

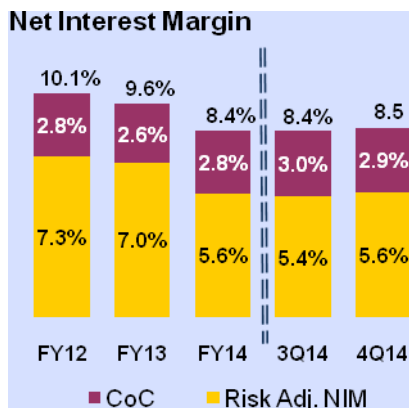
## INVESTOR NEWSLETTER

January 2015

### Highlights of Full Year 2014 Results

- ✓ Danamon's **NIM stabilized** since 3Q14 and came at **8.5% in 4Q14** (3Q14: 8.4%) underpinned by yield adjustment and eased CoF pressure.
- ✓ **LDR was secured at 91.7%** on average in 4Q14, well below BUKU 3 banks of 99.6%, after vigorous efforts in the past 18 months. **CASA ratio was 49%** by year end.
- ✓ Asset quality remained intact, **NPL at 2.3% and CoC of 2.8% in 2014**.
- ✓ The Bank exercised productivity and efficiency initiatives through branch and headcount realignment, resulted in **negative q-q opex growth since 1Q14**.
- ✓ **Rp306 billion of restructuring cost** was booked in 4Q14 as part of turnaround strategy.
- ✓ By year end, **the Bank still had Rp 724 billion of ADMF fee income to be amortized for the rest of the loan tenor**, to comply with OJK rules regarding fee income recognition.
- ✓ FY2014 **Normalized NPAT reached Rp3.45 trillion**, while **Reported NPAT was Rp2.6 trillion**.
- ✓ In 2015, loan projected to grow 9-12%. Loan is expected to grow from all line of businesses.

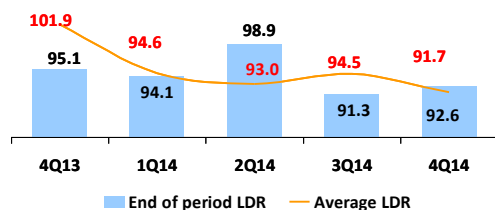
### NIM stabilized started from the 3Q14



Net interest margin (NIM) has stabilized in the last quarter of 2014, resulted from the combination of yield improvement and lower CoF partly due to OJK's (*Otoritas Jasa Keuangan*/ Financial Service Authority) interest rate cap on deposit rate since October 2014. Hence, 4Q14 NIM improved 10 bps to 8.5% from 8.4% in the previous quarter, while in full year NIM stood at 8.4%.

We expect NIM will continue to stabilize at 8.4% in 2015. This NIM level will be supported by 2014 loan re-pricing which full impact will be recognised in 2015.

Loan to Deposit Ratio (%)

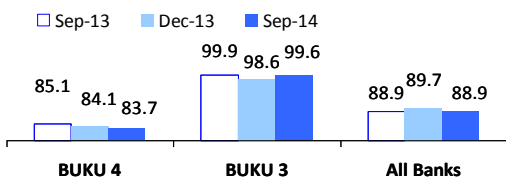


**The Bank had successfully brought down LDR over the past 18 months to 92.6%, below average BUKU 3 banks' LDR of 99.6%.**

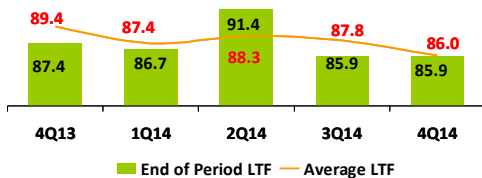
BDI's LDR continuously improved to 92.6% at the end of 2014. Average LDR at the last quarter of 2014 stood at 91.7% or an improvement of 280 bps from that of the earlier quarter and an improvement of 1,020 bps from the last quarter of 2013.

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**Industry LDR (%)**



**Loan to Funding (%)**

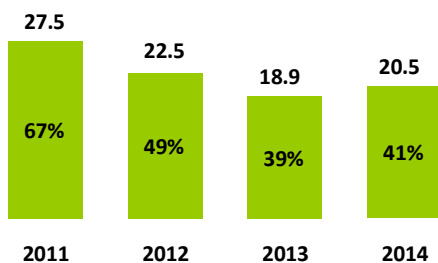


Danamon's LDR was much lower than average of BUKU 3 banks' LDR that per end of third quarter of 2014 stood at 99.6%. BUKU 3 is a category determined by the authority that mainly characterized by having equity of between Rp5 trillion to Rp30 trillion (for the categorization purpose, definition of the equity was set by regulator and was not necessarily in line with the generally accepted accounting principle).

Taking into account the use of long term fund into the liquidity assessment, Loan to Funding ratio (LTF) reached a record low to 85.9% at the end of 2014, lower than the position as at end of 2013 that stood at 87.4%.

At the end of November 2014, industry LDR was 88.65%, down from its peak point during the year at 92.19% in the month of July. It was due to banks slowing down loan growth till end of 2014. Similarly, industry excess deposits reached Rp441 trillion at November 2014 from Rp344 trillion a year before. Year on year, as per November 2014, industry deposit grew 13.6% to Rp3,890 trillion while loan rose 11.9% to Rp3,448 trillion.

**ADMF Joint Financing Loan (Rp tn)**



**On liquidity management, long term funding has shifted the reliance on joint finance and limited market risk derived from customer short term deposit re-pricing.**

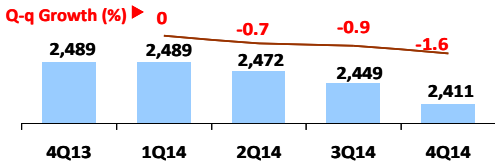
As a strategic option, the use of long term funding to diversify funding and provide more steady liquidity, as well as to address interest rate risk and asset-liability duration mismatch, was continued in 2014. The fixed rate, medium/long term duration characteristics of wholesale funding match nicely with the duration and fixed interest rate loan of automotive financing offered by PT Adira Dinamika Multi Finance (Adira Finance/ ADMF).

The long term funding also had shifted reliance on the joint financing. In 2010, only 78% of loans were channelled by Adira Finance was made through joint financing scheme. By the end of 2014, the portion of joint financing was reduced to 41%.

The use of long term funding aslo helped the Bankwide liquidity position. With total long term funding of Rp 27.4 trillion by end of 2014 (accounted to 19% of total funding), the loan to funding ratio improved to 85.9% from last year's 87.4%.

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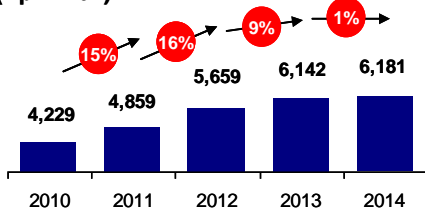
**Operating Expenses (Rp billion)**



**Diligent opex management is needed to preserve bottom line while margin is normalized**

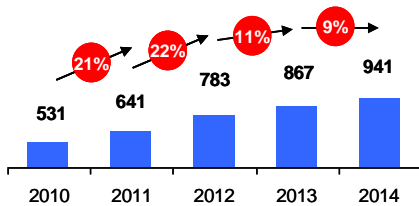
Serving mass market with service spanned throughout Indonesia, BDI is one of the largest employers in the financial sector. At the same time manpower cost and facilities cost represented about two third of total operating expenses.

**Manpower Cost (Rp Billion)**



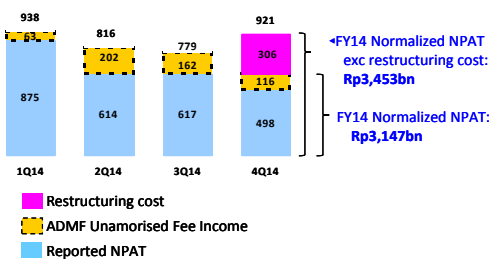
In 2014, discipline operating expense management helped the Bank re-aligning its branches and people, cutting redundancies in many support and back office areas, and promoting shared service. These were performed despite the challenging operating environment. As a result, operating expense in 2014 (Rp9,821 billion) was relatively flat compared to that of the 2013 (Rp9,695 billion). Quarter to quarter, operating expense had decreased since the first quarter of 2014 to end of 2014.

