

INVESTOR NEWSLETTER February 2012



Full Year 2011 Financial 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.

	FY10	FY11	ΔYoY	1Q11	2Q11	3Q11	4Q11	ΔQoQ
INCOME STATEMENTS								
(Rp billion)								
Net Interest Income	9,908	10,849	9%	2,609	2,630	2,733	2,877	5%
Non Interest Income	3,335	4,131	24%	844	926	1,235	1,126	-9%
Operating Income	13,243	14,980	13%	3,453	3,556	3,968	4,003	1%
Cost of Credit	2,437	2,650	9%	618	708	628	696	11%
Risk adjusted Ops Income	10,806	12,330	14%	2,835	2,848	3,340	3,307	-1%
Operating Expenses	6,582	7,732	17%	1,765	1,873	1,994	2,100	5%
Reported Net Profit after Tax	2,883	3,336	16%	763	711	975	887	-9%
BALANCE SHEETS								
(Rp billion)								
Total Assets	118,207	141,934	20%	122,804	125,922	136,073	141,934	4%
Loans (gross)	82,658	101,678	23%	86,003	92,793	97,434	101,678	4%
Government Bonds	6,138	3,947	-36%	5,613	4,394	3,846	3,947	3%
Total Deposits	80,921	88,054	9%	82,495	83,536	86,990	88,054	1%
Long Term Funding	11,925	16,583	39%	12,418	13,610	14,578	16,583	14%
Equity	18,450	25,630	39%	18,135	18,854	24,744	25,630	4%
KEY RATIOS (%)								
Net Interest Margin	11.3	9.8	-1.5	10.2	9.8	9.7	9.6	-0.1
Cost of Credit	3.4	3.0	-0.4	3.0	3.3	2.7	2.9	0.2
Cost to Income	49.7	51.6	1.9	51.1	52.7	50.2	52.5	2.3
ROAA	2.8	2.6	-0.2	2.6	2.3	3.0	2.6	-0.4
ROAE	18.5	17.5	-1.0	17.6	16.7	20.4	15.5	-4.9
Assets to Capital	7.6	6.4	-1.2	7.6	7.7	6.3	6.4	0.1
Modified LDR	86.2	91.5	5.3	85.2	91.9	88.9	91.5	2.6
Loan to Deposits	93.8	98.3	4.6	94.8	99.0	99.5	98.3	-1.2
Consolidated CAR	16.0	17.5	1.5	14.7	14.0	17.8	17.5	-0.3
NPL – Gross	3.0	2.5	-0.5	3.1	2.9	2.9	2.5	-0.4

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Macroeconomy

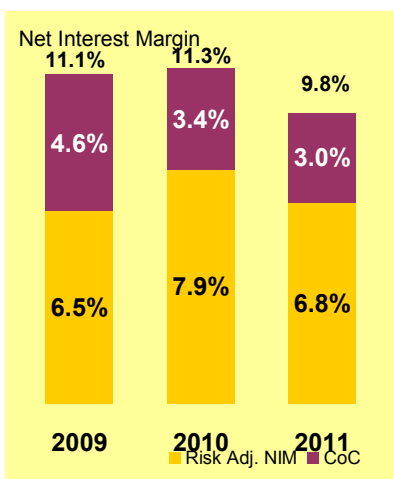
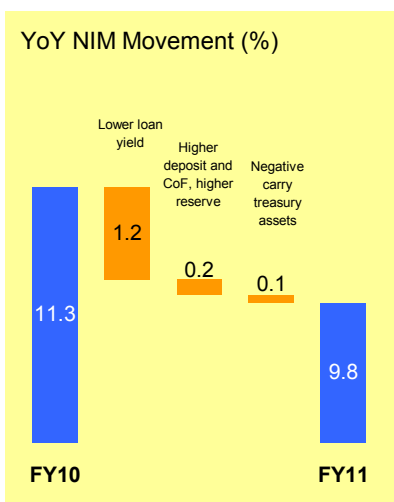
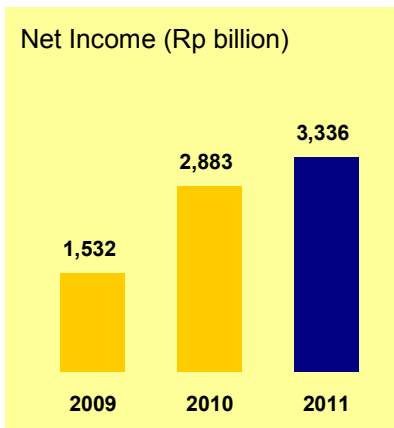
Since the onset of the global economic and financial crisis in 2008, the recovery pace of developed countries has been below expectation. U.S. economy still books stagnant growth, whilst the Euro zone is also on the downside due to hefty government debt issues and slowing down of banking sector that overshadow these economies. Meanwhile, some developing countries (especially China and India) started to fear the possibility of overheating economy after experiencing robust growth in 2010. Despite the aforementioned environment, Indonesia's economic performance remained favourable and booked 6.5% growth versus 6.1% last year and inflation stood at 3.79% compared to 6.96% in the previous year.

Bank Indonesia had aggressively shifted its policy from containing inflation in the first few months of the year to boosting economic growth to minimize the impact of global economy crisis. Throughout the year, the central bank has lowered its benchmark rate several times from 6.75% in February 2011 to a historical low at 6% in November 2011 and maintained the level throughout the end of the year.

At the end of 2011, Indonesia's sovereign debt rating was raised to investment grade after 14 years by Fitch Ratings and followed by Moody's in January 2012. The upgrade should ease the risk of capital outflow in the country and provide more options for funding in the real sector. However, the banking industry is expected to a tightening competition in funding segments going forward.

Full Year 2011 Financial Results

Danamon posted a net profit after tax (NPAT) of Rp 3,336 billion for the year of 2011, up by 16% compared to Rp 2,883 billion in 2010. This solid performance was supported by 24% increase of non-interest income to Rp 4,131 billion on the back of credit related fees, bancassurance and general insurance products. Higher average earning assets balance of 25% to Rp 108 trillion also lead to 9% increase in the net interest income to Rp 10,849 billion and bringing NIM to the level of 9.8% versus 11.3% last year. NIM compression was driven by both yield and cost of funds. Specifically for yield, our auto loans mix has shifted with 4-wheeler occupied 38% of the portfolio by the end of 2011 compared to 32% last year. As such, the yield of auto financing contracted from 21.5% to 19.1% this year, since 4-wheeler carries lower yield albeit bigger ticket size. Further, higher acquisition of auto financing business also added pressure on the yield. By the end of the year, we booked net yield of 14% for car financing compared to 16% last year, while the net yield for motorcycle loans declined to 22% against 23.9% a year earlier. Our micro loan yield stood at 27.5% versus 29.1% last year in light of competition. Our mid size business registered a relatively stable yield of 11.6% from 11.8%, while wholesale loans yield was slightly slipped from 10.6% to 10.3% in 2011. Despite the drop in yield, our cost of credit improved from 3.4% to 3.0% as we preserve our high standard credit quality



