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INVESTOR NEWSLETTER

February 2013



Full Year 2012 Financial Results

- Total loans rose 14% to Rp 116 trillion year on year, driven by mass market and SMEC segments, that grew 11% and 26%, respectively.
- CASA grew 18% to Rp 43 trillion. CASA ratio stood at 47% vs 41% last year. Current account and saving account each rose 22% to Rp 15.9 trillion and 16% to Rp 27.3 trillion, respectively.
- Loan to funding (including long term funding) was 89.2%, while LDR eased to 100.6% from 103.5% last quarter.
- Net Interest Margin stood at 10.1% or improved 20bps
- Cost to income improved to 50.8% vs 51.8% last year.
- Fee income was 26% of operating income or Rp 4.4 trillion, rose 9% from last year.
- NPAT rose 22% to Rp 4,012 billion. Consolidated ROA was 2.7%. Consolidated ROE stood at 16.2% sustained by solid CAR of 18.9%.
- Better asset quality with CoC declined to 2.8% from 3.0% last year and NPL decreased to 2.3 from 2.5% a year earlier.

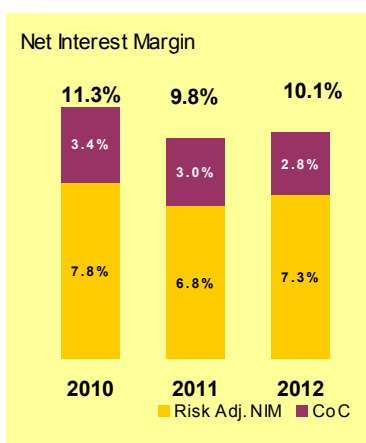
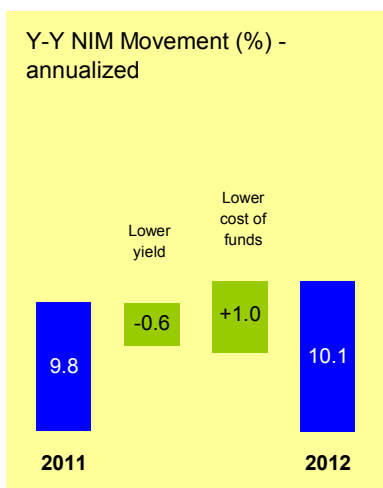
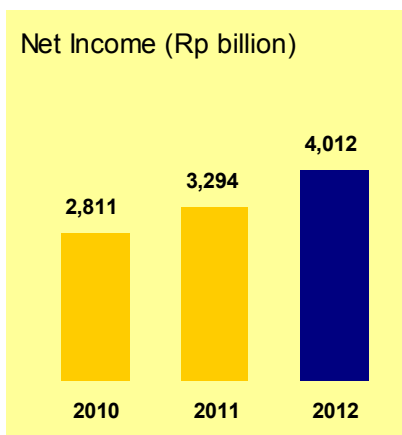
	FY11	FY12	ΔYoY	3Q12	4Q12	ΔQoQ
INCOME STATEMENTS (Rp billion)						
Net Interest Income	10,849	12,922	19%	3,299	3,332	1%
Non Interest Income	4,071	4,433	9%	1,131	1,130	0%
Operating Income	14,920	17,355	16%	4,430	4,462	0%
Cost of Credit	(2,650)	(2,984)	13%	(779)	(675)	1%
Risk adjusted Ops Income	12,270	14,370	17%	3,651	3,786	4%
Operating Expenses	(7,732)	(8,809)	14%	(2,278)	(2,348)	3%
Reported Net Profit after Tax	3,294	4,012	22%	988	1,021	3%
BALANCE SHEETS (Rp billion)						
Total Assets	142,292	155,791	9%	150,109	155,791	9%
Loans (gross)	101,678	116,385	14%	113,267	116,385	3%
Government Bonds	3,947	4,063	3%	4,366	4,063	(7%)
Total Deposits	88,054	91,675	4%	88,303	91,675	4%
Long Term Funding	16,583	15,961	(4%)	17,848	15,961	(11%)
Equity	25,516	28,494	12%	27,467	28,494	4%
KEY RATIOS (%)						
Net Interest Margin	9.8	10.1	0.2	10.0	10.2	2.0
Cost of Credit	3.0	2.8	(0.2)	2.9	2.4	(0.5)
Cost to Income	51.8	50.8	(1.1)	51.4	52.6	1.2
ROAA	2.6	2.7	0.1	2.6	2.7	0.1
ROAE	17.2	16.2	(1.1)	15.8	16.1	0.3
Assets to Capital	6.4	6.3	(0.1)	6.2	6.3	0.1
Consolidated RWA to Assets	89.0	84.0	(5.0)	85.9	84.0	(1.9)
Loan to Funding	86.0	89.2	3.2	89.3	89.2	(0.1)
Loan to Deposits	98.3	100.6	2.3	103.5	100.6	(2.5)
Stand Alone CAR	16.6	18.4	1.8	18.2	18.4	2.0
Consolidated CAR	17.6	18.9	1.3	18.7	18.9	2.0
NPL – Gross	2.5	2.3	(0.2)	2.4	2.3	(0.1)

Macroeconomy

Economic Highlights

- Full year growth at 6.23% yoy shows Indonesian economy is still able weathering out the impact of the global economic downturn. The strong domestic demand should remain as the pulling factor to attract foreign investment and to cushion the current account deficit.
- A relatively low inflation, high consumer confidence was still able to support the growth of private consumption which on full year basis was maintained above 5%, a significant driver of GDP growth.
- Net exports growth was at its lowest, in line with the trade balance performance (BPS stats), that reached the highest deficit in Q4.
- The overall balance of payment improved in 4Q12; in large part, it was driven by a bigger surplus in the financial account, which was compensated by the larger deficit in the current account.
- Government spending growth pace declined, as the overall realization of budget spending was subdued.
- Bank Indonesia maintained the policy rate at 5.75% during 2012 after reduced it from 6.00% in January 2012.

source : BDI's Economist



Full Year 2012 Financial Results

Indonesian banks and the economy as a whole remained resilient in delivering a relatively strong performance in 2012 despite uncertainties in the external environment. Banking sector's assets as per December 2012 up 17% y-o-y to Rp 4,263 trillion backed by 23% increase of total loan to Rp 2,708 trillion. Industry's loan growth was helped by strong demand in working capital and investment loan which grew 23% and 27% to Rp 1,317 trillion and Rp 591 trillion, respectively. Meanwhile, consumption rose 20% to Rp 800 trillion in December 2012 versus Rp 667 billion for the same period last year, put an early recovery after softening 12% growth in November 2012 yoy.

Danamon reported a net profit after tax (NPAT) of Rp 4,012 billion or 22% increase compared to Rp 3,294 billion in 2011. NPAT growth was driven by net interest income (NII) growth of 19% to Rp 12,922 billion while fee income rose 9% to Rp 4,433 billion.

