



Analyst Briefing

Full Year & Fourth Quarter 2007 Results

Jakarta, 14 February 2008

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Agenda

- **2007 Performance**

- **Financial Results**

- Asset Quality

- Business Update

- 2007 Achievements

- 2008 Strategic Priorities

- Appendix

Highlights of 2007 Full Year Results

- Loans grew by 24% to Rp 53 trillion; most businesses contributed to the growth
- Total funding increased by 9% to Rp 72 trillion as current and savings accounts grew by 26% and 17% respectively
- Operating income rose by 27% to Rp 8,877 billion driven by higher net interest income and fee income
- Net profit after tax grew by 60% to Rp 2,117 billion
- Net interest margin expanded to 10.4%
- ROAE stood at 22.9%

Highlights of Income Statement

<i>Rp. billion</i>	FY 2006	FY 2007	ΔYoY	1Q07	2Q07	3Q07	4Q07
Interest Income	10,896	12,048	11%	2,934	2,995	3,057	3,062
Interest Expense	(5,251)	(4,912)	(6%)	(1,278)	(1,276)	(1,161)	(1,197)
Net Interest Income	5,645	7,136	26%	1,656	1,719	1,896	1,865
Fee Income	1,358	1,741	28%	503	537	373	328
Operating Income	7,003	8,877	27%	2,159	2,256	2,269	2,193
Operating Expenses	(3,428)	(4,255)	24%	(1,027)	(1,041)	(1,056)	(1,131)
Pre-Provision Op. Profit	3,575	4,622	29%	1,132	1,215	1,213	1,062
Cost of Credit	(1,332)	(1,240)	(7%)	(365)	(379)	(274)	(222)
Net Profit before Tax	2,243	3,382	51%	767	836	939	840
Net Profit after Tax	1,325	2,117	60%	482	538	580	517

Highlights of Balance Sheets

<i>Rp. billion</i>	FY 2006	FY 2007	ΔYoY	1Q07	2Q07	3Q07	4Q07
Total Assets	82,073	89,410	9%	84,946	88,043	87,987	89,410
Loans (gross) ¹⁾	42,986	53,330	24%	43,109	46,394	50,153	53,330
Government Bonds	18,702	15,808	(15%)	19,453	18,957	16,749	15,808
Total Deposits	56,930	60,937	7%	57,562	61,294	58,853	60,937
Current Account	5,337	6,728	26%	5,022	6,382	6,466	6,728
Savings	9,712	11,395	17%	9,694	10,613	10,621	11,395
Time Deposit	41,881	42,814	2%	42,846	44,299	41,766	42,814
Borrowings ²⁾	6,710	7,933	18%	7,246	7,591	8,889	7,933
Subordinated Debt	3,374	3,359	0%	3,405	3,383	3,412	3,359
Equity	9,442	10,833	15%	9,268	9,819	10,357	10,833

¹⁾ Include consumer financing receivables of Adira Finance

²⁾ Include securities sold under repo agreements and Adira Finance's bank loans and bonds

Key Ratios

%	FY 2006	FY2007	ΔYoY	1Q07	2Q07	3Q07	4Q07
Net Interest Margin ¹⁾	9.6	10.4	0.8	9.8	10.0	10.9	10.9
Cost / Income	48.9	47.9	(1.0)	47.5	46.1	46.6	51.5
Credit Cost / Avg.Earn. Assets ²⁾	2.9	2.3	(0.6)	2.9	2.8	2.0	1.5
ROAA	1.8	2.4	0.6	2.3	2.4	2.7	2.3
ROAE	15.6	22.9	7.3	21.2	24.1	24.9	21.5
Loan / Deposit	75.5	88.1	12.6	75.7	75.5	85.0	88.1
Loan / Funding ³⁾	64.9	73.7	8.8	64.3	65.3	71.5	73.7
Capital Adequacy ⁴⁾	20.4	19.3	(1.1)	20.6	20.5	19.2	19.3
NPL - Gross	3.3	2.3	(1.0)	3.2	3.1	2.8	2.3
LLP / NPL ⁵⁾	141.7	161.2	19.5	158.1	153.1	155.5	161.2

¹⁾ Include credit related fees and commission as per Bank Indonesia regulations

²⁾ Exclude all government securities

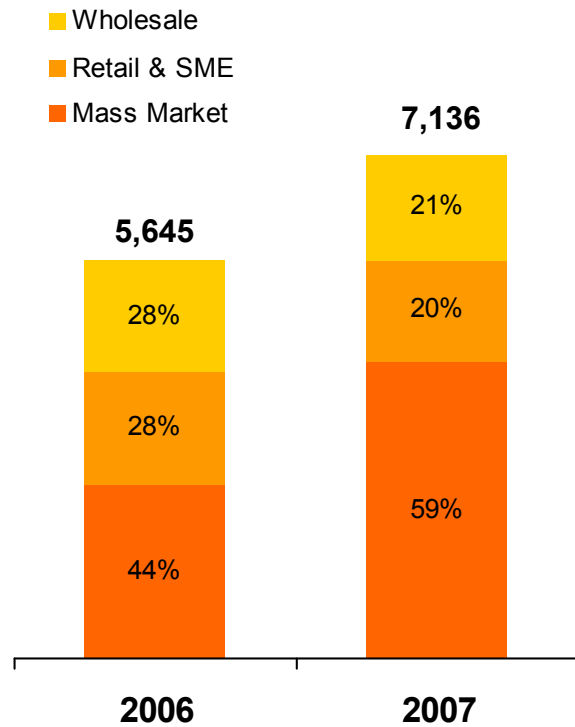
³⁾ Includes structured and long-term funding

⁴⁾ After market risk charge

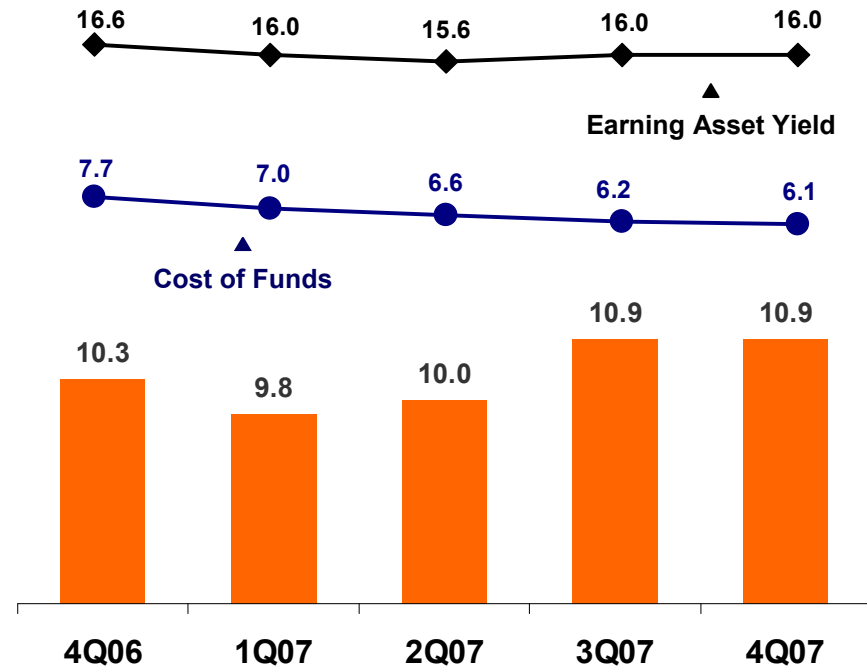
⁵⁾ After collateral value

Net interest margin widened to 10.4% in 2007 as asset yield was sustained despite of falling interest rate

Net Interest Income
Rp. billion

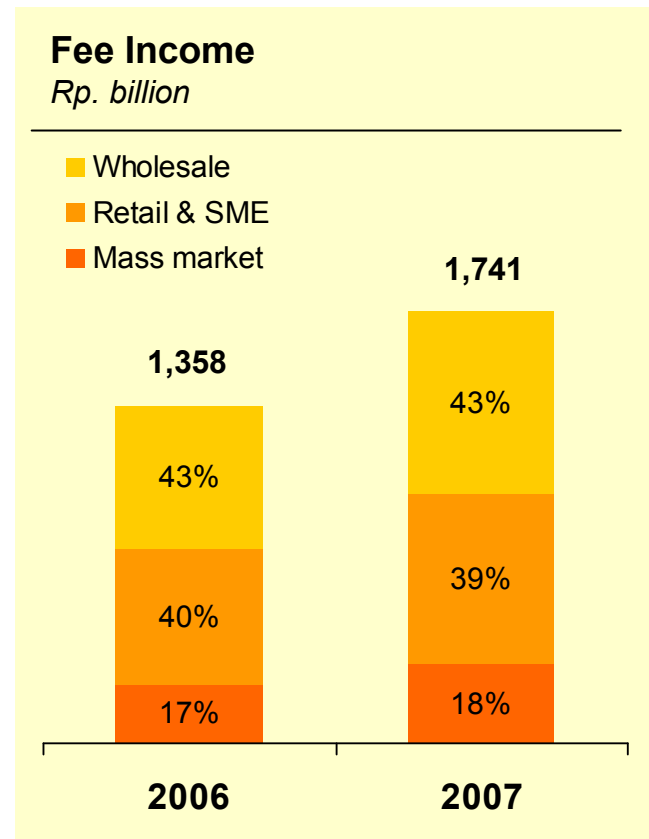


Net Interest Margin
%, annualized



Net interest income rose by 26% driven by mass market businesses

Fee income rose by 28% on strong growth in credit related fees and treasury products