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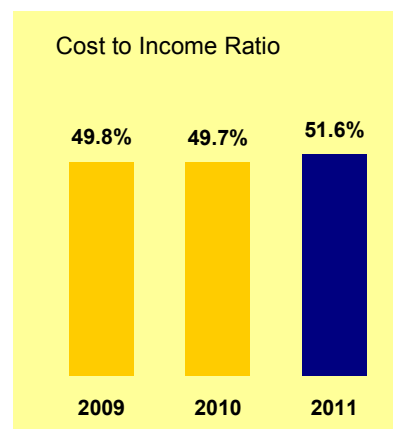
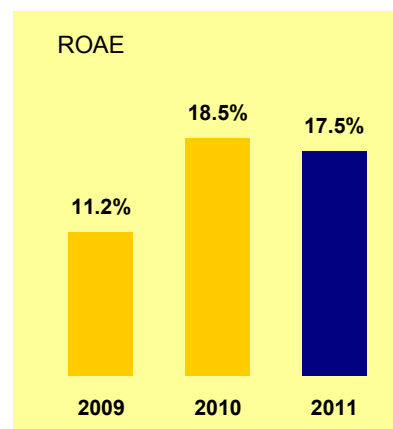
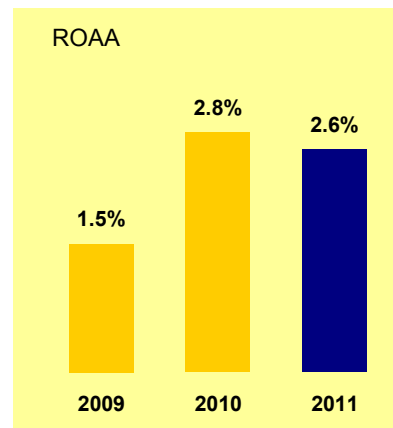
assessment. Operating expense rose 17% yoy to Rp 7,732 billion due to continuous investment in funding franchise. Cost to income was slightly up to 51.6% from 49.7% last year. Both Danamon's basic and diluted Earnings per Share (EPS) was Rp 378.78 as compared to Rp 342.92 (for basic) and 341.68 (diluted) last year.

Income Statement

The statistics of the 2011 Indonesia's economy showed a steady growth. Banks, including Danamon, were able to tap more opportunities to support business growth in light of the positive macro fundamentals, and essentially increased the industry's intermediary role. However, competition in expanding loans heightened as industry players strived to raise their market share by offering attractive rates across segment especially in the growing markets of SME, commercial and corporate. Micro segment also becomes highly competitive as this business offers lucrative margin despite high investments. Furthermore, BI continuously encourages banks to lower lending rates to foster economic growth. During the year, industry loans booked 25% increase to Rp 2,147 trillion (November 2011) from Rp 1,706 trillion in the previous year. Parallel with the industry, Danamon's loans was Rp 101.7 trillion (23% growth) compared to Rp 82.7 trillion previous year.

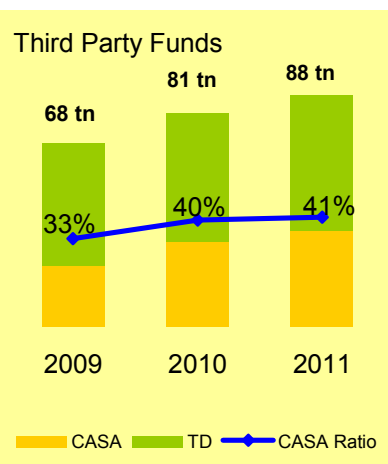
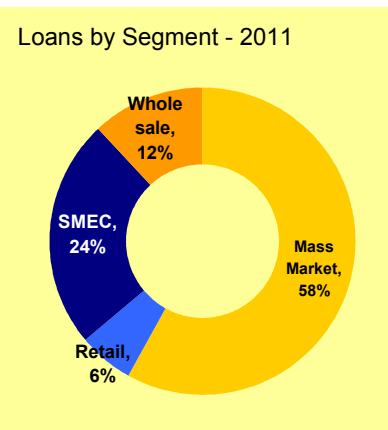
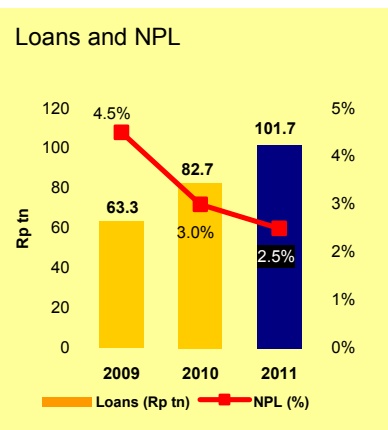
Despite a robust loan growth, tightened competition in lending eventually caused a trending down of Danamon's average earning assets yield to 15.4% from 16.6% a year ago. On the other hand, rivalry in funding also intensified as banks compete to fund their loan growth. Danamon recorded a slightly higher cost of funds of 5.6% versus 5.5% a year earlier. Albeit the pressure from both sides of funding and lending, The Bank booked 9% increase of Net Interest Income to Rp 10,849 billion from Rp 9,908 billion last year, primarily driven by higher average earning assets that rose 25% to Rp 108 trillion from Rp 86 trillion a year ago.

During the year, BI adjusted the foreign currency statutory reserve requirements twice from 1% to 5% in March 2011 and from 5% to 8% in June 2011, while the requirement for Rupiah is unchanged at 8%, this also translated into higher liquidity requirement for banks to support their loans. BI also lowered its benchmark rate from 6.75% in February 2011 to 6% by the end 2011 with more aggressive cut in the fourth quarter of the year. This reduction was followed by the lowering of the ceiling deposit rate eligible for government guarantee rate (LPS rate) from 7.25% (Feb 2011) to 6% (Dec 11), as well as FASBI rate from 5.75% (Feb 2011) to 4.5% (Dec 2011). Lower FASBI rate, especially during the last quarter of the year have triggered reduction in the yield of our treasury assets as our balance in these accounts increased 13% from Rp 16,893 billion to Rp 19,040 billion in 2011. Albeit tougher competition within the industry, Danamon managed to book NIM of 9.8% compared to 11.3% last year, and still one of the highest amongst its peers.



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Our fee income also registered a promising growth of 24% to Rp 4,131 billion on the back of higher credit related fees and fees from bancassurance and general insurance products. Our credit related fees was 29% higher to Rp 3,049 billion, in line with our lending growth. Amid the margin compression environment, we see a big opportunity to further cultivate our fee income. In the third quarter of last year, we entered into a strategic partnership with Manulife which boosted our bancassurance fee income by 196% to Rp 330 billion. The strategic partnership which focuses on developing Manulife’s life insurance products distribution to the Bank’s client base, is expected to boost our fee income in the future. Fee income from general insurance products also shows an encouraging growth of 22% to Rp 457 billion, while our transactional banking also generates 11% rise of fee income to Rp 280 billion, coming mostly from cash management activities.

In addition, we also sold some of the Bank’s marketable securities including government bonds to capitalize the opportunity in the market. In 2011, we recorded Rp 24 billion gains from the sale of marketable securities which was much lower than Rp 242 billion a year ago. This decline was in line with our reduction of bonds portfolio holding from Rp 6,138 billion compared to Rp 3,947 billion last year.

During the year, non-interest income contributed to 28% of the Bank’s total operating income, compared to 25% a year ago. Overall, our operating income grew by 13% to Rp 14,980 billion against Rp 13,243 billion last year.

Operating expenses was Rp 7,732 billion or 17% higher than Rp 6,582 billion in the previous year in line with additional headcount to accommodate business growth, increase in facilities and IT cost to support network expansion, and continuous marketing and promotion programs to support Danamon brand. During 2011, 16 conventional branches were added across the country, bringing a total of 488 by the end of the year. Adding to the Bank’s extensive branch network, Danamon introduced 175 new ATMs and 47 new CDM machines during the year, making a total of 1,258 ATMs and 47 CDMs operating by the end of the year. For subsidiaries, Adira Finance, Adira Quantum, and Adira Insurance grew their outlets by adding another 103, 42 and 10 networks including branches, representative offices, kiosks and physical outlets. Combining margin compression and business expansion, our cost to income ratio rose from 49.7% in 2010 to 51.6% in 2011.

Our cost of credit went up 9% to Rp 2,650 billion as compared to last year’s Rp 2,437 billion albeit robust loan increase, while cost of credit over average earning assets stood at 3.0% compared to 3.4% a year ago underscoring the Bank’s proven capability in risk management. As of December 2011, the total allowance for possible losses improved to Rp 2,723 billion compared to Rp 3,022 billion a year ago.