Loans grew by 14% to Rp 116,385 billion in 2012 with mass market segment contributed 11% growth to Rp 66,063 billion this year underpinned by 14% growth in micro lending to Rp 18,777 billion and 10% growth of Adira Finance to Rp 45,595 billion. Meanwhile, mid size segment advanced 26% to Rp 30,544 billion.

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Earning asset yield at end of 2012 receded 60bps to 14.8% from 15.4% in the previous year which mostly due to the decline of loan yield and securities portfolio yield i.e, SBI, Fasbi and I/B Placement that reduced around 1.5%-1.9% this year. Decline in securities yield was in line with the industry's low rate environment, as seen on October 2011 LPS rate of 7% which gradually dropped to level 5.5% by December 2012.

Loan yield down 70bps to 17.8% (vs 18.6% in 2011) induced by lower yield in mass market of 21.6% (from 22.4% 2011). The lower yield was mainly attributable to the drop of auto yield to 18.4% compared to 19.1% last year.

Danamon's lower yield was compensated by further reduction of CoF, allowing the Bank to sustain its margin. CoF dropped 100bps to 4.7% from 5.6% a year earlier. IDR Customer deposit CoF down to 5.0% from 6.0% last year, mostly due to the decline in TD CoF from 7.5% to 6.3% in 2012.

Danamon's high standard risk management has brought positive trend to the Bank's cost of credit (CoC) over the years. From 2010 to 2012, Danamon booked CoC level at 3.4%, 3.0% and 2.8%, respectively.

Cost to income ratio (CIR) improved to 50.8% compared to 51.6% a year ago, which was achieved despite our continuous effort to add capacity. Operating income growth of 16% to Rp 17,355 billion was netted off with 14% growth of operating expense to Rp 8,809 billion.

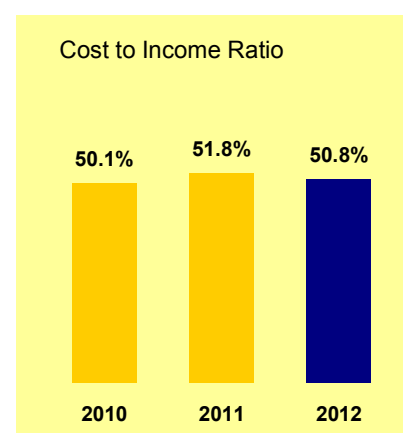
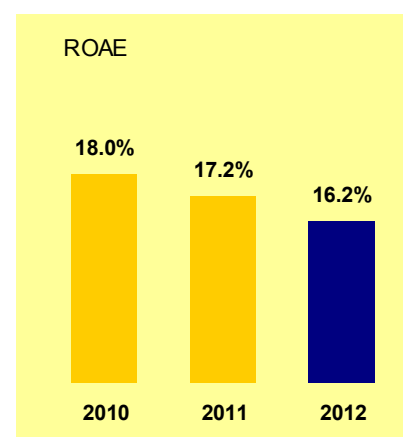
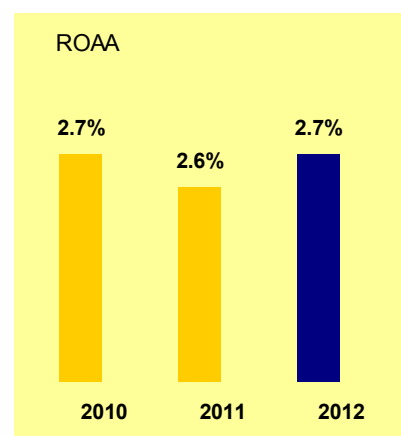
The Bank's profitability has brought to 12% growth of Danamon's basic and diluted EPS to Rp 418.57 versus Rp 373.99 in December 2011.

Income Statement

Banking sector performance heavily correlated with the country's economy growth. With GDP growth at 6.23% at year end 2012, Indonesia banking sector outlook is still promising in sustaining its profitability.

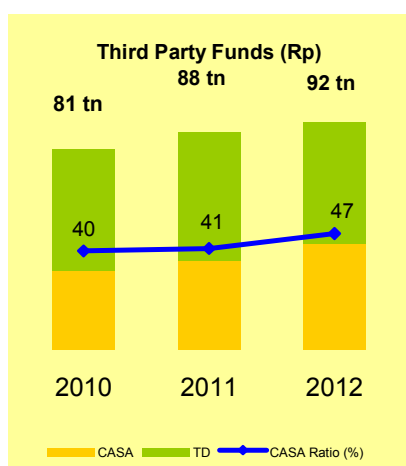
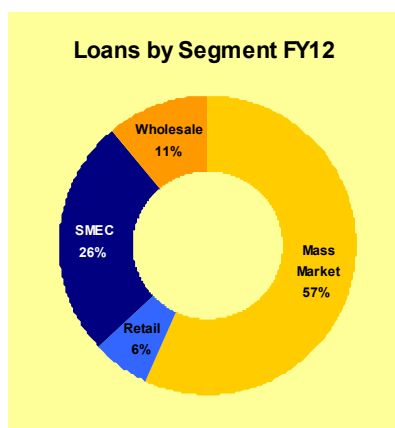
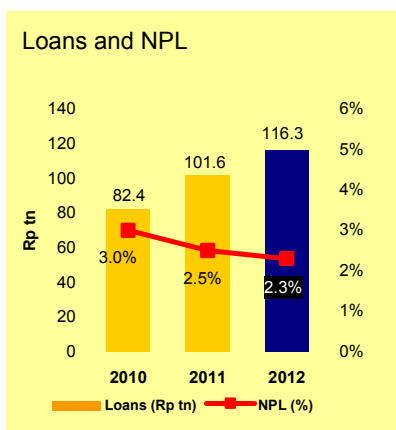
Danamon's net interest margin improved to 10.1% from 9.8% in previous year. In 2012, despite asset yield down 60bps to 14.8% from 15.4%, cost of fund (CoF) dropped almost 100 bps to 4.7% from 5.6% a year ago. Thus, the Bank's NII rose 19% to Rp 12,922 billion from Rp 10,849 billion in the previous year.

Fee income up 9% to Rp 4,433 billion and contributed to 26% of total operating income. Credit related fee that accounted for 74% of total fee income rose 10% to Rp 3,280 billion in December 2012. Bancassurance fee posted Rp 300 billion as per December 2012.



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In 2012, operating expense was Rp 8,809 billion or 14% higher than Rp 7,732 billion last year. Most of the opex increase was associated with network expansion and additional headcounts as well as IT projects and facilities. Higher operating income growth resulted to a better cost to income ratio to 50.8% as compared to 51.8% last year.

