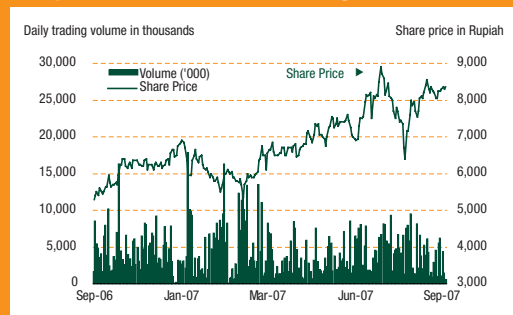


Investor Newsletter

October 2007



Daily Share Price and Trading



Source: Bloomberg

First Nine Months 2007 Financial Results

Danamon reported a net profit after tax of **Rp. 1,600 billion** in the first nine months of 2007, a 75% increase over last year's period profit of Rp. 914 billion. This increase was largely driven by strong growth in operating income. Hence Basic Earnings per Share (EPS) were Rp. 320.49 as compared to Rp. 185.61 in the same period last year. ROAA and ROAE for the first nine months of 2007 stood at 2.5% and 23.4%, respectively.

Shareholders

	Sep 06	Sep 07	Change
Asia Financial (Indonesia)	69.4%	68.2%	(1.2%)
Public	30.6%	31.8%	1.2%

First Nine Months 2007 Financial Results

- NPAT grew by 75% to Rp. 1,600 billion
- Operating income rose by 33% to Rp. 6,684 billion
- Loans expanded by 22% to Rp. 50 trillion
- Deposits grew by 11% to Rp. 59 trillion
- ROAA and ROAE stood at 2.5% and 23.4% respectively

In billion Rupiah	9M06	9M07	△ YoY
Income Statement			
Net Interest Income	4,093	5,263	29%
Fee Income	922	1,421	54%
Operating Income	5,015	6,684	33%
Operating Expenses	(2,418)	(3,124)	29%
Pre Provision Operating Profit	2,597	3,560	37%
Cost of Credit	(1,063)	(1,018)	(4%)
Net Profit Before Tax	1,534	2,542	66%
Net Profit After Tax	914	1,600	75%
Balance Sheet			
Total Assets	77,250	87,987	14%
Total Loans	40,962	50,153	22%
Total Government Bonds	16,309	16,749	3%
Total Deposits	52,997	58,853	11%
Total Equity	8,872	10,357	17%
Key Financial Ratios			
Net Interest Margin	9.4	10.4	1.0
Cost to Income	48.2	46.8	(1.4)
Return on Average Assets	1.7	2.5	0.8
Return on Average Equity	14.1	23.4	9.3
Loan / Deposits	77.8	85.0	7.2
Gross NPL / Total Loans	3.5	2.8	(0.7)
Loan Loss Allowances / NPL	136.3	155.5	19.2
Net Open Position	1.3	3.9	2.6
Capital Adequacy Ratio	21.1	19.2	(1.9)
Equity / Asset	11.5	11.8	0.3

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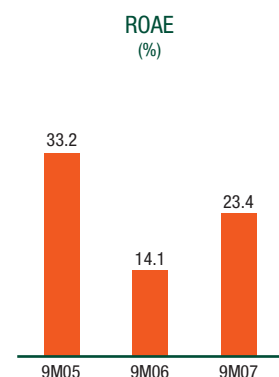
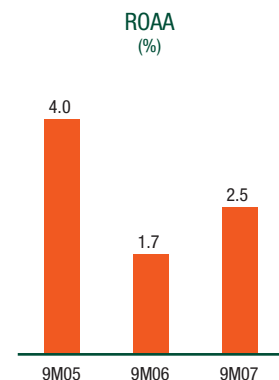
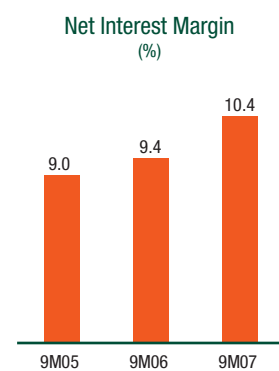
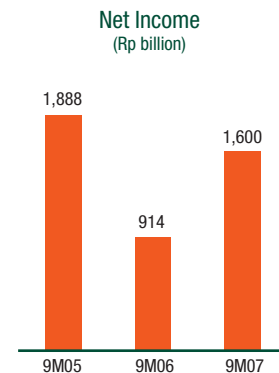
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In the first nine months of 2007, net interest income rose by 29% to Rp. 5,263 billion on the back of growing assets and expanded margin. Interest income grew by 12% to Rp. 8,985 billion on 13% growth in earning assets. Loans, which grew by 22%, contributed to over 62% of interest income while government bonds that accounted for 19% of assets contributed to an additional 15% of interest income. Interest expense fell by 5% to Rp. 3,722 billion from Rp. 3,902 billion despite the 13% increase in total funding as cost of funds declined to 6.6% from 8.5% in the same period last year on the back of declining interest rates. **Net interest margin thus widened to 10.4% in the first nine months of 2007 as compared to 9.4% in the same period last year.**

Fee income rose by 54% and contributed to 21% of operating income in the first nine months of 2007. This was mainly due to the increase in credit related fees and treasury products. Credit related fees increased by 43% to Rp. 592 billion on the back of 22% loan growth as well as 78% increase in credit card fees. While a gain on sale of government bonds drove the increase in treasury products, which rose significantly by 186% to Rp. 409 billion.

Operating expenses totalled Rp. 3,124 billion in the first nine months of the year, a 29% higher than Rp. 2,418 billion from the same period last year in part due to new business initiatives (DSP, Adira Insurance, Adira Quantum and card business). Operating expenses associated with these new business initiatives rose by 61% to Rp. 843 billion and contributed to 45% of the increase in operating expenses. Operating expenses arising from the usual business activities rose by 20% mainly driven by 27% increase in manpower cost.