Overall, the net profit after tax was Rp 3,336 billion for 2011, rose 16% from Rp 2,883 billion recorded last year. ROAA and ROAE were at 2.6% and 17.5%, respectively, from 2.8% and 18.5% last year.

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Balance Sheet

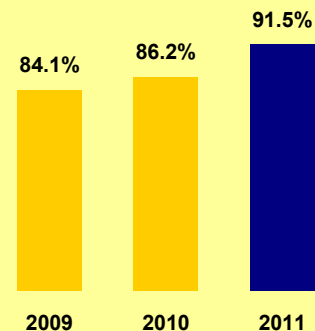
As mentioned earlier, sound economic fundamental allows Indonesia to withstand any immediate to medium term global economy crisis impacts. Better investment climate and net export as well as stable consumption growth has underpinned the country's economy growth. Trending up consumer's confident essentially benefited Danamon as one of the largest consumer lenders in the country. Taking on the positive momentum, Danamon remains prudent in managing its business expansion and is watchful in anticipating market trends and development. On such backdrop, Danamon's recorded 23% loan growth to Rp 101.7 trillion compared to Rp 82.7 trillion last year.

Continuing as the main contributor for Danamon's total loans, mass market loans (auto loans, durable goods loans, loans for self employed mass market and pawn-broking loans) advanced 26% to Rp 59,252 billion, accounted for 58% of our loan book as compared to 57% a year earlier.

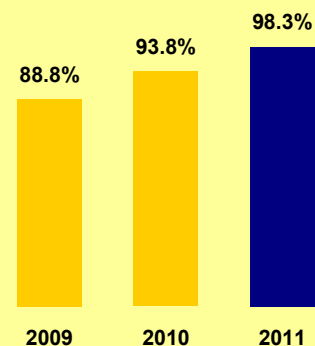
In 2011, DSP continued to strengthen its market position with the addition of more than 178 new outlets mostly in rural areas outside Java. Moreover, reflected from our loans by region, outside Java loan grew by 18% reaching Rp 7.9 trillion this year and this area still carries huge market potential to serve. Today, DSP operates nearly 1,500 service outlets (including mobile teams) serving more than 700,000 customers throughout the country. To better respond to changes in the competitive environment, DSP introduced a new and revised people requirement profiling to improve its recruitment process. People development was another important area for DSP, involving in-class and on-the-job training, targeting both competence and character building as human capital is one of DSP's top priority.

On auto loans, Adira Finance reported a 35% of receivables growth as automotive industry continues to show a stable growth during the year. Favourable economic condition and lower rate environment has stimulated income and spending behaviour propensity to rise. The Bank's auto financing business through Adira Finance reached Rp 41,363 billion and has placed Adira Finance as the leader in the industry with market shares of 15.8% and 6.6% for motorcycle and car financing, respectively, compared to 15.7% and 5.2% last year. Adira Finance took the advantage of maintaining its leadership in the market by extending financing services, balanced with well maintained quality through the prudent implementation of various strategies such as focusing on high-yield portfolio; implementing prudent risk management; commitment to productivity and efficiency; maintaining strong and close relationship with principal, dealers and customers; expansion of business network; development of IT and HR; and synergy with parent company. Adira Quantum, which offers white goods financing, grew by 18% to reach Rp 1,416 billion. In the first quarter of 2011, we rolled out pawn broking business to add variety in the mass market segment, to serve customer needs for short term urgent financing by taking gold as collateral. The

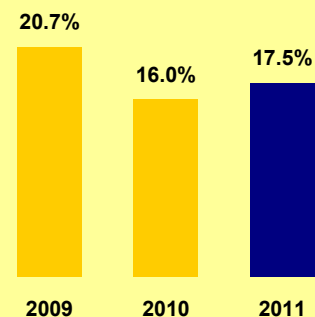
Modified LDR



LDR



Consolidated CAR



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loan outstanding from pawn broking is amounted to Rp 40 billion as of December 2011.

Danamon's SME and Commercial banking (mid-size) that offers various banking product supported by extensive network has booked promising growth. Lending was 23% higher to Rp 24 trillion that represents 24% of the Bank's loan portfolio. During the year, SMEC banking continued to reaffirm its commitment to be a reliable business partner by promoting its full relationship banking approach.

SME loans delivered a respectable result, growing 27% to Rp 14.2 trillion and breaking the Rp14 trillion marked for the first time. Commercial Banking also enjoyed considerable loan increase by 19% to Rp 10 trillion. Meanwhile, our ABF (Assets Based Financing) business, that offers heavy equipment mostly to our mid-size customers in mining an agribusiness posted 59% growth to Rp 4,573 billion.

We also continue to enhance our network products and services for our wholesale customers on trade finance, cash management and treasury transactions. This segment has reaped the benefit from optimization of cross selling opportunity, and by the end of December 2011, wholesale loans grew 17% to Rp 12,532 billion and represented 12% of our loan book.

Non-performing loans were relatively stable at Rp 2,479 billion as compared to Rp 2,484 billion a year earlier despite strong loan expansion. NPL ratio improved to 2.5% as compared to last year's 3.0% underscoring prudent and disciplined banking practices on the back of favourable operating environments. As of December 2011, the NPL ratio in micro lending business stood at 5.6% compared to 5.1% a year ago, while NPL from auto financing business was 1.3% against 1.2% in the previous year. Overall, mass market NPL ratio was steady at level 2.5% in 2011. NPL ratio from wholesale loans improved to 2.6% compared to 3.0% a year earlier and NPL for SMEC improved the most to 2.2% from 3.7% previous year. Further, the ratio of impairment loss allowance to NPL was at 107.2% compared to 108.9% year ago.

We deliberately use wholesale funding to manage the volatility in our balance sheets to accommodate duration mismatch and interest rate risk. Our wholesale funding is well suited for our majority fixed rate mass market loans. Last year, we successfully raised Rp 5 trillion of fixed rate bonds through Adira Finance as part of our funding strategy. Our wholesale funding (including bonds issuance) rose 39% to Rp 16,583 billion against Rp 11,925 billion last year.

Meanwhile, third party fund is still concentrated within a few major banks (top 5 banks total deposit of Rp 1,203 trillion or 66% market shares). However, Bank Danamon as the sixth largest bank by third party deposits was able to increase its market share to 3.4% (up 0.1% year on year) in September 2011 against same period year earlier. The Banks total funding rose 9% to Rp 88,054 billion from Rp 80,921 billion a year earlier on the back of solid growth of CASA which appreciated 12% to Rp 36,433 billion or 41% of total customer deposits. The growth in CASA was aligned with the Bank's strategy to strengthen its funding franchises as funding is one of its top priorities especially those with lower cost of funds. By year end the Bank's current and saving accounts increased 18% and 9% to Rp 12,994 billion and Rp 23,439 billion, respectively, while time deposits grew 6% to Rp 51,621 (59% of the total deposits). As part of our funding strategies, we leverage our extensive network by testing our team and capability in 240 DSP branches specifically targeting mass market funding potential. We are also upgrading the capacity of DSP branches to offer conventional banking services. In addition, we are committed to enhance our internet and banking services, in line with the high growth trend of transactions through alternative channel. During 2011, our efforts in strengthening our alternative channels has shown a rewarding outcome as shown in the high utilization of Danamon's electronic banking services that now exceeds the number of transactions through branch banking.

Overall, Danamon's liquidity remains intact as indicated by the growth in wholesale funding and customer deposits. The Bank's Modified LDR of 91.5% (vs 86.2% in 2010) and Regulatory LDR of 98.3% compared to 93.8% in the previous year.

