

Analyst Briefing Full Year 2011 Results

Jakarta, 14 February 2012

- **Macroeconomy and Industry Trend**
- Financial Results
- Corporate Updates
- Appendix

Economics Indicators

Indonesia	2009	2010	2011	2012E
National Account				
Real GDP (% YoY)	4.6	6.1	6.5	6.3
Domestic demand ex. Inventory (% y-o-y)	5.4	5.2	5.7	5.5
Real Consumption: Private (% y-o-y)	4.9	4.6	4.7	4.6
Real Gross Fixed Capital Formation (% y-o-y)	3.3	8.5	8.8	7.4
GDP (US\$ bn) – nominal	543	707	846	951
GDP per Capita (US\$) – nominal	2,347	2,977	3,510	3,893
Open Unemployment Rate (%)	7.9	7.1	6.6*	6.3
External Sector				
Exports, fob (% YoY, US\$ bn)	-14.3	32.1	27.5	10.0
Imports, fob (% YoY, US\$ bn)	-24.0	43.7	30.3	17.5
Central government debt (% of GDP)	28.4	26.1	24.6	23.1
International Reserves – IRFCL (US\$ bn)	66.1	96.2	110.1	118.3
Reserve cover (Imports and external debt)	6.5	7.1	6.3	6.7
Currency / US\$ (Year-end)	9,400	8,991	9,068	8,950
Other				
BI Policy Rate (% year end)	6.50	6.50	6.00	5.50
Consumer prices (% year end)	2.78	6.96	3.79	5.68
Fiscal balance (% of GDP; FY)	-0.9	-1.5	-1.3	-1.2

Source: BPS, Bank Indonesia, Danamon

*) Estimated data

Slide 3

Untuk Anda, Bisa

Better 2011 economy, with slight slowdown in 2012

Economic Growth

- The economy grew by 6.5%yoy in 2011, way better than 6.1% yoy growth in 2010, due to better investment and net exports, and stable consumption growth.
- 2012 growth may slow slightly to 6.3% yoy due to global slowdown
- Unemployment rate continue to decline, though under-employment and informal labor are still high.

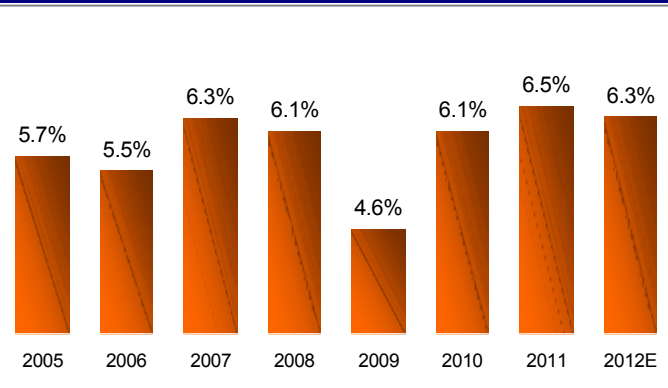
Inflation rate

- CPI headline inflation decreased significantly to 3.79% yoy in Dec-11 from 4.15% in Nov-11; better than everybody's expectations, incl. BI's and the government's. Food imports and the absence of administered price changes have kept inflation low.
- Core inflation, at 4.34% yoy looks better also, despite pressures from gold price inflation.
- 2012 forecast is at 5.7% yoy due to fuel rationing policy, electricity rate hike and possible wet weather.

Consumer sentiment

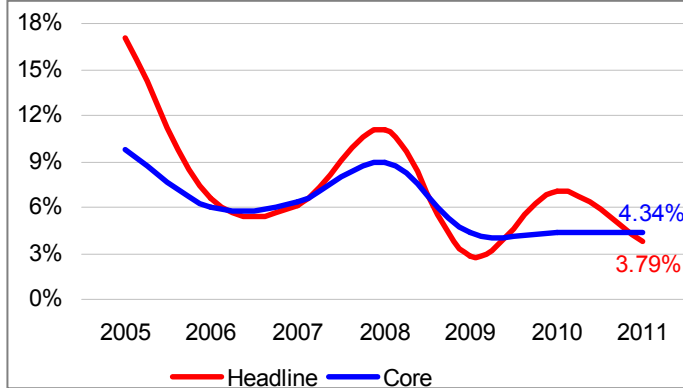
- Consumer confidence trending up, despite a rebound of inflation expectation.

Real GDP Growth %YoY



Source: BPS, CEIC, 2011: GDP (1Q-3Q11), Unemployment rate (Aug 11)

Headline vs Core Inflation %YoY, end of period, CPI



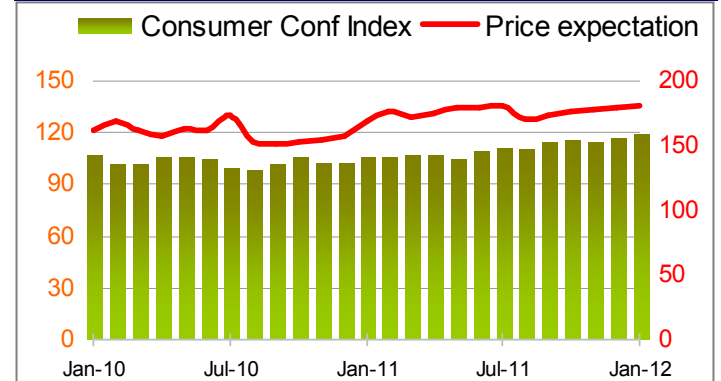
Source: BPS, CEIC

Real GDP Breakdown

% YoY	FY09	FY10	FY11	FY12E
Real GDP	4.6	6.1	6.5	6.3
Consumption	4.9	4.6	4.7	4.6
Government	15.7	0.3	3.2	6.5
Investment	3.3	8.5	8.8	7.4
Net Export	12.5	7.5	14.4	12.1

Source: BPS, CEIC, Danamon Estimates

Consumer Confidence Index Monthly,pt



Source: BI, CEIC

BI may cut rate to 5.5% in 2012 due to moderate inflation expectation and in anticipation of global economic slowdown

Interest Rate

- BI cut its policy rate by 50bps to 6.0% in Nov-11 and kept it stable in Dec-11 and Jan-12. We expect 50bps cut to 5.5% in 2012, as the future headline and core inflation still looks moderate. BI is supporting economic growth to anticipate global economic slowdown. During the last quarter (from Sep – Dec 2011), LPS and FASBI rate both declined by 125 bps and 75 bps, respectively.