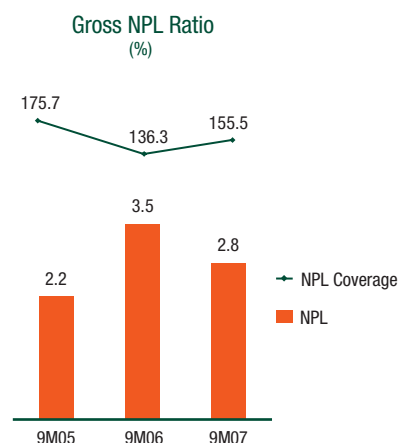
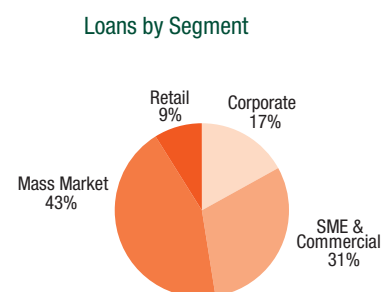
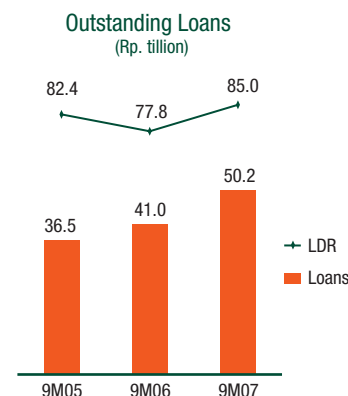
Despite of this, **cost to income ratio declined to 46.8% in the first nine months of 2007 from 48.2% during the same period last year.** In our effort to improve operating efficiency, we also managed to decrease the composition of fixed cost within manpower expense. Fixed expenses now made up 70% of total manpower cost in the first nine months of 2007 as compared to 79% in the previous year's period.



Cost of credit decline to Rp. 1,018 billion in the first nine months of 2007 from Rp.1,063 billion in the same period last year despite the 13% expansion in earning assets. **Accordingly, the cost of credit over average earning assets (excluding government securities) declined to 2.0% in the first nine months of 2007 from 3.1% in the same period last year, reflecting improved asset quality.** Moreover, the cost of credit in consumer auto financing business improved to 4.8% in the first nine months of 2007 as compared to 6.0% in the previous year's period driven by lower losses on sale of repossessed assets as well as lower write-off. DSP's cost of credit also improved to 4.3% in the first nine months of 2007 from 6.2% in the same period last year on the back of strong loan growth.

Loans expanded by 22% driven by robust growth in mass market and retail businesses. Mass market loans, which contributed to 44% of the loan book, rose by 35% on the back of a strong growth in DSP and consumer auto financing businesses. During the year, DSP loans grew by 64% to Rp. 8,934 billion and now accounted for 18% of the loan book. While auto loans increased by 18% supported by the strong growth in motorcycle financing. Retail loans that made up 9% of the loan book increased by 36% to Rp. 4,501 billion on the back of strong growth in personal and housing loans. SME loans grew by 16% to Rp. 8,972 billion and accounted for 18% of the loan portfolio. Commercial loans expanded by 23% to Rp. 6,312 billion, representing 13% of total loan book. Corporate loans, which accounted for the remaining 17% of the loan book, remains flat at Rp. 8,422 billion as the decline joint financing and asset buy of auto loans with finance companies offset the increase in corporate lending. Loans from joint financing and asset buy business decreased by 32% to Rp. 1,361 billion from Rp. 1,999 billion a year earlier.

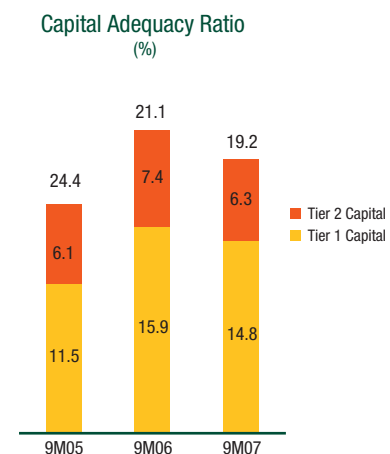
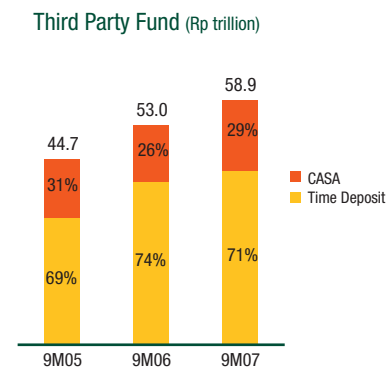
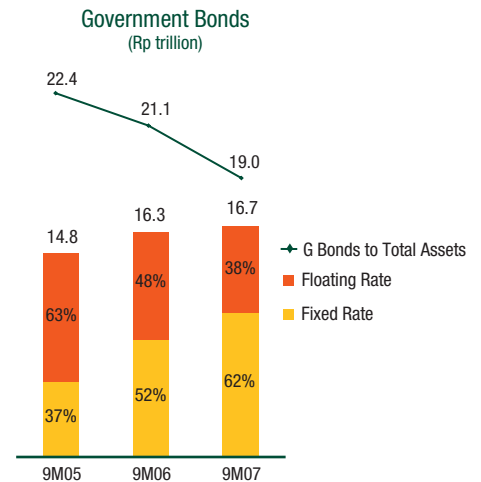
Non-performing loans declined slightly to Rp. 1,331 billion as of September 30, 2007 as compared to Rp. 1,372 billion a year earlier. As a result, the ratio of non-performing loans to total loans (NPL) declined considerably to 2.8% as of Sept 30, 2007 from 3.5% a year earlier. NPL ratio in auto financing decreased to 1.1% as of September 30, 2007 as compared to 1.2% a year earlier. Meanwhile DSP kept its NPL ratio at 3.4% level. **Net NPL remained zero after taking into account the collateral value; ratio of loan loss provision over NPL was 156% as of September 30, 2007.**



Government bonds portfolio amounted to Rp. 16,749 billion and accounted for 19% of the bank's assets as of September 30, 2007. Fixed rate bonds were Rp. 10,452 billion and accounted for 62% of the total bonds and the remaining 38% was floating rate bonds. The average duration of the government bonds portfolio was 4.7 years as of September 30, 2007 as compared to 1.9 years a year earlier.

Total interest bearing funding increased by 13% to Rp. 70,156 billion from Rp. 61,917 billion a year earlier supported by strong growth from both deposits and structured (long-term) funding. **Total deposits grew by 11% to Rp. 58,853 billion on the back of strong growth in current account and savings account that rose by 35% and 19%, respectively.** Current and saving accounts (CASA) made up 24% of total funding as of September 30, 2007, while time deposits rose by 6% and made up 60% of total funding. The remaining 16% of funding are comprised of structured and long-term funding, including senior bonds, subordinated debts, securities sold under repurchase agreements and other borrowings. As a part of the bank's strategy to maximize the asset liability maturity mismatch as well as to diversify the funding sources, the bank continues to rise long-term funding. As such, long-term funding rose by 27% to Rp. 10,303 billion as of September 30, 2007 following the successful issuance of Rp. 1.5 trillion senior bonds in May 2007.

Capitalization, as measured by equity to asset ratio, stood at 11.8% as of Sept 30, 2007 as compared to 11.5% a year earlier. **The bank's capital adequacy ratio (CAR) remains strong at 19.2% as of September 30, 2007** as compared to 21.1% a year earlier. Tier-1 and Tier-2 capital ratio stood at 14.8% and 6.3% as of September 30, 2007, compared to 15.9% and 7.4% on September 30, 2006.



