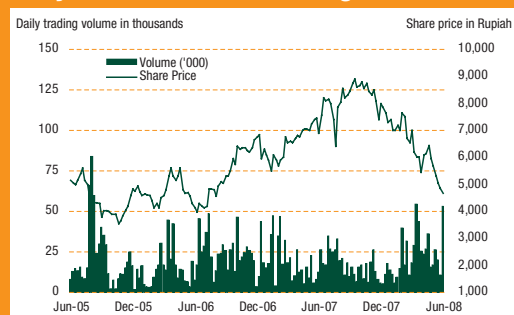


Investor Newsletter

July 2008



Daily Share Price and Trading



Source: Bloomberg

| Shareholders | June 07 | June 08 | Change |
|----------------------------|---------|---------|--------|
| Asia Financial (Indonesia) | 68.5% | 67.9% | (0.6%) |
| Public | 31.5% | 32.1% | 0.6% |

First Half 2008 Financial Results

- NPAT grew by 14% to Rp. 1,158 billion
- Net Interest Income increased by 20% to Rp. 4,056 billion
- Loans expanded by 32% to Rp. 61 trillion
- Funding grew by 11% to Rp. 79 trillion
- Margin expanded to 11.4%
- ROAA and ROAE stood at 2.5% and 22.1%, respectively

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First Half 2008 Financial Results

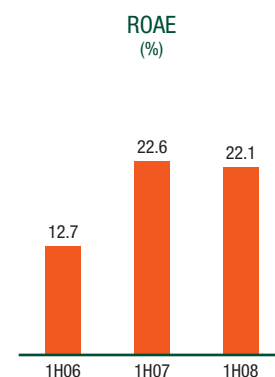
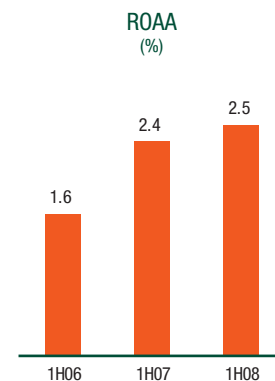
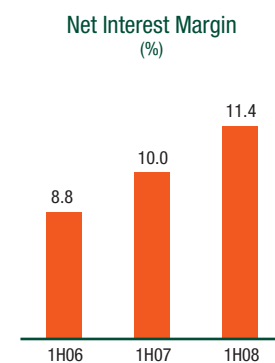
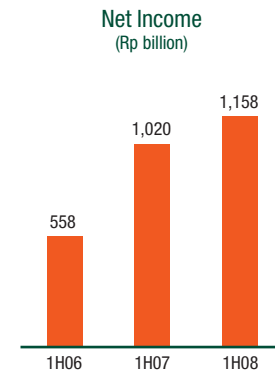
Danamon reported a net profit after tax of Rp. 1,158 billion in the first half of 2008, a 14% increase over last year's first half profit of Rp. 1,020 billion. This increase was driven by the strong growth in net interest income and lower cost of credit. Hence Basic Earnings per Share (EPS) were Rp. 229.81 as compared to Rp. 204.87 in the same period last year. ROAA and ROAE stood at 2.5% and 22.1%, respectively.

| | 1H07 | 1H08 | △ YoY |
|--|---------|---------|--------|
| Income Statement (Rp billion) | | | |
| Net Interest Income | 3,380 | 4,056 | 20% |
| Fee Income | 571 | 1,046 | 83% |
| Operating Income before Gain (Loss) on sale of Marketable Securities | 3,951 | 5,102 | 29% |
| Gain (Loss) on sale of Marketable Securities | 463 | (107) | (123%) |
| Operating Income | 4,414 | 4,995 | 13% |
| Operating Expenses | (2,068) | (2,558) | 24% |
| Pre Provision Operating Profit | 2,346 | 2,437 | 4% |
| Cost of Credit | (744) | (583) | (22%) |
| Net Profit Before Tax | 1,602 | 1,854 | 16% |
| Net Profit After Tax | 1,020 | 1,158 | 14% |
| Balance Sheet (Rp billion) | | | |
| Total Assets | 88,043 | 96,582 | 10% |
| Total Loans | 46,394 | 61,207 | 32% |
| Total Government Bonds | 18,957 | 13,129 | (31%) |
| Total Deposits | 61,294 | 65,939 | 8% |
| Total Equity | 9,819 | 10,296 | 5% |
| Key Financial Ratios (%) | | | |
| Net Interest Margin | 10.0 | 11.4 | 1.4 |
| Cost to Income | 46.8 | 51.2 | 4.4 |
| Return on Average Assets | 2.4 | 2.5 | 0.1 |
| Return on Average Equity | 22.6 | 22.1 | (0.5) |
| Loan / Deposits | 75.5 | 91.7 | 16.2 |
| Loan / Funding | 65.3 | 76.4 | 11.1 |
| Gross NPL / Total Loans | 3.1 | 2.3 | (0.8) |
| Loan Loss Allowances / NPL | 153.1 | 151.8 | (1.3) |
| Net Open Position | 0.7 | 2.9 | 2.2 |
| Capital Adequacy Ratio | 20.5 | 16.0 | (4.5) |
| Equity / Asset | 11.2 | 10.7 | (0.5) |

Net interest income rose by 20% to Rp. 4,056 billion in the first half of 2008 on the back of strong loan growth and expanded margin. Interest income rose by 9% to Rp. 6,454 billion as loans expanded by 32% to Rp 61.2 trillion. Loans now made up 74% of earning assets and contributed to 85% of interest income. Government bonds which accounted for 14% of assets brought in the additional 9% of interest income. Meanwhile, interest expense declined by 6% to Rp. 2,398 billion in first half 2008 despite the 11% increase in total funding, reflecting lower cost of fund. As a result, **net interest margin continues to expand to 11.4% in the first half of 2008 from 10.0% in the same period last year.**

Fee Income rose by 83% to Rp. 1,046 billion largely driven by credit related fees and treasury products. Credit related fees increased by 34% to Rp. 519 billion on the back of strong loan growth and trade financing. Treasury products contributed to Rp 161 billion in fee income in the first half of 2008 as opposed to a loss of Rp. 68 billion in the first half of 2007 due to strong growth in sales of foreign exchange and derivative products. As a result, operating income before gain (loss) on sale of marketable securities grew by 29% to Rp. 5,102 billion in the first half of 2008. In the first half of 2008, the bank recognized Rp 107 billion losses from the sale of marketable securities, mainly from government bonds. In contrast, the bank managed to book Rp. 463 billion gain from the sale of marketable securities in the same period last year. Accordingly, non-interest income (fee income plus gain on sale of marketable securities) declined by 9% to Rp. 939 billion in the first half of 2008, representing 19% of operating income.

