



Analyst Briefing

First Quarter 2007 Results

Jakarta, 26 April 2007

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Agenda

- **Financial Results**

- Asset Quality
- Business Update
- Appendix

Executive Summary

- Net profit after tax nearly double to Rp. 482 billion
- Total loans grew by 18% driven by the strong growth in mass market business
- Total deposits rose by 21% supported by all types of deposits, including saving account that grew by 22%
- Operating income rose by 41% to Rp. 2.2 trillion
- Net interest margin widened to 10.0%
- ROAE at 21.2%

Highlights of Income Statement

<i>Rp. billion</i>	1Q06	1Q07	△YoY	4Q06	1Q07	△QoQ
Interest Income	2,519	2,934	16%	2,901	2,934	1%
Interest Expense	(1,294)	(1,275)	(1%)	(1,349)	(1,275)	(5%)
Net Interest Income	1,225	1,659	35%	1,552	1,659	7%
Fee Income	313	504	61%	406	504	24%
Operating Income	1,539	2,163	41%	1,958	2,163	10%
Operating Expenses	(777)	(1,027)	32%	(993)	(1,027)	3%
Pre-Provision Op. Profit	762	1,136	49%	964	1,136	18%
Cost of Credit	(291)	(365)	25%	(263)	(365)	39%
Net Profit before Tax	471	771	64%	699	771	10%
Goodwill, MI & Others	(74)	(47)	(36%)	(77)	(47)	(39%)
Tax	(146)	(242)	66%	(211)	(242)	15%
Net Profit after Tax	251	482	92%	411	482	17%

Highlights of Balance Sheets

<i>Rp. billion</i>	1Q06	1Q07	△YoY	4Q06	1Q07	△QoQ
Total Assets	70,758	84,946	20%	82,073	84,946	4%
Loans (gross) ¹	36,584	43,109	18%	42,986	43,109	0%
Government Bonds	16,569	19,453	17%	18,702	19,453	4%
Total Deposits	48,324	58,475	21%	57,830	58,475	1%
Current Account	4,380	5,022	15%	5,337	5,022	(6%)
Savings	7,957	9,694	22%	9,712	9,694	(0%)
Time Deposits	35,987	43,759	22%	42,781	43,759	2%
Borrowings ²	4,568	6,333	39%	6,710	6,333	(6%)
Subordinated Debt ³	3,394	3,405	0%	3,374	3,405	1%
Equity	8,959	9,268	3%	9,442	9,268	(2%)

¹Include consumer financing receivables of Adira Finance

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

³Include sub-loan from BI and the former shareholders of BTO banks

Key Ratios

%	1Q06	1Q07	△YoY	4Q06	1Q07	△QoQ
Net Interest Margin ¹	8.4	10.0	1.6	9.9	10.0	0.1
Cost / Income	50.3	47.5	(2.8)	50.3	47.5	(2.8)
Loan / Deposit	78.5	75.7	(2.8)	75.5	75.7	0.2
Capital Adequacy ²	24.3	20.6	(3.7)	20.4	20.6	0.2
ROAA	1.4	2.3	0.9	2.0	2.3	0.3
ROAE	11.4	21.2	9.8	19.9	21.2	1.3
NPL - Gross	3.4	3.2	(0.2)	3.3	3.2	(0.1)
LLP / NPL ³	114.9	158.1	43.2	141.7	158.1	16.4

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

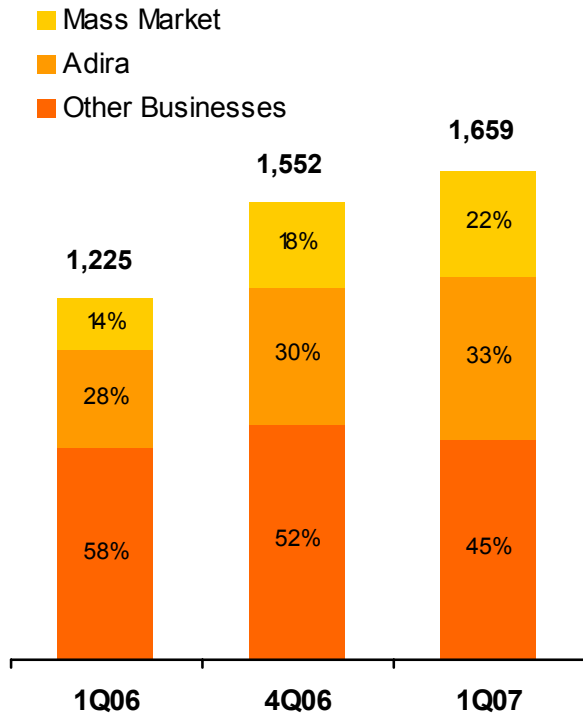
²After market risk charge

³After collateral value

Net interest margin steadily improved to 10.0% on the back of higher asset yields

