MOORE STEPHENS

PT Sinar Mas Multiartha Tbk and Its Subsidiaries

Consolidated Financial Statements -
As of December 31, 2011 and 2010 and January 1, 2010/
December 31, 2009 and For the Years Ended
December 31, 2011 and 2010

And Independent Auditors' Report

MULYAMIN SENSI SURYANTO & LIANNY
Registered Public Accountants

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
TABLE OF CONTENTS

sinarmas multiartha
holding company of sinarmas financial services

DIRECTOR'S STATEMENT
ON
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010 AND JANUARY 1, 2010/ DECEMBER 31, 2009
AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

We, the undersigned:

1.	Name	:	**Doddy Susanto**
	Office Address	:	bii plaza, Tower III, 11th Floor Jl. M.H. Thamrin No. 51 Jakarta 10350
	Residential Address/in accordance with Personal Identity Card	:	Jl. Pulau Matahari II.AG/19, Rt. 016 Rw.009 Kembangan Utara Jakarta Barat
	Telephone Number	:	(021) 392-5660
	Title	:	President Director
2.	Name	:	**Kurniawan Udjaja**
	Office Address	:	bii plaza, Tower III , 11th Floor Jl. M.H. Thamrin No.51 Jakarta 10350
	Residential Address/in accordance with Personal Identity Card	:	Bukit Nusa Indah Kav. 1528 BNI Rt.001 Rw.014 Kelurahan Serua, Kecamatan Ciputat, Tangerang
	Telephone Number	:	(021) 392-5660
	Title	:	Director

declare that :

1. We are responsible for the preparation and presentation of the Company's and Its Subsidiaries Consolidated Financial Statements as of December 31, 2011 and 2010 and and January 1, 2010/ December 31, 2009 and for the years ended December 31, 2011 and 2010.

2. The Company's and Its Subsidiaries consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.

3. a. All information has been fully and correctly disclosed in the Company's and Its Subsidiaries consolidated financial statements, and
   b. The Company's and Its Subsidiaries financial statements do not contain materially misleading information or facts, and do not conceal any information or facts.

4. We are responsible for the Company's and Its Subsidiaries internal control system.

This statement has been made truthfully.

Jakarta, March 30, 2012

METERAI TEMPEL
3401AABF028233732
ENAM RIBU RUPIAH
6000 DJP

PT SINAR MAS MULTIARTHA Tbk

Doddy Susanto
President Director

Kurniawan Udjaja
Director

MULYAMIN SENSI SURYANTO & LIANNY

Registered Public Accountants
Business License No.1219/KM.1/2011
Intiland Tower, 7th Floor
Jl. Jenderal Sudirman, Kav 32
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MOORE STEPHENS

Independent Auditors' Report

No. 03821212LA

The Stockholders, Board of Commissioners and Directors
PT Sinar Mas Multiartha Tbk

We have audited the consolidated statement of financial position of PT Sinar Mas Multiartha Tbk (The Company) and its subsidiaries (Group) as of December 31, 2011 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain subsidiaries, which statements reflect total assets of 56.70% of the total consolidated assets as of December 31, 2011, and income before tax of 88.18% of the total consolidated income before tax for the year ended December 31, 2011. We also did not audit the financial statements of certain associates, the investments in which are reflected in the accompanying consolidated financial statements using the equity method of accounting. The investments in these associates represent 0.49% of the total consolidated assets as of December 31, 2011, and the equity in net income of these associates represents 1.28% of the consolidated net income for the year ended December 31, 2011. Those financial statements were audited by other independent auditors whose unqualified reports, have been furnished to us, and our opinion, insofar as they relate to the amounts included for those companies, are based solely on the reports of the other independent auditors. The consolidated statements of financial position of Group as of December 31, 2010 and January 1, 2010/ December 31, 2009 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flow for the year ended December 31, 2010 were audited by Mulyamin Sensi Suryanto whose report, dated March 31, 2011, expressed an unqualified opinion on those statements with explanatory paragraphs on (a) effect of implementation of PSAK No. 50 (Revised 2006), Financial Instrument: Presentation and Disclosures and PSAK No. 55 (Revised 2006), Financial Instrument: Recognition and Measurement have been adjusted on retained earning as of January 1, 2010, (b) the consolidating supplementary information on the consolidated financial statements has been fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole and (c) reissuance of consolidated financial statements after effecting comments from Bapepam-LK.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Sinar Mas Multiartha Tbk and its subsidiaries as of December 31, 2011 and the results of their operations and their cash flows for the year then ended in conformity with Indonesian Financial Accounting Standards.

Our audit was conducted to form an opinion on the basic consolidated financial statements as of and for the year ended December 31, 2011 taken as a whole. The consolidated financial statements of the Group as of and for the year ended December 31, 2010 were audited by Mulyamin Sensi Suryanto. The accompanying consolidating supplementary information (The Parent Company Financial Statements) are present for the purpose of additional analysis of the basic consolidated financial statements rather than to presented the financial position, result of operations, and cash flow of the Parent Company as a separate entity, and are not required part of the basic consolidated financial statements in conformity with Indonesian Financial Accounting Standards. These supplementary information are the responsibility of the Company's management and, except for that pertaining to as of and for the year ended December 31, 2010 on which Mulyamin Sensi Suryanto has expressed an unqualified opinion on the consolidated financial statements, have been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, are fairly stated, in all material respects in relation to basic consolidated financial statements for the year ended December 31, 2011 taken as whole.

As disclosed in Note 2b to the consolidated financial statements, the Group adopted certain revised Statements of Financial Accounting Standards (PSAK) effective since January 1, 2011, which were applied on prospective or retrospective basis.

MULYAMIN SENSI SURYANTO & LIANNY

Yelly Warsono
Certified Public Accountant License No. AP 0148

March 30, 2012

The accompanying consolidated financial statements are not intended to present the financial position and the results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those established by the Indonesian Institute of Certified Public Accountants.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position
December 31, 2011 and 2010 and January 1, 2010/December 31, 2009

	Notes	December 31, 2011	December 31, 2010	January 1, 2010/ December 31, 2009
		Rp '000,000	Rp '000,000	Rp '000,000
ASSETS				
Cash and Cash Equivalents	2e,2f,2h,2i,2p,4,54,55,59			
Related parties		22,742	277	435
Third parties		8,501,052	1,980,668	1,754,678
Allowance for impairment losses		-	-	(886)
Net		8,523,794	1,980,945	1,754,227
Short-term Investments	2e,2i,2p,5,54,55,59			
Related parties		685,256	534,480	460,811
Third parties		15,052,141	7,509,979	5,910,525
Allowance for impairment losses		(8,538)	-	(1,107)
Net		15,728,859	8,044,459	6,370,229
Securities Purchased Under Agreements to Resell	2i,6,55	39,627	107,141	36,591
Consumer Financing Receivables	2f,2i,2p,2m,7,54,55			
Related parties		-	-	337
Third parties		864,497	531,842	489,665
Unearned income		(237,513)	(154,343)	(95,642)
Allowance for impairment losses		(2,786)	(538)	(493)
Net		624,198	376,961	393,867
Net Investments in Finance Lease	2f,2i,2m,2p,8,54,55			
Related parties		122,118	172,799	110,454
Third parties		45,806	50,981	47,664
Guaranteed residual value		25,389	25,487	24,773
Unearned lease income		(35,115)	(56,197)	(44,612)
Security deposits		(25,389)	(25,487)	(24,773)
Allowance for impairment losses		(6,553)	(3,714)	(5,639)
Net		126,256	163,869	107,867
Factoring Receivables	2e,2f,2i,2p,9,54,55,59			
Related parties		111,621	65,658	21,144
Third parties		326,902	133,175	56,134
Deferred factoring income		(6,023)	(6,095)	(814)
Allowance for impairment losses		(7,637)	(5,180)	(5,967)
Net		424,863	187,558	70,497
Segregated Funds Net Assets - Unit Link	2e,2f,2i,2j,10,54,55,59	5,296,407	7,032,319	3,154,085
Segregated Funds Net Assets - Sharia	2i,2k,11,55	116,721	71,338	36,713
Premiums and Reinsurance Receivables	2e,2f,2p,2ab,12,54,59			
Related parties		103,557	44,092	151,260
Third parties		304,081	314,001	283,569
Allowance for impairment losses		(691)	(4,926)	-
Total		406,947	353,167	434,829
Loans	2e,2f,2i,2l,2p,13,54,55,59			
Related parties		1,760,159	794,940	741,895
Third parties		8,480,015	6,216,855	4,671,969
Total		10,240,174	7,011,795	5,413,864
Allowance for impairment losses		(104,732)	(77,638)	(90,889)
Net		10,135,442	6,934,157	5,322,975
Ijarah assets	2n,14			
Cost		151,075	275,370	-
Accumulated depreciation		(68,363)	(56,212)	-
Net		82,712	219,158	-

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	Notes	December 31, 2011	December 31, 2010	January 1, 2010/ December 31, 2009
		Rp '000,000	Rp '000,000	Rp '000,000
Securities Agent Receivables	2i,2p,15,55	245,369	165,481	70,197
Other Accounts Receivable	2e,2f,2i,2p,16,54,55,59			
Related parties		20,650	6,234	5,455
Third parties		742,096	536,122	538,121
Total		762,746	542,356	543,576
Investment in Shares of Stock	2i,2o,17,55	660,047	558,845	372,261
Investment Properties	2r,18			
Cost		11,691	34,497	91,921
Accumulated depreciation		(5,246)	(4,766)	(4,110)
Net Book Value		6,445	29,731	87,811
Property and Equipment	2f,2s,19,54			
Cost		1,489,751	1,009,912	845,681
Accumulated depreciation		(351,569)	(271,819)	(210,232)
Net Book Value		1,138,182	738,093	635,449
Property Under Build, Operate and Transfer Agreement	2u,20			
Cost		79,223	79,041	77,988
Accumulated depreciation		(11,761)	(7,825)	(3,899)
Net Book Value		67,462	71,216	74,089
Assets for Lease	2f,2t,21,54			
Cost		109,575	79,445	59,066
Accumulated depreciation		(61,837)	(45,821)	(33,110)
Net Book Value		47,738	33,624	25,956
Foreclosed Properties	2w,2x,22	90,362	75,922	70,069
Allowance for impairment losses	2p	(442)	(4,683)	(4,775)
Net Book Value		89,920	71,239	65,294
Deferred Tax Assets	2ae,52	16,041	3,560	16,811
Other Assets	2e,2f,2i,2p,2v,23,54,55,59			
Related parties		11,108	9,622	11,912
Third parties		413,459	150,185	115,101
Total		424,567	159,807	127,013
TOTAL ASSETS		44,964,343	27,845,024	19,700,337

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	Notes	December 31, 2011	December 31, 2010	January 1, 2010/ December 31, 2009
		Rp '000,000	Rp '000,000	Rp '000,000
LIABILITIES AND EQUITY				
Liabilities				
Deposits and Deposits from Other Banks	2e,2f,2i,2y,24,54,55,59			
Related parties		5,579,694	3,875,577	2,621,010
Third parties		8,999,062	5,728,533	4,069,712
Total		14,578,756	9,604,110	6,690,722
Securities Sold Under Agreements to Repurchase	2f,2i,25,54,55	39,125	32,069	284,755
Accounts Payable	2e,2f,2i,26,54,55,59			
Related parties		31,455	12,446	8,704
Third parties		271,609	186,406	266,335
Total		303,064	198,852	275,039
Premiums Received in Advance	2e,2ab,27,54,59	699,129	770,687	561,648
Liability for Future Policy Benefits	2e,2z,28,54,59	7,696,397	2,481,280	3,372,899
Segregated Funds Contract Liabilities - Unit Link	2e,2j,59	4,548,419	7,054,710	3,365,818
Segregated Funds Contract Liabilities - Sharia	2k	60,962	33,307	15,465
Unearned Premiums and Estimated Own Retention Claims	2e,2f,2ab,29,54,59			
Related parties		212,108	193,375	116,523
Third parties		602,654	480,994	378,083
Total		814,762	674,369	494,606
Securities Agent Payables	2i,30,55	92,879	415,650	101,085
Taxes Payable	2ae,31,52	54,684	41,414	31,244
Accrued Expenses	2e,2f,2i,32,54,55,59	69,620	43,868	35,614
Loans Received	2i,33,55	930,904	512,265	348,907
Convertible Bonds Payable		-	-	63,783
Deferred Tax Liabilities	2ae,52	55,156	41,992	33,466
Defined-benefit Post-employment Reserve	2ad,50	76,788	64,447	38,979
Mudharabah Reserve	2ac	1,978	1,097	864
Other Liabilities	2e,2f,2i,34,54,55,59			
Related parties		946	818	1,841
Third parties		355,150	613,081	386,081
Total		356,096	613,899	387,922
Total Liabilities		30,378,719	22,584,016	16,102,816

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	Notes	December 31, 2011	December 31, 2010	January 1, 2010/ December 31, 2009
		Rp '000,000	Rp '000,000	Rp '000,000
Equity				
Equity Attributable to the Equity Holders of the Parent Company				
Capital Stock - Rp 5,000 par value per Series A and Rp 100 par value per Series B Authorized - 142,474,368 Series A shares and 21,371,155,200 Series B shares Modal ditempatkan dan disetor - 142,474,368 Series A shares and 6,090,063,689 Series B shares as of Desember 31, 2011, 142,474,368 Series A shares and 6,081,318,298 Series B shares as of December 31, 2010 and 142,474,368 Series A shares and 6,037,783,827 Series B shares as of January 1, 2010/ December 31, 2009	36,42	1,321,378	1,320,504	1,316,150
Additional Paid-in Capital - Net	2aa,37,42	808,397	804,900	787,598
Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control	2d,39	93,484	93,485	93,486
Other Equity Components	38	2,830,517	121,433	(45,936)
General Reserve	41	527,331	263,230	-
Retained Earnings		3,985,818	2,457,094	1,446,093
Total		9,566,925	5,060,646	3,597,391
Non-Controlling Interests	2d,35	5,018,699	200,362	130
Total Equity		14,585,624	5,261,008	3,597,521
TOTAL LIABILITIES AND EQUITY		44,964,343	27,845,024	19,700,337

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2011 and 2010

	Notes	2011	2010
		Rp '000,000	Rp '000,000
INCOME	2ab		
Insurance underwriting income	43	14,178,755	10,619,577
Interest income	44	1,604,650	1,059,913
Gain on investments in units of mutual funds	2i,5	1,384,206	1,247,102
Gain on sale of short-term investments - net	2i,5	772,429	313,592
Consumer financing income	2f,54	301,873	169,846
Sales	45	137,530	47,244
Administration fee and commissions		126,134	70,066
Stock brokerage and underwriting income		73,457	60,254
Investment management income		70,882	45,289
Factoring income	2f,54	59,369	34,509
Gain on foreign exchange - net	2e	28,034	-
Equity in net income of the associates - net	17	25,176	28,388
Finance lease income	2f,54	24,908	27,804
Shares administration fee	2f,54	2,728	3,237
Unrealized gain on increase in fair value of securities	2i,5	-	184,881
Gain on sale of investment	17	-	12,718
Other income	46	162,169	95,885
Total Income		18,952,300	14,020,305
EXPENSES	2ab		
Insurance underwriting expenses	47	14,557,919	11,107,077
Interest expense	48	896,543	537,808
Salaries and employee benefits	2ad	499,832	335,746
General and administrative expenses	2f,49,50,54	461,885	327,089
Costs of goods sold		137,012	47,197
Depreciation and amortization	2p,2r,2s,2t,2u,18,19,20,21	114,710	78,761
Provision for impairment losses on financial and non-financial assets	2p,2i	68,748	61,547
Unrealized loss on decrease in fair value of securities	2i,5	21,692	-
Investment management expenses		15,572	8,195
Stock brokerage and underwriting expenses		12,385	10,671
Other financial charges		1,439	3,490
Loss on foreign exchange - net	2e	-	53,327
Other expenses	2e,51	110,292	81,780
Total Expenses		16,898,029	12,652,688
INCOME BEFORE TAX		2,054,271	1,367,617
TAX EXPENSE	2ae,52		
Current		78,996	68,026
Deferred		683	21,777
Total		79,679	89,803
NET INCOME		1,974,592	1,277,814
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealized gain (loss) on change in fair value of available for sale securities of subsidiaries		(120,143)	135,701
Translation adjustment of a subsidiary		41	-
Realized loss on dilution of ownership interest in subsidiaries		-	(2,719)
Gain (loss) on change in ownership interest in subsidiaries and associates		38,575	(622)
TOTAL COMPREHENSIVE INCOME (LOSS)		(81,527)	132,360
TOTAL COMPREHENSIVE INCOME		1,893,065	1,410,174

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	Notes	2011	2010
		Rp '000,000	Rp '000,000
Income attributable to:			
Equity holders of the Parent Company		1,669,243	1,277,814
Non-controlling interests		305,349	-
		1,974,592	1,277,814
Comprehensive income attributable to:			
Equity holders of the Parent Company		4,378,327	1,445,183
Non-controlling interests	2d	(2,485,262)	(35,009)
		1,893,065	1,410,174
Earnings per Share	2af,53		
(in full Rupiah)			
Basic		268	206
Diluted		236	189

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2011 and 2010

		Equity Attributable to Equity Holders of the Parent Company											
	Notes	Capital Stock	Additional Paid-in Capital - Net	Difference in Value Arising from Restructuring Transactions among Entities Under Common Control	Share in Unrealized Gain (Loss) on Change in Fair Value of Available For Sale Securities of Subsidiaries	Share in Translation Adjustment of a Subsidiary	Gain (Loss) on Change in Ownership Interest in Subsidiaries and Associates	Changes in Fair Value of Derivative Instruments and Others	General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
		Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance as of January 1, 2010, before the impact of initial adoption of PSAK No. 50 (Revised 2006) and PSAK No. 55 (Revised 2006)		1,316,150	787,598	93,486	(41,978)	-	5,141	(9,099)	-	1,446,093	3,597,391	130	3,597,521
Impact of initial adoption of PSAK No. 50 (Revised 2006) and PSAK No. 55 (Revised 2006)	2i	-	-	-	-	-	-	-	-	2,599	2,599	-	2,599
Balance as of January 1, 2010, after the impact of initial adoption of PSAK No. 50 (Revised 2006) and PSAK No. 55 (Revised 2006)	2b	1,316,150	787,598	93,486	(41,978)	-	5,141	(9,099)	-	1,448,692	3,599,990	130	3,600,120
Additional capital stock from conversion of Series III warrants	37,42	160	529	-	-	-	-	-	-	-	689	-	689
Additional capital stock from conversion of Series IV warrants	37,42	4,194	16,773	-	-	-	-	-	-	-	20,967	-	20,967
Difference in value arising from restructuring transactions among entities under common control	2d,39	-	-	(1)	-	-	-	-	-	-	(1)	1	-
Appropriation for general reserve	41	-	-	-	-	-	-	-	263,230	(263,230)	-	-	-
Cash dividends	40	-	-	-	-	-	-	-	-	(6,182)	(6,182)	-	(6,182)
Purchase of shares of subsidiary by non-controlling interest		-	-	-	-	-	-	-	-	-	-	235,322	235,322
Deconsolidated subsidiary		-	-	-	-	-	-	-	-	-	-	(82)	(82)
Total comprehensive income during the year		-	-	-	135,701	-	31,668	-	-	1,277,814	1,445,183	(35,009)	1,410,174
Balance as of December 31, 2010		1,320,504	804,900	93,485	93,723	-	36,809	(9,099)	263,230	2,457,094	5,060,646	200,362	5,261,008
Balance as of January 1, 2011, before the impact of initial adoption of PSAK No. 22 (Revised 2010)		1,320,504	804,900	93,485	93,723	-	36,809	(9,099)	263,230	2,457,094	5,060,646	200,362	5,261,008
Impact of initial adoption of PSAK No. 22 (Revised 2010)	2b,34	-	-	-	-	-	-	-	-	129,806	129,806	-	129,806
Balance as of January 1, 2011, after the impact of initial adoption of PSAK No. 22 (Revised 2010)		1,320,504	804,900	93,485	93,723	-	36,809	(9,099)	263,230	2,586,900	5,190,452	200,362	5,390,814
Additional capital stock from conversion of Series IV warrants	37,42	874	3,497	-	-	-	-	-	-	-	4,371	-	4,371
Difference in value arising from restructuring transactions among entities under common control	2d,39	-	-	(1)	-	-	-	-	-	-	(1)	1	-
Appropriation for general reserve	41	-	-	-	-	-	-	-	264,101	(264,101)	-	-	-
Cash dividends	40	-	-	-	-	-	-	-	-	(6,224)	(6,224)	-	(6,224)
Purchase of shares of subsidiary by non-controlling interest		-	-	-	-	-	-	-	-	-	-	7,303,598	7,303,598
Total comprehensive income during the year		-	-	-	(122,960)	41	2,832,003	-	-	1,669,243	4,378,327	(2,485,262)	1,893,065
Balance as of December 31, 2011		1,321,378	808,397	93,484	(29,237)	41	2,868,812	(9,099)	527,331	3,985,818	9,566,925	5,018,699	14,585,624

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	2011 Rp '000,000	2010 Rp '000,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Insurance underwriting income received	14,378,254	10,652,143
Interest income received	1,549,787	1,037,193
Income received from financing activities	385,312	230,642
Stock brokerage, underwriting and investment management income received	142,387	103,280
Shares administration fee received	2,303	4,029
Other income received	408,061	222,977
Insurance underwriting expenses paid	(11,828,310)	(8,145,063)
Expenses paid	(1,194,917)	(768,244)
Interest paid	(796,473)	(473,554)
Stock brokerage, underwriting and investment management expenses paid	(27,957)	(18,866)
Gain (loss) on foreign exchange - net	20,926	(25,105)
Operating cash flows before changes in operating assets	3,039,373	2,819,432
Decrease (increase) in operating assets:		
Short-term investments	(4,843,038)	810,437
Securities purchased under agreements to resell	67,514	(70,550)
Consumer financing receivables	(285,126)	11,237
Net investments in finance lease	34,631	(59,250)
Factoring receivables	(239,857)	(119,304)
Segregated funds net assets - Unit Link	1,735,912	(3,878,234)
Segregated funds net assets - Sharia	(45,429)	(34,639)
Loans	(3,222,145)	(1,660,946)
Ijarah assets	157,344	(203,850)
Securities agent receivables	(77,936)	(93,021)
Other accounts receivable	(185,000)	(4,134)
Foreclosed properties	(14,440)	(5,978)
Other assets	(264,760)	(48,747)
Increase (decrease) in operating liabilities:		
Deposits and deposits from other banks	4,974,646	2,913,388
Securities sold under agreements to repurchase	7,056	(252,686)
Accounts payable	(478)	529
Premiums received in advance	(71,558)	209,039
Securities agent payable	(322,771)	314,565
Taxes payable	10,512	7,137
Accrued expenses	13,044	233
Mudharabah Reserve	850	20
Other liabilities	(122,125)	235,273
Net Cash Generated from Operations	346,219	889,951
Income tax paid	(76,238)	(64,932)
Net Cash Provided by Operating Activities	269,981	825,019
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment in shares	(110,829)	(148,457)
Proceeds from sale of investment	117,918	38,237
Additions to property under build, operate and transfer	(182)	(1,053)
Advances for investment	-	(2,000)
Proceeds from sale of property and equipment	4,350	4,505
Acquisitions of property and equipment	(475,700)	(173,481)
Acquisitions of investment properties	-	(21,486)
Acquisitions of assets for lease	(30,130)	(20,379)
Net Cash Used in Investing Activities	(494,573)	(324,114)

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

	2011 Rp '000,000	2010 Rp '000,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan received	777,838	443,990
Payment of loan received	(358,072)	(279,924)
Payment of interest on loan	(89,928)	(56,929)
Proceeds from issuance of shares by subsidiary	7,271,255	235,322
Proceeds from additional issuances of capital stock from conversion of Series III warrants	-	689
Payment of cash dividend	(6,195)	(6,153)
Proceeds from additional issuances of capital stock from conversion of Series IV warrants	4,371	20,967
Net Cash Provided by Financing Activities	7,599,269	357,962
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,374,677	858,867
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,858,407	2,033,052
Beginning balance of cash and cash equivalent of a subsidiary in 2009 which ceased to be subsidiary in 2010 (Note 17)	-	(2,611)
Effect of foreign exchange rate changes	3,272	(30,901)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10,236,356	2,858,407
SUPPLEMENTAL DISCLOSURES		
Cash and cash equivalents consist of:		
Cash on hand	468,468	270,623
Cash in banks	172,859	128,895
Demand deposits with Bank Indonesia	1,344,574	1,067,919
Time deposits	6,534,600	513,072
Funds placed in securities companies	3,293	436
Demand deposits with other banks	561,609	706,189
Bank Indonesia Intervention (excluded maturity more than 3 months)	1,150,953	171,273
Total Cash and Cash Equivalents	10,236,356	2,858,407
Noncash investing and financing activities:		
Reclassification from other assets - advances for investment to investment in shares	1,500	19,600

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

1. General

a. Establishment and General Information

PT Sinar Mas Multiartha Tbk (the Company) which was formerly named PT Internas Arta Leasing Company or PT Internas Arta Finance Company, was established by virtue of Notarial Deed No. 60 dated October 21, 1982 of Benny Kristianto, S.H., public notary in Jakarta, which was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6537.HT.01.01.Th.83 dated September 30, 1983, under the name of PT Internas Arta Leasing Company. The Articles of Association of the Company were registered in the Court of Justice of West Jakarta on May 17, 1984 under registration number 489/1984.

On May 1, 1989, the stockholders held an Extraordinary Stockholders' Meeting and agreed to change the Company's name from PT Internas Arta Leasing Company to PT Internas Arta Finance Company, and to increase the authorized and paid-up capital stock from Rp 1,000 million to Rp 5,000 million. These decisions were documented in Notarial Deed No. 15 dated May 1, 1989 of Benny Kristianto, S.H., public notary in Jakarta, and were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6968.HT.01.04.Th.89 dated August 2, 1989. This Notarial Deed was registered in the Court of Justice of West Jakarta on August 16, 1989 under registration number 1109/1989.

On February 25, 1995, the stockholders held an Extraordinary Stockholders' Meeting and agreed to change the Company's name to PT Sinar Mas Multiartha and to change the par value per share from Rp 1,000 to Rp 500. These decisions were documented in Notarial Deed No. 218 dated February 25, 1995 of Veronica Lily Dharma, S.H., public notary in Jakarta, and were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-5573.HT.01.04.Th.95 dated May 5, 1995.

On February 18, 2003, in the Extraordinary Stockholders' Meeting held by the stockholders, it was agreed to increase the Company's authorized capital stock from Rp 1,125,000 million to Rp 2,849,487 million and approved the reverse stock split from Rp 500 per share to Rp 5,000 per share, and at the same time added series of shares from 1 series to 2 series, consisting of Series A shares with a par value of Rp 5,000 per share and Series B shares with a par value of Rp 100 per share. These decisions were documented in Notarial Deed No. 40 dated February 18, 2003 of Aulia Taufani, S.H., substitute notary of Sutjipto, S.H., notary public in Jakarta, and was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-04209.HT.01.04.TH.2003 dated February 27, 2003.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 72 dated July 9, 2008 of Sutjipto, S.H., public notary in Jakarta, based on the Extraordinary Stockholders' Meeting held on the same date, in relation to revisions in the Company's Articles of Association to be in accordance with the provisions of the Republic of Indonesia Law No. 40/2007 and Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) regulation, including the change in the members of the Company's Board of Commissioners and Directors and approval of Limited Public Offering IV. These amendments have been approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-27024.AH.01.02.TH 2009 dated June 18, 2009.

Changes in the Main Business Activities

The Company started its commercial operations in 1983, engaging in finance leasing, factoring and consumer financing. The Company obtained an approval to operate as a multifinance company from the Minister of Finance of the Republic of Indonesia in his Decision Letter No. 300/KMK.013/1990 dated March 3, 1990.

On May 30, 1996, the stockholders of the Company held an Extraordinary Stockholders' Meeting and agreed on significant matters including change in the main business activities of the Company from financing activities and treasury management to trading, manufacturing, transportation, real estate and services; and changing the entire Articles of Association to comply with Corporate Law No. 1 of 1995, concerning Limited Liability Companies, including changing the name of the Company to PT Sinar Mas Multiartha Tbk.

The minutes of this meeting were documented in Notarial Deed Nos. 143 and 144 dated May 30, 1996 and Deed of Amendment No. 69 dated August 23, 1996 of Sutjipto, S.H., public notary in Jakarta. These Notarial Deeds were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-8689.HT.01.04.Th.96 dated August 30, 1996.

JBC International Finance Limited, a company established in Mauritius, is the immediate holding company of the Company. The Company is part of the Sinar Mas Group of Companies.

The Company is domiciled in Jakarta. The Company's head office is located at Plaza BII, Tower III, Jl. M.H. Thamrin No. 51, Jakarta, Indonesia.

b. Public Offering of the Company's Shares

On June 14, 1995, the Company received the Notice of Effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently the Capital Market and Financial Institutions Supervisory Agency or Bapepam-LK) in his Decision Letter No. S-759/PM/1995 for the offering of 60,000,000 shares with a par value of Rp 500 per share to the public at an offering price of Rp 1,800 per share. On July 5, 1995, the Company's shares were listed in the Indonesia Stock Exchange.

On November 8, 1996, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of additional 663,000,000 shares with a par value of Rp 500 per share through Limited Public Offering I at an exercise price of Rp 750 per share, with 99,450,000 Series I warrants attached to such shares, free of charge. The Series I warrants issued by the Company could be exercised starting May 28, 1997 to November 28, 2001. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 40 dated November 8, 1996 of Sutjipto, S.H., public notary in Jakarta.

The Limited Public Offering I took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1811/PM/1996 dated November 8, 1996. The proceeds from this Limited Public Offering I amounting to Rp 497,250 million were received by the Company in January 1997. This Limited Public Offering I increased the Company's paid-up capital stock from Rp 331,500 million to Rp 663,000 million and additional paid-in capital from Rp 1,500 million to Rp 167,250 million.

On June 24, 2003, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 2,137,115,520 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 100 per share, with 4 Series II warrants attached to every 15 Series B shares, free of charge. The Series II warrants issued by the Company totaling to 569,897,472 warrants can be exercised into shares during the period from January 23, 2004 to July 23, 2008. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 153 dated June 24, 2003 of Aulia Taufani, S.H., substitute notary of Sutjipto, public notary in Jakarta.

The Limited Public Offering II took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1485/PM/2003 dated June 23, 2003. The proceeds from this Limited Public Offering II amounting to Rp 213,711 million were received by the Company in July 2003. This Limited Public Offering II increased the Company's paid-up capital stock from Rp 712,372 million to Rp 926,083 million.

The funds from the Limited Public Offering II were used by the Company for additional investments in subsidiaries and to settle its obligations or loans received in order to increase its working capital ratio.

On June 28, 2005, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 991,621,601 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 125 per share, with 991,621,601 Series III warrants attached to such shares, free of charge. The Series III warrants issued by the Company can be exercised into shares during the period from January 12, 2006 to July 13, 2010. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 274 dated June 28, 2005 of Aulia Taufani, S.H., substitute notary of Sutjipto, S.H., public notary in Jakarta.

The Limited Public Offering III took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1691/PM/2005 dated June 27, 2005. The Limited Public Offering III resulted to issuance of additional 991,325,341 Series B shares with 991,325,341 Series III warrants attached. The proceeds received from this Limited Public Offering III amounted to Rp 123,916 million.

The proceeds received from the Limited Public Offering III were used by the Company for additional investments in subsidiaries and to increase its working capital.

On June 17, 2008, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 966,427,608 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 100 per share, with 1,449,641,412 Series IV warrants attached to such shares, free of charge. The Series IV warrants issued by the Company can be converted into shares during the period from January 6, 2009 to July 9, 2013. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 141 dated June 17, 2008 of Sutjipto, S.H., public notary in Jakarta.

The Limited Public Offering IV took effect upon receipt from the Chairman of Bapepam and LK of the Notice of Effectivity in his Decision Letter No. S-3859/BL/2008 dated June 16, 2008. The Limited Public Offering IV resulted to issuance of additional 964,528,953 Series B shares with 1,446,793,426 Series IV warrants attached. The proceeds received from this Limited Public Offering IV amounted to Rp 96,453 million.

