

Corporate Social
Responsibility



Corporate Social Responsibility



Corporate social responsibility is integral to everything we do, through which we can build a strong and positive presence in the communities where we operate.

Danamon's social responsibility activities are coordinated through the Danamon Peduli Foundation. Officially incorporated as a legal independent entity in 2006, Danamon Peduli is a foundation that supports sustainable, community driven activities and volunteerism, reflecting the vision of the Bank, "We care and enable millions to prosper".

During the year, Danamon Peduli Foundation continued to execute a series of high impact programs that positioned Danamon's social responsibility model as one of the best in Indonesia. As a result, in 2008 we were recognized with "The Best CSR Implementation Award" from the National Center for Sustainability Reporting and "Metro TV-MDG Award" under 'Poverty Reduction' category from the United Nations Development Program (UNDP).

My Clean, Healthy and Prosperous Market

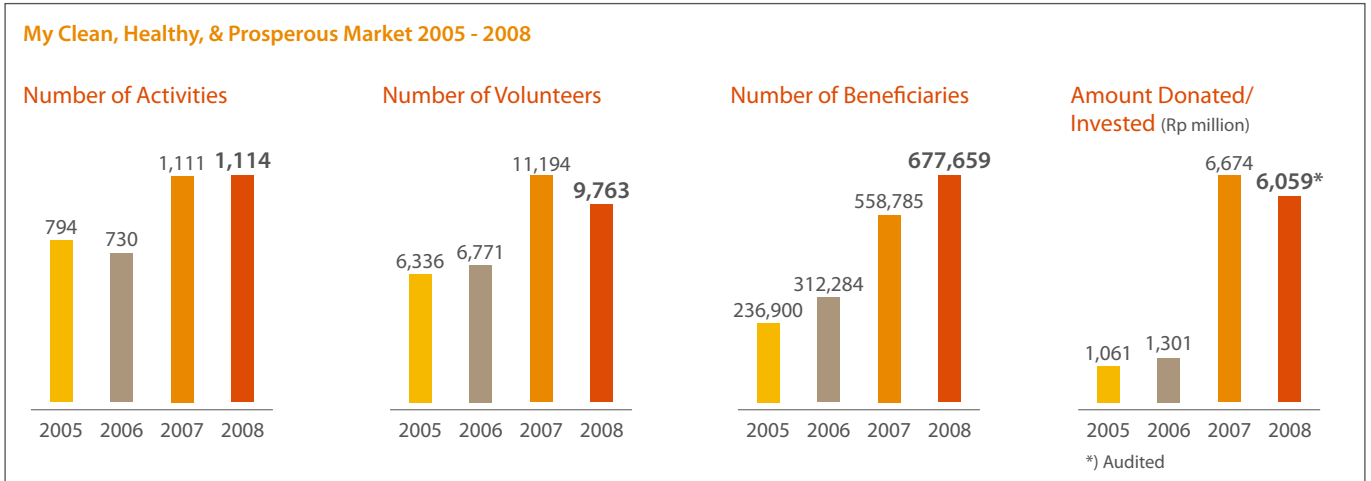
Danamon's "My Clean, Healthy and Prosperous Market" program was launched in 2004 to revitalize the traditional market all over Indonesia as one of the important economic pillars of the country.

Through this program and the involvement of Danamon volunteers in SEMM branches that team up with market vendors, market managers as well as local governments, we conduct various initiatives to improve the cleanliness, hygiene and performance quality of traditional markets in Indonesia. The activities include small scale market infrastructure renovations, health campaigns, counseling and free medical check-ups, as well as garbage handling equipment donations to promote the importance of a

Danamon Peduli Foundation

Founders	PT Bank Danamon Indonesia Tbk PT Adira Dinamika Multifinance Tbk
Board of Trustees	Mar'ie Muhammad (Chairman) Edward Lee Teddy P. Rahmat Sebastian Paredes Stanley Setia Atmadja
Supervisory Board	Manggi T. Habir (Chairman) Kartini Muljadi Palgunadi T. Setyawan Muliadi Rahardja Jos Luhukay Krisna Wijaya
Board of Management	Risa Bhinekawati (Chairwoman) Ali Yong (Vice Chairman) Dini Herdini (Vice Chairwoman) Muljono Tjandra (Treasurer) Rony Teja Sukmana (Secretary)

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healthy market environment. In 2008, we conducted 1,114 activities in 28 provinces, touching over 677,000 beneficiaries with the involvement of more than 9,700 Danamon volunteers.

