

# The Bank Danamon Franchise

**482** Regular Branches    **264** DSP Units    **804** ATMs



## Region 1

**132** Regular Branches  
**4** Syariah Branches  
**4** PGB Branches  
**20** DSP CMM Branches  
**41** DSP SEMM Branches  
**246** ATMs

## Region 2

**35** Regular Branches  
**0** Syariah Branches  
**1** PGB Branches  
**10** DSP CMM Branches  
**31** DSP SEMM Branches  
**67** ATMs

## Region 3

**91** Regular Branches  
**1** Syariah Branches  
**1** PGB Branches  
**10** DSP CMM Branches  
**60** DSP SEMM Branches  
**156** ATMs

## Region 4

**57** Regular Branches  
**1** Syariah Branches  
**1** PGB Branches  
**5** DSP CMM Branches  
**0** DSP SEMM Branches  
**78** ATMs

**Bank Danamon has one of the widest spread networks of any bank in Indonesia**

In 2004 we began to realize our true potential in the mass market through our DSP self-employed and DSP employed business units. Solid progress was made in cross referrals among nine main business groups through which we channel Bank Danamon expertise at multiple points: from employer, factory or plantation owner to employee; from property developer to home owner; from supplier to customer; at every stage in the distribution chain.

**Two roles: community and business**

Playing an intermediary role with local banks was one case study in leveraging the network. Our community work in helping clean up 20 wet markets was another example of how we align our role in the community with our role as a business partner. All of these developments were possible because we were close to our customers.

**Future potential**

Today it is estimated that among all households in need of basic banking services as much as 40% are underserved. Aside from understanding the benefits of a bank account, one of the strongest reasons for choosing one bank over another is a convenient location, close to a place of work or a home. That's where we come in. Our expanding franchise and reputation for being first into new markets positions us for substantial growth in the next few years.



**Region 5**

- 35 Regular Branches
- 1 Syariah Branches
- 1 PGB Branches
- 0 DSP CMM Branches
- 0 DSP SEMM Branches
- 60 ATMs

**Region 6**

- 60 Regular Branches
- 2 Syariah Branches
- 1 PGB Branches
- 0 DSP CMM Branches
- 0 DSP SEMM Branches
- 91 ATMs

**Region 7**

- 61 Regular Branches
- 1 Syariah Branches
- 1 PGB Branches
- 12 DSP CMM Branches
- 75 DSP SEMM Branches
- 106 ATMs

**Total**

- 471 Regular Branches
- 10 Syariah Branches
- 10 PGB Branches
- 57 DSP CMM Branches
- 207 DSP SEMM Branches
- 804 ATMs
- 1 Overseas Branch

## Human Resources

# Aligning the needs of the bank and the employee

### **New values**

Keeping pace with the exciting growth plans and new direction of the bank was the main focus for the year. We embarked on a nationwide fact finding roadshow across seven regions, an opportunity for senior management to convey the essence of our strategic plans and gain an insight into the markets we have chosen to serve. We used town hall venues and local themed entertainment to help that process and the 10,000 employees that attended, responded to a basic questionnaire used as part of the consulting process to define and disseminate the new values that support our mission "We care and enable millions to prosper."

### **Performance based compensation**

A great deal was achieved in aligning the needs and interests of employees with those of the bank. We surveyed staff as part of an exercise to ensure our levels of compensation were in tune with the market. We changed the way we assess individuals from a grade system to a job based system to establish a clear connection between productivity and reward. Sales incentives were added to the remuneration system during the year and fourth quarter results indicate that this formula was working effectively. We launched an Employee

Share Option Plan (ESOP) in July, a scheme representative of the spirit of good governance in its structure and methodology, spreading the exercise period of three years.

### **Sales and leadership training**

It was a record year for our training team who increased the amount and level of sales skills in the overall training programme. More than 15,600 employees participated in courses at our training centres, 6,000 alone at our Bank Danamon Campus near Ciawi, Bogor. In addition to sales and technical training we invested in our future leadership through a management development training programme and the use of outward bound courses.

### **Costs and communication**

Managing costs effectively was another of our priorities and we were able to deliver cost reductions and better efficiency through the centralisation of our payroll. We also centralised the administration of medical benefits claims. Our staff are our customers and we need to stay close to them with good channels of communication. We maintained a good working relationship over the year with our Union. We encouraged staff to use the internet portal specifically established for enquiries

and information relating to anything from benefits and employment terms to career development and planning. Our performance appraisals data is now on line.

### **Events, activities and opportunities**

Elsewhere in this report is an account of the devastation in Aceh, among several other natural disasters that impacted our men and women at Bank Danamon. We also helped terror victims from the bomb incident in Jakarta. We take strength from their courage in adversity and will continue to support those affected.

Danamon Club thrived during 2004 as a great way to build relationships across all levels of the bank through the great levelers of sports and pastimes. We fielded strong teams in football, volleyball and tennis. In badminton particularly, we are proud of our skills developed with the help of All England Champion, Bp Ickuk Sugiarto who is coaching for Danamon Club.

Finally we are committed as an equal opportunities employer and through training and ability we were delighted for those individuals who, through hard work and application, gained promotion from working as a security personnel into clerical duties.



Town Halls across the regions. Some 10,000 employees attended, responding to our bank wide survey and helped us define and disseminate our new values.



# A Corporate Social Responsibility Report

## Bank Danamon and the Community

### Being part of it all

We at Bank Danamon take the view that everyone in business is also part of a community. Bank Danamon's recognised role is a place of safekeeping and investment for depositors, a source of capital for borrowers, and sound financial advice for all our customers.

At the same time, we are a neighbor: one of the 5,000 stallholders in the nearby traditional wet market, a resident on a busy street in town - often used as a handy landmark.

