

Analyst Briefing Third Quarter 2009 Results

Jakarta, 20 October 2009

Agenda

- **Third Quarter 2009 Performance**

- **Financial Results**

- Asset Quality

- Business Update

- Latest Update

- Appendix

Highlights of Third Quarter 2009 Results

- Mass market loans grew 11% to Rp.33 trillion and contributed to 53% of total loan book
- Saving Account increased 19% to Rp.14 trillion
- Operating Income increased 6% QoQ to Rp.3,025 billion
- Reported NPAT rose 4% QoQ to Rp.495 billion
- Net Interest Margin improved to 13.1%
- Consolidated CAR stood at 20.9%

Highlights of Income Statement

<i>Rp. billion</i>	9M08	9M09	ΔYoY	1Q09	2Q09	3Q09	ΔQoQ
Net Interest Income	6,231	6,898	11%	2,074	2,345	2,479	6%
Non-Interest Income	1,466	1,459	(1%)	411	502	546	9%
Operating Income	7,697	8,357	9%	2,485	2,847	3,025	6%
Operating Expenses	(4,051)	(4,155)	3%	(1,308)	(1,397)	(1,450)	4%
Pre-Provision Operating Profit	3,646	4,202	15%	1,177	1,450	1,575	9%
Cost of Credit	(863)	(1,599)	85%	(446)	(492)	(660)	34%
Normalized Net Profit after Tax	1,763	1,649	(6%)	424	598	629	5%
Extraordinary Items (after Tax) ¹	-	(284)	NM	(31)	(121)	(134)	11%
Reported Net Profit after Tax	1,763	1,365	(23%)	393	477	495	4%

¹ Comprise of cost of unwound foreign exchange forward contracts and provisioning of the outstanding contracts

Highlights of Balance Sheet

<i>Rp. billion</i>	9M08	9M09	ΔYoY	1Q09	2Q09	3Q09	ΔQoQ
Total Assets	103,462	100,128	(3%)	104,843	98,888	100,128	1%
Loans (gross)	66,523	62,145	(7%)	63,317	61,586	62,145	1%
Government Bonds	12,754	11,743	(8%)	13,419	13,175	11,743	(11%)
Total Deposits	71,709	69,185	(4%)	74,612	67,696	69,185	2%
Current Account	6,366	7,078	11%	6,567	6,993	7,078	1%
Savings	12,207	14,473	19%	12,470	13,189	14,473	10%
Time Deposit	53,136	47,634	(10%)	55,575	47,514	47,634	0%
Borrowings	12,181	8,773	(28%)	10,715	9,139	8,773	(4%)
Equity	10,896	15,619	43%	10,989	14,917	15,619	5%

Key Ratios

%	9M08	9M09	ΔYoY	1Q09	2Q09	3Q09	ΔQoQ
Net Interest Margin	11.4	11.5	0.1	10.0	11.5	13.1	1.6
Cost / Income	52.6	49.7	(2.9)	52.7	49.1	47.9	(1.2)
Normalized Cost of Credit ^{1, 2}	1.8	3.2	1.4	2.6	3.0	4.1	1.1
Normalized ROAA ²	2.4	2.1	(0.3)	1.6	2.3	2.5	0.2
Normalized ROAE ²	22.5	16.5	(6.0)	15.5	16.5	17.4	0.9
Reported Cost of Credit	1.8	4.0	2.2	3.0	3.9	5.1	1.2
Reported ROAA	2.4	1.8	(0.6)	1.5	1.9	2.0	0.1
Reported ROAE	22.5	13.7	(8.8)	14.4	13.1	13.7	0.6
Loan / Funding ³	77.4	76.3	(1.1)	71.5	77.3	76.3	(1.0)
Loan / Deposit	90.7	86.1	(4.6)	81.4	87.6	86.1	(1.5)
Capital Adequacy (Consolidated)	16.6	20.9	4.3	16.9	22.6	20.9	(1.7)
Capital Adequacy (Stand Alone)	14.8	18.2	3.4	15.0	21.2	18.2	(3.0)
NPL – Gross	2.1	4.0	1.9	2.9	3.5	4.0	0.5
LLP / Loan	2.7	3.2	0.5	2.7	3.0	3.2	0.2

¹ Cost of credit over average earning assets (excluding government securities)

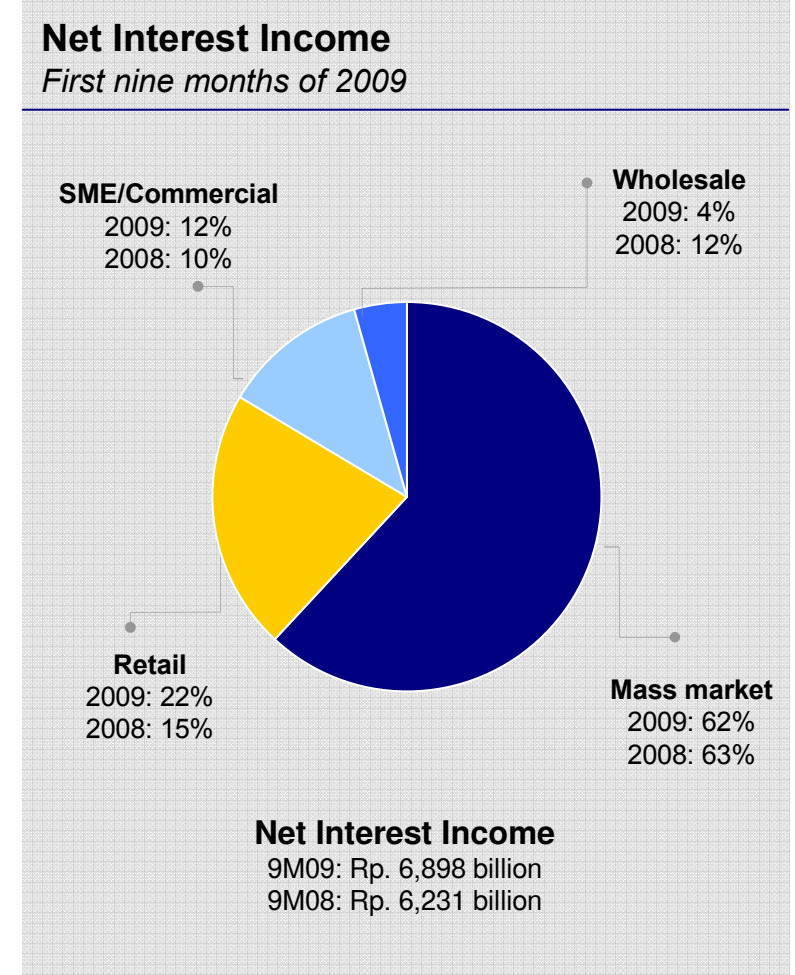
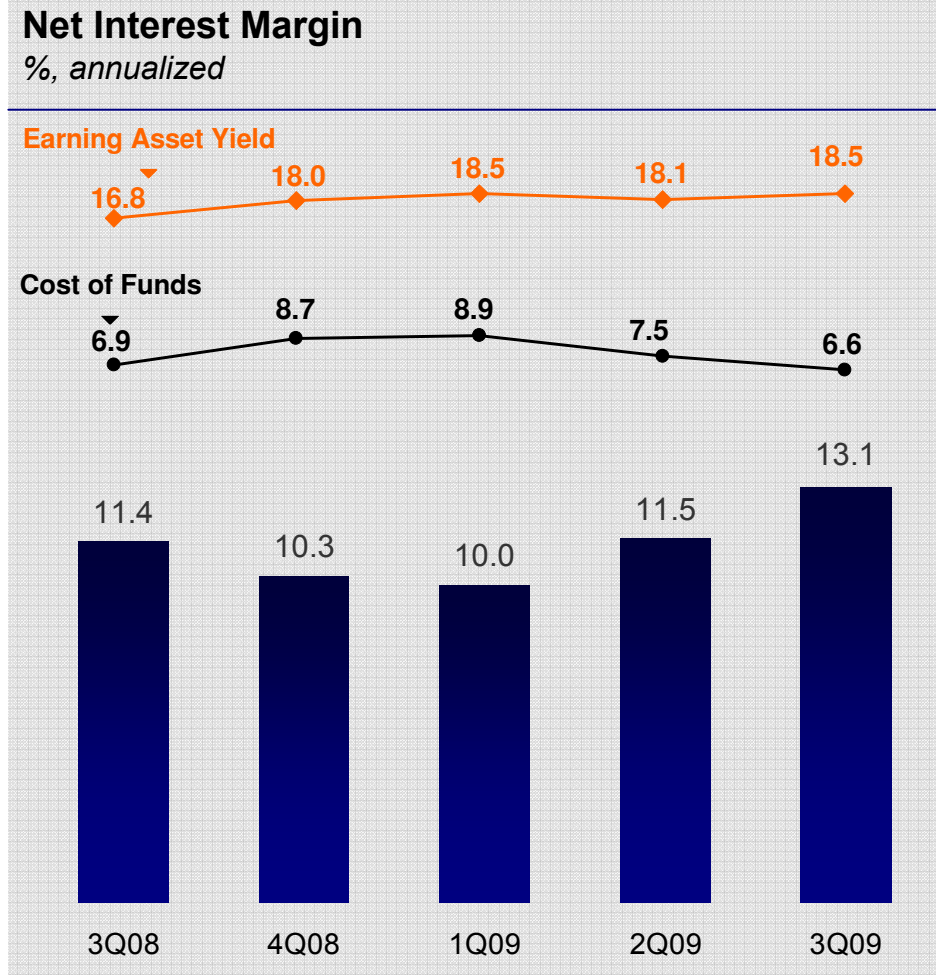
² Exclude the impact of extraordinary items

