

Analyst Briefing First Quarter 2011 Results

Jakarta, 29 April 2011

Agenda

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

<i>Rp trillion</i>	2008	2009	2010	2011E
National Accounts				
Real GDP	6.0	4.6	6.1	6.4
GDP (US\$ bn) – nominal	508	542	707	918
GDP per capita (US\$)	2,221	2,343	2,976	3,818
Open unemployment rate	8.6	7.9	7.1	6.9
External Sectors				
Trade balance (US\$ bn)	22.9	30.1	31.1	31.6
Central government debt (% of GDP)	33	28	26	24
International Reserves – IRFCL (US\$ bn)	51.6	66.1	96.2	116.1
Currency/US\$ (Year-end)	9,767	10,356	9,074	9,115
Other				
BI policy rate	9.25	6.50	6.50	7.00
Fiscal balance (% of GDP; FY)	-1.0	-1.6	-0.6	-1.2

Promising 2011 outlook despite inflation pressure

- The economy grew by 6.9% year on year in 4Q10, taking full year growth to 6.1%. We expect higher growth for 2011
- In 4Q10, domestic demand slowed but the export sector managed to offset its decline.

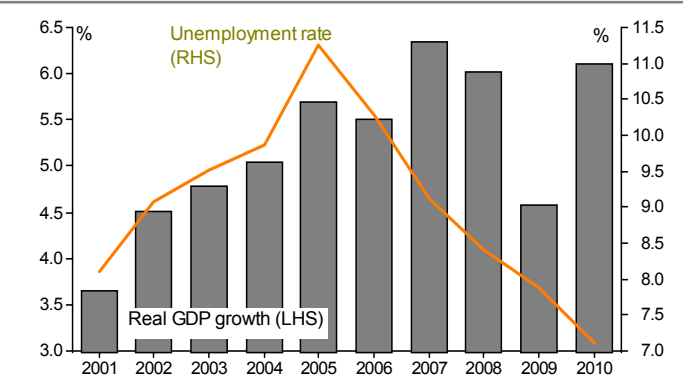
Inflation

- Inflation rate declined slightly to 6.64% in Mar-11, from 6.84% in Feb-10 as food prices declined during the harvest season.
- Core inflation however rose further to 4.45% from 4.36%.

Consumer sentiment

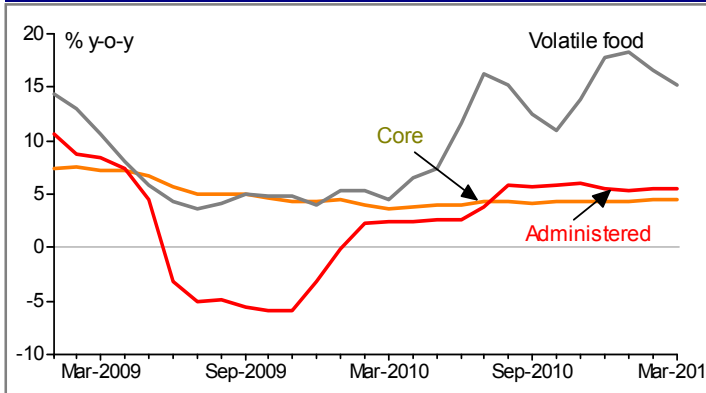
- Despite rising inflation, consumer confidence hasn't been dramatically affected by rising inflation expectations, although it did drop slightly to 107.1 in March from 112.3 in Feb-11.

Real GDP Growth %YoY



Source: CEIC

Inflation %YoY CPI



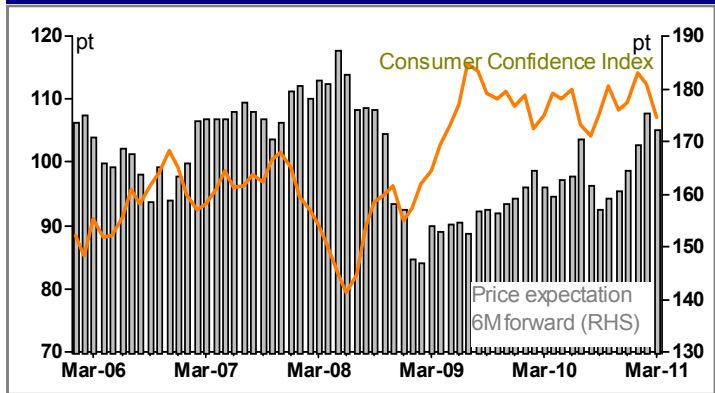
Source: CEIC

Real GDP Breakdown %YoY

	FY10	4Q10	3Q10	2Q10	FY09
Real GDP	6.10	5.90	6.21	6.13	4.55
Consumption	4.6	4.4	5.2	5.0	4.9
Government	0.3	7.3	4.8	-7.3	15.7
Investments	8.5	8.7	9.2	8.0	3.3
Net Exports	7.5	13.7	1.3	2.1	12.5

Source: CEIC

Consumer Confidence Index



Source: CEIC

BI rate maintained at 6.75% in Apr-11

Interest Rate

- BI maintained its policy rate at 6.75% for the second time in April as food prices eased. However BI is not ruling out the possibility of another rate hike going forward.

Exchange Rate

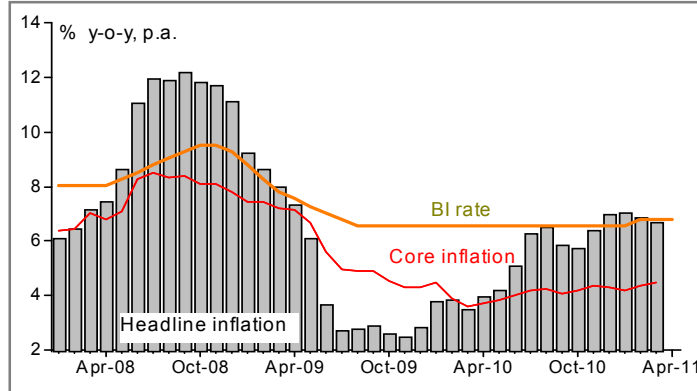
- The IDR appreciated below 8,700/US\$ in early April amid still strong inflows to SBIs and government bonds. However BI appears to be taking pressure off the pedal as headline inflation has been cooling down.

Domestic Vehicle Sales

- New car sales increased 25% year on year in Feb-11, from 40% in Jan-11.
- Motorcycle sales in Feb-11 was 13% higher year on year, vs. 32% in the previous month.

