

Corporate
Governance



Corporate Governance

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Corporate Governance

With reference to Bank Indonesia Regulation on Good Corporate Governance (GCG) implementation we issue this GCG report, which contains PT Bank Danamon Indonesia Tbk's ("the Bank") implementation of GCG in a transparent way and the Bank's GCG Self Assessment.

The Bank is committed to apply GCG principles in all support functions and lines of businesses. The Bank believes that implementation of GCG will help achieve its targets and will generate benefits in the long-term for all stakeholders concerned.

1. The Bank's Good Corporate Governance Structure

1.1. General Meeting of Shareholders

The General Meeting of Shareholders (Bank's GMS) appoints and dismisses members of the Board of Commissioners (BoC) and Board of Directors (BoD), approves amendments to the Article of Association, approves the Bank's annual report, appoints the Bank's external auditor and determines remuneration for members of the BoC and the BoD. Bank's GMS has authorized the BoC to determine remuneration and other allowances for members of the BoD. And, after resolving the total amount of BoC members' remuneration and allowance, Bank's GMS authorized the Bank's President Commissioner to determine the remuneration and allowance for each member of the BoC.

The Bank held one GMS and one Extraordinary GMS in 2008. Several important resolutions resulting from such meetings are as follows:

- Approved the Annual Report of the Bank for fiscal year ending on December 31, 2007;
- Ratified the financial statements of the fiscal year ending on December 31, 2007 which was audited by Siddharta Siddharta & Widjaja, a member firm of KPMG International Accountant, Public Auditor;
- Ratified the Bank's 2007 net profit of Rp 2,116,915,000,000;
- Approved the appointment of Krisna Wijaya as Commissioner, Joseph Fellipus Peter Luhukay as Vice President Director, Herry Hykmanto as Director and Kanchan Nijasure as Director.

1.2. Board of Commissioners and Board of Directors

The BoC and BoD roles are important. The roles and responsibilities of both Boards are determined in the Articles of Association and are in accordance with the Company Law and Bank

Indonesia. In accordance with paragraph 5 and 6 of article 92 of the Company Law, the delegation of Bank's BoD roles and responsibilities determined are by a BoD's decree.

On January 16, 2007, the Bank established the charter of the BoC and BoD as reference for both Boards and such charter. To be consistent with the latest regulatory changes, the BoD charter has been revised twice on July 4, 2007 and on September 10, 2008.

2. Board of Commissioners

2.1. Number, Composition, Criteria & Independency

As of December 31, 2008, there are 8 BoC members. This number does not exceed the number of BoD members which is also 8 persons. The BoC composition complies with the expatriate regulation requiring that 50% or more members of the BoC must be Indonesian citizens. Currently 4 out of the 8 members are Indonesian citizens. Meanwhile, BoC members domiciled in Indonesia consist of J.B. Kristiadi, Manggi T. Habir, Harry Arief Soepardi Sukadis, and Krisna Wijaya.

Independent Commissioners are members of the Bank's BoC having no financial relation, management, share ownership and/or family relationship with other BoC members and/or the Bank's controlling shareholder or any other relation with the Bank, which may influence their capacity to act independently. The four Independent Commissioners are J.B. Kristiadi, Milan Robert Shuster, Harry Arief Soepardi Sukadis, and Manggi T. Habir. Meanwhile, the remaining BoC members are Ng Kee Choe, Gan Chee Yen, Victor Liew Cheng San, and Krisna Wijaya.

All members of the BoC do not have any concurrent positions that are prohibited by Bank Indonesia Regulation on GCG. Such Bank Indonesia Regulation stipulates BoC and BoD members may only have concurrent positions as members of BoC and BoD or senior management in one non-financial company, or members of BoC and BoD or senior management in a supervisory role in its subsidiary companies controlled by the Bank or member of the BoC of a non profit organization or institution, as long as the roles and responsibilities of the Bank's BoC are not neglected.

2.2. Roles and Responsibilities

The BoC must assure implementation of GCG principles in each aspect and across the Bank, hence the BoC established the Corporate Governance Committee as an effort to assure implementation of GCG principles covering the four areas of Transparency, Accountability, Responsibility, Independency and Fairness.

The Bank's Article of Association stipulates that the BoC's role is to supervise the BoD in managing the Bank, to give inputs and execute other responsibilities as stipulated in the Article of Association. In implementing its responsibilities, the BoC is supported by the Audit Committee, Risk Monitoring Committee, Remuneration & Nomination Committee and Corporate Governance Committee.

Through its Committees, the BoC oversees the roles and responsibilities of the BoD and in the process provides advice and suggestions when and where it feels necessary.

As noted in the Company Law No. 40 Bank Indonesia Regulation no. 8/4/PBI/2006 and no. 8/14/PBI/2006, the BoC has the responsibility to supervise, and thus does not involve itself in any decision making over the Bank's daily operational activity.

Article 12 Section 4, in the Bank's Article of Association, regulates the role of the BoC in special and specific transactions, among others, lending to related parties, binding the Bank as guarantor, establishing a new company, and approving write offs above a certain limit. The BoC's involvement in transactions above a certain amount is regulated further through Circular Resolution of the BoC (in lieu of Resolutions adopted at a meeting of the BoC no. KSR – Kom.CoRpSec-002 dated September 28, 2007).

Up to end-December 2008, the BoC has not found any violation of any financial and banking regulation or situations that could jeopardize the continuity of the Bank. The minutes of meeting of BoC and Committee meeting throughout 2008 reflected the BoC's dispensing of its roles and responsibilities in an independent manner.

2.3. Board of Commissioners Supervision and Recommendations

During 2008, the BoC has invited the BoD to several meetings, some through conference calls, circulation of documents, and emails. In executing its supervisory role, the BoC utilizes its committees, namely the Audit Committee, Risk Monitoring Committee, Remuneration & Nomination Committee and Corporate Governance Committee to interact with the BoD and senior management.

The BoC continuously prioritizes compliances towards all prevailing rules and regulations. During 2008, the Bank has complied with all Bank Indonesia regulations regarding 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).

Externally, the Bank continued to face less favorable economic conditions, with the weakening of the Rupiah coupled with the rise in interest rates towards the end of 2008. In the final quarter of 2008, the global financial crisis affected Indonesia and resulted in a sudden depreciation of the Rupiah (IDR) while commodity prices collapsed. This adversely affected the cashflow of several exporter customers and subsequently their ability to continue servicing their foreign exchange forward contracts. In this regard, the Bank has been negotiating with affected customers to find appropriate solutions and has prudently made appropriate provisions in the fourth quarter of 2008. The Bank has initiated an audit on Treasury's forward derivative activities with the view to identify weaknesses and improve governance and processes. Internally, the Bank faced people turnover, however the rate is currently down to more manageable levels

Full year 2008 Consolidated Net Profit after Tax (NPAT) reached Rp 1.5 trillion a 28% decline compared to a year ago. This was largely caused by a significant rise in provisioning and the cost of unwinding positions in forward foreign exchange contracts with several export-oriented companies.

Corporate Governance

Fit and Proper Test of the Board of Commissioners

Name	Position	Effective since		Concludes
		Bank Indonesia Approval	GMS*)	
Ng Kee Choe	President Commissioner	May 24, 2006	April 3, 2008	GMS 2011
J.B. Kristiadi	Vice President Commissioner/ Independent Commissioner	December 5, 2005	April 3, 2008	GMS 2011
Gan Chee Yen	Commissioner	October 21, 2003	April 3, 2008	GMS 2011
Victor Liew Cheng San	Commissioner	July 21, 2004	April 3, 2008	GMS 2011
Milan R. Shuster	Independent Commissioner	December 5, 2000	April 3, 2008	GMS 2011
Harry A.S. Sukadis	Independent Commissioner	September 10, 2003	April 3, 2008	GMS 2011
Manggi T. Habir	Independent Commissioner	July 22, 2005	April 3, 2008	GMS 2011
Krisna Wijaya	Commissioner	June 19, 2008	April 3, 2008	GMS 2011

*) GMS of the reappointment for all members of the BOC except Krisna Wijaya.

Turbulence in the global financial markets also leads to tightening liquidity in the domestic money markets. The BoC focused on Management's extra efforts to improve the Bank's liquidity position, which resulted in improved LDR ratios by the end of year and sufficient USD liquidity to meet repayment of the Bank's Sub debt.

The BoC has also been actively assessing the risk parameters in its Adira subsidiaries and the Bank's Corporate and Financial Institution portfolio.

2.4. Fit and Proper Test

Every member of the Bank's BoC possesses a high level of integrity, competence and financial

reputation. This is reflected through the fit and proper test conducted by Bank Indonesia, which all members must go through and pass.

2.5. Meetings

BoC and Committee meetings are properly minuted, signed by the respective Chairman and distributed to all BoC members, as well as to absent members. Dissenting opinions are also noted in the minutes.

Decision making in the BoC is based upon consensus and unanimous decision, or through voting, in the event consensus is not achieved. During 2008, the BoC held seven meetings both in the form of regular meetings and teleconference.

Attendance the Board of Commissioners Meetings'

Name	Attendance of the Board of Commissioners – Board of Directors Meetings (7 times)
Board of Commissioners	
Ng Kee Choe	7 x
J.B. Kristiadi	7 x
Gan Che Yen	6 x
Victor Liew Cheng San	7 x
Milan R. Shuster	7 x
Harry A.S. Sukadis	7 x
Manggi Taruna Habir	7 x
Krisna Wijaya *	4 x

* Krisna Wijaya is effectively approved as Bank's Commissioners on June 19, 2008

During 2008, six of the BoC meetings were held in Jakarta, while one meeting was held in Singapore.

The BoC confirms the following:

1. Number of meeting conducted is in compliance with Bank Indonesia regulation and the BoC charter;

2. All BoC and Committee resolutions have been done based on consensus with unanimous decision; and
3. Resolutions generated are properly noted and documented in the minutes of meeting.

Listed below are important topics discussed in the Bank's BoC meetings for 2008:

Agenda of 2008 Board of Commissioners Meetings	
Date	Key Agenda
January 17, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. Year To Date (YTD) Financial Performance 4. 2008 Business Plan 5. Discussion on LLL and proposal Dividend Payment 6. Committees Report
February 25, 2008	<ol style="list-style-type: none"> 1. Single Presence Policy
April 2, 2008	<ol style="list-style-type: none"> Previous Minutes of Meeting 1. Previous Minutes of Meeting 2. Matters Arising 3. YTD Financial Performance 4. Center of Operational Excellence Unit 5. Dividend 6. Report of Committees 7. Nomination & Remuneration Issues Update
June 9, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. YTD Financial Performance & Acceleration Plan 4. Capital Management 5. Proposition to execute Danamon's option to purchase the remaining 20% stake in Adira Finance 6. HR movements, turnover & hiring 7. Danamon International Update 8. Available For Sale Bond & Liquidity Update 9. Branding Update 10. Reports of Committees
August 11, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. YTD Financial Performance 4. Funding Franchise 5. Capital Management 6. Adira Quantum Capital Injection 7. Compliance Director Status 8. Reports of Committees 9. Other discussions: Regulatory Update, Investment in Micro Lending Finance Company and Risk Management Certification Body (BSMR) Certification Update
October 30, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. Sub debt Update 4. Adira Option Update 5. YTD Financial Performance & Capital Adequacy Ratio (CAR) Level 6. Treasury & Liquidity Update 7. Funding Franchise Update 8. Reports of Committees
December 10 - 11, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. 2008 Outlook & 2009 Business Plan 4. Cost of Credit Discussion 5. Capital Management 6. Funding Franchise & Liquidity 7. HR Update 8. Regulatory Update 9. Adira Issues: Adira Quantum Capital Injection & Adira Quantum Acquisition 10. Reports of the Committees

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2.6. Board of Commissioners Charter

On January 16, 2007, the BoC charter and Employee Code of Ethics were approved by the BoC and BoC. The Code of Ethics becomes a reference for ethical behavior on any relationship between the employees, customers and stakeholders. All employees must understand and accept the Code of Ethics by signing the Code of Ethics statement. The application of the Code of Ethic is supported by training and periodic reviews.

Institutions (Bapepam – LK) to audit the Bank's 2008 financial book as well as determine the appropriate honorarium and other term and conditions relating to the Public Accountant's appointment. The BoC will then decide based on the Audit Committee's recommendation.

In 2008, the Audit Committee has reviewed the Internal Audit (SKAI) plan, monitored its implementation and evaluated its result, as well as ensure that all follow up corrective action has been done on a timely basis. In its audit, SKAI, among others, evaluates the adequacy of the

2.7. The Board of Commissioners Remuneration

The Board of Commissioners Remuneration (Valued equivalent in million Rupiah)

		2008	2007	2006
1	Salaries and Allowances	13,574	9,864	12,067
2	Tantiem *	TBD	11,000	7,800
3	Other Benefits in the form of in kind (housing, transportation, health insurance and etc)			
	a. may be owned	1,980	1,125	1,125
	b. may not be owned	768	672	768

* Paid in subsequent year

Notes:

1. Tantiem for BOC fiscal year 2008 will be determined in the Annual General Meeting of Shareholders on 25 May 2009

Classification of the Board of Commissioners Remuneration

Remuneration amount per person in 1 year *)	Number of Commissioner
Above 2 billion	8
Above 1 billion up to 2 billion	-
Above 500 million up to 1 billion	-
Below 500 billion	-

*) received in cash

3. Audit Committee Report

3.1. Roles and Responsibilities

The Audit Committee reviews the Internal Audit (SKAI) plan, monitors its implementation and evaluates its result. The Audit Committee helps the BoC ensuring the effectiveness of the Bank's internal control and financial reporting process. The Audit Committee also helps the BoC ensures that all follow up actions from SKAI, Public Accountant, and Bank Indonesia audit findings are done on a timely basis. Other responsibilities involve ensuring that the Public Accountant verifies that the Bank's financial reporting fulfills the prevailing accepted accounting standard. The BoC has the authority to appoint a Public Accountant Office listed in Capital Market Supervisory Board – Financial

Bank's internal control as well as the financial reporting process.

The Audit Committee has reviewed: the SKAI's reports, ensured that the audit done by the Public Accountant was according to the generally accepted accounting principles, and follow up actions was done by the BoD on audit findings from SKAI, the Public Accountant and Bank Indonesia supervision unit. The Audit Committee has also given recommendations to the BoC regarding the appointment of the Public Accountant for 2008 according to the authority delegated to the BoC by the Annual General Meeting of Shareholders (AGMS) dated March 27, 2007.

3.2. Structure, Membership, Expertise and Independency
As per December 31, 2008, members of the Audit Committee consist of:

2. Due to recent depreciation of Rupiah and the collapse of export commodity prices, some export-oriented customers faced

Audit Committee Membership		
Name	Position	Expertise
Manggi T. Habir	Chairman/Independent Commissioner	Credit/Finance/Risk Management/Corporate Governance
Victor Liew Cheng San	Member/Commissioner	Treasury/Risk Management
Harry A.S. Sukadis	Member/Independent Commissioner	Accounting/Risk Management/IT
Gan Chee Yen	Member/ Commissioner	Accounting/Finance/Risk Management
Amir Abadi Jusuf	Member/Independent Party	Accounting/Risk Management
Felix Oentoeng Soebagjo	Member/Independent Party	Legal

Independent Commissioners and Independent Parties comprise more than 50% of the Audit Committee composition. The Committee also complies with Bank Indonesia and Bapepam – LK regulations on expertise and independency required for Audit Committee members.

difficulty in servicing their foreign exchange forward contracts. An audit has been conducted to review all such transactions. The Audit Committee has discussed the result with Management and the BoC and a task force has been set up to rectify SKAI audit findings.

3.3. Committee's Meeting and Work Program

During 2008, the Audit Committee held 11 meetings. Attendance record of each member in the Audit Committee meeting is as follow:

Attendance in the Audit Committee Meetings	
Name	Total Meeting (11 times)
Gan Chee Yen	8 x
Victor Liew Cheng San	10 x
Harry A.S. Sukadis	9 x
Manggi T. Habir	10 x
Amir Abadi Jusuf	8 x
Felix Oentoeng Soebagjo	7 x

The focuses of the Audit Committee during 2008 were:

1. The overall 2008 audit ratings has improved with the total Acceptable audit rating increased to 71% compared to 66% in 2007, while the Unsatisfactory audit rating decreased from 3% to 2%

3. During 2008, there were 21 fraud cases amounting to net fraud loss of Rp 12.9 billion, the ratio of Gross Fraud loss over Gross Income was 0.29% for 2006, 0.30% for 2007 and 0.37% for 2008.