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To further improve Danamon's capital position and enhance its capacity to pursue further growth, Danamon successfully raised approximately Rp 5 trillion of additional paid in capital through its Limited Public Offering V (rights issue) after leveraging on the benign market condition in the third quarter of 2011. Positive response from the market was indicated by subscription rate of 113%. The timely executed rights issue has put Danamon as one of the highest capitalized group of banks in the country, with consolidated capital adequacy ratio (CAR) by the end of 2011 elevated to 17.5% from 16% in a year earlier. The bank's stand alone CAR stood at 16.6% from 13.9% previously.

Corporate Updates

Right Issue V:

- Danamon issued 1,162,285,388 shares and generated approximately Rp. 5 trillion in a Limited Public Offering V in 3Q11.
- The majority shareholder, Asia Financial (Indonesia) Pte Ltd, exercised its full entitlement to the Rights.

Bond Issuance

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

2011 Dividend

- Dividend payout for fiscal year 2011 will be determined in AGMS March 2012.

Credit Rating

Bank Danamon	Ratings and Outlooks	
Pefindo (Indonesia)	Corporate Rating	idAA+ / Stable
August 2011	Bond Rating	idAA+ / Stable
Standard and Poor's	Long-term / Short-term Local Currency	BB / B / Stable
April 2011	Long-term / Short-term Foreign Currency	BB / B / Stable
Fitch	Long-term / Short-term Foreign Currency	BB+ / B / Stable
November 2011	National Long-term	AA+ (idn) / Stable
	Individual / Support Rating	C / D / 3 / Stable
Moody's	Global Local Currency Deposit	Baa3 / P-3 / Stable
December 2011	Foreign Currency Long-term Short-term Deposit	Ba2 / NP / Stable
	Bank Financial Strength Rating (BFSR)	D / Positive

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Balance Sheets

As of 31 December 2011 and 2010

(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2011	2010	2011	2010
	ASSETS				
1.	Cash	1,777,194	1,942,442	1,895,058	1,985,338
2.	Placements with Bank Indonesia	17,127,983	10,836,244	17,127,983	10,836,244
3.	Placements with other banks	4,138,202	4,235,169	5,756,098	5,399,361
4.	Spot and derivative receivables	150,201	189,545	160,407	189,545
5.	Marketable securities	-	-	-	-
	a. Designated at fair value through profit/loss	125,662	281,628	125,662	281,628
	b. Available for sale	6,443,957	6,803,707	6,509,689	7,112,742
	c. Held to maturity	425,518	799,370	648,448	884,766
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	1,485,134	3,185,123	1,485,134	3,185,123
7.	Securities purchased under resale agreements (reverse repo)	-	-	-	-
8.	Acceptance receivables	1,336,525	759,124	1,336,525	759,124
9.	Loans	-	-	-	-
	a. Designated at fair value through profit/loss	-	-	-	-
	b. Available for sale	-	-	-	-
	c. Held to maturity	-	-	-	-
	d. Loans and receivables	86,699,835	75,090,482	86,699,835	75,090,482
10.	Sharia financing	998,301	683,040	998,301	683,040
11.	Consumer financing receivables	-	-	13,815,632	6,864,124
	Allowance for impairment losses on consumer financing receivables -/-	-	-	(420,683)	(201,063)
12.	Premium receivables	-	-	73,328	62,017
13.	Investments	2,657,392	2,657,392	12,175	12,175
14.	Allowance for impairment losses on financial assets -/-	-	-	-	-
	a. Marketable securities	(1,950)	(1,950)	(1,950)	(1,950)
	b. Loans	(2,235,337)	(2,505,197)	(2,235,337)	(2,505,197)
	c. Others	(57,644)	(260,968)	(57,644)	(260,968)
15.	Intangible assets	828,625	769,727	2,839,706	2,762,982
	Accumulated amortisation on intangible assets -/-	(435,978)	(309,715)	(1,332,501)	(1,186,886)
16.	Fixed assets and equipment	2,872,699	2,599,309	3,496,036	3,081,962
	Accumulated depreciation of fixed assets and equipment -/-	(1,296,720)	(1,057,774)	(1,597,341)	(1,310,473)
17.	Non earning asset	-	-	-	-
	a. Idle properties	24,351	24,153	24,351	24,153
	b. Foreclosed assets	24,431	107,050	24,431	107,050
	c. Suspense accounts	1,184	13,853	1,184	13,853
	d. Interbranch assets	-	-	-	-
	i. Conducting operational activities in Indonesia	-	-	45	37
	ii. Conducting operational activities outside Indonesia	-	-	-	-
18.	Allowance for impairment losses on other assets -/-	(7,073)	(52,501)	(9,124)	(52,501)
19.	Leased receivables	-	-	160,171	19,360
20.	Deferred tax assets	916,309	936,412	927,167	950,784
21.	Other assets	3,184,315	3,132,379	3,471,646	3,419,721
	TOTAL ASSETS	127,183,116	110,858,044	141,934,432	118,206,573

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NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
			2010	2011	2010
	LIABILITIES AND EQUITY				
1.	Current accounts	14,007,449	10,208,649	11,492,894	9,796,467
2.	Savings	23,239,812	21,271,705	23,239,812	21,267,856
3.	Time deposits	50,746,696	48,060,809	50,574,722	47,908,576
4.	Revenue sharing investment funds	670,900	683,753	670,900	669,904
5.	Deferred premium income	-	-	832,811	621,731
6.	Unearned premium reserve	-	-	441,821	322,344
7.	Loans from Bank Indonesia	569	13,990	569	13,990
8.	Borrowings from other banks	2,821,881	1,959,256	2,821,881	1,959,256
9.	Spot and derivative liabilities	137,800	204,259	137,800	204,259
10.	Securities sold under repurchase agreements (repo)	1,140,342	2,790,127	1,140,342	2,790,127
11.	Acceptance payables	1,343,186	759,124	1,343,186	759,124
12.	Marketable securities issued	4,266,569	4,036,237	11,504,512	6,300,469
13.	Borrowings	-	-	-	-
	a. Loans that can be counted as capital	-	500,000	-	500,000
	b. Other Borrowings	3,960,129	2,417,841	6,916,783	2,467,841
14.	Security deposits	31,409	72,363	31,409	72,363
15.	Interbranch liabilities	-	-	-	-
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	403,474	302,802
17.	Other liabilities	3,004,644	2,436,974	4,545,015	3,640,436
18.	Profit sharing investment funds	-	-	-	-
	TOTAL LIABILITIES	105,371,386	95,415,088	116,097,931	99,597,545
	EQUITY				
19.	Issued and fully paid capital	-	-	-	-
	a. Authorized capital	12,238,589	11,657,447	12,238,589	11,657,447
	b. Unpaid capital -/-	(6,337,467)	(6,340,084)	(6,337,467)	(6,340,084)
	c. Treasury stock -/-	-	-	-	-
20.	Additional paid-up capital	-	-	-	-
	a. Agio	7,391,756	3,046,452	7,391,756	3,046,452
	b. Disagio -/-	-	-	-	-
	c. Donated capital	-	-	-	-
	d. Capital paid in advance	-	-	-	-
	e. Others	-	-	-	(16,737)
21.	Other comprehensive income	-	-	-	-
	a. Difference in foreign currencies translation	-	1,985	-	1,985
	b. Gains (losses) from changes in the value of financial assets as available for sale	21,887	92,888	4,404	92,888
	c. Cash flow hedges	244	-	(2,199)	-
	d. Revaluation reserves of fixed asset	-	-	-	-
	e. Part of other comprehensive income of associates	-	-	-	-
	f. Gains (losses) on defined benefit actuarial program	-	-	-	-
	g. Income tax related to other comprehensive income	-	-	-	-
	h. Others	-	-	-	-
22.	Difference in quasi- reorganisation	-	-	-	-
23.	Difference in restructuring value of transaction of entities under common control	-	-	-	-
24.	Others Equity	-	-	-	-
25.	Reserves	-	-	-	-
	a. General reserves	162,869	134,033	162,869	134,033
	b. Specific reserves	-	-	-	-
26.	Retained earnings	-	-	-	-
	a. Previous years **)	5,812,170	4,955,498	8,835,738	6,990,335
	b. Current year	2,521,682	1,894,737	3,336,266	2,883,468
	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT EQUITY	-	-	-	-
27.	Non-controlling interests	-	-	206,545	159,241
	TOTAL EQUITY	21,811,730	15,442,956	25,836,501	18,609,028
	TOTAL LIABILITIES AND EQUITY	127,183,116	110,858,044	141,934,432	118,206,573