Interest Rate

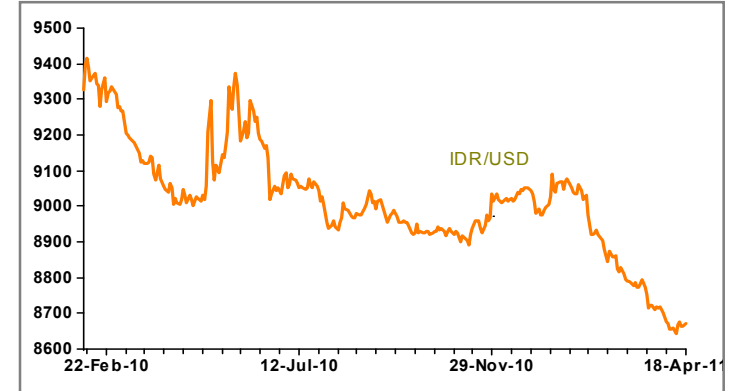
BI 1 month



Source: CEIC

Foreign Exchange Rate

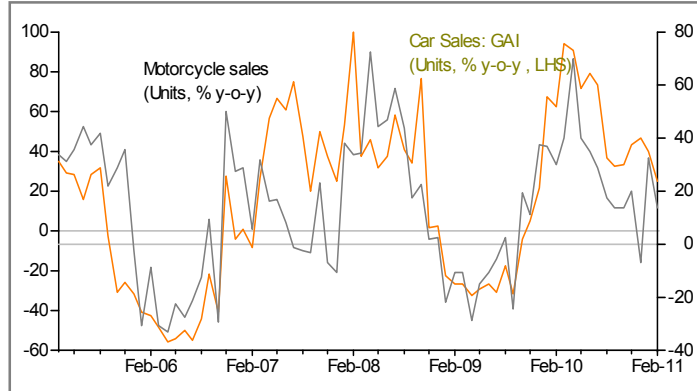
IDR/USD



Source: CEIC

Automotive Sales

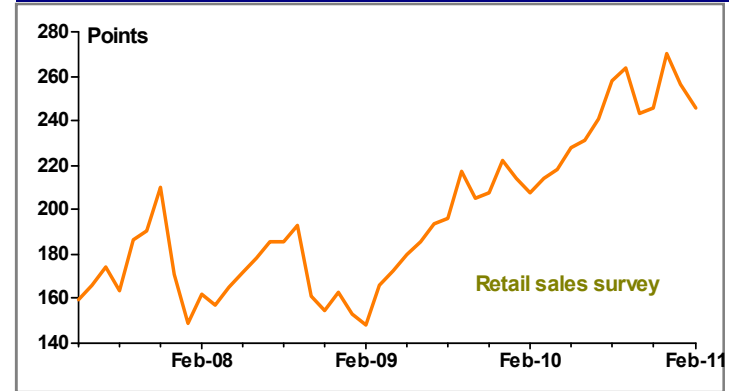
Monthly, %YoY



Source: CEIC

Retail Sales Index

Monthly, %YoY



Source: CEIC

<i>Rp trillion</i>	Feb 10	Jun 10	Sep 10	Dec 10	Feb 11	△YoY
Total Assets	2,517	2,678	2,758	3,009	2,993	19%
Loans	1,429	1,586	1,659	1,766	1,774	24%
Placements at BI	405	424	409	582	558	38%
Total Deposits	1,932	2,096	2,144	2,339	2,288	18%
NPAT	9.5	29.3	43.3	57.3	11.0	16%
NIM (%)	5.9	5.8	5.8	5.7	5.5	0.4
NPL (%)	3.5	3.0	3.0	2.6	2.8	-0.7
ROA (%)	2.9	3.0	2.9	2.9	2.9	-0.1
LDR (%)	74.0	75.3	77.1	75.2	77.1	3.1
CAR (%)	19.2	17.6	16.5	17.2	18.1	-1.1

Source: Indonesian Banking Statistics

Agenda

- Economics and Industry Trend

- **Financial Results**

- Corporate Updates

- Appendix

Highlights 1Q11 Results

- Total loans increased to Rp86 trillion or 33% higher. Mass market segment remained to be the main engine with 45% growth while corporate and SMEC segments grew robustly at 30% and 20%, respectively
- Supported by CASA growth of 33%, total deposits up 26% to Rp 82 trillion that brought down LDR. Average LDR declined from 100.3% in 4Q10 to 96.3% in 1Q11.
- Net Interest Margin stood at 10.2% and COC improved to 3.0%
- Fee income up 22% to Rp 844 billion due to higher credit related fees as well as bancassurance and general insurance products
- NPAT rose 9% to Rp763 billions
- ROE stood at 17.6% and CAR at 14.7%

Highlights of Income Statement

<i>Rp billion</i>	1Q10	1Q11	△YoY	4Q10	1Q11	△QoQ
Net Interest Income	2,394	2,609	9%	2,518	2,609	4%
Non Interest Income	692	844	22%	815	844	4%
Operating Income	3,086	3,453	12%	3,334	3,453	4%
Operating Expenses	(1,466)	(1,765)	20%	(1,741)	(1,765)	1%
Pre-Provision Operating Profit	1,622	1,688	4%	1,593	1,688	6%
Cost of Credit	(578)	(618)	7%	(613)	(618)	1%
Net Profit after taxes	701	763	9%	680	763	12%

Highlights of Balance Sheet

<i>Rp billion</i>	1Q10	1Q11	ΔYoY	4Q10	1Q11	ΔQoQ
Total Assets	97,330	122,804	+26%	118,207	122,804	+4%
Loans (gross)	64,447	86,002	+33%	82,658	86,002	+4%
Government Bonds	10,748	5,613	-48%	6,138	5,613	-9%
Total Deposits	65,579	82,495	+26%	80,921	82,495	+2%
Current Account	7,519	9,788	+30%	10,972	9,788	-11%
Savings	15,572	20,988	+35%	21,433	20,988	-2%
Time Deposit	42,488	51,720	+22%	48,516	51,720	+7%
Long Term Fundings	8,045	12,418	+54%	11,925	12,418	+4%
Equity	16,838	18,135	+8%	18,450	18,135	-2%

