

Analyst Briefing

First Half and Second Quarter 2010 Results

Jakarta, 20 August 2010

Agenda

- **Financial Results**
- Corporate Updates
- Appendix

Highlights of First Half and Second Quarter 2010 Results

- Loan grew 10% in second quarter, bringing a cumulative growth of 12% in the first half of 2010
- CASA increased 31% to Rp26.5 trillion, accounting for 39% of deposits
- Pre-Provision Operating Profit increased 23% to Rp3,264 billion
- NPAT rose 65% to Rp1,433 billion
- Net Interest Margin expanded to 11.6%
- Cost to Income Ratio improved to 49.2%
- ROE increased to 19.3% despite of high capitalization
- CAR stood at 18%

Highlights of Income Statement

<i>Rp billion</i>	1H09	1H10	△YoY	1Q10	2Q10	△QoQ
Net Interest Income ¹	4,419	4,843	10%	2,394	2,449	2%
Non-Interest Income ¹	933	1,584	70%	694	890	28%
Operating Income	5,332	6,425	20%	3,088	3,337	8%
Operating Expenses ^{1,2}	(2,689)	(3,160)	18%	(1,466)	(1,694)	16%
Pre-Provision Operating Profit	2,643	3,264	23%	1,622	1,642	1%
Cost of Credit ²	(967)	(1,140)	18%	(578)	(562)	(3%)
Normalized Net Profit after Tax	1,022	1,433	40%	701	732	4%
Extraordinary Items ³	(152)	-	N/A	-	-	N/A
Reported Net Profit after Tax	870	1,433	65%	701	732	4%

¹⁾ Acquisition cost is reclassified to deduct Interest Income from previously netted against Fee Income and Operating Expense as per new accounting standards starting 2010

²⁾ Costs of recovery is reclassified from Operating Expense to Cost of Credit as per new accounting standards

³⁾ Comprise of cost of unwound foreign exchange forward contracts and provisioning of the outstanding contracts (after tax).

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Highlights of Balance Sheet

<i>Rp billion</i>	1H09	1H10	ΔYoY	1Q10	2Q10	ΔQoQ
Total Assets	98,888	100,447	2%	97,330	100,447	3%
Loans (gross) ¹	61,586	71,074	15%	64,447	71,074	10%
Government Bonds	13,175	9,827	(25%)	10,748	9,827	(9%)
Liquid Assets ²	9,560	7,329	(23%)	7,166	7,329	2%
Total Deposits	67,696	67,915	0%	65,579	67,915	4%
Current Account	6,993	8,907	27%	7,519	8,907	18%
Savings	13,189	17,611	34%	15,572	17,611	13%
Time Deposit	47,514	41,397	(13%)	42,488	41,397	(3%)
Borrowings	9,139	8,194	(10%)	8,045	8,194	2%
Equity	14,917	16,915	13%	16,838	16,915	0%

1) Includes consumer financing receivables of Adira Finance

2) Includes nostro account, SBI, and I/B placement

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Untuk Anda, Bisa

Key Ratios

%	1H09	1H10	ΔYoY	1Q10	2Q10	ΔQoQ
Net Interest Margin ¹	10.0	11.6	1.6	11.7	11.6	(0.1)
Cost / Income ²	50.4	49.2	(1.2)	47.5	50.8	3.3
Normalized Cost of Credit ^{3, 4}	2.9	3.3	0.4	3.4	3.3	(0.1)
Normalized ROAA ⁴	2.0	2.9	0.9	2.9	3.0	0.1
Normalized ROAE ⁴	16.1	18.6	2.5	18.0	19.3	1.3
Reported Cost of Credit	3.5	3.3	(0.2)	3.4	3.3	(0.1)
Reported ROAA	1.7	2.9	1.2	2.9	3.0	0.1
Reported ROAE	13.7	18.6	4.9	18.0	19.3	1.3
Modified LDR ⁵	80.1	89.6	9.5	83.9	89.6	5.7
Loan / Deposit	87.6	98.8	11.2	93.8	98.8	5.0
Consolidated CAR	22.6	19.5	(3.1)	21.5	19.5	(2.0)
Consolidated CAR with Operational Risk	-	18.0	N/A	19.7	18.0	(1.7)
NPL – Gross	3.5	3.4	(0.1)	4.0	3.4	(0.6)
LLP / Loan	3.0	3.6	0.6	3.7	3.6	(0.1)

1) NIM calculation has been adjusted according to new accounting standards. Acquisition cost is reclassified to deduct Interest Income from previously netted against Fee Income and Operating Expense starting 2010. NIM in 1H09 is restated to comply with Bank Indonesia Circular Letter 12/11/DPNP dated 31 March 2010 whereby the Credit Related Fees income is excluded from the NIM calculation.

2) Cost to Income ratio is restated to include the reclassification of cost of recovery from Operating Expense to Cost of Credit

3) Cost of Credit over average earning assets (excluding government securities)

4) Exclude the impact of extraordinary items

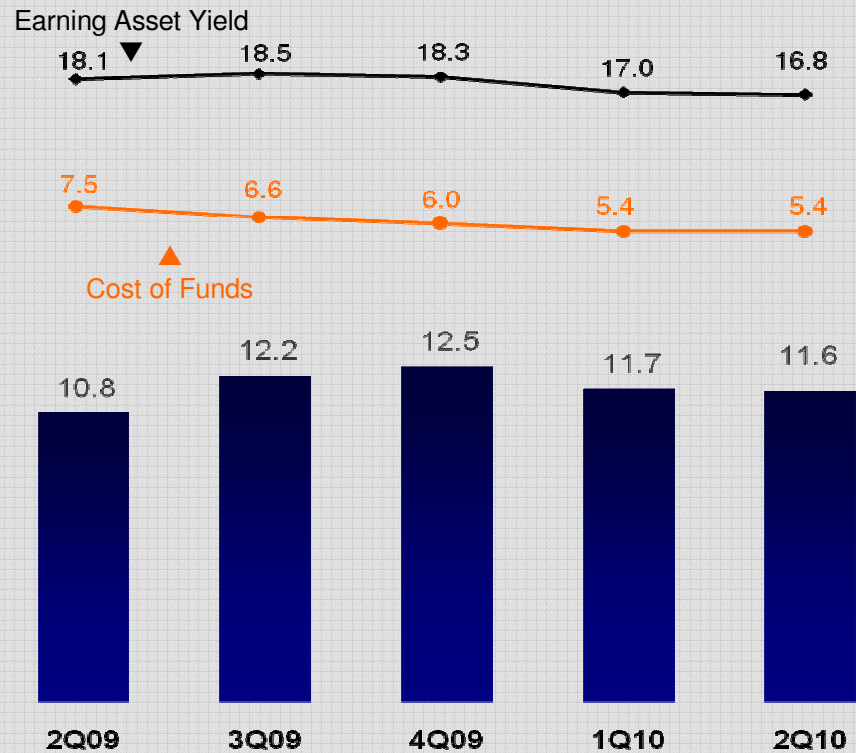
5) Modified LDR is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + Long Term Funding + Capital - Net Other Assets)

