



Menara Bank Danamon, 16<sup>th</sup> floor  
 Jl. HR. Rasuna Said Kav. C10  
 Jakarta 12940  
 Tel. + 62 21 8064 5000  
 Email : investor.relations@danamon.co.id

Reza Sardjono, CFA  
 reza.sardjono@danamon.co.id

Shantie P. Dewi (Astrie)  
 shantie.dewi@danamon.co.id

Dennis Indrawan  
 dennis.indrawan@danamon.co.id

	2015	2016	YoY
<b>INCOME STATEMENTS (Rp billion)</b>			
Net Interest Income	13,648	13,793	1%
Fee Income	3,666	3,913	7%
Operating Income	17,314	17,706	2%
Operating Expenses	8,999	8,632	-4%
PPOP <sup>1)</sup>	8,313	9,074	9%
Cost of Credit	4,925	4,358	-12%
Operating Profit	3,389	4,716	39%
Restructuring Cost	182	260	42%
NPBT	3,206	4,456	39%
Taxes <sup>2)</sup> and Minority Interest	813	1,787	120%
NPAT	2,393	2,669	12%
Normalized NPAT <sup>3)</sup>	2,393	3,125	31%
<b>BALANCE SHEETS (Rp billion)</b>			
Total Assets	188,057	174,087	-7%
Total Loan Portfolio and Trade Finance <sup>4)</sup>	129,474	127,310	-2%
Total Loan Portfolio and Trade Finance <sup>4)</sup> excl. Micro	114,868	117,125	2%
Government Bonds	6,916	9,563	38%
Total Funding	139,782	126,224	-10%
CASA	49,785	48,536	-3%
Time Deposit	66,991	56,955	-15%
Borrowings and LT. Funding	23,006	20,733	-10%
Equity	33,932	35,943	6%
<b>KEY RATIOS (%)</b>			
NIM	8.2	8.9	0.7
Cost of Credit	3.8	3.5	(0.3)
Risk-adjusted NIM	4.4	5.4	1.0
Cost to Income	52.0	48.8	(3.2)
BOPO – Bank only	85.8	82.9	(2.9)
ROAA <sup>2)</sup>	1.2	1.5	0.3
ROAE <sup>2)</sup>	7.5	8.0	0.5
Regulatory LFR <sup>5)</sup>	87.5	91.0	3.5
Consolidated LFR <sup>6)</sup>	92.5	97.0	4.5
CAR – Consolidated	19.7	20.9	1.2
NPL Gross	3.0	3.1	0.1
Loan Loss Coverage (LLC)	112.0	116.9	4.9

1) Pre-Provision Operating Profit.

2) 4Q16: Danamon and subsidiaries participated in the Tax Amnesty Program, resulting in a one time tax expense adjustment of Rp 456 bn.

3) Excludes a one time tax expense adjustment

4) Trade Finance includes related marketable securities.

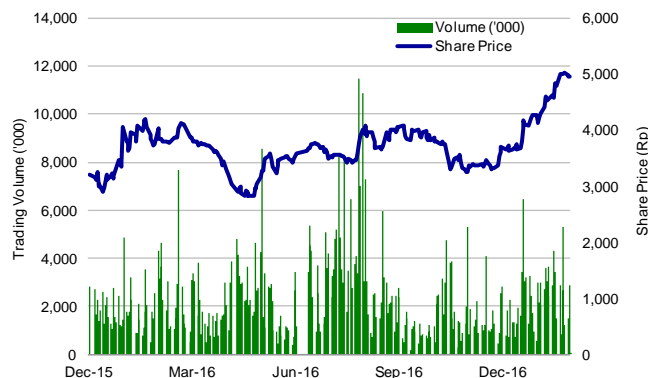
5) Loan to Funding Ratio ("LFR") calculation is as stipulated in BI regulation No. 17 / 11 / PBI / 2015 dated 25 June 2015 effective in August 2015. LDR data is used prior to Aug 2015.

6) Consolidated including Adira Finance structured funding.

## Loan growth in key sectors, paired with 39% growth in Net Profit Before Taxes

- The portfolio of SME and Wholesale Banking (Corporate, Commercial, and FI) rose by 10.1%, and 10.8% YoY respectively.
- CASA ratio increased by 340 bps from prior year to reach 46.0%.
- Efficiency continued to improve. Cost to Income Ratio (CIR) was 48.8% as compared to 52.0% in the prior year.
- Cost of Credit (CoC) improved 12% YoY to Rp 4.4 trillion. Quarterly CoC was lower by 14% to Rp 997 billion.
- Non-performing loans (NPL) decreased 4.1% YoY to Rp 3.7 trillion.
- Net Profit Before Taxes (NPBT) jumped 39% YoY to Rp 4.5 trillion.
- Net Profit After Taxes (NPAT) grew 12% YoY to Rp 2.7 trillion. Excluding one-time items, normalized NPAT jumped 31.0% to Rp 3.1 trillion.

## Share Price (Ticker: BDMN)



## Macroeconomic environment

### Entering unknown territory

Events in the fourth quarter were anything but ordinary. The result of US election had surprised markets around the globe, creating new uncertainties and speculation on where the world's largest economy would be directed to. Market players responded within days by reallocating funds toward a more defensive stance. In the 4Q16, Rupiah depreciated from IDR 12,998/USD to IDR 13,436/USD level.

Economic growth in 4Q16 reached 4.94% YoY, stemming mostly from fixed investment and improvement in trade. Spending by non-profit institutions related to local government elections also increased. Government's effort to contain consumer price inflation has supported domestic purchasing power. Inflation for the full year of 2016 came relatively low at 3.02%.

Current account deficit (CAD) in the 4<sup>th</sup> quarter came at USD 1.8 billion or 0.8% of nominal GDP. This brought FY16 CAD down to 1.8% of GDP, from 2.1% a year earlier. Meanwhile, there was a significant amount of realized repatriated fund from the first leg of the tax amnesty program. The figure was around USD 8.6 billion.

Riding on this momentum, the central bank cut its policy rates by another 25bps on September 22nd to help untangle weak demand and propel banks' ability to overturn NPL issues. However, the central bank also hinted that monetary easing cycle has ended and future inflation will be closely monitored.

### Improved trading leads to recovery in FCY loan

Up until 3Q16, shrinking trade volume resulted in less demand for FCY loans. This partially explains the lack of credit demand in the banking sector, since LCY loans still grew at a modest pace of 6.4%. However, demand for FCY loans moved out of negative territory in the fourth quarter, boosted by the jump in primary commodities prices.

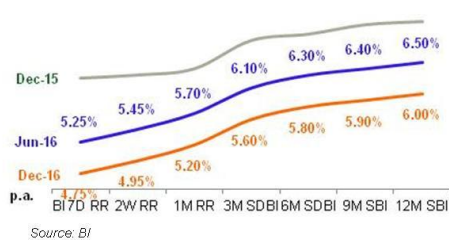
In FY16, overall banking loans grew 7.9% YoY to Rp 4,377 trillion, slowing down from last year's 10.4% growth. On the other hand, third-party funds grew by 9.6% to Rp 4,837 trillion, partly supported by the repatriated fund from the government's Tax Amnesty program. Liquidity has somewhat loosened with Loan to Deposit ratio edging down to 90.5% as compared to 92.0% in 2015. Banks' net interest margin (NIM) improved to 5.6% in 2016 from 5.4% in 2015.

NPL ratio at the end of 2016 was 2.9%, a 44 bps increase from the end of 2015. Most of the NPLs came from Wholesale loans in the mining, manufacturing and logistics sectors. BUKU 3 banks experienced the least acceleration of NPL.

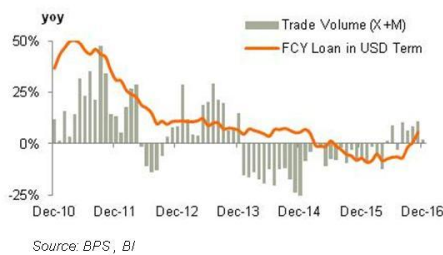
### Indonesia's economic connection with US



### Monetary Operation Term Structure



### Monetary Operation Term Structure



## Bank Danamon's performance

### Growth in SME and Wholesale Banking

In 2016, PT Bank Danamon Indonesia, Tbk (the "Bank" or "Danamon")'s total loan portfolio and Trade Finance stood at Rp 127.3 trillion, a 2% increase QoQ. Excluding micro loans, the combined portfolio grew by 4% QoQ and 2% YoY.