The Bank and its subsidiaries' network as of December 2012 as follows:

Segments	2011	2012	Y-O-Y
Conventional, Syariah, Pawnbroking	553	702	149
Micro banking *)	1,496	1,515	19
Adira Finance and Adira Kredit	957	962	5
Adira Insurance	50	53	3

*) including Mobile network

Cost of credit over average loans improved to 2.8% from 3.0% a year ago. This was supported by better CoC of mass market to 4.3% from 4.6% a year earlier. CoC of midsize segment was zero from 0.5% last year. Wholesale's CoC increased 80bps to 1.6% due to higher provision in this segment this year. By the end of 2012, the nominal amount of CoC was Rp 2,984 billion or increased 13% from Rp 2,650 billion a year earlier, meanwhile the allowance for possible losses was Rp 3,065 billion compared to Rp 2,723 billion (13% increased) in the end of 2011.

Overall, Danamon's ROAA and ROAE in December 2012 stood at 2.7% and 16.2%, respectively, compared to 2.6% and 17.2% in December 2011.

Balance Sheet

Indonesian banking sector is still confident supported by the Industry's strong loan growth during 2012. A stable 20% yoy growth of consumption loan in each quarter of 2012 was able to be carried out until the year end, despite calming in November due to temporary effect of new DP and LTV rule.

Danamon's asset grew 9% to Rp 155,791 billion by the end of December 2012 on the back of 14% growth of the Bank's total loan. Meanwhile, customer deposit up 4% to Rp 91,675 billion and covered 85% of the Bank's total customer deposit.

Mass market business increased 11% to Rp 66,063 million (57% of Bank's total loan) supported by 14% growth in micro loans to Rp 18,777 billion and contributed to 16% of the Bank's total loan book. After strengthening its internal capacity in 2011, DSP is back on its growth mode. DSP loan consists of 92% Pasar model (mostly secured up to Rp 500 million) and 8% Solusi Modal (unsecured below Rp 50 million). Non Java area which grew 25% to Rp 8.5 trillion this year, has become DSP's priority following its stable presence in Java area.

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Automotive sector interim downturn especially in 2 wheelers as the impact of new DP regulation and fiduciary was reflected in full year 2012 auto sales result. Industry sales of new 2W fell 12% to 7 million units sold while new 4W is still comfortable with 24% growth to 1.1 million units sold.

Aligned with the industry, Adira Finance 2W sales dropped 12% to 1.1 million unit sold while 4W is still booked positive 7% to 63 thousand unit sold in 2012. Adira Finance grew 10% to Rp 45,595 billion in receivables, with 57% and 43% composition of 2W and 4W respectively, shifted from 62% for 2W and 38% for 4W in 2011. By year end, Adira Finance market share for 2W was 15.7% and 4W was 5.7% respectively.

Adira Finance continues to maintain its domination in the market, and at the same time ensuring good asset quality balance through strategies among others; prudent risk management, improving efficiency and productivity, maintaining good relationship with principals, customers and dealers, IT and HR development and most importantly building continuous synergy with the holding company.

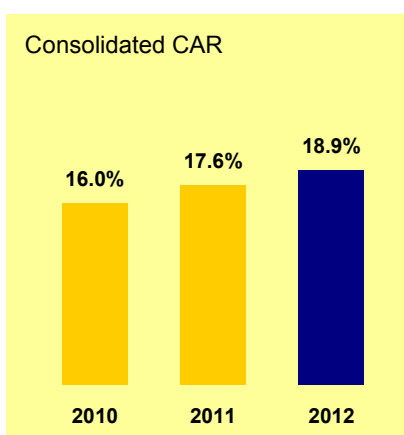
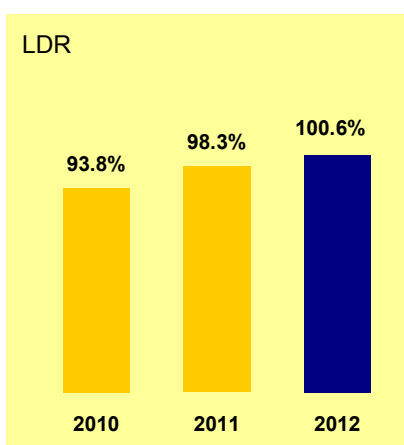
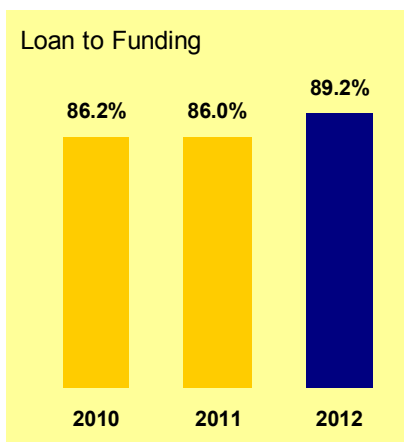
The Bank's mid size segment performed well by recording 26% growth to Rp 30,544 billion in December 2012, a very positive trend comparing 19% growth in 2010 and 23% growth in 2011. Mid size segment (SME 58% and Commercial 42%) contributed to 26% of total Bank's loan portfolio. SME loan rose 25% to Rp 17,807 billion and Commercial loan up 27% to Rp 12,737 billion. Asset based financing also grew favourably by 23% to Rp 5,644 billion.

Wholesale segment loans grew softer by 1% to Rp 13,274 billion in 2012 due to the global economic uncertainty. Meanwhile, trade finance business sharply rose 54% to Rp 6,853 billion compared to Rp 4,439 billion in 2011.

Retail segment which contributed the remaining 6% of total loan book posted 26% growth to Rp 7,115 billion which mainly supported by 49% growth in mortgage amounted to almost Rp 3 trillion as per December 2012.

At funding side by segment, DSP has collected 49% growth to Rp 1.1 trillion for customer deposit in Java (46%) and non Java (53%) region as DSP committed to tap funding opportunities in mass market. SMEC funding increased 10% to Rp 23,590 billion and accounted to 26% of total Bank's customer funding, while wholesale funding surged 38% to Rp 13,005 billion (14% of total funding book). Retail funding which accounted for 59% of total Bank's customer funding eased 4% to Rp 53,904 billion due to the impact of high cost funding contraction strategy (retail funding was mostly occupied by time deposit).

Customer deposit increased 4% to Rp 91,675 billion while total funding up 3% to Rp 107,635 billion with long term funding was at Rp 15,961 billion (15% of total funding book) as per December 2012. Current account and saving account increased 22% and 16% to Rp 15,854 billion and Rp 27,270 billion respectively. Meanwhile, TD down 6% to Rp 48,552 billion as part of our



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funding strategy in reducing high cost deposit. Hence, CASA ratio improved to 47% compared to 41% in the same period last year. Long term funding which is used to manage interest rate risk and asset & liabilities duration mismatch was down 4% compared to previous year due to lower portion of banker's acceptances and outstanding bonds issuances.

