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**INVESTOR NEWSLETTER**  
**April 2014**

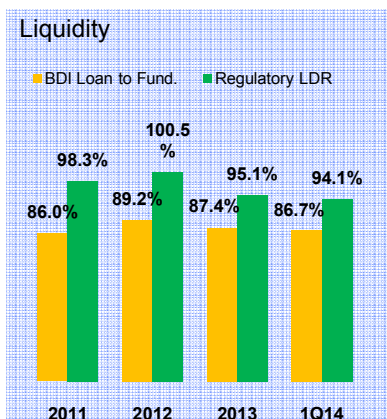
**Highlights on First Quarter 2014**

- ✓ Despite of the tightening liquidity in the system and a healthy increase in loans, BDI LDR stood at 94.1% or an improvement of 940 bps from previous year.
- ✓ In the midst of Interest rate hike, cost of fund impact to NIM was fully materialized in 1Q14. NIM would be stabilized if there is no further rate hike pressure beyond 25bps from today's level of 7.5%.
- ✓ On the back of industry's start to show some early rising trend in Special Mention loan and NPL, Bank Danamon choose to remain cautious and conservative on the loan growth projection, between 15%-17% for the year 2014.
- ✓ In 1Q14, total loans increased 16% to Rp. 136 trillion yoy. Mass market accounted for 52% grew 6% while non-mass market reached Rp 65 trillion booked robust growth of 27%.
- ✓ CASA ratio reduce to 42% or Rp 47 trillion due to shift in customer preference to TD, however total funding still booked a healthy growth of 22% to Rp 139 trillion. LDR stood at 94.1% while loan to funding was 86.7%.
- ✓ CoC improved at 2.5% against 2.7% in 1Q13. OPEX managed below 10%, however pressure in revenue growth because of margin pressure resulting in CIR increase to 55.2%.
- ✓ Fee income was 24% of total revenue or Rp 1,086 billion.
- ✓ NPAT was Rp 875 billion or 13% drop on the back of lower operating income.
- ✓ Stand alone and consolidated CAR was 18.4% and 18.8%, respectively.

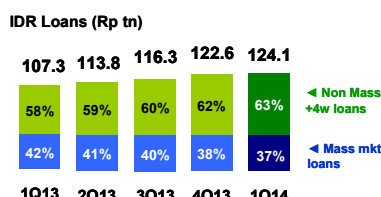
**First Quarter 2014 Financial Results**

Anticipating liquidity and macroeconomic challenges in near future, Bank Danamon had made a strategic move to reduce LDR to 94.1% in the midst of the interest rate hike. Even though loan has increased for 16% compare to 1Q13, net interest income only grew for 3%, as margin compression pressure came into full impact in 1Q14 due to higher CoF.

To balance this pressure, BDI has been able to manage operating expense to grow only at 8% compare to the 1Q13, yet NPAT came down to Rp. 875 billion, a decrease of 13% compared to the NPAT of the same comparative period.



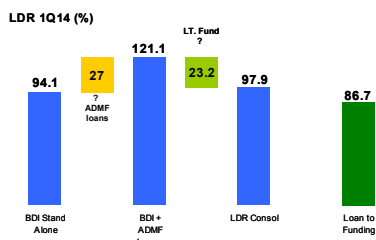
**LDR was continuously lowered to 94.1%, a significant change from 103.5% in 1Q13**



Tight liquidity from the last quarter seems to ease a bit in the first 2 months as the loan growth ease due to seasonality effect and some force majeure events such as flooding and volcanic eruption. However tight liquidity started to bite towards the end of the first quarter 2014 when loan growth started to pick up. The interest rate steady and the sector's LDR reached 90.5% as of January 2014 against 89.5% three months earlier or 83.5% in January 2013; resulting tougher competition in funding.

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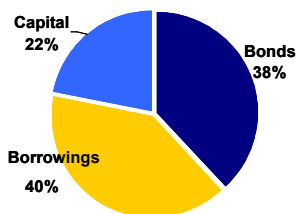
Despite of the tightening liquidity in the system and a healthy increase in loans, BDI LDR stood at 94.1% or an improvement of 940 bps from previous year. BDI managed to lower its LDR by increasing deposits growth at the higher rate than the loan growth. Deposits grew strongly at 26% to Rp. 111,886 billion, while total loan (including those channelled through subsidiaries) grew at 16%.



**Use of long term funding to address issue of asset – liability duration mismatch**

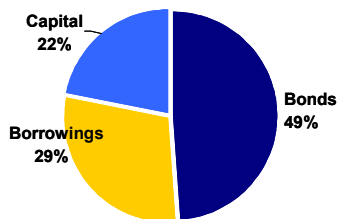
Back in 2010, when Indonesia’s credit rating reached the investment grade, BDI made a strategic decision to take benefit from decreasing CoF of wholesale funding, by leveraging long term funding. Since then, Bank continued to use borrowings and long term funding to fund Adira Finance business. The fixed rate, medium/long term duration characteristics of wholesale funding match nicely with the duration and fixed interest rate loan of automotive financing offered by Adira Finance. Furthermore, it makes a perfect sense to fund high yield asset/ loan through wholesale funding.

**ADMFF Source of Funds 1Q14**



Rp 28.8 tn

**1Q13**



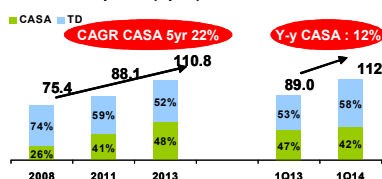
Rp 24.8tn

The use of bank borrowings and long-term funding was Rp 27 trillion in March 2014 which represents about 19% of total deposits (customers’ deposits and long term funding). By the end of first quarter 2014, loan to funding composition increased to 86.7%.

It is also worth a note that portion of auto financing loan channelled through Adira Finance is a joint financing between Adira and Bank Danamon. Over the years, Adira has become more independent in sourcing its funding as indicated by the decreasing portion of joint financing. Back in 2010, only 22% of loan channelled by Adira was self-financing. Now the portion of self-financing has reached 62%. In Adira Finance book, the compositions of borrowings and bonds in 1Q14 were different from those in 1Q13. However, total borrowings and bonds to total funding ratio was maintained at 78%.

**Yoy growth in customer deposits come from both CASA and TD**

**Customer Deposits (Rp tn)**

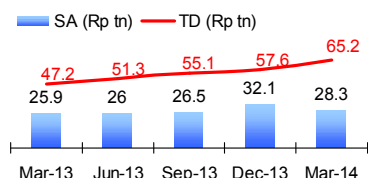


Since 2008, Danamon had built a strong funding that was driven mostly by CASA. Over the period, particularly through four champion products that have been well accepted by the market, CASA had grown steadily at 18% per annum. The growth in CASA outpaced the growth in TD that came merely at 3% per annum.

Over the past few months, there are some shifts in customer preference from CASA to TD due to interest rate differential. Increase in TD also

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**Strong TD Growth at the expense of SA**



attributed to Bank’s effort to push down LDR ratio by boosting customer deposits. In the last 12 months, CASA had grown 12% while TD showed a 38% growth.

BDI will continuously innovate to better capture CASA through various initiatives including:

- Leveraging Adira and DSP’s networks potential; four Adira branches had been piloting cross selling project and will be expanded to all Adira branches by end of 2014.
- Relocation of non performing ATMs and branches.
- Launched SMS Banking and tentatively Mobile Banking application will be launched in 3Q14.
- Introduced Customer Lifecycle Management to increase the stickiness of customers.
- Improved skills and increase about 1,000 sales force to nearly 3,000 by end of 2014 from number of sales force in 2008.
- Introduced Financial Supply Chain initiative, i.e. approach various companies that are regularly transacting one another to become our customers, to boost funding.

