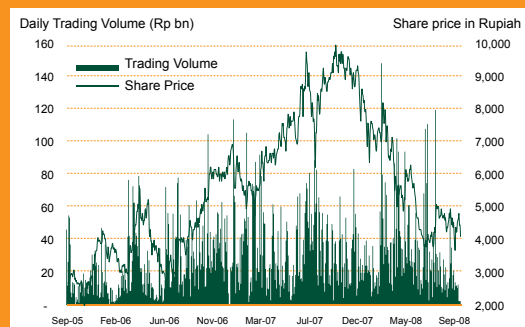


Investor Newsletter

October 2008



Daily Share Price and Trading Volume



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

First Nine Months 2008 Financial Results

- Loans expanded by 33% to Rp. 67 trillion
- Funding grew by 20% to Rp. 84 trillion
- Net Interest Income increased by 18% to Rp. 6,231 billion
- NPAT grew by 10% to Rp. 1,763 billion
- Margin expanded to 11.4%
- ROAA and ROAE stood at 2.4% and 22.5%, respectively

Vera Eve Lim
vera.lim@danamon.co.id

I Dewa Made Susila, CFA
dewa.susila@danamon.co.id

Menara Bank Danamon, 6th Floor
Jl. Prof. Dr. Satrio Kav. E IV No. 6 Jakarta 12950
Tel. +62 (021) 5799 1001-03
Fax. +62 (021) 5799 1445

First Nine Months 2008 Financial Results

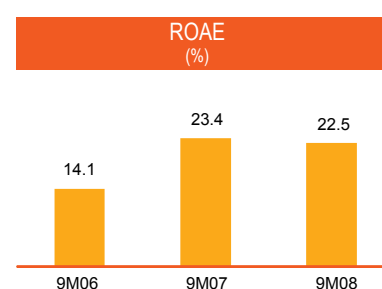
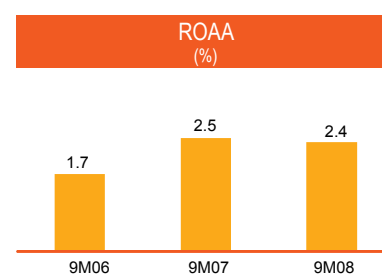
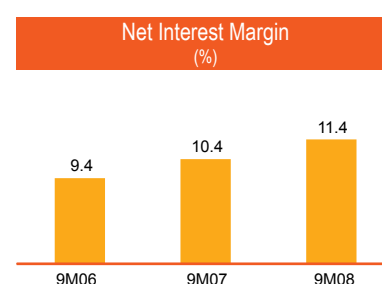
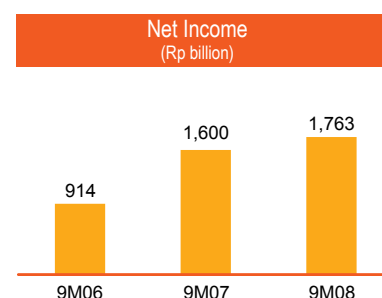
Danamon reported a net profit after tax of Rp. 1,763 billion in the first nine months of 2008, a 10% increase over last year's first nine months profit of Rp. 1,600 billion. This increase was driven by the strong growth in net interest income and fee income. Hence Basic Earnings per Share (EPS) were Rp. 349.64 as compared to Rp. 320.49 in the same period last year. ROAA and ROAE stood at 2.4% and 22.5%, respectively.

	9M07	9M08	△ YoY
Income Statement (Rp billion)			
Net Interest Income	5,272	6,231	18%
Fee Income	949	1,619	71%
Operating Income before Gain (Loss) on sale of Marketable Securities	6,221	7,850	26%
Gain (Loss) on sale of Marketable Securities	463	(153)	(133%)
Operating Income	6,684	7,697	15%
Operating Expenses	(3,124)	(4,051)	30%
Pre Provision Operating Profit	3,560	3,646	2%
Cost of Credit	(1,018)	(863)	(15%)
Net Profit Before Tax	2,542	2,783	9%
Net Profit After Tax	1,600	1,763	10%
Balance Sheet (Rp billion)			
Total Assets	87,987	103,462	18%
Total Loans	50,153	66,523	33%
Total Government Bonds	16,749	12,754	(24%)
Total Deposits	58,853	71,709	22%
Total Equity	10,357	10,896	5%
Key Financial Ratios (%)			
Net Interest Margin	10.4	11.4	1.0
Cost to Income	46.8	52.6	5.8
Return on Average Assets	2.5	2.4	(0.1)
Return on Average Equity	23.4	22.5	(0.9)
Loan / Deposits	85.0	90.7	5.7
Loan / Funding	70.8	77.4	6.6
Gross NPL / Total Loans	2.8	2.1	(0.7)
Loan Loss Allowances / NPL	155.5	161.6	6.1
Net Open Position	3.9	7.6	3.7
Capital Adequacy Ratio	19.3	16.6	(2.7)
Equity / Asset	11.8	10.5	(1.3)

Net interest income rose by 18% to Rp. 6,231 billion in the first nine months of 2008 on the back of strong loan growth and expanded margin. Interest income rose by 12% to Rp. 10,103 billion as loans expanded by 33% to Rp. 67 trillion. Loans now made up 75% of earning assets and contributed to 86% of interest income. Government bonds, which accounted for 12% of assets, brought in the additional 9% of interest income. Meanwhile, interest expense increased by 4% to Rp. 3,872 billion in first nine months of 2008 despite the 20% increase in total funding, reflecting lower cost of fund. As a result, **net interest margin continues to expand to 11.4% in the first nine months of 2008 from 10.4% in the same period last year.**

Fee Income rose by 71% to Rp. 1,619 billion largely driven by credit related fees and treasury products. Credit related fees increased by 30% to Rp. 769 billion on the back of strong loan growth and trade financing. Treasury products contributed to Rp. 236 billion in fee income in the first nine months of 2008 as opposed to a loss of Rp. 51 billion in the same period last year 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 26% to Rp. 7,850 billion in the first nine months of 2008. In the first nine months of 2008, the bank recognized Rp. 153 billion lossess from the sale of marketable securities, mainly from government bonds, due to unfavourable market condition. 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) only increased by 4% to Rp. 1,466 billion in the first nine months of 2008, representing 19% of operating income.