The portfolio of SME and Wholesale Banking, which consists of Corporate, Commercial, and FI, grew by 10% and 11% YoY, respectively. In 2016, Danamon significantly improved its SME loan's approval process without sacrificing discipline in the credit process. In addition, the Bank successfully conducted a pilot study on new coverage model for Small SME. These initiatives will be rolled out to all regions in 2017 to boost loan growth.

Mortgage portfolio grew 21% YoY. While other consumer loans including unsecured personal loans ("UPL") and credit cards combined declined 26% YoY due to strategic efforts by Danamon to shift the focus away from UPL loans. Overall consumer loans declined 5% YoY.

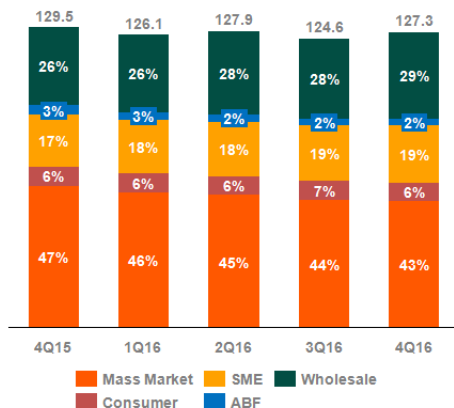
Micro loans declined 30% YoY to Rp 10.2 trillion. Danamon continued to focus on SEMM network rationalization and collection.

The auto industry recorded mixed growth performance in 2016. New motorcycle sales were down 8% YoY. While new car sales recorded 5% YoY growth, new commercial car still declined 29% YoY.

Adira Finance ("ADMF")'s new sales performed better than industry in 2016. Measured by the number of new motorcycles financed, ADMF declined 6% YoY. By the number of new cars financed, ADMF declined 10% YoY mainly due to the commercial car segment which made up a good portion of ADMF's loans. In 2016, overall ADMF loans declined 5% YoY but grew 2% QoQ to Rp 44.5 trillion due to improvements in auto loan demand.

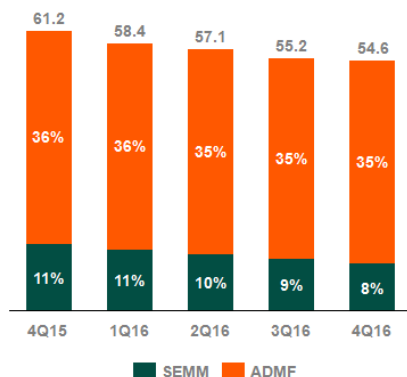
### Composition of Loan Portfolio and Trade Finance

*Rp trillion and % of total loans*

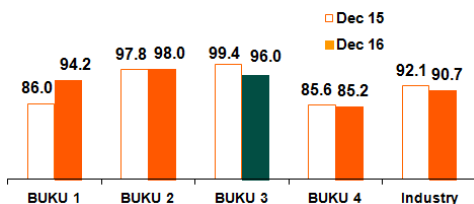


### Mass Market Loan Composition and Size

*Rp trillion and % of total loans*



### LDR (%) by BUKU



### Improved liquidity

LFR for the Bank stood at 91% in December 2016. The number was well within the 94.0% requirement set by the regulator and better than the 96.0% average LDR of BUKU 3 banks in December 2016. Consolidated LFR, including structured funding mostly raised in ADMF, stood at 97% in December 2016. The structured funding is a long-term fixed rate financing raised to match the duration of ADMF's loans.

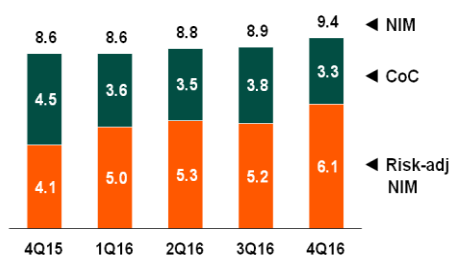
The Bank manages liquidity risk through Maximum Cumulative Outflow

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**March 2017**

(MCO) and other liquidity indicators including Liquidity Stress Test. Liquidity risk is measured and monitored on a daily basis to meet both regulatory and internal requirements. As per the end of December 2016, the Bank has positive MCO and positive Liquidity Stress Test result.

Third-party funding was reduced by 10% to Rp 105.5 trillion, in line with Danamon's LFR target of 90%-92%. Time deposit decreased by 2% QoQ to Rp 57.0 trillion, while CASA increased by 6% QoQ to Rp 48.5 trillion. Consequently, CASA ratio improved 210 bps QoQ / 340 bps YoY to 46.0%.

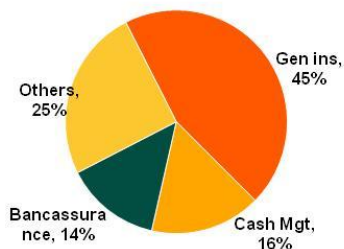
**Quarterly NIM & CoC (%)**



**Full Year Risk-Adjusted NIM improved by 100 bps YoY**

Full year Risk-Adjusted NIM improved by 100 bps from 4.4% in 2015 to 5.4% in 2016. Quarterly, Risk-Adjusted NIM also improved by 90 bps QoQ to 6.1%. These improvements were supported by the Bank's efforts in pursuing quality CASA and limiting high-cost deposits. At the same time, CoC improved to 3.5% in FY16 from 3.8% in FY15.

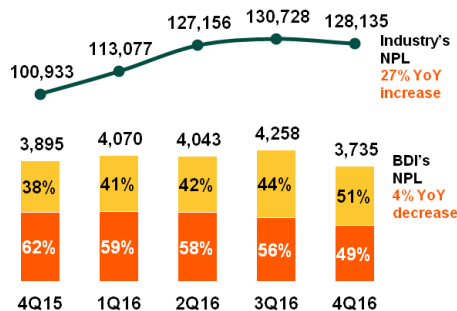
**Distribution of Fee Income 2016 (%)**



**Fee income growth boosted operating income**

Credit-related fee income grew 3% YoY to Rp 2.4 trillion. Bancassurance fee grew 13% YoY to Rp 281 billion. Cash management rose by 11% YoY to Rp 325 billion while Adira insurance contributed Rp 908 billion of fee income in 2016. In the same period, Treasury related income grew 27% YoY to Rp 263 billion.

**NPL Amount**



**Asset quality improved**

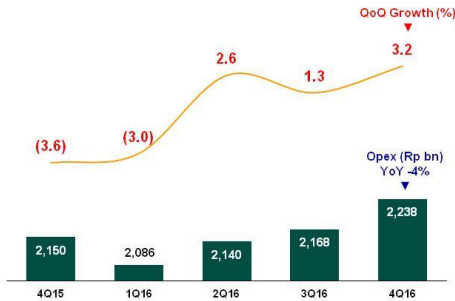
Danamon's NPL amount at year end 2016 improved by 4% YoY to Rp 3.7 trillion, in contrast with the 27% YoY increase in industry's NPL. Gross NPL ratio stood at 3.1% at the end of 2016, a 40 bps decrease QoQ and a 10bps increase YoY.

The Bank's asset quality by sector is better across the majority of industry sectors. Increase of NPL in the mining sector was primarily due to a coal related corporate debtor. On the other hand, NPL in the transportation & communication sector decreased by 80 bps due to settlement of certain troubled loans. While NPL in the processing sector decreased by 70 bps due to loan write-off.

The Bank expects asset quality to improve in 2017. Cost of Credit (CoC) has improved 12% from Rp 4.9 trillion in 2015 to Rp 4.4 trillion in 2016. Restructured loans ratio has also improved from 2.94% at the end of last year to 2.82% at the end of 2016. In addition, Special Mention ratio has

improved by 20 bps YoY or 130 bps QoQ to 9.9% at the end of 2016.

**Operating Expense**



**Well-managed operating expenses**

Efficiency continued to improve. Full year CIR in 2016 was 48.8% as compared to 52.0% in the prior year. Re-alignment of network and resources were performed to increase productivity and efficiency. At the same time, the Bank is investing in critical areas including IT and analytics to support strategic growth.

