



INVESTOR NEWSLETTER October 2014

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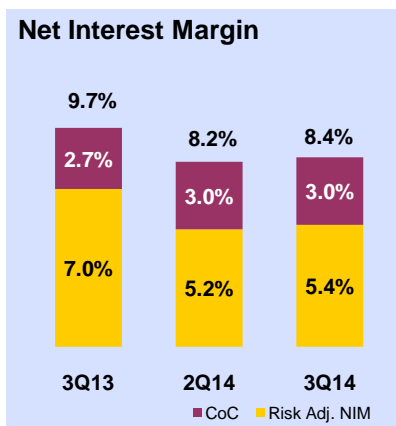
Highlights on First Nine Months and Third Quarter 2014 Result

- ✓ Net Interest Margin improved to 8.4% in the third quarter on the back of better yield and is expected to continue in the next quarter.
- ✓ Over the last 4 quarters, qoq operating expense has been trending continuously decreasing. We aim to maintain flat operating expense to end of 2014 in the midst of margin compression.
- ✓ NPAT was Rp 2,106 billion from Rp 3,006 billion in the 9M13. One of the main factors that cause was the newly introduced OJK's (Otoritas Jasa Keuangan) regulation on insurance premium and acquisition cost that had impacted to recognition of income. Bank would have booked Rp 2,532 billion should there's no change in the method of income recognition (timing difference).
- ✓ Total loan booked an increase of 7% from previous year to Rp. 139 trillion. Mass market segment loan - accounted for 51% of the total loan - grew by 3%, while non-mass market loan segment reached Rp 68 trillion, a modest growth of 13%. A modest growth is expected for the fourth quarter 2014 as the loan demand decrease and investors might in "wait and see" mode.
- ✓ Despite of continuous macroeconomics challenges and tight liquidity in the system, Bank Danamon Indonesia's (BDI's) average daily Loan-to-Deposit (LDR) ratio in the 3rd quarter 2014 was 94.5%. At end of the period, LDR stood at 91.3%, in line with management strategy to bring LDR to the 90s level. It was a significant improvement of 950 bps from the average number in the same period in the previous year.

Better yield had led to better NIM in the 3Q14

Net interest margin improved to 8.4% in the third quarter, an increase of 20 bps from 8.2% in the earlier quarter. This improvement came from better yield, especially in the non-mass market loan. Further NIM improvement is expected as the regulator had issued a cap on interest rate for third party fund.

Loan has increased by 7% compare to 9M13, while net interest income only grew for 1%. This was related to Bank Danamon's strategic decision to reduce LDR to level of 92% for 2014, in the midst of the interest rate environment and high system LDR.

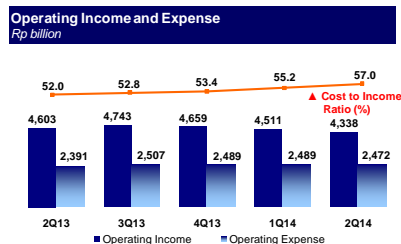


Operating expense has been continuously well managed

As the bank is still continuing to improve the pressure on its operating efficiency, we are focusing on the improvement of cost management as well as optimizing existing branch network channel. The efficiency initiatives including:

- Decreased total headcount by 4% to 71,855 employees as of September 2014 compared to last year 74,613 employees. This

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reduction was mainly driven by discontinuing employee contract of outsourcing agent and business consolidation.

- In line with our target to have approximately 2,300 branches by year end, we have closed 283 branches and ended up with 2,449 branches as of September 2014. These branches closure were primarily from DSP (237 branches), Pawnbroking (21 branches), Adira Finance (22 branches) and Adira Quantum (3 branches).

Business Transformation Programs are Progressing

To better serve the financial industries, Bank Danamon and its subsidiaries are in the middle of implementing business transformation programs that have been this year. Such business programs are focused on SEMM, ADMF & AQ Integration, Finance function, HR function and Enterprise Data Warehouse.

➤ SEMM

We are doing a review on end to end SEMM business model. Currently we are in the stage of finalizing new target operating model and will have the business case by end of month. Our target for this new operating model is to generate sustainable revenue for the business with lower operating cost.

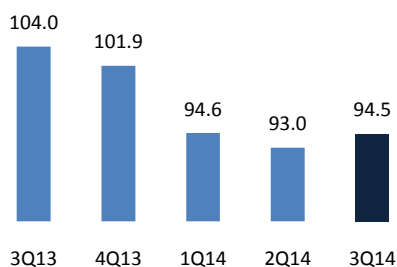
➤ ADMF and AQ Integration

The process of maximising synergy between Adira Finance and Adira Quantum is currently in progress and an integration plan roadmap is expected to complete by end of month. From this initiative we expect to bring down Opex/Asset ratio to the optimum level.

➤ Finance Function, HR Function, and Enterprise Data Warehouse

Currently we are in state of finalising target operating model for Finance and HR centralised function. While related to the Enterprise Data Warehouse, we are still in the assessment phase. We expect that the integration plan and business case for each Finance and HR centralised function will be complete by end of next month. We also expect that execution on Enterprise Data Warehouse will be started by year end. From these initiatives, we are aiming to reduce operating expense while in the same time optimize business enablement.

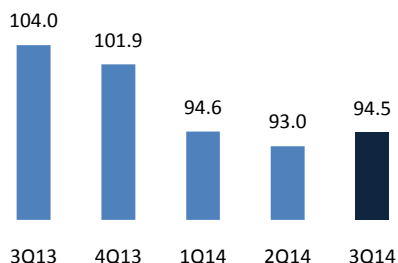
LDR - Averaged daily (%)



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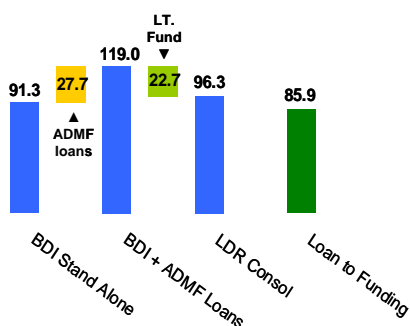
LDR was maintained lower to the daily average of 94.5% on the 3Q14, a significant decrease from 104.0% in the 3Q13

LDR - Averaged daily (%)



In the overall banking system, liquidity in the third quarter 2014 relatively stable compared to the previous quarter as reflected in the increase of savings, deposit and reserves. On the other hand, continuing economic adjustment with modest growth, we revised down our GDP projection this year to 5.1% from the earlier 5.3%. Thus, inflation is estimated at 5.5% assuming without any fuel subsidy released. However, if the government raises the fuel price (Premium) by 20-25%, then inflation may reach 7.0%.

