

Analyst Briefing

First Half and Second Quarter 2009 Results

Jakarta, 16 July 2009

Untuk Anda, Bisa

Agenda

- **First Half and Second Quarter 2009 Performance**

- **Financial Results**

- Asset Quality

- Business Update

- Latest Update

- Appendix

Highlights of Second Quarter 2009 Results

- Mass market loans grew by 18% to Rp. 31 trillion and contributed to 51% of total loan book
- Operating Income increased by 15%QoQ to Rp. 2,847 billion
- Reported NPAT rose by 21%QoQ to Rp. 477 billion
- Net Interest Margin improved to 11.5%
- Consolidated CAR improved to 22.6%
- The payment of dividend for fiscal year 2008
- The exercise of call option to buy 20% Adira Finance's stake

Highlights of Income Statement

<i>Rp. billion</i>	1H08	1H09	ΔYoY	1Q09	2Q09	ΔQoQ
Net Interest Income	4,056	4,419	9%	2,074	2,345	13%
Fee Income	1,046	908	(13%)	422	486	15%
Operating Income before Gain (Loss) on Sale of Marketable Securities	5,102	5,327	4%	2,496	2,831	13%
Gain (Loss) on Sale of Marketable Securities	(107)	5	NM	(12)	16	233%
Operating Income	4,995	5,332	7%	2,485	2,847	15%
Operating Expenses	(2,558)	(2,705)	6%	(1,308)	(1,397)	7%
Pre-Provision Operating Profit	2,437	2,627	8%	1,177	1,450	23%
Cost of Credit	(583)	(939)	61%	(446)	(492)	10%
Normalized Net Profit after Tax	1,158	1,022	(12%)	424	598	41%
Non recurring expense ¹⁾	-	(152)	NM	(31)	(121)	290%
Reported Net Profit after Tax	1,158	870	(25%)	393	477	21%

¹⁾ Non-recurring expense primarily comprises of cost of unwound foreign exchange forward contracts and provisioning of the outstanding contracts

Highlights of Balance Sheet

<i>Rp. billion</i>	1H08	1H09	ΔYoY	1Q09	2Q09	ΔQoQ
Total Assets	96,582	98,888	2%	104,843	98,888	(6%)
Loans (gross) ¹⁾	61,207	61,586	1%	63,317	61,586	(3%)
Government Bonds	13,129	13,175	0%	13,419	13,175	(2%)
Total Deposits	65,939	67,696	3%	74,612	67,696	(9%)
Current Account	7,192	6,993	(3%)	6,567	6,993	6%
Savings	12,620	13,189	5%	12,470	13,189	6%
Time Deposit	46,127	47,514	3%	55,575	47,514	(15%)
Borrowings ²⁾	10,039	9,139	(9%)	10,715	9,139	(15%)
Subordinated Debt	2,765	0	(100%)	0	0	0
Equity	10,296	14,917	45%	10,989	14,917	36%

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

%	1H08	1H09	△YoY	1Q09	2Q09	△QoQ
Net Interest Margin ¹⁾	11.4	10.7	(0.6)	10.0	11.5	1.5
Cost / Income	51.2	50.7	(0.5)	52.7	49.1	(3.6)
Normalized Cost of Credit ^{2, 3)}	1.9	2.8	0.9	2.6	3.0	0.4
Normalized ROAA ³⁾	2.5	2.0	(0.5)	1.6	2.3	0.8
Normalized ROAE ³⁾	22.1	16.1	(6.0)	15.5	16.5	0.9
Reported Cost of Credit	1.9	3.4	1.5	3.0	3.9	0.9
Reported ROAA	2.5	1.7	(0.8)	1.5	1.9	0.4
Reported ROAE	22.1	13.7	(8.4)	14.4	13.1	(1.3)
Loan / Deposits	91.7	87.6	(4.1)	81.4	87.6	6.1
Loan / Funding ⁴⁾	76.4	77.3	0.9	71.5	77.3	5.8
Capital Adequacy (Consolidated) ⁵⁾	17.4	22.6	5.2	16.9	22.6	5.7
Capital Adequacy (Stand Alone) ⁵⁾	16.0	21.2	5.1	15.0	21.2	6.2
NPL – Gross	2.3	3.5	1.3	2.9	3.5	0.6
LLP / NPL ⁶⁾	151.8	107.5	(44.3)	118.1	107.5	(10.6)

¹⁾ Include credit related fees and commission

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

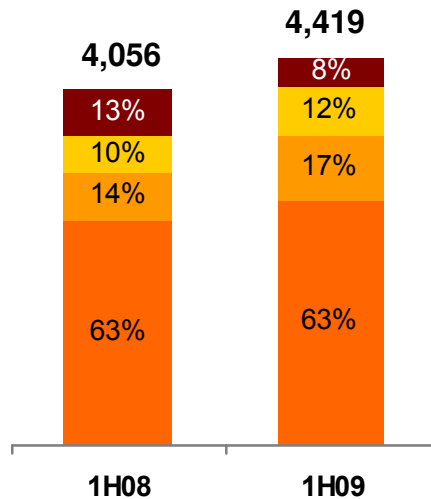
⁶⁾ After taking into account collateral value of the loans

NIM improved to 11.5% in the second quarter of 2009 due to lower cost of funds and lower carrying cost of excess liquidity

Net Interest Income

Rp. billion

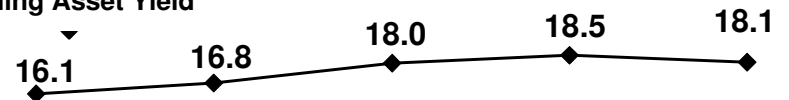
- Wholesale
- SME & Commercial
- Retail
- Mass Market