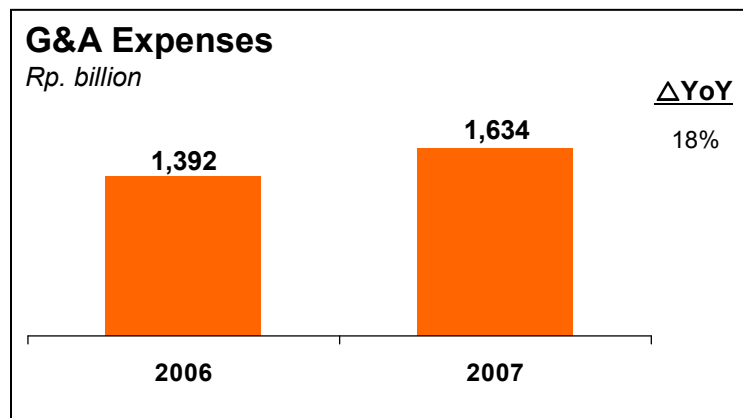
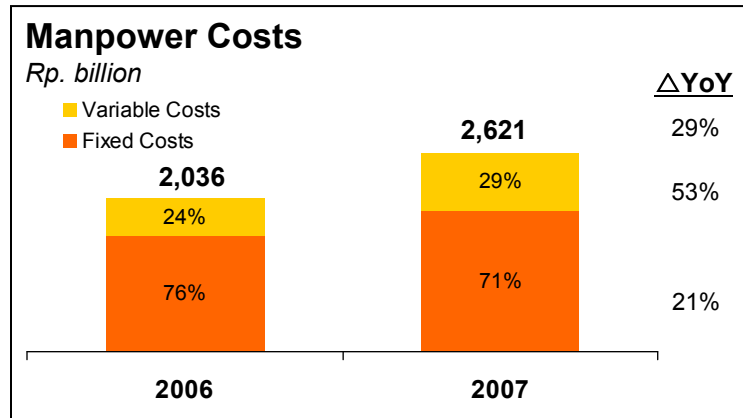
Increase in credit related fees was driven by loans, credit cards and trade finance

Rp. billion	2006	2007	ΔYoY
Credit related fees	599	797	33%
Cash management	300	288	(4%)
Treasury products	171	362	117%
Adira Finance	72	72	0%
Adira Insurance & Quantum	145	222	53%
Others ^{a)}	71	-	(100%)
Total	1,358	1,741	28%

^{a)} Primarily consist of 90% economic interest in Adira Insurance and Adira Quantum from previous year

Gain on sales of government bonds drove the increase in fee income from treasury

Cost to income ratio improved to 48% despite of business expansion

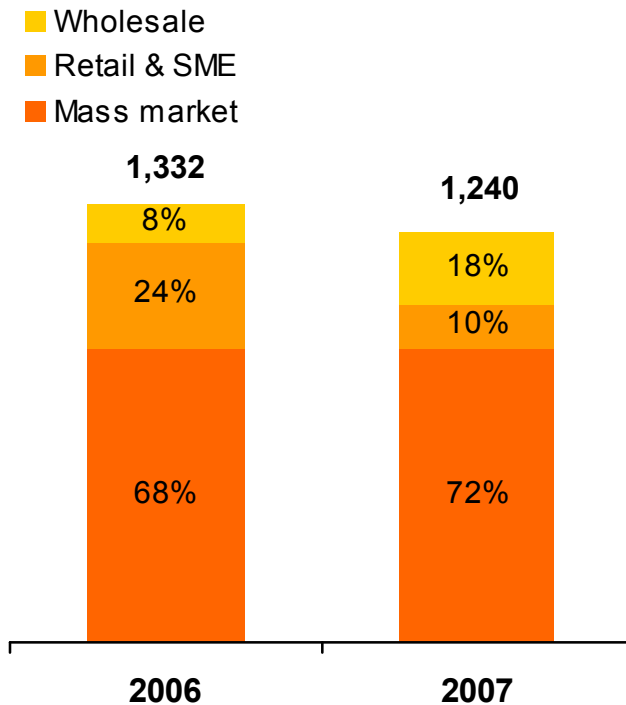


Rp billion	2006	2007	ΔYoY
Wholesale	562	713	27%
Retail & SME	1,542	1,781	16%
Mass market	1,324	1,761	33%
Adira Finance	634	833	31%
SEMM	519	709	37%
CMM & Quantum	171	219	28%
Total	3,428	4,255	24%
Cost / Income	48.9%	47.9%	(1.0%)

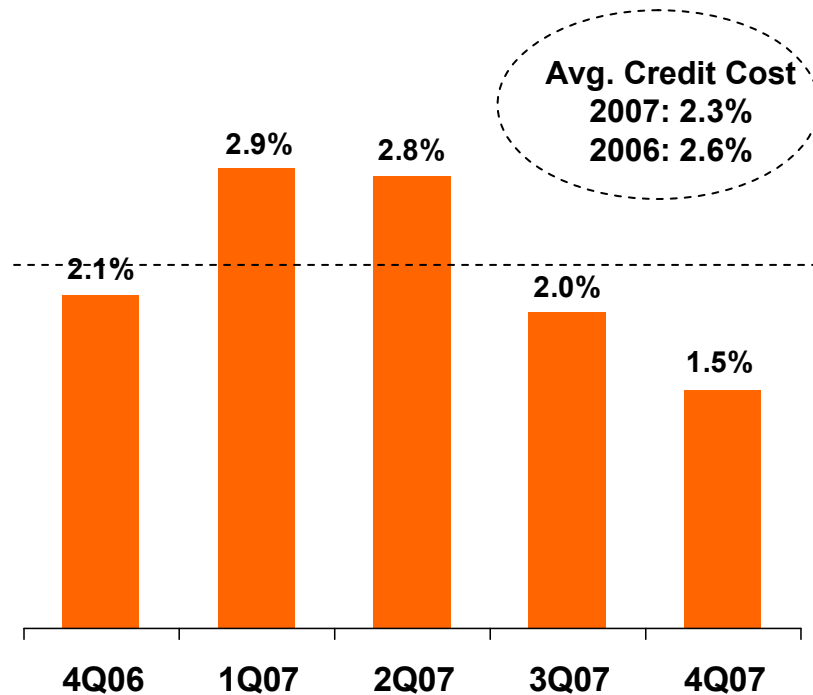
Higher expense growth in mass market businesses on the back of business expansion

Credit cost improved to 2.3% of earning assets reflecting a robust risk management and improved operating environment

Cost of Credit ¹⁾
Rp. billion



Cost of Credit / Avg. Earning Assets ²⁾
%, Annualized



Cost of credit declined by 7% despite of 24% expansion in loans

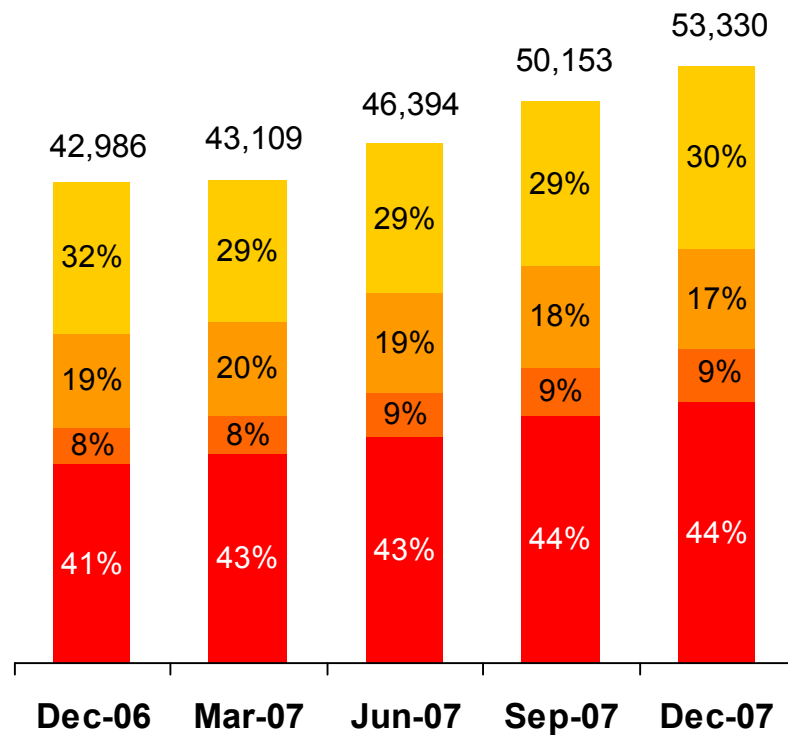
¹⁾Cost of credit comprise of provision for losses, loss on repossessed assets of Adira Finance and net write-off