Exchange Rate

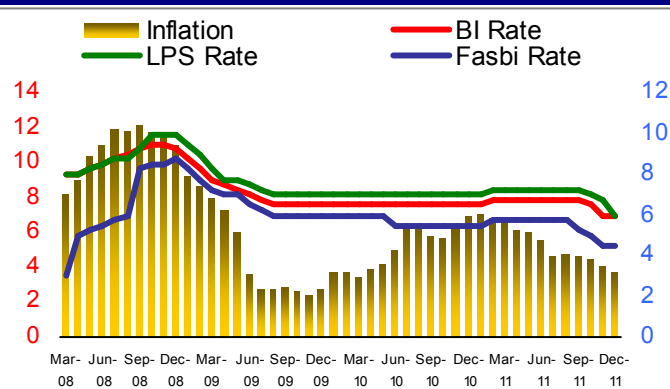
- The IDR/USD ended at 9,068 in 2011. Overall, financial markets likely be very volatile and investors may become more risk averse in 2012, due to EU's debt and banking sector problems. However, we expect the Rupiah to appreciate slightly towards 8,950 at year-end.

Domestic Sales

- New car and motorcycle sales are up by 16.9% and 8.7%, respectively, in 2011; supported by rising middle class and strong economy.
- Retail sales index was trending up since Mar-09, supported by better real income amid mild inflation, but slowly decline towards the end of 2011.

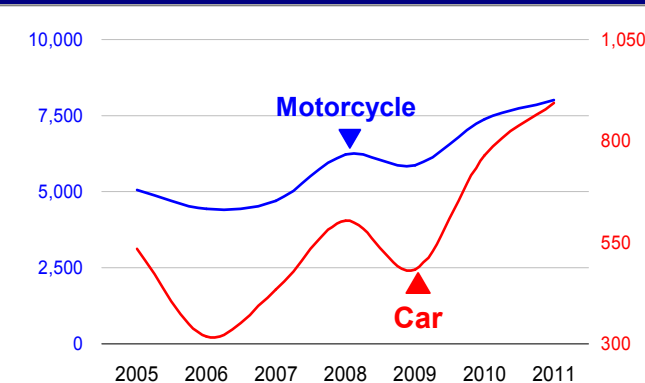
Interest Rate

BI Rate, %



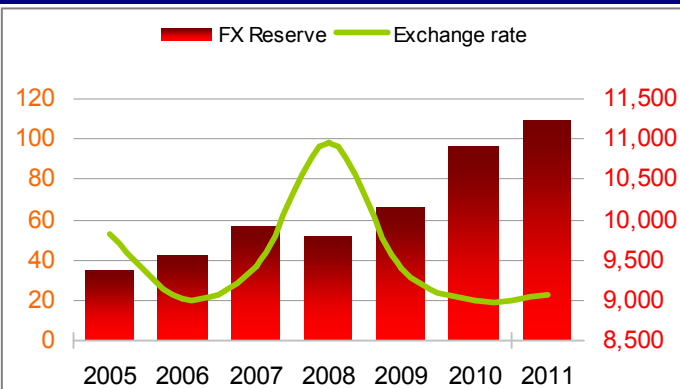
Automotive Sales

Yearly, Unit



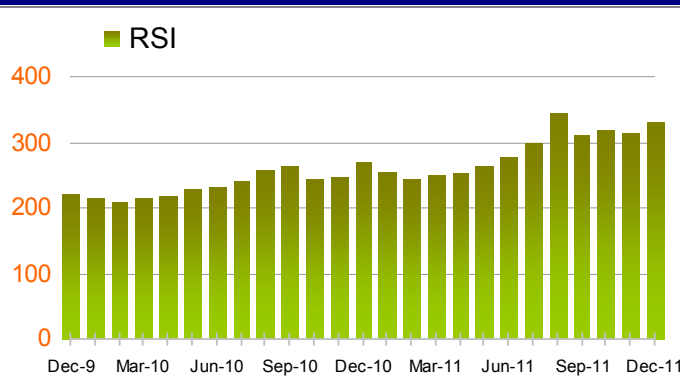
Foreign Exchange Rate

IDR/USD



Retail Sales Index

Base year : Oct 2000 = 100



Industry (Commercial Banks)

<i>Rp trillion</i>	Nov 10	Dec 10	Mar 11	Jun 11	Nov 11	△YoY
Total Assets	2,856	3,009	3,066	3,195	3,471	22%
Loans	1,706	1,766	1,815	1,951	2,147	26%
Placements at BI	479	582	597	617	652	36%
Total Deposits	2,212	2,339	2,351	2,438	2,645	20%
NPAT	54.0	57.3	18.3	37.1	69.5	29%
NIM (%)	5.7	5.7	5.9	5.8	5.9	0.2
NPL (%)	3.1	2.6	2.8	2.7	2.6	-0.5
ROA (%)	2.9	2.9	3.1	3.1	3.1	0.2
LDR (%)	76.8	75.2	76.8	79.6	81.0	4.2
CAR (%)	16.9	17.2	17.6	17.0	16.1	-0.8

Source: Indonesian Banking Statistics

Agenda

- Macroeconomy and Industry Trend

- **Financial Results**

- Corporate Updates

- Appendix

Highlights Full Year 2011 Results

- Total loans increased to Rp 101.7 trillion or 23% higher from a year earlier. Mass market and SMEC segments remained to be the main engine with 26% and 23% growth, respectively.
- Current account and saving account rose 18% and 9%, respectively. Liquidity at a healthy level with Rp 17 trillion excess liquidity.
- Net Interest Margin stood at 9.8%. CoC improved to 3.0%.
- Credit related fees and bancassurance drove fee income up 24%
- NPAT rose 16% to Rp 3.3 trillion bringing ROAE to 17.5%.
- Successful Rights Issue of Rp 5 trillion additional paid up capital with subscription rate of 113% to bring consolidated CAR to 17.5%
- Continuous network expansion. 394 various outlets and 175 ATMs were added in the last 12 months.