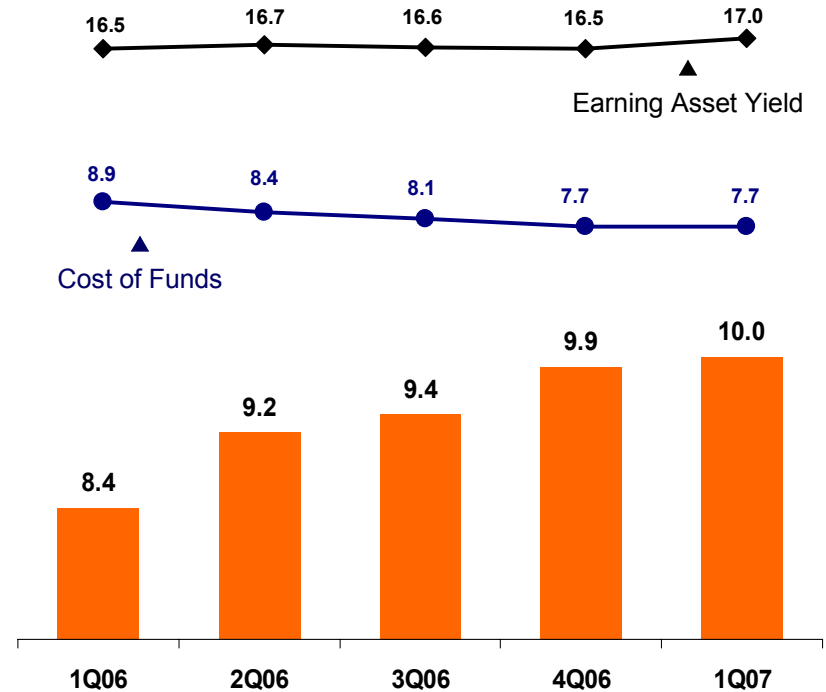
Net Interest Income

Rp. billion



Net Interest Margin

Quarterly, %

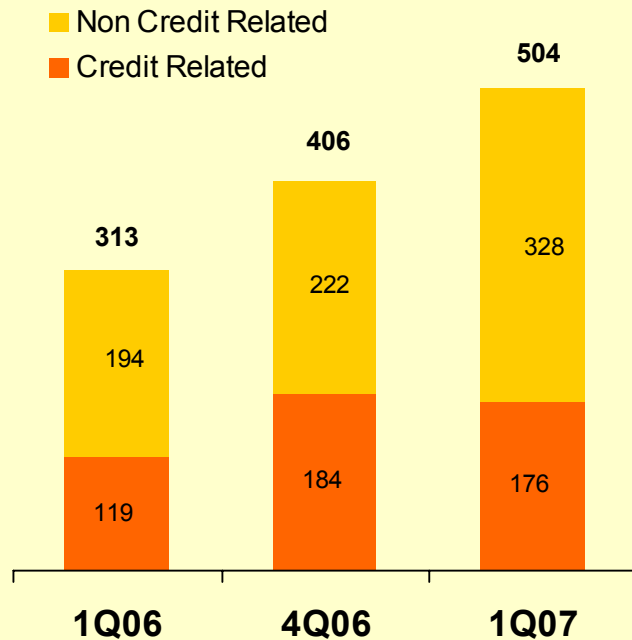


High yielding business strategy sustained asset yield

Fee income rose by 61% and contributed to 23% of operating income

Fee Income

Rp. billion

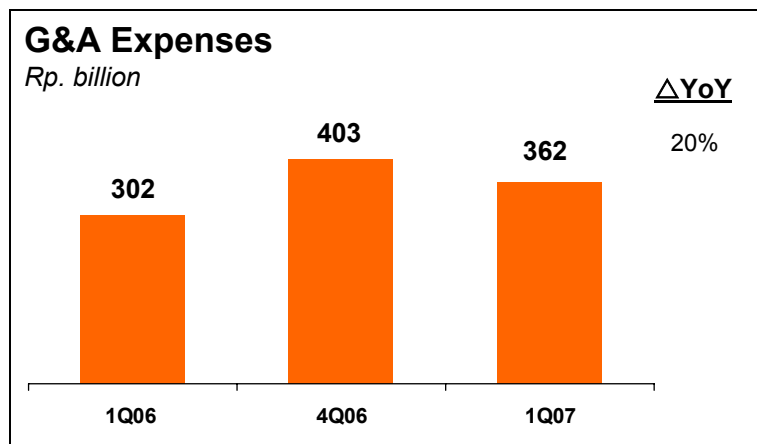
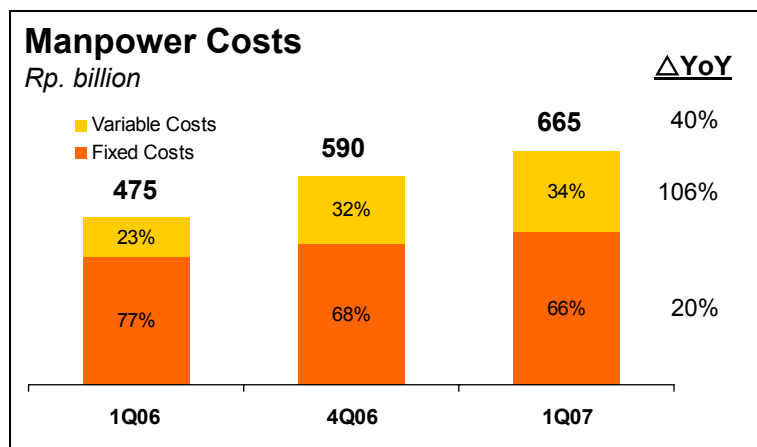


Rp. billion	1Q06	1Q07	ΔYoY
Credit related fees	119	176	48%
Cash management	79	77	(3%)
Treasury products	124	200	61%
Adira Finance	(9)	7	N.M.
Adira Insurance & Quantum ¹⁾	-	44	N.M.
Total	313	504	61%

¹⁾ Include 90% economic interest in Adira Insurance and Adira Quantum

Increase in credit related fees driven from credit card and loans

New initiatives drove the increase in operating expenses



Operating Expenses	1Q06	1Q07	ΔYoY
Business as usual	651	773	19%
Manpower costs	392	499	28%
G&A expenses	259	274	5%
New Initiatives ¹⁾	126	254	101%
Manpower costs	83	165	98%
G&A expenses	43	89	108%
Total	777	1,027	32%

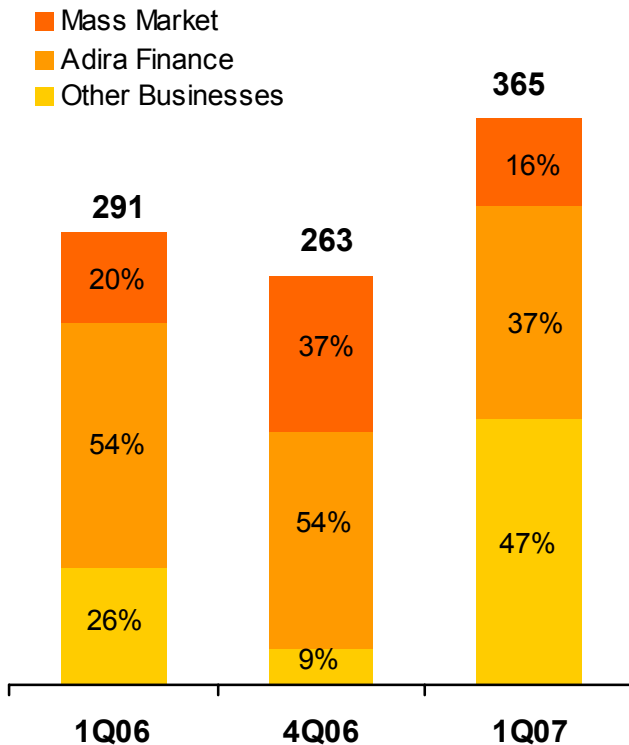
¹⁾ Include mass market, Adira Insurance, Adira Quantum and card businesses

