

Analyst Briefing

First Quarter 2009 Results

Jakarta, 23 April 2009

Untuk Anda, Bisa



Successfully completing the largest Indonesia Bank Rights Issue ever

- Danamon reopened the Indonesia equity market by successfully completing the first Indonesian equity deal since September 2008
- This rights issue is a proactive capital raising to strengthen our capital position during times of uncertainty
- Overwhelmingly positive response from the market
- Best take-up rate ever seen on Asian Right Issue
- Aftermarket trading in the shares further demonstrates the success of the transaction

Agenda

- **Financial Results**

- Asset Quality

- Latest Update

Highlights of First Quarter 2009 Results

- Loans grew by 13% to Rp 63 trillion driven by mass market businesses
- Third party deposits rose by 20% to Rp 75 trillion; total funding increased by 15% to Rp 85 trillion
- LDR improved to 81.4%
- Reported NPAT amounted to Rp 393 billion
- Completed the largest banking and financial services rights issue ever conducted in Indonesia

Highlights of Income Statement

<i>Rp. billion</i>	1Q08	4Q08	1Q09	ΔQoQ	ΔYoY
Net Interest Income	1,977	2,123	2,074	(2%)	5%
Fee Income	453	412	436	6%	(4%)
Operating Income before Gain (Loss) on Sale of Marketable Securities	2,430	2,535	2,510	(1%)	3%
Gain (Loss) on Sale of Marketable Securities	(12)	1	(12)	NM	0%
Operating Income	2,418	2,536	2,498	(1%)	3%
Operating Expenses	(1,213)	(1,435)	(1,308)	(9%)	8%
Pre-Provision Operating Profit	1,205	1,101	1,190	8%	(1%)
Cost of Credit	(290)	(213)	(446)	109%	54%
Normalized Net Profit after Tax	563	570	424	(26%)	(25%)
Non Recurring Expenses ¹⁾	-	(804)	(31)	(96%)	NM
Reported Net Profit after Tax	563	(234)	393	NM	(30%)

¹⁾ Non-recurring expenses primarily comprise of actual cost and provisioning of foreign exchange forward contracts

Highlights of Balance Sheet

<i>Rp. billion</i>	1Q08	4Q08	1Q09	ΔQoQ	ΔYoY
Total Assets	92,178	107,268	104,843	(2%)	14%
Loans (gross) ¹⁾	55,917	66,898	63,317	(5%)	13%
Government Bonds	15,010	13,083	13,419	3%	(11%)
Total Deposits	61,996	75,373	74,612	(1%)	20%
Current Account ²⁾	5,884	7,103	6,567	(8%)	12%
Savings ²⁾	12,350	12,847	12,470	(3%)	1%
Time Deposit ³⁾	43,762	55,423	55,575	0%	27%
Borrowings ^{3), 4)}	8,962	9,386	10,426	11%	16%
Subordinated Debt	2,759	3,270	0	(100%)	(100%)
Equity	11,152	10,579	10,989	4%	-1%

¹⁾ Include consumer financing receivables of Adira Finance

²⁾ Reclassification Prima Dollar from current account into saving in 2007

³⁾ Reclassification FRCD from Time deposit to Borrowings in 2007

⁴⁾ Include securities sold under repo agreements and Adira Finance's bank loans and bonds

%	1Q08	4Q08	1Q09	△QoQ	△YoY
Net Interest Margin ¹⁾	11.3	10.3	10.0	(0.3)	(1.3)
Cost / Income	50.2	56.6	52.7	(3.9)	2.5
Normalized Cost of Credit ^{2, 3)}	2.0	1.2	2.6	1.4	0.6
Normalized ROAA ³⁾	2.5	2.1	1.6	(0.5)	(0.9)
Normalized ROAE ³⁾	20.7	21.9	15.5	(6.4)	(5.2)
Reported Cost of Credit	2.0	6.0	3.0	(3.0)	1.0
Reported ROAA	2.5	(0.9)	1.5	2.4	(1.0)
Reported ROAE	20.7	(9.0)	14.4	23.4	(6.3)
Loan / Deposits	89.4	86.4	81.4	(5.0)	(8.0)
Loan / Funding ⁴⁾	74.8	73.9	71.5	(2.4)	(3.3)
Capital Adequacy (Consolidated) ⁵⁾	20.8	15.4	16.9	1.5	(3.9)
Capital Adequacy (Stand Alone) ⁵⁾	19.7	13.4	15.0	1.6	(4.7)
NPL – Gross	2.3	2.3	2.9	0.6	0.6
LLP / NPL ⁶⁾	156.4	136.7	118.1	(18.6)	(38.3)