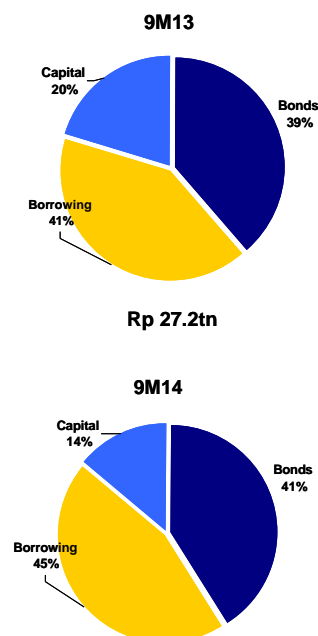
Loan to Funding - Conso 9M14 (%)



Taking into consideration the weakening domestic demand, we remain cautious for the slowing loan growth of the industry in 3rd quarter 2014 will continue. As of August 2014, loan grew moderately by 13.5% as compared to 22.2% in previous year. In terms of asset quality, NPL as of August 2014 was edging up to 2.3% compared to 2.0% in the prior month.

Despite the situation, BDI's daily average LDR for the 3Q14 stood at 94.5% or an improvement of 950 bps from the average LDR in 3Q13. The lowered LDR has been managed through increasing deposits growth at the rate that was higher than the loan growth.

ADMF Source of Fund



The Bank would continue to use long term funding

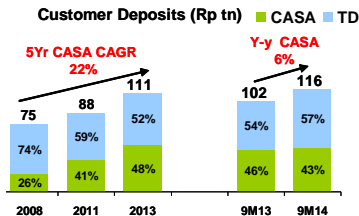
The use of long term funding is a strategic option to diversify funding and provide more steady liquidity amidst the increasing rate environment, as well as to address interest rate risk and asset-liability duration mismatch.

The use of bank borrowings and long-term funding was Rp 28.3 trillion at September 2014 which represents about 20% of total deposits (customers' deposits and long term funding). This had led to an improvement in loan to funding ratio to 85.9%.

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. As at September 2014, the portion of self-financing stood at 65%.

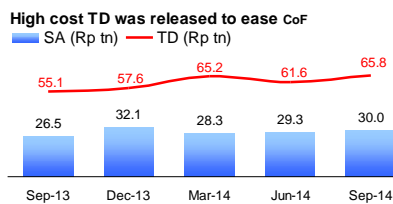
In Adira Finance book, as at September 2014, borrowing and bonds responsible to 86% of total funding compare to 80% of total funding as at September 2013.

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Amid the liquidity situation, CASA ratio retained at 43%

Since 2008, Danamon continuously built a strong funding franchise with the main focus in CASA. Over the period, particularly through four champion products that have been well accepted by the market, CASA had grown steadily at 22% CAGR to December 2013. The growth in CASA outpaced the growth in TD that came merely at 1% CAGR.



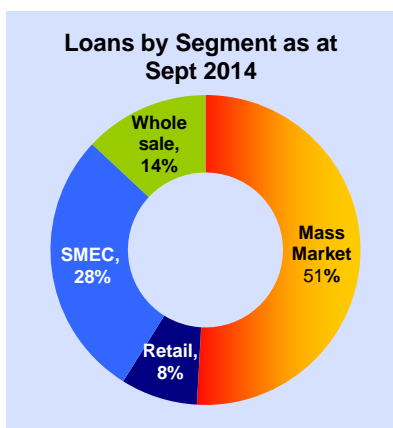
To the end of 2014, customer deposit is projected to grow by 5-6%, which is largely driven from time deposit with CASA ratio remained at around 45%. Owing to OJK new policy in capping the maximum deposit rate, the banks cost of funds may likely to decrease. As for our net interest margin, it improves by 20 bps in this 3rd quarter and expects further in 4th quarter due to such rate capped and asset re-pricing, while cost to income ratio to further improve as opex growth expected remains flat.

Initiatives to grow CASA 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 less productive ATMs and branches.
- SMS Banking (launched in the 3Q13) and Mobile Banking application (will be launched soon).
- Introduced Financial Supply Chain initiative, i.e. approach various companies that are regularly transacting one another to become our customers, to boost funding.

Overall loan grew modestly by 7%, with shift of asset mix

Compare to previous year position of September 2013, loans rose 7% underpinned by non-mass market segment that expanded 13% to Rp 68 trillion. Mass market growth loan booked a slight increase of 3% to Rp 71 trillion, reducing the share of loan portfolio to 51% vs last year's 53%. Meanwhile, compare to the previous quarter, loan still come at the same level with similar asset mix.

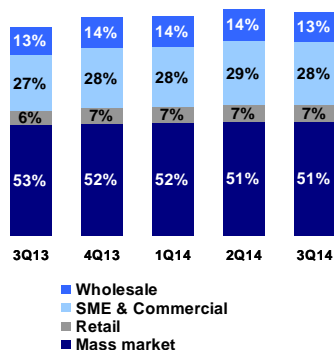


In line with the Indonesia demographic shift where people belong to middle and affluent class (as opposed to poor and aspirant class) will increase both in term number as well as proportion, BDI will continuously foster its presence across all economic spectrum.

Business diversification effort was initiated in 2010 where BDI started to focus promoting SME segment. As a result, over the last three years (September '11 to September '14), SME segment had grown at CAGR 19% to Rp. 22.5 trillion. Though still manageable, increased in the loan was followed by increase in NPL to 2.4%.in 3Q14.

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Loan Composition and Size (Rp trillion)



Commercial segment recorded a healthy growth at CAGR of 18% over the last three years to Rp 17.0 trillion by September 2014. NPL on this segment slightly increased from 0.3% to 0.4% in the previous year.

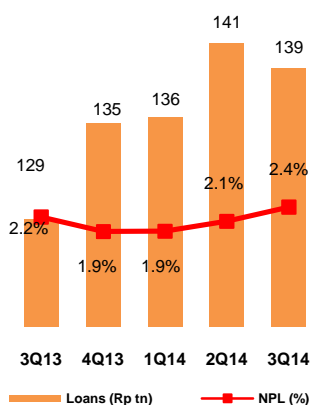
Similarly, Wholesale segment recorded CAGR of 16% over the past 3 years to Rp 18.1 trillion. NPL was experienced a slight decrease to 1.0% from 1.1% a year ago.

A challenging situation was still faced by mass market segment. Slower industry growth, combined with rising competition still experienced by Adira Finance and DSP. Compare to situation per 3Q13, Adira Finance recorded a modest growth of 4% loan or about the same level of loan compare to the loan per end of 2Q14. New booking grew 4% yoy (mostly driven by two wheels loan that increase by 7% while four wheels loan shrank by 2%).

Similarly, micro loan contracted by 1% yoy to Rp 19.7 trillion, remained a challenge for BDI particularly in Java. Some recovery in commodity prices had not yet translated into loan boost in Sumatra. Several actions have been taken to maximize opportunities in mass market as well as to improve efficiencies.

The asset quality has been maintained amid challenge in macroeconomic environment

Loans and NPL

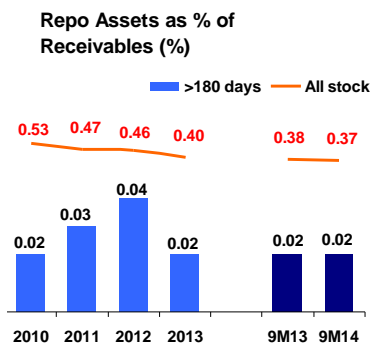


Bank Danamon has been conservative in balancing the loan growth and asset quality. The Bank continuously cautious in managing NPL, as a result, despite of macroeconomic challenges NPL as at 3Q14 had been kept at manageable level of 2.4%. This figure was slightly higher than the previous year's NPL of 2.2%. Such increment was mainly driven by NPL rising in our Micro and SME loan that stood at 7.0% and 2.4% respectively from 6.1% and 1.3% of last year's figures. Nevertheless, we are aiming to manage Bank's NPL ratio at 2.0% at year end.