Key Ratios

%	1Q10	1Q11	ΔYoY	4Q10	1Q11	ΔQoQ
Net Interest Margin	11.7	10.2	-1.4	10.6	10.2	-0.3
Cost of Credit	3.5	3.0	-0.5	3.2	3.0	-0.2
Cost / Income	47.5	51.1	+3.6	52.2	51.1	-1.1
ROAA	2.9	2.6	-0.3	2.4	2.6	+0.2
ROAE	18.0	17.6	-0.4	17.1	17.6	+0.5
Assets to Capital	6.2	7.6	+1.4	7.1	7.6	+0.5
Modified LDR ¹	83.9	85.2	+1.3	86.2	85.2	-1.0
Loan / Deposit	93.8	94.9	+1.1	93.8	94.9	+1.1
Consolidated CAR	19.7	14.7	-5.0	16.0	14.7	-5.0
NPL – Gross	4.0	3.1	-0.9	3.0	3.1	+0.1
NPL - Net	0.3	0.0	-0.3	0.0	0.0	0.0
Impairment (LLP/Total Loans)	3.6	3.1	-0.5	3.3	3.1	-0.2
Loan Loss Coverage (LLP/NPL)	90.3	100.3	+10.0	108.9	100.3	-8.6

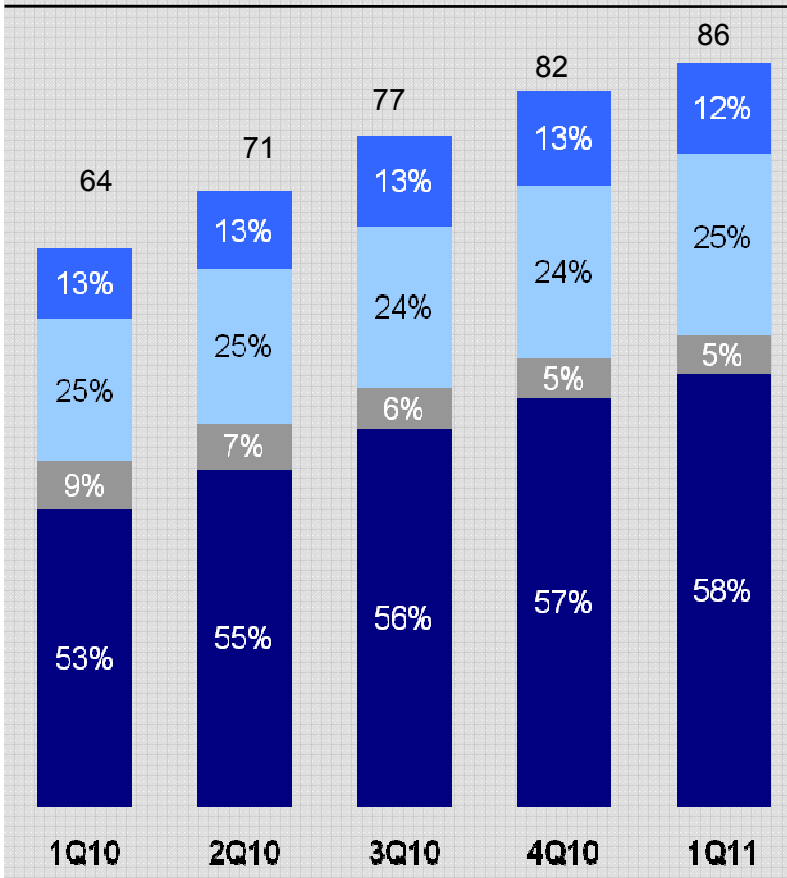
1) Modified LDR is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + Long Term Funding + Capital - Net Other Assets)



Loans grew 33% yoy across all core segments

Loan Composition

Rp trillion



Loan Growth

Rp billion

	1Q10	4Q10	1Q11	ΔYoY
Wholesale	8,151	10,928	10,569	30%
SMEC	16,389	19,998	21,088	20%
Retail*	5,607	4,545	4,440	-21%
Mass Market*	34,229	47,185	49,905	45%
Total	64,447	82,658	86,002	33%

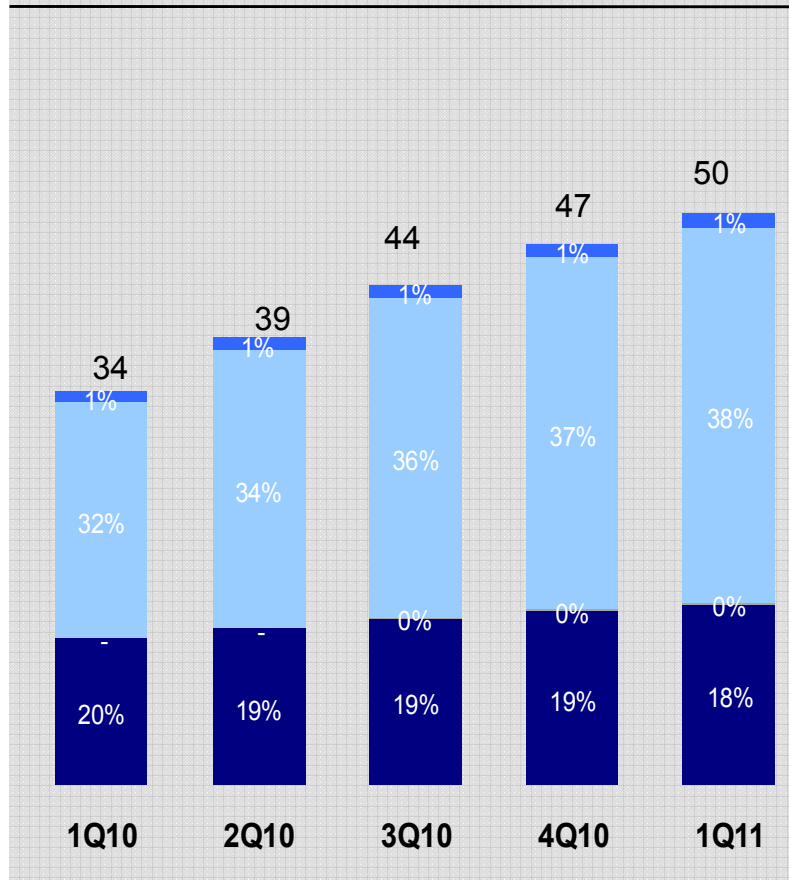
Note: *in 2011: Reclass – CMM from mass market to retail

Slide 12

Untuk Anda, Bisa

Auto financing and micro lending led growth on the back of higher propensity to spend