The Bank's consolidated CAR rose to 18.9% from 17.6% last year and standalone CAR stood at 18.4% compared to 16.6% in previous year. Loan to funding which consisted long term funding stood at level 89.2% and LDR eased to 100.6% from 103.5% last quarter.

Danamon's asset quality improved with NPL which stood at Rp 2,659 billion against Rp 2,479 billion last year, while the NPL ratio to 2.3% from 2.5%.

Below is the detail NPL by segment:

(%)	2011	2012	Y-O-Y
Mass Market	2.5	2.6	0.1
Retail	2.0	1.5	-0.5
Mid Size	2.2	1.5	-0.7
Wholesale	2.6	3.3	0.7

Regulations

1 Capital based on risk profile (PBI No. 14/18/PBI/2012 dated 28 November 2012)



New rule

- CAR minimum requirement no longer 8% but based on bank's risk profile
- Perform **Internal Capital Adequacy Assessment Process (ICAAP)** and submit the report every 6 months (Jun & Dec period to be submitted on 31 Jan & 31 Jul)
- BI Supervisory will perform **Supervisory Review and Evaluation Process (SREP)**

Risk Profile	CAR Min
1 - Low	8%
2 - Low to Moderate	9% - < 10%
3 - Moderate	10% - < 11%
4 - Moderate to High & 5 - High	11% - 14%

.....> **Danamon is under Low to Moderate**

2. Business Activity & Branch Networking (PBI No.14/26/PBI/2012 dated 27 December 2012)



Bank is categorized into 4 "BUKU = Bank Umum berdasarkan Kegiatan Usaha" (commercial bank by business category) as follows:

"BUKU"	Tier 1 Capital
1	< Rp 1 Trillion
2	Rp 1 Trillion - < Rp 5 Trillion
3	Rp 5 Trillion - < Rp 30 Trillion
4	≥Rp 30 Trillion

.....> **Danamon is under "BUKU 3"**

Sharia Units: "BUKU" shall be referred to the "BUKU" of its conventional bank

Minimum 65% loans and financing to productive sectors for BUKU 3

Effective date : Jun 2016

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Branch opening requirement

- Rated “3” (fairly sound), or better
- Have adequate core (tier 1) capital
- Adhere to branch distribution ratio (for every 3 branch in zone 1 or 2, must have 1 branch in zone 5 or 6)
- Lending to SME >10%, lending to SME and micro >20%

Standard investment cost

- Full branch/regional offices Rp 10bn
- Sub-branch/functional offices Rp 4bn *)
- Cash offices Rp 2bn

*) Functional offices which disburse lending to SME is excluded from capital requirement

Zoning and Coefficient

Zone	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6
Coefficient	5	4	3	2	1	0.5
Area	Jakarta, Overseas	Java, Bali, Banten	East Kalimantan, Riau, N.Sumatra	Sumatra, Kalimantan, Sulawesi, Papua	Sumatra, Kalimantan, Sulawesi, Papua	Sulawesi, Maluku, West Papua

Capital Allocation

- Formula: Standard Investment Cost x Coefficient
- Sample: 1 full branch Zone 1 : Rp 10 bn x 5 = Rp 50 bn / branch

Effective Date

- 2 Jan 2013; transition period ends June 2016
- Banks have to submit action plan to BI by end of March 2013 (to be endorsed by BI)
- Endorsed action plan to be incorporated in the revised RBB (to be submitted by June 2013)

3. Regulation: Down Payment for Mortgage and Auto

DP for Conventional and Shariah Financing

- BI and Bapepam issued new ruling on the minimum down payment for vehicle financing and LTV for mortgage

❖ In March 2012, BI (through its circular letter No. 14/10/DPNP dated 15 March 2012) and Bapepam (through press release No. 53/HMS/2012 dated 16 March 2012) each issued a different set of ruling regarding the minimum down payment for auto loans as summarized below:

Type of vehicle	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%

- ❖ New issued rule of SE BI No.14/33/DPbS dated 27 Nov 2012 re: Financing Product for Mortgage and Automotive for Syariah Commercial Bank and Syariah Unit effective : 1 April 2013.
- ❖ BI also determined the maximum loan to value (LTV) for mortgage of 70%.
- ❖ The above requirement has been effective since 15 June 2012.

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Corporate Updates

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.

Credit Ratings

Bank Danamon	Ratings and Outlooks	
Pefindo (Indonesia)	Corporate Rating	^{id} AA+ / Stable
August 2012	Bond Rating	^{id} AA+ / Stable
Standard and Poor's	Long-term / Short-term Local Currency	BB / B / Positive
December 2012	Long-term / Short-term Foreign Currency	BB / B / Positive
Fitch	Long-term / Short-term Foreign Currency	BB+ / B / RWP
October 2012	National Long-term	AA+ (idn) / RWP
	Individual / Support Rating	C / D / 3 / RWP
Moody's	Global Local Currency Deposit	Baa3 / P-3 / Stable
May 2012	Foreign Currency Long-term Short-term Deposit	Baa3 / P-3 / Stable
	Bank Financial Strength Rating (BFSR)	D / Positive

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Balance Sheets

As of 30 December 2012 and 2011

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011*)
	ASSETS				
1.	Cash	2,187,968	1,777,194	2,456,567	1,895,058
2.	Placements with Bank Indonesia	8,918,775	17,127,983	8,918,775	17,127,983
3.	Placements with other banks	6,015,038	4,138,202	8,141,111	5,756,098
4.	Spot and derivative receivables	116,082	150,201	135,529	160,407
5.	Marketable securities				
	a. Designated at fair value through profit/loss	116,571	125,662	116,571	125,662
	b. Available for sale	9,276,530	6,443,957	9,464,217	6,509,689
	c. Held to maturity	290,323	425,518	488,833	648,448
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	1,320,555	1,485,134	1,320,555	1,485,134
7.	Securities purchased under resale agreements (reverse repo)	783,752	-	783,752	-
8.	Acceptance receivables	1,837,724	1,336,525	1,837,724	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	91,532,966	86,699,835	91,532,966	86,699,835
10.	Sharia financing	1,542,140	998,301	1,542,140	998,301
11.	Consumer financing receivables	-	-	23,063,929	13,815,632
	Allowance for impairment losses on consumer financing receivables	-	-	(740,482)	(420,683)
12.	Premium receivables	-	-	114,409	73,328
13.	Reinsurance Assets	-	-	505,863	391,559
14.	Investments	2,657,392	2,657,392	12,175	12,175
15.	Allowance for impairment losses on financial assets -/-				
	a. Marketable securities	(20,781)	(1,950)	(20,781)	(1,950)
	b. Loans	(2,246,957)	(2,235,337)	(2,246,957)	(2,235,337)
	c. Others	(46,936)	(57,644)	(46,936)	(57,644)
16.	Intangible assets	870,666	828,625	2,914,648	2,839,706
	Accumulated amortisation on intangible assets -/-	(558,980)	(435,978)	(1,475,077)	(1,332,501)
17.	Fixed assets and equipment	3,197,904	2,872,699	4,008,168	3,496,036
	Accumulated depreciation of fixed assets and equipment -/-	(1,575,606)	(1,296,720)	(1,912,416)	(1,597,341)
18.	Non earning asset				
	a. Idle properties	21,227	24,351	21,227	24,351
	b. Foreclosed assets	12,648	24,431	12,648	24,431
	c. Suspense accounts	2,375	1,184	2,375	1,184
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	20	45
	ii. Conducting operational activities outside Indonesia	-	-	-	-
	Allowance for impairment losses on other assets -/-	(10,053)	(7,073)	(12,984)	(9,124)
20.	Leased receivables	-	-	238,212	160,171
21.	Deferred tax assets	851,235	916,309	903,123	965,922
22.	Other assets	3,381,963	3,184,315	3,711,404	3,399,106
	TOTAL ASSETS	130,474,521	127,183,116	155,791,308	142,292,206