**) After being eliminated with deficit of Rp 32,968,831 through quasi-reorganisation on 1 January 2001.

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Statements of Income and Retained Earnings
As of 31 December 2011 and 2010
(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	Bank Danamon		CONSOLIDATED	
		2011	2010	2011	2010
A.	INCOME AND EXPENSES FROM OPERATIONS				
	Interest Income and Expenses				
1.	Interest Income				
	a. Rupiah	12,824,868	11,491,256	16,341,633	13,974,792
	b. Foreign currencies	429,398	343,386	429,398	343,386
2.	Interest Expense				
	a. Rupiah	5,289,241	4,196,333	5,740,291	4,288,937
	b. Foreign currencies	85,871	58,168	92,717	58,168
	Net Interest Income	7,879,154	7,580,141	10,938,023	9,971,073
3.	Underwriting income				
	3.1. Premium income	-	-	992,726	768,024
	3.2. Underwriting expense	-	-	(540,267)	(395,024)
	Net Underwriting Income	-	-	452,459	373,000
	Net Interest and Underwriting Income	7,879,154	7,580,141	11,390,482	10,344,073
4.	Sharia Income				
	4.1. Mainfin	14,378	26,020	14,378	26,020
	4.2. Profit sharing	96,240	73,118	96,240	73,118
	4.3. Bonus income	842	429	842	429
	Total Sharia Income	111,460	99,567	111,460	99,567
5.	Sharia Expenses				
	5.1. IB loss sharing	26,561	22,654	26,561	22,654
	5.2. IB bonus expense	1,769	2,078	1,769	2,078
	Total Sharia Expenses	28,330	24,732	28,330	24,732
	Net Sharia Interest Income	83,130	74,835	83,130	74,835
	Other Operating Income and Expense				
1.	Other Operating Income	3,827,568	2,660,866	5,000,713	3,877,360
	a. Increase in fair value of financial assets (mark to market)				
	i. Marketable securities	-	-	-	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	326,194	232,357	326,194	232,357
	iv. Other financial assets	-	-	-	-
	b. Decrease in fair value of financial liabilities (mark to market)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	31,747	242,178	31,747	242,178
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	470,868	70,685	470,868	70,685
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	1,099,275	496,411	4,733	2,140
	g. Fees/commissions and administrative	1,344,595	1,080,879	1,758,866	1,409,287
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	554,889	538,356	2,408,305	1,920,713
2.	Other Operating Expenses	8,233,501	7,552,999	11,239,615	9,666,204
	a. Decrease in fair value of financial assets (mark to market)				
	i. Marketable securities	71	321	71	321
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	273,173	255,259	273,173	256,229
	iv. Other financial assets	2,462	18,000	11,133	18,000
	b. Increase in fair value of financial liabilities (mark to market)	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	7,391	-	7,391	-
	ii. Loans	346,394	-	346,394	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	506,959	37,867	506,959	37,867
	e. Impairment losses on financial assets				
	i. Marketable securities	-	150	-	150
	ii. Loans	1,610,485	1,942,234	2,030,787	2,043,690
	iii. Sharia financing	1,627	15,176	1,627	15,176
	iv. Other financial assets	(197,075)	38,778	(197,075)	38,778
	f. Losses related to operational risk	16,523	19,298	19,025	19,298
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	237,403	328,573	241,087	329,431
	i. Losses from decrease in value of non financial assets				
	ii. Salaries and employee benefits	2,684,640	2,539,450	4,202,974	3,713,014
	iii. Promotion expenses	230,286	166,569	270,568	166,569
	iv. Other expenses	2,511,172	2,156,020	3,515,384	2,992,377
	Net Other Operating Expenses	(4,405,933)	(4,892,133)	(6,238,902)	(5,768,844)
	OPERATING INCOME	3,556,351	2,762,943	5,234,710	4,630,064
	NON OPERATING INCOME				
1.	Gain/(loss) from sale of premises and equipment	2,612	(9,965)	3,070	(10,094)
2.	Gain (loss) on foreign currencies translation	(1,205)	(1,901)	(2,033)	(1,901)
3.	Income/(expenses) non operating expenses	(507,410)	(375,856)	(624,190)	(616,538)
	NON OPERATING LOSS	(506,003)	(387,724)	(623,153)	(628,533)
	INCOME BEFORE TAX FOR THE YEAR ENDED	3,050,348	2,375,119	4,611,557	4,001,531
1.	Income tax				
	a. Income tax expenses	484,896	579,260	1,014,567	1,032,728
	b. Deferred tax expenses (income)	43,770	(98,878)	147,956	(14,958)
	INCOME AFTER TAX FOR THE YEAR ENDED	2,521,682	1,894,737	3,449,033	2,983,761
	OTHER COMPREHENSIF INCOME NET OF TAX				
	a. Foreign exchange difference from translation of financial statements in foreign currency	(1,985)	(11)	(1,985)	(11)
	b. Gains from change financial assets available for sale	(94,668)	513,086	(95,195)	528,722
	c. Cash flow hedges	244	-	(2,328)	-
	d. Gain fixed asset revaluation	-	-	-	-
	e. Part of other comprehensive income of associates	-	-	-	-
	f. Gains (losses) on defined benefit actuarial program	-	-	-	-
	g. Income tax relating to components of other comprehensive income	23,667	(128,272)	23,667	(128,272)
	h. Others	(72,742)	384,803	(75,841)	400,439
	TOTAL COMPREHENSIVE INCOME THE YEAR ENDED	2,448,940	2,279,540	3,373,192	3,384,200
	Comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	2,521,682	1,894,737	3,336,266	2,883,468
	NON-CONTROLLING INTERESTS	(72,742)	(15,197)	(63,074)	(99,268)
	INCOME IN CURRENT YEAR	2,521,682	1,894,737	3,449,033	2,983,761
	Total comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	2,448,940	2,279,540	3,260,335	3,284,301
	NON-CONTROLLING INTERESTS	(72,742)	(15,197)	(63,074)	(99,268)
	TOTAL COMPREHENSIVE INCOME IN CURRENT YEARS	2,448,940	2,279,540	3,373,192	3,384,200
	PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE				
	DIVIDEND	(1,009,229)	(766,300)	(1,009,229)	(766,300)
	OTHERS	(28,836)	(15,324)	(28,836)	(15,324)
	EARNING PER SHARE *)	286.29	225.94	378.78	342.92
	DILUTED EARNINGS PER SHARE *)	286.29	224.52	378.78	341.68

*) After considering the effect of stock options granted to qualified employees of Bank Danamon