The funds from the Limited Public Offering IV were used by the Company for additional investments in subsidiaries and to settle its obligations or loans received in order to increase its working capital ratio.

c. Consolidated Subsidiaries

As of December 31, 2011 and 2010, the subsidiaries which were consolidated, including the respective percentages of ownership held by the Company, are as follows:

	Domicile	Nature of Business	Year of Operation/ Establishment	Percentage of Ownership December 31, 2011	Percentage of Ownership December 31, 2010	Total Assets (Before Elimination) December 31, 2011 Rp '000,000	Total Assets (Before Elimination) December 31, 2010 Rp '000,000
Direct acquisitions							
PT Asuransi Jiwa Sinarmas MSIG (formerly PT Asuransi Jiwa Sinarmas) (AJSM	Jakarta	Life insurance	1984	50.00%	99,99%	21,604,004	11,446,045
PT Bank Sinarmas Tbk (BS)	Jakarta	Banking	1989	59.98%	78.03%	16,658,661	11,232,179
PT Asuransi Sinar Mas (ASM)	Jakarta	Loss insurance	1986	99.99%	99.99%	3,359,667	2,766,374
PT Sinarmas Sekuritas (SMS)	Jakarta	Securities	1992	99.99%	99.99%	1,049,514	1,220,630
PT Sinar Mas Multifinance (SMF)	Jakarta	Multifinance	1996	99.99%	99.99%	1,543,251	904,827
PT Shinta Utama (SU)	Jakarta	General trading	1991	99.30%	99.30%	190,513	238,618
PT AB Sinar Mas Multifinance (ABSM)	Jakarta	Multifinance	1995	99.99%	99.99%	225,281	167,193
PT Jakarta Teknologi Utama Motor (JTUM)	Jakarta	Workshop	1999	99.93%	99.90%	77,927	48,466
PT Sinartama Gunita (STG)	Jakarta	Shares registrar	1992	99.80%	99.80%	20,186	18,379
Sinar Mas Insurance (SMI)	Republic of Democratic Timor Leste	Loss insurance	2011	10.00%	-	4,047	-
PT Simas Money Changer (SMC)	Jakarta	Money changer	2003	99.90%	99.90%	3,630	3,307
PT Balai Lelang Sinarmas (BLS)*	Jakarta	Auction house	2008	99.90%	99.90%	1,338	1,228
PT Wapindo Jasaartha (WJA)*	Jakarta	Trading & services	2000	99.90%	99.90%	1,334	1,224
PT Arthamas Konsulindo (AMK)*	Jakarta	Insurance agency	2000	99.99%	99.99%	868	811
PT Arthamas Solusindo (AMS)*	Jakarta	Information services	2000	99.99%	99.99%	759	763
PT Komunindo Arga Digital (KAD)*	Jakarta	Trading & services	2000	95.00%	95.00%	80	73
PT Sinar Artha Solusindo (SAS)*	Jakarta	Trading & services	2000	99.60%	99.60%	89	68
PT Arthamas Informatika (AMI)*	Jakarta	Trading & services	2000	99.60%	99.60%	84	63
PT Sinar Artha Inforindo (SAI)*	Jakarta	Information services	2000	99.60%	99.60%	37	38
PT Artha Bina Usaha (ABU)*	Jakarta	Trading & services	2008	92.00%	92.00%	42	36
PT Sinar Artha Konsulindo (SAK)*	Jakarta	Insurance agency	2000	99.75%	99.75%	4	4
PT Sinar Artha Trading (SAT)*	Jakarta	General trading	2008	92.00%	92.00%	2	2
PT Asuransi Sumit Oto (ASO)	Jakarta	Loss insurance	2010	-	1.00%	-	100,524
Indirect acquisitions							
PT Golden Tropical (GT) (through PT Shinta Utama)	Jakarta	Commodity trading	2011	49.65%	-	6,125	-
PT Autopro Utama Perkasa (AUP) (through PT Jakarta Teknologi Utama Motor)	Jakarta	Workshop	2006	99.88%	99.88%	8,400	8,129
Sinar Mas Insurance (SMI) (through PT Asuransi Sinar Mas dan PT Shinta Utama)	Republic of Democratic Timor Leste	Loss insurance	2011	89,92%	-	4,047	-
PT Asuransi Sumit Oto (ASO) (through PT Asuransi Sinar Mas)	Jakarta	Loss insurance	2010	-	98,99%	-	100,524
PT Sinarmas Futures (SF) (through PT Sinarmas Sekuritas)	Jakarta	Commodity trading	2004	99.98%	99.98%	26,164	26,893
PT Sinarmas Asset Management (SAM) (through PT Sinarmas Sekuritas)	Jakarta	Asset management	2011	99.98%	-	51,763	-

*) Subsidiaries have not operate yet

Acquisitions and Disposals

<u>PT Asuransi Sumit Oto (ASO)</u>

In October 2011, the Company and ASM, a subsidiary, has sold 1,000 shares and 51,000 shares of ASO, respectively, to Djohan Marzuki and PT Summit Investment Indonesia, third parties, amounted to Rp 1,000 million and Rp 51,000 million or representing 1% and 51% percentage of ownership in ASO.

In October 2010, the Company and ASM established ASO, with direct ownership interest of 1% and 99%, respectively.

PT Bank Sinarmas Tbk (BS)

BS obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in general banking business in his Decision Letter No. KEP-156/KMK.013/1990 dated February 16, 1990. Pursuant to Bank Indonesia's Decree No. 27/156/KEP/DIR dated March 22, 1995, BS was authorized to operate as a Foreign Exchange Bank. BS obtained an approval from the Bank Indonesia to open a branch which was based on Syariah principles in his Decision Letter Deputy Governor of Bank Indonesia No. 11/13/KEP.DpG/2009 dated October 27, 2009.

On November 29, 2010, BS obtained the Notice of Effectivity from the Chairman of the Capital Market and Financial Institutions Supervisory Agency (Bapepam - LK) in his letter No. S-10683/BL/2010 of its initial public offering of shares and being a public listed company.

In 2010, in relation with the initial public offering, the Company's and SU's ownership interest in BS were diluted to 70.43% and 6.10% as of December 31, 2010, respectively. The impact of the dilution in ownership interest amounting to Rp 35,009 million was recognized as part of the "Other equity components – share in gain (loss) on change in ownership interest in subsidiaries and associates" in the equity section of the consolidated statements of financial position (Note 38).

In September 2011, SU has sold its investment in 233,333,000 shares of BS, without losing control over BS thus percentage of ownership of SU diluted from 6.10% to 3.52%. Accordingly, the gain on this sale of investment amounting to Rp 38,575 million, was recorded as "Other equity components – share in gain on change in ownership interest in subsidiaries and associates" in the equity section of the 2011 consolidated statement of financial position (Note 38).

In 2011, the non-controlling shareholder (public) converted warrants of BS into shares, thus, the ownership of the Company and SU in BS were diluted to 56.48% and 3.52% as of December 31, 2010, respectively. The impact of the dilution in ownership interest amounting to Rp 18,188 million was recognized as "Other equity components – share in gain on change in ownership interest in subsidiaries and associates" in equity section of the 2011 consolidated statement of financial position (Note 38).

PT Asuransi Jiwa Sinarmas MSIG (AJSM)

AJSM obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in life insurance business based on its Decision Letter No. KEP-107/KM.13/1989 dated August 5, 1989.

In June 2011, AJSM declared and distributed dividends to Company and SU totaling to Rp 765,271 million.

In May 2011, AJSM received deposits for future stock subscription from Mitsui Sumitomo Insurance Co. Ltd., Japan; to purchase AJSM's shares amounting to Rp 7,000,000 million or equivalent to ownership interest of 50%. At the same time, the AJSM's shares owned by SU had been sold to Company. Effective July 1, 2011, the Company ownership interest in AJSM was diluted from 99.99% to 50%. Despite the reduction in ownership interest in AJSM to only 50%, the Company continues to control AJSM through a majority of the AJSM's directors, thus, continues to consolidate the financial statements of AJSM. Since the Company continues to control AJSM, the impact of the dilution in ownership interest amounting to Rp 2,775,240 million was recognized as "Other equity components – share in gain on change in ownership interest in subsidiaries and associates" in equity section of the 2011 consolidated statement of financial position (Note 38).

PT Sinar Mas Insurance (SMI)

In April 2011, the Company, ASM and SU established SMI, domiciled in the Democratic Republic of Timor Leste, by investing Rp 447.5 million, Rp 3,580 million and Rp 447.5 million, or representing 10%, 80% and 10% percentage of ownership in SMI, respectively.

PT Sinarmas Asset Management (SAM)

In April 2011, SMS and SMF established SAM, by investing Rp 49,999 million and Rp 1 million, respectively.

PT Sinar Mas Multifinance (SMF)

SMF obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in finance leasing, factoring and consumer financing in his Decision Letter No. 441/KMK.017/1996 dated June 21, 1996.

In October 2010, the Company increased its investment in SMF amounting to Rp 37,000 million. The increase in investment did not change its direct ownership interest in SMF.

In June 2011 and December 2011, the Company increased its investment in SMF amounting to Rp 100,000 million and Rp 120,000 million, respectively. The increase in investment did not change its direct ownership interest in SMF.

PT Jakarta Teknologi Utama Motor (JTUM)

In September 2010, the Company increased its investment in JTUM amounting to Rp 15,000 million, thus, increased its direct ownership interest in JTUM from 99.86% to 99.90%.

In June 2011, the Company increased its investment in JTUM amounting to Rp 25,000 million, thus, increased its direct ownership interest in JTUM from 99.90% to 99.93%.

PT Golden Tropical (GT)

In January 2011, SU and third parties established GT, by investing Rp 1,500 million each.

PT Shinta Utama (SU)

In October 2010 and December 2010, the Company increased its investment in SU amounting to Rp 3,000 million and Rp 15,500 million, respectively, thus, increased its direct ownership interest in SU from 99.0% to 99.3%.

In October 2011, The Company paid advances for investment in shares of SU amounting to Rp 81,500 million.

PT Arthamas Solusindo (AMS)

In September 2010, the Company increased its investment in AMS amounting to Rp 500 million, thus, increased its direct ownership interest in AMS from 99.60% to 99.99%.

PT Sinarmas Futures (SF)

SF obtained an approval from Commodity Measurement Trading Supervisory Agency to engage in business activity as measurement broker in its Decision Letter No. 889/BAPPEBTI/SI/3/2006 dated March 27, 2006.

In October 2004, SMS and SMF established SF which engages in commodity trading. In June 2009, SMS increased its investment in SF, thus, increased its direct ownership interest in SF. SMS's ownership interest in SF as of December 2011 and 2010 is 99.75%.

In December 2011, SMF has sold all of its investment in shares of SF to SU amounted to Rp 12,500 million.

PT Asuransi Sinar Mas (ASM)

ASM obtained an approval from the Minister of Finance of the Republic of Indonesia through the Directorate General of Domestic Monetary Affairs to engage in loss insurance under Decree No KEP-2562/MD/1986 dated April 21, 1986. ASM obtained an approval from the Minister of Finance of the Republic of Indonesia to open a branch which was based on Sharia principles in his Decision Letter No. 253/KM.6/2004 dated June 25, 2004.

PT Sinarmas Sekuritas (SMS)

SMS obtained an approval from the Capital Market Supervisory Agency or Bapepam-LK to engage in stock brokerage, stock underwriting and as an investment manager in its Decision Letters No. Kep-82/PM/1992 dated February 29, 1992, No. Kep 83/PM/1992 dated February 29, 1992 and No. Kep-02/PM/MI/2000 dated May 15, 2000, respectively.

PT AB Sinar Mas Multifinance (ABSM)

ABSM obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in finance leasing, factoring and consumer financing in his Decision Letter No. 525/KMK.017/1995 dated November 17, 1995.

PT Sinartama Gunita (STG)

STG obtained an approval from Capital Market Supervisory Agency or Bapepam-LK to engage in business activities as shares registrar in its Decision Letter No. Kep-82/PM/1991 dated September 30, 1991.

d. Employees, Directors and Commissioners

The Company's management at December 31, 2011 and 2010 based on Notarial Deed No. 7 dated June 4, 2010 of Wahyu Nurani, S.H., public notary in Jakarta, consists of the following :

President Commissioner	:	Indra Widjaja
Commissioner	:	Howen Widjaja
Independent Commissioners	:	Sunarto
		Agustinus Antonius
President Director	:	Doddy Susanto
Director	:	Kurniawan Udjaja

As of December 31, 2011 and 2010, the Company's Audit Committee based on Notarial Deed No. 141 dated June 17, 2008 of Sutjipto, S.H., public notary in Jakarta, consists of the following:

Chairman	:	Sunarto
Members	:	Rusli Prakarsa
		Pande Putu Raka

The form of the Company's Audit Committee complies with Regulation No. IX.I.5 concerning the "Form and Orientation of the Audit Committee Working Implementation".

As of December 31, 2011 and 2010, the Company's internal audit committee, consists of the following:

Chairman	:	Edy Tjandra
Members	:	Linda Widjaya

The form of the Company's internal audit committee complies with Regulation No. KEP-496/BL/2008 dated November 28, 2008.

As of December 31, 2011 and 2010, the Company has a total number of employees (unaudited) of 10 and 8, respectively. As of December 31, 2011 and 2010, the Group have a total number of employees (unaudited) of 12,841 and 7,853, respectively.

The aggregate salaries and benefits paid by the Group to all commissioners and directors for the years ended December 31, 2011 and 2010 amounted to Rp 37,707 million and Rp 33,605 million, respectively.

The consolidated financial statements of PT Sinar Mas Multiartha Tbk and its subsidiaries for the year ended December 31, 2011 were completed and authorized for issue by the Company's Directors on March 30, 2012 and are responsible for the consolidated financial statements.

2. Summary of Significant Accounting and Financial Reporting Policies

a. Basis of Consolidated Financial Statements Preparation and Measurement

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards "SAK", which comprise the statements and interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and Regulation No. VIII.G.7. regarding "Financial Statements Presentation Guidelines" included in the Appendix of the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam – LK) No. KEP-06/PM/2000 dated March 13, 2000 and Circular Letter No. SE-02/PM/2002 regarding "Guideliness on Preparation and Presentation of Financial Statements of Issuers or Public Listed Companies in Investment Industry", as reaffirmed with Circular Letter No. SE-03/BL/2011 regarding "Guideliness on Preparation and Presentation of Financial Statements of Issuers or Publicly Listed Companies". As disclosed further in relevant suceeding notes, several amended and published accounting standards were adopted effective January 1, 2011.

The consolidated financial statements for the year ended December 31, 2011 are in accordance with the Statements of Financial Accounting Standard ("PSAK") No. 1 (Revised 2009), "Presentation of Financial Statements" adopted on January 1, 2011.

The said adoption of PSAK No. 1 (Revised 2009) has significant impact on the related presentation and disclosures in the consolidated financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those made in preparation of the consolidated financial statements for the year ended December 31, 2010, except for the adoption of several amended PSAK effective January 1, 2011 as disclosed in this Note.

The measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies. The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting.

The consolidated statement of cash flows are prepared using the modified direct method with classifications of cash flows into operating, investing, and financing activities. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash, demand deposits with Bank Indonesia, demand deposits with other banks, and placement with other banks with original maturity of three (3) months or less from the acquisition date.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (Rupiah) which is the functional currency of The Group, except for Sinar Mas Insurance, a subsidiary of ASM, which has adopted the United States (U.S.) Dollar as its functional, reporting and recording currency since May 2011. Management believes that having the United Stated (U.S) Dollar as the reporting and recording currency is appropriate since Sinar Mas Insurance main transactions and balances are denominated in U.S. Dollars. For consolidation purposes, the accounts of Sinar Mas Insurance were translated into Rupiah amounts on the following basis:

Consolidated statements of financial position accounts:
The prevailing rates of exchange as at the last banking day of the year Rp 9,068 per US$1 as of December 31, 2011.

Consolidated statement of comprehensive income accounts:
The prevailing exchange rates at the date of transactions. For practical reasons, average rates during the year of Rp 8,773.25 per US$ 1, for the year ended December 31, 2011 was used.

Gains or losses arising from translation of consolidated statements of financial position and consolidated statement of comprehensive income accounts are presented as “Other Equity component – share in translation adjustmentof a subsidiary” in the equity section of the consolidated statement of financial position.

Unless otherwise stated, all figures presented in the consolidated financial statements are stated in millions of Rupiah.

b. Adoption of Revised Statements of Financial Accounting Standards Effective January 1, 2011

The Group have adopted the following Financial Accounting Standards (PSAKs) and Interpretations (ISAKs) effective January 1, 2011:

(1) PSAK No. 1 (Revised 2009), "Presentation of Financial Statements", regulates the presentation of financial statements as to, among others, the objective, component of financial statements, fair presentation, materiality and aggregate, offsetting, distinction between current and non-current assets and short term and long-term liabilities, comparative information and consistency and introduces new disclosures such as, among others, key estimations and judgments, capital management, other comprehensive income, departures from accounting standards and statement of compliance. This standard introduces a statement of comprehensive income that combines all items of income and expenses recognized in the profit and loss together with "other comprehensive income". The entities may choose to present all items in one statement, or to present two linked statements, a separate statement of income and a statement of comprehensive income. The Group have elected to present a single statement and have presented its prior periods' consolidated financial statements in conformity with this PSAK to be comparative with the December 31, 2011 consolidated financial statements.

(2) PSAK No. 4 (Revised 2009), "Consolidated and Separate Financial Statements", provides for the preparation and presentation of the consolidated financial statements for a group of entities under the control of The Company, and the accounting for investments in subsidiaries, jointly controlled, entities and associated entities when separate financial statements are prepared as additional information.

In accordance with this provision of PSAK No. 4, the Company has recorded its investments in subsidiaries at cost in the Parent Company Financial Statements.

(3) PSAK No. 5 (Revised 2009), "Operating Segments", requires reporting information of each operating segment to be in accordance with the information which are regularly reported to the decision maker in operations to make decisions on resources that will be allocated to the segment and to value its performance. This PSAK has improved the definition of segment information using the same basis as in the internal reporting. The Group have presented prior period's segment information in accordance with this PSAK to be comparative with the consolidated financial statements for the year ended December 31, 2011.

(4) PSAK No. 7 (Revised 2010), "Related Party Disclosures", requires disclosures of related party relationships, transactions and outstanding balances, including commitments, in the financial statements.

(5) PSAK No. 15 (Revised 2009), "Investments in Associates", prescribes the accounting for investments in associates as to determination of significant influence, accounting method to be applied, impairment in value of investments and separate financial statements. The adoption this revised PSAK has no significant impact on the Group' consolidated financial statements.

(6) PSAK No. 22 (Revised 2010) "Business Combinations" stipulates the nature of transaction or other event that meets the definition of a business combination to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects.

The Group prospectively adopted PSAK No. 22 (Revised 2010), "Business Combinations", applicable for business combinations that occur on or after the beginning of a financial year/period commencing on or after January 1, 2011.

In accordance with the transitional provisions of PSAK No. 22 (Revised 2010), starting January 1, 2011, the Group:

- ceased the goodwill amortization;
- eliminated the carrying amount of the related accumulated amortization of goodwill; and
- performed an impairment test of goodwill in accordance with PSAK No. 48 (Revised 2009), "Impairment of Assets".

Further, the balance of negative goodwill which is recognized before January 1, 2011 amounting to Rp 129,806 million was adjusted to retained earnings as of the beginning of the fiscal year, January 1, 2011 (Note 34).

(7) PSAK No. 25 (Revised 2009), Accounting Policies, Changes in Accounting Estimates and Errors.

Estimated losses on commitment and contingencies

Starting from January 1, 2011, BS determines estimated losses on commitments and contingencies of bank guarantees, letters of credit and unused loan facilities based on the difference between the amortised amount (carrying amount) and the present value of any expected payment (when a payment under the guarantee has become probable).

Prior to January 1, 2011, BS assesses the estimated losses on commitments and contingencies allowance based on Bank Indonesia Regulation No. 7/2/PBI/2005 dated January 20, 2005 and in accordance ith Letter from Bank Indonesia No. 12/516/DPNP/IDPnP dated September 21, 2010.

Determination of estimated losses on commitments and contingencies are classified into five (5) categories with the minimum percentage of allowance for possible losses as follows:

Classification	Percentage of Allowance for Possible Losses	
Pass	Minimum	1%
Special mention	Minimum	5%
Substandard	Minimum	15%
Doubtful	Minimum	50%
Loss		100%

The above percentages are applied to commitments and contingencies (unused committed loan facilities, letter of credits and bank guarantee), less collateral value, except for commitments and contingencies categorised as pass, where the rates are applied directly to the outstanding balance of commitment and contingencies.

Allowance for possible losses on non-productive

Starting from January 1, 2011, BS determines allowance for possible losses on non productive asstes consisting of foreclosed properties, fixed asstes are not used, the administrative account and supense accounts at the lower of the carrying amount and fair value less costs to sell.

Prior January 1, 2011, allowance for possible losses on non-productive assets was determined as follow:

	Period
Current	Up to 1 year
Substandard	More than 1 year up to 3 years
Doubtful	More than 3 years up to 5 years
Loss	More than 5 years

The above changes on the determination of allowance for impairment losses represent changes in accounting policy which should generally be applied retrospectively requiring restatements of prior years' results. However, as the impact of the changes in respect of prior years' results is not material, no restatements were made and the impact of the changes was charged to the current year's statement of comprehensive income.

(8) PSAK No. 48 (Revised 2009), "Impairment of Assets", including goodwill and assets acquired from business combinations before January 1, 2011, prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and this revised PSAK requires the entity to recognize an impairment loss. This revised PSAK also specifies when an entity should reverse an impairment loss and prescribes disclosures.

As described herein, the adoption of PSAK No. 48 (Revised 2009) has a significant impact on the financial reporting including for the related disclosures, mainly on the impairment test of goodwill which is required at least once a year and more frequently when indications for impairment exist.

The following are the new and revised accounting standards and interpretations which should be adopted effective January 1, 2011 but which are or relevant but do not have material impact to the Group' consolidated financial statements:

PSAK

1. PSAK No. 2 (Revised 2009), Statements of Cash Flows
2. PSAK No. 3 (Revised 2010), Interim Financial Reporting
3. PSAK No. 8 (Revised 2010), Events After the Reporting Period
4. PSAK No. 19 (Revised 2010), Intangible Assets
5. PSAK No. 23 (Revised 2010), Revenues
6. PSAK No. 57 (Revised 2009), Provisions, Contingent Liabilities and Contingent Assets

ISAK

1. ISAK 17 (Revised 2009), Interim Financial Reporting and Impairment

The following are the new and revised statements and interpretations which are effective January 1, 2011 but are irrelevant to the Group's financial statements:

PSAK

1. PSAK No. 12 (Revised 2009), Investments in Joint Ventures
2. PSAK No. 58 (Revised 2009), Non-Current Assets Held for Sale and Discontinued Operations

ISAK

1. ISAK No. 7 (Revised 2009), Consolidation – Special Purpose Entities
2. ISAK No. 9 (Revised 2009), Changes in Existing Decommissioning, Restoration and Similar Liabilities
3. ISAK No. 10 (Revised 2009), Customer Loyalty Program
4. ISAK No. 11 (Revised 2009), Distribution of Non – Cash Assets to Owners
5. ISAK No. 12 (Revised 2009), Jointly Controlled Entities – Nonmonetary Contributions by Ventures
6. ISAK No. 14 (Revised 2009), Intangible Assets – Website Cost

c. Principles of Consolidation and Accounting for Business Combination

Principles of Consolidation

Effective January 1, 2011, the Group retrospectively adopted PSAK No. 4 (Revised 2009), "Consolidated and Separate Financial Statements", except for the following items that were applied prospectively: (i) losses of a subsidiary that result in a deficit balance to noncontrolling interests ("NCI"); (ii) loss of control over a subsidiary; (iii) change in the ownership interest in a subsidiary that does not result in a loss of control; (iv) potential voting rights in determining the existence of control; (V) consolidation of a subsidiary that is subject to long-term restriction.

<u>Accounting Policies Effective January 1, 2011</u>

The consolidated financial statements include the accounts of the Group mentioned in Note 1c.

All significant intercompany transactions and account balances (including the related significant unrealized gains or losses) have been eliminated.

Subsidiaries are fully consolidated from the date of acquisitions, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns, directly or indirectly through subsidiaries, more than a half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists under certain circumstances even when the Group owns half or less of the voting power of an entity.

Losses of a non-wholly owned subsidiary are attributed to the Noncontrolling Interest (NCI) even if that results in a deficit balance.

In case of loss of control over a subsidiary, the Company and/or its subsidiaries:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences, recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

NCI represents the portion of the profit or loss and net assets of the Subsidiaries attributable to equity interests that are not owned directly or indirectly by the Company, which are presented in the interim consolidated statements of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.

Accounting Policies Prior to January 1, 2011

Prior to January 1, 2011, losses attributable to the NCI in certain non-wholly owned subsidiaries that have exceeded the NCI's portion in the equity of the said subsidiaries were temporarily charged against the controlling shareholder unless the NCI has a binding obligation to cover these losses. Subsequent profits of the said subsidiaries shall be allocated to the controlling shareholder until the NCI's share of losses previously absorbed by the controlling shareholder has been recovered.

Business Combinations

Accounting Policies Effective January 1, 2011

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are directly expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PSAK No. 55 (Revised 2006) either in profit or loss or as other comprehensive income. If the contingent consideration is classified as equity, it should not be measured until it is finally settled within equity.

At acquisition date, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group' cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired are assigned to those CGUs.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Accounting Policies Prior to January 1, 2011

In comparison to the above, the following were the accounting policies applied on business combination prior to January 1, 2011:

- business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The NCI (formerly known as minority interest) was measured at the book value of the proportionate share of the acquiree's identifiable net assets;
- business combinations achieved in stages were accounted for as separate steps. Any additional acquired equity interest did not affect previously recognized goodwill;
- contingent consideration was recognized if, and only if, the Group' had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognized as part of goodwill.

d. Restructuring Transactions Among Entities Under Common Control

Acquisition of a subsidiary from entities under common control which is a reorganization of companies under common control (pooling of interest), is accounted for in accordance with PSAK No. 38 (Revised 2004) "Accounting for Restructuring Transactions among Entities Under Common Control. Based on PSAK No. 38, transfer of assets, liabilities, shares and other instruments of ownership among entities under common control do not result in a gain or loss to the group or to the individual company within the same group. Since a restructuring transaction among entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares and other instruments of ownership which are exchanged, assets or liabilities transferred are recorded at book values as business combination using the pooling of interest method.

Any difference between the transfer price and book value of each restructuring transaction between entities under common control are recorded in the account "Difference in value of restructuring transaction among entities under common control," presented as a part of equity.

The balance of "Difference in value arising from restructuring transactions among entities under common control" account is taken to the consolidated statements of comprehensive income as realized gain or loss as a result of (1) lost of under common control substance, and (2) transfer of the assets, liabilities, equity or other ownerhip instruments to another party who is not under common control. On the other hand, when there are reciprocal transactions between entities under common control, the existing balance is set-off with the new transaction, hence creating a new balance of this account.

In applying the pooling of interest method, the components of the consolidated financial statements for the period of restructuring and comparative periods presented for comparative purposes, should be presented in such a way as if the restructuring has occurred since the beginning of the earliest period presented.

e. Foreign Currency Transactions and Balances

The books of accounts of the Group are maintained in Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted using the Bank Indonesia's middle rates of exchange prevailing at that date. The resulting gains or losses are credited in or charged to current operations.

The foreign exchange gains or losses on monetary items is the difference between amortized cost in Rupiah at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated into Rupiah at the exchange rate at the end of the year.

As of December 31, 2011 and 2010, the conversion rates used by the Group (except for BS) were the middle rates of Bank Indonesia of Rp 9,068 and Rp 8,991, respectively, per US$ 1.

The conversion rates used by BS (a subsidiary engaged in banking) to translate monetary assets and liabilities as of December 31, 2011 and 2010, are the Reuters rate at 16:00 WIB of Rp 9,067.5 and Rp 9,010.0, respectively, per US$ 1.

f. Transactions with Related Parties

Accounting Policies Effective January 1, 2011

A party is considered to be related to the Group if:

1. directly, or indirectly through one or more intermediaries, the party:
   a) controls, is controlled by, or is under common control with, the Group;
   b) has an interest in the Group that gives it significant influence over the Group; or,
   c) has joint control over the Group;
2. the party is an associate of the Group;
3. the party is a joint venture in which the Group is a venturer;
4. the party is a member of the key management personnel of the Group or its parent;
5. the party is a close member of the family of any individual referred to in (1) or (4);
6. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (4) or (5); or
7. the party is a post employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Accounting Policies Prior to January 1, 2011

Related parties consist of the following:

1. Companies that, through one or more intermediaries, control or are controlled by, or are under common control with, the Company (including holding companies, subsidiaries, and fellow subsidiaries);

2. Associated companies;

3. Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Group, and close family members of such individuals (close family members are those who can influence or can be influenced by such individuals in their transactions with the Group);

4. Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including commissioners, directors and managers of the Group and close family members of such individuals; and

5. Companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4) or over which such person is able to exercise significant influence. These include companies owned by commissioners, directors or major stockholders of the Group, and companies that have a common member of key management with that of the Group.

All transactions with related parties, whether or not done under similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

g. Use of Estimates

Management makes estimates and assumptions in the preparation of the financial statements which affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks, demand deposits with Bank Indonesia, demand deposits with other banks, other short term highly liquid investments with original maturity of three (3) months or less from acquisition date and which are not used as collateral and are not restricted and funds placed in securities companies.

i. Financial Instruments

Effective January 1, 2010, the Group adopted PSAK No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures" and PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement".

In adopting the above new standards, the Group have identified the following transition adjustments in accordance with the Technical Bulletin No. 4 concerning the Transition Provisions for the First Adoption of PSAK No. 50 (Revised 2006) and PSAK No. 55 (Revised 2006) as issued by the Indonesian Institute of Accountants.

The effect of the transition to PSAK No. 50 (Revised 2006) and PSAK No. 55 (Revised 2006) to the Group's consolidated statement of financial position as of January 1, 2010 is set out in the following table:

	As reported January 1, 2010	Transition Adjustments	As adjusted January 1, 2010
	Rp '000,000	Rp '000,000	Rp '000,000
Assets			
Cash and cash equivalents	1,754,227	886	1,755,113
Short term investments			
Placements with other banks	273,277	2,760	276,037
Securities	6,086,273	1,107	6,087,380
Net investment in finance lease	107,867	2,479	110,346
Factoring Receivables	70,497	(317)	70,180
Loans	5,322,975	(4,316)	5,318,659
Total	13,615,116	2,599	13,617,715
Equity			
Retained earnings	3,597,391	2,599	3,599,990

The above transition adjustments were derived from the reassessment of impairment losses for financial assets, which represents the difference between impairment loss reserve calculated based on PSAK No. 55 (Revised 2006) and allowance for impairment losses booked as of January 1, 2010, including allowance for impairment losses calculated using the Bank Indonesia Regulation concerning allowance of productive assets by BS, a subsidiary (Note 2p). The transition adjustments were adjusted to retained earnings on January 1, 2010.

Recognition and Classification

Group recognizes a financial asset or a financial liability in the consolidated statement of financial position, if and if only they become a party to the contractual provisions of the instrument. All regular way purchases and sales of financial instruments are recognized on the settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for similar instruments with similar maturities. The initial measurement of financial instruments includes transaction costs, except for financial instruments at fair value through profit and loss (FVPL).

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issue of financial liability and they are incremental costs that would not have been incurred if the instrument had not been acquired or issued. Such transaction costs are amortized over the terms of the instruments based on the effective interest rate method.

Effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or expense over the relevant period by using an interest rate that exactly discounts estimated future cash payments or receipts through the expected life of the instruments or, when appropriate, a shorter period to the net carrying amount of the financial instruments. When calculating the effective interest, the Group estimate future cash flows considering all contractual terms of the financial instruments excluding future credit losses and includes all fees and points paid or received that are an integral part of the effective interest rate.