**Net profit before taxes grew by 39% YoY**

All the factors discussed above resulted in a 2016 NPBT to jump 39% YoY to Rp 4.5 trillion.

Danamon and subsidiaries participated in the Tax Amnesty Program, resulting in a one time tax expense adjustment of Rp 456 bn. Full year NPAT was Rp 2.7 trillion or increased by 12% YoY. Excluding one-time items, normalized NPAT jumped 31.0% to Rp 3.1 trillion.

The strategy to diversify growth engines has started to yield promising result in key sectors. Meanwhile, discipline in operating expenses and investment in strategic areas will continue.

## Key Figures and Ratios

	2015	2016	YoY	1Q16	2Q16	3Q16	4Q16	QoQ
<b>INCOME STATEMENTS (Rp billion)</b>								
Net Interest Income	13,648	13,793	1%	3,395	3,408	3,445	3,546	3%
Fee Income	3,666	3,913	7%	928	1,062	928	996	7%
Operating Income	17,314	17,706	2%	4,322	4,469	4,373	4,542	4%
Operating Expenses	8,999	8,632	-4%	2,086	2,140	2,168	2,238	3%
PPOP <sup>1)</sup>	8,313	9,074	9%	2,236	2,330	2,205	2,304	4%
Cost of Credit	4,925	4,358	-12%	1,129	1,079	1,153	997	-14%
Operating Profit	3,389	4,716	39%	1,107	1,250	1,052	1,307	24%
Restructuring Cost	182	260	42%	0	0	0	260	nm
NPBT	3,206	4,456	39%	1,107	1,250	1,052	1,047	0%
Taxes <sup>2)</sup> and Minority Interest	813	1,787	120%	294	330	270	894	232%
NPAT	2,393	2,669	12%	814	921	782	152	-81%
Normalized NPAT <sup>3)</sup>	2,393	3,125	31%	814	921	782	868	11%
<b>BALANCE SHEETS (Rp billion)</b>								
Total Assets	188,057	174,087	-7%	179,334	174,855	174,686	174,087	0%
Total Loan Portfolio and Trade Finance <sup>4)</sup>	129,474	127,310	-2%	126,099	127,880	124,553	127,310	2%
Total Loan Portfolio and Trade Finance <sup>4)</sup> excl. Micro	114,868	117,125	2%	112,774	115,370	113,109	117,125	4%
Government Bonds	6,916	9,563	38%	6,605	8,291	9,143	9,563	5%
Total Funding	139,782	126,224	-10%	132,077	127,852	124,575	126,224	1%
CASA	49,785	48,536	-3%	45,948	44,712	45,574	48,536	6%
Time Deposit	66,991	56,955	-15%	65,140	61,391	58,197	56,955	-2%
Borrowings and LT. Funding	23,006	20,733	-10%	20,989	21,749	20,804	20,733	0%
Equity	33,932	35,943	6%	34,886	35,018	35,849	35,943	0%
<b>KEY RATIOS (%)</b>								
NIM	8.2	8.9	0.7	8.6	8.8	8.9	9.4	0.5
Cost of Credit	3.8	3.5	(0.3)	3.6	3.5	3.8	3.3	(0.5)
Risk-adjusted NIM	4.4	5.4	1.0	5.0	5.3	5.2	6.1	0.9
Cost to Income	52.0	48.8	(3.2)	48.3	47.9	49.6	49.3	(0.3)
BOPO – Bank only	85.8	82.9	(2.9)	83.0	82.5	87.7	97.4	9.7
ROAA <sup>2)</sup>	1.2	1.5	0.3	1.8	2.1	1.8	0.4	(1.4)
ROAE <sup>2)</sup>	7.5	8.0	0.5	9.8	11.2	9.2	1.8	(7.4)
Regulatory LFR <sup>5)</sup>	87.5	91.0	3.5	90.2	92.6	91.7	91.0	(0.7)
Consolidated LFR <sup>6)</sup>	92.5	97.0	4.5	95.3	97.7	97.6	97.0	(0.6)
CAR – Consolidated	19.7	20.9	1.2	20.8	20.6	21.5	20.9	(0.6)
NPL Gross	3.0	3.1	0.1	3.3	3.3	3.5	3.1	(0.4)
Loan Loss Coverage (LLC)	112.0	116.9	4.9	109.5	110.6	102.3	116.9	14.6

1) Pre-Provision Operating Profit.

2) 4Q16: Danamon and subsidiaries participated in the Tax Amnesty Program, resulting in a one time tax expense adjustment of Rp 456 bn.

3) Excludes a one time tax expense adjustment.

4) Trade Finance includes related marketable securities.

5) Loan to Funding Ratio ("LFR") calculation is as stipulated in BI regulation No. 17 / 11 / PBI / 2015 dated 25 June 2015 effective in August 2015.

LDR data is used prior to Aug 2015.

6) Consolidated including Adira Finance structured funding.



## Credit Ratings

<b>Danamon</b>		
<b>PEFINDO</b>	Outlook	Stable
<i>November 2016</i>	Corporate rating	AAA <sub>id</sub>
<b>Fitch's</b>	Outlook	Stable
<i>April 2016</i>	LT Issuer Default Rating	BB+
	ST Issuer Default Rating	B
	National Long Term	AA+(idn)
	National Short Term	F1+(idn)
	Viability Rating	bb+
	Support Rating	3
	Support Rating Floor	BB
<b>Moody's</b>	Outlook	Positive
<i>February 2017</i>	Bank Deposits	Baa3/P-3
	Baseline Credit Assessment	ba1
	Adjusted Baseline Credit Assessment	baa3

## Ownership Structure

<b>Ownership Structure</b>	<b>Number of Shares</b>	<b>Ownership (%)</b>
<i>As of 31 December 2016</i>		
Asia Financial (Indonesia) Pte, Ltd.	6,457,558,472	67.4%
JPMCB - Franklin Templeton Inv. Funds	630,219,323	6.6%
Public (< 5%, each)	2,496,865,570	26.1%
<b>Total</b>	<b>9,584,643,365</b>	<b>100.00%</b>

The ultimate shareholder of Asia Financial (Indonesia) Pte, Ltd. is Temasek Holding Pte, Ltd., an investment holding company based in Singapore.

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## Statements of Financial Positions

As at 31 December 2016 and 2015

(in million Rupiah)

NO.	ACCOUNTS	INDIVIDUAL		CONSOLIDATED	
		31 Dec 2016	31 Dec 2015 *)	31 Dec 2016	31 Dec 2015
	<b>ASSETS</b>				
1.	Cash	2,072,613	2,569,362	2,265,049	2,727,817
2.	Placements with Bank Indonesia	10,294,901	21,748,171	10,294,901	21,748,171
3.	Placements with other banks	3,455,317	7,484,053	4,785,046	9,659,194
4.	Spot and derivative receivables	39,524	335,088	259,123	992,722
5.	Marketable securities				
	a. Designated at fair value through profit/loss	1,702,004	1,190,317	1,702,004	1,190,317
	b. Available for sale	18,418,404	10,934,425	20,347,355	11,900,872
	c. Held to maturity	4,949,900	156,580	4,959,900	216,580
	d. Loans and receivables	-	-	-	-
6.	Securities sold under repurchase agreements (repo)	-	-	-	-
7.	Securities purchased under resale agreements (reverse repo)	-	-	-	-
8.	Acceptance receivables	1,935,934	5,069,609	1,935,934	5,069,609
9.	Loans				
	a. Designated at fair value through profit/loss	-	-	-	-
	b. Available for sale	-	-	-	-
	c. Held to maturity	-	-	-	-
	d. Loans and receivables	92,596,163	99,651,820	91,896,163	99,651,820
10.	Sharia financing	3,318,984	3,191,167	3,318,984	3,191,167
11.	Consumer financing receivables	-	-	26,272,378	24,966,870
	Allowance for impairment losses on consumer financing receivables -/-	-	-	(1,210,615)	(1,080,784)
12.	Premium receivables	-	-	232,747	284,838
13.	Reinsurance Assets	-	-	724,474	792,535
14.	Investments	7,705,928	7,025,897	164,567	157,589
15.	Allowance for impairment losses on financial assets -/-				
	a. Marketable securities	(37,665)	(500)	(37,665)	(500)
	b. Loans	(3,326,631)	(3,359,932)	(3,326,631)	(3,359,932)
	c. Others	(3,778)	(8,580)	(34,318)	(43,588)
16.	Intangible assets	1,187,258	1,062,447	3,353,363	3,192,946
	Accumulated amortisation on intangible assets -/-	(885,832)	(796,310)	(1,882,946)	(1,765,947)
17.	Fixed assets and equipment	4,391,897	4,237,374	5,405,935	5,218,978
	Accumulated depreciation of fixed assets and equipment -/-	(2,300,617)	(2,121,756)	(2,900,350)	(2,659,835)
18.	Non earning asset				
	a. Idle properties	16,397	16,397	16,397	16,397
	b. Foreclosed assets	134,108	499	134,108	499
	c. Suspense accounts	1,644	1,722	1,644	1,722
	d. Interbranch assets				
	i. Conducting operational activities in Indonesia	-	-	127	-
	ii. Conducting operational activities outside Indonesia	-	-	-	-
19.	Allowance for impairment losses on non financial assets -/-	-	-	-	-
20.	Leased receivables	-	-	897,550	1,557,057
21.	Deferred tax assets	1,774,946	1,401,227	2,162,249	1,552,979
22.	Other assets	1,993,569	2,294,215	2,349,257	2,877,319
	<b>TOTAL ASSETS</b>	<b>149,434,968</b>	<b>162,083,292</b>	<b>174,086,730</b>	<b>188,057,412</b>