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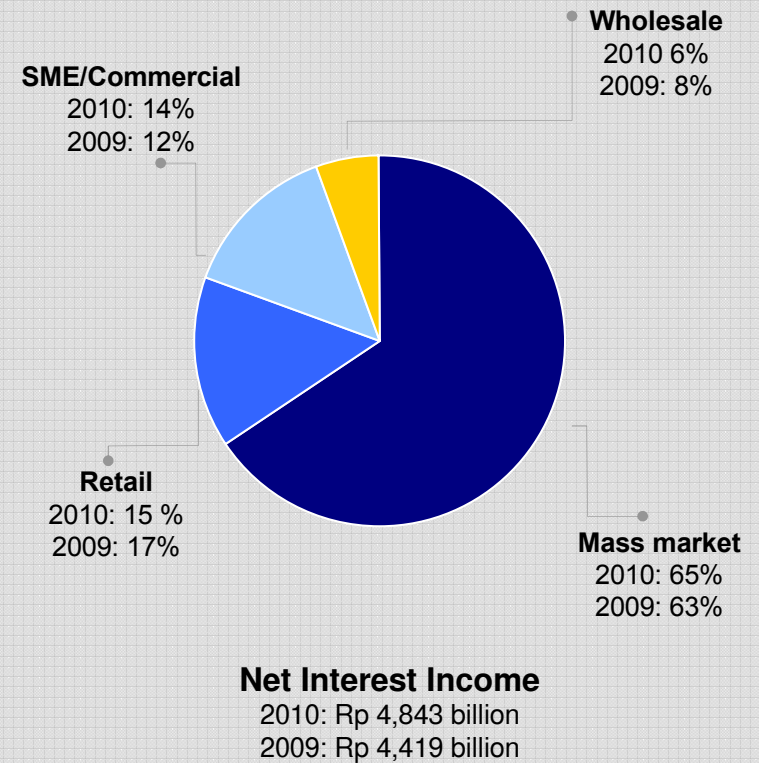
Untuk Anda, Bisa

NIM stood at 11.6% in the second quarter of 2010

Net Interest Margin %, annualized



Net Interest Income As of June 30



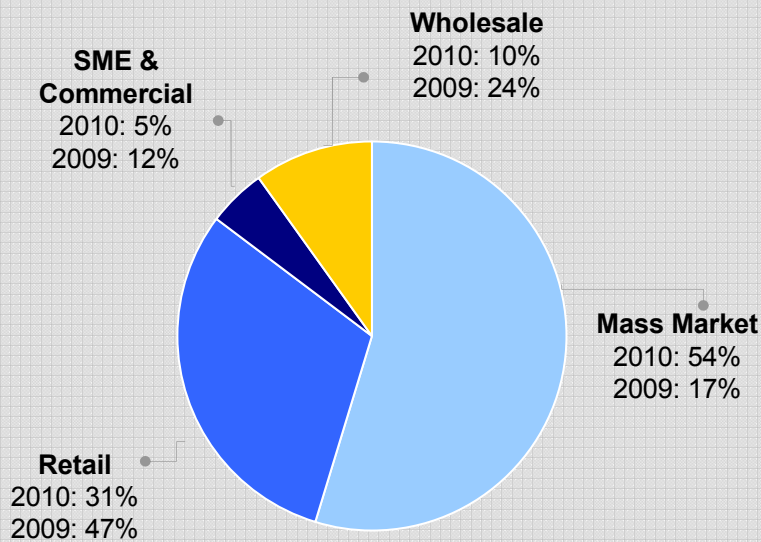
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Non-interest income contributed to 25% of operating income in first half of 2010