Operating expenses was Rp. 4,051 billion in the first nine months of 2008, 30% higher than the first nine months of last year in part due to the expansion in mass market businesses. Operating expenses associated with mass market businesses rose by 53% to Rp. 1,896 billion and contributed 70% to the increase in operating expenses. Mass market businesses added over 7,500 headcounts to support their businesses growth during the year. **Hence, total cost to income ratio stood at 52.6% as compared to 46.8% in the first nine months of last year.**



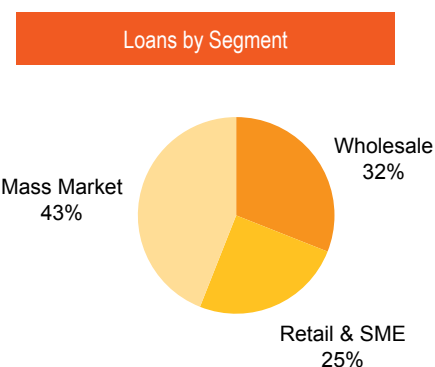
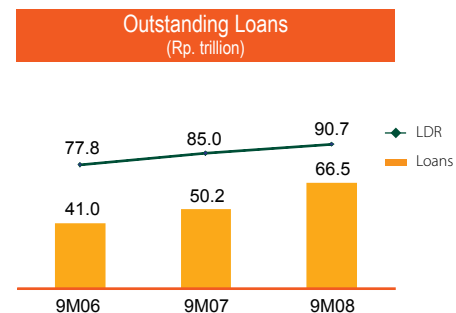
Credit cost declined by 15% to Rp. 863 billion in the first nine months of 2008 despite of 33% loan expansion. Accordingly, the cost of credit over average earning assets (excluding government securities) improved to 1.8% as compared to 2.6% in the first nine months last year, reflecting improved asset quality. Cost of credit in consumer auto financing business improved to 3.0% of average receivables in the first nine months of 2008 as compared to 4.8% in the previous year's period. Cost of credit in micro lending business declined to 3.6% in the third quarter of 2008 from 4.3% in the previous quarter.

Outstanding loans expanded by 33% largely driven by mass market businesses. Mass market loans rose by 34% on the back of a strong growth in motorcycle financing and micro lending and **now represented 44% of the total loan book**. SEMM, which serves micro and small scale enterprises, continues to book a strong loan growth. Its loans rose by 26% to Rp. 10.3 trillion, as of September 2008, accounting for 15% of the total loan book. Auto loans extended by Adira Finance rose by 29% to Rp. 16.5 trillion on the back of 32% growth in two-wheeler financing. CMM, which offers personal loans to salaried individuals, tripled its business with outstanding loans growing strongly to Rp. 2.0 trillion as of September 2008.

Wholesale loans, which comprise of Commercial, Corporate and JFAB businesses, made up 32% of the bank's loan book. Corporate loans grew by 48% to Rp. 10.4 trillion due to robust growth in trade financing, which accounted for over a half of corporate loans as of September 2008. Commercial loans expanded by 41% to Rp. 8.9 trillion driven by strong growth in working capital loans. Loans from joint financing and asset buy (JFAB) business with other finance companies rose by 50% to Rp. 2.0 trillion.

SME loans grew by 10% to Rp. 9.9 trillion, representing 15% of total loans. While retail loans increased by 29% to Rp. 5.7 trillion on the back of strong growth in mortgage and credit card receivables.

Non-performing loans (NPL) was stable at Rp. 1.3 trillion despite of strong loan growth. As a result, the ratio of non-performing loans fell to 2.1% as of September 2008 from 2.8% a year earlier.

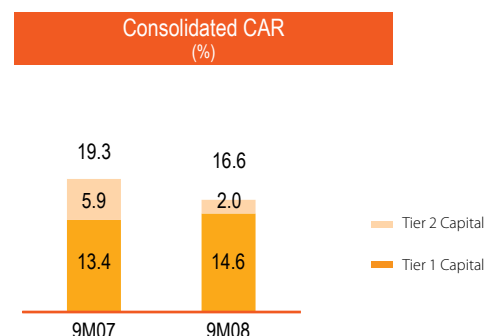
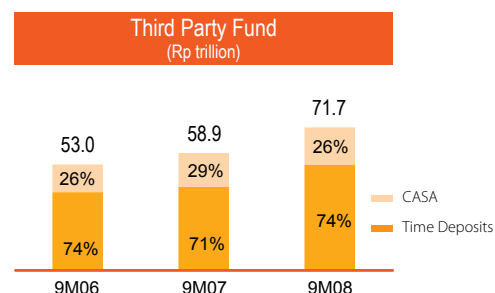
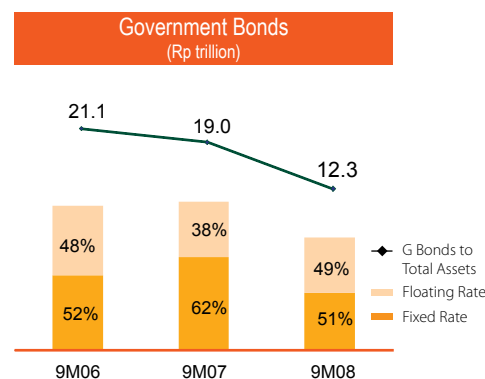
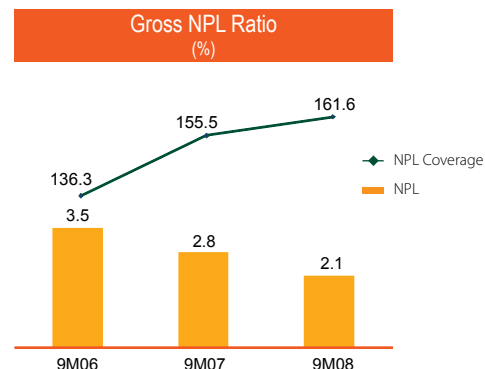


NPL in auto financing business was maintained at a low 0.8% as of September 2008 as compared to 1.1 % a year earlier. While NPL in micro lending business stood at 3.6% as of September 2008 as compared to 2.8% in the previous year. Overall, **net NPL remained zero after taking into account the collateral value of loans**, particularly for Corporate, Commercial, SME loans and Mortgage. Furthermore, the ratio of loan loss provision over NPL stood at a high 162% as of September 2008 as compared to 156% a year earlier.