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**March 2017**

NO.	ACCOUNTS	INDIVIDUAL		CONSOLIDATED	
		31 Dec 2016	31 Dec 2015 *)	31 Dec 2016	31 Dec 2015
	<b>LIABILITIES AND EQUITY</b>				
1.	Current accounts	15,227,449	16,332,699	14,472,679	15,565,369
2.	Savings	32,111,848	32,565,480	32,111,848	32,565,480
3.	Time deposits	54,228,073	64,670,116	54,211,950	64,573,240
4.	Revenue sharing investment funds	2,988,924	2,465,240	2,943,040	2,437,439
5.	Deferred premium income	-	-	1,307,103	1,248,136
6.	Unearned premium reserve	-	-	967,864	1,014,460
7.	Loans from Bank Indonesia	-	-	-	-
8.	Borrowings from other banks	2,876,136	1,827,201	2,876,136	1,827,201
9.	Spot and derivative liabilities	49,468	123,991	49,468	123,991
10.	Securities sold under repurchase agreements (repo)	-	-	-	-
11.	Acceptance payables	1,935,934	5,112,899	1,935,934	5,112,899
12.	Marketable securities issued	-	-	8,397,979	9,714,134
13.	Borrowings	509,846	1,704,884	11,414,964	13,086,240
14.	Security deposits	20,863	22,134	20,863	22,134
15.	Interbranch liabilities				
	a. Conducting operational activities in Indonesia	-	-	-	104
	b. Conducting operational activities outside Indonesia	-	-	-	-
16.	Deferred tax liabilities	-	-	-	-
17.	Other liabilities	3,543,385	3,326,509	6,998,930	6,551,736
18.	Profit sharing investment funds	-	-	-	-
	<b>TOTAL LIABILITIES</b>	<b>113,491,926</b>	<b>128,151,153</b>	<b>137,708,758</b>	<b>153,842,563</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	7,250,109	7,236,756	7,250,109	7,236,756
	b. Disagio -/-	-	-	-	-
	c. Donated capital	-	-	-	-
	d. Capital paid in advance	-	-	-	-
	e. Others	-	-	-	-
21.	Other comprehensive income				
	a. Adjustment in foreign currencies translation	-	-	-	-
	b. Gains (losses) from changes in the value of financial assets as available for sale	85,537	30,364	85,903	30,604
	c. Effective portion on fair value for cash flow hedge	(8,157)	18,091	(11,207)	24,815
	d. Gain on revaluation of fixed asset	-	-	-	-
	e. Part of other comprehensive income of associates	-	-	-	-
	f. Actuarial gain (loss) from defined benefit program	(249,804)	(307,845)	(280,666)	(327,600)
	g. Income tax related to components of other comprehensive income	37,543	78,550	71,089	91,341
	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	326,740	302,807	326,740	302,807
	b. Specific reserves	-	-	-	-
26.	Retained earnings				
	a. Previous years *)	19,930,472	18,278,989	19,930,472	18,278,989
	b. Current year	2,669,480	2,393,305	2,669,480	2,393,305
	<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>35,943,042</b>	<b>33,932,139</b>	<b>35,943,042</b>	<b>33,932,139</b>
27.	Non-controlling interests	-	-	434,930	282,710
	<b>TOTAL EQUITY</b>	<b>35,943,042</b>	<b>33,932,139</b>	<b>36,377,972</b>	<b>34,214,849</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>149,434,968</b>	<b>162,083,292</b>	<b>174,086,730</b>	<b>188,057,412</b>

\*) As restated (Notes 2)

## Statements of Comprehensive Income

### For the Years Ended 31 December 2016 and 2015

(in million Rupiah, except earnings per share)

NO.	ACCOUNTS	INDIVIDUAL		CONSOLIDATED	
		31 Dec 2016	31 Dec 2015 *)	31 Dec 2016	31 Dec 2015
	<b>INCOME AND EXPENSES FROM OPERATIONS</b>				
<b>A.</b>	<b>Interest Income and Expenses</b>				
1.	Interest Income				
	a. Rupiah	13,642,911	15,492,978	20,084,072	21,730,853
	b. Foreign currencies	570,601	689,804	570,602	689,805
2.	Interest Expense				
	a. Rupiah	4,488,492	5,834,088	6,072,289	7,393,110
	b. Foreign currencies	241,836	488,310	586,654	1,140,555
	<b>Net Interest Income</b>	<b>9,483,184</b>	<b>9,860,384</b>	<b>13,995,731</b>	<b>13,886,993</b>
3.	Underwriting income				
	3.1. Premium income	-	-	1,828,757	1,760,947
	3.2. Underwriting expense	-	-	1,207,651	1,234,314
	<b>Net Underwriting Income</b>	<b>-</b>	<b>-</b>	<b>621,106</b>	<b>526,633</b>
	<b>Net Interest and underwriting income</b>	<b>9,483,184</b>	<b>9,860,384</b>	<b>14,616,837</b>	<b>14,413,626</b>
<b>B.</b>	<b>Operating Income and Expense other than Interest</b>				
1.	Operating Income other than Interest	<b>3,666,760</b>	<b>3,425,707</b>	<b>4,147,750</b>	<b>4,224,200</b>
	a. Increase in fair value of financial assets				
	i. Marketable securities	2,771	-	2,771	-
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	126,110	216,079	126,110	216,079
	iv. Other financial assets	-	-	-	-
	b. Decrease in fair value of financial liabilities	-	-	-	-
	c. Gain from sale of financial assets	-	-	-	-
	i. Marketable securities	98,619	20,498	185,372	38,627
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Gain from spot and derivative transaction (realised)	180,710	133,888	180,710	133,888
	e. Dividend	2,085	1,323	2,116	1,347
	f. Gain from investment under equity method	1,292,205	1,018,595	-	-
	g. Fees/commissions and administrative	1,378,430	1,418,878	2,120,497	2,138,008
	h. Recovery of impairment loss reserves	6,288	-	6,288	-
	i. Other income	579,542	616,446	1,523,886	1,696,251
2.	Operating Expenses other than Interest	<b>9,082,862</b>	<b>10,024,504</b>	<b>13,830,368</b>	<b>14,818,452</b>
	a. Decrease in fair value of financial assets				
	i. Marketable securities	-	2,478	-	2,478
	ii. Loans	-	-	-	-
	iii. Spot and derivatives	60,189	48,745	60,189	48,745
	iv. Other financial assets	-	-	-	-
	b. Increase in fair value of financial liabilities	-	-	-	-
	c. Losses from sale of financial assets				
	i. Marketable securities	1,151	5,453	1,151	5,453
	ii. Loans	-	-	-	-
	iii. Other financial assets	-	-	-	-
	d. Losses from spot and derivative transaction (realised)	8,657	85,820	8,657	85,820
	e. Impairment losses on financial assets				
	i. Marketable securities	37,235	-	37,235	-
	ii. Loans	2,897,265	3,399,069	4,322,149	4,947,646
	iii. Sharia financing	27,257	50,397	27,257	50,397
	iv. Other financial assets	-	7,732	60,863	83,786
	f. Losses related to operational risk	12,320	8,098	15,262	9,082
	g. Losses from investment under equity method	-	-	-	-
	h. Commissions/provision/fees and administrative	358,382	270,268	364,076	279,469
	i. Losses from decrease in value of non financial assets	-	-	-	47
	j. Salaries and employee benefits	3,042,801	3,130,294	4,728,385	4,681,411
	k. Promotion expenses	123,765	114,833	148,629	141,869
	l. Other expenses	2,513,840	2,901,317	4,056,515	4,482,249
	<b>Net Operating Expenses other than Interest</b>	<b>(5,416,102)</b>	<b>(6,598,797)</b>	<b>(9,682,618)</b>	<b>(10,594,252)</b>
	<b>OPERATING PROFIT</b>	<b>4,067,082</b>	<b>3,261,587</b>	<b>4,934,219</b>	<b>3,819,374</b>