To further elevate the program to national level, on July 19, 2008, we initiated the National Clean Market Day which was officially announced by the Minister of Trade. Recorded as the largest ever market improvement initiatives in Indonesia by the National Record Museum of Indonesia (MURI), in one day Danamon Peduli organized small scale renovation and improvement initiatives simultaneously in 717 traditional markets in 25 provinces. More than 7,000 Danamon employees in our DSP units participated in this initiative, together

with market managers, vendors and local officials across the country.

During the same event, we also introduced an educational video on modern management of traditional markets to be disseminated in partnership with the Indonesian Association of Traditional Market Vendors (APPSI), the Indonesian Federation of Traditional Market Vendors Organization (FOPPI) and over 700 traditional market managers.

This highly successful event has received very positive nationwide coverage and will be extended to cover over 800 traditional markets in 2009.





Danamon Go Green

Danamon Go Green was launched to further empower traditional markets by introducing an integrated waste management system to convert market waste into high quality organic fertilizer.

Danamon Go Green’s activities began in 2007 with the development of pilot projects in Bantul and Sragen of Central Java. In cooperation with the local governments, composting units were installed in two pilot markets, each processes 5 tons of organic waste into 2 tons of organic fertilizer that generate additional revenue for the market community, absorbs 4 work people while at the same time reduces the waste management problem of local government.

Since then, during 2008 the program has been adopted by 31 regencies/municipalities all over Indonesia, including South Tapanuli, Pekanbaru, Payakumbuh and Tanjung Balai in Sumatera; Central Jakarta, Bogor, Bekasi, Banjarnegara, Jepara, Kendal, Klaten, Magelang,

Pemalang, Purbalingga, Rembang, Temanggung, Pacitan, Probolinggo Municipality, Probolinggo Regency, Wonosobo, Semarang and Grobogan in Java; and Soppeng, Barru, Bitung, Sidrap, Pinrang and Palopo in Sulawesi.

To accelerate nationwide learning process and to facilitate experience sharing among local governments, in December 2008 Danamon Peduli Foundation and Bantul Regency organized a National Convention that also served as a national forum to evaluate the program implementation. The event was officiated by the Governor of Daerah Istimewa Yogyakarta, Sri Sultan Hamengkubuwono X and attended by senior representatives from participating regencies/municipalities.

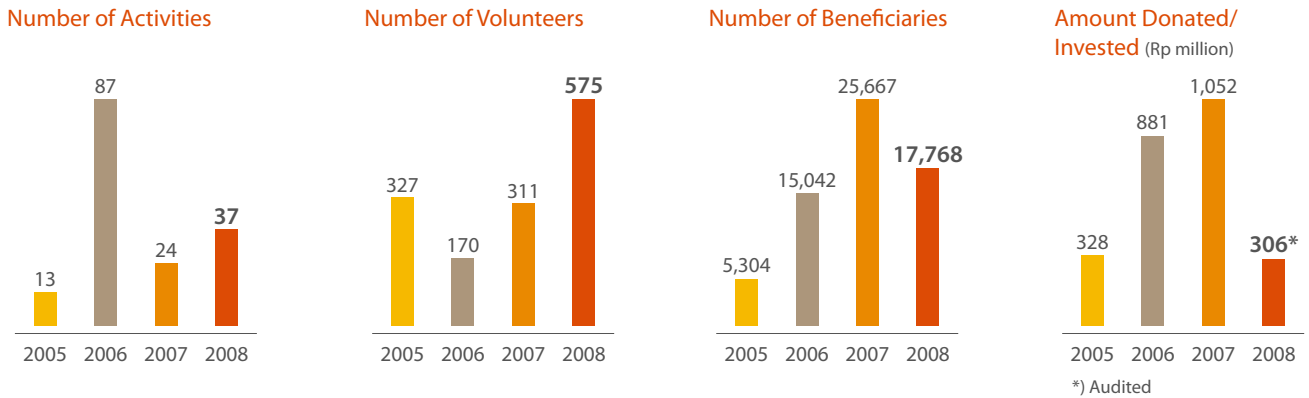
Broader rollout is already planned in 2009, where Danamon will facilitate capability development within the regions through pilot unit building, production and management skill training as well as control and evaluation activities.

Danamon Go Green 2007 - 2008			
Year	Number of Activities	Number of Volunteers	Amount Donated/ Invested (Rp million)
2007	2	10	175
2008	31	155	2,680*

*) Audited

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3R: Relief, Recovery, Reconstruction 2005 - 2008



Relief, Recovery and Reconstruction Program

Through its Relief, Recovery and Reconstruction (3R) program, Danamon continued to assist victims of natural disasters in Indonesia. With more than 1,400 branches and more than 40,000 employees as volunteers all over the country, Danamon thrives to become the first private company that provides relief in the wake of a disaster and to identify the critical needs of the community post disaster.