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

The classification of the financial instruments depends on the purpose for which the instruments were acquired and whether they are quoted in an active market. At initial recognition, the Group classify their financial instruments in following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, available for sale (AFS) financial assets, financial liabilities at FVPL and other financial liabilities; and, where allowed and appropriate, re-evaluate such classification at every reporting date.

Determination of Fair Value

The fair value of financial instruments traded in active markets at the consolidated statement of financial position date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction is used since it provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, except investment in unquoted equity securities, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models. In the absence of a reliable basis for determining fair value, investments in unquoted equity securities are carried at cost net of impairment.

Day 1 Profit/Loss

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognize the difference between the transaction price and fair value (a Day 1 profit/loss) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where the data is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" profit/loss amount.

Financial Assets

1. Financial Assets at FVPL

   Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

   Financial assets may be designated at initial recognition at FVPL if the following criteria are met:

   a. the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the financial assets or recognizing gains or losses on them on a different basis; or

   b. the assets are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

   c. the financial instruments contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

   Financial assets at FVPL are recorded in the consolidated statements of financial position at fair value. Changes in fair value are recognized directly in the consolidated statements of comprehensive income. Interest earned is recorded as interest income, while dividend income is recorded as part of other income according to the terms of the contract, or when the right of payment has been established.

   As of December 31, 2011 and 2010, this category includes short term investments – securities (bonds, units of mutual fund, shares and warrants which are traded in the Indonesia Stock Exchange) and Segregated funds net assets – unit link (units of mutual fund and shares that are traded in the Indonesia Stock Exchange), and Segregated funds net assets – sharia (units of mutual fund), other assets - derivative receivables.

2. Loans and Receivables

   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets at FVPL, HTM investments or AFS financial assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization is included as part of interest income in the consolidated statements of comprehensive income. The losses arising from impairment are recognized in the consolidated statement of comprehensive income.

As of December 31, 2011 and 2010, this category includes cash and cash equivalents, short-term investments (time deposits, placement with other banks, and securities - export bill receivables), securities purchased under agreements to resell, consumer finance receivables, factoring receivables, segregated funds net assets – unit link (cash and cash equivalents and investment receivables), segregated funds net assets - sharia (cash and cash equivalents and investment receivables), loans, securities agent receivables, other accounts receivable, and other assets (security deposits and money transfers).

3. HTM Investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group' management has the positive intention and ability to hold to maturity. When the Company or its subsidiaries sell or reclassify other than an insignificant amount of HTM investments before maturity, the entire category would be tainted and reclassified as AFS financial assets.

After initial measurement, these investments are subsequently measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included as part of interest income in the consolidated statements of comprehensive income. Gains and losses are recognized in the consolidated statements of comprehensive income when the HTM investments are derecognized and impaired, as well as through the amortization process using effective interest method.

As of December 31, 2011 and 2010, this category includes short term investments – securities (Bank Indonesia Intervention, Certificate of Bank Indonesia, Credit Linked Note, Republic of Indonesia – ROI Loans, bonds, export bill receivables), segregated funds net assets – unit link (bonds), and segregated funds net assets – sharia (sharia bonds).

4. AFS Financial Assets

AFS financial assets are those which are designated as such or not classified in any of the other categories. They are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions.

After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized as other comprehensive income - "Unrealized gain (loss) on increase (decline) in value of AFS financial assets" until the investment is derecognized, or determined to be impaired, at which time the cumulative gain or loss is reclassified to the profit and loss and removed from "Unrealized gain (loss) on decline in value AFS financial assets".

As of December 31, 2011 and 2010, this category includes short-term investment in bonds, Republic of Indonesia – ROI Loans, shares that are traded in Indonesia Stock Exchange, and certain investments in shares (Note 17).

In the absence of a reliable basis for determining the fair value, the Group' certain investments in shares of stock enumerated in Note 17 are carried at cost.

Financial Liabilities

1. Financial Liabilities at FVPL

   Financial liabilities are classified in this category if these result from trading activities or derivative transactions that are not accounted for as accounting hedges, or when the Group elect to designate a financial liability under this category.

   Changes in fair value are recognized directly in the consolidated statements of comprehensive income.

   As of December 31, 2010, the Group has not classified any financial liability as at FVPL.

2. Other Financial Liabilities

   This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability.

   Issued financial instruments or their components, which are not classified as financial liabilities at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

   Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

   As of December 31, 2011 and 2010, this category includes deposits and deposits from other banks, securities sold under agreement to repurchase, accounts payable, securities agent payables, accrued expenses, loan received, and other liabilities.

Derivative Financial Instruments

An embedded derivative is separated from the host contract and accounted for as derivative if all the following conditions are met:

a. The economic characteristics and risks of the embedded derivative are not closely related to economic characteristics of the host contract;
b. Separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
c. Hybrid or combined instrument is not recognized at fair value through profit or loss.

Freestanding and separated embedded derivatives are classified as financial assets or financial liabilities at FVPL unless they are designated as effective hedging instruments. Derivative instruments are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently re-measured at fair value.

Derivative are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Consequently, gains and losses from changes in fair value of these derivative are recognized immediately in the consolidated statement of comprehensive income.

The management assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Group' management assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

1. Assets Carried at Amortized Cost

   The management first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the management determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss, is or continues to be recognized are not included in a collective assessment of impairment.

   If there is objective evidence that an impairment loss on loans and receivables or held to maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of loss is charged to the consolidated statement of comprehensive income.

   If, in a subsequent year, the amount of the impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

2. Assets Carried at Cost

   If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

3. AFS Financial Assets

   In case of equity investments classified as AFS, assessment of any impairment would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of comprehensive income is removed from equity and recognized in the consolidated statement of comprehensive income. Impairment losses on equity investments are not reversed through the consolidated statement of comprehensive income. Increases in fair value after impairment are recognized directly in equity.

   In the case of debt instruments classified as AFS, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of interest income in the consolidated statement of comprehensive income. If, in subsequent year, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of comprehensive income, the impairment loss is reversed through the consolidated statement of comprehensive income.

Derecognition of Financial Assets and Liabilities

1. Financial Assets

   Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

   a. The rights to receive cash flows from the asset have expired;
   b. The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
   c. The Group has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Financial Liabilities

   A financial liability is derecognized when the obligation under the contract is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. The recognition of a new liability and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

j. Segregated Funds Net Assets and Segregated Funds Contract Liabilities – Unit Link

Unit link is an investment and self-protection insurance product of AJSM, a subsidiary, wherein the policyholders have the opportunity to manage their funds together with other investors to maximize the benefit from the amount invested. AJSM issues a contract where the amount of benefit is directly linked to the market value of the investments held in the Unit link holders' fund. Although the underlying investments are registered in the name of AJSM and the Unit link holders have no direct access to the specific assets, the contractual arrangements are such that the Unit link holders bear the risks and rewards of the fund's investment performance.

Unit link holders' fund is invested in time deposits, bonds, mutual fund and shares. Such investments are stated at fair values, except for time deposits which are stated at nominal value.

Payable to Unit link holders will be increased or decreased following the placement or withdrawal of Unit link holders' fund and the current net asset value of the related investments.

AJSM derives income from Unit link transactions, which is presented under "Other income" in the consolidated statements of comprehensive income.

k. Segregated Fund Net Asset and Segregated Fund Contract Liabilities – Sharia

Sharia is an investment product of AJSM, which is based on mudharabah for participant (profit sharing).

Fund management in investment product of sharia is based on sharia principles.

l. Loans

Loans represent provision of cash or cash equivalent based on agreements with borrowers, where borrowers required to repay their debts with interest after specified periods.

m. Accounting for Lease Transactions

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A reassessment is made after inception of the lease only if one of the following applies:

1. There is a change in contractual terms, other than a renewal or extension of the agreement;
2. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
3. There is a change in the determination of whether the fulfillment is dependent on a specified asset; or
4. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3 or 4 and the date of renewal or extension period for scenario 2.

1. *Accounting Treatment as a Lessee*

Finance Lease

Leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest in the remaining balance of the liability. Finance charges are charged directly against consolidated statements of comprehensive income.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Operating Lease

Operating lease payments are recognized as an expense in the consolidated statements of comprehensive income on a straight-line basis over the lease term.

2. *Accounting Treatment as a Lessor*

Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. Amount due from lessees under finance leases are recorded at the amount of the Group net investments in finance lease.

Net investments in finance lease consist of the total lease receivables plus the guaranteed residual value (option price) to be received at the end of the lease period, less unearned lease income, security deposits, and allowance for impairment losses.

The difference between the finance lease receivables plus the guaranteed residual value and the acquisition cost of the leased assets is recorded as unearned lease income. This is recognized as finance lease income over the lease period at a periodic rate of return on the net investments in finance lease. The Group do not recognize interest income from finance lease receivables which are overdue for more than 90 days. Such interest income is recognized as income when already received.

At the inception of the lease, if the leased asset has residual value at the end of the lease period, the lessee is required to make a security deposit which will be applied as payment to the purchase option price of the leased asset at the end of the lease period if the option to purchase is exercised by the lessee. Otherwise, the security deposit will be returned to the lessee at the end of the lease period.

If the leased assets are sold to the lessee before the end of the lease period, the difference between the sales price and the net investments in finance lease is recorded as gain or loss at the time of sale.

Operating lease

Leases where the Group retain substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

n. Ijarah Assets

Ijarah Assets are recognized at cost (refer to PSAK No. 16: Fixed Assets and PSAK No. 19: Intangible Assets).

Ijarah assets, such as motorcycle, machinery heavy equipment and software are depreciated or amortized over the lease term or the economic lives of assets, whichever is shorter, where at the end of the year, these assets are assigned to customer.

For the Ijarah muntahiyah bitamlik contracts (lease financing), if at the time of transfer of ownership of the Asset from the owner to the ijarah tenant by grant, then the carrying amount is recognized as an ijarah asset expense.

Lease income during lease term is recognized when the benefits of assets have been handed over to the lessee.

Ijarah income is presented net of related expenses such as, depreciation, maintenance and repairs expenses. Ijarah net income is presented as part of "interest revenues and profit sharing - loans" in the consolidated statements of comprehensive income.

o. Investments in Associates

Investments in associates are accounted for using the equity method of accounting and are initally recognized at cost. Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. These investments include goodwill identified on acquisition, net of any impairment loss.

The Group' share of its associates' post-acquisition profits or losses is recognized in consolidated statement of comprehensive income, and its share of post acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains or losses arising from investments in associates are recognized in the consolidated statement of comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of its interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Adjustments are made where necessary to conform the associate's accounting policies with the policies adopted by the Group.

p. Allowance for Impairment Losses

Subsidiary is engaged in banking business

Allowance for impairment losses on earnings assets

Earnings assets consist of demand deposits with other banks, placements with other banks, securities, securities purchased under agreements to resell, loans, acceptance receivables, productive assets derived from activities of sharia, in accordance with Bank Indonesia regulations.

Implementation of the Transitional Provisions of Bank Indonesia for the Collective Impairment of Loans

On December 8, 2009, Bank Indonesia issued a Circular Letter. 11/33/DPNP regulating the estimation of collective impairment of loans with limited experience of specific losses. For banks that do not have sufficient historical loss data to determine the amount of collective impairment on loans in accordance with the requirements under PSAK No. 55 (Revised 2006) and PAPI (2008), the formation of allowance for impairment losses to use the applicable Bank Indonesia provisions concerning "Asset Quality Rating for Commercial Banks".

Starting January 1, 2010, the BS applied the transitional provisions of Bank Indonesia for collective impairment of loans which have also been applied before January 1, 2010.

Determining the quality of assets and allowance for impairment losses was based on Bank Indonesia Regulation. 7/2/PBI/2005 dated January 20, 2005 and Circular Letter of Bank Indonesia. 7/3/DPNP dated January 31, 2005 on "Asset Quality Rating for Commercial Banks ", the most recent through Bank Indonesia Regulation No. 11/2/PBI/2009 dated January 29, 2009. The Company still refers to its rules for calculating allowance for impairment losses since January 1, 2010 according to the application of transitional provisions outlined above.

Allowance for Impairment Losses on Productive Assets

Allowance for impairment losses on productive assets is based on review of the quality of their productive assets, commitments and contingencies in accordance with Bank Indonesia, which classifies these productive assets within five (5) categories, with the percentage of allowance for impairment losses as follows:

Classification	Percentage of Allowance for Possible Impairment Losses	
Current	Minimum	1%
Special mention	Minimum	5%
Substandard	Minimum	15%
Doubtful	Minimum	50%
Loss		100%

Percentages are applied to the outstanding balances of the productive assets, less the collateral value in accordance with the Bank Indonesia Regulation, except for earning assets classified as current where the rates are applied directly to the outstanding balance of earning assets.

Bank Indonesia Certificates (SBI), placements with Bank Indonesia (BI Intervention) and Government bonds are not subject to allowance for impairment losses.

Productive assets are written-off against allowance for impairment losses of productive assets when management believes that productive assets should be written-off when the debtor is unable to pay and / or difficult to recover. Recoveries of productive assets that have been written off are recorded as an addition to allowance for impairment losses of productive asset account when received. If the amount received is more than the principal amount, the excess is recognized as interest income.

Refer to Note 2b concerning change in accounting policy on commitment and contingencies in 2011.

<u>The Company and other subsidiaries are engaged in non-banking business</u>

An allowance for impairment losses on receivables is provided based on management's evaluation of the collectibility of the individual receivable account (short-term investments, securities purchased under agreements to resell, consumer financing receivables, net investment in finance lease, factoring receivables, premiums and reinsurance receivables and other accounts receivable).

Accounting policy on allowance for impairment losses on receivables is described in Note 2i.

q. Financial Guarantee Contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to bank, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities.

Financial guarantees are initially recognized in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms and the initial fair value is amortised over the life of the financial guarantees.

Subsequently, they are measured at the higher of amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable) and the difference is charged to other operating expense in consolidated statement of comprehensive income.

r. Investment Properties

Investment properties, except land, are measured at cost, including transaction costs, less accumulated depreciation and any impairment loss. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

Investment properties, depreciated over its estimated useful life using the straight-line method at 5% per annum.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

s. Property and Equipment

Direct Acquisitions

Property and equipment, except land, are carried at cost, excluding day-to day servicing, less accumulated depreciation and any impairment in value. Land is not depreciated and is stated at cost less any impairment in value (if any).

The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations , such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

All property and equipment, except for land and buildings, are depreciated over their estimated useful lives using the double-declining-balance method. Buildings are depreciated over their estimated useful lives using the straight-line method. The depreciation rates are as follows:

	Rate
Buildings:	
• Permanent	5%
• Non-permanent	10%
Property and equipment other than buildings:	
Class I : Assets with useful lives of less than 4 years	50%
Class II : Assets with useful lives of between 4 to 8 years	25%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major inspection is capitalized and amortized over the next major inspection activity.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. When assets are sold or retired, the cost and related accumulated depreciation and any impairment loss are eliminated from the accounts. Any gains or loss arising from derecognition of property and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the year the item is derecognized.

The asset’s residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end.

Construction in Progress

Construction in progress represents property and equipment under construction which is stated at cost and is not depreciated. The accumulated costs will be reclassified to the respective property and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

t. Assets for Lease

Assets for lease are stated at cost, less accumulated depreciation and any impairment in value (if any). Accounting policy for assets for lease is the same with directly acquired property and equipment (Note 2s). Rental income is presented under "Operating lease income" account in the consolidated statements of comprehensive income over the lease period (Note 2m).

u. Property under Build, Operate and Transfer (BOT) Agreement

Property under build, operate and transfer agreement is an asset, the development of which, was funded by the Company until the asset is ready for operation and then managed by the Company until such time the asset will be transferred to asset holders at the end of concession period.

Property under build, operate and transfer agreement in progress is stated at cost and not depreciated. Accumulated costs will be transferred to property under build, operate and transfer account and will be depreciated when the asset is ready for use.

v. Prepaid Expenses

Prepaid expenses are amortized over their beneficial or contract periods using the straight-line method.

w. Foreclosed Properties

Foreclosed properties are stated at the lower of carrying amount and fair value less costs to sell. The difference between between the value of the foreclosed properties and the outstanding loan principal, if any, is changed to the current year consolidated statement of comprehensive income. The difference between the carrying value of the foreclosed property and the proceeds from its sale is recognized as a gain or loss in the period the property was sold.

The costs of maintenance of foreclosed properties are charged to consolidated statement of comprehensive income when incurred.

The carrying amount of the property is written-down to recognize a permanent dimunition in value of the foreclosed property, which is charged to the current year consolidated statement of comprehensive income.

Refer to Note 2b concerning change in accounting policy on allowance for impairment of non-productive assets in 2011.

x. Impairment of Non-Financial Assets

The Group assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in the interim consolidated statements of comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

y. Deposits and Deposits from Other Banks

Deposits are liabilities to customers in the form of demand deposits, savings deposits and time deposits.

Demand deposits represent deposits of customers which may be used as instruments of payment, and which may be withdrawn at any time by cheque, or other orders of payment or transfers. Demand deposits are stated at the amount due to the demand deposit account holders.

Savings deposits represent deposits of customers which may only be withdrawn when certain agreed conditions at the account opening are met. These deposits may not be withdrawn by cheque or other equivalent instruments, except by using specific withdrawal slip which can only be validated at the depository bank. Savings deposits are stated at the amount due to the savings account holders.

Time deposits represent deposits of customers which may only be withdrawn after a certain time in accordance with the agreement with the customers at the time of placement, or the customers will be fined or penalized if withdrawals are made before maturity. Time deposits are stated at the nominal amount due to the time deposit account holders.

Deposits include syariah deposits and unrestricted investments consisting of:

- Savings Wadiah is entrusted funds in the form of savings where income fund owners get a bonus.

- Unrestricted investments in current accounts, savings and time deposits represent deposits of customers' funds that provide benefits for the owner of funds from Islamic unit revenue for the use of these funds in accordance with the ratio determined and approved previously.

Deposits from other banks are liabilities to other banks in the form of demand deposits and call money less than/or 90 days and time deposits with original maturities of each agreement.

z. Liability for Future Policy Benefits

Liability for future policy benefits represents the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders, recognized consistently with the recognition of premium income. Liability for future policy benefits is stated in the consolidated statement of financial position in accordance with actuarial calculation. The increase (decrease) in liability for future policy benefits is recognized as an expense (income) in the current year.

aa. Stock Issuance Costs

Stock issuance costs are deducted from the additional paid-in capital portion of the related proceeds from issuance of shares and are not amortized.

ab. Recognition of Revenues and Expenses

1. <u>Recognition of Interest Revenues, Interest Expenses, Sharia Revenue, and Revenue Sharing Distribution</u>

   Interest Revenue and Interest Expenses

   Interest income and interest expense for all financial instruments are recognized in the consolidated statement of income on accrual basis using the effective interest rate method.

   Transaction costs that occur and are directly attributable to the acquisition or issuance of financial instruments not measured at fair value through profit and loss are amortized over the life of financial instruments using the effective interest rate method and recorded as part of interest income for financial assets directly attributable transaction costs, and as part of interest expense related to transaction costs of financial liabilities.

   If a financial asset or group of similar financial assets in the category are held to maturity, loans and receivables, and available for sale are impaired, the interest income earned after the impairment loss is recognized based on the interest rate used for discounting future cash flows in calculating impairment losses.

   Revenue and Expense/Profit Sharing Sharia

   Revenue consists of income from murabahah sharia, income from ijarah assets (lease), and from the results of financing.

Murabahah and revenue from “ijarah muntahiyah bittamlik” are recognized over the contract period on an accrual basis. Revenues for the results of financing are recognized when received or within the period of entitlement based on profit sharing portion (ratio) agreed.

2. Recognition of Underwriting Income and Expenses

Underwriting Income

Premiums on insurance and reinsurance contracts are recognized as revenue over the policy contract period in proportion to the insurance coverage provided. Premiums from co-insurance are recognized as income based on the subsidiary’s proportionate share in the premium. Premium due to the reinsurance company is recognized as reinsurance premium during the period of reinsurance contract in proportion to the insurance coverage received.

Unearned premiums for each type of coverage are calculated in aggregate using a certain percentage in accordance with Decree of the Minister of Finance of the Republic of Indonesia No. 424/KMK.06/2003, dated September 30, 2003.

The increase or decrease in unearned premiums represents the difference between the balances of unearned premiums in the current year and the prior year, and is charged to or credited in the consolidated statement of comprehensive income of the current year.

The subsidiary reinsured part of its total accepted risk to other insurance and reinsurance companies. The amount of premium paid or part of premium for prospective reinsurance transactions is recognized as reinsurance premiums within the reinsurance contract period, in proportion to the insurance coverage provided. Payment or obligation for retrospective reinsurance transactions is recognized as reinsurance receivable in an amount equivalent to the recorded liability in connection with the reinsurance contract.

Underwriting Expenses

Claims and benefits consist of settled claims, claims in process, including claims incurred but not yet reported, and claims settlement expenses. Claims are recognized as expense when the obligation to settle the claims are incurred. Parts of claims recovered from reinsurers are recorded and recognized as deduction from claims expenses in the same period when claims expenses are recognized. Subrogation rights are recognized as deduction from claims expenses when realized.

Claims in process (estimated own retention claims) are computed based on estimated loss from own retention claims that are in process at statement of financial position date, including claims incurred but not yet reported. The changes in estimated own retention claims are recognized in the consolidated statements of income at the time of change. The increase or decrease in estimated own retention claims represents the difference between the estimated own retention claims for the current year and the prior year. Estimated claims liability for death insurance, health and personal accident insurance are provided based on actuary computations.

Commissions due to insurance brokers, agents and other insurance companies in connection with the insurance coverage are recorded as commission expense, whereas commissions obtained from reinsurance transactions are recorded as deduction from commission expense, and are recognized in the consolidated statements of comprehensive income when incurred. If commission income is more than the total commission expense, the difference is presented as commission income in the consolidated statement of comprehensive income of the current year.

3. Recognition of Shares Administration, Underwriting and Stock Brokerage Fees and Investment Management Income

Shares administration fees, stock brokerage fees and underwriting fees are recognized as income when the services for trading of securities in the stock exchange and underwriting activities are performed.

Investment management income is recognized based on agreed conditions as stated in the “Collective Investment Contract”.

4. Recognition of Other Revenue and Expenses

Fees and Commissions Related to Financial Instruments

Commission income and expense fees associated with the acquisition of financial instruments categorized as held to maturity, loans and receivables, and available for sale, or related to a period of time and that the amount is significant, is recorded as part of the fair value of financial assets or financial liability and amortized over the period using the effective interest rate. Meanwhile, fees and commissions that are not significant in amounts are recognized as revenue when the revenue is received or expense at the time of payment.

Other Fees and Commission

Fees and commissions that are not related to the issuance or acquisition of financial instruments and have maturity terms in which amounts are significant, are treated as deferred income or expenses and amortized using the straight-line method over the term of the relevant transaction. Meanwhile, revenue and expense fees and commissions that are not significant are recognized immediately as income or expenses on the transaction.

Other fees and commission revenues not related to credit, such as bancaassurance services, and revenues associated with import and export bank guarantee, are recognized as revenue associated with the services provided.

Other Income and Expense

Income from assets for lease (operating lease) is recognized using the straight-line method over the lease period (Note 2m).

Administration income incurred in relation with lease, consumer finance, and factoring transaction are recognized when earned.

Other income (expense) are recognized when earned (incurred) and in accordance with their beneficial period (accrual basis).

ac. Accounting for Insurance under Sharia Principles

In the insurance accounting system of branch using Sharia principles, a subsidiary separates the funds belonging to the stockholders from those to “Takaful” participants.

The reporting of the “takaful” participants’ fund reflects the financial position, result of operations and the participants’ surplus or deficit.

The allocation of profit sharing (mudharabah) on the underwriting surplus and investment income is distributed to participants who never make any claims during the insurance period.

ad. Employee Benefits

Short-term employee benefits

Short-term employee benefits are in the form of wages, salaries and social security (Jamsostek) contribution and bonuses. Short-term employee benefits are recognized at its undiscounted amount as a liability, after deducting any amount already paid, in the consolidated statement of financial position, and as an expense in the consolidated statements of comprehensive income.

Post-employment benefits

Post-employment benefits are an unfunded defined-benefit plans which amounts are determined based on years of service and salaries of the employees at the time of pension. The actuarial valuation method used to determine the present value of defined-benefit reserve, related current service costs and past service costs is the Projected Unit Credit. Current service costs, interest costs, vested past service costs and effects of curtailments and settlements (if any) are charged directly to current operations. Past service costs which are not yet vested and actuarial gains or losses for working (active) employees are amortized during the employees’ average remaining years of service, until the benefits become vested.

ae. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at statement of financial position date. Deferred tax is charged to or credited in the consolidated statements of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged to or credited directly in equity.

Deferred tax assets and liabilities are offset in the consolidated statement of financial positions, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Group, when the result of the appeal is determined.

af. Earnings Per Share

Earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year.

Diluted earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year as adjusted for the effects of all potentially dilutive ordinary shares.

ag. Segment Information

Segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements.

Effective January 1, 2011, PSAK No. 5 (Revised 2009) requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances. In contrast, the predecessor standard required the Group to identify two sets of segments (business and geographical), using a risks and returns approach.

An operating segment is a component of an entity:

a. That engages in business activities which it may earn revenue and incur expenses (including revenue and expenses relating to the transcation with other components of the same entity);

b. Whose operating results are reviewed regularly by the entity’s chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance; and

c. For which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resources allocation and assessment of its performance is more specifically focused on the category of each product, which is similar to the business segment information reported in the prior period.

ah. Provisions

Provisions are recognized when the Group has present obligation (legal or constructive) as a result of a past event, it is proable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ai. Events after the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the date of the consolidated statement of financial position (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Management Use of Estimates, Judgments and Assumptions

In the application of the Group's accounting policies, which are described in Note 2 to the consolidated financial statements, managements is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Management believes that the following represent a summary of the significant estimates, judgments and assumptions made that affected certain reported amounts of and disclosures in the consolidated financial statements:

Judgments

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

a. **Classification of Financial Assets and Financial Liabilities**

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2006). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2i.

b. **Financial Assets Not Quoted in Active Market**

The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

c. **Allowance for Impairment of Financial Instruments**

The Group assesses specifically at each financial position date whether there is objective evidence that a financial asset is impaired (uncollectible).

The level of allowance is based on past collection experience and other factors that may affect collectability such as the probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

If there is an objective evidence of impairment, timing and collectible amounts are estimated based on historical loss data. Provision for doubtful accounts is provided on accounts specifically identified as impaired. Allowance is based on historical collection performance and other factors which might influence collectability such as liquidity matter and other financial difficulties suffered by debtors or significant delay in payment. Loans and receivables written off are based on management's decisions that the financial assets are uncollectible or cannot be realized in whatsoever actions will be taken. Evaluation of receivables to determine the total allowance to be provided, is performed periodically during the year. Therefore, the timing and amount of provision for doubtful accounts recorded at each period might differ based on the judgments and estimates that have been used.

The carrying value of the Group's loans and receivables as of December 31, 2011 and 2010 are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Cash and cash equivalents	8,523,794	1,980,945
Securities purchased under agreements to resell	39,627	107,141
Short-term investment - placement with other banks	561,609	706,189
Short-term investment - time deposits	17,341	33,543
Net investment in finance lease	126,256	163,869
Consumer financing receivables	624,198	376,961
Factoring receivables	424,863	187,558
Short-term investment - export bill receivables	824,597	-
Segregated funds net assets unit link - time deposits	-	984,135
Segregated funds net assets unit link - cash in banks	39,859	35,927
Segregated funds net assets unit link - investment receivables	2,090	2,271
Segregated funds net assets sharia - time deposits	7,500	3,000
Segregated funds net assets sharia - cash in banks	21,351	4,599
Segregated funds net assets sharia - investment receivables	690	504
Securities agent receivables	245,369	165,481
Other receivables - net	762,746	542,356
Loans - net	10,135,442	6,934,157
Investment in shares	244,231	337,182
Other assets	21,746	22,496
Total	22,623,309	12,588,314

d. **Lease Commitments**

Group as lessee

The Group has entered into various lease agreements and has determined that these are operating lease since the Group does not bear substantially all the significant risks and rewards of ownership of the related assets.

Group as lessor

The Group has entered into various lease agreements and has determined that these are operating lease since the Group bears substantially all the significant risks and rewards of ownership of the related assets.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes on circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur:

a. Fair Value of Financial Assets and Financial Liabilities

Indonesian Financial Accounting Standards require measurement of certain financial assets and liabilities at fair values, and the disclosure requires the use of estimates. Significant component of fair value measurement is determined based on objective evidence derived from diversification (i.e. foreign exchange, interest rate), while timing and amount of changes in fair value might differ due to different valuation method used.

The fair value of financial assets and financial liabilities are set out in Note 55.

b. Estimated Useful Lives of Investment Properties, Property and Equipment, Assets for Lease, and Property Under Build, Operate and Transfer Agreement

The useful lives of each of the item of the Group' investment properties, property and equipment, assets for lease and property under build, operate and transfer agreement are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of investment properties, property and equipment, property under build, operate and transfer agreement and assets for lease would increase the recorded depreciation and decrease the carrying values of these assets.

There is no change in the estimated useful lives of investment properties, property and equipment, property under build, operate and transfer agreement and assets for lease during the period. The carrying value of these assets are dislosed in Notes 18, 19, 20, and 21.

c. Valuation of Insurance Contract Liabilities (Life Insurance and Non-Life Insurance)

Liability for Future Policy Benefits

The reserve was calculated based on certain data using the prospective net premium (pure) methods and/or zilmer modification with maximum of 30% for the first year costs of sum insured, using the actuarial assumptions that were reported to the Minister of Finance, the assumptions used related to mortality and interest rate.

Estimated Own Retention Claim and Unearned Premium

The Group record estimated claims incurred but not reported and unearned premiums based on specific calculation method that is generally aplied in Indonesia. Estimated claims incurred but not reported is part of estimated own retention claims. The assumption underlying the method for claims incurred but not reported are past claim experience. While the calculation method for unearned premiums is based on the percentage determined per Ministry of Finance of Republic of Indonesia Decision Letter No. 424/KMK.06/2003.

The carrying values of liability for future policy benefits, estimated own retention claim and unearned premium are disclosed in Notes 28 and 29.

d. Post-employment Benefits

The determination of the obligation and post-employment benefits is dependent on the selection of certain assumptions used by actuary in calculating such amounts. Those assumptions are described in Note 50 and include, among others, discount rate and rate of salary increase. Actual results that differ from the Group' assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While it is believed that the Group' assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the amount of Group' defined benefit post-employment reserve.

The carrying value of defined-benefit post-employment reserve is disclosed in Note 50.

e. Deferred Tax Assets

Deferred tax assets are recognized for all temporary differences between the financial statement's carrying amounts of existing assets and liabilities and their respective tax bases to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The carrying value of deferred tax assets is disclosed in Note 52.

f. Impairment of Non-Financial Assets

Impairment review is performed when certain impairment indicators are present. Determining the fair value of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. Any significant changes in the assumptions used in determining the fair value may materially affect the assessment of recoverable values and any resulting impairment loss could have a material impact on results of operations.

The carrying value of these assets in form of Investment in shares at acquisition cost investment property, property and equipment, poperty under build, operate, and transfer, assets for lease and foreclosed properties are as disclosed in Notes 17, 18, 19, 20, 21, and 22.