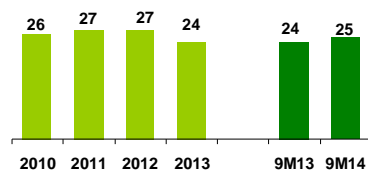
BDI monitored its loans from various angles; based on segments and industry sector. NPL monitoring by industry sector enable us to better understand our customers' profile. As per 30 September 2014, the highest NPL came from the mining sector at 10.6% with the loan exposure of merely 1.9% of total loan. Other than this sector, NPL are well managed.

On auto finance segment, repossessed assets and loss on repossessed has been manageable. Ratio of repossessed assets and repossessed asset that had been held for more than 180 days as percentage of total receivable had been maintained at 0.02% and 0.37%, respectively. Similarly, loss on repossessed assets was stable at around 25% level.

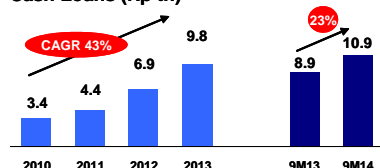
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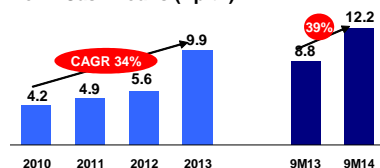
Loss on Repo Assets - Average (%)



Cash Loans (Rp tn)



Non - Cash Loans (Rp tn)



Data of NPL for each loan segment also showed that the NPL was manageable. Even though we saw some uptick in retail segments, the absolute amount remained low compare to our total loan portfolio.

(%)	3Q13	2Q14	3Q14	Y-y	Q-q
Mass Market	2.8	2.9	3.1	0.3	0.2
Retail	1.3	1.5	1.7	0.4	0.3
Mid Size	1.4	1.1	1.5	0.1	0.4
Wholesale	1.1	0.9	1.0	-0.1	0.1
Total	2.2	2.1	2.4	0.2	0.3

Trade finance had expanded rapidly

Trade finance had shown a robust growth from December 2010 to September 2014. Cash loan booked a 36% CAGR while non-cash loan booked a 33% CAGR.

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 1H14) 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.

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Key Figures and Ratios

	9M13	9M14	ΔYoY	1Q14	2Q14	3Q14	ΔQoQ
INCOME STATEMENTS (Rp billion)							
Net Interest Income	10,104	10,171	1%	3,425	3,319	3,427	3%
Non Interest Income	3,698	3,003	-19%	1,086	1,019	898	-12%
Operating Income	13,802	13,174	-5%	4,511	4,338	4,325	0%
Cost of Credit	2,432	2,835	17%	827	1,001	1,007	1%
Risk Adjusted Operating Income	11,370	10,339	-9%	3,684	3,336	3,319	-1%
Operating Expenses	7,206	7,410	3%	2,489	2,472	2,449	-1%
Net Profit after Tax	3,006	2,106	-30%	875	614	617	0%
Normalised NPAT	3,006	2,532	-16%	938	816	778	-5%
BALANCE SHEETS (Rp billion)							
Total Assets	173,094	194,373	12%	185,920	185,433	194,373	5%
Loans (gross)	129,065	138,681	7%	135,818	140,647	138,681	-1%
Government Bonds	5,548	6,488	17%	5,513	5,719	6,488	13%
Customers' Deposits	102,323	115,867	13%	111,886	110,423	115,867	5%
Long Term Funding	28,288	28,267	0%	27,029	26,240	28,267	8%
Equity	30,228	32,101	6%	32,106	31,558	32,101	2%
KEY RATIOS (%)							
Net Interest Margin	9.8	8.4	-1.4	8.6	8.2	8.4	0.2
Cost of Credit	2.8	2.8	0.0	2.5	3.0	3.0	0.0
Cost to Income	52.2	56.2	4.0	55.2	57.0	56.6	-0.4
BOPO	77.7	74.6	-3.1	89.6	69.7	87.6	17.9
ROAA	2.5	1.5	-1.0	1.9	1.3	1.3	0.0
ROAE	14.5	9.3	-5.2	11.4	8.1	8.2	0.1
Assets to Capital (x)	6.4	6.6	0.2	6.2	6.3	6.6	0.3
Regulatory LDR	99.0	91.3	-7.7	94.1	98.9	91.3	-7.6
Stand Alone Loan to Funding *	87.6	84.8	-2.8	85.6	91.6	84.8	-6.8
Consolidated Loan to Funding *	88.4	85.9	-2.5	86.7	91.4	85.9	-5.5
Stand Alone CAR	18.1	18.2	0.1	18.4	17.8	18.2	0.4
Consolidated CAR	18.3	17.9	-0.4	18.8	17.7	17.9	0.2
NPL – Gross	2.2	2.4	0.2	1.9	2.1	2.4	0.3
Loan Loss Coverage (LLP/Total Loans)	2.6	2.8	0.2	2.5	2.6	2.8	0.2
Coverage (LLP/NPL) – Mass Mkt	115.2	112.8	-2.4	123.2	118.7	112.8	-5.9
Coverage (LLP/NPL) – Non Mass Mkt	130.8	128.6	-2.2	151.8	146.2	128.6	-17.6

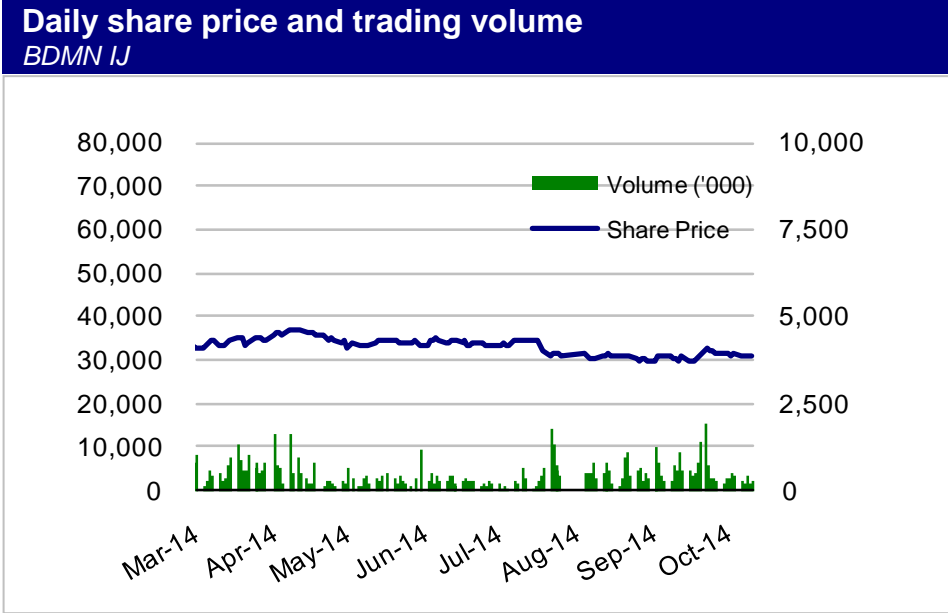
*) *Loan to funding is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + net borrowing and LTF + net capital)*