Non-Interest Income by Segment

As of June 30

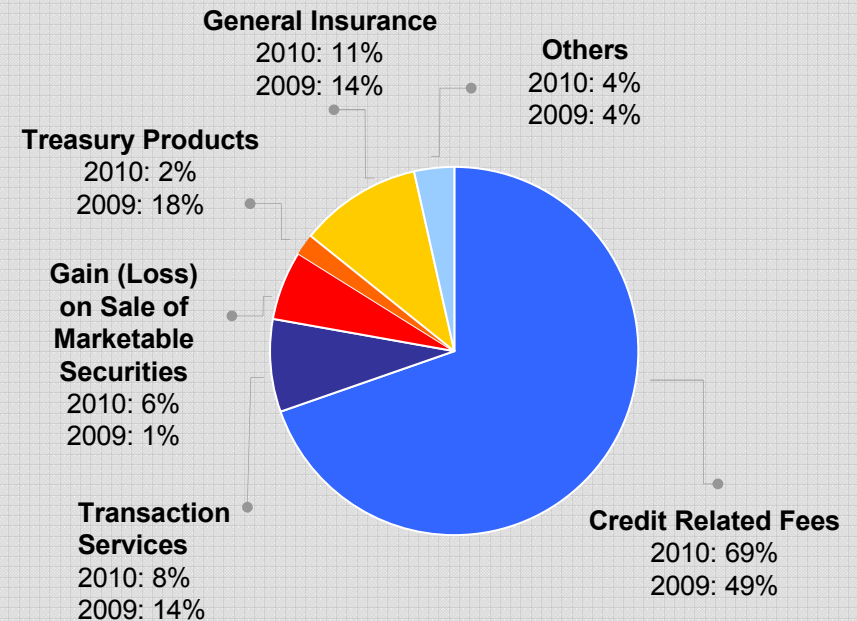


Non-Interest Income

2010: Rp 1,584 billion
2009: Rp 933 billion

Non-Interest Income by Type

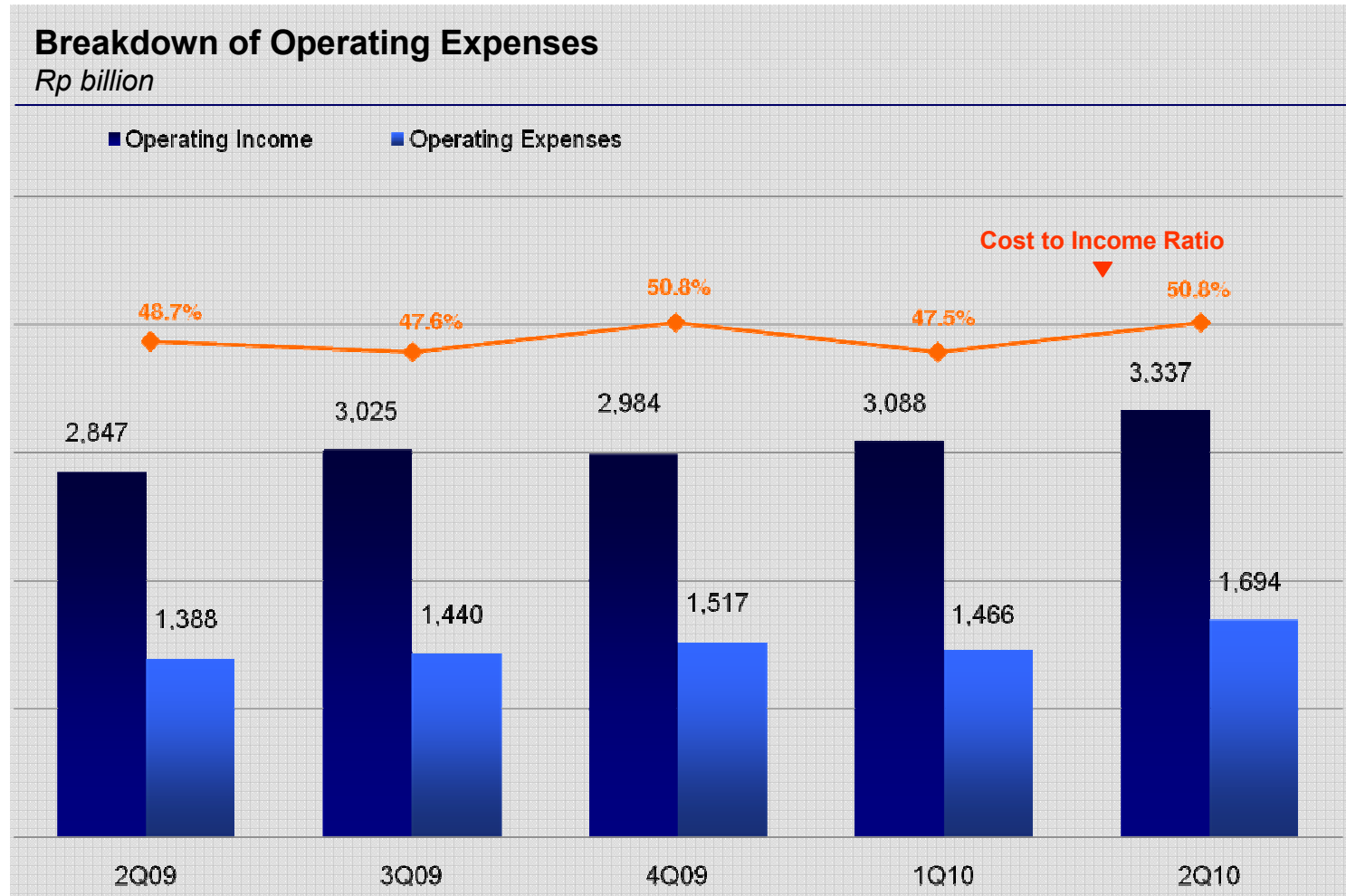
As of June 30



Non-Interest Income

2010: Rp 1,584 billion
2009: Rp 933 billion

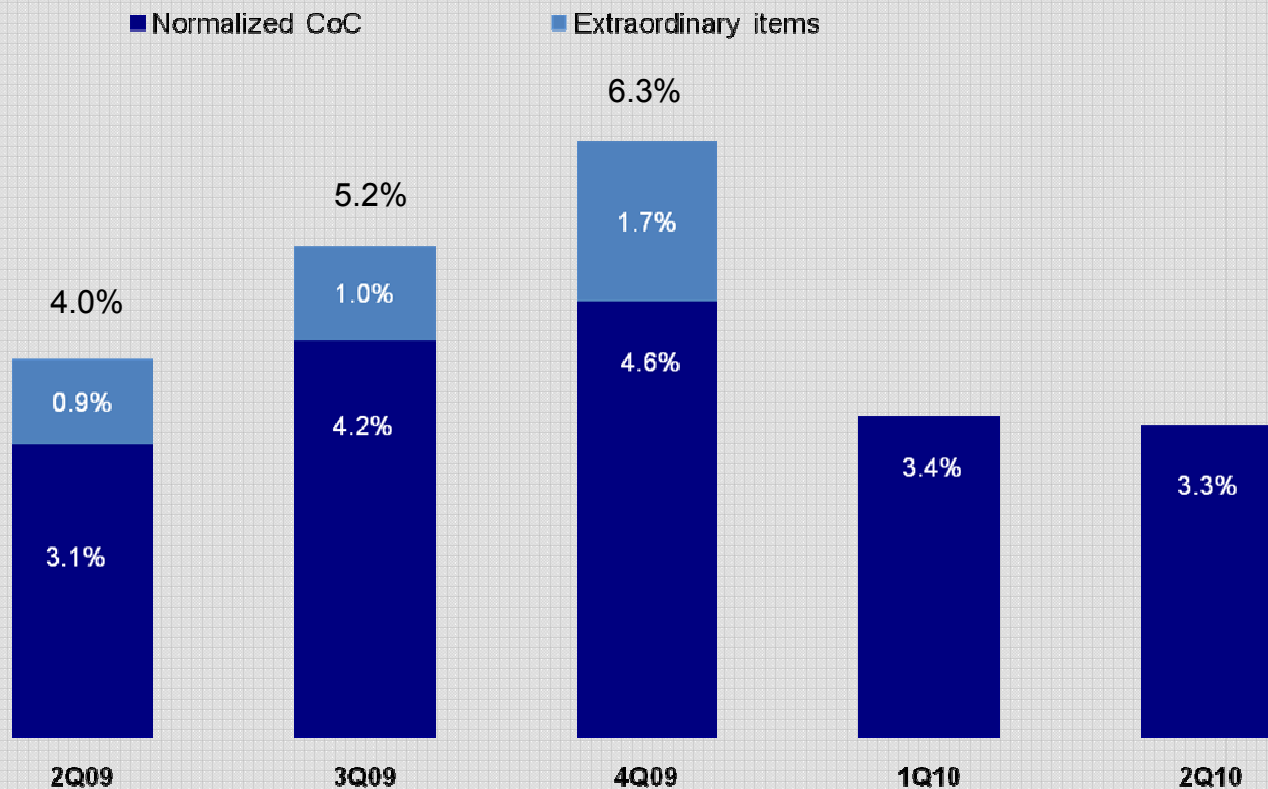
Cost to income ratio was 49.2% in the first half of 2010



Operating expense has been restated in accordance to new accounting standards where the cost of recovery is reclassified from Operating Expense to Cost of Credit.

