



INVESTOR NEWSLETTER

July 2014

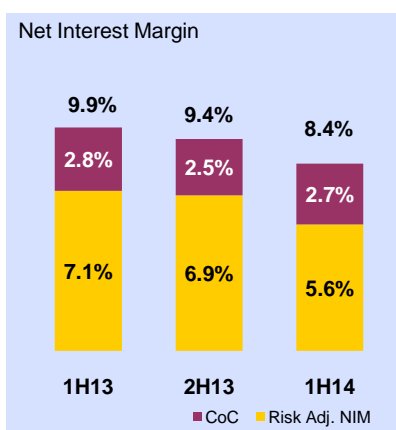
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Highlights on First Half and Second Quarter 2014 Result

- ✓ Despite of macroeconomics challenges and tightening liquidity in the system, Bank Danamon Indonesia's (BDI's) average daily Loan-to-Deposit (LDR) ratio in the 2nd quarter 2014 stood at 93.0% or a significant improvement of 950 bps from previous year, in line with management strategy to bring LDR to the 90s level.
- ✓ Total loans booked a healthy increase of 13% from previous year to Rp. 141 trillion. Mass market loan segment accounted for 51% of the total loan grew by 6%, while non-mass market loan segment reached Rp 69 trillion, a robust growth of 22%.
- ✓ Asset quality has been well maintained as indicated by a 40 bps yoy decrease in NPL to 2.1% (20 bps slight increase qoq) and a constant 1H14 CoC of 2.7% (50 bps increase qoq). Qoq increase in Non-performing loan (NPL) and Cost of Credit (CoC) were mainly driven by SEMM (Self Employed Mass Market/ Danamon Simpan Pinjam/ DSP) segment where NPL and CoC increase from 5.8% to 6.5% and from 5.9% to 7.2%, respectively.
- ✓ Over the past 3 quarters, yoy operating expense has been trending down and well managed at below 10%. We aim to maintain flat operating expense to end of 2014 in the midst of margin compression.
- ✓ CASA ratio increase to 44% or Rp 49 trillion CASA due to lower TD. Overall funding booked a healthy growth of 16% to Rp 137 trillion.
- ✓ In the 1H14, Net Interest Margin (NIM) decreased to 8.4% (1H13: 9.9%) mainly due to increase in CoF, to some extent would be compensated by lower opex.
- ✓ NPAT was Rp 1,489 billion dropped from Rp 1,985 billion in the 1H13. The main factor that lead to the decrease 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 1,753 billion should there's no change in the method of income recognition.

First Semester 2014 Financial Results



In the midst of slower economy growth, Bank Danamon continuously consolidating and strengthening its position. Yet, the 2nd quarter 2014 was still a challenge. Bank Danamon had made a strategic move to reduce LDR and keep it – on average - maximum at 95% in the midst of the interest rate hike. Even though loan has increased by 13% compare to 1H13, net interest income only grew for 1%, as margin compression pressure continue in 1H14 due to higher CoF.

Despite BDI's effort to manage operating expense to reduce by 6% compare to that at 1H13, yet NPAT came down to Rp. 1,489 billion, a decrease from Rp. 1,985 billion of the same comparative period. More than half of the decrease was related to non-interest income recognition method as a result of new OJK regulation on insurance premium and acquisition (see discussion on the next section).

OJK regulation on Insurance Fee 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 vehicle insurance, which took effect on March 1, 2014. 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.

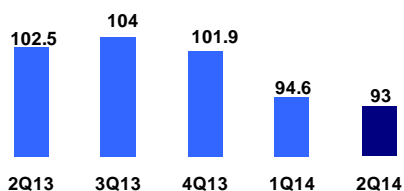
On the other hand, to some extent the new regulation would benefit Adira Insurance, due to regulated pricing that would eliminate unhealthy price competition among general insurance companies.

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.

LDR was continuously lowered to the daily average of 93% on the 2Q14, a significant decrease from 102.5% in the 2Q13

Several indicators such as strong competition, economy slowdown and current account deficits, implied that liquidity was tightened in the first semester of 2014. Another aspect relates to such squeezing in liquidity, was M2 growth that showed trending down from 11.64% in January 2014 to 10.46% in May 2014. In terms of loan to deposit ratio, LDR for banking industry reached 94% as of May 2014 where deposit growth itself, rose modestly by 10.8% compared to last year 14.8%.

LDR – averaged daily (%)



Despite of the tightening liquidity in the system and a healthy increase in loans, BDI’s daily average LDR for the 2Q14 stood at 93.0% or an improvement of 950 bps from the average LDR in 2Q13. The lowered LDR

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has been managed through increasing deposits growth at the rate that was higher than the loan growth.

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.

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

The use of bank borrowings and long-term funding was Rp 26 trillion in June 2014 which represents about 19% of total deposits (customers’ deposits and long term funding). By the end of second quarter 2014, loan to funding composition increased to 91.4%.

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 June 2014, the portion of self-financing stood at 63%.

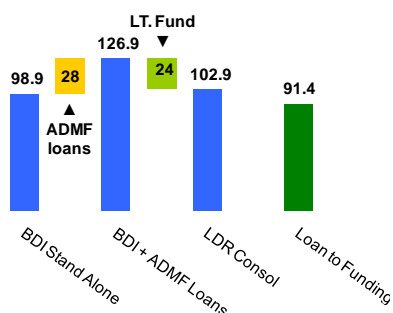
In Adira Finance book, as at 1H14, borrowing and bonds responsible to 85% of total funding, compare to 80% of total funding as at 1H13.

CASA ratio stood at 44%, improved from last quarter’s 42%.

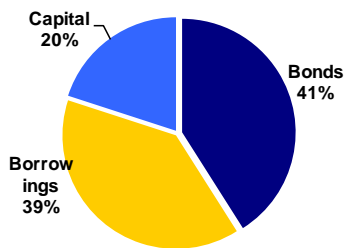
Since 2008, Danamon continuously built a strong funding franchise with the main focus in CASA. Over the period, particularly through four champion products that have been well accepted by the market, CASA had grown steadily at 18% CAGR. The growth in CASA outpaced the growth in TD that came merely at 2% CAGR.