³ Funding include long-term funding

Slide 6

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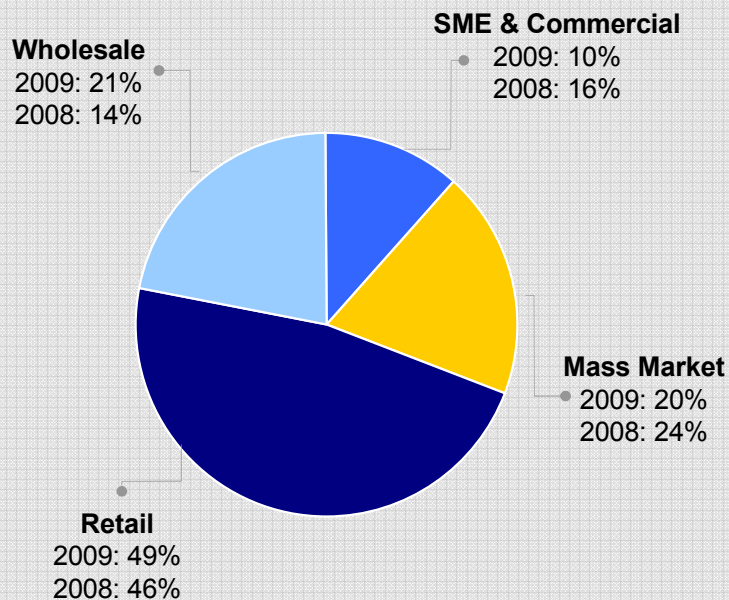
NIM improved to 13.1% in the third quarter due to lower cost of funds



Non-interest income contributed to 18% of operating income in the first nine months

