

Analyst Meeting

Financial Performance 1H-2005

PT Bank Negara Indonesia (Persero) Tbk Jakarta, July 28, 2005

About BNI



Introducing BNI's **Board of Directors**



Sigit Pramono President Director / CEO Since Dec 2003

- Former President Director of Bank International Indonesia



Gatot Mudiantoro Suwondo Deputy President Director Since May 2005 Former Director of Bank

Danamon



Tjahjana Tjakrawinata Managing Director (Corporate)

- Since Dec 2003
- Former Regional Head for Jakarta area, Bank Mandiri



Suroto Moehadji Managing Director (Commercial)

- Since Dec 2003
- Former Head of Operations



Ahmad Baiquni

- Managing Director (Consumer)
- Since Dec 2003
- Former Head of Personal **Banking Business** Development



Fero Poerbonegoro

- Managing Director (Treasury)
- Since Dec 2003
- Former Director of Bank Central Asia



I. Supomo

- Managing Director (Operations)
- Since Jun 2003
- Former Assistant President Director, Bank Mandiri



Bien Subiantoro

- Managing Director (Risk Management)
- Since Dec 2003
- Former Group Head of International Banking, Bank Mandiri



Kemal Ranadireksa

- Managing Director (HR)
- Since Dec 2003.
- Former Regional Head, Bank Mandiri, Bandung



Achil Ridwan Djayadiningrat Managing Director (Compliance)

- Since Dec 2003
- Currently member of expert staff to Board of Governors, Bank Indonesia



BNI from past to present



New Vision: To be a bank that all Indonesians can be proud of, leading in services and performance New Mission: Maximize stakeholder value by providing financial solutions that are focused on selected corporate, commercial and consumer market segments

1968: Reorganized "BNI

1946" as a commercial



1996: BNI, as first stateowned bank, goes public

2000: Post-recap. The Government now owns 99.1% of BNI

2000: Recapi

Recapitalization by the Government of Indonesia to the amount of Rp. 61.8 tn

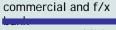


2004:Launch of new logo

2005:

The most extensive distribution platform in Indonesia

The 3rd largest commercial bank by asset size



1955: Became a

1946: BNI Established

1997-2000 (Asian financial crisis)