Operating expenses was Rp. 2,558 billion in the first half of 2008, 24% higher than the first half of last year in part due to the expansion in mass market businesses. Operating expenses associated with mass market businesses rose by 46% to Rp 1,162 billion and contributed close to 75% to the incremental in operating expenses. Mass market businesses added over 5,000 headcounts to support their businesses growth during the year. **Hence, total cost to income ratio stood at 51.2% as compared to 46.8% in the first half of last year.**

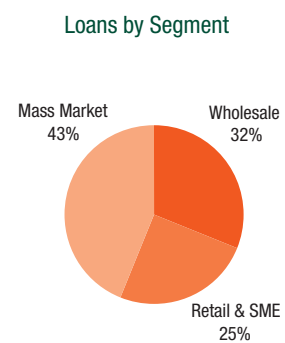
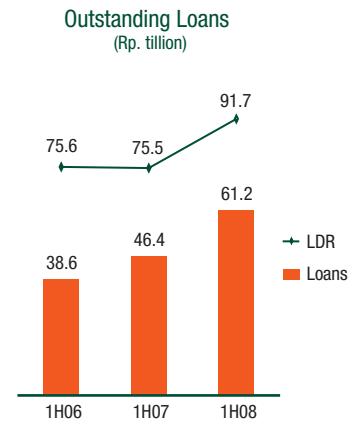


Credit cost decline by 22% to Rp. 583 billion in the first half of 2008 despite of 32% loan expansion. Accordingly, the cost of credit over average earning assets (excluding government securities) improved to 1.9% as compared to 2.9% in the first half last year. Cost of credit in consumer auto financing business improved to 3.1% of average receivables in the first half of 2008 as compared to 5.0% in the previous year's period. Cost of credit in micro lending business stood at 5.0% in the first half of 2008 as compared to 4.4% in the same period last year.

Outstanding loans expanded by 32% in the first half of 2008 largely driven by mass market and wholesale businesses. **Mass market rose by 31% on the back of a strong growth in micro lending and consumer auto financing businesses and now represented 43% of the total loan book.** SEMM, which serves micro and small scale enterprises, continues to book a strong loan growth. In the first half of 2008, its loans rose by 29% to Rp 9.5 trillion, accounting for 16% of the total loan book. Adira Finance managed to grow its auto loans by 24% to Rp 14.8 trillion on the back of 29% growth in two-wheeler financing in the first half of 2008. CMM, which offers personal loans to salaried individuals, tripled its business with outstanding loans growing strongly to Rp 1.6 trillion.

Wholesale loans, which comprise of Commercial, Corporate and JFAB businesses, made up 32% of loan book. Corporate loans grew by 48% to Rp 9.0 trillion in part due to robust growth in trade financing. Commercial loans expanded by 48% to Rp. 8.7 trillion largely driven by asset-based financing and working capital loans. Loans from joint financing and asset buy (JFAB) business with other finance companies increased by 21% to Rp 1.7 trillion. SME loans grew by 12% to Rp. 9.9 trillion, representing 16% of total loans. While retail loans increased by 36% to Rp. 5.4 trillion on the back of strong growth in mortgage and credit card receivables.

Non-performing loans (NPL) declined by 2% to Rp 1,333 billion as compared to Rp 1,359 billion a year earlier despite of strong loan growth. As a result, the ratio of non-performing loans fell to 2.3% in June 2008 from 3.1% a year earlier.

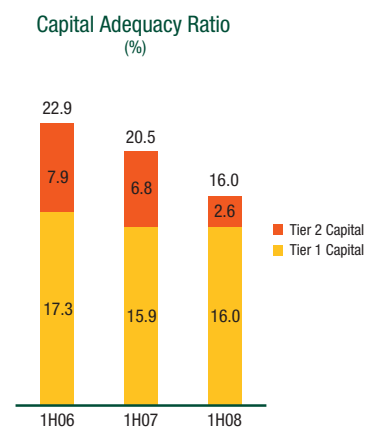
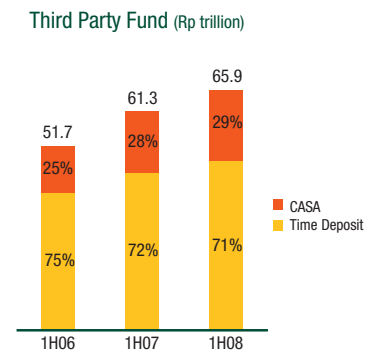
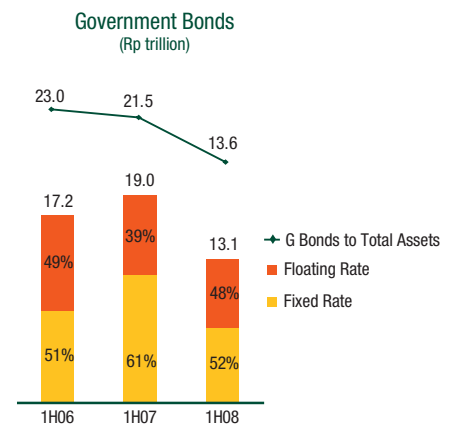
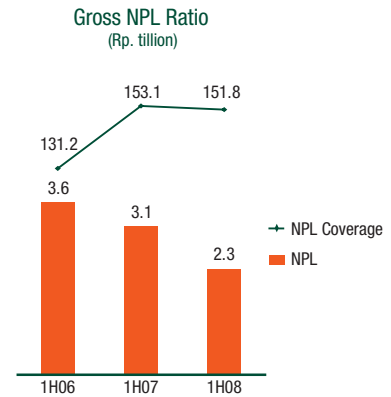


NPL in auto financing business was maintained at a low 0.9% in June 2008 as compared to 1.2% a year earlier. While NPL in micro lending business stood at 4.1% in June 2008 as compared to 3.5% in the previous year. Overall, **net NPL remained zero after taking into account the collateral value** particularly for Corporate, Commercial, SME loans and Mortgage. Furthermore, the ratio of loan loss provision over NPL stood at a high 151.8% in June 2008 as compared to 153.1% a year earlier.

Government bonds portfolio reduced to Rp. 13.1 trillion in June 2008 from Rp 19.0 trillion a year ago. **As a result, government bonds now accounted for 14% of assets as compared to 22% a year earlier.** Fixed rate bonds were Rp. 6.9 trillion and made up 52% of the bond portfolio while the remaining 48% was floating rate bonds. In June 2008, Rp 2.3 trillion government bonds are classified as Held to Maturity (HTM) account, Rp 10.8 trillion as Available for Sale (AFS) and the remaining Rp 13 billion as trading account. The average duration of the government bonds portfolio was 2.6 years in June 2008 as compared to 3.0 years a year earlier.

Total funding increased by 11% to Rp. 78.7 trillion from Rp. 71.0 trillion a year earlier supported by strong growth in low cost deposits as well as long-term funding. **Current accounts and savings grew by 30% and 10% to Rp. 7.2 trillion and Rp. 12.6 trillion, respectively, and both accounted for 25% of total funding.** Whereas time deposits grew by 4% to Rp 46.1 trillion, representing 59% of funding. Long-term funding, which consists of senior bonds, subordinated debts, securities sold under repurchase agreements and other borrowings, made up the remaining 16% of funding. These long-term funding increased by 32% to Rp.12.8 billion in June 2008 as the bank continues to rise long-term funding to fund loans growth as well as to reduce asset and liability mismatch.

The bank's capital adequacy ratio (CAR) stood at 16.0% in June 2008 as compared to 20.5% a year earlier due to growing earning assets as well as decline in Tier 2 Capital. The bank started to amortize USD 300 million subordinated debts as part of Tier 2 Capital in June 2008. Subject to approval from Bank Indonesia, these subordinated debts will be called in 2009. Accordingly Tier 2 Capital stood at 2.6% in June 2008, compared to 6.8% last year. While Tier 1 Capital remained strong at 16.0% in June 2008 compared to 15.9% a year earlier. Furthermore, the bank's capitalization, as measured by equity to asset ratio, stood at 10.7% in June 2008 as compared to 11.2% in the previous year.