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

²⁾ Cost of credit over earning assets (exclude government securities)

³⁾ Exclude the impact of non-recurring expenses

⁴⁾ Funding include customer deposits and long-term funding

⁵⁾ After market risk charge, but before Rp. 4 trillion rights issue proceeds

⁶⁾ After taking into account collateral value of the loans

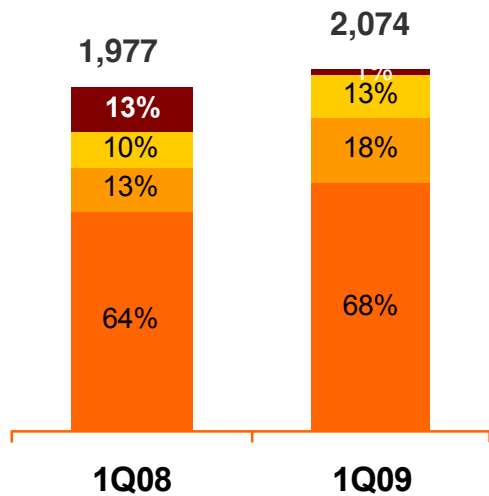


Net Interest Margin stood at 10% partly reflecting the impact of a negative carry of excess liquidity

Net Interest Income

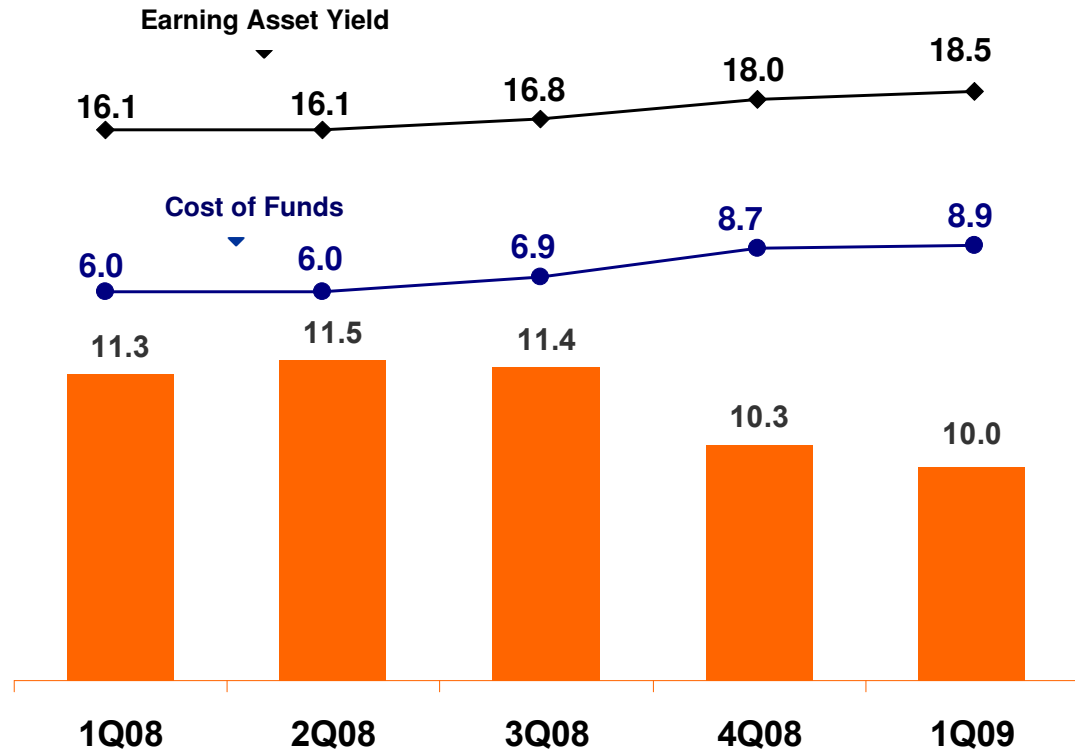
Rp. billion

- Wholesale
- SME & Commercial
- Retail
- Mass Market



Net Interest Margin

%, annualized



The carrying cost of the excess liquidity was Rp 205 billion in the first quarter of 2009

Note: the carrying cost of excess liquidity is booked in wholesale segment in the first quarter 2009