4. Cash and Cash Equivalents

This account consists of:

	2011 Rp '000,000	2010 Rp '000,000
Cash on hand		
Rupiah	414,168	211,139
Foreign currencies (Note 59)	54,300	59,484
Total - Cash on hand	468,468	270,623
Cash in banks		
Related party (Note 54)		
Foreign currencies (Note 59)		
Bank International Ningbo, China	22,742	277
Third parties		
Rupiah		
PT Bank Central Asia Tbk	32,091	15,922
PT Bank Internasional Indonesia Tbk	7,665	7,752
PT Bank Negara Indonesia (Persero) Tbk	2,003	707
PT Bank CIMB Niaga Tbk	1,337	1,578
PT Bank Mandiri (Persero) Tbk	3,142	2,352
PT Bank Danamon Indonesia Tbk	246	10,120
PT BPR Modern Express	-	1,414
PT BPR Irian Sentosa Pusat	-	1,041
Others (below Rp 1,000 million each)	7,304	7,743
Total	53,788	48,629
Foreign currencies (Note 59)		
PT Bank Mandiri (Persero) Tbk	19,338	21,662
Wells Fargo Bank, N.A, England	15,522	2,464
PT Bank Central Asia Tbk	14,731	33,471
United Overseas Bank, Singapore	12,947	4,730
OCBC, Singapore	7,035	3,153
Deutsche Bank Trust Company Americas, USA	4,608	-
Bank of China, China	4,103	-
Sumitomo Mitsui Banking Corporation, Japan	3,538	423
Deutsche Bank AG, Germany	3,193	-
PT Bank Internasional Indonesia Tbk	2,653	4,833
Standard Chartered Bank, USA	1,723	1,705
Wells Fargo Bank, N.A, USA	1,433	1,402
DBS Bank, Hongkong	1,250	532
PT Bank CIMB Niaga Tbk	575	1,756
UBS AG, Switzerland	9	1,817
Others (below Rp 1,000 million each)	3,671	2,041
Total	96,329	79,989
Total - Cash in banks	172,859	128,895

	2011	2010
	Rp '000,000	Rp '000,000
Demand deposits with Bank Indonesia		
Rupiah	1,060,349	674,610
Foreign currencies (Note 59)	284,225	393,309
Total - Demand deposits with Bank Indonesia	1,344,574	1,067,919
Time deposits		
Third parties		
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	1,205,540	2,600
PT Bank Bukopin Tbk	965,200	50,200
PT Bank Mutiara Tbk	541,500	132,441
PT Bank Negara Indonesia (Persero) Tbk	531,500	6,000
PT Bank CIMB Niaga Tbk	505,550	25,250
PT Bank Permata Tbk	505,500	500
PT BPD Jawa Barat dan Banten Tbk	501,500	1,000
PT Bank Pan Indonesia Tbk	500,000	-
PT Bank Internasional Indonesia Tbk	340,950	197,174
PT Bank Tabungan Pensiun Nasional	300,000	-
PT Bank ICBC Indonesia	200,000	-
PT BPR Palu Lokadana Utama	80,000	-
PT Bank Artha Graha Internasional Tbk	55,795	10,000
PT BPR Modern Express	40,000	-
PT Bank Mega Tbk	35,000	-
PT Bank Danamon Indonesia Tbk	25,000	7,800
PT Bank Central Asia Tbk	24,150	2,792
PT Bank Permata Tbk - Sharia Division	11,500	1,500
PT Bank ICB Bumiputera Indonesia Tbk	10,000	10,000
PT Bank Syariah Mandiri	9,910	11,350
PT Bank Internasional Indonesia Tbk - Sharia Division	6,800	1,700
PT BRI Syariah	5,550	2,800
PT Bank Bukopin Tbk - Sharia Division	5,300	3,800
PT Bank CIMB Niaga Tbk - Sharia Division	5,200	1,400
PT BNI Syariah	5,050	1,600
PT Bank Mandiri (Persero) Tbk	4,204	4,204
PT Bank Muamalat Indonesia Tbk	3,450	1,850
PT Bank Tabungan Negara - Sharia Division	2,850	1,650
PT Bank Central Asia Tbk - Sharia Division	2,500	2,000
PT Bank OCBC NISP Tbk	2,000	2,000
PT Bank Danamon Indonesia Tbk - Sharia Division	1,800	800
PT Bank Mega Syariah Indonesia	1,750	250
PT Bank DKI - Sharia Division	1,700	550
PT Bank Windu Kentjana International Tbk	1,300	-
PT Bank Nusantara Parahyangan Tbk	1,000	1,000
PT Bank Mayora	1,000	-
PT Bank Victoria International Tbk	500	20,300
Others (below Rp 1,000 million each)	3,374	1,116
Total	6,443,923	505,627

	2011	2010
	Rp '000,000	Rp '000,000
Time deposits		
Third parties		
Foreign currencies (Note 59)		
PT Bank Danamon Indonesia Tbk	63,476	-
PT Bank Internasional Indonesia Tbk	20,969	5,210
PT Bank Mandiri (Persero) Tbk	5,125	1,665
Others (below Rp 1,000 million each)	1,107	570
Total	90,677	7,445
Total - Time deposits	6,534,600	513,072
Funds placed in securities companies		
Foreign currencies (Note 59)		
Solomon Smith Barney, Singapore	3,063	-
UBS AG, Singapore	226	431
Credit Suisse First Boston, Singapore	4	4
Citigroup Consulting Group Account	-	1
Total - Funds placed in securities companies	3,293	436
Total	8,523,794	1,980,945

According to the regulation of Bank Indonesia, each bank in Indonesia is required to maintain a minimum liquidity reserve of a certain percentage of third party funds both in Rupiah and foreign currencies. As of December 31, 2011 and 2010 the balance of primary minimum liquidity reserves of BS, a subsidiary, in Rupiah, amounted to Rp 922,150 million and Rp 672,744 million, respectively, while the minimum liquidity reserves in foreign currencies amounted to Rp 282,698 million and Rp 30,694 million, respectively. As of December 31, 2011 and 2010, secondary minimum liquidity reserves of BS, in Rupiah, amounted to Rp 278,620 million and Rp 207,559 million, respectively. The minimum liquidity reserves as of December 31, 2011 and 2010 were determined in accordance with Bank Indonesia Regulation.

As of December 31, 2011 and 2010, the balance of cash and cash equivalents in foreign currency amounted to US$ 60,828,216 and US$ 60,041,440, respectively (Note 59).

The interest rates per annum on cash in banks and time deposits are as follows:

	2011	2010
Time deposits		
Rupiah	5.00% -12.00%	4.48% - 10.00%
Foreign currency	0.16% - 3.00%	0.15% - 1.50%

The changes in allowance for impairment losses on cash and cash equivalents are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Balance at the beginning of the year	-	886
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	(886)
Balance at the end of the year	-	-

As of December 31, 2011 and 2010, no allowance for impairment losses was provided on cash and cash equivalents as management believes that cash and cash equivalents are collectible.

5. Short-term Investments

	2011 Rp '000,000	2010 Rp '000,000
Time deposits	17,341	33,543
Placements with other banks - net	561,609	706,189
Securities - net	15,149,909	7,304,727
Total - net	15,728,859	8,044,459

a. Time deposits

	2011 Rp '000,000	2010 Rp '000,000
Third parties		
Rupiah		
Bank		
PT Bank Internasional Indonesia Tbk	7,968	27,492
PT Bank ICB Bumiputera Tbk	5,000	-
PT Bank BNI Syariah	-	1,200
Others (below Rp 1,000 million each)	350	1,050
Total	13,318	29,742
PT Kliring Berjangka Indonesia	3,096	2,925
PT Kliring Penjaminan Efek Indonesia	927	876
Total	17,341	33,543

The interest rates per annum on time deposits in Rupiah are 6.75% - 8.75% in 2011 and 5.09% – 8.5% in 2010.

Short-term Investment in form of time deposits included time deposits with maturities of more than three (3) months and guarantee deposits of ASO (2010), in compliance with the regulation of the Minister of Finance of the Republic of Indonesia under the name of the Minister of Finance on behalf of the subsidiary and time deposits of SMS and SF, subsidiaries, placed with PT Kliring Penjaminan Efek Indonesia and PT Kliring Berjangka Indonesia, respectively.

b. Placements with other banks

Placements with other banks as of December 31, 2011 and 2010, represent placements by BS, a subsidiary, with details as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Rupiah		
Call money	470,000	-
Time deposits	50,000	90,000
Total	520,000	90,000
Foreign currencies (Note 59)		
Call money	40,850	566,039
Time deposits	-	36,040
Deposits on Call	759	14,110
Total	41,609	616,189
Total	561,609	706,189

The interest rates per annum on placements with other banks are as follows:

	2011	2010
Rupiah	4.64% - 5.75%	6.00%
Foreign currency	0.05% - 4.64%	0.85% - 0.90%

As of December 31, 2011 and 2010, the details of Rupiah call money and time deposits are as follows:

Name of Bank	2011	2010
	Rp '000,000	Rp '000,000
PT Bank Victoria International Tbk	110,000	-
PT Bank Pan Indonesia Tbk	90,000	-
PT Bank DBS Indonesia	70,000	-
PT Bank Ekonomi Raharja Tbk	55,000	-
PT Bank Muamalat Indonesia	50,000	-
PT Bank Bukopin	45,000	-
PT BPD Jawa Barat dan Banten	45,000	-
PT BPD Riau Kepri	40,000	-
PT Bank Index Selindo	15,000	-
PT Bank BRI Syariah	-	50,000
PT Bank Jabar Banten Syariah	-	25,000
PT Bank Victoria Syariah	-	15,000
Total	520,000	90,000

As of December 31, 2011 and 2010, details of call money, time deposits and deposits on call in foreign currencies are as follows:

Name of Bank	2011	2010
	Rp '000,000	Rp '000,000
Well Fargo Bank, National Association, New York, USA	37,630	138,754
Standard Chartered Bank, New York, USA	3,220	337,185
UBS AG, Singapore	759	14,110
PT Lembaga Pembiayaan Ekspor Indonesia	-	90,100
PT Bank Internasional Indonesia Tbk - Sharia Division	-	36,040
Total	41,609	616,189

The changes in allowance for impairment losses on placements with other banks are as follows:

Name of Banks	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	-	2,760
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	(2,760)
Balance at the end of the year	-	-

As of December 31, 2011 and 2010, no allowance for impairment losses was provided on placement with other banks as management believes that all placements with other banks are collectible.

c. Securities

	2011	2010
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Related parties (Note 54)		
Rupiah		
Shares		
PT Golden Energy Mines Tbk	168,950	-
PT Dian Swastatika Sentosa Tbk	2,273	3,610
PT Indah Kiat Pulp & Paper Tbk	1,968	2,624
PT Pabrik Kertas Tjiwi Kimia Tbk	1,807	2,551
Others (below Rp 1,000 million each)	5	147
Total	175,003	8,932

	2011 Rp '000,000	2010 Rp '000,000
At fair value through profit and loss		
Related parties (Note 54)		
Rupiah		
Warrant		
PT Sinar Mas Multiartha Tbk	2,821	1,008
PT Bank Sinarmas Tbk	21	30
Total	2,842	1,038
Units of mutual fund		
Fixed income		
Danamas Stabil	458,470	9,078
Simas Danamas Mantap Plus	26,174	24,183
Simas Danamas Instrumen Negara	-	28,893
Money market		
Danamas Rupiah Plus	397	377
Riau Liquid Fund	-	27,600
Danamas Rupiah	-	23,847
Mixed		
Danamas Fleksi	16,032	13,961
Simas Satu	-	65,584
Shares		
Simas Danamas Saham	3,287	59,429
Others		
Sinar Prima Reksa	3,051	20,389
Sinar Dana Tumbuh	-	251,169
Total - Rupiah	507,411	524,510
Total - Related parties	685,256	534,480
Third parties		
Rupiah		
Shares		
PT Indomobil Sukses International Tbk	254,496	-
PT Bumi Resources Tbk	265,604	340,827
PT Bakrieland Development Tbk	215,212	8,635
PT Borneo Lumbung Energi & Metal Tbk	153,878	-
PT Salim Ivomas Pratama Tbk	104,177	-
PT Atlas Resources Tbk	100,928	-
PT Bank Negara Indonesia (Persero) Tbk	91,901	374,699
PT Bakrie Telecom Tbk	89,570	20,040
PT Perusahaan Gas Negara (Persero) Tbk	55,543	38,498
PT Bank Danamon Indonesia Tbk	45,781	-
PT Tambang Batubara Bukit Asam Tbk	33,911	9,180
PT Bakrie & Brothers Tbk	28,191	23,417
PT Indo Tambang Raya Megah Tbk	27,132	-
PT Telekomunikasi Indonesia Tbk	19,828	22,061
PT Bank Mandiri (Persero) Tbk	18,984	1,138

	2011	2010
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Third parties		
Rupiah		
Shares		
PT Aneka Tambang (Persero) Tbk	18,469	3,431
PT Bank Rakyat Indonesia (Persero) Tbk	16,875	788
PT Gajah Tunggal Tbk	15,000	14,950
PT Adaro Energy Tbk	14,853	10,529
PT Harum Energy Tbk	14,385	-
PT Agung Podomoro Land Tbk	11,200	-
PT Energi Mega Persada Tbk	9,604	6,381
PT Indocement Tunggal Prakarsa Tbk	8,525	-
PT Bakrie Sumatra Plantation Tbk	7,503	4,846
PT Timah (Persero) Tbk	7,098	11,687
PT Delta Dunia Makmur Tbk	6,995	19,643
PT Berau Coal Energy Tbk	6,962	3,980
PT Lippo Karawaci Tbk	6,270	-
PT Dayaindo Resources International Tbk	6,107	22,795
PT International Nickel Indonesia Tbk	5,113	6,947
PT Jasa Marga (Persero) Tbk	2,426	52,899
PT Indofood Sukses Makmur Tbk	2,300	244
PT Krakatau Steel Tbk	2,184	3,120
PT Tunas Baru Lampung Tbk	1,992	1,384
PT Central Korporindo Int'l Tbk	1,568	-
PT Wijaya Karya (Persero) Tbk	1,525	1,700
PT Astra International Tbk	1,253	569
PT XL Axiata Tbk	1,290	-
PT Indosat Tbk	1,254	1,198
PT Darma Henwa Tbk	1,117	1,017
PT Bank Bukopin Tbk	1,079	-
PT Multistrada Arah Sarana Tbk	950	5,329
PT Budi Acid Jaya Tbk	894	1,462
PT Bukit Uluwatu Villa Tbk	-	3,250
PT Wintermar Offshore Marine Tbk	-	1,920
PT Exploitasi Energi Indonesia Tbk	-	1,040
Others (below Rp 1,000 million each)	1,929	3,375
Total	1,681,856	1,022,979
Warrants		
PT Budi Acid Jaya Tbk	94	93
PT Bakrie Sumatra Plantations Tbk	66	67
Total	160	160

	2011	2010
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Third parties		
Rupiah		
Bonds		
Government bond FR0043	18,600	11,440
Sukuk Ijarah Matahari Putra Prima II Year 2009 Series B	9,462	-
Government bond FR0027	7,945	7,717
Mitra Adiperkasa Ijarah I Year 2009 Series B	5,533	-
Sukuk Ijarah I Sumarecon	3,190	3,139
Government bond IFR001	1,193	1,166
Sukuk I ijarah PLN III Th 2009 Series A	551	-
PT Bank Pan Indonesia Tbk	-	30,120
Total	46,474	53,582
Units of mutual fund		
Fixed income		
Si Dana Batavia Terbatas Optimal	279,848	361,224
Star High Yield Fund	366,724	45,002
Si Dana Obligasi Ultima	2,171	-
Star Cemerlang Tetap	-	12,141
Mixed		
Star Balanced	12,249	13,038
Nusadana Kombinasi Maxima	1,518	1,604
Batavia Dana Dinamis	129	127
Shares		
Pratama Saham	9,426	-
Si Danasaham	4,539	4,649
Dana Pratama Ekuitas	2,998	3,336
Danareksa Mawar	1,299	1,236
Syailendra Equity Opportunity Fund	-	12,881
Others		
Kharisma Flexi Terbatas 3	1,926,779	6,934
HPAM Maestro Flexi I	1,225,166	326,566
Syailendra Multi Strategy Fund I	1,133,724	74,964
Corfina Bima Berimbang PT	777,575	236,834
Si Dana Batavia VI	628,649	221,289
HPAM Maestro Flexi II	403,895	312,734
Sucorinvest PT I	275,557	144,708
Syailendra Multi Strategy Fund II	185,795	80,051
Investa Flexi IV Penyertaan Terbatas	173,025	162,242
I-Hajj Syariah Fund	5,007	-
Total	7,416,073	2,021,560
Total - Rupiah	9,144,563	3,098,281

	2011	2010
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Third parties		
Foreign currency (Note 59)		
Share		
3M Company	4,447	-
Bond		
Istana High Grade 2	-	18,815
Units of mutual fund		
Other		
Corfina Bima Berimbang Dollar	499,028	457,960
HPAM Maestro Dollar I	57,107	64,737
Adenium Lestari Dolar Fund	24,900	4,706
HPAM Maestro Flexi Dollar II	3,703	54,551
Total	584,738	581,954
Total - foreign currency	589,185	600,769
Total - Third parties	9,733,748	3,699,050
Total - at fair value though profit and loss	10,419,004	4,233,530
Available for sale		
Third parties		
Rupiah		
Shares		
PT Bank Mandiri (Persero) Tbk	139,786	5,011
PT Bumi Resources Tbk	114,780	924,080
PT Bank Negara Indonesia (Persero) Tbk	72,145	199,448
PT Salim Ivomas Pratama Tbk	52,568	-
PT Bank Rakyat Indonesia (Persero) Tbk	36,133	8,663
PT Atlas Resources Tbk	25,232	-
PT Tambang Batubara Bukit Asam Tbk	24,602	-
PT Adaro Energi Tbk	19,052	-
PT Indo Tambang Raya Megah Tbk	17,914	-
PT Indofood CBP Sukses Makmur Tbk	10,150	-
PT Krakatau Steel Tbk	8,668	-
PT Indofood Sukses Makmur Tbk	6,734	7,597
PT United Tractor Tbk	4,084	-
PT Indocement Tunggal Prakarsa Tbk	-	10,846
PT Semen Gresik Tbk	-	12,157
PT Holcim Indonesia Tbk	-	4,205
PT Borneo Lumbung Energi & Metal Tbk	-	2,111
PT Jasa Marga (Persero) Tbk	-	7,126
PT Astra Internasional Tbk	-	4,146
PT Telekomunikasi Indonesia Tbk	-	3,478
PT Agung Podomoro Land Tbk	-	1,799
Others (below Rp 1,000 million each)	-	5
Total - Shares	531,848	1,190,672

	2011 Rp '000,000	2010 Rp '000,000
Available for sale		
Third parties		
Rupiah		
Bonds		
Government bond IFR006	61,625	11,426
Government bond IFR010	12,125	-
Syariah Ijarah PLN I Year 2006	2,445	-
Sukuk Ijarah PLN V Year 2010 Series B	6,996	-
Sukuk Ijarah Indosat II Year 2007	2,110	-
Government bond IFR005	-	5,380
Total - bonds	85,301	16,806
Foreign currency (Note 59)		
Bond		
Republic of Indonesia 2020 (ROI 2020)	20,402	19,687
Total - Available for sale	637,551	1,227,165
Held to maturity		
Third parties		
Rupiah		
Bank Indonesia Intervention	1,358,000	171,300
Unamortized interest	(10,588)	(27)
Net	1,347,412	171,273
Certificate of Bank Indonesia	100,000	-
Unamortized interest	(3,028)	-
Net	96,972	-
Bonds		
MTN I Verena Multi Finance Year 2011	200,000	-
SubNotes Bank Syariah Mandiri Tahap II Year 2011	190,000	-
Obligasi Berkelanjutan I Antam Tahap I Year 2011 Series B	130,000	-
Government bond FR0028	78,897	78,746
Government bond ORI 4	75,004	75,021
Government bond FR0026	71,567	72,043
Government bond FR0031	69,319	69,272
Government bond FR0038	62,110	62,322
Government bond FR0040	56,488	56,400
Government bond FR0043	55,603	55,390
Government bond FR0027	53,576	53,035
Government bond FR0046	52,174	51,858
Government bond FR0033	49,880	49,838
Government bond FR0034	40,873	40,832
Government bond FR0036	38,529	38,436
Government bond FR0020	32,206	33,213
Government bond FR0042	27,581	27,522
Excelcom II	25,520	24,138
Government bond FR0023	20,257	20,509
Government bond FR0017	20,027	20,685
Indomobil III C	20,000	20,000

	2011	2010
	Rp '000.000	Rp '000.000
Held to maturity		
Third parties		
Rupiah		
Bonds		
Government bond FR0047	17,543	17,492
Government bond ZC0003	17,474	15,000
Government bond FR0045	17,277	17,258
Government bond IFR001	14,319	14,180
Government bond FR0030	12,943	12,810
Government bond FR0018	10,175	10,489
Government bond FR0048	8,614	8,487
Government bond ZC0005	8,188	7,250
Government bond FR0044	7,084	7,012
Sukuk Ijarah Indosat IV 2009 Series A	2,000	2,000
Government bond ORI 3	-	10,004
Net	1,485,228	971,242
Total - Rupiah	2,929,612	1,142,515
Foreign currency (Note 59)		
Bonds		
Republic of Indonesia 37 (ROI 2037)	50,681	50,306
Majapahit Holdings BV (PLN) 2017	45,983	45,678
Republic of Indonesia 2014-2 (ROI 2014-2)	45,956	45,908
Republic of Indonesia 2015 (ROI 2015)	33,950	33,133
Republic of Indonesia 2014 (ROI 2014) - SUKUK	27,378	27,289
Majapahit Holdings BV (PLN) 2016	19,006	18,993
Merlion Capital Funding	15,054	14,879
PSA International Pte Ltd	13,906	13,799
Republic of Indonesia 2019 (ROI 2019)	12,382	12,643
Arpeni Pratama Ocean Line I Callable	10,579	8,876
Republic of Indonesia 17 (ROI 17)	9,336	9,319
Majapahit Holdings BV (PLN) 2037	8,895	8,817
Helium Capital Funding	7,069	6,992
Republic of Indonesia 2014 -1 (ROI 2014 -1)	1,810	1,798
UBS - 5YR Fixed Rate Note	-	17,987
Net	301,985	316,417
Credit Linked Note	45,338	63,070
Export bill receivables	-	322,030
Total - Foreign currencies	347,323	701,517
Total - Held to maturity	3,276,935	1,844,032
Loan and receivables		
Third parties		
Foreign currency (Note 59)		
Export bill receivables	824,957	-
Allowance for impairment losses	(8,538)	-
Total	15,149,909	7,304,727

The details of held-to-maturity securities as of December 31, 2011 based on its maturity are as follows:

	1 month or less	More than 1-3 months	More than 3-12 months	More than 1-2 years	More than 2-5 years	More than 5 years	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Bank Indonesia Intervention	1,150,953	-	196,459	-	-	-	1,347,412
Bonds	20,027	75,004	145,600	100,853	482,505	963,224	1,787,213
Credit linked note	-	-	45,338	-	-	-	45,338
Certificate of Bank Indonesia	-	-	96,972	-	-	-	96,972
Total	1,170,980	75,004	484,369	100,853	482,505	963,224	3,276,935

The details of held-to-maturity securities as of December 31, 2010 based on its maturity are as follows:

	1 month or less	More than 1-3 months	More than 3-12 months	More than 1-2 years	More than 2-5 years	More than 5 years	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Bank Indonesia Intervention	171,273	-	-	-	-	-	171,273
Bonds	-	-	27,992	244,950	341,313	673,404	1,287,659
Credit linked note	-	-	18,020	45,050	-	-	63,070
Export bill receivables	84,337	237,693	-	-	-	-	322,030
Total	255,610	237,693	46,012	290,000	341,313	673,404	1,844,032

On January 1, 2010, AJSM, a subsidiary, changed its investment intention in Government Bonds and Corporate Bonds with nominal value and fair value of US$ 10,500,000 (equivalent to Rp 98,700 million) and US$ 10,401,250 (equivalent to Rp 97,772 million), respectively, by transferring from “Trading” into “Held-to-maturity” categories. The difference between nominal value and fair value is amortized using the effective interest rate method until maturity.

The balance of unrealized losses on available for sale securities (including the securities which were reclassified from held to maturity category) as of December 31, 2011 and 2010, which become a part of the Company which is presented as a part of “Other Equity Components – Share in Unrealized Gain on Changes in Fair Value of Available for Sale Securities of Subsidiaries” (Note 38).

As of December 31, 2011 and 2010, the balance of bonds are included in the guarantee fund of AJSM and ASM, subsidiaries, in compliance with the regulation of Minister of Finance of Republic Indonesia No. 424/KMK.06/2003 with the last changes through regulation of Minister of Finance No. 158/PNK.010/2008 dated October 28, 2008 and regulation of government of Republic of Indonesia No. 39 year 2008 article 7.

The changes in allowance for impairment losses on securities are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	-	1,107
Addition	8,538	-
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	(1,107)
Balance at the end of the year	8,538	-

Management believe that the allowance for impairment losses on securities as of December 31, 2011 is adequate to cover possible losses which might arise from these securityies. As of December 31, 2010, no impairment losses on securities was provided as management believes that the carrying amounts of all securities are realizable.

Bonds

The corporate bonds' rating from PT Pemeringkat Efek Indonesia (PT Pefindo) as reported by Indonesia Stock Exchange and the maturity date of the bonds with nominal value of over Rp 1,000 million each, as of December 31, 2011, are as follows:

	Rating	Maturity date
Excelcom II	IdAA+	April 26, 2012
Indomobil III C	IdA	April 30, 2012
Arpeni Pratama Ocean Line I Callable	D	May 3, 2013
Sukuk Ijarah I Sumarecon	IdA(sy)	June 25, 2013
Sukuk Ijarah Matahari Putra Prima II Year 2009 Series B	IdA+(sy)	April 14, 2014
Sukuk Ijarah Indosat II Year 2007	IdAA+(sy)	May 29, 2014
Sukuk Ijarah Indosat IV 2009 Series A	IdAA+(sy)	December 8, 2014
Mitra Adiperkasa Ijarah	IdA+(sy)	December 16, 2014
MTN I Verena Multi Finance Year 2011	IdA	December 16, 2014
Obligasi Syariah Ijarah PLN I Year 2006	IdAA+(sy)	June 21, 2016
Majapahit Holdings BV (PLN) 2016	AA-	October 17, 2016
Majapahit Holdings BV (PLN) 2017	AA-	June 28, 2017
PT Bank Pan Indonesia Tbk	IdAA	November 9, 2017
Obligasi Berkelanjutan I Antam tahap I Year 2011 Series I	IdAA	December 14, 2018
PSA International Pte Ltd	AA+	February 11, 2021
Subnotes BSM Tahap II Year 2011	AA	December 19, 2021
Helium Capital Funding	AAA	February 22, 2022
Sukuk Ijarah PLN V Year 2010 Series B	IdAA+(sy)	July 8, 2022
Merlion Capital Funding	AAA	September 9, 2022
Majapahit Holdings BV (PLN) 2037	AA-	June 29, 2037

The corporate bonds' rating from PT Pemeringkat Efek Indonesia (PT Pefindo) as reported by Indonesia Stock Exchange and the maturity date of the bonds with nominal value of over Rp 1,000 million each, as of December 31, 2010, are as follows:

	Rating	Maturity date
UBS - 5YR Fixed Rate Note	A	September 20, 2011
Excelcom II	IdAA-	April 26, 2012
Indomobil III C	IdA-	April 30, 2012
Arpeni Pratama Ocean Line I Callable	A-	May 3, 2013
Sukuk Ijarah I Summarecon Agung Year 2008	A	June 25, 2013
Istana High Grade 2	AAA	December 5, 2014
Sukuk Ijarah Indosat IV 2009 Series A	IdAA+(sy)	December 8, 2014
Majapahit Holdings BV (PLN) 2016	AA-	October 17, 2016
Majapahit Holdings BV (PLN) 2017	AA-	June 28, 2017
PT Bank Pan Indonesia Tbk	IdAA	November 9, 2017
PSA International Pte Ltd	AA+	February 11, 2021
Helium Capital Funding	AAA	February 22, 2022
Merlion Capital Funding	AAA	September 9, 2022
Majapahit Holdings BV (PLN) 2037	AA-	June 29, 2037

As of December 31, 2011 and 2010, the average interest rates on bonds denominated in Rupiah range from 9.00% - 17.00% and 9.00% - 17.00% per annum.

As of December 31, 2011 and 2010, the average interest rates on bonds denominated in foreign currency range from 3.88% to 11.63% and 3.88% to 11.63% per annum.

Units of Mutual Fund

Securities in units of mutual fund of a related party which are held for trading were arranged by SMS, a subsidiary, as the investment manager (Note 54).

Group invested in various types of units of mutual fund such as fixed income mutual funds, money market mutual funds, mixed mutual funds and shares mutual funds.

In 2011, return of investment per annum ranged from 3.53% to 9.31% (for fixed income and money market mutual funds), from (0.11%) to 21.49% (for mixed mutual funds), from (0.31%) to 15.34% (for shares of mutual funds), 3,89% (for protected mutual funds).

In 2010, return of investment per annum ranged from 4.54% to 8.47% (for fixed income and money market mutual funds), from 9.85% to 15.49% (for mixed mutual funds), from 17.79% to 29.27% (for shares of mutual funds), 4.54% to 5.55% (for protected mutual funds).

6. Securities Purchased Under Agreements to Resell

	December 31, 2011		
Type	Term	Maturity date	Carrying value
			Rp'000,000
Rupiah			
PT Tiga Pilar Sekuritas			
Shares			
PT Tiga Pilar Sejahtera Food Tbk	91 days	January 23, 2012	39,627

	December 31, 2010		
Type	Term	Maturity date	Carrying value
			Rp'000,000
Rupiah			
AAA Securities			
Bonds			
FR 040	40 days	January 10, 2011	45,773
Bank Lampung II Year 2007	31 days	January 20, 2011	19,444
Bank Lampung II Year 2007	32 days	January 17, 2011	9,721
			74,938
PT Tiga Pilar Sekuritas			
Shares			
PT Tiga Pilar Sejahtera Food Tbk	90 days	January 24, 2011	32,203
Total			107,141

No allowance for impairment losses was provided on securities purchased under agreement to resell as management believes that all such securities purchased under agreement to resell are collectible.

7. Consumer Financing Receivables

a. This account consists of:

	2011	2010
	Rp '000,000	Rp '000,000
Third parties - net	864,497	531,842
Unearned consumer finance income - net	(237,513)	(154,343)
Total	626,984	377,499
Allowance for impairment losses	(2,786)	(538)
Net	624,198	376,961
Interest rates per annum		
Rupiah	15.0% - 39.0%	15.0% - 64.0%

b. SMF and ABSM, subsidiaries, grant consumer financing for vehicles with terms ranging from one (1) to five (5) years.

c. Management believes that there are no significant concentrations of credit risk in consumer financing rceivable from third parties.

The consumer financing receivables are secured with the related certificates of ownership (BPKB) of the vehicles financed by SMF and ABSM.

d. As of December 31, 2010 and 2009, there are consumer financing receivables which are pledged as collateral in relation to loans received (Note 33).

e. The details of consolidated consumer financing receivables based on its remaining period until maturity are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Less than or equal to 1 year	524,708	323,271
More than 1 year until 2 years	254,995	154,957
More than 2 years	84,794	53,614
Total	864,497	531,842

f. The changes in allowance for impairment losses are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	538	493
Provisions during the year	37,919	5,669
Write-off during the year	(35,671)	(5,624)
Balance at the end of the year	2,786	538

Management believes that the allowance for impairment losses is adequate to cover the possible losses which might arise from uncollectible consumer financing receivables.

8. Net Investments in Finance Lease

a. This account consists of:

	2011	2010
	Rp '000,000	Rp '000,000
Rupiah		
Related parties (Note 54)	122,118	172,799
Third parties - Rupiah	45,806	50,981
Total	167,924	223,780
Guaranteed residual value	25,389	25,487
Unearned lease income	(35,115)	(56,197)
Security deposits	(25,389)	(25,487)
Total	132,809	167,583
Allowance for impairment losses	(6,553)	(3,714)
Net	126,256	163,869

As of December 31, 2011 and 2010, interest rate per annum in Rupiah ranged from 8.00% to 25.00% and from 13.00% to 22.00%, respectively.

b. SMF and ABSM, subsidiaries, grant lease financing for heavy equipment, industrial machinery and transportation equipment.

c. The details of consolidated finance lease receivables based on its remaining period until maturity are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Less than or equal to 1 year	105,161	102,299
More than 1 year but less than 2 years	51,195	73,223
More than 2 years	11,568	48,258
Total	167,924	223,780

As of December 31, 2011 and 2010, there are finance lease receivables which are pledged as collateral in relation to loans received (Note 33).

d. The changes in allowance for impairment losses are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	3,714	5,639
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	(2,479)
Provisions during the year	2,982	5,727
Write-off during the year	(143)	(5,173)
Balance at the end of the year	6,553	3,714

Management believes that the allowance for impairment losses is adequate to cover the losses which might arise from uncollectible finance lease receivables.

e. During 2011 and 2010, SMF and ABSM engaged in transfer of finance lease receivables transactions on a without recourse basis to a third party, with SMS, a subsidiary, as the investment manager. The collection of receivables transferred is being done by SMF and ABSM.