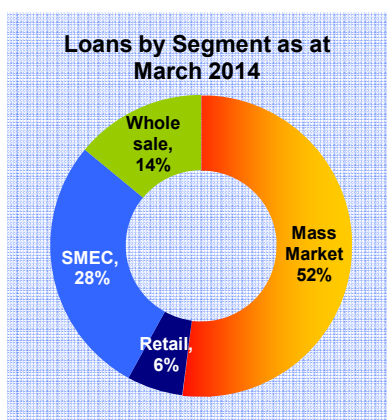
**16% yoy loan growth**

As per March 2014, Danamon still maintained loan size and composition similar to that as per end of 2013. It is an increase of 16% compare to a year earlier.

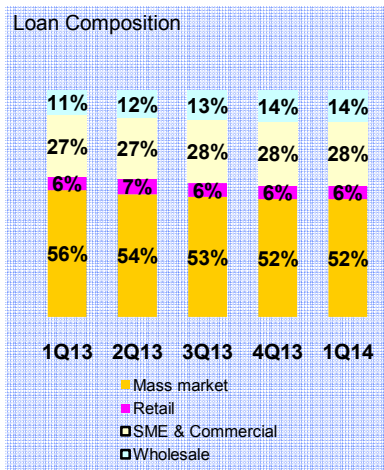
Loans climbed 16% to Rp 135.8 trillion against last year’s Rp 117.5 trillion. Impact from Government regulation on auto down-payment still hampered the overall loan growth, as indicated by loans excluding automotive financing rose 20.6% compared to a year ago.

In line with the Indonesia demographic shift where people belong to middle and affluent class (as opposed to poor and aspirant class) will increase both in term number as well as proportion, BDI will continuously foster its presence across all economic spectrum.

Business diversification effort was initiated in 2010 where BDI started to focus promoting SME segment. As a result, over the last three years, SME segment had grown at CAGR 21%, while NPL only slight increase to 1.6% in 1Q14.



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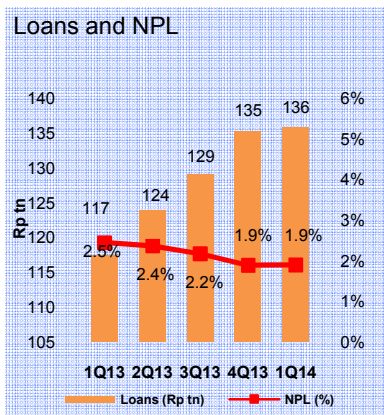


Commercial segment recorded a healthy growth at CAGR of 24% over the last three years to Rp 16.3 trillion by March 2014. NPL on this segment dropped to 0.1% from 1.7% from previous year.

Similarly, Wholesale segment recorded CAGR of 21% over the past 3 years to Rp 18.6 trillion. NPL was at 0.9%.

Compare to 1Q13, ADMF recorded a modest growth of 8% loan or about the same level of loan compare to the loan per end of 2013. New booking grew 15% yoy (18% and 12% on two wheels and four wheels, respectively).

Micro loan, grew at 4% yoy to Rp 20 trillion, remain a challenge for BDI particularly in Java. Commodity price recovery had not yet translated into loan boost in Sumatra. Nevertheless, loan to upper tier micro segment showed a promising growth. Loan had been increased consistently from merely Rp. 12 billion to Rp 475 billion. Management will also consistently further promote micro loan through network and capacity optimisation.

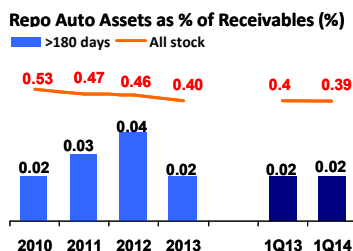


**Generally, the assets quality has been maintained to be unaffected amid challenge in macroeconomic environment**

Asset quality has been well managed with NPL stood at 1.9%, decrease from 2.5% 1Q13 and remain flat compare to NPL per 4Q13.

BDI monitored its loans from various aspects, including based on segments and based on customers' industry. NPL monitoring by customer's industry enable us to better understand our customers' profile. As per 31 March 2014, the highest NPL came from the mining sector at 8.1% with the loan exposure of only 2% of total loan. In no other sector, NPL shot above 3%.

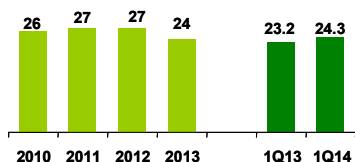
In term of auto finance, repossessed assets and loss on repossessed has been manageable. Repossessed assets as percentage of total receivable and as percentage of long outstanding loan (more than 180 days) had been maintained at 0.02% and 0.39%, respectively. Similarly, loss on repossessed assets was stable at around 24% level.



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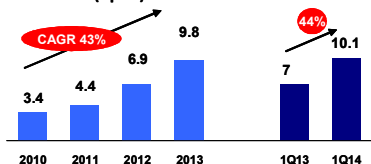
We also have managed the NPL on each segment we serve:

**Loss on Repo Auto Assets - Average (%)**

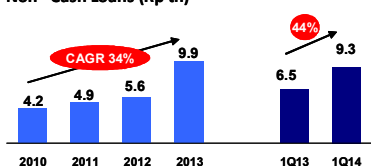


(%)	1Q13	4Q13	1Q14	Y-y	Q-q
Mass Market	2.7	2.6	2.6	-0.1	-
Retail	1.3	1.3	1.2	-0.1	-0.1
Mid Size	1.5	0.9	1.0	-0.5	0.1
Wholesale	3.3	1.0	0.9	-2.4	-0.1
<b>Total</b>	<b>2.5</b>	<b>1.9</b>	<b>1.9</b>	<b>-0.6</b>	<b>-</b>

**Cash Loans (Rp tn)**



**Non - Cash Loans (Rp tn)**



**Trade finance had expanded rapidly**

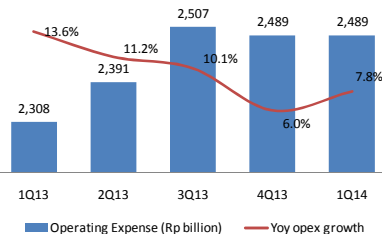
Trade finance had shown a robust growth from 2010. Cash loan booked a 40% CAGR while non-cash loan booked a 28% CAGR. Commercial segment had become the growth driver for the cash loan with 71% CAGR to Rp 5.1 trillion as per March 2014. Similarly, Corporate segment had become the growth driver for the non-cash loan with 38% CAGR to Rp 6.1 trillion as per March 2014.

The Bank believes in investment on people and infrastructure. Danamon has invested in New Trade Finance System (NTFS) to add more customer touch points. Twenty eight trade specialists (including additional three trade specialists in 1Q14) and Centralised Trade Operation enabled the Bank to process and serve efficiently. The Bank has also built Trade Service Point at Port (TSPP) in Jakarta, Medan, and Surabaya for Import Tax Payment and B/L endorsement, as well as established trade representatives in 14 big cities in Java, Sumatra, Kalimantan, and Sulawesi. Starting from 1Q14, the Bank had also providing product-bundling solutions through synergy with other banking products

**Operating expense was maintained at below 10% yoy growth**

Even though in the last 2 quarters we have maintained our yoy operating expense growth at below 10% level, the yoy income growths over the same periods had been lower from CoF impact due to strategic move to reduce LDR. Consequently, our cost to income ratio increase to 55.2%.