Government bonds portfolio reduced by 24% to Rp. 12.8 trillion as of September 2008 from Rp. 16.7 trillion a year ago. **As a result, government bonds now accounted for 12% of assets as compared to 19% a year earlier.** Fixed rate bonds were Rp. 6.5 trillion and made up 51% of the bond portfolio while the remaining 49% was floating rate bonds. As of September 2008, Rp. 2.3 trillion government bonds are classified as Held to Maturity (HTM) account, Rp. 10.2 trillion as Available for Sale (AFS) and the remaining Rp 202 billion as trading account. The average duration of the government bonds portfolio shortened to 2.6 years as of September 2008 as compared to 4.7 years a year earlier.

Total funding increased by 20% to Rp. 83.9 trillion from Rp. 70.1 trillion a year earlier supported by strong growth in third party deposits. **Total deposits grew by 22% on the back of strong growth in time deposits and contributed to 86% of the bank's funding as of September 2008. The remaining 14% funding is comprised of long-term funding**, primarily consists of senior bonds, subordinated debts, securities sold under repurchase agreements and other borrowings. Long-term funding increased by 8% to Rp. 12.2 trillion as of September 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 consolidated capital adequacy ratio (CAR) stood at 16.6% in September 2008 as compared to 19.3% a year earlier due to growing earning assets as well as decline in Tier 2 Capital. We started to amortize USD 300 million subordinated debts in June 2008 as we intend to call these sub debts in March 2009. Accordingly Tier 2 Capital stood at 2.0% in September 2008 as compared to 5.9% last year. While Tier 1 Capital remained strong at 14.6% as of September 2008 compared to 13.4% a year earlier. Furthermore, the bank's capitalization, as measured by equity to asset ratio, stood at 10.5% as of September 2008 as compared to 11.8% 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. It currently operates 301 branch offices and employs 14,533 staffs across the country.

Earnings of our consumer auto financing business rose by 49% to Rp. 737 billion in the first nine months of 2008 driven by higher operating income and lower cost of credit. Its ROAA stood at 4.1% as compared to 4.8% in the first nine months last year.

Net interest income increased by 19% to Rp. 2,011 billion in the first nine months of 2008 on the back of strong financing growth. Interest income rose by 23% to Rp. 3,099 billion in the first nine months of 2008 on back of 29% growth in outstanding receivables. In the same period, interest expenses also increased 29% to Rp. 1,088 billion.

Operating expenses rose by 33% to Rp. 781 billion due to the annual increase in employees' salaries and benefits as well as business expansion. Adira Finance opened an additional 48 branches and added over than 1,800 employees during the year to support its business expansion.

Credit cost declined by 23% to Rp. 325 billion despite of 29% growth in receivables, due to lower provision expenses, loss on repossessed assets as well as write off. Overall, cost of credit declined to 3.0% of average receivables in the first nine months of 2008 from 4.8% in the previous year.

New financing volume reached Rp. 10.7 trillion in the first nine months of 2008, an increase of 36% from the same period last year supported by strong growth in domestic auto sales. Industry's new motorcycle and new car sales rose by 42% and 47% respectively to 4.8 million units and 467 thousand units in the first nine months of 2008. Adira Finance's market share in new motorcycle financing stood at 13.8% in the first nine months 2008 as compared to 14.7% last year due to selective customer acquisition.

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

SEMM 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. Its Wet Market Model operates 745 DSP units in big traditional wet markets and 134 Mobile Units to serve smaller markets. While the Supply Chain Model, which was introduced in July 2007, focuses to serve traders at the low end of supply chains and operates 202 Sales Offices across the country.

SEMM extended Rp. 5,915 billion of new loans in the first nine months of 2008, an increase of 15% compared to same period of the previous year. As such, its outstanding loans grew by 26% to Rp. 10.3 trillion as of September 2008. Cost of credit declined to 3.6% of average loans in the third quarter of 2008 compared to 4.3% in the previous quarter.

UPDATES ■ Business Updates

• 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 continue expanding its network (point of sales) to sell personal loans to employees of selected companies. Since March 2007, CMM also cross sell personal loans to Adira Finance's customers and currently has 131 sales contacts.

CMM loans nearly tripled to Rp. 2.0 trillion from Rp. 776 billion a year earlier supported by strong growth in both Worksite Model and Adira Cross Sell Model. Its credit cost stood at 4.4% in the first nine months of 2008 on the back of strong loan growth.

■ Credit Rating

Bank Danamon		
	Ratings and Outlook	
PEFINDO (Indonesia)	Corporate Rating	idAA+ / Stable
<i>February 2008</i>	Bond Rating	idAA+ / Stable
Standard & Poor's	Long Term / Short Term Local Currency	BB- / Stable / B
<i>January 2008</i>	Long Term / Short Term Foreign Currency	BB- / Stable / B
	Subordinated Debt	B / Stable
Fitch Ratings	Long Term / Short Term Foreign Currency	BB / Stable / B
<i>August 2007</i>	National (Long-Term)	AA (idn) / Stable
Moody's	Global Local Currency Deposit	Baa3 / Stable
<i>October 2007</i>	Long Term / Short Term Bank Deposit	B1 / Stable / Not Prime
	Subordinated Debt	Ba2 / Stable
	National Scale Rating	Aaa.id
Republic of Indonesia		
Moody's	Short Term Foreign Currency	Ba3 / Stable / NP
<i>October 2007</i>		
Standard & Poor's	Long Term / Short Term Foreign Currency	BB- / Stable / B
<i>May 2008</i>		
Fitch Ratings	Long Term / Short Term Foreign Currency	BB / Stable / B
<i>February 2008</i>		