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011*)
	LIABILITIES AND EQUITY				
1.	Current accounts	14,948,173	14,007,449	14,171,964	11,492,894
2.	Savings	26,949,603	23,239,812	26,949,603	23,239,812
3.	Time deposits	48,707,460	50,746,696	47,715,065	50,574,722
4.	Revenue sharing investment funds	1,312,341	670,900	1,061,234	670,900
5.	Deferred premium income	-	-	897,250	832,811
6.	Unearned premium reserve	-	-	771,475	709,289
7.	Loans from Bank Indonesia	190	569	190	569
8.	Borrowings from other banks	2,826,370	2,821,881	2,826,370	2,821,881
9.	Spot and derivative liabilities	68,025	137,800	84,288	137,800
10.	Securities sold under repurchase agreements (repo)	1,048,688	1,140,342	1,048,688	1,140,342
11.	Acceptance payables	1,828,365	1,343,186	1,828,365	1,343,186
12.	Marketable securities issued	2,793,947	4,266,569	12,347,518	11,504,512
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	2,734,165	3,960,129	11,019,922	6,916,783
14.	Security deposits	42,647	31,409	42,647	31,409
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	400,644	403,474
17.	Other liabilities	3,161,267	3,004,644	5,892,774	4,762,266
18.	Profit sharing investment funds	-	-	-	-
	TOTAL LIABILITIES	106,421,241	105,371,386	127,057,997	116,582,650
	EQUITY				
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	17,179	21,887	(12,228)	4,404
	c. Cash flow hedges	-	244	(18,580)	(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 **)	7,299,566	5,812,170	11,023,467	8,763,629
	b. Current year	3,247,425	2,521,682	4,011,873	3,294,125
	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS (CONTROLLING INTERESTS)	24,053,280	21,811,730	28,493,642	25,515,706
27.	Non-controlling interests	-	-	239,669	193,850
	TOTAL EQUITY	24,053,280	21,811,730	28,733,311	25,709,556
	TOTAL LIABILITIES AND EQUITY	130,474,521	127,183,116	155,791,308	142,292,206

*) As restated (Note 2)

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

PT Bank Danamon Indonesia, Tbk
Investor Newsletter – Full Year 2012 Results
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Statements of Income and Retained Earnings
As of 30 December 2012 and 2011

(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011**)
	INCOME AND EXPENSES FROM OPERATIONS				
A.	Interest Income and Expenses				
1.	Interest Income				
	a. Rupiah				
	b. Foreign currencies	13,405,648	12,824,868	18,172,079	16,341,633
		561,851	429,398	561,856	429,398
2.	Interest Expense				
	a. Rupiah	4,431,076	5,289,241	5,503,532	5,740,291
	b. Foreign currencies	171,035	85,871	211,116	92,717
	Net Interest Income	9,365,388	7,879,154	13,019,287	10,938,023
3.	Underwriting income				
	3.1. Premium income	-	-	1,151,905	958,081
	3.2. Underwriting expense	-	-	687,443	565,597
	Net Underwriting Income	-	-	464,462	392,484
	Net Interest and underwriting income	9,365,388	7,879,154	13,483,749	11,330,507
4.	Sharia Income				
	4.1. Margin	18,431	14,378	18,431	14,378
	4.2. Profit sharing	105,556	96,240	105,556	96,240
	4.3. Bonus income	359	842	359	842
	Total Sharia Income	124,346	111,460	124,346	111,460
5.	Sharia Expenses				
	5.1. IB loss sharing	38,508	26,561	38,508	26,561
	5.2. IB bonus expense	2,090	1,769	2,090	1,769
	Total Sharia Expenses	40,598	28,330	40,598	28,330
	Net Sharia Interest Income	83,748	83,130	83,748	83,130
B.	Other Operating Income and Expense				
1.	Other Operating Income	3,843,755	3,827,568	5,394,271	5,000,713
	a. Increase in fair value of financial assets (mark to market)				
	i. Marketable securities	-	-	-	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	690,146	326,194	690,146	326,194
	iv. Other financial assets	10,276	-	10,276	-
	b. Decrease in fair value of financial liabilities (mark to market)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	23,339	31,747	23,339	31,747
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	137,490	470,868	137,490	470,868
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	993,530	1,099,275	4,723	4,733
	g. Fees/commissions and administrative	1,434,883	1,344,595	1,949,865	1,758,866
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	554,091	554,889	2,578,432	2,408,305
2.	Other Operating Expenses	8,814,803	8,233,501	12,778,914	11,239,616
	a. Decrease in fair value of financial assets (mark to market)				
	i. Marketable securities	101	71	101	71
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	655,819	273,173	655,819	273,173
	iv. Other financial assets	-	2,482	16,467	11,133
	b. Increase in fair value of financial liabilities (mark to market)	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	2,153	7,391	10,234	7,391
	ii. Loans	-	346,384	-	346,384
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	69,240	506,959	69,240	506,959
	e. Impairment losses on financial assets				
	i. Marketable securities	19,731	-	19,731	-
	ii. Loans	1,778,485	1,610,485	2,497,377	2,030,787
	iii. Sharia financing	24,379	1,627	24,379	1,627
	iv. Other financial assets	(14,235)	(197,075)	(14,235)	(197,075)
	f. Losses related to operational risk	17,209	18,523	18,197	19,025
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	294,046	237,403	298,052	241,087
	i. Losses from decrease in value of non financial assets	4,799	-	5,109	1,127
	j. Salaries and employee benefits	3,069,852	2,684,640	4,959,106	4,202,974
	k. Promotion expenses	117,215	230,266	163,709	279,568
	l. Other expenses	2,776,009	2,511,172	4,055,628	3,515,385
	Net Other Operating Expenses	(4,971,048)	(4,405,933)	(7,384,643)	(6,238,903)
	OPERATING INCOME	4,478,088	3,556,351	6,182,854	5,174,734
	NON OPERATING INCOME				
1.	Gain(loss) from sale of premises and equipment	(7,973)	2,612	(6,855)	3,070
2.	Gain (loss) on foreign currencies translation	475	(1,205)	1,546	(2,033)
3.	Income(expenses) non operating expenses	(426,503)	(507,410)	(690,866)	(624,190)
	NON OPERATING LOSS	(434,001)	(506,003)	(696,175)	(623,153)
	INCOME BEFORE TAX FOR THE YEAR ENDED	4,044,087	3,050,348	5,486,679	4,551,581
1.	Income tax				
	a. Income tax expenses	730,019	484,896	1,307,993	1,014,566
	b. Deferred tax expenses (income)	66,643	43,770	61,538	134,806
	INCOME AFTER TAX FOR THE YEAR ENDED	3,247,425	2,521,682	4,117,148	3,402,209
	OTHER COMPREHENSIVE INCOME NET OF TAX				
	a. Foreign exchange difference from translation of financial statements in foreign currency	-	(1,985)	-	(1,985)
	b. Gains from change financial assets available for sale	(6,276)	(94,668)	(19,539)	(95,195)
	c. Cash flow hedges	(244)	244	(17,231)	(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	1,569	23,667	1,569	23,667
	h. Others	-	(72,742)	-	(75,841)
	Other comprehensive income, net of tax	(4,951)	(72,742)	(35,201)	(75,841)
	TOTAL COMPREHENSIVE INCOME THE YEAR ENDED	3,242,474	2,448,940	4,081,947	3,326,368
	Comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,247,425	2,521,682	4,011,873	3,294,125
	NON-CONTROLLING INTERESTS	-	-	105,274	108,088
	INCOME IN CURRENT YEAR	3,247,425	2,521,682	4,117,148	3,402,209
	Total comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,242,474	2,448,940	3,978,860	3,218,194
	NON-CONTROLLING INTERESTS	-	-	105,087	108,174
	TOTAL COMPREHENSIVE INCOME IN CURRENT YEARS	3,242,474	2,448,940	4,081,947	3,326,368
	PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE				
	DIVIDEND	(1,009,924)	(1,009,229)	(1,009,924)	(1,009,229)
	OTHERS	(33,363)	(28,836)	(33,363)	(28,836)
	EARNINGS PER SHARE	338.82	286.29	418.57	373.99
	DILUTED EARNINGS PER SHARE **)	338.82	286.29	418.57	373.99