Highlights of Income Statement

<i>Rp billion</i>	2010	2011	ΔYoY	1Q11	2Q11	3Q11	4Q11
Net Interest Income	9,908	10,849	9%	2,609	2,630	2,733	2,877
Non-Interest Income	3,335	4,131	24%	844	926	1,235	1,126
Operating Income	13,243	14,980	13%	3,453	3,556	3,968	4,003
Cost of Credit	2,437	2,650	9%	618	708	628	696
Risk Adjusted Op. Income	10,806	12,330	14%	2,835	2,848	3,340	3,307
Operating Expenses	6,582	7,732	17%	1,765	1,873	1,994	2,100
Net Profit after Tax	2,883	3,336	16%	763	711	975	887

Highlights of Balance Sheet

<i>Rp billion</i>	2010	2011	ΔYoY	1Q11	2Q11	3Q11	4Q11
Total Assets	118,207	141,934	20%	122,804	125,922	136,073	141,934
Loans (gross)	82,658	101,678	23%	86,003	92,793	97,434	101,678
Government Bonds	6,138	3,947	-36%	5,613	4,394	3,846	3,947
Total Deposits	80,921	88,054	9%	82,495	83,536	86,990	88,054
Current Account	10,972	12,994	18%	9,788	10,354	11,454	12,994
Savings	21,433	23,439	9%	20,988	20,817	21,420	23,439
Time Deposit	48,516	51,621	6%	51,720	52,365	54,116	51,621
Long Term Fundings	11,925	16,583	39%	12,418	13,610	14,578	16,583
Equity	18,450	25,630	39%	18,135	18,854	24,744	25,630

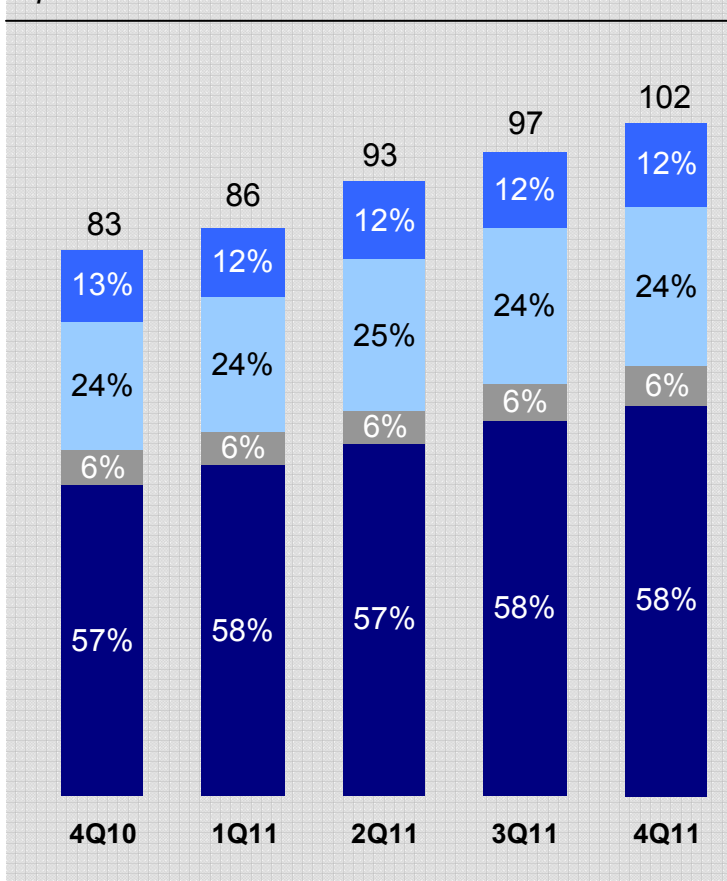
Key Ratios

	2010	2011	ΔYoY	1Q11	2Q11	3Q11	4Q11
Net Interest Margin	11.3	9.8	(1.5)	10.2	9.8	9.7	9.6
Cost of Credit	3.4	3.0	(0.4)	3.0	3.3	2.7	2.9
Cost / Income	49.7	51.6	1.9	51.1	52.7	50.2	52.5
ROAA	2.8	2.6	(0.2)	2.6	2.3	3.0	2.6
ROAE	18.5	17.5	(1.0)	17.6	16.7	20.4	15.5
Assets to Capital	7.6	6.4	(1.2)	7.6	7.7	6.3	6.4
Consolidated RWA to Assets	82.0	89.0	6.9	89.5	92.6	89.7	89.0
Modified LDR ¹	86.2	91.5	5.3	85.2	91.9	88.9	91.5
Regulatory LDR	93.8	98.3	4.6	94.8	99.0	99.5	98.3
Stand alone CAR	13.9	16.6	2.7	12.1	12.2	16.3	16.6
Consolidated CAR	16.0	17.5	1.5	14.7	14.0	17.8	17.5
NPL – Gross	3.0	2.5	(0.5)	3.1	2.9	2.9	2.5
Impairment (LLP/Total Loans)	3.3	2.6	(0.7)	3.1	3.0	2.7	2.6
Loan Loss Coverage (LLP/NPL)	108.9	107.2	(1.7)	100.3	101.9	93.4	107.2

¹⁾ Modified LDR is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + Long Term Funding + Capital - Net Other Assets)

Loans grew 23% yoy across all core segments

Loan Composition
Rp trillion

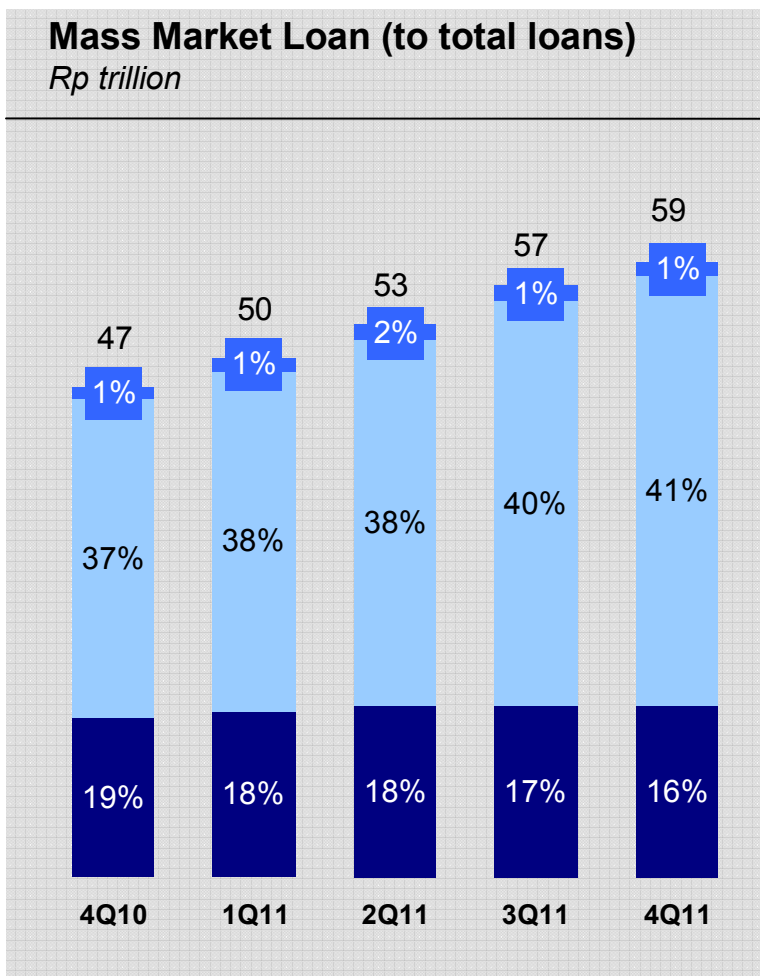


Loan Growth

Rp billion	FY10	FY11	ΔYoY
Wholesale	10,689	12,532	17%
SMEC*	19,639	24,241	23%
Retail	5,145	5,653	10%
Mass Market	47,185	59,252	26%
Total	82,658	101,678	23%