BALANCE SHEETS
AS AT 30 SEPTEMBER 2008 AND 2007
(In million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2008	2007	2008	2007
ASSETS					
1.	Cash	2,323,919	889,878	2,346,329	943,179
2.	Placements with Bank Indonesia				
	a. Current accounts with Bank Indonesia	4,750,812	3,954,719	4,750,812	3,954,719
	b. Certificates of Bank Indonesia	2,398,650	2,059,739	2,423,650	2,059,739
	c. Wadiah Certificates of Bank Indonesia	-	-	-	-
	d. Others	2,097,311	-	2,097,311	-
3.	Current accounts with other banks				
	a. Rupiah	95,555	87,265	484,946	211,100
	b. Foreign currencies	501,312	641,929	502,885	643,968
	Allowance for possible losses on current accounts with others banks -/-	(5,969)	(7,292)	(5,969)	(7,292)
4.	Placements with other banks				
	a. Rupiah	332,000	1,162,000	520,580	1,217,485
	Allowance for possible losses on placements with other banks -/-	(3,320)	(11,620)	(3,320)	(11,620)
	b. Foreign currencies	1,087,104	3,636,147	1,098,358	3,636,147
	Allowance for possible losses on placements with other banks -/-	(10,871)	(36,361)	(10,871)	(36,361)
5.	Placement with other sharia banks	-	-	-	-
	Allowance for possible losses on placement with other sharia banks -/-	-	-	-	-
6.	Marketable securities				
	a. Rupiah				
	i. Trading	-	4,998	-	4,998
	ii. Available for sale	247,396	451,352	323,385	654,681
	iii. Held to maturity	1,061,565	107,994	1,061,569	108,971
	Allowance for possible losses on marketable securities -/-	(13,030)	(5,443)	(13,030)	(5,443)
	b. Foreign currencies				
	i. Trading	-	54,950	-	54,950
	ii. Available for sale	157,010	584,381	157,010	584,381
	iii. Held to maturity	765,259	824,689	765,259	824,689
	Allowance for possible losses on marketable securities -/-	(9,030)	(14,840)	(9,030)	(14,840)
7.	Marketable securities - sharia bonds	250,060	271,094	250,060	271,094
	Allowance for possible losses on marketable securities - sharia bonds -/-	(2,500)	(2,711)	(2,500)	(2,711)
8.	Government Bonds				
	i. Trading	201,663	1,219,908	201,663	1,219,908
	ii. Available for sale	9,989,217	11,059,214	10,216,856	11,328,357
	iii. Held to maturity	2,213,878	4,189,661	2,335,058	4,200,871
9.	Securities purchased under resale agreements (Reverse Repo)				
	a. Rupiah	-	42,870	-	42,870
	Allowance for possible losses on securities purchased under resale agreements -/-	-	(429)	-	(429)
	b. Foreign currencies	-	25,605	-	25,605
	Allowance for possible losses on securities purchased under resale agreements -/-	-	(256)	-	(256)
10.	Derivative receivables	926,840	253,354	926,840	253,354
	Allowance for possible losses on derivative receivables -/-	(9,269)	(2,534)	(9,269)	(2,534)
11a.	Loans (excluding loans purchased from IBRA)				
	a. Rupiah				
	i. Related parties	14,432	8,993	14,432	8,993
	ii. Third parties	53,746,185	42,603,951	53,746,185	42,603,951
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(1,517,657)	(1,390,876)	(1,517,657)	(1,390,876)
	Deferred income -/-	(118)	(118)	(118)	(118)
	b. Foreign currencies				
	i. Related parties	-	-	-	-
	ii. Third parties	10,316,055	5,319,671	10,316,055	5,319,671
	Allowance for possible losses on loans (excluding loans purchased from IBRA) -/-	(206,686)	(130,496)	(206,686)	(130,496)
	Deferred income -/-	-	-	-	-
11b.	Loans purchased from IBRA				
	a. Rupiah	-	-	-	-
	Allowance for possible losses on loans purchased from IBRA -/-	-	-	-	-
	Deferred income -/-	-	-	-	-
	b. Foreign currencies	-	3,390	-	3,390
	Allowance for possible losses on loans purchased from IBRA -/-	-	(3,390)	-	(3,390)
	Deferred income -/-	-	-	-	-
12.	Consumer financing receivables	-	-	1,693,113	1,860,348
	Allowance for possible losses on consumer financing receivables -/-	-	-	(36,072)	(64,679)
13.	Premium receivable	-	-	16,573	24,250
	Allowance for possible losses on premium receivable -/-	-	-	(82)	(569)
14.	iB receivables and financing with contract				
	a. Murabaha	286,158	153,559	286,158	153,559
	b. Istishna	-	-	-	-
	c. Qardh	33,400	1,558	33,400	1,558
	d. Mudharabah	433,834	201,990	433,834	201,990
	e. Musyarakah	-	-	-	-
	Allowance for possible losses on iB financing and receivables -/-	(11,609)	(8,420)	(11,609)	(8,420)
15.	Acceptance receivables	1,198,215	548,977	1,198,215	548,977
	Allowance for possible losses on acceptance receivables -/-	(11,937)	(6,687)	(11,937)	(6,687)
16.	Investments	1,868,787	1,406,238	12,175	12,174
	Allowance for possible losses on investments -/-	(18,689)	(14,063)	(122)	(122)
17.	Goodwill - net	-	-	271,322	354,806
18.	Interest receivable	843,594	789,154	852,259	795,845
19.	Prepaid expenses	386,008	349,799	493,383	452,867
20.	Prepaid taxes	-	-	-	2,345
21.	Deferred tax assets	529,717	195,679	537,351	200,565
22.	Fixed assets	2,643,596	2,242,399	3,046,552	2,565,155
	Accumulated depreciation of fixed assets -/-	(1,121,468)	(966,991)	(1,294,309)	(1,090,997)
23.	Unutilised properties	34,005	105,092	34,005	105,092
	Allowance for possible losses on unutilised properties -/-	(5,101)	(15,764)	(5,101)	(15,764)
24.	Leased assets	-	-	-	-
	Accumulated depreciation of leased assets -/-	-	-	-	-
25.	Foreclosed assets	79,464	77,784	82,890	96,146
	Allowance for possible losses on foreclosed assets -/-	(4,185)	(1,421)	(5,092)	(1,421)
26.	Other assets	2,126,118	2,520,570	3,074,017	3,229,145
	TOTAL ASSETS	100,987,680	85,430,839	103,461,716	87,986,868