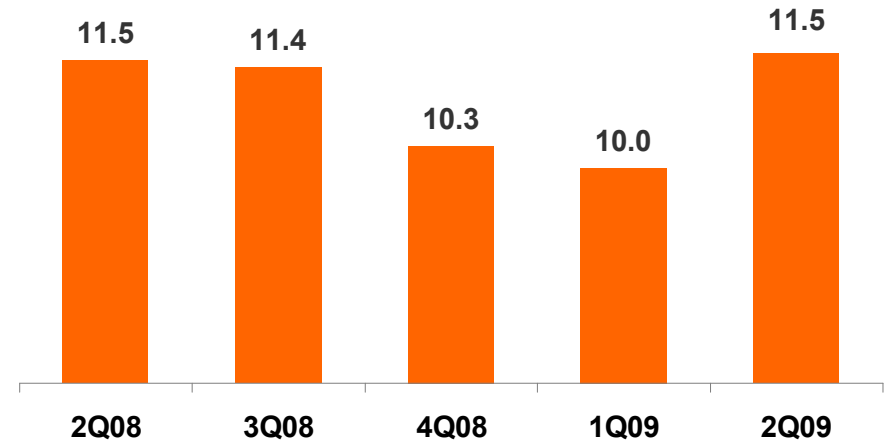
Net Interest Margin

%, annualized

Earning Asset Yield



Cost of Funds

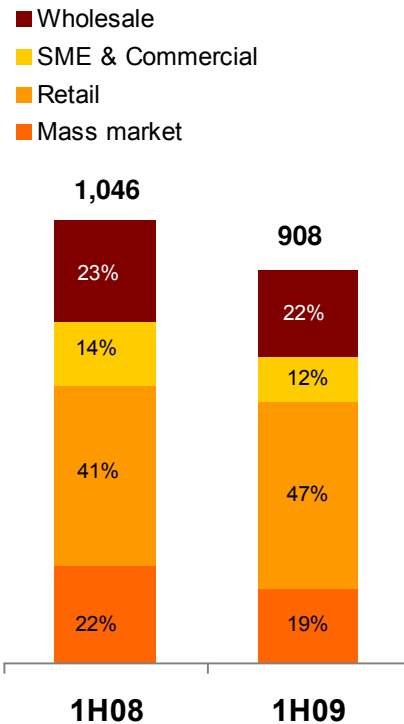


Net Interest Income rose by 9% due to higher earning assets

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

Fee Income

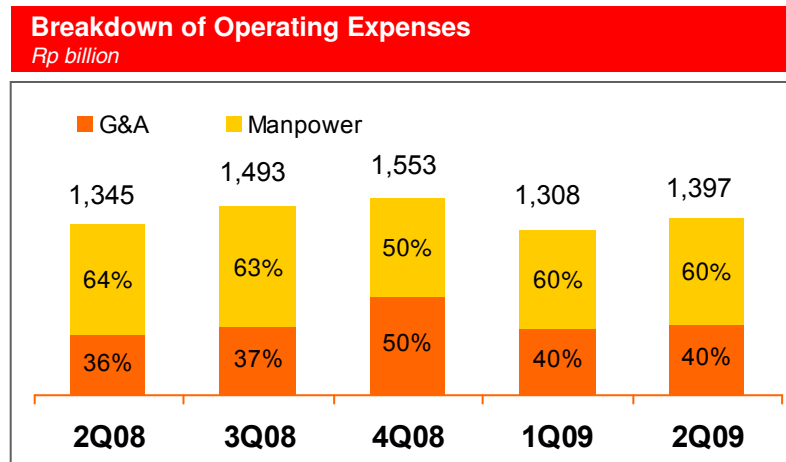
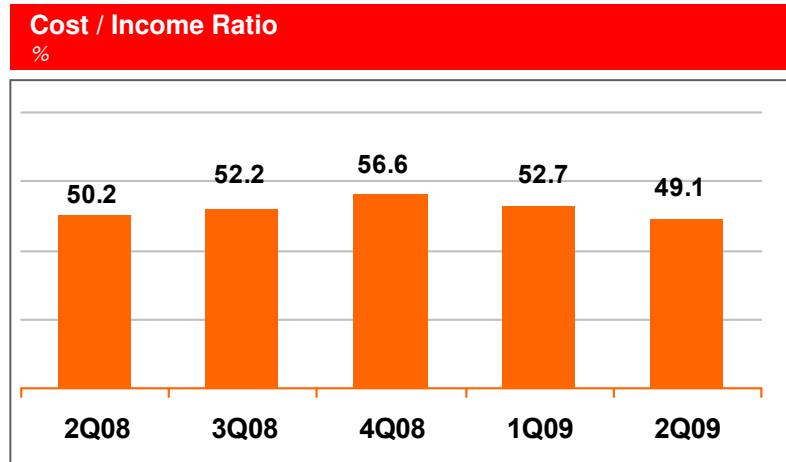
Rp. billion



Rp. billion	1H08	1H09	ΔYoY
Fee Income	1,046	908	(13%)
Credit related fees	519	445	(14%)
Cash management	118	128	8%
Treasury products	161	164	2%
Adira Finance	73	(4)	NM
Adira Insurance	123	130	6%
Others	52	45	(13%)
Gain (loss) on sale of marketable securities	(107)	5	NM
Non-Interest Income	939	913	(3%)
Non Interest Income / Operating Income	19%	17%	(2%)

Lower credit related fees was due to lower new loan disbursements

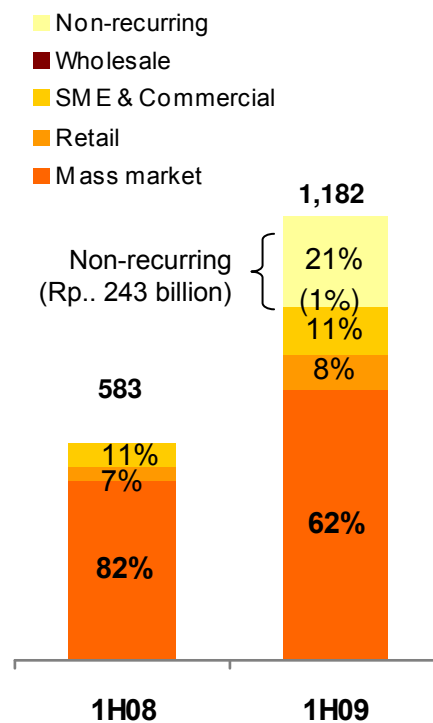
Cost to Income Ratio improved to 49% in the second quarter of 2009, reflecting expenses discipline



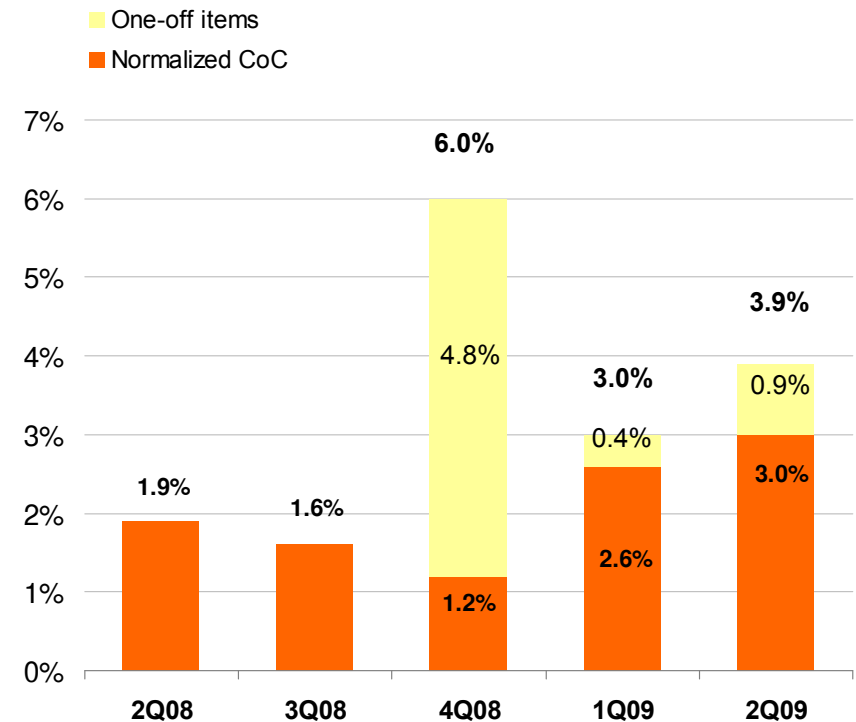
Rp. billion	1H08	1H09	ΔYoY
Wholesale	233	192	(18%)
Retail	825	885	7%
SME & Commercial	337	309	(8%)
Mass Market	1,163	1,319	13%
Adira Finance	490	499	2%
SEMM	504	607	20%
CMM & Quantum	169	213	26%
Total Op. Expenses	2,558	2,705	6%
Cost / Income	51.2%	50.7%	(0.5%)

Normalized cost of credit was Rp. 939 billion in the first half of 2009, representing 2.8% of earning assets

