

Danamon Sustainability Report Card

DANAMON Sustainability Pillars	Commitments	2014 Progress	2015 Progress
Customer Satisfaction	Maintain and develop high customer satisfaction index in all relevant areas	Maintain top 5 ranking among all banks in Indonesia in the Bank Service Excellence Monitor (BSEM) survey. Achieved 9 awards of MarkPlus WOW Service Excellence Award in 2014 based on a survey conducted MarkPlus Insight and Marketeers in 17 cities with 17,000 respondents about the service quality	Achieved "Consumer Bank of the Year" in "Customer Satisfaction Award" from Roy Morgan.
	Fair and inclusive banking	Danamon sets a total target for participants in the financial literacy education activities for 2014 at 350,107 people in the following groups: <ul style="list-style-type: none"> - Housewives - Entrepreneurs of Micro and SMEs, - Students - Beginner Workers - Market Community, - Young Couples 	Danamon sets a target total participants consisting of Micro entrepreneurs, especially market entrepreneurs, housewives, students, government employees, corporation employees, to be participants in the financial literacy activities for 2015 at 41,303 in the following groups: <ul style="list-style-type: none"> - Class room - Talk show radio - Advertorial media print and online - Website Danamon
A Healthy Bank	Healthy growth in market and financial performance	ROE of 8.6% ROA of 1.4% Total Revenue of Rp17.6 trillion Loan to Deposit Ratio of 92.5% NPAT of Rp2.6 trillion (reported) NPL of 2.3%	ROE amounted to 7.4% ROA amounted to 1.2% Total Revenue Rp.17.4 trillion Loan to Deposit Ratio of 87.5% NPAT of Rp.2.4 trillion NPL of 3.0%
Improving and Learning from the best	Implement national and international banking standards and other relevant guidelines	There was no new ISO certification in 2014	In May 2015 extended the ISO 22301:2012 certification on Business Continuity Management System (BCMS) that was acquired in 2013, following a surveillance audit by the British Standards Institution Group without any non-conformity findings.

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Corporate Governance and Compliance	Abide by law and regulations	Awarded 1st Annual Report Award 2013 in the Private Financial Listed category	Achieved 50 Best Public Listed Company in ASEAN and 3rd Best in Indonesia in Governance Corporate Award from ASEAN Market Forum. Achieved "Best Overall" in 7th IICD Corporate Governance Conference and Award.
	Control mechanism And solid internal	Continue to implement internal socialization through E-Learning modules of Anti Money Laundering (AML)/Combating Funding for Terrorism (CFT).	Continue to implement internal socialization through E-Learning modules of Anti Money Laundering (AML)/Combating Funding for Terrorism (CFT).
	Supplier Relationship	Implement new procurement policies where there are provisions on the supplier/vendor where suppliers/vendors who are appointed by Danamon shall abide by all environmental regulations and understand the impact of their operations on the environment.	Implement new procurement policies where there are provisions on the supplier/vendor where suppliers/vendors who are appointed by Danamon shall abide by all environmental regulations and understand the impact of their operations on the environment.
Employee satisfaction and creating a rewarding working experience	Become an employer of choice	134,073 man-days of employee training. Danamon Corporate University conducts the D4D (Danamon for Danamon) program where Danamon's employees volunteered in the dissemination of knowledge and science as a learning facilitator.	157,056 man-days employee training.
	Creating a healthy and safe working environment	Organize seminars with topic "Health" through D'Club Health Talk program featuring health experts. Medicilin, Adira Health Insurance products, organize a contest "I want to be Fit" where the employees with the best physical health level get a gift such as tourism package and others.	Conducting D'Health activities in three cities, namely Medan, Makassar, and Semarang. Around 780 employees of Danamon participated in these activities that offer health check up and seminars on health.
Wise Energy Usage	Reduce electricity usage.	Corporate Real Estate Management (CREM) organizes a contest "Danamon Go Saving" for Danamon buildings or branches that succeed in reducing electricity consumption more than last year will get incentive.	Corporate Real Estate Management (CREM) organizes a contest "Danamon Go Saving" for Danamon buildings or branches that succeed in reducing electricity consumption more than last year will get incentive.
			To support this, CREM and Public Affairs conducted the socialization for effective electricity consumption through Internal media (SPIRIT Magazine and Email Blast).