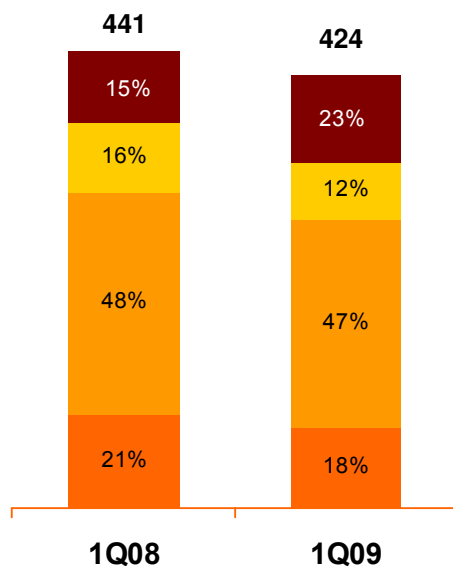
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Non-interest income contributed to 17% of operating income in the first quarter of 2009

Fee Income Rp. billion

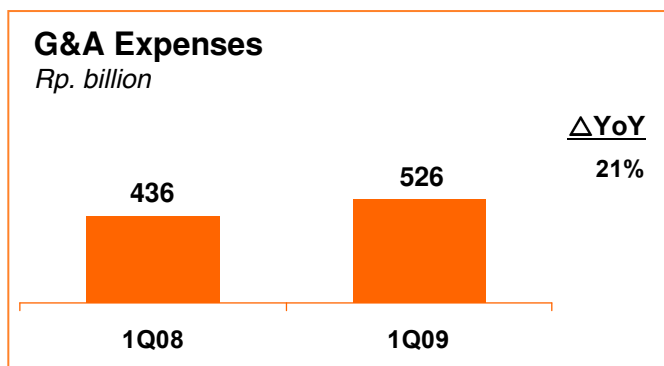
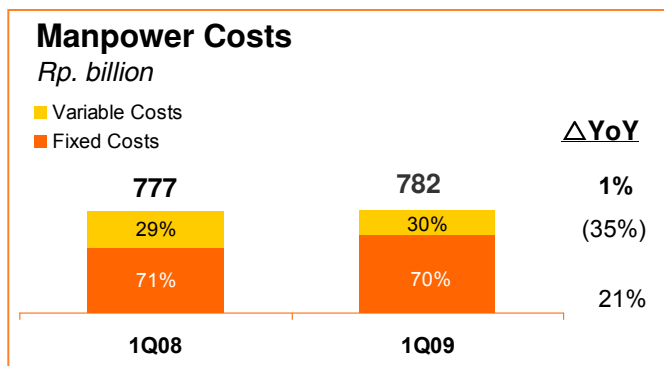
- Wholesale
- SME & Commercial
- Retail
- Mass market



Rp. billion	1Q08	4Q08	1Q09	△YoY
Fee Income	458	414	435	(5%)
Credit related fees	258	223	220	(15%)
Cash management	79	75	80	1%
Treasury products	36	38	78	117%
Adira Finance	18	33	2	(89%)
Adira Insurance	63	35	52	(17%)
Others			4	NM
Gain (loss) on sale of marketable securities	(12)	1	(12)	0%
Non-Interest Income	441	415	424	(4%)
Non Interest Income / Operating Income	18%	16%	17%	(1%)

Lower credit related fees was partly due to lower new loan disbursements

Increase in operating expenses was attributable to mass market businesses expansion



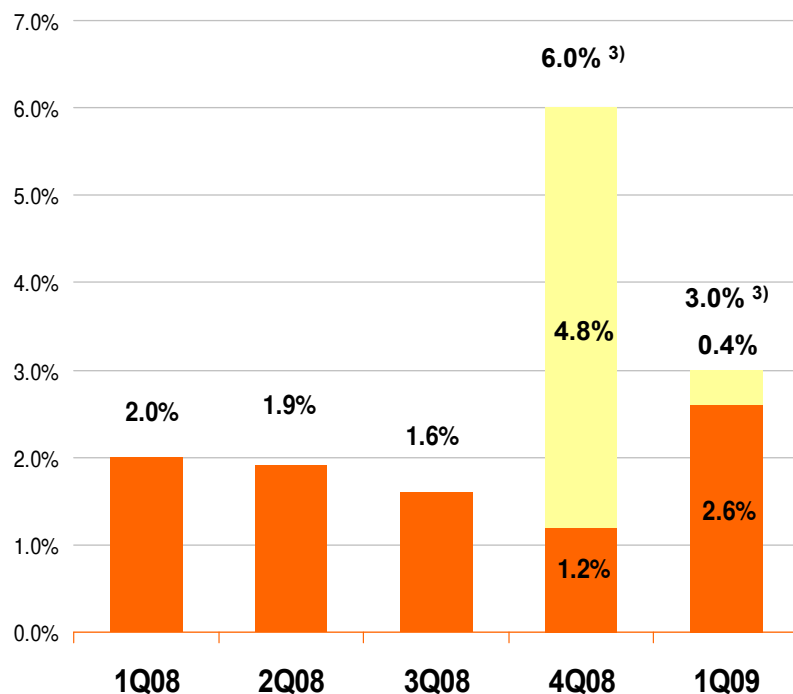
Rp billion	1Q08	4Q08	1Q09	ΔYoY
Wholesale	111	82	77	(31%)
Retail	399	497	439	10%
SME & Commercial	168	138	154	(8%)
Mass Market	535	718	638	19%
Adira Finance	233	251	236	1%
SEMM	230	352	294	28%
CMM & Quantum	72	115	108	50%
Total Operating Expenses	1,213	1,435	1,308	8%
Cost / Income	50.2%	56.6%	52.7%	2.5%