Non-Interest Income by Segment

First nine months of 2009

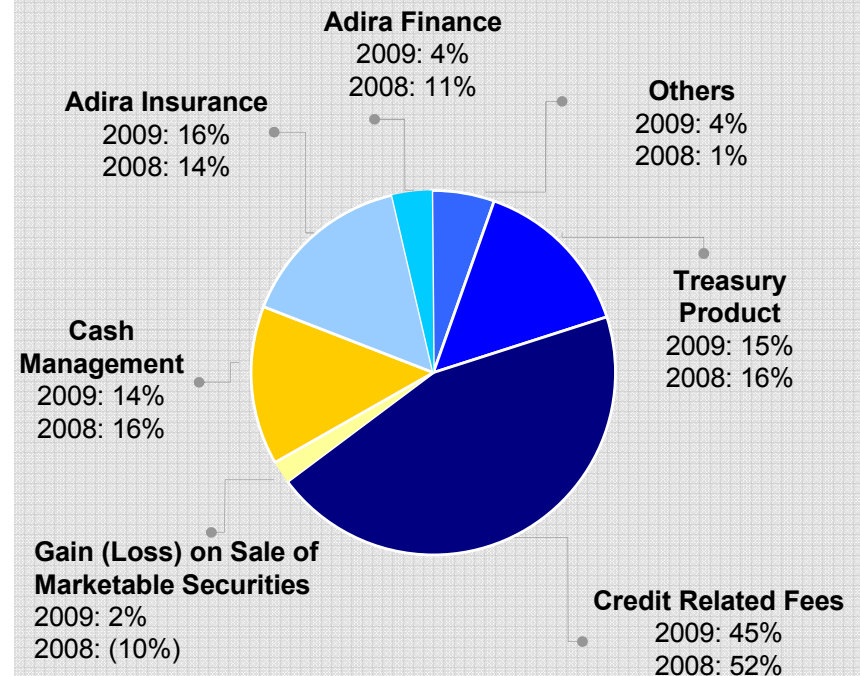


Non-Interest Income

9M09: Rp. 1,459 billion
9M08: Rp 1,466 billion

Non-Interest Income by Type

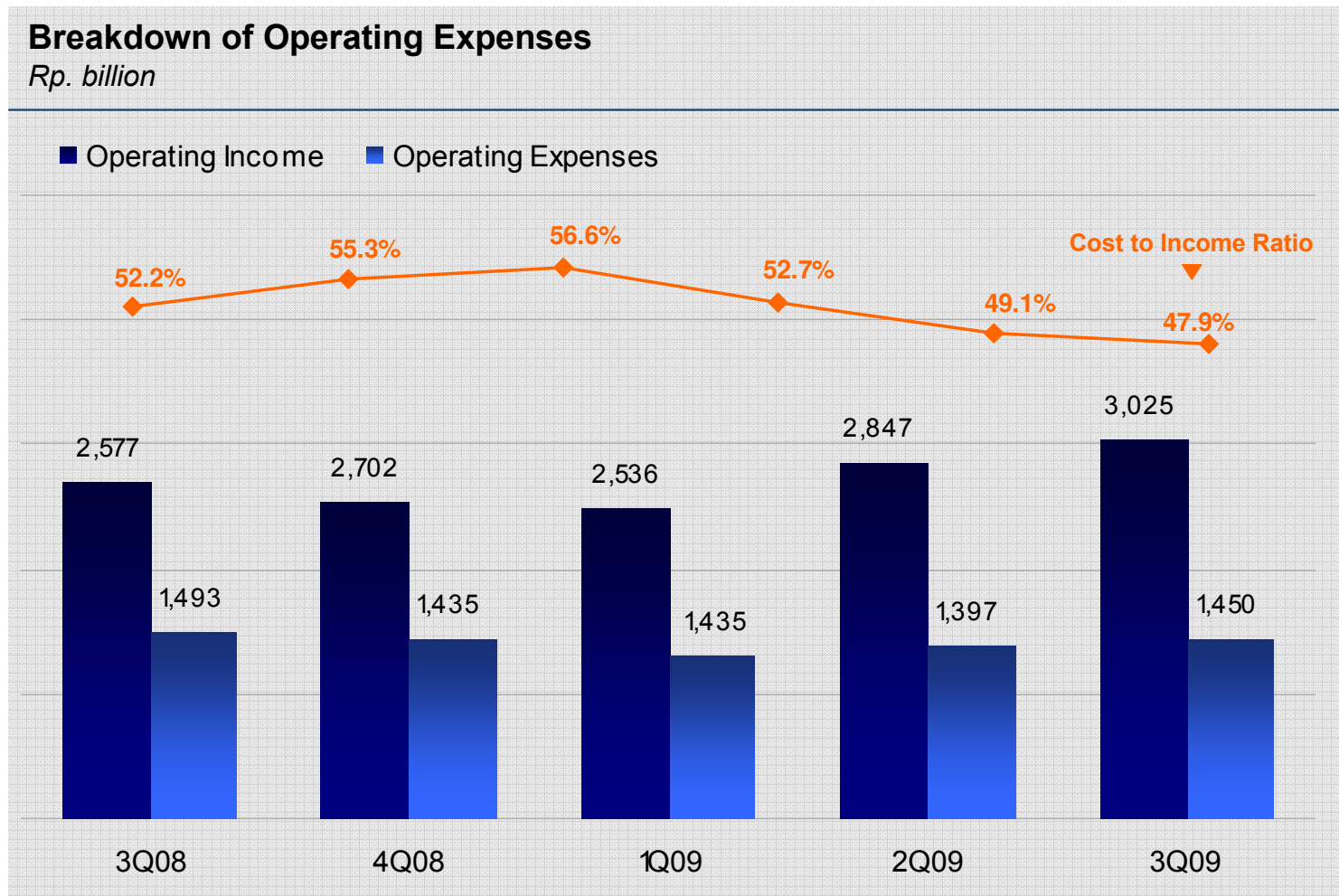
First nine months of 2009



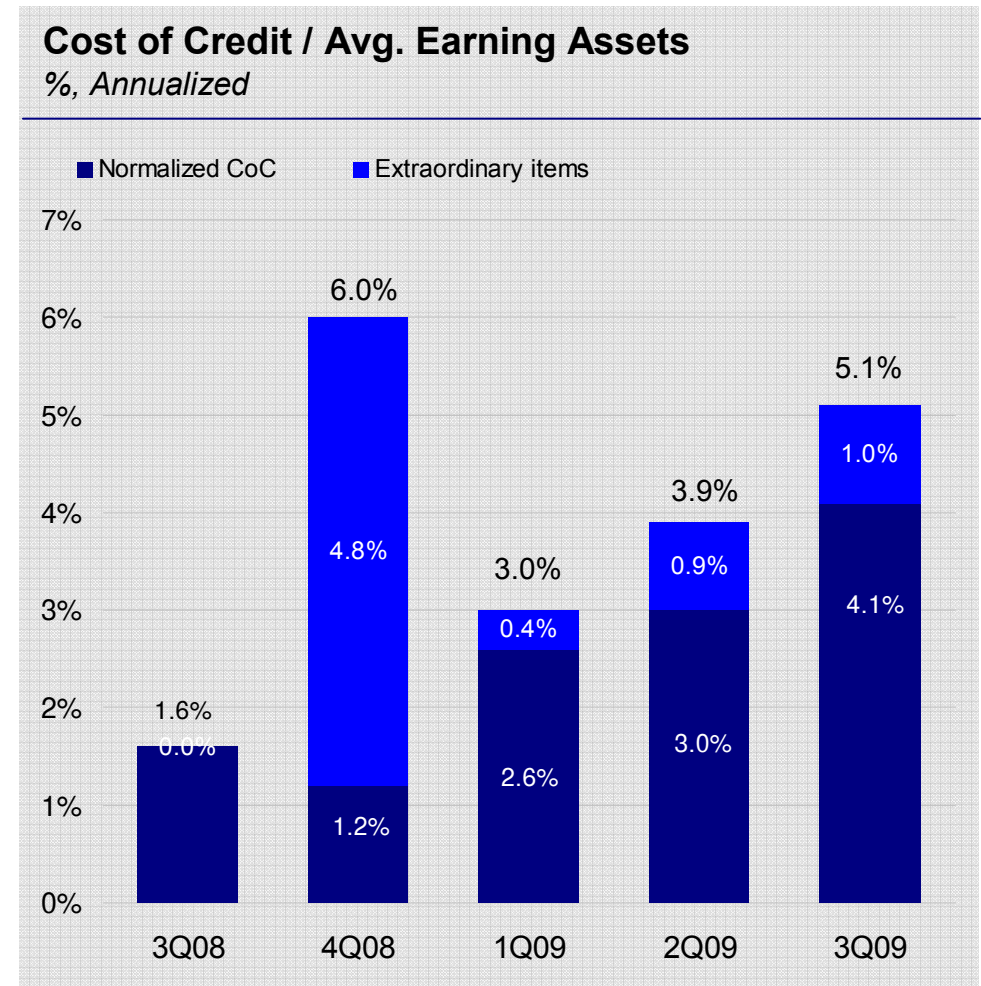
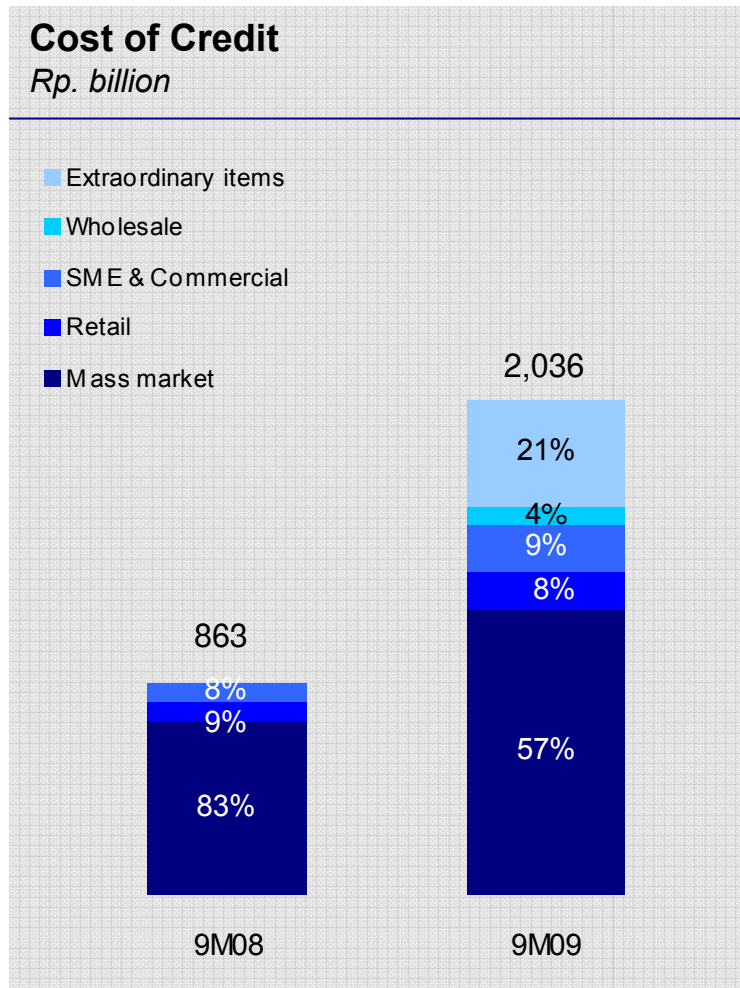
Non-Interest Income

9M09: Rp. 1,459 billion
9M08: Rp 1,466 billion

Cost to Income Ratio improved to 47.9% in the third quarter, reflecting expenses discipline