* SME and Commercial segments

Consumption loans in the mass market remain robust



Mass Market Loan Growth

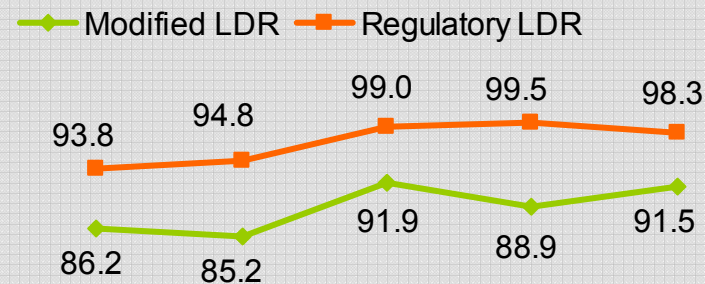
<i>Rp billion</i>	FY10	FY11	ΔYoY
Adira Quantum	1,198	1,416	18%
Adira Finance	30,675	41,363	35%
Pawn Broking	5	40	N/M
SEMM (DSP)	15,306	16,433	7%
Total	47,185	59,252	26%

Slide 13

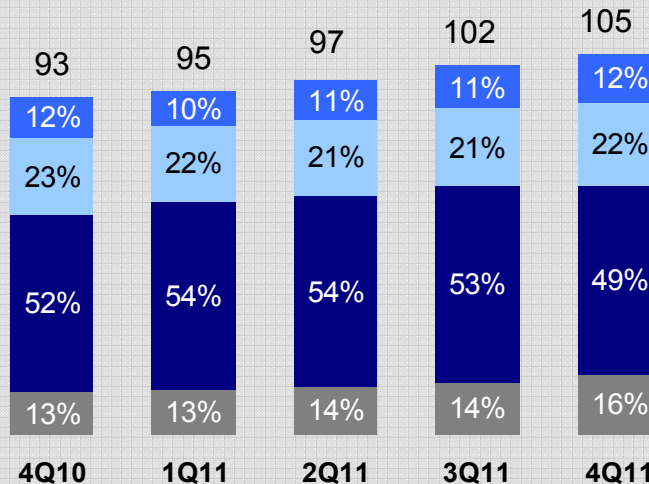
Diversified funding continued to grow providing sound liquidity

- As of 31 Dec 2011, the bank has an excess of liquid assets of approx. IDR 14.2 trillion and USD 266 mio (including IDR 3.6 T of Government bonds in the AFS portfolio)

Loans to Deposits Ratio (%)



Funding Composition (Rp trillion)



Funding Growth

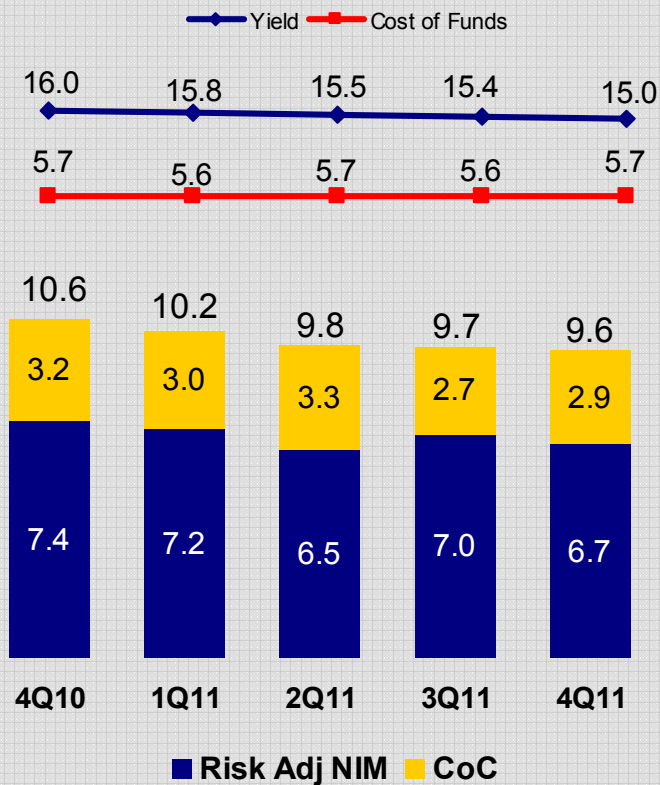
Rp billion	FY10	FY11	ΔYoY
CA*	10,972	12,994	18%
SA*	21,433	23,439	9%
TD*	48,516	51,621	6%
LT Fund**	11,925	16,583	39%
Total	92,846	104,638	13%

*CA=Current Account; SA=Saving Account, TD=Time Deposit
 **LT Fund = Long Term Fund from Professional Market

Lower yield in 4Q11 was triggered by lower benchmark rate, affecting treasury assets yield.