Cost of Credit ¹⁾
Rp. billion



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

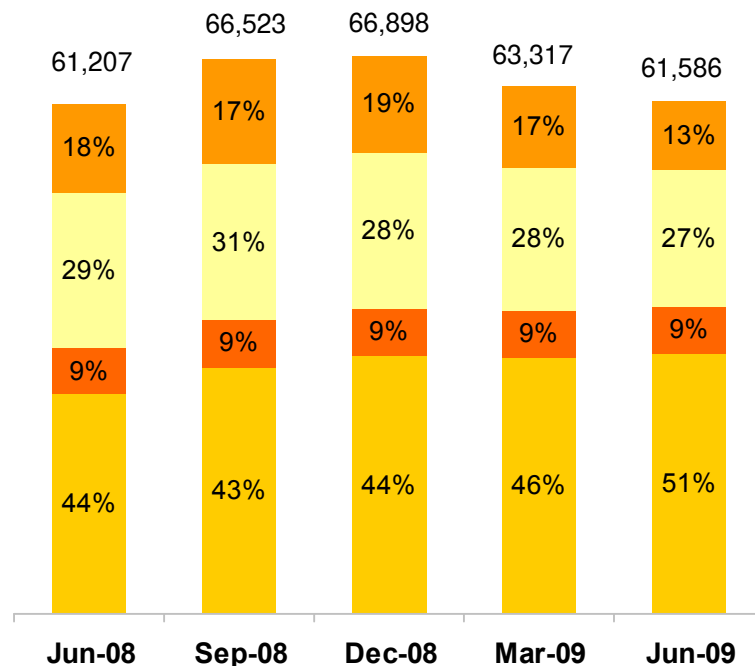


¹⁾ Cost of credit comprise of provision for losses, loss on repossessed assets of Adira Finance and net write-off
²⁾ Earning assets exclude all government securities
³⁾ Reported cost of credit

Including non-recurring items, reported cost of credit was 3.4% in the first half of 2009

Total loans reached Rp. 62 trillion in the second quarter of 2009 as mass market loans continue to grow

Loans Composition Rp. billion



Loan Growth Rp. billion

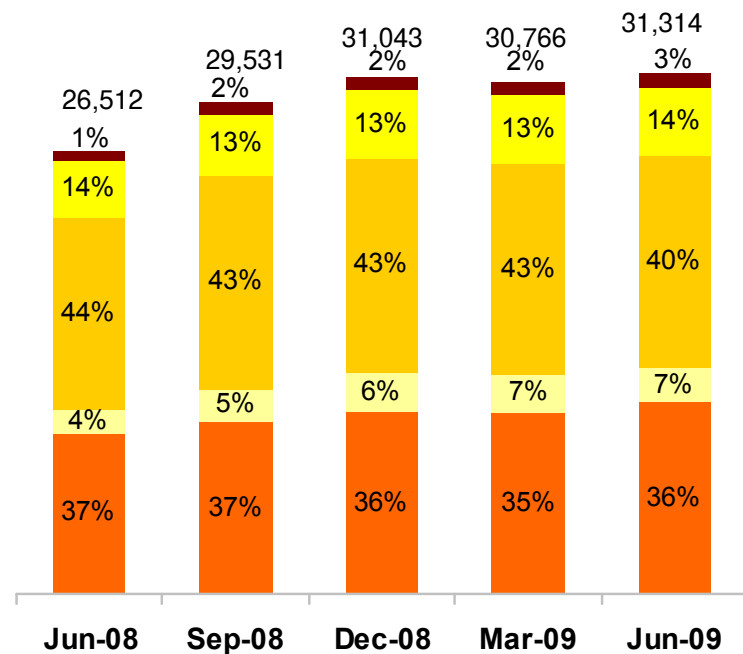
	1H08	1H09	ΔYoY	
			Rp.bn	%
Wholesale	10,665	8,186	(2,479)	(23%)
SME & Commercial	18,639	16,532	(2,107)	(11%)
Retail	5,391	5,554	163	3%
Mass Market	26,512	31,314	4,802	18%
Total	61,207	61,586	379	1%

Mass market loans increased by 18% to Rp. 31,314 billion, contributing 51% of total loan book

Mass market loans grew by 18% driven by auto financing and micro lending businesses

Mass Market Loan Composition

Rp. billion



Loan Growth

Year-on-Year

Rp. billion	Jun-08	Jun-09	ΔYoY	
			Rp.bn	%
■ Hire Purchase ¹⁾	579	819	240	41%
■ Cars ²⁾	3,352	4,272	920	27%
■ Motorcycles ²⁾	11,459	12,590	1,131	10%
■ CMM	1,574	2,167	593	38%
■ SEMM	9,548	11,466	1,918	20%
Total	26,512	31,314	4,802	18%

¹⁾ Hire purchase financing from Adira Quantum

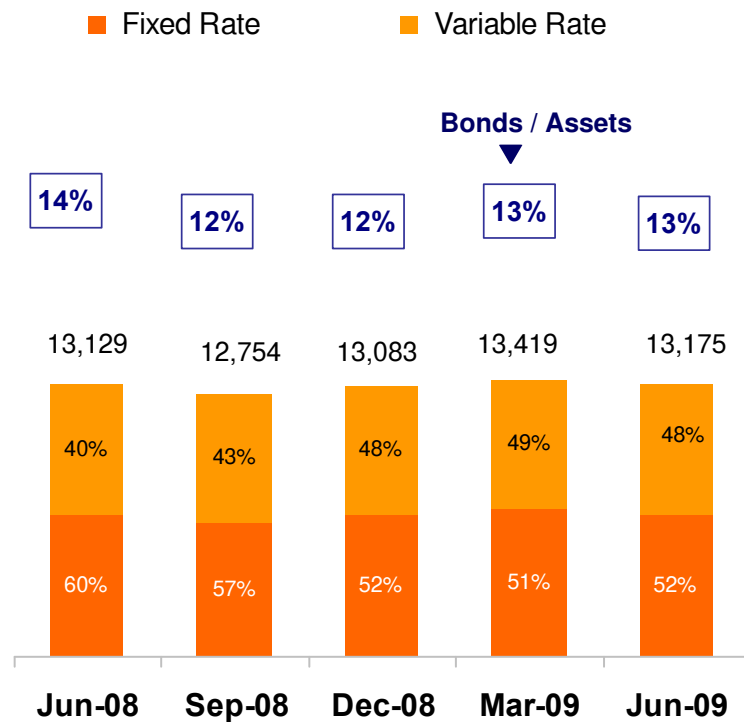
²⁾ Motorcycles and cars financing from Adira Finance

Micro loans grew by 20% to Rp. 11.5 trillion, representing 19% of the bank's total loans

Government bonds amounted to Rp. 13 trillion, representing 13% of the bank's assets