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Credit Ratings

Danamon		
PEFINDO <i>August 2014</i>	Outlook	Stable
	LT General Obligation	^{id} AA+
Standard & Poor's <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
Fitch's <i>August 2014</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)
Moody's <i>September 2014</i>	Outlook	Stable
	Long Term Rating	Baa3
	Foreign LT Bank Deposits	Baa3
	Local LT Bank Deposits	Baa3
	Bank Financial Strength	D
	Foreign Currency ST Dept	P-3
	Local Currency ST Debt	P-3

BDI's Daily Share Price and Trading Volume



OJK regulation on Insurance Premium Rates and Acquisition Cost Impacting Adira Finance’s Income Recognition

On 31 December 2013, OJK issued new regulation, in the form of circular letter, No SE-06/D.05/2013 regarding “Determination of Premium Rates and Provision of the Acquisition Cost on Motor Vehicle and Goods Insurance Business as well as Specific Risk Type of Flood, Earthquake, Volcanic Eruptions, and Tsunami for year 2014”. It took effect on March 1, 2014.

Through this regulation, OJK set a range of gross premium that an insurance company could charge to customers and regulate the commission given to agents and the discount given to customer, which are based on the gross premium. As such, third parties (including multifinance companies and banks) are prohibited to sell insurance at the rate higher or lower than the premium rate set by the regulator.

On the other hand, to some extent the new regulation would benefit Adira Insurance, due to regulated pricing that would eliminate unhealthy price competition among general insurance companies.

Since the effective date of the new regulation, income generated from insurance would need to be amortized vis-a-vis booked upfront previously. Finance companies generally made some adjustments in their pricing strategy to maintain economics of the loan. Adira Finance need to recognize the incomes from insurance premium discount and other loan related fee over the loan tenor using the effective interest rate (EIR) method. Consequently, there is a timing difference between the amount that is recognized under the EIR method and the amount should the income recognized immediately. Depending on the loan tenor, financial impact of the income recognition will vary. Assuming loan with tenor of 3 years, under the EIR, the related income would be recognised as much as 54% in the first year, 34% in the second year and the remaining 12% in the third year. Throughout the years, the income would be normalized. For comparison, ideally if regulation had not been introduced, Adira Finance could directly recognize the income immediately.

New OJK supervisory action on interest rate cap

On 30 September 2014, took a new supervisory action to cap interest rate on third party fund. This provision has become effective starting from 1 October 2014. The maximum rates are set separately based on the type of bank and the nominal of fund deposited as follow:

Type of bank		Nominal deposited	
BUKU	Tier 1 (Rp tn)	≤ Rp 2bn	> Rp 2bn
1	<1 Tn	No limit set	
2	1 – 5 Tn	No limit set	
3	5 – 30 Tn	LPS rate	BI Rate + 225 bps
4	> 30 Tn	LPS rate	BI Rate + 200 bps

Statements of Financial Positions

As at 30 September 2014 and 31 December 2013

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Sep 2014	31 Des 2013*)	30 Sep 2014	31 Des 2013*)
	ASSETS				
1.	Cash	1,775,915	2,825,082	1,921,606	2,943,909
2.	Placements with Bank Indonesia	16,317,763	12,903,138	16,317,763	12,903,138
3.	Placements with other banks	8,376,340	7,127,226	11,065,087	9,210,256
4.	Spot and derivative receivables	257,394	740,000	391,789	1,174,517
5.	Marketable securities				
	a. Designated at fair value through profit/loss	950,514	126,788	950,514	126,788
	b. Available for sale	10,807,232	11,272,216	11,292,603	11,881,419
	c. Held to maturity	211,178	321,819	290,178	400,819
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	931,603	937,500	931,603	937,500
7.	Securities purchased under resale agreements (reverse repo)	885,742	-	885,742	-
8.	Acceptance receivables	5,736,496	4,107,561	5,736,496	4,107,561
9.	Loans				
	a. Designated at fair value through profit/loss	-	-	-	-
	b. Available for sale	-	-	-	-
	c. Held to maturity	-	-	-	-
	d. Loans and receivables	104,028,770	103,895,851	104,028,770	103,895,851
10.	Sharia financing	2,295,035	1,884,790	2,295,035	1,884,790
11.	Consumer financing receivables	-	-	30,472,807	28,091,602
	Allowance for impairment losses on consumer financing receivables -/-	-	-	(1,048,249)	(913,771)
12.	Premium receivables	-	-	348,221	118,268
13.	Reinsurance Assets	-	-	614,992	568,311
14.	Investments	2,657,392	2,657,392	12,175	12,175
15.	Allowance for impairment losses on financial assets -/-				
	a. Marketable securities	(20,839)	(21,122)	(20,839)	(21,122)
	b. Loans	(2,719,335)	(2,312,387)	(2,719,335)	(2,312,387)
	c. Others	(29,382)	(28,260)	(57,263)	(42,440)
16.	Intangible assets	1,007,525	926,022	3,099,258	2,990,289
	Accumulated amortisation on intangible assets -/-	(766,902)	(681,198)	(1,711,789)	(1,611,864)
17.	Fixed assets and equipment	3,943,296	3,702,845	4,926,678	4,587,425
	Accumulated depreciation of fixed assets and equipment -/-	(2,077,493)	(1,825,780)	(2,527,352)	(2,203,431)
18.	Non earning asset				
	a. Idle properties	16,289	16,289	16,289	16,289
	b. Foreclosed assets	552	1,626	552	1,626
	c. Suspense accounts	1,512	570	1,512	570
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	43	117
	ii. Conducting operational activities outside Indonesia	-	-	-	-
	Allowance for impairment losses on other assets -/-	-	-	-	-
20.	Leased receivables	-	-	1,883,861	1,511,042
21.	Deferred tax assets	902,812	946,200	1,011,928	1,022,113
22.	Other assets	6,140,060	2,496,869	3,962,278	2,955,988
	TOTAL ASSETS	161,629,469	152,021,037	194,372,953	184,237,348

*) As reclassified (Note 2)