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Highlighted below are key activities of the Bank's Audit Committee during 2008:

Agenda of 2008 Audit Committee Meetings	
Date	Key Agenda
January 31, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. External Auditor – KPMG Update 4. SKAI Update 5. Others (SKAI Charter) 6. Date of next meeting
February 26, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. External Auditor – KPMG Update 4. Audit Plan 2008 (Review) 5. BI Audit Realization Semi Annual Report (Semester II 2007) 6. SKAI Update 7. BoC Semi Annual Report to BI (Semester II 2007) 8. Others 9. Date of next meeting
April 1, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. External Auditor – KPMG Update 4. SKAI Update 5. Others 6. Date of next meeting
April 29, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. SKAI Update 4. Others 5. Date of next meeting
June 9, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. Self Employed Mass Market Update 4. Treasury Operational 5. SKAI Update 6. Others 7. Date of next meeting
July 9, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. Reappointment of External Auditor (KPMG) 4. Others 5. Date of next meeting
August 11, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. SEMM Update 4. SKAI Update 5. Others 6. Date of next meeting
September 25, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. SEMM Update 4. External Auditor – KPMG Update 5. SKAI Update 6. Others 7. Date of next meeting

Date	Key Agenda
October 30, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. SEMM Monthly Update 4. SKAI Update 5. External Auditor – KPMG Update 6. Others 7. Date of next meeting
November 24, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. External Auditor – KPMG Monthly Update 4. SKAI Update 5. SEMM Monthly Update 6. BRI- Crisis – Micro banking 7. Others 8. Date of next meeting
December 10, 2008	<ol style="list-style-type: none"> 1. Previous Minutes of Meeting 2. Matters Arising 3. External Auditor – KPMG Monthly Update 4. SKAI Update 5. Others 6. Date of next meeting

Main activities of the Audit Committee in 2008 are as follows:

Realization of Key Activities of the Audit Committee	
Activities	Realization
Monthly meetings according to the schedule	11 meeting
Reviews on financial information before publication	Done
Follow up upon findings from SKAI, Public Accountant and Bank Indonesia Audit	Done
Recommendation on Public Accountant and Public Accountant Office to the Board of Commissioners through AGMS	Done
SKAI and Public Accountant Monitoring	Done

3.5. Audit Committee Charter

On October 25, 2006, the Audit Committee Charter was established, as reference for the committee to dispense its roles and responsibilities according to Bank Indonesia and other prevailing rules and regulations.

4. Risk Monitoring Committee Report

4.1 The Risk Monitoring Committee Roles and Responsibilities

The Risk Monitoring Committee is established by the Board of Commissioners with the following roles and responsibilities:

1. Identify and monitor various potential risks faced by the Bank consisting of credit risk, market risk, liquidity risk, legal risk, compliance risk, strategic risk, reputation risk and other risks.

2. Assess the appropriateness of the Bank's strategy, internal control system and risk management policies in addressing those risks.
3. Monitor the conformity of various policies and implementation of risk management with the Bank's risk profile and with existing regulations
4. Evaluate various risk management models and policies at its own initiative or at the request of the BoC
5. Monitor and recommend improvements in the Bank's risk management system and policies

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4.2. Structure, Membership, Expertise and Independency
As per December 31, 2008, members of the Bank's Risk Monitoring Committee consist of:

utilization of the Bank's branch network. The Committee will continue, throughout 2009, to closely monitor the Bank's liquidity and LDR.

Membership of the Risk Monitoring Committee

Name	Position	Expertise
Milan R. Shuster	Chairman/Independent Commissioner	Credit/Finance/Risk Management
Victor Liew Cheng San	Member/Commissioner	Treasury/Risk Management
Harry A.S. Sukadis	Member/Independent Commissioner	Accounting/IT/ Risk Management
Manggi T. Habir	Member /Independent Commissioner	Credit/Finance/Risk Management/Corporate Governance
Gan Chee Yen	Member/ Commissioner	Accounting/Finance/Risk Management
Krisna Wijaya	Member/Commissioner	Credit/Finance/Capital Market/Risk Management
Amir Abadi Jusuf	Member/Independent Party	Accounting/Risk Management
Felix Oentoeng Soebagjo	Member/Independent Party	Legal

The composition of the Risk Monitoring Committee is the same as the composition of the Audit Committee, where at least 51% of its members are consisting of both Independent Commissioners and Independent Parties.

The structure, composition, expertise and independence criteria of the Risk Monitoring Committee are in compliance with Bank Indonesia regulations.

4.3. Committee's Meeting and Work Program

During 2008, the Risk Monitoring Committee held 11 meetings. Attendance of each member of the Risk Monitoring Committee is as follows:

- The Committee has also been actively assessing the risk parameters in its Adira subsidiaries. A review of Adira Finance's portfolio was done in July, and both Adira Quantum portfolio and Adira Insurance investment portfolio were reviewed in November 2008. The Committee has noted that management has tightened credit terms, improved collection/recovery departments and analytical capabilities.
- The Committee has focused its attention on the Self Employed Mass Market, Assets Based Financing/ABF (heavy equipment) and Corporate and Financial Institution Unit to improve the mobilization of third

Attendance in the Risk Monitoring Committee Meetings

Name	Total Meetings (11 times)
Milan R. Shuster	11 x
Victor Liew Cheng San	10 x
Harry A.S. Sukadis	9 x
Manggi T. Habir	10 x
Gan Chee Yen	8 x
Krisna Wijaya	8 x
Amir Abadi Jusuf	8 x
Felix Soebagjo	7 x

The focuses of the Risk Monitoring Committee during 2008 were:

- To improve the Bank's liquidity position, the Committee has regularly requested Treasury and Market risk to provide updates as well as requested the Consumer Retail unit to improve the mobilization of third party liabilities through more effective

party liabilities through more effective utilization of the Bank's branch network. The committee will continue, throughout 2009, institutions portfolio. Management has been closely monitoring its exposure on these sectors. This focus will extend to the retail sector during 2009.

4. Concerning the Bank's exposure to export-oriented clients with forward foreign exchange contracts, the Risk Monitoring Committee will ensure that necessary

measures are taken to correct weaknesses identified by SKAI.

Main activities of the Risk Monitoring Committee during 2008:

Realization of the Activities of the Risk Monitoring Committee	
Activities	Realization
Monthly meetings according to the schedule	11 meetings
Monitoring of potential risks	Done
Business strategies monitoring	Done
Risk Management Quality Enhancement	Done
Evaluation of Risk Management Policy and its implementation	Done
Monitoring and evaluation of the Risk Management Unit as well as report findings to the BoC	Done

Highlighted below are key activities of the Bank's Risk Monitoring Committee during 2008:

Agenda of the Risk Monitoring Committee Meetings	
Date	Key Agenda
January 31, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. IT Update 5. Operational Risk Management related to BI issues 6. Basel II Update 7. Treasury & Capital Market 8. Market Risk & Liquidity Update 9. Portfolio & Integrated Risk 10. Other Business 11. Date of next meeting
February 26, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. Consolidated Risk including Adira 5. Risk Management employee expatriate 6. Treasury & Capital Market 7. Market Risk & Liquidity Update 8. Portfolio & Integrated Risk 9. Other Business 10. Date of next meeting
April 1, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. CMM 5. SEMM/Supply Chain 6. Adira Insurance 7. Adira Quantum 8. Treasury & Capital Market 9. Market Risk & Liquidity Update 10. Portfolio & Integrated Risk 11. Other Business 12. Date of next meeting

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Date	Key Agenda
April 29, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Treasury & Capital Market 4. Market Risk & Liquidity Update 5. Risk Management employee expatriate 6. Related Parties Transactions/Regulatory Update 7. Middle Office 8. Portfolio & Integrated Risk 9. Other Business 10. Date of next meeting
June 9, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. National Portfolio 5. Inflation affects towards the portfolio 6. Treasury & Capital Market 7. Market Risk & Liquidity Update 8. Joint Finance – Corporate Finance Portfolio 9. DSP – Portfolio of Dana Talangan & Dana Siaga 10. Other Business 11. Date of next meeting
July 9, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. SEMM – Monthly Update 5. National Portfolio 6. Unsecured Personal Loans 7. Treasury & Capital Market 8. Market Risk & Liquidity Update 9. Risk Management Staffs Update 10. Adira Finance Update 11. Other Business 12. Date of next meeting
August 11, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Expatriate Employment Update 4. Related Parties Transactions/Regulatory Update 5. National Portfolio 6. Treasury & Capital Market 7. Market Risk & Liquidity Update 8. Other Business 9. Date of next meeting
September 25, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. IT Update 4. Related Parties Transactions/Regulatory Update 5. National Portfolio 6. LDR Update 7. Supply Chain Update 8. Treasury & Capital Market 9. Other Business 10. Date of next meeting
October 30, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. Portfolio & Integrated Risk Update 5. Treasury & Capital Market 6. Market Risk & Liquidity Update 7. Asset Based Financing 8. Corporate Banking & Joint Finance Assets Buy (JFAB) 9. CMM Update 10. Other Business 11. Date of next meeting

Date	Key Agenda
November 24, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. Adira Insurance Investment Update 5. Portfolio & Integrated Risk Update 6. Treasury & Capital Market 7. Market Risk & Liquidity Update 8. Adira Quantum Update 9. Syariah Update 10. Other Business 11. Date of next meeting
December 10, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Related Parties Transactions/Regulatory Update 4. Portfolio & Integrated Risk Update 5. Treasury & Capital Market 6. TARF (Target Accumulated Redemption Forward) Update 7. Market Risk & Liquidity Update 8. Other Business 9. Date of next meeting

4.4. Risk Monitoring Committee Charter

On May 24, 2006, the Risk Monitoring Committee Charter was established as reference for the Committee to dispense its roles and responsibilities in compliance with Bank Indonesia and other prevailing regulations.

5. Nomination & Remuneration Committee Report

5.1. Roles and Responsibilities

The Nomination & Remuneration Committee is established by the BoC with the following roles and responsibilities:

Relating to the Bank's Remuneration Policy:

1. Monitor and evaluate the Bank's remuneration policy
2. Provide recommendation to the BoC regarding:
 - The remuneration for the BoC and BoD to be approved in the GMS; and
 - The total remuneration for the Bank's senior management and employees to be submitted and approved by the BoD.

Relating to the Bank's Nomination Policy:

1. Compile and provide recommendations regarding system and procedures of appointing and/or changing members of the BoC and BoD to the BoC, which is to be further submitted and deliberated in the GMS;
2. Provide recommendations regarding candidates for the BoC and BoD, submitted to the BoC to be further discussed in the GMS.
3. Provide recommendations regarding independent parties to become members of the Audit and Risk Monitoring Committees under the BoC.

5.2. Structure, Membership, Expertise and Independency

As at December 2008, members of the Remuneration & Nomination consist of:

Membership of the Remuneration & Nomination Committee		
Name	Position	Expertise
J.B. Kristiadi	Chairman/Independent Commissioner	Finance/Risk Management
Ng Kee Choe	Member/President Commissioner	Credit/Finance/HR/Treasury/Risk Management
Harry A.S. Sukadis	Member/ Independent Commissioner	Accounting/IT/Risk Management
Milan R. Shuster	Member/ Independent Commissioner	Credit/Finance/Risk Management
Maria Theodora	Member/Executive *)	HR

*) An executive supervising HRD with knowledge regarding regulation of Nomination & Remuneration and succession.

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The structure, composition, expertise, and independence criteria for members of the Nomination & Remuneration Committee are in compliance with Bank Indonesia regulation.

5.3. Committee's Meeting and Work Program

During 2008, Nomination & Remuneration Committee has held 2 meetings. Attendance level of each member is as follows:

- Nominated new members for the Audit Committee and Risk Monitoring Committees and amended the Remuneration & Nomination Committee's members
- Reviewed the Remuneration & Nomination Committee charter

Attendance in the Nomination & Remuneration Committee Meeting

Name	Total Meeting (2)
JB Kristiadi	2 x
Ng Kee Choe	2 x
Harry Sukadis	2 x
Milan R. Shuster	2 x
Maria Theodora	2 x

During 2008, the Remuneration & Nomination Committee's major activities were:

- Reviewed the BoC and BoD's remuneration for 2008
- Determination of BoD's Key Performance Indicators (KPI)
- Determination of criteria and appointment of the President Director
- Reviewed agreements for new members of the BoD

The Nomination & Remuneration Committee provides recommendations to the Bank to review the bank's overall remuneration, including payment of employees' income tax by appointing an independent consultant.

Listed below are the key activities of the Bank's Remuneration & Nomination Committee:

Agenda of the Remuneration & Nomination Committee Meetings

Date	Key Agenda
April 2, 2008	<ol style="list-style-type: none"> 1. Restatement and confirmation for new members of the Board of Directors (Jos Luhukay, Kanchan Nijasure and Herry Hykmanto) and Board of Commissioners (Krisna Wijaya) 2. Reappointment of existing members of the BoC-BoD for the 2008 – 2011 period 3. Recommendation for tantiem of BoC, BoD and OC for 2007 4. Recommendation for remuneration of Board of Commissioners members for 2008- 2011 5. Recommendation for remuneration of Board of Directors members for 2008- 2011 6. Nomination/reappointment of members of Syariah Supervisory Board, Audit Committee and Risk Monitoring Committee 7. Recommendation for first Long Term Compensation Program (LTCP) payment with ROE target achieved for 2007 8. Recommendation/ROE Resolution and NPAT target for the second LTCP payment in 2009
October 31, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Rotation/Senior Succession Plan 3. Discussion regarding the need for Consumer Director 4. Discussion on the needs of Legal and Compliance Director 5. Matters arising

5.4. Charter of Nomination and Remuneration Committee

On January 16, 2007, the Remuneration & Nomination Committee Charter was established as reference for the committee to execute its role and responsibilities in compliance with Bank Indonesia and prevailing rules and regulation.

6. Corporate Governance Committee Report

6.1. Roles and Responsibilities

The Corporate Governance Committee oversees the Bank's corporate governance activities, covering disclosure, transparency and fairness issues for all stakeholders. The Committee also reviews the Code of Ethic for all bank employees.

6.2. Structure, Membership, Expertise and Independency

The establishment of the Corporate Governance Committee is not required by Bank Indonesia, however, the Bank feels the need to establish such a Committee to better support its commitment to apply Good Corporate Governance principles in the Bank. As of December 2008, members of the Good Corporate Governance Committee were as follows:

For 2008, the focuses of the Corporate Governance Committee were as follows:

1. Ensured sufficient Corporate Governance transparency in the Bank's Annual Report
2. Ensured the Bank's compliance with all Bank Indonesia Regulations regarding GCG
3. Submission of the Bank's Single Presence Policy plan to Bank Indonesia
4. Established the Bank's corporate policy manual

Membership of the Corporate Governance Committee

Name	Position	Expertise
Manggi T. Habir	Chairman/Independent Commissioner	Credit/Finance/Risk Management/Corporate Governance
J.B. Kristiadi	Member/Independent Commissioner	Finance/Risk Management
Gan Chee Yen	Member/Commissioner	Accounting/Finance/Risk Management

6.3. Committee's Meeting and Work Program

During 2008, the Corporate Governance Committee held 3 meetings. Attendance of each member in the Committee's meeting is as follows:

Attendance in the Corporate Governance Committee Meetings

Name	Total Meeting (3 times)
Manggi T. Habir	3 x
J.B. Kristiadi	3 x
Gan Chee Yen	3 x

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Listed below are key activities of the Bank's Corporate Governance Committee in 2008:

- The BoD submits the business plan comprising of the Bank's budget to the BoC

Agenda of the Corporate Governance Committee Meetings

Date	Key Agenda
March 4, 2008	<ol style="list-style-type: none"> 1. Matters Arising 2. The Committee reviews charters 3. The Committee reviews GCG Implementation Report to BI 4. Agenda for the upcoming GMS
April 2, 2008	<ol style="list-style-type: none"> 1. Ratification of the Previous Minutes 2. Ratification of the GCG Committee Charter, Committee Updates to the BoC 3. Plans for 2008
August 11, 2008	<ol style="list-style-type: none"> 1. Previous Minutes 2. Matters Arising 3. Corporate Policy Manual 4. Annual Report Award 5. Date of Next Meeting

6.4. Charter of Corporate Governance Committee

The Corporate Governance Committee Charter was established as reference for the Committee to dispense its role and responsibilities in accordance with Bank Indonesia and prevailing rules and regulations. The Corporate Governance Committee Charter has been revised twice on April 2, 2008 and September 10, 2008.