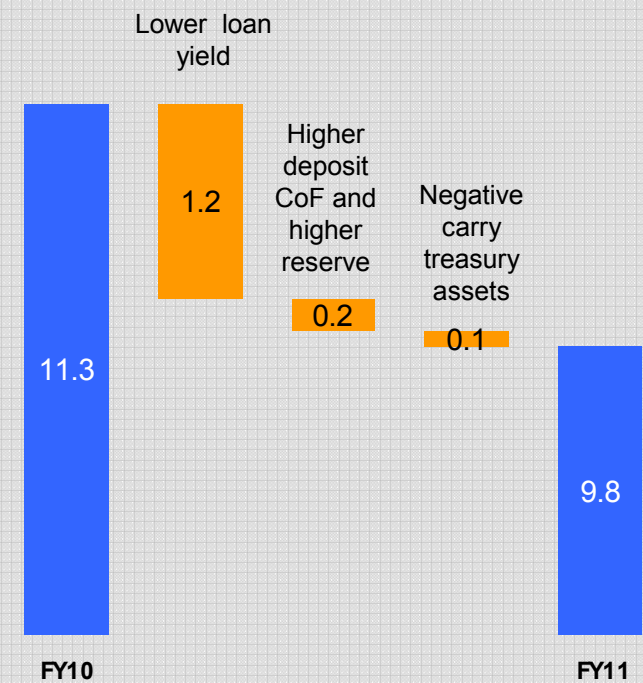
Net Interest Margin

%, annualized



YoY NIM Movement

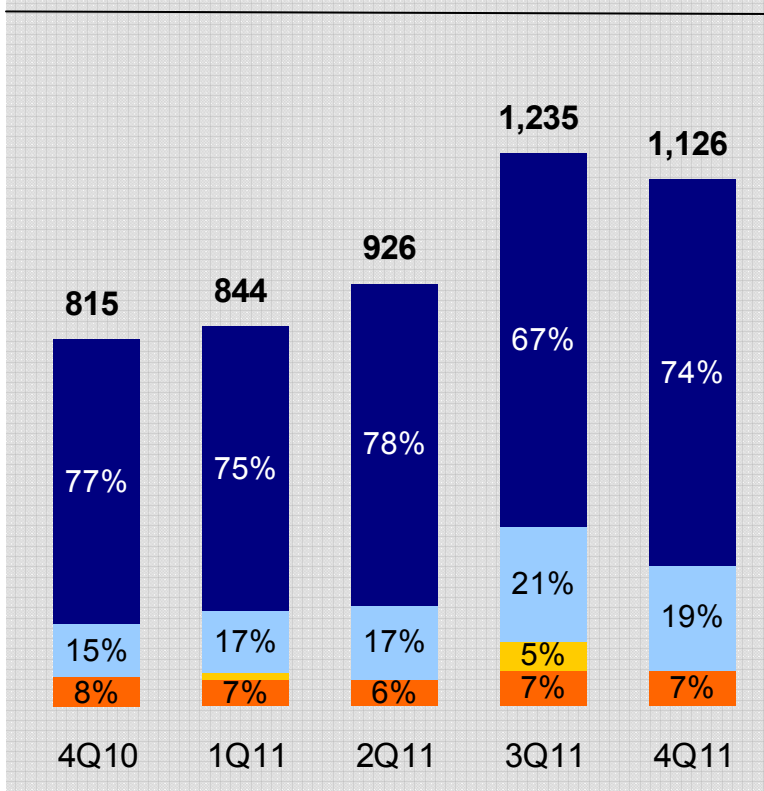
%, annualized



Non interest income rose 24% driven by bancassurance and credit related fees

Non Interest Income Composition

Rp billion



Non Interest Income Growth

Rp billion

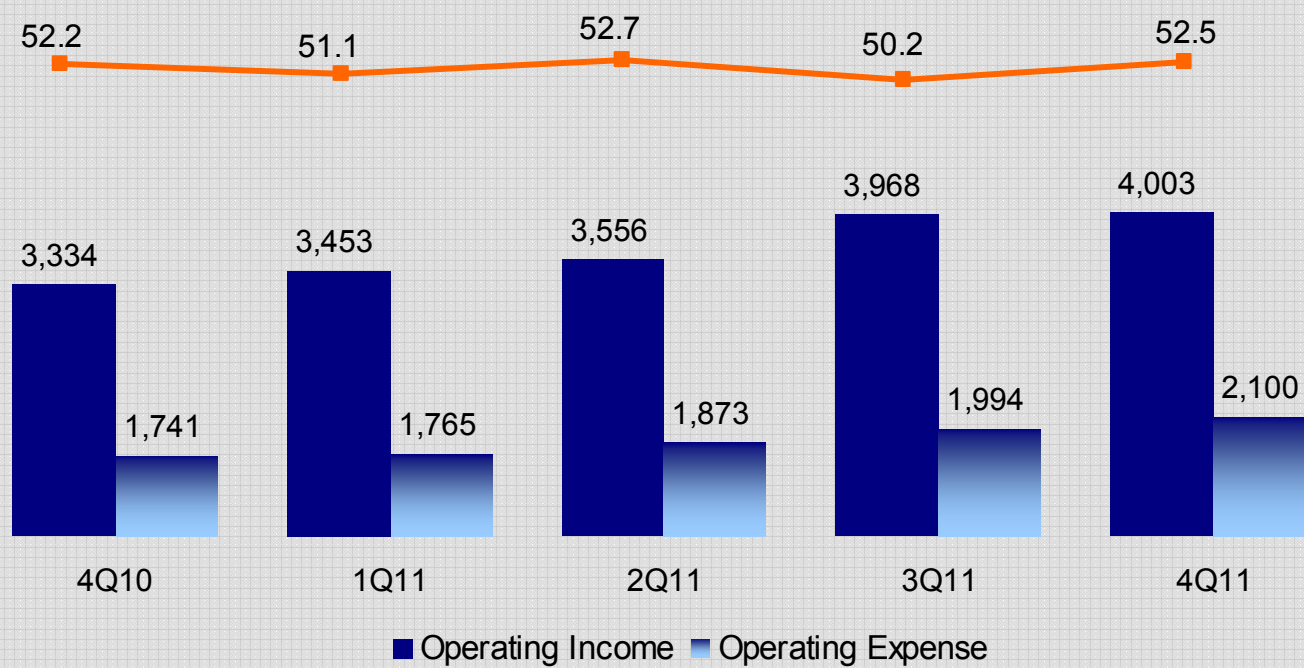
Rp billion	FY10	FY11	ΔYoY
Credit Related	2,359	3,049	29%
Bancassurance	112	330	196%
General Insurance	374	457	22%
Treasury	237	15	-94%
Transaction Banking	253	280	11%
Total	3,335	4,131	24%