During 2008, 488 Danamon volunteers took part in helping victims of 32 disasters, including landslide, flood, market burned and earthquake disasters in North Sumatera, Jakarta, West Java, Central Java, Yogyakarta, East Java, Central, East and South Kalimantan, South Sulawesi, Gorontalo and West Papua.

In the event of larger scale natural disasters of tsunami in Aceh/Nias and earthquake in Yogyakarta and Central Java, Danamon Peduli also received donations from the bank's customers and employees by organizing Danamon Peduli Aceh Funds and Danamon Peduli Yogya/Central Java Funds.

Continuing our contributions to the recovery and reconstruction of Yogyakarta and Central Java post earthquake, in June 2008 we inaugurated seven cultural centers in 7 villages in Yogyakarta. Officially launched by the Governor of Daerah Istimewa Yogyakarta, these centers now serve as central hubs that facilitate local community activities.



Summary of results from AUP reports for Aceh and Yogyakarta accounts

Result

During the period since Aceh's account and Yogyakarta's account are open until they are closed, total fund received from donation are Rp 2,205,096,097 and Rp 425,995,565 respectively. All fund received have been recorded completely and accurately in the record of fund receipts of respective projects.

All fund disbursement transactions in Aceh's account and Yogyakarta's account have been recorded completely and accurately in the record of fund disbursements of respective projects.

All fund disbursement transactions in the record of fund disbursements are supported by and agreed with valid supporting documents.

All fund disbursements above have been authorized by the authorized persons.

Aceh's account and Yogyakarta's account had nil balance and been closed on October 10, 2008.

Following the conclusion of our 3R activities in Aceh/Nias and Yogyakarta/Central Java, in 2008 we appointed PricewaterhouseCoopers to audit the donation collected and all fund disbursement transactions for the relief and reconstruction efforts. Total fund received in the Aceh's and Yogyakarta accounts are Rp 2.2 billion and Rp 426 million respectively. Both accounts were officially closed on October 10, 2008.

Agreed Upon Procedures (AUP) were performed by PricewaterhouseCoopers for the Aceh's and Yogyakarta

accounts and AUP reports were issued on November 19, 2008.

Danamon Peduli Scholarships

Danamon Peduli Scholarship program provides education assistance to students from less privileged communities. Since 2004, over 442 full scholarships have been awarded for elementary school to university level students, including eight students from the Bogor Agricultural University that graduated in 2008.



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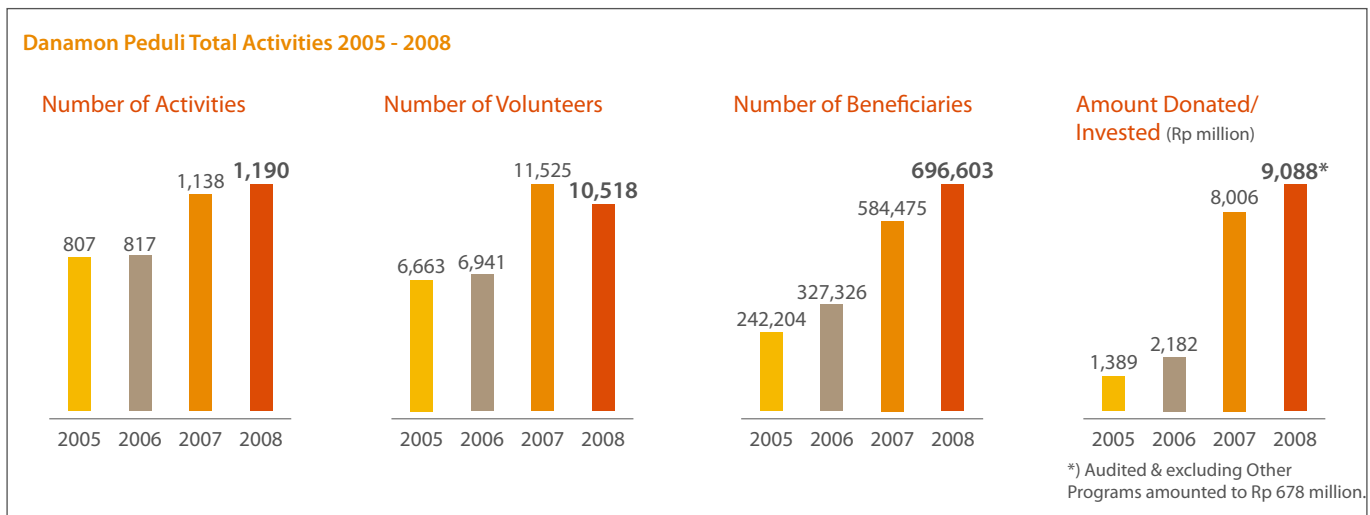
Formal / Non Formal Education 2007 - 2008				
Year	Number of Activities	Number of Volunteers	Number of Scholarship Beneficiaries	Amount Donated/ Invested (Rp million)
2007	1	10	23	104
2008	8	25	1,176	43*

