

Corporate Social Responsibility

Formerly operating as a unit within the bank, Danamon Peduli was officially granted status as an independent legal foundation on February 2, 2006.

Danamon Peduli Empowered

Peduli means 'to care' and is taken from Bank Danamon's vision, "We care and enable millions to prosper." Danamon Peduli's overriding ambition is to be a professional and transparent foundation creating meaningful benefits for society.

The foundation's objective is to establish a portfolio of effective and action-oriented programmes, and to achieve this, Danamon Peduli has been incorporating some of the best organizational frameworks and models from the international non-profit arena. With proven models as guidelines, Danamon Peduli is forming and launching its programmes to achieve tangible and sustainable social impact.

Activities Running in 2006

In 2006, Danamon Peduli ran three different programmes: 'My Market', a series of market clean up and health improvement projects; "3R", the Relief, Recovery, Rebuild disaster response programme; and the "Danamon Scholars" programme, which provides full academic and living cost scholarships for selected high-performing students at the Bogor Agricultural University.

The "My Market: Clean. Healthy. Prosperous." programme launched in 2004 has been widened to promote awareness of pertinent health issues. Activities include sweeping and cleaning up of market areas; conducting health orientation and free medical check-ups for community members, and distributing information fliers to traders on topical issues like avian flu and polio immunization.

The number of 'My Market' programmes run in 2006 doubled that of 2005; the number of volunteers in 2006 rose by 30% from 2005, and the number of beneficiaries more than tripled in 2006.





The involvement of volunteers is integral to one of the core beliefs behind Danamon Peduli, in that employees, as community members, can have a personal and visible role in producing social benefits in the areas they live and work. ↘

Work is currently underway to further evolve the sustainability and depth of the 'My Market' programmes to encompass a Danamon Peduli Corner which will provide public toilets, waste management and an information facility for those markets to be able to demonstrate a long term commitment to the market clean up, and continue to keep it clean, healthy and prosperous independent of Danamon Peduli. In other words, true sustainability will be rewarded by the opportunity for further developments.

The Danamon Peduli disaster response faculty is called 3R:Relief.Recovery.Rebuild. It aims to provide relief in the wake of a disaster within 24 hours, and to identify the critical needs of the community post disaster. Demonstrative of Danamon Peduli's long term commitment to stricken communities is its work in Aceh. Together with Usindo, it is nearing the completion of

a multipurpose building for University of Syiah Kuala Laboratory School - a facility which will have the dual function of serving as a community centre as well.

Hundreds of miles east, 3R continues to work in Yogyakarta. In conjunction with Forum Merti Dusun, led by Princess Pembayun, daughter of Sri Sultan Hamengkubuwono X, Danamon Peduli is building six community centres, 'Danamon Peduli Corners', for villages in the disaster area. The centres will facilitate non formal education activities, art, and a computer learning centre, as well as public toilets and a public information board.

The Danamon Scholars programme, running since 2004, provided 8 students full academic and living cost scholarships based on performance criteria, to study at the Bogor Agricultural University. The scholarships included an allowance for books and accommodation. The scholarship program also exposed students to matters beyond the academic theatre by running Sharing-on-a-Sunday initiatives which involved organizing guest speakers to talk about self development issues on topics ranging from public speaking skills to interview techniques to life blueprints.



| | 2004 | | 2005 | | 2006 | |
|----------------------------|--------------|------------|----------------|------------|----------------|------------|
| | Programme | Volunteers | Programme | Volunteers | Programme | Volunteers |
| My Market | 146 | 160 | 794 | 6,336 | 1,434 | 9,535 |
| Relief.Recovery.Rebuild. | 4 | 52 | 13 | 327 | 82 | 116 |
| Danamon Scholars | 118 | 236 | 2 | 4 | 2 | 4 |
| Total Beneficiaries | 3,152 | | 246,646 | | 724,701 | |





Founders:

PT Bank Danamon Indonesia Tbk

PT Adira Dinamika Multifinance Tbk

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Transparent Internal Processes and Governance

In order to run effectively, Danamon Peduli focuses on four key internal elements: streamlined operations, well-managed volunteers, innovation in simple programmes, and transparent governance. Operational performance has been enhanced by the introduction of simpler proposal writing and approval processes, as well as faster turnaround and more open communication channels between team members. Innovative thinking greatly enhances a programme's appeal and impact; in the 'My Market' projects, the annual cleanup programmes have been transformed by the addition of free health checks and advice, and the disinfection of the poultry sections of the wet markets.

To ensure transparent governance, Danamon Peduli's financial statements are annually audited by an approved public accountant. Meetings are regularly held and minutes taken and distributed. Information and news is openly disseminated via brochures, articles and summaries which are published in both internal and external media. During 2006, there were more than 50 instances of this.

Financial Responsibility

Financial accountability is crucial for the integrity of a non-profit organisation. Danamon Peduli's monitoring activities take three key forms: close supervision of the Rp/Beneficiary ratio; adherence to pre-stipulated budget targets, and independent fundraising.

The Rp/Beneficiary ratio is the total activity cost per beneficiary. For the 'My Market' programmes, this stood at Rp14,252 per beneficiary, and at Rp50,000 in the 3R programmes, a sum which included the procurement of medicine, potable water, rice, and cement for reconstruction.

Danamon Peduli is able to seek funds from the public and has set up separate accounts to do so. In 2006, approximately 10% of the total funds donated to Danamon Peduli were from fundraising efforts. These are recorded separately from Danamon Peduli's programme and operational budgets.