UPDATES

■ Business Updates

• Consumer auto financing business with Adira Finance

Earnings from our consumer auto financing business tripled to Rp. 495 billion in the first nine months of 2007 largely driven by higher net interest income and lower cost of credit.

Interest income rose by 19% to Rp. 2,530 billion in the first nine months of 2007 on back of 18% growth in outstanding receivables. Interest expenses came down by 19% to Rp. 844 billion as cost of funds declined in lieu of falling interest rates. **Net interest income thus rose by 54% to Rp. 1,686 billion in the first nine months of 2007.**

Operating expenses rose by 30% to Rp.587 billion due to the annual increased in employees' salaries and benefits as well as the opening of an additional 23 new branches and additional 2,569 hired during the year.

Cost of credit declined by 10% to Rp. 420 billion from Rp 465 billion despite an 18% increase in receivables, reflecting improved asset quality as a result of the improvement of end-to-end risk and inventory management processes. Loss on repossessed assets steadily declined to 24% in the third quarter 2007 as compared to 28% in the same period last year. Furthermore, the ratio of repossessed assets and non-performing receivables over total receivables also declined to 0.7% and 1.1%, respectively, as of September 30, 2007 from 1.1% and 1.2% a year earlier. **As a result, cost of credit over average receivables declined to 4.4% in the third quarter of 2007 from 5.4% in the same period last year.**

In the first nine months of 2007, new financing amounted to Rp. 7,860 billion, an increase of 31% from the same period last year on the back of the recovery in industry's sales. In the first nine months of 2007, industry's new motorcycle and new car sales rose by 9% and 36%, respectively. As such, outstanding receivables rose by 18% to Rp. 12,667 billion as of September 30, 2007.

• Danamon Simpan Pinjam (DSP)

In the third quarter of 2007, outstanding loans grew by an additional 12% or Rp. 967 billion, bringing an accumulative growth of 64% for the year. Cost of credit improved to 4.5% of average loans as compared to last year's of 5.7% on the back of strong loan growth.

DSP Self Employed Mass Market (SEMM) extended Rp. 8,158 billion loans as of September 30, 2007, an increase of 62% compared to the previous year. In July 2007, SEMM introduced a new supply chain model to serve traders in the lower end of supply chain.

DSP Consumer Mass Market (CMM) also shows an accelerated growth. Loans expanded by 91% to Rp. 776 billion from Rp. 407 billion a year earlier due to the strong growth in both worksite model and Adira cross sell model. Through work site model, CMM sells personal instalment loans to employees of selected companies. CMM also started to cross sell personal loans to Adira Finance's customers since March 2007 and has currently stepped in 76 Adira Finance's branches.

■ Credit Ratings

Bank Danamon		
	Ratings and Outlook	
Standard & Poor's <i>October 2006</i>	Long Term / Short Term Local Currency Long Term / Short Term Foreign Currency Subordinated Debt	BB- / Stable / B BB- / Stable / B B / Stable
Moody's <i>October 2007</i>	Global Local Currency Deposit Long Term / Short Term Bank Deposit Subordinated Debt National Scale Rating	Baa3/Stable B1/Stable/Not Prime Ba2/Stable Aaa.id
PEFINDO (Indonesia) <i>February 2007</i>	Corporate Rating Bond Rating	^{id} AA-/Stable ^{id} AA-/Stable
Fitch Ratings <i>January 2007</i>	Long Term / Short Term Foreign Currency National (Long-Term)	BB-/Positive / B AA (idn)/Stable

Republic of Indonesia		
Standard & Poor's <i>February 2006</i>	Long Term / Short Term Foreign Currency	B+ / Positive / B
Moody's <i>February 2007</i>	Long Term / Short Term Foreign Currency	Ba3 / Stable / NP
Fitch Ratings <i>January 2007</i>	Long Term / Short Term Foreign Currency	BB- / Stable / B