In the last 12 months, total funding had increased by 19%, supported by both CASA (grew 17%) and TD (grew 20%) with CASA ratio relatively

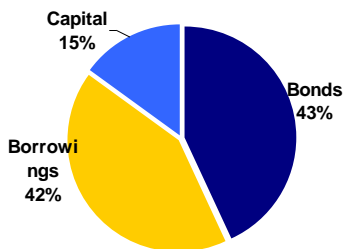
Loan to Funding - Conso 1H14 (%)



ADMF Source of Fund 1H13



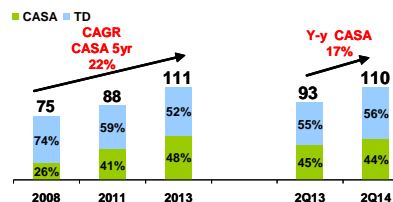
Rp 25.5tn



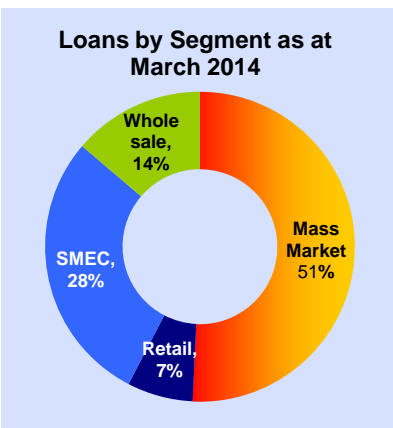
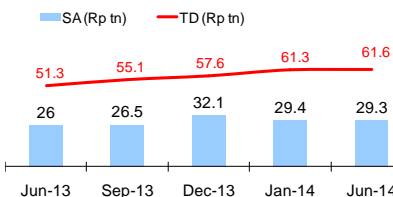
Rp 26.7 tn

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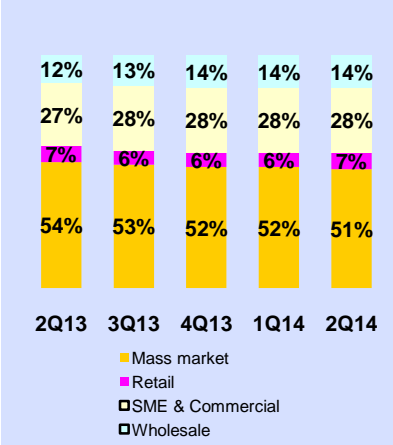
Customer Deposits (Rp tn)



High cost TD was released to ease CoF



Loan Composition



equal at 44% (1H13: 45%). Meanwhile, compare to the earlier quarter, there's an increase in CASA ratio from 42%. This was due to an increase in CASA (+4%) and a decrease in TD (-5%) that overall funding decrease by 1%. High cost TD was released to ease CoF.

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

- Leveraging Adira and DSP's networks potential; four Adira branches had been piloting cross selling project and will be expanded to all Adira branches by end of 2014.
- Relocation of non performing ATMs and branches.
- SMS Banking (launched in the 3Q13) and Mobile Banking application (will be launched in 3Q14).
- Introduced Customer Lifecycle Management to increase the stickiness of customers.
- Improved skills and increase about 1,000 sales force to nearly 3,000 by end of 2014 from number of sales force in 2008.
- Introduced Financial Supply Chain initiative, i.e. approach various companies that are regularly transacting one another to become our customers, to boost funding.

Overall loans grew by 13%, with shift of asset mix

Compare to previous year position of June 2013, loans rose 13% underpinned by non-mass market segment that expanded 23% to Rp 70 trillion. Mass market growth remained modest at 6% to Rp 71 trillion, reducing the share of loan portfolio to 51% vs last year's 54%. Meanwhile, compare to the previous quarter, loan increase 4% 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 (June '11 to June '14), SME segment had grown at CAGR 20% to Rp. 23.9 trillion, though slight up tick in NPL to 1.9% in 2Q14. Over the last one year, despite the macro economic situation, SME segment recognise 16% increase. The growth had been backed by strong appetite from the market, especially from the emerging SME clients (loan size below Rp 3 billion).

Commercial segment recorded a healthy growth at CAGR of 22% over the last three years to Rp 17.4 trillion by March 2014. NPL on this segment dropped to 0.1% from 1.4% in the previous year.

Similarly, Wholesale segment recorded CAGR of 19% over the past 3 years to Rp 19.4 trillion. NPL was at 0.9%.

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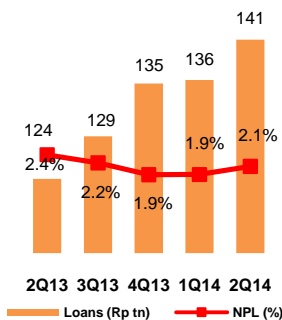
Compare to 2Q13, Adira Finance recorded a modest growth of 7% loan or about the same level of loan compare to the loan per end of 1Q13. New booking grew 9% yoy (13% and 4% on two wheels and four wheels, respectively). This was generally in line with Bank’s plan.

Micro loan, grew at 3% yoy to Rp 20.3 trillion, remain a challenge for BDI particularly in Java. Some recovery in commodity prices had not yet translated into loan boost in Sumatra. Nevertheless, loan to upper tier micro segment showed a promising growth. Loan had been increased double to Rp 1.3 trillion from Rp. 678 billion just a year ago. Management will consistently further promote micro loan through network and capacity optimisation.

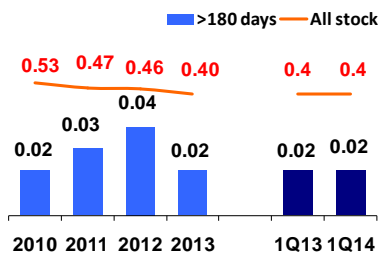
The asset quality has been maintained amid challenge in macroeconomic environment

Bank Danamon has been conservative in balancing the loan growth and asset quality. The Bank continuously cautious in managing NPL, as a result in 2Q14 NPL well managed at 2.1% which was slightly higher than previous quarter of 1.9% despite of macroeconomic challenges. This figure is still lower than previous year 2.4% on 2Q13. Such increment was mainly driven by NPL rising in our Micro and smaller ticket size emerging SME lending in that stood at 6.5% and 1.9% respectively from 5.8% and 1.6% of quarter before. Nevertheless, it is expected that the NPL will remain flat to the end of year.

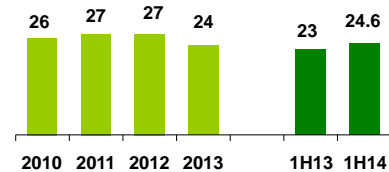
Loans and NPL



Repo Assets as % of Receivables (%)



Loss on Repo Assets - Average (%)



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 June 2014, the highest NPL came from the mining sector at 9.5% with the loan exposure of less than 2% 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 0.4%, respectively. Similarly, loss on repossessed assets was stable at around 24.6% level.

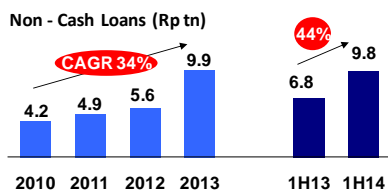
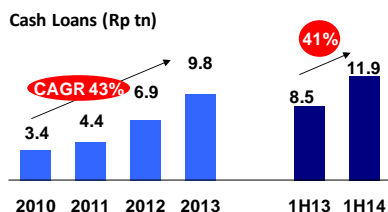
Data of NPL for each loan segment also showed that the NPL was manageable. Even though we saw some uptick in retail segments, the absolute amount remained low compare to our total loan portfolio.