BALANCE SHEETS
AS AT 30 SEPTEMBER 2008 AND 2007
(In million Rupiah)

NO.	ACCOUNTS	BANK DANAMON		CONSOLIDATED	
		2008	2007	2008	2007
LIABILITIES AND EQUITY					
1.	Current accounts				
	a. Rupiah	4,138,679	3,251,329	3,970,577	3,188,566
	b. Foreign currencies	2,178,554	3,104,562	2,175,994	3,103,791
2.	iB deposit current accounts	65,179	24,452	65,179	24,452
3.	Other current liabilities	181,514	214,358	195,794	222,368
4.	Savings	12,104,386	10,558,212	12,104,386	10,558,212
5.	Sharia savings				
	a. iB deposit savings	1,495	1,200	1,495	1,200
	b. iB savings	101,382	61,607	101,382	61,607
6.	Time deposits				
	a. Rupiah				
	i. Related parties	300,535	209,618	44,535	153,828
	ii. Third parties	43,620,971	32,976,736	43,620,971	32,976,736
	b. Foreign currencies				
	i. Related parties	18,597	71,019	9,829	48,862
	ii. Third parties	7,725,536	5,983,041	7,725,536	5,983,041
7.	iB deposits	507,863	357,376	507,863	357,376
8.	Certificates of deposits				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
9.	Deposits from other banks	1,519,765	4,977,945	1,519,765	4,977,945
10.	Securities sold under repurchase agreement (Repo)	5,574,709	3,386,106	5,574,709	3,386,106
11.	Deferred premium income	-	-	371,867	275,048
12.	Unearned premium reserve	-	-	223,970	166,310
13.	Derivative payables	869,581	267,166	869,581	267,166
14.	Acceptance payables	1,223,585	548,977	1,223,585	548,977
15.	Marketable securities issued				
	a. Rupiah	1,966,197	1,500,005	2,699,883	2,672,899
	b. Foreign currencies	303	791	303	791
16.	Borrowings				
	a. Short term funding facilities from Bank Indonesia	-	-	-	-
	b. Others				
	i. Rupiah				
	- Related parties	-	-	-	-
	- Third parties	1,332,272	547,725	1,365,605	631,058
	ii. Foreign currencies				
	- Related parties	-	-	-	-
	- Third parties	1,131,600	826,417	1,131,600	826,417
17.	Estimated allowance for possible losses on commitments and contingencies	36,162	33,198	36,162	33,198
18.	Lease payables	-	-	-	-
19.	Accruals	392,485	360,918	399,492	384,155
20.	Estimated tax payable	47,052	173,842	214,714	197,621
21.	Deferred tax liabilities	-	-	223,964	162,239
22.	Other liabilities	1,725,104	2,070,680	2,414,179	2,567,269
23.	Subordinated loans				
	a. Related parties	-	-	-	-
	b. Third parties	3,328,043	3,412,023	3,328,043	3,412,023
24.	Loan capital				
	a. Related parties	-	-	-	-
	b. Third parties	-	155,000	-	155,000
25.	Minority interests	-	-	444,622	286,071
26.	Equity				
	a. Paid up capital	3,631,848	3,621,136	3,631,848	3,621,136
	b. General and legal reserve	103,409	82,239	103,409	82,239
	c. Additional paid up capital	674,124	602,691	674,124	602,691
	d. Difference in transaction of changes in equity of subsidiaries	(88,114)	(21,606)	(88,114)	(21,606)
	e. Capital donation	-	-	-	-
	f. Difference in foreign currencies translation	2,805	2,948	2,805	2,948
	g. Unrealized gain/(loss) from available for sale marketable securities and Governmen tBonds	(650,449)	(8,774)	(650,449)	(8,774)
	h. Other comprehensive income	-	-	-	-
	i. Retained earnings*)	7,222,508	6,077,902	7,222,508	6,077,902
	TOTAL LIABILITIES AND EQUITY	100,987,680	85,430,839	103,461,716	87,986,868