²⁾Exclude all government securities

Loans expanded by 24% largely driven by mass market and wholesale businesses

Outstanding Loans Composition

Rp. billion



Loan Growth

Year-on-Year

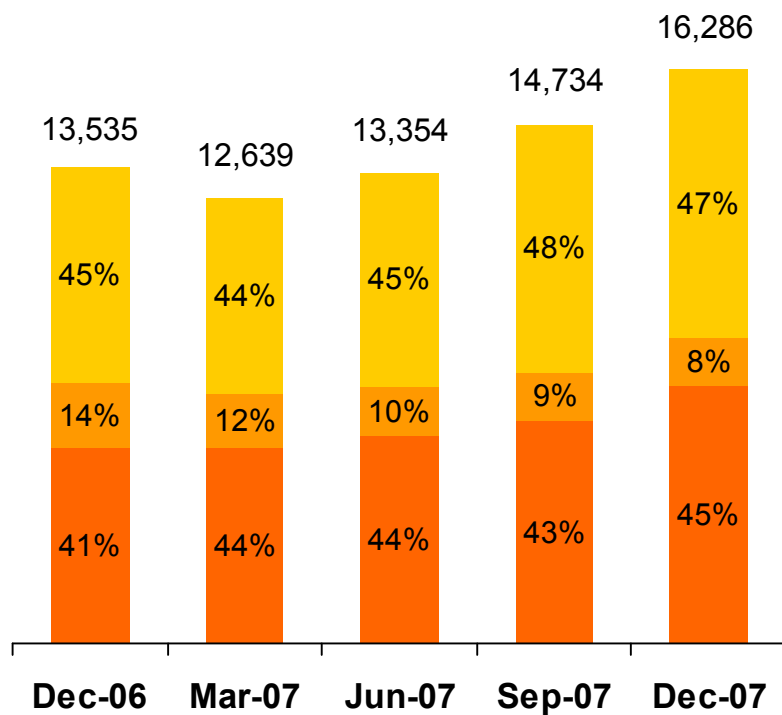
Rp. billion	Dec-06	Dec-07	ΔYoY	
Wholesale	13,535	16,286	2,751	20%
SME	8,354	8,951	597	7%
Retail	3,343	4,710	1,367	41%
Mass Market	17,754	23,383	5,629	32%
Total	42,986	53,330	10,344	24%

Mass market loans grew by 32% and made up 44% of the loan book

Commercial loans grew by 32% partly due to strong growth in asset based financing

Wholesale Loan Composition

Rp. billion



Loan Growth

Year-on-Year

Rp. billion	Dec-06	Dec-07	ΔYoY	
Corporate	6,104	7,625	1,521	25%
JFAB ¹⁾	1,895	1,375	(520)	(27%)
Commercial	5,536	7,286	1,750	32%
Total	13,535	16,286	2,751	20%

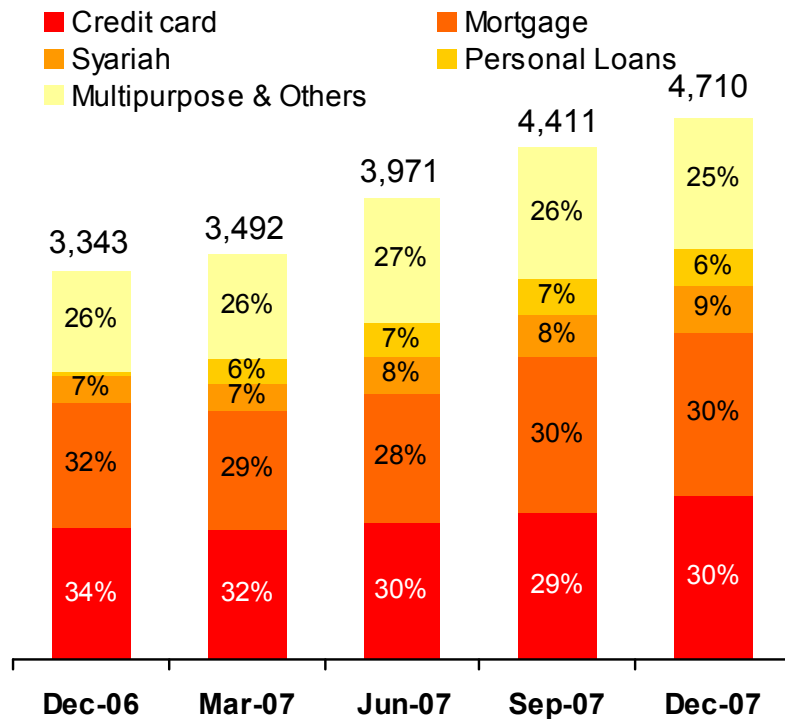
¹⁾ Joint financing and asset buy of auto financing receivables with finance companies. Previously JFAB is classified as part of corporate loans

Corporate loan growth was largely driven by trade financing

Retail loans increased by 41% on the back of strong growth in housing loans, credit card and personal loans

Retail Loans Composition

Rp. billion



Loan Growth

Year-on-Year

Rp. billion	Dec-06	Dec-07	ΔYoY	
Multipurpose & others ^{a)}	862	1,192	330	38%
Personal Loans	53	295	242	457%
Syariah	220	408	188	85%
Mortgage	1,068	1,406	338	32%
Credit card	1,140	1,409	269	24%
Total	3,343	4,710	1,367	41%

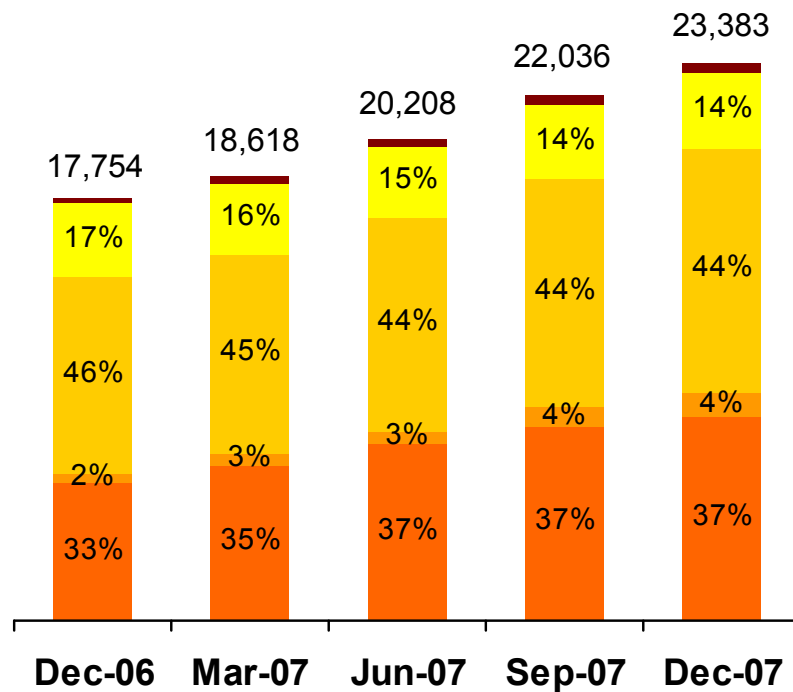
^{a)} Partly consist of loan to employees

Credit card receivables grew by 24% and contributed to 30% of retail loans

Mass market loans rose by 32% on the back of strong growth in micro lending and auto financing businesses

Mass Market Loan Composition

Rp. billion



Loan Growth

Year-on-Year

Rp. billion	Dec-06	Dec-07	ΔYoY	%
Hire Purchase	218	402	184	85%
Cars	3,092	3,164	72	2%
Motorcycles	8,216	10,221	2,004	24%
CMM	427	996	569	133%
SEMM	5,801	8,600	2,799	48%
Total	17,754	23,383	5,629	32%

Note: Hire purchase financing from Adira Quantum
Motorcycles and cars financing from Adira Finance

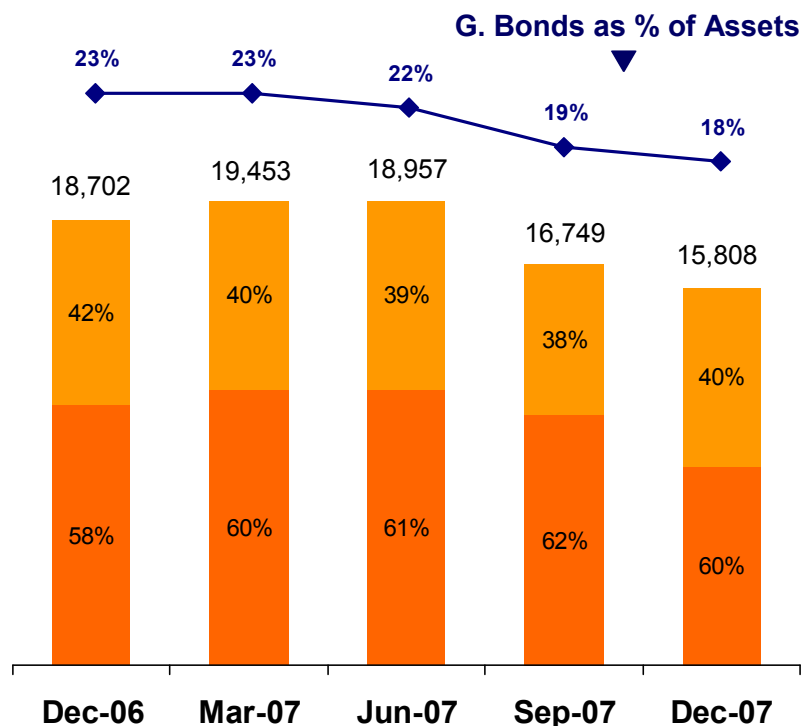
SEMM (DSP) loans grew by 48% and accounted for 37% of mass market loans