9. Factoring Receivables

a. This account consists of:

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Rupiah	69,816	19,701
Foreign currency (Note 59)	41,805	45,957
Total	111,621	65,658
Third parties		
Rupiah	317,834	133,175
Foreign currency (Note 59)	9,068	-
Total	326,902	133,175
Total	438,523	198,833
Deferred factoring income	(6,023)	(6,095)
Allowance for impairment losses	(7,637)	(5,180)
Net	424,863	187,558

	2011	2010
Interest rates per annum		
Rupiah	11.5% - 21.0%	15.0% - 21.0%
Foreign currency	8.0% - 9.5%	8.0% - 12.0%

b. As of December 31, 2011 and 2010, these are factoring receivables which are pledged as collateral in relation to loans received (Note 33).

c. The changes in allowance for impairment losses are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Balance at beginning of the year	5,180	5,967
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	317
Provisions during the year	2,552	1,926
Write-off during the year	(95)	(3,030)
Balance at the end of the year	7,637	5,180

Management believes that the allowance for impairment losses is adequate to cover the losses which might arise from uncollectible factoring receivables.

d. During 2011 and 2010, SMF and ABSM, subsidiaries, engaged in transfer of factoring receivables transactions on a without recourse basis to a third party, with SMS, a subsidiary, as the investment manager. The collection of receivables transferred is being done by SMF and ABSM.

10. Segregated Funds Net Assets - Unit Link

	2011	2010
	Rp '000,000	Rp '000,000
Investments		
Time deposits		
Third parties		
Rupiah		
PT Bank Bukopin Tbk	-	350,000
PT Bank Victoria International Tbk	-	310,200
PT Bank Mutiara Tbk	-	300,000
PT Bank Permata Tbk	-	10,000
PT Bank ICB Bumiputera Tbk	-	5,000
Others	-	600
Total	-	975,800
Foreign currency (Note 59)		
PT Bank Internasional Indonesia Tbk	-	8,335
Total - third parties	-	984,135
Bonds - Held to Maturity		
Related party (Note 54)		
Rupiah		
Bumi Serpong Damai II/2006	-	3,000
Third parties		
Rupiah		
Government bond FR23	5,914	5,879
Government bond FR27	4,531	4,443
Merrill Lynch	17,973	16,850
Fortis	15,413	14,299
Total - third parties	43,831	41,471
Total - Bonds	43,831	44,471

	2011 Rp '000,000	2010 Rp '000,000
Investments		
Shares - at Fair value through profit and loss		
Third parties		
Rupiah		
PT United Tractors Tbk	9,894	7,973
PT Bank Mandiri (Persero) Tbk	7,162	6,207
PT Astra Internasional Tbk	4,514	3,327
PT Bank Central Asia Tbk	2,784	2,227
PT Bank Pan Indonesia Tbk	3,027	4,424
PT Telekomunikasi Indonesia Tbk	1,844	2,079
PT Bank Rakyat Indonesia (Persero) Tbk	2,261	1,759
PT Perusahaan Gas Negara (Persero) Tbk	1,738	2,423
PT Tambang Batubara Bukit Asam Tbk	1,397	1,847
PT Holcim Indonesia Tbk	1,250	1,293
PT International Nickel Indonesia Tbk	862	1,314
Others (below Rp 1,000 million each)	1,175	1,199
Total - shares	37,908	36,072
Units of mutual fund - at Fair value through profit and loss		
Related parties (Note 54)		
Rupiah		
Danamas Stabil	41,155	29,810
Foreign currency (Note 59)		
Danamas Dollar	142	23,510
Jumlah	41,297	53,320
Third parties		
Rupiah		
RD Gani Pendapatan Tetap	1,415,699	1,380,509
PT Henan Putihrai Asset Management Maestro Flexi	1,271,343	2,390,544
Si Dana Batavia Terbatas VI	804,956	870,257
Syailendra Multi Strategy Fund I	454,049	111,875
Schroder Dana Terpadu II	386,527	332,339
RD Kharisma Flexi Terbatas III	103,653	-
Schroder Dana Prestasi Plus	79,244	80,037
Fortis Ekuitas	78,353	78,433
Schroder Syariah Balanced Fund	45,358	43,534
Corfina Bima Berimbang Penyertaan Terbatas	11,290	32,089
Schroder Dana Mantap Plus II	5,164	4,525
Others (below Rp 1,000 million each)	913	970
Total	4,656,549	5,325,112
Foreign currencies (Note 59)		
Corfina Bima Berimbang Dollar Penyertaan Terbatas	426,221	386,308
HPAM USD	30,448	-
PT Henan Putihrai Asset Management Maestro Dollar I	18,204	164,703
Total	474,873	551,011
Total - third parties	5,131,422	5,876,123
Total - units of mutual fund	5,172,719	5,929,443
Total - investments	5,254,458	6,994,121

	2011 Rp '000.000	2010 Rp '000.000
Cash in banks		
Third parties		
Rupiah		
PT Bank CIMB Niaga Tbk	35,374	30,945
PT Bank Internasional Indonesia Tbk	948	441
PT Bank Mega Tbk	6	6
Total - Rupiah	36,328	31,392
Foreign currencies (Note 59)		
PT Bank Internasional Indonesia Tbk	2,976	4,402
PT Bank CIMB Niaga Tbk	534	112
PT Bank Mega Tbk	21	21
Total - foreign currencies	3,531	4,535
Total - cash in banks	39,859	35,927
Investment receivables	2,090	2,271
Total	5,296,407	7,032,319

11. Segregated Funds Net Assets - Sharia

	2011 Rp '000,000	2010 Rp '000,000
Investment		
Third parties		
Time deposits		
Rupiah		
PT Bank CIMB Niaga Tbk - Sharia Division	3,000	1,000
PT Bank Mandiri Syariah	2,500	-
PT BCA Syariah	2,000	-
PT Bank Muamalat Indonesia	-	2,000
Total	7,500	3,000
Shares		
Rupiah		
PT United Tractor Tbk	2,793	-
PT Tambang Batubara Bukit Asam Tbk	2,013	-
PT Indo Tambangnya Megah Tbk	1,604	-
PT Astra International Tbk	1,221	-
Total	7,631	-

	2011	2010
	Rp '000,000	Rp '000,000
Investment		
Third parties		
Bonds - Held to Maturity		
Rupiah		
MTN Syariah Ijarah Intraco Penta 2011	8,242	-
Government bond IFR001 2008	7,625	7,506
Sukuk Ijarah I Summarecon 2008	5,126	5,173
Sukuk Ijarah Indosat III 2008	4,795	4,661
Sukuk Ijarah Matahari Putra Prima IIA 2009	2,019	2,081
Syariah Ijarah Perusahaan Listrik Negara I 2006	1,042	1,073
Sukuk Ijarah Matahari Putra Prima IIB 2009	1,023	1,097
Total	29,872	21,591
Unit of mutual fund - at Fair value through profit and loss		
Rupiah		
Schroder Syariah Balance Fund	24,628	17,100
Fortis Pesona Amanah	12,610	8,837
I-Hajj Syariah Fund	5,082	7,390
PNM Amanah Syariah Fixed Income	4,853	7,086
Total	47,173	40,413
Total - Investments	92,176	65,004
Cash in banks		
Rupiah		
PT Bank Internasional Indonesia Tbk - Sharia Division	9,414	690
PT Bank CIMB Niaga Tbk - Sharia Division	4,088	3,256
PT Bank Syariah Mandiri	3,225	209
PT Bank Muamalat Indonesia Tbk	1,677	435
PT Bank OCBC NISP Tbk - Sharia Division	1,504	-
PT Bank Permata Tbk - Sharia Division	1,438	3
PT Bank BRI Syariah	3	3
PT Bank Tabungan Negara (Persero) Tbk - Sharia Division	1	2
PT Bank Mega Syariah Indonesia	1	1
Total - Rupiah	21,351	4,599
Premiums receivable	2,145	1,195
Reinsurance receivables	20	15
Investment receivables	690	504
Equipment - net	339	21
Total	116,721	71,338

12. Premiums and Reinsurance Receivables

a. This account consists of:

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Premiums receivable	99,868	43,187
Reinsurance receivables	3,689	905
Subtotal	103,557	44,092
Third parties		
Premiums receivable	267,178	305,909
Reinsurance receivables	36,903	8,092
Subtotal	304,081	314,001
Total	407,638	358,093
Allowance for impairment losses	(691)	(4,926)
Net	406,947	353,167

b. The details of consolidated premiums and reinsurance receivables classified based on currency are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Rupiah		
Premiums receivable	298,895	315,393
Reinsurance receivables	26,297	5,503
Subtotal	325,192	320,896
Foreign currencies (Note 59)		
Premiums receivable	68,151	33,703
Reinsurance receivables	14,295	3,494
Subtotal	82,446	37,197
Total	407,638	358,093
Allowance for impairment losses	(691)	(4,926)
Total	406,947	353,167

c. The details of consolidated reinsurance receivables classified based on domicile of the reinsurer are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Local	22,051	5,075
Foreign	18,541	3,922
Total	40,592	8,997

d. The details of consolidated premiums receivable based on its remaining period until maturity are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Due within 1 - 60 days		
Related parties	95,458	38,715
Third parties	248,698	279,061
Due within over 60 days		
Related parties	4,410	4,472
Third parties	18,480	26,848
Total	367,046	349,096

e. The changes in allowance for impairment losses are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	4,926	-
Provisions (recovery) during the year	(4,235)	4,926
Balance at the end of the year	691	4,926

Management believes that the allowance for impairment losses as of December 31, 2011 and 2010 is adequate to cover the losses which might arise from uncollectible premiums receivable and reinsurance receivables.

13. Loans

This account represents loans given by BS, a subsidiary.

a. By Type of Loans

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Rupiah		
Fixed loans	196,452	231,557
Consumer loans	6,225	6,939
Installment loans	1,758	1,682
Loans to employees	637	580
Sharia receivables - Murabahah	11	67
Subtotal - Rupiah	205,083	240,825
Foreign currency (Note 59)		
Fixed Loans	1,555,076	554,115
Total - Related parties	1,760,159	794,940
Third Parties		
Rupiah		
Consumer loans	2,903,566	2,323,631
Installment loans	1,874,779	1,445,532
Fixed loans	1,631,249	1,251,931
Factoring loans	670,991	592,291
Sharia receivables - Murabahah	641,733	146,895
Overdraft	154,248	146,137
Investment loans	106,015	59,297
Loans to employees	6,615	8,165
Sharia receivables - Qardh	17	-
Subtotal	7,989,213	5,973,879
Foreign currencies (Note 59)		
Installment loans	307,133	166,573
Fixed loans	183,669	76,403
Subtotal	490,802	242,976
Subtotal	8,480,015	6,216,855
Total	10,240,174	7,011,795
Allowance for impairment losses	(104,732)	(77,638)
Net	10,135,442	6,934,157

b. By Economic Sectors

	2011 Rp '000,000	2010 Rp '000,000
Rupiah		
Household	2,033,299	1,331,430
Wholesale and retail	1,439,899	993,079
Financial intermediary	850,369	913,554
Real estate, leasing services and servicing companies	548,401	387,859
Mining and excavation	372,482	252,374
Construction	341,928	217,835
Manufacturing	273,161	250,966
Transportation, warehousing and communication	257,970	269,240
Services in social, art, culture, recreation and other individual services	199,545	280,409
Electricity, gas and water	137,995	20,134
Accommodation and food and beverage	137,278	112,024
Agriculture, hunting and forestry	52,743	40,800
Education services	11,973	-
Fishery	2,776	3,917
Health and social services	78	91
Individual services that serve household	41	153
Others	1,534,358	1,140,839
Subtotal	8,194,296	6,214,704
Foreign currency (Note 59)		
Manufacturing	1,557,312	560,337
Financial intermediary	144,208	34,019
Mining and excavation	105,416	32,963
Construction	100,649	106,663
Wholesale and retail	99,978	38,181
Education services	30,317	-
Agriculture, hunting and forestry	7,998	2,098
Transportation, warehousing and communication	-	22,830
Subtotal	2,045,878	797,091
Total	10,240,174	7,011,795
Allowance for impairment losses	(104,732)	(77,638)
Net	10,135,442	6,934,157

c. By Maturity

The classifications of loans based on its credit period, as stated in the loan agreements, and based on its remaining period until maturity are as follows:

Based on credit periods:

	2011	2010
	Rp '000,000	Rp '000,000
Rupiah		
1 year or less	2,233,913	1,440,837
More than 1 year until 2 years	1,537,489	1,342,919
More than 2 years until 5 years	3,746,066	2,257,599
More than 5 years	676,828	1,173,349
Subtotal	8,194,296	6,214,704
U.S. Dollar (Note 59)		
1 year or less	1,728,949	607,588
More than 1 year until 2 years	69,774	24,931
More than 2 year until 5 years	149,081	57,909
More than 5 years	98,074	106,663
Subtotal	2,045,878	797,091
Total	10,240,174	7,011,795
Allowance for impairment losses	(104,732)	(77,638)
Net	10,135,442	6,934,157

Based on remaining period until maturity:

	2011	2010
	Rp '000,000	Rp '000,000
Rupiah		
1 year or less	3,453,649	2,590,571
More than 1 year until 2 years	1,596,598	767,708
More than 2 years until 5 years	2,613,243	2,160,473
More than 5 years	530,806	695,952
Subtotal	8,194,296	6,214,704
Foreign currency (Note 59)		
1 year or less	1,763,282	586,405
More than 1 year until 2 years	59,343	47,696
More than 2 years until 5 years	125,179	53,992
More than 5 years	98,074	108,998
Subtotal	2,045,878	797,091
Total	10,240,174	7,011,795
Allowance for impairment losses	(104,732)	(77,638)
Net	10,135,442	6,934,157

d. Average interest rates per annum on loans are as follows:

	2011	2010
Rupiah	6.00% - 33.06%	5.95% - 26.97%
U.S. Dollar	2.45% - 11.00%	4.25% - 9.50%

e. The changes in allowance for impairment losses on loans are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	77,638	90,889
Adjustment on PSAK No. 55 (Revised 2006) (Note 2i)	-	4,316
Provisions during the year	24,737	53,241
Accrual of interest on impaired loans	-	(5,150)
Write-off during the year	(626)	(63,015)
Recovery	6,860	-
Exchange rate differences	(3,877)	(2,643)
Balance at the end of the year	104,732	77,638

Management believes that the allowance for impairment losses on loans is adequate to cover the possible losses which might arise from uncollectible loans.

f. As of December 31, 2011 and 2010, the outstanding balance of BS' channeling amounted to Rp 3,428,783 million and Rp 2,332,310 million, respectively, of which Rp 1,875,735 million, and Rp 1,200,157 million, respectively, were transferred through related parties (Note 54).

g. Loans granted to related parties, except for granted loans to employees, were granted under normal terms and conditions similar to those granted to third parties. Loans granted to employees represent loans for purchases of cars, houses and other necessities with interest rates of 0% for loans with term below 1 year and 6% for loans with terms ranging between 1 to 10 years.

h. As of December 31, 2011 and 2010, the total gross non-performing loans amounted to Rp 90,946 million and Rp 88,348 million, respectively. All of the non-performing loans are in the process of recovery by BS.

i. Management believes that the value of the collaterals on loans is adequate to cover the possible losses which might arise from uncollectible loans.

14. Ijarah Assets

As of December 31, 2011 and 2010, this account represents the object of the Ijarah lease transactions with an option to transfer the Muntahiyah Bittamlik object property leased by grant.

	January 1, 2011	Changes during the year: Additions	Changes during the year: Transfer to the lessee at the end of contract	December 31, 2011
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Cost				
Vehicles	246,336	142	(142,339)	104,139
Heavy equipment	23,600	14,700	-	38,300
Machineries	1,785	2,982	(407)	4,360
Software	3,649	772	(3,560)	861
Multiservice assets	-	3,835	(420)	3,415
Total	275,370	22,431	(146,726)	151,075
Accumulated depreciation				
Vehicles	55,379	147,108	(142,339)	60,148
Heavy equipment	686	6,145	-	6,831
Machineries	138	1,036	(407)	767
Software	9	3,809	(3,560)	258
Multiservice assets	-	779	(420)	359
Total	56,212	158,877	(146,726)	68,363
Net Book Value	219,158			82,712

	January 1, 2010	Changes during the year: Additions	Changes during the year: Transfer to the lessee at the end of contract	December 31, 2010
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Cost				
Vehicles	-	265,741	(19,405)	246,336
Heavy equipment	-	23,600	-	23,600
Machineries	-	1,785	-	1,785
Software	-	3,649	-	3,649
Total	-	294,775	(19,405)	275,370
Accumulated depreciation				
Vehicles	-	74,784	(19,405)	55,379
Heavy equipment	-	686	-	686
Machineries	-	138	-	138
Software	-	9	-	9
Total	-	75,617	(19,405)	56,212
Net Book Value	-			219,158

15. Securities Agent Receivables

	2011 Rp '000,000	2010 Rp '000,000
Receivables from PT KPEI	119,255	64,160
Receivables from customers	91,020	96,143
Receivables from other securities companies	27,974	10
Commissions receivable	7,120	5,168
Total	245,369	165,481

Receivables from PT Kliring Penjaminan Efek Indonesia (KPEI), receivables from other securities companies, and customers pertain to receivables in relation to purchases and sales of shares and other securities (net) which have not yet been received as of consolidated statement of financial position date.

Management did not provide allowance for impairment losses on securities agent receivables because they believe that all such receivables are collectible.

16. Other Accounts Receivable

	2011 Rp '000,000	2010 Rp '000,000
Policy loans	597,469	415,277
Interest receivables	96,125	61,322
Mortgage receivables	23,433	20,063
Claims receivable	11,210	10,640
Loans to employees and marketing agents	4,298	3,800
Loans to associated companies	8,000	360
Others	22,558	31,641
Total	763,093	543,103
Allowance for impairment losses	(347)	(747)
Net	762,746	542,356

Policy loans represent policy cash value provided in the form of loans to the policyholders.

Average interest rates per annum on policy loans are as follows:

	2011	2010
Rupiah	8.00% - 14.00%	14.00% - 16.00%
Foreign currency	3.00% - 7.00%	6.00% - 14.00%

Interest receivables consist of interest from time deposits and short-term investments.

Mortgage receivables represent loans cash value provided by ASM and AJSM, subsidiaries, to their employees and third parties for purchase of land or building. Mortgage loans granted to employees bear special interest rate while those granted to third parties bear prevailing market interest rate. Payments are made through monthly installment. These receivables are collateralized with land or building's certificate of ownership.

Claims receivable represent receivables from policyholders in relation to payment of claims by subsidiaries in excess of the insurance limit of policyholders.

As of December 31, 2011, loans to associated companies represent unsecured loans, no maturity and no bearing interest given to PT Bintang Rajawali Perkasa by SU amounted to Rp 8,000 million, while as of December 31, 2010, loan to associated company represent unsecured loans to PT JobStreet Indonesia amounting to US$ 40,000 with maturity date of December 31, 2011 and has been settled in 2011.

As of December 31, 2011 and 2010, the consolidated balance of other accounts receivable from related parties amounted to Rp 20,650 million and Rp 6,234 million, respectively (Note 54).

As of December 31, 2011 and 2010, the consolidated balance of other accounts receivable denominated in foreign currency amounted to US$ 5,698,613 and US$ 6,552,016, respectively (Note 59).

Management believes that the allowance for impairment losses on other receivables is adequate to cover the possible losses which might arise from uncollectible other receivables.

17. Investment in Shares of Stock

As of December 31, 2011 and 2010, investment in shares with percentage of ownership of below 20% and investment in share with buyback option by previous shareholder as of December 31, 2010 are categorized as available for sale (AFS) financial assets and in the absence of basis of fair value are stated at acquisition cost.

	2011	2010
	Rp '000,000	Rp '000,000
The Company's investment in shares of stock		
Equity method	229,751	204,575
AFS - acquisition cost	177,578	177,578
Total	407,329	382,153
Subsidiaries' investments in shares of stock		
Equity method	186,065	17,088
AFS - acquisition cost	66,653	159,604
Total	252,718	176,692
Total	660,047	558,845

a. The Company's Investments in Shares of Stock

			Changes during 2011					
Equity Method	Percentage of ownership	January 1, 2011	Reclassification	Additional investment	Equity in net income (loss)	Gain (loss) on change in ownership interest in subsidiaries	Deduction from investment	December 31, 2011
	%	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Associates								
PT Asuransi Jiwa Mega Life	50.00	177,025	-	-	25,160	-	-	202,185
PT Panji Ratu Jakarta	49.00	17,372	-	-	81	-	-	17,453
PT Super Wahana Tehno	35.19	9,481	-	-	381	-	-	9,862
PT JobStreet Indonesia	40.00	697	-	-	(446)	-	-	251
Total		204,575	-	-	25,176	-	-	229,751
AFS - acquisition cost								
PT Oto Multiartha	16.14	176,309	-	-	-	-	-	176,309
PT Summit Oto Finance	0.16	1,269	-	-	-	-	-	1,269
Total		177,578	-	-	-	-	-	177,578

			Changes during 2010					
	Percentage of ownership	January 1, 2010	Reclassification	Additional investment	Equity in net income (loss)	Gain (loss) on change in ownership interest in subsidiaries	Deduction from investment	December 31 2010
	%	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Equity Method								
Associates								
PT Asuransi Jiwa Mega Life	50.00	150,634	-	-	26,391	-	-	177,025
PT Panji Ratu Jakarta	21.02	-	18,028	-	(34)	(622)	-	17,372
PT Super Wahana Tehno	35.19	9,604	-	-	(123)	-	-	9,481
PT JobStreet Indonesia	40.00	-	-	-	697	-	-	697
PT Certis CISCO	49.00	7,181	-	19,600	1,457	-	(28,238)	-
Total		167,419	18,028	19,600	28,388	(622)	(28,238)	204,575
Cost Method								
PT Oto Multiartha	16.14	176,309	-	-	-	-	-	176,309
PT Summit Oto Finance	0.16	1,269	-	-	-	-	-	1,269
Total		177,578	-	-	-	-	-	177,578

Equity Method

PT Panji Ratu Jakarta (PRJ)

In July 2010, Trade United Investments Limited (British Virgin Island), shareholder of PRJ, converted the bonds to shares of PRJ, thus, decreasing the ownership interest of Company in PRJ, from 99.53% to 21.02% (Note 38). Therefore, since July 2010, the Company's investment in PRJ is accounted for using the equity method and PRJ's financial statements are no longer consolidated with the Company's financial statements. The impact of the dilution in ownership interest amounting to Rp (622) million was recognized as "Other equity components – Gain on change in ownership interest in a subsidiaries and associates" in equity section of the consolidated statement of financial position.

PT Certis CISCO (CISCO)

CISCO, domiciled in Jakarta, is engaged in security services. The investment in shares of CISCO was acquired by the Company in April 1997. On June 26, 2009, the Company made advances for investment in shares amounting to Rp 19,600 million and such investment is effective in April 2010.

In September 2010, the Company has sold to PT Kesara, third party, all of its investment in CISCO for Rp 38,237 million, with gain on sale of such investment amounting to Rp 12,718 million.

The condensed financial information of the associates are as follows :

	2011	2010
Total Assets	3,170,381	4,353,106
Total Liabilities	2,655,640	3,889,814
Total Equity	514,741	463,292
Net Income	52,628	54,045

b. **Subsidiaries' Investments in shares of stock**

	2011	2010
	Rp '000,000	Rp '000,000
Equity method		
PT Bintang Rajawali Perkasa	100,683	-
PT Asuransi Sumit Oto	51,376	-
PT LIG Insurance Indonesia	34,006	17,088
Subtotal	186,065	17,088
Available for sale - at acquisition cost		
Aries Capital Partner II	43,548	-
PT Bursa Komoditi dan Derivatif Indonesia	8,000	8,000
PT Kustodian Sentral Efek Indonesia	6,600	600
Konsorsium Asuransi Risiko Khusus - PT Tugu Reasuransi Indonesia	3,000	3,000
PT Rizki Lancar Sentosa	2,500	-
PT Asuransi MAIPARK Indonesia	1,804	1,803
Fair Oil & Energy Insurance Syndicate	455	455
PT Pemeringkat Efek Indonesia	350	350
PT Damai Indah Padang Golf	140	140
PT Bursa Efek Indonesia	135	135
PT Sedana Golf	101	101
PT Menara Proteksi Indonesia	20	20
PT Bintang Rajawali Perkasa	-	145,000
Subtotal	66,653	159,604
Total	252,718	176,692

Equity Method

PT LIG Insurance Indonesia

ASM established PT LIG Insurance Indonesia (LIG) as a joint venture with LG Korea. ASM has 30% ownership interest in LIG.

In January 2011, ASM increased its investment in shares of LIG by Rp 15,000 million. This additional investment did not change ASM's ownership interest in LIG.

PT Bintang Rajawali Perkasa

In May 2010, SU purchased shares of stock of PT Bintang Rajawali Perkasa (BRP) from the previous shareholder, amounting to 145,000 million or 68.5% ownership interest in BRP. Despite the 68.5% ownership interest in BRP, the investment in BRP is accounted for using the cost method and its financial statements are not consolidated with the financial statements of SU, since the previous shareholder has the right on dividend income or other income relating to the aforementioned shares and shall still be responsible for any liability during the 12 months period or until the agreement is executed. The previous shareholder has given the option for buyback of the shares at least within 24 months. In August 2011, the option cancelled and In September 2011, SU has sold 28.5% of its investment in BRP to PT Graha Indo Selaras, third party, for Rp 47,000 million, therefore, investment in shares of BRP is accounted for using the equity method.

PT Asuransi Sumit Oto

In October 10, 2011, the Company and ASM, a subsidiary, have sold 1,000 shares and 51,000 shares, respectively of ASO to Djohan Marzuki and PT Summit Investment Indonesia, third parties, amounting to Rp 1,000 million and Rp 51,000 million or representing 1% and 51% ownership of interest in ASO. Therefore, the ASO' financial statement are not consolidate with ASM' financial statement and accounted for using the equity method.

Available for sale – acquisition cost

In May 2011, AJSM purchased shares of PT Rizky Lancar Sentosa from PT Jasnita Investindo, previous shareholder, amounting to Rp 2,500 million.

In April 2011, AJSM purchased 5,556 shares of Aries Capital Partner II, British Virgin Islands, amounting to Rp 43,548 million, or equivalent to 7.94% ownership interest.

In January 2011, SMS purchased 60 shares of PT Kustodian Sentral Efek Indonesia from PT Eurocapital Pereqrine Securities amounting to Rp 6,000 million.

In 2010, SF purchased shares of stock of PT Bursa Komoditi dan Derivatif Indonesia, which engages in commodity trading, amounting to Rp 2,000 million.

In 2010, ASM purchased shares of stock of Konsorsium Asuransi Risiko Khusus - PT Tugu Reasuransi Indonesia, which engages in reinsurance business, amounting to Rp 1,000 million, or 16.31% ownership interest in AMI.

In 2011 and 2010, ASM increased its investments in shares of PT Asuransi MAIPARK Indonesia (AMI) by Rp 1 million and Rp 2 million, respectively, or equivalent to 3.96% ownership interest.

In June 2010, ASM purchased shares of stock of Fair Oil & Energy Insurance Syndicate, Bahrain, amounting to Rp 455 million or equivalent to 3.6% ownership interest.

18. Investment Properties

As of December 31, 2011 and 2010, these represent investments in land and building of ASM and AJSM, (2010: included SU, and ABSM), subsidiaries.

Following are the balances of and changes in investment properties and the related accumulated depreciation:

	January 1, 2011	Changes during 2011			December 31 , 2011
		Additions	Deductions	Reclassification	
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At Cost					
Land	13,129	-	-	(13,129)	-
Building	21,368	-	-	(9,677)	11,691
Total	34,497	-	-	(22,806)	11,691
Accumulated Depreciation					
Building	4,766	585	-	(105)	5,246
Net Book Value	29,731				6,445

	January 1, 2010	Changes during 2010			December 31 , 2010
		Additions	Deductions	Reclassification	
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At Cost					
Land	79,551	11,810	(78,232)	-	13,129
Building	12,370	9,676	(678)	-	21,368
Total	91,921	21,486	(78,910)	-	34,497
Accumulated Depreciation					
Building	4,110	690	(34)	-	4,766
Net Book Value	87,811				29,731

Depreciation charged to operations for the years ended December 31, 2011 and 2010 amounted to Rp 585 million and Rp 690 million, respectively.

Deduction in investment properties in 2010 represents beginning balance - cost and accumulated depreciation of PT Panji Ratu Jakarta amounting to Rp 78,910 million and Rp 34 million, respectively.

As of December 31, 2011 and 2010, fair value of investment property of ASM, subsidiary, amounted to Rp 20,925 million and Rp 20,409 million based on appraisal report of Ihot, Dolar & Rekan dated January 24, 2012 and February 11, 2011, respectively.

As of December 31, 2011 and 2010, investment properties are insured with PT Axa Indonesia and other insurance companies for US$ 1,237,112. Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Management believes that there is no impairment in value of the aforementioned assets as of December 31, 2011 and 2010.

Reclassification of investment properties to property and equipment in 2011 represents reclassification made by SU and ABSM, a subsidiary (Note 19).

19. Property and Equipment

	January 1, 2011	Changes during 2011 Additions	Deductions	Reclassifications	December 31, 2011
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Direct acquisitions					
Land	161,419	77,673	-	14,900	253,992
Buildings	391,600	142,840	(247)	19,190	553,383
Office equipment	306,248	170,238	(9,708)	463	467,241
Motor vehicles	98,320	60,206	(7,305)	-	151,221
Furniture and fixtures	20,209	3,695	(1,064)	-	22,840
Machineries and equipment	3,918	3,078	(343)	-	6,653
Construction in progress	28,198	17,970	-	(11,747)	34,421
Total	1,009,912	475,700	(18,667)	22,806	1,489,751
Accumulated depreciation					
Direct acquisitions					
Buildings	73,765	20,738	(209)	105	94,399
Office equipment	130,869	55,209	(8,930)	-	177,148
Motor vehicles	52,101	14,485	(5,167)	-	61,419
Furniture and fixtures	13,206	3,748	(1,024)	-	15,930
Machineries and equipment	1,878	1,132	(337)	-	2,673
Total	271,819	95,312	(15,667)	105	351,569
Net Book Value	738,093				1,138,182

	January 1, 2010	Changes during 2010 Additions	Deductions	Reclassifications	December 31, 2010
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Direct acquisitions					
Land	154,398	7,498	(477)	-	161,419
Buildings	328,407	63,740	(747)	200	391,600
Office equipment	256,758	52,541	(3,051)	-	306,248
Motor vehicles	75,939	27,055	(4,674)	-	98,320
Furniture and fixtures	15,942	4,568	(301)	-	20,209
Machineries and equipment	2,262	1,656	-	-	3,918
Construction in progress	11,975	16,423	-	(200)	28,198
Total	845,681	173,481	(9,250)	-	1,009,912
Accumulated depreciation					
Direct acquisitions					
Buildings	56,018	17,977	(230)	-	73,765
Office equipment	100,031	33,812	(2,974)	-	130,869
Motor vehicles	42,299	13,207	(3,405)	-	52,101
Furniture and fixtures	10,450	3,044	(288)	-	13,206
Machineries and equipment	1,434	444	-	-	1,878
Total	210,232	68,484	(6,897)	-	271,819
Net Book Value	635,449				738,093

Depreciation charged to operations for the years ended December 31, 2011 and 2010 amounted to Rp 95,312 million and Rp 68,484 million, respectively.

Depreciation which were included in direct cost of service center and cost of goods sold for the years ended December 31, 2011 and 2010 amounted to Rp 1,187 million and Rp 498 million, respectively (Note 51).

