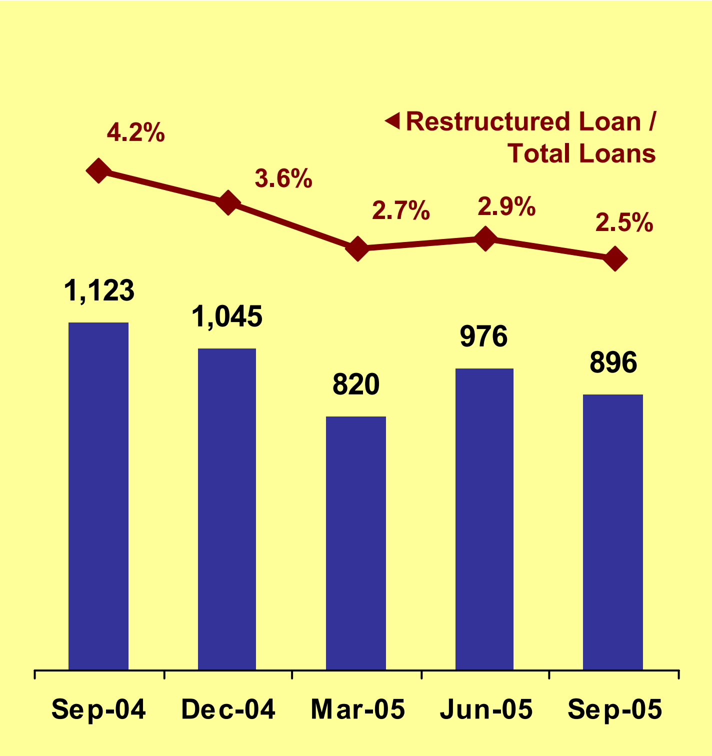
Aging of Special Mention Loans

%

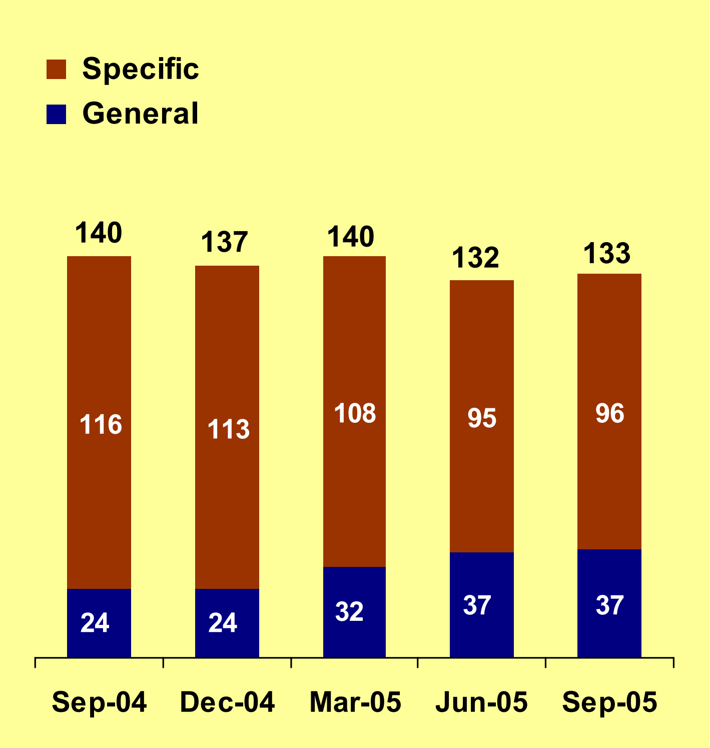


Adequate provisions to cover non-performing loans

Restructured Loans
Rp. billion



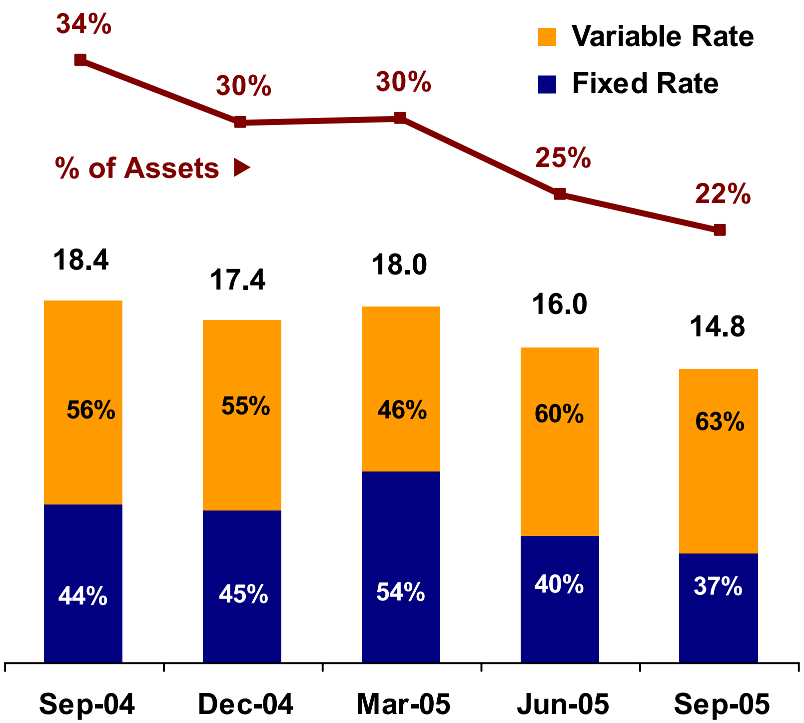
Loan Loss Provision / NPL
%



Exposure to government bonds continues to decline