Government bonds declined steadily and now represented 18% of the bank's assets

Government Bonds Composition

Rp. billion

- Variable Rate
- Fixed Rate



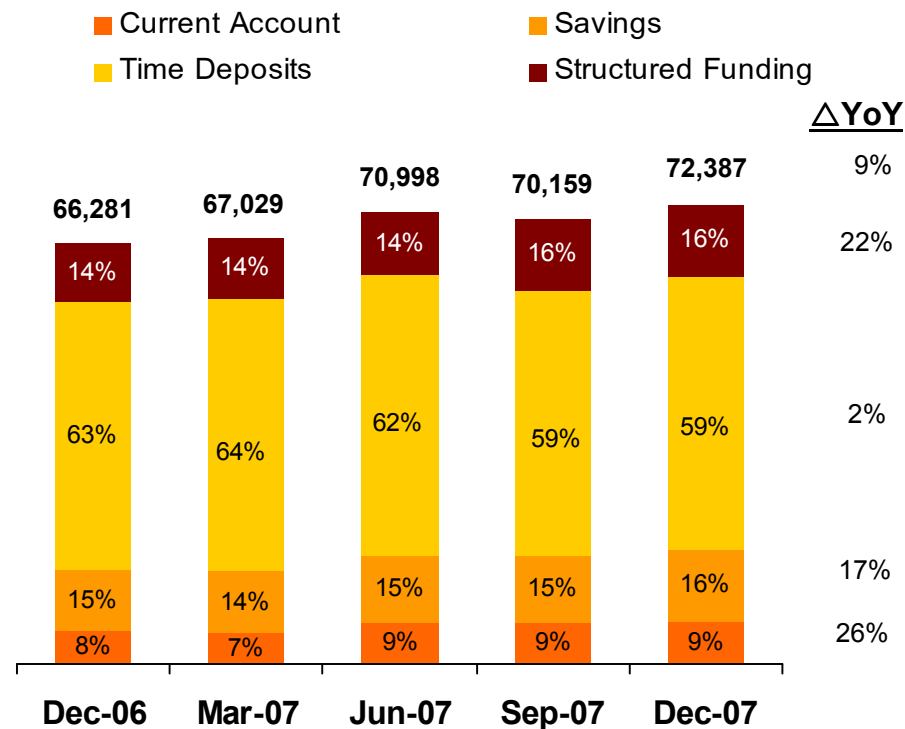
The duration of government bonds is 3.1 years as of December 31, 2007 as compared to 3.4 years a year earlier

	Rp. billion	Dec-06	Dec-07	ΔYoY	
Held to maturity		6,687	4,225	(2,462)	(37%)
Available for sale		11,058	10,369	(689)	(6%)
Trading		957	1,214	257	27%
Total		18,702	15,808	(2,894)	(15%)

Current and savings accounts rose by 26% and 17% respectively

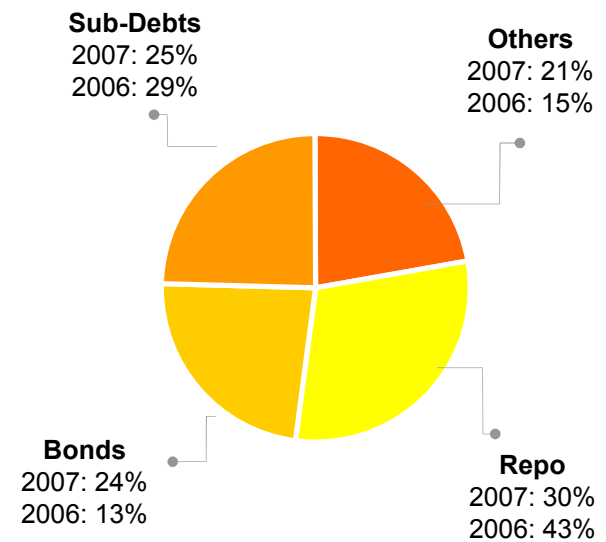
Breakdown of Interest Bearing Funds

Rp. billion



Structured / Long Term Funding

As of December 31



Total Structured / Long Term Funding

2007: Rp 11,450 billion

2006: Rp 9,351 billion

Long term funding increased by 22% and made up 16% of the bank's funding

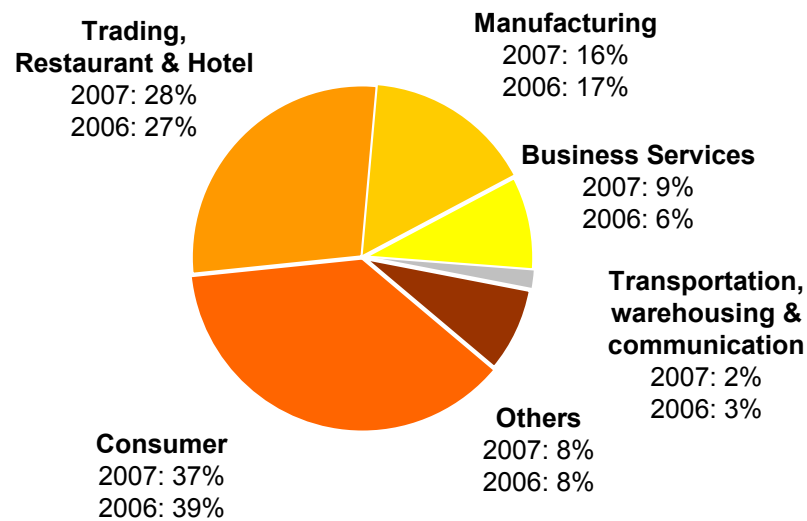
Agenda

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 - **Asset Quality**
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Well diversified loan portfolio across economic sectors

Loans by Economic Sector

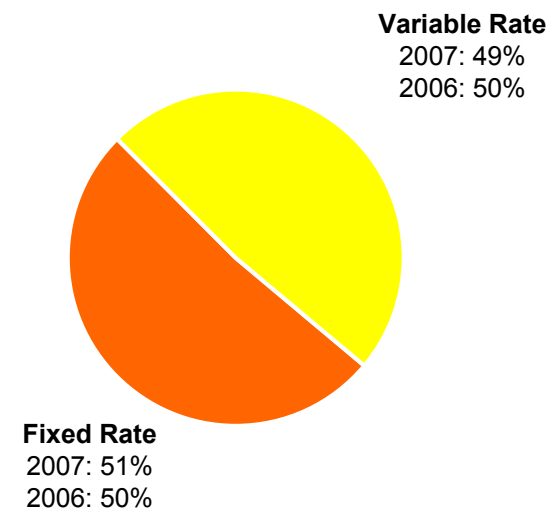
As of December 31



Total Loans
 2007: Rp 53,330 billion
 2006: Rp 42,986 billion

Loans by Interest Rate

As of December 31



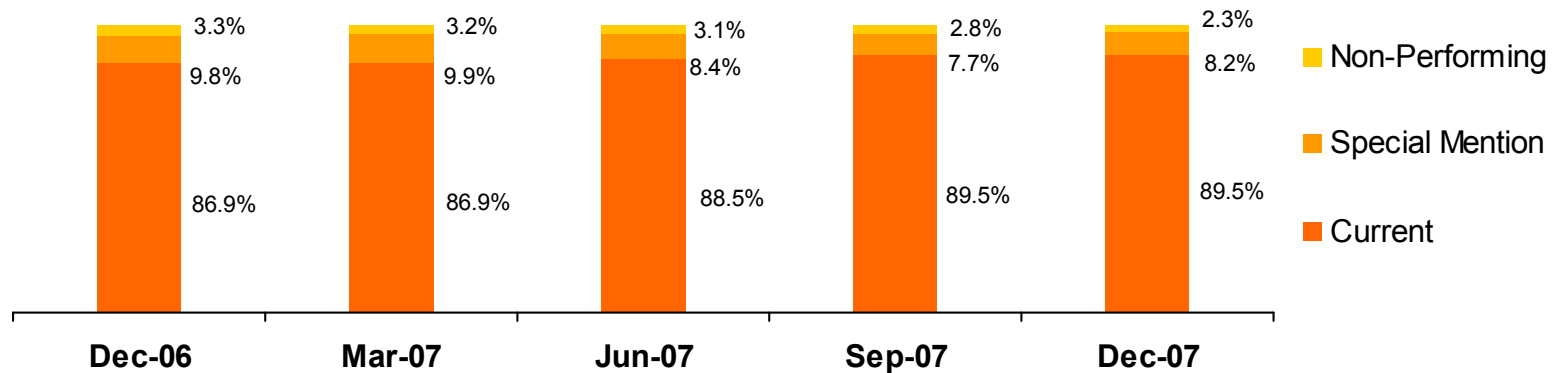
Total Loans
 2007: Rp 53,330 billion
 2006: Rp 42,986 billion