This issue had become management focus to be resolved. Accordingly Bank will be focus to maintain operating expense at below 10% yoy growth while keeping our income growth as planned.



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**Corporate Update**

Dividend

- We plan to maintain 30% dividend payout ratio subject to AGMS approval which will be held on 7 May 2014

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**Key Figures and Ratios**

	1Q13	1Q14	ΔYoY	4Q13	1Q14	ΔQoQ
<b>INCOME STATEMENTS (Rp billion)</b>						
Net Interest Income	3,334	3,425	3%	3,427	3,425	0%
Non Interest Income	1,122	1,086	-3%	1,232	1,086	-12%
Operating Income	4,456	4,511	1%	4,659	4,511	-3%
Cost of Credit	770	827	7%	751	827	-10%
Risk Adjusted Operating Income	3,686	3,684	0%	3,908	3,684	-6%
Operating Expenses	2,308	2,489	8%	2,489	2,489	0%
Net Profit after Tax	1,005	875	-13%	1,035	875	-16%
<b>BALANCE SHEETS (Rp billion)</b>						
Total Assets	153,785	185,920	21%	184,237	185,920	1%
Loans (gross)	117,484	135,818	16%	135,383	135,818	0%
Government Bonds	4,066	5,513	36%	5,598	5,513	-2%
Customers' Deposits	114,028	138,915	22%	139,858	138,915	-1%
Long Term Funding	25,038	27,029	8%	29,052	27,029	-7%
Equity	29,504	32,106	9%	31,251	32,106	3%
<b>KEY RATIOS (%)</b>						
Net Interest Margin	10.1	8.6	-1.5	9.1	8.6	-0.5
Cost of Credit	2.7	2.5	-0.2	2.3	2.5	0.2
Cost to Income	51.8	55.2	3.4	53.4	55.2	1.7
BOPO	80.0	89.6	9.6	85.5	89.6	4.1
ROAA	2.7	1.9	-0.8	2.3	1.9	-0.4
ROAE	14.4	11.4	-3.0	14.7	11.4	-3.3
Assets to Capital (x)	5.7	6.2	0.5	6.7	6.2	-0.5
Stand Alone Loan to Funding*	89.1	85.6	-3.5	86.6	85.6	-1.0
Consolidated Loan to Funding*	89.4	86.7	-2.7	87.4	86.7	-0.7
Regulatory LDR	103.5	94.1	-9.4	95.1	94.1	-0.9
Stand Alone CAR	20.0	18.4	-1.5	17.5	18.4	1.0
Consolidated CAR	20.1	18.8	-1.3	17.9	18.8	0.9
NPL – Gross	2.5	1.9	-0.6	1.9	1.9	0.0
Impairment ratio (LLP/ Total Loans)	2.6	2.5	-0.1	2.4	2.5	0.1
Coverage (LLP/NPL) – Mass Mkt	112.7	123.2	10.5	121.0	123.2	2.2
Coverage (LLP/NPL) – Non Mass Mkt	107.4	151.8	44.4	149.1	151.8	2.7

*\*) Loan to funding is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + net borrowing and LTF + net capital)*

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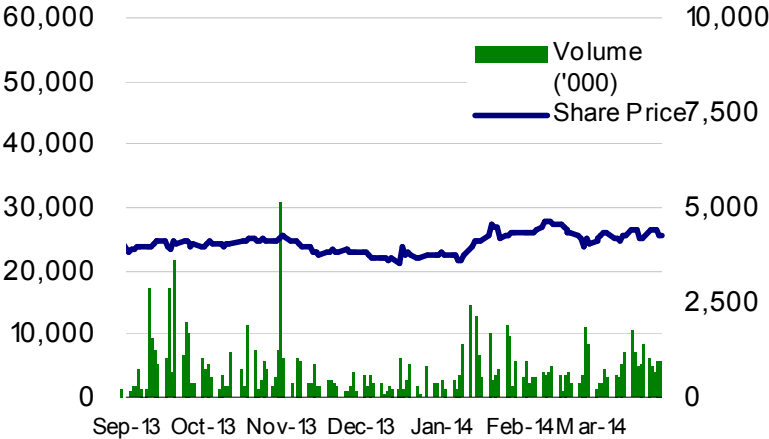
**Credit Ratings**

<b>Danamon</b>		
<b>PEFINDO</b> <i>August 2013</i>	Outlook	Stable
	LT General Obligation	AA+ <sub>id</sub>
<b>Standard &amp; Poor's</b> <i>December 2013</i>	Outlook	Stable
	LT Foreign Issuer Credit	BB
	ST Foreign Issuer Credit	B
	LT Local Issuer Credit	BB
	ST Local Issuer Credit	B
<b>Fitch's</b> <i>August 2013</i>	Outlook	Stable
	LT Issuer Default Rating	BB+
	ST Issuer Default Rating	B
	Individual Rating	WD
	Support Rating	3
	Viability	bb+
	National Long Term	AA+ (idn)
<b>Moody's</b> <i>April 2014</i>	Outlook	Stable
	Long Term Rating	Baa3
	Foreign LT Bank Deposits	Baa3
	Local LT Bank Deposits	Baa3
	Bank Financial Strength	Aaa-c
	Foreign Currency ST Dept	P-3
	Local Currency ST Debt	P-3



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**BDI's Daily Share Price and Trading Volume**



## Statements of Financial Positions

As at 31 March 2014 and 31 December 2013

(in million Rupiah)

ACCOUNTS	BANK		CONSOLIDATED	
	31 Mar 2014	31 Des 2013*)	31 Mar 2014	31 Des 2013*)
<b>ASSETS</b>				
Cash	1,427,219	2,825,082	1,713,514	2,943,909
Placements with Bank Indonesia	12,528,970	12,903,138	12,528,970	12,903,138
Placements with other banks	9,250,388	7,127,226	11,258,474	9,210,256
Spot and derivative receivables	196,725	740,000	387,659	1,174,517
Marketable securities				
a. Designated at fair value through profit/loss	293,501	126,788	293,501	126,788
b. Available for sale	11,622,473	11,272,216	12,298,014	11,881,419
c. Held to maturity	310,450	321,819	389,450	400,819
d. Loans and receivables	-	-	-	-
Securities sold under repurchase agreements (repo)	928,772	937,500	928,772	937,500
Securities purchased under resale agreements (reverse repo)	-	-	-	-
Acceptance receivables	4,362,530	4,107,561	4,362,530	4,107,561
Loans				
a. Designated at fair value through profit/loss	-	-	-	-
b. Available for sale	-	-	-	-
c. Held to maturity	-	-	-	-
d. Loans and receivables	103,482,013	103,895,851	103,482,013	103,895,851
Sharia financing	1,887,164	1,884,790	1,887,164	1,884,790
Consumer financing receivables	-	-	28,797,154	28,091,602
Allowance for impairment losses on consumer financing receivables	-	-	(897,085)	(913,771)
Premium receivables	-	-	108,129	118,268
Reinsurance Assets	-	-	595,219	568,311
Investments	2,657,392	2,657,392	12,175	12,175
Allowance for impairment losses on financial assets -/-				
a. Marketable securities	(21,058)	(21,122)	(21,058)	(21,122)
b. Loans	(2,401,311)	(2,312,387)	(2,401,311)	(2,312,387)
c. Others	(31,383)	(28,260)	(45,027)	(42,440)
Intangible assets	926,989	926,022	2,994,738	2,990,289
Accumulated amortisation on intangible assets -/-	(709,385)	(681,198)	(1,644,572)	(1,611,864)
Fixed assets and equipment	3,752,208	3,702,845	4,657,597	4,587,425
Accumulated depreciation of fixed assets and equipment -/-	(1,912,440)	(1,825,780)	(2,316,195)	(2,203,431)
Non earning asset				
a. Idle properties	16,289	16,289	16,289	16,289
b. Foreclosed assets	974	1,626	974	1,626
c. Suspense accounts	1,086	570	1,086	570
d. Interbranch assets				
i. Conducting operational activities in Indonesia	-	-	88	117
ii. Conducting operational activities outside Indonesia	-	-	-	-
Allowance for impairment losses on other assets -/-	-	-	-	-
Leased receivables	-	-	1,651,524	1,511,042
Deferred tax assets	922,740	946,200	991,342	1,022,113
Other assets	3,353,384	2,496,869	3,888,500	2,955,988
<b>TOTAL ASSETS</b>	<b>152,845,690</b>	<b>152,021,037</b>	<b>185,919,628</b>	<b>184,237,348</b>