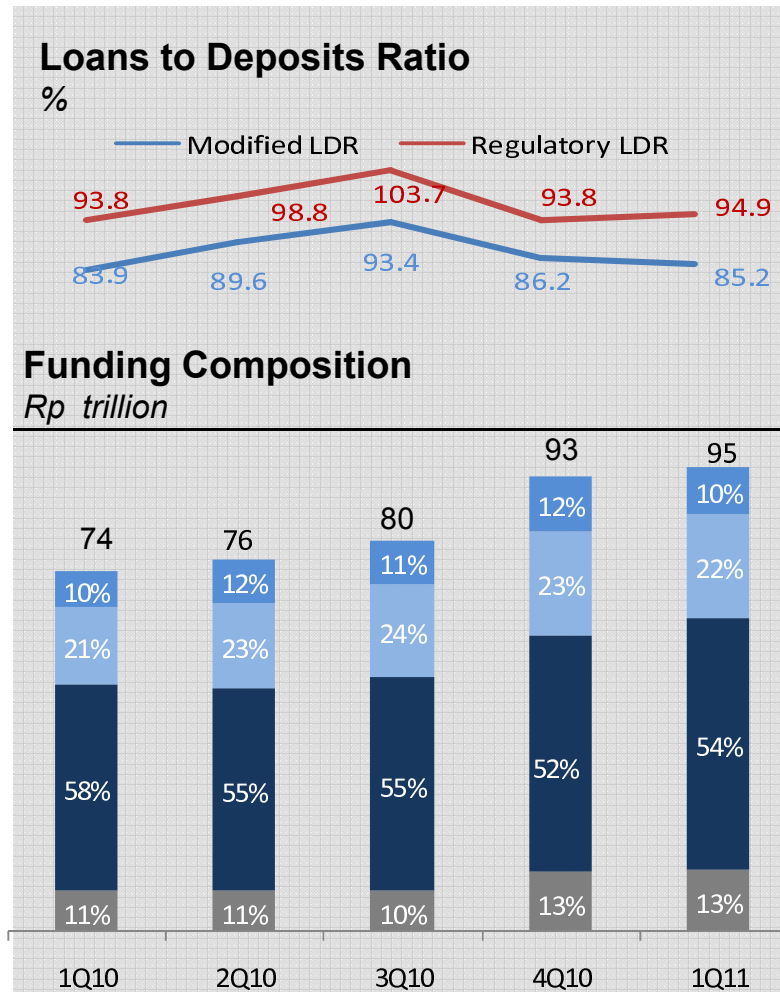
Mass Market Loan (% of total loans)
Rp trillion



Mass Market Loan Growth

<i>Rp billion</i>	1Q10	4Q10	1Q11	ΔYoY
Adira Quantum	921	1,198	1,284	39%
Adira Finance	20,490	30,675	32,744	60%
Pawn Broking	-	5	7	100%
SEMM (DSP)	12,888	15,306	15,871	23%
Total	34,299	47,185	49,905	45%

Diversified funding continued to grow providing sound liquidity



Funding Growth

Rp billion	1Q10	4Q10	1Q11	ΔYoY
Current Account	7,519	10,972	9,788	30%
Saving Account	15,571	21,433	20,988	35%
Time Deposit	42,488	48,516	51,720	22%
Total Deposits	65,579	80,921	82,495	26%
Long-term Funding	8,045	11,925	12,418	54%

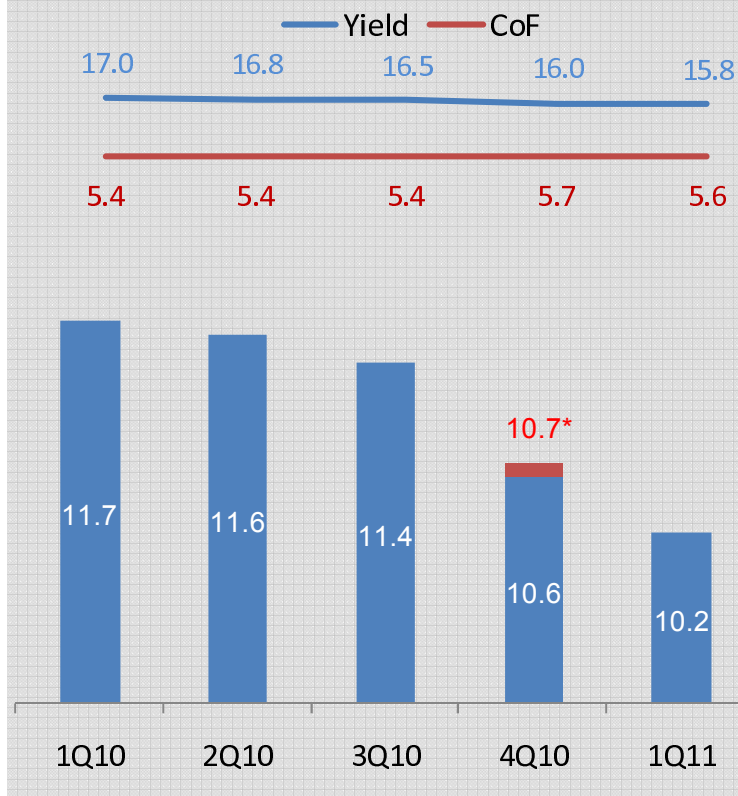
Liquidity Management

- As at March 31, 2011 the bank had liquid assets in excess of Rp 12 trillion.
- Regulatory LDR as the straight formula comparing third party lending against third party deposits stood at 94.9%. Modified LDR, which includes other stable funding sources as cash capital and long term professional funding and therefore gives a more accurate picture of liquidity of a Bank, stood at 85.2%.
- The bank has also established as a policy to maintain enough liquidity at all times in order to face a liquidity stress situations for a minimum time horizon of one month.
- The bank also diversifies its funding sources including the usage of professional funding to better manage liquidity gap and interest rate risks. Professional funding includes bonds, repos, MTNs, bilateral loans and trade finance structures. Target proportion of professional funding: 15%-20%.