**PT Bank Danamon Indonesia, Tbk.**  
**Investor Newsletter – Full Year 2016 Results**  
**March 2017**

NO.	ACCOUNTS	INDIVIDUAL		CONSOLIDATED	
		31 Dec 2016	31 Dec 2015 *)	31 Dec 2016	31 Dec 2015
	<b>NON OPERATING INCOME AND EXPENSES</b>				
1.	Gain/(loss) from sale of premisses and equipment	2,099	623	2,280	4,851
2.	Gain (loss) on foreign currencies translation	(391)	416	300	9,362
3.	Income/(expenses) non operating expenses	(574,745)	(380,393)	(543,762)	(552,053)
	<b>NON OPERATING PROFIT (LOSS)</b>	<b>(573,037)</b>	<b>(379,354)</b>	<b>(541,182)</b>	<b>(537,840)</b>
	<b>CURRENT YEAR PROFIT BEFORE INCOME TAX</b>	<b>3,494,045</b>	<b>2,882,233</b>	<b>4,393,037</b>	<b>3,281,534</b>
1	Income tax				
	a. Income tax expenses	1,239,292	711,504	2,229,840	1,246,231
	b. Deferred tax expenses (income)	(414,727)	(222,576)	(629,525)	(433,854)
	<b>CURRENT YEAR NET PROFIT</b>	<b>2,669,480</b>	<b>2,393,305</b>	<b>2,792,722</b>	<b>2,469,157</b>
	<b>OTHER COMPREHENSIF INCOME</b>				
1	Items that will not be reclassified to profit or loss				
	a. Gain fixed asset revaluation	-	-	-	-
	b. Remeasurement on defined benefit program	58,041	43,551	46,934	35,670
	c. Other comprehensive income of associates entity	-	-	-	-
	d. Others	-	-	-	-
	e. Income tax relating to items that will not be reclassified to profit or loss	(22,842)	(16,798)	(11,734)	(8,919)
2	Items that will be reclassified to profit or loss				
	a. Adjustment from translation of financial statements	-	-	-	-
	b. Gain (loss) from change value of financial assets available for sale	55,174	(50,180)	52,700	(52,020)
	c. Effective portion of cash flow hedges	(26,248)	79,331	(38,021)	115,270
	d. Others	-	-	-	-
	e. Income tax relating to items that will be reclassified to profit or loss	(18,165)	10,237	(8,520)	(21,252)
	<b>CURRENT YEAR OTHER COMPREHENSIVE INCOME</b>				
	<b>AFTER TAX</b>	<b>45,960</b>	<b>66,141</b>	<b>41,359</b>	<b>68,749</b>
	<b>TOTAL CURRENT YEAR COMPREHENSIVE INCOME</b>	<b>2,715,440</b>	<b>2,459,446</b>	<b>2,834,081</b>	<b>2,537,906</b>
	<b>Current year profit attributable to:</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	2,669,480	2,393,305	2,669,480	2,393,305
	NON-CONTROLLING INTERESTS	-	-	123,242	75,852
	<b>TOTAL CURRENT YEAR PROFIT</b>	<b>2,669,480</b>	<b>2,393,305</b>	<b>2,792,722</b>	<b>2,469,157</b>
	<b>Total Current Year Comprehensive Income attributable to:</b>				
	EQUITY HOLDERS OF THE PARENT ENTITY	2,715,440	2,459,446	2,715,440	2,459,446
	NON-CONTROLLING INTERESTS	-	-	118,641	78,460
	<b>TOTAL CURRENT YEAR COMPREHENSIVE INCOME</b>	<b>2,715,440</b>	<b>2,459,446</b>	<b>2,834,081</b>	<b>2,537,906</b>
	<b>DIVIDEND</b>	<b>(717,890)</b>	<b>(781,149)</b>	<b>(717,890)</b>	<b>(781,149)</b>
	<b>BASIC EARNINGS PER SHARE</b>	<b>278.52</b>	<b>249.70</b>	<b>278.52</b>	<b>249.70</b>

\*) As restated (Notes 2)

## Key Financial Ratios

As at 31 December 2016 and 2015

NO.	RATIOS (%)	31 Dec 2016	31 Dec 2015 *)
	<b>CONSOLIDATED RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. Capital Adequacy Ratio (CAR)	20.93%	19.67%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.90%	1.97%
	2. Non-performing earning assets to total productive assets	2.42%	2.49%
	3. Allowance for impairment losses for financial asset to productive asset	2.98%	2.86%
	4. NPL gross	3.09%	3.04%
	5. NPL net	1.80%	1.86%
<b>III.</b>	<b>Rentability</b>		
	1. Return on Assets (ROA)	2.48%	1.68%
	2. Return on Equity (ROE)	7.95%	7.43%
	3. NIM including third party premium expenses	8.93%	8.25%
	4. Cost to income	48.75%	51.98%
	<b>BANK RATIOS :</b>		
<b>I.</b>	<b>Capital</b>		
	1. CAR	22.30%	20.89%
<b>II.</b>	<b>Earning assets</b>		
	1. Non-performing earning assets and non productive assets to total earnings and non productive assets	1.87%	1.92%
	2. Non-performing earning assets to total productive assets	2.46%	2.50%
	3. Allowance for impairment losses for financial asset to productive asset	2.47%	2.49%
	4. NPL gross	3.47%	3.32%
	5. NPL net after impairment value	1.96%	1.98%
<b>III.</b>	<b>Rentability</b>		
	1. ROA	2.26%	2.58%
	2. ROE	7.88%	7.45%
	3. NIM	7.36%	7.14%
	4. NIM including third party premium expenses	7.20%	6.96%
	5. Operating expenses to operating income	77.25%	83.37%
	6. Cost to income	50.50%	52.45%
<b>IV.</b>	<b>Liquidity</b>		
	LFRR	91.00%	87.53%
<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 (**)	6.59%	7.58%
	b. GWM Foreign Currency	8.11%	8.09%
	4. Net Open Position	0.66%	0.34%

\*) As restated (Notes 2)

\*\*) In line with BI regulation No. 15/15/PBI/2013 dated 24 December 2013 which amended by BI Regulation No. 18/3/PBI/2016 dated 10 Maret 2016, GWM Primary IDR was changed to 6.5%.