Cost of credit was Rp1,140 billion in the first half of 2010, representing 3.3% of earning assets

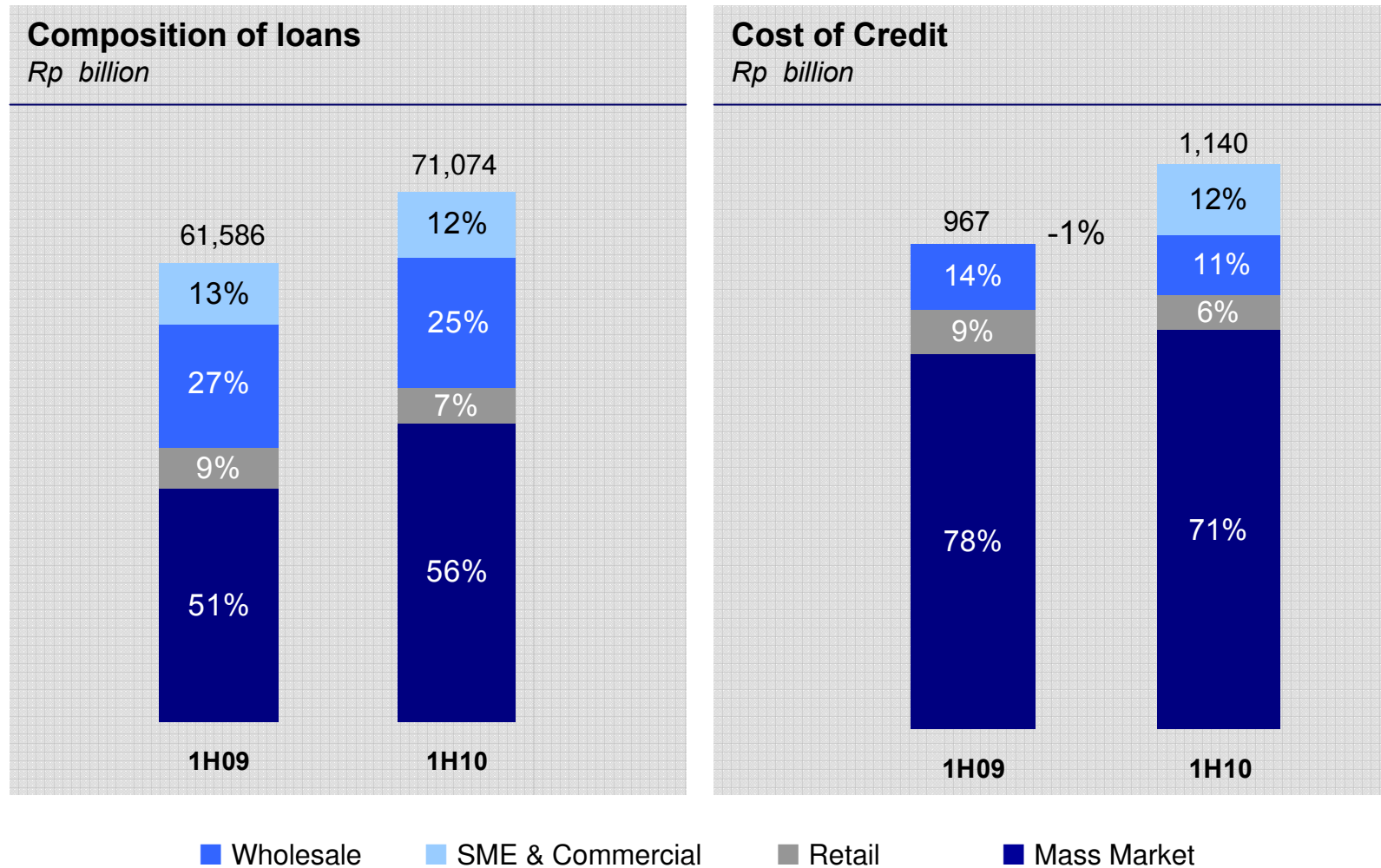
Cost of Credit / Avg. Earning Assets
%, Annualized



Cost of Credit has been restated in accordance to new accounting standards whereby the cost of recovery is reclassified from Operating Expense to Cost of Credit.

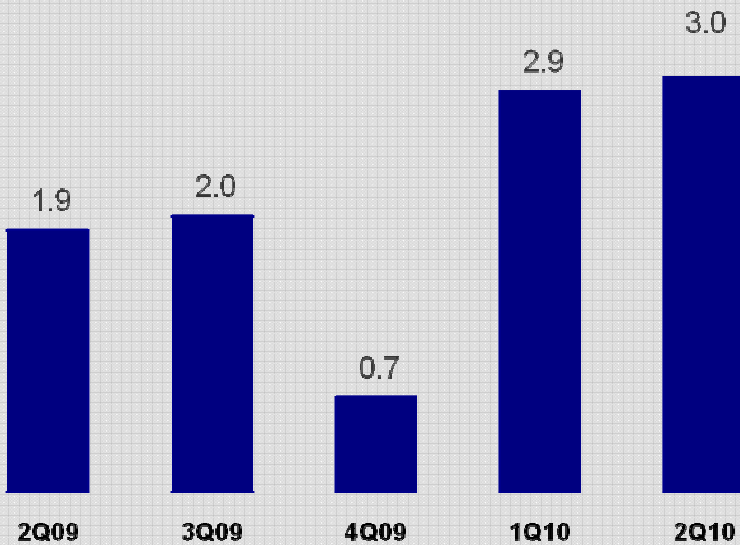
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Cost of credit increased in line with loan growth

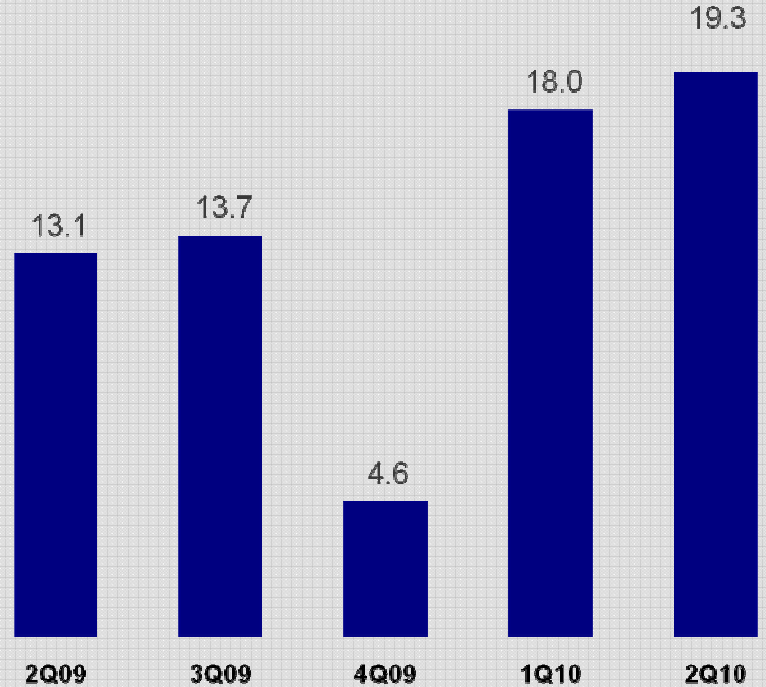


ROA reached 3.0% in the second quater and hence ROE improved to 19.3% despite of high capitalization

