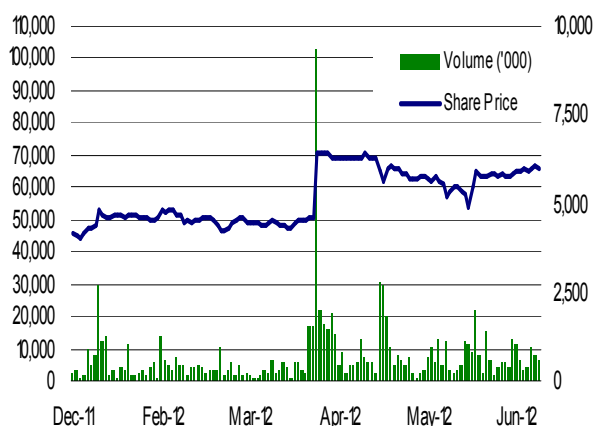


## INVESTOR NEWSLETTER

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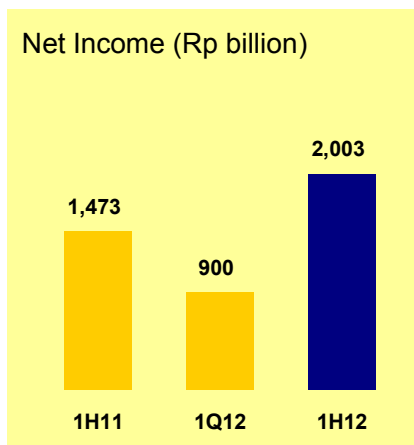


## First Half and Second Quarter 2012 Financial Results

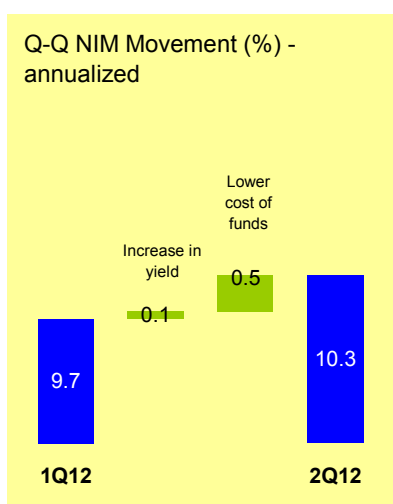
- Total loans rose 19% to Rp 110 trillion year on year, driven by mass market and SMEC segments, both grew 20%.
- Funding franchise was strengthened with CASA growth of 20% to Rp 37.5 trillion, resulting in total deposits increase of 12% to Rp 93 trillion. CASA ratio rose to 40% vs 37%.
- LDR showed decreasing trend to 97.2% from 99% last year. Loan to funding was lowered to 84.4% from 91.3% a year ago.
- Net Interest Margin stood at 10% (10.3% in 2Q12 vs 9.7% in 1Q12).
- CoC recovered at 3%. CIR improved to 49.4%.
- Fee income up 23% to Rp 2.2 trillion due to higher credit related fees as well as bancassurance products.
- NPAT rose 36% to Rp 2 trillion. Consolidated ROE stood at 16.4% and CAR at 18.8%.

	1H11	1H12	ΔYoY	1Q11	2Q12	ΔQoQ
<b>INCOME STATEMENTS (Rp billion)</b>						
Net Interest Income	5,239	6,291	20%	3,019	3,272	8%
Non Interest Income	1,771	2,172	23%	1,029	1,143	11%
Operating Income	7,010	8,463	21%	4,048	4,415	9%
Cost of Credit	(1,326)	(1,530)	15%	(788)	(742)	(6%)
Risk adjusted Ops Income	5,684	6,933	22%	3,260	3,673	13%
Operating Expenses	(3,638)	(4,182)	15%	(2,032)	(2,151)	6%
Reported Net Profit after Tax	1,473	2,003	36%	900	1,103	23%
<b>BALANCE SHEETS (Rp billion)</b>						
Total Assets	125,922	152,393	21%	145,114	152,393	5%
Loans (gross)	92,793	110,457	19%	105,558	110,457	5%
Government Bonds	4,394	4,716	7%	4,516	4,716	4%
Total Deposits	83,536	93,326	12%	89,422	93,326	4%
Long Term Funding	13,610	17,747	30%	15,967	17,747	11%
Equity	18,854	26,595	41%	25,515	26,595	4%
<b>KEY RATIOS (%)</b>						
Net Interest Margin	10.0	10.0	0.0	9.7	10.3	0.6
Cost of Credit	3.2	3.0	-0.2	3.2	2.8	-0.4
Cost to Income	51.9	49.4	-2.5	50.2	48.7	-1.5
ROAA	2.4	2.8	0.4	2.5	3.0	0.5
ROAE	17.1	16.4	-0.7	14.6	18.1	3.5
Assets to Capital	7.7	6.4	-1.3	6.3	6.4	0.1
Consolidated RWA to Assets	92.5	82.4	-10.1	83.4	82.4	-1.0
Loan to Funding	91.3	84.4	-6.9	87.2	84.4	-2.8
Loan to Deposits	99.0	97.1	-1.9	98.6	97.1	-1.5
Stand Alone CAR	12.1	18.1	6.0	17.9	18.1	0.2
Consolidated CAR	14.0	18.8	4.8	19.1	18.8	-0.3
NPL – Gross	2.9	2.5	-0.4	2.5	2.5	0.0

## Macroeconomy



The macro and financial stability so far has been well preserved and domestic economy is growing on the right path during the first semester of 2012. BI expects Indonesia's economic growth to reach 6.3% - 6.7% by the end of 2012 compared to 6.5% in 2011, supported by consumption and investment. Significant market fluctuation occurred in the months prior to the Greek election (17 June 2012). The financial market reacted to anticipate the impact of the election which may add more pressures and prolong the European crisis. The impact was initially felt by the foreign exchange market and financial market as reflected in the exchange rate depreciation and falling stock price indexes in the Asian region including Indonesia. JCI Index which closed at all time high of 4,224 on 3 May 2012 dropped continuously and noted this year's lowest on 4 June 2012 to the level of 3,655 while Rupiah declined sharply after foreign investors pulled funds from the nation's assets. Bank Indonesia actively intervenes the market and doing a "moral suasion" by calling on the traders.

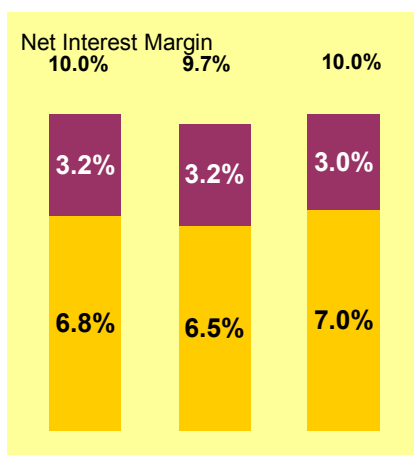


Bank Indonesia kept the benchmark reference rate at 5.75% in July 2012. June inflation stayed within the BI's target range of 3.5% - 5.5%, though showing a rather significant rise at 0.62% m-t-m (or 4.53% y-o-y) due to the rising price of food, reflecting a seasonal factor of Moslems fasting month. Import recorded stronger at level 16% y-o-y while export contracted further due to waning external demand from major trading partners (i.e. US, EU, China and Japan) and declining global commodity prices. Strong import partly reflected a strong consumption, although partly due to an increased imports of fuel.

## Regulations

New regulations on down payment and LTV for auto loans and mortgage have taken effect since 15 June 2012. This will have a short term impact on the automotive and housing industry.

At the moment, BI is in the process of formulating a new regulation regarding banking ownership.



## First Half and Second Quarter 2012 Financial Results

The first half of the year allows banking sector to enjoy a strong performance amid low interest rate environment. Industry's assets rose 22% y-o-y to Rp 3,817 trillion as of May 2012, while total loans and deposits also increased 26% and 21% to Rp 2,386 trillion and Rp 2,909 trillion, respectively.