\*) As reclassified (Note 2)

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Mar 2014	31 Des 2013	31 Mar 2014	31 Des 2013
	<b>LIABILITIES AND EQUITY</b>				
1.	Current accounts	17,115,683	20,123,886	16,578,399	19,538,749
2.	Savings	27,943,588	31,610,413	27,943,588	31,610,413
3.	Time deposits	63,727,814	57,159,885	63,690,814	56,637,058
4.	Revenue sharing investment funds	2,141,543	1,402,833	2,037,771	1,374,962
5.	Deferred premium income	-	-	1,029,065	1,004,137
6.	Unearned premium reserve	-	-	921,063	940,109
7.	Loans from Bank Indonesia	-	-	-	-
8.	Borrowings from other banks	2,088,934	1,699,244	2,088,934	1,699,244
9.	Spot and derivative liabilities	375,700	456,211	570,534	458,850
10.	Securities sold under repurchase agreements (repo)	759,937	759,245	759,937	759,245
11.	Acceptance payables	4,334,845	4,103,382	4,334,845	4,103,382
12.	Marketable securities issued	919,213	918,972	11,616,979	12,122,028
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	3,164,885	4,816,559	14,605,713	16,068,470
14.	Security deposits	48,062	46,981	48,062	46,981
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	417,565	347,424
17.	Other liabilities	4,070,253	3,167,200	6,839,940	5,973,313
18.	Profit sharing investment funds	-	-	-	-
	<b>TOTAL LIABILITIES</b>	<b>126,690,457</b>	<b>126,264,811</b>	<b>153,483,209</b>	<b>152,684,365</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 -/-	(6,337,468)	(6,337,467)	(6,337,468)	(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	(55,792)	(71,161)	(94,440)	(116,646)
	c. Cash flow hedges	19,412	31,273	(36,406)	5,625
	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	236,350	236,350	236,350	236,350
	b. Specific reserves	-	-	-	-
26.	Retained earnings				
	a. Previous years *)	12,266,886	9,303,232	17,833,264	13,791,582
	b. Current year	395,500	2,963,654	874,555	4,041,684
	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT EQUITY</b>	<b>26,155,233</b>	<b>25,756,226</b>	<b>32,106,200</b>	<b>31,251,473</b>
27.	Non-controlling interests	-	-	330,219	301,510
	<b>TOTAL EQUITY</b>	<b>26,155,233</b>	<b>25,756,226</b>	<b>32,436,419</b>	<b>31,552,983</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>152,845,690</b>	<b>152,021,037</b>	<b>185,919,628</b>	<b>184,237,348</b>

\*) As reclassified (Note 2)

**PT Bank Danamon Indonesia, Tbk**  
**Investor Newsletter – First Quarter 2014 Results**  
**April 2014**

**Statements of Comprehensive Income**  
**For the 3 Months Periods Ended 31 March 2014 and 2013**  
(in million Rupiah, except earnings per share)

**PT Bank Danamon Indonesia, Tbk**  
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**April 2014**

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Mar 2014	31 Des 2013*	31 Mar 2014	31 Des 2013*
	<b>INCOME AND EXPENSES FROM OPERATIONS</b>				
<b>A.</b>	<b>Interest Income and Expenses</b>				
1.	Interest Income				
	a. Rupiah	3,766,261	3,239,054	5,382,493	4,618,176
	b. Foreign currencies	174,231	124,242	174,232	124,243
2.	Interest Expense				
	a. Rupiah	1,462,334	971,774	1,886,346	1,310,597
	b. Foreign currencies	129,638	52,401	222,952	80,196
	<b>Net Interest Income</b>	<b>2,348,520</b>	<b>2,339,121</b>	<b>3,447,427</b>	<b>3,351,626</b>
3.	Underwriting income				
	3.1. Premium income	-	-	361,233	296,375
	3.2. Underwriting expense	-	-	231,655	189,961
	<b>Net Underwriting Income</b>	<b>-</b>	<b>-</b>	<b>129,578</b>	<b>106,414</b>
	<b>Net Interest and underwriting income</b>	<b>2,348,520</b>	<b>2,339,121</b>	<b>3,577,005</b>	<b>3,458,040</b>
4.	Sharia Income				
	4.1. Margin	8,688	5,660	8,688	5,660
	4.2. Profit sharing	47,151	32,872	47,151	32,872
	4.3. Bonus income	358	155	358	155
	<b>Total Sharia Income</b>	<b>56,197</b>	<b>38,687</b>	<b>56,197</b>	<b>38,687</b>
5.	Sharia Expenses				
	5.1. iB loss sharing	21,004	10,761	21,004	10,761
	5.2. iB bonus expense	573	449	573	449
	<b>Total Sharia Expenses</b>	<b>21,577</b>	<b>11,210</b>	<b>21,577</b>	<b>11,210</b>
	<b>Net Sharia Interest Income</b>	<b>34,620</b>	<b>27,477</b>	<b>34,620</b>	<b>27,477</b>
<b>B.</b>	<b>Other Operating Income and Expense</b>				
1.	Other Operating Income	<b>1,130,928</b>	<b>619,130</b>	<b>1,765,216</b>	<b>1,223,227</b>
	a. Increase in fair value of financial assets (mark to market)				
	i. Marketable securities	-	-	-	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	558,909	5,545	558,909	5,545
	iv. Other financial assets	-	14,150	-	14,150
	b. Decrease in fair value of financial liabilities (mark to)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	6,305	4,550	6,312	2,012
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	28,525	56,538	28,525	56,538
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	247	-	247	-
	g. Fees/commissions and administrative	370,056	382,561	537,098	533,823
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	166,886	155,786	634,125	611,159
2.	Other Operating Expenses	<b>2,980,302</b>	<b>2,182,467</b>	<b>4,171,205</b>	<b>3,325,681</b>
	a. Decrease in fair value of financial assets (mark to market)				
	i. Marketable securities	1,700	1,632	1,700	1,632
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	511,682	21,669	511,682	21,669
	iv. Other financial assets	-	-	-	-
	b. Increase in fair value of financial liabilities (mark to)	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	316	659	316	659
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	115,801	379	115,801	379
	e. Impairment losses on financial assets				
	i. Marketable securities	-	-	-	-
	ii. Loans	568,253	508,880	851,085	818,633
	iii. Sharia financing	2,146	4,035	2,146	4,035
	iv. Other financial assets	7,460	(4,348)	16,578	824
	f. Losses related to operational risk	1,123	1,890	1,414	1,965
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	86,230	77,857	86,407	77,857
	i. Losses from decrease in value of non financial assets	-	1,531	-	1,531
	j. Salaries and employee benefits	919,573	847,962	1,478,077	1,347,254
	k. Promotion expenses	49,721	36,293	62,575	55,916
	l. Other expenses	716,297	684,028	1,043,424	993,327
	<b>Net Other Operating Expenses</b>	<b>(1,849,374)</b>	<b>(1,563,337)</b>	<b>(2,405,989)</b>	<b>(2,102,454)</b>
	<b>OPERATING INCOME</b>	<b>533,766</b>	<b>803,261</b>	<b>1,205,636</b>	<b>1,383,063</b>