Government Bonds Composition

Rp. billion



Government Bonds Clasification and Duration

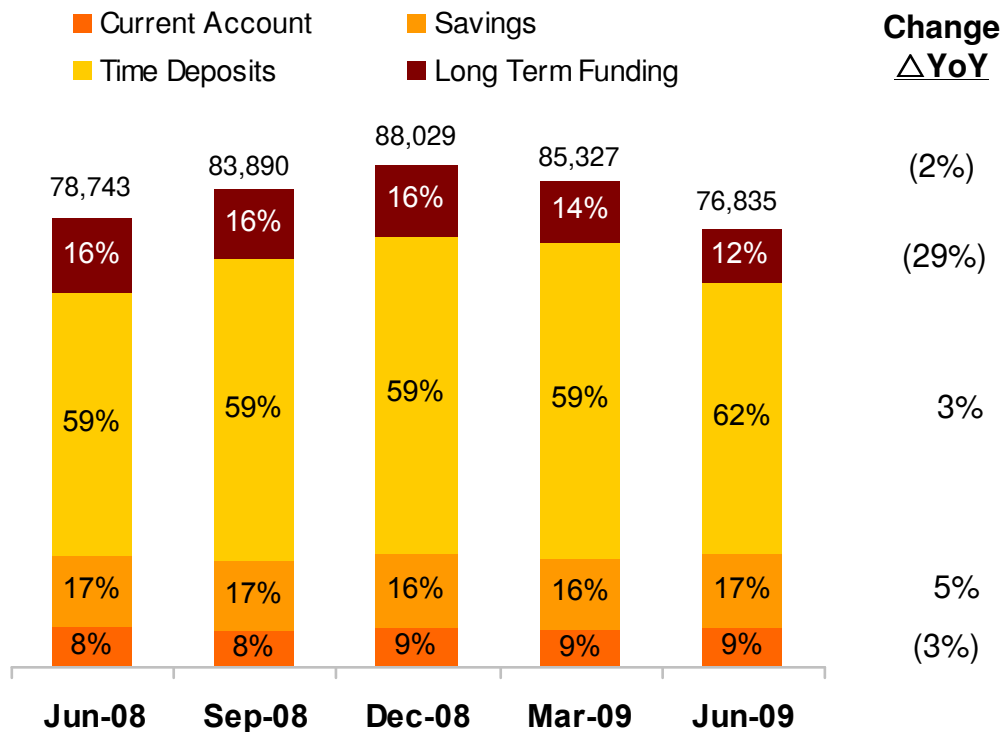
Rp. billion

	Jun-08	Jun-09	ΔYoY		Duration (years)
			Rp.bn	%	
Held to maturity	2,314	2,539	225	10%	4.8
Available for sale	10,802	10,184	(618)	(6%)	1.9
Trading	13	452	439	3,377%	2.3
Total	13,129	13,175	46	0%	2.5

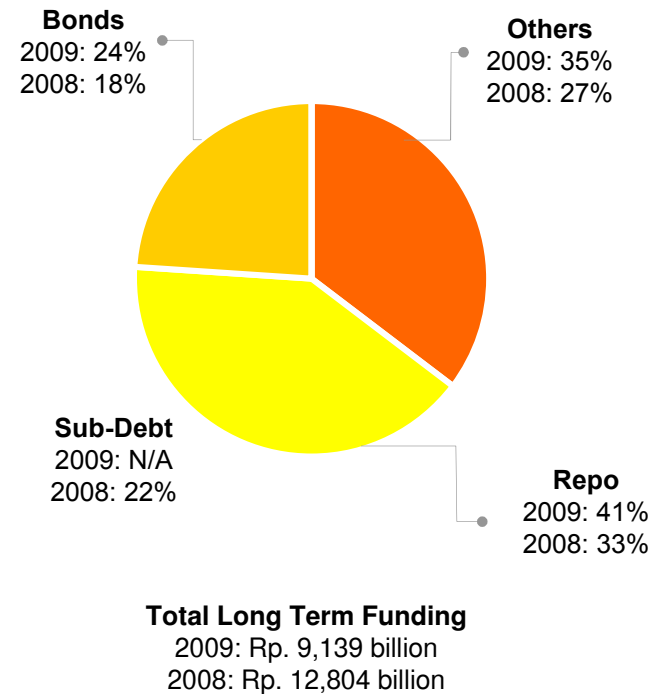
The duration of government bonds shortened to 2.5 years from 2.6 years a year earlier

Total deposit increased by 3% to Rp. 68 trillion and contributed to 88% of total funding

Breakdown of Interest Bearing Funds Rp. billion



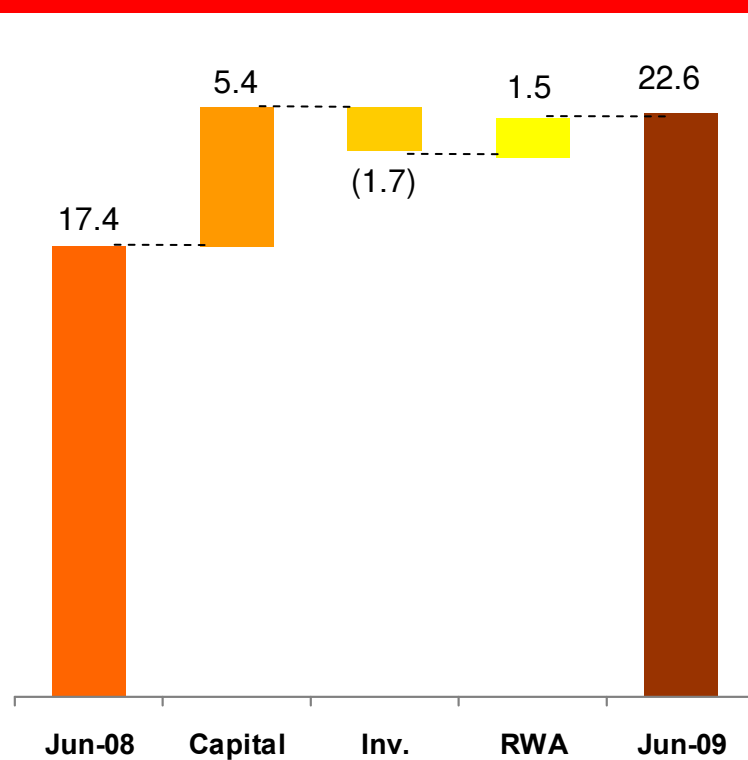
Long-Term Funding As of June 30, 2009



Long-term funding dropped by 29% due to repayment of USD 300 million sub-debt in March 2009

Consolidated Capital Adequacy Ratio improved to 22.6% in the second quarter of 2009

Movement of Capital Adequacy Ratio



Rp. billion	Jun-08	Jun-09	△YoY
Tier 1 Capital	10,199	14,175	39%
Tier 2 Capital	1,714	1,240	(28%)
Investments	(313)	(502)	60%
Total Capital after Investment	11,601	14,913	29%
Risk Weighted Assets (RWA)	66,671	66,054	(1%)
Capital Adequacy Ratio (Stand Alone) ¹⁾	16.0%	21.2%	5%
Capital Adequacy Ratio (Consolidated) ¹⁾	17.4%	22.6%	5%

¹⁾ After credit and market risk charge

Tier 1 Capital rose by 39% following the successful Rp. 4 trillion rights issue in April 2009

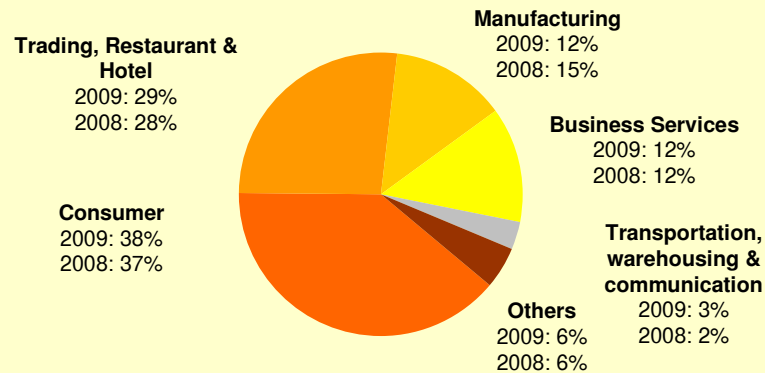
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Well diversified loan portfolio