Danamon booked a robust growth of net profit after tax (NPAT) of 36% to Rp 2,003 billion for the first half of 2012, ahead of industry's NPAT growth of 23%. This strong performance was driven by 20% growth of net interest income (NII) to Rp 6,291 billion in addition to 23% fee income expansion to Rp 2,172 billion for the same period.

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As of June 2012, loan grew 19% to Rp 110, 457 billion driven by mass market loans and loans from SME and commercial segment, each rose 20% to Rp 63,855 billion and Rp 27,505 billion, respectively. Micro lending expanded 10% y-o-y to Rp 18,047 billion in line with its productivity target after vigorous human capital and network expansion in 2011.

The Bank’s auto financing business through Adira Finance also garnered a strong place in the automotive industry with total outstanding financing of Rp 44,315 billion by the end of June 2012, grew 26% compared to a year earlier. The auto loans mix has shifted with 4-wheeler occupied 42% of the portfolio by the end of June 2012 compared to 37% last year.

By the end of June 2012, the earning asset yield contracted 80 bps to 14.8% compared to 15.6% last year mostly due to the decrease in loan yield, IDR government bonds, and FASBI portfolio. However, this was netted of by 90 bps reductions in cost of funds (CoF) to 4.8% from 5.7% a year earlier primarily from time deposits, as interest rate environment remains benign. The blended cost of funds (CA, SA, TD) for IDR was lowered from 6.0% to 5.2%. Overall, NIM was stable at 10% for both the first half of 2012 and 2011, and improved from 9.7% in 1Q12 to 10.3% in 2Q12.

Despite the solid loan growth over the past two years, cost of credit improved from 3.2% to 3.0% as we preserve high standard credit quality and supported by favourable operating environment.

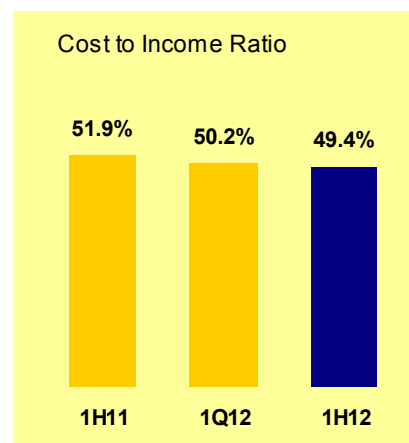
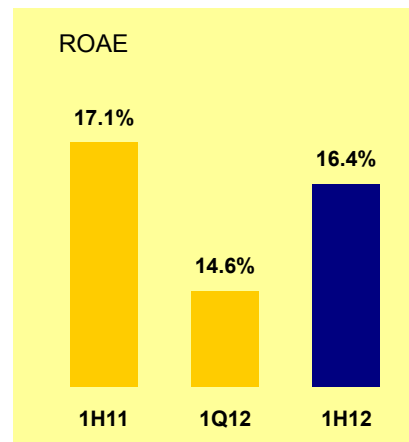
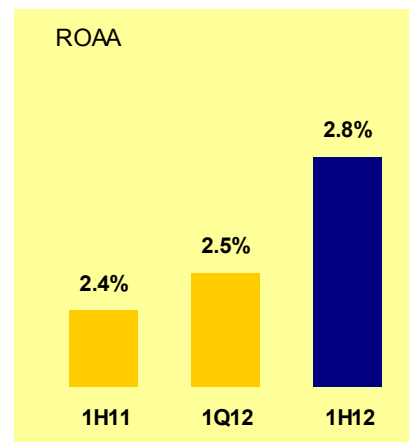
The Bank also registered a healthier cost to income ratio at 49.4% by the end of the first semester compared to 51.9% a year earlier. On quarterly basis, this ratio also declined to 48.7% in 2Q12 versus 50.2% in 1Q12. Improvement of CIR was consistent with higher operating income growth of 21% netted off by 15% operating expense growth.

Robust NPAT growth has boosted Danamon’s basic and diluted EPS to Rp 209.02 (basic & diluted) compared to Rp 175.01 (basic) and Rp 174.77 (diluted) a year ago.

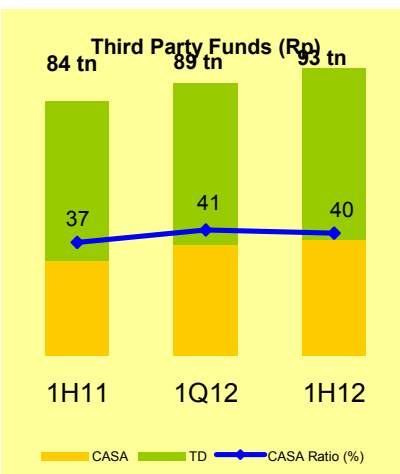
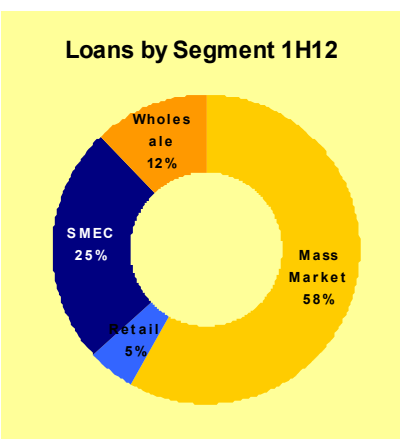
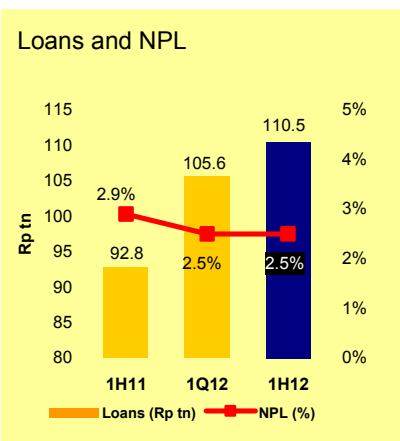
**Income Statement**

The Banking sector’s performance remained robust, supported by sound macro fundamentals in the first half 2012 although demand pull inflation may occur in the second half of the year as Moslem holiday approaching. Competition remained intense across all segment but offset by lower CoF environment that allows banks to improve their NIM.

Relatively stable yield while CoF was reduced promoted NII expansion of 20% to Rp 6,291 billion in addition to higher average earning assets (grew 20% to Rp 123 trillion). CoF was improved on the back of lower LPS rate (from 6.5% in December 2011 to 5.5% in June 2012), mostly impacting time deposits. NIM was maintained amongst the highest in the



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industry at 10% (stable y-o-y) and improved 60 bps to 10.3% q-o-q.

Fee income also registered a promising growth of 23% to Rp 2,172 billion due to higher credit related fees and fees from bancassurance products. Credit related fees grew 21% to Rp 1,629 billion, in line with the loan growth. Altogether, fee income accounted for 26% of total operating income versus 25% last year.

Operating expense was Rp 4,182 billion or 15% higher than previous year reflecting additional headcount to accommodate business growth, increase in facilities and IT cost to support network expansion, and continuous marketing and promotion programs. Below is the network of Danamon and subsidiaries as of June 2012:

Segments	1H11	1H12	Y-O-Y
Conventional, Syariah, Pawnbroking	493	676	183
Micro banking	1,462	1,497	35
Adira Finance and Adira Kredit	882	995	113
Adira Insurance	41	53	12

Higher operating income and well managed operating expense has lowered the Bank's cost to income ratio from 51.9% to 49.4% in the first half of 2012.