7. Board of Directors

7.1. Role and Responsibilities

The Bank's Article of Association stipulates that in accordance with prevailing Indonesian rules and regulations, the BoD is responsible for managing the Bank to achieve its set targets and objectivities. For that, the BoD has the right to represent the Bank in all legal matters both inside and outside the court, to create agreements that bind the Bank with other parties, as well as any decision making required. The Bank's Article and Association stipulates that the main role and responsibilities of the BoD are as follows:

- Managing the Bank with the Bank's interest in mind and according to the Bank's performance targets and objectivities;
- Represent the Bank both inside and outside the court regarding all matters and events, binding the Bank with other parties as well as executing all actions, both from a management and ownership perspective. However, on certain legal actions, the BoD must obtain written approval beforehand or proper documents with the BoC signature;

for their approval prior to the start of the Bank's fiscal year;

- The BoD produces the Bank's Annual Report in accordance with prevailing rules and regulations signed by all members of the BoC and BoD to be proposed to the AGMS;

As of December 31, 2008, the Bank's BoD consists of 8 directors including the President Director. In executing its roles and responsibilities, the BoD relies on several units it has set up, among others, SKAI, Integrated Risk Management, Compliance Unit, Business Executive Committee (BEC), Operation Committee (OC), Information Technology Steering Committee (ITSC), Human Resource (HR) Committee and Asset Liability Committee (ALCO).

7.2. Structure, Composition and Board of Directors Independency

Members of the BoD are appointed by the GMS for a period ending at the third AGMS since their appointment date and may be reappointed. However, the shareholders may dismiss any member of the BoD before the end of its term through an AGMS Resolution.

All BoD members have more than 5 years experiences in the banking industry as an executive. Members of the BoD will not delegate its authority to another party that results in a shift of role and function. Each BoD member should not hold any position as Commissioner, Director, or executive in another bank, company or institution except as a BoC member in

executing his/her supervisory role towards its non-bank subsidiaries controlled by the Bank. Before ratification in the GMS, the changes and appointment of BoD members must consider recommendations from the Remuneration & Nomination Committee, that each member must not have any relationship up to the second generation with other Directors and/or BoC members. BoD members have no concurrent positions, and they have fulfilled the criteria regarding amount, composition, independence and competency according to Bank Indonesia regulation.

7.3. Fit and Proper Test

Every BoD member of the Bank has a high level of integrity, competency and adequate financial reputation and experience, relevant expertise and all have passed Bank Indonesia's Fit and

Proper test. The President Director is chosen from an independent party from the controlling shareholder, and does not have financial relationship, shares and family connection with any BoD member.

7.4. Meetings

In executing its role and responsibilities, the BoD conducts BoD meetings. The minutes are signed by the chairman of the meeting/ President Director and distributed to all BoD members including members whom are absent. Dissenting opinions in the meeting are noted in the minutes. Decisions are made based on unanimous decision and if a unanimous decision is not reached, the decision will be achieved through voting. During the period January 1 until December 31, 2008, the BoD held 8 meetings.

Fit and Proper Test of the Board of Directors

Name	Position	Bank Indonesia Approval	GMS ¹⁾	Adjourns
Sebastian Paredes	President Director	May 9, 2005	April 3, 2008	GMS 2011
Jos Luhukay	Vice President Director	June 5, 2008	April 3, 2008	GMS 2011
Muliadi Rahardja ²⁾	Acting Compliance Director	December 21, 1999	April 3, 2008	GMS 2011
Anika Faisal ³⁾	Compliance Director	August 2, 2002	May 16, 2002	April 3, 2008
Hendarin Sukarmadji ⁴⁾	Director	July 4, 2005	May 9, 2005	April 3, 2008
Ali Yong	Director	May 8, 2006	April 3, 2008	GMS 2011
Vera Eve Lim	Director	June 26, 2006	April 3, 2008	GMS 2011
Sanjiv Malhotra	Director	July 26, 2006	April 3, 2008	GMS 2011
Herry Hykmanto	Director	May 13, 2008	April 3, 2008	GMS 2011
Kanchan Nijasure	Director	June 19, 2008	April 3, 2008	GMS 2011

Notes:

- 1) GM reappointing all members of the Board of Directors except for Jos Luhukay, Herry Hykmanto, Kanchan Nijasure
- 2) Board of Directors Circular Resolution in lieu of Resolutions adopted at a meeting of the Board of Directors of PT Bank Danamon Indonesia Tbk No. KSR-Dir.Corp.Sec-018 dated August 1, 2008 regarding delegation of roles and responsibilities among the Board of Directors, stipulating that assigned temporarily Mr. Muliadi Rahardja as Acting Compliance Director.
- 3) With the approval of Jos Luhukay as Vice President Director, the resignation of Anika Faisal was also accepted by Bank Indonesia through its letter No. 10/81/GBI/DPIP/Rahasia.
- 4) No longer served as director since GMS dated April 3, 2008

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Attendance in the Board of Directors Meetings

Name	Total Meeting of the Board of Commissioners & the Board of Directors (7 times)	Total Meeting of the Board of Directors (8 times)
Board of Directors		
Sebastian Paredes	7 x	8 x
Jos Luhukay	4 x	6 x
Muliadi Rahardja	7 x	7 x
Ali Yong	7 x	8 x
Vera Eve Lim	7 x	6 x
Sanjiv Malhotra	6 x	6 x
Herry Hykmanto	4 x	6 x
Kanchan Keshav Nijasure	4 x	5 x

During 2008, all BoD meetings were held in Jakarta.

Highlighted below are key activities of the Bank's BoD for 2008:

Agenda of the Board of Directors Meetings

Date	Key Agenda
February 6, 2008	1. Consolidated Financial Report of PT Bank Danamon Indonesia, Tbk and its subsidiaries year 2007
February 27, 2008	1. AGMS/EGMS Agenda 2. Amendments of the Article of Association
April 30, 2008	1. Danamon International Update
May 21, 2008	1. Kredit Usaha Tani (KUT) Update 2. Danamon International Update 3. Tax Court case update
June 4, 2008	1. Movement of AFS to Held To Maturity 2. Adira Finance Option 3. Capital Management/Subordinated Loan
July 9, 2008	1. Capital Injection Proposal for Adira Quantum
September 24, 2008	1. Discussion with Ms. Kartini Muljadi and Partners regarding Adira Insurance Conditional Sale and Purchase Agreement (CSPA) and option agreement
October 22, 2008	1. Approval of custodian transaction settlement

7.5. Board of Directors Remuneration

The Board of Directors total remuneration for 2008 is as follow:

The Board of Directors Remuneration (Valued equivalent in million Rupiah)

	2008	2007	2006
1 Salaries and Allowances	39,301	24,322	28,199
2 Tantiem *	TBD	35,888	28,329
3 LTCP Paid	11,834	-	-
4 Other Benefits in the form of in kind (housing, transportation, health insurance and etc)			
a. may be owned	8,100	5,400	7,200
b. may not be owned	6,036	4,352	5,773

* Paid in subsequent year

Notes:

1. Tantiem for BOD fiscal year 2008 will be determined in the Annual General Meeting of Shareholders on 25 May 2009.
2. Referring to salaries and other compensation benefits of Rp 154 billion paid for Board of Management on Notes 34 of the 2008 Consolidated Financial Statements, this includes tantiem of the Bank's BOC and BOD for fiscal year 2007; remuneration to the Bank's Board of Management/Operating Committee; and the remuneration and tantiem of the BOC and BOD of subsidiaries.
3. In 2007, the BOC agreed to grant the a Long Term Compensation Program (LTCP) to the Bank's BOD and eligible employees. This program is a three (3) year plan commencing on July 1, 2007 and payable in 2008, 2009 and 2010. Payment of this LTCP will depend on certain corporate measures and individual performance rating. Corporate performance measures will be determined by the BOC, whilst the individual performance will be based on year-end performance appraisals. Total LTCP granted to the BOD amounted to Rp 47.5 billion for 2008, 2009 and 2010. In 2008, LTCP paid to BOD amounted to Rp 11.8 billion.

Classification of the Board of Directors Remuneration

Amount of Remuneration per Person in 1 Year *)	Number of Directors
Above 2 billion	8
Above 1 billion up to 2 billion	-
Above 500 million up to 1 billion	-
Below 500 billion	-

*) cash received

7.6. Board of Directors' training program

To continue developing their competencies, BoD members participated in various training programs, conferences, seminars, and/or workshops as listed in the table below:

7.7. Board of Directors Charter

A BoD Charter has been established and such charter applies to all BoD members without exception and acts as a reference to ensure proper and ethical execution of its role and responsibilities without any conflict of interest.

Trainings of the Board of Directors

Name	Training	Organizer	Location
Jos Luhukay	<ul style="list-style-type: none"> Market Risk Management Refresher Operational Risk Management Refresher BSMR & DLA (Danamon Leadership Academy) 	<ul style="list-style-type: none"> ABN AMRO's Risk Advisory Services ABN AMRO's Risk Advisory Services 	<ul style="list-style-type: none"> Bali Bali
Vera Eve Lim	<ul style="list-style-type: none"> Stanford Executive Program Credit Risk Management Refreshment 	<ul style="list-style-type: none"> Stanford Graduate School of Business ABN AMRO's Risk Advisory Services 	<ul style="list-style-type: none"> USA Bali
Ali Yong	Stanford Executive Program	Stanford Graduate School of Business	USA
Herry Hykmanto	<ul style="list-style-type: none"> The 2008 APCONEX on Fin Transformation Workshop Syariah Midyear Perform. Review Workshop Syariah 2008 	<ul style="list-style-type: none"> APCONEX Global Pro Training & Development Sdn Bhd 	<ul style="list-style-type: none"> Jakarta Kuala Lumpur - Malaysia
Sanjiv Malhotra	<ul style="list-style-type: none"> Islamic Finance Training Sukuk Islamic C.M. Asia Pacific 2008 Credit Training Coaltrans Conference 	<ul style="list-style-type: none"> Red Money Moody's Coaltrans 	<ul style="list-style-type: none"> Dubai Singapore Bali

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7.8. Committees under the Board of Directors

The BoD is supported by six committees that are responsible to provide suggestions and recommendations relating to policies and management of the Bank. Committee members shall organize its members according to the scale and the complexity of its respective role and responsibilities. Recommendations from each committee are beneficial and may serve as reference for BoD decisions. The Compliance Director participates in such committees, maintains its independency and must refuse any policies and transactions that are not in accordance with the prevailing rules and regulations.

7.8.1. Integrated Risk Committee

The Integrated Risk Committee is responsible for determining any plan, guidance, policies and risk management strategies of the Bank and its subsidiaries; evaluating the risk management process and remedial actions inline with external and internal changes that can affect the Bank's CAR, the Bank's subsidiary capital levels and their respective risks profiles; determining the most appropriate integrated risk management methodology to manage risk; determining capital allocation and sufficient provisions and reserves to accommodate inherent potential risk and assuring business continuity program. In addition, the Integrated Risk Committee evaluates the appropriateness of the Bank and its subsidiaries' risk organization to ensure that the risk management processes are inline with the organization's development.

7.8.2. Operating Committee

The roles and responsibilities of the Operating Committee are to determine and decide the Bank's credit policies, regulations, guidelines and strategy based on the Bank's prudent principle; to assure that the Bank's credit policies are implemented consistently and finalize settlement of cases; and to evaluate HR in the Bank as well as units involved in credit activities.

7.8.3. Asset & Liability Committee (ALCO)

The roles and responsibilities of the Asset & Liability Committee are to determine plans, policies, strategies, balance sheet structure, liquidity, interest rates and FX risks, profitability and growth by maintaining the Bank's prudent principle. The Committee also manages the balance sheet and liquidity together with related risk through an identification process, risk measurement, monitoring as well as liquidity risk management strategy.

7.8.4. Information Technology Steering Committee (ITSC)

The ITSC main responsibilities include formulation of IT policies, reviews its implementation, reviews Danamon's Strategic Plan and its proper implementation in tune with business needs. It also approves IT Information Security and IT risk management policies and monitors their implementation.

ITSC reviews and approves IT capex investments, monitors IT projects through multiple sub-committees and ensures effective risk mitigation in these projects. ITSC also reviews IT production systems' Service Level Agreement, reviews IT operating expense and ensures effective risk mitigation by adequate Disaster Recovery Center (DRC) and IT Business Continuity Plan (BCP) in compliance with the regulation.

7.8.5. Human Resource (HR) Committee

The roles and responsibilities of the HR Committee are to determine the objectivities and strategy of HR Development and to ensure it is inline with the Bank's goals and targets. This Committee formulates, monitors and appraises the overall HR Development program to ensure its consistency with the Bank's principles, philosophy, policies and procedures. In addition, the Committee approves the Bank's HR plans and determines the succession/promotion for positions considered key by the Bank.

7.8.6. Business Executive Committee (BEC)
The roles and responsibilities of the Business Executive Committee are to formulate strategies and product development relating to funding and lending; to develop the business and marketing strategies, as well as determine targets and provide guidance for marketing strategy, including product promotions. The Committee reviews project proposals and their expenses and transactions; periodically evaluates product/project performance; formulates strategy to

enhance service quality of both services and technology; and provides guidance to revamp branches and network.

7.8.7. Fraud Committee
The role and responsibilities of the Fraud Committee is to determine appropriate and effective sanction to impose on employees involved directly and indirectly in fraud. The Committee was established in March 2008.

Highlighted below are memberships of the Bank's Directors and executive officers in respective Committees:

Membership of the Committees under the Board of Directors							
BoD members	Committee						
	Integrated Risk Committee	Operating Committee	ALCO	ITSC	HR Committee	Business Executive Committee	Fraud Committee
Sebastian Paredes	X	X (Chairman)	X (Chairman)	X	X	X	
Joseph Luhukay	X	X		X (Chairman)	X		X (Chairman)
Muliadi Rahardja	X	X		X	X		X
Sanjiv Malhotra	X (Chairman)	X	X	X		X	X
Vera Eve Lim	X	X	X	X		X (Chairwoman)	
Ali Yong	X	X	X		X (Chairman)	X	
Herry Hykmanto	X	X	X			X	
Kanchan Nijasure		X		X			

Tabled below are the attendance details of BoD members in executive committee meetings during 2008:

Attendance in the Meetings of the Committees under the Board of Directors								
Executive Committees (Number of meetings)	Sebastian Paredes	Jos Luhukay	Muliadi Rahardja	Ali Yong	Vera Eve Lim	Herry Hykmanto	Sanjiv Malhotra	Kanchan Keshav Nijasure
1. Integrated Risk Committee (11 times)	1 x	1 x	2 x	7 x	6 x	4 x	10 x	-
2. Operating Committee (19 times)	18 x	10 x	17 x	15 x	15 x	12 x	15 x	13 x
3. ALCO (16 times)	14 x	-	-	4 x	15 x	12 x	13 x	-
4. ITSC (3 times)	2 x	2 x	1 x	-	2 x	-	1 x	3 x
5. HR Committee (9 times)	9 x	5 x	8 x	8 x	-	-	-	-
6. BEC (15 times)	11 x	-	5 x	13 x	13 x	14 x	11 x	2 x

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Highlighted below are the key activities of the Bank's Integrated Risk Committee for year 2008 covering not limited to:

Agenda of the Integrated Risk Committee Meetings	
Date	Key Agenda
January 29, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Projects 4. Operational Risk Management (ORM) – Preparations for rainy season/flood by Business Continuity Management (BCM) 5. Corporate 6. Adira Quantum 7. Consumer Mass Market (CMM) 8. Legal & Compliance
February 25, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. SME & Commercial (SMEC) 4. Asset Based Financing (ABF) 5. Adira Quantum 6. Self Employed Mass Market (SEMM) 7. Syariah 8. Risk Analytics – the Possibility of final methodology of non performing retails
March 31, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Pipeline Outlook 3. Product Program 4. Risk Management Certification 5. KUT 6. Special Assets Management (SAM) 7. SEMM 8. The affect of the US Economy deterioration towards the corporate portfolio 9. Consumer
April 22, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Financial Institution 4. Retail Banking 5. Adira Finance 6. ORM – Implementation of Risk Management – Adira Group Consolidated 7. Legal & Compliance
May 26, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Credit Card 4. SAM 5. Corporate Real Estate Management (CREM) 6. Analytical Risks 7. JFAB 8. CMM 9. Adira Quantum 10. SEMM
June 30, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. JFAB (Finance Companies Portfolio) 4. Syariah 5. SEMM 6. KPR 7. Adira Finance
July 24, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. SMEC 4. Syariah 5. Retail Banking 6. SEMM 7. Adira Quantum 8. ORM 9. Legal & Compliance

Date	Key Agenda
August 22, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Fincon 4. Analytical Risk 5. SMEC 6. Corporate Banking 7. Retail Banking 8. Credit Card
September 22, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Portfolio Update of gross yield 4. Corporate Banking 5. Retail Banking 6. Adira Quantum 7. SEMM
October 27, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. Analytical Risk 4. SEMM collection 5. CMM 6. Adira Quantum 7. JFAB/ /Finance Companies 8. Treasury 9. ORM 10. Legal & Compliance
November 24, 2008	<ol style="list-style-type: none"> 1. National Portfolio 2. Product Program 3. CREM 4. Credit Card 5. Kartu kredit 6. Adira Quantum 7. Syariah 8. Corporate Banking 9. Financial Institution