Cost to Income Ratio stood at 51.6%

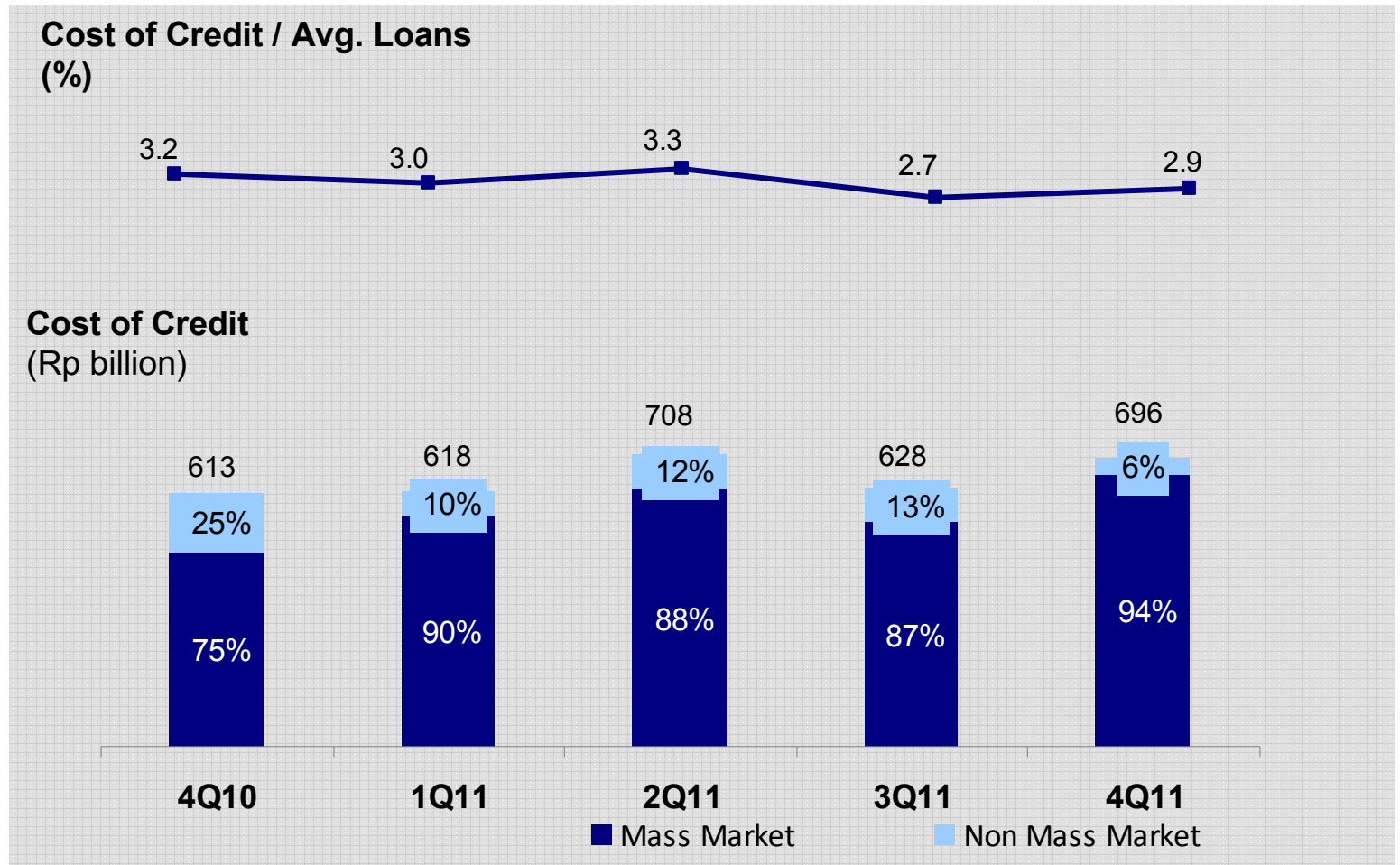
Operating Income and Expense

Rp billion

▼ Cost to Income Ratio (%)