The New BNI

Pre-crisis

bank

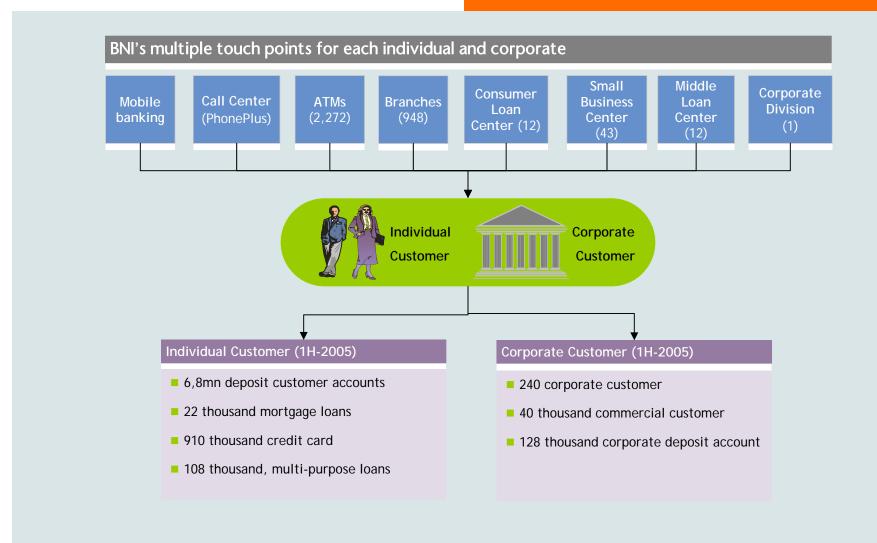


List of Major BNI's Shareholders

	AS OF 31 MAR 2005			
SHAREHOLDERS	Number of shares issued and fully paid	Percentage of ownership (%)	Par Value (in million Rupiah)	
Class A Dwiwarna share - Republic of Indonesia	1	0.00	0	
Class B shares - Republic of Indonesia	217,006,399	1.63	1,627,548	
- Employees and Directors	6,814,500	0.05	51,109	
- Public (less than 5%)	65,520,967	0.49	491,407	
Class C Shares				
- Republic of Indonesia	12,946,751,100	97.48	4,855,031.66	
- Employees and Directors	228,233	0.00	86	
- Public (less than 5%)	45,366,200	0.34	17,012.33	
TOTAL	13,281,687,400	100.00	7,042,194	

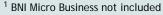


Ensuring multiple touch-points to ensure maximum customer penetration



Network

Nationwide spread of regional offices and overseas offices Regional Network Regions Overseas Branches/Agency 12 Region Office BNI 948 Branches Medan 22 Syariah Branches Menado 2.272 ATM Phone banking (22 PhonePlus New York Lines) Padang (Agency) Mobile banking 5 Overseas Branches Palembang BNI Singapore (Nov 1955) Hong Kong (Apr1963) Tokyo, Japan (Sep 1969) Bandung BNI London, UK (1987) New York, US (agency) (Apr Branches¹ ATM² 948 2,540 2,272 2,071 780 730 321 260 673 651 582 455 181 172 155 223 150 95 Panin Lippo Panin Lippo \mathbb{R} Danamon Niaga BTN BCA Buana Mandiri BNI Mandiri Danamon Permata B $\overline{\mathbb{B}}$ Permata



 ${\bf 2}$ Source for ATM data was published by ATM Link Provider, Artajasa

Source: Banking & Industry Report



Navigation Map 2004 – 2018

To achieve the vision, three five-year stages have been formulated

Apr-Jun 2004

- Zero Fraud Operation
 Improve profitability to pre-
 - Strengthening Good Corporate Governance

crisis level

- Redefine Vision, Mission,
 Ctrate and Townst

 Improve human resources management and policy
 - IT Roll-out
 - Launch Service Level Quality Improvement Program
 - Launch maritime sector loan
 - Intensify Cross-Selling Program

"A Leading Bank in Services"

July 2004-

Dec 2004

- ☐Build a strong platform to maintain sustainable growth.
 - Re-branding and improving Corporate Identity
 - Strengthening distribution channel
- Improving risk management □Revitalize profit-generated sources
 - SBU Corporate Banking
 - SBU Commercial & SME Banking (UMKM)
 - SBU Consumer Banking
 - SBU Transactional Banking
 - SBU Treasury and Financial Services
 - SBU Shari'a Finance and Banking
 - SBU International Banking
 - SBU Subsidiaries

2005 - 2013

"A Leading Bank in Performance"

- Maximize performance of profitgenerated sources
- Develop competence to strengthen competitive advantage, by:
 - Organic (internal) development
 - Non organic development, through merger and acquisition

Maximizing Performance

Transformation

2014 - 2018

"A Bank that All Indonesians can be Proud of Leading in Services and Performance"

- □ Redefine profitgenerated sources based on prevailing economic, social & business environmental conditions
- Selective business expansion to international market