Cost to Income Ratio improved to 52.7% from 56.6% in the previous quarter



Normalized cost of credit was Rp 446 billion in the first quarter of 2009, representing 2.6% of earning assets

Cost of Credit / Avg. Earning Assets ^{1) 2)}
%, Annualized



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

²⁾ Earning assets exclude all government securities

³⁾ Reported cost of credit

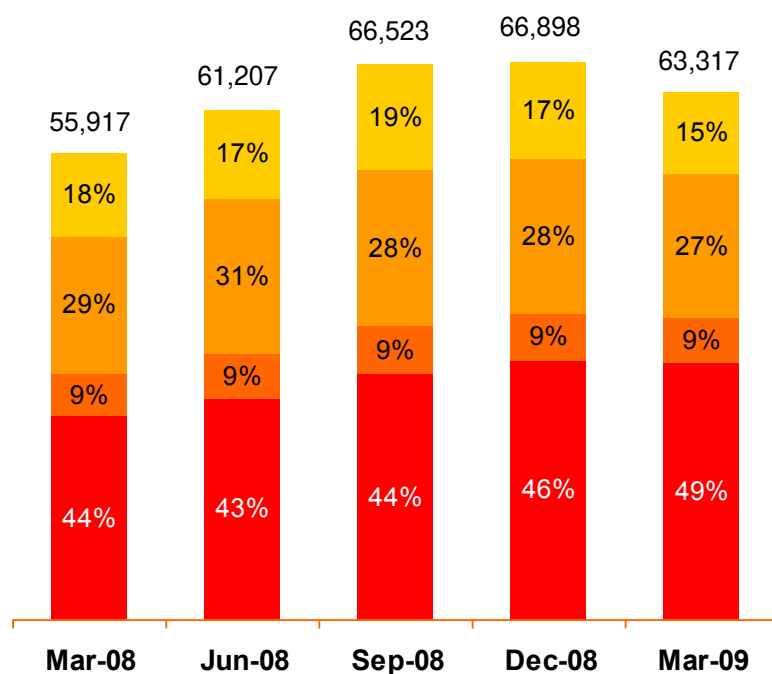
CoC by Segment	1Q08	4Q08	1Q09	ΔYoY
Normalized CoC	2.0	1.2	2.6	0.6
Wholesale	0.2	(1.4)	(0.8)	(1.0)
Mid size	0.7	0.9	1.8	1.1
Retail	1.8	1.6	2.3	0.5
Mass market	4.2	2.1	4.6	0.4
Non-recurring items	-	4.8	0.4	0.4
Reported CoC	2.0	6.0	3.0	1.0

Including non-recurring items, reported cost of credit was 3.0% in the first quarter of 2009