Government Bond Portfolio

Rp. trillion



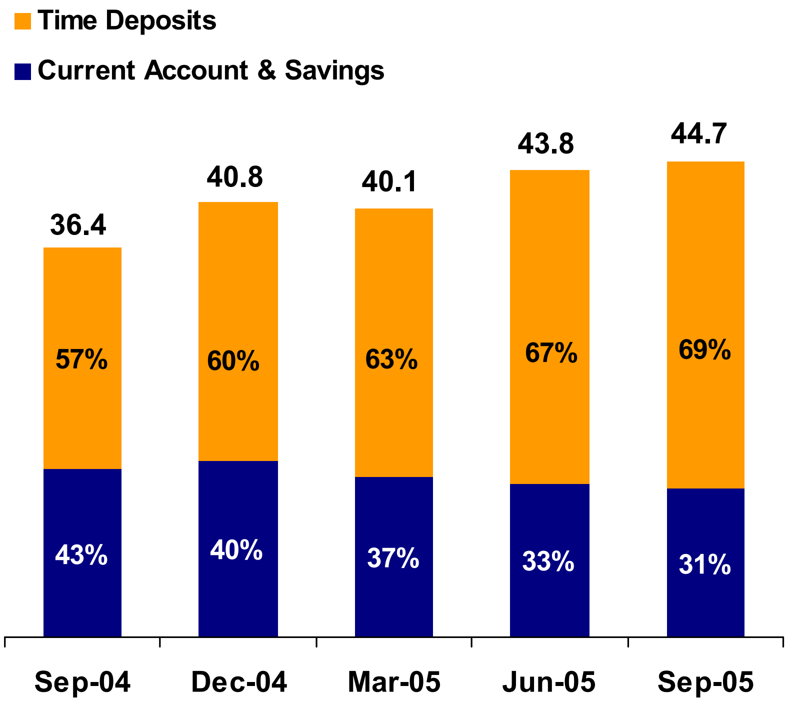
Rp. billion	Sept. 2004	Sept. 2005	△ YoY
Held to maturity	11,809	7,924	(3,885)
Available for sale	6,503	6,618	115
Trading	94	257	163
Total	**18,406**	**14,798**	**(3,608)**

- The average duration of government bonds holdings is 1.8 years as of September 30, 2005.