Reclassification of property and equipment in 2011 includes reclassification of investment property - land and building to property and equipment, with acquisition cost amounting to Rp 22,806 million and accumulated depreciation amounting to Rp 105 million (Note 18).

Deduction of property and equpment in 2010 included beginning balance - cost and accumulated depreciation of PT Panji Ratu Jakarta, amounting to Rp 11 million and Rp 1 million, respectively.

Deductions in property and equipment pertain to the sale of certain property and equipment with details as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Selling price	4,350	4,505
Net book value	3,000	2,343
Gain on sale of property and equipment (Note 46)	1,350	2,162

As of December 31, 2011 and 2010, property and equipment are insured with ASM, a subsidiary, and other insurance companies for Rp 961,268 million and US$ 4,035,000 and Rp 711,416 million and US$ 4,695,747, respectively. Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Management believes that there is no impairment in value of the aforementioned assets as of December 31, 2011 and 2010.

20. Property Under Build, Operate and Transfer Agreement

As of December 31, 2011 and 2010, property building under build, operate and transfer agreement represents the subject of cooperation agreement between the Company and ASM, a subsidiary, with details as follows:

	January 1, 2011	Changes during 2011			December 31, 2011
		Addition	Deduction	Reclassification	
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Building	79,041	182	-	-	79,223
Accumulated depreciation					
Building	7,825	3,936	-	-	11,761
Net Book Value	71,216				67,462

	January 1, 2010	Changes during 2010 Addition	Deduction	Reclassification	December 31, 2010
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Building	77,988	1,053	-	-	79,041
Accumulated depreciation					
Building	3,899	3,926	-	-	7,825
Net Book Value	74,089				71,216

Building under construction represents the accumulated costs of building construction under the Cooperation Agreement of Build, Operate and Transfer, for Plaza Simas office building which is located at Jl. Fachrudin, Central Jakarta. The Cooperation period is 99 years which will commence at the time of start of operations of the building. The ownership of the building will be transferred to ASM at the end of the Cooperation Agreement.

As of December 31, 2011, Property under Build, Operate and Transfer Agreement are insured with ASM, a subsidiary, for Rp Rp 215,774 million and US$ 345,840. Management believes that the insurance coverage is adequate to cover any possible losses that might arise from the assets insured.

As of December 31, 2011 and 2010, based on the Company management, there is no impairment in value of property under build, operate and transfer agreement.

21. Assets for Lease

This account represents assets for lease owned by ABSM and SMF, subsidiaries, with details as follows:

	January 1, 2011	Changes during 2011 Additions	Deductions	December 31, 2011
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost				
Motor vehicles	34,740	19,599	-	54,339
Office equipment	25,929	1,988	-	27,917
Machineries and equipment	18,776	8,543	-	27,319
Total	79,445	30,130	-	109,575
Accumulated depreciation				
Motor vehicles	11,364	9,066	-	20,430
Office equipment	19,200	4,289	-	23,489
Machineries and equipment	15,257	2,661	-	17,918
Total	45,821	16,016	-	61,837
Net Book Value	33,624			47,738

	January 1, 2010	Changes during 2010		December 31, 2010
		Additions	Deductions	
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost				
Motor vehicles	18,846	15,894	-	34,740
Office equipment	22,110	3,819	-	25,929
Machineries and equipment	18,110	666	-	18,776
Total	59,066	20,379	-	79,445
Accumulated depreciation				
Motor vehicles	6,735	4,629	-	11,364
Office equipment	14,027	5,173	-	19,200
Machineries and equipment	12,348	2,909	-	15,257
Total	33,110	12,711	-	45,821
Net Book Value	25,956			33,624

As of December 31, 2011 and 2010, assets for lease are insured with ASM, a subsidiary, for Rp 49,655 million and Rp 43,668 million, respectively. Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Management believes that there is no impairment in value of the aforementioned assets for lease as of December 31, 2011 and 2010.

22. Foreclosed Properties

Foreclosed properties were obtained by SMF and BS, subsidiaries, from settlement of their receivables from and loans to customers. SMF's ownership on the foreclosed properties is supported by Letter of Transfer of Rights to SMF and Power of Attorney to Sell.

	2011	2010
	Rp '000,000	Rp '000,000
Land, houses, and apartments	74,569	68,469
Vehicles	15,422	5,929
Heavy equipment	371	1,524
Total	90,362	75,922
Allowance for impairment losses	(442)	(4,683)
Net	89,920	71,239

These foreclosed properties are not insured.

At this point in time, SMF and BS are still in the process of selling the foreclosed properties, i.e. by cooperating with property agents to sell the land, houses and apartment units.

As of December 31, 2011 and 2010, management believes that the allowance for impairment losses is adequate to cover the possible losses which might arise from the decline in values of the foreclosed properties.

23. Other Assets

	2011 Rp '000,000	2010 Rp '000,000
Advanced payment for purchase of property and equipment	180,779	54,431
Prepaid expenses	91,595	60,204
Advanced payment for buildings renovation	87,748	12,778
Security deposits	21,746	10,239
Inventories	13,410	5,349
Derivative assets	7,548	-
Prepaid taxes	6,890	8,601
Advances for investment	500	2,000
Others	14,351	6,205
Total	424,567	159,807

Advanced payment for purchase of property and equipment and advanced payment for buildings renovation represent purchasing and or payment to supplier and contractor which have not been settled as of the date of consolidated financial position.

Prepaid expenses include prepayments of office rental, shares administration charges, stamp duties and insurance premiums.

As of December 31, 2011, advance for investment represents advances for investment in shares of PT Golden Health, amounting to Rp 500 million, while as of December 31, 2010, advance for investment represents advances for investment in shares of PT Golden Tropical, amounting to Rp 1,500 million and Golden Health amounting to Rp 500 million.

As of December 31, 2011 and 2010, the balances of other assets from related parties amounted to Rp 11,108 million and Rp 9,622 million, respectively (Note 54).

As of December 31, 2011 and 2010, the balances of other assets denominated in foreign currency amounted to US$ 236,368 and US$ 144,957, respectively (Note 59).

24. Deposits and Deposits from Other Banks

These represent deposits and deposits from other banks placed in BS, a subsidiary.

	2011 Rp '000,000	2010 Rp '000,000
Demand deposits	2,466,701	1,718,103
Savings deposits	2,367,613	1,371,475
Time deposits	9,420,767	6,147,679
Deposits from other banks	323,675	366,853
Total	14,578,756	9,604,110

a. Demand deposits consist of:

	2011	2010
	Rp '000,000	Rp '000,000
Related parties (Note 54)		
Rupiah	352,730	304,123
Foreign currencies (Note 59)	170,298	493,501
Subtotal	523,028	797,624
Third parties		
Rupiah	1,406,871	422,312
Foreign currencies (Note 59)	536,802	498,167
Subtotal	1,943,673	920,479
Total	2,466,701	1,718,103

As of December 31, 2011 and 2010, demand deposits managed by Sharia unit amounted to Rp 20,421 million and Rp 4,978 million, respectively.

Average interest rates per annum on demand deposits are as follows:

	2011	2010
Rupiah	1.00% - 6.00%	1.50% - 5.00%
Foreign currencies	0.06% - 2.00%	0.15% - 2.25%

b. Savings deposits consist of:

	2011	2010
	Rp '000,000	Rp '000,000
Rupiah		
Related parties (Note 54)	8,547	7,668
Third parties	2,359,066	1,363,807
Total	2,367,613	1,371,475

As of December 31, 2011 and 2010, savings managed by Sharia unit amounted to Rp 8,482 milllion and Rp 2,124 million, respectively.

Average interest rates per annum on savings deposits are as follows:

	2011	2010
Rupiah	0.25% - 6.00%	0.25% - 6.50%

c. Time deposits consist of:

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Rupiah	3,063,485	1,817,253
Foreign currencies (Note 59)	1,812,607	1,238,782
Subtotal	4,876,092	3,056,035
Third parties		
Rupiah	4,258,282	2,826,041
Foreign currencies (Note 59)	286,393	265,603
Subtotal	4,544,675	3,091,644
Total	9,420,767	6,147,679

As of December 31, 2011 and 2010, time deposits is managed by Sharia unit, amounting to Rp 757,785 million and Rp 251,560 million, respectively.

Total time deposits which were blocked and used as collateral for credit guarantees, letters of credit and bank guarantees as of December 31, 2011 and 2010, amounted to Rp 1,971,755 million and Rp 956,189 million, respectively, (Note 13).

Interest rates per annum on time deposits are as follows:

	2011	2010
Rupiah	3.50% - 10.00%	6.25% - 9.75%
Foreign currencies	0.15% - 3.50%	2.50% - 2.75%

d. Deposits from other banks consist of:

1. Demand deposits consist of:

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Foreign currencies (Note 59)	172,027	14,250
Third parties		
Rupiah	103,107	84,183
Total	275,134	98,433

2. Call Money consist of:

	2011	2010
	Rp '000,000	Rp '000,000
Third parties		
Rupiah	-	55,000

3. Time deposits consist of:

	2011	2010
	Rp '000,000	Rp '000,000
Third parties		
Rupiah	48,541	213,420

Interest rates for deposits from other banks per annum are as follows:

	2011	2010
Time deposits	6.50% - 7.25%	6.50% - 7.25%
Call money	-	6.00%

25. Securities Sold Under Agreements to Repurchase

As of December 31, 2011 and 2010, investments in securities sold under agreement to repurchase was done by SMS, subsidiary, consisting of :

	December 31, 2011		
Type of Investment	Term	Maturity Date	Net carrying value
			Rp '000,000
Rupiah			
Share - Sinar Prima Reksa			
PT Tiga Pilar Sejahtera Food Tbk	91 days	January 23, 2012	39,125

	December 31, 2010		
Type of Investment	Term	Maturity Date	Net carrying value
			Rp '000,000
Rupiah			
Share - Sinar Prima Reksa			
PT Tiga Pilar Sejahtera Food Tbk	90 days	January 24, 2011	32,069

26. Accounts Payable

	2011 Rp '000,000	2010 Rp '000,000
Related parties (Note 54)		
Reinsurance payable	19,108	7,181
Commissions payable	8,064	3,216
Insurance claims payable	3,354	1,868
Premiums payable	929	181
Total	31,455	12,446
Third parties		
Reinsurance payable	126,426	54,769
Insurance claims payable	99,531	98,605
Premiums payable	26,014	8,073
Commissions payable	18,001	22,844
Others	1,637	2,115
Total	271,609	186,406
Total	303,064	198,852

The details of accounts payable based on currency:

	2011 Rp '000,000	2010 Rp '000,000
Rupiah		
Insurance claims payable	87,609	97,584
Reinsurance payable	96,269	10,481
Commissions payable	19,330	21,604
Premiums payable	20,755	3,482
Others	1,637	2,115
Total	225,600	135,266
Foreign currency (Note 59)		
Reinsurance payable	49,265	51,469
Insurance claims payable	15,275	2,889
Commissions payable	6,736	4,456
Premiums payable	6,188	4,772
Total	77,464	63,586
Total	303,064	198,852

Reinsurance payables represent insurance premiums due to the reinsurance companies based on the reinsurance contract (treaty) for certain amount of insurance policies.

Commissions payable represent commissions due to brokers and insurance agencies while insurance claims payable represent liabilities to policyholders in relation to claims which have been approved but the payments of which are still in process.

Premiums payable represent co-insurance premium payable to co-insurance member arising from life insurance transaction.

27. Premiums Received in Advance

This account represents premiums received in advance by ASM, a subsidiary, in relation to insurance policies issued with coverage period of more than one (1) year.

Premiums received in advance by type of insurance are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Motor Vehicles	627,611	714,536
Fire	54,423	43,345
Enginnering	574	346
Marine Hull	141	179
Marine Cargo	135	75
Health	32	32
Miscellanous	16,213	12,174
Total	699,129	770,687

As of December 31, 2011 and 2010, balance of premium in advance in foreign currency amounted to US$ 2,187,046 and US$ 2,193,827, respectively (Note 59).

28. Liability for Future Policy Benefits

a. Liability for future policy benefits represents the amount set aside to provide the benefits promised to policyholders under the terms of life insurance policies in force, which are stated in the policies and determined in accordance with the actuarial calculation.

b. The details of liability for future policy benefits based on type of coverage are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Individual:		
Combined endowment	7,295,590	2,111,871
Whole life	226,997	216,970
Endowment	8,624	8,471
Non-Traditional	5,070	4,988
Death	414	710
Subtotal	7,536,695	2,343,010
Group:		
Death	159,659	138,227
Endowment	38	43
Others	5	-
Subtotal	159,702	138,270
Total	7,696,397	2,481,280

c. As of December 31, 2011 and 2010, balance of liability for future policy benefits in foreign currency amounted to US$ 97,767,275 and US$ 58,851,009, respectively (Note 59).

d. As of December 31, 2011 and 2010, AJSM, a subsidiary, liability for future policy benefits is recorded by AJSM based on actuarial calculation of Herman Sulistyo, FSAI. The assumptions used in the computation are as follows:

For the insurance policies issued since 1994:

Type of Insurance	Mortality Table	Actuarial Interest	Method of Reserve Computation
a. Individual:			
Death	CSO 1958	4%, 8%	Net level premium
	TMII 1993	2%, 8%	Net level premium
Endowment	CSO 1958	5%	Net level premium
	TMI 1993	8%	Net level premium
	Reinsurance	9%	Net level premium
Combined endowment	CSO 1958	4%, 5%, 8%	Net level premium
	TMII 1993	2%, 3%, 4%, 5%, 7%, 8%	Net level premium
	CSO 1980	7%	Net level premium
		8%, 5%	Net level premium
	TMII 1999	9%	Zilmer
Whole life	CSO 1958	4%, 7%, 8%	Net level premium
	TMII 1993	5%, 8%, 9%	Net level premium
	Reinsurance	8%, 5%	Zilmer
b. Group:			
Death	CSO 1958	4%, 8%	Net level premium

For the insurance policies issued before 1994:

Type of Insurance	Mortality Table	Actuarial Interest	Method of Reserve Computation
a. Individual:			
Endowment	CSO 1958	8%	Zilmer
Combined Endowment	CSO 1958	4%, 6%, 7%	Zilmer
Whole life	CSO 1958	6%	Zilmer
b. Group:			
Death	CSO 1958	6%	Zilmer

The above liability for future policy benefits are prospective with linear interpolation.

e. The changes in liability for future policy benefits are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Balance at the beginning of the year	2,481,280	3,372,899
Increase (decrease) in liability for future benefits (Note 47)	5,215,117	(891,619)
Balance at the end of year	7,696,397	2,481,280

29. Unearned Premiums and Estimated Own Retention Claims

	2011 Rp '000,000	2010 Rp '000,000
Unearned premiums	593,813	477,159
Estimated own retention claims	220,949	197,210
Total	814,762	674,369

a. Unearned Premiums

Unearned premiums by type of insurance are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Motor vehicles	317,363	249,835
Health	208,107	180,043
Fire	28,266	18,169
Miscellaneous	23,243	17,298
Marine cargo	7,507	5,286
Marine hull	5,756	3,661
Accident	2,027	1,739
Engineering	1,137	743
Death	407	385
Total	593,813	477,159

The changes in unearned premiums are as follows:

	2011 Rp '000,000	2010 Rp '000,000
Balance at the beginning of the year	477,159	357,697
Increase in unearned premiums (Note 43)	115,723	116,724
Increase in unearned premiums tabarru' fund	931	2,738
Balance at the end of year	593,813	477,159

Calculation method for Premium Reserve was based on regulation of KMK No. 424/KMK.06/2003 Article 28 about Calculation of Unearned Premiums.

b. **Estimated Own Retention Claims**

The details of estimated own retention claims by type of insurance are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Motor vehicles	89,696	67,608
Fire	48,965	39,594
Health	32,118	54,049
Miscellaneous	21,689	15,145
Marine cargo	5,521	6,581
Death	8,696	5,012
Engineering	3,617	3,597
Marine hull	10,647	5,624
Total	220,949	197,210

The changes in estimated own retention claims are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Balance at the beginning of the year	197,210	136,909
Increase in estimated own retention claims (Note 47)	22,306	59,344
Increase in estimated own retention claims tabarru' fund	1,433	957
Balance at the end of year	220,949	197,210

Calculation method for Premium Reserve was based on regulation of KMK No. 424/KMK.06 2003 Article 29 about Calculation of Unearned Premiums.

As of December 31, 2011 and 2010, the balance of unearned premiums and estimated own retention claims to related parties amounted to Rp 212,108 million and Rp 193,375 million, respectively (Note 54).

As of December 31, 2011 and 2010, the balance of unearned premiums and estimated own retention claims denominated in foreign currency amounted to US$ 3,662,135 and US$ 4,994,135, respectively (Note 59).

30. Securities Agent Payables

	2011	2010
	Rp '000,000	Rp '000,000
Payable to customer	70,063	325,144
Payable to PT KPEI	22,816	90,506
Total	92,879	415,650

Payable to customer and PT Kliring Penjaminan Efek Indonesia (KPEI) are liabilities of SMS, a subsidiary, in relation with purchase and sale transactions of customer's shares and purchase and sale transactions of shares among securities companies.

31. Taxes Payable

	2011	2010
	Rp '000,000	Rp '000,000
Income Taxes		
Article 29	20,588	18,025
Article 4 (2)	15,178	13,612
Article 21	7,381	4,073
Article 25	4,105	3,910
Articles 23 and 26	2,857	1,027
Value Added Tax	4,575	767
Total	54,684	41,414

The filing of tax returns is based on the Group own calculation of tax liabilities (self-assessment). Based on the third amendment of the General Taxation Provisions and Procedures No. 28 Year 2007, the time limit for the tax authorities to assess or amend taxes was reduced from 10 to 5 years, subject to certain exceptions, since the tax became payable and for year 2007 and prior years, the time limit will end at the latest on fiscal year 2013.

32. Accrued Expenses

	2011	2010
	Rp '000,000	Rp '000,000
Interest	39,049	26,341
Others	30,571	17,527
Total	69,620	43,868

Others represent accruals of certain operating expenses.

As of December 31, 2011 and 2010, the balance of accrued interest to related parties amounted to Rp 8,825 million and Rp 6,682 million, respectively (Note 54).

As of December 31, 2011 and 2010, the balance of accrued expenses denominated in foreign currency amounted to US$ 555,955 and US$ 175,916, respectively (Note 59).

33. Loans Received

As of December 31, 2011 and 2010, this account represents loans of SMF and ABSM, subsidiaries, which were obtained from:

	2011	2010
	Rp '000,000	Rp '000,000
Third Parties		
PT Bank Negara Indonesia (Persero) Tbk	339,801	172,226
PT Bank Pan Indonesia Tbk	249,687	251,698
PT Bank Victoria International Tbk	122,320	18,684
PT Bank Capital Indonesia Tbk	100,000	-
PT Bank ICBC Indonesia	69,117	19,887
PT Bank CIMB Niaga Tbk	49,979	49,770
Total	930,904	512,265

PT Bank Negara Indonesia (Persero) Tbk (BNI)

On June 24, 2008, SMF obtained a working capital loan facility from BNI with maximum facility of Rp 250,000 million and loan facility arising from non-revolving loan installment. The availability of the facility is for 12 months. On November 30, 2010, the loan facility was increased to Rp 350,000 million, and with interest rates ranging from 12.75% to 13.75% per annum. The facility has been extented several times, the latest extented until to April 26, 2012. The interest rate current year ranging from 10.50% to 13.75%. As of December 31, 2011 and 2010, the outstanding loan amounted to Rp 340,999 million and Rp 172,226 million with unamortized provision amounted to Rp 1,198 million and nil, respectively.

The facility is fiduciary secured by motor vehicles consumer financing receivables equivalent to a maximum of 105% of the total credit facility (Note 7), promissory notes and assigment (with retro cessie) in the form of transfer of motor vehicles consumer financing receivables equivalent to 100% of receivables if the installments are already overdue.

PT Bank Pan Indonesia Tbk (Panin)

On March 13, 2008, SMF obtained a non-revolving working capital loan facility from Panin with a maximum facility of Rp 50,000 million (Facility I). The availability of the facility is for 3 months. Interest rate assigment from the loan is 10.5% per annum for the first year and Certificate of Bank Indonesia interest rate plus 3% per annum for the second year and third year. The facility has been paid on February 17, 2011 and has not been extended. As of December 31, 2010, the outstanding loan amounted to Rp 2,083 million.

On March 30, 2010, SMF obtained revolving working capital loan facility from Panin with a maximun facility of Rp 50,000 million (Facility II), The availability of the facility is for 12 months. On June 28, 2010, the loan facility II was increased to Rp 250,000 million. The facility has been extended several times, the latest extended until March 30, 2012. The interest rate ranging from 10.50% to 11.50% per annum. As of December 31, 2011 and 2010, the outstanding loan amounted to Rp 250,000 million with unamortized provision amounted to Rp 313 million and Rp 385 million, respectively.

The facility is fiduciary secured by consumer financing receivables (Note 7).

PT Bank Victoria International Tbk (Victoria)

In 2008, ABSM obtained a working capital loan facility from Victoria with maximum facility of Rp 35,000 million. Interest rate on this loan is 13% per annum. The facility has been extended several times, the latest this facility available until July 16, 2012. As of December 31, 2011 and 2010, the outstanding loan amounted to Rp Rp 22,441 million and Rp 18,684 million with unamortized provision amounted to Rp 121 million and nil, respectively.

The facility is fiduciary secured by net investment in finance lease (Note 8).

On March 24, 2011, SMF obtained a revolving working capital credit facility from Victoria with maximum facility of Rp 100,000 million. The availability of the facility is for 12 months, which will be due on March 24, 2012 and with interest rates of 10.25% per annum. As of December 31, 2011, the oustanding loan amounted to Rp 100,000 million.

The facility is fiduciary secured by consumer financing receivables (Note 7).

PT Bank Capital Indonesia Tbk (Capital)

On December 16, 2010, SMF obtained a revolving working capital credit facility from Capital with maximum facility of Rp 100,000 million. The availability of the facility is for 12 months and with interest rates 10.50% per annum. This facility has been extended until December 16, 2012. As of December 31, 2011, the outstanding loan amounted to Rp 100,000 million.

The facility is fiduciary secured by factoring receivables (Note 9).

PT Bank ICBC Indonesia (ICBC)

In 2010, ABSM obtained a fixed loan facilty - on demand from ICBC with maximum facitily of Rp 20,000 million. The facility has been extended several times, the latest will be available until July 12, 2012 and with interest rate of 11% per annum. As of December 31, 2011 and 2010, the outstanding loan amounted to Rp 19,800 million and Rp 19,980 million with unamortized provision amounted to Rp 100 million and 93 million, respectively.

In 2011, ABSM obtained a additional a fixed loan facility – on demand from ICBC with maximum facility of Rp 50,000 million, the availability of the loan will be due on March 11, 2012. The interest rate is 11% per annum. As of December 31, 2011, the outstanding loan amounted to Rp 49,500 million with unamortized provision amounted to Rp 83 million.

The facility is fiduciary secured by factoring receivables (Note 9).

PT Bank CIMB Niaga Tbk (CIMB Niaga)

On August 11, 2009, SMF obtained a revolving loan facility from CIMB Niaga with a maximum facility of Rp 50,000 million. The availability of the facility is for 1 year, the facility has been extended, the latest extended will be due January 11, 2012 and with interest rate ranging from 10.25% to 13.00% per annum. As of December 31, 2011 and 2010, the outstanding loan amounted to Rp 50,000 million with unamortized provision amounted to Rp 21 million and Rp 230 million, respectively.

The facility is fiduciary secured by consumer financing receivables (Note 7).

The loans obtained by the subsidiares from BNI, Panin, Victoria, Capital, ICBC and CIMB Niaga include requirements that limit the rights of the subsidiares, among others, to conduct merger, acquisition, reorganization, change of business or change their legal status or liquidate the subsidiares, file a petition for bankruptcy or delaying payment of their debts, withdraw or reduce the paid up capital and to guarantee or mortgage shares.

34. Other Liabilities

	2011	2010
	Rp '000,000	Rp '000,000
Related parties (Note 54)		
Premiums received still in identification process	461	342
Unearned revenues	232	142
Others	253	334
Total	946	818
Third parties		
Premiums received still in identification process	123,862	134,609
Policyholders' deposits	94,217	10,247
Immediately payable liabilities	70,787	42,456
Unearned revenues	15,665	8,700
Payable to policyholders	11,868	71,682
Deposits payable	2,801	29,706
Traveller's checks	881	1,616
Tabarru fund	557	-
Tithe payable	376	149
Payable to contractors	28	133
Estimated losses on commitments and contingencies	-	3,537
Negative goodwill-net (Note 2b)	-	129,802
Others	34,108	180,444
Total	355,150	613,081
Total	356,096	613,899

Tabarru' fund is the fund establish from contribution, investment income, and accumulated tabarru' funds underwriting surplus reserve which is allocated to tabarru fund.

As of December 31, 2011, estimated losses on commitment and contingency have been adjusted to the current year statement of comprehensive income (Note 26).

As of December 31, 2010, others include liability SU, a subsidiary, to third party, amounting to Rp 145,000 million, respectively, in connection with the purchase of shares of BRP by SU and has been repaid in October 2011.

As of December 31, 2011 and 2010, the balance of negative goodwill includes negative goodwill arising from purchase of shares of AJSM at nominal price by the Company and SU, a subsidiary, (Note 17). The carrying amount of negative goodwill amounted to Rp 129,806 million was adjusted to beginning balance of retained earning as of January 1, 2011 (Note 2b) and carrying amount of positive goodwill amounted Rp 4 million was recorded as other assets.

As of December 31, 2011 and 2010, the balance of other liabilities denominated in foreign currency amounted to US$ 3,424,169 and US$ 8,228,015, respectively (Note 59).

35. Non Controlling Interests in Net Assets and Comprehensive Income (Losses) of the Subsidiaries

a. Noncontrolling Interest in Net Assets of the subsidiaries

	2011	2010
	Rp '000,000	Rp '000,000
AJSM	4,499,174	-
BS	518,010	200,315
SU	1,466	-
JTUM	48	46
AUP	1	1
Total	5,018,699	200,362

b. Noncontrolling Interest in comprehensive income (losses) of the subsidiaries

	2011	2010
	Rp '000,000	Rp '000,000
AJSM	271,708	-
BS	33,674	-
SU	(34)	-
JTUM	1	-
Total	305,349	-

36. Capital Stock

The share ownership in the Company based on the records of STG, share registrar, a subsidiary, is as follows:

By Series of Shares:

	December 31, 2011				December 31, 2010			
Shares	%	Number of Shares	Nominal Value per Share	Total Paid up Capital Stock	%	Number of Shares	Nominal Value per Share	Total Paid up Capital Stock
			Rp	Rp '000,000			Rp	Rp '000,000
Series A	2.29	142,474,368	5,000	712,372	2.29	142,474,368	5,000	712,372
Series B	97.71	6,090,063,689	100	609,006	97.71	6,081,318,298	100	608,132
Total	100.00	6,232,538,057		1,321,378	100.00	6,223,792,666		1,320,504

By Ownership of Interest:

	December 31, 2011		December 31, 2010	
Name of Stockholder	%	Number of Shares	%	Number of Shares
JBC International Finance (MAU) Limited	52.46	3,269,507,578	55.85	3,475,886,578
Indra Widjaja	0.00	208,500	0.02	1,315,364
Public (below 5% each)	47.54	2,962,821,979	44.13	2,746,590,724
Total	100.00	6,232,538,057	100.00	6,223,792,666

All capital stock issued by the Company (Series A and Series B shares) are common stock.

The changes in capital stock of the Company are as follows:

	Number of Shares	Paid-up Capital Stock
		Rp '000,000
Balance as of January 1, 2010	6,180,258,195	1,316,150
Additional issuance of capital stock from the conversion of Series III warrants (Note 42)	1,600,804	160
Additional issuance of capital stock from the conversion of Series IV warrants (Note 42)	41,933,667	4,194
Balance as of December 31, 2010	6,223,792,666	1,320,504
Additional issuance of capital stock from the conversion of Series IV warrants (Note 42)	8,745,391	874
Balance as of December 31, 2011	6,232,538,057	1,321,378

Capital Management

The primary objective of the Group' capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value as well as maintain an optimal capital structure to reduce the cost of capital.

The Group' manage their capital structure and makes adjustment in light of changes in economic conditions. The Group' monitor their capital using gaering ratio (debt to equity ratio), by dividing net debt to capital. The Group's policy is to maintain the gearing ratio within the range of gearing ratios of the other companies with similar industry in Indonesia. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" attributable to the Company's stockholders as shown in the consolidated statement of financial position plus net debt.

Ratio of net debt to equity as of December 31, 2011 and 2010 are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Total deposits and deposits from other banks	14,578,756	9,604,110
Total loans received	930,904	512,265
Cash and cash equivalents	(8,523,794)	(1,980,945)
Total - net	6,985,866	8,135,430
Equity attributable to the owners of the parent entity	9,566,925	5,060,646
The ratio of net loans and debt to equity	73.02%	160.76%

37. Additional Paid-in Capital - Net

This account consists of additional paid-in capital and equity stock issuance cost, the details are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Additional paid-in capital	811,534	808,037
Equity stock issuance cost	(3,137)	(3,137)
	808,397	804,900

Additional paid-in capital consist of:

	2011	2010
	Rp '000,000	Rp '000,000
Initial public offering	78,000	78,000
Limited public offering I	165,750	165,750
Limited public offering III	24,783	24,783
Conversion of Series I warrants	49,372	49,372
Conversion of Series III warrants	396,353	396,353
Conversion of Series IV warrants	173,776	170,279
Conversion to capital stock	(76,500)	(76,500)
	811,534	808,037

Equity stock issuance cost incurred on Limited Public Offering II, III and IV, amounted to Rp 904 million, Rp 1,060 million, and Rp 1,173 million, respectively.

The changes in additional paid-in capital account from January 1, 2010 up to December 31, 2011 are as follows:

	Total
	Rp '000,000
Balance as of January 1, 2010	787,598
Additional paid-in capital from the conversion of Series III warrants (Note 42)	529
Additional paid-in capital from the conversion of Series IV warrants (Note 42)	16,773
Balance as of December 31, 2010	804,900
Additional paid-in capital from the conversion of Series IV warrants (Note 42)	3,497
Balance as of December 31, 2011	808,397

38. Other Equity Components

This account represents changes in value of investments of the Company due to changes in equity of the subsidiaries and associated companies which resulted from the change in the Company's ownership interest in AJSM. BS, PT Panji Ratu Jakarta and PT Super Wahana Tehno, unrealized loss on decrease in value of securities of ASM, AJSM and BS and changes in fair values of derivative instruments of PT Oto Multiartha.

	2011	2010
	Rp '000,000	Rp '000,000
Unrealized gain (loss) on increase (decrease) in fair value of available for sale securities (Note 5)	(29,237)	93,723
Share in translation adjustment of a subsidiary	41	-
Effects of transactions of subsidiary and associated company with other investors	2,868,812	36,809
Changes in fair values of derivative instruments and others	(9,099)	(9,099)
Total	2,830,517	121,433

In 2010, in relation to sale of all of investment in shares of PT Certis CISCO (CISCO) by the Company, the changes in ownership interest in CISCO was transferred to Gain on sale of Investment amounting to Rp 2,719 million was recognized as part of gain on sale of investment amounted to Rp 12,718 million (Note 17).

39. Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control

In December 2006, the Company increased its investment in AJSM amounting to Rp 15,000 million. The increase in investment resulted to an increase in ownership interest of the Company in AJS from 50.00% to 73.08%, since the other stockholders, namely: PT Sinarindo Gerbangmas (SG) and PT Sinar Mas Tunggal (SMT) (both are companies owned by Sinar Mas Group) did not increase their investments. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to Rp 46,028 million was recorded in the account "Difference in Value Arising from Restucturing Transactions Among Entities Under Common Control" as part of equity in the consolidated financial statements.

In December 2007, the Company increased its investment in AJSM amounting to Rp 20,000 million. The increase in investment resulted to an increase in ownership interest of the Company in AJS from 73.08% to 83.33%, since SG and SMT did not increase their investments. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to Rp 47,475 million was recorded in the account "Difference in Value Arising from Restucturing Transactions Among Entities Under Common Control" as part of equity in the consolidated financial statements.