UPDATES

■ Business Updates

• **Consumer auto financing business**

The consumer auto financing business is managed through our 75% owned subsidiary, Adira Finance that operates 284 branch offices and employed 13,762 staffs across the country.

Earnings of our consumer auto financing business rose by 55% to Rp. 478 billion in the first half of 2008 driven by higher operating income and lower cost of credit. As a result, its ROAA improved significantly to 5.8% as compared to 4.6% in the first half last year.

Net interest income increased by 21% to Rp.1,319 billion in the first half of 2008 on the back of strong financing. Interest income rose by 21% to Rp. 1,987 billion in the first half of 2008 on back of 24% growth in outstanding receivables. Interest expenses also increased 21% to Rp. 668 billion.

Operating expenses rose by 31% to Rp. 494 billion due to the annual increase in employees' salaries and benefits as well as business expansion. Adira Finance opened an additional 40 branches and added over than 1,600 employees during the year.

Credit cost declined by 25% to Rp. 213 billion despite of 24% growth in receivables, due to lower provision expenses and loss on repossessed assets. Overall, cost of credit declined to 3.1% of average receivables in the first half of 2008 from 5.0% in the previous year.

New financing volume reached Rp. 6.4 trillion in the first half of 2008, an increase of 31% from the same period last year supported by strong growth in domestic auto sales. Industry's new motorcycle and new car sales rose by 44% and 48% respectively to 3.1 million units and 293 thousand units in the first half of 2008. Adira Finance's market share in new motorcycle financing stood at 13.1% in the first half 2008 as compared to 14.5% last year due to selective customer acquisitions.

• **Self Employed Mass Market (SEMM)**

Self Employed Mass Market business, also known as Danamon Simpan Pinjam (DSP), was established in 2004 to serve and help micro and small scale enterprises.

SEMM currently operates two business models. Wet Market Model currently operates 702 DSP units in big traditional wet markets and 91 Mobile Units to serve smaller markets. Supply Chain Model, which was introduced in July 2007, focuses to serve traders at the low end of the supply chain and operates 151 Sales Offices across the country.

SEMM extended Rp. 3,685 billion of new loans in the first half of 2008, an increase of 11.3% compared to same period of the previous year. As such, its outstanding loans continue to grow strongly by 29% to Rp 9.5 trillion as of June 2008. Cost of credit was stood at 4.3% of average loans in the second quarter of 2008 as compared to 5.7% in the previous quarter.

• **Consumer Mass Market (CMM)**

CMM business, which offers personal loans to salaried individuals, showed a strong growth in 2007. CMM also has two business models. Its Worksite Model currently operates 106 Point of Sales to sell personal loans to employees of selected companies. Since March 2007, CMM has also stepped into 118 Adira's branches to cross sell personal loans to Adira's selected customers.

CMM loans nearly tripled to Rp. 1,574 billion from Rp. 580 billion a year earlier due to the strong growth in both Worksite Model and Adira Cross Sell Model. Credit cost stood at 4.1% in the first half of 2008 on the back of strong loan growth.

■ Credit Ratings

| Bank Danamon | | |
|---|--|--|
| | Ratings and Outlook | |
| PEFINDO (Indonesia) <i>February 2008</i> | Corporate Rating Bond Rating | AA+/Stable AA+/Stable |
| Standard & Poor's <i>January 2008</i> | Long Term / Short Term Local Currency Long Term / Short Term Foreign Currency Subordinated Debt | BB-/Stable/B BB-/Stable /B B/Stable |
| Fitch Ratings <i>August 2007</i> | Long Term / Short Term Foreign Currency National (Long-Term) | BB-/Positive /B AA (idn)/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 |
| Republic of Indonesia | | |
| Moody's <i>October 2007</i> | Short Term Foreign Currency | Ba3 / Stable / NP |
| Standard & Poor's <i>May 2008</i> | Long Term / Short Term Foreign Currency | BB- / Stable / B |
| Fitch Ratings <i>February 2008</i> | Long Term / Short Term Foreign Currency | BB / Stable / B |

BALANCE SHEETS

AS AT 30 JUNE 2008 AND 2007

(In million Rupiah)