A Bank that All Indonesians can be Proud of

Stabilization

Jan-Mar

2004

Appointment of CEO and

management team

Problem mapping &

determine priority

Restore public

Implement risk

Aggressive NPL

Handle fraud case

management

effectively

Strategy and Target

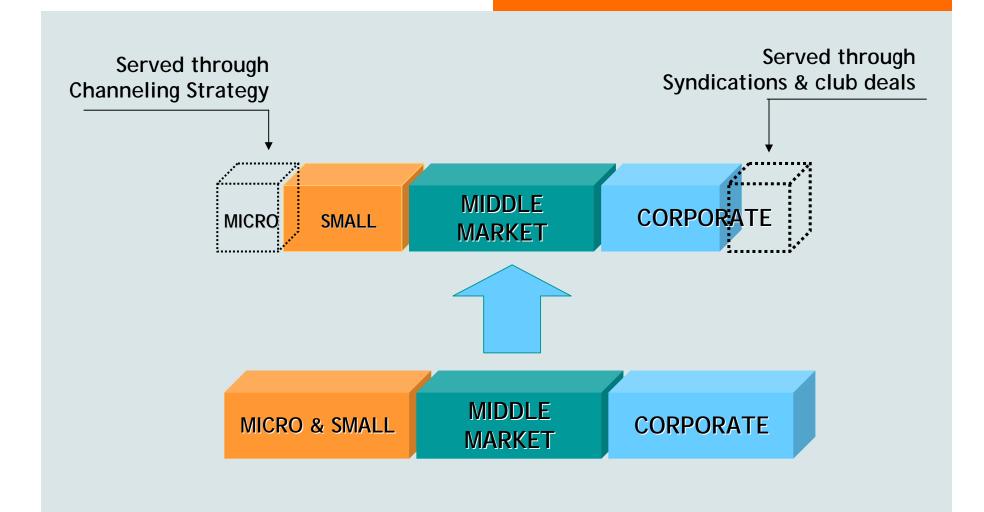
confidence and trust

management more

Recovery



Refocusing Business



AWARD in 2005



Best National Bank 2005





Financial Performance

Period: 1H 2005

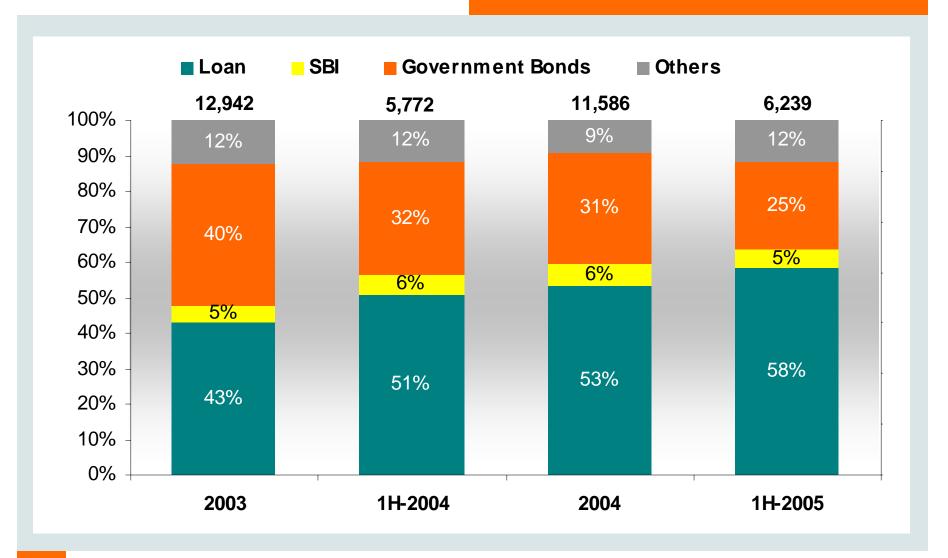


Profit & Loss

[Rp Billion]

	2003	1H-2004	2004	1H-2005
Net Interest Income	5,002	3,357	6,885	3,672
Other Operating Income	2,108	1,171	2,860	876
Net Non Operating Income	205	43	(16)	23
Total Income	7,316	4,571	9,728	4,571
Operating Expenses	3,379	1,892	4,461	2,278
Net Income before Provision	3,936	2,679	5,267	2,294
Provision for loan losses	2,966	1,133	2,128	979
Net Income After Provision	970	1,546	3,139	1,314
Net Income After Tax	829	1,546	3,136	919
Net Income per share (full amount)	63	116	236	69