*) As restated (Note 2)

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

Key Financial Ratios
As of 30 December 2012 and 2011

NO.	RATIOS (%)	2012	2011*)
	CONSOLIDATED RATIOS :		
I.	Capital		
	1. Capital Adequacy Ratio (CAR)	18.90%	17.55%
II.	Earning assets		
	Non-performing earning assets and non productive assets to total earnings and		
	1. non productive assets	1.58%	2.07%
	2. Non-performing earning assets to total productive assets	1.95%	2.09%
	3. Allowance for impairment losses for financial asset to productive asset	2.22%	2.29%
	4. NPL gross	2.30%	2.45%
	5. NPL net	0.00%	0.00%
III.	Rentability		
	1. Return on Assets (ROA)	3.71%	3.54%
	2. Return on Equity (ROE)	16.16%	17.24%
	3. NIM including third party premium expenses	10.09%	9.85%
	4. Cost to income	50.76%	51.82%
	BANK RATIOS :		
I.	Capital		
	1. CAR	18.38%	16.62%
II.	Earning assets		
	Non-performing earning assets and non productive assets to total earnings and		
	1. non productive assets	1.66%	2.23%
	2. Non-performing earning assets to total productive assets	2.12%	2.26%
	3. Allowance for impairment losses for financial asset to productive asset	2.00%	2.19%
	4. NPL gross	2.62%	2.71%
	5. NPL net after impairment value	0.20%	0.15%
	6. Non performing iB receivables and financing with contract	2.03%	0.59%
III.	Rentability		
	1. ROA	3.18%	2.58%
	2. ROE	15.78%	14.95%
	3. NIM	8.65%	7.91%
	4. NIM including third party premium expenses	8.48%	7.74%
	5. Operating expenses to operating income	75.03%	79.32%
	6. Cost to income	52.31%	55.55%
IV.	Liquidity		
	LDR	100.57%	98.33%
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	8.13%	8.28%
	b. GWM Foreign Currency	8.30%	8.24%
	4. Net Open Position	0.51%	0.51%

*) As restated specific for consolidated ratios (Note 2)

Statements of Commitments and Contingencies

As of 30 December 2012 and 2011

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
I	COMMITMENT RECEIVABLES				
	1. Unused borrowing facilities				
	a. Rupiah	-	3,813	-	3,813
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contrac	2,747,362	7,709,519	2,747,362	7,709,519
	3. Others	-	-	-	-
II	COMMITMENT PAYABLES				
	1. Unused loans facilities granted to debtors				
	a. BUMN				
	i. Committed				
	- Rupiah	-	-	-	-
	- Foreign currencies	-	-	-	-
	ii. Uncommitted				
	- Rupiah	57,510	55,000	57,510	55,000
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	318,188	597,758	318,188	597,758
	ii. Uncommitted	29,451,860	23,007,417	29,451,860	23,007,417
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	14,342	-	14,342	-
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	264,901	259,464	264,901	259,464
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	796,128	763,090	796,128	763,090
	b. Local L/C	318,702	351,600	318,702	351,601
	4. Outstanding selling of spot and derivative contrac	3,489,651	7,771,134	3,489,651	7,771,134
	5. Others	-	-	-	-
III	CONTINGENT RECEIVABLES				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	82,401	132,491	82,401	132,491
	2. Interest receivables on non performing assets				
	a. Loan interest income	285,003	327,928	285,003	327,928
	b. Other interest	2,480	521	2,480	521
	3. Others	-	-	-	-
IV	CONTINGENT PAYABLES				
	1. Guarantees issued				
	a. Rupiah	2,351,785	2,101,962	2,351,785	2,101,962
	b. Foreign currencies	353,055	394,457	353,055	394,457
	2. Others	-	-	-	-

Allowance for Impairment Losses As of 30 December 2012 and 2011

(in million Rupiah)