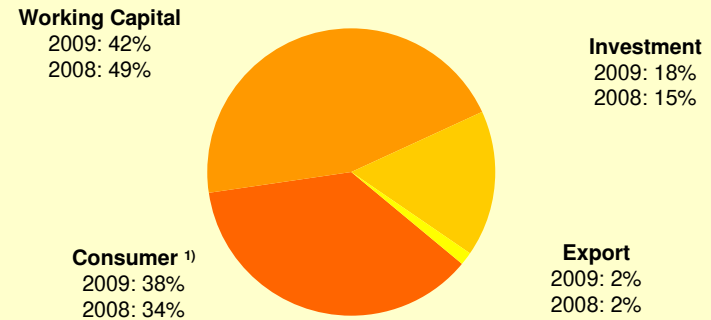
Loans by Economic Sector

As of June 30, 2009



Loans by Type

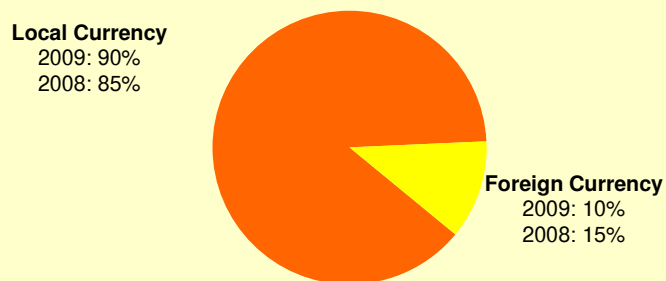
As of June 30, 2009



¹⁾ Including loans to employee and management

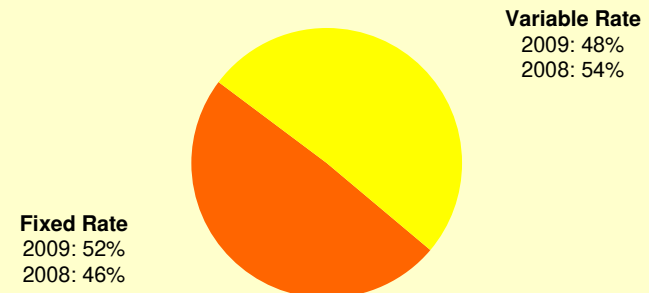
Loans by Currency

As of June 30, 2009

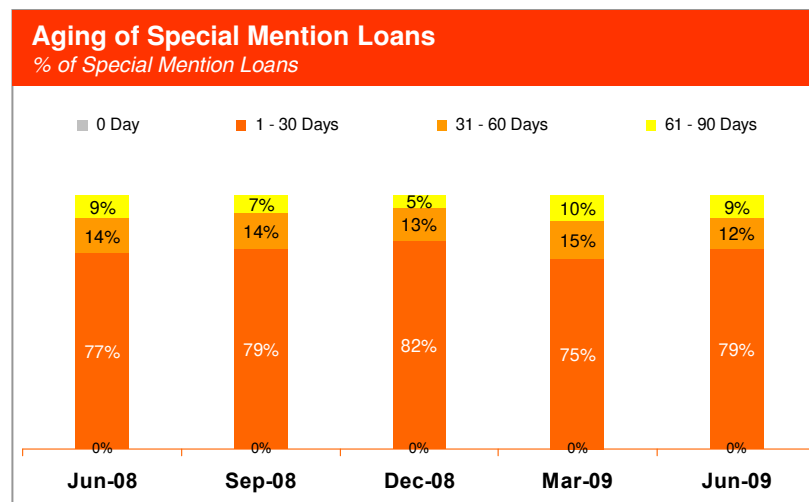
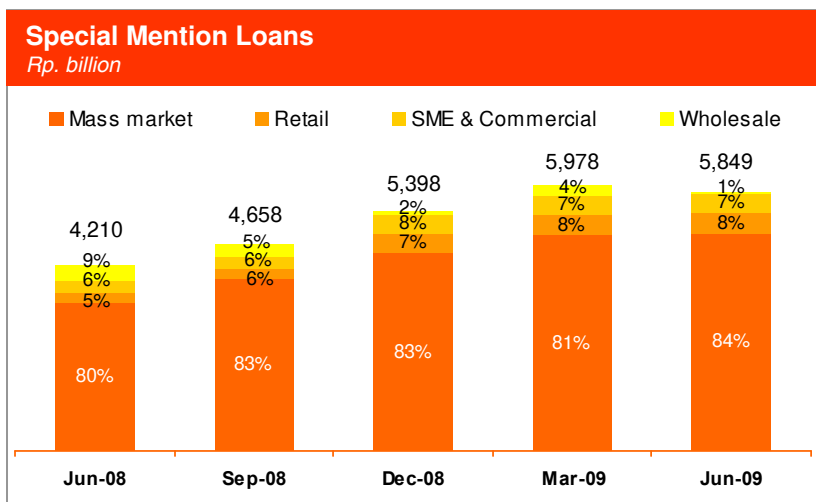
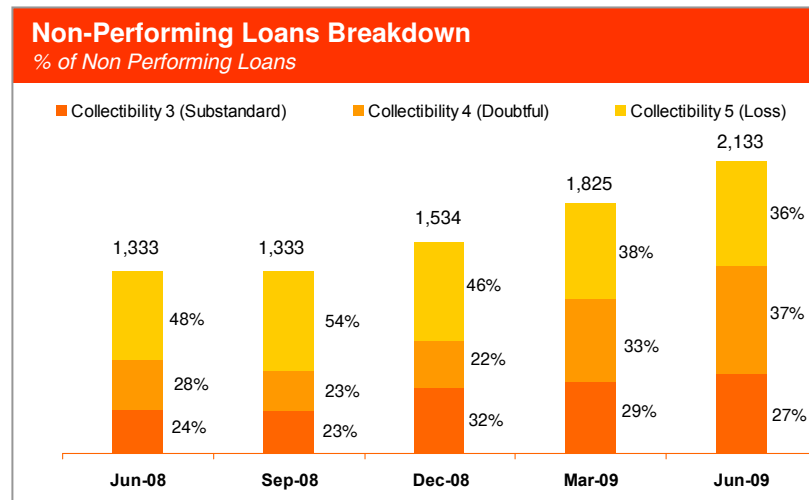
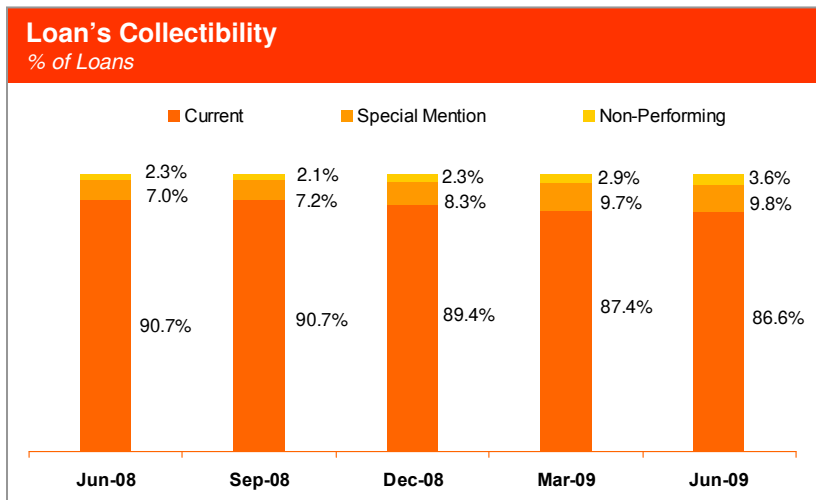