**BALANCE SHEETS
AS AT 30 SEPTEMBER 2007 AND 2006**

(In million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2007	2006	2007	2006
ASSETS					
1.	Cash	889,878	737,076	943,179	779,358
2.	Placements with Bank Indonesia				
	a. Current accounts with Bank Indonesia	3,954,719	3,640,298	3,954,719	3,640,298
	b. Certificates of Bank Indonesia	2,059,739	1,450,806	2,059,739	1,450,806
	c. Wadiah Certificates of Bank Indonesia	-	-	-	-
	d. Others	-	469,837	-	469,837
3.	Current accounts with other banks				
	a. Rupiah	87,265	179,136	211,100	315,104
	b. Foreign currencies	641,929	1,024,950	643,968	1,026,510
	Allowance for possible losses on current accounts with other banks -/-	(7,292)	(12,041)	(7,292)	(12,041)
4.	Placements with other banks				
	a. Rupiah	1,162,000	2,000	1,217,485	338,086
	Allowance for possible losses on placements with other banks -/-	(11,620)	(20)	(11,620)	(20)
	b. Foreign currencies	3,636,147	1,513,258	3,636,147	1,484,122
	Allowance for possible losses on placements with other banks -/-	(36,361)	(15,132)	(36,361)	(15,132)
5.	Placement with other syariah banks	-	-	-	-
	Allowance for possible losses on placement with other syariah banks -/-	-	-	-	-
6.	Marketable securities				
	a. Rupiah				
	i. Trading	4,998	24,853	4,998	24,853
	ii. Available for sale	451,352	416,418	654,681	459,283
	iii. Held to maturity	107,994	1,015,944	108,971	1,015,944
	Allowance for possible losses on marketable securities -/-	(5,443)	(14,572)	(5,443)	(14,572)
	b. Foreign currencies				
	i. Trading	54,950	187,481	54,950	187,481
	ii. Available for sale	584,381	1,537,574	584,381	1,537,574
	iii. Held to maturity	824,689	2,708,535	824,689	2,708,535
	Allowance for possible losses on marketable securities -/-	(14,840)	(44,336)	(14,840)	(44,336)
7.	Marketable securities - syariah bonds	271,094	180,805	271,094	180,805
	Allowance for possible losses on marketable securities - syariah bonds -/-	(2,711)	(1,808)	(2,711)	(1,808)
8.	Government Bonds				
	i. Trading	1,219,908	550,670	1,219,908	550,670
	ii. Available for sale	11,059,214	9,001,552	11,328,357	9,061,819
	iii. Held to maturity	4,189,661	6,696,640	4,200,871	6,696,640
9.	Securities purchased under resale agreements (Reverse Repo)				
	a. Rupiah	42,870	15,493	42,870	15,493
	Allowance for possible losses on securities purchased under resale agreements -/-	(429)	(155)	(429)	(155)
	b. Foreign currencies	25,605	59,910	25,605	59,910
	Allowance for possible losses on securities purchased under resale agreements -/-	(256)	(599)	(256)	(599)
10.	Derivative receivables	253,354	85,503	253,354	85,503
	Allowance for possible losses on derivative receivables -/-	(2,534)	(855)	(2,534)	(855)
11.a	Loans (excluding loans purchased from IBRA)				
	a. Rupiah				
	i. Related parties	8,993	61,494	8,993	61,494
	ii. Third parties	42,603,951	34,742,376	42,603,951	34,742,376
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(1,390,876)	(1,171,174)	(1,390,876)	(1,171,174)
	Deferred income -/-	(118)	(118)	(118)	(118)
	b. Foreign currencies				
	i. Related parties	-	2,631	-	2,631
	ii. Third parties	5,319,671	4,109,496	5,319,671	4,109,496
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(130,496)	(92,461)	(130,496)	(92,461)
	Deferred income -/-	-	-	-	-
11.b	Loans purchased from IBRA				
	a. Rupiah	-	61,173	-	61,173
	Allowance for possible losses on loans purchased from IBRA -/-	-	(56,904)	-	(56,904)
	Deferred income -/-	-	(4,269)	-	(4,269)
	b. Foreign currencies	3,390	5,381	3,390	5,381
	Allowance for possible losses on loans purchased from IBRA -/-	(3,390)	(5,381)	(3,390)	(5,381)
	Deferred income -/-	-	-	-	-
12.	Consumer financing receivables	-	-	1,860,348	1,810,829
	Allowance for possible losses on consumer financing receivables -/-	-	-	(64,679)	(43,911)
13.	Premium receivable	-	-	24,250	24,007
	Allowance for possible losses on premium receivable -/-	-	-	(569)	(594)
14.	Syariah financing				
	a. Murabaha receivables	153,559	122,882	153,559	122,882
	b. Istishna receivables	-	-	-	-
	c. Qardh receivables	1,558	165	1,558	165
	d. Mudharabah financing	201,990	45,004	201,990	45,004
	e. Musyarakah financing	-	-	-	-
	Allowance for possible losses on syariah financing -/-	(8,420)	(5,903)	(8,420)	(5,903)
15.	Acceptance receivables	548,977	643,998	548,977	643,998
	Allowance for possible losses on acceptance receivables -/-	(6,687)	(23,350)	(6,687)	(23,350)
16.	Investments	1,406,238	1,167,327	12,174	12,174
	Allowance for possible losses on investments -/-	(14,063)	(11,707)	(122)	(122)
17.	Goodwill - net	-	-	354,806	438,290
18.	Interest receivable	789,154	756,281	795,845	1,194,571
19.	Prepaid expenses	349,799	374,333	452,867	380,761
20.	Prepaid taxes	-	33,350	2,345	33,351
21.	Deferred tax assets	195,679	89,203	200,565	92,087
22.	Fixed assets	2,242,399	2,137,805	2,565,155	2,382,862
	Accumulated depreciation of fixed assets -/-	(966,991)	(817,221)	(1,090,997)	(899,486)
23.	Unutilised properties	105,092	120,500	105,092	120,500
	Allowance for possible losses on unutilised properties -/-	(15,764)	-	(15,764)	-
24.	Leased assets	-	-	-	-
	Accumulated depreciation of leased assets -/-	-	-	-	-
25.	Foreclosed assets - net	77,784	84,640	96,146	106,540
	Allowance for possible losses on foreclosed assets -/-	(1,421)	-	(1,421)	-
26.	Other assets	2,520,570	1,117,542	3,229,145	1,164,391
	TOTAL ASSETS	85,430,839	74,896,314	87,986,868	77,250,402

BALANCE SHEETS AS AT 30 SEPTEMBER 2007 AND 2006

(In million Rupiah)

NO.	ACCOUNTS	BANK DANAMON 2007	2006	CONSOLIDATED 2007	2006
LIABILITIES AND EQUITY					
1.	Current accounts				
	a. Rupiah	3,251,329	2,878,437	3,188,566	2,854,000
	b. Foreign currencies	3,104,562	1,606,724	3,103,791	1,606,448
2.	Wadiah current accounts	24,452	10,142	24,452	10,142
3.	Other current liabilities	214,358	157,670	225,270	215,102
4.	Savings	10,558,212	8,848,987	10,558,212	8,848,987
5.	Syariah savings				
	a. Wadiah savings	1,200	1,084	1,200	1,084
	b. Mudharabah savings	61,607	41,500	61,607	41,500
6.	Time deposits				
	a. Rupiah				
	i. Related parties	209,618	142,728	153,828	44,823
	ii. Third parties	32,976,736	27,441,505	32,976,736	27,441,505
	b. Foreign currencies				
	i. Related parties	71,019	261,240	48,862	232,104
	ii. Third parties	5,983,041	8,847,212	5,983,041	8,847,212
7.	Mudharabah time deposits	357,376	120,501	357,376	120,501
8.	Certificates of deposits				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
9.	Deposits from other banks	4,977,945	4,161,176	4,977,945	4,161,176
10.	Securities sold under repurchase agreement (Repo)	3,386,106	4,000,000	3,386,106	4,000,000
11.	Deferred premium income	-	-	275,048	209,491
12.	Unearned premium reserve	-	-	166,310	129,208
13.	Derivative payables	267,166	216,868	267,166	216,868
14.	Acceptance payables	548,977	643,998	548,977	643,998
15.	Marketable securities issued				
	a. Rupiah	1,500,005	166,481	2,672,899	1,401,384
	b. Foreign currencies	791	92	791	92
16.	Borrowings				
	a. Short term funding facilities from Bank Indonesia	-	-	-	-
	b. Others				
	i. Rupiah				
	- Related parties	-	-	-	-
	- Third parties	547,725	318,731	631,058	493,741
	ii. Foreign currencies				
	- Related parties	-	-	-	-
	- Third parties	826,417	10,182	826,417	10,182
17.	Estimated allowance for possible losses on commitments and contingencies	33,198	21,579	33,198	21,579
18.	Lease payables	-	-	-	-
19.	Accruals	360,918	329,677	384,155	347,385
20.	Estimated tax payable	173,842	-	194,719	-
21.	Deferred tax liabilities	-	-	162,239	96,798
22.	Other liabilities	2,070,680	2,199,779	2,567,269	2,582,454
23.	Subordinated loans				
	a. Related parties	-	-	-	-
	b. Third parties	3,412,023	3,443,025	3,412,023	3,443,025
24.	Loan capital				
	a. Related parties	-	-	-	-
	b. Third parties	155,000	155,000	155,000	155,000
25.	Minority interests	-	-	286,071	202,617
26.	Equity				
	a. Paid up capital	3,621,136	3,574,975	3,621,136	3,574,975
	b. General and legal reserve	82,239	68,986	82,239	68,986
	c. Additional paid up capital	602,691	301,388	602,691	301,388
	d. Difference in transaction of changes in equity of subsidiaries	(21,606)	(8,062)	(21,606)	(8,062)
	e. Capital donation	-	-	-	-
	f. Difference in foreign currencies translation	2,948	3,136	2,948	3,136
	g. Unrealized gain/(loss) from available for sale marketable securities and Government Bonds	(8,774)	146,725	(8,774)	146,725
	h. Other comprehensive income	-	-	-	-
	i. Retained earnings*)	6,077,902	4,784,848	6,077,902	4,784,848
TOTAL LIABILITIES AND EQUITY		85,430,839	74,896,314	87,586,868	77,250,402

