

Report from the Board of Commissioners

In executing its supervisory function, the Board of Commissioners (BoC) has interacted regularly and actively with the Bank's Management through suggestions, comments, and recommendations in regular meetings with the Board of Directors (BoD).

During the course of 2007, the BoC has conducted numerous meetings with the BoD. The BoC has also extensively used its four Committees i.e.

Risk Monitoring Committee, Audit Committee, Remuneration and Nomination, and Corporate Governance Committees to interact regularly with Management.

The Bank management's internal self assessment performance in 2007 stood at rating 2, meaning that the Bank overall is performing relatively well and is capable of withstanding negative economic and financial conditions.

As the global market is showing prolonged volatility in the wake of sub-prime crisis, the BoC notes that there may be an impact to the local market as well and continues to closely monitor the Bank's liquidity and market risks.

The BoC continues to place the highest importance on the BoD's full compliance with all relevant rules and regulations. During 2007, Danamon has complied with all Bank Indonesia (BI) regulations, i.e.: Capital Adequacy Ratio (CAR), Non Performing Loan (NPL), Net Open Position (NOP), Legal Lending Limit (LLL), Reserve requirement (RR) and Provision for Losses (PPAP) and other prevailing regulations.

The BoC has noted that starting 31 December 2007, the Bank is implementing Bank Indonesia (BI) regulation No. 8/6/PBI/2006, regarding the consolidated risk management of the bank subsidiaries, when it calculates the Bank's Legal Lending Limit (LLL).

In conclusion, taking into account the overall economic and business environment prevailing during 2007 as well as the financial results of the Bank, the BoC considers the BoD performance to be satisfactory.

For and on behalf of the Board of Commissioners,



Ng Kee Choe
President Commissioner