Cost to Income Ratio is maintained at below 48% level

Cost of credit stood at 2.9% of earning assets in the first quarter of 2007

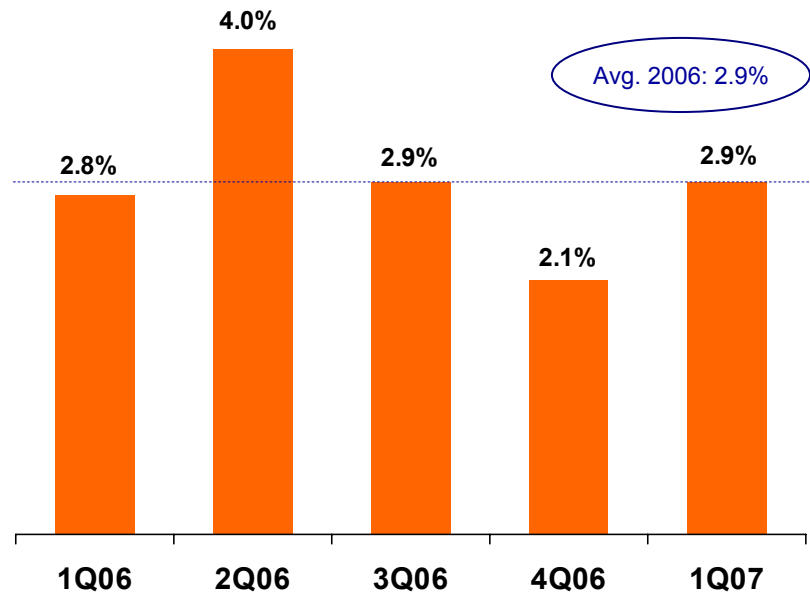
Cost Of Credit ¹⁾

Rp. billion



Cost of Credit / Avg. Earning Assets ²⁾

Quarterly



Cost of credit is in line with the average 2006 cost of credit of 2.9%

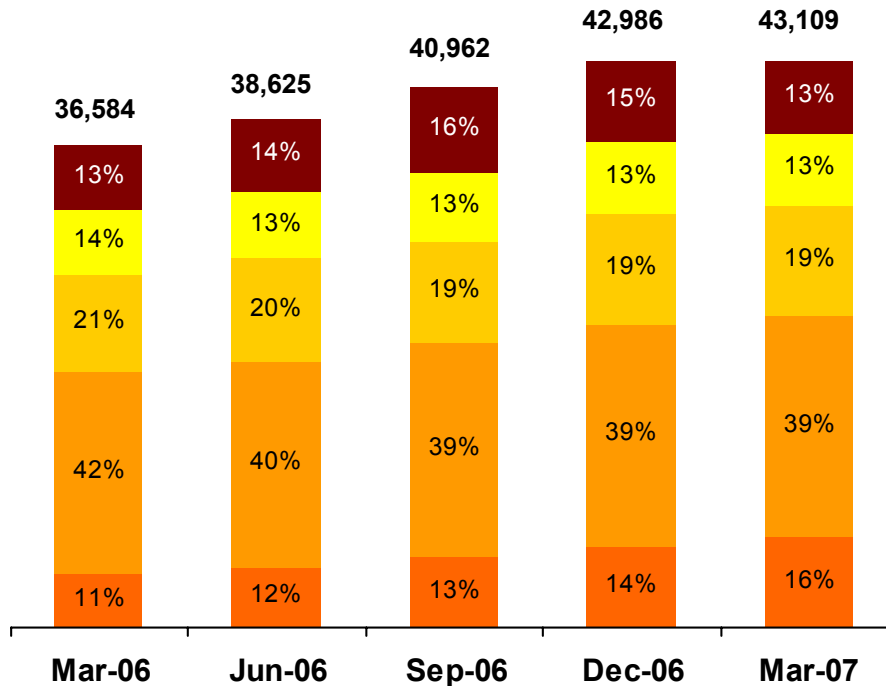
¹⁾Cost of credit comprise of provision for losses, loss on repossessed assets of Adira Finance and net write-off

²⁾Exclude all government securities

Robust growth in mass market offset the slow pick up in other segments

Breakdown of Loans

Rp. billion



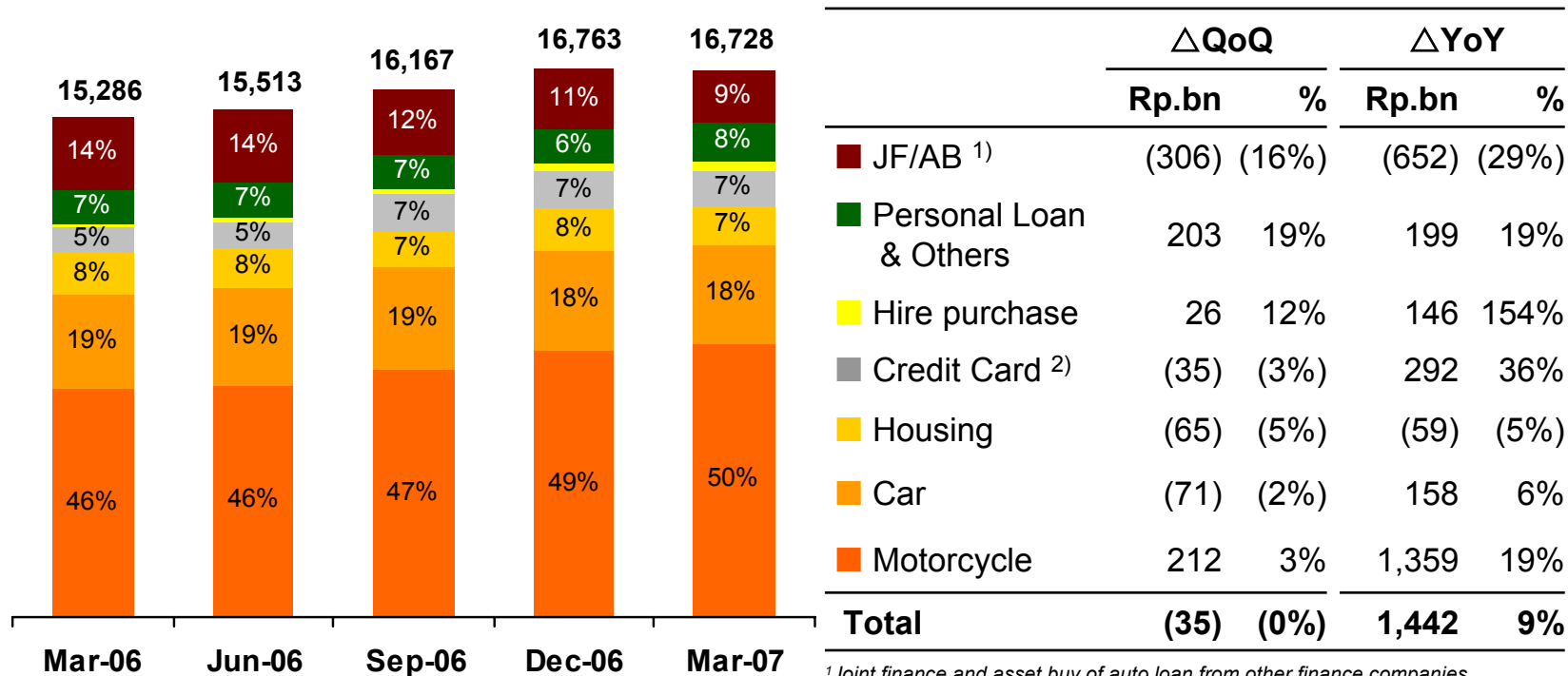
	△QoQ		△YoY	
	Rp.bn	%	Rp.bn	%
■ Corporate	(569)	(9%)	719	15%
■ Commercial	8	0%	620	13%
■ SME	(15)	(0%)	854	11%
■ Consumer	(35)	(0%)	1,442	9%
■ Mass Market	736	12%	2,890	71%
Total	123	0%	6,525	18%

High yielding loans have already made up 46% of the loan book

Consumer loans grew by 9% supported by motorcycle, credit card and hire purchase financing

Breakdown of Consumer Loans

Rp. billion



¹Joint finance and asset buy of auto loan from other finance companies

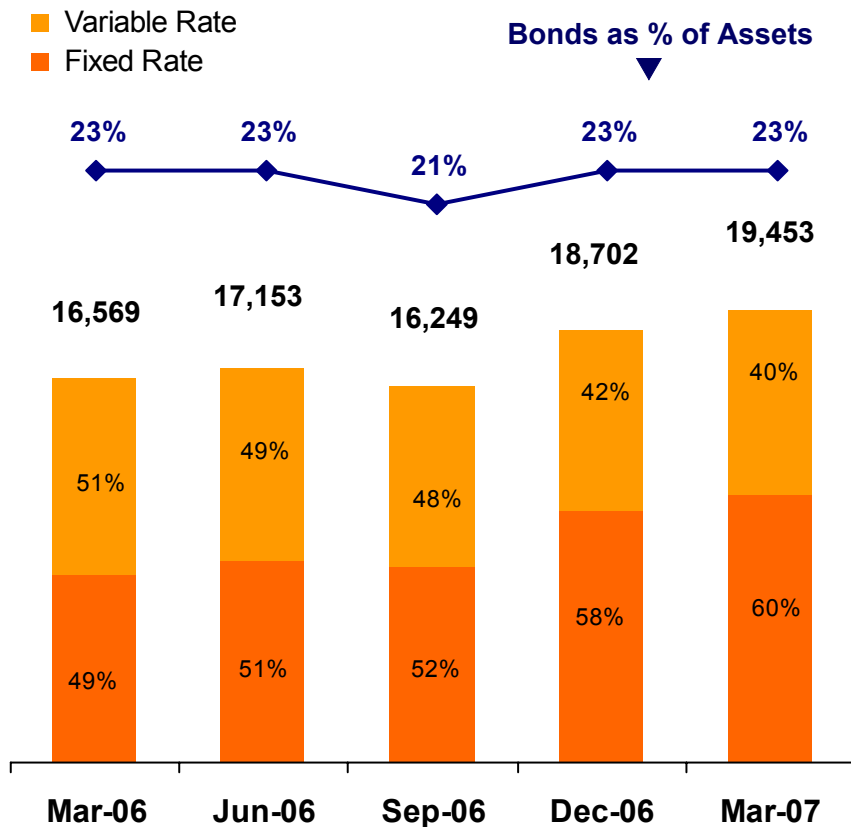
²Include American Express card receivables