**Facilities cost (Rp billion)**



Continuing discipline operating expense management, coupled with business transformation program, relatively lower operating expense in 2015 will be expected that overall cost to income ratio will be improved.

**NPAT (Rp bn)**

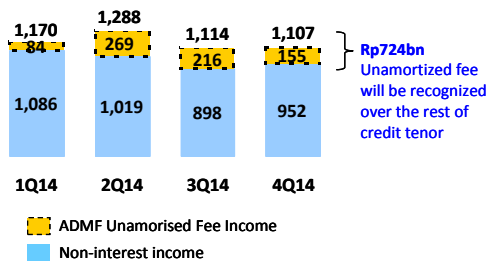


**Cost optimization is an important driver of return going forward. Rp 306 billion of restructuring cost was booked to reform the Bank.**

As discussed earlier, Bank has started a major transformation program from end of 2014. Cost optimization, which is a key aspect for the transformation is an important driver of Bank's return going forward. Thus, benefits of the program will come started as early as 2015, Rp. 306 billion (amount net of the tax shield), which is the most part of the transformation cost, had been recognised as expense in 2014.

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**Unamortised fee income related to change in recognition (Rp bn)**



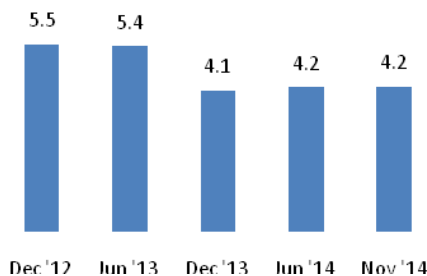
**OJK regulation related to insurance commission led to Rp724 billion unamortised income at the end of 2014**

Other than impacted by the restructuring cost, 2014 performance also significantly impacted by OJK’s regulation No SE-06/D.05/2013 regarding vehicle insurance, that impacting the way Adira Finance income recognition related to insurance commission (please see appendix for more detail discussion). Should there’s not restructuring cost nor change in income recognition, the Bank would recognise higher NPAT amounting to Rp849 billion, or almost 36% higher than what is reported.

**In 2015, Danamon is implementing bankwide transformation to enhance its competitive edge, customer service, and cost optimization including hiving off non profitable businesses.**

Over the last three years, banking competition landscape, as shown by the NIM, has changed significantly. The Indonesian Banking Statistic, as published by the Indonesian Central Bank, recognised that NIM for Commercial bank has decreased 231 bps from 5.91% in December 2011 to 4.24% in November 2014.

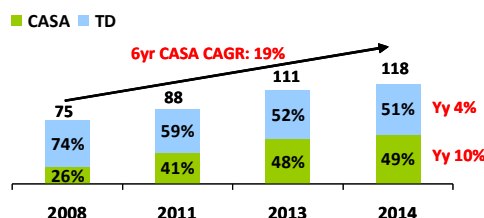
**NIM of Commercial Bank (%)**



We foresee that when banks continuously expand, liquidity will remain competitive, therefore, NIM compression is inevitable. Danamon together with its subsidiaries have taken a proactive strategic approach to address this issue and have started a transformation program from the last quarter of 2014. The transformation program will become an important driver of return going forward.

The currently progressing transformation programs might be expanded in the future. This program covered various aspects.

**Customer Deposits (Rp tn)**



**Dominated by the Saving Account, CASA ratio stood at 49%, higher than the average of other BUKU 3 Banks’ CASA**

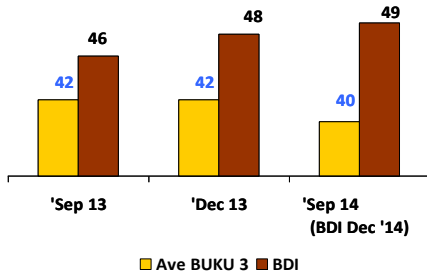
Since 2008, Danamon continuously built a strong funding franchise with the main focus in current accounts and saving accounts (CASA). Over the period, CASA had grown steadily at 19% CAGR to December 2014. While both of current account and saving account growth healthily, the

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saving account still dominated the total CASA balance. As at the end of 2014, saving account was responsible to 60% of the total CASA.

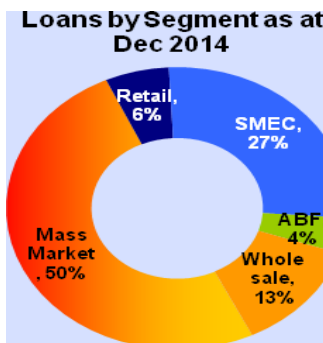
The growth in CASA outpaced the growth in TD that came merely at 1% CAGR from 2008. It had led to Bank's CASA rate of 49% at the end of 2014. The 49% CASA rate was higher than average CASA rate of other banks in BUKU 3 that per September 2014 stood at 40%.

**CASA Ratio (%)**



Bank aspires to accumulate more CASA. Various initiatives to make this possible including:

- Grow the customer base with focus on self-employed and affluent segments.
- Leveraging Adira and DSP's networks potential; four Adira branches had been piloting this initiative.
- Do cross sell with Adira's customers and introduce new bancassurance as well as CASA products.
- Relocation of less productive ATMs and branches.
- Continuously promote mobile banking application and SMS banking.
- Introduced Financial Supply Chain initiative, i.e. approach various companies that are regularly transacting one another to become our customers.



**Overall loan growth was largely driven by midsize customer**

2014 Loan growth had been impacted by many factors, including asset quality and expected NIM. Year on year, as at end of 2014, loans rose by 3%. The growth was underpinned by SMEC (Small & Medium Enterprise and Commercial) and retail market segments that together expanded 11% to Rp 37.4 trillion. Mass market loan booked a total loan of Rp. 70.0 trillion, a similar loan level compared to loan at the earlier year. On the other hand, loan to wholesale segment and asset-based financing dropped. These had led to a change in asset mix where midsize customers become more prominent to the Bank.

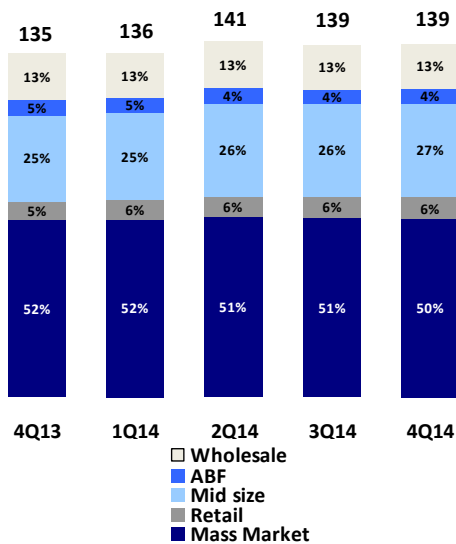
The change in the asset mix was in line with the Indonesia demographic shift where people belong to middle and affluent class (as opposed to poor and aspirant class) will increase both in term number as well as

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proportion. Yet, BDI will continuously foster its presence across all economic spectrums.

The growing importance of SME segment was initiated in 2010 when BDI started to focus in promoting this segment. As a result, since end of 2010, SME segment had grown at CAGR 19% to Rp. 20.0 trillion (excluding asset-based financing channelled to this customer segment). Though still manageable, increase in the loan was followed by increase in NPL to 2.3% at the end of 2014 (2013: 1.5%).

**Loan Composition & Size (Rp trillion)**



Commercial segment was another loan growth engine for the Bank in 2014. Year on year, it grew 9%, or a CAGR of 21% over the last four years to Rp 15.1 trillion by end of 2014 (excluding asset-based financing channelled to this customer segment). Though NPL on this segment increase significantly compare to the year earlier, the NPL level of 0.8% at year end was still quite low (2013: 0.3%).

Similarly, syariah segment booked a very healthy growth. Going from a low base, this segment recorded CAGR of 38% since end of 2010. In 2014 it only booked a 38% growth to Rp 2.3 trillion. At the end of 2014 NPL stand at 2.3% (2013: 1.5%).

As for wholesale segment, it recorded a CAGR of 14% since end of 2010 though loan in 2014 was decrease for about 3% compared to the 2013 level. NPL was stayed at 1.0% as per the level a year earlier.