*) Audited

Starting in 2008, we reoriented our education program to focus on capacity building initiatives for traditional markets and small medium enterprises to enhance their working and managerial skills. In line with this new priority, during the year we conducted various training on compost production skills which was attended by 35 officials and 24 workers from Wonosobo, Pacitan and Grobogan. In partnership with the Ministry of

Research and Technology, PT Telkom and the Indonesian Association of Open Source, we also donated over 200 personal computers with internet access and organized computer training programs to five under-developed schools in Kepulauan Seribu.

Plans are already laid out for 2009 to continue supporting the traditional market communities by enhancing the waste management skills of local government officials, market managers and the compost processing workers.



Actual Spending of Danamon Peduli Foundation 2008		Amount Donated/ Invested (Rp)
Activities		
Danamon Peduli Funds		
1	My Clean, Healthy and Prosperous Markets	6,059,491,743
	<p>1,114 activities to improve the health and hygiene conditions of over 836 markets in 28 provinces, including:</p> <ul style="list-style-type: none"> • donations of garbage disposal equipments in 425 markets • fogging and free medical check up in 153 markets • Public toilets renovations in 113 markets • Painting and tree planting in 159 markets • Small infrastructure development, i.e. drainage system, paving, market zoning, information board, etc. in 247 markets <p>This program has involved 9,763 volunteers, touched 677,659 beneficiaries in 28 provinces</p>	
2	Danamon Go Green	2,679,507,667
	This program is aimed at cleaning traditional markets systematically by converting organic market waste into high quality organic fertilizer in 31 kabupaten/kota	
3	3R (Relief, Recovery and Reconstructions)	306,286,476
	<p>A total of 37 activities in 13 provinces for :</p> <ul style="list-style-type: none"> • Floods: 11 activities • Market burned down: 16 activities • Earth quake: 3 activities • Land slides: 5 activities • Epidemic disease prevention: 2 activities 	
4	Scholarship	43,000,000
5	Organization Development	25,000,000
6	Outreach / communication	233,847,110
7	Program Development	48,570,300
8	Monitoring and Evaluation	274,333,336
9	Miscellaneous expenses	96,413,328
10	Operational Expenses	1,994,199,240
GRAND TOTAL		11,760,649,200

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Yayasan Danamon Peduli

Statement of Financial Position

As at December 31, 2008 and December 31, 2007 (Expressed in Rupiah)

	2008 (Audited)	2007 (Audited)
Assets		
Cash and cash in bank	1,238,346,918	1,506,075,432
Account Receivable	-	9,828,414
Other assets	23,954,500	83,169,486
Fixed assets	154,182,791	131,602,090
TOTAL ASSETS	1,416,484,209	1,730,675,422
Liabilities		
Accrued expenses	964,146,498	1,293,512,631
Taxes payable	88,436,495	111,240,638
Other payable	34,412,066	7,912,499
TOTAL LIABILITIES	1,086,995,059	1,412,665,768
Net Assets		
Unrestricted net assets	329,489,150	318,009,654
TOTAL NET ASSETS	329,489,150	318,009,654
TOTAL LIABILITIES AND NET ASSETS	1,416,484,209	1,730,675,422

Yayasan Danamon Peduli		
Statement of Activities		
For the period from January 1, 2008 to December 31, 2008 and January 1, 2007 to December 31, 2007 (Expressed in Rupiah)		
Description	2008 Audited	2007 Audited
Changes in Unrestricted Net Assets		
Donation/Contribution	2,033,811,280	1,579,340,340
General and administration expenses	(1,994,199,240)	(1,608,718,714)
	39,612,040	(29,378,374)
Other income/(expense)		
Other income	67,830,050	43,588,763
Other expense	(49,648,018)	-
	18,182,032	43,588,763
Increase in unrestricted net assets	57,794,072	14,210,389
Corporate tax	(46,314,576)	(31,636,565)
Increase/(decrease) unrestricted net assets after corporate tax	11,479,496	(17,426,176)
Unrestricted net assets at the beginning of the year	318,009,654	335,435,830
Unrestricted net assets at the end of the year	329,489,150	318,009,654
Changes in Temporarily Restricted Net Assets		
Contribution/donation	9,766,449,960	7,988,281,134
Net assets released from restriction	(9,766,449,960)	(7,988,281,134)
Increase in temporarily restricted net assets	-	-
Temporarily restricted net assets at the beginning of the year	-	-
Temporarily restricted net assets at the end of the year	-	-