Loans by Interest Rate

As of June 30, 2009



Special mention and non-performing loans ratio

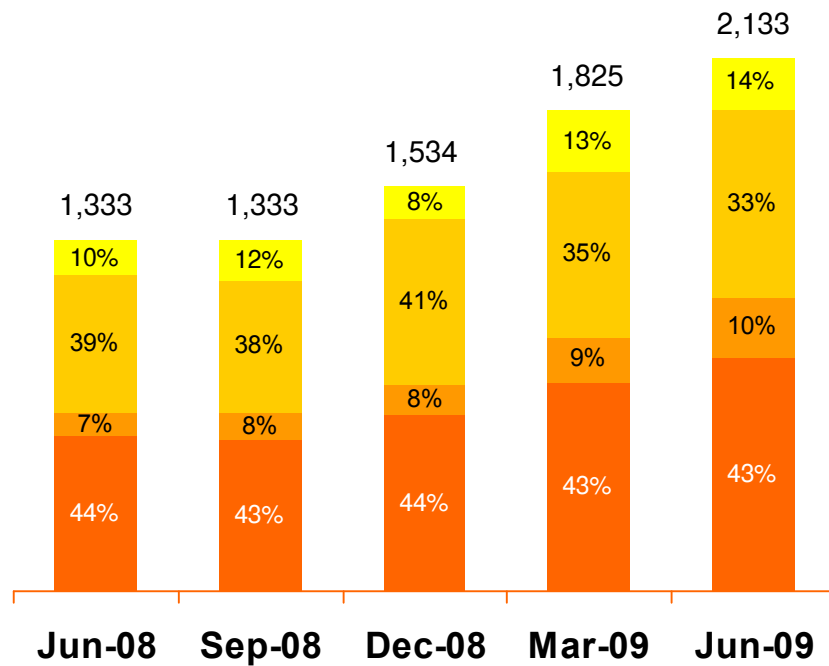


Adequate loan loss provision to cover non-performing loans

Non Performing Loans by Segments

Rp. billion

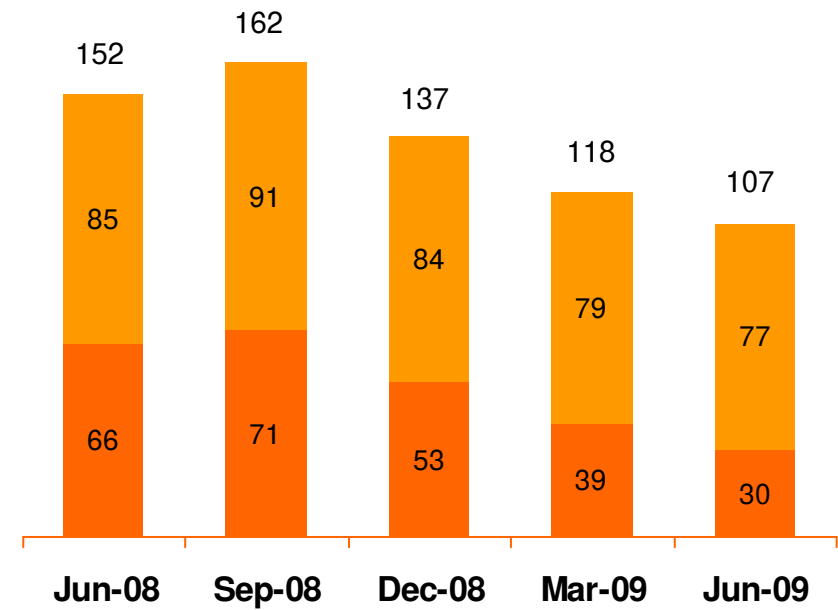
■ Mass market ■ Retail ■ SME & Commercial ■ Wholesale



Loan Loss Provision / NPL ¹⁾

%

■ General ■ Specific



Loan loss provision coverage stood at 107% in the second quarter of 2009

¹⁾ After considering collateral value of Corporate, Commercial, SME and Mortgage loans

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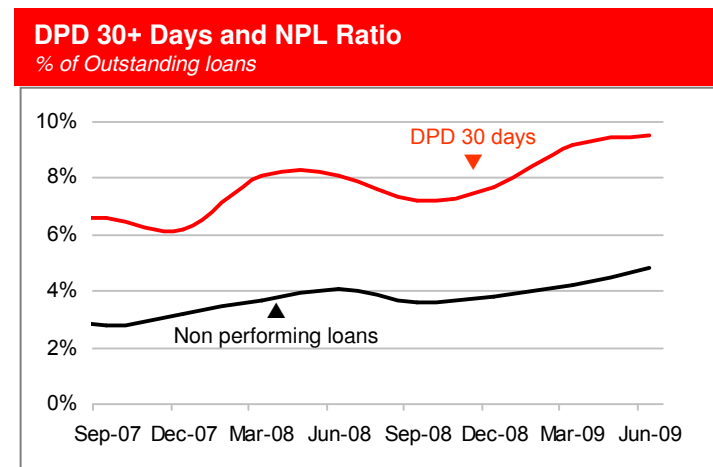
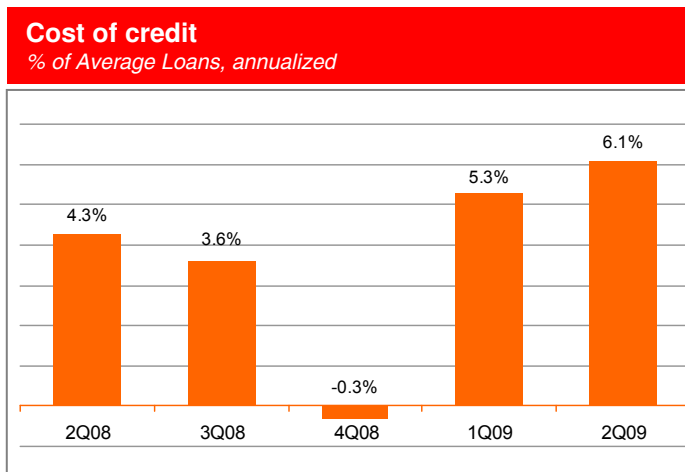
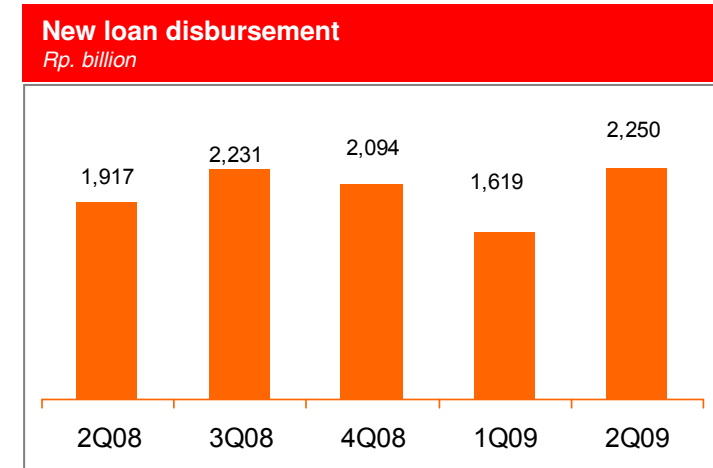
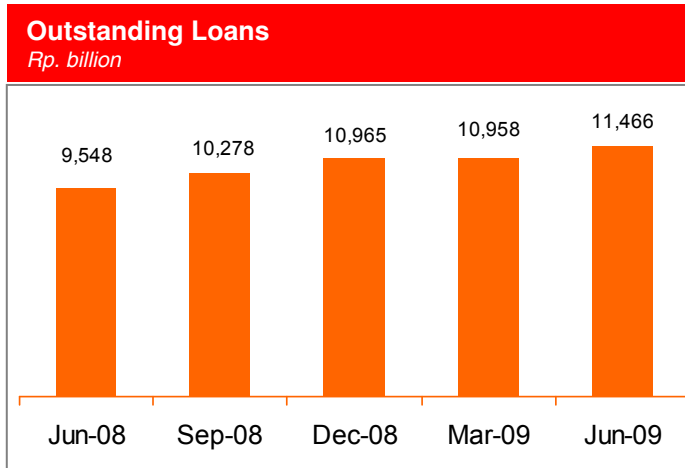
SEMM also known as Danamon Simpan Pinjam (DSP) was established in 2004 to serve and help micro and small scale enterprises gain better access to banking services.