A challenging situation was still faced by mass market segment. Compare to situation per end of 2014, Adira Finance recorded a modest growth of 3% loan or about the same level of loan compare to the loan per end of 3Q14. New booking grew slightly yoy (mostly driven by two wheels loan that increase by 4% while four wheels loan shrank by 3%).

Similarly, micro loan contracted by 5% yoy to Rp 19.0 trillion, remained a challenge for BDI particularly in Java. However, as discussed earlier, Management had identified various strategic actions to improve the performance of this segment.

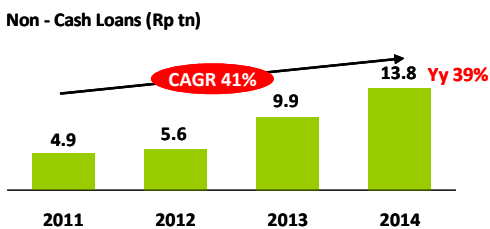
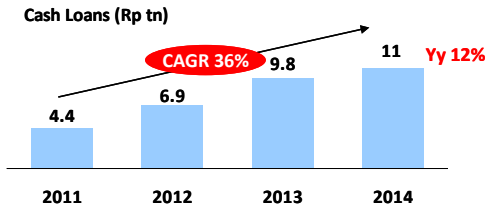
Asset-based financing was another area where loan value reduced compare to the value at the earlier year. At the end of 2014, total outstanding asset-based financing was Rp. 5.7 trillion, or reduction of 12% compared to earlier year balance. This reduction was made on purpose considering the high risk involved in this type of loan while economic didn't grow very well.

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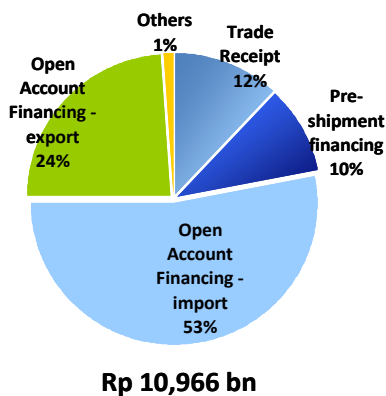
**Trade Finance : 39% Expansion for 3-Yr CAGR**

The Bank believes in investment on people and infrastructure. Danamon has invested in New Trade Finance System (NTFS) to add more customer touch points. Trade specialists 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.

As a result, trade finance remained grow robustly. From end of 2011 to end of 2014, Cash loan booked a 36% CAGR while non-cash loan booked a 41% CAGR. At the same time, asset quality remained sound. NPL stood at 0.5%, or Rp 60 billion. It mostly came from trust receipt.



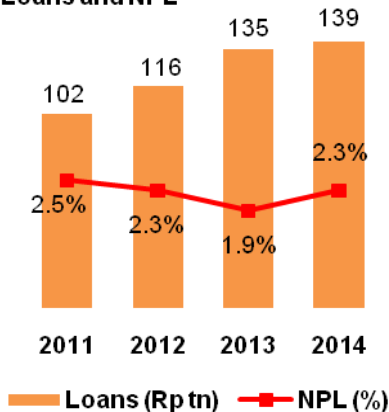
**Cash Loans by products – 2014**



**Overall asset quality remained in-check; NPL was relatively stable at 2.3% whilst CoC improved 10bps q-q in standing at 2.9%.**

Bank Danamon’s conservative approach in balancing the loan growth and asset quality resulted in the expected asset quality. Despite of macroeconomic challenges, NPL as at the end of 2014 had been kept at manageable level of 2.3%. This figure was slightly better than the situation per earlier quarter of 2.4%, though still higher than the NPL per end of 2013 that stood at 1.9%. Such increment was mainly driven by NPL rising in our Micro and SME loan that stood at 7.0% and 2.3% respectively from 5.9% and 1.5% of last year’s figures. The NPL increase also contributed by higher NPL in asset-based financing mainly contribute by coal related that stood at 2.0% from 0.6%, just a year earlier. We expect that the NPL could be managed at the same level in 2015.

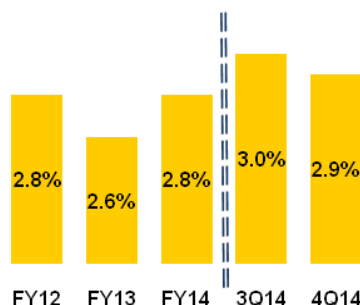
**Loans and NPL**



BDI monitored its loans from various angles. NPL monitoring by industry sector enable us to better understand our customers’ profile. As at end of 2014, the highest NPL came from the mining sector that stood at 10.6% with the loan exposure of merely 2.2%. Other than this sector, NPL are well managed. Increase in NPL ratio for mining industry (2013: 7.65%) was partly caused by worsening performance of some commodities related borrowers that has been an identified issues since previous periods.

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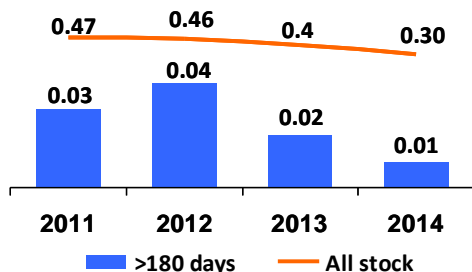
**Cost of Credit**



Further, at 2.8%, 2014 cost of credit (CoC) was slightly higher than 2.6% of the 2013. Yet, the 4Q14 cost of credit of 2.9% had been an improvement from that of the earlier quarter.

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 lowered down to maintained at 0.01% and 0.3%, respectively. Similarly, loss on repossessed assets was stable at around 25% level.

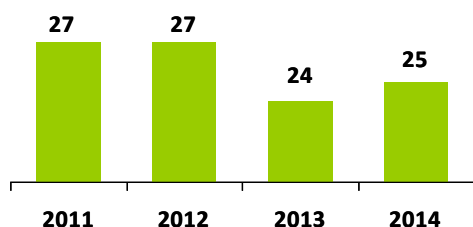
**Repo Assets as % of Receivables (%)**



In line with the increase of NPL rate occurred throughout the banking industry, the Bank also experienced a NPL rate increase compared to that per end of 2013. However, the increase was still at a manageable level. Even, quarter on quarter, the NPL rate as at end of 2014 was slightly better than that of the earlier quarter.

(%)	2013	3Q14	2014	Y-y	Q-q
Mass Market	2.6	3.2	3.1	0.5	-0.1
Retail	1.2	1.6	1.6	0.4	-
Mid Size	1.0	1.6	1.7	0.7	0.1
ABF	0.6	1.0	2.0	1.4	1.0
Wholesale	1.0	1.1	1.0	-	-0.1
<b>Total</b>	<b>1.9</b>	<b>2.4</b>	<b>2.3</b>	<b>0.4</b>	<b>-0.1</b>

**Loss on Repo Assets – Ave. (%)**



**Internal LCR assessment showed that the Bank has met OJK minimum reference for Basel III on the Liquidity Coverage Ratio (LCR)**

Basel Committee on Banking Supervision (BCBS) document related to Basel III Liquidity Coverage Ratio (LCR) was released in January 2013. The ratio measures bank short term resilience of the liquidity risk profile based on its High Quality Liquid Assets within crisis scenario in 30 calendar days. Related to that, OJK issued a Consultative Paper in September 2014.

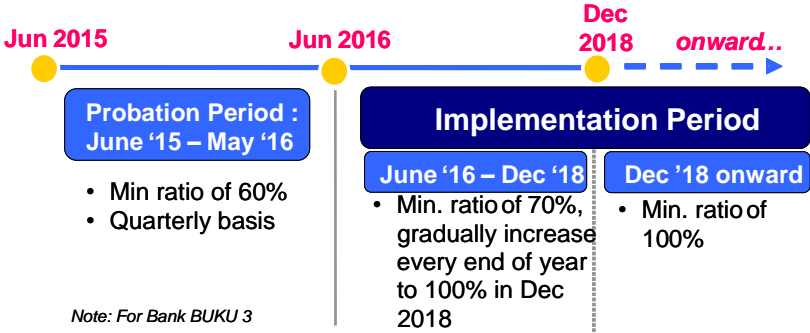
To ensure that the Bank ready for this new liquidity measurement, the Bank had use bank only financial position (not consolidated) to calculate LCR in accordance with the Consultative Paper issued by OJK on 30 Sep 2014.