Fixed rate loans are primarily comprised of auto financing and DSP

Non-performing loan ratio declined to 2.3% by the end of 2007 from 3.3% a year earlier

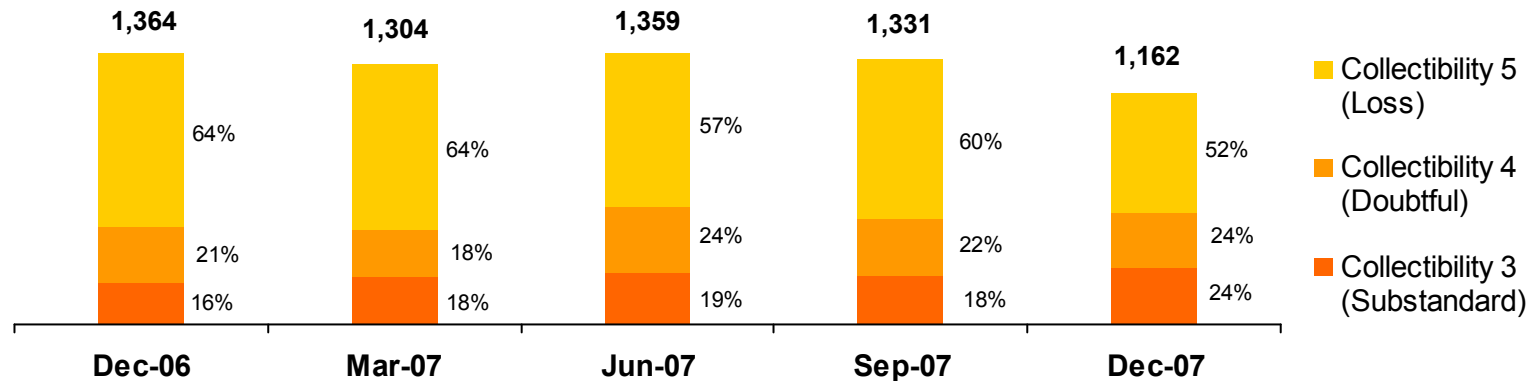
Loan's Collectibility

% Total



Non-Performing Loans Breakdown

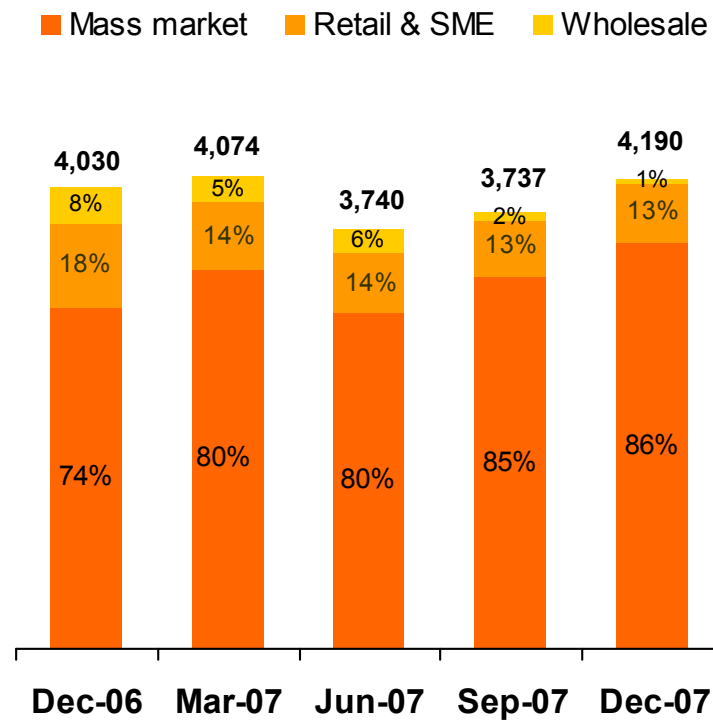
% Total



Special mention loans are mostly in DPD 1-30 days category

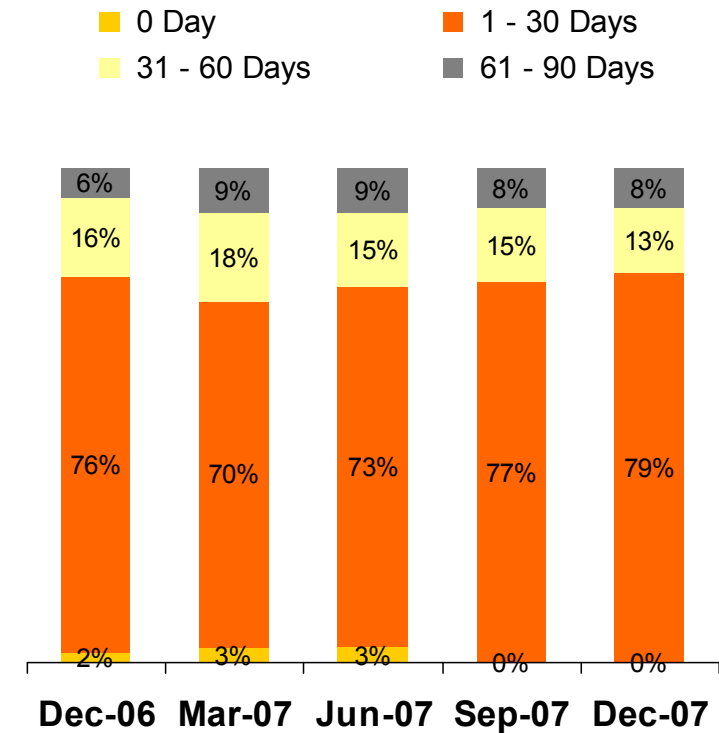
Special Mention Loans

Rp. billion



Aging of Special Mention Loans

% Total

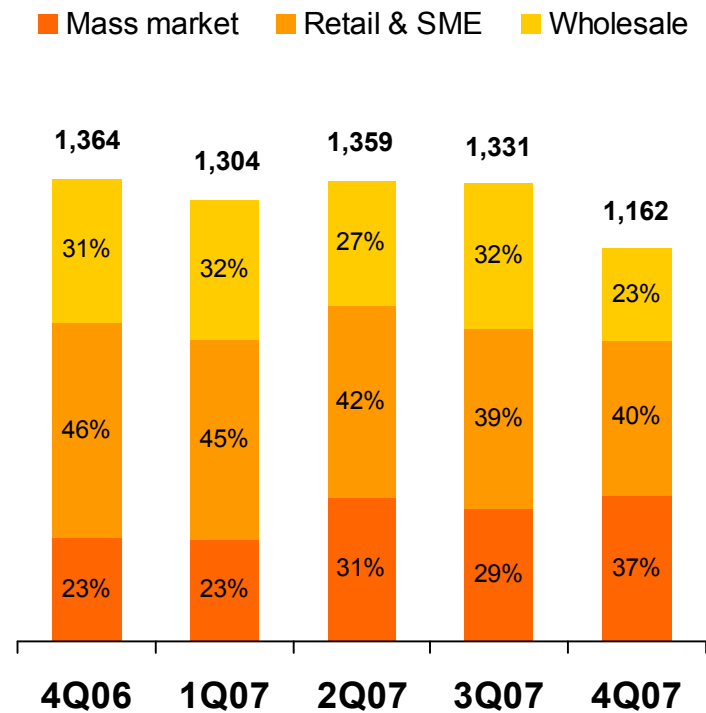


Special mention loans are mainly mass market loans

Adequate loan loss provision to cover non performing loans

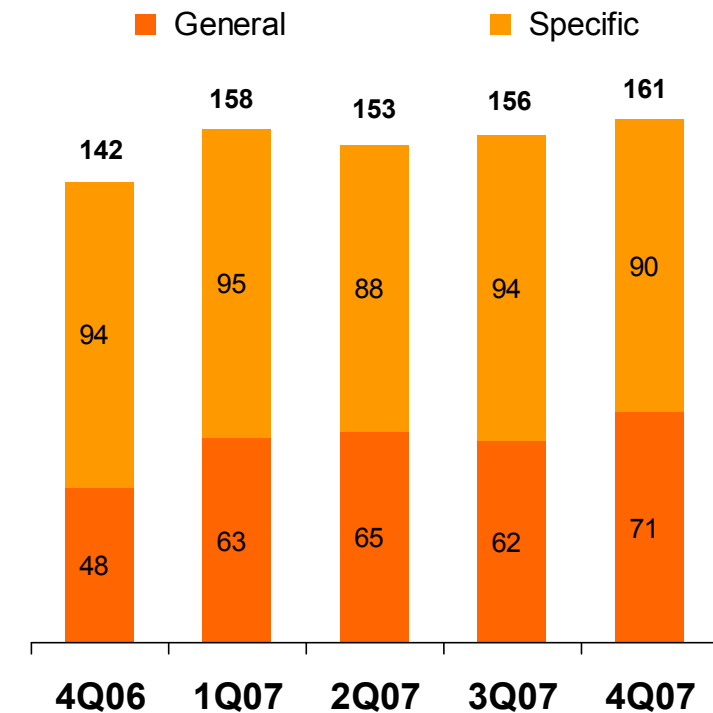
Non Performing Loans by Segments

Rp. billion



Loan Loss Provision / NPL ¹⁾

%



Non-performing loans declined by 15% despite loan expansion of 24%

¹⁾ After collateral value



Agenda

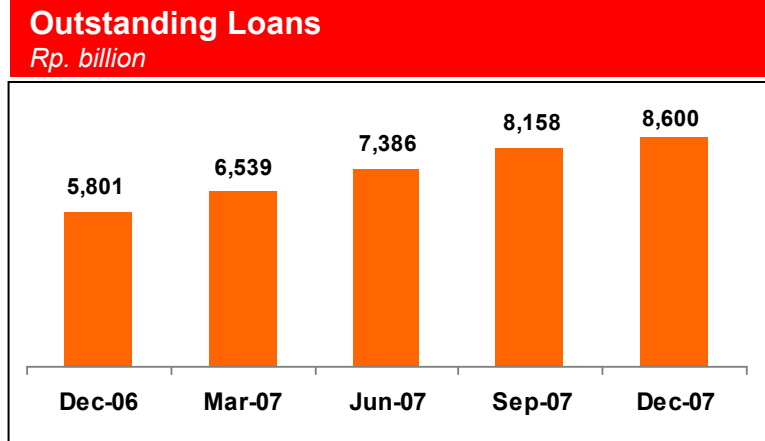
- **2007 Performance**

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Self Employed Mass Market (SEMM) Business



■ Network

- 706 units and 64 mobile units of DSP are currently in operation
- Over 7,700 personnel are employed by DSP

■ Business Growth

- Extended Rp 6,771 billion of new loans, up 45% from last year
- Outstanding loans rose by 48% to Rp 8.6 trillion at the end of 2007

■ New Business Model

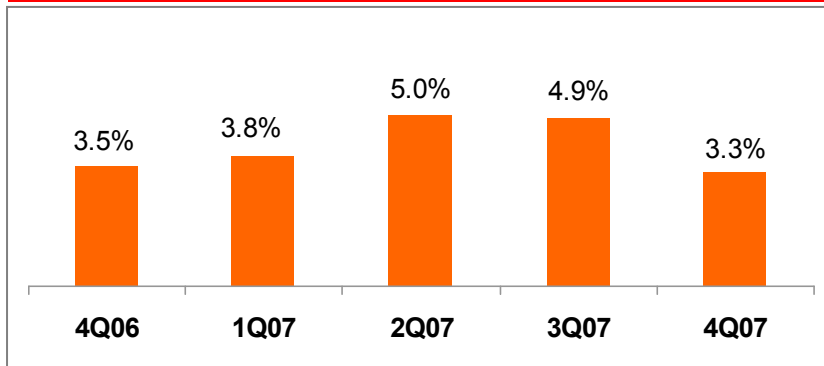
- A new **Supply Chain Model** was introduced in July to serve traders in low end of supply chains.
- Currently it has operated 38 sales offices