Cost of credit over average loans improved to 3% by the end of June 2012 (from 3.2% in June 2011, or 2.8% in the second quarter of 2012 versus 3.2% in 1Q12) this was supported by better credit cost in mass market (from 4.9% in 1H11 to 4.7% in 1H12) and mid size segment (0.4% in 1H11 vs 0% in 1H12). By the end of June 2012, the nominal amount of cost of credit rose 15% to Rp 1,530 billion compared to Rp 1,326 billion a year ago, while the allowance for possible losses was Rp 2,965 billion from Rp 2,880 billion by the end of June 2011.

Overall, with the robust NPAT growth, the Bank's ROAA and ROAE stood at 2.8% (vs 2.4% in 1H11) and 16.4% (vs 17.1% in 1H11).

**Balance Sheet**

Banking industry managed to grow its business well with total assets rose 22% y-o-y to Rp 3,827 trillion in May 2012, mainly driven by loan expansion (grew 26% to Rp 2,386 trillion). Danamon's asset increased 21% to Rp 152,393 billion, mainly driven by 19% loan growth to Rp 110,457 billion. Meanwhile, customer deposits growth of 12% to Rp 93,326 billion underpinned the Bank's liabilities expansion.

Mass market segment grew 20% to Rp 63,855 billion or 58% of the Bank's total loan book. Last year's investment in micro business has generated positive outcome with 10% growth y-o-y and y-t-d. Going forward, human capital enforcement continues to be one of Danamon's top priorities to maximize productivity. DSP also gained promising footing in targeting agribusiness farmers and traders (rubbers, cocoa, coffee) mostly in outside Java which

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reached Rp 980 billion as of June 12. Competition intensifies as the margin of this segment is lucrative, however, the market potential remains open for those with strong commitment and sound capacity. By the end of the first semester, micro lending posted 10% loan growth to Rp 18,047 billion or 16% of Danamon’s total loan portfolio.

Indonesia’s automotive industry will experience temporary impact from the implementation of the new down payment rules. Adjustment period will be inevitable especially for 2-wheeler customers as they are more price sensitive compared to the 4-wheeler buyers. However, the medium term outlook for this business still shows room for growth given the country’s limited infrastructure facilities. By the end of June 2012, the number of new units sold for 2-wheeler decreased 8% y-o-y to 3,738 thousand, while 4-wheeler still registered 28% y-o-y growth 533 thousand. Adira Finance will grow in line with the industry and maintain strong relationship with dealers and customers as well as implementing continuous prudent risk management. As of June 2012, auto loans grew 26% to Rp 44,315 billion or 40% of the Bank’s total loans.

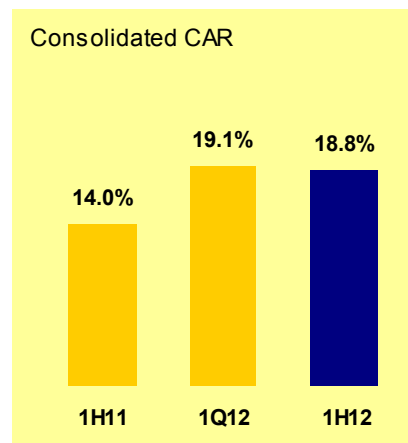
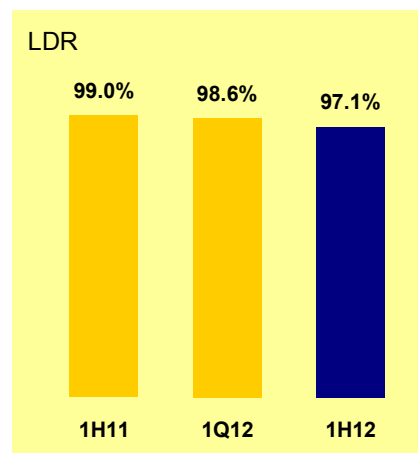
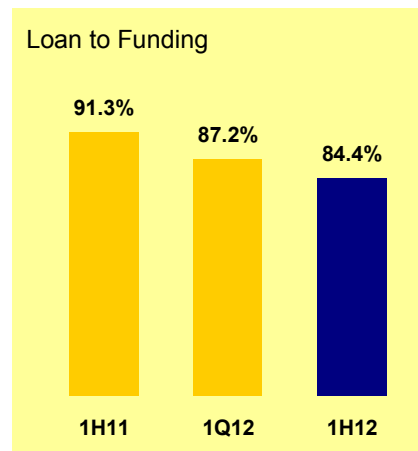
Danamon’s other arms of mass market business also grew positively with Adira Quantum (white goods financing) reached Rp 1,403 billion while pawn broking booked Rp 91 billion loans after 1 year of launching.

Aside from the mass market segment, Danamon’s SMEC also becomes a crucial loan growth force. This segment registered 20% growth to Rp 27,505 billion or 25% of Danamon’s total loan portfolio. SME loans rose 22% to Rp 16,189 billion, while commercial lending was up 18% to Rp 11,316 billion. Asset Based Financing (ABF) which is offered within this segment, also surged 64% to Rp 5,599 billion.

Wholesale segment booked 13% y-o-y growth to Rp 13,029 billion (12% of total loan book), while Danamon’s trade finance increased 55% to Rp 6,571 billion. Retail loans that occupied the remaining 5% of the Bank’s loan book posted 16% growth to Rp 6,067 billion mostly driven by 50% growth in mortgage to Rp 2,284 billion.

CASA ratio improved to 40% against 37% last year. CA and SA rose 35% and 13% to Rp 13,960 billion and Rp 23,582 billion, respectively, in line with our funding strategy of continued branch expansion and promotion via alternative channel. TD grew 7% to Rp 55,784 billion as we released high cost TD and reduced CoF. We continue to expand long term funding (LTF) to match asset and liabilities duration mismatch and interest rate risk. By the end of June 12, the Bank’s LTF reached Rp 17,747 billion or appreciated 30% from last year. Overall, customer deposits rose 12% to Rp 93,326 billion, while total funding grew 14% to Rp 111,073 billion.

Danamon’s liquidity remained intact with LDR stood at 97.1% from 99.0% last year. The Bank’s stand alone loan to funding ratio also showed a decreasing trend to 84.4% from 91.3% a year earlier.



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In term of asset quality, NPL was Rp 2,751 billion against Rp 2,692 billion, while the NPL ratio improved to 2.5% from 2.9%. Below is the detail NPL by segment :

	1H11	1H12	Y-O-Y
Mass Market	3.0%	2.6%	(0.4%)
Retail	3.0%	1.7%	(1.3%)
Mid Size	3.3%	2.0%	(1.3%)
Wholesale	1.6%	3.5%	1.9%

The Bank's capitalization stayed as one of the highest amongst the country's top banks at 18.8% compared to 14.0% a year ago for consolidated, and 18.1% vs 12.1% last year for stand alone.

## Corporate Updates

### 2011 Dividend

- Dividend pay-out for fiscal year 2011 is lowered to 30% from 35% as approved during the March'12 AGMS and paid on May 8<sup>th</sup> 2012 amounted to Rp 1,000,924 million.

### Ownership Structure

- As at 2 April 2012, the Bank has been informed by Fullerton Financial Holding Pte. Ltd. (FFH), that it has entered into a share purchase agreement with DBS Group Holdings (DBS) to sell its interest in the whole of the issued share capital of Asia Financial (Indonesia) Pte. Ltd. to DBS. Currently, AFI holds approximately 67.37% of the total issued shares of the Bank. This transaction is subject to the approvals, among others, of DBS shareholders and regulators, including Bank Indonesia.

## Regulations on minimum DP for vehicle financing and LTV for mortgage

On 15 March 2012, BI issued a new ruling regarding the minimum down payment for automotive loans and the amount of loan to value (LTV) for mortgage. The purpose of this policy is to increase the bank prudence in granting auto loans and mortgages. At the same time, Bapepam also issued a regulation on the same subject, however, different in terms of limit. The following is the regulation summary:

Type of Financing	BI	Bapepam	Difference
Two wheels	min. 25%	min. 20%	5%
Four wheels - productive	min. 20%	min. 20%	-
Four wheels - non productive	min. 30%	min. 25%	5%
Mortgage	min. 70%	-	-

Under the joint financing scheme, the minimum down payment will be set proportionally between the Bank and the financing company. For financing company, if the auto financing is funded by the finance company's funds (i.e. through working capital loans or bonds issuance), the minimum down payment must follow Bapepam ruling. The above requirement has been effective since 15 June 2012.