\*) As reclassified (Note 2)

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Mar 2014	31 Des 2013*)	31 Mar 2014	31 Des 2013*)
	<b>NON OPERATING INCOME</b>				
1.	Gain/(loss) from sale of premisses and equipment	812	914	1,033	872
2.	Gain (loss) on foreign currencies translation	71	(69)	(2,102)	336
3.	Income(expenses) non operating expenses	4,398	2,536	(4,573)	(13,405)
	<b>NON OPERATING LOSS</b>	<b>5,281</b>	<b>3,381</b>	<b>(5,642)</b>	<b>(12,197)</b>
	<b>INCOME BEFORE INCOME TAX</b>	<b>539,047</b>	<b>806,642</b>	<b>1,199,994</b>	<b>1,370,866</b>
1	Income tax				
a.	Income tax expenses	131,681	192,982	196,056	274,250
b.	Deferred tax expenses (income)	11,866	15,008	99,904	67,338
	<b>NET INCOME</b>	<b>395,500</b>	<b>598,652</b>	<b>904,034</b>	<b>1,029,278</b>
	<b>OTHER COMPREHENSIF INCOME NET OF TAX</b>				
a.	Foreign exchange difference from translation of financial	-	-	-	-
b.	Gains from change financial assets available for sale	20,492	(4,470)	28,598	(6,717)
c.	Cash flow hedges	(5,391)	741	(48,186)	10,222
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	(11,593)	1,117	(1,006)	1,117
h.	Others	-	-	-	-
	Other comprehensive income, net of tax	3,508	(2,612)	(20,594)	4,622
	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>399,008</b>	<b>596,040</b>	<b>883,440</b>	<b>1,033,900</b>
	<b>Comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	395,500	598,652	874,556	1,005,303
	NON-CONTROLLING INTERESTS	-	-	29,478	23,975
	<b>TOTAL INCOME FOR THE PERIOD ENDED</b>	<b>395,500</b>	<b>598,652</b>	<b>904,034</b>	<b>1,029,278</b>
	<b>Total comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	399,008	596,040	854,731	1,009,918
	NON-CONTROLLING INTERESTS	-	-	28,709	23,982
	<b>TOTAL COMPREHENSIVE INCOME IN PERIOD ENDED</b>	<b>399,008</b>	<b>596,040</b>	<b>883,440</b>	<b>1,033,900</b>
	<b>PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE</b>				
	<b>DIVIDEND</b>	-	-	-	-
	<b>OTHERS</b>	-	-	-	-
	<b>EARNINGS PER SHARE</b>	<b>41.26</b>	<b>62.19</b>	<b>91.25</b>	<b>104.89</b>

\*) As reclassified (Note 2)

**PT Bank Danamon Indonesia, Tbk**  
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**Reconciliation between amounts stated in the statement of comprehensive income and those stated in the discussion section/ analyst briefing**  
**For the 3 Months Period ended 31 March 2014**

Newsletter									
a	b	c	d	e	f	g	h	i	
Net Interest Income	Net Under-writing Income	Net Sharia Interest Income	Other Operating Income	Other Operating Expenses	Non Operating Income	Non Operating Loss	Income before Tax	Taxes	Minority Interest
3,447	130	35	3,031	(5,437)	-	(6)	1,200	(296)	(29)
									875

Analyst Briefing Presentation									
a+c	b+d	e	f+g	h	i				
Net Interest Income	Non-Interest Income	Operating Income	Operating Expenses	Pre-Provision Operating Profit	Cost of Credit	Non Operating Income/(Loss)	Taxes	Minority Interest	Net Profit after Tax and Minority Interest
3,482	3,161	6,643	(5,437)	1,206	-	(6)	(296)	(29)	875
(57)	(4)	(57)	57	-	4	-	-	-	-
	(39)	(39)		(4)	39	-	-	-	-
	(40)	(40)	40	(39)	-	-	-	-	-
	(1,777)	(1,777)	1,777	-	-	-	-	-	-
	(0)	(0)	0	-	-	-	-	-	-
	(116)	(116)	116	-	(870)	-	-	-	-
	(86)	(86)	870	870	-	-	-	-	-
	(11)	(11)	86	-	10	-	-	-	-
	1,086	4,511	(2,489)	2,022	(827)	5	(296)	(29)	875

**Key Financial Ratios**  
**As at 31 March 2014 and 2013**

NO.	RATIOS (%)	31 Mar 2014	31 Des 2013*
	<b>CONSOLIDATED RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. Capital Adequacy Ratio (CAR)	18.76%	20.11%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.26%	1.68%
	2. Non-performing earning assets to total productive assets	1.56%	2.10%
	3. Allowance for impairment losses for financial asset to productive asset	2.05%	2.35%
	4. NPL gross	1.89%	2.45%
	5. NPL net	1.14%	1.55%
<b>III.</b>	<b>Rentability</b>		
	1. Return on Assets (ROA)	2.61%	3.63%
	2. Return on Equity (ROE)	11.42%	14.44%
	3. NIM including third party premium expenses	8.62%	10.09%
	4. Cost to income	55.17%	51.78%
	<b>BANK RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. CAR	18.43%	19.96%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.23%	1.74%
	2. Non-performing earning assets to total productive assets	1.59%	2.27%
	3. Allowance for impairment losses for financial asset to productive asset	1.82%	2.08%
	4. NPL gross	2.03%	2.80%
	5. NPL net after impairment value	1.16%	1.66%
	6. Non performing iB receivables and financing with contract	1.05%	1.71%
<b>III.</b>	<b>Rentability</b>		
	1. ROA	1.43%	2.59%
	2. ROE	6.41%	10.63%
	3. NIM	7.51%	8.76%
	4. NIM including third party premium expenses	7.33%	8.59%
	5. Operating expenses to operating income	89.59%	80.02%
	6. Cost to income	59.44%	54.00%
<b>IV.</b>	<b>Liquidity</b>		
	LDR	94.12%	103.37%
<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	8.09%	8.09%
	b. GWM Foreign Currency	8.17%	8.17%
	4. Net Open Position	0.28%	0.46%

\*) As reclassified (Note 2)