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Sep 2014	31 Des 2013*)	30 Sep 2014	31 Des 2013*)
	LIABILITIES AND EQUITY				
1.	Current accounts	19,193,342	20,123,886	18,483,453	19,538,749
2.	Savings	29,619,200	31,610,413	29,619,200	31,610,413
3.	Time deposits	64,427,923	57,159,885	64,380,923	56,637,058
4.	Revenue sharing investment funds	1,959,279	1,402,833	1,877,147	1,374,962
5.	Deferred premium income	-	-	1,173,913	1,004,137
6.	Unearned premium reserve	-	-	1,027,644	940,109
7.	Loans from Bank Indonesia	-	-	-	-
8.	Borrowings from other banks	3,519,092	1,699,244	3,519,092	1,699,244
9.	Spot and derivative liabilities	102,625	456,211	161,037	458,850
10.	Securities sold under repurchase agreements (repo)	750,000	759,245	750,000	759,245
11.	Acceptance payables	5,726,084	4,103,382	5,726,084	4,103,382
12.	Marketable securities issued	919,713	918,972	12,357,485	12,122,028
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	2,552,968	4,816,559	15,097,021	16,068,470
14.	Security deposits	17,976	46,981	17,976	46,981
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	337,075	347,424
17.	Other liabilities	4,344,880	3,167,200	7,534,982	5,973,313
18.	Profit sharing investment funds	-	-	-	-
	TOTAL LIABILITIES	133,133,082	126,264,811	162,063,032	152,684,365
	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 -/-	(6,337,468)	(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	(53,176)	(71,161)	(89,389)	(116,646)
	c. Cash flow hedges	13,286	31,273	(65,617)	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	276,767	236,350	276,768	236,350
	b. Specific reserves	-	-	-	-
26.	Retained earnings				
	a. Previous years *)	11,014,012	9,303,232	16,580,389	13,791,582
	b. Current year	3,952,621	2,963,654	2,105,666	4,041,684
	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT EQUITY	28,496,387	25,756,226	32,100,694	31,251,473
27.	Non-controlling interests	-	-	209,227	301,510
	TOTAL EQUITY	28,496,387	25,756,226	32,309,921	31,552,983
	TOTAL LIABILITIES AND EQUITY	161,629,469	152,021,037	194,372,953	184,237,348

*) As reclassified (Note 2)

Statements of Comprehensive Income

For the 9 Months Periods Ended 30 September 2014 and 2013
(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
	INCOME AND EXPENSES FROM OPERATIONS				
A.	Interest Income and Expenses				
1.	Interest Income				
	a. Rupiah	11,547,726	10,004,971	16,389,540	14,208,221
	b. Foreign currencies	526,026	427,410	526,029	427,414
2.	Interest Expense				
	a. Rupiah	4,585,910	3,126,036	5,878,791	4,185,817
	b. Foreign currencies	438,530	180,174	791,789	294,856
	Net Interest Income	7,049,312	7,126,171	10,244,989	10,154,962
3.	Underwriting income				
	3.1. Premium income	-	-	1,114,868	920,394
	3.2. Underwriting expense	-	-	759,150	574,183
	Net Underwriting Income	-	-	355,718	346,211
	Net Interest and underwriting income	7,049,312	7,126,171	10,600,707	10,501,173
4.	Sharia Income				
	4.1. Margin	22,569	19,435	22,569	19,435
	4.2. Profit sharing	149,019	106,283	149,019	106,283
	4.3. Bonus income	1,655	689	1,655	689
	Total Sharia Income	173,243	126,407	173,243	126,407
5.	Sharia Expenses				
	5.1. iB loss sharing	71,634	37,916	71,634	37,916
	5.2. iB bonus expense	2,124	1,247	2,124	1,247
	Total Sharia Expenses	73,758	39,163	73,758	39,163
	Net Sharia Interest Income	99,485	87,244	99,485	87,244
B.	Other Operating Income and Expense				
1.	Other Operating Income	5,043,054	3,002,715	3,901,763	4,177,779
	a. Increase in fair value of financial assets (mark to market)				
	i. Marketable securities	2,627	-	2,627	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	487,480	233,244	487,480	233,244
	iv. Other financial assets	-	-	-	-
	b. Decrease in fair value of financial liabilities (marked to market)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	21,277	3,713	23,590	9,989
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	63,615	229,655	63,615	229,655
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	2,798,724	908,794	1,479	4,448
	g. Fees/commissions and administrative	1,157,918	1,152,204	1,668,180	1,615,839
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	511,413	475,105	1,654,792	2,084,604

*) As reclassified (Note 2)

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October 2014

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
2.	Other Operating Expenses	7,794,964	7,194,046	11,649,315	10,594,071
	a. Decrease in fair value of financial assets (marked to				
	i. Marketable securities	-	243	-	243
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	298,585	275,898	298,585	275,898
	iv. Other financial assets	-	-	-	-
	b. Increase in fair value of financial liabilities (marked to	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	2,311	5,578	2,311	5,578
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	362,589	11,713	362,589	16,249
	e. Impairment losses on financial assets				
	i. Marketable securities	-	460	-	460
	ii. Loans	1,775,943	1,654,374	2,896,510	2,515,953
	iii. Sharia financing	11,221	14,247	11,221	14,247
	iv. Other financial assets	8,254	10,726	68,057	23,596
	f. Losses related to operational risk	6,861	5,114	7,671	5,415
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	265,761	253,684	266,640	254,149
	i. Losses from decrease in value of non financial assets	-	1,087	-	1,087
	j. Salaries and employee benefits	2,706,218	2,589,839	4,313,145	4,117,290
	k. Promotion expenses	151,248	180,882	188,029	224,210
	l. Other expenses	2,205,973	2,190,201	3,234,557	3,139,696
	Net Other Operating Expenses	(2,751,910)	(4,191,331)	(7,747,552)	(6,416,292)
	OPERATING INCOME	4,396,887	3,022,084	2,952,640	4,172,125
	NON OPERATING INCOME				
1.	Gain/(loss) from sale of premisses and equipment	1,714	3,102	1,858	1,777
2.	Gain (loss) on foreign currencies translation	(70)	337	1,177	7,451
3.	Income(expenses) non operating expenses	(23,118)	(2,448)	(77,460)	(62,833)
	NON OPERATING LOSS	(21,474)	991	(74,425)	(53,605)
	INCOME BEFORE INCOME TAX	4,375,413	3,023,075	2,878,215	4,118,520
1	Income tax				
	a. Income tax expenses	389,828	475,905	701,412	970,919
	b. Deferred tax expenses (income)	32,964	75,136	8,095	56,000
	NET INCOME	3,952,621	2,472,034	2,168,708	3,091,601
	OTHER COMPREHENSIF INCOME NET OF TAX				
	a. Foreign exchange difference from translation of financial statements in foreign currency	-	-	-	-
	b. Gains from change financial assets available for sale	23,978	(126,177)	34,670	(139,604)
	c. Cash flow hedges	(13,558)	30,698	(88,753)	38,481
	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	(10,423)	31,544	8,264	31,544
	h. Others	-	-	-	-
	Other comprehensive income, net of tax	(3)	(63,935)	(45,819)	(69,579)
	TOTAL COMPREHENSIVE INCOME	3,952,618	2,408,099	2,122,889	3,022,022
	Comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,952,621	2,472,034	2,105,666	3,006,630
	NON-CONTROLLING INTERESTS	-	-	63,042	84,971
	TOTAL INCOME FOR THE YEAR ENDED	3,952,621	2,472,034	2,168,708	3,091,601
	Total comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,952,618	2,408,099	2,061,679	2,938,282
	NON-CONTROLLING INTERESTS	-	-	61,210	83,740
	TOTAL COMPREHENSIVE INCOME IN CURRENT YEARS	3,952,618	2,408,099	2,122,889	3,022,022
	PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE				
	DIVIDEND	(1,212,457)	(1,203,640)	(1,212,457)	(1,203,640)
	OTHERS	(40,417)	40,417	(40,417)	(40,118)
	EARNINGS PER SHARE	412.39	412.39	219.69	313.69