1 Wet Market Model

- Operates 801 DSP Units to serve big wet markets and 198 Mobile Units to serve smaller markets and employs around 11,771 personnel
- Extended Rp. 10.3 trillion loans as of June 2009, an increase of 13% from the same period prior year.

2 Supply Chain Model

- Introduced in July 2007 to serve traders in the low-end of the supply chain
- Currently operates 246 Sales Offices with more than 1,963 staffs
- Extended Rp. 1,132 billion in loans as of June 2009



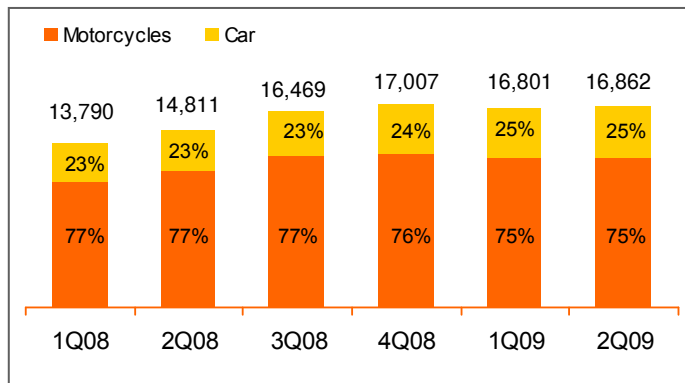
The bank's consumer auto financing business interest are managed through 95% owned a subsidiary Adira Finance.

Adira Finance provides financing facilities to consumers to purchase new and used motorcycles as well as new and used cars.

Adira Finance is currently operating a branch network of 303 outlets in more than 170 cities through the country.

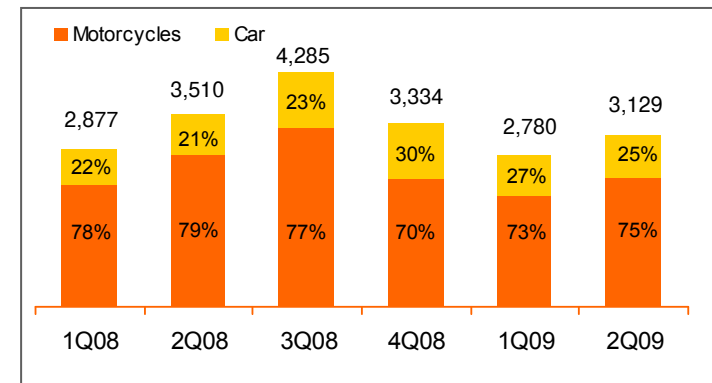
Outstanding Receivables

Rp. billion



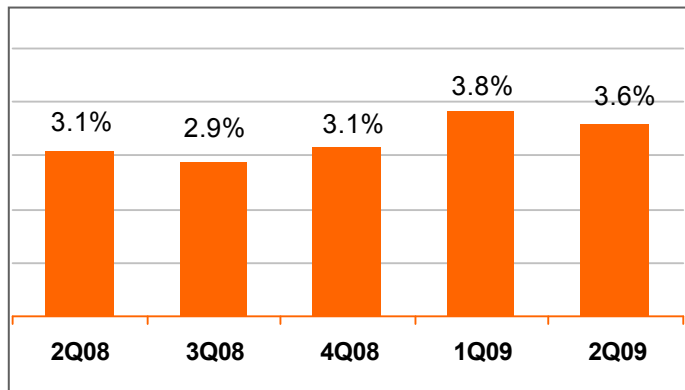
New Financing Volume

Rp. billion



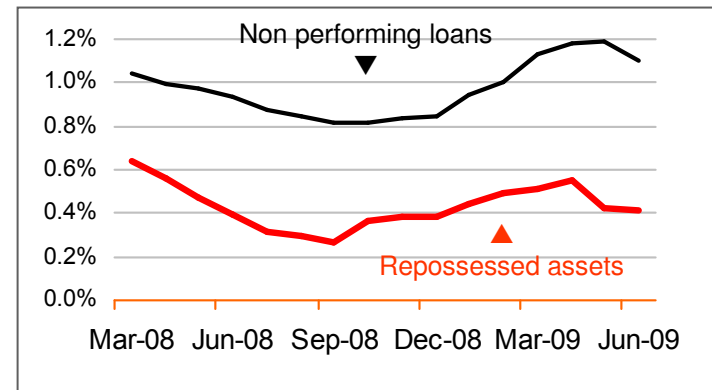
Cost of credit

% of Average Receivables



NPL Ratio & Repossessed Asset

% of Receivables



Business Update

New financing was Rp. 5.9 trillion in the first half of 2009, a decrease of 7% from same period last year.

Outstanding receivables rose by 14% to Rp. 16.9 trillion in June 2009.

Market share in new motorcycle financing decreased to 12.4% in first half compared to 13.1% in first half in part due to tightening underwriting standard.

Cost of credit rose to 3.7% in 1H09 from 3.1% in 1H08 due to higher provision and lost on repossessed assets.