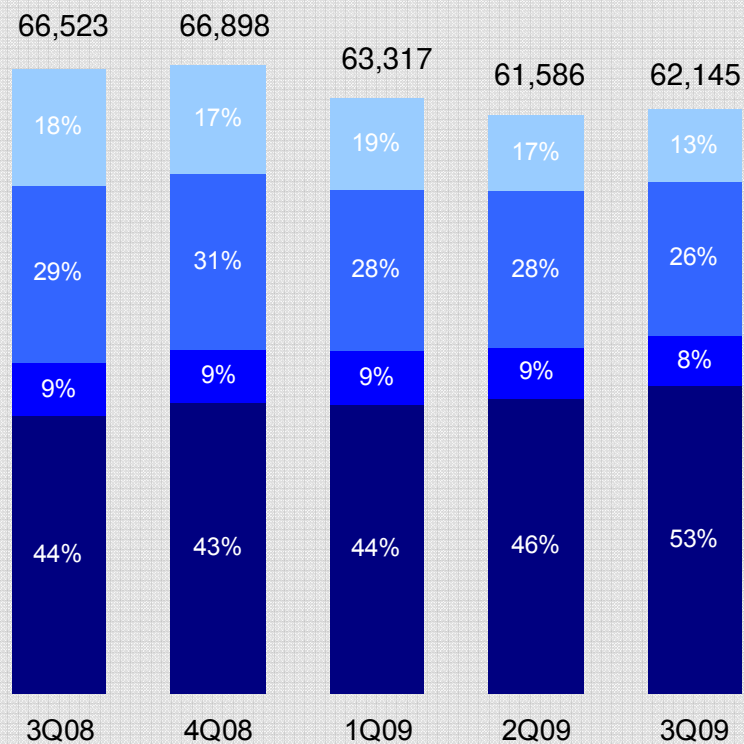
Normalized cost of credit was Rp.1,599 billion,
representing 3.2% of earning assets



Total loans reached Rp.62 trillion on the back of growing mass market loans

Loan Composition

Rp. billion



Loan Growth

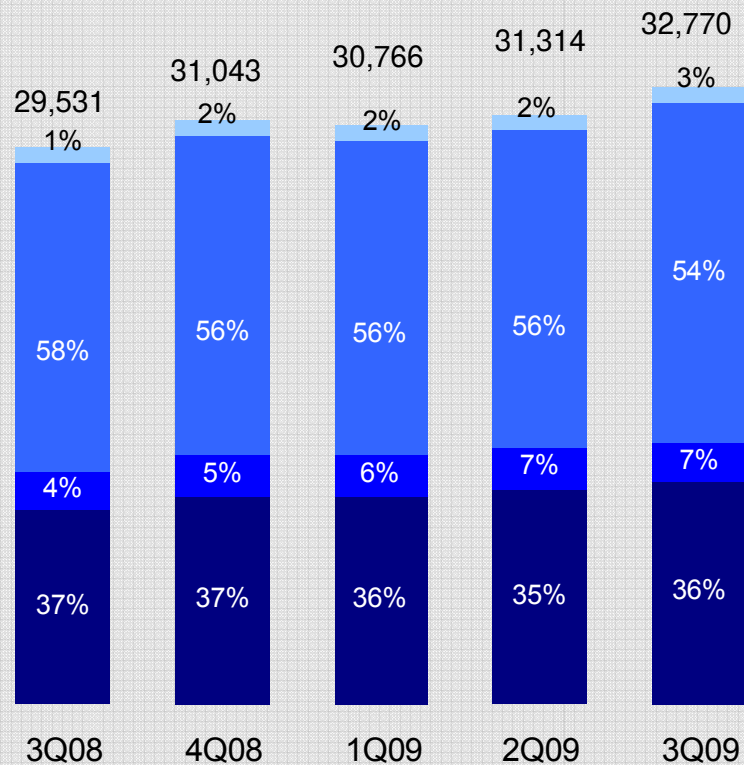
Year-on-Year

Rp. billion	9M08	9M09	ΔYoY	
			Rp.bn	%
Wholesale	12,490	7,755	(4,735)	(38%)
SME & Commercial	18,792	16,377	(2,415)	(13%)
Retail	5,710	5,242	(468)	(8%)
Mass Market	29,531	32,770	3,239	11%
Total	66,523	62,145	(4,378)	(7%)

Mass market loans grew by 11% driven by micro lending and auto financing businesses

Mass Market Loan Composition

Rp. billion



Mass Market Loan Growth

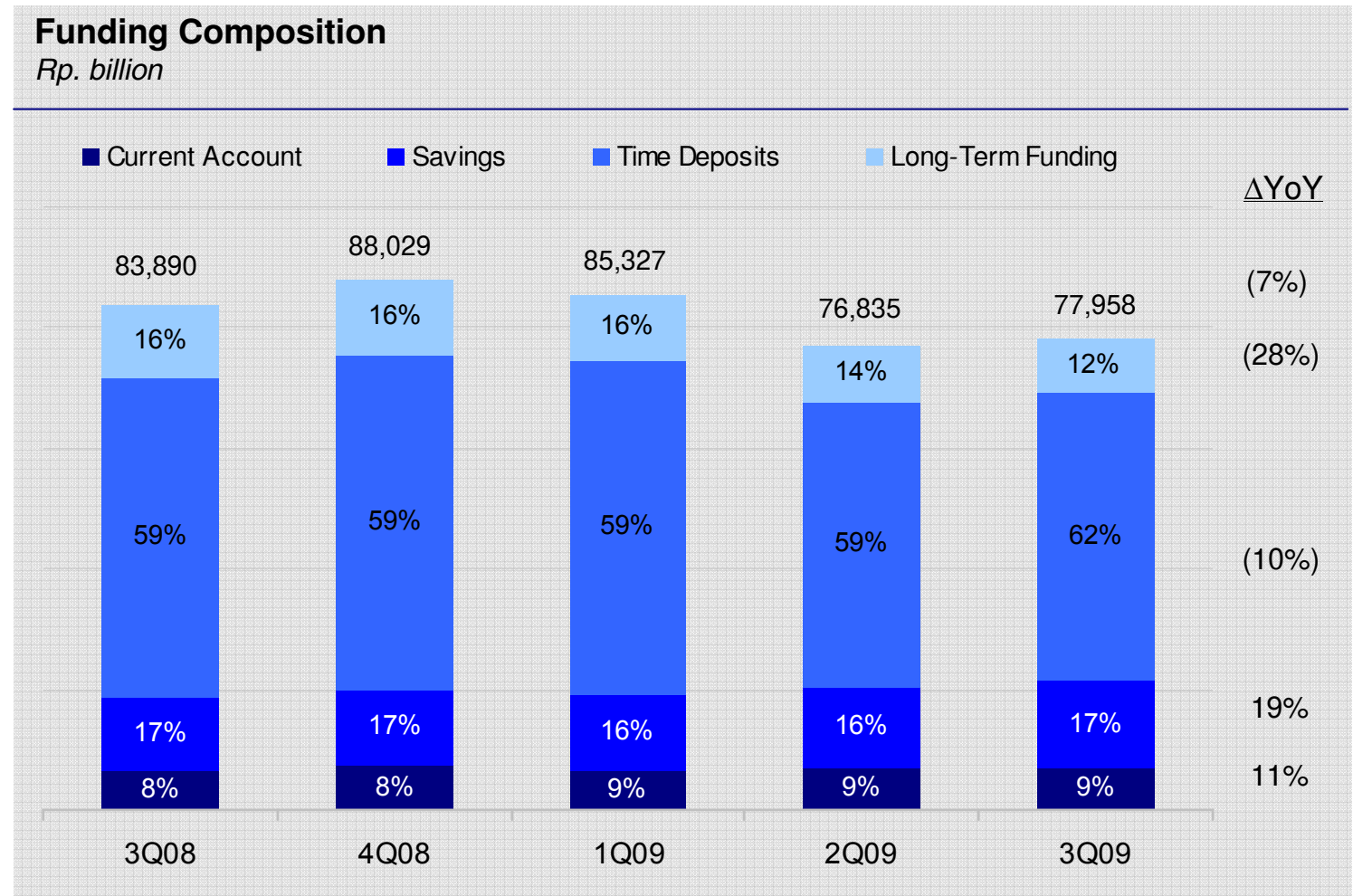
Year-on-Year

Rp. billion	9M08	9M09	ΔYoY	
			Rp.bn	%
Adira Quantum ¹	736	857	121	16%
Adira Finance ²	16,468	17,945	1,477	9%
CMM	2,049	2,116	67	3%
SEMM (DSP)	10,278	11,852	1,574	15%
Total	29,531	32,770	3,239	11%

