

Audit Committee Report

Pursuant to Jakarta Stock Exchange (BEJ) regulation No. Kep.339/BEJ/07-2001 dated 20 July 2001, Bapepam Chairman's decree letter number 29/PM/2004 dated September 24, 2004 and BI regulation PBI 8/4/PBI/2006, dated 30 January 2006, PT Bank Danamon Indonesia, Tbk (Danamon) has established an Audit Committee (the Committee) to assist the Board of Commissioners (BoC) in performing its duties.

Members of the Committee comprise of:

- Chairman : Milan Robert Shuster (Independent Commissioner)
- Member : Manggi Taruna Habir (Independent Commissioner)
- Member : Harry Arief Soepardi Sukadis (Independent Commissioner)
- Member : Liew Cheng San Victor (Commissioner)
- Member : Setiawan Kriswanto
- Member : Hadi Indraprasta



Left to right:

Hadi Indraprasta
Member

Harry Arief Soepardi Sukadis
Member

Victor Liew Cheng San
Member

Milan R. Shuster
Chairman

Manggi Taruna Habir
Member

Setiawan Kriswanto
Member

The duty of the Committee is to give independent and professional opinions to the Board of Commissioners (BoC) regarding compliance, internal audit (SKAI), external audit, financial statements and others.

The Committee was involved in the selection and appointment of Siddharta Siddharta & Widjaja, a member firm of KPMG International, Danamon's public accountant with due consideration given to the scope and adequacy of the audit work, fair and reasonable audit fee and the independence and objectivity of the auditors. During the course of the 2007 audit process, three meetings and discussions have been held between the Committee and the external auditor to ensure that all relevant accounting standards and other relevant factors have been considered.

Through monthly meetings with Internal Audit Unit (SKAI), the Committee has evaluated the effectiveness of the internal auditor's functions, discussed significant audit findings, followed-up on the audit recommendations and assisted in the preparation and approval of the 2008 audit plan.

Meetings with the Compliance Director were held to ensure full compliance with all prevailing internal and external rules and regulations.

The Committee also held quarterly meetings with Financial Planning and Control unit to, among others, review and approve outgoing reports to be issued by Danamon.

The Committee has reviewed the implementation of the total compensation package for the Directors and Commissioners, and has concluded that the procedures were appropriate and in accordance with the prevailing regulations.

The Committee has also performed several others tasks assigned to it by the BoC.

Based upon its review of the above mentioned items, the Committee finds no significant issues that need to be reported in the 2007 Annual Report of PT Bank Danamon Indonesia Tbk.

For and on behalf of the Audit Committee



Milan R. Shuster
Chairman