Breakdown Interest Income



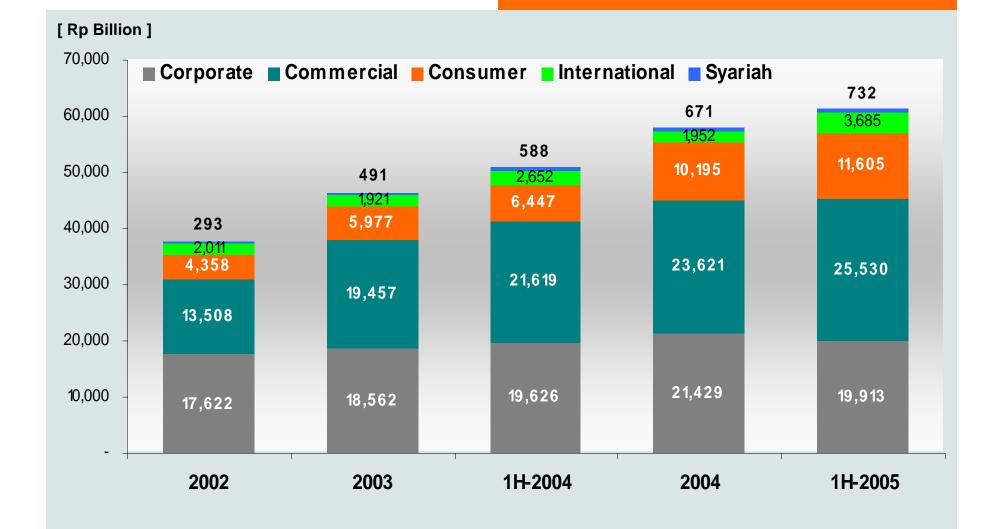


Balance Sheet

[Rp Billion]

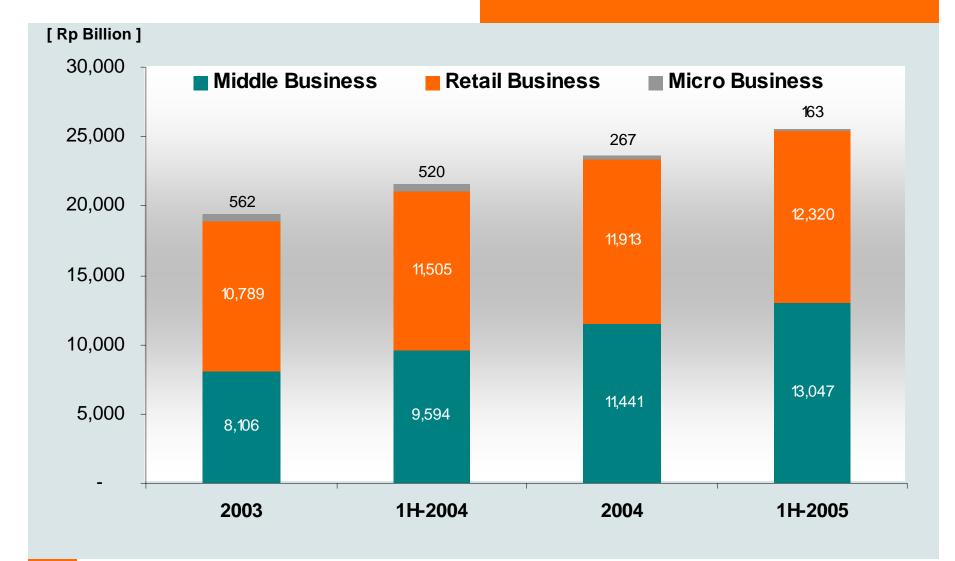
	2003	1H-2004	2004	1H-2005
Total Assets	131,487	128,618	136,482	138,839
Earning Assets				
Loan	46,408	50,933	57,868	61,465
Placement & Marketable Securities	27,504	26,340	24,202	25,264
Government Bonds	40,267	40,949	33,733	32,416
Other Earning Assets	2,004	1,946	2,061	3,705
Interest Bearing Liabilities				
Customer Deposits	105,258	100,252	105,014	105,514
Borrowings	5,026	4,249	4,383	4,498
Subordinated debt	2,066	2,307	2,285	2,406
Marketable Securities Issued	2,228	2,129	2,113	3,022
Equity	10,016	11,152	12,858	11,611