*) After being eliminated with deficit of Rp 32,968,831 through quasi-reorganisation on 1 January 2001.

STATEMENTS OF INCOME AND RETAINED EARNINGS FOR THE 9 MONTHS PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(In million Rupiah, except earning per share)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2007	2006	2007	2006
INCOME AND EXPENSES FROM OPERATIONS					
1.	Interest income, fees and commissions				
1.1.	Interest income				
	a. Rupiah	6,969,096	6,239,827	8,287,339	7,325,221
	b. Foreign currencies	652,583	644,635	652,583	644,635
1.2.	Fees and commissions income				
	a. Rupiah	513,930	356,261	1,011,176	715,014
	b. Foreign currencies	29,447	36,712	29,447	36,712
	Total interest income, fees and commissions	8,165,056	7,277,435	9,980,545	8,721,582
2.	Interest expense, fees and commissions				
2.1.	Interest expense				
	a. Rupiah	3,066,085	3,380,649	3,201,661	3,462,530
	b. Foreign currencies	399,592	354,463	399,592	354,463
2.2.	Fees and commissions expense	97,449	43,021	538,751	381,898
	Total interest expense, fees and commissions	3,563,126	3,778,133	4,140,004	4,198,891
3.	Underwriting income				
3.1.	Premium income	-	-	285,430	231,097
3.2.	Underwriting expense	-	-	179,989	134,912
	Total underwriting income	-	-	105,441	96,185
	Net interest and underwriting income	4,601,930	3,499,302	5,945,982	4,618,876
4.	Syariah income				
4.1.	Murabaha margin	17,143	14,518	17,143	14,518
4.2.	Mudharabah profit sharing	26,191	10,430	26,191	10,430
4.3.	Wadiah bonus income	3,197	-	3,197	-
	Total syariah income	46,531	24,948	46,531	24,948
5.	Syariah expenses				
5.1.	Mudharabah loss sharing	21,583	9,990	21,583	9,990
5.2.	Wadiah bonus expense	-	-	-	-
	Total syariah expenses	21,583	9,990	21,583	9,990
	Net interest income - syariah	24,948	14,958	24,948	14,958
6.	Other operating income				
6.1.	Fees and commissions	131,586	79,244	131,588	79,244
6.2.	Gain on foreign exchange transactions	-	-	-	-
6.3.	Gain from increase in fair value of marketable securities Government Bonds	-	-	-	-
6.4.	Other income	758,900	471,585	805,653	547,439
	Total other operating income	890,486	550,829	937,241	626,683
7.	Income from investment in subsidiaries	366,435	361,606	-	-
8.	Allowance for possible losses in assets	785,012	794,142	842,498	833,605
9.	Allowance for possible losses on commitments and contingencies	6,691	4,052	6,691	4,052
10.	Other operating expenses				
10.1.	General and administrative expenses	876,653	774,154	1,104,889	960,555
10.2.	Salaries and employee benefits	1,397,558	1,024,639	1,817,925	1,374,671
10.3.	Losses from decline in fair value of marketable securities and Government Bonds	6,433	884	3,637	671
10.4.	Losses on foreign exchange transactions	57,557	93,670	57,557	93,670
10.5.	Third party premium expenses	91,706	74,932	91,706	74,932
10.6.	Promotion expenses	95,097	70,137	109,176	78,860
10.7.	Others expenses	121,340	55,966	165,472	74,434
	Total other operating expenses	2,646,344	2,094,382	3,350,362	2,657,793
11.	Amortisation of goodwill	62,613	55,634	62,613	55,634
	NET OPERATING INCOME	2,383,139	1,478,485	2,646,007	1,709,434
NON-OPERATING INCOME AND EXPENSES					
12.	Non - operating income	70,589	78,014	162,803	108,382
13.	Non - operating expenses	218,953	341,056	298,080	379,151
	Non operating expenses/(income) - net	(148,364)	(263,042)	(135,277)	(270,769)
14.	Extraordinary income/(expense)	-	-	-	-
	INCOME BEFORE TAX	2,234,775	1,215,444	2,510,730	1,438,664
15.	Income tax-/-				
	- Deferred	-	64,531	132,487	393,205
	- Current year	635,023	236,841	675,901	47,857
16.	INCOME AFTER TAX	1,599,752	914,071	1,702,342	997,602
17.	Minority interest -/-	-	-	(102,590)	(83,531)
18.	CURRENT YEAR INCOME	1,599,752	914,071	1,599,752	914,071
19.	Retained earnings balance at the beginning of the period	5,196,109	4,951,761	5,196,109	4,951,761
20.	Dividend -/-	(662,666)	(1,001,922)	(662,666)	(1,001,922)
21.	Others -/-	(55,293)	(79,062)	(55,293)	(79,062)
22.	Retained earnings at the end of the period	6,077,902	4,784,848	6,077,902	4,784,848
23.	Basic earnings per share	320.49	185.61	320.49	185.61
24.	Diluted earnings per share*)	312.71*)	182.84 *)	312.71*)	182.84*)

*) After considering the effect of stock options granted to qualified employees of Bank Danamon.