| NO. | ACCOUNTS | BANK DANAMON | | CONSOLIDATED | |
|---------------|---|-------------------|-------------------|-------------------|-------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| ASSETS | | | | | |
| 1. | Cash | 1,197,738 | 792,649 | 1,238,706 | 842,239 |
| 2. | Placements with Bank Indonesia | | | | |
| | a. Current accounts with Bank Indonesia | 6,395,367 | 4,426,521 | 6,395,367 | 4,426,521 |
| | b. Certificates of Bank Indonesia | 2,573,187 | 3,111,042 | 2,648,187 | 3,161,042 |
| | c. Wadiah Certificates of Bank Indonesia | - | 3,000 | - | 3,000 |
| | d. Others | 834,929 | 129,975 | 834,929 | 129,975 |
| 3. | Current accounts with other banks | | | | |
| | a. Rupiah | 31,762 | 55,559 | 172,119 | 172,365 |
| | b. Foreign currencies | 292,440 | 357,526 | 294,217 | 359,488 |
| | Allowance for possible losses on current accounts with others banks -/- | (3,242) | (4,131) | (3,242) | (4,131) |
| 4. | Placements with other banks | | | | |
| | a. Rupiah | 30,360 | 247,423 | 150,790 | 361,933 |
| | Allowance for possible losses on placements with other banks -/- | (303) | (2,474) | (303) | (2,474) |
| | b. Foreign currencies | 313,480 | 2,902,763 | 324,554 | 2,902,763 |
| | Allowance for possible losses on placements with other banks -/- | (3,135) | (29,028) | (3,135) | (29,028) |
| 5. | Placement with other Sharia banks | - | - | - | - |
| | Allowance for possible losses on placement with other Sharia banks -/- | - | - | - | - |
| 6. | Marketable securities | | | | |
| | a. Rupiah | | | | |
| | i. Trading | - | 74,123 | - | 74,123 |
| | ii. Available for sale | 280,446 | 559,981 | 367,072 | 691,149 |
| | iii. Held to maturity | 1,009,983 | 1,889,962 | 1,009,989 | 1,924,836 |
| | Allowance for possible losses on marketable securities -/- | (12,474) | (25,240) | (12,474) | (25,240) |
| | b. Foreign currencies | | | | |
| | i. Trading | 27,392 | 101,277 | 27,392 | 101,277 |
| | ii. Available for sale | 473,825 | 652,740 | 473,825 | 652,740 |
| | iii. Held to maturity | 1,121,344 | 2,341,998 | 1,121,344 | 2,341,998 |
| | Allowance for possible losses on marketable securities -/- | (15,987) | (30,961) | (15,987) | (30,961) |
| 7. | Marketable securities - Sharia bonds | 326,679 | 205,778 | 326,679 | 205,778 |
| | Allowance for possible losses on marketable securities - Sharia bonds -/- | (3,267) | (2,058) | (3,267) | (2,058) |
| 8. | Government Bonds | | | | |
| | i. Trading | 13,244 | 1,270,053 | 13,244 | 1,270,053 |
| | ii. Available for sale | 10,575,955 | 11,826,173 | 10,801,318 | 11,995,408 |
| | iii. Held to maturity | 2,191,885 | 5,680,172 | 2,313,973 | 5,691,475 |
| 9. | Securities purchased under resale agreements (Reverse Repo) | | | | |
| | a. Rupiah | - | - | - | - |
| | Allowance for possible losses on securities purchased under resale agreements -/- | - | - | - | - |
| | b. Foreign currencies | 28,738 | 25,379 | 28,738 | 25,379 |
| | Allowance for possible losses on securities purchased under resale agreements -/- | (287) | (254) | (287) | (254) |
| 10. | Derivative receivables | 728,053 | 156,386 | 728,053 | 156,386 |
| | Allowance for possible losses on derivative receivables -/- | (7,281) | (1,641) | (7,281) | (1,641) |
| 11a. | Loans (excluding loans purchased from IBRA) | | | | |
| | a. Rupiah | | | | |
| | i. Related parties | 10,606 | 9,202 | 10,606 | 9,202 |
| | ii. Third parties | 50,105,373 | 39,061,758 | 50,105,373 | 39,061,758 |
| | Allowance for possible losses on loans (excluding loans purchased from IBRA) -/- | (1,467,951) | (1,400,324) | (1,467,951) | (1,400,324) |
| | Deferred income -/- | (118) | (118) | (118) | (118) |
| | b. Foreign currencies | | | | |
| | i. Related parties | - | - | - | - |
| | ii. Third parties | 8,837,593 | 5,046,200 | 8,837,593 | 5,046,200 |
| | Allowance for possible losses on loans (excluding loans purchased from IBRA) -/- | (180,222) | (126,359) | (180,222) | (126,359) |
| | Deferred income -/- | - | - | - | - |
| 11b. | Loans purchased from IBRA | | | | |
| | a. Rupiah | - | - | - | - |
| | Allowance for possible losses on loans purchased from IBRA -/- | - | - | - | - |
| | Deferred income -/- | - | - | - | - |
| | b. Foreign currencies | - | 3,822 | - | 3,822 |
| | Allowance for possible losses on loans purchased from IBRA -/- | - | (3,822) | - | (3,822) |
| | Deferred income -/- | - | - | - | - |
| 12. | Consumer financing receivables | - | - | 1,601,594 | 1,963,333 |
| | Allowance for possible losses on consumer financing receivables -/- | - | - | (36,529) | (59,518) |
| 13. | Premium receivable | - | - | 25,603 | 83,534 |
| | Allowance for possible losses on premium receivable -/- | - | - | (151) | (569) |
| 14. | iB receivables and Financing with contract | | | | |
| | a. Murabaha receivables | 243,038 | 150,706 | 243,038 | 150,706 |
| | b. Istishna receivables | - | - | - | - |
| | c. Qardh receivables | 23,236 | 117 | 23,236 | 117 |
| | d. Mudharabah financing | 385,999 | 159,102 | 385,999 | 159,102 |
| | e. Musyarakah financing | - | - | - | - |
| | Allowance for possible losses on iB Financing and receivables -/- | (8,447) | (7,369) | (8,447) | (7,369) |
| 15. | Acceptance receivables | 1,104,755 | 536,053 | 1,104,755 | 536,053 |
| | Allowance for possible losses on acceptance receivables -/- | (11,048) | (5,391) | (11,048) | (5,391) |
| 16. | Investments | 1,638,052 | 1,280,921 | 12,175 | 12,175 |
| | Allowance for possible losses on investments -/- | (16,382) | (12,810) | (122) | (122) |
| 17. | Goodwill - net | - | - | 292,193 | 375,677 |
| 18. | Interest receivable | 788,395 | 891,623 | 796,265 | 892,426 |
| 19. | Prepaid expenses | 344,774 | 317,356 | 456,646 | 405,037 |
| 20. | Prepaid taxes | - | - | - | 1,643 |
| 21. | Deferred tax assets | 523,271 | 90,287 | 528,624 | 92,789 |
| 22. | Fixed assets | 2,454,559 | 2,224,674 | 2,836,578 | 2,527,982 |
| | Accumulated depreciation of fixed assets -/- | (1,085,269) | (930,427) | (1,245,208) | (1,043,201) |
| 23. | Unutilised properties | 41,785 | 105,250 | 41,785 | 105,250 |
| | Allowance for possible losses on unutilised properties -/- | (6,268) | (15,787) | (6,268) | (15,787) |
| 24. | Leased assets | - | - | - | - |
| | Accumulated depreciation of leased assets -/- | - | - | - | - |
| 25. | Foreclosed assets - net | 84,186 | 80,375 | 89,950 | 109,738 |
| | Allowance for possible losses on foreclosed assets -/- | (3,589) | (1,505) | (5,385) | (1,505) |
| 26. | Other assets | 2,102,766 | 1,374,121 | 2,927,196 | 1,775,954 |
| | TOTAL ASSETS | 94,309,925 | 85,542,348 | 96,582,280 | 88,042,554 |

BALANCE SHEETS

AS AT 30 JUNE 2008 AND 2007

(In million Rupiah)