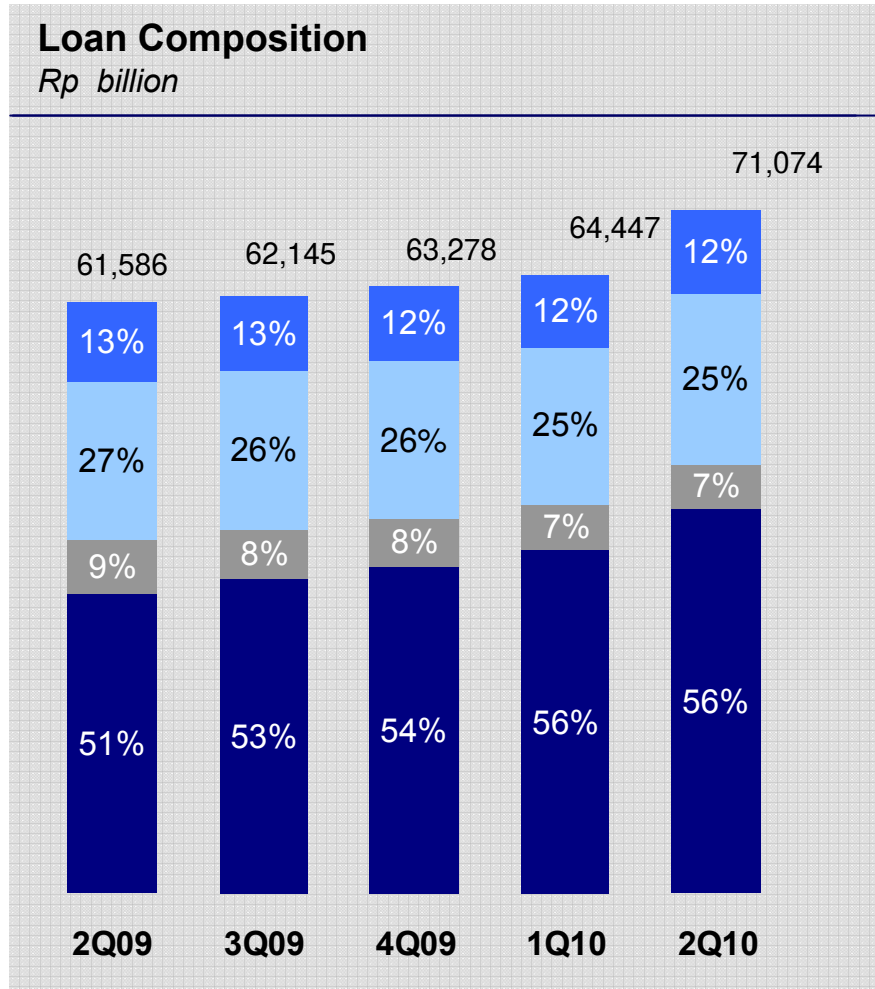
Reported ROAA
%, annualized



Reported ROE
%, annualized



Loans grew 10% in the second quarter, bringing a commulative growth of 12% in the first half of 2010



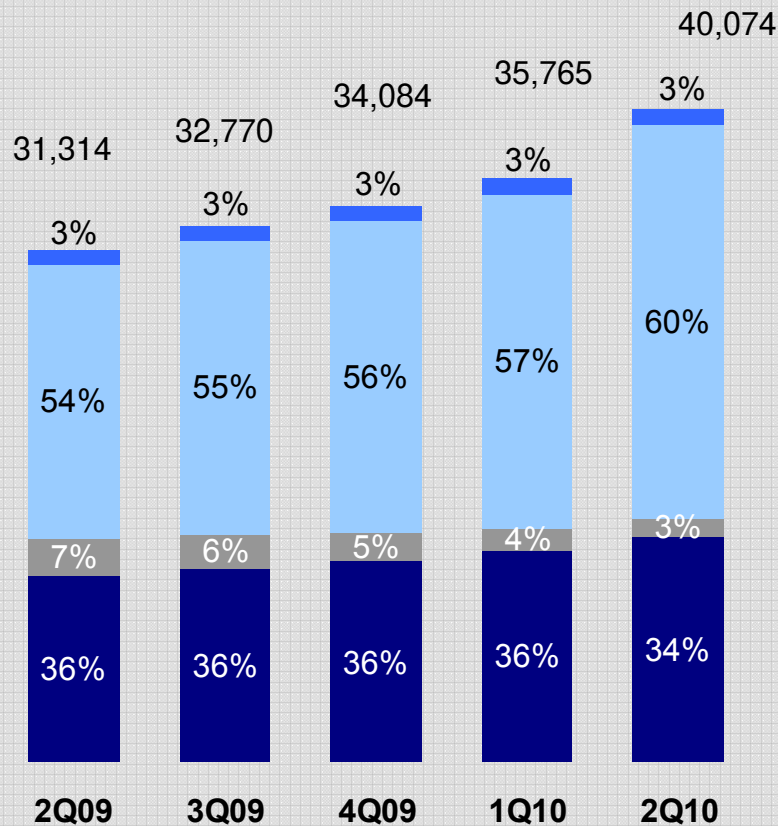
Loan Growth
%

Rp billion	1H09	1Q10	1H10	ΔQoQ	ΔYoY
Wholesale	8,186	7,631	8,678	14%	6%
SME & Commercial	16,532	16,340	17,649	8%	7%
Retail	5,554	4,711	4,673	(1%)	(16%)
Mass Market	31,314	35,765	40,074	12%	28%
Total	61,586	64,447	71,074	10%	15%

Mass market loans increased 28% driven by a robust growth in automotive financing and micro lending

Mass Market Loan Composition

Rp billion



Mass Market Loan Growth

Rp billion

	1H09	1Q10	1H10	ΔQoQ	ΔYoY
Adira Quantum ¹	819	921	1,012	10%	24%
Adira Finance ²	16,862	20,494	24,184	18%	43%
CMM ³	2,167	1,465	1,133	(23%)	(48%)
SEMM (DSP) ⁴	11,466	12,885	13,745	7%	20%
Total	31,314	35,765	40,074	12%	28%