No.	ACCOUNTS	31-Dec-12				31-Dec-11			
		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	-	-	60,150	-	-	-	41,382	-
2	Spot and derivative receivables	-	-	1,161	-	-	-	1,502	-
3	Marketable securities	20,000	781	23,280	20,080	-	1,950	16,425	181
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	-	18,377	-	-	-	13,365	-
7	Loans	534,631	1,712,325	817,024	1,779,802	404,610	1,830,726	759,553	1,574,020
8	Others receivable	1,688	45,248	1,711	1,688	1,688	55,957	1,921	1,688
9	Investments	-	-	26,574	1	-	-	26,574	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	-	38,197	10,700	-	425	36,059	614

Statement of Foreign Exchange and Derivative Transactions As of 30 December 2012 and 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	222,051	222,051	-	253	348
2.	Forward	234,612	234,612	-	490	828
3.	Option	-	-	-	-	-
a.	Purchased	-	-	-	-	-
b.	Written	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	5,126,471	5,126,471	-	95,764	59,577
6.	Others	-	-	-	-	-
B. Related to interest rate						
1.	Forward	-	-	-	-	-
2.	Option	-	-	-	-	-
a.	Purchased	-	-	-	-	-
b.	Written	-	-	-	-	-
3.	Future	-	-	-	-	-
4.	Swap	962,656	962,656	-	19,575	7,272
5.	Others	-	-	-	-	-
C. Others						
		-	-	-	-	-
TOTAL		6,545,790	6,545,790	-	116,082	68,025

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

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

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

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Capital Adequacy Ratio
As of 30 December 2012 and 2011

(in million Rupiah)

NO.	DESCRIPTION	2012		2011	
		Bank	Consolidated	Bank	Consolidated *)
I.	COMPONENTS				
A.	CORE CAPITAL	19,390,977	23,944,194	17,648,412	21,515,425
1.	Paid up capital	5,901,122	5,901,122	5,901,122	5,901,122
2.	Disclosed reserves				
2.1	Additional factors				
a.	Additional paid up capital	7,391,756	7,391,756	7,391,756	7,391,756
b.	Donated capital	-	-	-	-
c.	General reserve	196,232	196,232	162,869	162,869
d.	Specific reserves	-	-	-	-
e.	Prior years' profit after tax (100%)	6,442,605	10,166,506	4,888,566	7,840,024
f.	Current year profit net of taxes (50%)	1,623,712	2,005,938	1,260,841	1,647,063
g.	Positive adjustment in foreign currency translation of overseas branch	-	-	-	-
h.	Paid up capital fund	-	-	-	-
i.	Issued warrant (50%)	-	-	-	-
j.	Issued share options on shares option compensation programs (50%)	-	-	-	-
2.2	Deduction factors				
a.	Disagio	-	-	-	-
b.	Prior years' losses (100%)	-	-	-	-
c.	Current year losses (100%)	-	-	-	-
d.	Negative adjustment in foreign currency translation of overseas branch	-	-	-	-
e.	Other comprehensive income: loss on declining value on available for sale investment	-	-	-	-
a.	Under provision between regulatory provision and impairment value on productive assets	(485,391)	(196,794)	(214,179)	-
b.	Under provision between regulatory provision and impairment value on non productive assets	(20,223)	(20,223)	-	-
h.	Negative difference on fair value of financial instrument in trading book	-	-	-	-
3.	Innovative Capital				
3.1	Subordinated marketable securities (perpetual non cumulative)	-	(1,074,532)	-	(1,074,532)
3.2	Subordinated loan (perpetual non cumulative)	-	-	-	-
3.3	Other innovative capital instruments	-	-	-	-
4.	Deduction factor to core capital				
4.1	Goodwill	-	(1,074,532)	-	(1,074,532)
4.2	Other intangible assets	-	-	-	-
4.3	Investment (50%)	(1,658,836)	(425,811)	(1,742,563)	(352,877)
4.4	Short of capital on insurance subsidiary company (50%)	-	-	-	-
5.	Minority interest	-	-	-	-
B.	SUPPLEMENTARY CAPITAL	-	718,465	-	647,420
1.	Upper Tier 2				
1.1	Preferen stock (perpetual cumulative)	-	-	-	-
1.2	Subordinated marketable securities (perpetual cumulative)	-	-	-	-
1.3	Subordinated loan (perpetual cumulative)	-	-	-	-
1.4	Mandatory convertible bond	-	-	-	-
1.5	Remaining innovative capital which has not been calculated in core capital	-	-	-	-
1.6	Other supplementary capital upper tier 2	-	-	-	-
1.7	Fixed assets revaluation	-	-	-	-
1.1	General allowance for possible losses on earning assets (max. 1.25% of weighted risk-based assets)	986,476	1,144,276	902,749	1,000,297
1.9	Other comprehensive income: Increase in fair value of available for sale investment (45%)	-	-	-	-
2.	Lower Tier 2 max 50% core capital				
2.1	Redemable preference shares	-	-	-	-
2.1	Subordinated borrowings or bonds which can be calculated	-	-	-	-
2.3	Other supplementary capital lower tier 2	-	-	-	-
3.	Deduction factor supplementary capital				
3.1	Investments (50%)	(986,476)	(425,811)	(902,749)	(352,877)
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)	19,390,977	24,662,659	17,648,412	22,162,845
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO	19,390,977	24,662,659	17,648,412	22,162,845
IV.	RISK WEIGHTED ASSETS - CREDIT RISK (**)	87,244,106	105,463,832	89,827,386	104,310,298
V.	RISK WEIGHTED ASSETS - OPERATIONAL RISK	17,940,744	24,707,404	16,091,395	21,670,495
VI.	RISK WEIGHTED ASSETS - MARKET RISK	315,042	315,042	283,205	283,205
VII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))	18.44%	18.95%	16.66%	17.59%
VIII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE	18.38%	18.90%	16.62%	17.55%
IX.	MINIMUM REQUIRED CAPITAL ADEQUACY RATIO	9% - <10% (***)	9% - <10% (**)	8.00%	8.00%

*) As restated (Note 2)

**) 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".

**) Starting 31 December 2012, Bank has adopted CAR based on Risk Profile based on PBI No.14/37/DPnP dated 27 Desember 2012 regarding "Capital Adequacy Ratio based on Risk Profile and Fulfilment of Capital Equivalency Maintained Assets (CEMA)".