STATEMENTS OF COMMITMENTS AND CONTINGENCIES

AS AT 30 SEPTEMBER 2007 AND 2006

(In million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2007	2006	2007	2006
COMMITMENTS					
<u>Commitment receivables</u>					
1.	Unused borrowing facilities				
	a. Rupiah	1,097,404	1,383,750	1,097,404	1,383,750
	b. Foreign currencies	-	-	274,350	-
2.	Others	-	-	-	-
	Total commitment receivables	1,097,404	1,383,750	1,371,754	1,383,750
<u>Commitment payables</u>					
1.	Unused loans facilities				
	a. Rupiah	9,464,701	7,825,923	9,464,701	7,825,923
	b. Foreign currencies	4,112,264	2,015,629	4,112,264	2,015,629
2.	Outstanding irrevocable letters of credit	1,050,192	894,689	1,050,192	894,689
3.	Others	-	-	-	-
	Total commitment payables	14,627,157	10,736,241	14,627,157	10,736,241
	COMMITMENT PAYABLES -NET	(13,529,753)	(9,352,491)	(13,255,403)	(9,352,491)
CONTINGENCIES					
<u>Contingent receivables</u>					
1.	Guarantees received				
	a. Rupiah	-	1,692	-	1,692
	b. Foreign currencies	15,488	92,756	15,488	92,756
2.	Interest receivables on non performing assets				
	a. Rupiah	178,894	180,337	178,894	180,337
	b. Foreign currencies	8,202	3,452	8,202	3,452
3.	Others	-	-	-	-
	Total contingent receivables	202,584	278,237	202,584	278,237
<u>Contingent payables</u>					
1.	Guarantees issued in the form of :				
	a. Bank guarantees				
	- Rupiah	1,321,820	928,085	1,321,820	928,085
	- Foreign currencies	872,131	311,843	872,131	311,843
	b. Others	7,492	-	7,492	-
2.	Standby letters of credit	-	-	-	-
3.	Others	-	-	-	-
	Total contingent payables	2,201,443	1,239,928	2,201,443	1,239,928
	CONTINGENT PAYABLES- NET	(1,998,859)	(961,691)	(1,998,859)	(961,691)

ASSET QUALITY AND OTHER INFORMATION
AS AT 30 SEPTEMBER 2007 AND 2006
(In million Rupiah)

NO. ACCOUNTS	BANK DANAMON											
	2007					2006						
	Current	Special Mention	Sub-standard	Doubtful	Loss	Total	Current	Special Mention	Sub-standard	Doubtful	Loss	Total
I. Related parties												
A. Earning assets												
1. Placement with other banks	997,411	-	-	-	-	997,411	38,691	-	-	-	-	38,691
2. Marketable securities and Government Bonds issued by third parties or Bank Indonesia	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans to third parties	-	-	-	-	-	-	-	-	-	-	-	-
a. Small business credit (KUK)	-	-	-	-	-	-	-	-	-	-	-	-
b. Property loans	-	-	-	-	-	-	-	-	-	-	-	-
i. Restructured	-	-	-	-	-	-	53,306	-	-	-	-	53,306
ii. Unrestructured	-	-	-	-	-	-	-	-	-	-	-	-
c. Other restructured loans	-	-	-	-	-	-	-	-	-	-	-	-
d. Others	8,993	-	-	-	-	8,993	10,819	-	-	-	-	10,819
4. Investment in third parties	-	-	-	-	-	-	-	-	-	-	-	-
a. Non-bank financial institution	1,138,218	-	-	-	-	-	994,338	-	-	-	-	994,338
b. For loans restructuring	-	-	-	-	-	1,138,218	-	-	-	-	-	-
c. Others	255,940	-	-	-	-	255,940	160,910	-	-	-	-	160,910
5. Other receivables from third parties	-	-	-	-	-	-	20	-	-	-	-	20
6. Commitments and contingencies to third parties	30	-	-	-	-	30	848	-	-	-	-	848
B. Non earning assets												
1. Unutilised properties	-	-	-	-	-	-	-	-	-	-	-	-
2. Foreclosed assets - net	-	-	-	-	-	-	-	-	-	-	-	-
3. Interbank and suspense account	-	-	-	-	-	-	-	-	-	-	-	-
II. Third parties												
A. Earning assets												
1. Placement with other banks	6,286,335	3	-	-	34	6,286,372	6,907,098	539	-	-	-	6,907,637
2. Marketable securities and Government Bonds issued by third parties or Bank Indonesia	19,443,662	-	-	-	-	19,443,662	20,317,941	-	-	-	-	20,317,941
3a. Loans to third parties (excluding loans purchased from IBRA)	-	-	-	-	-	-	-	-	-	-	-	-
a. Small business credit (KUK)	7,352,411	835,214	96,205	114,422	67,414	8,465,666	4,806,787	791,450	71,059	66,118	68,447	5,803,861
b. Property loans	-	-	-	-	-	-	-	-	-	-	-	-
i. Restructured	7,316	8,747	1,628	-	7,183	24,874	16,278	14,829	3,508	1,321	29,130	65,066
ii. Unrestructured	3,293,867	85,168	5,592	14,484	10,532	3,409,643	1,701,263	51,693	6,025	6,158	5,870	1,771,009
c. Other restructured loan	187,689	106,485	38,285	7,034	238,536	578,029	318,467	129,230	59,116	16,702	198,308	721,823
d. Others	32,184,601	2,701,665	97,970	158,652	473,242	35,616,130	26,843,384	2,943,586	143,715	190,921	444,098	30,565,704
3b. Loans purchased from IBRA	3,390	-	-	-	-	3,390	5,381	-	-	-	61,173	66,554
4. Investment in third parties	-	-	-	-	-	-	-	-	-	-	-	-
a. Non-bank financial institution	-	-	-	-	-	-	-	-	-	-	-	-
b. For loans restructuring	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	2,355	25	-	-	-	2,380	2,354	25	-	-	-	2,379
5. Other receivables from third parties	782,404	29,914	-	-	-	812,318	659,104	5,600	-	34,636	-	699,340
6. Commitments and contingencies to third parties	3,232,018	19,162	25	400	-	3,251,605	2,125,461	8,049	-	259	-	2,133,769
B. Non earning assets												
1. Unutilised properties	-	-	105,092	-	-	105,092	120,500	-	-	-	-	120,500
2. Foreclosed assets - net	68,308	-	9,476	-	-	77,784	84,639	-	-	-	-	84,639
3. Interbank and suspense account	62,085	-	-	-	175	62,260	23,848	-	-	-	1,697	25,545
TOTAL	75,307,033	3,786,383	354,273	294,992	797,116	80,539,797	65,191,437	3,945,001	283,423	316,115	808,723	70,544,699
1. a. Minimum required allowance for possible losses on earning assets	555,025	171,981	48,074	147,040	544,098	1,466,218	460,308	173,801	32,686	159,646	529,204	1,357,342
b. Minimum required allowance for possible losses on non earning assets	-	-	17,185	-	175	17,360	-	-	-	-	1,697	1,697
c. Total minimum requires allowance for possible losses	555,025	171,981	48,074	147,040	544,098	1,466,218	460,308	173,801	32,686	159,646	530,901	1,357,342
2. a. Allowance for possible losses on earning assets (excluding loans purchased from IBRA)	566,655	186,982	35,889	187,040	689,387	1,665,953	391,252	197,239	42,507	159,793	611,308	1,402,099
b. Allowance for possible losses on loans purchased from IBRA	3,390	-	-	-	-	3,390	5,381	-	-	-	56,904	62,285
c. Allowance for possible losses on non earning assets	-	-	17,185	-	175	17,360	-	-	-	-	1,697	1,697
d. Total allowance for possible losses	570,045	186,982	53,074	187,040	689,562	1,686,703	396,633	197,239	42,507	159,793	669,909	1,466,081
3. Collateralised assets	-	-	-	-	-	-	-	-	-	-	-	-
a. To Bank Indonesia	-	-	-	-	-	21,603	-	-	-	-	-	21,603
b. To other banks	-	-	-	-	-	-	-	-	-	-	-	-
4. Percentage of small business credit to total loan	-	-	-	-	-	18.19%	-	-	-	-	-	15.62%
5. Percentage of total small business credit debtors to total debtors	-	-	-	-	-	9.83%	-	-	-	-	-	10.23%
6. Percentage of small medium enterprise credit to total loans	-	-	-	-	-	70.12%	-	-	-	-	-	71.30%
7. Percentage of total small medium enterprise debtors to total debtors	-	-	-	-	-	88.74%	-	-	-	-	-	82.08%