Deposits growth despite competitive market conditions

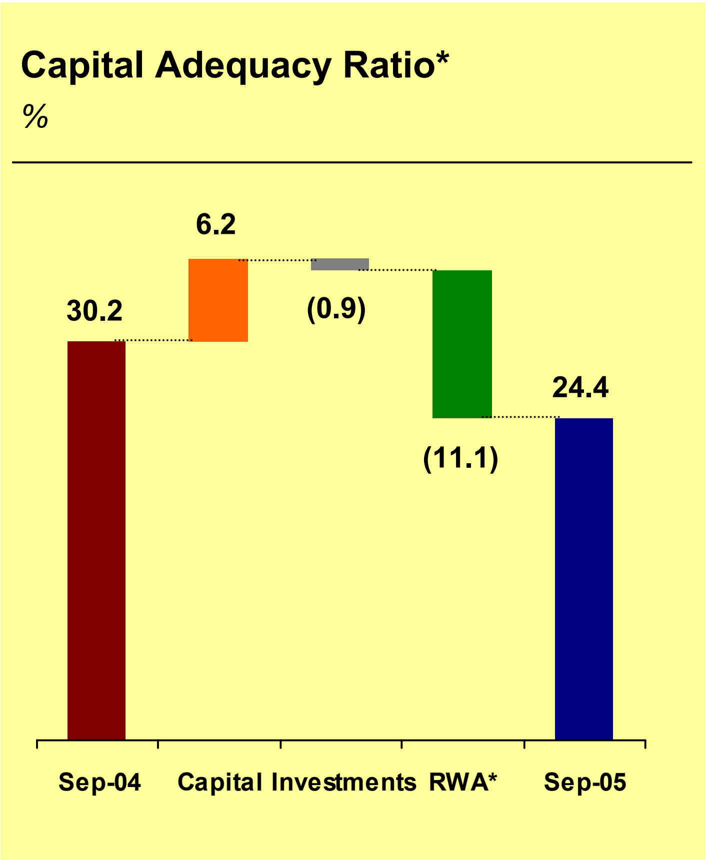
Customer Deposits

Rp. trillion



- Deposits grew Rp. 8.2 trillion or 23% to Rp. 44.9 trillion as at September 30, 2005.
- LDR stood at 82% level as of September 2005, up from 72% a year earlier.

Decline in Capital Adequacy Ratio due to loan expansion



Rp. billion	**Sept. 2004**	**Sept. 2005**	**△ YoY**
Tier 1 Capital	6,519	7,876	21%
Tier 2 Capital	3,623	4,159	15%
Investments	879	1,164	32%
Total Capital after Investments	9,261	10,871	17%
Risk Weighted Assets (RWA)*	30,709	44,643	45%

*Note: *after market risk charge*

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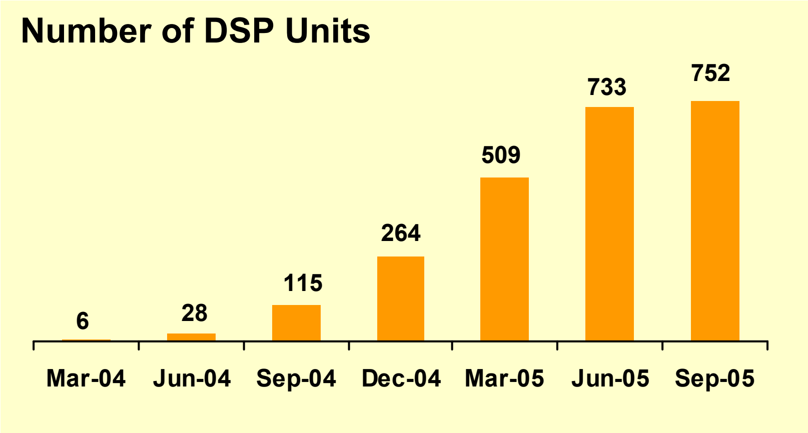
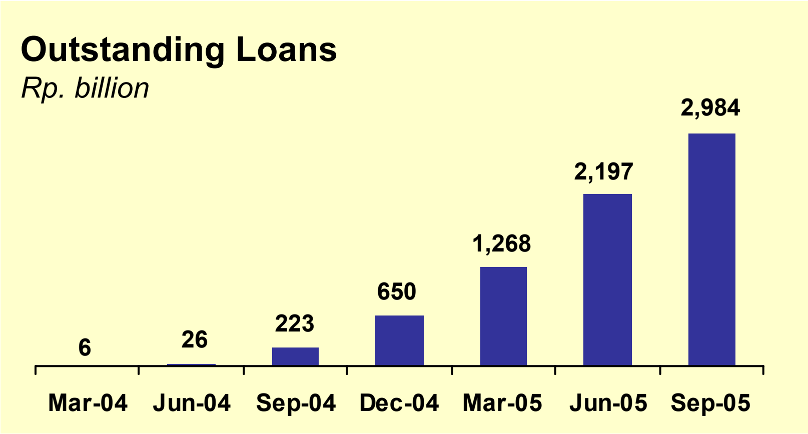
Danamon Simpan Pinjam (DSP)