Highlighted below are the key activities of the Bank's Operating Committee during 2008:

Agenda of the Operating Committee Meetings	
Date	Key Agenda
January 9, 2008	<ol style="list-style-type: none"> 1. Capital Management Update 2. CSPA for Adira Quantum 3. Scenario for dividend payment 4. AGMS/EGMS Agenda and calendar 5. Vice President Director Profile 6. Net Income Tax Reduction 7. SKAI Update
January 16, 2008	<ol style="list-style-type: none"> 1. Matters Arising 2. Performance Appraisal Timeline 3. Investor Relation Road Show Plan for 2008 4. Operational Excellence Achievement 2007 5. Brainstorming results 6. Preparations for the upcoming BoC meeting 7. BI Findings and Strategic/Reputation Risks
January 30, 2008	<ol style="list-style-type: none"> 1. Adira Quantum & Adira Insurance Update 2. BI Presentation Update 3. Single Presence Policy Update 4. Discussion on additional investment required to accelerate organic growth 5. DI & Yayasan Update 6. Singapore Investor Road show

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Date	Key Agenda
February 20, 2008	<ol style="list-style-type: none"> 1. January Financial Performance 2008 2. Corporate Banking Customers and X-sell
March 5, 2008	<ol style="list-style-type: none"> 1. SKAI Update 2. BoC/BoD for Adira Quantum & Adira Insurance 3. AGMS/EGMS Agenda 4. Negative Press
April 9, 2008	<ol style="list-style-type: none"> 1. Feedback bonus/ tantiem 2. Turnover as of March 2008 3. Goals 2008 4. Implementation of BI Regulation for IT 5. Middle Office Update 6. Acceleration Plan 7. Talent Management
April 30, 2008	<ol style="list-style-type: none"> 1. Adira Insurance & Adira Quantum Update 2. Transfer of loan portfolio to IBRA (tax court update) 3. Sub debt Update 4. SKAI Update
May 21, 2008	<ol style="list-style-type: none"> 1. Financial Performance as of April 2008 2. Preparation for BoC meeting 3. Acquisition of Adira Quantum & Adira Insurance Update 4. HR Movements, Turnover & Recruitment 5. SKAI Update
July 2, 2008	<ol style="list-style-type: none"> 1. BI Penalty for Reporting Delay 2. Corporate Assets (AYDA)/Assets taken over and neglected assets 3. Midyear review discussion 4. Overall Strategic plan (10 year plan) 5. Regional Corporate Officers (RCO) Roles & Responsibilities
July 17, 2008	<ol style="list-style-type: none"> 1. Preparations for upcoming BoC meeting 2. Preparations for EGMS 3. Sub debt Issuance update
August 20, 2008	<ol style="list-style-type: none"> 1. Business Continuity Plan 2. SKAI Update 3. KUT Update 4. Custody Loss Update 5. CAR Update 6. Fullerton Institutionalization
September 3, 2008	<ol style="list-style-type: none"> 1. Liquidity Update 2. Sub debt Update 3. BI Audit Results 4. Operational Ratio Framework 5. Internal Audit Plan 2009
September 17, 2008	<ol style="list-style-type: none"> 1. Impact of new tax law 2. Internal Audit Plan 2009 3. Operational Ratio Framework
October 8, 2008	<ol style="list-style-type: none"> 1. Sub debt Update 2. BoD Composition 3. Operational Ratio Framework 4. Other Discussions
October 15, 2008	<ol style="list-style-type: none"> 1. Sub debt Update
October 22, 2008	<ol style="list-style-type: none"> 1. Preparations for upcoming BoC meeting 2. Q3 Operational Expense review
November 5, 2008	<ol style="list-style-type: none"> 1. Strategic Task Force on Manpower 2. First Cut of 2009 plan 3. eCIF & CCMS programs
November 19, 2008	<ol style="list-style-type: none"> 1. Decision on pawn broking 2. Second Cut of 2009 Plan
December 17, 2008	<ol style="list-style-type: none"> 1. SKAI Update 2. 2009 Plan

Highlighted below are key activities of the Bank's ALCO Committee in 2008:

Agenda of ALCO Meetings	
Date	Key Agenda
February 5, 2008	1. TCM (Treasury & Capital Market) Limit review
February 18, 2008	1. Approval to issue and appoint underwriter for IDR Bond II 2. Adira Bond Issuance 3. Fund Transfer Pricing (FTP) Review 4. TCM – IR (Treasury Capital Markets – Interest Rate) Vega Limit
February 27, 2008	1. Scenario Plan 2. Economy and market review 3. AFS Update 4. Pricing for funding product 5. Market and liquidity risks
March 18, 2008	1. Economy and market review 2. Scenario Plan 3. AFS Update 4. Market and liquidity risks 5. Cold Nose AFS 6. Simulation for AFS IDR Bonds 7. Simulation for AFS USD Bonds 8. Bond Issuance Update
April 3, 2008	1. Economy Update 2. Current tenor distribution
April 15, 2008	1. Update of decisions from previous ALCO meeting on March 18, 2008 2. Economy and market review 3. Scenario Plan 4. Balance Sheet review 5. Financial & key compliance ratio 6. Pricing benchmark summary 7. Market and liquidity risks 8. USD Funding Proposal (Repo to Maturity)
May 13, 2008	1. Economy and market review 2. Scenario Plan 3. AFS Update 4. Pricing & funding product & stress test result
June 18, 2008	1. Update of decisions from previous ALCO meeting on May 13, 2008 2. Economy and market review 3. Scenario Plan 4. Balance Sheet review 5. Financial & key compliance ratio 6. Pricing benchmark summary 7. Market and liquidity risks
July 23, 2008	1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. AFS Update 5. Balance Sheet review 6. Financial & key compliance ratio 7. Pricing benchmark summary 8. Market and liquidity risks
August 20, 2008	1. Current ALCO Process of the Bank 2. Current limit approval process of the Bank 3. New product approval process 4. Basel Guideline 5. Current practice Summary of the Bank 6. New Structure Proposal
August 20, 2008	1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. Balance sheet & Ratio 5. Market and liquidity risks 6. Funding products Update 7. Subdebt & FRCD (Floating Rate Certificate of Deposit)

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Date	Key Agenda
September 16, 2008	<ol style="list-style-type: none"> 1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. Balance sheet & Ratio 5. Market and liquidity risks
October 7, 2008	<ol style="list-style-type: none"> 1. Market condition after Lebaran Holiday 2. AFS Update 3. Capital Management 4. Adira Investment
October 27, 2008	<ol style="list-style-type: none"> 1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. Balance sheet & Ratio 5. Market and liquidity risks
November 19, 2008	<ol style="list-style-type: none"> 1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. Balance sheet & Ratio 5. Market and liquidity risks
December 17, 2008	<ol style="list-style-type: none"> 1. Update from Previous ALCO 2. Economy and market review 3. Scenario Plan 4. Balance sheet & Ratio 5. Market and liquidity risks

Highlighted below are key activities of the Bank's ITSC in 2008 covering not limited to:

Agenda of ITSC Meetings	
Date	Key Agenda
March 18, 2008	<ol style="list-style-type: none"> 1. Evaluation of the Internet Banking Project Implementation 2. Recommendation & Approval from the Bank's Team
June 30, 2008	<ol style="list-style-type: none"> 1. New Contact Center Project Evaluation 2. Recommendation & Approval from the Bank's Team
September 24, 2008	<ol style="list-style-type: none"> 1. Bank Indonesia Regulation regarding Information Technology Risk Management 2. The Bank's IT Policy v.1.0

Highlighted below are key activities of the Bank's HR Committee for year 2008:

Agenda of HR Committee Meetings	
Date	Key Agenda
January 9, 2008	<ol style="list-style-type: none"> 1. Job Dimensioning Update 2. Adira's salary review
February 18, 2008	<ol style="list-style-type: none"> 1. Adira Quantum Bonus Review 2. People framework by Accenture 3. Car Ownership Program (COP) Insurance 4. Exit Interview
February 25, 2008	<ol style="list-style-type: none"> 1. Danamon University Update 2. End of year Performance Appraisal (PA) results
April 23, 2008	<ol style="list-style-type: none"> 1. COP and housing loan benefits
June 2, 2008	<ol style="list-style-type: none"> 1. Discussion incentive practice for each line of business (LoB) 2. Proposal for cost living adjustment with regards to oil price increase
July 9, 2008	<ol style="list-style-type: none"> 1. Transport benefit adjustment for Adira Finance, Quantum & Insurance
August 25, 2008	<ol style="list-style-type: none"> 1. PA Midyear results 2. LTCP Update 3. Tax regulation
September 8, 2008	<ol style="list-style-type: none"> 1. 2008 PA Midyear
October 16, 2008	<ol style="list-style-type: none"> 1. 2009 Budget assumption approval

Highlighted below are key activities of the Bank's Business Executive Committee in 2008 covering not limited to:

Agenda of the Business Executive Committee Meetings	
Date	Key Agenda
January 9, 2008	<ol style="list-style-type: none"> 1. Full Year Results 2. Business Plan 2008 3. Market Update 4. LoBs Update 5. Elaboration of Business Plan 2008 6. Annual Report 7. Single Presence Policy
January 23, 2008	<ol style="list-style-type: none"> 1. Market Update 2. AG Delta Project 3. LoBs Update
February 6, 2008	<ol style="list-style-type: none"> 1. Market Update 2. Autocillin Card Update 3. LoBs Update
February 27, 2008	<ol style="list-style-type: none"> 1. Market Update 2. LoBs Updates 3. Cross Sell Bancassurance 4. Best Practices – Demo Marketing Tools of Privilege Banking
March 12, 2008	<ol style="list-style-type: none"> 1. Macroeconomic Outlook 2. Banking Sector Update
March 26, 2008	<ol style="list-style-type: none"> 1. Macroeconomic Outlook 2. Market Update 3. Operational Excellence 4. Monetizing your Carbon Assets Through Carbon Credit Mechanism 5. Commission for the Supervision of Business Competition (KPPU) & Bapepam – LK probe on Adira Finance Business
April 16, 2008	<ol style="list-style-type: none"> 1. Market Update 2. Top Ten Bank Comparison 3. Financial Results 4. Recruitment Strategy
May 14, 2008	<ol style="list-style-type: none"> 1. Macroeconomic Outlook 2. Market Update 3. Non – Deal Road Show Update 4. Top Ten Bank Comparison 5. Branding Task Force Update 6. Danamon Lebih Program Update 7. Property and Mortgage Business Outlook 2008 - 2009
May 28, 2008	<ol style="list-style-type: none"> 1. Motorcycle Business Outlook 2. Cross Sell Mortgage & SMEC Loan 3. Danamon Accelerated Growth Plan
June 11, 2008	<ol style="list-style-type: none"> 1. Macroeconomic Outlook 2. Market Update 3. Current Account Update 4. Data Cleansing for Account Ownership
June 25, 2008	<ol style="list-style-type: none"> 1. Macroeconomic Outlook 3. Best practice on fraud detection unit 4. May 2008 Bankwide Financial Results

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Date	Key Agenda
July 9, 2008	1. Indonesian Mutual Fund Industry 2. Macroeconomic Outlook 3. Danamon Branch Performance Award
August 13, 2008	1. Macroeconomic Outlook 2. Business and Support Function Updates 3. 2008 Bank Wide Financial Forecasting 4. Follow up Focus Group recommendation from mid year review.
August 27, 2008	1. Micro Banking Outlook 2. Macroeconomic Outlook 3. Top Ten Banks First Half 2008 Update 4. Centre of Excellence Update
September 10, 2008	1. Coal mining Outlook 2. Economic Outlook 3. 2008 Bank Wide Financial Forecasting
September 24, 2008	1. Macroeconomic Outlook 2. Business Update
October 15, 2008	1. Macroeconomic Outlook 2. Funding and lending update
October 29, 2009	1. Macroeconomic Outlook 2. Heavy equipment business outlook 3. Business Update

8. Compliance

8.1 Application of the Compliance Function

In accordance with PBI No. 1/6/PBI/1999, the Bank must appoint a BoD member as a Compliance Director.

The Compliance Director is responsible for ensuring the Bank's compliance according to Bank Indonesia regulation and other prevailing rules and regulations, considering the Bank's prudent principle and ensuring there is no deviation in the Bank's business activities. The Compliance Director is to periodically report the Bank's compliance status to the President Director with a copy submitted to the BoC or other authorities. The appointment of the Compliance Director is in accordance with the regulations. The Compliance Director is also responsible for communicating all policies, system and procedures at all levels of the organization. Such person is also responsible to create and implement an effective and integrated compliance system within the Bank.

The Compliance function is to develop a culture of maintaining a good reputation that would assist the Bank to achieve its targets.

8.2. Responsibilities of Compliance Director include:

- Determine actions to ensure that the Bank complies with all prevailing rules and regulations, inline with the Bank's prudent principle;
- Monitor and minimize the number of deviations occurring in the Bank;
- Monitor and maintain the Bank's compliance standards on all agreements and commitments made by the Bank to Bank Indonesia
- Establish and update charters, system and compliance procedures

The responsibilities of the Compliance Unit are as follows:

- Design and provide database of external regulations that can be accessed by every employee through intranet (e-manual);
- Distribute new regulations or its revisions and socialize such regulations to related units;
- Report compliance status and analyze the compliance implementation process;
- Review policies, transactions and products including matters allowed within the Good Corporate Governance principle;
- Conduct and supervise initiatives regarding Know Your Customer (KYC)/Anti Money Laundering (AML).

The Compliance Roles and Responsibilities Report is submitted every semester by the Compliance Director to Bank Indonesia. Matters that are not fully complied with the prevailing rules and regulations as well as not inline with the prudent principles are closely monitored and timely rectified. Compliance is based upon the following principles:

- Compliance with prevailing rules and regulations
- Inter related and consistent with Good Corporate Governance standards
- Set standards that is in line with employees' competency and integrity
- Embedded into the business process

8.3. Compliance Regulation

Compliance to Key Regulations		
Item	Status	Note
Capital Adequacy Ratio (CAR)	Complied	The Bank's stand alone CAR reached 13.37% (with market risk charge) as at December 31, 2008, above Bank Indonesia's minimum requirement of 8%
Minimum Reserve Requirements	Complied	Minimum Reserve Requirements (Rupiah) complied at 5.07%
Non Performing Loans (NPL)	Complied	Gross NPL ratio (stand alone) as of December 31, 2008 was 2.36%. With Net NPL reached 1.18%
Net Open Position (NOP)	Complied	NOP as per December 31, 2008 reached 7.83% far below Bank Indonesia's limit of 20% of equity.
Legal Lending Limit (LLL)	Complied	As at December 31, 2008, there are no loan granted to individual debtor or to debtors in a group which does not follow Bank Indonesia's LLL regulation.
Anti Money Laundering	Complied	Danamon has fully complied with Bank Indonesia Regulation. Special training has been provided for all business and supporting units to prevent and identify any money laundering transaction.

8.4. Compliance Activity for 2008

Compliance key activities apart from its routine activities in 2008:

- Ongoing compliance implementation at the subsidiaries through parameter regulation and cooperation programs
- Gap analysis against the Basel accord.
- Socialization of new regulations to all related units and follow ups needed for their implementation
- Finalization of compliance training modules, including preparation of the e-learning module in partnership with DCU (Danamon Corporate University)
- Compliance training programs for the Bank's officers and employees attended by at least 5,000 employees

- Quarterly coordination of the Bank's sound level.

8.5. Know Your Customer (KYC) and Money Laundering Act (MLA) Implementation

During the year, the Bank has implemented the KYC/MLA principles according to PBI No. 3/10/PBI/2001 which has been updated with PBI No. 3/23/PBI/2003 and PBI No. 5/21/PBI/2003 on Know Your Customer Principle and Money Laundering Act No. 25 year 2003.

Initiatives performed in 2008:

1. Reporting

The Bank has reported 67 Suspicious Financial Transaction Reports (STR) and 302,364 Cash Transactions Report to the

Indonesian Financial Transaction Reports and Analysis Centre (PPATK), consisting of 301.642 customers which include 722 walk in non customers

The Bank has also responded to 120 letters received from (PPATK), the Corruption Eradication Commission (KPK), Police and Tax regarding financial data, suspicious financial transactions and requests for account freezing.

2. Training & Socialization

To enhance knowledge on KYC implementation in the branches and business units, we also conducted regular KYC Training/Socialization sessions. Such programs include Induction Programs for new and existing employees not yet

Corporate Governance

participated in the KYC and Refreshment Programs or TTT Refreshment for employees with direct customer contacts (front liners).