*) As reclassified (Note 2)

Reconciliation between amounts stated in the statement of comprehensive income and those stated in the discussion section/ analyst briefing
For the 9 Months Period ended 30 September 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	Income after Minority Interest
10,245	356	99	3,902	(11,649)	-	(74)	2,878	(710)	(63)	2,106

a+c	b+d	e		f+g		h	i	Net Profit after Tax and Minority Interest		Remark
Net Interest Income	Non-Interest Income	Operating Income	Operating Expenses	Pre-Provision Operating Profit	Cost of Credit	Non Operating Income/(Loss)	Taxes	Minority Interest	Minority Interest	
10,344	4,257	14,602	(11,649)	2,953	-	(74)	(710)	(63)	2,106	
(173)		(173)	173	-						LPS Deposit Insurance
	(10)	(10)		(10)	10					Provision for ADMF acquisition cost
	(132)	(132)		(132)	132					Write off on amortization cost
	(163)	(163)	163	-						ADMF indirect acquisition cost
	(299)	(299)	299	-						Decrease in fair value of financial assets (MTM)
	(2)	(2)	2	-						Losses from sale of financial assets (marketable securities)
	(363)	(363)	363	-						Losses from spot and derivative transaction (realised)
		-	2,976	2,976	(2,976)					Impairment losses on financial assets
	(267)	(267)	267	-						Fees/commissions and administrative expenses
	(19)	(19)	(3)	(22)		22				Others
10,171	3,003	13,174	(7,410)	5,764	(2,835)	(51)	(710)	(63)	2,106	

Analyst Briefing Presentation

Key Financial Ratios

As at 30 September 2014 and 2013

NO.	RATIOS (%)	30 Sep 2014	30 Sep 2013
	CONSOLIDATED RATIOS :		
I.	Capital		
	1. Capital Adequacy Ratio (CAR)	17.95%	18.34%
II.	Earning assets		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.49%	1.47%
	2. Non-performing earning assets to total productive assets	1.94%	1.85%
	3. Allowance for impairment losses for financial asset to productive asset	2.29%	2.22%
	4. NPL gross	2.36%	2.17%
	5. NPL net	1.43%	1.25%
III.	Rentability		
	1. Return on Assets (ROA)	2.05%	3.47%
	2. Return on Equity (ROE)	9.25%	14.47%
	3. NIM including third party premium expenses	8.39%	9.78%
	4. Cost to income	56.25%	52.21%
	BANK RATIOS :		
I.	Capital		
	1. CAR	18.20%	18.09%
II.	Earning assets		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.43%	1.46%
	2. Non-performing earning assets to total productive assets	1.96%	1.91%
	3. Allowance for impairment losses for financial asset to productive asset	2.02%	1.96%
	4. NPL gross	2.54%	2.36%
	5. NPL net after impairment value	1.44%	1.29%
	6. Non performing iB receivables and financing with contract	1.46%	1.76%
III.	Rentability		
	1. ROA	3.76%	3.10%
	2. ROE	21.06%	14.50%
	3. NIM	7.28%	8.60%
	4. NIM including third party premium expenses	7.11%	8.43%
	5. Operating expenses to operating income	74.57%	77.72%
	6. Cost to income	59.06%	55.99%
IV.	Liquidity		
	LDR	91.34%	99.00%
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	8.07%	8.08%
	b. GWM Foreign Currency	8.17%	8.12%
	4. Net Open Position	1.34%	0.63%

Statements of Commitments and Contingencies

As at 30 September 2014 and 31 December 2013
(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		KONSOLIDASIAN	
		30 Sep 2014	31 Des 2013	30 Sep 2014	31 Des 2013
I	COMMITMENT RECEIVABLES				
	1. Unused borrowing facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contracts	5,242,105	8,927,047	5,242,105	8,927,047
	3. Others	-	-	-	-
II	COMMITMENT PAYABLES				
	1. Unused loans facilities granted to debtors				
	a. BUMN				
	i. Committed				
	- Rupiah	-	-	-	-
	- Foreign currencies	-	-	-	-
	ii. Uncommitted				
	- Rupiah	10,252	49,551	10,252	49,551
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	213,077	294,125	213,077	294,125
	ii. Uncommitted	45,136,820	31,106,414	45,136,820	31,106,414
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	14,436	23,155	14,436	23,155
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	597,415	217,207	597,415	217,207
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	2,200,130	1,573,293	2,200,130	1,573,293
	b. Local L/C	699,705	914,713	699,705	914,713
	4. Outstanding selling of spot and derivative contracts	2,229,580	3,208,393	2,229,580	3,208,393
	5. Others	-	-	-	-
III.	CONTINGENT RECEIVABLES				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	96,983	85,902	96,983	85,902
	2. Interest receivables on non performing assets				
	a. Loan interest income	362,353	292,383	362,353	292,383
	b. Other interest	-	2,538	-	2,538
	3. Others	-	-	-	-
IV.	CONTINGENT PAYABLES				
	1. Guarantees issued				
	a. Rupiah	2,824,937	2,764,076	2,824,937	2,764,076
	b. Foreign currencies	777,959	588,719	777,959	588,719
	2. Others	-	-	-	-

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Asset Quality and Other Information
As at 30 September 2014 and 2013
(in million Rupiah)