*) 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 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	7,591,659	6,969,096	9,404,362	8,287,339
	b. Foreign currencies	630,536	652,583	630,536	652,583
	1.2. Fees and commissions income				
	a. Rupiah	661,579	477,978	1,404,849	988,424
	b. Foreign currencies	66,757	29,447	66,757	29,447
	Total interest income, fees and commissions	8,950,531	8,129,104	11,506,504	9,957,793
2.	Interest expense, fees and commissions				
	2.1. Interest expense				
	a. Rupiah	3,169,585	3,066,033	3,264,542	3,201,609
	b. Foreign currencies	469,596	399,592	469,596	399,592
	2.2. Fees and commissions expense	155,903	97,449	735,158	538,751
	Total interest expense, fees and commissions	3,795,084	3,563,074	4,469,296	4,139,952
3.	Underwriting income				
	3.1. Premium income	-	-	383,776	285,430
	3.2. Underwriting expense	-	-	188,261	179,989
	Total underwriting income	-	-	195,515	105,441
	Net interest and underwriting income	5,155,447	4,566,030	7,232,723	5,923,282
4.	Sharia income				
	4.1. Margin	20,720	17,143	20,720	17,143
	4.2. Profit sharing	47,277	26,191	47,277	26,191
	4.3. Bonus income	491	3,197	491	3,197
	Total sharia income	68,488	46,531	68,488	46,531
5.	Sharia expenses				
	5.1. iB loss sharing	38,510	21,583	38,510	21,583
	5.2. iB bonus expense	138	52	138	52
	Total sharia expenses	38,648	21,635	38,648	21,635
	Net interest income - sharia	29,840	24,896	29,840	24,896
6.	Other operating income				
	6.1. Fees and commissions	150,926	131,586	150,926	131,588
	6.2. Gain on foreign exchange transactions	229,956	-	229,502	-
	6.3. Gain from increase in fair value of marketable securities Government Bonds	12,643	-	12,643	-
	6.4. Other income	301,594	794,852	316,454	828,405
	Total other operating income	695,119	926,438	709,525	959,993
7.	Income from investment in subsidiaries	651,618	366,435	-	-
8.	Allowance for possible losses in assets	759,930	785,012	775,644	842,498
9.	Allowance for possible gain/(losses) on commitments and contingencies	(3,510)	6,691	(3,510)	6,691
10.	Other operating expenses				
	10.1. General and administrative expenses	1,050,832	876,653	1,346,057	1,104,889
	10.2. Salaries and employee benefits	1,773,427	1,397,558	2,377,361	1,817,925
	10.3. Losses from decline in fair value of marketable securities and Government Bonds	-	6,433	-	3,637
	10.4. Losses on foreign exchange transactions	-	57,557	-	57,557
	10.5. Third party premium expenses	99,069	91,706	99,069	91,706
	10.6. Promotion expenses	195,441	95,097	213,789	109,176
	10.7. Others expenses	251,976	121,340	286,685	165,472
	Total other operating expenses	3,370,745	2,646,344	4,322,961	3,350,362
11.	Amortisation of goodwill	62,613	62,613	62,613	62,613
	NET OPERATING INCOME	2,342,246	2,383,139	2,814,380	2,646,007
	NON-OPERATING INCOME AND EXPENSES				
12.	Non - operating income	145,497	70,589	246,818	162,803
13.	Non - operating expenses	200,569	218,953	245,448	298,080
	Non - operating (expenses)/income - net	(55,072)	(148,364)	1,370	(135,277)
14.	Extraordinary (expense)/income	-	-	-	-
	INCOME BEFORE TAX	2,287,174	2,234,775	2,815,750	2,510,730
15.	Income tax-/-				
	- Deferred	(12,757)	(56,831)	19,050	(34,372)
	- Current year	536,814	691,854	845,570	842,760
16.	INCOME AFTER TAX	1,763,117	1,599,752	1,951,130	1,702,342
17.	Minority interest -/-	-	-	(188,013)	(102,590)
18.	CURRENT YEAR INCOME	1,763,117	1,599,752	1,763,117	1,599,752
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	7,222,508	6,077,902	7,222,508	6,077,902
23.	Basic earnings per share	349.64	320.49	349.64	320.49
24.	Diluted earnings per share*)	344.76	312.71	344.76	312.71

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

STATEMENTS OF COMMITMENTS AND CONTINGENCIES
AS AT 30 SEPTEMBER 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	282,900	1,097,404	282,900	1,097,404
	b. Foreign currencies	-	-	-	274,350
2.	Others	-	-	-	-
	Total commitment receivables	282,900	1,097,404	282,900	1,371,754
<u>Commitment payables</u>					
1.	Unused loans facilities *)				
	a. Rupiah	-	9,464,701	-	9,464,701
	b. Foreign currencies	-	4,112,264	-	4,112,264
2.	Outstanding irrevocable letters of credit	1,326,799	1,050,192	1,326,799	1,050,192
3.	Others	-	-	-	-
	Total commitment payables	1,326,799	14,627,157	1,326,799	14,627,157
	COMMITMENT PAYABLES - NET	(1,043,899)	(13,529,753)	(1,043,899)	(13,255,403)
CONTINGENCIES					
<u>Contingent receivables</u>					
1.	Guarantees received				
	a. Rupiah	6,041	-	6,041	-
	b. Foreign currencies	231,919	15,488	231,919	15,488
2.	Interest receivables on non performing assets				
	a. Rupiah	155,178	178,894	155,178	178,894
	b. Foreign currencies	25,964	8,202	25,964	8,202
3.	Others	4	-	4	-
	Total contingent receivables	419,106	202,584	419,106	202,584
<u>Contingent payables</u>					
1.	Guarantees issued in the form of :				
	a. Bank guarantees				
	- Rupiah	1,655,131	1,321,820	1,655,131	1,321,820
	- Foreign currencies	690,164	872,131	690,164	872,131
	b. Others	-	7,492	-	7,492
2.	Standby letters of credit	-	-	-	-
3.	Others	-	-	-	-
	Total contingent payables	2,345,295	2,201,443	2,345,295	2,201,443
	CONTINGENT PAYABLES - NET	(1,926,189)	(1,998,859)	(1,926,189)	(1,998,859)

*) Starting June 2008, reporting to BI for unused loan facilities to debtors, only committed facilities are being reported by the Bank on off balance sheet (commitments and contingencies).