Loans expanded by 13% driven mainly by mass market businesses

Outstanding Loans Composition

Rp. billion



Loan Growth

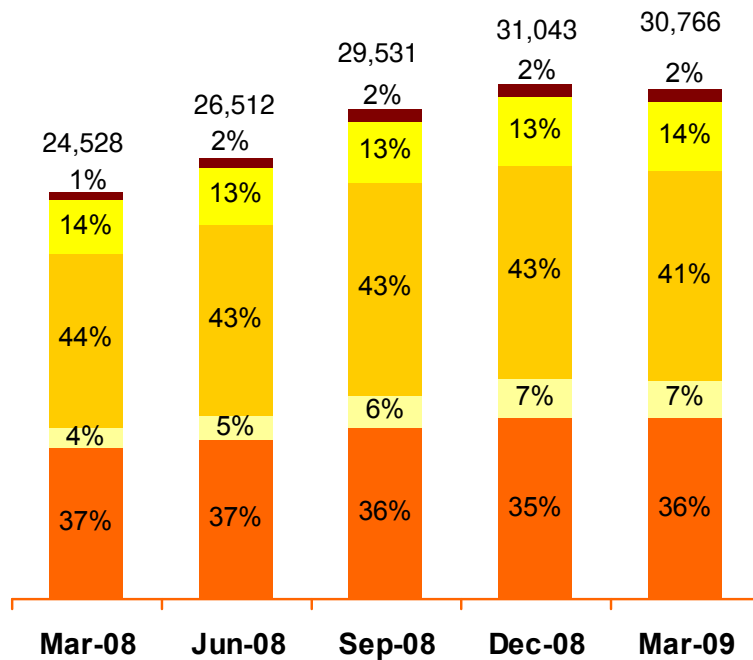
Year-on-Year

Rp. billion	1Q08	4Q08	1Q09	ΔYoY
Wholesale	9,972	11,518	9,726	(2%)
SME & Commercial	16,546	18,678	17,217	4%
Retail	4,870	5,659	5,607	15%
Mass Market	24,528	31,043	30,766	25%
Total Loans	55,917	66,898	63,317	13%

Mass market loans grew by 25% to Rp. 30,766 billion, contributing 49% of total loan book

Mass market loans grew by 25% driven by motorcycle financing and micro lending businesses

Mass Market Loan Composition Rp. billion



Loan Growth Year-on-Year

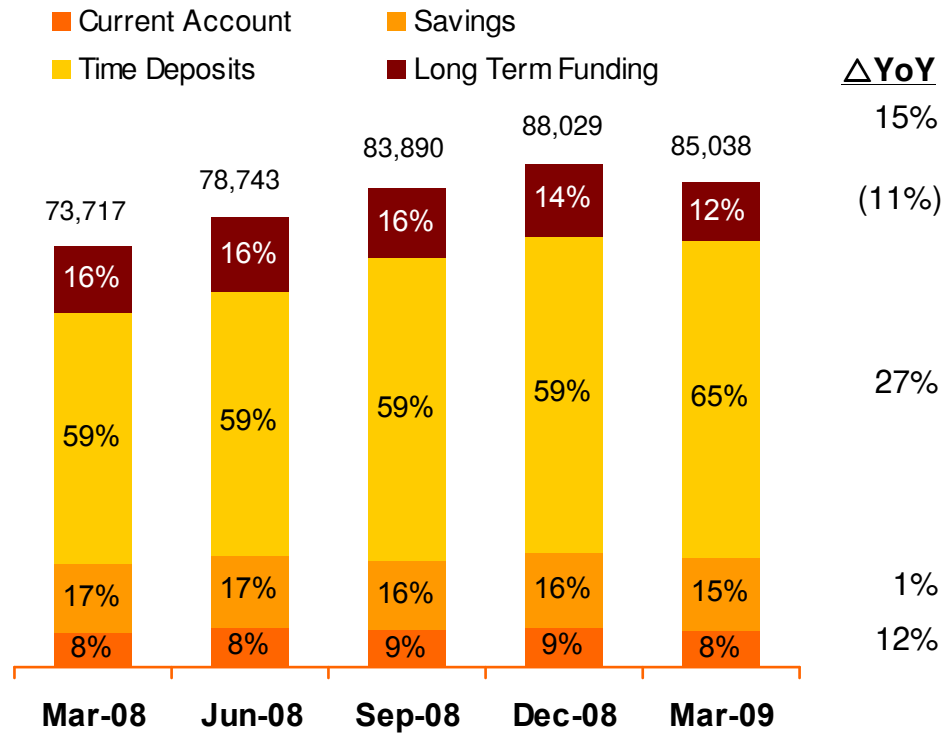
Rp. billion	Mar-08	Dec-08	Mar-09	ΔYoY
Hire Purchase ¹⁾	456	767	760	67%
Cars ²⁾	3,195	4,201	4,199	31%
Motorcycles ²⁾	10,594	12,806	12,613	19%
CMM	1,185	2,304	2,236	89%
SEMM	9,098	10,965	10,958	20%
Total	24,528	31,043	30,766	25%

Micro loans grew 20% to Rp 11 trillion, representing 17% of the bank's total loans