¹ White goods financing

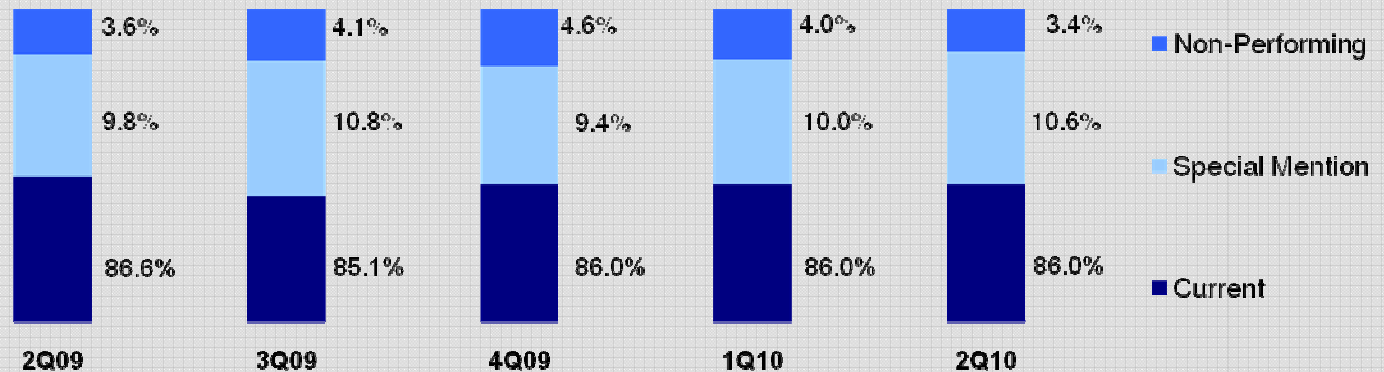
² Motorcycles and cars financing

³ Personal loans

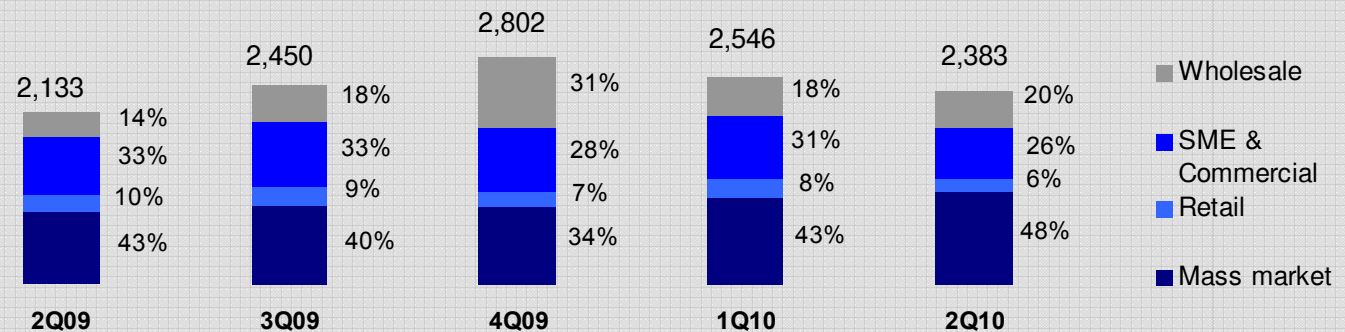
⁴ Micro lending

Non-performing loans

Loan's Collectibility
% of Outstanding loans

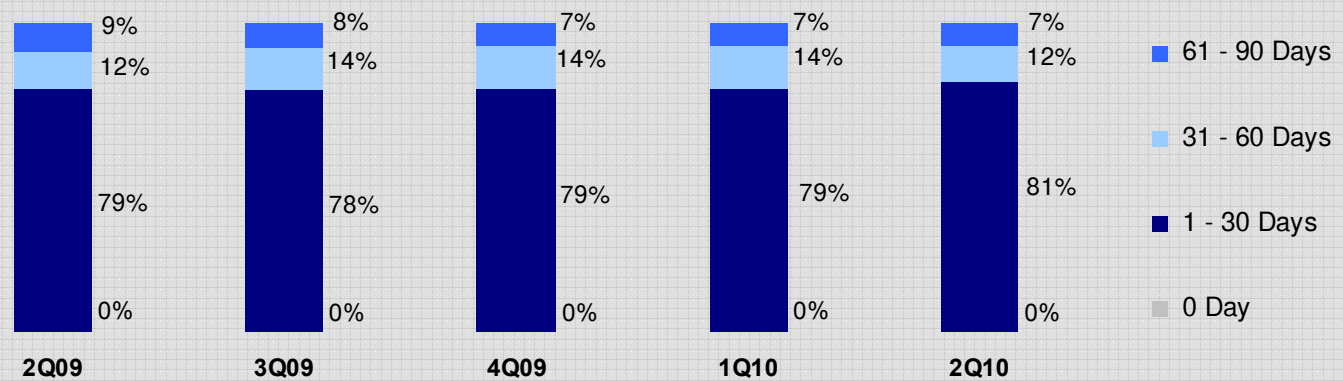


Non-Performing Loans by Segment
Rp billion

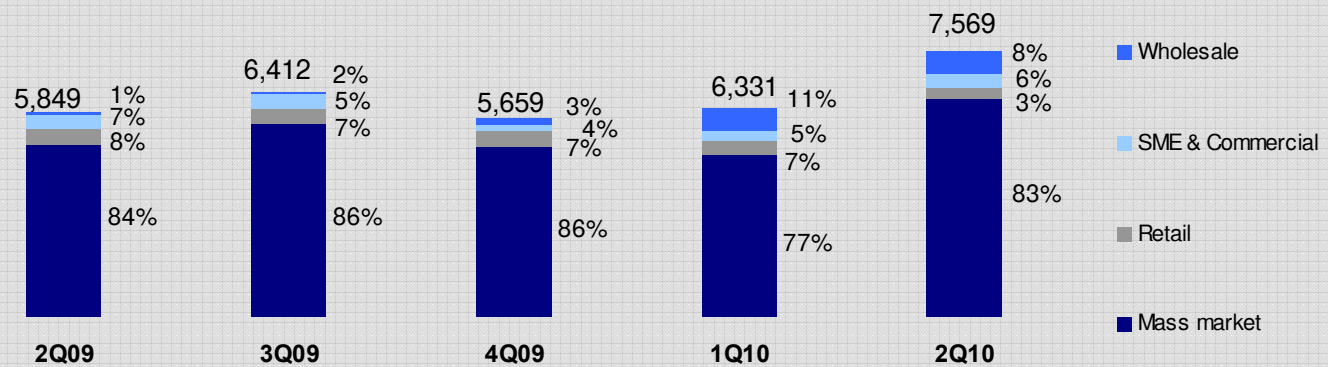


Special mention loans composition

Special mention loans by Aging
% of Special Mention Loans

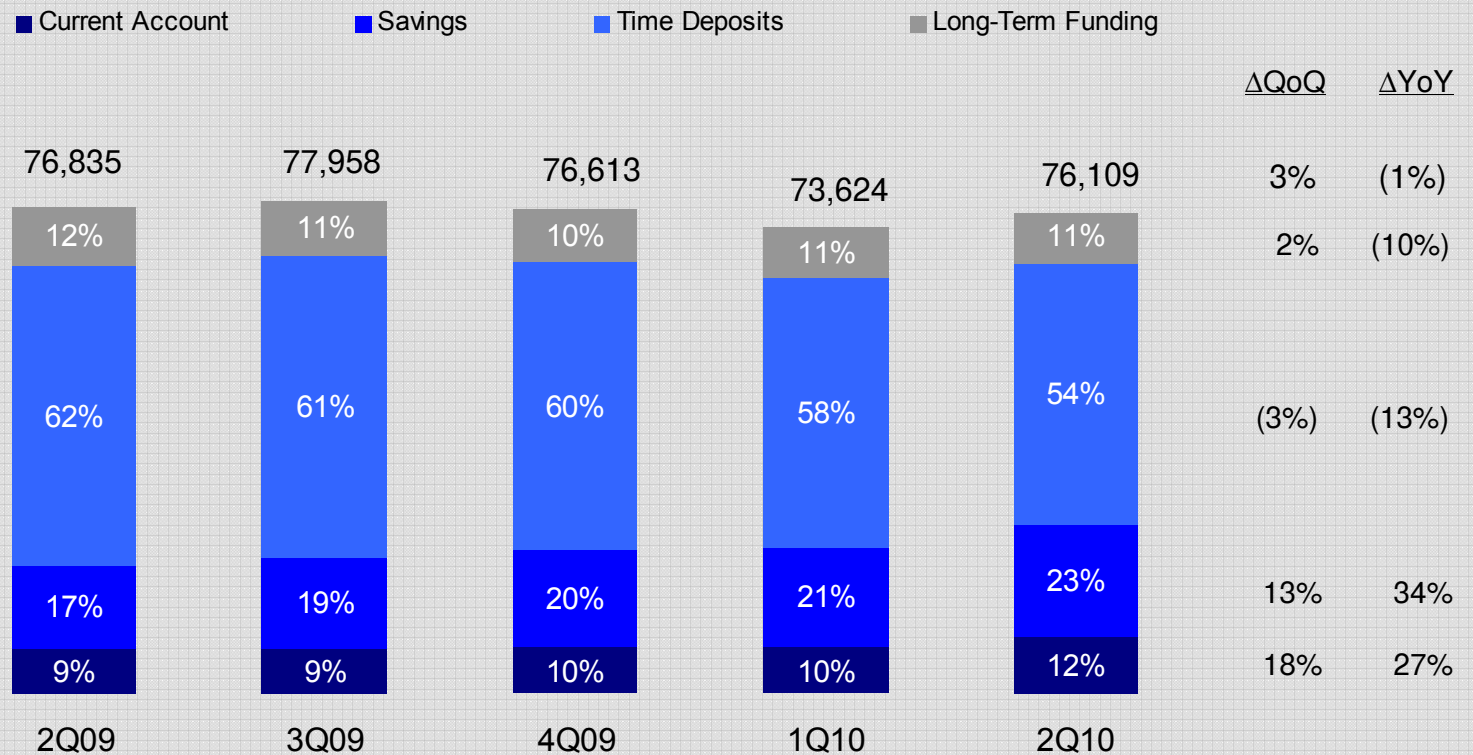


Special mention loans by Segment
Rp billion

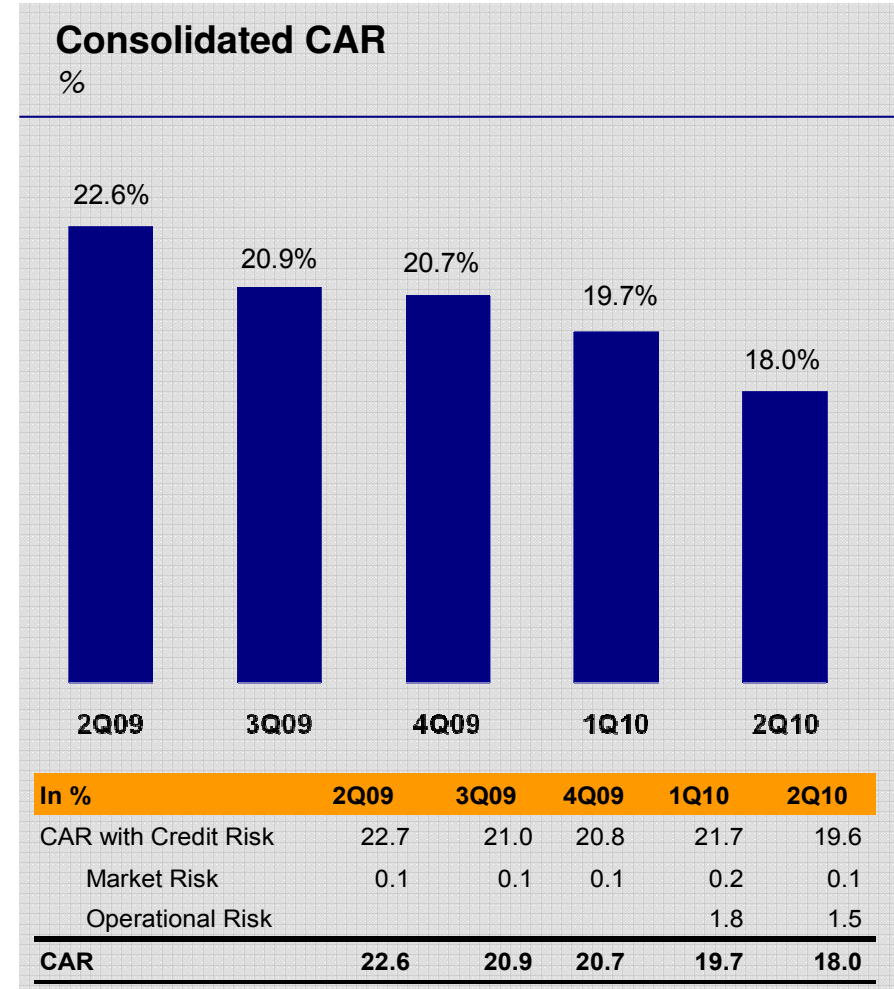
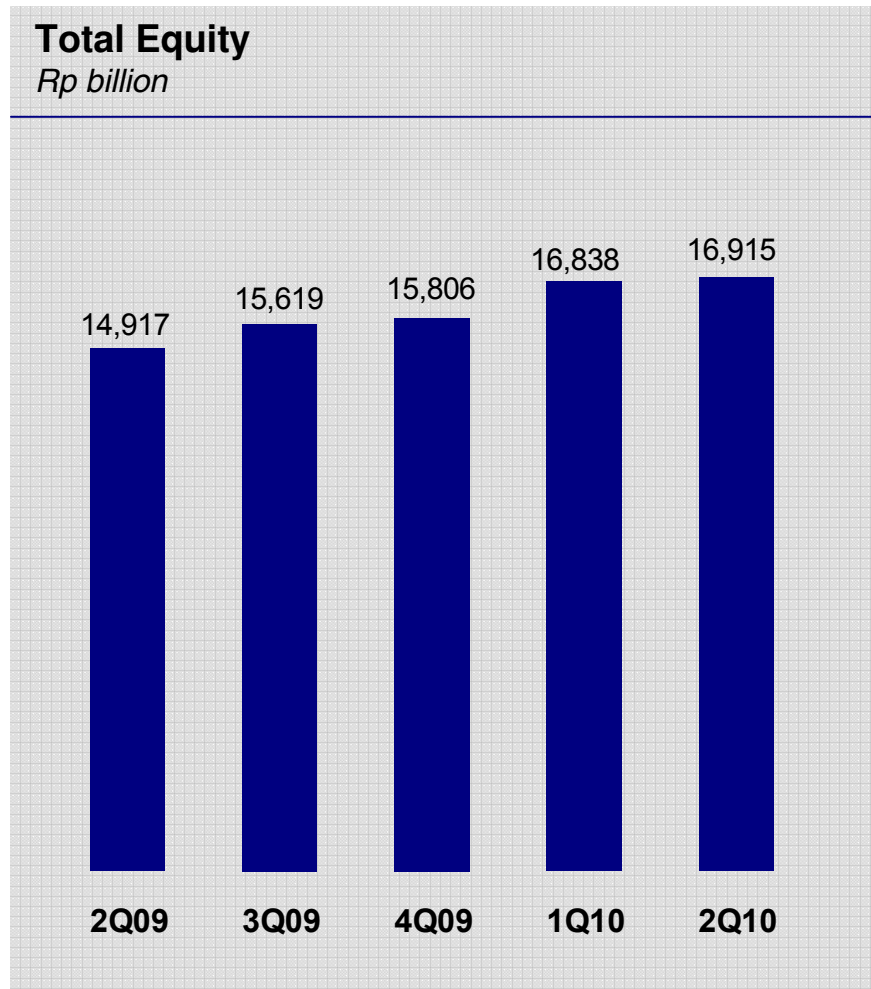


CASA increased 31% to Rp26.5 trillion, accounting for 39% of deposits

Funding Composition *Rp billion*



CAR stood at 18.0% in the second quarter 2010



Note: Capital charge for operational risk in 1Q10 reflects 5% of average gross income for the last three years