**STATEMENT OF FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS
AS AT 30 SEPTEMBER 2007**

(In million Rupiah)

No.	Transaction	Market Value		Derivative Receivable and Payables		Net Market Value
		Hedging	Others	Receivables	Payables	
A.	Related to exchange rate					
1.	Spot	-	1,851,263	1,206	(1,151)	-
2.	Forwards	-	422,367	589	(6,502)	-
3.	Options					
	a. Purchased	-	12,570,683	119,493	(116,713)	-
	b. Written	-	-	-	-	-
4.	Futures	-	297,545	332	-	-
5.	Swaps	-	9,719,763	113,471	(128,138)	-
6.	Others	-	-	-	-	-
B.	Related to interest rate					
1.	Forwards	-	-	-	-	-
2.	Options					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Futures	-	-	-	-	-
4.	Swaps	-	2,390,737	18,263	(14,662)	-
5.	Others	-	-	-	-	-
C.	Others	-	-	-	-	-
	TOTAL			253,354	(267,166)	

CAPITAL ADEQUACY RATIO CALCULATION
AS AT 30 SEPTEMBER 2007 AND 2006
(In million Rupiah)

No.	DESCRIPTION	2007	2006
I.	COMPONENTS		
A.	CORE CAPITAL	9,406,305	8,141,899
1.	Paid up capital	3,621,136	3,574,975
2.	Disclosed reserves		
a.	Additional paid up capital	476,563	301,388
b.	Discount on nominal value of shares (-/-)	-	-
c.	Capital donation	-	-
d.	General and specific reserves	82,239	68,986
e.	Prior years' profit after tax	4,434,819	3,704,113
f.	Prior years' losses (-/-)	-	-
g.	Current year profit net of taxes (50%)	788,600	489,301
h.	Current year loss (-/-)	-	-
i.	Difference in foreign currency translation of overseas branch		
1)	Positive adjustment	2,948	3,136
2)	Negative adjustment (-/-)	-	-
j.	Paid up capital fund	-	-
k.	Decline in fair value of available for sale securities (-/-)	-	-
3.	Goodwill (-/-)	-	-
4.	Differences arising from the revaluation of the assets and liabilities due to the quasi reorganisation (-/-)	-	-
B.	SUPPLEMENTARY CAPITAL (Max. 100% of core capital)	3,996,054	3,782,625
1.	Reserve from revaluation of fixed assets	-	-
2.	Differences arising from the revaluation of the assets and liabilities due to the quasi reorganisation	-	-
3.	General allowance for possible losses on earning assets (max 1.25% of weighted risk-based assets)	728,770	467,420
4.	Loan capital	-	-
5.	Subordinated loan (max 50% of core capital)	3,267,284	3,315,205
6.	Increase in fair value of available for sale securities (45%)	-	-
C.	TOTAL SUPPLEMENTARY CAPITAL WHICH FULFILL THE REQUIREMENTS	-	-
D.	ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK	-	-
II.	TOTAL CORE AND SUPPLEMENTARY CAPITAL (A+B)	13,402,359	11,924,524
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK(A+B+D)	13,402,359	11,924,524
IV.	INVESTMENTS (-/-)	1,244,052	1,116,487
V.	TOTAL CAPITAL FOR CREDIT RISK (II-IV)	12,158,307	10,808,037
VI.	TOTAL CAPITAL FOR CREDIT RISK AND MARKET RISK (III-IV)	12,158,307	10,808,037
VII.	RISK WEIGHTED ASSETS - CREDIT RISK	58,301,592	47,276,004
VIII.	RISK WEIGHTED ASSETS - MARKET RISK	5,133,788	3,900,132
IX.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK CHARGE (V : VII)	20.85%	22.86%
X.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND MARKET RISK CHARGE (VI : (VII +VIII))	19.17%	21.12%*)
XI.	EXCESS OF ADDITIONAL SUPPLEMENTARY CAPITAL RATIO ((C-D) : (VII + VIII))	-	-
XII.	MINIMUM REQUIRED CAPITAL ADEQUACY RATIO	8.00%	8.00%

*) Capital Adequacy Ratio (CAR) with market risk charge is presented as an additional information and calculated base on Bank Indonesia regulation No. 5/12/PBI/2003 dated 17 July 2003 regarding "Capital Adequacy Ratio for Commercial Bank by Considering Market Risk".