## Statements of Commitments and Contingencies

As at 31 December 2016 and 2015

(in million Rupiah)

NO.	ACCOUNTS	INDIVIDUAL		CONSOLIDATED	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
<b>I</b>	<b>COMMITMENT RECEIVABLES</b>				
	1. Unused borrowing facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
	2. Outstanding buying of spot and derivative contract	4,215,542	3,187,821	4,215,542	3,187,821
	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	43,484	50,000	43,484	50,000
	- Foreign currencies	-	-	-	-
	b. Others				
	i. Committed	324,332	358,471	324,332	358,471
	ii. Uncommitted	37,144,306	35,925,213	37,144,306	35,925,213
	2. Unused loan facilities granted to other banks				
	a. Committed				
	i. Rupiah	5,000	10,083	5,000	10,083
	ii. Foreign currencies	-	-	-	-
	b. Uncommitted				
	i. Rupiah	136,031	196,649	136,031	196,649
	ii. Foreign currencies	-	-	-	-
	3. Outstanding Irrevocable L/C				
	a. Offshore L/C	1,502,928	1,331,797	1,502,928	1,331,797
	b. Local L/C	228,493	294,864	228,493	294,864
	4. Outstanding selling of spot and derivative contract	3,939,187	4,050,238	3,939,187	4,050,238
	5. Others	-	-	-	-
<b>III</b>	<b>CONTINGENT RECEIVABLES</b>				
	1. Guarantees received				
	a. Rupiah	39,670	-	39,670	-
	b. Foreign currencies	30,198	130,292	30,198	130,292
	2. Interest receivables on non performing assets				
	a. Loan interest income	578,303	493,979	578,303	493,979
	b. Other interest	-	-	-	-
	3. Others	155,000	155,000	155,000	155,000
<b>IV</b>	<b>CONTINGENT PAYABLES</b>				
	1. Guarantees issued				
	a. Rupiah	3,418,549	2,984,967	3,418,549	2,984,967
	b. Foreign currencies	403,674	457,797	403,674	457,797
	2. Others	-	-	-	-

**Asset Quality and Other Information**  
As at 31 December 2016 and 2015  
(in million Rupiah)

NO.	ACCOUNTS	INDIVIDUAL											
		31 Dec 2016						31 Dec 2015 *)					
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
<b>I. RELATED PARTIES</b>													
<b>1. Placements with other banks</b>													
a. Rupiah	18,641	-	-	-	-	18,641	17,220	-	-	-	-	-	17,220
b. Foreign currencies	185,456	-	-	-	-	185,456	185,241	-	-	-	-	-	185,241
<b>2. Spot and derivative receivables</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Marketable securities</b>													
a. Rupiah	69,641	-	-	-	-	69,641	70,678	-	-	-	-	-	70,678
b. Foreign currencies	4,124	-	-	-	-	4,124	483	-	-	-	-	-	483
<b>4. Securities sold under repurchase agreements (repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Securities purchased under resale agreements (reverse repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Acceptance receivables</b>													
a. Rupiah	2,560	-	-	-	-	2,560	6,264	-	-	-	-	-	6,264
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Non debtor micro, small and medium													
i. Rupiah	980,924	13	-	-	-	980,937	422,569	697	-	-	-	-	423,266
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Restructured Loans													
i. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Properties loan	10,449	-	-	-	-	10,449	14,949	660	-	-	-	-	15,609
<b>8. Investments</b>	7,541,463	-	-	-	-	7,541,463	6,868,413	-	-	-	-	-	6,868,413
<b>9. Temporary equity investment</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>10. Others receivables</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>11. Commitments and contingencies to third parties</b>													
a. Rupiah	261,231	187	-	-	-	261,418	820,264	-	-	-	-	-	820,264
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>12. Idle properties</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>13. Foreclosed assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>14. Suspense accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. NON RELATED PARTIES</b>													
<b>1. Placements with other banks</b>													
a. Rupiah	1,923,478	-	-	-	-	1,923,478	1,254,344	-	-	-	-	-	1,254,344
b. Foreign currencies	1,327,742	-	-	-	-	1,327,742	6,027,248	-	-	-	-	-	6,027,248
<b>2. Spot and derivative receivables</b>													
a. Rupiah	18,792	-	-	-	-	18,792	277,242	-	-	-	-	-	277,242
b. Foreign currencies	20,732	-	-	-	-	20,732	57,846	-	-	-	-	-	57,846
<b>3. Marketable securities</b>													
a. Rupiah	14,787,605	-	-	-	-	14,787,605	9,260,267	-	-	-	-	-	9,260,267
b. Foreign currencies	10,208,938	-	-	-	-	10,208,938	2,949,894	-	-	-	-	-	2,949,894
<b>4. Securities sold under repurchase agreements (repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Securities purchased under resale agreements (reverse repo)</b>													
a. Rupiah	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Acceptance receivables</b>													
a. Rupiah	1,933,374	-	-	-	-	1,933,374	5,063,345	-	-	-	-	-	5,063,345
<b>7. Loans</b>													
a. Debtor micro, small and medium													
i. Rupiah	27,753,074	2,693,959	230,821	420,954	1,101,766	32,200,574	30,994,306	3,502,501	386,357	549,510	1,179,538	36,612,212	
ii. Foreign currencies	176,167	338	23,899	-	5,389	205,793	230,611	26,928	-	-	2,317	259,856	
b. Non debtor micro, small and medium													
i. Rupiah	51,261,820	3,157,636	243,759	207,946	534,297	55,405,458	52,529,689	3,194,014	249,175	302,155	438,978	56,714,011	
ii. Foreign currencies	5,908,953	679,158	12,647	-	521,627	7,122,385	7,804,417	757,028	1,223	161,758	109,216	8,833,642	
c. Restructured Loans													
i. Rupiah	1,318,936	430,789	169,700	55,517	219,658	2,190,488	1,190,488	599,332	112,016	145,616	207,431	2,254,883	
ii. Foreign currencies	329,860	537,260	34,474	-	53,975	955,569	345,066	753,491	-	161,758	59,205	1,319,520	
d. Properties loan	4,414,543	230,426	25,428	16,826	59,548	4,746,771	4,297,184	169,503	17,881	15,249	60,972	4,560,789	
<b>8. Investments</b>	164,440	25	-	-	-	164,465	157,459	25	-	-	-	157,484	
<b>9. Temporary equity investment</b>	-	-	-	-	-	-	-	-	-	-	-	-	
<b>10. Others receivables</b>	13,494	-	-	-	-	13,494	7,129	-	339	-	-	7,468	
<b>11. Commitments and contingencies to third parties</b>													
a. Rupiah	35,972,066	160,185	-	-	-	36,132,251	33,241,683	220,776	-	250	-	33,462,709	
b. Foreign currencies	6,793,198	19,930	-	-	-	6,813,128	7,315,965	10,903	-	-	-	7,326,868	
<b>12. Idle properties</b>	-	-	-	-	16,397	16,397	-	-	-	-	16,397	16,397	
<b>13. Foreclosed assets</b>	133,609	-	-	-	499	134,108	-	-	-	-	499	499	
<b>14. Suspense accounts</b>	1,644	-	-	-	-	1,644	1,722	-	-	-	-	1,722	

**PT Bank Danamon Indonesia, Tbk.**  
**Investor Newsletter – Full Year 2016 Results**  
**March 2017**

NO.	ACCOUNTS	INDIVIDUAL											
		31 Dec 2016						31 Dec 2015 *)					
		Current	Special Mention	Substandard	Doubtful	Loss	Total	Current	Special Mention	Substandard	Doubtful	Loss	Total
III.	<b>OTHERS INFORMATION</b>												
	1. Collateralised assets												
	a. To Bank Indonesia						-						-
	b. To other parties						-						-
	2. Total Allowance for impairment losses on earning assets -/-						3,368,074						3,369,012
	3. Minimum required regulatory provision for earning assets						3,372,740						3,196,934
	4. Percentage of micro, small and medium enterprises credit to total loans						33.79%						35.85%
	5. Percentage of micro and small enterprises credit to total loans						13.83%						17.21%
	6. Percentage of micro, small and medium enterprises debtors to total debtors						13.29%						13.87%
	7. Percentage of micro and small enterprises debtor to total debtors						11.13%						11.88%
	8. Others						-						-
	a. Channelling loans						350,623						350,623
	b. Channelling loans Mudharabah Muqayadah						-						-
	c. Written-off earning assets						3,512,772						3,446,298
	d. Recovery on written-off earning assets						765,082						687,012
	e. Charged-off earning assets						1,127,173						1,906,947

\*) As restated (Notes 2)



## Allowance for Impairment Losses

As at 31 December 2016 and 2015

(in million Rupiah)