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**Credit Ratings**

<b>Bank Danamon</b>	<b>Ratings and Outlooks</b>	
<b>Pefindo (Indonesia)</b>	Corporate Rating	<sub>id</sub> AA+ / Stable
August 2011	Bond Rating	<sub>id</sub> AA+ / Stable
<b>Standard and Poor's</b>	Long-term / Short-term Local Currency	BB / B / Positive
April 2012	Long-term / Short-term Foreign Currency	BB / B / Positive
<b>Fitch</b>	Long-term / Short-term Foreign Currency	BB+ / B / RWP
April 2012	National Long-term	AA+ (idn) / RWP
	Individual / Support Rating	C / D / 3 / RWP
<b>Moody's</b>	Global Local Currency Deposit	Baa3 / P-3 / Stable
April 2012	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 30 June 2012 and 2011

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	<b>ASSETS</b>				
1.	Cash	1,450,541	1,777,194	1,626,008	1,895,058
2.	Placements with Bank Indonesia	11,469,634	17,127,983	11,469,634	17,127,983
3.	Placements with other banks	6,744,734	4,138,202	8,526,873	5,756,098
4.	Spot and derivative receivables	143,590	150,201	157,161	160,407
5.	Marketable securities				
	a. Designated at fair value through profit/loss	134,780	125,662	134,780	125,662
	b. Available for sale	8,244,211	6,443,957	8,376,198	6,509,689
	c. Held to maturity	302,152	425,518	500,366	648,448
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	2,259,702	1,485,134	2,259,702	1,485,134
7.	Securities purchased under resale agreements (reverse repo)	2,570,268	-	2,570,268	-
8.	Acceptance receivables	901,582	1,336,525	901,582	1,336,525
9.	Loans				
	a. Designated at fair value through profit/loss	-	-	-	-
	b. Available for sale	-	-	-	-
	c. Held to maturity	-	-	-	-
	d. Loans and receivables	90,524,247	86,699,835	90,524,247	86,699,835
10.	Sharia financing	1,146,178	998,301	1,146,178	998,301
11.	Consumer financing receivables	-	-	18,589,640	13,815,632
	Allowance for impairment losses on consumer financing receivables -/-	-	-	(556,054)	(420,683)
12.	Premium receivables	-	-	63,642	73,328
13.	Investments	2,657,392	2,657,392	12,175	12,175
14.	Allowance for impairment losses on financial assets -/-				
	a. Marketable securities	(21,250)	(1,950)	(21,250)	(1,950)
	b. Loans	(2,324,362)	(2,235,337)	(2,324,362)	(2,235,337)
	c. Others	(56,365)	(57,644)	(56,365)	(57,644)
15.	Intangible assets	833,305	828,625	2,858,579	2,839,706
	Accumulated amortisation on intangible assets -/-	(496,857)	(435,978)	(1,403,174)	(1,332,501)
16.	Fixed assets and equipment	2,976,904	2,872,699	3,654,805	3,496,036
	Accumulated depreciation of fixed assets and equipment -/-	(1,437,127)	(1,296,720)	(1,766,064)	(1,597,341)
17.	Non earning asset				
	a. Idle properties	22,682	24,351	22,682	24,351
	b. Foreclosed assets	14,959	24,431	14,959	24,431
	c. Suspense accounts	759	1,184	759	1,184
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	-	45
	ii. Conducting operational activities outside Indonesia	-	-	-	-
18.	Allowance for impairment losses on other assets -/-	(7,073)	(7,073)	(9,648)	(9,124)
19.	Leased receivables	-	-	191,872	160,171
20.	Deferred tax assets	826,928	916,309	838,302	927,167
21.	Other assets	3,800,741	3,184,315	4,089,769	3,471,646
	<b>TOTAL ASSETS</b>	<b>132,682,255</b>	<b>127,183,116</b>	<b>152,393,264</b>	<b>141,934,432</b>



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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	<b>LIABILITIES AND EQUITY</b>				
1.	Current accounts	13,857,479	14,007,449	12,127,996	11,492,894
2.	Savings	23,369,685	23,239,812	23,369,685	23,239,812
3.	Time deposits	55,105,058	50,746,696	54,757,562	50,574,722
4.	Revenue sharing investment funds	1,514,597	670,900	1,483,057	670,900
5.	Deferred premium income	-	-	881,812	832,811
6.	Unearned premium reserve	-	-	467,478	441,821
7.	Loans from Bank Indonesia	379	569	379	569
8.	Borrowings from other banks	2,878,313	2,821,881	2,878,313	2,821,881
9.	Spot and derivative liabilities	95,986	137,800	95,986	137,800
10.	Securities sold under repurchase agreements (repo)	1,718,419	1,140,342	1,718,419	1,140,342
11.	Acceptance payables	890,216	1,343,186	890,216	1,343,186
12.	Marketable securities issued	3,026,625	4,266,569	11,173,060	11,504,512
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	4,053,553	3,960,129	10,447,969	6,916,783
14.	Security deposits	35,534	31,409	35,534	31,409
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	18	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	498,912	403,474
17.	Other liabilities	3,423,901	3,004,644	4,752,599	4,545,015
18.	Profit sharing investment funds	-	-	-	-
	<b>TOTAL LIABILITIES</b>	<b>109,969,745</b>	<b>105,371,386</b>	<b>125,578,995</b>	<b>116,097,931</b>
	<b>EQUITY</b>				
19.	Issued and fully paid capital				
	a. Authorized capital	12,238,589	12,238,589	12,238,589	12,238,589
	b. Unpaid capital -/-	(6,337,467)	(6,337,467)	(6,337,467)	(6,337,467)
	c. Treasury stock -/-	-	-	-	-
20.	Additional paid-up capital				
	a. Agio	7,391,756	7,391,756	7,391,756	7,391,756
	b. Disagio -/-	-	-	-	-
	c. Donated capital	-	-	-	-
	d. Capital paid in advance	-	-	-	-
	e. Others	-	-	-	-
21.	Other comprehensive income				
	a. Difference in foreign currencies translation	-	-	-	-
	b. Gains (losses) from changes in the value of financial assets as available for sale	(5,228)	21,887	(32,401)	4,404
	c. Cash flow hedges	-	244	(2,827)	(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	196,232	162,869	196,232	162,869
	b. Specific reserves	-	-	-	-
26.	Retained earnings				
	a. Previous years **)	7,299,565	5,812,170	11,137,717	8,835,738
	b. Current year	1,929,063	2,521,682	2,003,409	3,336,266
	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PAR</b>	<b>22,712,510</b>	<b>21,811,730</b>	<b>26,595,008</b>	<b>25,629,956</b>
27.	Non-controlling interests	-	-	219,261	206,545
	<b>TOTAL EQUITY</b>	<b>22,712,510</b>	<b>21,811,730</b>	<b>26,814,269</b>	<b>25,836,501</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>132,682,255</b>	<b>127,183,116</b>	<b>152,393,264</b>	<b>141,934,432</b>

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

**PT Bank Danamon Indonesia, Tbk**  
**Investor Newsletter – First Half and Second Quarter 2012 Results**  
**July 2012**