In 2011, 2010, 2009 and 2008, the Company increased its investment in JTUM amounting to Rp 25,000 million, Rp 15,000 million, Rp 20,000 million and Rp 8,000 million, respectively. The increase in investment resulted to an increase in ownership interest of the Company in JTUM to 99.93% in 2011, 99.90% in 2010, 99.86% in 2009, 99.67% in 2008, since the other stockholders, PT Kalibesar Raya Utama, a company owned by Sinar Mas Group, did not increase its investment. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to (Rp 1) million, (Rp 1) million, (Rp 7) million and (Rp 10) million, respectively, were recorded in "Difference in Value Arising from Restucturing Transactions Among Entities Under Common Control" as part of equity in the consolidated financial statements.

The balance of this account as of December 31, 2011 and 2010, amounted to Rp 93,484 million and Rp 93,485 million, respectively.

40. Cash Dividends

Based on the Extraordinary General Stockholders' Meeting dated June 24, 2011, the shareholder approved the distribution of cash dividend for 2010 amounting to Rp 6,224 million or Rp 1 per share.

Based on the Extraordinary General Stockholders' Meeting dated June 4, 2010, the shareholder approved the distribution of cash dividend for 2009 amounting to Rp 6,182 million or Rp 1 per share.

41. General Reserve

Based on the Extraordinary General Stockholders' Meeting dated June 24, 2011, the Company provided general reserve based on the total issued and paid up capital amounting to Rp 264,101 million.

Based on the Extraordinary General Stockholders' Meeting dated June 4, 2010, the Company provided general reserve based on the total issued and paid up capital amounting to Rp 263,230 million.

As of December 31, 2011 and 2010, the balance of general reserve amounted to Rp 527,331 million and Rp 263,230 million, respectively. This general reserve was provided in relation with the Law of Republic of Indonesia No. 40/2007 dated August 16, 2007 regarding Limited Liability Company, which requires Companies to set up general reserve equivalent to at least 20% of the total issued and paid up capital. There is no timeline over which this amount should be appropriated.

42. Warrants

Warrants	Exercised up to December 31, 2009	Exercised in 2010	Exercised in 2011	Expired unexcercised warrants	Total	Adjustment in relation to Limited Public Offering IV
Series III	991,106,868	1,600,804	-	86,580	992,794,252	1,468,911
Series IV	383,764,094	41,933,667	8,745,391	-	434,443,152	-
Total	1,374,870,962	43,534,471	8,745,391	86,580	1,427,237,404	1,468,911

In July 2005, the Company issued 991,325,341 Series III warrants (detachable warrants), free of charge. These warrants can be exercised during the period from January 12, 2006 to July 13, 2010. Every holder of a Series III warrant has a right to buy one Series B share at an exercise price of Rp 500 per share.

As of June 30, 2008, the price and total of Series II and Series III warrants have been adjusted in relation to Limited Public Offering IV. The new exercise price became Rp 430, and the new total warrants became 10,516,070 warrants.

In July 2008, the Company issued 1,446,793,426 Series IV warrants (detachable warrants), free of charge. These warrants can be exercised during the period from January 6, 2009 up to July 9, 2013. Every holder of a Series IV warrant has a right to buy one Series B share at an exercise price of Rp 500 per share.

43. Insurance Underwriting Income

	2011	2010
	Rp '000,000	Rp '000,000
Gross premiums	16,281,679	12,533,584
Reinsurance premiums	(1,997,650)	(1,803,305)
Increase in unearned premiums (Note 29)	(115,723)	(116,724)
Lainnya	10,449	6,022
Total	14,178,755	10,619,577

44. Interest Income

	2011	2010
	Rp '000,000	Rp '000,000
Loans	1,077,258	792,337
Securities	255,677	192,202
Time deposits	248,495	63,949
Placements with other banks	13,676	4,824
Securities purchased under agreements to resell	5,879	2,141
Mortgage receivables	2,349	2,585
Others	1,316	1,875
Total	1,604,650	1,059,913

For the years ended December 31, 2011 and 2010, interest income earned by AJSM, a subsidiary, from unit link transactions amounted to Rp 39,043 million and Rp 23,979 million, respectively. The interest income earned belong to the customers and included in interest income above.

45. Sales

This account represent sales of foreign currencies by SMC, a subsidiary, and sales by the Company.

46. Other Income

	2011	2010
	Rp '000,000	Rp '000,000
Dividend income	37,769	26,643
Interest income - current account	37,362	3,839
Service center income	20,388	14,228
Investment income of the subsidiaries	12,197	971
Charges income	10,333	18,519
Printing insurance policy income	10,192	9,938
Recovery of impairment losses of foreclosed properties	4,225	-
Others	29,703	21,747
Total	162,169	95,885

Service center income were earned by JTUM, a subsidiary.

Devidend income in 2011 and 2010, earned by short term investment.

Others include service income from Unit Link policyholders, gain on sale of property and equipment (Note 19), and other income.

47. Insurance Underwriting Expenses

	2011	2010
	Rp '000,000	Rp '000,000
Gross claims	11,419,483	7,997,292
Reinsurance claims	(45,286)	(93,768)
Increase (decrease) in liability for future policy benefits (Note 28)	5,215,117	(891,619)
Increase (decrease) in segregated fund contract liabilities - unit link	(2,506,291)	3,688,892
Commission - net	403,697	325,927
Increase in estimated own retention claims (Note 29)	22,306	59,344
Increase in segregated fund contract liabilities - sharia	27,655	17,842
Other underwriting expense	21,238	3,167
Total	14,557,919	11,107,077

48. Interest Expense

	2011	2010
	Rp '000,000	Rp '000,000
Time deposits	618,198	361,781
Loans received	89,101	55,374
Savings deposits	85,746	59,512
Current account	39,345	37,330
Premiums on Government guarantee	26,347	17,912
Securities sold under repurchase agreement	1,428	-
Deposits and deposits from other banks	972	4,158
Others	35,406	1,741
Total	896,543	537,808

49. General and Administrative Expenses

	2011	2010
	Rp '000,000	Rp '000,000
General	118,183	80,327
Marketing and advertising	96,561	47,171
Electricity, water, and telephone	96,310	72,339
Rental	49,743	41,566
Office supplies	33,605	25,214
Administration	31,650	18,790
Professional fees	21,470	14,871
Defined-benefit post employment expense - net (Note 50)	14,363	26,811
Total	461,885	327,089

50. Employee Benefits

Post-Employment Benefits

The Group determine post-employment benefits based on Law No. 13 Year 2003, dated March 25, 2003. No funding of the benefits has been made to date by the Group.

As of December 31, 2011 and 2010, the actuarial valuation report on the pension fund and the defined-benefit post employment reserve of the Group (except AJSM) was from an independent actuary.

As of December 31, 2011 and 2010, the actuarial valuation report on the pension fund and the defined-benefit post employment reserve of AJSM was from AJSM' internal actuary.

Movements of defined-benefit post-employment reserve are as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Defined-benefit post-employment reserve at beginning of the year	64,447	38,979
Defined-benefit post-employment expense during the year (Note 49)	14,363	26,811
Payments during the year	(2,022)	(1,343)
Defined-benefit post-employment reserve at end of the year	76,788	64,447

Principal actuarial assumptions used in the valuation of the defined post-employment benefits are as follows:

	2011	2010
Future salary increase	5.00% - 15.00%	5.00% - 15.00%
Discount rate	7.00% - 10.00%	5.00% - 13.00%

51. Other Expenses

	2011	2010
	Rp '000,000	Rp '000,000
Repairs and maintenance	41,089	36,620
Training	35,296	20,143
Direct costs of service center	13,107	8,722
Bad debts expense	547	396
Tithe	277	127
Others	19,976	15,772
Total	110,292	81,780

Others consist of donation, fine, bad debt expense, allowance for decline in value of foreclosed properties (Note 22) and others.

52. Income Taxes

The tax expense of the Group consists of the following:

	2011	2010
	Rp '000,000	Rp '000,000
Current tax expense		
Subsidiaries	78,996	68,026
Deferred tax expense (benefit)		
Parent Company	(17)	(37)
Subsidiaries	700	21,814
Subtotal	683	21,777
Total	79,679	89,803

Current Tax

A reconciliation between income before tax per consolidated statements of comprehensive income and accumulated fiscal losses is as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Income before tax per consolidated statements of comprehensive income	2,054,271	1,367,617
Deduct:		
Income of the subsidiaries	(2,016,282)	(1,330,447)
Income (loss) before tax of the Parent Company	37,989	37,170
Temporary differences:		
Defined-benefit post-employment expense - net	82	69
Depreciation expense	13	-
Employee loan	(26)	81
Net	69	150
Permanent differences:		
Depreciation expense	3,935	3,926
Other expenses	3,657	458
Interest income	(45)	(15)
Rent income	(1,000)	(4,143)
Gain from investment in units of mutual funds	(25,486)	(1,791)
Equity in net income of the associates	(25,176)	(28,388)
Gain on sale of investment	-	(12,718)
General and administrative expenses	-	1,437
Net	(44,115)	(41,234)
Fiscal loss	(6,057)	(3,914)
Accumulated fiscal losses in prior periods	(18,620)	(14,714)
Adjustment on fiscal losses based on tax assessment letter year 2009	2,328	-
Adjustment on fiscal losses based on tax assessment letter year 2008	-	8
Uncompensated fiscal losses	3,873	-
Accumulated fiscal losses	(18,476)	(18,620)

The Company is in fiscal loss position, thus, no provision for current corporate income tax was made. According to tax regulation, fiscal losses can be carried forward and applied against the taxable income immediately within five (5) years after such fiscal losses were incurred.

Deferred Tax

	January 1, 2010	Credited (charged in) consolidated statement of comprehensive income	December 31, 2010	Credited (charged in) consolidated statement of comprehensive income	December 31, 2011
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Deferred Tax Assets - Net					
Deferred tax assets (liabilities):					
Fiscal losses	1,006	-	1,006	-	1,006
Defined-benefit post-employment reserve	42	17	59	21	80
Depreciation expense	5	-	5	3	8
Employee loans	-	20	20	(7)	13
Total - Parent Company	1,053	37	1,090	17	1,107
Subsidiaries	15,758	(13,288)	2,470	12,464	14,934
Total	16,811	(13,251)	3,560	12,481	16,041
Deferred Tax Liabilities - Net					
Subsidiary	(33,466)	(8,526)	(41,992)	(13,164)	(55,156)

In September 2008, Law No. 7 Year 1983 regarding "Income Tax" has been revised with Law No. 36 Year 2008. The revised Law stipulates changes in corporate income tax rates from progressive tax rates to a flat rate of 28% for fiscal year 2009 and 25% for fiscal year 2010 onwards.

The management of the Company estimated that fiscal losses that can be realized in future periods amounted to Rp 4,025 million, hence, the related deferred tax asset recognized on the unused fiscal losses amounted to Rp 1,006 million. As of December 31, 2011 and 2010, the unrecognized deferred tax asset on unused fiscal losses amounted to Rp 3,613 million and Rp 3,649 million, respectively.

Management believes that deferred tax assets on temporary differences can be realized in the future.

A reconciliation between the total tax expense and the amounts computed by applying the effective tax rate to income before tax per consolidated statements of comprehensive income is as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Income before tax per consolidated statements of comprehensive income	2,054,271	1,367,617
Deduct:		
Income of the subsidiaries	(2,016,282)	(1,330,447)
Income before tax of the Parent Company	37,989	37,170
Tax expense at effective tax rates	9,497	9,292

	2011 Rp '000,000	2010 Rp '000,000
Tax effects of permanent differences:		
Depreciation expense	984	982
Other expenses	914	115
Interest income	(11)	(4)
Rent income	(250)	(1,035)
Gain from investment in units of mutual funds	(6,371)	(448)
Equity in net income of the associates	(6,294)	(7,097)
Gain on sale of investment	-	(3,179)
General and administrative expenses	-	359
Other income	-	-
Net	(11,028)	(10,307)
Unrecognized deferred tax asset on fiscal losses	1,514	978
Tax benefit of the Parent Company	(17)	(37)
Tax expense of the subsidiaries	79,696	89,840
Total	79,679	89,803

53. Earnings Per Share

Net Income

	2011	2010
Net income for computation of basic earnings per share and diluted earnings per share (in Rp'000,000)	1,669,243	1,277,814

Number of Shares

	2011	2010
Weighted average number of ordinary shares for computation of basic earnings per share	6,224,644,103	6,191,883,748
Weighted average number of potentially dilutive ordinary shares:		
Series III and IV warrants	848,024,553	564,417,029
Weighted average number of ordinary shares for computation of diluted earnings per share	7,072,668,656	6,756,300,777
Earning per share (in full amount)		
Basic	268	206
Diluted	236	189

54. Nature of Relationship and Transactions with Related Parties

Nature of Relationship

Related parties are key management personnel and the companies under the Sinar Mas Group, due to Sinar Mas Group is the majority stockholders of The company. The related parties are as follows:

1. Stockholders (included ultimate stockholder) of the Company

2. The companies which have the same stockholder with the company, directly or indirectly

3. The companies which have controlled by family member of stockholders and key management of The Company

Transactions with Related Parties

In the normal course of business, the Group entered into certain transactions with related parties.

a. Significant balances with related parties in the consolidated statements of financial position as of consolidated statement of financial position dates are as follows:

	2011		2010	
	Total	Percentage to Total Assets/ Liabilities	Total	Percentage to Total Assets/ Liabilities
	Rp '000,000	%	Rp '000,000	%
ASSETS				
Cash and cash equivalents	22,742	0.05	277	0.00
Short-term investment	685,256	1.52	534,480	1.91
Net investment in finance lease	122,118	0.27	172,799	0.62
Factoring receivables	111,621	0.25	65,658	0.23
Segregated funds net assets - unit link	41,297	0.09	56,320	0.20
Premium and reinsurance receivables	103,557	0.23	44,092	0.16
Loans	1,760,159	3.91	794,940	5.83
Other receivables	20,650	0.05	6,234	0.02
Other assets	11,108	0.02	9,622	0.03
Total Assets	2,878,508	6.40	1,684,422	9.01
LIABILITIES				
Deposits and deposits from other banks	5,579,694	18.37	3,875,578	13.92
Securities sold under agreements to repurchase	39,125	0.13	32,069	0.12
Account payables	31,455	0.10	12,446	0.02
Unearned premium and estimated own retention claims	212,108	0.70	193,375	0.69
Accrued expenses	8,825	0.03	6,682	0.02
Other liabilities	946	0.00	818	0.00
Total Liabilities	5,872,153	19.33	4,120,968	14.78

b. As of December 31, 2011 and 2010, the Group invested their funds amounting to Rp 507,411 million and Rp 524,510 million, respectively, in units of mutual funds which were managed by SMS, a subsidiary, as investment manager (Note 5).

c. For the years ended December 31, 2011 and 2010, the underwriting income from related parties amounted to Rp 410,516 million and Rp 369,724 million or 2.90% and 3.48%, respectively, of the total underwriting income.

d. For the years ended December 31, 2011 and 2010, the consumer financing income from related parties amounted to Rp nil and Rp 2 million or nil and 0.00%, respectively, of the total consumer financing income.

e. For the years ended December 31, 2011 and 2010, the factoring income from related parties amounted to Rp 17,707 million and Rp 10,655 million or 29.83% and 36.33%, respectively, of the total factoring income.

f. For the years ended December 31, 2011 and 2010, the finance lease income from related parties amounted to Rp 23,254 million and Rp 22,761 million or 93.36% and 81.86%, respectively, of the total finance lease income.

g. As of December 31, 2011 and 2010, the total balance of commitments and contingencies transactions (L/C and bank guarantees) with related parties amounted to Rp 45,617 million and Rp 37,614 million, respectively (Note 57).

There are no transactions with related parties that directly or indirectly related with main business of the Group and identified as conflict of interest based on BAPEPAM-LK No. IX. E. 1 “Conflict of Interest”.

55. Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable, willing parties in an arm’s length transaction, other than in a forced sale or liquidation. Fair values are obtained from quoted prices, discounted cash flows model, as appropriate.

The following table sets forth the carrying amounts and estimated fair values of the Group’ financial assets and liabilities:

	2011	
	Carrying Value	Estimated Fair Values
	Rp '000,000	Rp '000,000
Financial Assets		
At fair value through profit and loss		
Short term investment - securities - shares and warrants	1,864,308	1,864,308
Short term investment - securities - bonds	46,474	46,474
Short term investment - securities - units of mutual fund	8,508,222	8,508,222
Segregated funds net assets unit link - shares	37,908	37,908
Segregated funds net assets unit link - units of mutual fund	5,172,719	5,172,719
Segregated funds net assets sharia - shares	7,631	7,631
Segregated funds net assets sharia - units of mutual fund	47,173	47,173
Other assets - derivative receivables	7,548	7,548

	2011	
	Carrying Value	Estimated Fair Values
	Rp '000,000	Rp '000,000
Financial Assets		
Held to maturity		
Short term investment - securities - bonds	1,787,213	2,090,270
Short term investment - securities - credit link note	45,338	45,338
Short term investment - securities - Bank Indonesia Intervention	1,347,412	1,347,412
Short term investment - securities - Certificate of Bank Indonesia	96,972	96,972
Segregated funds net assets unit link - bonds	43,831	49,320
Segregated funds net assets sharia - bonds	29,872	30,955
Available for sale		
Short term investment - securities - shares	531,848	531,848
Short term investment - securities - bonds	105,703	105,703
Loans and receivables		
Cash and cash equivalents	8,523,794	8,523,794
Securities purchased under agreements to resell	39,627	39,627
Short term investment - securities - placement with other banks	561,609	561,609
Short term investment - securities - time deposits	17,341	17,341
Short term investment - securities - export bill receivable	824,957	824,957
Consumer financing receivables - net	624,198	624,198
Net investments in finance lease - net	126,256	126,256
Factoring receivables - net	424,863	424,863
Segregated funds net assets unit link - cash in banks	39,859	39,859
Segregated funds net assets unit link - investment receivables	2,090	2,090
Segregated funds net assets sharia - time deposits	7,500	7,500
Segregated funds net assets sharia - cash in banks	21,351	21,351
Segregated funds net assets sharia - investment receivables	690	690
Securities agent receivables	245,369	245,369
Other accounts receivable - net	762,746	762,746
Loans - net	10,135,442	10,178,281
Investment in shares of stock	244,231	244,231
Other assets	21,746	21,746
Total financial assets	42,303,841	42,656,308
Financial Liabilities		
Deposits and deposits from other banks	14,578,756	14,578,756
Securities sold under agreements to repurchase	39,125	39,125
Accounts payable	1,637	1,637
Securities agent payables	92,879	92,879
Loans received	930,904	930,904
Accrued expenses	69,620	69,620
Other liabilities	215,500	215,500
Total financial liabilities	15,928,421	15,928,421

	December 31, 2010	
	Carrying value	Estimated Fair Values
	Rp '000,000	Rp '000,000
Financial Assets		
At fair value through profit and loss		
Short-term investment - securities - shares and warrants	1,033,109	1,033,109
Short-term investment - securities - bonds	72,397	72,397
Short-term investment - securities - units of mutual fund	3,128,024	3,128,024
Segregated funds net assets unit link - shares	36,072	36,072
Segregated funds net assets unit link - units of mutual fund	5,929,443	5,929,443
Segregated funds net assets sharia - units of mutual fund	40,413	40,413
Held to maturity		
Short-term investment - securities - bonds	1,287,659	1,468,652
Short-term investment - securities - credit link note	63,070	63,070
Short-term investment - securities - Bank Indonesia Intervention	171,273	171,273
Short-term investment - securities - export bill receivable	322,030	322,030
Segregated funds net assets unit link - bonds	44,471	48,349
Segregated funds net assets sharia - bonds	21,591	23,591
Available for sale		
Short-term investment - securities - shares	1,190,672	1,190,672
Short-term investment - securities - bonds	36,493	36,493
Loans and receivables		
Cash and cash equivalents	1,980,945	1,980,945
Securities purchased under agreements to resell	107,141	107,141
Short-term investment - securities - placement with other banks	706,189	706,189
Short-term investment - securities - time deposits	33,543	33,543
Consumer financing receivables - net	376,961	376,961
Net investments in finance lease - net	163,869	163,869
Factoring receivables - net	187,558	187,558
Segregated funds net assets unit link - time deposits	984,135	984,135
Segregated funds net assets unit link - cash in banks	35,927	35,927
Segregated funds net assets unit link - investment receivables	2,271	2,271
Segregated funds net assets sharia - time deposits	3,000	3,000
Segregated funds net assets sharia - cash in banks	4,599	4,599
Segregated funds net assets sharia - investment receivables	504	504
Securities agent receivables	165,481	165,481
Other accounts receivable - net	542,356	542,356
Loans - net	6,934,157	6,989,076
Investment in shares of stock	337,182	337,182
Other assets	10,239	10,239
Total financial assets	25,952,774	26,194,564
Financial Liabilities		
Deposits and deposits from other banks	9,604,110	9,604,110
Securities sold under agreements to repurchase	32,069	32,069
Accounts payable	2,115	2,115
Securities agent payables	415,650	415,650
Loans received	512,265	512,265
Accrued expenses	43,868	43,868
Other liabilities	336,618	336,618
Total financial liabilities	10,946,695	10,946,695

Fair value of short term investments in securities, segregated funds net assets - unit link, and segregated funds net assets – sharia (shares that are traded in Indonesia Stock Exhange, and bonds) based on market price. The fair value of short term investment securities, segregated funds net assets - unit link, and segregated funds net assets – sharia (unit mutual fund) were based on net asset value published.

Fair value of loans, consumer financing receivables, finance lease, factoring receivables, and other receivables are determined based on discounted cash flow analysis using market interest rate.

There is no reliable basis for measuring the fair value of investment in shares (Notes 2i and 17), thus, the investments in shares are stated at cost.

Deposits and deposits from other banks have a demand feature, thus, the fair value is not less than the amount payable on demand discounted from the first date that the amount could be required to be paid which is equal to the carrying amount.

The fair value of loan received is determined based on discounted cash flow analysis using market interest rates.

Fair value of cash and cash equivalents, short-term investment in time deposits, placements with other banks, Bank Indonesia intervention, export bill receivable, securities purchased under agreements to resell, securities agent receivables, segregated funds net assets – unit link (investment receivable), segregated funds net assets – sharia (investment receivable), other assets (security deposits and money transfer), accounts payable, securities sold under agreement to repurchase, securities agent payables, accrued expenses, and other liabilities approximates the carrying value due to short term nature of transactions.

56. Agreements and Engagements

a. On June 6, 2008, the Company entered into room leasing agreement with ASM relating to lease of 7^{th} and 8^{th} floor at office building of Plaza Simas which is located at Jl. Fachrudin No. 20, Central Jakarta. The lease term is for 15 years, starting from October 1, 2008 up to October 1, 2023 (Note 54).

b. AJSM entered into cooperation agreements, where AJSM was appointed as insurance agent with third parties. The third parties are PT Bank Commonwealth, PT Bank Mayapada Tbk, PT Bank Permata Tbk, PT Bank Muamalat Indonesia, PT Bank OCBC NISP Tbk, PT Bank Nusantara Parahyangan Tbk, PT Bank Windu Kentjana International Tbk, PT Bank BCA Syariah, BS, PT Bank Kesawan Tbk, PT Bank Syariah Mandiri, PT Bank UOB Buana Tbk, PT Bank Mega Tbk, PT ICB Bumiputera Indonesia Tbk, PT Bank International Indonesia Tbk, PT Bank Mutiara Tbk, PT Bank Victoria International Tbk, Bank of China Limited and some Bank Perkreditan Rakyat.

c. The Group insured their property and equipment, property under build, operate and transfer and assets for lease with ASM (Notes 18, 19, 20 and 21).

d. SMF, a subsidiary, has entered into a Joint Financing Agreement by transferring Receivables Portfolio and Appointment as Security Agent and Chanelling Credit Transfer Agreement with BS (Note 7).

e. Since September 2006, ABSM entered into certain lease agreements (operating lease) with BS on motor vehicles and office equipment owned by ABSM with lease periods ranging from four (4) up to eight (8) years until 2014 (Note 21).

f. On October 22, 2007, SMF entered into operating lease agreement with BS on SMF's automatic teller machine (ATM) (Note 21). The operating lease agreement is valid from November 22, 2007 to January 20, 2012.

g. The Company entered into long term room lease agreement with ASM, a subsidiary (Note 20).

57. Commitments and Contingencies

a. BS, a subsidiary, has commitments on purchases and sales of foreign currency (Spot and Forward) which have not yet been realized as of December 31, 2011, amounting to Rp 305,752 million and Rp 700,490 million, respectively, while purchases and sales of foreign currency (Spot and Forward) which have not yet been realized as of December 31, 2010, amounting to Rp 28,697 million and Rp 27,030 million, respectively,

b. BS has commitments and contingent receivables and liabilities under export-import, guarantees and loans given to the customers as follows:

	2011	2010
	Rp '000,000	Rp '000,000
Commitments		
Commitment Liabilities		
Unused loan commitments granted to customers	125,686	115,266
Irrevocable Letters of Credit	44,878	37,254
Total	170,564	152,520
Contingencies		
Contingent receivables		
Past due interest revenues	19,946	11,874
Contingent liabilities		
Bank guarantees issued	490,301	317,066
Net	(470,355)	(305,192)

As of December 31, 2011 and 2010, the total commitments and contingencies transactions (which consist of letters of credit and bank guarantees) with related parties amounted to Rp 45,617 million, Rp 37,614 million, respectively (Note 54).

As of December 31, 2011 and 2010, the average term of letters of credit are 1 up to 8 months and 1 up to 4 months, respectively, while for bank guarantees are from 1 month up to 39 months and 1 month up to 36 months, respectively.

58. Segment Information

a. Business Segment

December 31, 2011

	Parent Company	Insurance Underwriting	Consumer financing, Finance lease and factoring	Share administration fee	Stock brokerage underwriting and investment management	Banking	Development, trading and services	Total before elimination	Elimination	Total after elimination
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Operating income	-	14,178,755	409,541	2,732	144,339	-	-	14,735,367	(23,395)	14,711,972
Interest income	33	322,206	173	-	9,689	1,305,262	115	1,637,478	(32,828)	1,604,650
Gain (loss) from investments in units of mutual funds	25,486	1,356,013	-	1,164	(171)	-	1,714	1,384,206	-	1,384,206
Gain on sale of short-term investments - net	-	693,493	-	-	74,321	4,615	-	772,429	-	772,429
Sales	4,016	-	-	-	-	-	133,514	137,530	-	137,530
Administration fee and commissions	-	-	62,091	-	-	72,694	-	134,785	(8,651)	126,134
Gain on foreign exchange - net	8	17,585	652	-	51	9,743	(5)	28,034	-	28,034
Equity in net income of associates - net	1,656,413	-	-	-	-	-	6,799	1,663,212	(1,638,036)	25,176
Others	3,220	89,572	14,270	394	21,875	5,187	54,470	188,988	(26,819)	162,169
Total operating income	1,689,176	16,657,624	486,727	4,290	250,104	1,397,501	196,607	20,682,029	(1,729,729)	18,952,300
Operating expenses	-	14,566,570	-	-	27,957	-	-	14,594,527	(8,651)	14,585,876
Interest expense	-	-	89,101	-	1,499	798,535	36,382	925,517	(28,974)	896,543
Salaries and employee benefits	816	169,849	126,198	1,771	33,698	144,926	22,574	499,832	-	499,832
General and administrative	7,632	178,680	68,630	465	25,521	214,084	12,900	507,912	(46,027)	461,885
Depreciation and amortization	3,949	28,373	45,010	153	6,176	28,473	2,576	114,710	-	114,710
Provision for impairment losses of financial assets and non financial assets	-	4,168	43,249	12	-	21,319	-	68,748	-	68,748
Unrealized loss on increase in fair value of securities	-	(21,683)	-	-	44,708	(1,333)	-	21,692	-	21,692
Other financial charges	-	-	6,559	-	-	-	-	6,559	(5,120)	1,439
Mudharabah for participants	-	-	-	-	-	31	-	31	-	31
Cost of Goods Sold	3,790	-	-	-	-	-	133,222	137,012	-	137,012
Others	3,763	30,232	23,806	122	1,761	36,387	17,112	113,183	(2,922)	110,261
Total operating expenses	19,950	14,956,189	402,553	2,523	141,320	1,242,422	224,766	16,989,723	(91,694)	16,898,029
Income before tax	1,669,226	1,701,435	84,174	1,767	108,784	155,079	(28,159)	3,692,306	(1,633,695)	2,054,271
Tax expenses	17	(3,067)	(21,573)	(132)	(16,492)	(42,427)	3,995	(79,679)	-	(79,679)
Net Income	1,669,243	1,698,368	62,601	1,635	92,292	112,652	(24,164)	3,612,627	(1,633,695)	1,974,592
Segment assets	609,026	24,826,720	1,765,745	19,818	1,034,675	16,658,643	123,151	45,037,778	(756,413)	44,281,365
Investments in associates	8,797,040	136,951	4	301	14,787	-	147,427	9,096,510	(8,436,464)	660,046
Unallocated assets	5,581	8,304	2,783	67	52	18	6,127	22,932	-	22,932
Total assets	9,411,647	24,971,975	1,768,532	20,186	1,049,514	16,658,661	276,705	54,157,220	(9,192,877)	44,964,343
Segment liabilities	13,067	14,444,154	968,905	1,293	188,023	15,319,359	9,187	30,943,988	(675,107)	30,268,881
Unallocated liabilities	36	45,222	5,355	112	14,302	44,332	479	109,838	-	109,838
Total liabilities	13,103	14,489,376	974,260	1,405	202,325	15,363,691	9,666	31,053,826	(675,107)	30,378,719

December 31, 2010

	Parent Company	Insurance underwriting	Consumer financing, finance lease, and factoring	Share administration fee	Stock brokerage, underwriting and investment management	Banking	Development, trading, and service	Total before elimination	Elimination	Total after elimination
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Operating income	-	10,619,577	246,253	3,241	105,543	-	-	10,974,614	(14,098)	10,960,516
Gain on investment in units of mutual fund	1,791	1,210,212	-	1,083	33,732	-	284	1,247,102	-	1,247,102
Interest income	-	149,341	186	-	8,614	907,534	568	1,066,243	(14,461)	1,051,782
Gain on sale of short-term investment - net	-	252,473	-	-	51,213	9,906	-	313,592	-	313,592
Gain on foreign exhanges - net	-	(46,874)	26	-	284	2,357	1	(44,206)	44,206	-
Unrealized gain on incerase in fair value of securities	-	82,591	-	-	101,795	495	-	184,881	-	184,881
Equity in net income of associates - net	1,268,995	-	-	-	-	-	9,913	1,278,908	(1,250,520)	28,388
Administration fee and commissions	-	-	46,735	-	-	69,798	-	116,533	(38,336)	78,197
Sales	1,137	-	-	-	-	-	46,107	47,244	-	47,244
Gain on sale of investment in shares	12,718							12,718	-	12,718
Others	5,566	42,830	8,000	175	26,758	1,464	21,412	106,205	(10,320)	95,885
Total operating income	1,290,207	12,310,150	301,200	4,499	327,939	991,554	78,285	15,303,834	(1,283,529)	14,020,305
Operating expense	-	11,131,611	-	-	18,866	-	-	11,150,477	(24,534)	11,125,943
Interest expense	81	-	55,647	-	78	497,652	-	553,458	(15,650)	537,808
Salaries and employee benefit	772	129,811	68,616	1,629	27,772	103,905	3,241	335,746	-	335,746
General and administrative	2,274	129,570	39,441	337	22,767	150,617	3,636	348,642	(21,553)	327,089
Depreciation and amortization	3,953	24,939	29,318	182	3,959	22,103	873	85,327	(6,566)	78,761
Gain on foreign exhanges - net	30	8,347	743	-	-	-	-	9,120	44,207	53,327
Provision for impairment losses of financial assets and non financial assets	-	4,926	13,817	253	-	42,551	-	61,547	-	61,547
Other financial charges	-	-	17,293	-	-	-	-	17,293	(13,803)	3,490
Mudharabah in participant	-	-	-	-	-	-	-	-	-	-
Cost of good sold	1,231	-	-	-	-	-	45,966	47,197	-	47,197
Others	4,090	21,935	7,369	69	2,336	33,781	13,877	83,457	(1,677)	81,780
Total operating expense	12,431	11,451,139	232,244	2,470	75,778	850,609	67,593	12,692,264	(39,576)	12,652,688
Income before tax	1,277,776	859,011	68,956	2,029	252,161	140,945	10,692	2,611,570	(1,243,953)	1,367,617
Tax expense	37	(18,030)	(19,168)	(150)	(13,325)	(39,141)	(26)	(89,803)	-	(89,803)
Net income	1,277,813	840,981	49,788	1,879	238,836	101,804	10,666	2,521,767	(1,243,953)	1,277,814
Segment assets	255,468	14,195,331	1,069,446	18,158	1,220,593	11,232,179	291,273	28,282,448	(671,248)	27,611,200
Investments in associates	4,815,811	17,088	-	-	-	-	-	4,832,899	(4,611,236)	221,663
Unallocated assets	5,900	-	2,573	221	38	-	3,429	12,161	-	12,161
Total assets	5,077,179	14,212,419	1,072,019	18,379	1,220,631	11,232,179	294,702	33,127,508	(5,282,484)	27,845,024
Segmen liabilities	14,072	11,510,617	558,264	1,128	454,898	10,281,461	152,711	22,973,151	(472,540)	22,500,611
Unallocated liabilities	15	31,024	2,086	104	10,837	39,224	115	83,405	-	83,405
Total liabilities	14,087	11,541,641	560,350	1,232	465,735	10,320,685	152,826	23,056,556	(472,540)	22,584,016

59. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The operational activities of the Group are managed in a prudential manner by managing those risks to minimize potential losses.