| NO. | ACCOUNTS | BANK DANAMON | | CONSOLIDATED | |
|-------------------------------------|--|-------------------|-------------------|-------------------|-------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| LIABILITIES AND EQUITY | | | | | |
| 1. | Current accounts | | | | |
| | a. Rupiah | 4,833,427 | 3,378,691 | 4,762,185 | 3,330,507 |
| | b. Foreign currencies | 2,241,391 | 2,629,034 | 2,241,069 | 2,628,754 |
| 2. | iB current accounts | 56,836 | 25,869 | 56,836 | 25,869 |
| 3. | Other current liabilities | 217,126 | 154,369 | 224,875 | 160,220 |
| 4. | Savings | 12,528,126 | 10,559,193 | 12,528,126 | 10,559,193 |
| 5. | Syariah savings | | | | |
| | a. iB deposit savings | 1,405 | 1,390 | 1,405 | 1,390 |
| | b. iB savings | 89,911 | 52,452 | 89,911 | 52,452 |
| 6. | Time deposits | | | | |
| | a. Rupiah | | | | |
| | i. Related parties | 1,050,223 | 379,988 | 888,583 | 312,688 |
| | ii. Third parties | 34,577,281 | 32,370,769 | 34,577,281 | 32,370,769 |
| | b. Foreign currencies | | | | |
| | i. Related parties | 16,247 | 166,641 | 8,871 | 143,463 |
| | ii. Third parties | 8,486,438 | 8,805,281 | 8,486,438 | 8,805,281 |
| 7. | iB time deposits | 590,123 | 268,835 | 590,123 | 268,835 |
| 8. | Certificates of deposits | | | | |
| | a. Rupiah | - | - | - | - |
| | b. Foreign currencies | - | - | - | - |
| 9. | Deposits from other banks | 3,181,758 | 4,250,766 | 3,181,758 | 4,250,766 |
| 10. | Securities sold under repurchase agreement (Repo) | 4,242,500 | 4,000,000 | 4,242,500 | 4,000,000 |
| 11. | Deferred premium income | - | - | 355,315 | 257,514 |
| 12. | Unearned premium reserve | - | - | 199,196 | 156,557 |
| 13. | Derivative payables | 715,648 | 335,856 | 715,648 | 335,856 |
| 14. | Acceptance payables | 1,148,348 | 536,053 | 1,148,348 | 536,053 |
| 15. | Marketable securities issued | | | | |
| | a. Rupiah | 1,907,550 | 1,500,005 | 2,640,878 | 2,679,933 |
| | b. Foreign currencies | 66 | 226,526 | 66 | 226,526 |
| 16. | Borrowings | | | | |
| | a. Short term funding facilities from Bank Indonesia | - | - | - | - |
| | b. Others | | | | |
| | i. Rupiah | | | | |
| | - Related parties | - | - | - | - |
| | - Third parties | 1,333,640 | 551,799 | 1,404,473 | 677,632 |
| | ii. Foreign currencies | | | | |
| | - Related parties | - | - | - | - |
| | - Third parties | 1,060,300 | 6,763 | 1,060,300 | 6,763 |
| 17. | Estimated allowance for possible losses on commitments and contingencies | 46,153 | 30,174 | 46,153 | 30,174 |
| 18. | Lease payables | - | - | - | - |
| 19. | Accruals | 421,900 | 392,087 | 429,372 | 409,350 |
| 20. | Estimated tax payable | 70,813 | 124,254 | 172,373 | 138,092 |
| 21. | Deferred tax liabilities | - | - | 206,129 | 144,972 |
| 22. | Other liabilities | 1,931,758 | 1,438,837 | 2,394,815 | 1,933,193 |
| 23. | Subordinated loans | | | | |
| | a. Related parties | - | - | - | - |
| | b. Third parties | 3,264,488 | 3,382,863 | 3,264,488 | 3,382,863 |
| 24. | Loan capital | | | | |
| | a. Related parties | - | - | - | - |
| | b. Third parties | - | 155,000 | - | 155,000 |
| 25. | Minority interests | - | - | 371,296 | 243,036 |
| 26. | Equity | | | | |
| | a. Paid up capital | 3,631,451 | 3,609,165 | 3,631,451 | 3,609,165 |
| | b. General and legal reserve | 103,409 | 82,239 | 103,409 | 82,239 |
| | c. Additional paid up capital | 669,387 | 523,635 | 669,387 | 523,635 |
| | d. Difference in transaction of changes in equity of subsidiaries | (81,178) | (8,743) | (81,178) | (8,743) |
| | e. Capital donation | - | - | - | - |
| | f. Difference in foreign currencies translation | 2,803 | 2,947 | 2,803 | 2,947 |
| | g. Unrealized gain/(loss) from available for sale marketable securities and Government Bonds | (647,284) | 111,578 | (647,284) | 111,578 |
| | h. Other comprehensive income | - | - | - | - |
| | i. Retained earnings*) | 6,617,881 | 5,498,032 | 6,617,881 | 5,498,032 |
| TOTAL LIABILITIES AND EQUITY | | 94,309,925 | 85,542,348 | 96,582,280 | 88,042,554 |

*)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 6 MONTHS PERIODS ENDED 30 JUNE 2008 AND 2007

(In million Rupiah, except earning per share)

| NO. | ACCOUNTS | BANK DANAMON | | CONSOLIDATED | |
|--|---|--------------|-----------|--------------|-----------|
| | | 2008 | 2007 | 2008 | 2007 |
| INCOME AND EXPENSES FROM OPERATIONS | | | | | |
| 1. | Interest income, fees and commissions | | | | |
| 1.1. | Interest income | | | | |
| a. | Rupiah | 4,846,893 | 4,651,477 | 6,004,025 | 5,477,646 |
| b. | Foreign currencies | 408,034 | 420,814 | 408,034 | 420,814 |
| 1.2. | Fees and commissions income | | | | |
| a. | Rupiah | 429,495 | 324,042 | 875,024 | 643,330 |
| b. | Foreign currencies | 53,698 | 23,761 | 53,698 | 23,761 |
| | Total interest income, fees and commissions | 5,738,120 | 5,420,094 | 7,340,781 | 6,565,551 |
| 2. | Interest expense, fees and commissions | | | | |
| 2.1. | Interest expense | | | | |
| a. | Rupiah | 1,939,368 | 2,120,272 | 2,011,496 | 2,213,038 |
| b. | Foreign currencies | 298,882 | 263,371 | 298,882 | 263,371 |
| 2.2. | Fees and commissions expense | 92,665 | 60,141 | 465,290 | 340,823 |
| | Total interest expense, fees and commissions | 2,330,915 | 2,443,784 | 2,775,668 | 2,817,232 |
| 3. | Underwriting income | | | | |
| 3.1. | Premium income | - | - | 232,053 | 180,613 |
| 3.2. | Underwriting expense | - | - | 119,676 | 115,131 |
| | Total underwriting income | - | - | 112,377 | 65,482 |
| | Net interest and underwriting income | 3,407,205 | 2,976,310 | 4,677,490 | 3,813,801 |
| 4. | Sharia income | | | | |
| 4.1. | Margin | 12,710 | 11,120 | 12,710 | 11,120 |
| 4.2. | Profit Sharing | 29,432 | 16,541 | 29,432 | 16,541 |
| 4.3. | Bonus income | 249 | 3,183 | 249 | 3,183 |
| | Total Sharia income | 42,391 | 30,844 | 42,391 | 30,844 |
| 5. | Sharia expenses | | | | |
| 5.1. | iB loss sharing | 3,935 | 12,447 | 3,935 | 12,447 |
| 5.2. | iB bonus expense | 19,801 | - | 19,801 | - |
| | Total Sharia expenses | 23,736 | 12,447 | 23,736 | 12,447 |
| | Net interest income - Sharia | 18,655 | 18,397 | 18,655 | 18,397 |
| 6. | Other operating income | | | | |
| 6.1. | Fees and commissions | 113,207 | 88,719 | 113,221 | 81,577 |
| 6.2. | Gain on foreign exchange transactions | 153,250 | - | 152,464 | - |
| 6.3. | Gain from increase in fair value of marketable securities Government Bonds | 17,840 | - | 17,840 | - |
| 6.4. | Other income | 189,508 | 650,003 | 203,506 | 674,690 |
| | Total other operating income | 473,805 | 738,722 | 487,031 | 756,267 |
| 7. | Income from investment in subsidiaries | 393,076 | 207,382 | - | - |
| 8. | Allowance for possible losses in assets | 489,588 | 577,143 | 498,129 | 617,506 |
| 9. | Allowance for possible losses/(gain) on commitments and contingencies | 6,751 | 3,728 | 6,751 | 3,728 |
| 10. | Other operating expenses | | | | |
| 10.1. | General and administrative expenses | 687,408 | 585,457 | 871,583 | 726,579 |
| 10.2. | Salaries and employee benefits | 1,115,041 | 952,327 | 1,494,314 | 1,220,403 |
| 10.3. | Losses from decline in fair value of marketable securities and Government Bonds | - | 10,107 | - | 8,097 |
| 10.4. | Losses on foreign exchange transactions | - | 70,456 | - | 70,456 |
| 10.5. | Third party premium expenses | 63,895 | 60,561 | 63,895 | 60,561 |
| 10.6. | Promotion expenses | 104,417 | 53,328 | 119,340 | 62,579 |
| 10.7. | Others expenses | 178,158 | 61,709 | 196,908 | 94,271 |
| | Total other operating expenses | 2,148,919 | 1,793,945 | 2,746,040 | 2,242,946 |
| 11. | Amortisation of goodwill | 41,742 | 41,742 | 41,742 | 41,742 |
| | NET OPERATING INCOME | 1,605,741 | 1,524,253 | 1,890,514 | 1,682,543 |
| NON-OPERATING INCOME AND EXPENSES | | | | | |
| 12. | Non - operating income | 58,257 | 60,390 | 124,386 | 121,001 |
| 13. | Non - operating expenses | 143,016 | 147,814 | 175,643 | 209,464 |
| | Non operating expenses/(income) - net | (84,759) | (87,424) | (51,257) | (88,463) |
| 14. | Extraordinary income/(expense) | - | - | - | - |
| | INCOME BEFORE TAX | 1,520,982 | 1,436,829 | 1,839,257 | 1,594,080 |
| 15. | Income tax-/- | | | | |
| - | Deferred | (7,108) | (2,927) | 9,147 | 3,864 |
| - | Current year | 369,600 | 419,874 | 557,703 | 512,336 |
| 16. | INCOME AFTER TAX | 1,158,490 | 1,019,882 | 1,272,407 | 1,077,880 |
| 17. | Minority interest -/- | - | - | (113,917) | (57,998) |
| 18. | CURRENT YEAR INCOME | 1,158,490 | 1,019,882 | 1,158,490 | 1,019,882 |
| 19. | Retained earnings balance at the beginning of the period | 6,595,065 | 5,196,109 | 6,595,065 | 5,196,109 |
| 20. | Dividend -/- | (1,058,457) | (662,666) | (1,058,457) | (662,666) |
| 21. | Others -/- | (77,217) | (55,293) | (77,217) | (55,293) |
| 22. | Retained earnings at the end of the period | 6,617,881 | 5,498,032 | 6,617,881 | 5,498,032 |
| 23. | Basic earnings per share | 229.81 | 204.87 | 229.81 | 204.87 |
| 24. | Diluted earnings per share*) | 226.77 | 200.31 | 226.77 | 200.31 |