**ASSET QUALITY AND OTHER INFORMATION
AS AT 30 SEPTEMBER 2008 AND 2007**
(In million Rupiah)

No.	ACCOUNTS	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	-	-	-	-	-	-	997,411	-	-	-	-	997,411
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	14,432	-	-	-	-	14,432	8,993	-	-	-	-	8,993
4.	Investment in third parties												
	a. Non-bank financial institution	1,517,048	-	-	-	-	1,517,048	1,138,218	-	-	-	-	1,138,218
	b. For loans restructuring	-	-	-	-	-	-	-	-	-	-	-	-
	c. Others	339,659	-	-	-	-	339,659	255,940	-	-	-	-	255,940
5.	Other receivables from third parties	-	-	-	-	-	-	-	-	-	-	-	-
6.	Commitments and contingencies to third parties	1,367	-	-	-	-	1,367	30	-	-	-	-	30
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	4,799,831	18	-	-	-	4,799,849	6,286,335	3	-	-	34	6,286,372
2.	Marketable securities and Government Bonds issued by third parties or Bank Indonesia	17,679,431	-	-	-	-	17,679,431	19,443,662	-	-	-	-	19,443,662
3a.	Loans to third parties (excluding loans purchased from IBRA)												
	a. Small business credit (KUK)	8,998,706	959,184	145,060	174,826	69,954	10,347,730	7,352,411	835,214	96,205	114,422	67,414	8,465,666
	b. Property loans												
	i. Restructured	11,183	19,556	2,580	-	16,192	49,511	7,316	8,747	1,628	-	7,183	24,874
	ii. Unrestructured	7,482,756	337,775	4,583	2,462	15,961	7,843,537	3,293,867	85,168	5,592	14,484	10,532	3,409,643
	c. Other restructured loan	140,889	104,486	24,060	5,664	150,195	425,294	187,689	106,485	38,285	7,034	238,536	578,029
	d. Others	41,563,143	3,237,227	127,503	118,241	475,857	45,521,971	32,184,601	2,701,665	97,970	158,652	473,242	35,616,130
3b.	Loans purchased from IBRA	-	-	-	-	-	-	3,390	-	-	-	-	3,390
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	1,852,039	-	-	-	-	1,852,039	782,404	29,914	-	-	-	812,318
6.	Commitments and contingencies to third parties	3,669,677	1,050	-	-	-	3,670,727	3,232,018	19,162	25	400	-	3,251,605
B. Non earning assets													
1.	Unutilised properties	-	-	34,005	-	-	34,005	-	-	105,092	-	-	105,092
2.	Foreclosed assets - net	51,561	-	27,903	-	-	79,464	68,308	-	9,476	-	-	77,784
3.	Interbank and suspense account	1,655	-	-	-	1,103	2,758	62,085	-	-	-	175	62,260
	TOTAL	88,125,732	4,659,321	365,694	301,193	729,262	94,181,202	75,307,033	3,786,383	354,273	294,992	797,116	80,539,797
1.	a. Minimum required allowance for possible losses on earning assets	692,116	221,294	37,918	176,031	535,739	1,663,098	555,025	171,981	30,889	147,040	543,923	1,448,857
	b. Minimum required allowance for possible losses on non earning assets	-	-	9,286	-	1,103	10,389	-	-	17,185	-	175	17,360
	c. Total minimum requires allowance for possible losses	692,116	221,294	47,204	176,031	536,842	1,673,487	555,025	171,981	48,074	147,040	544,098	1,466,218
2.	a. Allowance for possible losses on earning assets (excluding loans purchased from IBRA)	690,692	221,141	97,857	270,625	577,646	1,857,961	566,655	186,982	35,889	187,040	689,387	1,665,953
	b. Allowance for possible losses on loans purchased from IBRA	-	-	-	-	-	-	3,390	-	-	-	-	3,390
	c. Allowance for possible losses on non earning assets	-	-	9,286	-	1,103	10,389	-	-	17,185	-	175	17,360
	d. Total allowance for possible losses	690,692	221,141	107,143	270,625	578,749	1,868,350	570,045	186,982	53,074	187,040	689,562	1,686,703
3.	Collateralised assets												
	a. To Bank Indonesia	-	-	-	-	-	62,560	-	-	-	-	-	62,560
	b. To other banks	-	-	-	-	-	-	-	-	-	-	-	-
4.	Percentage of small business credit to total loan												18.19%
5.	Percentage of total small business credit debtors to total debtors												10.07%
6.	Percentage of small medium enterprise credit to total loans												66.84%
7.	Percentage of total small medium enterprise debtors to total debtors												99.97%

**STATEMENT OF FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS
AS AT 30 SEPTEMBER 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	-	1,201,529	7,105	(6,812)	-
2.	Forwards	-	1,105,020	5,647	(4,127)	-
3.	Options					
	a. Purchased	-	44,245,806	762,642	(760,735)	-
	b. Written	-	-	-	-	-
4.	Futures	-	372,600	1,621	(619)	-
5.	Swaps	-	12,999,040	105,695	(68,081)	-
6.	Others	-	-	-	-	-
B.	Related to interest rate					
1.	Forwards	-	-	-	-	-
2.	Options					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3.	Futures	-	-	-	-	-
4.	Swaps	-	5,155,087	44,130	(29,207)	-
5.	Others	-	-	-	-	-
C.	Others	-	-	-	-	-
TOTAL				926,840	(869,581)	

**CAPITAL ADEQUACY RATIO CALCULATION
AS AT 30 SEPTEMBER 2008 AND 2007**
(In million Rupiah)

NO.	DESCRIPTION	2008	2007
I.	COMPONENTS		
A.	CORE CAPITAL	10,503,148	9,406,305
1.	Paid up capital	3,631,848	3,621,136
2.	Disclosed reserves		
a.	Additional paid up capital	561,950	476,563
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	5,322,543	4,434,819
f.	Prior years' losses (-/-)	-	-
g.	Current year profit net of taxes (50%)	880,593	788,600
h.	Current year loss (-/-)	-	-
i.	Difference in foreign currency translation of overseas branch		
1)	Positive adjustment	2,805	2,948
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%)	1,613,446	3,996,054
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)	830,642	728,770
4.	Loan capital	-	-
5.	Subordinated loan (max 50% of core capital)	782,804	3,267,284
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)	12,116,594	13,402,359
III.	TOTAL CORE, SUPPLEMENTARY CAPITAL AND ADDITIONAL SUPPLEMENTARY CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK(A+B+D)	12,116,594	13,402,359
IV.	INVESTMENTS (-/-)	1,868,787	1,244,052
V.	TOTAL CAPITAL FOR CREDIT RISK (II-IV)	10,247,807	12,158,307
VI.	TOTAL CAPITAL FOR CREDIT RISK AND MARKET RISK (III-IV)	10,247,807	12,158,307
VII.	RISK WEIGHTED ASSETS - CREDIT RISK	66,451,367	58,301,592
VIII.	RISK WEIGHTED ASSETS - MARKET RISK	2,873,445	5,133,788
IX.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK CHARGE (V : VII)	15.42%	20.85%
X.	CAPITAL ADEQUACY RATIO WITH CREDIT RISK AND MARKET RISK CHARGE (VI : (VII +VIII))	14.78%	19.17%
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 SEPTEMBER 2008 AND 2007
(In million Rupiah)