KEY FINANCIAL RATIOS AS AT 30 SEPTEMBER 2007 AND 2006

NO.	Ratio (%)	2007	2006
CONSOLIDATED RATIOS :			
I. Earning assets			
1.	Non-performing earning assets	1.65%	1.95%
2.	NPL gross	2.77%	3.50%
3.	NPL net after minimum BI provision of possible losses	0.86%	1.69%
4.	NPL net after the Bank's total provision on possible losses	0.00%	0.09%
5.	Allowance for possible losses to earning assets	2.11%	2.08%
II. Rentability			
1.	Return on Assets (ROA) after tax	2.47%	1.68%
2.	Return on Assets (ROA) before tax	3.88%	2.64%
3.	Return on average core capital	23.41%	14.27%
4.	Return on average equity	21.76%	14.14%
5.	NIM including third party premium expenses	10.38%	9.38%
6.	Cost to income	46.76%	48.22%
III. Liquidity			
	Loan to Deposit Ratio (LDR)	85.00%	77.80%
BANK RATIOS:			
I. Capital			
1.	Capital Adequacy Ratio (CAR) without market risk charge	20.85%	22.86%
2.	Capital Adequacy Ratio (CAR) with market risk charge	19.17%	21.12%
3.	Fixed assets to total capital	17.44%	17.93%
II. Earning assets			
1.	Non-performing earning assets	1.66%	2.00%
2.	NPL gross	2.77%	3.50%
3.	NPL net after minimum BI provision of possible losses	0.86%	1.69%
4.	NPL after the Bank's total provision on possible losses	0.00%	0.09%
5.	Allowance for possible losses on earning assets	2.08%	2.08%
6.	Fulfillment of allowance for possible losses on earning assets	115.22%	108.01%
7.	Fulfillment of allowance for possible losses on non earning assets***)	100.00%	100.00%
III. Rentability			
1.	Return on Assets (ROA) after tax	2.54%	1.70%
2.	Return on Assets (ROA) before tax	3.55%	2.27%
3.	Return on average core capital	23.41%	14.27%
4.	Return on average equity	21.76%	14.14%
5.	NIM excluding third party premium expenses	8.52%	7.54%
6.	NIM including third party premium expenses	8.36%	7.38%
7.	Operating expenses to operating income	74.17%	81.27%
8.	Cost to income	45.79%	50.35%
IV. Liquidity			
	Loan to Deposit Ratio (LDR)	85.00%	77.80%
V. Compliance			
1.	a. Percentage violation on Legal Lending Limit		
	a.1. Related parties	0.00%	0.00%
	a.2. Third parties	0.00%	0.00%
	b. Percentage lending in excess of Legal Lending Limit		
	b.1. Related parties	0.00%	0.00%
	b.2. Third parties	0.00%	0.00%
2.	Statutory reserve requirements (Rupiah)	8.12%	8.05%
3.	Net open position*)	3.87%	1.28%
4.	Net open position on balance sheet**)	0.26%	14.97%

*) Net open position calculation includes balance sheets and off balance sheets accounts.

**) Net open position calculation includes balance sheets accounts in accordance with Bank Indonesia regulation No. 6/20/PBI/2004 dated 15 July 2004 regarding "Amendment of Bank Indonesia regulation No. 5/13/PBI/2003 concerning the Net Open Position for Commercial Banks".

***) Calculation of allowance for possible losses on non earning assets is in accordance with Bank Indonesia regulation No. 7/2/PBI/2005 dated 20 January 2005 regarding "Asset Quality Rating For Commercial Banks" which amended by Bank Indonesia regulation No. 8/2/PBI/2006 regarding "Assets Quality Rating For Commercial Banks".

STATEMENTS OF LOANS PURCHASED FROM INDONESIAN BANK RESTRUCTURING AGENCY (IBRA)
(In accordance with Bank Indonesia Regulation No. 4/7/PBI/2002 regarding "Prudential principles for Credits Purchased by Banks from IBRA")
AS AT 30 SEPTEMBER 2007

(In million Rupiah)

NO.	DESCRIPTION	BALANCE
A.	Summary of loans purchased from IBRA	
	Loan principal (sustainable loan)	7,829,245
	Purchase price	(1,337,135)
	Allowance for possible losses/ deferred income	6,492,110
B.	Summary movement of loans principal balance	
	Beginning, 1 January 2007	65,996
	Foreign exchange translation adjustment	126
	Loan purchased from IBRA during the period	-
	Loan repayments during the period	(26,028)
	Write-offs during the period	(36,704)
	Ending balance, 30 September 2007	3,390
C.	Summary of allowance for possible losses (including differences between loans principal and purchase price)	
	Beginning, 1 January 2007	61,727
	Foreign exchange translation adjustment	126
	Loan purchased from IBRA during the period	-
	Loan repayments during the period	(57,348)
	Write-offs during the period	(1,115)
	Correction on allowance for possible losses during the period	-
	Ending balance, 30 September 2007	3,390
D.	Summary of deferred income	
	Beginning, 1 January 2007	4,269
	Foreign exchange translation adjustment	-
	Difference between loan purchased prices and restructured loans value during the period	-
	Write-offs during the period	-
	Loan repayments during the period	(4,269)
	Adjusted deferred income	-
	Ending balance, 30 September 2007	-
E.	Interest income and other income recognised on loans purchased from IBRA	-
F.	Restructured loans	-
G.	Additional loan facilities for debtors of loans purchased from IBRA	-
H.	No intermediaries entity was used in purchasing loans from IBRA	-

MANAGEMENT OF THE BANK (As of 30 September 2007)		SHAREHOLDERS (As of 30 September 2007)	
Board Of Commissioners		Board Of Directors	
1. President Commissioner	: Ng Kee Choe	1. President Director	: J.E. Sebastian Paredes M.
2. Vice President Commissioner	: J.B. Kristiadi P. *)	2. Vice President Director	: Jerry Ng **)
3. Commissioner	: Milan Robert Shuster *)	3. Director	: Muliadi Rahardja
4. Commissioner	: Harry Arief Soepardi Sukadis *)	4. Director	: Anika Faisal
5. Commissioner	: Manggi Taruna Habir *)	5. Director	: Hendarin Sukarmadji
6. Commissioner	: Gan Chee Yen	6. Director	: Ali Yong
7. Commissioner	: Liew Cheng San Victor	7. Director	: Vera Eve Lim
		8. Director	: Sanjiv Malhotra
			TOTAL 100 %

Note :

*) Independent Commissioner

**) Jerry Ng has submitted his resignation letter as Vice President Director on 10 September 2007 and effective 10 October 2007

Notes :

1. The Consolidated financial statements are published in order to comply with Regulation of Bank Indonesia No. 3/22/PBI dated 13 December 2001 regarding the "Transparency of Bank's Financial Condition" and Circular Letter of Bank Indonesia No. 7/10/DPNP dated 31 March 2005 regarding The Amendment of Circular Letter of Bank Indonesia No. 3/30/DPNP dated 14 December 2001 regarding "Quarterly and monthly published financial statements of Commercial Banks and certain report submitted to Bank Indonesia.
2. For comparatives purposes, certain account in the consolidated financial statement as of 30 June 2006 have been reclassified to conform with consolidated financial statement in year 2007.
3. The ultimate shareholder of Asia Financial (Indonesia) Pte.Ltd. is Temasek Holding Pte.Ltd., an investment holding company based in Singapore which is wholly owned by the Government of Singapore.
4. Exchange rate as at 30 September 2007 : USD 1 = Rp. 9,145 Exchange rate as at 30 September 2006 : USD 1 = Rp. 9,225

Publication: October 26,2007
Board of Directors



Sebastian Paredes
President Director



Vera Eve Lim
Director

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