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

STATEMENTS OF COMMITMENTS AND CONTINGENCIES

'AS AT 30 JUNE 2008 AND 2007

(In million Rupiah)

| NO. | ACCOUNTS | BANK DANAMON | | CONSOLIDATED | |
|--------------------------------------|---|--------------------|---------------------|--------------------|---------------------|
| | | 2008 | 2007 | 2008 | 2007 |
| COMMITMENT | | | | | |
| <u>Commitment receivables</u> | | | | | |
| 1. | Unused borrowing facilities | | | | |
| | a. Rupiah | 276,600 | 1,085,942 | 276,600 | 1,085,942 |
| | b. Foreign currencies | - | - | - | 271,485 |
| 2. | Others | - | - | - | - |
| Total commitment receivables | | 276,600 | 1,085,942 | 276,600 | 1,357,427 |
| <u>Commitment payables</u> | | | | | |
| 1. | Unused loans facilities *) | | | | |
| | a. Rupiah | - | 8,349,472 | - | 8,349,472 |
| | b. Foreign currencies | - | 2,192,083 | - | 2,192,083 |
| 2. | Outstanding irrevocable letters of credit | 2,507,729 | 1,059,705 | 2,507,729 | 1,059,705 |
| 3. | Others | - | - | - | - |
| Total commitment payables | | 2,507,729 | 11,601,260 | 2,507,729 | 11,601,260 |
| COMMITMENT PAYABLES - NET | | (2,231,129) | (10,515,318) | (2,231,129) | (10,243,833) |
| CONTINGENCIES | | | | | |
| <u>Contingent receivables</u> | | | | | |
| 1. | Guarantees received | | | | |
| | a. Rupiah | - | - | - | - |
| | b. Foreign currencies | 403,089 | 2,539 | 403,089 | 2,539 |
| 2. | Interest receivables on non performing assets | | | | |
| | a. Rupiah | 153,742 | 189,012 | 153,742 | 189,012 |
| | b. Foreign currencies | 22,360 | 6,571 | 22,360 | 6,571 |
| 3. | Others | 4 | - | 4 | - |
| Total contingent receivables | | 579,195 | 198,122 | 579,195 | 198,122 |
| <u>Contingent payables</u> | | | | | |
| 1. | Guarantees issued in the form of : | | | | |
| | a. Bank guarantees | | | | |
| | - Rupiah | 1,478,879 | 1,173,019 | 1,478,879 | 1,173,019 |
| | - Foreign currencies | 652,629 | 781,184 | 652,629 | 781,184 |
| | b. Others | - | - | - | - |
| 2. | Standby letters of credit | - | - | - | - |
| 3. | Others | - | - | - | - |
| Total contingent payables | | 2,131,508 | 1,954,203 | 2,131,508 | 1,954,203 |
| CONTINGENT PAYABLES - NET | | (1,552,313) | (1,756,081) | (1,552,313) | (1,756,081) |

*) Starting June 2008, reporting to BI for unused loan facilities debtors, only committed facilities are being reported by the bank on off balance sheet

EARNING ASSET QUALITY AND OTHER INFORMATION

'AS AT 30 JUNE 2008 AND 2007

(In million Rupiah)