BDI's internal LCR estimation on the LCR indicated that the Bank will meet OJK's minimum reference for Basel III requirement on the Liquidity Coverage Ratio as stated in consultative paper dated September 2014.



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To meet the Basel III standard and local regulatory requirement, the LCR estimation should be conducted periodically. Accordingly, in 2014, BDI had started developing an ALM system that incorporates LCR calculation (based on the the OJK regulation that is not final yet). Implementation timeline for this could be summarized as follow:



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**Key Figures and Ratios**

	FY13	FY14	ΔYoY	1Q14	2Q14	3Q14	4Q14	ΔQoQ
<b>INCOME STATEMENTS (Rp billion)</b>								
Net Interest Income	13,531	13,680	1%	3,425	3,319	3,427	3,509	2%
Non Interest Income	4,929	3,956	-20%	1,086	1,019	898	952	6%
Operating Income	18,460	17,636	-4%	4,511	4,338	4,325	4,461	3%
Cost of Credit	3,184	3,798	19%	827	1,001	1,006	963	-4%
Risk Adjusted Op. Income	15,276	13,837	-9%	3,684	3,336	3,319	3,498	5%
Operating Expenses	9,695	9,821	2%	2,489	2,472	2,449	2,411	-2%
Restructuring cost		306					306	
Net Profit after taxes	4,041	2,604	-36%	875	614	617	498	-19%
Normalized NPAT	4,041	3,453	-15%	938	816	779	921	18%
<b>BALANCE SHEETS (Rp billion)</b>								
Total Assets	184,237	195,709	6%	185,920	185,433	194,373	195,709	1%
Loans (gross)	135,383	139,057	3%	135,818	140,647	138,681	139,057	0%
Government Bonds	5,598	6,605	18%	5,513	5,719	6,488	6,605	2%
Total Deposits	139,858	145,705	4%	138,915	136,663	144,134	145,705	1%
Current Account	21,132	23,157	10%	18,406	19,500	20,053	23,157	15%
Savings	32,053	35,100	10%	28,321	29,320	29,990	35,100	17%
Time Deposit	57,621	60,068	4%	65,159	61,603	65,823	60,068	-9%
Borrowings and LT. Funding	29,052	27,381	-6%	27,029	26,240	28,267	27,381	-3%
Equity	31,251	32,780	5%	32,106	31,558	32,101	32,780	2%
<b>KEY RATIOS (%)</b>								
Net Interest Margin	9.6	8.4	-1.2	8.6	8.2	8.4	8.5	0.1
Cost of Credit	2.6	2.8	0.2	2.5	3.0	3.0	2.9	-0.1
Cost to Income	52.5	55.7	3.2	55.2	57.0	56.6	54.0	-2.6
BOPO	79.7	76.6	-3.1	89.6	56.0	87.6	83.7	-3.9
ROAA	2.5	1.4	-1.1	1.9	1.3	1.3	1.0	-0.3
ROAE	14.5	8.6	-5.9	11.4	8.1	8.2	6.6	-1.6
Assets to Capital (x)	6.7	6.6	-0.1	6.2	6.3	6.6	6.6	0.0
Regulatory LDR	95.1	92.6	-2.5	94.1	98.9	91.3	92.6	1.3
Stand Alone Loan to Funding *	86.6	84.8	-1.8	85.6	91.6	84.8	85.1	0.4
Consolidated Loan to Funding *	87.4	85.9	-1.5	86.7	91.4	85.9	85.9	0.0
Stand Alone CAR	17.5	18.2	0.7	18.4	17.8	18.2	18.2	-0.0
Consolidated CAR	17.9	17.9	0.0	18.8	17.7	17.9	17.9	-0.1
NPL – Gross	1.9	2.3	0.4	1.9	2.1	2.4	2.3	-0.0
Loan Loss Coverage (LLP/Total Loans)	128.3	122.6	-5.7	130.6	126.0	117.5	122.6	5.1
Coverage (LLP/NPL) – Mass Mkt	121.0	119.6	-1.4	123.2	118.7	112.8	119.6	6.8
Coverage (LLP/NPL) – Non Mass Mkt	149.1	128.8	-20.2	151.8	146.2	128.6	128.8	0.2

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

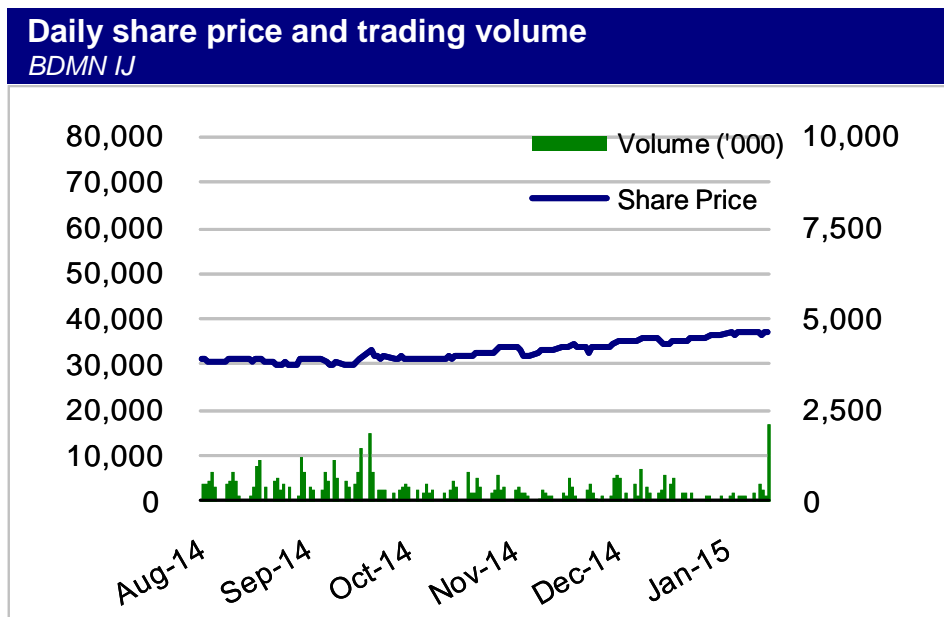
## Credit Ratings

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

## Ownership Structure

Ownership Structure	Number of Shares	Ownership (%)
<i>As of 31 December 2014</i>		
Asia Financial (Indonesia) Pte, Ltd.	6,457,558,472	67.4%
JPMCB - Franklin Templeton Inv. Funds	650,279,488	6.8%
Public (each < 5%)	2,476,805,405	25.8%
<b>Total</b>	<b>9,584,643,365</b>	<b>100.00%</b>

### 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 multi finance 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 benefited 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 31 December 2014 and 2013

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2014	31 Dec 2013*)	31 Dec 2014	31 Dec 2013*)
	<b>ASSETS</b>				
1.	Cash	2,728,140	2,825,082	2,856,242	2,943,909
2.	Placements with Bank Indonesia	13,384,832	12,903,138	13,384,832	12,903,138
3.	Placements with other banks	8,976,765	7,127,226	11,473,141	9,210,256
4.	Spot and derivative receivables	242,267	740,000	461,291	1,174,517
5.	Marketable securities				
	a. Designated at fair value through profit/loss	702,775	126,788	702,775	126,788
	b. Available for sale	12,920,272	11,272,216	13,589,338	11,881,419
	c. Held to maturity	210,346	321,819	289,346	400,819
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	933,094	937,500	933,094	937,500
7.	Securities purchased under resale agreements (reverse repo)	540,541	-	540,541	-
8.	Acceptance receivables	7,567,043	4,107,561	7,567,043	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	107,088,814	103,895,851	107,088,814	103,895,851
10.	Sharia financing	2,486,315	1,884,790	2,486,315	1,884,790
11.	Consumer financing receivables	-	-	27,536,299	28,091,602
	Allowance for impairment losses on consumer financing receivables -/-	-	-	(1,117,447)	(913,771)
12.	Premium receivables	-	-	366,554	118,268
13.	Reinsurance Assets	-	-	670,216	568,311
14.	Investments	2,802,796	2,657,392	157,581	12,175
15.	Allowance for impairment losses on financial assets -/-				
	a. Marketable securities	(21,442)	(21,122)	(21,442)	(21,122)
	b. Loans	(2,800,918)	(2,312,387)	(2,800,918)	(2,312,387)
	c. Others	(7,663)	(28,260)	(36,606)	(42,440)
16.	Intangible assets	1,022,520	926,022	3,117,093	2,990,289
	Accumulated amortisation on intangible assets -/-	(799,660)	(681,198)	(1,749,851)	(1,611,864)
17.	Fixed assets and equipment	4,135,606	3,702,845	5,137,287	4,587,425
	Accumulated depreciation of fixed assets and equipment -/-	(2,165,411)	(1,825,780)	(2,647,430)	(2,203,431)
18.	Non earning asset				
	a. Idle properties	16,397	16,289	16,397	16,289
	b. Foreclosed assets	499	1,626	499	1,626
	c. Suspense accounts	671	570	671	570
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	146	117
	ii. Conducting operational activities outside Indonesia	-	-	-	-
19.	Allowance for impairment losses on other assets -/-	-	-	-	-
20.	Leased receivables	-	-	1,945,602	1,511,042
21.	Deferred tax assets	1,073,523	946,200	1,180,673	1,022,113
22.	Other assets	2,206,829	2,496,869	2,580,497	2,955,988
	<b>TOTAL ASSETS</b>	<b>163,244,951</b>	<b>152,021,037</b>	<b>195,708,593</b>	<b>184,237,348</b>