NO.	RATIOS (%)	2008	2007
CONSOLIDATED RATIOS :			
I.	Earning assets		
	1. Non-performing earning assets	1.41%	1.65%
	2. NPL gross	2.08%	2.77%
	3. NPL net after minimum BI provision of possible losses	0.60%	0.86%
	4. NPL net after the Bank's total provision on possible losses	0.00%	0.00%
	5. Allowance for possible losses to earning assets	1.98%	2.11%
II.	Rentability		
	1. Return on Assets (ROA) after tax	2.41%	2.47%
	2. ROA before tax	3.86%	3.88%
	3. Return on average core capital	22.47%	23.41%
	4. Return on average equity	22.02%	21.76%
	5. NIM including third party premium expenses	11.42%	10.38%
	6. Cost to income	52.64%	46.76%
III.	Liquidity		
	Loan to Deposit Ratio (LDR)	90.73%	85.00%
BANK RATIOS:			
I.	Capital		
	Bank (stand alone)		
	1. Capital Adequacy Ratio (CAR) without market risk charge	15.42%	20.85%
	2. CAR with market risk charge	14.78%	19.17%
	3. Fixed assets to total capital	21.82%	17.44%
	Bank (consolidated)		
	1. CAR without market risk charge - consolidation	17.27%	21.20%
	2. CAR with market risk charge - consolidation	16.58%	19.32%
II.	Earning assets		
	1. Non-performing earning assets	1.42%	1.66%
	2. NPL gross	2.08%	2.77%
	3. NPL net after minimum BI provision of possible losses	0.60%	0.86%
	4. NPL after the Bank's total provision on possible losses	0.00%	0.00%
	5. Allowance for possible losses on earning assets	1.98%	2.08%
	6. Fulfillment of allowance for possible losses on earning assets	111.72%	115.22%
	7. Fulfillment of allowance for possible losses on non earning assets	100.00%	100.00%
III.	Rentability		
	1. ROA after tax	2.51%	2.54%
	2. ROA before tax	3.26%	3.55%
	3. Return on average core capital	22.47%	23.41%
	4. Return on average equity	22.02%	21.76%
	5. NIM excluding third party premium expenses	8.67%	8.52%
	6. NIM including third party premium expenses	8.51%	8.36%
	7. Operating expenses to operating income	76.80%	74.17%
	8. Cost to income	55.35%	45.79%
IV.	Liquidity		
	LDR	90.73%	85.00%
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	8.09%	8.13%
	3. Net open position	7.65%	3.87%
	4. Net open position on balance sheet	7.62%	0.26%

MANAGEMENT OF THE BANK (As of 30 September 2008)

SHAREHOLDERS (As of 30 September 2008)

Board Of Commissioners

1. President Commissioner	: Ng Kee Choe
2. Vice President Commissioner	: Johannes Berchmans Kristiadi Pudjosukanto ¹⁾
3. Commissioner	: Milan Robert Shuster ¹⁾
4. Commissioner	: Harry Arief Soepardi Sukadis ¹⁾
5. Commissioner	: Gan Chee Yen
6. Commissioner	: Liew Cheng San Victor
7. Commissioner	: Manggi Taruna Habir ¹⁾
8. Commissioner	: Krisna Wijaya

Board Of Directors

1. President Director	: Juan Eugenio Sebastian Paredes Muirragui
2. Vice President Director	: Joseph Felipus Peter Luhukay
3. Director	: Muliadi Rahardja ²⁾
4. Director	: Ali Rukmijah/Ali Yong
5. Director	: Vera Eve Lim
6. Director	: Sanjiv Malhotra
7. Director	: Herry Hykmanto
8. Director	: Kanchan Keshav Nijasure

1. Asia Financial (Indonesia) Pte. Ltd.	67.87%
2. Public (shares ownership under 5%)	32.13 %
TOTAL	100.00 %

Note :

¹⁾ Independent Commissioner

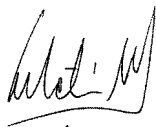
²⁾ Muliadi Rahardja as the temporary Compliance Director

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 statement as of 30 September 2007 have been reclassified to conform with consolidated financial statement 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 September 2008: USD 1 = Rp. 9,430; exchange rate as at 30 September 2007: USD 1 = Rp. 9,145

Publication: Jakarta, October 16, 2008

Board of Directors



J.E. Sebastian Paredes M.
President Director



Vera Eve Lim
Director

Disclaimer:

This report has been prepared by PT Bank Danamon Indonesia Tbk independently and is circulated for the purpose of general information only. It is not intended to the specific person who may receive this report. The information in this report has been obtained from sources which we deem reliable. No warranty (expressed or implied) is made to the accuracy or completeness of the information. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without prior notice. We disclaim any responsibility or liability (expressed or implied) of PT Bank Danamon Indonesia Tbk and/or its affiliated companies and/or their respective employees and/or agents whatsoever and howsoever arising which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither PT Bank Danamon Indonesia Tbk and/or its affiliated companies and/or their respective employees and/or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in this report and any inaccuracy herein or omission here from which might otherwise arise.

www.danamon.co.id



Danamon

PT Bank Danamon Indonesia Tbk
Menara Bank Danamon, Jl. Prof Dr. Satrio Kav. E IV No.6
Jakarta 12950, Indonesia
Tel: (62-21) 5799 1001 - 03
Fax: (62-21) 5799 1161