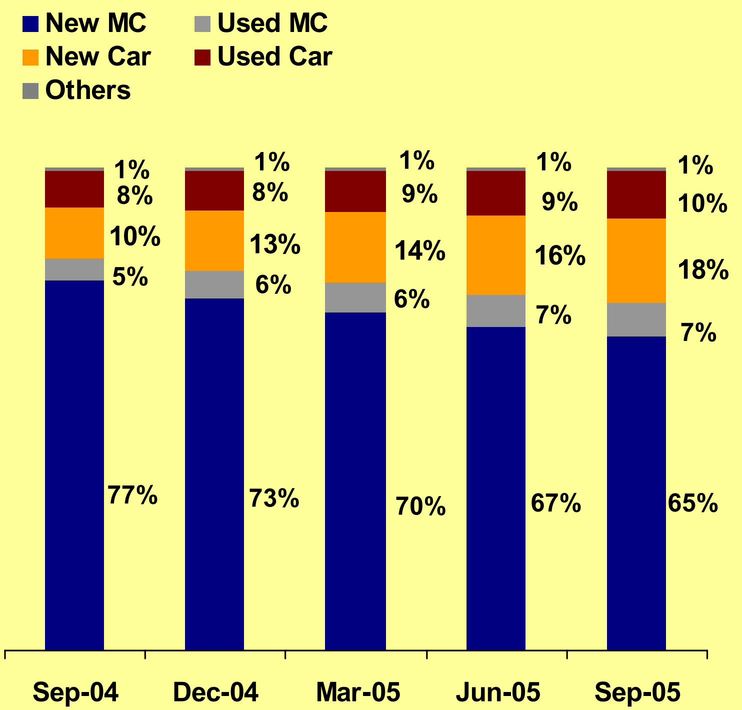
- DSP opened 19 new units in 3Q 2005, bringing total units to 752 as of September 30, 2005.
- Up to September 2005, DSP has recruited and trained 6,893 people.
- As of September 30, 2005, DSP extended Rp. 2,984 billion of loans, up 36% from Rp. 2,197 billion in June 2005.

Continued strong performance by Adira Finance

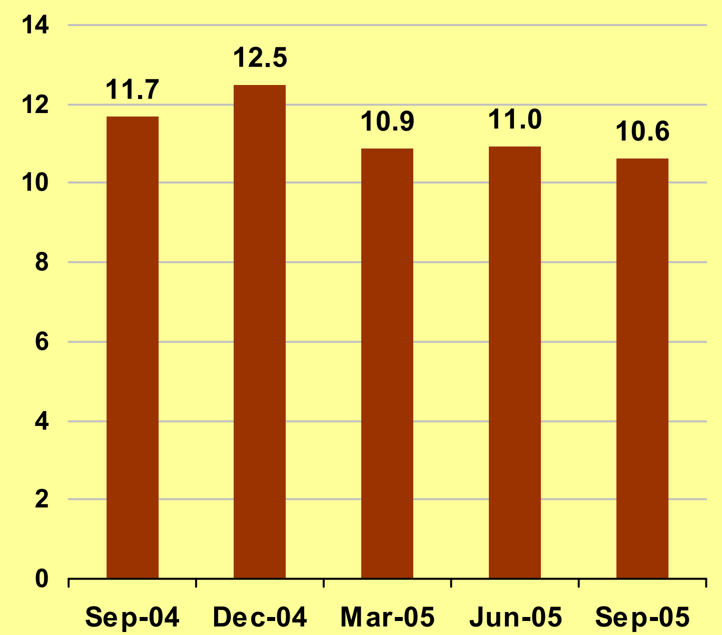
Rp. billion	YTD Sept. 2004	YTD Sept. 2005	△ YoY	1Q 2005	2Q 2005	3Q 2005	△ QoQ
New Financing (unit)	393,904	556,335	41%	167,739	192,567	196,029	2%
New Financing Volume	4,415	6,822	55%	1,998	2,415	2,409	(0%)
Total Revenue	836	1,287	54%	406	433	448	3%
Net Income	257	353	37%	111	122	120	(2%)
Assets Yield	29.8%	27.7%	(2.1%)	28.6%	27.6%	27.0%	(0.6%)
Cost / Income Ratio	31.7%	36.0%	4.3%	35.6%	34.2%	38.2%	4.0%
ROAA	24.9%	31.5%	6.6%	27.4%	30.6%	32.0%	1.4%
ROAE	88.1%	89.7%	1.6%	94.8%	115.4%	91.3%	(24.1%)
# Branches	173	208	20%	187	196	208	6%
# Employees	9,420	10,228	9%	10,240	10,370	10,228	(1%)