**Statements of Income and Retained Earnings**

**As of 30 June 2012 and 2011**

(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2012	30 Jun 2011	30 Jun 2012	30 Jun 2011
	<b>INCOME AND EXPENSES FROM OPERATIONS</b>				
A.	<b>Interest Income and Expenses</b>				
1.	Interest Income				
	a. Rupiah	6,657,768	6,205,720	8,895,882	7,836,015
	b. Foreign currencies	271,111	199,764	271,111	199,764
2.	Interest Expense				
	a. Rupiah	2,261,868	2,560,024	2,767,006	2,710,870
	b. Foreign currencies	77,743	38,046	58,513	38,046
	<b>Net Interest Income</b>	<b>4,589,268</b>	<b>3,807,414</b>	<b>6,341,474</b>	<b>5,286,864</b>
3.	Underwriting income				
3.1.	Premium income	-	-	548,784	444,727
3.2.	Underwriting expense	-	-	345,524	225,911
	<b>Net Underwriting Income</b>			<b>203,260</b>	<b>218,816</b>
	<b>Net Interest and underwriting income</b>	<b>4,589,268</b>	<b>3,807,414</b>	<b>6,544,734</b>	<b>5,505,680</b>
4.	Sharia Income				
4.1.	Margin	8,401	6,295	4,232	6,295
4.2.	Profit sharing	51,117	42,753	51,117	42,753
4.3.	Bonus income	45	729	45	729
	<b>Total Sharia Income</b>	<b>59,563</b>	<b>49,777</b>	<b>55,394</b>	<b>49,777</b>
5.	Sharia Expenses				
5.1.	iB loss sharing	19,957	13,334	15,788	13,334
5.2.	iB bonus expense	1,119	909	1,119	909
	<b>Total Sharia Expenses</b>	<b>21,076</b>	<b>14,243</b>	<b>16,907</b>	<b>14,243</b>
	<b>Net Sharia Interest Income</b>	<b>38,487</b>	<b>35,534</b>	<b>38,487</b>	<b>35,534</b>
B.	<b>Other Operating Income and Expense</b>				
1.	Other Operating Income	2,293,866	2,324,136	2,708,240	2,256,278
a.	Increase in fair value of financial assets (mark to market)				
i.	Marketable securities	-	6	-	6
ii.	Loans	-	-	-	-
iii.	Spot and derivatives	398,540	366,946	398,540	366,946
iv.	Other financial assets	3,631	-	3,631	-
b.	Decrease in fair value of financial liabilities (mark to market)	-	-	-	-
c.	Gain from sale of financial assets				
i.	Marketable securities	12,738	24,708	12,738	24,708
ii.	Loans	-	-	-	-
iii.	Other financial assets	-	-	-	-
d.	Gain from spot and derivative transaction (realised)	57,208	33,453	57,208	33,453
e.	Gain from investment under equity method	-	-	-	-
f.	Dividend	842,015	1,063,792	4,260	4,230
g.	Fees/commissions and administrative	664,773	567,008	911,561	762,574
h.	Recovery of impairment loss reserves	-	-	-	-
i.	Other income	314,961	268,223	1,320,302	1,064,361
2.	Other Operating Expenses	4,377,840	4,067,642	6,206,598	5,465,158
a.	Decrease in fair value of financial assets (mark to market)				
i.	Marketable securities	1,223	-	1,223	-
ii.	Loans	-	-	-	-
iii.	Spot and derivatives	356,117	346,638	356,117	346,638
iv.	Other financial assets	-	8,982	6,529	12,735
b.	Increase in fair value of financial liabilities (mark to market)	-	-	-	-
c.	Losses from sale of financial assets				
i.	Marketable securities	2,117	1,869	12,720	1,869
ii.	Loans	-	230,719	-	230,719
iii.	Other financial assets	-	-	-	-
d.	Losses from spot and derivative transaction (realised)	42,590	78,257	42,590	78,257
e.	Impairment losses on financial assets				
i.	Marketable securities	19,800	-	19,800	-
ii.	Loans	961,567	829,305	1,269,506	994,850
iii.	Sharia financing	2,621	2,168	2,621	2,168
iv.	Other financial assets	(2,290)	(144,426)	(2,290)	(144,426)
f.	Losses related to operational risk	66,414	110,565	58,029	130,300
g.	Losses from investment in shares under equity method	2,116	16,180	2,477	16,381
h.	Fees/commissions and administrative	131,099	115,240	131,819	115,567
i.	Losses from decrease in value of non financial assets	-	19,605	101	20,525
j.	Salaries and employee benefits	1,462,612	1,279,746	2,333,239	1,991,842
k.	Promotion expenses	66,414	110,565	58,029	130,300
l.	Other expenses	1,331,854	1,172,794	1,942,117	1,667,733
	<b>Net Other Operating Expenses</b>	<b>(2,083,974)</b>	<b>(1,743,506)</b>	<b>(3,498,358)</b>	<b>(3,208,880)</b>
	<b>OPERATING INCOME</b>	<b>2,543,781</b>	<b>2,099,442</b>	<b>3,084,863</b>	<b>2,332,333</b>
	<b>NON OPERATING INCOME</b>				
1.	Gain(loss) from sale of premises and equipment	3,726	1,167	3,953	1,381
2.	Gain (loss) on foreign currencies translation	(40)	17	651	(1,326)
3.	Income(expense) non operating expenses	(233,783)	(251,118)	(350,229)	(296,753)
	<b>NON OPERATING LOSS</b>	<b>(230,097)</b>	<b>(249,934)</b>	<b>(345,725)</b>	<b>(296,698)</b>
	<b>INCOME BEFORE TAX FOR THE YEAR ENDED</b>	<b>2,313,684</b>	<b>1,849,508</b>	<b>2,739,138</b>	<b>2,035,635</b>
1.	Income tax				
a.	Income tax expenses	286,201	139,835	487,832	379,481
b.	Deferred tax expenses (income)	98,420	71,300	193,342	129,365
	<b>INCOME AFTER TAX FOR THE YEAR ENDED</b>	<b>1,929,063</b>	<b>1,638,373</b>	<b>2,057,964</b>	<b>1,526,789</b>
	<b>OTHER COMPREHENSIVE INCOME NET OF TAX</b>				
a.	Foreign exchange difference from translation of financial statements in foreign currency				
b.	Gains from change financial assets available for sale	(36,154)	(98,928)	(47,194)	(99,470)
c.	Cash flow hedges	(244)	(963)	(648)	(963)
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	9,039	24,733	9,039	24,733
h.	Others				
	<b>Other comprehensive income, net of tax</b>	<b>(27,359)</b>	<b>(75,158)</b>	<b>(38,803)</b>	<b>(75,700)</b>
	<b>TOTAL COMPREHENSIVE INCOME THE YEAR ENDED</b>	<b>1,901,704</b>	<b>1,563,215</b>	<b>2,019,161</b>	<b>1,451,089</b>
	<b>Comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	1,929,063	1,638,373	2,003,409	1,473,412
	NON-CONTROLLING INTERESTS	9,641	24,842	15,752	77,677
	<b>INCOME IN CURRENT YEAR</b>	<b>1,929,063</b>	<b>1,638,373</b>	<b>2,057,964</b>	<b>1,526,789</b>
	<b>Total comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	1,901,704	1,563,215	1,965,976	1,397,800
	NON-CONTROLLING INTERESTS	20,000	20,000	53,185	53,289
	<b>TOTAL COMPREHENSIVE INCOME IN CURRENT YEARS</b>	<b>1,901,704</b>	<b>1,563,215</b>	<b>2,019,161</b>	<b>1,451,089</b>
	<b>PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE</b>				
	<b>DIVIDEND</b>				
	OTHERS	(33,363)	(28,836)	(33,363)	(28,836)
	<b>EARNING PER SHARE *)</b>	<b>201.27</b>	<b>194.34</b>	<b>209.02</b>	<b>175.01</b>
	<b>DILUTED EARNINGS PER SHARE *)</b>	<b>201.27</b>	<b>194.34</b>	<b>209.02</b>	<b>174.77</b>