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\*) As reclassified (Note 2)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2014	31 Dec 2013*)	31 Dec 2014	31 Dec 2013*)
	<b>LIABILITIES AND EQUITY</b>				
1.	Current accounts	22,028,801	20,123,886	21,436,762	19,538,749
2.	Savings	34,624,640	31,610,413	34,624,640	31,610,413
3.	Time deposits	58,347,110	57,159,885	58,325,110	56,637,058
4.	Revenue sharing investment funds	2,165,150	1,402,833	2,108,712	1,374,962
5.	Deferred premium income	-	-	1,235,633	1,004,137
6.	Unearned premium reserve	-	-	976,255	940,109
7.	Loans from Bank Indonesia	-	-	-	-
8.	Borrowings from other banks	2,428,794	1,699,244	2,428,794	1,699,244
9.	Spot and derivative liabilities	101,438	456,211	129,261	458,850
10.	Securities sold under repurchase agreements (repo)	750,000	759,245	750,000	759,245
11.	Acceptance payables	7,554,464	4,103,382	7,554,464	4,103,382
12.	Marketable securities issued	919,985	918,972	11,892,943	12,122,028
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	2,042,731	4,816,559	14,496,842	16,068,470
14.	Security deposits	11,907	46,981	11,907	46,981
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	154,939	347,424
17.	Other liabilities	3,200,807	3,167,200	6,564,807	5,973,313
18.	Profit sharing investment funds	-	-	-	-
	<b>TOTAL LIABILITIES</b>	<b>134,175,827</b>	<b>126,264,811</b>	<b>162,691,069</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 -/-	(6,337,467)	(6,337,467)	(6,337,467)	(6,337,467)
	c. Treasury stock -/-	-	-	-	-
20.	Additional paid-up capital				
	a. Agio	7,391,756	7,391,756	7,391,756	7,391,756
	b. Disagio -/-	-	-	-	-
	c. Donated capital	-	-	-	-
	d. Capital paid in advance	-	-	-	-
	e. Others	-	-	-	-
21.	Other comprehensive income				
	a. Difference in foreign currencies translation	-	-	-	-
	b. Gains (losses) from changes in the value of financial assets as available for sale	120,407	(71,161)	88,876	(116,646)
	c. Cash flow hedges	6,493	31,273	(63,404)	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	-	-	-	-
24.	Others Equity	-	-	-	-
25.	Reserves				
	a. General reserves	276,767	236,350	276,767	236,350
	b. Specific reserves	-	-	-	-
26.	Retained earnings				
	a. Previous years	11,014,012	9,303,232	16,580,392	13,791,582
	b. Current year	4,358,567	2,963,654	2,604,017	4,041,684
	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY</b>	<b>29,069,124</b>	<b>25,756,226</b>	<b>32,779,526</b>	<b>31,251,473</b>
27.	Non-controlling interests	-	-	237,998	301,510
	<b>TOTAL EQUITY</b>	<b>29,069,124</b>	<b>25,756,226</b>	<b>33,017,524</b>	<b>31,552,983</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>163,244,951</b>	<b>152,021,037</b>	<b>195,708,593</b>	<b>184,237,348</b>

\*) As reclassified (Note 2)

## Statements of Comprehensive Income

For the Years Ended 31 December 2014 and 2013

(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	<b>INCOME AND EXPENSES FROM OPERATIONS</b>				
<b>A.</b>	<b>Interest Income and Expenses</b>				
1.	Interest Income				
	a. Rupiah	15,521,875	13,664,372	22,046,563	19,354,829
	b. Foreign currencies	703,298	602,721	703,302	602,727
2.	Interest Expense				
	a. Rupiah	6,135,744	4,429,594	7,863,677	5,901,830
	b. Foreign currencies	588,714	279,337	1,112,349	455,743
	<b>Net Interest Income</b>	<b>9,500,715</b>	<b>9,558,162</b>	<b>13,773,839</b>	<b>13,599,983</b>
3.	Underwriting income				
	3.1. Premium income	-	-	1,491,543	1,257,956
	3.2. Underwriting expense	-	-	1,064,261	770,625
	<b>Net Underwriting Income</b>	<b>-</b>	<b>-</b>	<b>427,282</b>	<b>487,331</b>
	<b>Net Interest and underwriting income</b>	<b>9,500,715</b>	<b>9,558,162</b>	<b>14,201,121</b>	<b>14,087,314</b>
4.	Sharia Income				
	4.1. Margin	27,873	27,637	27,873	27,637
	4.2. Profit sharing	211,960	144,704	211,960	144,704
	4.3. Bonus income	1,786	938	1,786	938
	<b>Total Sharia Income</b>	<b>241,619</b>	<b>173,279</b>	<b>241,619</b>	<b>173,279</b>
5.	Sharia Expenses				
	5.1. iB loss sharing	103,787	51,134	101,558	51,134
	5.2. iB bonus expense	3,038	1,643	3,038	1,643
	<b>Total Sharia Expenses</b>	<b>106,825</b>	<b>52,777</b>	<b>104,596</b>	<b>52,777</b>
	<b>Net Sharia Interest Income</b>	<b>134,794</b>	<b>120,502</b>	<b>137,023</b>	<b>120,502</b>
<b>B.</b>	<b>Other Operating Income and Expense</b>				
1.	Other Operating Income	5,752,623	3,656,949	5,113,823	5,581,502
	a. Increase in fair value of financial assets (marked to market)				
	i. Marketable securities	3,851	-	3,851	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	569,171	289,924	569,171	289,924
	iv. Other financial assets	-	-	-	-
	b. Decrease in fair value of financial liabilities (mark to)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	37,995	5,240	41,000	11,516
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	81,913	276,134	81,913	276,144
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	2,798,788	909,323	803	4,977
	g. Fees/commissions and administrative	1,581,175	1,528,978	2,276,411	2,169,397
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	679,730	647,350	2,140,674	2,829,544