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(%)	2Q13	1Q14	2Q14	Y-y	Q-q
Mass Market	2.9	2.6	2.9	-	0.3
Retail	1.1	1.2	1.5	0.4	0.3
Mid Size	1.3	1.0	1.1	-0.2	0.1
Wholesale	2.7	0.9	0.9	-1.8	-
Total	2.4	1.9	2.1	-0.3	0.2

Trade finance had expanded rapidly

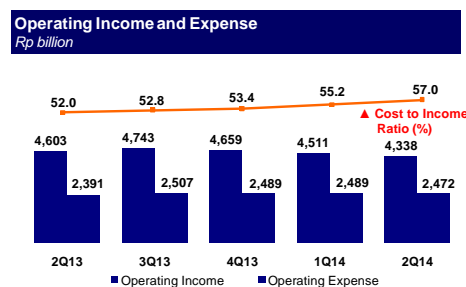
Trade finance had shown a robust growth from December 2010 to June 2014. Cash loan booked a 43% CAGR while non-cash loan booked a 28% CAGR.



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.

Operating expense has been trending since the last quarter of 2013

Over the past 3 quarters, yoy operating expense has been trending down and well managed at below 10%. We aim to maintain flat operating expense to end of 2014 in the midst of margin compression.



On the other hand, yoy income growths over the same periods had been lower. Despite the fact that the lower income was related to strategic move to reduce LDR, resulted cost to income ratio to increase to 57.0%.

This issue had become management focus to be resolved. Accordingly Bank will be focus to maintain operating expense at low growth while keeping our income growth as planned. Strategic action to address this issue including:

- Resizing and redesigning SEMM distribution network by rolling out a hub and spoke operating model, piloting a light distribution (mobile branch) strategy in Sep 2014, automating credit underwriting

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processes, restructuring our credit organization at branch level and realigning the organization end-end in the areas of sales, collections, credit admin, regional as well as clusters.

- Studying potential synergies between Adira Quantum and Adira Finance as relate to shared middle and back office facilities. This is considered feasible given that these subsidiaries share the same target segment and there are similarities in origination and control processes. This will reduce Opex/Asset ratio whilst accelerating cross sell of Adira Quantum's products to more than four million Adira Finance's customers
- Resizing existing distribution network which include Retail, SEMM, Syariah, Adira Finance and Adira Quantum.
- Performing deep dive analysis on distribution channel, fine tuning KPIs and streamlining operating model to balance revenue and productivity.

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Key Figures and Ratios

	1H13	1H14	ΔYoY	1Q14	2Q14	ΔQoQ
INCOME STATEMENTS (Rp billion)						
Net Interest Income	6,683	6,744	1%	3,425	3,319	-3%
Non Interest Income	2,376	2,105	-11%	1,086	1,019	-6%
Operating Income	9,059	8,849	-2%	4,511	4,338	-4%
Cost of Credit	1,598	1,829	14%	827	1,002	21%
Risk Adjusted Operating Income	7,461	7,020	-6%	3,684	3,336	-9%
Operating Expenses	4,699	4,961	6%	2,489	2,472	-1%
Net Profit after Tax	1,985	1,489	-25%	875	614	-30%
Normalised NPAT	1,985	1,753	-12%	938	816	-13%
BALANCE SHEETS (Rp billion)						
Total Assets	158,103	185,433	17%	185,920	185,433	0%
Loans (gross)	123,935	140,647	13%	135,818	140,647	4%
Government Bonds	3,895	5,719	47%	5,513	5,719	4%
Customers' Deposits	118,741	136,663	15%	138,915	136,663	-2%
Long Term Funding	25,803	26,240	2%	27,029	26,240	-3%
Equity	29,234	31,558	8%	32,106	31,558	-2%
KEY RATIOS (%)						
Net Interest Margin	9.9	8.4	-1.5	8.6	8.1	-0.5
Cost of Credit	2.8	2.7	-0.0	2.5	3.0	0.5
Cost to Income	51.9	56.1	4.2	55.2	57.0	1.8
BOPO	75.7	69.7	-6.1	89.6	56.0	-33.6
ROAA	2.6	1.6	-1.0	1.9	1.3	-0.6
ROAE	14.3	9.8	-4.5	11.4	8.1	-3.3
Assets to Capital (x)	6.0	6.3	0.3	6.2	6.3	0.1
Stand Alone Loan to Funding*	91.9	91.6	-0.3	85.6	91.6	6.0
Consolidated Loan to Funding*	91.1	91.4	0.3	86.7	91.4	4.7
Regulatory LDR	105.4	98.9	-6.4	94.1	98.9	4.8
Stand Alone CAR	18.4	17.8	-0.6	18.4	17.8	-0.6
Consolidated CAR	18.7	17.7	-1.0	18.8	17.7	-1.0
NPL – Gross	2.4	2.1	-0.3	1.9	2.1	0.2
Impairment ratio (LLP/ Total Loans)	2.6	2.6	0.0	2.5	2.6	0.1
Coverage (LLP/NPL) – Mass Mkt	112.0	118.7	6.7	123.2	118.7	4.5
Coverage (LLP/NPL) – Non Mass Mkt	119.4	146.2	26.7	151.8	146.2	-5.7

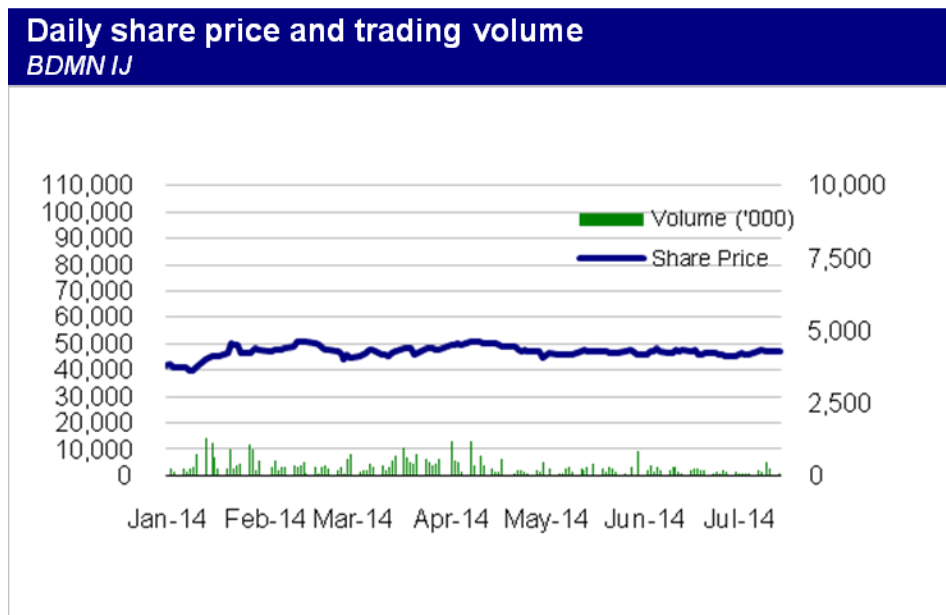
*) Loan to funding is defined as (Loans + Reserves with BI + Cash in Vault + HTM bonds) / (Third Party Deposits + net borrowing and LTF + net capital)