| No. | ACCOUNTS | BANK DANAMON | | | | | | | | | | | |
|------------------------------|--|-------------------|------------------|----------------|----------------|----------------|-------------------|-------------------|------------------|----------------|----------------|----------------|-------------------|
| | | 2008 | | | | | 2007 | | | | | | |
| | | 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 | 920,577 | - | - | - | - | 920,577 | 1,676,983 | - | - | - | - | 1,676,983 |
| 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 | - | - | - | - | - | - | - | - | - | - | - | - |
| ii. | Unrestructured | - | - | - | - | - | - | - | - | - | - | - | - |
| c. | Other restructured loans | - | - | - | - | - | - | - | - | - | - | - | - |
| d. | Others | 10,606 | - | - | - | - | 10,606 | 9,202 | - | - | - | - | 9,202 |
| 4. | Investment in third parties | - | - | - | - | - | - | - | - | - | - | - | - |
| a. | Non-bank financial institution | 1,325,495 | - | - | - | - | 1,325,495 | 1,268,841 | - | - | - | - | 1,268,841 |
| b. | For loans restructuring | - | - | - | - | - | - | - | - | - | - | - | - |
| c. | Others | 300,477 | - | - | - | - | 300,477 | - | - | - | - | - | - |
| 5. | Other receivables from third parties | - | - | - | - | - | - | 8 | - | - | - | - | 8 |
| 6. | Commitments and contingencies to third parties | - | - | - | - | - | - | 40 | - | - | - | - | 40 |
| 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 | 3,088,334 | - | - | - | - | 3,088,334 | 6,901,144 | 560 | - | - | 66 | 6,901,770 |
| 2. | Marketable securities and Government Bonds issued by third parties or Bank Indonesia | 17,071,748 | 1,046 | - | - | - | 17,072,794 | 23,125,198 | - | - | - | - | 23,125,198 |
| 3a. | Loans to third parties (excluding loans purchased from IBRA) | - | - | - | - | - | - | - | - | - | - | - | - |
| a. | Small business credit (KUK) | 8,428,858 | 877,603 | 154,207 | 196,847 | 67,093 | 9,724,608 | 6,810,257 | 681,603 | 94,195 | 139,074 | 69,184 | 7,794,313 |
| b. | Property loans | - | - | - | - | - | - | - | - | - | - | - | - |
| i. | Restructured | 9,872 | 18,227 | 10,507 | - | 5,223 | 43,829 | 6,888 | 8,521 | 2,699 | 4,886 | 2,827 | 25,821 |
| ii. | Unrestructured | 6,484,708 | 279,779 | 4,547 | 3,939 | 28,243 | 6,801,216 | 2,812,428 | 71,286 | 5,868 | 1,696 | 11,532 | 2,902,810 |
| c. | Other restructured loan | 149,350 | 92,019 | 33,781 | 41,542 | 114,449 | 431,141 | 150,643 | 183,762 | 40,494 | 28,738 | 250,932 | 654,569 |
| d. | Others | 38,491,424 | 2,942,787 | 115,423 | 127,883 | 429,024 | 42,106,541 | 29,391,650 | 2,794,758 | 117,410 | 154,350 | 434,149 | 32,892,317 |
| 3b. | Loans purchased from IBRA | - | - | - | - | - | - | 3,822 | - | - | - | - | 3,822 |
| 4. | Investment in third parties | - | - | - | - | - | - | - | - | - | - | - | - |
| a. | Non-bank financial institution | - | - | - | - | - | - | - | - | - | - | - | - |
| b. | For loans restructuring | - | - | - | - | - | - | - | - | - | - | - | - |
| c. | Others | 2,355 | 25 | - | - | - | 2,380 | 2,355 | 25 | - | - | - | 2,380 |
| 5. | Other receivables from third parties | 1,536,214 | - | - | - | - | 1,536,214 | 690,300 | 3,318 | - | - | - | 693,618 |
| 6. | Commitments and contingencies to third parties | 4,637,907 | 1,330 | - | - | - | 4,639,237 | 3,003,114 | 10,754 | - | - | - | 3,013,868 |
| B. Non earning assets | | | | | | | | | | | | | |
| 1. | Unutilised properties | - | - | 41,785 | - | - | 41,785 | - | - | 105,250 | - | - | 105,250 |
| 2. | Foreclosed assets - net | 60,259 | - | 23,927 | - | - | 84,186 | 70,339 | - | 10,036 | - | - | 80,375 |
| 3. | Interbank and suspense account | 1,785 | - | - | - | 173 | 1,958 | 53,349 | - | - | - | 34 | 53,383 |
| TOTAL | | 82,519,969 | 4,212,816 | 384,177 | 370,211 | 644,205 | 88,131,378 | 75,976,561 | 3,754,587 | 375,952 | 328,744 | 768,724 | 81,204,568 |
| 1. | a. Minimum required allowance for possible losses on earning assets | 646,974 | 196,157 | 40,669 | 213,277 | 481,278 | 1,578,355 | 527,621 | 167,782 | 33,045 | 168,483 | 513,675 | 1,410,606 |
| | b. Minimum required allowance for possible losses on non earning assets | - | - | 9,857 | - | 173 | 10,030 | - | - | 17,293 | - | 34 | 17,327 |
| | c. Total minimum requires allowance for possible losses | 646,974 | 196,157 | 50,526 | 213,277 | 481,451 | 1,588,385 | 527,621 | 167,782 | 50,338 | 168,483 | 513,709 | 1,427,933 |
| 2. | a. Allowance for possible losses on earning assets (excluding loans purchased from IBRA) | 645,920 | 196,157 | 100,669 | 283,277 | 551,346 | 1,777,369 | 534,819 | 187,619 | 39,095 | 214,084 | 704,503 | 1,680,120 |
| | b. Allowance for possible losses on loans purchased from IBRA | - | - | - | - | - | - | 3,822 | - | - | - | - | 3,822 |
| | c. Allowance for possible losses on non earning assets | - | - | 9,857 | - | 173 | 10,030 | - | - | 17,293 | - | 34 | 17,327 |
| | d. Total allowance for possible losses | 645,920 | 196,157 | 110,526 | 283,277 | 551,519 | 1,787,399 | 538,641 | 187,619 | 56,388 | 214,084 | 704,537 | 1,701,269 |
| 3. | Collateralised assets | - | - | - | - | - | - | - | - | - | - | - | - |
| a. | To Bank Indonesia | - | - | - | - | - | 62,560 | - | - | - | - | - | 21,603 |
| b. | To other banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. | Percentage of small business credit to total loan | - | - | - | - | - | 16.94% | - | - | - | - | - | 18.25% |
| 5. | Percentage of total small business credit debtors to total debtors | - | - | - | - | - | 10.12% | - | - | - | - | - | 11.27% |
| 6. | Percentage of small medium enterprise credit to total loans | - | - | - | - | - | 67.97% | - | - | - | - | - | 72.33% |
| 7. | Percentage of total small medium enterprise debtors to total debtors | - | - | - | - | - | 99.96% | - | - | - | - | - | 99.97% |

STATEMENT OF FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS

'AS AT 30 JUNE 2008

(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 | - | 1,153,296 | 2,140 | (1,839) | - |
| 2. | Forwards | - | 955,266 | 4,493 | (6,947) | - |
| 3. | Options | | | | | |
| | a. Purchased | - | 37,388,409 | 533,805 | (533,054) | - |
| | b. Written | - | - | - | - | - |
| 4. | Futures | - | 511,710 | 310 | (2,259) | - |
| 5. | Swaps | - | 14,888,773 | 123,246 | (140,209) | - |
| 6. | Others | - | - | - | - | - |
| B. | Related to interest rate | | | | | |
| 1. | Forwards | - | - | - | - | - |
| 2. | Options | | | | | |
| | a. Purchased | - | - | - | - | - |
| | b. Written | - | - | - | - | - |
| 3. | Futures | - | - | - | - | - |
| 4. | Swaps | - | 4,867,174 | 64,059 | (31,340) | - |
| 5. | Others | - | - | - | - | - |
| C. | Others | - | - | - | - | - |
| | TOTAL | | | 728,053 | (715,648) | |

CAPITAL ADEQUACY RATIO CALCULATION

'AS AT 30 JUNE 2008 AND 2007

(In million Rupiah)