NO.	ACCOUNTS	30 September 2014						30 September 2013					
		Current	Special	Substandar	Doubtful	Loss	Total	Current	Special	Substandard	Doubtful	Loss	Total
		L	DPK	KL	D	M	JUMLAH	L	DPK	KL	D	M	JUMLAH
I. RELATED PARTIES													
1. Placements with other banks													
a. Rupiah	84,149	-	-	-	-	84,149	354,348	-	-	-	-	-	354,348
b. Foreign currencies	252,708	-	-	-	-	252,708	219,303	-	-	-	-	-	219,303
2. Spot and derivative receivables													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	40	-	-	-	-	-	40
3. Marketable securities													
a. Rupiah	70,996	-	-	-	-	70,996	33,554	-	-	-	-	-	33,554
b. Foreign currencies	821	-	-	-	-	821	5,206	-	-	-	-	-	5,206
4. Securities sold under repurchase agreements (repo)													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Securities purchased under resale agreements (reverse repo)													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Acceptance receivables							3,895						3,895
7. Loans													
a. Debtor micro, small and medium													
i. Rupiah	7	-	-	-	-	7	2,261	-	-	-	-	-	2,261
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Non debtor micro, small and medium													
i. Rupiah	26,057	-	-	-	-	26,057	20,483	287	-	-	-	-	20,770
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Restructured													
i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Properties loan	22,752	-	-	-	-	22,752	18,719	-	-	-	-	-	18,719
8. Investments	2,645,312	-	-	-	-	2,645,312	2,645,312	-	-	-	-	-	2,645,312
9. Temporary equity investment													
10. Others receivables													
11. Commitments and contingencies to third parties													
a. Rupiah	1,221,956	-	-	-	-	1,221,956	1,220,950	-	-	-	-	-	1,220,950
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Idle properties													
13. Foreclosed assets													
14. Suspense accounts													
II. NON RELATED PARTIES													
1. Placements with other banks													
a. Rupiah	757,798	-	-	-	-	757,798	326,586	-	-	-	-	-	326,586
b. Foreign currencies	7,281,685	-	-	-	-	7,281,685	4,146,247	-	-	-	-	-	4,146,247
2. Spot and derivative receivables													
a. Rupiah	212,007	-	-	-	-	212,007	301,025	-	-	-	-	-	301,025
b. Foreign currencies	45,387	-	-	-	-	45,387	399,539	-	-	-	-	-	399,539
3. Marketable securities													
a. Rupiah	11,074,545	-	-	-	20,000	11,094,545	10,122,803	-	-	-	20,000	-	10,142,803
b. Foreign currencies	802,562	-	-	-	-	802,562	465,718	-	-	-	-	-	465,718
4. Securities sold under repurchase agreements (repo)													
a. Rupiah	931,603	-	-	-	-	931,603	931,969	-	-	-	-	-	931,969
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Securities purchased under resale agreements (reverse repo)													
a. Rupiah	885,742	-	-	-	-	885,742	220,007	-	-	-	-	-	220,007
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Acceptance receivables	5,687,304	49,192	-	-	-	5,736,496	3,063,177	-	-	-	-	-	3,063,177
7. Loans													
a. Debtor micro, small and medium													
i. Rupiah	29,270,673	2,010,441	343,974	526,207	876,236	33,027,531	29,528,112	1,824,553	280,125	425,088	656,659	32,714,537	
ii. Foreign currencies	260,914	5,075	-	3,069	574	269,632	382,445	-	-	553	4,726	387,725	
b. Non debtor micro, small and medium													
i. Rupiah	56,308,979	4,369,640	215,440	245,282	262,669	61,402,010	50,019,992	4,660,233	166,224	233,870	329,611	55,409,930	
ii. Foreign currencies	10,610,579	790,846	39,914	-	157,229	11,598,568	11,597,000	375,757	-	-	259,108	12,231,865	
c. Restructured													
i. Rupiah	722,645	562,182	102,800	69,043	180,449	1,637,119	677,398	323,828	57,600	56,819	121,679	1,237,324	
ii. Foreign currencies	137,221	710,618	16,122	-	43,522	907,483	392,423	371,149	-	-	37,925	801,497	
d. Properties loan	4,479,212	179,198	6,558	4,705	46,567	4,716,240	3,859,925	163,181	6,992	10,486	25,751	4,066,335	
8. Investments	12,055	25	-	-	-	12,080	12,055	25	-	-	-	-	12,080
9. Temporary equity investment													
10. Others receivables	29,313	-	-	-	-	29,313	118,877	-	-	-	-	-	118,877
11. Commitments and contingencies to third parties													
a. Rupiah	36,835,837	151,572	150	-	99	36,987,658	27,914,388	172,110	-	-	-	-	28,086,498
b. Foreign currencies	13,969,355	295,762	-	-	-	14,265,117	10,643,053	57,811	-	-	-	-	10,700,864
12. Idle properties													
13. Foreclosed assets				80	472	552	-	-	80	593	1,108	-	1,781
14. Suspense accounts	1,512	-	-	-	-	1,512	1,622	-	-	-	-	-	1,622
III. OTHERS INFORMATION													
1. Collateralised assets													
a. To Bank Indonesia													62,560
b. To other parties													-
2. Total Allowance for impairment losses on financial assets -/-							2,769,556						2,436,176
3. Minimum required allowance for possible losses on assets							2,930,016						2,798,601
4. Percentage of micro, small and medium enterprises credit to total loans							31.32%						32.85%
5. Percentage of micro and small enterprises credit to total loans							12.75%						14.08%
6. Percentage of micro, small and medium enterprises debtors to total debtors							9.66%						9.65%
7. Percentage of micro and small enterprises debtor to total debtors							8.02%						8.31%
8. Others													
a. Channelling loans							350,638						350,640
b. Channelling loans Mudharabah Muqayadah							-						-
c. Written-off earning assets							1,791,932						2,037,771
d. Recovery on written-off earning assets							530,024						511,811
e. Charged-off earning assets							854,433						453,029

Allowance for Impairment Losses

As at 30 September 2014 and 2013

(in million Rupiah)

No.	ACCOUNTS	30 Sep 2014				30 Sep 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	-	7,205	83,763	-	-	3,746	50,465	-
2	Spot and derivative receivables	-	-	2,574	-	-	-	7,006	-
3	Marketable securities	-	20,839	32,545	20,000	-	21,210	28,505	20,000
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	-	56,873	2,460	-	-	30,671	-
7	Loans	391,450	2,327,885	941,336	1,659,908	382,139	1,984,658	890,715	1,658,195
8	Others receivable	22,177	-	293	-	-	44,414	1,189	-
9	Investments	-	-	26,574	1	-	-	26,574	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	-	64,942	21,943	-	10	57,033	11,496
		413,627	2,355,929	1,208,901	1,704,313	382,139	2,054,038	1,092,157	1,689,692

Statement of Foreign Exchange and Derivative Transactions

As at 30 September 2014

(in million Rupiah)

NO.	TRANSACTION	Notional Amount	Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
A.	Related to exchange rate					
1.	Spot	335,110	335,110	-	434	488
2.	Forward	391,333	391,333	-	7,743	5,240
3.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	5,983,322	5,374,072	609,250	247,551	96,773
6.	Others	-	-	-	-	-
B.	Related to interest rate					
1.	Forward	-	-	-	-	-
2.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Future	36,555	36,555	-	23	-
4.	Swap	171,864	171,864	-	1,643	124
5.	Others	-	-	-	-	-
C.	Others	-	-	-	-	-
	TOTAL	6,918,184	6,308,934	609,250	257,394	102,625

Capital Adequacy Ratio

As at 30 September 2014 and 2013
(in million Rupiah)

NO.	DESCRIPTION	30 Sep 2014		30 Sep 2013	
		Bank	Konsolidasian	Bank	Konsolidasian
I.	COMPONENTS				
	A. CORE CAPITAL	24,020,406	28,647,798	21,293,620	26,362,827
	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	276,767	276,767	236,350	236,350
	d. Specific reserves	-	-	-	-
	e. Prior years' profit after tax (100%)	10,124,498	15,682,284	8,521,407	13,009,760
	f. Current year profit net of taxes (50%)	1,976,311	1,051,477	1,236,017	1,503,315
	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	(53,177)	(26,089)	(77,453)	(77,453)
	f. Under provision between regulatory provision and impairment value on	(143,659)	-	(345,672)	(65,465)
	g. Under provision between regulatory provision and impairment value on non productive assets	(16,801)	(16,801)	(16,751)	(16,751)
	h. Negative difference on fair value of financial instrument in trading book	-	-	-	-
	3. Innovative Capital				
	3.1 Subordinated marketable securities (perpetual non cumulative)	-	-	-	-
	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%)	(1,436,411)	(538,186)	(1,553,156)	(445,275)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	5. Minority interest	-	-	-	-
	B. SUPPLEMENTARY CAPITAL	-	890,114	-	842,287
	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)	1,208,901	1,428,300	1,092,156	1,287,562
	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%)	(1,208,901)	(538,186)	(1,092,156)	(445,275)
	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)	24,020,406	29,537,912	21,293,620	27,205,114
	III. TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A+B-C+E)	24,020,406	29,537,912	21,293,620	27,205,114
	IV. RISK WEIGHTED ASSETS - CREDIT RISK	109,353,185	132,108,579	97,153,345	119,412,236
	V. RISK WEIGHTED ASSETS - OPERATIONAL RISK	22,214,233	32,060,719	20,269,187	28,600,198
	VI. RISK WEIGHTED ASSETS - MARKET RISK	411,649	415,150	297,103	306,172
	VII. CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))	18.26%	17.99%	18.13%	18.38%
	VIII. CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE (III:(IV+V+VI))	18.20%	17.95%	18.09%	18.34%