Higher volume led to higher Net Interest Income

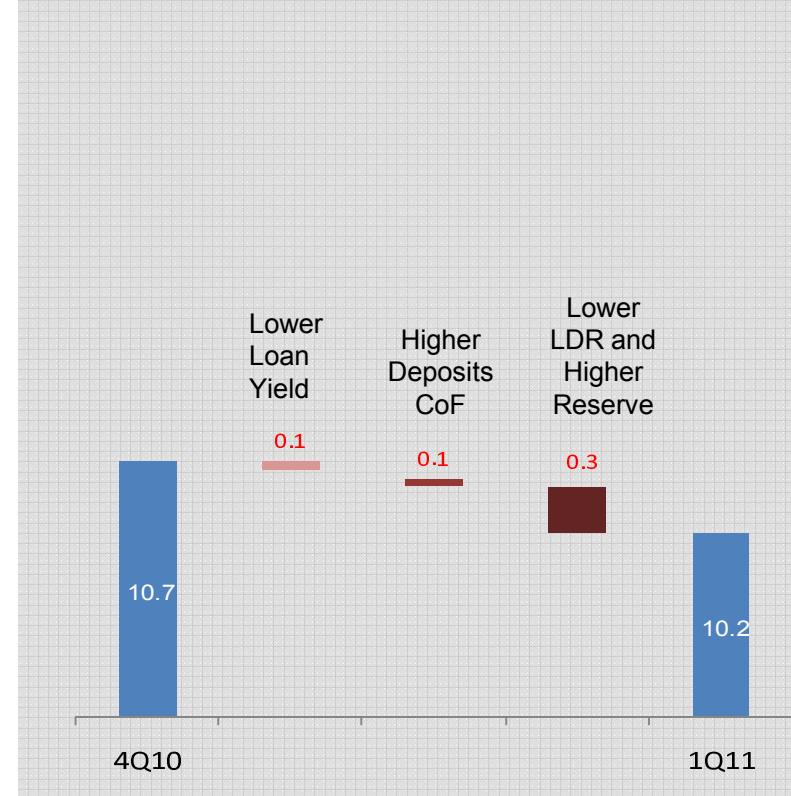
Net Interest Margin

%, annualized



QoQ NIM Movement

%, annualized

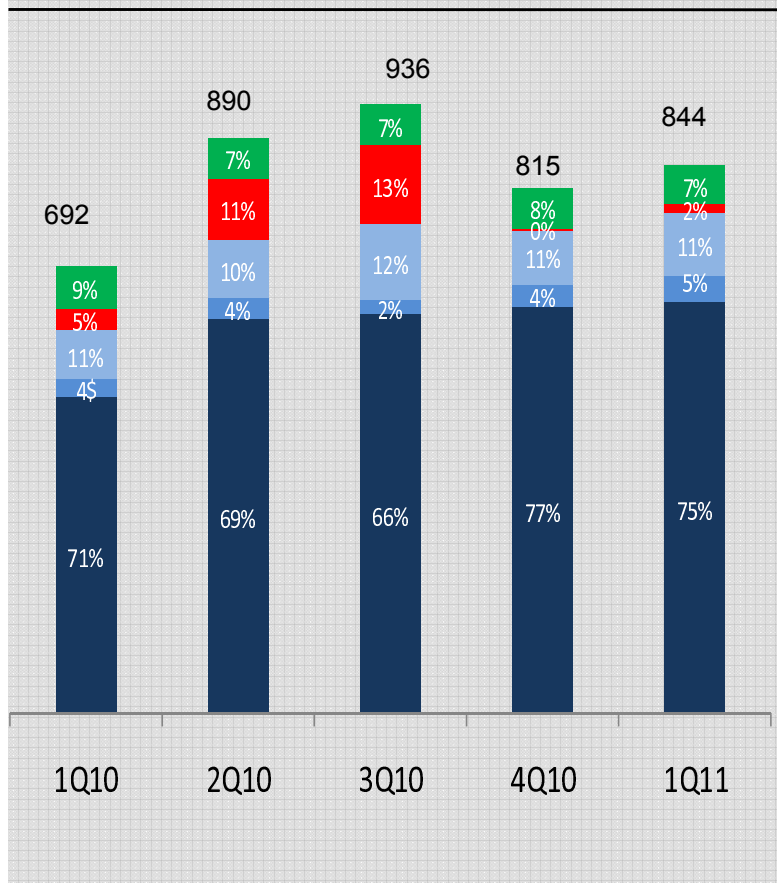


Note: * Rp 33.75 bn of interest expense on subordinated debt to BI for period Jan-Sep 2010 was accrued in 4Q10

Margin compression in 1Q11 was largely triggered by costs to lower LDR

Non Interest Income Composition

Rp billion



Non Interest Income Growth

Rp billion

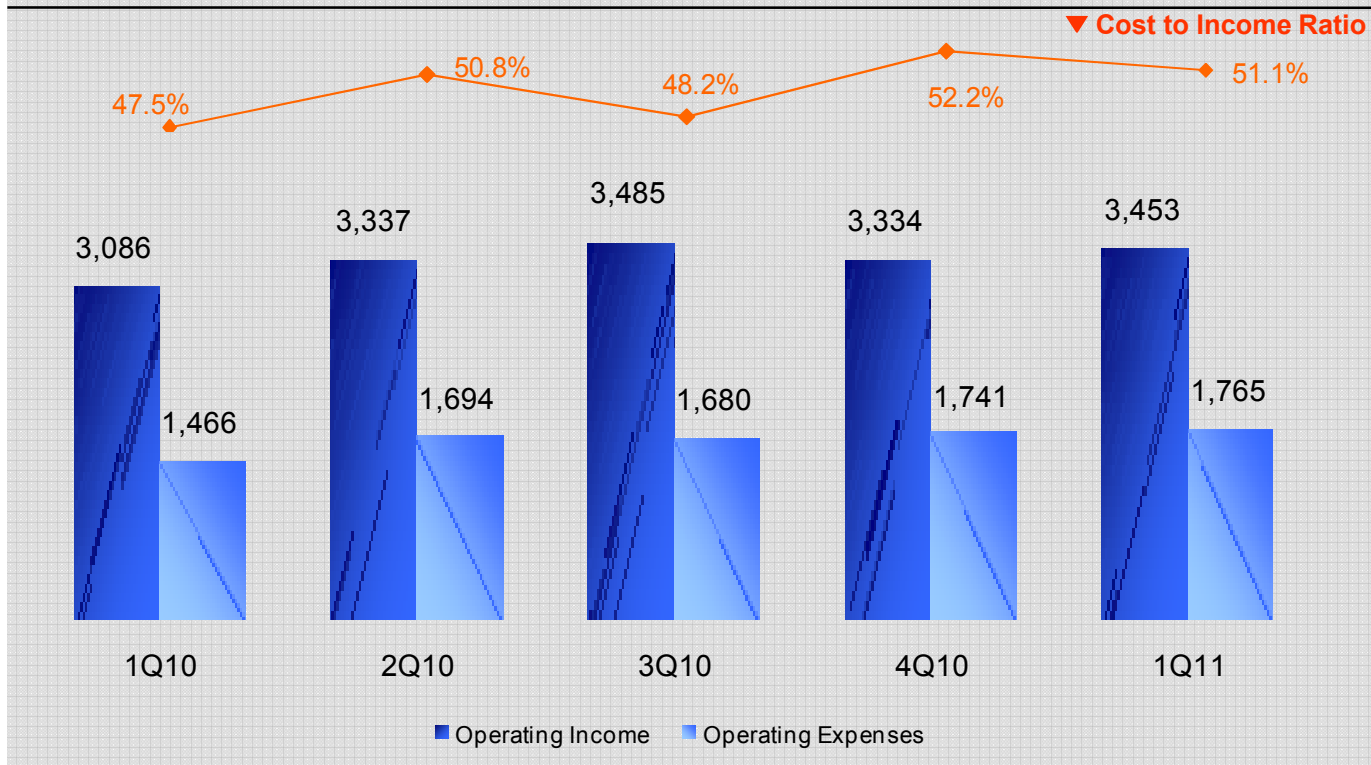
	1Q10	4Q10	1Q11	ΔYoY
Credit Related	491	630	631	28%
Bancassurance	25	33	45	81%
General Insurance	78	87	95	21%
Treasury	33	1	14	-57%
Transaction Banking	65	64	60	-9%
Total	692	815	844	22%