Adira Finance contributed 68% of total consumer loan

Government bonds rose by 17% on the back of favorable market development

Breakdown of Government Bonds Portfolio

Rp. billion



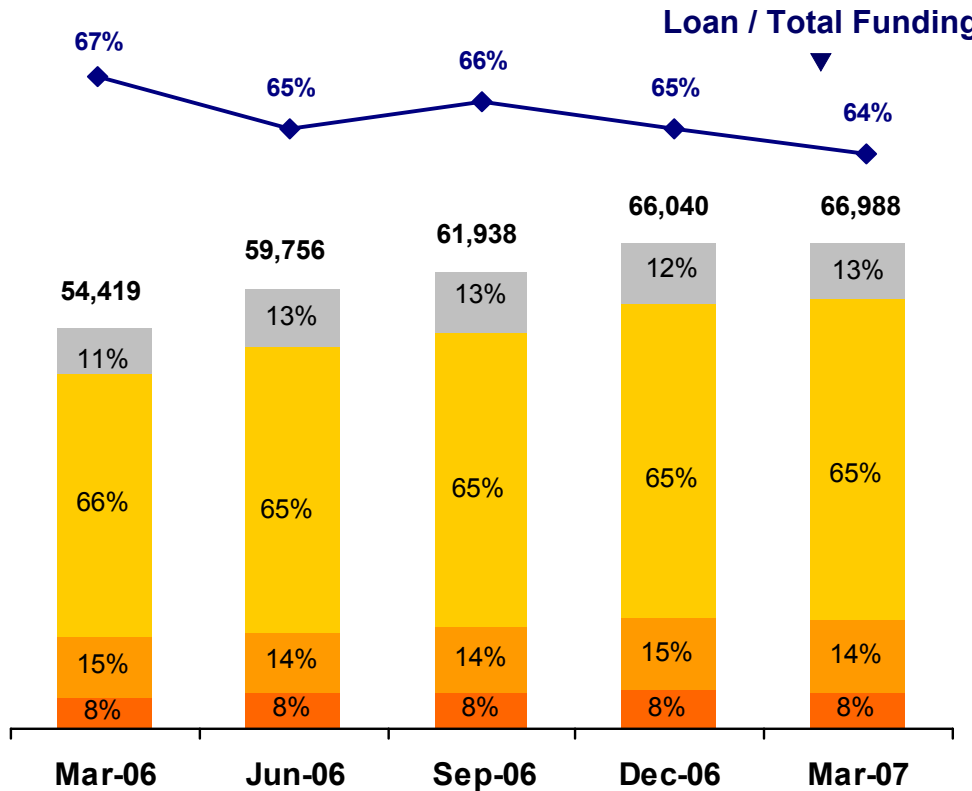
The duration of government bonds is 2.1 years as of March 31, 2007 as compared to 2.5 years a year earlier

Rp. billion	Mar-06	Mar-07	△YoY
Held to maturity	7,806	6,699	(14%)
Available for sale	8,212	11,843	44%
Trading	552	911	65%
Total	16,569	19,453	17%

Strong funding growth to support loan expansion

Breakdown of Interest Bearing Funds

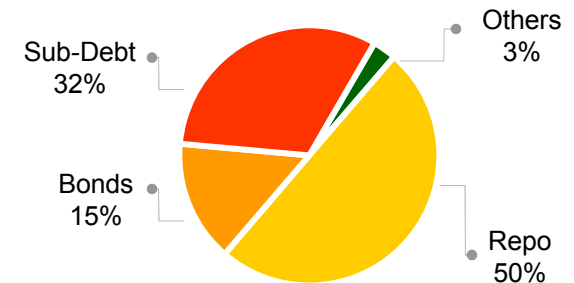
Rp. billion



- Structured Funding
- Time Deposits
- Savings
- Current Account

Breakdown of Structured Funding

As of March 31, 2007

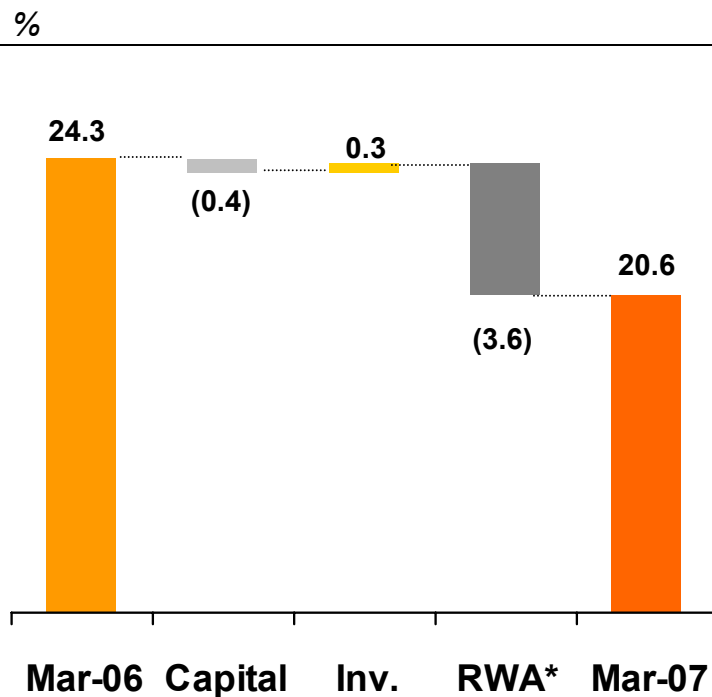


Total Rp. 8,513 billion

Additional structured funding of Rp. 1.5 trillion from the bond issuance in April 2007

Capital Adequacy Ratio stood at 20.6% as of March 31, 2007

Movement of Capital Adequacy Ratio



Rp. billion	Mar-06	Mar-07	ΔYoY
Tier 1 Capital	9,113	8,722	(4%)
Tier 2 Capital	3,692	3,890	5%
Investments	1,122	1,286	15%
Total Capital after Investments	11,683	11,326	(3%)
Risk Weighted Assets (RWA)*	48,089	55,121	15%
Capital Adequacy Ratio (CAR)*	24.3%	20.6%	(3.7%)

* After market risk charge

Adequate capital to support business expansion

Agenda

- Financial Results

- **Asset Quality**

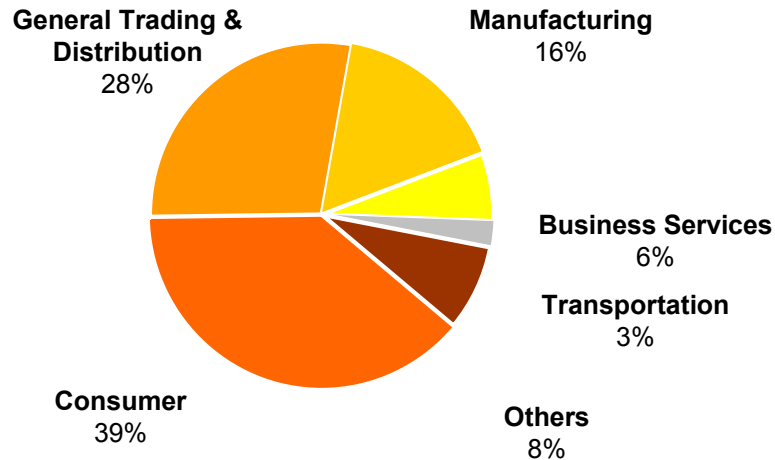
- Business Update

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Well diversified loan portfolio across economic sectors