¹ Hire purchase financing

² Motorcycles and cars financing

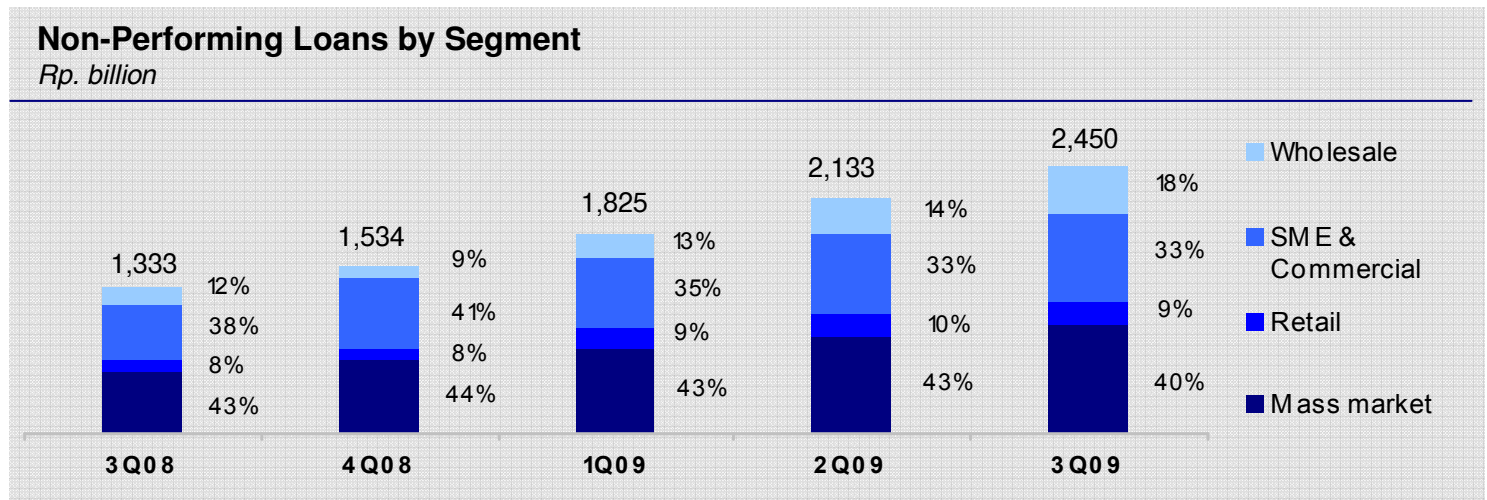
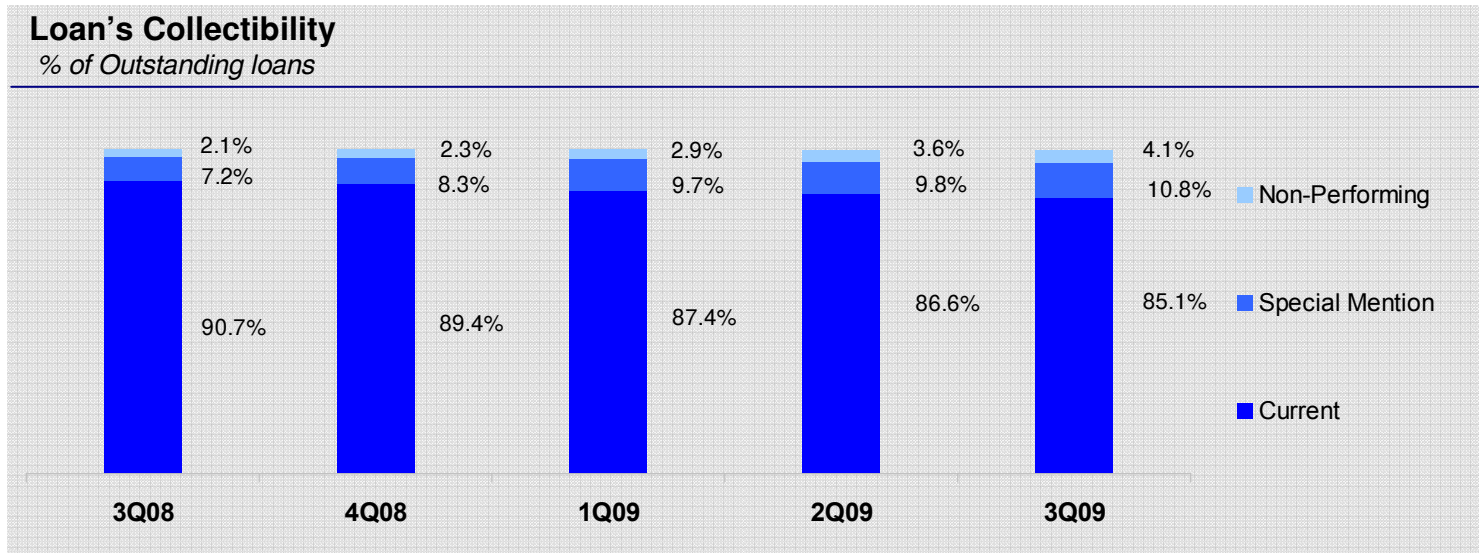
Total deposits increased by 2% to Rp.69 trillion and contributed to 89% of total funding