Total funding rose by 15% on the back of strong deposits growth

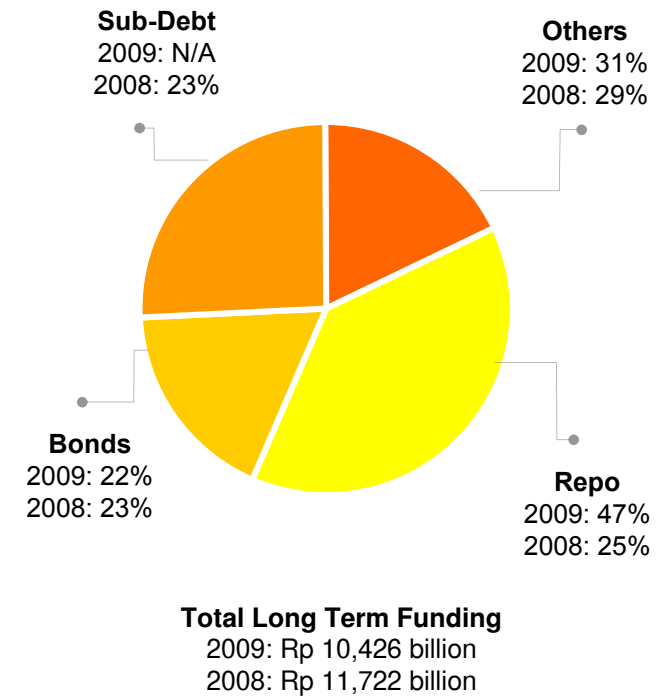
Breakdown of Interest Bearing Funds

Rp. billion



Long-Term Funding

As of March 31



Third party deposits increased by 20% primarily due to strong growth in time deposits