Loans by Economic Sector

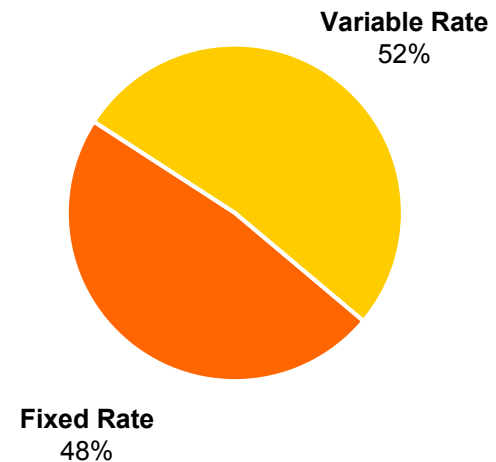
As of March 31, 2007



Total Loans Rp. 43,109 billion

Loans by Interest Rate

As of March 31, 2007

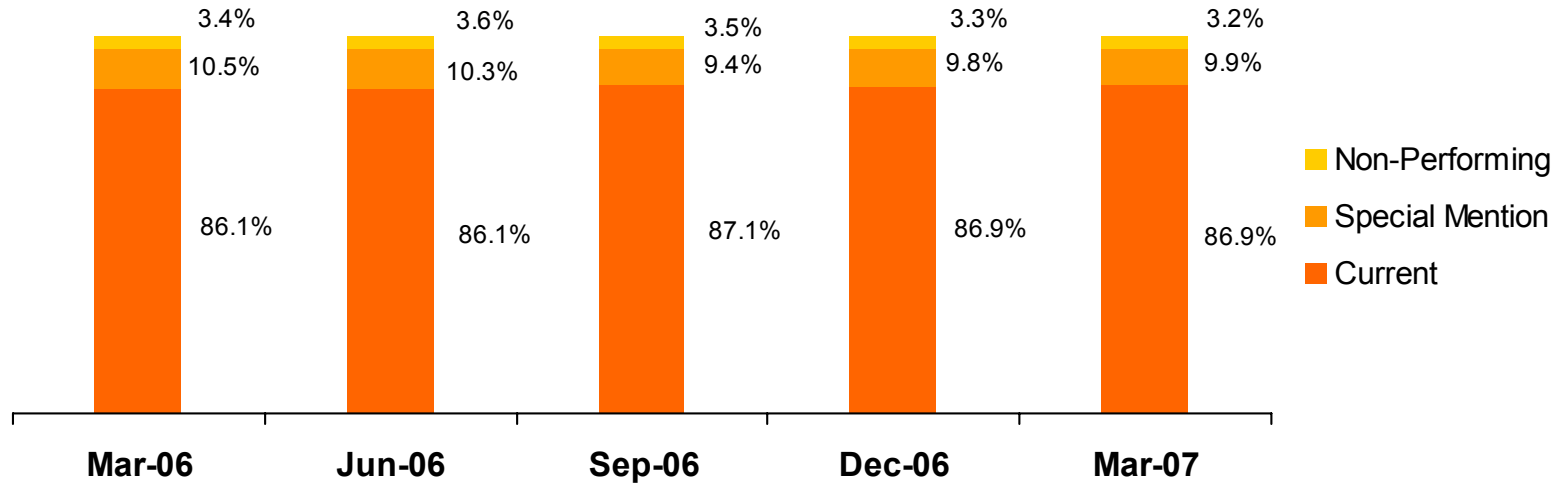


Total Loans Rp. 43,109 billion

Fixed rate loans are mainly comprised of high yielding consumer auto financing and mass market loans