In 2008, these training programs were attended by 10,020 employees.

3. Information Management System

To further enhance the Bank's effectiveness and efficiency, walk in customers' cash transaction at the branches are in the process of being directly linked to the Cash Transaction Report (CTR) program in Unit Khusus Pengenalan Nasabah (UKPN) – Head Office.

This project will be finalized by 1Q2009.

4. Customers' Data Updating

As of December 2008, 99.7% of the Bank's total CIF has been completed and compiled in the form of KYC Mandatory fields CIF. Continuous monitoring of customer data update is done by UKPN in coordination with the business units.

To increase awareness on the importance of data updating, during Semester I – 2008, important information is highlighted on the ATM screen.

5. KYC Policy and Procedure Reviews

To keep abreast with existing internal policies, KYC Policy and Operational Procedure has been reviewed and revised by related units.

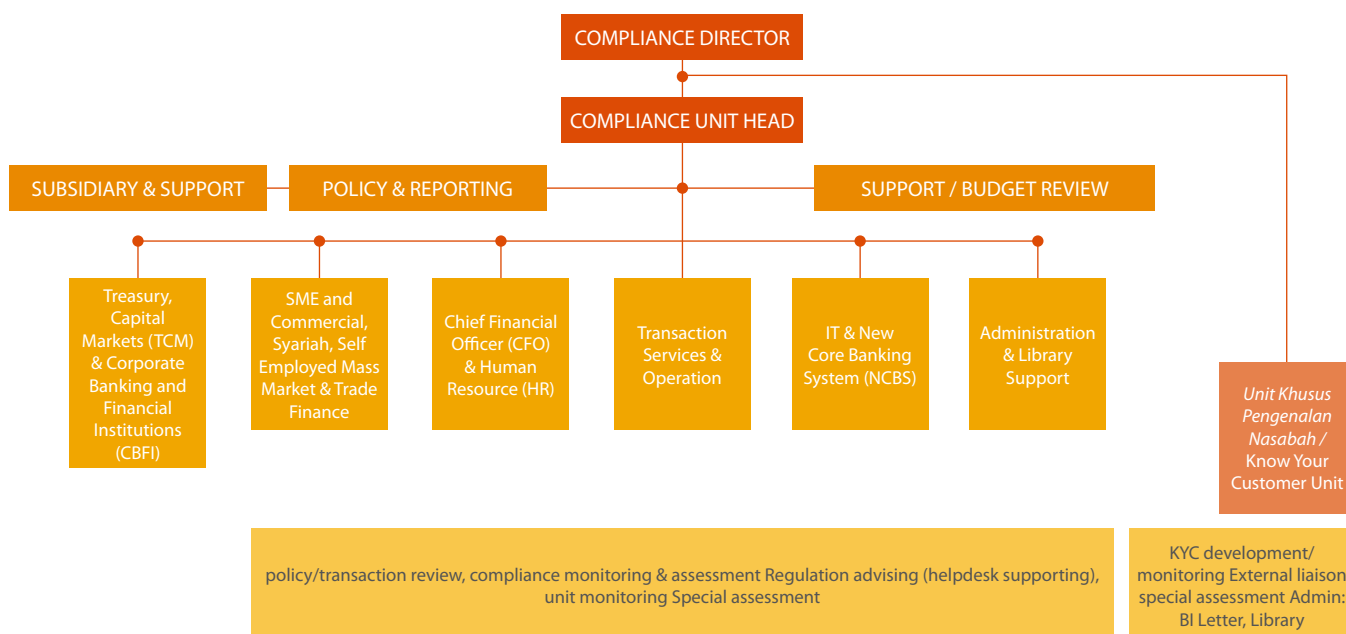
As of end 2008, approvals from BoC and BoD were still being processed. It is expected that by end of January 2009 all revisions will be finalized to be submitted to Bank Indonesia.

6. Reviews on KYC Compliance at the Branches

To ensure KYC implementation at the branches, UKPN/KYC Unit has performed KYC Compliance Review Programs in branches located at 7 different regions, namely, Jakarta, Bandung, Medan, Yogyakarta, Manado, Jayapura and Banjarmasin.

Review scope covered at the minimum 5 (five) pillars namely, KYC Administration Policy and Procedure, Identification of New Customers Acceptance, Monitoring & Reporting, Customers' Data Updating and KYC Training/Socialization at the branches.

Compliance Organization Structure



8.6 Compliance Statement

During 2008 the Bank has complied with all prevailing rules and regulations. The Bank continuously improves its systems and processes in this area and rectifies all operational deviations.

9. Internal Audit

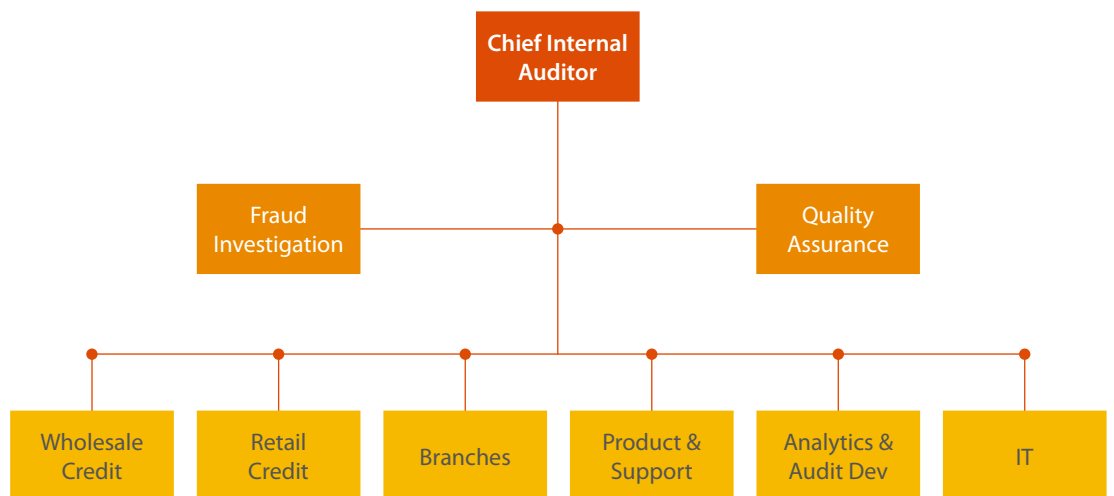
Internal Audit (SKAI) is an independent unit that reports directly to the President Director and to the BoC, through the Audit Committee. The Internal Audit provides an independent and objective assessment that the Bank’s policy and procedures are being properly and consistently adhered to. The objective of Internal Audit is to become a valued business partner that provides additional value by evaluating and improving the effectiveness of the Bank’s risk management, control and governance processes. In addition, it provides comments and recommendation to the BoC and BoD to sustain and improve stakeholder’s long-term goals.

According to the Internal Audit Charter signed by the President Director and BoC, the Internal Audit has unlimited access to all activities, function, notes, properties and personnel of the Bank and its subsidiaries. Internal Audit’s scope covers all entities of PT Bank Danamon Tbk and its subsidiaries (PT Adira Dinamika Multi Finance, Tbk, PT Asuransi Adira Dinamika and PT Adira Quantum Multi Finance).

In assessing the adequacy and effectiveness of the control and risk management processes, the Internal Audit reports significant audit findings relating to these areas and provide recommendations for improvement and monitor follow up corrective actions. Each month, the audit result is presented to the BoD and Management and separately, to the Audit Committee.

As reference, Internal Audit refers to Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) from Bank Indonesia and International Standards for the Professional Practice of Internal Audit from The Institute of Internal Auditors.

Internal Audit Organization Structure



Corporate Governance

Internal Audit covers all lines of businesses, product groups and support functions at the Head Office and branches, including audit for the Bank's subsidiaries, Adira Finance, Adira Quantum and Adira Insurance.

9.1. Main Activities in 2008

In 2008, Internal Audit has performed audits on 414 entities (111% of 2008 plan):

- Financial Institution, Special Asset Management, Credit Risk Management, Loan Transaction Services, Syariah, etc.
- b. Retail Credit Audit will audit the SEMM-Self Employed Mass Market, CMM-Consumer Mass Market, Credit Card (Visa, Master, Amex), Secured Loan/

Audit Activities					
	Audit Plan	Audit Realization			% of Plan
		Jan-Jun	Jul-Dec	Total	
I. Routine Audit					
1. Head Office Audit					
a. Credit Audit	25	13	11	24	96%
b. Product & Support Audit	18	15	5	20	111%
c. IT Audit	22	15	7	22	100%
Total Head Office Audit (including Adira Group)	65	43	23	66	102%
2. Branches Audit					
a. Conventional Branches	233	140	113	253	109%
b. Danamon Simpan Pinjam	74	33	62	95	128%
Total Branches Audit	307	173	175	348	113%
Total Routine Audit	372	216	198	414	111%
II. Audit Investigation					
Total Audit Investigation	-	11	10	21	-

The Acceptable Audit Rating (the highest audit rating) improved from 66% in 2007 to 71% in 2008

Mortgage, Unsecured Loan, Adira Finance, Adira Quantum, etc.

9.2. 2009 Plan

In line with the Bank's business growth, in 2009 Internal Audit will implement several key initiatives to strengthen the audit functions :

- Establish Analytics Unit to help implementing a Continuous Auditing function. The Analytics Unit will capture all relevant data and develop certain risk factors to capture early warning signals from branches/units. The Unit will suggest higher risk entities to be audited by the Branches Audit Group.
- Divide Audit Credit into Wholesale Credit Audit and Retail Credit Audit.
 - a. Wholesale Credit Audit will audit the Corporate Banking, SMEC-Small Medium Enterprise & Commercial,

- Continuously enhance audit methodology by reassessing risk factors relating to each audit entity.
- Improve the Self Employed Mass Market (SEMM) Cluster audit approach to include higher risk units outside the audited Clusters based on the analytic result.
- Monitor audit follow ups in all audited entities.

The annual audit plan has been developed using risk based audit that examines all audit entities. 2009 Audit Plan is based on the Audit Cycle below. The plan has been communicated and approved by the President Director, Audit Committee and the BoC.

2009 Audit Methodology			
Risk			
High		12 Months <ul style="list-style-type: none"> • All High Risk (Head Office & Branches) • Unsatisfactory Rating • Fraud 	
Medium		24 Months <ul style="list-style-type: none"> • Head Office Entitles (Medium & Low Risk) • SEMM Cluster (Medium & Low Risk) • Branches: Medium Risk with Need Improvement & Acceptable Rating 	
Low	36 Months Conventional Branches Only Low Risk (Need Improvement & Acceptable)		
	Acceptable	Need Improvement	Unsatisfactory
Analytics & Early Warning - Dynamic Risk Based Auditing			

Audit results are communicated and distributed to relevant parties, including the President Director, Integrated Risk Director and Compliance Director. Summary of audit issues is presented every month to the Operating Committee for constructive discussion. Separately, Internal Audit attends a monthly meeting with the Audit Committee.

10. External Audit

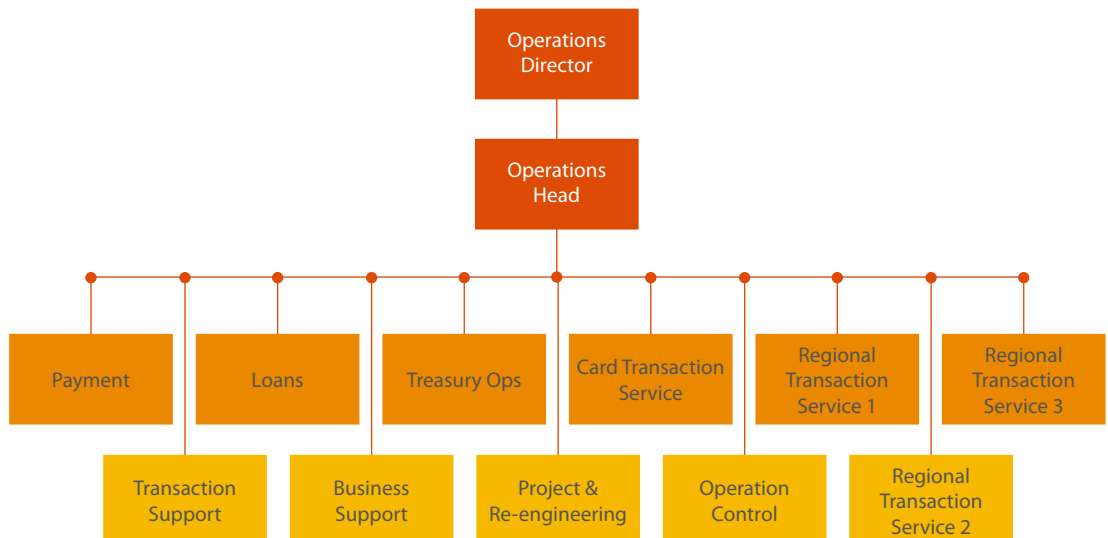
The Bank's and its subsidiaries consolidated financial report for year 2008 is audited by Public Accountant Office KPMG Siddharta Siddharta & Widjaja with an audit fee of USD 414,700. The Public Accountant and the Public Accountant Office has obtained GMS approval on March 27, 2007. The Management

Letter received from the Independent Auditor has been reviewed by the BoC. The appointment of the Independent Auditor follows Bank Indonesia regulation, among others, requiring the Public Auditor to be in Bank Indonesia's approved list.

11. Internal Control In Operations

The Bank has already implemented basic Control functions in its operations, which include segregation of duties, dual control/custody, reconciliation and proof call as well as Standard Operating Procedures and Code of Conducts. Operation Control team conducts periodical site visits to the Branches and the Head Office Divisions for random reviews to ensure that transactions are in compliance with the Bank's policies and procedures.

Operations Organization Structure



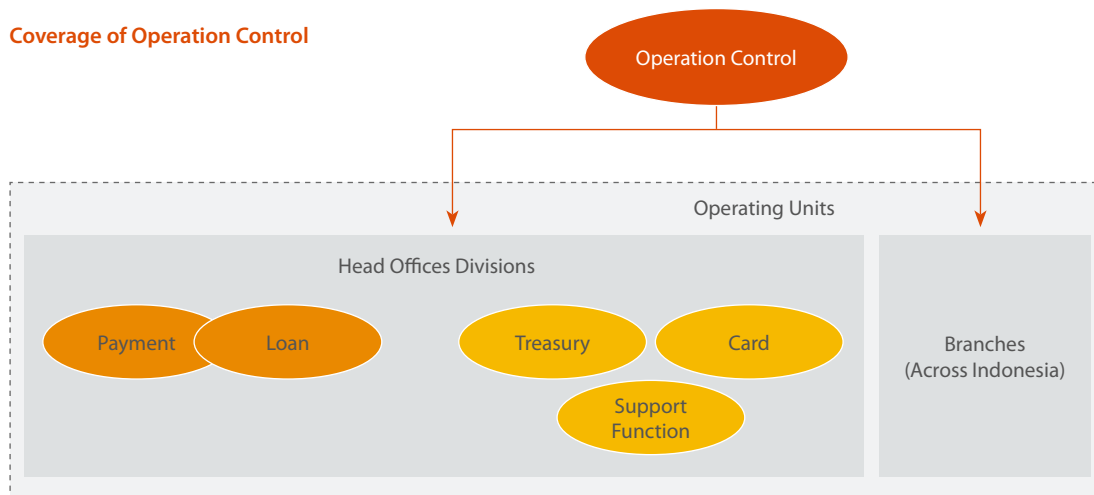
Corporate Governance

On a regular basis the team retrieves exceptional transactions through the on-line system query, and disseminates these transactions to relevant Operating for monitoring and corrective actions.

12. Integrated Risk Assessment and Risk Management

Key risks faced by the Bank and its subsidiaries have been identified, analyzed and managed through an

Coverage of Operation Control



Surveillance System is also used as an internal control tool to detect fraudulent transactions. Quarterly Risk Control Self Assessment (RCSA) exercises are performed by the Operating Units. This activity serves as a risk monitoring tool used to measure the level of operational risk exposures and each Unit's compliance. Further, training on Bank Internal Control continues to be a part of the Bank's training program to upgrade staff's competency and to increase control awareness.

The Audit Rating of Operating Units is one of the Key Performance Indicators (KPI) for both the Operating each Unit's compliance. This activity serves as a risk monitoring tool used to measure the level of operational risk exposures and each Unit's compliance. Further, training on Bank Internal Control continues to be a part of the Bank's training program to upgrade staff's competency and to increase control awareness.

integrated and enterprise-wide risk management and the BoD has communicated clearly the mission, strategy, target market and risk appetite as well as performance indicators and criteria to measure achievements by minimizing unexpected events. In addition, a mechanism and infrastructure have been developed to assess constraints. To anticipate any service interruption, the Bank has built and established back up and business recovery plans.