Continued investment led to higher but controllable cost to income ratio

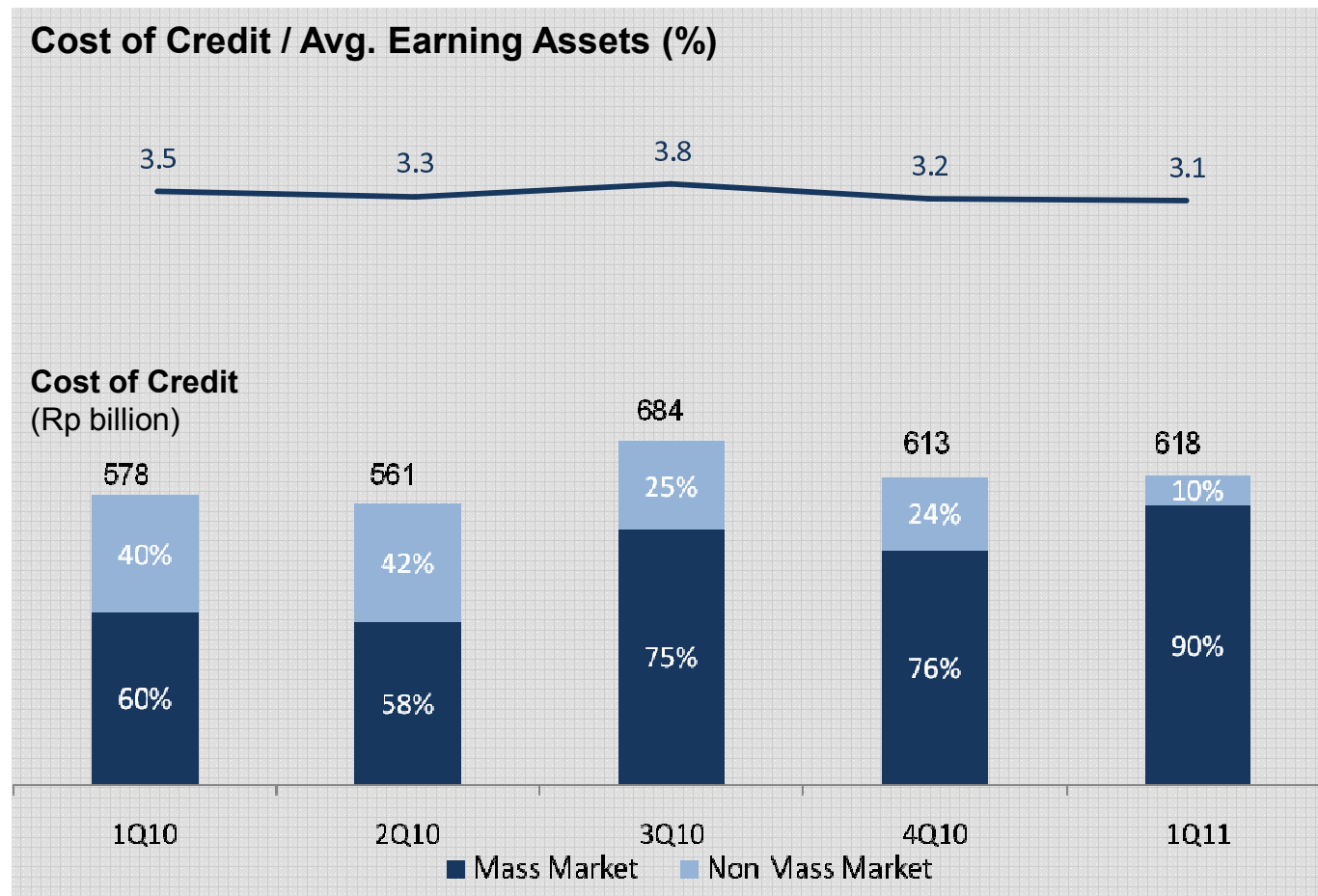
- New charges in 1Q11:
 - Increment cost due to 243 additional ATMs
 - Pawn brokerage related costs
- Charges not exist in 1Q10:
 - Accrual of LT Compensation Plan
- Q11 cost to income ratio would have been 49.0% without the above charges