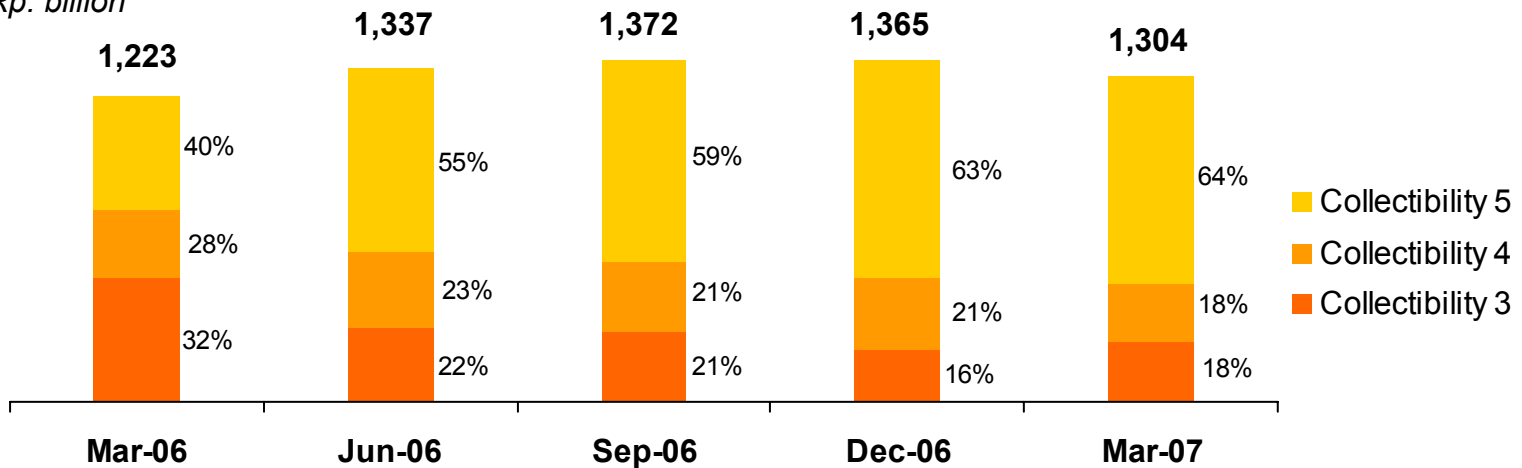
Loan's Collectibility

% Total



Breakdown of Non-Performing Loans

Rp. billion

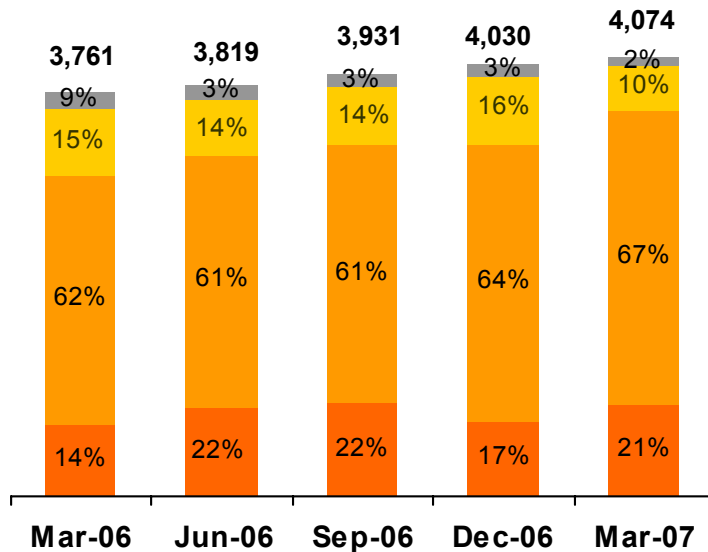


Special mention loans concentrate on DPD 1-30 days

Special Mention Loans

Rp. billion

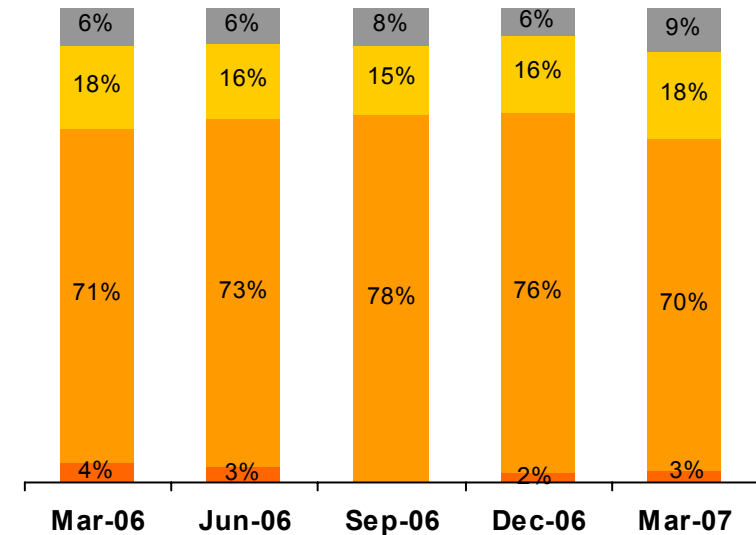
- Corporate
- SME/Commercial
- Consumer
- Mass Market



Aging of Special Mention Loans

% Total

- 61 - 90 Days
- 31 - 60 Days
- 1 - 30 Days
- 0 Day

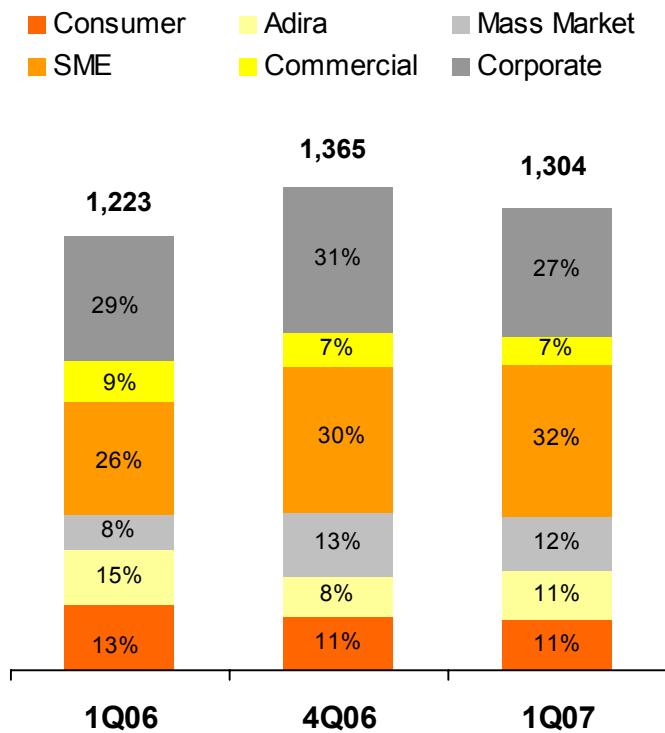


Special mention loans largely came from mass market and consumer loans

Adequate loan loss provision to cover non-performing loans

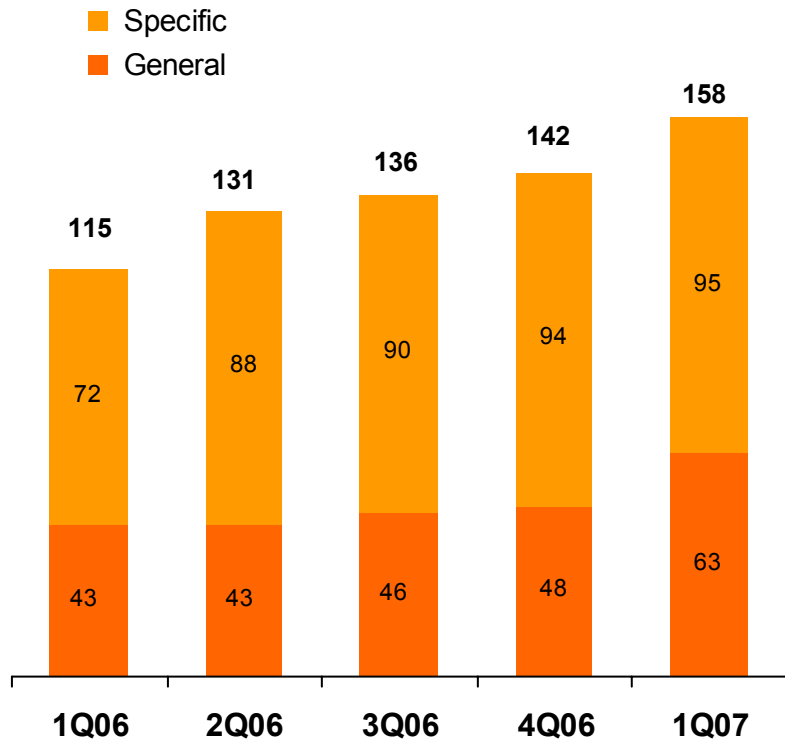
Non Performing Loans by Segments

Rp. billion



Loan Loss Provision / NPL ¹

%

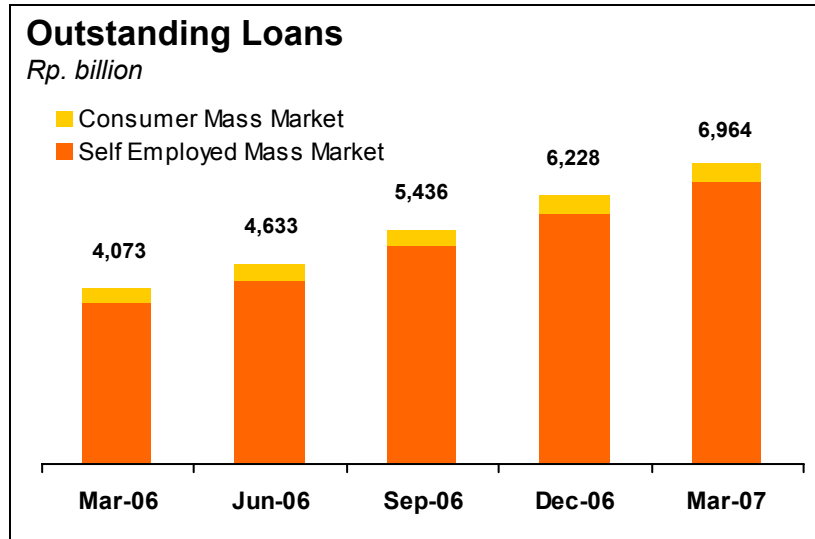


¹After collateral value

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Danamon Simpan Pinjam (Mass Market)



Self Employed Mass Market (SEMM)

- 693 SEMM units are in operation as of March 2007. We plan to open additional 7 units this year
- NPL ratio stood at 2.2% in March 2007, down from 2.8% a year earlier
- A new **Supply Chain Model** will be introduced this year to serve traders in low end of supply chains

