

# Consumer Banking

**Consumer banking continued to be a crucial component in the bank's strategy to enhance its funding franchise, being responsible for 65% of total deposits raised.**

Building the liabilities side of the balance sheet, to generate liquidity and ongoing support for the expanding high-yielding asset businesses, remained a top priority in 2006. Deposit growth of 23% to Rp 57.8 trillion was encouraging, given the general economic conditions and tight monetary policy. Behind this positive trend is the result of an ongoing transformation within the consumer banking group encompassing a refinement of the retail presence and look, better differentiation in terms of product range and services, a stronger orientation to sales, margin and productivity and, not least, visible improvement in the development and empowerment of our people.

Targeting an increase in market share, we completed a shift from existing product portfolios to fuller coverage, most notably the inclusion of structured deposit products in multiple currencies; the progressive development of the bank's range of bancassurance products; the launch of mutual funds, and a broader credit card proposition than ever before. The development and soft launching of personal loans and a complete new house mortgage range towards year end gives us further opportunities to build on the improvements to date.

Consumer success was driven on several levels through increasing public awareness of the bank in our 50th year. We believe the Danamon Awards have helped raise our profile and we look forward to continuing this initiative in 2007. A series of high visibility marketing communications campaigns culminated in a "Realize Your Dreams" promotion awarding more than 10,000 prizes to customers, including trips to international destinations entirely of the winners' choice.



**"Realize Your Dreams" - innovative special promotions and marketing campaigns raised the bank's profile in 2006.**







**A Rp 1.5 billion gasoline giveaway offer for Bank Danamon card holders proved highly effective in attracting new business**

To consolidate the sales and service capabilities, the emphasis on professional development continued during 2006 with 17,600 man days of training. In addition, we have refined our recruitment process, and developed self-access training materials for staff. The pace of staff development is set to increase in 2007 to ensure excellence in service. The creation of the Danamon University is the single most ambitious goal we have set to fulfil personal development and align our employees with our vision of being the best. The look of branches is also set to change in 2007 with new concepts in terms of branch management being implemented, and new branding colours for Bank Danamon.

To ensure the increased efforts in business development are matched with additional service and transaction handling capacity, we continued to invest in our infrastructure, which included replacing 134 ATMs with state of the art models and upgrading call centre capabilities.

### Credit cards

Considerable progress was made to empower customers through broadening and deepening the value proposition within our credit and charge card business in 2006. We enhanced our existing cards, invested in new products, added valuable brands and now offer the most complete card range in Indonesia.

To support business expansion we invested in new information technology encompassing front end, host and collection systems. This technology was installed and operating in a record-breaking 4 months. During a year when high inflation impacted the entire card issuing sector through higher credit costs, we have boldly launched our card range as discrete, high yielding business that is scaleable, well targeted and operated by a highly experienced management team. Cross referral business, and cooperation with wealth management and SME banking teams are further opportunities being developed.

Credit card is a leading source of fee income for the bank, with card receivables already exceeding Rp 1 trillion at the turn of the year. Taking into account the strong and expanding choice of user benefits on offer, steadily improving credit conditions and greater purchasing power, the prospects for 2007 look promising.



my own CARD



**Empowering card customers**

Acquiring the American Express Card franchise for the Indonesian market in September has secured instant access to the affluent and corporate segment. No pre-set spending limits and the option of billing statements for overseas transactions in US Dollars are just two attractive features.

We are also expanding our co-branded partnerships: each targeted at specific niches with specific benefits. In addition to the Prudential card, we launched the Manchester United (MU) MasterCard. The MU card base has grown quickly and shown a high level of usage.

Prudential has proved equally popular with the added feature of obtaining discounts on life premiums through card usage.

We also built on a solid foundation of Visa and MasterCard offerings by adding attractive features such as a 10% rebate on selected utility bills of the customer's choice, free choice of statement dates, and low interest rate instalment payments on large purchases.

The trip of a lifetime: 24 lucky winners of our Manchester United MasterCard promotion watched the football legends 'live' at Old Trafford, UK