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Credit Ratings

Danamon		
PEFINDO <i>August 2013</i>	Outlook	Stable
	LT General Obligation	idAA+
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>July 2014</i>	Outlook	Stable
	LT Issuer Default Rating	BB+
	ST Issuer Default Rating	B
	Support Rating	3
	Viability	bb+
	National Long Term	AA+ (idn)
Moody's <i>April 2014</i>	Outlook	Stable
	Long Term Rating	Baa3
	Foreign LT Bank Deposits	Baa3
	Local LT Bank Deposits	Baa3
	Bank Financial Strength	Aaa-c
	Foreign Currency ST Debt	P-3
	Local Currency ST Debt	P-3

BDI's Daily Share Price and Trading Volume



Statements of Financial Positions

As at 31 June 2014 and 31 December 2013

(in million Rupiah)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2014	31 Des 2013 *)	30 Jun 2014	31 Des 2013 *)
	ASSETS				
1.	Cash	2,142,187	2,825,082	2,300,086	2,943,909
2.	Placements with Bank Indonesia	10,424,319	12,903,138	10,424,319	12,903,138
3.	Placements with other banks	5,527,047	7,127,226	7,795,127	9,210,256
4.	Spot and derivative receivables	241,791	740,000	403,753	1,174,517
5.	Marketable securities				
	a. Designated at fair value through profit/loss	660,989	126,788	660,989	126,788
	b. Available for sale	10,937,894	11,272,216	11,544,730	11,881,419
	c. Held to maturity	309,820	321,819	388,820	400,819
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	930,056	937,500	930,056	937,500
7.	Securities purchased under resale agreements (reverse repo)	144,541	-	144,541	-
8.	Acceptance receivables	5,032,596	4,107,561	5,032,596	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	107,378,821	103,895,851	107,378,821	103,895,851
10.	Sharia financing	2,139,522	1,884,790	2,139,522	1,884,790
11.	Consumer financing receivables	-	-	29,326,825	28,091,602
	Allowance for impairment losses on consumer financing receivables	-	-	(1,001,471)	(913,771)
12.	Premium receivables	-	-	104,795	118,268
13.	Reinsurance Assets	-	-	537,980	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	(20,942)	(21,122)	(20,942)	(21,122)
	b. Loans	(2,613,834)	(2,312,387)	(2,613,834)	(2,312,387)
	c. Others	(27,078)	(28,260)	(50,553)	(42,440)
16.	Intangible assets	935,222	926,022	3,013,179	2,990,289
	Accumulated amortisation on intangible assets -/-	(737,259)	(681,198)	(1,676,926)	(1,611,864)
17.	Fixed assets and equipment	3,849,378	3,702,845	4,785,532	4,587,425
	Accumulated depreciation of fixed assets and equipment -/-	(1,987,739)	(1,825,780)	(2,412,584)	(2,203,431)
18.	Non earning asset				
	a. Idle properties	16,289	16,289	16,289	16,289
	b. Foreclosed assets	974	1,626	974	1,626
	c. Suspense accounts	1,148	570	1,148	570
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	515	117
	ii. Conducting operational activities outside Indonesia	-	-	-	-
19.	Allowance for impairment losses on other assets -/-	-	-	-	-
20.	Leased receivables	-	-	1,801,119	1,511,042
21.	Deferred tax assets	924,582	946,200	992,941	1,022,113
22.	Other assets	5,561,200	2,496,869	3,472,849	2,955,988
	TOTAL ASSETS	154,428,916	152,021,037	185,433,371	184,237,348

*) As reclassified (Note 2)

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2014	31 Des 2013 *)	30 Jun 2014	31 Des 2013 *)
	LIABILITIES AND EQUITY				
1.	Current accounts	18,331,304	20,123,886	18,033,119	19,538,749
2.	Savings	28,977,261	31,610,413	28,977,261	31,610,413
3.	Time deposits	60,323,444	57,159,885	60,271,444	56,637,058
4.	Revenue sharing investment funds	1,931,076	1,402,833	1,868,765	1,374,962
5.	Deferred premium income	-	-	1,049,113	1,004,137
6.	Unearned premium reserve	-	-	891,216	940,109
7.	Loans from Bank Indonesia	-	-	-	-
8.	Borrowings from other banks	4,140,326	1,699,244	4,140,326	1,699,244
9.	Spot and derivative liabilities	286,773	456,211	370,096	458,850
10.	Securities sold under repurchase agreements (repo)	750,000	759,245	750,000	759,245
11.	Acceptance payables	5,032,687	4,103,382	5,032,687	4,103,382
12.	Marketable securities issued	919,465	918,972	12,319,374	12,122,028
13.	Borrowings				
	a. Loans that can be counted as capital	-	-	-	-
	b. Other Borrowings	1,907,979	4,816,559	13,078,033	16,068,470
14.	Security deposits	40,849	46,981	40,849	46,981
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	-
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	410,565	347,424
17.	Other liabilities	3,732,887	3,167,200	6,445,620	5,973,313
18.	Profit sharing investment funds	-	-	-	-
	TOTAL LIABILITIES	126,374,051	126,264,811	153,678,468	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	(51,597)	(71,161)	(90,116)	(116,646)
	c. Cash flow hedges	11,912	31,273	9,967	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	-	-	-	-
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 *)	11,013,916	9,303,232	16,580,293	13,791,582
	b. Current year	3,510,990	2,963,654	1,488,624	4,041,684
	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT EQUITY	28,054,865	25,756,226	31,558,412	31,251,473
27.	Non-controlling interests	-	-	196,491	301,510
	TOTAL EQUITY	28,054,865	25,756,226	31,754,903	31,552,983
	TOTAL LIABILITIES AND EQUITY	154,428,916	152,021,037	185,433,371	184,237,348

*) As reclassified (Note 2)