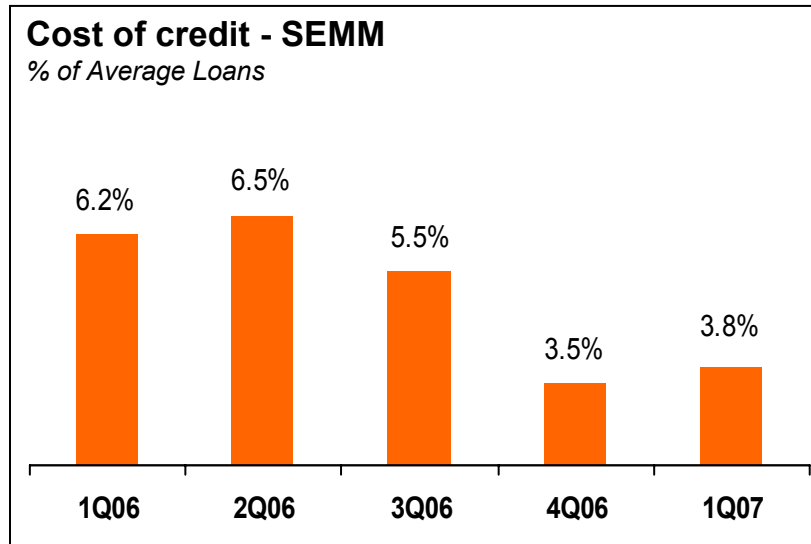
Consumer Mass Market (CMM)

- 72 CMM units are in operation as of March 2007
- Rolled out “**worksite**” model offering personal installment loans to employees
- Penetrates Adira Finance’s 1.4 million customers for cross-sell opportunities



Mass market loans grew by 71% to Rp.6,964 billion, representing 16% of the loan book

Danamon Simpan Pinjam (Mass Market)



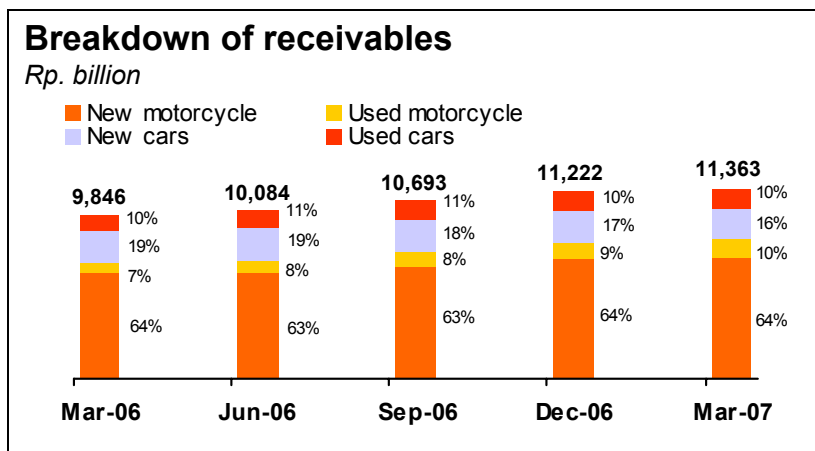
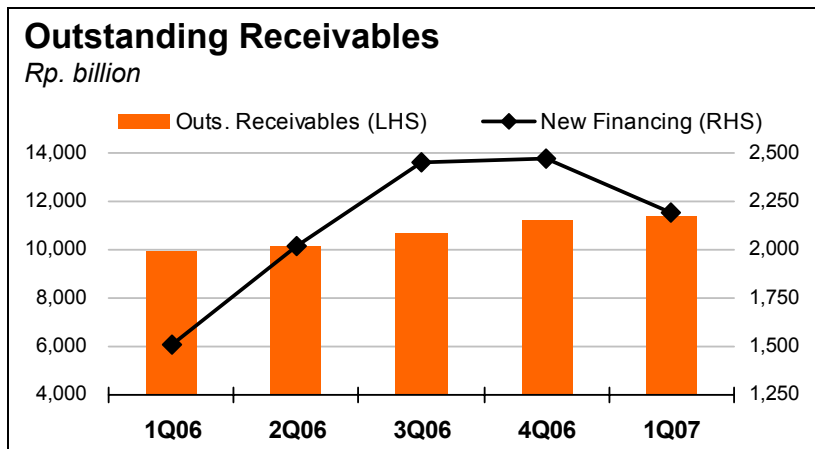
SEMM's asset quality has shown an encouraging improvement during the year

- Cost of credit has steadily declined to 3.8% on the back of strong loan growth
- 30 days past due (DPD) loans as a percentage of total loans declined to 12% as of March 2007, down from 18% a year earlier



Asset quality improved as reflected by declining NPL and cost of credit

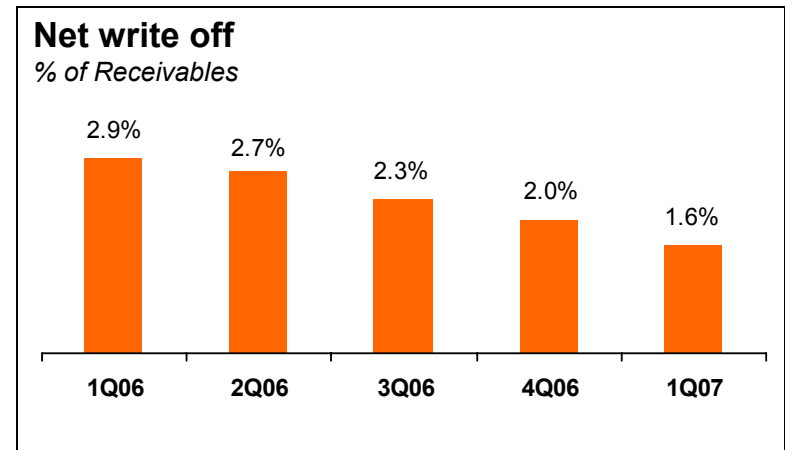
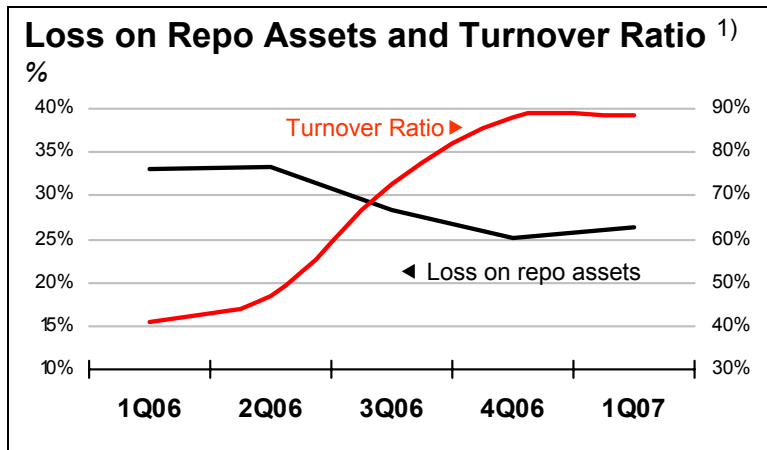
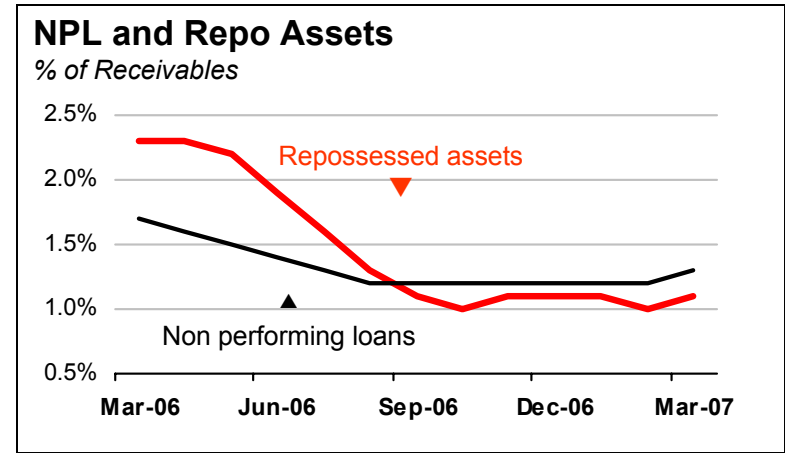
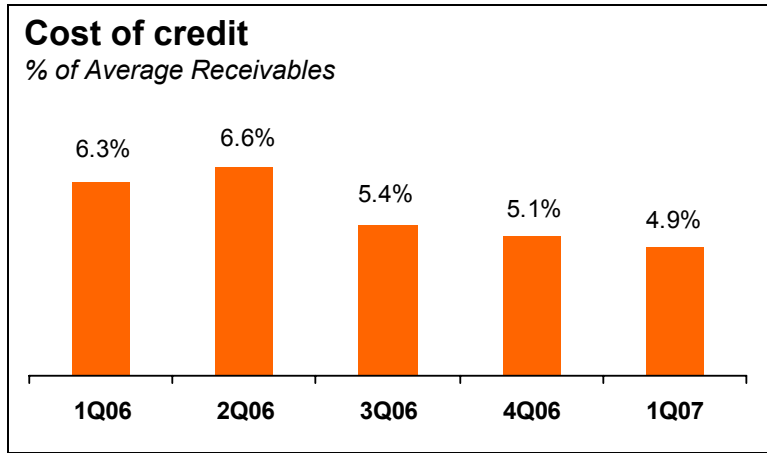
Adira Finance (consumer auto financing)