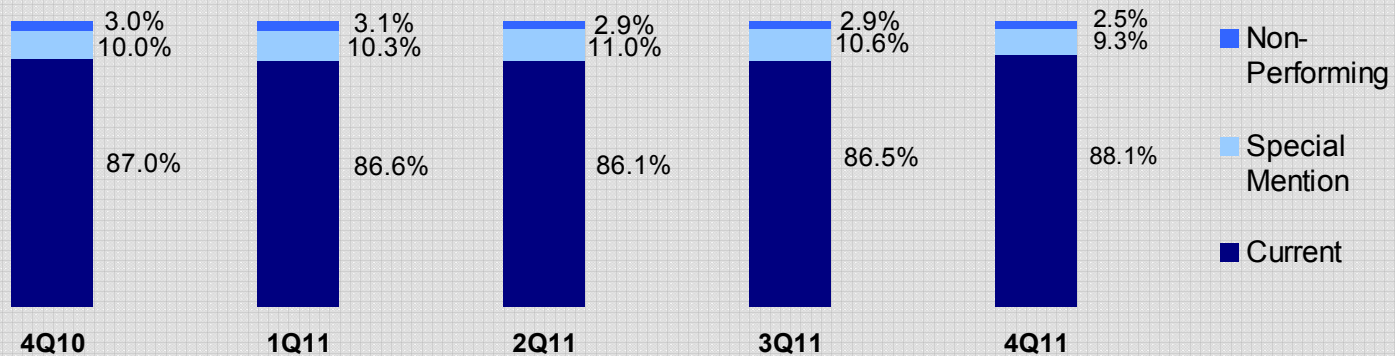


Cost of Credit improved to 3.0%

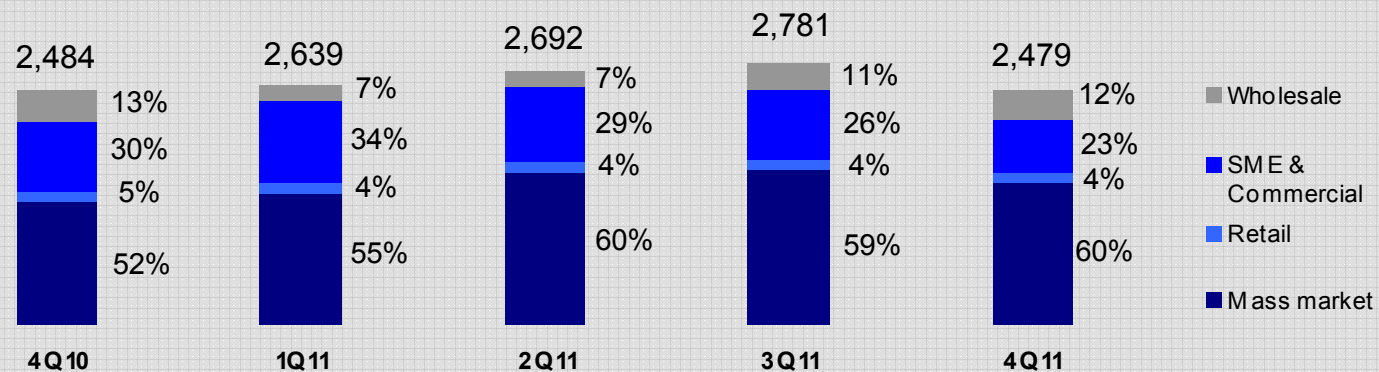


NPL remained low

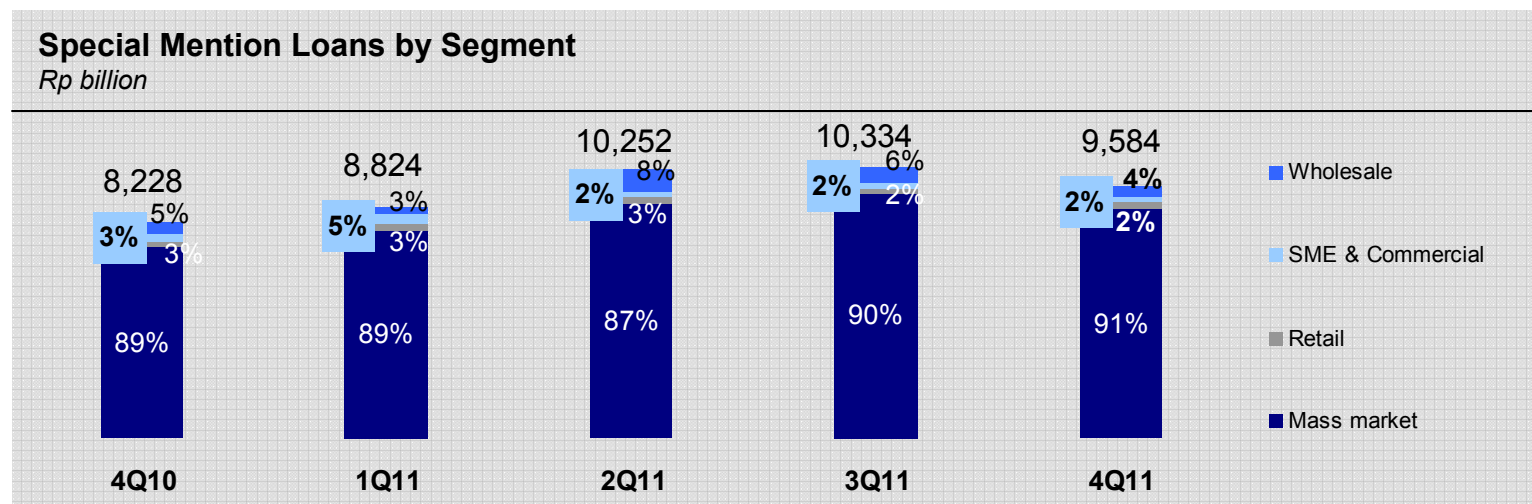
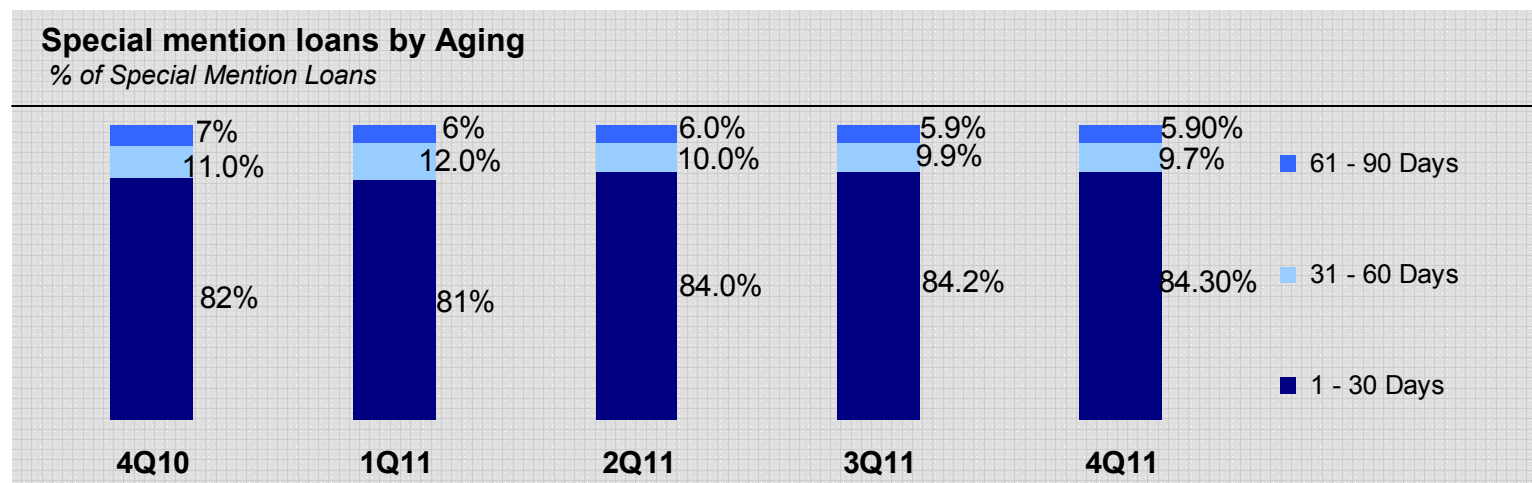
Loan's Collectibility
% of Outstanding loans



Non-Performing Loans by Segment
Rp billion



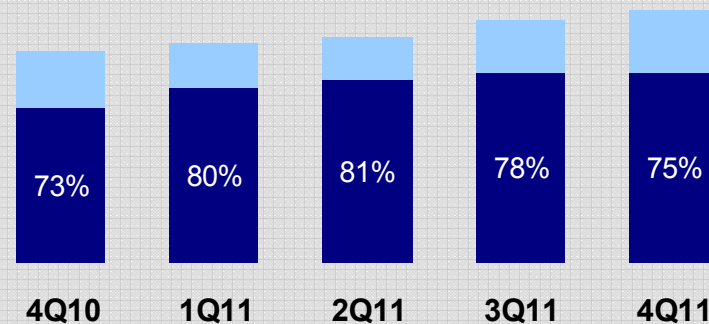
Majority of special mention loans were within 30 days



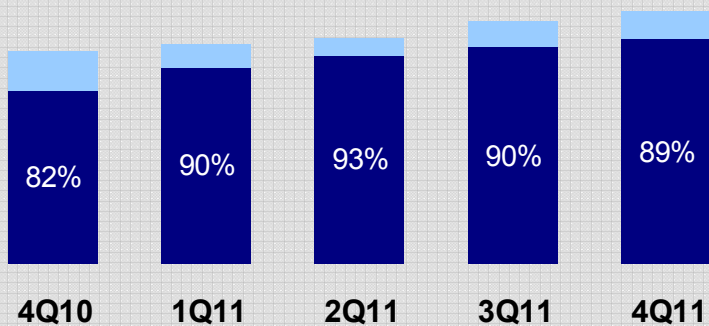
Successful Rp 5 trillion capital raising boosted capital