Statements of Comprehensive Income
For the 6 Months Periods Ended 31 June 2014 and 2013
(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2014	30 Jun 2013 *)	30 Jun 2014	30 Jun 2013 *)
	INCOME AND EXPENSES FROM OPERATIONS				
A.	Interest Income and Expenses				
1.	Interest Income				
	a. Rupiah	7,646,416	6,541,200	10,832,874	9,316,685
	b. Foreign currencies	351,651	271,653	351,653	271,655
2.	Interest Expense				
	a. Rupiah	3,050,703	2,013,153	3,904,042	2,709,010
	b. Foreign currencies	282,264	107,718	484,605	164,022
	Net Interest Income	4,665,100	4,691,982	6,795,880	6,715,308
3.	Underwriting income				
	3.1. Premium income	-	-	754,921	596,082
	3.2. Underwriting expense	-	-	501,132	369,826
	Net Underwriting Income	-	-	253,789	226,256
	Net Interest and underwriting income	4,665,100	4,691,982	7,049,669	6,941,564
4.	Sharia Income				
	4.1. Margin	15,763	12,735	15,763	12,735
	4.2. Profit sharing	93,043	69,268	93,043	69,268
	4.3. Bonus income	1,549	496	1,549	496
	Total Sharia Income	110,355	82,499	110,355	82,499
5.	Sharia Expenses				
	5.1. iB loss sharing	46,805	22,505	46,805	22,505
	5.2. iB bonus expense	1,224	782	1,224	782
	Total Sharia Expenses	48,029	23,287	48,029	23,287
	Net Sharia Interest Income	62,326	59,212	62,326	59,212
B.	Other Operating Income and Expense				
1.	Other Operating Income	4,471,087	1,922,219	2,890,551	2,567,489
	a. Increase in fair value of financial assets (mark to market)				
	i. Marketable securities	-	2	-	2
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	570,302	21,178	570,302	21,178
	iv. Other financial assets	-	18,375	-	18,375
	b. Decrease in fair value of financial liabilities (mark to)	-	-	-	-
	c. Gain from sale of financial assets				
	i. Marketable securities	12,857	3,713	13,995	2,962
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	47,975	99,855	47,975	99,855
	e. Gain from investment under equity method	-	-	-	-
	f. Dividend	2,725,479	674,221	705	3,481
	g. Fees/commissions and administrative	765,367	787,016	1,102,322	1,090,369
	h. Recovery of impairment loss reserves	-	-	-	-
	i. Other income	349,107	317,859	1,155,252	1,331,267

*) As reclassified (Note 2)

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NO.	ACCOUNTS	BANK		CONSOLIDATED	
		30 Jun 2014	30 Jun 2013 *)	30 Jun 2014	30 Jun 2013 *)
2.	Other Operating Expenses	5,393,210	4,534,351	7,931,380	6,808,405
	a. Decrease in fair value of financial assets (mark to market)				
	i. Marketable securities	669	-	669	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	425,760	45,419	425,760	45,419
	iv. Other financial assets	-	-	-	-
	b. Increase in fair value of financial liabilities (mark to market)	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	2,206	5,921	2,206	5,921
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	237,724	6,534	237,724	15,614
	e. Impairment losses on financial assets				
	i. Marketable securities	-	477	-	477
	ii. Loans	1,172,508	1,097,287	1,867,581	1,678,420
	iii. Sharia financing	7,531	10,805	7,531	10,805
	iv. Other financial assets	8,165	(5,836)	45,811	5,324
	f. Losses related to operational risk	2,532	3,382	3,174	3,510
	g. Losses from investment in shares under equity method	-	-	-	-
	h. Fees/commissions and administrative	169,138	161,684	169,890	159,881
	i. Losses from decrease in value of non financial assets	-	1,676	13	1,676
	j. Salaries and employee benefits	1,806,658	1,699,877	2,912,769	2,716,064
	k. Promotion expenses	101,713	89,113	126,843	118,193
	l. Other expenses	1,458,606	1,418,012	2,131,409	2,047,101
	Net Other Operating Expenses	(922,123)	(2,612,132)	(5,040,829)	(4,240,916)
	OPERATING INCOME	3,805,303	2,139,062	2,071,166	2,759,860
	NON OPERATING INCOME				
1.	Gain/(loss) from sale of premisses and equipment	1,059	3,534	1,200	2,246
2.	Gain (loss) on foreign currencies translation	(52)	(27)	(533)	791
3.	Income(expenses) non operating expenses	(7,301)	(2,758)	(34,909)	(47,534)
	NON OPERATING LOSS	(6,294)	749	(34,242)	(44,497)
	INCOME BEFORE INCOME TAX	3,799,009	2,139,811	2,036,924	2,715,363
1	Income tax				
	a. Income tax expenses	276,893	337,454	429,105	612,670
	b. Deferred tax expenses (income)	11,126	43,597	73,502	64,942
	NET INCOME	3,510,990	1,758,760	1,534,317	2,037,751
	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	26,084	(107,765)	34,291	(118,060)
	c. Cash flow hedges	(15,390)	10,489	17,427	50,375
	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	(10,491)	26,941	(18,807)	26,941
	h. Others	-	-	-	-
	Other comprehensive income, net of tax	203	(70,335)	32,911	(40,744)
	TOTAL COMPREHENSIVE INCOME	3,511,193	1,688,425	1,567,228	1,997,007
	Comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,510,990	1,758,760	1,488,624	1,985,001
	NON-CONTROLLING INTERESTS	-	-	45,693	52,750
	TOTAL INCOME FOR THE YEAR ENDED	3,510,990	1,758,760	1,534,317	2,037,751
	Total comprehensive income attribute to :				
	EQUITY HOLDERS OF THE PARENT ENTITY	3,511,193	1,688,425	1,519,495	1,943,553
	NON-CONTROLLING INTERESTS	-	-	47,733	53,454
	TOTAL COMPREHENSIVE INCOME IN CURRENT YEARS	3,511,193	1,688,425	1,567,228	1,997,007
	PROFIT (LOSS) TRANSFERRED TO HEAD OFFICE				
	DIVIDEND	1,212,553	(1,203,640)	1,212,553	(1,203,640)
	OTHERS	40,417	(40,118)	40,417	(40,118)
	EARNINGS PER SHARE	366.31	183.50	155.31	207.10

*) 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 6 Months Period ended 30 June 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
6,796	254	62	2,891	(7,931)	-	(34)	2,037	(503)	(46)	1,489

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/ Cost of Credit (Loss)	Taxes	Minority Interest	Net Profit after Tax and Minority Interest	Remark	
6,858	3,144	10,003	(7,931)	2,071	-	(34)	(503)	(46)	1,489	
(115)		(115)	115	-					- LPS Deposit Insurance	
	(11)	(11)		(11)	11				- Provision for ADMF acquisition cost	
	(82)	(82)		(82)	82				- Write off on amortization cost	
	(100)	(100)	100	-					- ADMF indirect acquisition cost	
	(426)	(426)	426	-					- Decrease in fair value of financial assets (MTM)	
	(2)	(2)	2	-					- Losses from sale of financial assets (marketable securities)	
	(238)	(238)	238	-					- Losses from spot and derivative transaction (realised)	
		-	1,921	1,921	(1,921)				- Impairment losses on financial assets	
	(170)	(170)	170	-					- Fees/commissions and administrative expenses	
	(10)	(10)	(1)	(11)		11			- Others	
6,744	2,105	8,849	(4,961)	3,888	(1,829)	(23)	(503)	(46)	1,489	
Analyst Briefing Presentation										