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Key Financial Ratios

As of 31 December 2011 and 2010

NO.	RATIOS (%)	2011	2010
	CONSOLIDATED RATIOS :		
I.	Capital		
	1. Capital Adequacy Ratio (CAR)	17.54%	16.04%
II.	Earning assets		
	Non-performing earning assets and non productive assets to total		
	1. earnings and non productive assets	2.07%	2.62%
	2. Non-performing earning assets to total productive assets	2.09%	2.58%
	3. Allowance for impairment losses for financial asset to productive asset	2.29%	2.91%
	4. NPL gross	2.45%	3.02%
	5. NPL net	0.00%	0.00%
III.	Rentability		
	1. Return on Assets (ROA)	3.59%	3.87%
	2. Return on Equity (ROE)	17.46%	18.51%
	3. NIM including third party premium expenses	9.85%	11.29%
	4. Cost to income	51.62%	49.70%
	BANK RATIOS :		
I.	Capital		
	1. Capital Adequacy Ratio (CAR)	16.62%	13.93%
II.	Earning assets		
	Non-performing earning assets and non productive assets to total		
	1. earnings and non productive assets	2.23%	2.76%
	2. Non-performing earning assets to total productive assets	2.26%	2.73%
	3. Allowance for impairment losses for financial asset to productive asset	2.19%	2.91%
	4. NPL gross	2.71%	3.25%
	5. NPL net after impairment value	0.15%	0.00%
	6. Non performing iB receivables and financing with contract	0.59%	0.87%
III.	Rentability		
	1. ROA	2.84%	3.43%
	2. ROE	14.95%	13.03%
	3. NIM excluding third party premium expenses	7.91%	9.13%
	4. NIM including third party premium expenses	7.74%	8.97%
	5. Operating expenses to operating income	80.17%	81.07%
	6. Cost to income- Reported	55.55%	52.32%
IV.	Liquidity		
	LDR	98.33%	93.82%
V.	Compliance		
	1. a. Percentage violation on Legal Lending Limit		
	a.1. Related parties	0.00%	0.00%
	a.2. Third parties	0.00%	0.00%
	b. Percentage lending in excess of Legal Lending Limit		
	b.1. Related parties	0.00%	0.00%
	b.2. Third parties	0.00%	0.00%
	2. Statutory Reserve Requirements (GWM)		
	a. GWM Primary Idr	8.28%	8.26%
	b. GWM Foreign Currency	8.24%	1.14%
	4. Net Open Position	0.51%	0.55%

Statements of Commitments and Contingencies

As of 31 December 2011 and 2010

(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2011	2010	2011	2010
I	COMMITMENT RECEIVABLES				
	1. Unused borrowing facilities				
	a. Rupiah	3,813	3,813	3,813	3,813
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contracts	7,709,519	10,317,502	7,709,519	10,317,502
	3. Others	-	-	-	-
II	COMMITMENT PAYABLES				
	1. Unused loans facilities granted to debtors				
	a. BUMN				
	i. Committed				
	- Rupiah	-	-	-	-
	- Foreign currencies	-	-	-	-
	ii. Uncommitted				
	- Rupiah	55,000	-	55,000	-
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	597,758	43,756	597,758	43,756
	ii. Uncommitted	23,007,417	17,464,275	23,007,417	17,464,275
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	-	-	-	-
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	259,464	274,874	259,464	274,874
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	763,090	1,154,696	763,090	1,154,696
	b. Local L/C	351,600	192,477	351,600	192,477
	4. Outstanding selling of spot and derivative contracts	7,771,134	11,777,741	7,771,134	11,777,741
	5. Others	-	-	-	-
III	CONTINGENT RECEIVABLES				
	1. Guarantees received				
	a. Rupiah	-	560	-	560
	b. Foreign currencies	132,491	101,175	132,491	101,175
	2. Interest receivables on non performing assets				
	a. Loan interest income	327,928	383,834	327,928	383,834
	b. Other interest	520	1,273	520	1,273
	3. Others	-	-	-	-
IV	CONTINGENT PAYABLES				
	1. Guarantees issued				
	a. Rupiah	2,101,962	1,673,547	2,101,962	1,673,547
	b. Foreign currencies	394,457	472,489	394,457	472,489
	2. Others	-	-	-	-

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Asset Quality and Other Information
As of 31 December 2011 and 2010
(in million Rupiah)

NO.	ACCOUNTS	2011					Total	2010					Total
		Current	Spc Mentioned	Substandard	Doubtful	Loss		Current	Spc Mentioned	Substandard	Doubtful	Loss	
I.	RELATED PARTIES												
1.	Placements with other banks												
a.	Rupiah	24,416	-	-	-	-	24,416	601,521	-	-	-	-	601,521
b.	Foreign currencies	249,214	-	-	-	-	249,214	4,235	-	-	-	-	4,235
2.	Spot and derivative receivables												
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	-	-	-	-	-	-	251	-	-	-	-	251
3.	Marketable securities												
a.	Rupiah	239,822	-	-	-	-	239,822	-	-	-	-	-	-
b.	Foreign currencies	4,762	-	-	-	-	4,762	-	-	-	-	-	-
4.	Securities sold under repurchase agreements (repo)												
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
5.	Securities purchased under resale agreements (reverse repo)												
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
6.	Acceptance receivables							190,220					190,220
7.	Loans												
a.	Debtor micro, small and medium												
i.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
b.	Non debtor micro, small and medium												
i.	Rupiah	12,340	400	-	-	-	12,741	10,914	-	-	-	-	10,914
ii.	Foreign currencies	12	-	-	-	-	12	-	-	-	-	-	-
c.	Restructured												
i.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
d.	Properties loan	11,981	-	-	-	-	11,981	-	-	-	-	-	-
8.	Investments	2,645,312	-	-	-	-	2,645,312	2,645,312	-	-	-	-	2,645,312
9.	Temporary equity investment												
10.	Others receivables												
11.	Commitments and contingencies to third parties												
a.	Rupiah	387	-	-	-	-	387	350	-	-	-	-	350
b.	Foreign currencies	-	-	-	-	-	-	8,000	-	-	-	-	8,000
12.	Idle properties												
13.	Foreclosed assets												
14.	Suspense accounts												
II.	NON RELATED PARTIES												
1.	Placements with other banks												
a.	Rupiah	1,207,639	-	-	-	-	1,207,639	1,618,889	-	-	-	-	1,618,889
b.	Foreign currencies	2,656,933	-	-	-	-	2,656,933	2,010,525	-	-	-	-	2,010,525
2.	Spot and derivative receivables												
a.	Rupiah	106,781	-	-	-	-	106,781	78,813	-	-	-	-	78,813
b.	Foreign currencies	43,420	-	-	-	-	43,420	110,481	-	-	-	-	110,481
3.	Marketable securities												
a.	Rupiah	6,546,190	-	-	-	-	6,546,190	7,197,739	-	-	-	-	7,197,739
b.	Foreign currencies	203,155	-	1,208	-	-	204,363	686,966	-	-	-	-	686,966
4.	Securities sold under repurchase agreements (repo)												
a.	Rupiah	1,485,134	-	-	-	-	1,485,134	3,185,123	-	-	-	-	3,185,123
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
5.	Securities purchased under resale agreements (reverse repo)												
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
6.	Acceptance receivables							568,904					568,904
7.	Loans												
a.	Debtor micro, small and medium												
i.	Rupiah	23,249,719	1,333,925	235,204	338,449	545,455	25,702,752	20,816,128	1,377,899	235,589	310,215	546,045	23,285,876
ii.	Foreign currencies	357,620	695	489	-	581	359,385	480,333	-	119	591	1,138	482,181
b.	Non debtor micro, small and medium												
i.	Rupiah	46,519,165	5,788,296	196,858	330,540	293,677	53,128,536	38,855,357	5,679,657	325,332	565,991	291,158	45,717,496
ii.	Foreign currencies	7,700,963	374,368	25,610	351,270	42,500	8,494,711	5,818,654	287,537	8	78,376	92,481	6,277,056
c.	Restructured												
i.	Rupiah	723,693	184,557	39,940	32,260	132,924	1,113,374	590,644	552,076	182,392	222,209	135,800	1,683,122
ii.	Foreign currencies	181,785	294,503	-	4,987	-	461,275	528,628	25,565	-	-	1,002	555,192
d.	Properties loan	2,713,854	106,603	9,386	6,937	18,724	2,855,505	1,711,539	100,937	3,501	14,002	42,160	1,872,139
8.	Investments	12,055	25	-	-	-	12,080	12,055	25	-	-	-	12,080
9.	Temporary equity investment												
10.	Others receivables	192,087	-	-	-	1,688	193,775	304,767	-	9,000	139,160	1,688	454,614
11.	Commitments and contingencies to third parties												
a.	Rupiah	2,348,059	2,550	-	-	373	2,350,982	1,731,034	154	2,600	373	-	1,734,161
b.	Foreign currencies	1,257,475	2,266	-	-	-	1,259,741	1,750,585	114	-	-	-	1,750,699
12.	Idle properties			6,052	794	17,505	24,351	-	6,274	17,879	-	-	24,153
13.	Foreclosed assets			5,684	16,353	2,393	24,431	2,386	-	84,969	19,696	-	107,050
14.	Suspense accounts	1,184	-	-	-	-	1,184	13,517	-	-	-	336	13,853
III.	OTHERS INFORMATION												
1.	Collateralised assets												
a.	To Bank Indonesia						62,560						62,560
b.	To other banks						-						-
2.	Total Allowance for impairment losses on financial assets -/-						2,294,931						2,768,540
3.	Minimum required allowance for possible losses on earning assets						2,503,517						2,301,637
4.	Percentage of micro and small enterprises to total loans						29.72%						31.37%
5.	Percentage of micro and small enterprises business credit to total loans						14.55%						17.50%
6.	Percentage of micro, small and medium enterprises to total loans						8.13%						9.42%
7.	Percentage of micro, small and medium enterprises debtor to total debtors						7.21%						8.64%
8.	Others												
a.	Channelling loans						350,645						350,682
b.	Channelling loans Mudharabah Muqayah						-						-
c.	Written-off earning assets						5,731,577						4,428,563
d.	Written-off earning assets that has been re-collected						1,610,770						1,013,698
e.	Charged-off earning assets						4,095,037						3,271,623