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Waste Management	Reducing the amount of waste to the landfill through Reduce, Reuse, Recycle programs	In 2014, Yayasan Danamon Peduli managed to collect 3,103 kg of non-organic waste from Danamon and Adira's building and branches throughout Jakarta for recycling needs.	<p>In 2015, Yayasan Danamon Peduli managed to collect 3,120 kg of non-organic waste from Danamon and Adira's building and branches throughout Jakarta for recycling needs.</p> <p>In 2015, Public Affairs collected 1Ton of waste for recycling as their activities in the Paper Recycle initiative.</p>
	Reduce paper consumption	<p>Starting initiative to recycle paper, where Danamon Peduli collects waste paper from Danamon's operations which is then processed into recycled paper by a customer of Danamon SME Banking.</p> <p>Recycled paper is then used as the base material of Danamon corporate communication. Procurement Division set a target reduction of paper consumption by 30%. Greeting card (religious holiday) and printed annual report are replaced with e-media.</p> <p>Danamon reduced the number of printed Annual Reports in 2014. Approaching the end of 2014, Danamon launched a Mobile Banking Application that allows customers to conduct financial transactions via smartphones, thereby reducing paper usage that is generally used for transactions in a branch or ATM (receipt).</p>	<p>Continuing with the Recycled Paper initiative, whereby Danamon Peduli collected wastepaper as the by-product of Danamon's operational activities for subsequent treatment into recycled paper. The recycled paper was then used as a material in Danamon's corporate communications activities.</p> <p>Using recycled paper for the material of Danamon's paperbag and also for the covers of Danamon's Annual Report and Sustainability Report documents.</p> <p>Reducing paper-based corporate communications material such as agenda and calendars, and using digital media in their place.</p> <p>In 2015, Danamon launched an online shopping payment gateway service through Danamon Online Banking, another initiative in support of paperless digital transaction processes.</p>
Climate Change	Reduce carbon emissions	From January until July 2014, Yayasan Danamon Peduli distributed Rp4.5 billion to several activities of Bulan Kepedulian Lingkunganku across Indonesia which involved 6,627 Danamon and Adira employees and planted more than 3,000 trees.	In 2015, Danamon Peduli spent Rp2.5 billion for the series of its Bulan Kepedulian Lingkunganku Program throughout Indonesia.

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	Implement principles of Green Building for Danamon offices.	Topping off Danamon Tower building that employs Green Building concepts.	Danamon switched air conditioning systems at buildings and branches to use a hydro carbon refrigerant that will reduce the electricity's consumption. LED lighting placed in all Danamon buildings and branches. Utilized recycled materials for furniture and office equipment.
Environment Conservation	Investing in environmental conservation programs.	Total environmental conservation investment in 2014 was Rp4.58 billion	Total environmental conservation investment in 2015 was Rp2.5 billion.
Community Welfare	Improve society's welfare through micro and SME financing.	In 2014, Danamon recorded credit contribution to micro and SME business segment amounting to 28% of total loans of Danamon.	In 2015, Danamon recorded credit contribution to micro and SME business segment amounting to 29% of total loans of Danamon.
	Support SME growth.	Danamon's loan for SME grew 9% to Rp20 trillion.	Danamon's loan for SME grew 5% to Rp22.4 trillion.
Company's Social Investment through Yayasan Danamon Peduli and other partners.	Enhance total coverage of potential beneficiaries to become banking literate.	In 2014, Yayasan Danamon Peduli provided budget of Rp 13.5 billion for the following activities: Pasar Sejahtera, Cepat Tanggap Bencana, Regional Icon	In 2015, Yayasan Danamon Peduli provided budget of Rp 8 billion for the following activities: Pasar Sejahtera, Cepat Tanggap Bencana, Regional Icon.
Access to banking for all	Greeting more people across the country, including those who live in rural and remote areas.	Danamon and the Financial Services Authority (FSA) conduct various activities of financial literacy especially in eastern Indonesia, including implement the Financial Industry Exhibition in Kupang, East Nusa Tenggara.	Danamon conducts financial literacy programmes named "Pojoy Bisa" in some areas in Indonesia, especially in public market areas.

LEGAL MATTERS AND IMPORTANT ISSUES INVOLVING THE BANK, ITS SUBSIDIARIES, MEMBERS OF DIRECTORS AND/OR COMMISSIONERS

Legal matters are civil and criminal cases involving Danamon and its Subsidiaries during the reporting year and has been filed through judicial process.

Legal Matters involving Danamon

Legal Cases Involving Danamon	Number of Cases		Impact on Danamon
	Civil	Criminal	
Settled (has clear legal standing)	124	19	Danamon prevails in almost all legal cases, while those cases that Danamon does not prevail do not have financial impact on the Company
In the process of settlement	647	55	Nil

Note:

Civil and Criminal Cases involving Danamon during the period of reporting year and has been submitted through District Court. Recapitulation of total cases during 2015 based on November 2015 data.