Operating Income and Expense

Rp billion

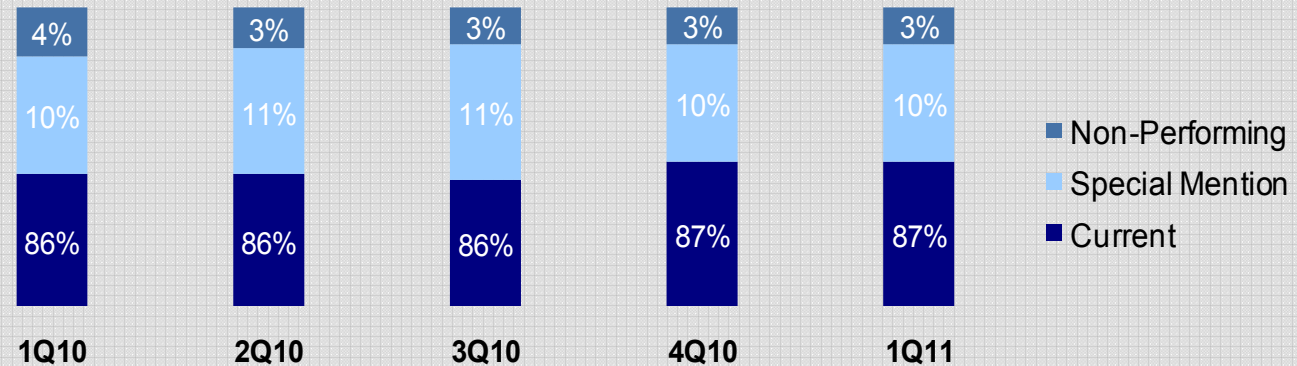


Cost of Credit showed improving trend

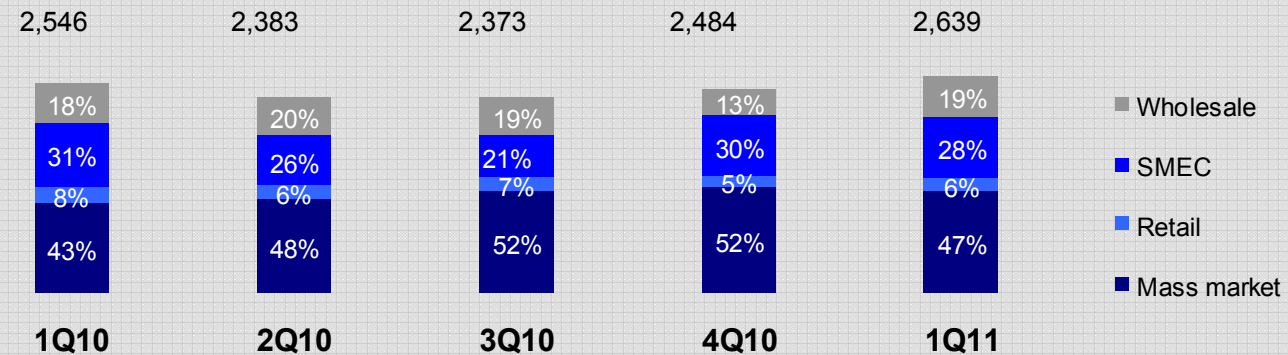


NPL remained low

Loan's Collectibility
% of Outstanding loans



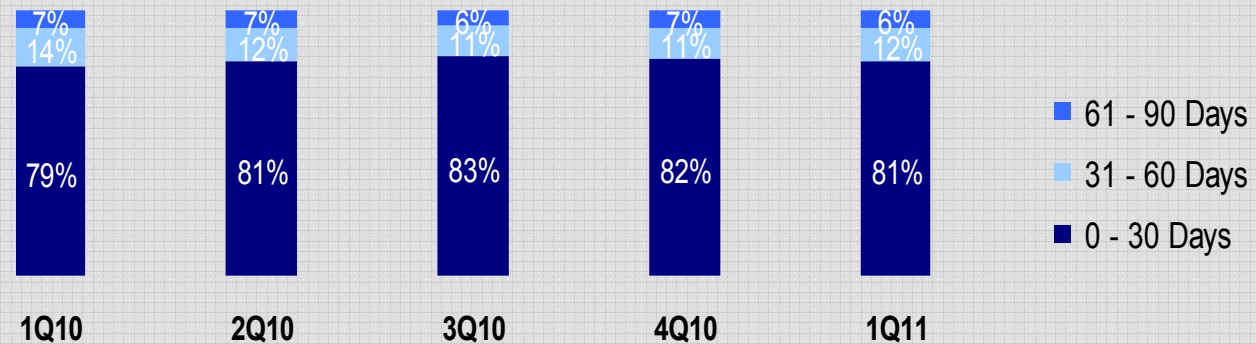
Non-Performing Loans by Segment
Rp billion



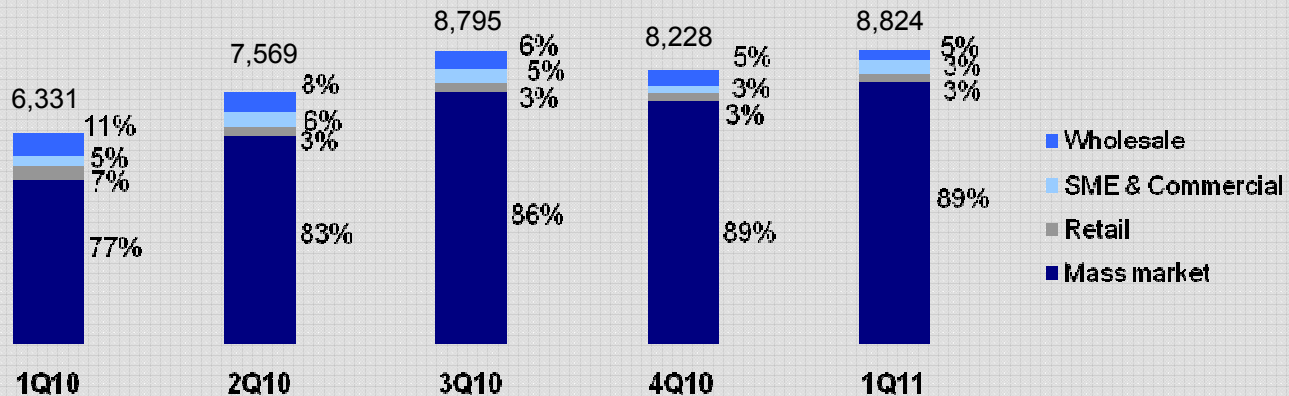
- Portion of mass market NPL up from 43% in 1Q10 to 47% in 1Q11 as share of mass market to total outstanding loan up from 53% to 58%