No.	ACCOUNTS	31 Dec 2016				31 Dec 2015			
		Impairment Loss Allowance		Regulatory Loan Loss Provision		Impairment Loss Allowance		Regulatory Loan Loss Provision	
		Individual	Collective	General	Specific	Individual	Collective	General	Specific
1	Placements at other banks	-	3,726	34,553	-	-	8,580	74,841	-
2	Spot and derivative receivables	-	-	395	-	-	-	3,351	-
3	Marketable securities	-	37,665	88,149	-	-	500	38,758	-
4	Securities sold under repurchase agreements (repo)	-	-	-	-	-	-	-	-
5	Securities purchased under resale agreements (reverse)	-	-	-	-	-	-	-	-
6	Acceptance receivables	-	52	19,359	-	-	-	50,696	-
7	Loans	907,946	2,418,685	843,492	2,228,951	785,703	2,574,229	908,403	2,013,644
8	Investments	-	-	77,059	1	-	-	28,028	1
9	Temporary equity investment	-	-	-	-	-	-	-	-
10	Others receivable	-	-	135	-	-	-	71	51
11	Commitment and Contingency	-	-	55,530	9,015	-	-	50,691	11,504
		<b>907,946</b>	<b>2,460,128</b>	<b>1,118,672</b>	<b>2,237,967</b>	<b>785,703</b>	<b>2,583,308</b>	<b>1,154,838</b>	<b>2,025,199</b>

## Statement of Spot and Derivative Transactions

As at 31 December 2016

(in million Rupiah)

NO.	TRANSACTION	Notional Amount	INDIVIDUAL			
			Purpose		Derivative Receivable and Liabilities	
			Trading	Hedging	Receivables	Liabilities
<b>A. Related to exchange rate</b>						
1.	Spot	291,210	291,210	-	337	225
2.	Forward	1,185,536	1,185,536	-	9,772	1,870
3.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	5,491,818	5,491,818	-	29,260	47,373
6.	Others	-	-	-	-	-
<b>B. Related to interest rate</b>						
1.	Forward	-	-	-	-	-
2.	Option	-	-	-	-	-
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Future	-	-	-	-	-
4.	Swap	27,394	27,394	-	155	-
5.	Others	-	-	-	-	-
<b>C. Others</b>						
		-	-	-	-	-
<b>TOTAL</b>		<b>6,995,958</b>	<b>6,995,958</b>	<b>-</b>	<b>39,524</b>	<b>49,468</b>

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

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

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

## Capital Adequacy Requirement

As at 31 December 2016 and 2015

(in million Rupiah)

DESCRIPTION	31 Dec 2016 *)		31 Dec 2015 **)	
	Individual	Consolidated	Individual	Consolidated
<b>I Core Capital (Tier 1)</b>	<b>26,526,968</b>	<b>30,997,133</b>	<b>25,606,805</b>	<b>29,891,980</b>
1 Main Core Capital/Common Equity Tier 1 (CET 1)	26,526,968	30,997,133		
1.1 Paid Up Capital (After deducted with Treasury Stock)	5,901,122	5,901,122		
1.2 Disclosed reserves	30,243,681	30,243,681		
1.2.1 Addition Factor	30,260,577	30,260,577		
1.2.1.1 Other comprehensive income	83,776	83,776		
1.2.1.1.1 Surplus from foreign currency translation	0	0		
1.2.1.1.2 Potential profit from increase of fair value of financial asset in available for sale category	83,776	83,776		
1.2.1.1.3 Surplus of fixed assets revaluation	0	0		
1.2.1.2 Other Disclosed Reserves	30,176,801	30,176,801		
1.2.1.2.1 Agio	7,250,109	7,250,109		
1.2.1.2.2 General reserve	326,740	326,740		
1.2.1.2.3 Prior year profit that can be reckoned	19,930,472	19,930,472		
1.2.1.2.4 Current year profit that can be reckoned	2,669,480	2,669,480		
1.2.1.2.5 Paid up capital fund	0	0		
1.2.1.2.6 Others	0	0		
1.2.2 Deduction Factor	(16,896)	(16,896)		
1.2.2.1 Other comprehensive income	0	0		
1.2.2.1.1 Deficit from foreign currency translation	0	0		
1.2.2.1.2 Potential loss from decrease of fair value of financial asset in available for sale category	0	0		
1.2.2.2 Other Disclosed Reserves	(16,896)	(16,896)		
1.2.2.2.1 Disagio	0	0		
1.2.2.2.2 Prior year loss that can be reckoned	0	0		
1.2.2.2.3 Current year loss that can be reckoned	0	0		
1.2.2.2.4 Under provision between regulatory provision and impairment value on productive assets	0	0		
1.2.2.2.5 Negative difference on fair value adjustment of financial instrument in trading book	0	0		
1.2.2.2.6 Under provision between regulatory provision and impairment value on non productive assets	(16,896)	(16,896)		
1.2.2.2.7 Others	0	0		
1.3 Minority interest which can be reckoned	0	0		
1.4 Deduction factor to core capital	(9,617,835)	(5,147,670)		
1.4.1 Deferred tax calculation	(1,774,946)	(2,087,468)		
1.4.2 Goodwill	0	(1,074,532)		
1.4.3 Other intangible assets	(301,426)	(381,816)		
1.4.4 Investment calculated as deduction factor	(7,541,463)	(1,603,854)		
1.4.5 Short of capital on insurance subsidiary company	0	0		
1.4.6 Capital securitisation exposure	0	0		
1.4.7 Other deduction factor to core capital	0	0		
2. Additional Core Capital (AT-1)	0	0		
2.1 Instrument that qualified for AT-1	0	0		
2.2 Agio/Disagio	0	0		
2.3 Deduction factor of Additional Core Capital	0	0		
<b>II Supplementary Capital (Tier 2)</b>	<b>1,118,672</b>	<b>1,250,490</b>	<b>1,197,069</b>	<b>1,336,123</b>
1 Capital instrument in form of shares or others which are qualified for Tier 2	-	-		
2 Agio/Disagio	-	-		
3 General allowance for possible losses on earning assets (max. 1.25% of RWA Credit Risk)	1,118,672	1,250,490		
4 Deduction Factor of Supplementary Capital	-	-		
<b>Total Capital</b>	<b>27,645,640</b>	<b>32,247,623</b>	<b>26,803,874</b>	<b>31,228,103</b>

\*) Starting from September 2016, CAR is calculated based on OJK Regulation No.34/POJK.03/2016 dated 22 September 2016 on Amendment of OJK Regulation No.11/POJK.03/2016 regarding Capital Adequacy Ratio (CAR) for Commercial Bank

\*\*\*) As restated

**PT Bank Danamon Indonesia, Tbk.**  
**Investor Newsletter – Full Year 2016 Results**  
**March 2017**

	31 Dec 2016 *)		31 Dec 2015 **)	
	Individual	Consolidated	Individual	Consolidated
<b>RISK WEIGHTED ASSET</b>				
RWA CREDIT RISK	99,264,178	119,578,251	103,373,168	124,402,960
RWA MARKET RISK	318,296	318,850	438,972	439,538
RWA OPERATIONAL RISK	24,369,804	34,192,807	24,471,478	33,923,198
<b>TOTAL RWA</b>	<b>123,952,278</b>	<b>154,089,908</b>	<b>128,283,618</b>	<b>158,765,696</b>

KETERANGAN	31 Dec 2016 *)		31 Dec 2015 **)	
	Individual	Consolidated	Individual	Consolidated
<b>CAR RATIO</b>				
CET 1 Ratio	21.40%	20.12%	19.96%	18.83%
Tier 1 Ratio	21.40%	20.12%	19.96%	18.83%
Tier 2 Ratio	0.90%	0.81%	0.93%	0.84%
<b>Total Ratio</b>	<b>22.30%</b>	<b>20.93%</b>	<b>20.89%</b>	<b>19.67%</b>
<b>CET 1 FOR BUFFER</b>	<b>13.30%</b>	<b>11.93%</b>		
<b>BUFFER PERCENTAGE REQUIREMENT</b>	<b>0.875%</b>	<b>0.875%</b>		
Capital Conservation Buffer	0.625%	0.625%		
Countercyclical Buffer	0.000%	0.000%		
Capital Surcharge for D-SIB	0.250%	0.250%		

\*) Starting from September 2016, CAR is calculated based on OJK Regulation No.34/POJK.03/2016 dated 22 September 2016 on Amendment of OJK Regulation No.11/POJK.03/2016 regarding Capital Adequacy Ratio (CAR) for Commercial Bank