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Syariah Unit

BALANCE SHEETS
AS AT 30 SEPTEMBER 2014 AND 2013
(In million Rupiah)

NO.	ACCOUNTS	30 Sep 2014	30 Sep 2013
A.	ASSETS		
1.	Cash	29,377	43,986
2.	Current accounts with Bank Indonesia	99,684	72,557
3.	Certificates of Bank Indonesia Sharia	308,000	316,000
4.	Placement with other sharia banks	-	-
	Allowance for possible losses on placement with other sharia banks -/-	-	-
5.	Marketable securities - sharia bonds	95,000	95,000
	Allowance for possible losses on marketable securities - sharia bonds -/-	(20,750)	(20,750)
6.	iB receivables *)	204,416	227,706
	Allowance for possible losses on iB receivables -/-	(17,349)	(18,116)
7.	Others iB receivables	62,383	140,265
	Allowance for possible losses on others iB receivables -/-	(872)	(258)
8.	iB financing	2,028,236	1,420,901
	Allowance for possible losses on iB financing -/-	(24,584)	(24,976)
9.	Fixed assets	27,711	27,143
	Accumulated depreciation of fixed assets -/-	(12,843)	(9,065)
10.	Accrued income	16,503	13,326
11.	Prepaid expenses	29,833	42,673
12.	Other assets	5,040	18,170
	TOTAL ASSETS	2,829,785	2,344,562
B.	LIABILITIES		
1.	iB funds		
	a. iB deposit current accounts	299,751	228,874
	b. iB deposit savings	3,530	4,614
	Others iB current liabilities	4,251	2,770
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	238,455	24,868
5.	iB marketable securities issued	-	50,000
6.	Others liabilities	624,257	1,049,195
7.	Investment funds		
	a. iB savings	462,082	298,878
	b. iB deposits	1,193,916	687,930
8.	Accumulated gain/(loss)	3,543	(2,567)
	TOTAL LIABILITIES	2,829,785	2,344,562

STATEMENTS OF INCOME
FOR THE PERIOD 9 MONTHS 30 SEPTEMBER 2014 AND 2013
(In million Rupiah)

NO.	ACCOUNTS	30 Sep 2014	30 Sep 2013
A.	OPERATING INCOME		
1.	Margin	22,569	19,435
2.	Profit sharing	149,019	106,283
3.	iB Bonus	1,655	689
4.	Other operating income	42,066	54,079
B.	TOTAL OPERATING INCOME	215,309	180,486
C.	Margin distribution for non - discretionary investment funds		
	a. Bank	776	632
	b. Non Bank	70,858	37,284
	c. Bank Indonesia (FPJPS)	-	-
D.	TOTAL PROFIT SHARING	71,634	37,916
E.	Income from operation after deducting margin distribution for non-discretionary investment funds	143,675	142,570
F.	OPERATING EXPENSES		
1.	iB bonus	2,124	1,247
2.	Allowance for possible losses on assets	12,523	14,606
3.	General and administrative	18,025	16,872
4.	Salaries and employee benefits	81,208	78,671
5.	Others	21,275	27,500
G.	TOTAL OPERATING EXPENSE	135,155	138,896
H.	NET OPERATING INCOME	8,520	3,674
I.	Other non-operating income	2,984	1,980
J.	Other non-operating expenses	7,961	8,221
K.	NON-OPERATING LOSS	(4,977)	(6,241)
L.	NET INCOME/(LOSS) PERIOD ENDED	3,543	(2,567)

STATEMENTS OF COMMITMENTS AND CONTINGENCIES
AS AT 30 SEPTEMBER 2014 AND 2013
(In million Rupiah)

NO.	ACCOUNTS	30 Sep 2014	30 Sep 2013
1.	Unused iB financing facilities (**)	-	-
2.	Outstanding iB irrevocable letters of credit	391	953
3.	iB guarantees issued	-	-
4.	Others	1,883	2,535

Notes:

- Danamon Sharia Branches : Jakarta, Bukit Tinggi, Aceh, Surabaya, Martapura, Solo, Makassar, Bandung, Cirebon, Malang, Tasikmalaya, Kediri, Semarang, Jember, Mataram, Lampung, Serang, Yogyakarta, Palembang, Pekanbaru, Medan, Purwokerto, Denpasar, Batam and Tegal.

*) iB receivables exclude margin to be received of Rp 40,843 million and Rp 54,161 million as at 30 September 2014 and 2013, respectively.

**) This unused iB financing facilities is only for committed facilities.

Table of Margin Distribution

For the month of September 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	9,487	78	0.00	-	-
	b. Non Bank	331,535	2,732	0.00	-	-
2.	iB deposit savings					
	a. Bank	-	-	0.00	-	-
	b. Non Bank	3,141	26	0.00	-	-
3.	iB savings					
	a. Bank	22,847	188	13.00	24	1.30
	b. Non Bank	403,874	3,329	13.00	433	1.30
4.	iB deposits					
	a. Bank					
	- 1 month	44,034	363	46.00	167	4.61
	- 3 months	0	0	46.00	0	4.61
	- 6 months	0	0	46.00	0	4.61
	- 12 months	3,772	31	46.00	14	4.61
	b. Non Bank					
	- 1 month	946,252	7,799	46.00	3,587	4.61
	- 3 months	18,595	153	46.00	70	4.61
	- 6 months	46,356	382	46.00	176	4.61
	- 12 months	9,557	79	46.00	36	4.61
	TOTAL	1,839,450	15,160		4,507	

Notes to the Financial Statements

1. Information in the consolidated statements of financial position and consolidated statements of commitments and contingencies as at 30 September 2014 and 31 December 2013, and in the consolidated statements of comprehensive income and consolidated statements of cash flows for the nine-month periods ended 30 September 2014 and 2013, were taken from the consolidated financial statements for the nine-month periods ended 30 September 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 nine-month period ended 30 September 2013 have been reclassified to conform with the presentation of consolidated financial statements for the nine-month period ended 30 September 2014.
3. The consolidated financial statements for the nine-month periods ended 30 September 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

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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.

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 30 September 2014: USD 1 = Rp12,185; Exchange rate as at 31 December 2013: USD 1 = Rp12,170.00 ; exchange rate as at 30 September 2013: USD 1 = Rp11,580.