SEMM loans grew by 48% in 2007, accounting for 16% of the loan book

Self Employed Mass Market (SEMM) Business

Cost of credit

% of Average Loans, annualized

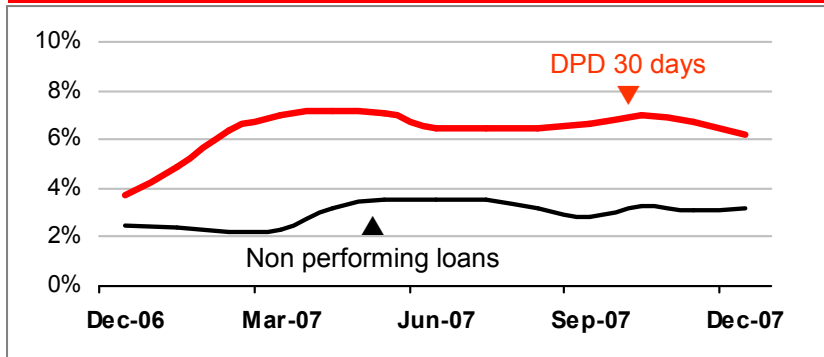


■ Asset Quality

- Cost of credit improved to 4.2% of average receivables in 2007 as compared to 5.2% in the previous year
- 30+ days past due (DPD 30+) loans as a percentage of total loans was 6.2% as of December 31, 2007 compared to 3.7% a year earlier

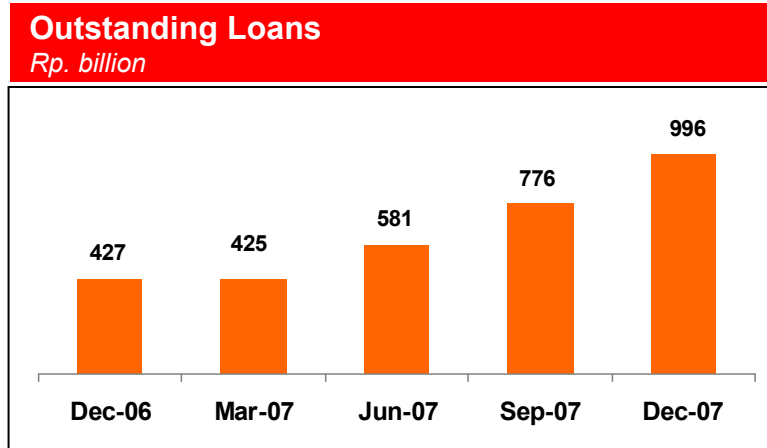
DPD 30+ Days and NPL Ratio

% of Receivables



Cost of credit was managed below 5% on the back of strong loan growth

Consumer Mass Market (CMM) Business



■ Worksite Model

- 53 units of CMM are currently in operation for **worksite** model offering personal installment loans to employees
- CMM targets employees of selected companies in major cities

■ Adira Cross Sell

- CMM has stepped into 80 of Adira Finance's branches to **cross sell** personal loans

■ Business Performance

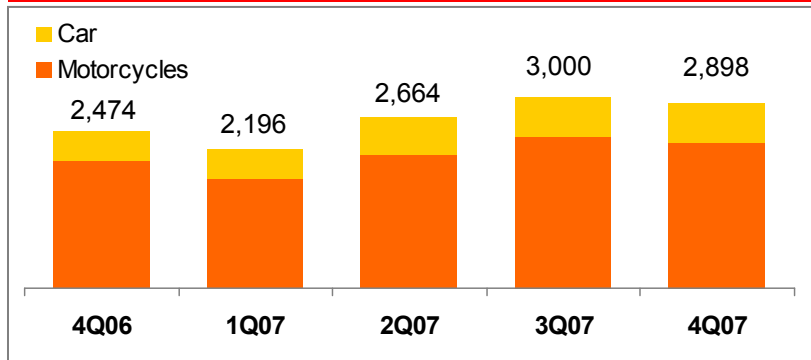
- Loans rose by 133% to Rp 996 billion at the end of 2007
- Cost of credit was relatively low on the back of rapid loan growth

CMM offers personal loans to salaried consumers

Adira Finance (auto financing business)

New financing

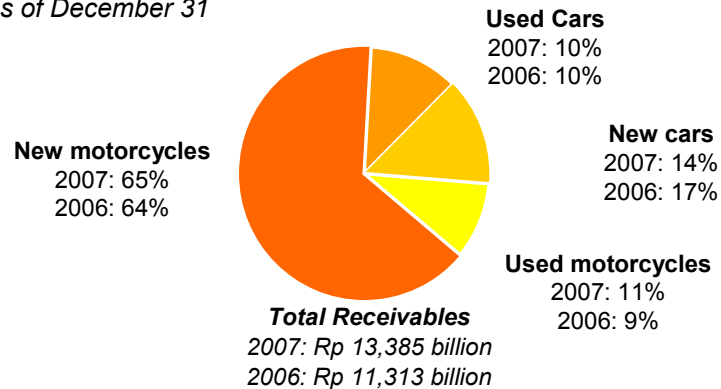
Rp. billion



- Outstanding receivables rose by 18% to Rp 13.4 trillion
- Market share in new motorcycles financing rose to 14.7% as compared to 12.2% in 2006
- Cost of credit improved to 4.6% from 5.8% in the previous year due to lower loss on repo. assets and write off