The BoC and BoD are cognizant of the importance of risk management in the Bank's business activity. Business units are responsible to measure routine risks faced. Risk assessment results are discussed in the Risk Monitoring Committee meetings to assure that sufficient follow ups have been performed.

As of Semester II/ 2008, the Bank management's internal self assessment performance stood at rating 2, indicating that overall the Bank has a sound rating and is capable of withstanding negative economic and financial conditions.

The table below summarizes the Bank's self-assessment Performance Level (CAMELS).

Please see table below which summarizes in matrix format, the Bank's self-assessment Performance Level (CAMELS).

The BoC is assisted by its Risk Monitoring Committee to conduct in-depth reviews of the Bank's risk. This Committee periodically meets with the Risk Committee and Risk Management unit as counterparts to discuss the Bank's risk profile and the adequacy of existing policy and procedure as well as other internal control issues. The Risk Management unit is staffed with skilled and competent people to analyze risk, prepare models and methodology, report portfolio analysis as well as create and improve upon policy and risk control processes.

Bank Soundness Assessment Report as of December 31, 2008		
Component	Composite Ratings	Ratings
Capital	1	Sound
Asset Quality	2	Sound
Management	1	Sound
Rentability	1	Sound
Liquidity	2	Sound
Sensitivity to Market Risk	2	Sound
The Bank Soundness Rating	2	Sound

* Composite Rating: 1 & 2 : Sound
3 : Fairly
4 : Poor
5 : Unsound

The BoC and BoD actively supervises risk management implementation and such matter is shown in the related committees' performance on risk management. At the executive level, the Risk Committee is chaired by the Integrated Risk Director, who reviews the Bank's risk profile and determines actions to mitigate and control risk. This committee serves as the main forum through which the Bank implements risk management for all businesses and subsidiaries.

Further explanation of the Bank's risk management is described in the Risk Management section of the Annual Report.

Credit Ratings

Danamon is rated by both local and international rating agencies. Danamon's credit ratings as of December 31, 2008 is as follow:

Credit Ratings		
Agency	Rating/Outlook	
Standard & Poor's December 2008	Long-term/Short-term Local Currency	BB-/Stable/B
	Long-term/Short-term Foreign Currency	BB-/Stable/B
	Subordinated Debt	B/Stable
Moody's November 2008	Global Local Currency Deposit	Baa3/Stable
	Foreign Currency Long-term/Short-term Bank Deposit	B1/Stable/Not Prime
	Subordinated Debt	Ba2/Stable
	National Scale Rating	Aaa.id
Fitch Ratings July 2008	Long-term/Short-term Foreign Currency	BB/Stable/B
	National Long-term	AA (idn)/Stable
PEFINDO February 2008	Corporate Rating	idAA+/Stable
	Bond Rating	idAA+/Stable

Corporate Governance

13. Lending to Related Parties and Large Exposure Lending

Bank Indonesia regulates LLL (Legal Lending Limit) as well as the procedure of lending to related parties. During 2008, the Bank has not violated and/or exceeded its LLL. To reduce risk concentration, the Bank also sets limits on lending to individual, group or industry.

Lending to related parties and Largest Debtors as at December 31, 2008:

Total Lending to Related Parties and Largest Debtors as of December 31, 2008			
No.	Fund Provision	Debtors	Outstanding Amount (Rp million)
1.	Related Parties	Subsidiaries and Key Management	1,563,694
2.	Group / Largest debtor	25	7,009,038

14. Strategic Plan

The BoD has communicated the Bank's plan to the entire organization and to all stakeholders so as to ensure effective implementation. The Bank's plan is compiled in accordance to Bank Indonesia's Regulation regarding bank corporate plan and takes into consideration all relevant risks and prudent banking practices. The plan has also been reviewed by the BoC.

14.1. Long term Plan

To realize its vision, the Bank plans to grow through various alternatives, both organically and non-organically. For 2008-2010, the Bank will execute various activities to reach its vision, among others, by expanding the synergy process, and other corporate actions. Such corporate actions will be adopted according to market and macroeconomic conditions.

14.2. Short term and Mid term plan

The Bank's short term strategic priorities are as follow:

- Accelerate lending growth in micro, small and medium including commercial;
- Strengthen retail franchise, network and product;
- Broaden the scope and product offering to corporate customers;

- Continue operational efficiency by applying operational excellence for all segmentation;
- Further increase reliability, scale and flexibility. A new core banking system is in place in April 2008 for Danamon Simpan Pinjam and the Bank has launched a pilot project in October 2008 for conventional branches. The Bank plans to further invest in internet banking and mobile phone banking for the retail segment;

- Seek opportunities to build scale through small bank acquisitions, security companies, insurance and exercise Adira Finance's 20% call option.

14.3. Mid term plan (3-5 Years)

In the next 3 – 5 years the banking sector will become more consolidated. The Bank wishes to become an international bank as defined in Indonesian Banking Architecture (API). Even though the Bank's business plan is based on organic growth, the Bank also continuously seeks ways to accelerate growth, including through mergers and acquisitions. The Bank uniquely has qualifications as an anchor (core) bank in Bank Indonesia's vision. The Bank has a good track record in the merger program of 9 banks in 2000 and in the acquisition of PT Adira Dinamika Multi finance ("Adira Finance"), PT Adira Quantum Multifinance ("Adira Quantum"), as well as PT Asuransi Adira Dinamika ("Adira Insurance"). The Bank will explore other financial institutions that can meet the Bank's current market position so the Bank can expand its market share and product and customer service.

15. Financial and Non Financial Report Transparency

The Bank always communicates its financial and non financial conditions to the stakeholders, through quarterly publication of financial reports and other reports submitted to Bank Indonesia, the Capital Market Supervisory Board (Bapepam – LK) and other stakeholders in accordance with the prevailing rules and regulations.

Quarterly Financial Reports are published in at least one Indonesian national newspaper. In addition, these reports are also available in the Bank's web site.

Reports submitted among others cover, the Bank's Financial Condition, product information and Customer Data Utilization, customer claim process; the Annual Report submitted to at least Bank Indonesia, Rating Agencies operating in Indonesia, Indonesian Banking Associations, Indonesian Banking Development Institute (LPPI), Capital Market Supervisory Board (Bapepam – LK), Ministry of Trade and Industry, and two Research Institutions of Economy and Finance. This submission is in line with the Bank Indonesia regulations.

16. Board of Commissioners and Board of Directors Shares Option

16.1. E/MSOP Policy

Inline with the Bank's mission to become the employer of choice, the Bank introduced its Employee/Management Share Option Plan (E/MSOP) in 2004. The main objective of this plan is to retain key employees and to reward the BoD and senior employees who have made significant achievement and contribution to the growth and profitability of the Bank. Highlights of the policy are as follows:

- BoD members and senior officers are entitled to EMSOP if their performance exceeds a certain criteria determined by related committees. To avoid any conflict of interest, BoC members are not entitled to participate in the EMSOP program as their responsibility is to determine management's compensation program;
- The option program is given for those whom are entitled maximum 5% of the amount shares issued and paid fully by March 26, 2004, or a total amount of 245,346,100 B series shares with a nominal of Rp 500 per share. In 2004, 2005, and 2006, the accumulated option given is 164,125,000; 225,196,800 and 254,638,300, respectively.
- Compensation expense relating to E/MSOP is Rp 37 billion in 2004, Rp 109 billion in 2005 and Rp 107 billion in 2006;
- Committee I (consisting of BoC members) determines the allocation and tranche given to BoD members who are entitled and Committee II (consisting of BoD members) conducts the same process for senior officers;
- Vesting period is determined accordingly in order for the options vested to be done in tranches. The option will remain valid until a period of 5 years from the date granted. Option price is determined in each tranche to assure fairness among employees' and stakeholders' interest.

16.2. Board of Directors Share Option

By the end of December 2008, members of Danamon's BoD that have received share options are noted in the table below:

Corporate Governance

Members of the Board of Directors That Have Received Share Options as of December 31, 2008

Name	Option amount		Option Price (Rupiah)	Period
	Number of Shares Given	Number of Shares Executed		
Board of Directors				
Sebastian Paredes	7,000,000	0	5,173	3 years
	840,000	0	4,353	3 years
Muliadi Rahardja	3,714,000	3,214,000	2,451	3 years
	1,110,000	0	5,173	3 years
	500,000	0	4,353	3 years
Sanjiv Malhotra	500,000	200,000	4,353	3 years
Ali Yong	4,214,000	1,199,500	2,451	3 years
	1,110,000	0	5,173	3 years
	600,000	0	4,353	3 years
Vera Eve Lim	3,714,000	800,000	2,451	3 years
	1,110,000	0	5,173	3 years
	600,000	0	4,353	3 years
Herry Hykmanto	2,744,500	426,500	2,451	3 years
	400,000	160,000	5,173	3 years
	187,000	0	4,353	3 years
Kanchan Nijasure	3,714,000	3,714,000	2,451	3 years
	1,110,000	777,000	5,173	3 years
	600,000	240,000	4,353	3 years

16.3. Shares ownership of Board of Commissioners and Board of Directors

As per December 31, 2008, the amount of shares owned both by the BoC and BoD are 0.07% of total Bank shares.

18. Board of Commissioners and Board of Directors Independency

Aside from certain BoC members, who have financial relationship with the controlling shareholder, all BoD members and Independent Commissioners have no

Shares Ownership of Board of Commissioners and Board of Directors

Name	Number of shares	Percentage Ownership
Ng Khee Choe	50,000	0.0010%
Sebastian Paredes	697,500	0.0138%
Muliadi Rahardja	2,564,000	0.0508%
Herry Hykmanto	91,500	0.0018%
Kanchan Keshav Nijasure	950,500	0.0188%

17. Shares Ownership of Board of Commissioners and Board of Directors Reach 5% or More Than Paid Up Capital

As of December 31, 2008, there are no BoC nor BoD member who owns shares reaching 5% or more than the Bank's paid-up capital, as well as shares in other banks; in other non-bank financial institutions and other companies domiciled locally or abroad.

financial and family relationships with other BoC and BoD members and/or the Bank's controlling shareholder.

19. Highest and Lowest Salary Ratio

Salary is the employees' rights received and stated in the form of cash as compensation from the Bank or employer stipulated and paid according to the work agreements or contracts according to prevailing rules and regulations. This includes employee benefits.

Information below shows the salary comparison ratio, which covers compensation received per month by members of BoC, BoD and full-time employees in the Bank.

there is a legal risk) meanwhile Pledge Rights (*Hak Tanggungan/HT*) is not included in this category as it is a request;

Salary Comparison Ratio	
Note	Ratio
Highest employee – lowest employee	80 x
Highest Director – Lowest Director	3.4 x
Highest Commissioner – Lowest Commissioner	1.5 x
Highest Director – Highest Employee	3.4 x

20. Internal Fraud

Internal frauds are deviations/frauds done by management, full time employees and contractual employees (including outsourcing) relating to work process and the Bank's operational activity, that can adversely affect the Bank's condition in a material way. This covers internal frauds exceeding Rp 100,000,000 (one hundred million Rupiah). The following table details internal frauds during 2008

- Criminal cases are cases where the Bank is either the plaintiff or defendant (there is a legal risk). A case where the Bank is a witness is not considered as a criminal case.

22. Conflict of Interest Transactions

During 2008, there are no transactions that contain any conflict of interest in the Bank.

Internal Fraud Cases						
Internal Fraud	Number of Cases					
	Management		Full Time Employees		Contractual Employees	
	2008	2007	2008	2007	2008	2007
Total internal fraud	0	0	17	8	1	0
Resolved	0	0	17	8	1	0
Internal process	0	0	0	0	0	0
Pending Process	0	0	0	0	0	0
Actions through legal actions	0	0	7	2	0	0

21. Litigation Cases

Litigation cases are civil and criminal cases that have proceeded with legal actions. Below are the civil and criminal cases as of December 31, 2008:

23. Shares Buy Back and or Bonds Buy Back By The Bank

Shares buy back and/or bonds buy back is an effort to reduce the amount of shares or bonds issues

Summary of Civil and Criminal Cases		
Status	Number of Cases	
	Civil	Criminal
Resolved	35	20
In the process of settle	170	51
Total	205	71

Civil and criminal cases above are defined as follows:

- Civil cases are legal cases where the Bank is either the plaintiff, defendant or cases (where

by the Bank by buying back such shares or bonds, with terms and conditions in accordance with the prevailing rules and regulations. During 2008, the Bank did not execute any buy back of shares or bonds.

Corporate Governance

24. Corporate Social Responsibility and Political Parties Sponsorship

The Bank policy prohibits involvement in any political activities, including any donations for political interest. For Corporate Social Responsibility details please see the Corporate Social Responsibility section of the Annual Report.

25. Good Corporate Governance Self Assessment

In compliance with Bank Indonesia Regulation on Good Corporate Governance, a self assessment on the application of good corporate governance within the Bank was completed in 2008. The self assessment covered 11 aspects namely:

- The BoC role and responsibilities
- The BoD role and responsibilities
- The execution and comprehensiveness of the BoC Committees' roles

- Management of conflict of interest
- Application of Compliance Functions within the Bank
- Application of Internal Audit Functions
- Application of External Audit Functions
- Risk Management functions, including internal control
- Lending to related parties and large exposures
- The Bank's transparency of financial and non-financial conditions, the Bank's Good Corporate Governance report and several internal reports
- The Bank's strategic plan

Rating of each aspect is based upon the application of good corporate governance to meet Bank Indonesia's minimum GCG criteria. Based upon the 2008 self assessment, the Bank's GCG rating is sound.

Summary of Composite Value Calculation

Self Assessment Good Corporate Governance

No	Aspect	Weight	Rank	Score	Notes
		(a)	(b)	(a) x (b)	
1	Implementation and responsibilities of Board of Commissioners	10.00%	2	0.200	Problem identification: <ul style="list-style-type: none"> • The BoC is to ensure that GCG's principles are applied in all of the Bank's activities at all level. Action plan: <ul style="list-style-type: none"> • The Corporate Governance Committee will ask the Management to asses comprehensively if GCG principles being applied in all of the Bank's activities at all level.
2	Implementation and responsibilities of Board of Directors	20.00%	2	0.400	Problem identification: <ul style="list-style-type: none"> • The BoD is to implement the application of GCG principles in all of the Bank's activities at all level. Action plan: <ul style="list-style-type: none"> • The BoD is to plan and implement GCG application program in all of the Bank's activities at all level.
3	Completeness and implementation of Committee duties	10.00%	1	0.100	Problem identification: <ul style="list-style-type: none"> • No apparent problem has been identified. Action plan: <ul style="list-style-type: none"> • The BoC is to ensure that the Committees are in compliance with all prevailing regulations and work effectively.
4	Conflict of interest handling	10.00%	1	0.100	Problem identification: <ul style="list-style-type: none"> • The Bank does not identify any potential problem in its handling of conflict of interest situation. Action plan: <ul style="list-style-type: none"> • The Bank will always adhere to prevailing regulations in its handling of conflict of interest situation.

Self Assessment Good Corporate Governance					
No	Aspect	Weight	Rank	Score	Notes
		(a)	(b)	(a) x (b)	
5	Implementation of bank Compliance function	5.00%	1	0.05	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of compliance function. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always adhere to prevailing regulations in its implementation of compliance function.
6	Implementation of Internal Audit function	5.00%	1	0.05	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of Internal Audit bank function. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always employ the internal audit function in accordance with the related regulations.
7	Implementation of External Audit bank function	5.00%	1	0.05	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of External Audit bank function. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always manage the external audit function in accordance with the related regulations.
8	Implementation of Risk Management and Internal Control	7.50%	1	0.075	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of Risk Management and Internal Control. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always manage the risk management and internal control in accordance with the related regulations.
9	Fund provision to related parties and large exposures	7.50%	2	0.15	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of fund provision to related parties and large exposure. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always manage fund provision to related parties and large exposure in accordance with the related regulations.
10	Transparency of Financial and Non Financial, GCG Implementation Report and Internal Report	15.00%	2	0.3	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its Transparency of Financial and Non Financial, GCG Implementation Report and Internal Report. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always maintain transparency of financial and non financial, GCG implementation report and internal report function in accordance with the related regulations.
11	Bank Strategic Plan	5.00%	2	0.100	<p>Problem identification:</p> <ul style="list-style-type: none"> The Bank does not identify any potential problem in its implementation of bank strategic plan. <p>Action plan:</p> <ul style="list-style-type: none"> The Bank will always implement strategic plan in accordance with the related regulations.
	Composite Value	100.00%		1.575	

Corporate Governance

Composite Score and Rating Index

Composite Score	Composite Rating
Composite Score < 1,5	Very good
1,5 ≤ Composite Score < 2,5	Good
2,5 ≤ Composite Score < 3,5	Sufficient
3,5 ≤ Composite Score < 4,5	Insufficient
4,5 ≤ Composite Score < 5	Poor

25.1. Overall Conclusion

Based upon the self assessment result it can be reported that the Bank attained Sound grade that needs to be maintained going forward.