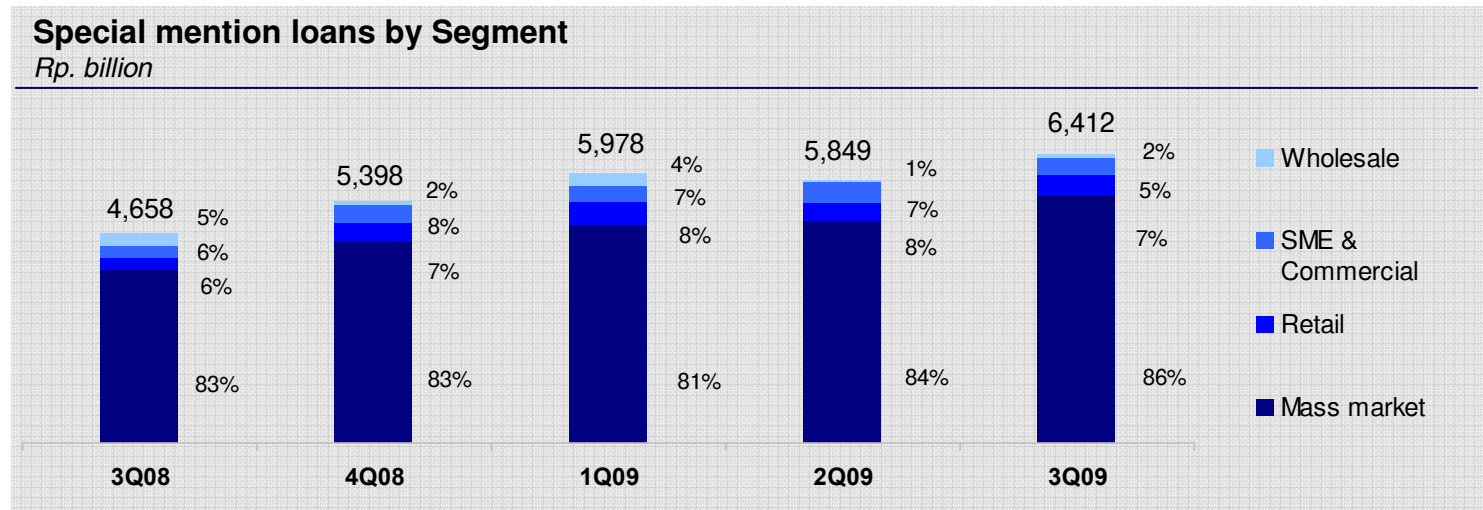
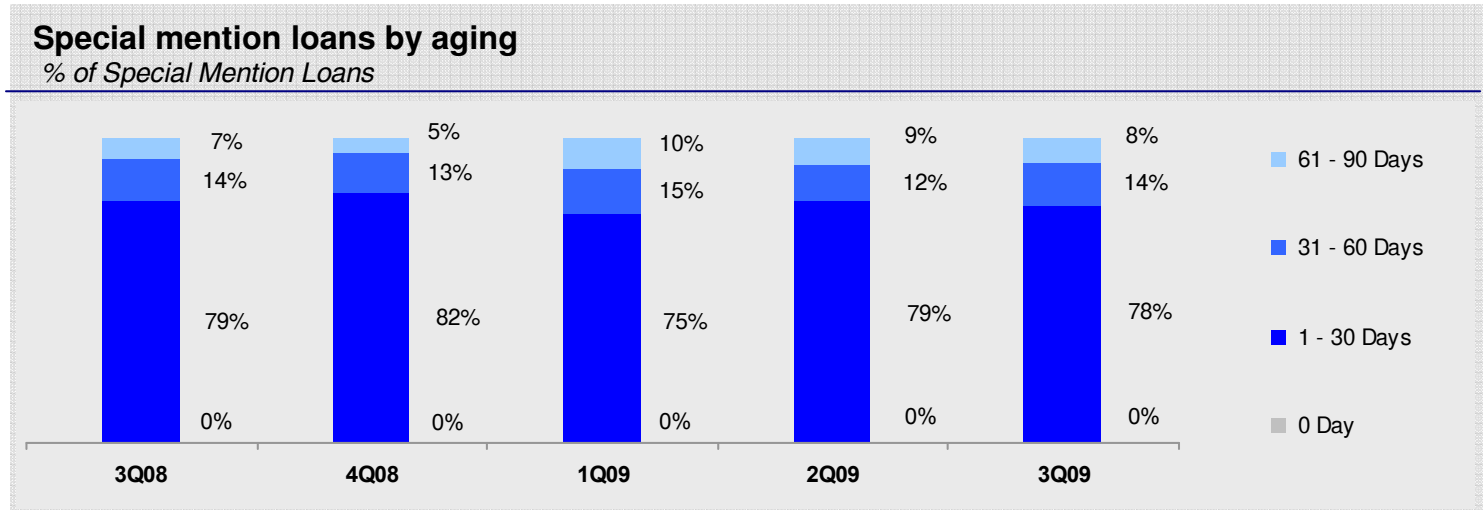
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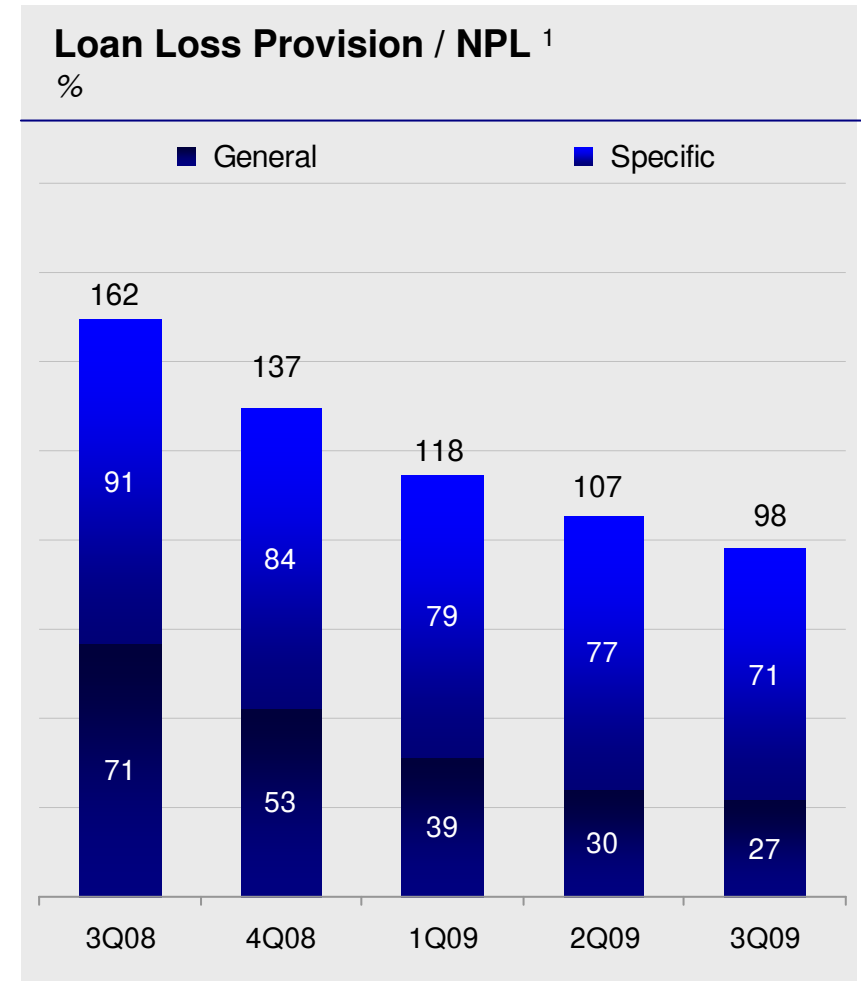
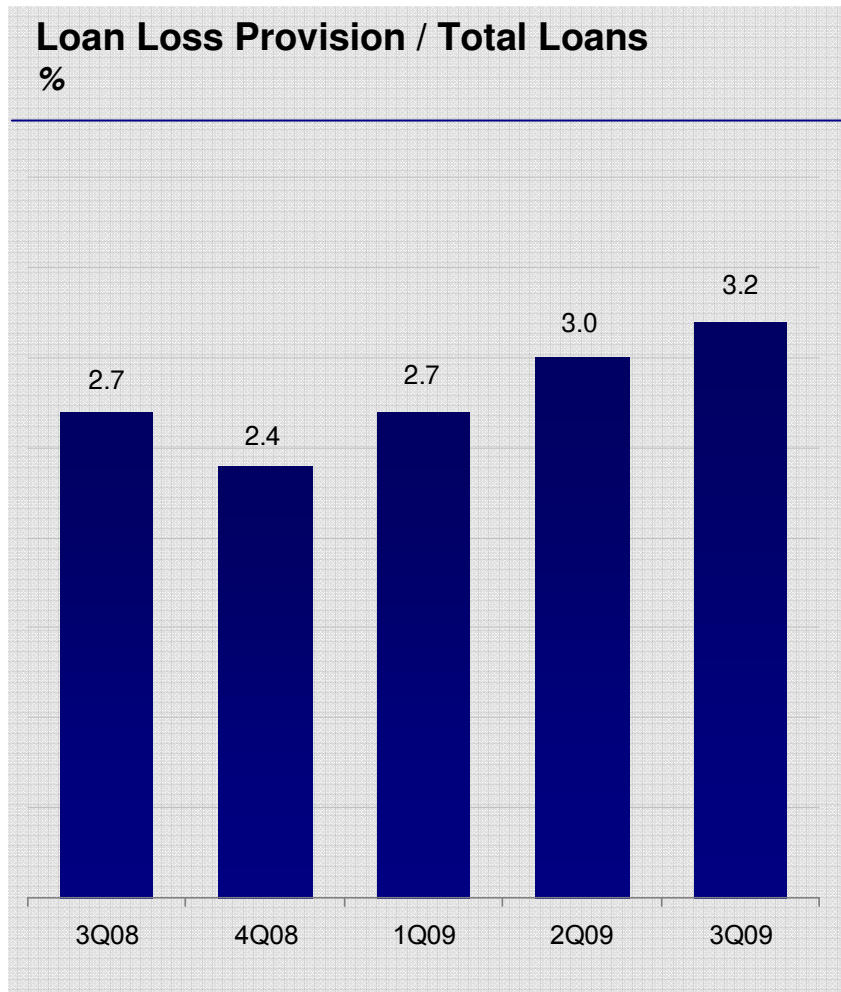
Non-performing loans



Special mention loans



Adequate loan loss provision to cover non-performing loans



¹ After taking in to account the collateral value of Corporate, Commercial, SME and Mortgage loans

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SEMM also known as Danamon Simpan Pinjam (DSP) was established in 2004 to serve and help micro and small scale enterprises to gain better access to banking services.