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Bonds issuance plan

- Danamon plans to issue fixed rate bonds up to Rp3 trillion with 3 and 5 year tenor.
- The bonds issuance is as part of the bank's strategy to diversify funding sources as well as for asset and liability management

Implementation of Basel II

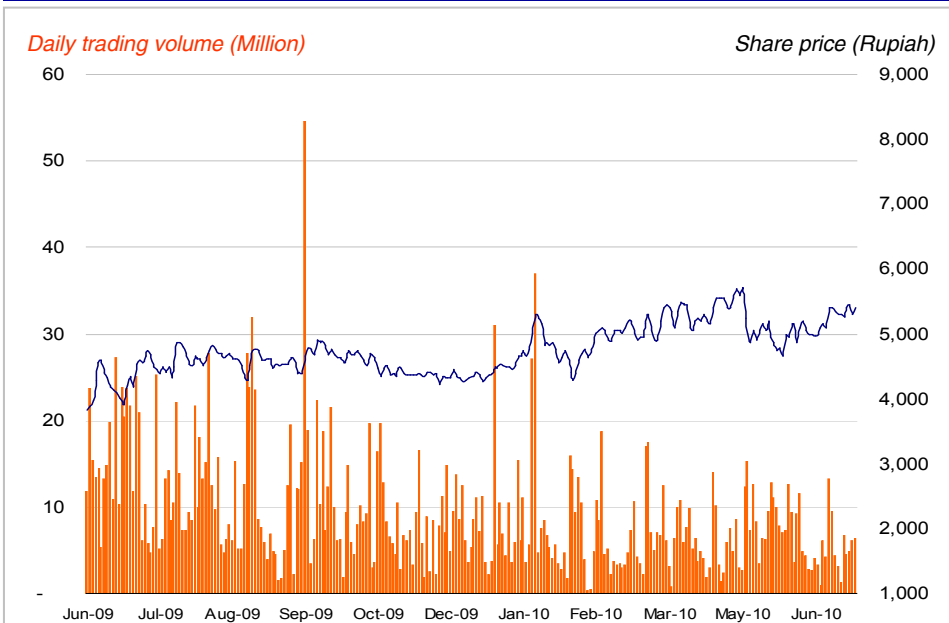
- We have implemented a capital charge for operational risk (as part of Basel II) starting January 2010 toward the full implementation by 2011
- The impact of the implementation of capital charge for operational risk is estimated to lower our CAR by approximately 2% this year

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Share Price and Credit Ratings

Daily share price and trading volume BDMN IJ



Source: Bloomberg

Ownership Structure	Number of Shares	Ownership
<i>As of 30 June 2010</i>		
Asia Financial (Indonesia) Pte, Ltd.	5,674,493,482	67.43%
Public	2,740,594,984	32.57%
Total	8,415,088,466	100.00%

Danamon

PEFINDO <i>March 2010</i>	Corporate Rating	id AA+ / Stable
	Bond Rating	id AA+ / Stable
Standard & Poor's <i>October 2009</i>	Long-term / Short-term Local Currency	BB- / B / Positive
	Long-term / Short-term Foreign Currency	BB- / B / Positive
Fitch Ratings <i>January 2010</i>	Long-term / Short-term Foreign Currency	BB+ / B / Stable
	National Long-term	AA+ (idn) / Stable
	Individual / Support Rating	C/D / 3 / Stable
Moody's <i>June 2010</i>	Global Local Currency Deposit	Baa3 / P-3 / Stable
	Foreign Currency Long-term / Short-term Deposit	Ba3 / NP / Positive
	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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