

Report from the Board of Commissioners

The duty of the Board of Commissioners is to undertake a supervisory role in monitoring Danamon's performance against its stated strategy and goals.

Over the past 12 months, a total of 34 meetings were held by the Board of Commissioners and its Committees, a frequency that allows us a thorough examination of Danamon's performance. The Board of Commissioners and Directors met 7 times, during which strategy was discussed and performance evaluated.

In performing its duties, the Board of Commissioners has established four Committees: Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee, and Corporate Governance Committee. Each of these Committees was specifically formed with specific duties and responsibilities. Brief accounts of the work of the committees, in 2008, are detailed in the Committee Reports, set out in the pages that follow and details, in full, are set out in the Corporate Governance section.

Danamon management's internal self assessment performance in 2008 stood at rating 1.575, showing that overall Danamon is performing relatively well and is capable of withstanding adverse economic and financial conditions.

As the global market is showing prolonged volatility, resulting from the sudden collapse of the U.S. sub-prime market, the Board of Commissioners continues to closely monitor Danamon's liquidity position and market risks.

The Board of Commissioners continues to place the highest importance on the Board of Director's full compliance with all relevant rules and regulations. During 2008, Danamon has complied with all Bank Indonesia regulations, i.e. Capital Adequacy Ratio, Non Performing Loan, Net Open Position, Legal Lending Limit (LLL), reserve requirements, provision for losses and other prevailing regulations.

The Board of Commissioners noted that starting December 31, 2007, Danamon has implemented Bank Indonesia regulation No. 8/6/PBI/2006, regarding the consolidated risk management of the bank's subsidiaries.

In conclusion, taking into account the overall economic and business environment prevailing during 2008 as well as the financial results of Danamon, the Board of Commissioners considers the Board of Director performance to be satisfactory.

For and on behalf of the Board of Commissioners



Ng Kee Choe
President Commissioner

30 April 2009