Our history, our presence in branches, our sheer size of employees and the number of people we are happy to serve makes us a part of the communities where we live and work.

Bank Danamon's mission is: "We care and enable millions to prosper." We have five core values that help us keep true to our beliefs which are: care, honesty, passion to excel, teamwork and disciplined professionalism. On a business level, these core values are translated into observable and measurable behaviors. An ongoing rigorous training program that cascades throughout the organisation ensures that every member on our team understands what we believe in, and what we are about.

On a community level, we strongly encourage our employees to be actively involved in the happenings around them. Involvement, however, must be sensitive to and must be based on a clear understanding of the needs of the communities.

### Vision

Community activities that began in 2001 have been more formally structured under Danamon Peduli ("Danamon Cares") with the vision that: Danamon Peduli will support sustainable activities with impact, which stakeholders are personally involved in, and that provide a positive contribution to the welfare of communities we are a member of. Consequently, our social involvement goes hand-in-hand with our business commitment to 'enable millions to prosper.'

### Mission

The above elaboration leads us to how Danamon Peduli identified our mission. We first focused on the needs of the communities, which fall into four main categories:

- Promote skill training and competencies building for small businesses;
- Enable children from the lower income group to complete compulsory education and continue their studies;
- Address issues of health and hygiene in living and working environments;
- Provide relief for natural disaster victims who have lost their livelihood; without of course closing the doors to opportunities in supporting other exceptional community and social projects.

The important role the local community plays cannot be overemphasised. For care to be

sustainable, members of the community most not only feel involved but must take ownership of the initiatives. That is why we strongly believe in Community Driven Development.

### Activities in 2004

What Danamon Peduli has done in the past year:

#### For Compulsory Education:

- To commemorate the opening of our 100th micro banking unit, 100 students turned out for a drawing competition. Scholarships were also given to 100 deserving elementary, junior high and senior high school students in the area.
- We also provided a chance for some of Indonesia's brightest minds and deserving college students a chance to pursue their dreams by providing full scholarships covering tuition, books and living expenses. This was apparently the first time a company provided scholarships to first year students. These students had scored highest on the national entrance exams, but failed to show up for registration because their families could not pay for their travel to the university, let







alone for their education. We read about it in the local papers and tracked down each and every one of the students.

**For Health and Hygiene:**

At the peak of a national outbreak of Dengue Fever, we discovered that North Jakarta - where we have 16 branches operating - was one of the hardest hit areas. Hospitals overflowed and patients were forced to lie along hospital corridors on woven mats. Working together with one hospital, we outfitted a van with medical equipment, test units, doctors and nurses and drove our Lab-On-Wheels to the stricken area. This not only saved travel time for

the concerned mothers who usually had more than one child to tend to, but the testing unit provided results within 15 minutes, versus the 3 hour wait at the hospital. In a span of only 4 hours, Danamon Peduli was able to test 150 families. Infected children were then immediately taken to the nearest hospitals for appropriate medical attention.

**For Disaster Victim Relief:**

- During earthquakes in Nabire, floods in North Sumatra and the tsunami in Aceh, Danamon Peduli volunteers were quick to respond with aid, time and energy.
- The devastation of the December 26th Tsunami took all by surprise.

To provide the necessary support of what will be a lengthy process of rebuilding the Aceh and North Sumatra area, Danamon Peduli developed a program we named *3R: Relief. Recovery. Rebuild.*

- For immediate relief, within 24 hours Danamon Peduli volunteers were working side-by-side with Red Cross Indonesia experts and volunteers in the field as well as at their Jakarta headquarters. New Year's Eve was spent at the cargo terminals loading 11 truckloads of aid onto aircraft bound for Sumatra.
- To support recovery efforts, Danamon Peduli sponsored a workshop on Volunteer Readiness. The tremendous influx of well-

intending volunteers was caught off guard by the level of devastation they found upon arrival. Together with the reputable leadership center, Franklin Covey Company of the United States and Dunamis Organisation Services, their Indonesian licensee, we ran a 2-day workshop. The gathering was attended by 40 representatives of 7 international and 15 local organisations that are working with volunteers to provide aid and support in Sumatra. Organisations included UNESCO, Ministry of Women's Empowerment, the Islamic Businessmens Association, universities, as well as other religious and NGO support groups.

- We have also embarked on a venture with Habitat for Humanity to build housing for a community that has lost everything. The latest update is that a location has been identified, people in the field are coordinating with respected elders, local government representatives and community members to ensure land titles and rights are in hand, and the site will be cleared of post-tsunami debris.
- Within the next two months we hope to be able to register some

100 Danamon Peduli volunteers to take time off, fly out and work with community members and help them rebuild their homes and hopes.

**For Skills and Competency Building:**

To support our community based banking concept, a "Clean Market" campaign was launched throughout West, Central and East Java in the markets where we are present. Danamon Peduli volunteers joined hands with traders and wet market officials in an on-going program to clean up local markets throughout Java. More than 1,050 traders are involved in improving their environments. Today, the program



continues on a regular basis. Additionally, open forum discussions are held and have become a channel for skills and competency building.

By becoming a respected member of the community, by being directly involved, we are helping to ensure sustainability of the environment through community driven development.



"Even now, Danamon Peduli is already thinking of the next level of support needed to help recovery, by learning how to assemble knock-down, temporary houses." Jusuf Arbianto, Chairman of Habitat for Humanity Indonesia.

"Danamon Peduli Volunteers are not only sincere, but are quick to respond in times of need. It is support like this that allows us to do something meaningful in the field." Mar'ie Muhammad, Chairman of Red Cross Indonesia.