Allowance for Impairment Losses

As of 31 December 2011 and 2010

(in million Rupiah)

No.	ACCOUNTS	2011				2010			
		Impairment Loss Allowance		Minimum Required Regulatory		Impairment Loss Allowance		Minimum Required Regulatory	
		Individual	Collective	General	Specific	Individual	Collective	General	Specific
1	Placements with other banks	-	-	41,382	-	-	-	42,352	-
2	Spot and derivative receivables	-	-	1,502	-	-	-	1,895	-
3	Marketable securities	-	1,950	16,425	181	-	1,950	11,370	-
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	-	13,365	-	-	-	7,591	-
7	Loans	404,610	1,830,726	759,553	1,574,020	548,047	1,957,150	627,054	1,473,644
8	Others receivable	1,688	55,957	1,921	1,688	260,969	-	3,048	72,618
9	Investments	-	-	26,574	1	-	-	26,574	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	425	36,059	614	-	424	34,900	590

Statement of Foreign Exchange and Derivative Transactions

As of 31 December 2011

(in million Rupiah)

NO.	TRANSACTION	BANK DANAMON				
		Notional Amount	Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
A.	Related to exchange rate					
1.	Spot	265,030	265,030	-	703	(99)
2.	Forward	538,595	538,595	-	3,863	(1,024)
3.	Option					
a.	Purchased	142,392	142,392	-	29,630	-
b.	Written	142,392	142,392	-	-	(29,630)
4.	Future	90,675	90,675	-	-	(164)
5.	Swap	5,458,856	5,368,181	90,675	83,671	(86,327)
6.	Others	-	-	-	-	-
B.	Related to interest rate					
1.	Forward	-	-	-	-	-
2.	Option					
a.	Purchased	-	-	-	-	-
b.	Written	-	-	-	-	-
3.	Future	-	-	-	-	-
4.	Swap	1,201,861	1,201,861	-	32,334	(20,556)
5.	Others	-	-	-	-	-
C.	Others	-	-	-	-	-
TOTAL					150,201	(137,800)

Market value represents total notional amount buy and sell position at gross basis.

A notional amount is a number of currency units specified in the contract.

Derivative receivables/payables represent the settlement value of a derivative instrument on balances sheet date.

Capital Adequacy Ratio
As of 31 December 2011 and 2010
(in million Rupiah)

NO.	DESCRIPTION	2011		2010	
		Bank	Consolidated	Bank	Consolidated
I.	COMPONENTS				
	A. CORE CAPITAL	17,648,412	21,551,481	12,081,935	14,591,245
	1. Paid up capital	5,901,122	5,901,122	5,317,363	5,317,363
	2. Disclosed reserves				
	2.1 Additional factors				
	a. Additional paid up capital	7,391,756	7,391,756	3,025,375	3,025,375
	b. Donated capital	-	-	-	-
	c. General reserve	162,869	162,869	134,034	134,034
	d. Specific reserves	-	-	-	-
	e. Prior years' profit after tax (100%)	4,888,566	7,912,134	4,087,003	6,120,835
	f. Current year profit net of taxes (50%)	1,260,841	1,668,134	897,930	1,392,136
	g. Positive adjustment in foreign currency translation of overseas branch	-	-	1,985	1,985
	h. Paid up capital fund	-	-	-	-
	i. Issued warrant (50%)	-	-	-	-
	j. Issued share options on shares option compensation programs (50%)	-	-	10,539	10,539
	2.2 Deduction factors				
	a. Under provision between regulatory provision and impairment value on productive assets	(214,179)	-	-	-
	3. Inovative Capital	-	-	-	-
	4. Deduction factor to core capital				
	4.1 Goodwill	-	(1,074,532)	-	(1,074,534)
	4.2 Other intangible assets	-	-	-	-
	4.3 Investment (50%)	(1,742,563)	(410,002)	(1,392,294)	(336,488)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	5. Minority interest	-	-	-	-
	B. SUPPLEMENTARY CAPITAL	-	590,295	-	960,896
	1. Upper Tier 2				
	1.1 General allowance for possible losses on earning assets (max. 1.25% of weighted risk-based assets)	902,749	1,000,297	784,852	829,217
	2. Lower Tier 2 max 50% core capital				
	2.1 Subordinated borrowings or bonds which can be calculated	-	-	468,167	468,167
	3. Deduction factor supplementary capital				
	3.1 Investments (50%)	(902,749)	(410,002)	(1,253,019)	(336,488)
	3.2 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	C. Deduction factors on core and supplementary capital securitisation exposure	-	-	-	-
	D. Other supplementary capital which meet the criterias (Tier 3)	-	-	-	-
	E. Other supplementary capital allocated to anticipate market risk	-	-	-	-
II.	TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B-C)	17,648,412	22,141,776	12,081,935	15,552,141
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY	17,648,412	22,141,776	12,081,935	15,552,141
IV.	RISK WEIGHTED ASSETS - CREDIT RISK	89,827,386	104,310,298	76,531,756	83,886,152
V.	RISK WEIGHTED ASSETS - OPERATIONAL RISK *)	16,091,395	21,670,495	9,645,626	12,489,377
VI.	RISK WEIGHTED ASSETS - MARKET RISK	283,205	283,205	563,125	563,125
VII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))	16.66%	17.58%	14.02%	16.14%
VIII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE (III:(IV+V+VI))	16.62%	17.54%	13.93%	16.04%
IX.	MINIMUM REQUIRED CAPITAL ADEQUACY RATIO	8.00%	8.00%	8.00%	8.00%

*) According to BI regulation No. 10/15/PBI/2008 dated 24 September 2008 regarding "Capital Adequacy Ratio", Bank required to calculate Risk Weighted Asset (RWA) with credit risk, market risk and operational risk. The calculation of RWA with operational risk stipulated in BI Circular Letter No. 11/3/DPNP dated 27 January 2009 regarding "RWA with Operational Risk Calculation using Basic Indicator Approach (BIA)". Based on this circular letter, Bank is required to calculate RWA with operational risk in which capital charge with operational risk at 5%; 10% and 15% of average gross income for the last three years which effective 1 January 2010, 1 July 2010 and 1 January 2011, respectively.