Wet Market Model

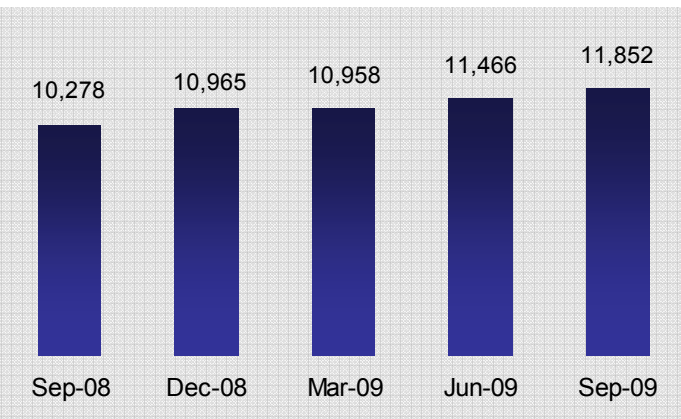
- Operates 801 DSP Units to serve big wet markets and 200 Mobile Units to serve smaller markets and employs around 7,090 personnel
- Extended Rp.10,690 billion loans as of September 2009, an increase of 11% from the same period prior year.

Supply Chain Model

- Introduced in July 2007 to serve traders in the low-end of the supply chain
- Operates 246 Sales Offices with more than 1,531 staffs
- Extended Rp.1,162 billion in loans as of September 2009

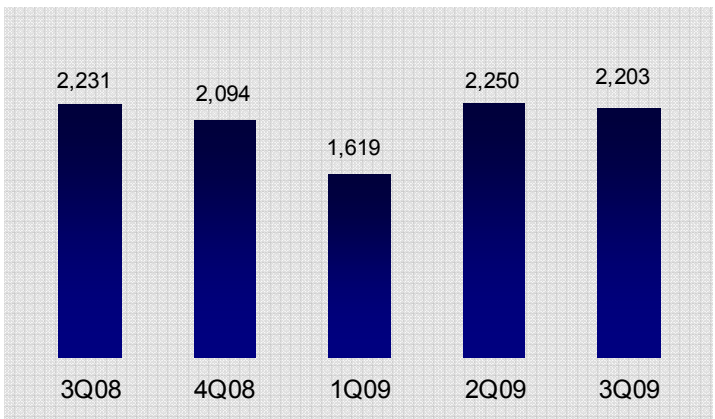
Outstanding Loans

Rp. billion



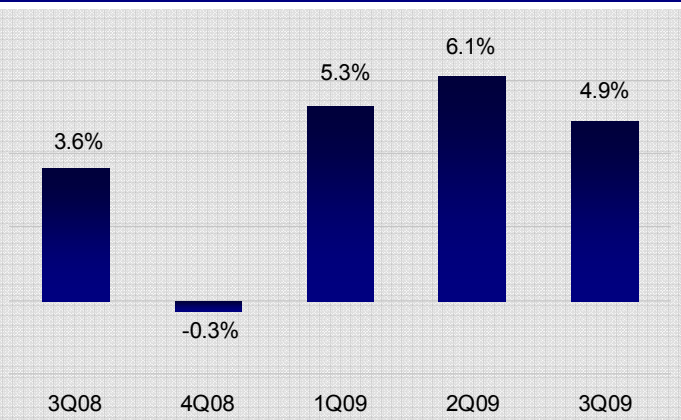
New loans

Rp. billion



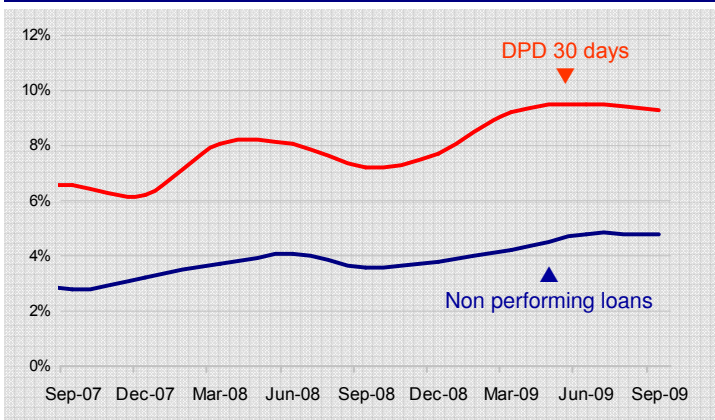
Cost of credit

% of Average Loans, annualized



DPD 30+ Days and NPL Ratio

% of Outstanding loans



Background

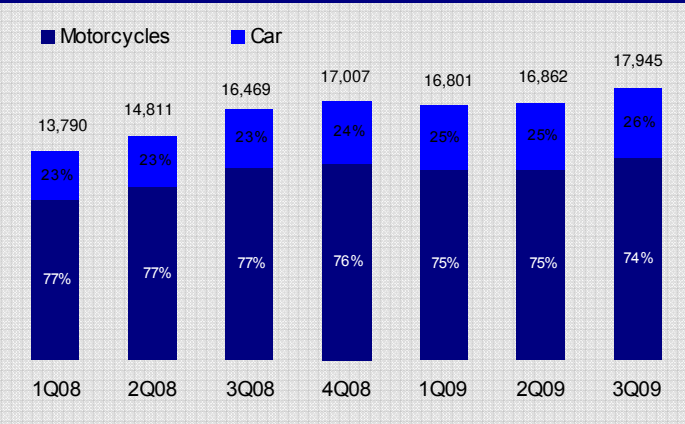
- The bank's consumer auto financing business interest is managed through a 95% owned subsidiary, Adira Finance.
- Adira Finance provides financing to consumers to purchase new and used motorcycles as well as new and used cars.
- It operates a branch network of 311 outlets in more than 170 cities throughout the country.

Business Update

- New financing was Rp.10 trillion in the first nine months, a decrease of 6% from same period last year due to a significant drop in industry's auto sales and tightened underwriting criteria
- As such, market share in new motorcycle financing stood at 13.0% in first nine months as compared to 13.8% in the previous year period.