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

NO.	ACCOUNTS	31 Dec 2012	31 Dec 2011
A.	ASSETS		
1.	Cash	42,166	16,154
2.	Current accounts with Bank Indonesia	52,272	32,326
3.	Certificates of Bank Indonesia Sharia	250,000	60,000
4.	Placement with other sharia banks	-	-
	Allowance for possible losses on placement with other sharia banks -/-	-	-
5.	Marketable securities - sharia bonds	98,147	195,000
	Allowance for possible losses on marketable securities - sharia bonds -/-	(20,781)	(1,950)
6.	iB receivables *)	180,836	123,093
	Allowance for possible losses on iB receivables -/-	(2,963)	(1,246)
7.	Others iB receivables	255,505	55,346
	Allowance for possible losses on others iB receivables -/-	(281)	(723)
8.	iB financing	1,106,481	819,913
	Allowance for possible losses on iB financing -/-	(31,607)	(9,692)
9.	Fixed assets	26,034	14,388
	Accumulated depreciation of fixed assets -/-	(6,303)	(3,538)
10.	Accrued income	14,111	9,591
11.	Prepaid expenses	52,655	45,579
12.	Other assets	13,821	8,514
	TOTAL ASSETS	2,030,093	1,362,755
B.	LIABILITIES		
1.	iB funds		
	a. iB deposit current accounts	146,887	155,658
	b. iB deposit savings	19,955	2,998
2.	Others iB current liabilities	1,467	1,159
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	22,942	254,729
5.	iB marketable securities issued	140,000	30,000
6.	Others liabilities	603,005	375,669
7.	Investment funds		
	a. iB savings	451,570	149,882
	b. iB deposits	693,921	362,358
8.	Accumulated (loss)/gain	(49,654)	30,302
	TOTAL LIABILITIES	2,030,093	1,362,755

STATEMENTS OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012 AND 2011
(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2012	31 Dec 2011
A.	OPERATING INCOME		
1.	Margin	18,431	14,378
2.	Profit sharing	105,556	96,240
3.	iB Bonus	359	842
4.	Other operating income	55,451	36,038
B.	TOTAL OPERATING INCOME	179,797	147,498
C.	Margin distribution for non - discretionary investment funds		
	a. Bank	1,918	4,041
	b. Non Bank	36,590	22,520
	c. Bank Indonesia (FPJPS)	-	-
D.	TOTAL PROFIT SHARING	38,508	26,561
E.	Income from operation after deducting margin distribution for non-discretionary investment funds	141,289	120,937
F.	OPERATING EXPENSES		
1.	iB bonus	2,090	1,769
2.	Allowance for possible losses on assets	44,521	2,245
3.	General and administrative	20,160	8,497
4.	Salaries and employee benefits	90,700	51,968
5.	Others	26,131	17,012
G.	TOTAL OPERATING EXPENSE	183,602	81,491
H.	NET OPERATING INCOME	(42,313)	39,446
I.	Other non-operating income	955	715
J.	Other non-operating expenses	8,296	9,859
K.	NON-OPERATING LOSS	(7,341)	(9,144)
L.	(LOSS)/INCOME DURING THE YEAR ENDED	(49,654)	30,302

STATEMENTS OF COMMITMENTS AND CONTINGENCIES
AS AT 31 DECEMBER 2012 AND 2011
(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2012	31 Dec 2011
1.	Unused iB financing facilities (**)	-	-
2.	Outstanding iB irrevocable letters of credit	5,000	-
3.	iB guarantees issued	-	42,327
4.	Others	2,480	520

Notes:

- Danamon Sharia Branches were started in May 2002. Until December 2012 Danamon Sharia has 160 Sharia sub-branches where 150 serves Solution Emas Sharia.
- Danamon Sharia Branches : Jakarta, Bukit Tinggi, Aceh, Surabaya, Martapura, Solo, Makasar, Bandung, Cirebon, Malang, Tasikmalaya, Kediri, Semarang, Jember, Mataram, Lampung, Serang, Wonorejo, Palembang, Pekanbaru, Medan, Binuwangkara, Denpasar, Rarom and Tana.
- Loss during the year ended because of new branches investment.
- 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 bank non-operating expenses are reported as Islamic Banking (iB) iB receivables exclude margin to be received of Rp 33,713 million and Rp 26,927 million as at 31 December 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. Financial information as at 31 December 2012 and for the year then ended were taken from the consolidated financial statements which have been audited by Purwantono, Suherman & Surja, Registered Public Accountants (partner in-charge: Drs. Hari Purwantono) whose report dated 6 February 2013 expressed an unqualified opinion with explanatory paragraph regarding restatement of consolidated financial statements as at 31 December 2011 and for the year then ended and consolidated statement of financial position as at 1 January 2011/31 December 2010. The consolidated financial statements as at 31 December 2011 and for the year then ended were audited by Siddharta & Widjaja, Registered Public Accountants (partner in-charge: Dra. Tohana Widjaja, CPA) whose report dated 7 February 2012 expressed an unqualified opinion on those statements prior to the restatement (Note 2).

The above financial information are published in order to comply with the 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 Bank and Certain Reports Submitted to Bank Indonesia" and in accordance with Regulation of Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK") No. VIII.G.7. Attachment to Decision of Chairman of Bapepam and LK No. Kep-347/BL/2012 regarding "Financial Statements Presentation and Disclosure of Issuer or Public Companies" jo. Decision of Chairman of Bapepam and LK No. KEP-554/BL/2010 dated 30 December 2010 regarding "Amendment on Decision of Chairman of Capital Market Supervisory Agency No. KEP-06/PM/2000 dated 13 March 2000 regarding Guidelines for the Preparation of Financial Statements" jo. Circular Letter of Chairman of Bapepam No. SE-02/PM/2002 regarding "Guidelines for Presentation and Disclosure of Financial Statements of Issuer or Public Companies", and Regulation No. X.K.2 Attachment to Decision of Chairman of Bapepam-LK No. Kep-346/BL/2011 dated 5 July 2011 regarding "Submission Obligation of Periodic Financial Statements".

2. Effective starting 1 January 2012, PT Asuransi Adira Dinamika (subsidiary) has adopted SFAS No. 62, "Insurance Contract", SFAS No. 28 (Revised 2012), "Accounting For Loss Insurance Contracts", and SFAS No. 36 (Revised 2012), "Accounting For Life Insurance Contracts". Therefore, the consolidated financial statements as at 31 December 2011 and for the year then ended were restated.
3. The consolidated financial statements as at 31 December 2012 and 2011 and for the years then ended included financial statements of subsidiaries, i.e. PT Adira Dinamika Multi Finance Tbk, PT Asuransi Adira Dinamika, and PT Adira Quantum Multifinance.
4. Based on Bank Indonesia (BI) Letter No. 13/658/DPNP/IDPnP 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 million was charged to the consolidated statement of comprehensive income for the year ended 31 December 2011.
5. The ultimate shareholder of Asia Financial (Indonesia) Pte. Ltd. (AFI) is Temasek Holding Pte. Ltd., an investment holding company based in Singapore which is wholly owned by the Ministry of Finance of Singapore.

As at 2 April 2012, the Bank has been informed by Fullerton Financial Holding Pte. Ltd. (FFH), that it has entered into a contingent share purchase agreement with DBS Group Holdings (DBS) to sell its entire interest in the share capital of AFI 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 31 December 2012: USD1 = Rp9,637.50 ; exchange rate as at 31 December 2011: USD1 = Rp9,067.50.