## Statements of Commitments and Contingencies

As at 31 March 2014 and 31 December 2013

(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		KONSOLIDASIAN	
		31 Mar 2014	31 Des 2013	31 Mar 2014	31 Des 2013
<b>I</b>	<b>COMMITMENT RECEIVABLES</b>				
	1. Unused borrowing facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contra	5,945,778	8,927,047	5,945,778	8,927,047
	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	24,489	49,551	24,489	49,551
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	262,344	294,125	262,344	294,125
	ii. Uncommitted	34,824,434	31,106,414	34,824,434	31,106,414
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	14,697	23,155	14,697	23,155
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	188,055	217,207	188,055	217,207
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	1,449,220	1,573,293	1,449,220	1,573,293
	b. Local L/C	392,790	914,713	392,790	914,713
	4. Outstanding selling of spot and derivative contra	2,975,666	3,208,393	2,975,666	3,208,393
	5. Others	-	-	-	-
<b>III.</b>	<b>CONTINGENT RECEIVABLES</b>				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	76,720	85,902	76,720	85,902
	2. Interest receivables on non performing assets				
	a. Loan interest income	298,889	292,383	298,889	292,383
	b. Other interest	2,404	2,538	2,404	2,538
	3. Others	-	-	-	-
<b>IV.</b>	<b>CONTINGENT PAYABLES</b>				
	1. Guarantees issued				
	a. Rupiah	2,467,313	2,764,076	2,467,313	2,764,076
	b. Foreign currencies	596,460	588,719	596,460	588,719
	2. Others	-	-	-	-

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**Asset Quality and Other Information**  
**As at 31 March 2014 and 2013**  
**(in million Rupiah)**

NO.	ACCOUNTS	31 Maret 2014					31 Maret 2013						
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
<b>I. RELATED PARTIES</b>													
<b>1. Placements with other banks</b>													
a.	Rupiah	116,328	-	-	-	-	116,328	123,643	-	-	-	-	123,643
b.	Foreign currencies	632,852	-	-	-	-	632,852	129,145	-	-	-	-	129,145
<b>2. Spot and derivative receivables</b>													
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	20	-	-	-	-	20	-	-	-	-	-	-
<b>3. Marketable securities</b>													
a.	Rupiah	39,246	-	-	-	-	39,246	47,384	-	-	-	-	47,384
b.	Foreign currencies	6,524	-	-	-	-	6,524	1,620	-	-	-	-	1,620
<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>													
		1,120	-	-	-	-	1,120	-	-	-	-	-	-
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i.	Rupiah	1,926	13	-	-	-	1,939	2,814	-	-	-	-	2,814
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
b. Non debtor micro, small and medium													
i.	Rupiah	22,465	332	-	-	-	22,797	16,882	-	-	-	-	16,882
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
c. Restructured													
i.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
d. Properties loan													
		20,554	330	-	-	-	20,884	16,290	-	-	-	-	16,290
<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	1,220,966	-	-	-	-	1,220,966	64	-	-	-	-	64
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	522,426	-	-	-	-	522,426	1,290,481	-	-	-	-	1,290,481
b.	Foreign currencies	7,978,782	-	-	-	-	7,978,782	3,261,997	-	-	-	-	3,261,997
<b>2. Spot and derivative receivables</b>													
a.	Rupiah	166,814	-	-	-	-	166,814	100,919	-	-	-	-	100,919
b.	Foreign currencies	29,891	-	-	-	-	29,891	3,733	-	-	-	-	3,733
<b>3. Marketable securities</b>													
a.	Rupiah	11,231,158	-	-	-	20,000	11,251,158	10,784,234	-	-	20,000	-	10,804,234
b.	Foreign currencies	929,496	-	-	-	-	929,496	207,804	-	-	-	-	207,804
<b>4. Securities sold under repurchase agreements (repo)</b>													
a.	Rupiah	928,772	-	-	-	-	928,772	930,769	-	-	-	-	930,769
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Securities purchased under resale agreements (reverse repo)</b>													
a.	Rupiah	-	-	-	-	-	-	227,105	-	-	-	-	227,105
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
<b>6. Acceptance receivables</b>													
		4,361,410	-	-	-	-	4,361,410	1,557,996	-	-	-	-	1,557,996
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i.	Rupiah	30,177,994	2,011,439	271,816	415,937	671,218	33,548,404	28,182,186	1,832,593	257,458	428,187	561,248	31,261,672
ii.	Foreign currencies	264,454	2,932	-	-	540	267,926	313,765	10,347	-	-	1,045	325,157
b. Non debtor micro, small and medium													
i.	Rupiah	55,505,443	4,445,887	146,533	208,595	267,038	60,573,496	44,585,324	5,167,127	165,352	309,951	331,025	50,558,779
ii.	Foreign currencies	10,354,955	459,418	-	-	140,242	10,954,615	8,886,716	294,345	-	-	493,938	9,674,999
c. Restructured													
i.	Rupiah	687,693	388,858	48,417	57,207	150,235	1,332,410	654,708	304,346	48,934	49,355	81,355	1,138,698
ii.	Foreign currencies	233,826	391,938	-	-	37,205	662,969	276,595	294,343	-	-	41,397	612,335
d. Properties loan													
		4,310,530	156,398	7,610	6,919	22,763	4,504,220	3,786,319	151,597	4,812	8,627	28,788	3,980,143
<b>8. Investments</b>													
		12,055	25	-	-	-	12,080	12,055	25	-	-	-	12,080
<b>9. Temporary equity investment</b>													
		96,319	227	-	-	-	96,546	155,014	-	-	-	1,688	156,702
<b>10. Others receivables</b>													
		-	-	-	-	-	-	-	-	-	-	-	-
<b>11. Commitments and contingencies to third parties</b>													
a.	Rupiah	27,417,588	168,267	-	-	-	27,585,855	33,513,965	128,922	-	-	-	33,642,887
b.	Foreign currencies	11,279,726	133,254	-	-	-	11,412,980	2,161,248	-	0	0	0	2,161,248
<b>12. Idle properties</b>													
		-	-	-	1,908	14,381	16,289	-	-	1,907	15,175	17,082	17,082
<b>13. Foreclosed assets</b>													
		-	-	-	540	434	974	-	-	601	2,811	7,558	10,970
<b>14. Suspense accounts</b>													
		1,086	-	-	-	-	1,086	1,697	-	-	-	-	1,697
<b>III. OTHERS INFORMATION</b>													
<b>1. Collateralised assets</b>													
a.	To Bank Indonesia	-	-	-	-	-	-	-	-	-	-	-	62,560
b.	To other parties	-	-	-	-	-	-	-	-	-	-	-	-
<b>2. Total Allowance for impairment losses on financial assets -</b>													
		-	-	-	-	-	2,453,752	-	-	-	-	-	2,361,948
<b>3. Minimum required allowance for possible losses on assets</b>													
		-	-	-	-	-	2,670,508	-	-	-	-	-	2,868,307
<b>4. Percentage of micro, small and medium enterprises credit to total loans</b>													
		-	-	-	-	-	32.10%	-	-	-	-	-	34.40%
<b>5. Percentage of micro and small enterprises credit to total loans</b>													
		-	-	-	-	-	13.62%	-	-	-	-	-	15.42%
<b>6. Percentage of micro, small and medium enterprises debtors to total debtors</b>													
		-	-	-	-	-	9.93%	-	-	-	-	-	9.57%
<b>7. Percentage of micro and small enterprises debtor to total debtors</b>													
		-	-	-	-	-	8.47%	-	-	-	-	-	8.33%
<b>8. Others</b>													
a.	Channelling loans	-	-	-	-	-	350,639	-	-	-	-	-	350,645
b.	Channelling loans Mudharabah Muqayadah	-	-	-	-	-	-	-	-	-	-	-	-
c.	Written-off earning assets	-	-	-	-	-	606,885	-	-	-	-	-	605,390
d.	Recovery on written-off earning assets	-	-	-	-	-	180,292	-	-	-	-	-	148,921
e.	Charged-off earning assets	-	-	-	-	-	661,107	-	-	-	-	-	144,078