New motorcycle financing remains the main contributor of growth

Breakdown of Receivables
% Total Receivables



Market Share of New Motorcycle (YTD)
% of Units



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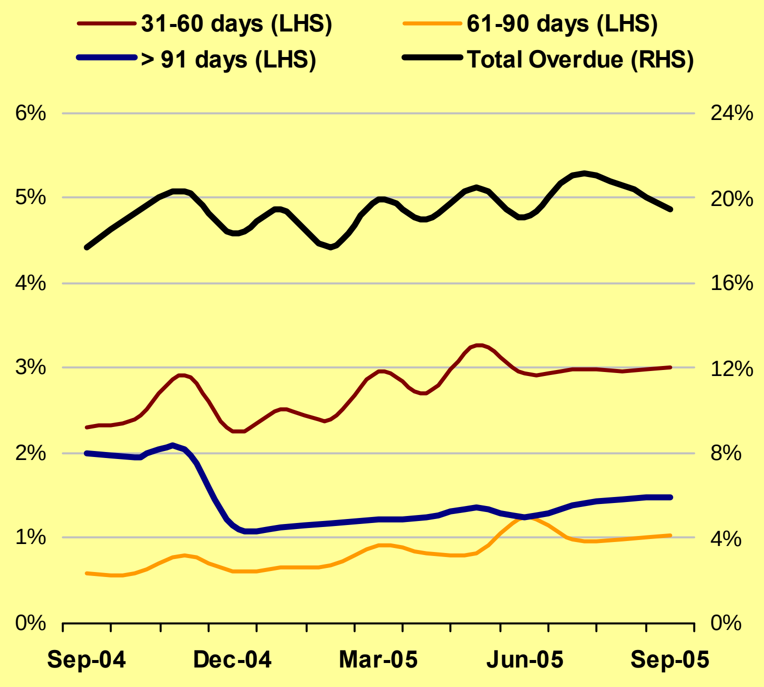
Trend of over due receivables and roll rates were relatively stable