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

**Key Financial Ratios**  
**As of 30 June 2012 and 2011**

NO.	RATIOS (%)	2012	2011
	<b>CONSOLIDATED RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. Capital Adequacy Ratio (CAR)	18.84%	14.05%
<b>II.</b>	<b>Earning assets</b>		
	Non-performing earning assets and non productive assets to total earnings and		
	1. non productive assets	2.05%	2.55%
	2. Non-performing earning assets to total productive assets	2.08%	2.51%
	3. Allowance for impairment losses for financial asset to productive asset	2.22%	2.61%
	4. NPL gross	2.50%	2.92%
	5. NPL net	0.00%	0.00%
<b>III.</b>	<b>Rentability</b>		
	1. Return on Assets (ROA)	3.76%	3.34%
	2. Return on Equity (ROE)	16.36%	17.12%
	3. NIM including third party premium expenses	10.05%	10.03%
	4. Cost to income	49.42%	51.90%
	<b>BANK RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. CAR	18.09%	12.10%
<b>II.</b>	<b>Earning assets</b>		
	Non-performing earning assets and non productive assets to total earnings and		
	1. non productive assets	2.20%	2.72%
	2. Non-performing earning assets to total productive assets	2.25%	2.68%
	3. Allowance for impairment losses for financial asset to productive asset	2.07%	2.57%
	4. NPL gross	2.83%	3.17%
	5. NPL net after impairment value	0.29%	0.21%
	6. Non performing iB receivables and financing with contract	2.35%	0.97%
<b>III.</b>	<b>Rentability</b>		
	1. ROA	3.67%	3.26%
	2. ROE	18.98%	23.13%
	3. NIM	8.56%	7.95%
	4. NIM including third party premium expenses	8.39%	7.77%
	5. Operating expenses to operating income	72.60%	77.54%
	6. Cost to income	50.87%	55.74%
<b>IV.</b>	<b>Liquidity</b>		
	LDR	97.11%	99.04%
<b>V.</b>	<b>Compliance</b>		
	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	8.44%	8.16%
	b. GWM Foreign Currency	8.39%	8.04%
	4. Net Open Position	0.74%	0.52%

## Statements of Commitments and Contingencies

As of 30 June 2012 and 2011

(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
<b>I</b>	<b>COMMITMENT RECEIVABLES</b>				
	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	5,740,879	7,709,519	5,740,879	7,709,519
	3. Others	-	-	-	-
<b>II</b>	<b>COMMITMENT PAYABLES</b>				
	1. Unused loans facilities granted to debtors				
	a. BUMN				
	i. Committed				
	- Rupiah	-	-	-	-
	- Foreign currencies	-	-	-	-
	ii. Uncommitted				
	- Rupiah	54,806	55,000	54,806	55,000
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	436,237	597,758	436,237	597,758
	ii. Uncommitted	24,745,974	23,007,417	24,745,974	23,007,417
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	306	-	306	-
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	199,902	259,464	199,902	259,464
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	1,160,466	763,090	1,160,466	763,090
	b. Local L/C	245,555	351,600	245,555	351,600
	4. Outstanding selling of spot and derivative contracts	5,746,398	7,771,134	5,746,398	7,771,134
	5. Others	-	-	-	-
<b>III.</b>	<b>CONTINGENT RECEIVABLES</b>				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	114,758	132,491	114,758	132,491
	2. Interest receivables on non performing assets				
	a. Loan interest income	349,779	327,928	349,779	327,928
	b. Other interest	765	520	765	520
	3. Others	-	-	-	-
<b>IV.</b>	<b>CONTINGENT PAYABLES</b>				
	1. Guarantees issued				
	a. Rupiah	1,990,973	2,101,962	1,990,973	2,101,962
	b. Foreign currencies	416,415	394,457	416,415	394,457
	2. Others	-	-	-	-

**PT Bank Danamon Indonesia, Tbk**  
**Investor Newsletter – First Half and Second Quarter 2012 Results**  
**July 2012**

**Earning Asset Quality and Other Information**  
**As of 30 June 2012 and 2011**  
**(in million Rupiah)**

NO.	ACCOUNTS	30 Jun 2012						30 Jun 2011					
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
		L	DPK	KL	D	M	JUMLAH	L	DPK	KL	D	M	JUMLAH
<b>I. RELATED PARTIES</b>													
<b>1. Placements with other banks</b>													
a. Rupiah	257,495	-	-	-	-	257,495	106	-	-	-	-	-	106
b. Foreign currencies	248,645	-	-	-	-	248,645	60,129	-	-	-	-	-	60,129
<b>2. Spot and derivative receivables</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	548	-	-	-	-	548	1	-	-	-	-	-	1
<b>3. Marketable securities</b>													
a. Rupiah	7,151	-	-	-	-	7,151	209,940	-	-	-	-	-	209,940
b. Foreign currencies	3,433	-	-	-	-	3,433	-	-	-	-	-	-	-
<b>4. Securities sold under repurchase agreements (repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Securities purchased under resale agreements (reverse repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>6. Acceptance receivables</b>	1,690	-	-	-	-	1,690	-	-	-	-	-	-	-
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Non debtor micro, small and medium													
i. Rupiah	14,151	-	-	-	-	14,151	13,267	-	-	-	-	-	13,267
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Restructured													
i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Properties loan	13,290	-	-	-	-	13,290	-	-	-	-	-	-	-
<b>8. Investments</b>	2,645,312	-	-	-	-	2,645,312	2,645,312	-	-	-	-	-	2,645,312
<b>9. Temporary equity investment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>10. Others receivables</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>11. Commitments and contingencies to third parties</b>													
a. Rupiah	-	-	-	-	-	-	150	-	-	-	-	-	150
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>12. Idle properties</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>13. Foreclosed assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>14. Suspense accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. NON RELATED PARTIES</b>													
<b>1. Placements with other banks</b>													
a. Rupiah	3,067,922	-	-	-	-	3,067,922	336,753	-	-	-	-	-	336,753
b. Foreign currencies	3,170,672	-	-	-	-	3,170,672	534,174	-	-	-	-	-	534,174
<b>2. Spot and derivative receivables</b>													
a. Rupiah	126,002	-	-	-	-	126,002	105,756	-	-	-	-	-	105,756
b. Foreign currencies	17,040	-	-	-	-	17,040	88,796	-	-	-	-	-	88,796
<b>3. Marketable securities</b>													
a. Rupiah	8,541,400	-	-	-	20,000	8,561,400	5,195,373	-	-	-	-	-	5,195,373
b. Foreign currencies	105,929	-	3,230	-	-	109,159	789,958	-	-	1,787	-	-	791,745
<b>4. Securities sold under repurchase agreements (repo)</b>													
a. Rupiah	2,259,702	-	-	-	-	2,259,702	936,009	-	-	-	-	-	936,009
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Securities purchased under resale agreements (reverse repo)</b>													
a. Rupiah	2,570,268	-	-	-	-	2,570,268	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>6. Acceptance receivables</b>	899,892	-	-	-	-	899,892	1,013,970	-	-	-	-	-	1,013,970
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i. Rupiah	26,066,591	1,482,649	244,392	406,847	543,791	28,744,270	22,450,851	1,588,374	280,071	404,048	561,054	25,284,398	
ii. Foreign currencies	317,802	4,879	-	-	518	323,199	362,126	17,617	92	712	712	380,547	
b. Non debtor micro, small and medium													
i. Rupiah	45,567,628	5,751,889	223,934	277,061	344,855	52,165,367	42,032,638	6,393,756	281,104	576,616	385,530	49,669,644	
ii. Foreign currencies	9,518,751	363,168	141,796	216	399,508	10,423,439	6,852,839	616,631	17	29,395	95,723	7,594,605	
c. Restructured													
i. Rupiah	656,724	227,076	72,102	42,241	84,213	1,082,356	510,749	452,912	66,823	307,934	157,140	1,495,557	
ii. Foreign currencies	165,904	358,498	30,761	-	-	555,163	201,486	307,876	-	4,716	-	514,077	
d. Properties loan	3,118,269	144,115	4,423	7,138	18,849	3,292,794	2,204,457	105,368	5,273	6,619	35,320	2,357,038	
<b>8. Investments</b>	12,055	25	-	-	-	12,080	12,055	25	-	-	-	12,080	
<b>9. Temporary equity investment</b>	-	-	-	-	-	-	-	-	-	-	-	-	
<b>10. Others receivables</b>	169,829	-	-	-	1,688	171,517	210,895	-	-	9,000	1,688	221,583	
<b>11. Commitments and contingencies to third parties</b>													
a. Rupiah	2,530,750	7,832	-	-	373	2,538,955	1,708,916	566	-	2,600	373	1,712,455	
b. Foreign currencies	1,710,997	-	-	-	-	1,710,997	1,519,249	2,675	-	-	-	1,521,924	
<b>12. Idle properties</b>	-	-	562	6,284	15,836	22,682	-	-	6,052	794	17,505	24,351	
<b>13. Foreclosed assets</b>	-	-	4,717	4,731	5,511	14,959	721	-	80,631	18,108	49	99,509	
<b>14. Suspense accounts</b>	759	-	-	-	-	759	9,273	-	-	-	1	9,274	
<b>III. OTHERS INFORMATION</b>													
<b>1. Collateralised assets</b>													
a. To Bank Indonesia	-	-	-	-	-	62,560	-	-	-	-	-	62,560	
b. To other banks	-	-	-	-	-	-	-	-	-	-	-	-	
<b>2. Total Allowance for impairment losses on financial assets -/-</b>													
<b>3. Minimum required allowance for possible losses on earning assets</b>													
<b>4. Percentage of micro and small enterprises to total loans</b>													
<b>5. Percentage of micro and small enterprises business credit to total loans</b>													
<b>6. Percentage of micro, small and medium enterprises to total loans</b>													
<b>7. Percentage of micro, small and medium enterprises debtor to total debtors</b>													
<b>8. Others</b>													
a. Channelling loans						350,645						350,658	
b. Channelling loans Mudharabah Muqayah						594,139						651,886	
c. Written-off earning assets						310,099						263,781	
d. Written-off earning assets that has been re-collected						174,054						474,325	
e. Charged-off earning assets						-						-	