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Syariah Unit
As of 31 December 2011 and 2010
(in million Rupiah)

BALANCE SHEETS
AS AT 31 DECEMBER 2011 AND 2010
(In million Rupiah)

NO.	ACCOUNTS	2011	2010
A.	ASSETS		
1.	Cash	16,154	13,522
2.	Current accounts with Bank Indonesia	32,326	40,018
3.	Certificates of Bank Indonesia Sharia	60,000	104,000
4.	Placement with other sharia banks	-	-
	Allowance for possible losses on placement with other sharia banks -/-	-	-
5.	Marketable securities - sharia bonds	195,000	195,000
	Allowance for possible losses on marketable securities - sharia bonds -/-	(1,950)	(1,950)
6.	iB receivables *)	123,093	84,871
	Allowance for possible losses on iB receivables -/-	(1,246)	(1,663)
7.	Others iB receivables	55,346	27,840
	Allowance for possible losses on others iB receivables -/-	(723)	(4,493)
8.	iB financing	819,913	570,383
	Allowance for possible losses on iB financing -/-	(9,692)	(8,405)
9.	Fixed assets	14,388	10,667
	Accumulated depreciation of fixed assets -/-	(3,538)	(2,834)
10.	Accrued income	9,591	7,434
11.	Prepaid expenses	45,579	2,898
12.	Other assets	8,514	10,183
	TOTAL ASSETS	1,362,755	1,047,471
B.	LIABILITIES		
1.	iB funds		
	a. iB deposit current accounts	155,658	273,159
	b. iB deposit savings	2,998	2,504
2.	Others iB current liabilities	1,159	1,376
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	254,729	154,056
5.	iB marketable securities issued	30,000	65,000
6.	Others liabilities	375,669	106,387
7.	Investment funds		
	a. iB savings	149,882	123,875
	b. iB deposits	362,358	284,208
8.	Accumulated gain	30,302	36,906
	TOTAL LIABILITIES	1,362,755	1,047,471

STATEMENTS OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011 AND 2010
(In million Rupiah)

NO.	ACCOUNTS	2011	2010
A.	OPERATING INCOME		
1.	Margin	14,378	26,020
2.	Profit sharing	96,240	73,118
3.	iB Bonus	842	429
4.	Other operating income	36,038	39,171
B.	TOTAL OPERATING INCOME	147,498	138,738
C.	Margin distribution for non - discretionary investment funds		
	a. Bank	4,041	3,611
	b. Non Bank	22,520	19,043
	c. Bank Indonesia (FPJPS)	-	-
D.	TOTAL PROFIT SHARING	26,561	22,654
E.	Income from operation after deducting margin distribution for non-discretionary investment funds	120,937	116,084
F.	OPERATING EXPENSES		
1.	iB bonus	1,769	2,078
2.	Allowance for possible losses on assets	2,245	15,357
3.	General and administrative	8,497	3,330
4.	Salaries and employee benefits	51,968	37,519
5.	Others	17,012	13,081
G.	TOTAL OPERATING EXPENSE	81,491	71,365
H.	NET OPERATING INCOME	39,446	44,719
I.	Other non-operating income	715	98
J.	Other non-operating expenses	9,859	7,911
K.	NON-OPERATING LOSS	(9,144)	(7,813)
L.	INCOME DURING THE PERIOD	30,302	36,906

STATEMENTS OF COMMITMENTS AND CONTINGENCIES
AS AT 31 DECEMBER 2011 AND 2010
(In million Rupiah)

NO.	ACCOUNTS	2011	2010
1.	Unused iB financing facilities **)	-	-
2.	Outstanding iB irrevocable letters of credit	-	-
3.	iB guarantees issued	42,327	42,359
4.	Others	520	1,273

Notes:

- Danamon Sharia Branches were started in May 200. Until December 2011, Danamon Sharia has 55 Sharia sub-branches which serve Solution Emas Sharia and Sharia Branches in 2011 are 65 branches.
- Danamon Sharia Branches : Jakarta, Bukit Tinggi, Aceh, Surabaya, Martapura, Solo, Makassar, Bandung, Cirebon, Malang and Tasikmalaya.
- In accordance with Letter from Bank Indonesia No. 10/57/DpG/DPbS dated 27 May 2008 regarding "Equalisation of Sharia Banking Products and Services", starting June 2008 all sharia banking products/services equalized as Islamic Banking (iB)
- *) iB receivables exclude margin to be received of Rp 26,927 million and Rp 25,444 million as at 31 December 2011 and 2010, respectively.
- **) Starting June 2008, reporting to BI for unused iB financing facilities to debtors, only committed facilities are being reported by the Bank on off balance sheet (commitments and contingencies)

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Notes to The Financial Statements

1. Information in the consolidated balance sheets (statement of financial position) and consolidated statements of commitments and contingencies as at 31 December 2011 and 2010, consolidated statements of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the years ended 31 December 2011 and 2010 were taken from consolidated financial statements as at and for the years ended 31 December 2011 and 2010, which was audited by Siddharta & Widjaja, Registered Public Accountants (partner in-charge: Dra. Tohana Widjaja, CPA), with an unqualified opinion in its report dated 7 February 2012. The above financial statements are published in order to comply with Circular Letter of Bank Indonesia (SE BI) No. 13/30/DPNP dated 16 December 2011 regarding “Third Amendment on Bank Indonesia Circular Letter No.3/30/DPnP dated 14 December 2001 regarding Quarterly and Monthly Published Financial Statements of Commercial Banks and Certain Reports Submitted to Bank Indonesia” and in accordance with the Regulation of Capital Market Supervisory Agency (“Bapepam”) No. VIII.G.7 Decision of Chairman of Bapepam No. Kep-06/PM/2000 dated 13 March 2000 regarding “Guidelines for the Preparation of Financial Statements” for the Presentation and Disclosures of Financial Statements of Publicly Listed Companies”, and Regulation No.X.K.2 Decision of Chairman of Bapepam No. Kep-346/BL/2011 dated 5 July 2011 regarding “Obligation to Submit Periodic Financial Statements”.
2. The Bank has adopted SFAS No. 4 (2009 Revision), “Consolidated and Separate Financial Statement” in year 2011 where the investment in Bank separate financial statement is recorded under cost method.
3. Since 1 January 2011, Goodwill is no longer amortised.
4. In accordance with Bank Indonesia (BI) Letter No. 13/658/DPNP/DPnP dated 23 December 2011, the Bank is not required to provide an allowance for losses from non-productive assets, but the Bank should still calculate the impairment losses in accordance with the applicable accounting standards. The beginning balance of allowance for impairment losses of other assets amounted to Rp 52,501 was charged to the consolidated statement of income for the year ended 31 December 2011.
5. Certain account in the consolidated financial statements for the year ended 31 December 2010 has been reclassified to conform to the presentation of consolidated financial statements for year ended 31 December 2011.
6. The ultimate shareholder of Asia Financial (Indonesia) Pte.Ltd. is Temasek Holding Pte.Ltd., an investment holding company based in Singapore which is wholly owned by the Government Singapore.
7. Exchange rate as at 31 December 2010: USD 1 = Rp 9,067.50; exchange rate as at 31 December 2009: USD 1 = Rp 9,010.