\*\*) As restated

**PT Bank Danamon Indonesia, Tbk.**  
**Investor Newsletter – Full Year 2016 Results**  
**March 2017**

## Sharia Unit

### STATEMENTS OF FINANCIAL POSITIONS

AS AT 31 DEC 2016 AND 31 DEC 2015

(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2016	31 Dec 2015
<b>ASSETS</b>			
1.	Cash	4,256	10,126
2.	Placements with Bank Indonesia	600,356	348,337
3.	Placements with other banks	-	-
4.	Marketable securities	30,000	50,000
5.	Financing receivables *)	190,930	187,423
6.	Profit sharing financing	2,924,173	2,973,229
7.	Leased financing	203,880	30,515
8.	Other earning asset	5,206	-
9.	Allowance for impairment losses on earning asset (-/-)	-	-
	a. Individual	(11,747)	(11,860)
	b. Collective	(63,106)	(51,394)
10.	Fixed assets and equipment	7,059	8,032
11.	Non earning asset	-	-
12.	Allowance for impairment losses on other assets -/-	-	-
13.	Other assets	30,206	28,906
<b>TOTAL ASSETS</b>		<b>3,921,213</b>	<b>3,573,314</b>
<b>LIABILITIES</b>			
1.	Wadiah saving	234,166	154,477
2.	Non profit sharing investment funds	2,754,759	2,310,763
3.	Liabilities to Bank Indonesia	-	-
4.	Liabilities to other bank	704,967	565,535
5.	Marketable securities issued	-	-
6.	Others liabilities	16,476	10,918
7.	Profit sharing investment funds	-	-
8.	Working funds	120,286	469,234
9.	Accumulated gain/(loss)	90,559	62,387
<b>TOTAL LIABILITIES</b>		<b>3,921,213</b>	<b>3,573,314</b>

### STATEMENTS OF INCOME

FOR THE YEAR ENDED 31 DEC 2016 AND 2015

(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2016	31 Dec 2015
<b>OPERATING INCOME AND EXPENSE</b>			
<b>A. Operational Income dan Expense from distribution of fund</b>			
1.	Income from Distribution of Fund		
	a. Income from receivables	20,083	19,671
	b. Income from profit sharing	362,393	333,402
	c. Others	22,160	12,265
2.	Margin distribution to owners of investment funds -/-		
	a. Non Profit sharing	(176,212)	(159,249)
	b. Profit sharing	-	-
3.	Income after margin distribution	228,424	206,089
<b>B. Other Operating Income and Expense</b>			
1.	Other Operating Income		
	a. Income as mudharib in mudharabah muqayyadah	-	-
	b. Commission/Provision/Fees and administrative	799	1,873
	c. Other income	19,016	42,130
2.	Other Operating Expenses		
	a. Wadiah bonus expense	1,489	2,862
	b. Impairment losses on financial assets	27,257	50,939
	c. Losses on operational risk	2	55
	d. Commission/Provision/Fees and administrative	1,665	898
	e. Impairment losses on other asset (non financial)	-	-
	f. Salaries and employee benefits	60,250	70,267
	g. Other expenses	24,281	27,923
3.	Other Operating Income (Expense)	(95,129)	(108,941)
<b>OPERATING INCOME (LOSS)</b>		<b>133,295</b>	<b>97,148</b>
<b>NON OPERATING INCOME AND EXPENSE</b>			
1.	Gain/(loss) from sale of premises and equipment	-	16
2.	Gain (loss) on foreign currencies translation	(391)	416
3.	Income(expenses) non operating expenses	(7,407)	(12,975)
<b>NON OPERATING INCOME (LOSS)</b>		<b>(7,798)</b>	<b>(12,544)</b>
<b>INCOME (LOSS) FOR THE PERIOD ENDED BEFORE TAX</b>		<b>125,497</b>	<b>84,604</b>
Income tax		34,938	22,217
<b>INCOME (LOSS) FOR THE PERIOD ENDED NET OF TAX</b>		<b>90,559</b>	<b>62,387</b>

**PT Bank Danamon Indonesia, Tbk.**  
**Investor Newsletter – Full Year 2016 Results**  
**March 2017**

**STATEMENTS OF COMMITMENTS AND CONTINGENCIES**

AS AT 31 DEC 2016 AND 31 DEC 2015

(In million Rupiah)

NO.	ACCOUNTS	31 Dec 2016	31 Dec 2015
I.	CONTINGENT RECEIVABLES		
	1. Unused Financing facilities	-	-
	2. Outstanding buying of spot and forward contract	-	-
	2. Others	-	-
II.	COMMITMENT PAYABLES		
	1. Unused Financing facilities	363,846	361,269
	2. Others	2,687	9,919
III.	CONTINGENT RECEIVABLES		
	1. Guarantees received	-	-
	2. Margin receivables on non performing assets	1,986	3,456
	3. Others	-	-
IV.	CONTINGENT PAYABLES		
	1. Guarantees issued	-	-
	2. Others	-	-

\*) Total of Murabahah and Istishna financing exclude margin to be received of Rp 41,468 million and Rp 52,403 million as at 31 December 2016 and 31 December 2015.

**Table of Margin Distribution**  
**For the month of December 2016**  
(in million Rupiah)

NO.	Type of funding	Average balance	Revenue to be distributed	Depositor's portion		
				Nisbah (%)	Total bonus & profit sharing	Rate of return indication (%)
		A	B	C	D	E
A.	FINANCING					
1.	Bank	317,875	3,332			
2.	Non Bank	3,006,326	30,865			
B.	FUNDING					
1.	Wadiah current accounts					
	a. Bank	5,592	47			
	b. Non Bank	276,156	2,345			
2.	Mudharabah current accounts					
	a. Bank	27,657	235	10.00	24	1.00
	b. Non Bank	269,235	2,287	10.00	229	1.00
3.	Wadiah savings					
	a. Bank	-	-			
	b. Non Bank	6,348	54			
4.	Mudharabah savings					
	a. Bank	24,989	212	13.00	28	1.30
	b. Non Bank	335,330	2,848	13.00	370	1.30
5.	Mudharabah deposits					
	a. Bank					
	- 1 month	639,555	5,432	42.00	2,281	4.21
	- 3 months	13,677	116	42.00	49	4.21
	- 6 months	2,839	24	45.00	11	4.49
	- 12 months	4,949	42	42.00	18	4.21
	b. Non Bank					
	- 1 month	1,644,289	13,965	42.00	5,865	4.21
	- 3 months	101,383	861	42.00	362	4.21
	- 6 months	135,875	1,154	42.00	485	4.21
	- 12 months	11,994	102	42.00	43	4.22
	<b>TOTAL</b>	<b>3,499,868</b>	<b>29,724</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 subsidiaries as of 31 December 2016 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, Sungkoro & Surja ("PSS") a member firm of Ernst & Young Global Limited (partner in charge is Yasir), independent auditors, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants, with unmodified opinion, as stated in their report dated 24 February 2017 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 Regulation of Financial Service Authority ("POJK") No. 6/POJK.03/2015 dated 31 March 2015 regarding "Transparency and Publication of Bank" and its amendment of POJK No. 32/POJK.03/2016 dated 8 August 2016, dan the Copy of Circular Letter of Financial Service Authority ("SEOJK") No. 43/SEOJK.03/2016 dated 28 September 2016 regarding "Transparency and Publication of Conventional Bank", 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. Appendix to the Decree of the Chairman of Bapepam-LK No. Kep-347/BL/2012 regarding "Financial Statements Presentation and Disclosure of Issuer or Public Companies" jo. Decision of Chairman of Bapepam-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 of Bapepam No. X.K.2 Appendix to the Decree of the Chairman of Bapepam-LK No. Kep-346/BL/2011 dated 5 July 2011 regarding "Submission of Periodic Financial Statements of Issuer or Public Companies".

2. In 2016, the Bank has adopted Amendment to SFAS No. 4 "Separate Financial Statements regarding Equity Method in Separate Financial Statements" whereby the investment in subsidiaries in the parent entity financial information as supplementary financial information of the consolidated financial statements is recorded using equity method and the implementation is retrospectively applied.
3. Certain accounts in the financial statements for the year ended 31 December 2015 have been reclassified to conform to the presentation of financial statements for the year ended 31 December 2016.
4. The consolidated financial statements as of 31 December 2016 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.
5. The ultimate shareholder of Asia Financial (Indonesia) Pte. Ltd. (AFI) is Temasek Holding Pte. Ltd., an investment holding company based in Singapore which is wholly owned by the Ministry of Finance of Singapore.
6. Exchange rate as of 31 December 2016: USD 1 = Rp13,472.5; Exchange rate as of 31 Desember 2015: USD 1 = Rp13,785.