## Allowance for Impairment Losses

As of 30 June 2012 and 2011

(in million Rupiah)

No.	ACCOUNTS	2012				2011			
		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	-	-	67,447	-	-	-	9,312	-
2	Spot and derivative receivables	-	-	1,436	-	-	-	1,946	-
3	Marketable securities	20,000	1,250	17,472	20,485	-	1,950	17,739	893
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	-	9,016	-	-	-	10,140	-
7	Loans	458,350	1,866,013	796,433	1,806,450	505,718	1,940,213	700,860	1,743,208
8	Others receivable	1,688	54,677	1,698	1,688	10,688	55,985	2,109	6,188
9	Investments	-	-	26,574	1	-	-	54,985	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	438	42,417	765	-	400	32,283	1,835

## Statement of Foreign Exchange and Derivative Transactions

As of 30 June 2012 and 2011

(in million Rupiah)

NO.	TRANSACTION	BANK				
		Notional Amount	Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
<b>A. Related to exchange rate</b>						
1.	Spot	2,318,738	2,318,738	-	6,153	6,114
2.	Forward	332,890	332,890	-	1,650	2,659
3.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	5,698,631	5,698,631	-	103,452	70,054
6.	Others	-	-	-	-	-
<b>B. Related to interest rate</b>						
1.	Forward	-	-	-	-	-
2.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Future	-	-	-	-	-
4.	Swap	1,188,010	1,188,010	-	32,335	17,159
5.	Others	-	-	-	-	-
<b>C. Others</b>						
		-	-	-	-	-
<b>TOTAL</b>		<b>9,538,269</b>	<b>9,538,269</b>	<b>-</b>	<b>143,590</b>	<b>95,986</b>

Market value represents total notional amount buy

A national amount is a number of currency units

Derivative receivables/liabilities represent the settlement value of a derivative instrument on

**Capital Adequacy Ratio**  
**As of 30 June 2012 and 2011**  
(in million Rupiah)

NO.	DESCRIPTION	30 Jun 2012		30 Jun 2011	
		Bank	Consolidated	Bank	Consolidated
I.	<b>COMPONENTS</b>				
	<b>A. CORE CAPITAL</b>	<b>18,831,088</b>	<b>23,037,078</b>	<b>12,391,461</b>	<b>15,808,657</b>
	1. Paid up capital	5,901,122	5,901,122	5,319,952	5,319,952
	2. Disclosed reserves				
	2.1 Additional factors				
	a. Additional paid up capital	7,391,756	7,391,756	3,046,497	3,046,497
	b. Donated capital	-	-	-	-
	c. General reserve	196,231	196,231	162,869	162,869
	d. Specific reserves	-	-	-	-
	e. Prior years' profit after tax (100%)	6,474,381	10,312,533	4,916,096	7,939,663
	f. Current year profit net of taxes (50%)	964,532	1,001,704	819,187	736,706
	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%)	-	-	6,331	6,331
	2.2 Deduction factors				
	a. Under provision between regulatory provision and impairment value on productive assets	(389,467)	(186,591)	(65,516)	-
	b. Under provision between regulatory provision and impairment value on non productive assets	(24,649)	(24,649)	-	-
	h. Negative difference on fair value of financial instrument in trading book	-	-	-	-
	3. Innovative Capital	-	-	-	-
	4. Deduction factor to core capital				
	4.1 Goodwill	-	(1,074,532)	-	(1,074,532)
	4.2 Other intangible assets	-	-	-	-
	4.3 Investment (50%)	(1,682,818)	(480,496)	(1,815,940)	(330,814)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	5. Minority interest	-	-	-	-
	<b>B. SUPPLEMENTARY CAPITAL</b>	<b>-</b>	<b>616,377</b>	<b>-</b>	<b>563,810</b>
	1. Upper Tier 2				
	1.1 General allowance for possible losses on earning assets (max. 1.25% of weighted risk-based assets)	962,494	1,096,873	829,372	894,624
	2. Lower Tier 2 max 50% core capital				
	2.1 Subordinated borrowings or bonds which can be calculated	-	-	-	-
	3. Deduction factor supplementary capital				
	3.1 Investments (50%)	(962,494)	(480,496)	(829,372)	(330,814)
	3.2 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	<b>C. Deduction factors on core and supplementary capital securitisation exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>D. Other supplementary capital which meet the criterias (Tier 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>E. Other supplementary capital allocated to anticipate market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
II.	<b>TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B-C)</b>	<b>18,831,088</b>	<b>23,653,455</b>	<b>12,391,461</b>	<b>16,372,467</b>
III.	<b>TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY</b>	<b>18,831,088</b>	<b>23,653,455</b>	<b>12,391,461</b>	<b>16,372,467</b>
IV.	<b>RISK WEIGHTED ASSETS - CREDIT RISK</b>	<b>85,871,984</b>	<b>100,591,702</b>	<b>83,953,354</b>	<b>94,300,714</b>
V.	<b>RISK WEIGHTED ASSETS - OPERATIONAL RISK *)</b>				
		17,940,744	24,707,404	17,892,259	21,670,495
VI.	<b>RISK WEIGHTED ASSETS - MARKET RISK</b>				
		270,085	270,085	579,158	579,158
VII.	<b>CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))</b>	<b>18.14%</b>	<b>18.88%</b>	<b>12.17%</b>	<b>14.12%</b>
VIII.	<b>CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE (III:(IV+V+VI))</b>	<b>18.09%</b>	<b>18.84%</b>	<b>12.10%</b>	<b>14.05%</b>
IX.	<b>MINIMUM REQUIRED CAPITAL ADEQUACY RATIO</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>

\*) Starting January 2012, Bank has adopted SE BI No. 13/6/DPnP dated 18 February 2011 regarding "Guidance for Risk Weighted with Credit Risk Calculation using Standardized Approach".