## Allowance for Impairment Losses

As at 31 March 2014 and 2013

(in million Rupiah)

No.	ACCOUNTS	31 Mar 2014				31 Des 2013			
		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	-	8,151	92,504	-	-	48,053	-	
2	Spot and derivative receivables	-	-	1,967	-	-	1,047	-	
3	Marketable securities	20,000	1,058	29,395	20,000	750	24,147	20,000	
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	
6	Acceptance receivables	-	-	43,625	-	-	15,580	-	
7	Loans	299,127	2,102,184	937,292	1,438,057	545,330	805,371	1,851,307	
8	Others receivable	23,232	-	963	11	46,915	1,550	1,688	
9	Investments	-	-	26,574	1	-	26,574	1	
10	Temporary equity investment	-	-	-	-	-	-	-	
11	Transaction administrative accounts	-	-	49,004	15,076	-	49,083	6,446	

## Statement of Foreign Exchange and Derivative Transactions

As at 31 March 2014

(in million Rupiah)

NO.	TRANSACTION	Purpose		Derivative Receivable and Liabilities	
		Trading	Hedging	Receivables	Liabilities
<b>A.</b>	<b>Related to exchange rate</b>				
1.	Spot	296,424	-	520	424
2.	Forward	403,871	-	18,790	278
3.	Option	-	-	-	-
	a. Purchased	-	-	-	-
	b. Written	-	-	-	-
4.	Future	-	-	-	-
5.	Swap	7,133,297	568,000	174,608	374,822
6.	Others	-	-	-	-
<b>B.</b>	<b>Related to interest rate</b>				
1.	Forward	-	-	-	-
2.	Option	-	-	-	-
	a. Purchased	-	-	-	-
	b. Written	-	-	-	-
3.	Future	5,680	-	-	4
4.	Swap	196,424	-	2,807	172
5.	Others	-	-	-	-
<b>C.</b>	<b>Others</b>	-	-	-	-
	<b>TOTAL</b>	<b>8,035,696</b>	<b>568,000</b>	<b>196,725</b>	<b>375,700</b>

## Capital Adequacy Ratio

As at 31 March 2014 and 2013  
(in million Rupiah)

NO.	DESCRIPTION	31 Maret 2014		31 Maret 2013	
		Bank	Konsolidasian	Bank	Konsolidasian
<b>I.</b>	<b>COMPONENTS</b>				
	<b>A. CORE CAPITAL</b>	<b>23,346,716</b>	<b>29,224,669</b>	<b>21,311,604</b>	<b>26,459,670</b>
	1. Paid up capital	5,901,122	5,901,122	5,901,122	5,901,122
	2. Disclosed reserves				
	<b>2.1 Additional factors</b>				
	a. Additional paid up capital	7,391,756	7,391,756	7,391,756	7,391,756
	b. Donated capital	-	-	-	-
	c. General reserve	236,350	236,350	196,231	196,231
	d. Specific reserves	-	-	-	-
	e. Prior years' profit after tax (100%)	11,356,274	16,914,904	9,705,038	14,193,391
	f. Current year profit net of taxes (50%)	197,751	437,280	299,326	502,651
	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%)	-	-	-	-
	<b>2.2 Deduction factors</b>				
	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	(55,792)	(37,415)	-	-
	f. Under provision between regulatory provision and impairment value on productive assets	(200,717)	-	(488,899)	(175,937)
	g. Under provision between regulatory provision and impairment value on non productive assets	(16,039)	(16,039)	(19,061)	(19,061)
	h. Negative difference on fair value of financial instrument in trading book	-	-	-	-
	<b>3. Innovative Capital</b>				
	3.1 Subordinated marketable securities (perpetual non cumulative)	-	-	-	-
	3.2 Subordinated loan (perpetual non cumulative)	-	-	-	-
	3.3 Other innovative capital instruments	-	-	-	-
	<b>4. Deduction factor to core capital</b>				
	4.1 Goodwill	-	(1,074,532)	-	(1,074,532)
	4.2 Other intangible assets	-	-	-	-
	4.3 Investment (50%)	(1,463,989)	(528,757)	(1,673,909)	(455,951)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	<b>5. Minority interest</b>				
	-	-	-	-	-
	<b>B. SUPPLEMENTARY CAPITAL</b>	<b>-</b>	<b>858,105</b>	<b>-</b>	<b>686,173</b>
	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	-	-	-	-
	1.8 General allowance for possible losses on earning assets (max. 1.25% of weighted risk-based assets)	1,181,323	1,386,862	971,404	1,142,124
	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%)	(1,181,323)	(528,757)	(971,404)	(455,951)
	3.2 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	<b>C. Deduction factors on core and supplementary capital securitisation exposure</b>				
	<b>D. Other supplementary capital which meet the criterias (Tier 3)</b>				
	<b>E. Other supplementary capital allocated to anticipate market risk</b>				
	<b>II. TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B-C)</b>	<b>23,346,716</b>	<b>30,082,774</b>	<b>21,311,604</b>	<b>27,145,843</b>
	<b>III. TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY ALLOCATED TO ANTICIPATE MARKET RISK (A+B-C+E)</b>	<b>23,346,716</b>	<b>30,082,774</b>	<b>21,311,604</b>	<b>27,145,843</b>
	<b>IV. RISK WEIGHTED ASSETS - CREDIT RISK *)</b>	<b>104,176,630</b>	<b>128,048,290</b>	<b>86,212,920</b>	<b>106,140,384</b>
	<b>V. RISK WEIGHTED ASSETS - OPERATIONAL RISK</b>	<b>22,214,233</b>	<b>32,060,719</b>	<b>20,269,187</b>	<b>28,600,198</b>
	<b>VI. RISK WEIGHTED ASSETS - MARKET RISK</b>	<b>274,929</b>	<b>277,663</b>	<b>263,115</b>	<b>263,115</b>
	<b>VII. CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))</b>	<b>18.47%</b>	<b>18.79%</b>	<b>20.01%</b>	<b>20.15%</b>
	<b>VIII. CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE (III:(IV+V+VI))</b>	<b>18.43%</b>	<b>18.76%</b>	<b>19.96%</b>	<b>20.11%</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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**Syariah Unit**