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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		31 Dec 2014	31 Dec 2013 *)	31 Dec 2014	31 Dec 2013 *)
2.	Other Operating Expenses	10,190,193	9,656,727	15,388,603	14,184,162
	a. Decrease in fair value of financial assets (mark to market)				
	i. Marketable securities	-	232	-	232
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	311,271	410,810	311,271	410,810
	iv. Other financial assets	-	-	-	-
	b. Increase in fair value of financial liabilities (mark to)	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	2,426	8,606	2,426	8,606
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	464,217	6,215	464,217	6,215
	e. Impairment losses on financial assets				
	i. Marketable securities	320	372	320	372
	ii. Loans	2,320,543	2,182,467	3,907,078	3,318,273
	iii. Sharia financing	14,696	15,801	14,696	15,801
	iv. Other financial assets	(14,209)	(12,483)	64,040	12,403
	f. Losses related to operational risk	10,820	6,413	12,018	6,965
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	345,486	353,242	346,537	354,280
	i. Losses from decrease in value of non financial assets	-	1,015	-	1,015
	j. Salaries and employee benefits	3,563,427	3,459,648	5,635,359	5,495,215
	k. Promotion expenses	171,577	208,361	216,774	265,676
	l. Other expenses	2,999,619	3,016,028	4,413,867	4,288,299
	<b>Net Other Operating Expenses</b>	<b>(4,437,570)</b>	<b>(5,999,778)</b>	<b>(10,274,782)</b>	<b>(8,602,660)</b>
	<b>OPERATING INCOME</b>	<b>5,197,939</b>	<b>3,678,886</b>	<b>4,063,362</b>	<b>5,605,156</b>
	<b>NON OPERATING INCOME</b>				
1.	Gain/(loss) from sale of premisses and equipment	2,852	3,521	3,051	2,148
2.	Gain (loss) on foreign currencies translation	(70)	320	2,381	5,185
3.	Income(expenses) non operating expenses **)	(279,573)	(3,622)	(515,260)	(82,275)
	<b>NON OPERATING LOSS</b>	<b>(276,791)</b>	<b>219</b>	<b>(509,828)</b>	<b>(74,942)</b>
	<b>INCOME BEFORE INCOME TAX</b>	<b>4,921,148</b>	<b>3,679,105</b>	<b>3,553,534</b>	<b>5,530,214</b>
1	Income tax				
	a. Income tax expenses	707,458	780,968	1,223,944	1,504,657
	b. Deferred tax expenses (income)	(144,877)	(65,517)	(353,072)	(133,763)
	<b>NET INCOME</b>	<b>4,358,567</b>	<b>2,963,654</b>	<b>2,682,662</b>	<b>4,159,320</b>
	<b>OTHER COMPREHENSIF INCOME NET OF TAX</b>				
	a. Foreign exchange difference from translation of financial statements in foreign currency	-	-	-	-
	b. Gains from change financial assets available for sale	206,956	(117,787)	222,484	(135,847)
	c. Cash flow hedges	(22,616)	31,273	(84,724)	14,835
	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	(17,552)	29,446	(2,025)	38,445
	h. Others	-	-	-	-
	Other comprehensive income, net of tax	166,788	(57,068)	135,735	(82,567)
	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,525,355</b>	<b>2,906,586</b>	<b>2,818,397</b>	<b>4,076,753</b>
	<b>Comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	4,358,567	2,963,654	2,604,017	4,041,684
	NON-CONTROLLING INTERESTS	-	-	78,645	117,636
	<b>TOTAL INCOME FOR THE PERIOD ENDED</b>	<b>4,358,567</b>	<b>2,963,654</b>	<b>2,682,662</b>	<b>4,159,320</b>
	<b>Total comprehensive income attribute to :</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	4,525,355	2,906,586	2,740,510	3,961,471
	NON-CONTROLLING INTERESTS	-	-	77,887	115,282
	<b>TOTAL COMPREHENSIVE INCOME IN PERIOD</b>	<b>4,525,355</b>	<b>2,906,586</b>	<b>2,818,397</b>	<b>4,076,753</b>
	<b>PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE</b>				
	<b>DIVIDEND</b>	(1,212,457)	(1,203,640)	(1,212,457)	(1,203,640)
	<b>OTHERS</b>	(40,417)	(40,118)	(40,417)	(40,118)
	<b>EARNINGS PER SHARE</b>	454.74	309.21	271.69	421.68

\*) Reclassified (Note 2)

\*\*) Includes business transformation expense performed by the Bank and subsidiaries since August 2014

## Reconciliation between amounts stated in the statement of comprehensive income and those stated in the discussion section/ analyst briefing

For the Year ended 31 December 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
13,774	427	137	5,114	(15,389)	-	(510)	3,554	(871)	(79)	2,604

a+c	b+d	e		f+g		h	i		
Net Interest Income	Non-Interest Income	Operating Income	Operating Expenses	Pre-Provision Operating Profit	Non Operating Income/ (Loss)	Taxes	Minority Interest	Net Profit after Tax and Minority Interest	Remark
13,911	5,541	19,452	(15,389)	4,063	-	(510)	(79)	2,604	
(231)		(231)	231	-					- LPS Deposit Insurance
	(6)	(6)		(6)	6				- Provision for ADMF acquisition cost
	(183)	(183)		(183)	183				- Write off on amortization cost
	(230)	(230)	230	-					- ADMF indirect acquisition cost
	(311)	(311)	311	-					- Decrease in fair value of financial assets (MTM)
	(2)	(2)	2	-					- Losses from sale of financial assets (marketable securities)
	(464)	(464)	464	-					- Losses from spot and derivative transaction (realised)
		-	3,986	3,986	(3,986)				- Impairment losses on financial assets
	(347)	(347)	347	-					- Fees/commissions and administrative expenses
	(40)	(40)	(5)	(45)		45			- Others
13,680	3,958	17,637	(9,821)	7,816	(3,799)	(464)	(871)	(79)	2,604

Analyst Briefing Presentation

## Key Financial Ratios

As at 31 December 2014 and 2013

NO.	RATIOS (%)	31 Dec 2014	31 Dec 2013
	<b>CONSOLIDATED RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. Capital Adequacy Ratio (CAR)	17.86%	17.86%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.50%	1.29%
	2. Non-performing earning assets to total productive assets	1.88%	1.58%
	3. Allowance for impairment losses for financial asset to productive asset	2.30%	2.03%
	4. NPL gross	2.35%	1.89%
	5. NPL net	1.35%	1.11%
<b>III.</b>	<b>Rentability</b>		
	1. Return on Assets (ROA)	1.88%	3.40%
	2. Return on Equity (ROE)	8.58%	14.52%
	3. NIM including third party premium expenses	8.42%	9.60%
	4. Cost to income	55.69%	52.52%
	<b>BANK RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. CAR	18.17%	17.48%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.43%	1.27%
	2. Non-performing earning assets to total productive assets	1.87%	1.62%
	3. Allowance for impairment losses for financial asset to productive asset	1.96%	1.77%
	4. NPL gross	2.47%	2.03%
	5. NPL net after impairment value	1.34%	1.14%
	6. Non performing iB receivables and financing with contract	1.64%	1.60%
<b>III.</b>	<b>Rentability</b>		
	1. ROA	3.14%	2.75%
	2. ROE	17.33%	12.99%
	3. NIM	7.31%	8.46%
	4. NIM including third party premium expenses	7.13%	8.29%
	5. Operating expenses to operating income	76.61%	79.67%
	6. Cost to income	57.98%	56.74%
<b>IV.</b>	<b>Liquidity</b>		
	LDR	92.60%	95.06%
<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	8.07%	8.12%
	b. GWM Foreign Currency	8.13%	8.49%
	4. Net Open Position	1.11%	0.74%

## Statements of Commitments and Contingencies

As at 31 December 2014 and 2013

(in million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		KONSOLIDASIAN	
		31 Dec 2014	31 Des 2013	31 Dec 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 contracts	6,939,124	8,927,047	6,939,124	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	49,727	49,551	49,727	49,551
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	358,494	294,125	358,494	294,125
	ii. Uncommitted	39,657,668	31,106,414	39,657,668	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	250,833	217,207	250,833	217,207
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	2,242,068	1,573,293	2,242,068	1,573,293
	b. Local L/C	420,119	914,713	420,119	914,713
	4. Outstanding selling of spot and derivative contracts	3,090,535	3,208,393	3,090,535	3,208,393
	5. Others	-	-	-	-
<b>III.</b>	<b>CONTINGENT RECEIVABLES</b>				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	130,110	85,902	130,110	85,902
	2. Interest receivables on non performing assets				
	a. Loan interest income	377,432	292,383	377,432	292,383
	b. Other interest	-	2,538	-	2,538
	3. Others	-	-	-	-
<b>IV.</b>	<b>CONTINGENT PAYABLES</b>				
	1. Guarantees issued				
	a. Rupiah	2,910,891	2,764,076	2,910,891	2,764,076
	b. Foreign currencies	708,119	588,719	708,119	588,719
	2. Others	-	-	-	-

## Asset Quality and Other Information

As at 31 December 2014 and 2013

(in million Rupiah)