Loan Composition

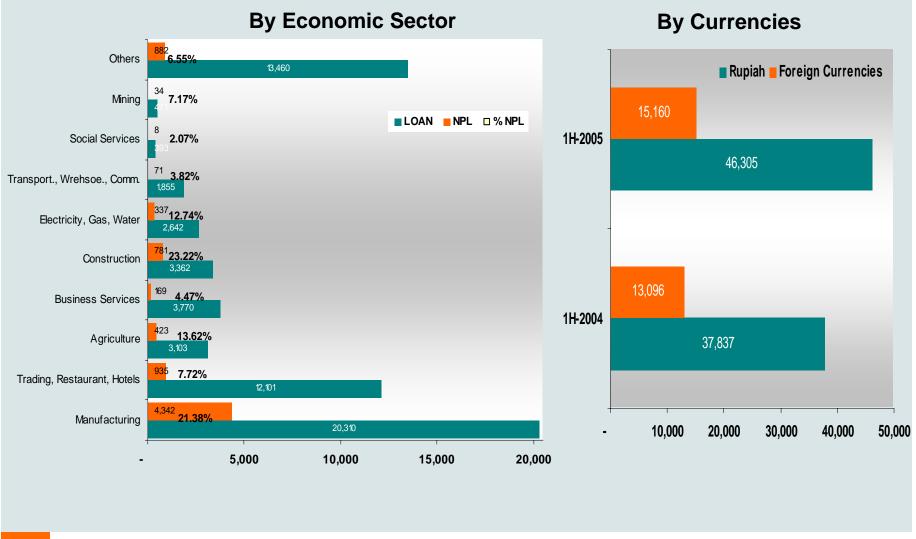




Breakdown Commercial Loan



Loan Portfolio by Sector & Currencies





Impact of BI regulation PBI/2/2005 to NPL

NPL as of December 2004 Rp 2.66 trillion (4.60%) NPL per June 2005 Rp 7.99 trillion (12.98%)

NPL increase

Rp 5,33 trillion (8.38%)

Impact of PBI no 7/2/2005

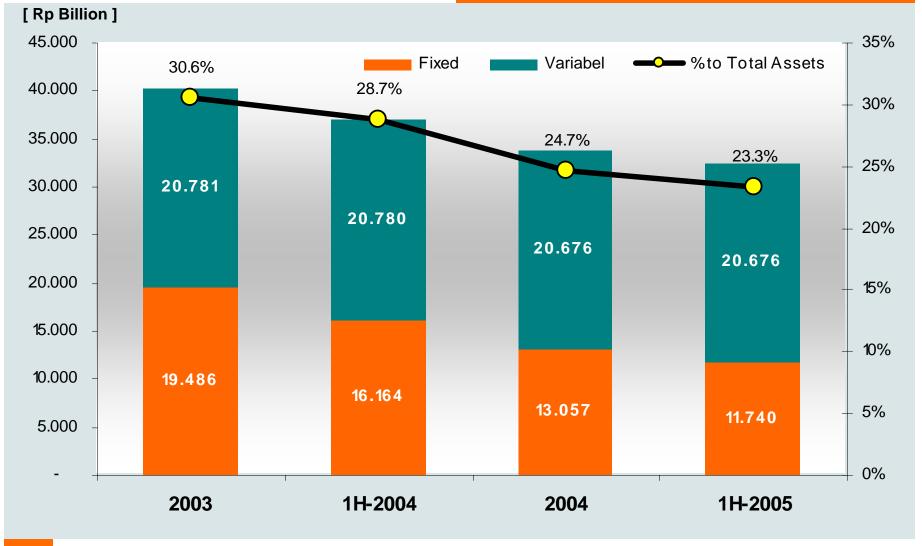
Rp 3,24 trillion (5,27%)