Agenda

- Financial Results

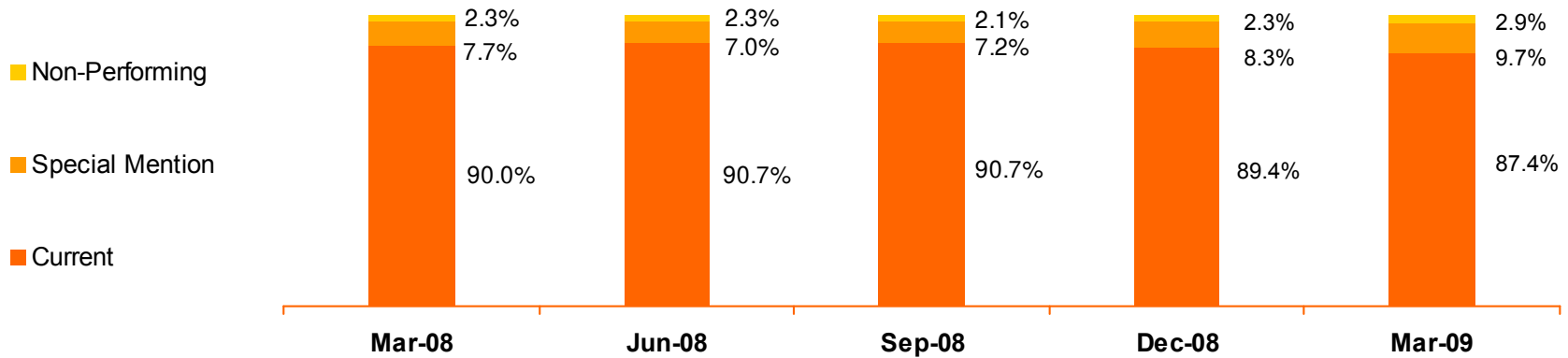
- **Asset Quality**

- Latest Update

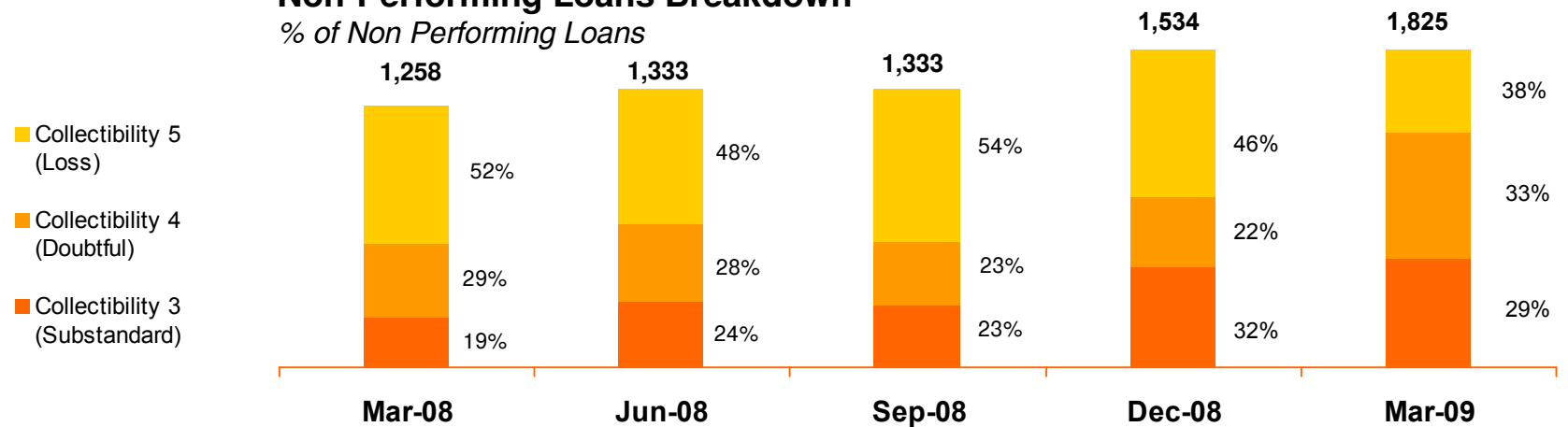


Non-performing loans ratio stood at 2.9% in the first quarter of 2009

Loan's Collectibility % of Outstanding Loans



Non-Performing Loans Breakdown % of Non Performing Loans

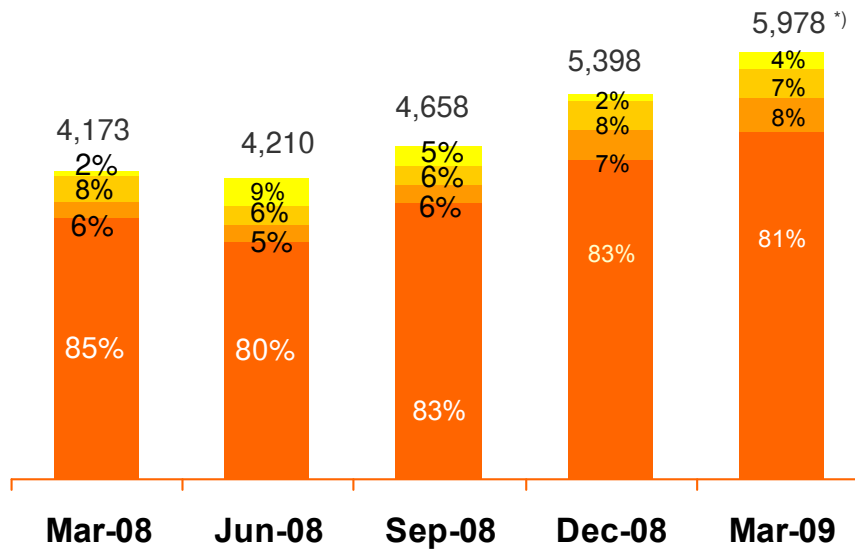




Special mention loans are mostly in DPD 1-30 days category

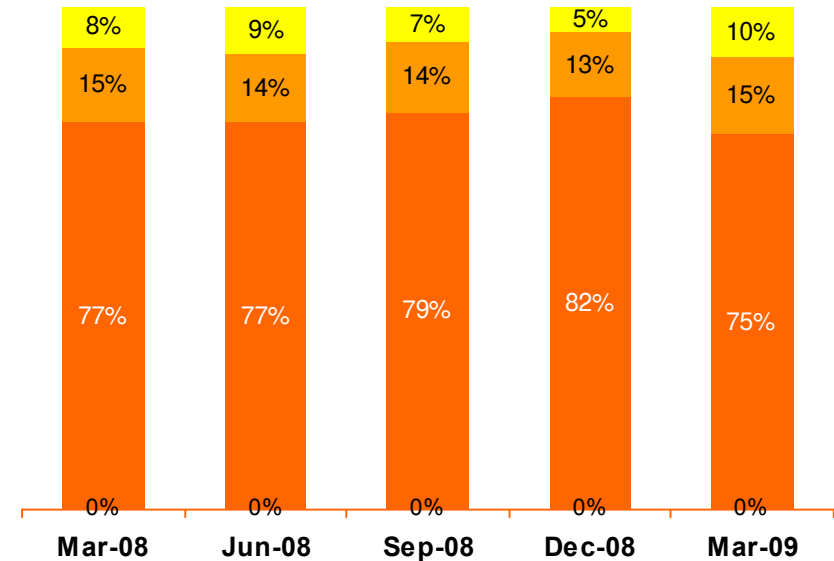
Special Mention Loans
Rp. billion

- Mass market
- Retail
- SME & Commercial
- Wholesale



Aging of Special Mention Loans
% of Special Mention Loans

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



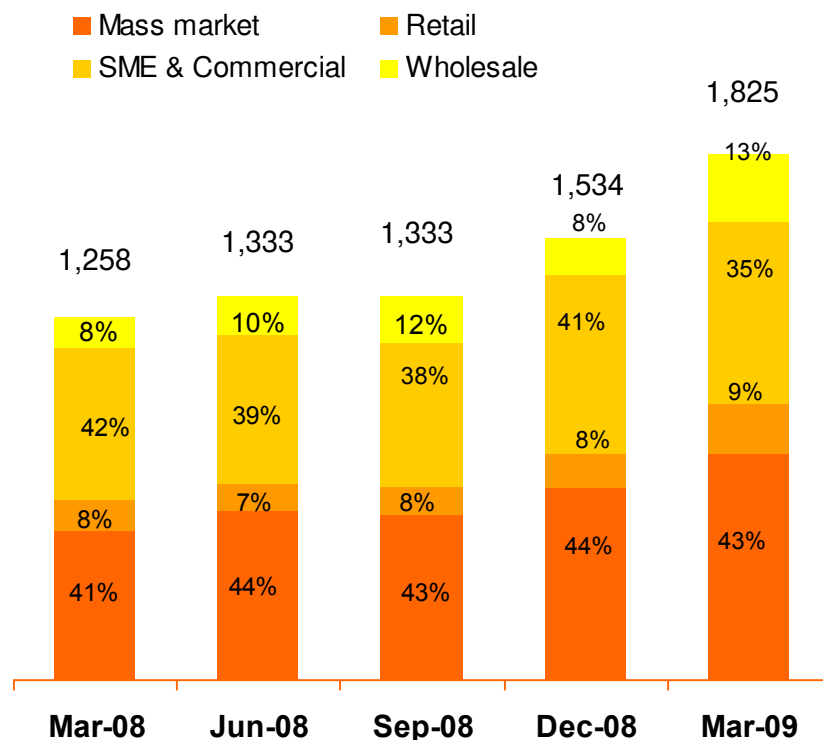
Special mention loans are mainly comprised of mass market loans

^{*)} Refer to Bappepam report March 2009

Non-performing loan increased slightly reflecting deteriorating operating environment

Non Performing Loans by Segments

Rp. billion



NPL Ratio by Segment (%)

	1Q08	4Q08	1Q09	ΔYoY
Wholesale	0.6	0.5	2.6	2.0
Mid size	3.2	3.6	3.8	0.7
Retail	2.3	2.1	2.6	0.3
Mass market	2.1	2.2	2.5	0.4
NPL - Gross	2.3	2.3	2.9	0.6

Adequate loan loss provision to cover non-performing loans

Agenda

- Financial Results

- Asset Quality

- **Latest Update**

Sub-debt repayment and rights issue

**USD 300
million sub-
debt**



We have paid off our USD 300 million subordinated debt in March 2009

**Capital
raising
through a
rights issue**



We have successfully completed the first Indonesian equity deal since September 2008 as well as the largest Indonesian bank rights issue ever in April 2009

- We issued 3.3 billion new shares and raised approximately Rp 4 trillion in equity capital
- Our rights offering received a very strong response from the market with total demand of over 110% of the offer size