Key Financial Ratios

As at 30 June 2014 and 2013

NO.	RATIOS (%)	30 Jun 2014	30 Jun 2013 *)
	CONSOLIDATED RATIOS :		
I.	Capital		
	1. Capital Adequacy Ratio (CAR)	17.75%	18.71%
II.	Earning assets		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.41%	1.70%
	2. Non-performing earning assets to total productive assets	1.77%	2.10%
	3. Allowance for impairment losses for financial asset to productive asset	2.22%	2.43%
	4. NPL gross	2.09%	2.38%
	5. NPL net	1.24%	0.00%
III.	Rentability		
	1. Return on Assets (ROA)	2.19%	3.51%
	2. Return on Equity (ROE)	9.78%	14.33%
	3. NIM including third party premium expenses	8.38%	9.88%
	4. Cost to income	56.06%	51.87%
	BANK RATIOS :		
I.	Capital		
	1. CAR	17.81%	18.37%
II.	Earning assets		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.37%	1.72%
	2. Non-performing earning assets to total productive assets	1.79%	2.21%
	3. Allowance for impairment losses for financial asset to productive asset	1.96%	2.15%
	4. NPL gross	2.23%	2.62%
	5. NPL net after impairment value	1.26%	0.13%
	6. Non performing iB receivables and financing with contract	1.56%	1.69%
III.	Rentability		
	1. ROA	4.93%	3.36%
	2. ROE	28.23%	15.46%
	3. NIM	7.29%	8.62%
	4. NIM including third party premium expenses	7.11%	8.45%
	5. Operating expenses to operating income	69.75%	75.74%
	6. Cost to income	58.92%	55.01%
IV.	Liquidity		
	LDR	98.93%	105.39%
V.	Compliance		
	1. 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%	8.09%
	b. GWM Foreign Currency	8.17%	8.24%
	4. Net Open Position	0.29%	1.18%

*) As reclassified (Note 2)

Statements of Commitments and Contingencies

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

NO.	ACCOUNTS	BANK DANAMON		KONSOLIDASIAN	
		30 Jun 2014	31 Des 2013	30 Jun 2014	31 Des 2013
I	COMMITMENT RECEIVABLES				
	1. Unused borrowing facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contract	10,607,807	8,927,047	10,607,807	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	50,611	49,551	50,611	49,551
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	220,454	294,125	220,454	294,125
	ii. Uncommitted	38,543,771	31,106,414	38,543,771	31,106,414
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	13,436	23,155	13,436	23,155
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	289,085	217,207	289,085	217,207
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	1,447,412	1,573,293	1,447,412	1,573,293
	b. Local L/C	238,589	914,713	238,589	914,713
	4. Outstanding selling of spot and derivative contract	3,267,775	3,208,393	3,267,775	3,208,393
	5. Others	-	-	-	-
III	CONTINGENT RECEIVABLES				
	1. Guarantees received				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	82,817	85,902	82,817	85,902
	2. Interest receivables on non performing assets				
	a. Loan interest income	340,060	292,383	340,060	292,383
	b. Other interest	-	2,538	-	2,538
	3. Others	-	-	-	-
IV	CONTINGENT PAYABLES				
	1. Guarantees issued				
	a. Rupiah	2,591,401	2,764,076	2,591,401	2,764,076
	b. Foreign currencies	521,638	588,719	521,638	588,719
	2. Others	-	-	-	-

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

NO.	ACCOUNTS	30 June 2014					30 June 2013						
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
		L	DPK	KL	D	M	JUMLAH	L	DPK	KL	D	M	JUMLAH
I.	RELATED PARTIES												
1.	Placements with other banks												
a.	Rupiah	127,558	-	-	-	-	127,558	101,567	-	-	-	-	101,567
b.	Foreign currencies	269,167	-	-	-	-	269,167	163,662	-	-	-	-	163,662
2.	Spot and derivative receivables												
a.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
3.	Marketable securities												
a.	Rupiah	74,178	-	-	-	-	74,178	5,078	-	-	-	-	5,078
b.	Foreign currencies	10,227	-	-	-	-	10,227	9,245	-	-	-	-	9,245
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	2,602	-	-	-	-	2,602	-	-	-	-	-	-
7.	Loans												
a.	Debtor micro, small and medium												
i.	Rupiah	9	-	-	-	-	9	2,634	-	-	-	-	2,634
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
b.	Non debtor micro, small and medium												
i.	Rupiah	25,081	-	2	-	-	25,083	837,912	-	-	-	-	837,912
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
c.	Restructured												
i.	Rupiah	-	-	-	-	-	-	-	-	-	-	-	-
ii.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
d.	Properties loan	21,749	-	-	-	-	21,749	16,424	-	-	-	-	16,424
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	1,251,553	-	-	-	-	1,251,553	64	-	-	-	-	64
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
12.	Idle properties	-	-	-	-	-	-	-	-	-	-	-	-
13.	Foreclosed assets	-	-	-	-	-	-	-	-	-	-	-	-
14.	Suspense accounts	-	-	-	-	-	-	-	-	-	-	-	-
II.	NON RELATED PARTIES												
1.	Placements with other banks												
a.	Rupiah	459,276	-	-	-	-	459,276	78,195	-	-	-	-	78,195
b.	Foreign currencies	4,671,046	-	-	-	-	4,671,046	2,196,961	-	-	-	-	2,196,961
2.	Spot and derivative receivables												
a.	Rupiah	198,577	-	-	-	-	198,577	127,377	-	-	-	-	127,377
b.	Foreign currencies	43,214	-	-	-	-	43,214	9,079	-	-	-	-	9,079
3.	Marketable securities												
a.	Rupiah	11,107,170	-	-	-	20,000	11,127,170	9,141,586	-	-	20,000	-	9,161,586
b.	Foreign currencies	697,128	-	-	-	-	697,128	169,702	-	-	-	-	169,702
4.	Securities sold under repurchase agreements (repo)												
a.	Rupiah	930,056	-	-	-	-	930,056	926,691	-	-	-	-	926,691
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
5.	Securities purchased under resale agreements (reverse repo)												
a.	Rupiah	144,541	-	-	-	-	144,541	462,390	-	-	-	-	462,390
b.	Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
6.	Acceptance receivables	4,985,512	44,482	-	-	-	5,029,994	1,892,635	-	-	-	-	1,892,635
7.	Loans												
a.	Debtor micro, small and medium												
i.	Rupiah	30,098,315	2,161,315	324,297	514,628	736,135	33,834,690	29,376,244	1,770,680	259,712	430,986	626,496	32,464,118
ii.	Foreign currencies	305,926	3,070	-	-	571	309,567	318,089	1,975	-	2,806	1,050	323,920
b.	Non debtor micro, small and medium												
i.	Rupiah	57,987,272	4,564,331	146,490	240,523	279,718	63,218,334	48,284,046	5,012,686	140,871	252,256	342,103	54,031,962
ii.	Foreign currencies	11,363,520	590,098	6,618	24,070	146,353	12,130,659	9,594,316	376,661	-	-	493,289	10,464,266
c.	Restructured												
i.	Rupiah	730,518	407,885	80,039	72,792	142,287	1,433,521	656,153	300,913	44,640	47,854	98,513	1,148,073
ii.	Foreign currencies	184,883	508,100	3,518	24,070	38,826	759,397	324,170	367,844	-	-	32,505	724,519
d.	Properties loan	4,412,540	180,644	11,540	9,748	39,376	4,653,848	3,967,040	181,635	6,331	8,577	26,088	4,189,671
8.	Investments	12,055	25	-	-	-	12,080	12,055	25	-	-	-	12,080
9.	Temporary equity investment	-	-	-	-	-	-	-	-	-	-	-	-
10.	Others receivables	38,140	-	-	-	-	38,140	141,965	-	-	-	1,688	143,653
11.	Commitments and contingencies to third parties												
a.	Rupiah	31,022,380	212,692	5,823	-	4,902	31,245,797	26,070,595	157,565	-	-	-	26,228,160
b.	Foreign currencies	11,023,297	395,751	-	-	-	11,419,048	8,383,683	64,082	-	-	-	8,447,765
12.	Idle properties	-	-	-	-	16,289	16,289	-	-	-	1,908	14,381	16,289
13.	Foreclosed assets	-	-	-	540	434	974	-	-	80	593	1,265	1,938
14.	Suspense accounts	1,148	-	-	-	-	1,148	2,023	-	-	-	-	2,023
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 -/-						2,661,854						2,497,014
3.	Minimum required allowance for possible losses on assets						2,865,901						2,960,901
4.	Percentage of micro, small and medium enterprises credit to total loans						31.18%						33.42%
5.	Percentage of micro and small enterprises credit to total loans						12.74%						14.52%
6.	Percentage of micro, small and medium enterprises debtors to total debtors						9.42%						9.63%
7.	Percentage of micro and small enterprises debtor to total debtors						7.85%						8.33%
8.	Others												
a.	Channelling loans						350,638						350,644
b.	Channelling loans Mudharabah Muqayadah						-						-
c.	Written-off earning assets						1,154,193						1,207,502
d.	Recovery on written-off earning assets						349,858						343,743
e.	Charged-off earning assets						618,626						311,532