Majority of special mention loans were within 30 days

Special mention loans by Aging
% of Special Mention Loans

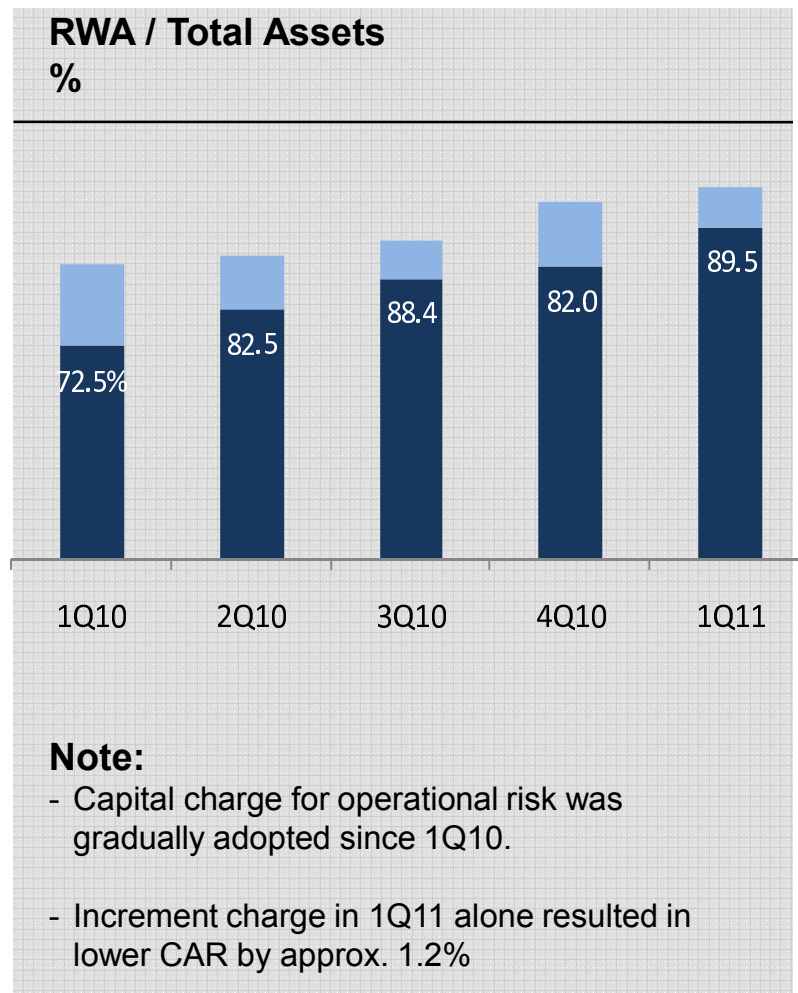


Special mention loans by Segment
Rp billion



- Mass market loans categorized as special mention loans remained stable at 15.8%
- Majority of special mention loans has days past due less than 30 days

CAR stood at 14.7%



Agenda

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

Bonds issuance plan

- Adira plans to issued up to Rp. 2 trillion fixed rate bonds in the second quarter of 2011

Dividend

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

Agenda

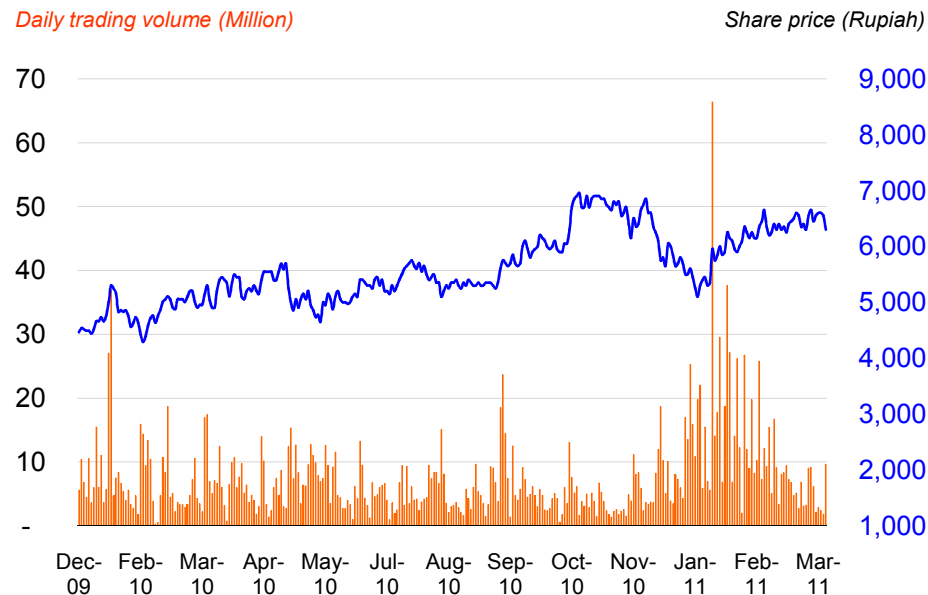
- Economics and Industry Trend
- Financial Results
- Corporate Updates
- **Appendix**



S&P upgraded Danamon's credit rating in April 2011

Daily share price and trading volume

BDMN IJ



Ownership Structure

As of 31 Mar 2011

Number of Shares

Ownership

Asia Financial (Indonesia) Pte, Ltd.	5,674,493,482	67.41%
Public	2,743,349,984	32.59%
Total	8,417,843,466	100.00%

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

Danamon

PEFINDO <i>October 2010</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>December 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>April 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 / Stable

Indonesia Sovereign (Foreign Currency)

Standard & Poor's	Fitch's	Moody's
BB / Stable	BB+ / Stable	Ba1 / Stable

Slide 26

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
2,632	95	18	1,166	(2,700)	-	(151)	1,060	(271)	(26)	763
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
2,650	1,261	3,911	(2,700)	1,211		(151)	(271)	(26)	763	
(41)		(41)	41	-					-	LPS Deposit Insurance
		-		-	(140)	140			-	Loss on reposess assets
		-	236	236	(236)				-	Loss on loans sold to third party
(9)	(9)	9	-	-					-	Provision for idle property
(2)	(2)	(2)	(2)	2					-	ADMF acquisition cost
36	36	36	36	(36)					-	Write off on amortization cost
(51)	(51)	51	-	-					-	Commission /Interchange Fees for credit card transactions
(48)	(48)	48	-	-					-	ADMF indirect acquisition cost
(234)	(234)	234	-	-					-	Decrease in fair value of financial assets (MTM)
(45)	(45)	45	-	-					-	Losses from spot and derivative transaction (realised)
	-	249	249	(249)					-	Impairment losses on financial assets
(55)	(55)	55	-	-					-	Fees/commissions and administrative expenses
	-	25	25	(25)					-	Allowance for possible losses on non earning assets
-	(9)	(9)	(59)	(68)	68				-	Others
2,609	844	3,453	(1,765)	1,687	(617)	(11)	(271)	(26)	763	

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