**BALANCE SHEETS**  
**AS AT 31 MARCH 2014 AND 2013**  
(In million Rupiah)

NO.	ACCOUNTS	31 Mar 2014	31 Mar 2013
<b>A.</b>	<b>ASSETS</b>		
1.	Cash	37,964	45,273
2.	Current accounts with Bank Indonesia	102,063	84,676
3.	Certificates of Bank Indonesia Sharia	635,000	400,000
4.	Placement with other sharia banks	-	-
5.	Allowance for possible losses on placement with other sharia banks -/ Marketable securities - sharia bonds	95,000	95,000
6.	Allowance for possible losses on marketable securities - sharia bonds -/ iB receivables *)	(20,750)	(20,750)
7.	Allowance for possible losses on iB receivables -/ Others iB receivables	236,355	199,231
8.	Allowance for possible losses on others iB receivables -/ iB financing	(16,022)	(13,526)
9.	Others iB receivables	120,215	301,817
10.	Allowance for possible losses on iB financing -/ Fixed assets	(137)	(245)
11.	Others iB receivables	1,531,630	1,260,972
12.	Allowance for possible losses on iB financing -/ Fixed assets	(17,209)	(24,505)
13.	Accumulated depreciation of fixed assets -/ Accrued income	27,413	26,486
14.	Prepaid expenses	(10,934)	(7,205)
15.	Other assets	14,558	17,795
16.	Other assets	36,603	49,221
17.	Other assets	2,621	11,795
	<b>TOTAL ASSETS</b>	<b>2,774,370</b>	<b>2,426,035</b>
<b>B.</b>	<b>LIABILITIES</b>		
1.	iB funds		
2.	a. iB deposit current accounts	244,279	150,459
3.	b. iB deposit savings	4,135	4,897
4.	Others iB current liabilities	3,332	1,809
5.	Liabilities to Bank Indonesia (FPJPS)	-	-
6.	Deposits from other banks	34,488	16,296
7.	iB marketable securities issued	50,000	315,000
8.	Others liabilities	538,566	826,394
9.	Investment funds		
10.	a. iB savings	488,925	383,267
11.	b. iB deposits	1,404,183	724,223
12.	Accumulated gain	6,462	3,690
	<b>TOTAL LIABILITIES</b>	<b>2,774,370</b>	<b>2,426,035</b>

**STATEMENTS OF INCOME**  
**FOR THE 3 MONTHS PERIODS ENDED 31 MARCH 2014 AND 2013**  
(In million Rupiah)

NO.	ACCOUNTS	31 Mar 2014	31 Mar 2013
<b>A.</b>	<b>OPERATING INCOME</b>		
1.	Margin	8,688	5,660
2.	Profit sharing	47,151	32,872
3.	iB Bonus	358	155
4.	Other operating income	15,680	20,264
	<b>TOTAL OPERATING INCOME</b>	<b>71,877</b>	<b>58,951</b>
<b>B.</b>	<b>MARGIN DISTRIBUTION FOR NON - DISCRETIONARY INVESTMENT FUNDS</b>		
1.	a. Bank	180	277
2.	b. Non Bank	20,824	10,484
3.	c. Bank Indonesia (FPJPS)	-	-
	<b>TOTAL PROFIT SHARING</b>	<b>21,004</b>	<b>10,761</b>
<b>C.</b>	<b>INCOME FROM OPERATION AFTER DEDUCTING MARGIN DISTRIBUTION FOR NON-DISCRETIONARY INVESTMENT FUNDS</b>	<b>50,873</b>	<b>48,190</b>
<b>D.</b>	<b>OPERATING EXPENSES</b>		
1.	iB bonus	573	449
2.	Allowance for possible losses on assets	2,427	4,107
3.	General and administrative	5,732	5,556
4.	Salaries and employee benefits	26,514	25,784
5.	Others	6,805	6,671
	<b>TOTAL OPERATING EXPENSE</b>	<b>42,051</b>	<b>42,567</b>
<b>E.</b>	<b>NET OPERATING INCOME</b>	<b>8,822</b>	<b>5,623</b>
<b>F.</b>	<b>OTHER NON-OPERATING INCOME</b>	<b>175</b>	<b>89</b>
<b>G.</b>	<b>OTHER NON-OPERATING EXPENSES</b>	<b>2,535</b>	<b>2,022</b>
<b>H.</b>	<b>NON-OPERATING LOSS</b>	<b>(2,360)</b>	<b>(1,933)</b>
<b>I.</b>	<b>NET INCOME</b>	<b>6,462</b>	<b>3,690</b>

**STATEMENTS OF COMMITMENTS AND CONTINGENCIES**  
**AS AT 31 MARCH 2014 AND 2013**  
(In million Rupiah)

NO.	ACCOUNTS	31 Mar 2014	31 Mar 2013
1.	Unused iB financing facilities **)	-	-
2.	Outstanding iB irrevocable letters of credit	-	2,806
3.	iB guarantees issued	-	-
4.	Others	2,404	3,017

Notes:

- Danamon Sharia Branches were started in May 2002. Until March 2014 Danamon Sharia has 160 Sharia sub-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, Batam and Tegal.
- In accordance with Letter from Bank Indonesia No. 10/57/DpG/DpBS dated 27 May 2008 regarding "Equalisation of Sharia Banking Products and Services", starting June 2008 all sharia banking products/services equalized as islamic Banking (iB).
- \*) iB receivables exclude margin to be received of Rp 49,066 million and Rp 46,176 million as at 31 March 2014 and 2013, 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)

## Table of Margin Distribution

For the month of March 2014

(in million Rupiah)

NO.	Type of funding	Average balance	Revenues to be distributed	Depositor's portion		
				Nisbah (%)	Total bonus & profit sharing	Rate of return indication (%)
		A	B	C	D	E
1.	iB deposit current accounts					
	a. Bank	2,745	23	0.00	-	-
	b. Non Bank	267,751	2,280	0.00	-	-
2.	iB deposit savings					
	a. Bank	-	-	0.00	-	-
	b. Non Bank	4,804	41	0.00	-	-
3.	iB savings					
	a. Bank	25,653	218	13.00	28	1.30
	b. Non Bank	397,890	3,388	13.00	440	1.30
4.	iB deposits					
	a. Bank					
	- 1 month	2,086	18	46.00	8	4.61
	- 3 months	0	0	46.00	0	4.61
	- 6 months	0	0	46.00	0	4.61
	- 12 months	3,080	26	46.00	12	4.61
	b. Non Bank					
	- 1 month	915,937	7,798	46.00	3,587	4.61
	- 3 months	23,331	199	46.00	91	4.61
	- 6 months	104,814	892	46.00	411	4.61
	- 12 months	10,249	87	46.00	40	4.61
	<b>TOTAL</b>	<b>1,758,340</b>	<b>14,970</b>		<b>4,617</b>	

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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 31 March 2014 and 31 December 2013, and in the consolidated statements of comprehensive income and consolidated statements of cash flows for the three-month periods ended 31 March 2014 and 2013, were taken from the consolidated financial statements for the three-month periods ended 31 March 2014 and 2013 and as at 31 December 2013.

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” which function has been transferred to Financial Service Authority (“OJK”) starting 1 January 2013) 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. Certain account in the consolidated financial statements for the year ended 31 December 2013 and the three month period ended 31 March 2013 have been reclassified to conform with the presentation of consolidated financial statements for the three-month period ended 31 March 2014.
3. The consolidated financial statements for the three-month periods ended 31 March 2014 and 2013 and for the year then ended 31 December 2013 and for periods/year 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. 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 the entire FFH 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.

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On June 3, 2013, the Bank has been informed by FFH that DBS and FFH has mutually agree to renew the conditional share purchase agreement of the entire FFH interest in the share capital of AFI, which previously expired at April 4, 2013 and June 2, 2013 changed to August 1, 2013.

On 31 July 2013, the Bank has been informed by FFH that the conditional share purchase agreement between FFH and DBS to purchase AFI shares will be expired after the date of August 1, 2013, and will not be renewed, and therefore the agreement is no longer valid after August 1, 2013.

5. Exchange rate as at 31 March 2014: USD 1 = Rp. 11,360.00; Exchange rate as at 31 December 2013: USD 1 = Rp. 12,170.00; exchange rate as at 31 March 2013: USD 1 = Rp. 9,717.50.