Allowance for Impairment Losses

As at 30 June 2014 and 2013

(in million Rupiah)

No.	ACCOUNTS	30 Jun 2014				30 Jun 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	-	4,167	55,270	-	-	1,286	25,404	-
2	Spot and derivative receivables	-	-	2,418	-	-	-	1,365	-
3	Marketable securities	20,000	942	31,266	20,000	20,000	1,227	26,309	20,000
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse repo)	-	-	-	-	-	20	249	-
6	Acceptance receivables	-	-	49,881	2,224	-	-	18,926	-
7	Loans	327,449	2,286,385	972,157	1,604,814	585,143	1,842,842	870,866	1,890,883
8	Others receivable	22,911	-	381	-	46,496	-	1,420	1,688
9	Investments	-	-	26,574	1	-	-	26,574	1
10	Temporary equity investment	-	-	-	-	-	-	-	-
11	Transaction administrative accounts	-	-	47,723	36,197	-	-	49,227	11,082
		370,360	2,291,494	1,185,671	1,663,236	651,639	1,845,375	1,020,338	1,923,655

Statement of Foreign Exchange and Derivative Transactions

As at 30 June 2014

(in million Rupiah)

NO.	TRANSACTION	Notional Amount	Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
A.	Related to exchange rate					
1.	Spot	579,242	579,242	-	1,462	2,442
2.	Forward	628,904	628,904	-	10,896	3,848
3.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	12,083,552	11,490,802	592,750	226,892	280,234
6.	Others	-	-	-	-	-
B.	Related to interest rate					
1.	Forward	-	-	-	-	-
2.	Option					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Future	23,710	23,710	-	-	78
4.	Swap	178,534	178,534	-	2,541	171
5.	Others	-	-	-	-	-
C.	Others	-	-	-	-	-
	TOTAL	13,493,942	12,901,192	592,750	241,791	286,773

Capital Adequacy Ratio

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

NO.	DESCRIPTION	30 Jun 2014		30 Jun 2013	
		Bank	Konsolidasian	Bank	Konsolidasian
I.	COMPONENTS				
	A. CORE CAPITAL	23,712,419	28,363,924	20,809,615	25,786,144
	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%)	10,102,564	15,660,350	8,489,868	12,978,222
	f. Current year profit net of taxes (50%)	1,755,495	743,791	879,380	992,500
	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	(51,597)	(26,038)	-	-
	f. Under provision between regulatory provision and impairment value on productive assets	(187,054)	-	(446,979)	(135,731)
	g. Under provision between regulatory provision and impairment value on non productive assets	(16,993)	(16,993)	(16,908)	(16,908)
	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%)	(1,459,641)	(492,299)	(1,624,974)	(486,635)
	4.4 Short of capital on insurance subsidiary company (50%)	-	-	-	-
	5. Minority interest	-	-	-	-
	B. SUPPLEMENTARY CAPITAL	-	903,133	-	701,419
	1. Upper Tier 2				
	1.1 Preferen stock (perpetual cumulative)	-	-	-	-
	1.2 Subordinated marketable securities (perpetual cumulative)	-	-	-	-
	1.3 Subordinated loan (perpetual cumulative)	-	-	-	-
	1.4 Mandatory convertible bond	-	-	-	-
	1.5 Remaining innovative capital which has not been calculated in core capital	-	-	-	-
	1.6 Other supplementary capital upper tier 2	-	-	-	-
	1.7 Fixed assets revaluation	-	-	-	-
	1.8 General allowance for possible losses on earning assets (max. 1.25% of weighted risk-based assets)	1,185,671	1,395,432	1,020,338	1,188,054
	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%)	(1,185,671)	(492,299)	(1,020,338)	(486,635)
	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)	23,712,419	29,267,057	20,809,615	26,487,563
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A+B-C+E)	23,712,419	29,267,057	20,809,615	26,487,563
IV.	RISK WEIGHTED ASSETS - CREDIT RISK *	110,628,050	132,585,428	92,609,813	112,546,114
V.	RISK WEIGHTED ASSETS - OPERATIONAL RISK	22,214,233	32,060,719	20,269,187	28,600,198
VI.	RISK WEIGHTED ASSETS - MARKET RISK	277,117	279,313	376,257	385,572
VII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND OPERATIONAL RISK CHARGE (III:(IV+V))	17.85%	17.78%	18.44%	18.77%
VIII.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK, MARKET RISK AND OPERATIONAL RISK CHARGE (III:(IV+V+VI))	17.81%	17.75%	18.37%	18.71%

Syariah Unit

PT Bank Danamon Indonesia, Tbk

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BALANCE SHEETS

AS AT 30 JUNE 2014 AND 2013

(In million Rupiah)