Composition of Receivables

As of December 31



New financing rose by 27% to Rp 10.8 trillion, thus gaining market share

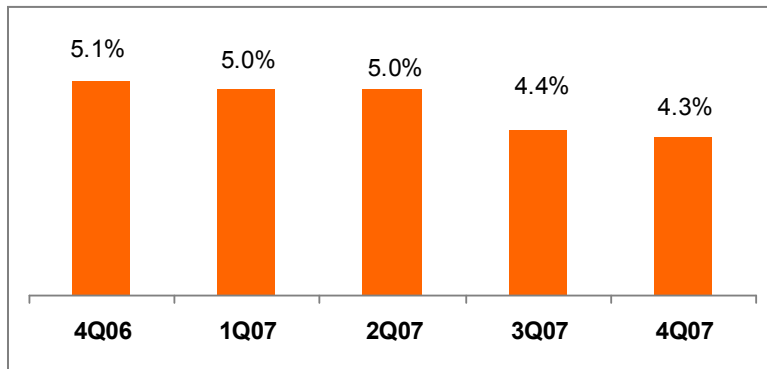
Adira Finance (auto financing business)

Rp. billion	2006	2007	△YoY	1Q07	2Q07	3Q07	4Q07
New Financing Units	726,908	942,968	30%	194,240	232,662	264,434	251,632
New Financing Volume	8,458	10,758	27%	2,196	2,664	3,000	2,898
O/S Receivables	11,313	13,385	18%	11,415	11,930	12,738	13,385
Net Interest Income ¹⁾	1,564	2,324	49%	540	552	594	638
Fee Income	72	72	0%	7	8	24	33
Total Operating Income	1,636	2,396	46%	547	560	618	671
Operating Expenses	(639)	(833)	30%	(170)	(206)	(211)	(246)
Cost of Credit	(606)	(563)	(7%)	(137)	(147)	(136)	(143)
Other Income/(Expense)	(19)	1	(105%)	-	-	(2)	3
Net Profit before Tax	372	1,001	169%	240	207	269	285
Net Profit after Tax	277	694	151%	165	143	187	199

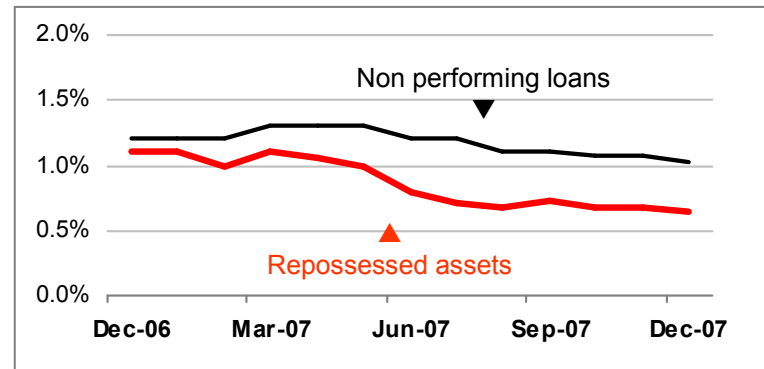
¹⁾ Including internal transfer pricing charge

Adira Finance (auto financing business)

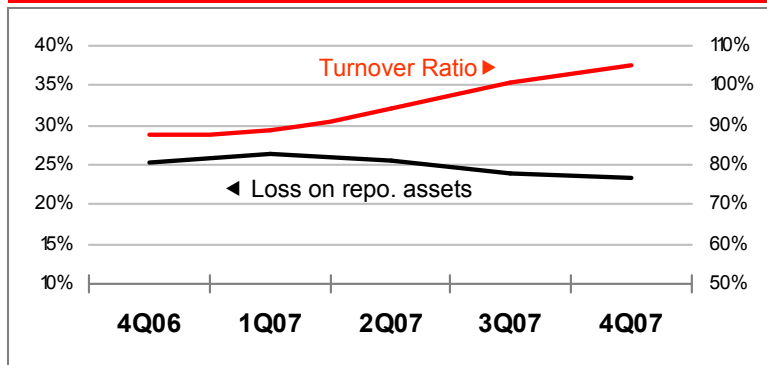
Cost of credit
% of Average Receivables



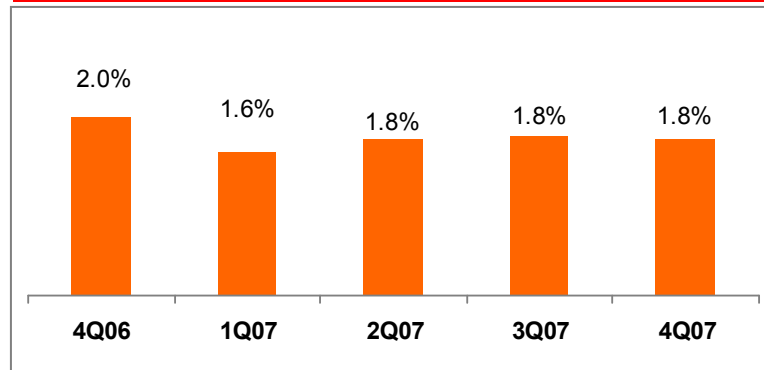
NPL and Repo Assets
% of Receivables



Loss on Repo. Assets and Turnover Ratio ¹⁾
%



Net write off
% of Average Receivables



Cost of credit improved to 4.6% of average receivables as compared to 5.8% in 2006

¹⁾ Turnover ratio was measured by number of repossessed asset units sold as % of repossessed asset inventory. LOR was measured by losses of repossessed assets as % of outstanding loan principal

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2007 Key Achievements

Mass Market Businesses

- CMM loans from Adira X-Sell model reached nearly Rp 500 billion in its first year in operation, while Worksite model grew by 76%
- SEMM has rolled out 38 Supply Chain sales offices; meanwhile Productive Poor model was deemed not viable due to lack of micro-financial institutions
- Danamon emerged as the 6th largest player in the card business by receivables. The cost of credit in card business is now back to single digit
- Adira Quantum receivables grew by 85% to Rp 402 billion

Funding Franchise

- Current and savings accounts increased significantly by 26% and 17% respectively
- Structured funding rose by 22% and contributed to 16% of the bank's total funding

Operating Efficiency

- Significant cost savings generated from the implementation of Operational Excellence initiatives and procurement initiatives
- Successful integration of Adira Quantum into the bank's integrated core banking system (ICBS)

2007 Key Achievements

Technology

- Full implementation of the new centralized IT System in Adira Finance
- Successful roll out of Enterprise General Ledger (EGL)
- Successful roll out of new core banking system (NCBS) pilot project in SEMM branches

Employer of Choice

- Roll out of Danamon Leadership Academy
- Employee satisfaction index reached the highest compared to Indonesia's and Asia's average

Inorganic Growth Strategy

- Evaluated the possibilities of acquiring securities house, insurance companies and banks

Others

- More than 43% of Retail Banking's Operating Income is now generated from asset products and fee income
- Corporate Banking earnings increased significantly and over 58% of the revenue was generated from non-lending activities



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2008 Strategic Priorities

Mass Market Businesses

- Full roll out of Supply Chain model of SEMM business
- Expand SEMM's Pasar model to East Indonesia
- Replicate CMM cross sell model to other finance companies
- Enlarge Adira cross sell point of sales
- Widen Adira Finance's network presence outside of Java

Wholesale Business

- Increase Commercial Banking platform by 32%

Funding Franchise

- Broaden branches and ATM network by 20% and 11% across the country respectively
- Complete the roll out of re-branding in 400 branches and 290 ATMs
- Structured funding initiatives (bond issuance, FRCD, IFC disbursement)

2008 Strategic Priorities

World Class Technology



- Roll out new core banking system (NCBS)
- Centralization of all AMEX system into Danamon

Operating Efficiency



- Implant operational excellence unit across all businesses

Inorganic Growth



- Seek opportunities to build scale thru the acquisition of securities house, insurance company and/or bank
- Acquire the remaining 20% of Adira Finance (exercise the call option)



Agenda

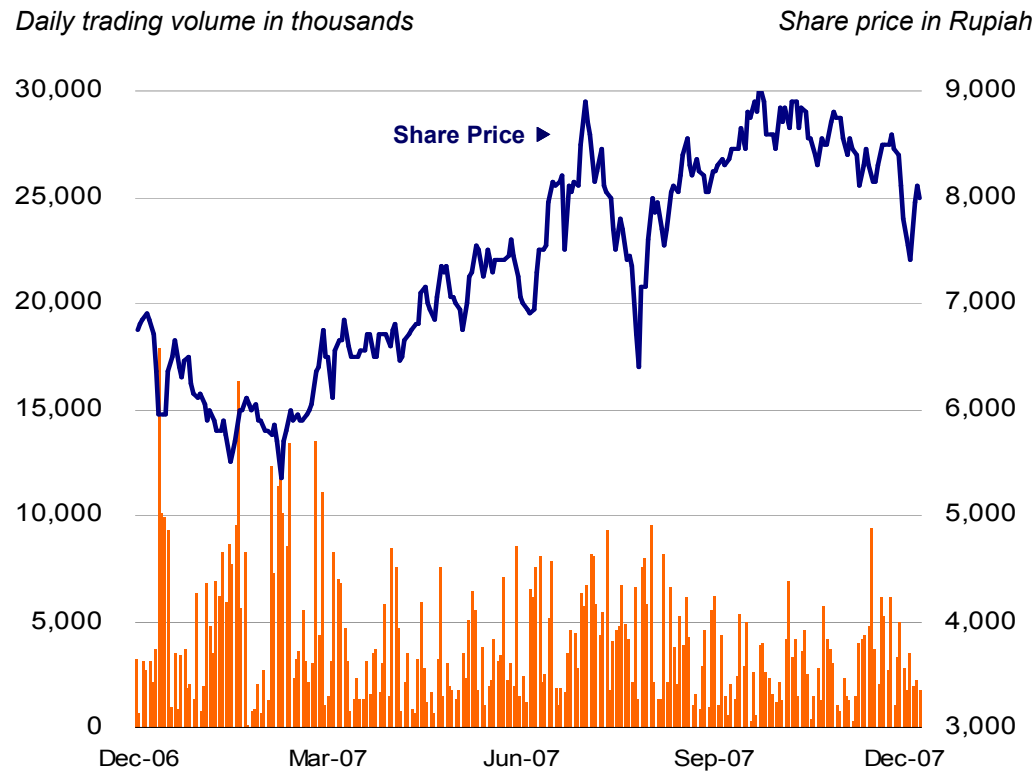
- 2007 Performance
 - Financial Results
 - Asset Quality
 - Business Update
- 2007 Achievements
- 2008 Strategic Priorities