In practice, implementation of risk management of the Group include active supervision of management, implementation of policies and procedures, risk limits, the process of identification, measurement and monitoring of risk, implementation of information systems and risk management and internal control systems.

Credit Risk

Credit risk is the risk that the Group will incur a loss arising from the customers or counterparties which fail to fulfill their contractual obligations. Management believes that there are no significant concentrations of credit risk. The Group manages and controls the credit risk by dealing only with recognized and credit worthy parties, setting internal policies on verifications and authorizations of credit, and regularly monitoring the collectibility of receivables to reduce the exposure to bad debts.

The table below shows consolidated statement of financial position exposures related to credit risk:

	2011	
	Gross amount	Net amount
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Short-term investment - securities - shares and warrants	1,864,308	1,864,308
Short-term investment - securities - bonds	18,736	18,736
Short-term investment - securities - units of mutual fund	8,508,222	8,508,222
Segregated funds net assets unit link - shares	37,908	37,908
Segregated funds net assets unit link - units of mutual fund	5,172,719	5,172,719
Segregated funds net assets sharia - units of mutual fund	47,173	47,173
Segregated funds net assets sharia - shares	7,631	7,631
Other assets - derivative receivables	7,548	7,548
Held to maturity		
Short-term investment - securities - bonds	688,012	688,012
Short-term investment - securities - credit link note	45,338	45,338
Segregated funds net assets unit link - bonds	33,386	33,386
Segregated funds net assets sharia - bonds	22,247	22,247
Available for sale		
Short-term investment - securities - shares	531,848	531,848
Short-term investment - securities - bonds	11,551	11,551
Loans and receivables		
Cash and cash equivalents	7,179,220	7,179,220
Securities purchased under agreements to resell	39,627	39,627
Short-term investment - securities - placement with other banks	561,609	561,609
Short-term investment - securities - time deposits	17,341	17,341
Short-term investment - securities - export bill receivable	824,597	824,597
Consumer financing receivables - net	132,809	126,256
Net investments in finance lease - net	626,984	624,198
Factoring receivables - net	432,500	424,863
Segregated funds net assets unit link - cash in banks	39,859	39,859
Segregated funds net assets unit link - investment receivables	2,090	2,090
Segregated funds net assets sharia - time deposits	7,500	7,500
Segregated funds net assets sharia - cash in banks	21,351	21,351
Segregated funds net assets sharia - investment receivables	690	690
Securities agent receivables	245,369	245,369
Other accounts receivable - net	763,093	762,746
Loans - net	10,240,174	10,135,442
Investment in shares of stock	244,231	244,231
Other assets	21,746	21,746
Total financial assets	38,397,418	38,275,363

	December 31, 2010	
	Gross amount	Net amount
	Rp '000,000	Rp '000,000
At fair value through profit and loss		
Short-term investment - securities - shares and warrants	1,033,109	1,033,109
Short-term investment - securities - bonds	53,240	53,240
Short-term investment - securities - units of mutual fund	3,128,024	3,128,024
Segregated funds net assets unit link - shares	36,072	36,072
Segregated funds net assets unit link - units of mutual fund	5,929,443	5,929,443
Segregated funds net assets sharia - units of mutual fund	40,413	40,413
Held to maturity		
Short-term investment - securities - bonds	182,159	182,159
Short-term investment - securities - credit link note	63,070	63,070
Short-term investment - securities - export bill receivables	322,030	322,030
Segregated funds net assets unit link - bonds	34,149	34,149
Segregated funds net assets sharia - bonds	14,085	14,085
Available for sale		
Short term investment - securities - shares	1,190,672	1,190,672
Loans and receivables		
Cash and cash equivalents	913,026	913,026
Securitiies purchased under agreements to resell	107,141	107,141
Short-term investment - placement with other banks	706,189	706,189
Short-term investment - time deposits	33,543	33,543
Net investment in finance lease	167,583	163,869
Consumer financing receivables	377,499	376,961
Factoring receivables	192,738	187,558
Segregated funds net assets unit link - time deposits	984,135	984,135
Segregated funds net assets unit link - cash in banks	35,927	35,927
Segregated funds net assets unit link - investment receivables	2,271	2,271
Segregated funds net assets sharia - time deposits	3,000	3,000
Segregated funds net assets sharia - cash in banks	4,599	4,599
Segregated funds net assets sharia - investment receivables	504	504
Securities agent receivables	165,481	165,481
Other accounts receivable - net	543,103	542,356
Loans - net	7,011,795	6,934,157
Investment in shares of stock - AFS	337,182	337,182
Other assets	22,496	22,496
Total financial assets	23,634,678	23,546,861

Market Risk

Market risk is the fair value or future contractual cash flows of a financial instrument held by the Group will be affected due to changes in market variables such as interest rates, exchange rates, including derivatives of both risks (risks of derivative instruments).

a. *Interest rate risk*

Interest rate risk is the potential loss arising from movements in market interest rates as opposed to the position or transaction of the Group.

To measure interest rate risk, the Group generally uses the analysis of net interest income (net interest margin) and the difference (spread) interest rates. In addition, the Group also conduct a study analysis report due (maturity gap analysis) and static interest rate gap analysis to provide a static picture on the statement of financial position position on a particular date based on the characteristics of back interest rate determination date (repricing time) or the remaining time until due dates of productive assets and savings (remaining maturity).

The table below shows consolidated statements of financial position exposures related to interest rate risk:

	2011		2010	
	Average effective interest rate	Carrying Amount	Average effective interest rate	Carrying Amount
	%	Rp '000,000	%	Rp '000,000
Assets				
Cash and cash equivalents	1.50	8,004,010	1.50	603,801
Short-term investment - time deposits	7.75	16,991	7.24	33,543
Short-term investment - placement with other banks	2.98	561,609	0.83	616,189
Short-term investment - securities - bonds	10.44	1,939,390	10.44	1,374,014
Short-term investment - securities - credit link note	6.75	45,338	8.05	63,070
Short-term investment - securities - BI Intervention	5.96	1,347,412	6.68	88,473
Short-term investment - securities - SBI	5.90	96,972	-	-
Short-term investment - securities - export bill receivables	2.40	824,957	1.51	322,030
Securities purchased under agreements to resell	21.00	39,627	16.00	107,141
Net investment in finance lease	16.50	167,924	17.50	223,780
Factoring receivables	14.50	438,523	39.50	198,833
Consumer financing receivables	18.00	864,497	14.50	531,842
Segregated funds in net assets unit link - cash in banks	1.50	39,859	1.50	35,927
Segregated funds in net assets unit link - time deposits	-	-	5.06	984,135
Segregated funds in net assets unit link - bonds	12.25	43,831	12.25	44,471
Loans	10.11	9,598,414	14.13	6,864,833
Securities agent receivables	18.00	34,887	18.00	40,288
Other receivables	11.00	625,201	11.00	439,140
Liabilities				
Deposits and deposits from other banks	4.10	13,792,068	4.71	9,334,786
Securities sold under agreements to repurchase	20.00	39,125	20.00	32,069
Loan received	13.00	930,904	13.00	512,265

b. *Foreign currency risk*

Foreign currency risk is the risk that the carrying value or future cash flows of a financial instrument will fluctuate due to changes in currency exchange rate of Rupiah against foreign currencies.

The Group handle this risk by always keeping the balance in assets and liabilities denominated in foreign currencies with the matching ratio at least 100% and is guided by regulations.

The following table shows the Group's assets and liabilities in foreign currencies:

	2011		2010	
	Equivalent in US$	Equivalent in Rp '000,000	Equivalent in US$	Equivalent in Rp '000,000
Assets				
Cash and cash equivalents	60,828,216	551,566	60,041,440	540,940
Short term investments	201,095,961	1,823,476	215,277,103	1,938,162
Factoring receivables	5,610,155	50,873	5,111,489	45,957
Segregated funds in net assets - unit link	52,773,126	478,546	65,331,113	587,391
Premium and reinsurance receivables	9,092,004	82,446	4,137,091	37,197
Loans	225,627,612	2,045,878	88,467,370	797,091
Other accounts receivable	5,698,613	51,675	6,552,016	58,943
Other assets	236,368	2,143	144,957	1,303
Total assets	560,962,055	5,086,603	445,062,579	4,006,984

	2011		2010	
	Equivalent in US$	Equivalent in Rp '000,000	Equivalent in US$	Equivalent in Rp '000,000
Liabilities				
Deposits and deposits from other banks	328,439,638	2,978,127	278,613,049	2,510,303
Accounts payable	8,542,575	77,464	7,072,286	63,586
Premiums received in advance	2,187,046	19,832	2,193,827	19,725
Liability for future policy benefits	97,767,275	886,554	58,851,009	529,129
Segregated funds contract liabilities	48,034,909	435,581	68,126,192	612,523
Unearned premiums and estimated own retention claims	3,662,135	33,208	4,994,135	44,902
Accrued expenses	555,955	5,041	175,916	1,585
Other liabilities	3,424,169	31,049	8,228,015	74,040
Total liabilities	492,613,702	4,466,856	428,254,429	3,855,793
Net Assets	68,348,353	619,747	16,808,150	151,191

Liquidity Risk

Liquidity risk is a risk arising when the cash flow position of the Group is not enough to cover the liabilities which become due.

In the management of liquidity risk, management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group' operations and to mitigate the effects of fluctuation in cash flows. Management also regularly evaluates the projected and actual cash flows, including loan maturity profiles, and continuously assess conditions in the financial markets for opportunities to obtain optimal funding sources.

The table below summarizes the maturity profile of consolidated financial assets and liabilities based on contractual undiscounted payments.

	2011						
	< 1 year	> 1 year s.d 2 years	> 2 years s.d 5 years	> 5 years	Total	Transaction cost	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000.000
Assets							
Cash and cash equivalents	8,523,794	-	-	-	8,523,794	-	8,523,794
Short term investment - time deposits	17,341	-	-	-	17,341	-	17,341
Short term investment - placement with other banks	561,609	-	-	-	561,609	-	561,609
Short term investment - securities - shares	2,396,156	-	-	-	2,396,156	-	2,396,156
Short term investment - securities - units of mutual fund	8,508,222	-	-	-	8,508,222	-	8,508,222
Short term investment - securities - bonds	287,105	100,853	487,060	1,064,372	1,939,390	-	1,939,390
Short term investment - securities - credit link note	45,338	-	-	-	45,338	-	45,338
Investasi jangka pendek - efek-efek - SBI	96,972	-	-	-	96,972	-	96,972
Short term investment - securities - BI Intervention	1,347,412	-	-	-	1,347,412	-	1,347,412
Short term investment - securities - export bill receivables	824,957	-	-	-	824,957	-	824,957
Securities purchased under agreement to resell	39,627	-	-	-	39,627	-	39,627
Net investment in finance lease	105,161	51,195	11,568	-	167,924	-	167,924
Factoring receivables	432,500	-	-	-	432,500	-	432,500
Consumer financing receivables	524,708	254,995	84,794	-	864,497	-	864,497
Segregated funds in net assets unit link - cash in banks	39,859	-	-	-	39,859	-	39,859
Segregated funds in net assets unit link - time deposits	-	-	-	-	-	-	-
Segregated funds in net assets unit link - units of mutual funds	5,172,719	-	-	-	5,172,719	-	5,172,719
Segregated funds in net assets unit link - shares	37,908	-	-	-	37,908	-	37,908
Segregated funds in net assets unit link - bonds	-	23,887	19,944	-	43,831	-	43,831
Segregated funds in net assets unit link - investments receivables	2,090	-	-	-	2,090	-	2,090
Segregated funds in net assets sharia - cash in banks	21,351	-	-	-	21,351	-	21,351
Segregated funds in net assets sharia - time deposits	7,500	-	-	-	7,500	-	7,500
Segregated funds in net assets sharia - shares	7,631	-	-	-	7,631	-	7,631
Segregated funds in net assets sharia - unit mutual fund	47,173	-	-	-	47,173	-	47,173
Segregated funds in net assets sharia - investment receivables	690	-	-	-	690	-	690
Segregated funds in net assets sharia - bonds	-	10,261	18,569	1,042	29,872	-	29,872
Loans	5,250,813	1,644,098	2,744,080	634,045	10,273,036	32,862	10,240,174
Securities agent receivables	245,369	-	-	-	245,369	-	245,369
Other accounts receivable	739,082	1,158	2,798	20,055	763,093	-	763,093
Investment in shares in stock	244,231	-	-	-	244,231	-	244,231
Other assets	29,294	-	-	-	29,294	-	29,294
Total assets	35,556,612	2,086,447	3,368,813	1,719,514	42,731,386	32,862	42,698,524

	2011						
	< 1 year	> 1 year s.d 2 years	> 2 years s.d 5 years	> 5 years	Total	Transaction cost	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000.000
Liabilities							
Deposits and deposits from other banks	14,578,756	-	-	-	14,578,756	-	14,578,756
Securities sold under agreements to repurchase	39,125	-	-	-	39,125	-	39,125
Loan received	923,439	7,159	2,142	-	932,740	1,836	930,904
Accounts payable	1,637	-	-	-	1,637	-	1,637
Securities agent payables	92,879	-	-	-	92,879	-	92,879
Accrued expenses	69,620	-	-	-	69,620	-	69,620
Other liabilities	215,500	-	-	-	215,500	-	215,500
Total liabilities	15,920,956	7,159	2,142	-	15,930,257	1,836	15,928,421
Net Assets	19,635,656	2,079,288	3,366,671	1,719,514	26,801,129	31,026	26,770,103

	2010						
	< 1 year	> 1 year s.d 2 years	> 2 years s.d 5 years	> 5 years	Total	Transaction cost	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000.000
Assets							
Cash and cash equivalents	1,980,945	-	-	-	1,980,945	-	1,980,945
Short term investment - time deposits	33,543	-	-	-	33,543	-	33,543
Short term investment - placement with other banks	706,189	-	-	-	706,189	-	706,189
Short term investment - securities - shares	2,223,781	-	-	-	2,223,781	-	2,223,781
Short term investment - securities - units of mutual fund	3,128,024	-	-	-	3,128,024	-	3,128,024
Short term investment - securities - bonds	100,389	141,702	392,702	761,756	1,396,549	-	1,396,549
Short term investment - securities - credit link note	18,020	45,050	-	-	63,070	-	63,070
Short term investment - securities - BI Intervention	171,273	-	-	-	171,273	-	171,273
Short term investment - securities - export bill receivables	322,030	-	-	-	322,030	-	322,030
Securities purchased under agreement to resell	107,141	-	-	-	107,141	-	107,141
Net investment in finance lease	102,299	73,223	48,258	-	223,780	-	223,780
Factoring receivables	198,833	-	-	-	198,833	-	198,833
Consumer financing receivables	323,271	154,957	53,614	-	531,842	-	531,842
Segregated funds in net assets unit link - cash in banks	35,927	-	-	-	35,927	-	35,927
Segregated funds in net assets unit link - time deposits	984,135	-	-	-	984,135	-	984,135
Segregated funds in net assets unit link - units of mutual funds	5,929,443	-	-	-	5,929,443	-	5,929,443
Segregated funds in net assets unit link - shares	36,072	-	-	-	36,072	-	36,072
Segregated funds in net assets unit link - bonds	3,000	22,729	18,742	-	44,471	-	44,471
Segregated funds in net assets unit link - investments receivables	2,271	-	-	-	2,271	-	2,271
Segregated funds in net assets sharia - cash in banks	4,599	-	-	-	4,599	-	4,599
Segregated funds in net assets sharia - time deposits	3,000	-	-	-	3,000	-	3,000
Segregated funds in net assets sharia - unit mutual fund	40,413	-	-	-	40,413	-	40,413
Segregated funds in net assets sharia - investment receivables	504	-	-	-	504	-	504
Segregated funds in net assets sharia - bonds	-	2,080	18,438	1,073	21,591	-	21,591
Loans	2,057,151	1,374,063	2,326,601	1,285,825	7,043,640	31,845	7,011,795
Securities agent receivables	165,481	-	-	-	165,481	-	165,481
Other accounts receivable	517,786	4,892	4,239	16,186	543,103	-	543,103
Investment in shares in stock	337,182	-	-	-	337,182	-	337,182
Other assets	22,496	-	-	-	22,496	-	22,496
Total assets	19,555,198	1,818,696	2,862,594	2,064,840	26,301,328	31,845	26,269,483
Liabilities							
Deposits and deposits from other banks	9,604,110	-	-	-	9,604,110	-	9,604,110
Securities sold under agreements to repurchase	32,069	-	-	-	32,069	-	32,069
Loan received	505,526	6,714	733	-	512,973	708	512,265
Accounts payable	2,115	-	-	-	2,115	-	2,115
Securities agent payables	415,650	-	-	-	415,650	-	415,650
Accrued expenses	43,868	-	-	-	43,868	-	43,868
Other liabilities	336,618	-	-	-	336,618	-	336,618
Total liabilities	10,939,956	6,714	733	-	10,947,403	708	10,946,695
Net Assets	8,615,242	1,811,982	2,861,861	2,064,840	15,353,925	31,137	15,322,788

60. Other Information

a. BS

The Capital Adequacy Ratio (CAR) of BS were calculated in accordance with Bank Indonesia Regulation.

Calculation of CAR is as follows:

	2011	2010
	Rp '000,000	Rp '000,000
I. Capital Stock Component		
A. Total Core Capital	1,287,028	912,105
B. Supplementary Capital	95,598	62,019
II. Total Core and Supplementary Capital (A + B)	1,382,626	974,124
III. Risk Weighted Assets		
Credit risk after considering specific risk	9,056,263	6,529,888
Market risk	81,980	54,357
Operational risk	749,015	322,267
Total risk weight assets for credit, market and operational risk	9,887,258	6,906,512
IV. Capital Adequacy Ratio (CAR)		
CAR with credit risk	15.27%	14.92%
CAR with credit and market risk	15.13%	14.79%
CAR with credit and operational risk	14.10%	14.22%
CAR with credit, operational and market risk	13.98%	14.10%
V. Minimum Capital Adequacy Ratio	8%	8%

* Excludes deferred taxes

Other ratios:

	2011	2010
	%	%
The ratio of productive assets to total productive assets	0.61	1.53
The ratio of Non-Performing Loan (NPL) at :		
Gross	0.88	1.26
Net	0.79	1.11
The ratio of Loan to Deposits (LDR)	69.50	73.64

b. AJSM and ASM

Calculation of Solvency margin is as follows:

AJSM

	2011 Rp '000,000	2010 Rp '000,000
Admitted Assets	15,905,160	3,960,921
Liabilities (except subordinated loan)	7,896,438	2,669,330
Total Solvency Margin	8,008,722	1,291,591
Total Minimum Solvency Margin	868,193	275,372
Excess of Solvency Margin	7,140,529	1,016,219
Solvency Ratio Attained (%)	922.46%	469.03%

ASM

	2011 Rp '000,000	2010 Rp '000,000
Admitted Assets	3,287,309	2,765,617
Liabilities (except subordinated loan)	1,842,174	1,600,485
Total Solvency Margin	1,445,135	1,165,132
Total Minimum Solvency Margin	425,473	344,953
Excess of Solvency Margin	1,019,662	820,179
Solvency Ratio Attained (%)	339.65%	337.77%

c. SMS

Calculation of Adjusted Net Working Capital is as follows:

	2011 Rp '000,000	2010 Rp '000,000
Net Working Capital		
Total Current Assets	1,056,791	1,142,789
Total Liabilities	425,729	466,157
Working Capital	631,062	676,632
Adjustment		
Related Parties	(1,047)	(6,258)
Adjusted Gross Working Capital	630,015	670,374

	2011 Rp '000,000	2010 Rp '000,000
Risk Adjustment		
Equity in shares is recorded in IDX	49,496	62,681
Other in shares is recorded in Bapepam	15	64,363
Adjusted Net Working Capital	580,504	543,330
Adjusted Net Working Capital Compulsorily	25,200	25,200
Exceed Adjusted Net Working Capital	555,304	518,130

61. Reclassification of Accounts

Certain accounts in the 2010 consolidated financial statements have been reclassified to conform with the 2011 consolidated financial statement presentation. A summary of such accounts is as follows:

	After reclassification Rp' 000,000	Before reclassification Rp' 000,000
Consolidated Statements of Financial Position		
Minority interest in net assets of the subsidiaries	-	200,362
Non-controlling interests	200,362	-
Consolidated Statements of Comprehensive Income		
Insurance underwriting income	10,619,577	10,648,786
Interest income	1,059,913	1,052,352
Administration fee and commissions	70,066	83,380
Factoring income	34,509	29,326
Other income	95,885	95,486
Insurance underwriting expenses	11,107,077	11,136,208
Provision for impairment losses on financial and non-financial assets	61,547	-
Provision for possible losses on earning and non-earning assets	-	44,934
Provision for doubtful accounts	-	16,613
Other expenses	81,780	81,816

The above reclassifications did not affect the 2010 consolidated statements of changes in equity of the Group.

62. Prospective Accounting Pronouncements

The Indonesian Institute of Accountants has issued the following revised Financial Accounting Standards (PSAK) and Interpretations (ISAK). These standards will be applicable to financial statements with annual period begin on or after January 1, 2012 as follows:

PSAK

1. PSAK No. 10 (Revised 2010), The Effects of Changes in Foreign Exchange Rates
2. PSAK No. 13 (Revised 2011), Investment Property
3. PSAK No. 16 (Revised 2011), Property, Plant and Equipment
4. PSAK No. 18 (Revised 2010), Accounting and Reporting by Retirement Benefit Plans
5. PSAK No. 24 (Revised 2010), Employee Benefits
6. PSAK No. 26 (Revised 2011), Borrowing Costs
7. PSAK No. 28 (Revised 2011), Accounting for Loss Insurance Contracts
8. PSAK No. 30 (Revised 2011), Leases
9. PSAK No. 33 (Revised 2011), Accounting of Land Stripping Activities and Environmental Management in General Mining
10. PSAK No. 34 (Revised 2010), Construction Contracts
11. PSAK No. 36 (Revised 2011), Accounting for Life Insurance Contracts
12. PSAK No. 45 (Revised 2011), Financial Reporting for Non-profit Organization
13. PSAK No. 46 (Revised 2010), Accounting for Income Taxes
14. PSAK No. 50 (Revised 2010), Financial Instruments: Presentation
15. PSAK No. 53 (Revised 2010), Share Based Payment
16. PSAK No. 55 (Revised 2011), Financial Instruments: Recognition and Measurement
17. PSAK No. 56 (Revised 2011), Earnings per Share
18. PSAK No. 60, Financial Instruments: Disclosures
19. PSAK No. 61, Accounting of Government Grants and Disclosure of Government Assistance
20. PSAK No. 62, Insurance Contracts
21. PSAK No. 63,Financial Reporting in Hyperinflationary Economies
22. PSAK No. 64, Exploration for and Evaluation of Mineral Resources

ISAK

1. ISAK No. 13 (2010), Hedges of a Net Investment in a Foreign Operation
2. ISAK No. 15, PSAK 24 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
3. ISAK No. 16, Service Concession Agreement
4. ISAK No. 18, Government Assistance - No Specific Relation with Operating Activity
5. ISAK No. 19, Applying the Restatement Approach under PSAK 63: Financial Reporting in Hyperinflationary Economies
6. ISAK No. 20, Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
7. ISAK No. 22, Service Concession Arrangements: Disclosures
8. ISAK No. 23, Operating Leases-Incentives
9. ISAK No. 24, Evaluating the Substance of Transactions Involving the Legal Form of a Lease
10. ISAK No. 25, Landrights
11. ISAK No. 26, Reassessment of Embedded Derivatives

PPSAK

1. PPSAK No. 7, Withdrawal of PSAK No. 44: Accounting for Real Estate Development Activities
2. PPSAK No. 8: Withdrawal of IAS 27: Accounting for Cooperatives
3. PPSAK No. 9, Withdrawal of PSAK No. 5: Interpretation on Par.14 PSAK No. 50 (1998) Regarding Reporting of Changes in Fair Value of Available for Sale Investment Securities
4. PPSAK No. 11, Withdrawal of PSAK No. 39: Accounting for Joint Venture

The Group are still evaluating the effects of these revised PSAKs and ISAKs and have not yet determined the related effects on the consolidated financial statements.

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Attachment

PT SINAR MAS MULTIARTHA Tbk
Consolidating Supplementary Information
Statements of Financial Position - Parent Company
December 31, 2011 and 2010

	2011	2010
	Rp'000,000	Rp'000,000
ASSETS		
Cash and Cash Equivalents		
Related parties	17,347	829
Third party	783	700
Total	18,130	1,529
Short-term Investment	437,573	3,128
Other Account Receivables		
Related party	2,554	360
Third parties	1,095	1,012
Total	3,649	1,372
Long-term Investment *)	1,817,761	1,573,313
Property and Equipment		
Cost	238	238
Accumulated depreciation	(216)	(202)
Net	22	36
Property under Build, Operate and Transfer		
Cost	79,223	79,041
Accumulated depreciation	(11,760)	(7,825)
Net	67,463	71,216
Deferred Tax Assets	1,108	1,090
Other Assets		
Related parties	81,676	110
Third parties	4,973	5,309
Total	86,649	5,419
TOTAL ASSETS	2,432,355	1,657,103

*) Investment in shares of subsidiaries and associated at acquisition cost

PT SINAR MAS MULTIARTHA Tbk
Consolidating Supplementary Information
Statements of Financial Position - Parent Company
December 31, 2011 and 2010

	2011 Rp'000,000	2010 Rp'000,000
LIABILITIES AND EQUITY		
Liabilities		
Taxes Payable	37	15
Accrued Expenses	335	336
Defined-benefit Post-employment Reserve	238	237
Other Liabilities		
Related Party	11,750	12,750
Third Parties	663	750
Total	12,413	13,500
Total Liabilities	13,023	14,088
Equity		
Capital Stock - Rp 5,000 par value per Series A and Rp 100 par value per Series B Authorized - 142,474,368 Series A shares and 21,371,155,200 Series B shares Issued and paid-up - 142,474,368 Series A shares and 6,090,063,689 Series B shares in 2011 and 142,474,368 Series A shares and 6,081,318,298 Series B shares in 2010	1,321,378	1,320,504
Additional Paid-in Capital	808,398	804,900
General Reserve	527,331	263,230
Retained Earning	(237,775)	(745,619)
Total Equity	2,419,332	1,643,015
TOTAL LIABILITIES AND EQUITY	2,432,355	1,657,103

PT SINAR MAS MULTIARTHA Tbk
Consolidating Supplementary Information
Statements of Comprehensive Income - Parent Company
December 31, 2011 and 2010

	2011 Rp'000,000	2010 Rp'000,000
INCOME		
Devidend	765,339	-
Gain from investments in units of mutual funds	25,486	1,791
Sales	4,016	1,137
Rent	1,000	4,143
Gain on foreign exchange - net	8	-
Gain on sale of investment	-	1,859
Others	2,170	1,423
Total	798,019	10,353
EXPENSE		
General and administration	7,550	2,274
Depreciation	3,949	3,953
Cost of goods sold	3,790	1,231
Salaries and employee benefits	816	740
Interest	-	81
Loss on foreign exchange - net	-	30
Others	3,763	4,120
Total	19,868	12,429
INCOME (LOSS) BEFORE TAX	778,151	(2,076)
DEFERRED TAX BENEFIT	(18)	(37)
NET INCOME (LOSS)	778,169	(2,039)
OTHER COMPREHENSIVE INCOME (LOSS)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	778,169	(2,039)

PT SINAR MAS MULTIARTHA Tbk
Consolidating Supplementary Information
Statements of Changes in Equity - Parent Company
December 31, 2011 and 2010

	Capital Stock	Additional Paid-in Capital	Share in Changes in Percentage of Ownership in Subsidiaries and Associated	Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control	General Reserve	Retained Earning	Total Equity
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance as of January 1, 2010, before The impact of initial adoption of PSAK No. 4 (Revised 2009)	1,316,150	787,598	(45,936)	93,486	-	1,446,093	3,597,391
The impact of initial adoption of PSAK No. 4 (Revised 2009)	-	-	45,936	(93,486)	-	(1,920,261)	(1,967,811)
Additional capital stock from conversion of Series III warrants	160	529	-	-	-	-	689
Additional capital stock from conversion of Series IV warrants	4,194	16,773	-	-	-	-	20,967
Appropriation for general reserve	-	-	-	-	263,230	(263,230)	-
Cash devidend	-	-	-	-	-	(6,182)	(6,182)
Total comprehensive loss during the year	-	-	-	-	-	(2,039)	(2,039)
Balance as of December 31, 2010	1,320,504	804,900	-	-	263,230	(745,619)	1,643,015
Additional capital stock from conversion of Series IV warrants	874	3,498	-	-	-	-	4,372
Appropriation for general reserve	-	-	-	-	264,101	(264,101)	-
Cash devidend	-	-	-	-	-	(6,224)	(6,224)
Total comprehensive income during the year	-	-	-	-	-	778,169	778,169
Balance as of December 31, 2011	1,321,378	808,398	-	-	527,331	(237,775)	2,419,332

PT SINAR MAS MULTIARTHA Tbk
Consolidating Supplementary Information
Statements of Cash Flows - Parent Company
December 31, 2011 and 2010

	2011 Rp'000,000	2010 Rp'000,000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	140	39
Other operating revenues received	6,046	5,665
Operating expenses paid	(15,919)	(8,379)
Loss on foreign exchange - net	8	(14)
Operating cash flows before changes in operating assets and liabilities	(9,725)	(2,689)
Decrease (increase) in operating assets:		
Short-term Investment	(408,959)	19,999
Other receivables	(2,277)	(588)
Other assets	270	3,984
Decrease (increase) in operating liabilities:		
Taxes payable	22	(46)
Accrued expense	-	260
Other liabilities	(115)	(911)
Net Cash Provided by (Used in) Operating Activities	(420,784)	20,009
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash devidend receipt	765,339	-
Proceeds from sale of investments	1,000	38,238
Additions to property under build, operate and transfer agreement	(182)	(1,053)
Advances for investment	(81,500)	(500)
Acquisitions of long-term investments	(245,448)	(72,000)
Net Cash Provided by (Used in) Investing Activities	439,209	(35,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash devidend paid	(6,195)	(6,153)
Proceeds from additional issuances of capital stock and paid in capital from conversion of Series III warrants	-	689
Proceeds from additional issuances of capital stock and paid in capital from conversion of Series IV warrants	4,371	20,967
Net Cash Provided by (Used in) Financing Activities	(1,824)	15,503
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,601	197
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,529	1,332
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18,130	1,529
Noncash investing activities:		
Reclassification from other assets - advances for investment to investment in shares	-	19,600