NO.	ACCOUNTS	30 Jun 2014	30 Jun 2013
A.	ASSETS		
1.	Cash	47,493	42,501
2.	Current accounts with Bank Indonesia	100,709	77,564
3.	Certificates of Bank Indonesia Sharia	377,000	478,000
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 *)	220,416	230,048
	Allowance for possible losses on iB receivables -/-	(16,178)	(17,742)
7.	Others iB receivables	97,675	167,515
	Allowance for possible losses on others iB receivables -/-	(117)	(543)
8.	iB financing	1,821,431	1,360,745
	Allowance for possible losses on iB financing -/-	(22,446)	(23,179)
9.	Fixed assets	27,614	26,555
	Accumulated depreciation of fixed assets -/-	(11,886)	(8,106)
10.	Accrued income	15,194	14,407
11.	Prepaid expenses	33,251	45,714
12.	Other assets	2,747	12,815
	TOTAL ASSETS	2,767,151	2,480,544
B.	LIABILITIES		
1.	iB funds		
	a. iB deposit current accounts	244,135	256,507
	b. iB deposit savings	3,729	32,427
2.	Others iB current liabilities	5,928	2,590
3.	Liabilities to Bank Indonesia (FPJPS)	-	-
4.	Deposits from other banks	40,859	28,323
5.	iB marketable securities issued	-	200,000
6.	Others liabilities	787,632	474,156
7.	Investment funds		
	a. iB savings	440,865	378,997
	b. iB deposits	1,242,347	1,107,914
8.	Accumulated (loss)/gain	1,658	(370)
	TOTAL LIABILITIES	2,767,153	2,480,544

STATEMENTS OF INCOME

FOR THE PERIOD 6 MONTHS 30 JUNE 2014 AND 2013

(In million Rupiah)

NO.	ACCOUNTS	30 Jun 2014	30 Jun 2013
A.	OPERATING INCOME		
1.	Margin	15,763	12,735
2.	Profit sharing	93,042	69,268
3.	iB Bonus	1,549	496
4.	Other operating income	30,001	38,396
B.	TOTAL OPERATING INCOME	140,355	120,895
C.	Margin distribution for non - discretionary investment funds		
	a. Bank	320	514
	b. Non Bank	46,485	21,991
	c. Bank Indonesia (FPJPS)	-	-
D.	TOTAL PROFIT SHARING	46,805	22,505
E.	Income from operation after deducting margin distribution for non-discretionary investment funds	93,550	98,390
F.	OPERATING EXPENSES		
1.	iB bonus	1,224	782
2.	Allowance for possible losses on assets	8,462	11,016
3.	General and administrative	12,054	11,333
4.	Salaries and employee benefits	54,184	52,279
5.	Others	13,630	19,448
G.	TOTAL OPERATING EXPENSE	89,554	94,858
H.	NET OPERATING INCOME	3,996	3,532
I.	Other non-operating income	2,868	139
J.	Other non-operating expenses	5,206	4,041
K.	NON-OPERATING LOSS	(2,337)	(3,902)
L.	NET INCOME/(LOSS) DURING YEAR ENDED	1,658	(370)

STATEMENTS OF COMMITMENTS AND CONTINGENCIES

AS AT 30 JUNE 2014 AND 2013

(In million Rupiah)

NO.	ACCOUNTS	30 Jun 2014	30 Jun 2013
1.	Unused iB financing facilities (**)	-	-
2.	Outstanding iB irrevocable letters of credit	-	-
3.	iB guarantees issued	-	-
4.	Others	2,973	2,635

Notes:

- Danamon Sharia Branches were started in May 2002. Until June 2014 Danamon Sharia has 160 Sharia sub-branches.
- Danamon Sharia Branches : Jakarta, Bukit Tinggi, Aceh, Surabaya, Martapura, Solo, Makasar, Bandung, Cirebon, Malang, Tasikmalaya, Kediri, Semarang, Jember, Mataram, Lampung, Serang, Yogyakarta, Palembang, Pekanbaru, Medan, Purwokerto, Denpasar, Batam and Tegal.
- In accordance with Letter from Bank Indonesia No. 10/57/Dpc/DPBS dated 27 May 2008 regarding "Equalisation of Sharia Banking Products and Services", starting June 2008 all sharia banking products/services equalized as Islamic Banking (iB).
- *) iB receivables exclude margin to be received of Rp 44,898 million and Rp 57,503 million as at 30 June 2014 and 2013, respectively.
- **) This unused iB financing facilities is only for committed facilities.

Table of Margin Distribution
For the month of June 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.	iB deposit current accounts					
	a. Bank	4,972	41	0.00	-	-
	b. Non Bank	293,259	2,416	0.00	-	-
2.	iB deposit savings					
	a. Bank	-	-	0.00	-	-
	b. Non Bank	4,314	36	0.00	-	-
3.	iB savings					
	a. Bank	17,715	146	13.00	19	1.30
	b. Non Bank	377,741	3,112	13.00	405	1.30
4.	iB deposits					
	a. Bank					
	- 1 month	4,626	38	46.00	18	4.61
	- 3 months	0	0	46.00	0	4.61
	- 6 months	0	0	46.00	0	4.61
	- 12 months	3,330	27	46.00	13	4.61
	b. Non Bank					
	- 1 month	874,889	7,209	46.00	3,316	4.61
	- 3 months	27,600	227	46.00	105	4.61
	- 6 months	120,568	993	46.00	457	4.61
	- 12 months	9,183	76	46.00	35	4.61
	TOTAL	1,738,197	14,322		4,366	

Notes to the Financial Statements

1. Information in the consolidated statements of financial position and consolidated statements of commitments and contingencies as at 30 June 2014 and 31 December 2013, and in the consolidated statements of comprehensive income and consolidated statements of cash flows for the six-month periods ended 30 June 2014 and 2013, were taken from the consolidated financial statements for the six-month periods ended 30 June 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 six-month period ended 30 June 2013 have been reclassified to conform with the presentation of consolidated financial statements for the six-month period ended 30 June 2014.
3. The consolidated financial statements for the six-month periods ended 30 June 2014 and 2013 and for the year then ended 31 December 2013 and for periods/year then ended included financial statements of subsidiaries, i.e. PT Adira Dinamika Multi Finance Tbk, PT Asuransi Adira Dinamika, and PT Adira Quantum Multifinance.
4. The ultimate shareholder of Asia Financial (Indonesia) Pte. Ltd. (AFI) is Temasek Holding Pte. Ltd., an investment holding company based in Singapore which is wholly owned by the Ministry of Finance of Singapore.

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

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

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

5. Exchange rate as at 30 June 2014: USD 1 = Rp11,855; Exchange rate as at 31 December 2013: USD 1 = Rp12,170.00 ; exchange rate as at 30 June 2013: USD 1 = Rp9,925.