- **Appendix**

Shareholding Structure

Daily share price and trading volume

BDMN IJ



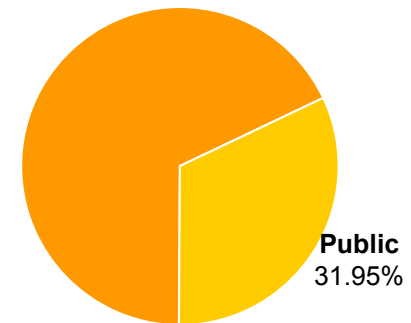
Source: Bloomberg

Shareholding Structure

As of December 31, 2007

Asia Financial (Indonesia)

68.05%



Asia Financial (Indonesia) (AFI)

AFI is a consortium of Fullerton Financial Holdings Pte. Ltd. (FFH) (85%) and Deutsche Bank (15%).

FFH is wholly owned by Temasek Holdings



Credit Rating

Danamon

Standard & Poor's	Long-term / Short-term Local Currency	BB- / Stable / B
	Long-term / Short-term Foreign Currency	BB- / Stable / B
	Subordinated Debt	B / Stable

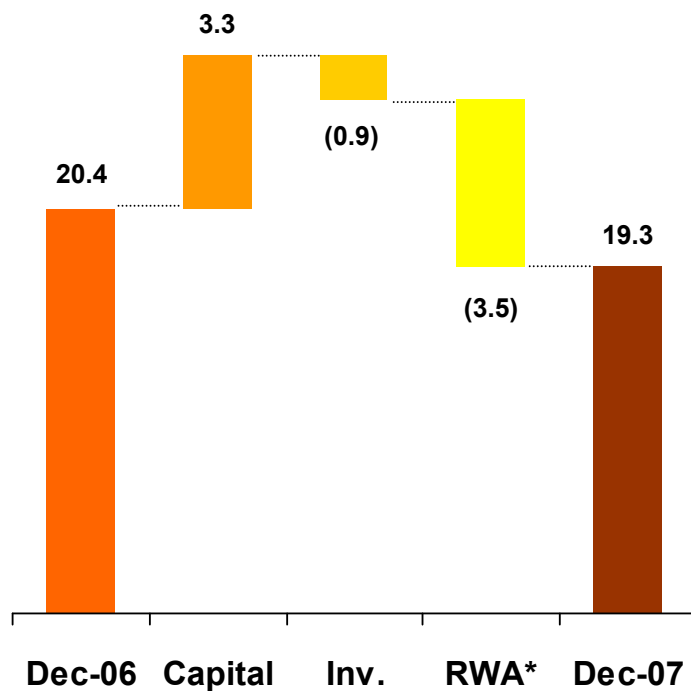
Moody's	Global Local Currency Deposit	Baa3 / Stable
	Foreign Currency Long-term / Short-term Deposit	B1 / Stable / Not Prime
	Subordinated Debt	Ba2 / Stable
	National Scale Rating	Aaa.id

PEFINDO	Corporate Rating	^{id} AA- / Stable
	Bond Rating	^{id} AA- / Stable

Fitch Ratings	Long-term / Short-term Foreign Currency	BB- / Positive / B
	National Long-term	AA (idn) / Stable

Capital Adequacy Ratio (CAR) stood at 19.3% at the end of 2007

Movement of Capital Adequacy Ratio %



Rp. billion	Dec-06	Dec-07	△YoY
Tier 1 Capital	8,370	9,769	17%
Tier 2 Capital	3,702	4,088	10%
Investments	(1,095)	(1,562)	43%
Total Capital after Investment	10,977	12,295	12%
Risk Weighted Assets (RWA)*	53,825	63,820	19%
Capital Adequacy Ratio*	20.4%	19.3%	(1.1%)

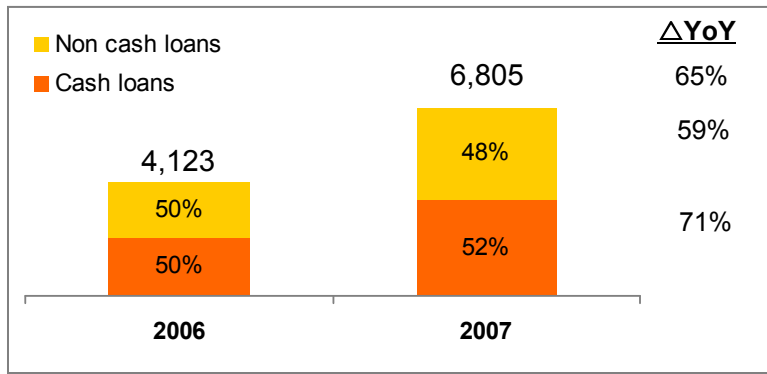
* After market risk charge

Adequate capital to support business expansion

A strong growth in trade finance

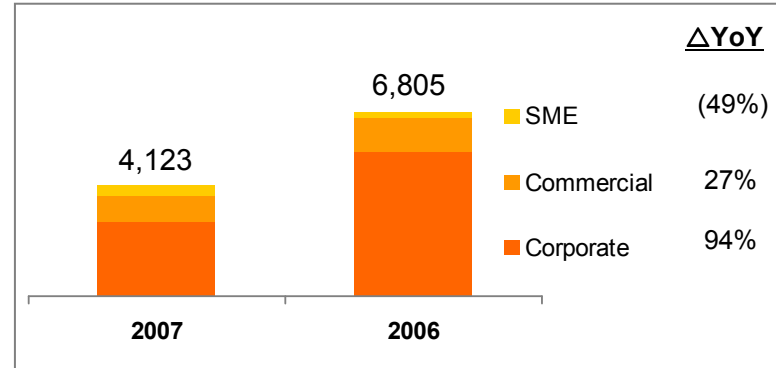
Cash & Non-Cash Loans

Rp. billion



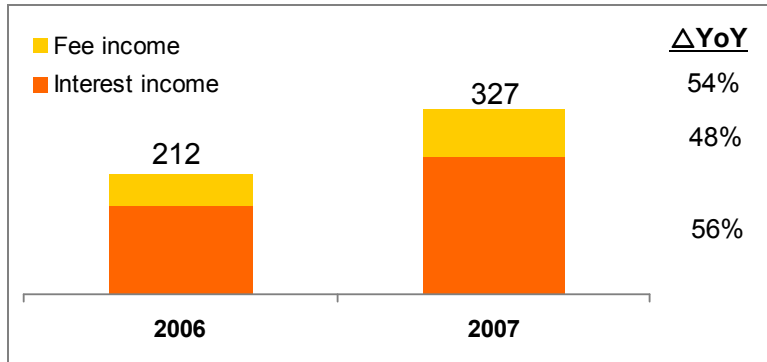
Volume contribution by business

Rp billion



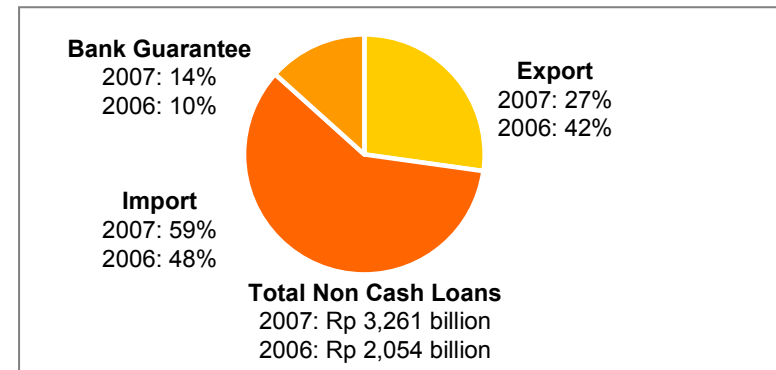
Operating Revenue

Rp. billion



Non-Cash Loans Composition

As of December 31



Our capability to provide structured trade solutions allow us to grow faster



Thank You

Investor Relations

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