- Total receivables rose by 15% to Rp. 11,364 billion as of March 31, 2007
- Market share in new motorcycle financing units rose to 13.5% in the first quarter of 2007 as compared to 10.5% in the earlier year's period
- Cost of credit reduced to 4.9% of the average receivables from 6.3% in the earlier year's period due to lower loss on repossessed assets (LOR)
- LOR reduced to 26% from 33% in the same period last year as we managed to improve the turnover of repossessed assets inventory

New financing rose by 45% to Rp. 2,196 billion in the first quarter of 2007

Adira Finance (consumer auto financing)



Adira Finance's asset quality improved and thus cost of credit declined considerably

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

Adira Finance (consumer auto financing)

Rp. billion	1Q06	1Q07	△YoY	4Q06	1Q07	△QoQ
New Financing Units	134,024	194,240	45%	221,514	194,240	(12%)
New Financing Volume	1,513	2,196	45%	2,474	2,196	(11%)
O/S Receivables	9,922	11,364	15%	11,227	11,364	1%
Interest Income	691	813	18%	798	813	2%
Interest Expenses ¹	(353)	(273)	(23%)	(328)	(273)	(17%)
Net Interest Income	338	540	60%	469	540	15%
Fee Income ²	(9)	7	NM	83	7	(92%)
Total Opt. Income	329	547	66%	552	547	(1%)
Operating Expenses ²	(150)	(169)	13%	(183)	(169)	(8%)
Cost of Credit	(158)	(137)	(13%)	(141)	(137)	(3%)
Other Income/(Expense)	(8)	(0)	NM	(4)	(0)	(100%)
Profit before Tax	14	239	1,607%	223	239	7%
Tax	5	(75)	(1,600%)	(70)	(75)	7%
Net Income	19	165	768%	154	165	7%

¹Including internal transfer pricing charge

²Restated due to changes in accounting policy on incentive payment to the dealer

Latest Updates

Payment of Dividend



AGM on 27 March 2007 has approved the payment of 50% of its 2006 NPAT as dividend. Total dividend amounted to Rp. 663 billion or approximately Rp. 131.44 per share. The dividend payments are scheduled in June 2007

Structured Funding



- Danamon has completed the issuance of Rp. 1.5 trillion senior bonds in April 2007. The proceeds will be used to fund high yielding mass market business
- This bond issuance is a part of structured funding initiatives to partly reduce the bank's asset and liability mismatch

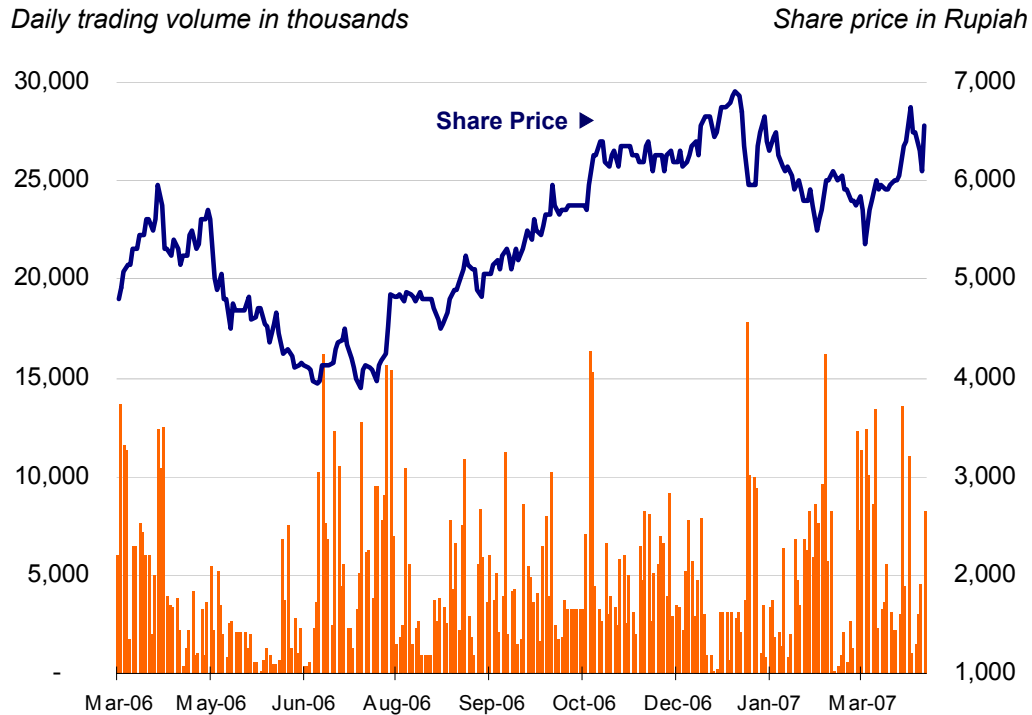
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Shareholding Structure

Daily share price and trading volume

BDMN IJ

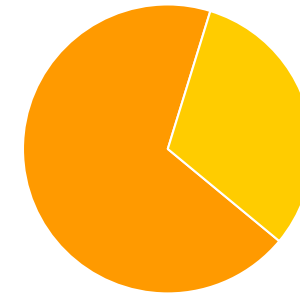


Source: Bloomberg

Shareholding Structure

As of March. 31, 2007

Asia Financial (Indonesia)
68.87%



Public
31.13%

Asia Financial (Indonesia) (AFI)

AFI is a consortium of Asia Financial Holdings (AFH) (85%) and Deutsche Bank (15%). AFH is wholly owned by Temasek Holdings

Credit Ratings

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	Long-term / Short-term Bank Deposit	B2 / Positive / Not Prime
	Bank Financial Strength	D- / Stable
	Subordinated Debt	Ba3 / Positive
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) / Positive

Thank You

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