25.2 2008 Good Corporate Governance Calendar

26. Corporate Secretary

The Corporate Secretary is responsible for communicating in a timely and accurate manner all material information regarding the Bank to the stakeholders. Announcements regarding the Bank's condition and performance are made in accordance with rules and regulations and the Bank's Article of Association.

Good Corporate Governance Calendar

April 3, 2008	GMS Extraordinary GMS Annual
May 2008	Amendment of the Article of Association in accordance with Act No.1 Year 40
June 2008	Dividend payment
June/July 2008	Submission of GCG Implementation Report and its revision
August 2008	Workshop 1
August 2008	Workshop 2
September 2008	Charter revision

The following are disclosures of the Bank during 2008

2008 Disclosures

Number	Date	Subject	Reference/Provision
B.013-Corp.Sec	Jan 23, 2008	Report of Effectiveness of PT. Bank Danamon Indonesia Tbk Article of Association Amendment	Bapepam Regulation No.X.K.1
B.014-Corp.Sec	Jan 23, 2008	Report of Effectiveness of PT. Bank Danamon Indonesia Tbk Article of Association Amendment	Indonesia Stock Exchange (BEI) Regulation No.I.E regarding compulsory information to disclose
B.016-Corp.Sec	Jan 30, 2008	Plans to conduct public expose	BEI Regulation No.I.E regarding compulsory information to disclose
B.019-Corp.Sec	Feb 6, 2008	Conveyance of PT. Bank Danamon Indonesia Tbk public expose material	BEI Regulation No.I.E regarding compulsory information to disclose
B.023-Corp.Sec	Feb 18, 2008	Conveyance of PT. Bank Danamon Indonesia Tbk Financial Report as of December 31, 2007	Bapepam Regulation No.X.K.2
B.024-Corp.Sec	Feb 18, 2008	Conveyance of PT. Bank Danamon Indonesia Tbk Financial Report as of December 31, 2007	BEI Regulation No.I.E regarding compulsory information to disclose
B.026-Corp.Sec	Feb 19, 2008	Public Expose	BEI Regulation No.I.E regarding compulsory information to disclose
B.029-Corp.Sec	Feb 22, 2008	Plans to conduct AGMS and EGMS	Bapepam Regulation No.IX.I.1
B.030-Corp.Sec	Feb 22, 2008	Plans to conduct AGMS and EGMS	BEI Regulation No.I.E regarding compulsory information to disclose
B.033-Corp.Sec	Feb 25, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1
B.035-Corp.Sec	Feb 25, 2008	Disclose information regarding Single Presence Policy	Bapepam Regulation No.IX.I.1
B.036-Corp.Sec	Feb 25, 2008	Disclose information regarding Single Presence Policy	BEI Regulation No.I.E regarding compulsory information to disclose
B.038-Corp.Sec	Feb 27, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1

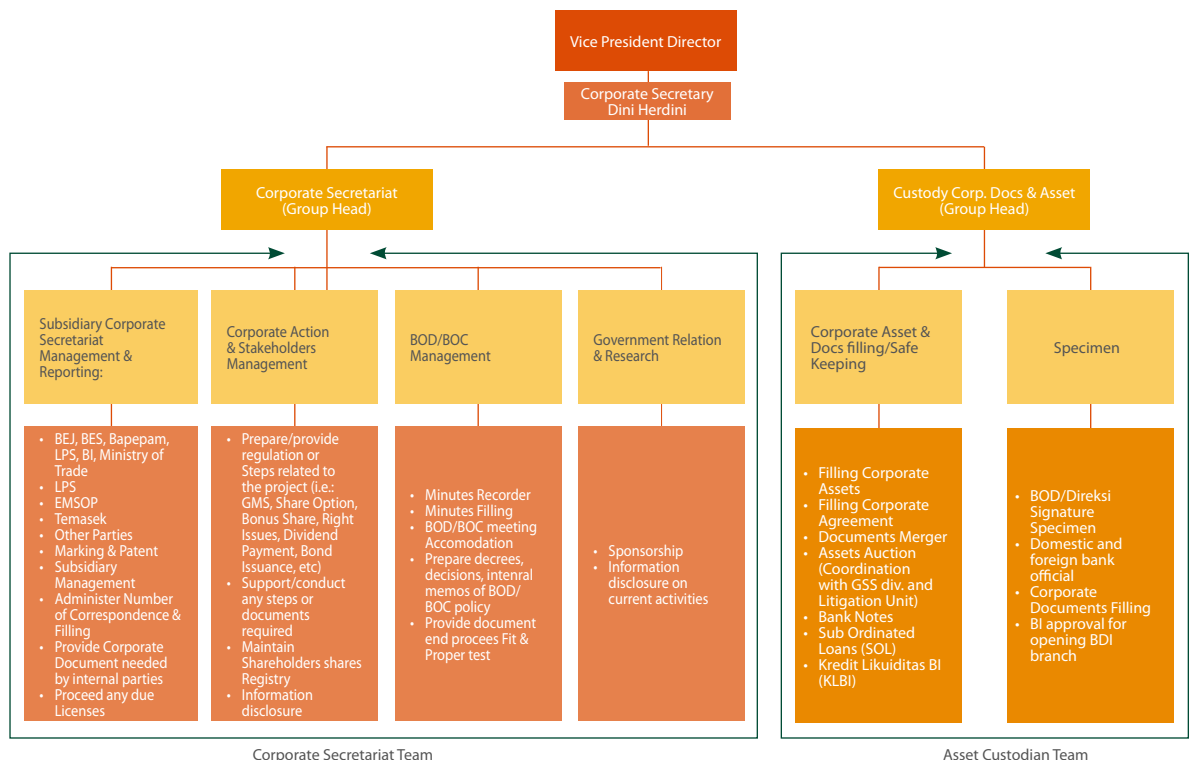
Number	Date	Subject	Reference/Provision
B.040-Corp.Sec	Mar 4, 2008	Advertisement proof of Announcement of AGMS & EGMS	Bapepam Regulation No.X.I.1 & Bapepam Regulation No.X.K.1
B.041-Corp.Sec	Mar 4, 2008	Advertisement proof of Announcement of AGMS & EGMS	BEI Regulation No.I.E regarding compulsory information to disclose
B.049-Corp.Sec	Mar 11, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1
B.054-Corp.Sec	Mar 18, 2008	PT Bank Danamon Indonesia, Tbk Annual Report	Bapepam Regulation No.VIII G.2
B.055-Corp.Sec	Mar 18, 2008	PT Bank Danamon Indonesia, Tbk Annual Report	BEI Regulation No.I regarding Listed Companies
B.056-Corp.Sec	Mar 19, 2008	Advertisement proof of Invitation of AGMS & EGMS	Bapepam Regulation No.IX.I.1 & Bapepam Regulation No.X.K.1
B.057-Corp.Sec	Mar 19, 2008	Advertisement proof of Invitation of AGMS & EGMS	BEI Regulation No.I.E regarding compulsory information to disclose
B.058-Corp.Sec	Mar 14, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1
B.066-Corp.Sec	Mar 28, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1
B.074-Corp.Sec	Apr 1, 2008	Disclosure of certain shareholders	Bapepam Regulation No.X.M.1
B.087-Corp.Sec	Apr 4, 2008	Change and Appointment of Corporate Secretary	BEI Regulation No.I.A regarding Listed Companies and I.E regarding compulsory information to disclose

The Corporate Secretary is also responsible for assisting the BoD regarding their accountability and responsibility as well as on issues related to good corporate governance and corporate social responsibility, thus commencing April 3, 2008, the Bank has appointed Dini Herdini as its Corporate Secretary. The Bank's Corporate Secretary curriculum vitae is as follow:

Dini Herdini, 43 years old, graduated from Trisakti University in 1987 with a Bachelor in Law. For almost 5 years she spent her career in legal services (legal

aid institution and Law Firm) and 14 years in the Banking sector (joint venture bank, and private/local bank) until today. In 1999, seconded to Bank Indonesia as member of Team Implementation and Establishment of PT Bank Ekspor Indonesia (a credit export agency owned by government), and in the same year she was the Legal Coordinator for merger PT Bank PDFCI, Tbk and PT Bank Danamon Indonesia, Tbk. In 2003 she served as Legal Auditor for Department of Finance Republic Indonesia on the performance audit of PT. TASPEN (Persero) and PT Semen Gresik Tbk. (Persero). her areas of

Corporate Secretary Organization Structure



Corporate Governance

experiences encompass the Banking and capital market covering structuring/restructuring credit, project finance, merger & acquisition and other transaction related with capital market and finance. Currently, she is the General Legal Counsel of Danamon and also holds a position as Corporate Secretary of the Bank. As an in-house counsel her duty is to give a legal advise to all unit, on governance and regulatory issues, review legal aspects of the Bank's product and legal issues related with loan, trade financing, bank operation, and corporate action. Appointed as Corporate Secretary of the Bank since April 3, 2008 her task includes to communicate to all stakeholders in a timely and accurate manner and assist the BoD in respect to their obligations on issue of corporate governance and corporate social responsibility issues and their implementation according to Capital Market Supervisory Board (Bapepam – LK0 regulation no. IX.1.4. Dini Herdini is registered and holds a license in Legal Consultant Association in Capital Market (HKHPM) and Certified Member of Indonesian Advocate Association (PERADI). She also holds the Certificate of Bank Risk Management (BSMR) Level 2.

The roles and responsibilities of the Bank's Corporate Secretary among others as follow:

- Keeping abreast of the capital market issues, especially in relation to capital market regulations and socializing to the BoC, BoD and stakeholders of the Bank.
- Providing service to public of any information pertaining the Bank's condition.
- Giving advice to the Bank's BoD in compliance with Law Number 8 year 1995 regarding capital market and the regulations of its execution.
- Acting as a liaison officer between the Bank with the authorities (Bapepam-LK, Stock Exchange and others) and public.
- Monitoring and advising in relation to the Bank's compliance of the prevailing rules and regulations.
- Preparing and attending the BoC and BoD meetings, and ensuring the meeting's results have been documented properly in the minutes of meeting.
- Ensuring that all mandatory reports of the Bank to authority institutions and other parties have been reported accordingly.

27. Investor Relations

Investor Relations enables effective communication between the Bank, the financial community and other related bodies, aiming to achieve fair value of the Bank's securities.

Investor Relations communicates the Bank's financial strategy and its broad strategic direction ensuring that the image of the Bank is maintained in a cohesive fashion.

Investor Relations communicates the Bank's information in a variety of communication events and publications; events such as public expose, conference calls, one-on-one meetings with investors and publications such as quarterly financial reports, annual report and the Bank's website.

Information Dissemination Activities

Event	Frequency/duration	Remarks
Analyst Meeting/ Public Expose	4 times	Quarterly meeting between senior management and analysts/investors where strategic direction against current and upcoming issues facing the Bank is presented.
Financial Reports	4 times	Unaudited information about the financial position, performance and changes in financial position of the Bank.
Annual Report	1 time	Comprehensive report on the Bank's activities throughout the preceding year including audited financial performance issued by an independent external auditor.
Non Deal Roadshows	8 days	Meeting with foreign institutional investors where routine Bank's performance updates is presented including macro economic conditions, market development, regulatory issues and current affairs.
One-on-one meetings and conference calls	140 times and nine days of domestic conference	Meeting with a small group of analyst and/or investor to discuss financial results of a reporting period. Conference call is provided for foreign participants to address particular subjects.

28. Public Affairs

The Bank's relationship with its internal and external stakeholders is managed through the Public Affairs division. The division also provides support in the execution of external and internal events as well as corporate branding guidelines. In general, the division is grouped into four subdivisions: Internal Communication, Event Management, Brand Management and External Affairs.

28.1. Internal Communication

The Internal Communication is responsible to ensure availability as well as circulation of information for employees including subsidiaries and maintain internal control consisting of:

- **Intranet Portal**
Intranet facility, which can be accessed by all employees – currently not including subsidiaries – is connected through email facility. This Intranet Portal serves employees with information relating to their welfare and benefit as well as providing required information to support their daily work. Through such facility all kinds of related information regarding the company can be accessed including policies archives and published memos. The portal facility was recently replaced with the 2nd Generation Portal which was launched on March 12, 2009.
- **Spirit Magazine**
Spirit Magazine is an internal magazine circulated each month. Such magazine has 10.000 circulations every month and is distributed to all employees in the Head Office, Regional Offices, the Bank's branches Adira Finance, Adira Insurance, and Adira Quantum Offices.

- **E-mail Blasts**
E-mail Blasts is a mass information circulation delivered, both to all employees as well as to certain groups of employees. During 2008, over 249 email blasts were sent to the employees.
- **Internal Communications Forum**
Internal Communication (IC) forum serves as a communication forum among the appointed Person in Charge (PIC) of each division/unit regarding circulation of information which needs to be acknowledged by each unit and/or need to be shared with other units. The Forum was established in mid 2008 and as of end of 2008 held three events.
- **Skip Level Meetings**
Skip Level Meeting is a monthly meeting between the President Director and the senior officers of various units. Skip Level Meeting is to facilitate open communication through question and answer sessions. During 2008, 6 Skip Level meetings were organized and attended by 115 senior officers.
- **Weekly Regional Corporate Officers Teleconference**
Regional Corporate Officers (RCO) are officers appointed as representative of the Bank in relation to:
 - (i) External parties, including the government, media, etc. in responding to enquiries regarding performance as well as matters related to the organization;
 - (ii) Internal parties, including in each regions. In this capacity, The RCO represents the Head Office Management in conveying various information as well as responding to current issues and ensuring that all employees receive information stemming from official source of data approved by the Bank. Realizing the importance of this function, since November 2008 weekly communications meetings have been conducted with all RCO through teleconference, which are guided directly by the President Director.



Corporate Governance

28.2. External Affairs

External Affairs manages communications with the Bank's stakeholders and does so through maintaining rapport and relationship with the media to ensure a desired image of the Bank is formed. The following activities were conducted by External Affairs:

- **Media Relations**
Regular contact with media representatives were conducted to assess the public perception on the Bank. Various activities were carried out to build and maintain relationship with the press through workshops, conferences, briefings and media visits.
- **Managing Communications**
In 2008, the Bank initiated the development of a bankwide Standard Operational Procedure for Communications, to establish normal business condition and crisis communications guidelines. Workshops to familiarize senior officers and spokespersons were conducted to build capacity in media management. Seven senior officers were appointed as regional spokespersons to act on behalf of Danamon.
- **Perception Management**
Based on a review coverage in approximately 40 leading printed and electronic media, Danamon was covered in 2,857 articles in 2008. Most of these media reported direct and indirect mentions of Danamon, including its products and services were noted as neutral tone (73.5%). Positive-

toned and negative-toned media reporting coverage made up 21.2% and 5.3% of total coverage, respectively.

- **Website**
The website www.danamon.co.id serves not only as a service portal but also as a provider of information updates to external parties, both to the public and the investors. In 2008 the Bank embarked to build a new corporate website, to enhance content management and better provide the public information on the Bank's products and service as well as other information such as Highlights, Investor Relations and Career Opportunities.
- **Other Communication Channels**
As a public listed company, the Bank highly upholds the transparency and fairness principles by continuously providing updates to all stakeholders through various communication channels, both printed and electronic. The Bank records complaints submitted online which are promptly addressed. The complaints are actively monitored by the Bank from front office to Head Office and used as feedback to improve the Bank's performance.

During 2008, a variety of communication events and publications were held including:

1. Press Conference (4 times)
2. Press release (25 times)
3. Media coverage (2,857 news)
4. Media meeting (72 times)
5. Annual and Extraordinary Meetings of Shareholders (one time)

2008 Press Releases

The following are activities of the Bank publicized through press releases.

Press Releases	
2008/2009	Activity
February	
13	Official opening of the Bank's new Syariah branch in Merdeka street, Bandung, and seven office channeling units providing Syariah banking services across West Java.
14	Announcement of the Bank's 2007 Full Year Results to media and analysts.
19	The Bank and Bank Jabar Banten signed a strategic working agreement in relation to the sale of Obligasi Retail Negara (ORI). Bank Jabar Banten will act as the sub-agency for the Bank as ORI seller in 2008.
25	The Bank announced that its majority shareholder (FFH) decided not to choose the merger option for the Bank and Bank International Indonesia (BII).