NO.	ACCOUNTS	31 December 2014					31 December 2013						
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
<b>I. RELATED PARTIES</b>													
1.	Placements with other banks												
	a. Rupiah	32,831	-	-	-	-	32,831	197,350	-	-	-	-	197,350
	b. Foreign currencies	523,908	-	-	-	-	523,908	479,022	-	-	-	-	479,022
2.	Spot and derivative receivables												
	a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
	b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
3.	Marketable securities												
	a. Rupiah	69,501	-	-	-	-	69,501	38,258	-	-	-	-	38,258
	b. Foreign currencies	1,795	-	-	-	-	1,795	6,974	-	-	-	-	6,974
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	199	-	-	-	-	199	494	-	-	-	-	494
7.	Loans												
	a. Debtor micro, small and medium												
	i. Rupiah	7	-	-	-	-	7	1,760	835	-	-	-	2,595
	ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
	b. Non debtor micro, small and medium												
	i. Rupiah	22,171	902	-	-	-	23,073	22,592	1,813	-	-	-	24,405
	ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
	c. Restructured												
	i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
	d. Properties loan	19,463	881	-	-	-	20,344	20,294	1,679	-	-	-	21,973
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	1,221,076	-	-	-	-	1,221,076	1,220,925	-	-	-	-	1,220,925
	b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
12.	Idle properties	-	-	-	-	-	-	-	-	-	-	-	-
13.	Foreclosed assets	-	-	-	-	-	-	-	-	-	-	-	-
14.	Suspense accounts	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. NON RELATED PARTIES</b>													
1.	Placements with other banks												
	a. Rupiah	1,156,280	-	-	-	-	1,156,280	799,927	-	-	-	-	799,927
	b. Foreign currencies	7,263,746	-	-	-	-	7,263,746	5,650,927	-	-	-	-	5,650,927
2.	Spot and derivative receivables												
	a. Rupiah	219,298	-	-	-	-	219,298	308,897	-	-	-	-	308,897
	b. Foreign currencies	22,969	-	-	-	-	22,969	431,103	-	-	-	-	431,103
3.	Marketable securities												
	a. Rupiah	12,680,242	-	-	-	20,000	12,700,242	10,968,461	-	-	-	20,000	10,988,461
	b. Foreign currencies	1,061,855	-	-	-	-	1,061,855	687,130	-	-	-	-	687,130
4.	Securities sold under repurchase agreements (repo)												
	a. Rupiah	933,094	-	-	-	-	933,094	937,500	-	-	-	-	937,500
	b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
5.	Securities purchased under resale agreements (reverse repo)												
	a. Rupiah	540,541	-	-	-	-	540,541	-	-	-	-	-	-
	b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
6.	Acceptance receivables	7,566,844	-	-	-	-	7,566,844	4,107,067	-	-	-	-	4,107,067
7.	Loans												
	a. Debtor micro, small and medium												
	i. Rupiah	29,171,851	1,765,987	328,785	399,556	984,174	32,650,353	30,339,742	1,560,137	252,608	400,898	672,202	33,225,587
	ii. Foreign currencies	247,265	-	-	-	3,009	250,274	291,544	-	-	-	577	292,121
	b. Non debtor micro, small and medium												
	i. Rupiah	59,967,951	4,495,600	176,295	246,358	253,114	65,139,318	55,289,664	3,955,913	123,911	276,593	256,263	59,902,344
	ii. Foreign currencies	10,421,190	798,942	87,404	917	203,651	11,512,104	11,814,381	368,967	-	-	150,241	12,333,589
	c. Restructured												
	i. Rupiah	886,551	606,524	88,112	86,966	140,887	1,809,040	725,785	350,658	64,859	78,698	129,961	1,349,961
	ii. Foreign currencies	213,897	648,023	49,057	-	200,411	1,111,388	354,848	322,870	-	-	39,857	717,575
	d. Properties loan	4,573,449	171,682	20,153	5,989	30,120	4,801,393	4,350,737	117,942	4,032	12,199	24,176	4,509,086
8.	Investments	157,459	25	-	-	-	157,484	12,055	25	-	-	-	12,080
9.	Temporary equity investment	5,368	-	-	-	-	5,368	94,705	-	-	-	-	94,705
10.	Others receivables	-	-	-	-	-	-	-	-	-	-	-	-
11.	Commitments and contingencies to third parties												
	a. Rupiah	32,643,757	184,078	-	-	7,267	32,835,102	25,630,196	163,004	-	-	-	25,793,200
	b. Foreign currencies	12,346,645	209,534	-	-	-	12,556,179	10,492,144	24,984	-	-	-	10,517,128
12.	Idle properties	-	-	-	-	16,397	16,397	-	-	-	1,908	14,381	16,289
13.	Foreclosed assets	-	-	-	80	419	499	-	-	80	593	953	1,626
14.	Suspense accounts	671	-	-	-	-	671	570	-	-	-	-	570
<b>III. OTHERS INFORMATION</b>													
1.	Collateralised assets												
	a. To Bank Indonesia	-	-	-	-	-	-	-	-	-	-	-	62,560
	b. To other parties	-	-	-	-	-	-	-	-	-	-	-	-
2.	Total Allowance for impairment losses on financial assets -/												
3.	Minimum required allowance for possible losses on assets												
4.	Percentage of micro, small and medium enterprises credit to total loans												
5.	Percentage of micro and small enterprises credit to total loans												
6.	Percentage of micro, small and medium enterprises debtors to total debtors												
7.	Percentage of micro and small enterprises debtor to total debtors												
8.	Others												
	a. Channelling loans												
	b. Channelling loans Mudharabah Muqayadah												
	c. Written-off earning assets												
	d. Recovery on written-off earning assets												
	e. Charged-off earning assets												

## Allowance for Impairment Losses

As at 31 December 2014 and 2013

(in million Rupiah)

No.	ACCOUNTS	31 Dec 2014				31 Dec 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	-	7,663	89,768	-	-	4,970	71,272	-
2	Spot and derivative receivables	-	-	2,423	-	-	-	7,400	-
3	Marketable securities	-	21,442	34,225	20,000	-	21,122	29,344	20,000
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	-	75,670	-	-	-	41,076	-
7	Loans	593,536	2,207,382	972,341	1,719,803	310,703	2,001,684	947,553	1,435,500
8	Others receivable	-	-	54	-	23,290	-	947	-
9	Investments	-	-	28,028	1	-	-	26,574	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	-	62,713	19,780	-	12	58,403	9,399
		<b>593,536</b>	<b>2,236,487</b>	<b>1,265,222</b>	<b>1,759,585</b>	<b>333,994</b>	<b>2,027,787</b>	<b>1,182,568</b>	<b>1,464,900</b>

## Statement of Foreign Exchange and Derivative Transactions

As at 31 December 2014

(in million Rupiah)

NO.	TRANSACTION	Notional Amount	Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
<b>A.</b>	<b>Related to exchange rate</b>					
1.	Spot	140,583	140,583		99	673
2.	Forward	448,203	448,203		2,942	5,016
3.	Option	-	-		-	-
	a. Purchased	-	-		-	-
	b. Written	-	-		-	-
4.	Future	-	-		-	-
5.	Swap	8,565,648	7,946,398	619,250	237,841	95,727
6.	Others	-	-		-	-
<b>B.</b>	<b>Related to interest rate</b>					
1.	Forward	-	-		-	-
2.	Option	-	-		-	-
	a. Purchased	-	-		-	-
	b. Written	-	-		-	-
3.	Future	-	-		-	-
4.	Swap	163,606	163,606		1,385	22
5.	Others	-	-		-	-
<b>C.</b>	<b>Others</b>					
	<b>TOTAL</b>	<b>9,318,040</b>	<b>8,698,790</b>	<b>619,250</b>	<b>242,267</b>	<b>101,438</b>

## Capital Adequacy Ratio

As at 31 December 2014 and 2013

(in million Rupiah)