Internal factors

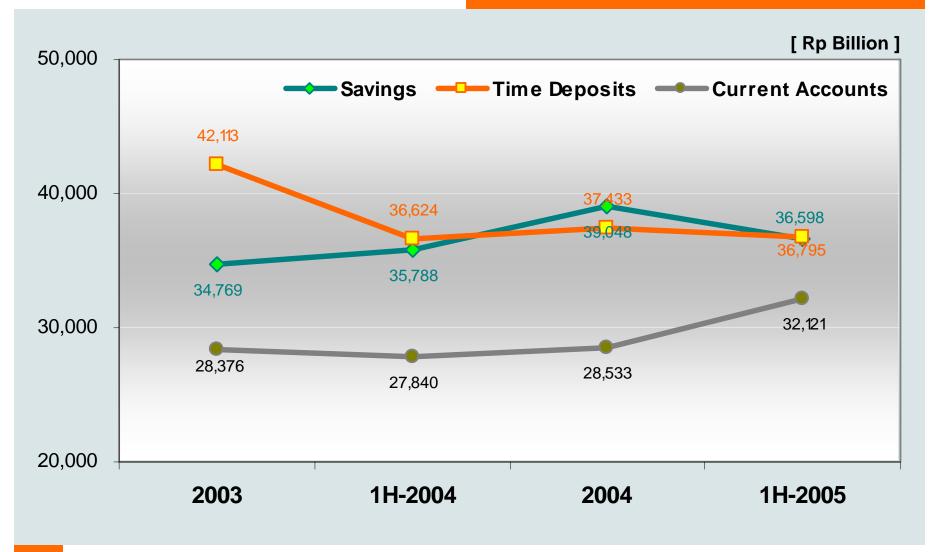
Rp 2,09 trillion (3,11%)



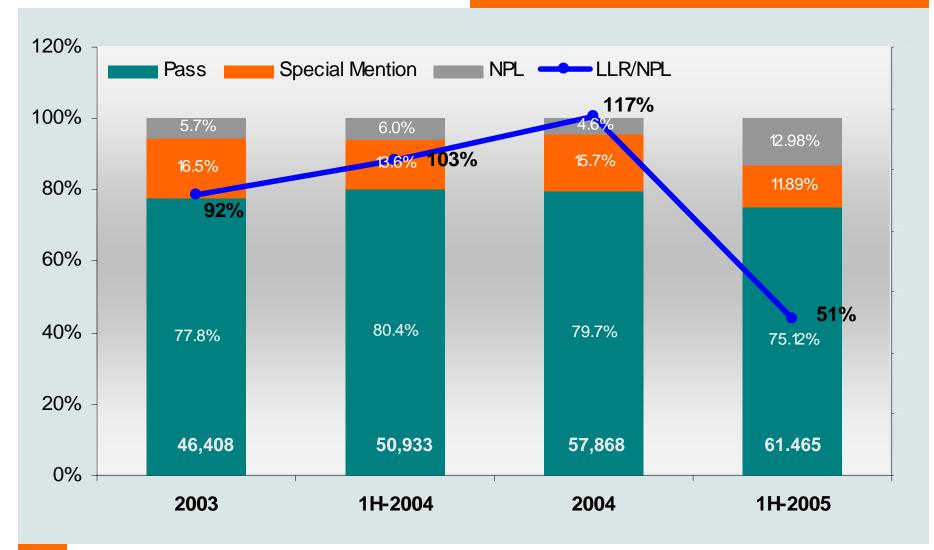
Government Bonds



Deposit Composition



Loan Quality



RATIO

	2003	1H-2004	2004	1H-2005
Capital				
CAR	18.16%	18.89%	17.13%	15.98%
Asset Quality				
NPL Gross	5.69%	5.98%	4.60%	12.98%
NPL Nett	2.07%	1.67%	1.47%	7.84%
LLR/NPL	91.76%	102.80%	117.49%	51.04%
Rentability				
ROA	0.77%	2.44%	2.45%	1.95%
ROE	11.83%	29.83%	29.64%	15.32%
NIM	4.33%	5.52%	5.61%	5.72%
Eficiency				
ВОРО	95.01%	78.82%	78.63%	82.33%
CIR	49.52%	42.40%	45.78%	48.78%
Liquidity				
LDR	44.09%	50.81%	55.10%	58.25%



Equity





Thank you

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