2008/2009	Activity
March	
1	Danamon Peduli Foundation working with Ramako Peduli, Baznas, Bazis DKI and Pelni Petamburan Hospital held Dengue Fever Prevention initiatives in one day simultaneously in five locations in Jakarta with high occurrence level of dengue fever after flooding, including Kembangan, Muara Baru, Kampung Melayu, Petamburan and Pasar Minggu.
10	The Bank announced Anton Gunawan as Chief Economist and Head of Economics and Markets Research, in Treasury and Capital Markets & Financial Institutions (TCM & FI) division of the Bank.
29	The Bank and MasterCard Worldwide launched premium credit card namely Arsenal MasterCard (Arsenal Card) and Liverpool MasterCard (Liverpool Card).
31	Danamon Peduli completed Aceh/Nias reconstruction program following the tsunami, earthquake and flood disaster by providing the master plan, shop unit facilities and Upah market management office, Aceh Tamiang, on Thursday March 27, 2008.
April	
3	The Bank held its Annual General Meeting of Shareholder which approved the BOD's Annual Report and the Bank's financial report for 2007.
8	End of last year, Ministry of Culture and Tourism of the Republic of Indonesia signed a Memorandum of Understanding with the Bank which amongst others identified American Express as the Official Card Partner for the Visit Indonesia Year 2008 Program.
10	Sragen Head of Regency, Untung Wiyono, invited 70 head of regency from across Indonesia to see, learn and replicate organic fertilizer processing unit, which is market-waste based, in Bunder Market, Sragen. Through such gathering, Danamon Peduli sought to identify other head of regency/ head of municipality who has a commitment to be a pioneer in community-based development efforts. Danamon Peduli allocated Rp 4.5 billion for replication programs in 2008.
11	The Bank and Adira Insurance and together with MasterCard Worldwide launched Autocillin Card.
22	The Bank announced first quarter 2008 result.
May	
5	The Bank launched American Express Gold Credit Card, introducing new design and benefits.
June	
3	Danamon launched 2008 Danamon Award. The program aims to identify and give the highest appreciation to members of the community who fight for the improvements of the community's welfare.
7	Sri Sultan Hamengkubuwono X opened five cultural workshop and two cultural stages in seven strategic locations across Yogyakarta areas, which were built by Danamon Peduli Foundation and Forum Merti Dusun.
July	
17	The Bank announced net profit after tax (NPAT) of Rp 1,16 trillion for the first semester 2008 results.
29	2008 Danamon Award Committee announced the first phase of 2008 Danamon Award selection process where 30 participants were selected.
August	
8	2008 Danamon Award Committee announced that the independent judge panel of 2008 Danamon Award has selected 15 participants.
14	2008 Danamon Award Committee announced five recipients of 2008 Danamon Award.
29	Compost from Danamon Peduli's program in Bantul Market has successfully increased harvesting results of 17 acres of red onion plantation by 30% in Bulak Ngepet, Srigading, Sanden, Bantul.
September	
11	The Bank signed working agreement with PT Bina Media Tenggara, publisher of The Jakarta Post, to provide credit facilities and banking services for the company's employees.
October	
15	The Bank announced first nine months 2008 results.
29	Danamon Peduli Foundation opened market waste processing unit which converts market waste to high quality organic fertilizer in TPA Wonoreju, Wonosobo, Central Java.

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2008/2009	Activity
November	
10	Coinciding with Patriot Day (Hari Pahlawan), Ministry of Research and Technology, Danamon Peduli Foundation, and Open Source Indonesia Association and PT Telkom signed Working Agreement in order to increase the technology of less-developed schools.
2009	
January	
21	The Bank announced its result for the year ending December 31, 2009 to analysts.
February	
12	Announcement of 2008 Danamon Full Year Results to media and analysts.

29. The Syariah Supervisory Board Report

The Bank's Syariah unit is supervised by an independent Syariah Supervisory Board with its members determined by the National Syariah Board (DSN), a board under Majelis Ulama Indonesia (Indonesia Islamic Council). All funding, lending products and operational guidelines must be approved by the Syariah Supervisory Board to assure conformity with Syariah principles.

The Responsibility of Syariah Supervisory Board:

- Supervises and monitors the Bank's operational activity to ensure compliance with rulings issued by DSN – MUI;
- Assess and approves Syariah features in each product manual and the Bank's operations;
- Provides opinion regarding Syariah compliance on all operational activities and record it in the financial publication report;
- Review new products and services which are not yet regulated in existing rulings issued by DSN – MUI; and records it in the Supervisory Report, which is submitted every 6 months

29.1. Syariah Supervisory Board Report in 2008 covers:

- Comments and opinions regarding products and Syariah service to assure these are inline with the rulings of the National Syariah Board;
- Comments and opinions regarding the whole operational charter and product manuals noted in the Syariah Supervisory Report, sent to Bank Indonesia each semester in 2007;
- Routine meetings discussing developments and other matters relating to Syariah practice.

29.2. Members of the Syariah Supervisory Board consist of:

1. Prof. Dr. H.M. Din Syamsuddin MA (Chairman)
2. Drs. H. Hasanudin M.Ag (Member)
3. Ir. H. Adiwarmarman A. Karim, SE, MBA (Member)

29.3. Remuneration for the Syariah Supervisory Board in 2008

Remuneration of Syariah Supervisory Board	
Remuneration type and other facilities	Amount received in 1 year
	Syariah Supervisory Board
Remuneration (salary, bonus, routine allowance, tantiem and other facility in non-natura)	Rp 415,450,000

PT Bank Danamon Indonesia Tbk,



Ng Kee Choe
President Commissioner



Sebastian Paredes
President Director

Appendix to Good Corporate Governance Implementation Report PT Bank Danamon Indonesia, Tbk. Year 2008

The Announcement of Resolutions of the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders of PT Bank Danamon Indonesia Tbk (the "Company")

The Company announces the resolutions of the Annual General Meeting of Shareholders ("AGMS") and the Extraordinary General Meeting of Shareholders ("EGMS") convened on Thursday, April 3, 2008, in Jakarta, substantially as follows:

AGMS

First Agenda:

- a. To approve the Annual Report of the Board of Directors of the Company for the fiscal year ending on December 31, 2007;
- b. To ratify the financial statements of the fiscal year ending on December 31, 2007 which was audited by the Public Accountants Office of Siddharta, Siddharta & Widjaja, a member firm of KPMG International as stipulated in the Independent Auditor's Report of February 6, 2008 Number L.07-3351-08, with an unqualified proper opinion;
- c. To ratify the Supervisory Report of the Board of Commissioners of the Company for the fiscal year ending on December 31, 2007 and
- d. To acquit and discharge (acquite et decharge) the Board of Directors and the Board of Commissioners of the Company for their management and supervision in the fiscal year that ended on December 31, 2007.

Second Agenda:

To approve the appropriation of the Company's net profit for the fiscal year which ended on December 31, 2007 amounting to Rp 2,116,915,000,000 detailed as follows:

- a. 1% of the net profit or Rp 21,169,150,000 to be set aside for the reserve fund to comply with Article 70 of Law Number 40 of 2007 on Limited Liability Companies ("Company Law");
- b. 50% of the net profit or Rp1,058,457,500,000 or ± Rp 208.40 per share (by estimating that the total shares issued by the Company do not exceed 5,078,612,200 shares), to be distributed as dividend for the fiscal year 2007, with the following provisions:
 - i. The dividend shall be paid to the shareholders whose names are registered in the Shareholders' Register on a date to be stipulated by the Board of Directors of the Company ("Recording Date");
 - ii. The total dividend to be paid shall be based on the total shares issued by the Company on the Recording Date as mentioned in point (i) above, including the total shares issued by

the Company in the frame of the Employee / Management Stock Option Program up to and inclusive such date;

- iii. On said dividend for the fiscal year 2007 the Board of Directors shall deduct dividend tax according to the prevailing tax regulations in respect of shareholders;
- iv. The Board of Directors is hereby empowered and authorized to stipulate matters regarding or relating to the implementation of dividend payment for the fiscal year 2007, amongst others (however not limited to):
 - To determine the Recording Date in order to determine the shareholders of the Company who are entitled to receive payment of dividend for the fiscal year 2007; and
 - To determine the distribution date of dividend for the fiscal year 2007, everything without prejudice to the regulations of the Stock Exchange where the shares of the Company are registered;
- c. The amount of Rp 56.048.850.000 shall be distributed as *tantiem* to the members of the Board of Directors and the Board of Commissioners of the Company who were in function during the fiscal year 2007 and as profit sharing to the certain senior management officers of the Company (Operating Committees members) who were in function/employed by the Company during the fiscal year 2007, as shall be stipulated by the Board of Commissioners of the Company pursuant to a recommendation from the Nomination and Remuneration Committee; to empower and authorize :
 - i. the Board of Commissioners of the Company to determine the distribution of *tantiem* between the members of the Board of Directors of the Company and the profit sharing distribution between certain senior management officers (Operating Committee's members) of the Company.
 - ii. President Commissioner of the Company to determine the distribution of *tantiem* between the members of the Board of Commissioners of the Company Pursuant to recommendation from the Nomination and Remuneration Committee.
- d. The balance of the Net Profit appropriation which is not determined amounting to Rp 981,239,500,000 shall be recorded as retained earning of the Company.

Third Agenda:

- a. To accept the resignation of Jerry Ng as a Vice President Director of the Company effective from October 10, 2007, with the expression of thanks for the services given by him during his tenure as Vice President Director of the Company;

Corporate Governance

- b. To accept the intentions of Hendarin Sukarmadji as a Director of the Company not to be reappointed effectively since the closing of this Meeting, with the expression of thanks for the services given by him during his tenure as Director of the Company;
- c. To accept the intentions of Anika Faisal as a Director of the Company not to be reappointed effectively since the closing of this Meeting, with the expression of thanks for the services given by her during her tenure as Director of the Company;
- d. To appoint the members of the Board of Commissioners and the Board of Directors of the Company with the following composition:

Board of Commissioners

President Commissioner : Ng Kee Choe
 Vice President Commissioner (Independent) :
 Prof. Dr. Johannes Berchmans Kristiadi
 Pudjosukanto
 Commissioner : Milan Robert Shuster
 (Independent)
 Commissioner : Harry Arief Soepardi Sukadis
 (Independent)
 Commissioner : Gan Chee Yen
 Commissioner : Victor Liew Cheng San
 Commissioner : Manggi Taruna Habir
 (Independent)
 Commissioner : Krisna Wijaya

Board of Directors

President Director :
 Juan Eugenio Sebastian Paredes Muirragui
 Vice President Director Compliance Director):
 Joseph Fellipus Peter Luhukay
 Director : Muliadi Rahardja
 Director : Ali Rukmijah (Ali Yong)
 Director : Vera Eve Lim
 Director : Sanjiv Malhotra
 Director : Herry Hykmanto
 Director : Kanchan Keshav Nijasure

Effective as of the adjournment of this Meeting until 1 day prior to the issuance date of the notice receipt on the amendment of the Articles of Associations by the Minister as described in paragraph (3) of Article 21 of the Company Law, with the exception of Krisna Wijaya, Joseph Fellipus Peter Luhukay, Herry Hykmanto, and Kanchan Keshav Nijasure shall be effective as of the moment that Bank Indonesia approves of their several appointments.

- e. To appoint and stipulate the composition of the Syariah Supervisory Board as of the adjournment of this Meeting until the adjournment of the Annual General Shareholders Meeting of the Company for the fiscal year ending on 31st December 2010,

which shall be held at the latest in June 2011, with the following composition :

Chairman : Prof. Dr. HM Syamsuddin
 Member : Drs. Hasanuddin M.Ag
 Member : Ir. H. Adiwarmarman A Karim, SE MBA

- f. To authorize the Board of Directors of the Company to sign the deeds necessary in connection with the resolutions of this Meeting and the provisions required by the authorized agencies.

Fourth Agenda:

- (i). To approve the total amount of the remuneration and other allowances for members of the Board of Commissioners of the Company to amount to Rp15.129.424.571;
- (ii). To approve to authorize the President Commissioner of the Company to determine the salary and allowance for each member of the Board of Commissioners of the Company for the fiscal year 2008, pursuant to the recommendation of the Nominations and Remunerations Committee;
- (iii). To approve the delegation of authority to the Board of Commissioners to determine salary and other allowances of Syariah Supervisory Board, for the fiscal year 2008, pursuant to the recommendation of the Nominations and Remunerations Committee No.B.005-KRN dated March 24, 2008.

Fifth Agenda:

- a. To approve the delegation of authority to the Board of Commissioners of the Company to determine the remuneration and other allowances of the members of the Board of Directors of the Company, in observance of the recommendation of the Nomination and Remuneration Committee to the Board of Commissioners of the Company number B.006-KRN dated March 25, 2008 regarding the determination of the remuneration and other allowances of the members of the Board of Directors of the Company;
- b. In accordance with paragraph 5 and 6 of article 92 of the Company Law, the Company hereby informs the shareholders that the delegation of roles and responsibilities of the members of the Board of Directors shall be determined pursuant to a Decree of the Board of Directors.

Sixth Agenda:

To authorize the Board of Commissioners of the Company to appoint a Public Accountant who is registered at the Supervisory Agency of the Capital Market and Financial Institutions (BAPEPAM-LK) to audit the financial report of the Company for the fiscal year 2008 and to stipulate the amount of fee

and other requirements for the appointment of such Public Accountant, taking into consideration the recommendation of the Audit Committee.

At the final AGMS agenda the Company reported the composition of Audit Committee of the Company in accordance with the Bapepam Regulation No. IX.1.5, the recommendation of the Nomination and Remuneration Committee No.B.003 KRN dated March 11, 2008, the Circular Resolutions of The Board of Commissioners in Lieu of Resolutions Adopted at a Meeting of The Board of Commissioners of PT Bank Danamon Indonesia Tbk No.KSR-Kom.Corp.Sec.-010 dated March 17, 2008 and the Decree of the Board of Directors No.SK-Dir.Corp.Sec.-005, dated April 2, 2008, as follows:

Chairman : Manggi Taruna Habir
 Members : Liew Cheng San Victor
 Gan Chee Yen
 Harry Arief Soepardi Sukadis
 Amir Abadi Jusuf
 Felix Oentoeng Soebagjo

EGMS

First Agenda:

1. To approve that as of the EGMS closing date, the adjustment to the Company's Articles of Association shall be in the following manners :
 - a. amendments to certain articles of the Articles of Association in accordance with the Article 21 paragraph (2) of the Company Law; and
 - b. amendments to the Articles of Association in its entirety (other than of what are stipulated in point a above) in accordance with the Article 21 paragraph (3) of the Company Law;
2. To grant power of Attorney to the Board of Directors and the Board of Commissioners of the Company to at any time make readjustments which are considered necessary toward the adjustment of the existing Articles of Association, if the Capital Market and Financial Institution Supervisory Agency (BAPEPAM and LK) issue the provisions on the amendments to the articles of association for the public company.
3. To authorize the Board of Directors of the Company to sign the deeds which are considered necessary in accordance with the resolution of the Meeting and provisions which are required by the competent authorities.

Second Agenda:

1. To stipulate the members of the Board of Commissioners and the members of the Board of Directors of the Company, with the following composition :

Board of Commissioners

President Commissioner : Ng Kee Choe
 Vice President Commissioner (Independent) : Prof. Dr. Johannes Berchmans Kristiadi Pudjosukanto
 Commissioner (Independent): Milan Robert Shuster
 Commissioner (Independent) : Harry Arief Soepardi Sukadis
 Commissioner : Gan Chee Yen
 Commissioner : Victor Liew Cheng San
 Commissioner (Independent) : Manggi Taruna Habir
 Commissioner : Krisna Wijaya

Board of Directors

President Director :
 Juan Eugenio Sebastian Paredes Muirragui
 Vice President Director (Compliance Director) :
 Joseph Fellipus Peter Luhukay
 Director : Muliadi Rahardja
 Director : Ali Rukmijah (Ali Yong)
 Director : Vera Eve Lim
 Director : Sanjiv Malhotra
 Director : Herry Hykmanto
 Director : Kanchan Keshav Nijasure

Shall be effective since the validity of the Company's Articles of Association which have been adjusted to the Company Law, except for Krisna Wijaya, Joseph Fellipus Peter Luhukay, Herry Hykmanto, Kanchan Keshav Nijasure their term of office shall be effectively valid since obtaining approval from the Bank Indonesia of their respective appointment, with the term of office which shall come to an end up to the AGMS closing date of the Company for the financial year which ended on December 31, 2010, which will be held/convened at the latest on June 2011, without prejudice to the rights of a GMS to dismiss or discharge them at any time.

2. To authorize the Board of Directors of the Company to sign the deeds which are considered necessary in connection with the resolution of the Meeting and provision which are required by the competent authorities, after the amendment to the Company's Articles of Association is effectively valid.

Jakarta, April 7, 2008
 The Board of Directors
 PT BANK DANAMON INDONESIA Tbk.