- On a pro forma basis, consolidated CAR would improve to 22.70% as of March 31, 2009

The exercise of Adira call option and AGMS

Exercise of Adira Finance Call Option

We intend to exercise our option to buy the remaining 20% stake of Adira Finance with the following considerations:

- Support the bank's strategic direction in expanding high margin businesses
- The purchase of 20% stake is accretive to earning in 2010 (after taking into account the amortization of goodwill)
- ADMF's business is highly profitable with ROE ranging from 31% to 46% over the past 4 years

AGMS / EGMS

- We schedule our annual general meeting of shareholders on 25 May 2009 with agenda among others:
 - To approve the bank's annual report for financial year 2008.
 - To approve the distribution of 50% of the bank's net profit as dividend
 - To approve changes in the Board of Directors
- We also schedule an extraordinary general meeting of shareholders on 25 May 2009 to seek approval from our shareholders to buy the remaining 20% stake of Adira Finance

We have significantly reduced exposure to foreign currency forward contracts (TARN) to USD 12 million

Unwound contracts	
Number of customers	32

Outstanding contracts	
Number of customers	23

As of March 30, 2009

# of customers	30
Receivables	Rp 2.2 tn
Provision	Rp 1.1 tn

# of customers	15
Net notional amount	USD 116 mn
Mark-to-market	USD 23 mn
Provision	USD 3 mn

As of April 22, 2009

# of customers	30
Receivables	Rp 2.3 tn
Provision	Rp 1.1 tn

# of customers	14
Net notional amount	USD 72 mn
Mark-to-market	USD 12 mn
Provision	USD 3 mn

The average tenor of the outstanding contracts is 6 months



Thank You

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