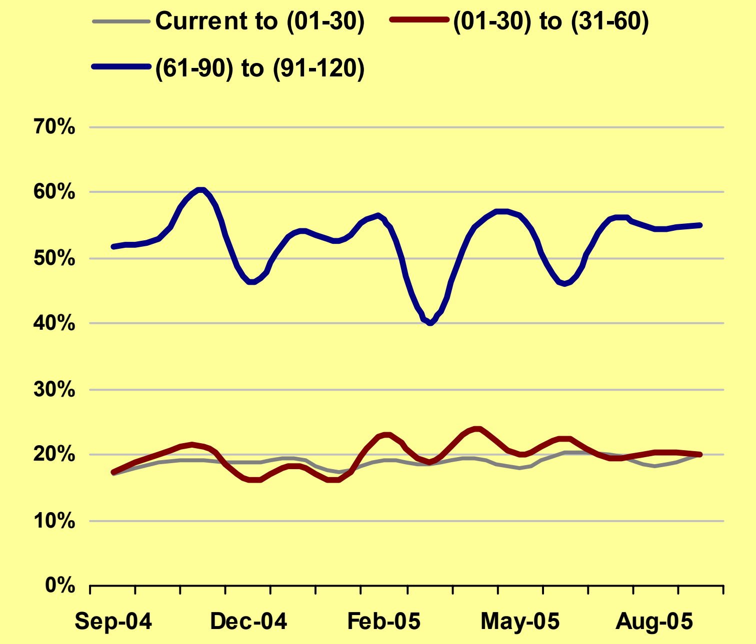
Trend of Overdue Receivables

% of Total Receivables



Receivables Roll Rates

% Total Receivables



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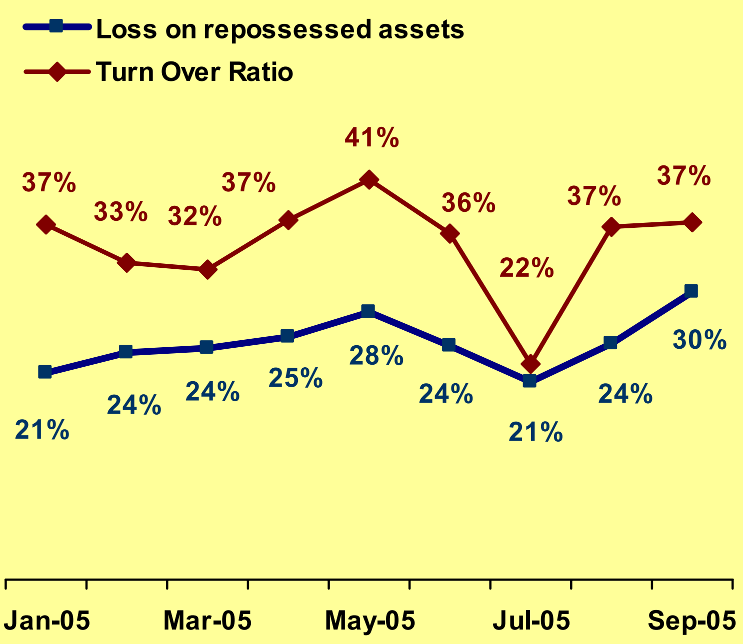
Net Credit Loss increased due to higher losses on repossessed assets

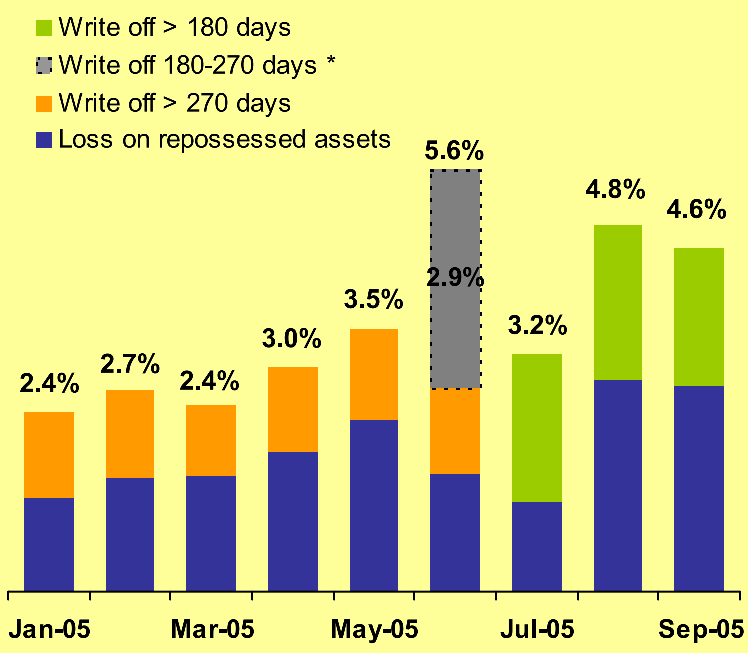
Adira Finance has implemented a new policy to write off receivables that pass due over 180 days since June 2005

Loss on Repossessed Assets & Turn Over Ratio



Monthly Net Credit Losses (NCL)

% of Average Receivables



**one off charge due to implementation of new regulation on loan classification*

Shareholding Structure

The Government sold its remaining 10.5% stake in August 2005 and as a result public shareholding now holds 30.4% of Danamon's shares

%	Jun. 2005	Sept. 2005	Change
Asia Financial (Indonesia) Pte. Ltd.	65.8	69.6	3.8
The government of Indonesia q.q. IBRA	10.5	-	(10.5)
Public	23.7	30.4	6.7

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