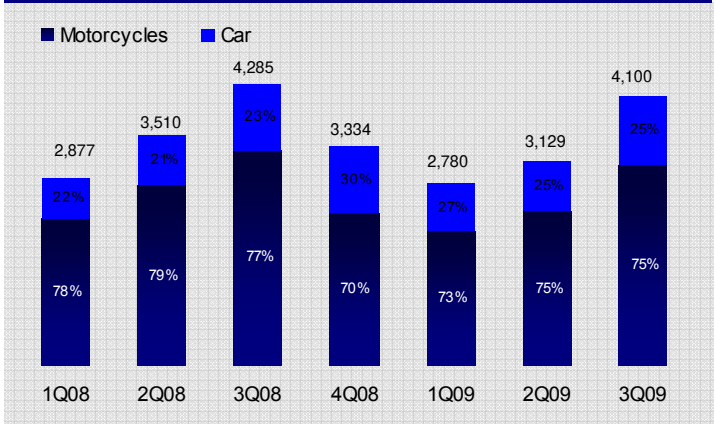
Outstanding Receivables

Rp. billion



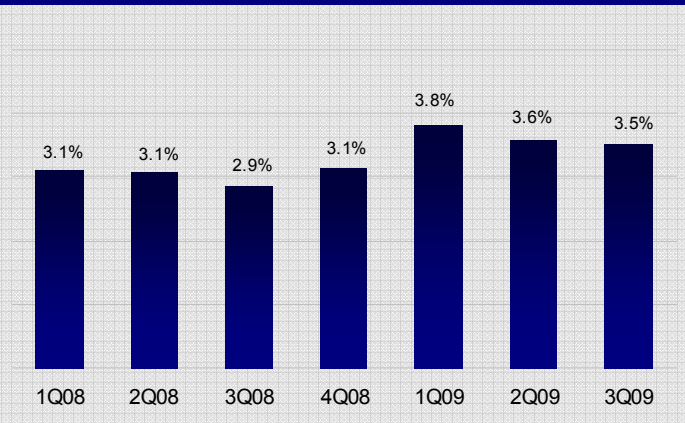
New Financing Volume

Rp. billion



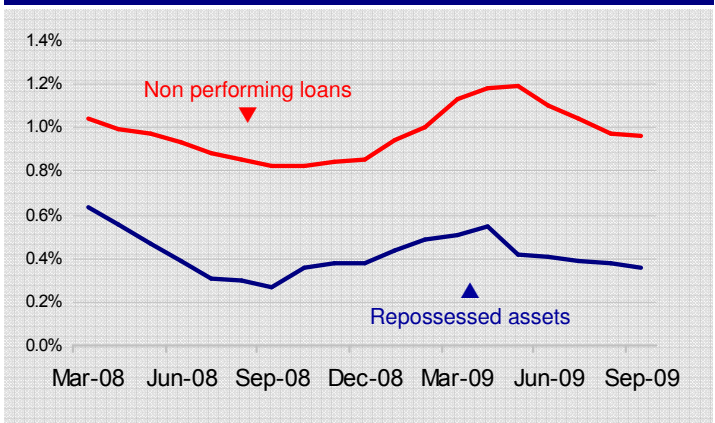
Cost of credit

% of Average Receivables



NPL Ratio & Repossessed Asset

% of Receivables



Rp. billion	9M08	9M09	△YoY	1Q09	2Q09	3Q09	△QoQ
New Financing Units	892,675	773,445	(13%)	215,257	244,262	313,926	29%
New Financing Volume	10,673	10,009	(6%)	2,780	3,129	4,100	31%
O/S Receivables	16,345	17,945	10%	16,655	16,720	17,945	7%
Net Interest Income ¹	2,011	2,167	8%	702	700	765	9%
Fee Income	155	66	(57%)	2	18	47	157%
Total Operating Income	2,166	2,233	3%	704	718	811	13%
Operating Expenses	(781)	(797)	2%	(236)	(263)	(298)	13%
Cost of Credit & Others	(330)	(477)	45%	(164)	(153)	(160)	5%
Net Profit before Tax	1,055	958	(8%)	304	302	353	17%
Net Profit after Tax	737	692	(5%)	219	219	254	16%
Cost / Income	36.2%	35.7%	(0.5%)	33.6%	36.6%	36.7%	0.1%
ROAA	5.7%	3.9%	(1.8%)	3.7%	3.3%	4.6%	1.3%
ROAE	38.0%	26.0%	(12.0%)	25.0%	22.1%	30.5%	8.4%

¹ Applying internal transfer pricing charge

Slide 21

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Corporate News

Impact of earthquake in West Sumatra

- 2 DSP branches, 1 Adira Quantum office, and 1 Adira Finance branch were damaged from the earthquake. The operation of these branches have been moved to other offices.
- We lost 11 full time employees and 7 outsourced employees of Adira Quantum
- Total exposure to impacted areas in West Sumatra amounted to Rp.549 billion as of September 2009, mainly from Adira Finance (53%) and DSP (14%)

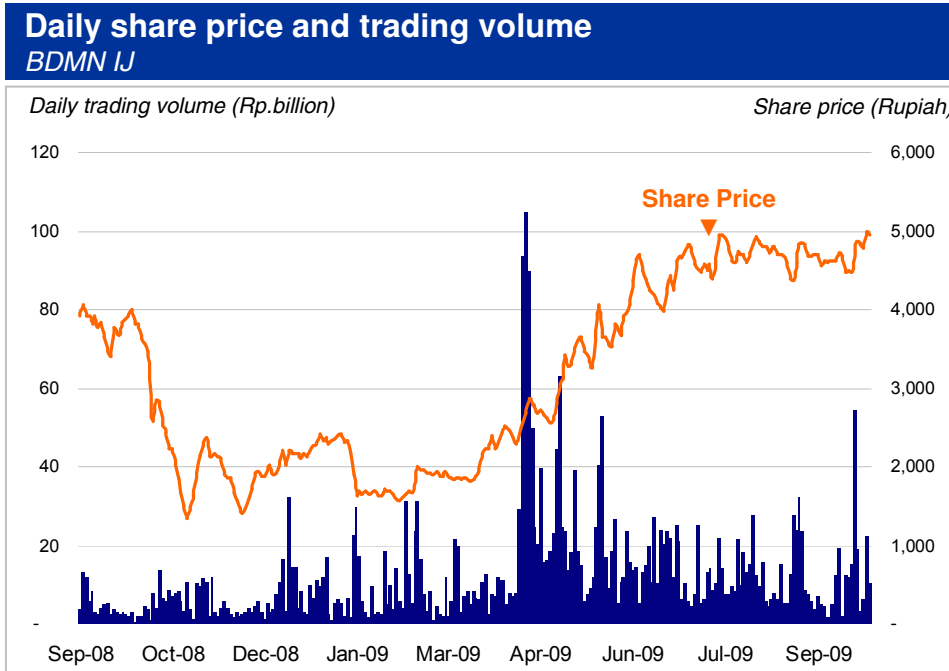
Credit Rating upgrades

- Moody's upgraded Danamon's Foreign Currency Long-Term Deposit Rating to Ba3 with Stable Outlook in September 2009
- Fitch upgraded Danamon's National Long-Term Rating to AA+(idn) with Stable Outlook in October 2009

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Share Price and Credit Ratings



Ownership Structure	Number of Shares	Ownership
<i>As of 30 September 2009</i>		
Asia Financial (Indonesia) Pte, Ltd.	5,674,493,482	67.70%
Public	2,707,186,134	32.30%
Total	8,381,679,616	100.00%

Danamon		
PEFINDO <i>March 2009</i>	Corporate Rating	id AA+ / Stable
	Bond Rating	id AA+ / Stable
Standard & Poor's <i>September 2009</i>	Long-term / Short-term Local Currency	BB- / Stable / B
	Long-term / Short-term Foreign Currency	BB- / Stable / B
Fitch Ratings <i>October 2009</i>	Long-term / Short-term Foreign Currency	BB / Stable / B
	National Long-term	AA+ (idn) / Stable
	Individual / Support Rating	C/D / Stable / 3
Moody's <i>September 2009</i>	Global Local Currency Deposit	Baa3 / Stable / P-3
	Foreign Currency Long-term / Short-term Deposit	Ba3 / Stable / Not Prime
	Bank Financial Strength Rating (BFSR)	D / Stable

Asia Financial (Indonesia) (AFI)

- The ultimate shareholder of AFI is Temasek Holding Pte. Ltd, an investment holding company based in Singapore

Thank You

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