Rp. billion	1H08	1H09	ΔYoY	1Q09	2Q09	ΔQoQ
New Financing Units	541,654	459,519	(15%)	215,257	244,262	13%
New Financing Volume	6,388	5,909	(7%)	2,780	3,129	13%
O/S Receivables	14,811	16,862	14%	16,801	16,862	0%
Net Interest Income ¹⁾	1,316	1,402	7%	702	700	0%
Fee Income	73	20	(73%)	2	18	1,068%
Total Operating Income	1,390	1,422	2%	704	718	2%
Operating Expenses	(490)	(499)	2%	(236)	(263)	11%
Cost of Credit & Others	(216)	(317)	47%	(164)	(153)	(7%)
Net Profit before Tax	684	606	(11%)	304	302	(1%)
Net Profit after Tax	477	438	(8%)	219	219	0%
Cost / Income	35.3%	35.1%	(0.2%)	33.6%	36.6%	3.0%
ROAA	5.8%	4.0%	(1.8%)	3.7%	4.3%	0.6%
ROAE	39.0%	26.9%	(12.1%)	25.0%	28.9%	3.9%

¹⁾ Applying internal transfer pricing charge

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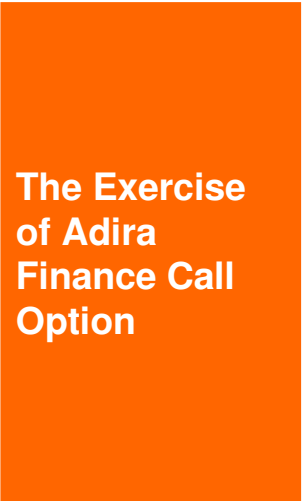
General Meeting of Shareholders

AGMS / EGMS


- We held an annual general meeting of shareholders (AGMS) on 25 May 2009 which approve agendas among others:
 - To approve the Annual Report of the Board of Directors for financial year ending on December 30, 2008
 - To approve the payment of 50% of the bank's 2008 net profit as dividend. Hence total dividend amounted to Rp. 765 billion, or Rp. 90.82 per share
 - To approve the nomination of Ms. Fransiska Oei Lan Siam as a member of the Board Director.Hence the composition of the Board Director is as follow:

President Director	:	Juan Eugenio Sebastian Paredes Muirragui
Vice President Director	:	Joseph Felipus Peter Luhukay
Director	:	Muliadi Rahardja
Director	:	Ali Rukmijah / Ali Yong
Director	:	Vera Eve Lim
Director	:	Sanjiv Malhotra
Director	:	Herry Hykmanto
Director	:	Kanchan Keshav Nijasure
Director	:	Fransiska Oei Lan Siam
- We also held an extraordinary general meeting of shareholders (EGMS) on 25 May 2009 which approve among others:
 - To approve material transaction in relation to exercise the call option to buy additional 20% stake of Adira.

The Exercise of ADMF Call Option



The Exercise of Adira Finance Call Option



- We exercised our call option to purchase an additional 20% stake of Adira Finance from Mega Value Profits Limited on 9 July 2009. Hence our ownership in Adira Finance increase from 75% to 95%.
- The exercise price of the call option is Rp. 1,427 billion (or Rp. 7,135 per share), representing 7x 2008 Earnings.
- Including the option premium of Rp. 187 billion that has been paid in 2004, total transaction value of Rp. 1,614 billion (or Rp. 8,070 per share).

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Breakdown of Wholesale, Mid-size and Retail Loans

Wholesale Loans

Rp. billion	Jun-08	Jun-09	ΔYoY	
			Rp.bn	%
Corporate	8,677	6,885	(1,792)	(21%)
JFAB ¹⁾	1,687	1,271	(416)	(25%)
FI & Others	301	30	(271)	(90%)
Total	10,665	8,186	(2,479)	(23%)

Mid-size Loans

Rp. billion	Jun-08	Jun-09	ΔYoY	
			Rp.bn	%
SME	9,936	8,975	(961)	(10%)
Commercial	8,703	7,557	(1,146)	(13%)
Total	18,639	16,532	(2,107)	(11%)

Retail Loans

Rp. billion	Jun-08	Jun-09	ΔYoY	
			Rp.bn	%
Retail Banking ¹⁾	1,494	1,489	(5)	(0%)
Credit Card	1,651	1,864	213	13%
Syariah	483	494	11	2%
Mortgage	1,762	1,707	(55)	(3%)
Total	5,391	5,554	163	3%

1) Include multipurpose, personal loan and others

We have reduced exposure to foreign currency forward contracts (TARN) to USD 4 million

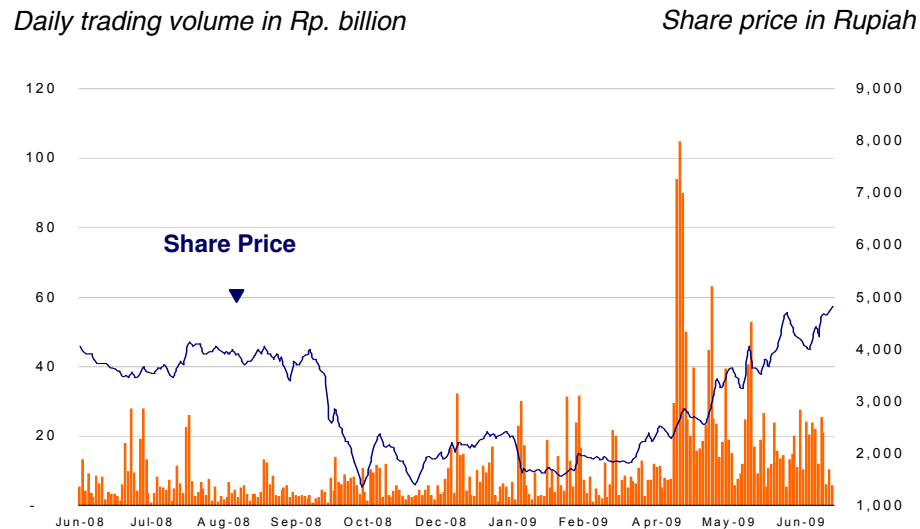
	Unwound but not settled		Outstanding contracts	
As of Dec 31, 2008	Number of customers	32	Number of customers	23

As of July 14, 2009	# of customers	28	# of customers	13
	Receivables:	Rp. 2.0 tn	Net notional amount	USD 35 mn
	Provision	Rp. 1.0 tn	Mark-to-market	USD 4 mn
			Provision	USD 3 mn

The average tenor of the outstanding contracts is 3 months

Daily share price and trading volume

BDMN IJ



Source: Bloomberg

Ownership Structure

As of 30 June 2009

Ownership Structure	Number of Shares	Ownership
Asia Financial (Indonesia) Pte, Ltd.	5,674,493,482	67.76%
Public	2,700,027,634	32.24%
Total	8,374,521,116	100.00%

Danamon

PEFINDO	Corporate Rating	id ^{id} AA+ / Stable
March 2009	Bond Rating	id ^{id} AA+ / Stable
Standard & Poor's	Long-term / Short-term Local Currency	BB- / Stable / B
December 2008	Long-term / Short-term Foreign Currency	BB- / Stable / B
	Subordinated Debt	B / Stable
Fitch Ratings	Long-term / Short-term Foreign Currency	BB / Stable / B
July 2008	National Long-term	AA (idn) / Stable
Moody's	Global Local Currency Deposit	Baa3 / Stable
November 2008	Foreign Currency Long-term / Short-term Deposit	B1 / Stable / Not Prime
	Subordinated Debt	Ba2 / Stable
	National Scale Rating	Aaa.Id

Asia Financial (Indonesia) (AFI)

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



Thank You

Investor Relations **Bank Danamon Indonesia**

Menara Bank Danamon, 6th Floor
Jl. Prof. Dr. Satrio Kav. E4 No.6
Mega Kuningan, Jakarta 12950
Phone: +62 21 5799 1001-03
Fax: +62 21 5799 1445
www.danamon.co.id

Untuk Anda, Bisa