| No. | DESCRIPTION | 2008 | 2007 |
|---|--|-------------------|-------------------|
| I. COMPONENTS | | | |
| A. CORE CAPITAL | | 10,199,481 | 9,054,642 |
| 1. | Paid up capital | 3,631,451 | 3,609,165 |
| 2. | Disclosed reserves | | |
| a. | Additional paid up capital | 557,663 | 365,225 |
| b. | Discount on nominal value of shares (-/-) | - | - |
| c. | Capital donation | - | - |
| d. | General and specific reserves | 103,409 | 82,239 |
| e. | Prior years' profit after tax | 5,324,008 | 4,471,797 |
| f. | Prior years' losses (-/-) | - | - |
| g. | Current year profit net of taxes (50%) | 580,147 | 523,269 |
| h. | Current year loss (-/-) | - | - |
| i. | Difference in foreign currency translation of overseas branch | | |
| 1) | Positive adjustment | 2,803 | 2,947 |
| 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%) | | 1,680,295 | 3,894,642 |
| 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) | 765,622 | 655,058 |
| 4. | Loan capital | - | - |
| 5. | Subordinated loan (max 50% of core capital) | 914,673 | 3,239,584 |
| 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) | | 11,879,776 | 12,949,284 |
| III. TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK(A+B+D) | | 11,879,776 | 12,949,284 |
| IV. INVESTMENTS (-/-) | | 1,638,052 | 1,264,923 |
| V. TOTAL CAPITAL FOR CREDIT RISK (II-IV) | | 10,241,724 | 11,684,361 |
| VI. TOTAL CAPITAL FOR CREDIT RISK AND MARKET RISK (III-IV) | | 10,241,724 | 11,684,361 |
| VII. RISK WEIGHTED ASSETS - CREDIT RISK | | 61,249,780 | 52,404,603 |
| VIII. RISK WEIGHTED ASSETS - MARKET RISK | | 2,689,100 | 4,534,811 |
| IX. CAPITAL ADEQUACY RATIO WITH CREDIT RISK CHARGE (V : VII) | | 16.72% | 22.30% |
| X. CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND MARKET RISK CHARGE (VI : (VII +VIII)) | | 16.02% | 20.52% |
| XI. EXCESS OF ADDITIONAL SUPPLEMENTARY CAPITAL RATIO ((C-D) : (VII + VIII)) | | - | - |
| XII. MINIMUM REQUIRED CAPITAL ADEQUACY RATIO | | 8.00% | 8.00% |

KEY FINANCIAL RATIOS
'AS AT 30 JUNE 2008 AND 2007
(In million Rupiah)

| NO. | Ratio (%) | 2008 | 2007 |
|------------------------------|--|---------|---------|
| CONSOLIDATED RATIOS : | | | |
| I. Earning assets | | | |
| 1. | Non-performing earning assets | 1.51% | 1.66% |
| 2. | NPL gross | 2.25% | 3.07% |
| 3. | NPL net after minimum BI provision of possible losses | 0.67% | 1.45% |
| 4. | NPL net after the Bank's total provision on possible losses | 0.00% | 0.00% |
| 5. | Allowance for possible losses to earning assets | 2.02% | 2.10% |
| II. Rentability | | | |
| 1. | Return on Assets (ROA) after tax | 2.46% | 2.37% |
| 2. | Return on Assets (ROA) before tax | 3.91% | 3.71% |
| 3. | Return on average core capital | 22.06% | 22.62% |
| 4. | Return on average equity | 21.82% | 21.14% |
| 5. | NIM including third party premium expenses | 11.40% | 10.02% |
| 6. | Cost to income | 51.20% | 46.76% |
| III. Liquidity | | | |
| | Loan to Deposit Ratio (LDR) | 91.70% | 75.52% |
| BANK RATIOS: | | | |
| I. Capital | | | |
| 1. | Capital Adequacy Ratio (CAR) without market risk charge | 16.72% | 22.30% |
| 2. | Capital Adequacy Ratio (CAR) with market risk charge | 16.02% | 20.52% |
| 3. | Fixed assets to total capital | 20.66% | 17.91% |
| II. Earning assets | | | |
| 1. | Non-performing earning assets | 1.51% | 1.68% |
| 2. | NPL gross | 2.25% | 3.07% |
| 3. | NPL net after minimum BI provision of possible losses | 0.67% | 1.45% |
| 4. | NPL after the Bank's total provision on possible losses | 0.00% | 0.00% |
| 5. | Allowance for possible losses on earning assets | 2.02% | 2.08% |
| 6. | Fulfillment of allowance for possible losses on earning assets | 112.61% | 119.38% |
| 7. | Fulfillment of allowance for possible losses on non earning assets | 100.00% | 100.00% |
| III. Rentability | | | |
| 1. | Return on Assets (ROA) after tax | 2.55% | 2.44% |
| 2. | Return on Assets (ROA) before tax | 3.34% | 3.43% |
| 3. | Return on average core capital | 22.06% | 22.62% |
| 4. | Return on average equity | 21.82% | 21.14% |
| 5. | NIM excluding third party premium expenses | 8.83% | 8.32% |
| 6. | NIM including third party premium expenses | 8.67% | 8.15% |
| 7. | Operating expenses to operating income | 75.22% | 75.52% |
| 8. | Cost to income | 52.84% | 45.79% |
| IV. Liquidity | | | |
| | Loan to Deposit Ratio (LDR) | 91.70% | 75.52% |
| 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 | 9.13% | 9.13% |
| 3. | Net open position | 2.85% | 0.68% |
| 4. | Net open position on balance sheet | 7.94% | 3.57% |

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 JUNE 2008
(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 2008 | 2,642 |
| | Foreign exchange translation adjustment | (13) |
| | Loan purchased from IBRA during the period | - |
| | Loan repayments during the period | (2,629) |
| | Write-offs during the period | - |
| | Ending balance, 30 June 2008 | - |
| C. Summary of allowance for possible losses (including differences between loans principal and purchase price) | | |
| | Beginning, 1 January 2008 | 2,642 |
| | Foreign exchange translation adjustment | (13) |
| | Loan purchased from IBRA during the period | - |
| | Loan repayments during the period | - |
| | Write-offs during the period | - |
| | Correction on allowance for possible losses during the period | (2,629) |
| | Ending balance, 30 June 2008 | - |
| D. Summary of deferred income | | |
| | Beginning, 1 January 2008 | - |
| | 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 | - |
| | Adjusted deferred income | - |
| | Ending balance, 30 June 2008 | - |
| 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 June 2008) | | SHAREHOLDERS (As of 30 June 2008) | |
|--|---|--------------------------------------|--|
| Board Of Commissioners | | Board Of Directors | |
| 1. President Commissioner | : Ng Kee Choe | 1. President Director | : Juan Eugenio Sebastian Paredes Muirragui |
| 2. Vice President Commissioner | : Johannes Berchmans Kristiadi Pudjosukanto ¹⁾ | 2. Vice President Director | : Joseph Fellipus Peter Luhukay |
| 3. Commissioner | : Milan Robert Shuster ¹⁾ | 3. Director | : Ali Rukimiyah (Ali Yong) |
| 4. Commissioner | : Harry Arief Soepardi Sukadis ¹⁾ | 4. Compliance Director | : Muliadi Rahardja ²⁾ |
| 5. Commissioner | : Manggi Taruna Habir ¹⁾ | 5. Director | : Vera Eve Lim |
| 6. Commissioner | : Gan Chee Yen | 6. Director | : Sanjiv Malhotra |
| 7. Commissioner | : Liew Cheng San Victor | 7. Director | : Herry Hykmanto |
| 8. Commissioner | : Krisna Wijaya | 8. Director | : Kanchan Keshav Nijasure |
| | | TOTAL | 100 % |

Note :

1) Independent Commissioner

2) Muliadi Rahardja as the temporary Compliance Director

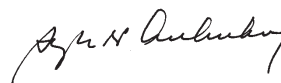
Notes :

- 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.
- For comparatives purposes, certain accounts in the consolidated financial statements as of 30 June 2007 have been reclassified to conform with consolidated financial statements in year 2008.
- 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.
- Exchange rate as at 30 June 2008 : USD 1 = Rp. 9,220; exchange rate as at 30 June 2007 : USD 1 = Rp. 9,409.5

Publication: Jakarta, 18 July 2008
Board of Directors



J.E. Sebastian Paredes M.
President Director



Joseph Fellipus Peter Luhukay
Vice President Director

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