NO.	DESCRIPTION	31 Dec 2014		31 Dec 2013	
		Bank	Consolidated	Bank	Consolidated
<b>I.</b>	<b>COMPONENTS</b>				
	<b>A. CORE CAPITAL</b>	<b>24,230,478</b>	<b>28,767,259</b>	<b>21,588,379</b>	<b>26,794,974</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	276,767	276,767	236,350	236,350
	d. Specific reserves	-	-	-	-
	e. Prior years' profit after tax (100%)	10,091,534	15,649,320	8,446,271	12,934,624
	f. Current year profit net of taxes (50%)	2,106,845	1,227,400	1,449,069	1,983,786
	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	-	-	(71,161)	(66,031)
	f. Under provision between regulatory provision and impairment value on productive assets	(194,783)	-	(285,687)	(10,643)
	g. Under provision between regulatory provision and impairment value on non productive assets	(16,856)	(16,856)	(16,597)	(16,597)
	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%)	(1,325,907)	(587,718)	(1,462,744)	(484,861)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	5. Minority interest	-	-	-	-
	<b>B. SUPPLEMENTARY CAPITAL</b>	<b>-</b>	<b>935,484</b>	<b>-</b>	<b>906,724</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 investment (45%))	1,265,222	1,461,491	1,182,568	1,391,585
	1.9 Other comprehensive income: Increase in fair value of available for sale investment (45%)	54,183	61,710	-	-
	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%)	(1,319,405)	(587,718)	(1,182,568)	(484,861)
	3.2 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	<b>C. Deduction factors on core and supplementary capital securitisation exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>D. Other supplementary capital which meet the criterias (Tier 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>E. Other supplementary capital allocated to anticipate market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
III.	<b>TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B-C)</b>	<b>24,230,478</b>	<b>29,702,743</b>	<b>21,588,379</b>	<b>27,701,698</b>
III.	<b>TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY</b>	<b>24,230,478</b>	<b>29,702,743</b>	<b>21,588,379</b>	<b>27,701,698</b>
IV.	<b>RISK WEIGHTED ASSETS - CREDIT RISK</b>	<b>110,768,885</b>	<b>133,861,526</b>	<b>102,843,863</b>	<b>126,138,821</b>
V.	<b>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>
VI.	<b>RISK WEIGHTED ASSETS - MARKET RISK</b>	<b>370,855</b>	<b>372,188</b>	<b>397,427</b>	<b>401,131</b>
VII.	<b>CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK</b>	<b>18.22%</b>	<b>17.90%</b>	<b>17.54%</b>	<b>17.90%</b>
VIII.	<b>CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND</b>	<b>18.17%</b>	<b>17.86%</b>	<b>17.48%</b>	<b>17.86%</b>

**PT Bank Danamon Indonesia, Tbk**  
**Investor Newsletter – Full Year 2014 Results**  
**January 2015**

## Syariah Unit

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

NO.	ACCOUNTS	31 Dec 2014	31 Dec 2013 *)
<b>A.</b>	<b>ASSETS</b>		
1.	Cash	15,401	42,481
2.	Current accounts with Bank Indonesia	119,275	76,387
3.	Certificates of Bank Indonesia Sharia	206,000	505,000
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 *)	174,075	261,572
	Allowance for possible losses on iB receivables -/-	(17,035)	(16,898)
7.	Others iB receivables	46,991	159,321
	Allowance for possible losses on others iB receivables -/-	(170)	(210)
8.	iB financing	2,265,249	1,464,179
	Allowance for possible losses on iB financing -/-	(29,082)	(27,074)
9.	Fixed assets	28,001	27,365
	Accumulated depreciation of fixed assets -/-	(19,625)	(9,997)
10.	Accrued income	17,963	14,576
11.	Prepaid expenses	12,634	39,983
12.	Other assets	3,591	2,441
	<b>TOTAL ASSETS</b>	<b>2,897,518</b>	<b>2,613,376</b>
<b>B.</b>	<b>LIABILITIES</b>		
1.	iB funds		
	a. iB deposit current accounts	178,796	134,011
	b. iB deposit savings	2,681	7,482
2.	Others iB current liabilities	3,635	2,714
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	312,342	53,249
5.	iB marketable securities issued	-	-
6.	Others liabilities	409,175	1,152,738
7.	Investment funds		
	a. iB savings	513,075	398,080
	b. iB deposits	1,470,598	863,254
8.	Accumulated gain	7,216	1,848
	<b>TOTAL LIABILITIES</b>	<b>2,897,518</b>	<b>2,613,376</b>

**STATEMENTS OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014 AND 2013**  
(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2014	31 Dec 2013 *)
<b>A.</b>	<b>OPERATING INCOME</b>		
1.	Margin	27,873	27,637
2.	Profit sharing	211,960	144,704
3.	iB Bonus	1,786	938
4.	Other operating income	53,009	69,822
<b>B.</b>	<b>TOTAL OPERATING INCOME</b>	<b>294,628</b>	<b>243,101</b>
<b>C.</b>	<b>Margin distribution for non - discretionary investment funds</b>		
	a. Bank	5,536	806
	b. Non Bank	98,251	50,328
	c. Bank Indonesia (FPJPS)	-	-
<b>D.</b>	<b>TOTAL PROFIT SHARING</b>	<b>103,787</b>	<b>51,134</b>
<b>E.</b>	<b>Income from operation after deducting margin distribution for non-discretionary investment funds</b>	<b>190,841</b>	<b>191,967</b>
<b>F.</b>	<b>OPERATING EXPENSES</b>		
1.	iB bonus	3,038	1,643
2.	Allowance for possible losses on assets	16,116	16,159
3.	General and administrative	23,337	23,196
4.	Salaries and employee benefits	105,554	104,805
5.	Others	28,882	35,766
<b>G.</b>	<b>TOTAL OPERATING EXPENSE</b>	<b>176,927</b>	<b>181,569</b>
<b>H.</b>	<b>NET OPERATING INCOME</b>	<b>13,914</b>	<b>10,398</b>
1.	Other non-operating income	3,062	503
J.	Other non-operating expenses	9,760	9,053
<b>K.</b>	<b>NON-OPERATING LOSS</b>	<b>(6,698)</b>	<b>(8,550)</b>
<b>L.</b>	<b>NET INCOME YEAR ENDED</b>	<b>7,216</b>	<b>1,848</b>

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

NO.	ACCOUNTS	31 Dec 2014	31 Dec 2013 *)
1.	Unused iB financing facilities (**)	-	-
2.	Outstanding iB irrevocable letters of credit	-	1,242
3.	iB guarantees issued	-	-
4.	Others	2,484	2,538

Notes:

- 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.
- Transformation expense of Syariah Business Unit was recognised as part of Bank Danamon Indonesia business transformation expense.

\*) iB receivables exclude margin to be received of Rp 35.953 million and Rp 57,851 million as at 31 Desember 2014 and 2013, respectively.

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



## Table of Margin Distribution

For the month of December 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 (%)
1.	Wadiah deposit current accounts					
	a. Bank	3,769	32	0.00	-	-
	b. Non Bank	297,121	2,530	0.00	-	-
2.	Wadiah deposit savings					
	a. Bank	-	-	0.00	-	-
	b. Non Bank	3,043	26	0.00	-	-
3.	Mudharabah savings					
	a. Bank	41,358	352	13.00	46	1.30
	b. Non Bank	441,273	3,758	13.00	489	1.30
4.	Mudharabah deposits					
	a. Bank					
	- 1 month	203,542	1,733	46.00	797	4.61
	- 3 months	67,742	577	46.00	265	4.61
	- 6 months	84	1	46.00	0	4.61
	- 12 months	4,245	36	46.00	17	4.61
	b. Non Bank					
	- 1 month	1,130,724	9,630	46.00	4,430	4.61
	- 3 months	67,810	578	46.00	266	4.61
	- 6 months	52,121	444	46.00	204	4.61
	- 12 months	10,717	91	46.00	42	4.61
	<b>TOTAL</b>	<b>2,323,549</b>	<b>19,788</b>		<b>6,556</b>	

**Notes to the Financial Statements**

1. The above financial information is extracted from the consolidated financial statements of PT Bank Danamon Indonesia Tbk. (the "Bank") and its subsidiaries as of December 31, 2014 and for the year then ended, prepared by the Bank's management in accordance with Indonesian Financial Accounting Standards, which have been audited by Purwantono, Suherman & Surja ("PSS") a member firm of Ernst & Young Global Limited), independent auditors, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants, with an unqualified audit opinion, as stated in their report dated January 16, 2015 not included in this publication. The above financial information does not contain notes to the consolidated financial statements.

The above published report are presented 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 have been reclassified to conform with the presentation of consolidated financial statements for the year ended 31 Desember 2014.
3. The consolidated financial statements as at 31 Desember 2014 and for the 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.

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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.

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 Desember 2014: USD 1 = Rp12,385; Exchange rate as at 31 December 2013: USD 1 = Rp12,170.00.