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**July 2012**

**Syariah Unit**  
**As of 30 June 2012 and 2011**  
(in million Rupiah)

**BALANCE SHEETS**  
**AS AT 30 JUNE 2012 AND 2011**  
(In million Rupiah)

NO.	ACCOUNTS	30 Jun 2012	30 Jun 2011
<b>A.</b>	<b>ASSETS</b>		
1.	Cash	36,916	7,508
2.	Current accounts with Bank Indonesia	49,741	37,521
3.	Certificates of Bank Indonesia Sharia	218,000	86,000
4.	Placement with other sharia banks	-	-
	Allowance for possible losses on placement with other sharia banks -/-	-	-
5.	Marketable securities - sharia bonds	145,000	195,000
	Allowance for possible losses on marketable securities - sharia bonds -/-	(21,250)	(1,950)
6.	iB receivables *)	164,728	108,652
	Allowance for possible losses on iB receivables -/-	(2,009)	(919)
7.	Others iB receivables	103,367	27,931
	Allowance for possible losses on others iB receivables -/-	(358)	(2,314)
8.	iB financing	878,561	717,044
	Allowance for possible losses on iB financing -/-	(12,849)	(10,893)
9.	Fixed assets	22,012	10,832
	Accumulated depreciation of fixed assets -/-	(4,657)	(3,080)
10.	Accrued income	12,007	7,839
11.	Prepaid expenses	51,906	15,838
12.	Other assets	7,355	12,650
	<b>TOTAL ASSETS</b>	<b>1,648,470</b>	<b>1,207,659</b>
<b>B.</b>	<b>LIABILITIES</b>		
1.	iB funds		
	a. iB deposit current accounts	308,862	380,629
	b. iB deposit savings	2,796	1,669
2.	Others iB current liabilities	1,926	1,452
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	24,362	56,897
5.	iB marketable securities issued	50,000	40,000
6.	Others liabilities	89,382	299,951
7.	Investment funds		
	a. iB savings	275,920	137,932
	b. iB deposits	927,019	273,058
8.	Accumulated gain	(31,797)	16,071
	<b>TOTAL LIABILITIES</b>	<b>1,648,470</b>	<b>1,207,659</b>

**STATEMENTS OF INCOME**  
**FOR THE 6 MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011**  
(In million Rupiah)

NO.	ACCOUNTS	30 Jun 2012	30 Jun 2011
<b>A.</b>	<b>OPERATING INCOME</b>		
1.	Margin	8,401	6,295
2.	Profit sharing	51,117	42,753
3.	iB Bonus	45	729
4.	Other operating income	24,306	17,880
<b>B.</b>	<b>TOTAL OPERATING INCOME</b>	<b>83,869</b>	<b>67,657</b>
<b>C.</b>	<b>Margin distribution for non - discretionary investment funds</b>		
	a. Bank	1,440	2,710
	b. Non Bank	18,517	10,624
	c. Bank Indonesia (FPJPS)	-	-
<b>D.</b>	<b>TOTAL PROFIT SHARING</b>	<b>19,957</b>	<b>13,334</b>
<b>E.</b>	<b>Income from operation after deducting margin distribution for non-discretionary investment funds</b>	<b>63,912</b>	<b>54,323</b>
<b>F.</b>	<b>OPERATING EXPENSES</b>		
1.	iB bonus	1,119	909
2.	Allowance for possible losses on assets	24,500	2,690
3.	General and administrative	9,927	2,542
4.	Salaries and employee benefits	44,114	23,002
5.	Others	11,473	5,672
<b>G.</b>	<b>TOTAL OPERATING EXPENSE</b>	<b>91,133</b>	<b>34,815</b>
<b>H.</b>	<b>NET OPERATING INCOME</b>	<b>(27,221)</b>	<b>19,508</b>
<b>I.</b>	<b>Other non-operating income</b>	<b>461</b>	<b>41</b>
<b>J.</b>	<b>Other non-operating expenses</b>	<b>5,037</b>	<b>3,478</b>
<b>K.</b>	<b>NON-OPERATING LOSS</b>	<b>(4,576)</b>	<b>(3,437)</b>
<b>L.</b>	<b>INCOME DURING THE PERIOD</b>	<b>(31,797)</b>	<b>16,071</b>

**STATEMENTS OF COMMITMENTS AND CONTINGENCIES**

**AS AT 31 MARCH 2012 AND 2011**

NO.	ACCOUNTS	30 Jun 2012	30 Jun 2011
1.	Unused iB financing facilities (**)	-	-
2.	Outstanding iB irrevocable letters of credit	-	-
3.	iB guarantees issued	43,844	40,030
4.	Others	765	1,300

Notes:

- Danamon Sharia Branches were started in May 2002. Until June 2012, Danamon Sharia has 99 Sharia sub-branches which serve Solution Emas Sharia and Sharia Branches in 2011 are 109 branches.
- Danamon Sharia Branches : Jakarta, Bukit Tinggi, Aceh, Surabaya, Martapura, Solo, Makasar, Bandung, Cirebon, Malang, Tasikmalaya, Kediri, Semarang, Jember, Mataram, Lampung, Serang, Yogyakarta, Palembang, Pekanbaru, Medan, Purwokerto, Denpasar and Batam
- 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 bankine products/sevices equalized as islamic Banking (iB).
- \*) iB receivables exclude margin to be received of Rp 33,461 million and Rp 27,140 million as at 30 June 2012 and 2011, 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 statements of financial position and consolidated statements of commitments and contingencies as at 30 June 2012 and 31 December 2011, and in the consolidated statements of comprehensive income and consolidated statements of cash flows for the three-month periods ended 30 June 2012 and 2011, were taken from the consolidated financial statements as at and for the six-month periods ended 30 June and 2011 and as at 31 December 2011. The above financial information 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”) and Financial Institution (“LK”) No. VIII.G.7 Decision of Chairman of Bapepam and LK No. Kep-554/BL/2010 dated 30 December 2010 regarding “Amendment on Decision of Chairman of Bapepam and LK No. Kep.06/PM/2000 on the Regulation No. VIII.G.7 regarding Guidelines for the Preparation of Financial Statements”, and Regulation No.X.K.2 attachment Decision of Chairman of Bapepam and LK No. Kep-346/BL/2011 dated 5 July 2011 regarding “Submission of Periodic Financial Statements of Publicly Listed Companies”.
2. The Bank has adopted SFAS No. 4 (2009 Revision), “Consolidated and Separate Financial Statements” in 2011 where the investment in shares included in the parent company financial statements only as a supplementary information to the consolidation financial statements as at 30 June 2012 and 31 December 2011, was recorded under cost method; including the investment value in the Bank’s Capital Adequacy Ratio Calculation.
3. Certain account in the consolidated financial statements for the six-month period ended 30 June 2011 has been reclassified to conform to the presentation of consolidated financial statements for six-month period ended 30 June 2012.
4. 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.
5. As at 2 April 2012, the Bank has been informed by Fullerton Financial Holding Pte. Ltd. (FFH), that it has entered into a share purchase agreement with DBS Group Holdings (DBS) to sell its interest in the whole of the issued share capital of Asia Financial (Indonesia) Pte. Ltd. to DBS. Currently, AFI holds approximately 67.37% of the total issued shares of the Bank. This transaction is subject to the approvals, among others, of DBS shareholders and regulators, including Bank Indonesia.
6. Exchange rate as at 30 June 2012: USD 1 = Rp 9,329.50; Exchange rate as at 30 June 2011: USD 1 = Rp 8,576.00; exchange rate as at 31 December 2011: USD 1 = Rp 9,067.50.