RWA / Total Assets

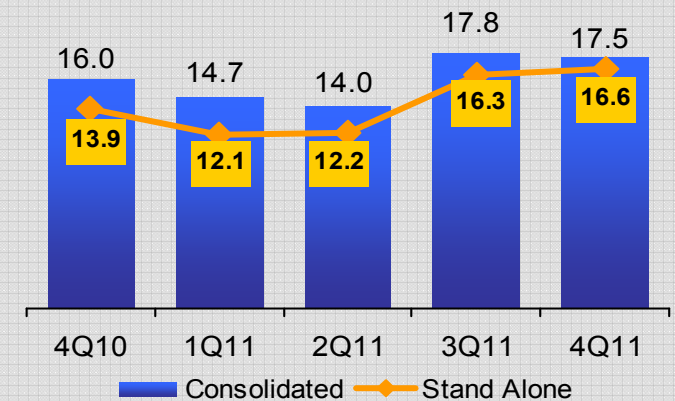
RWA BDI Only



RWA Consolidated



Capital Adequacy Ratio (%)



%	4Q10	1Q11	2Q11	3Q11	4Q11
CAR w/ Credit Risk	18.5	18.5	17.3	21.8	21.2
Market Risk Charge	0.1	0.2	0.1	0.1	0.0
Operational Risk Charge	2.4	3.6	3.2	3.9	3.7
Consolidated CAR	16.0	14.7	14.0	17.8	17.5

Agenda

- Macroeconomy and Industry Trend
- Financial Results
- **Corporate Updates**
- Appendix

Rights Issuance

- Danamon issued 1,162,285,388 shares and generated Rp. 5.0 trillion in a Limited Public Offering in 3Q11

Bonds issuance

- Adira issued a total of Rp 5 trillion fixed rate bonds in 2011

Dividend

- Dividend pay-out for fiscal year 2010 is 35% as decided in the March'11 AGMS

Agenda

- Macroeconomy and Industry Trend
- Financial Results
- Corporate Updates

- **Appendix**

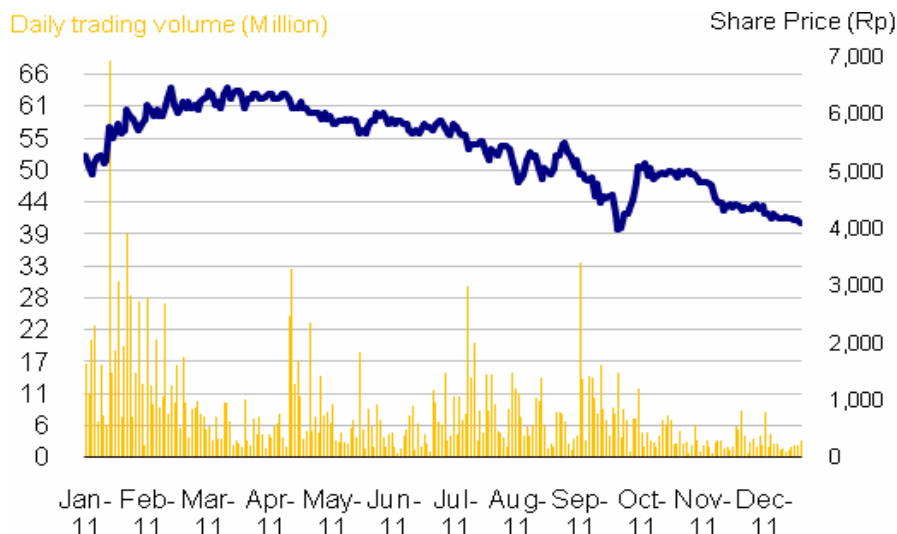


S&P upgraded Danamon's credit rating in April 2011, Moody's upgraded BFSR outlook in December 2011

Daily share price and trading volume

BDMN IJ

Daily trading volume (Million)



Ownership Structure

As of 31 December 2011

	Number of Shares	Ownership (%)
Asia Financial (Indonesia) Pte, Ltd.	6,457,558,472	67.37%
JPMCB - Franklin Templeton Inv. Funds	594,295,388	6.20%
Public < 5%	2,532,789,505	26.43%
Total	9,584,643,365	100.00%

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

Danamon

PEFINDO <i>August 2011</i>	Corporate Rating	idAA+ / Stable
	Bond Rating	idAA+ / Stable
Standard & Poor's <i>April 2011</i>	Long-term / Short-term Local Currency	BB / B / Stable
	Long-term / Short-term Foreign Currency	BB / B / Stable
Fitch's <i>November 2011</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>December 2011</i>	Global Local Currency Deposit	Baa3 / P-3 / Stable
	Foreign Currency Long-term / Short-term Deposit	Ba2 / NP / Stable
	Bank Financial Strength Rating (BFSR)	D / Positive

Indonesia Sovereign (Foreign Currency)

Standard & Poor's	Fitch's	Moody's
BB+ / Positive	BBB- / Stable	Baa3 / Stable

Slide 25

Untuk Anda, Bisa

Reconciliation with Newsletter

Newsletter										
a	b	c	d	e	f	g	h	i		
Net Interest Income	Net Under-writing Income	Net Sharia Interest Income	Other Operating Income	Other Operating Expenses	Non Operating Income	Non Operating Loss	Income before Tax	Taxes	Minority Interest	Income after Minority Interest
10,938	452	83	5,001	(11,253)	-	(610)	4,612	(1,163)	(113)	3,336

a+c	b+d	e	f+g	h	i					
Net Interest Income	Non-Interest Income	Operating Income	Operating Expenses	Pre-Provision Operating Profit	Cost of Credit	Non Operating Income/(Loss)	Taxes	Minority Interest	Net Profit after Tax and Minority Interest	Remark
11,021	5,453	16,474	(11,253)	5,221	-	(610)	(1,163)	(113)	3,336	
(172)		(172)	172	-					-	LPS Deposit Insurance
		-		-	(633)	633			-	Loss on reposess assets
		-	346	346	(346)				-	Loss on loans sold to third party
		-			10	(10)			-	Provision for idle property
(22)	(22)	(22)		(22)	22				-	Provision for ADMF acquisition cost
(154)	(154)	(154)		(154)	154				-	Write off on amortization cost
(111)	(111)	(111)	111	-					-	ADMF indirect acquisition cost
(284)	(284)	(284)	284	-					-	Decrease in fair value of financial assets (MTM)
(7)	(7)	(7)	7	-					-	Losses from sale of financial assets (marketable securities)
(507)	(507)	(507)	507	-					-	Losses from spot and derivative transaction (realised)
		-	1,835	1,835	(1,835)				-	Impairment losses on financial assets
(241)	(241)	(241)	241	-					-	Fees/commissions and administrative expenses
		-	1	1	(1)				-	Allowance for possible losses on non earning assets
4	4	4	16	20	(20)	0			-	Others
10,849	4,132	14,980	(7,732)	7,248	(2,651)	14	(1,163)	(113)	3,336	
Analyst Briefing Presentation										

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
Email: investor.relation@danamon.co.id