



The New BNI: Building on Strong Foundations to Drive Shareholder Value

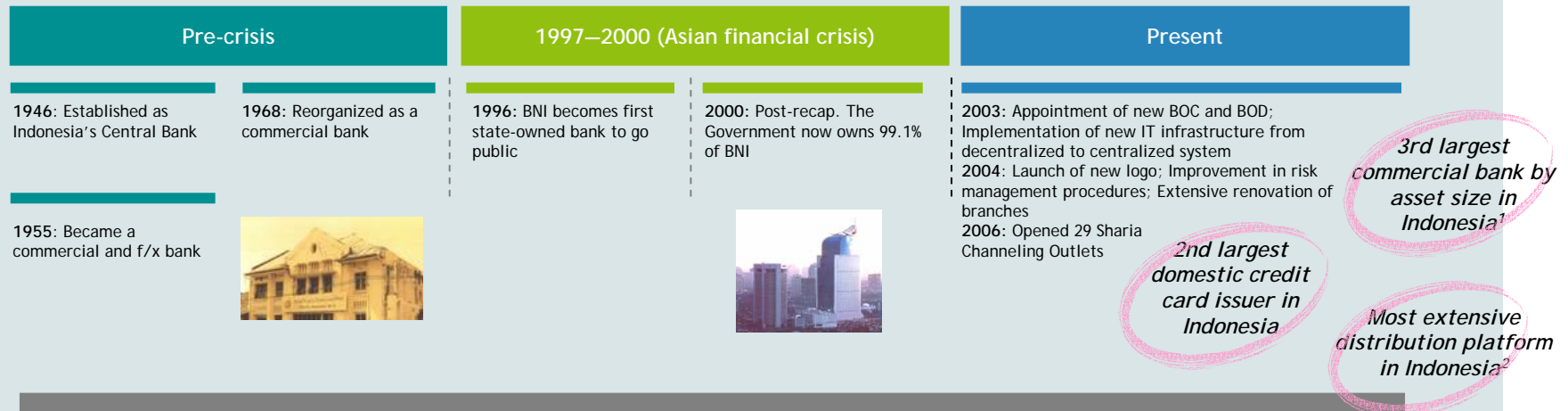
Analyst Meeting

PT Bank Negara Indonesia (Persero) Tbk
August 23, 2007

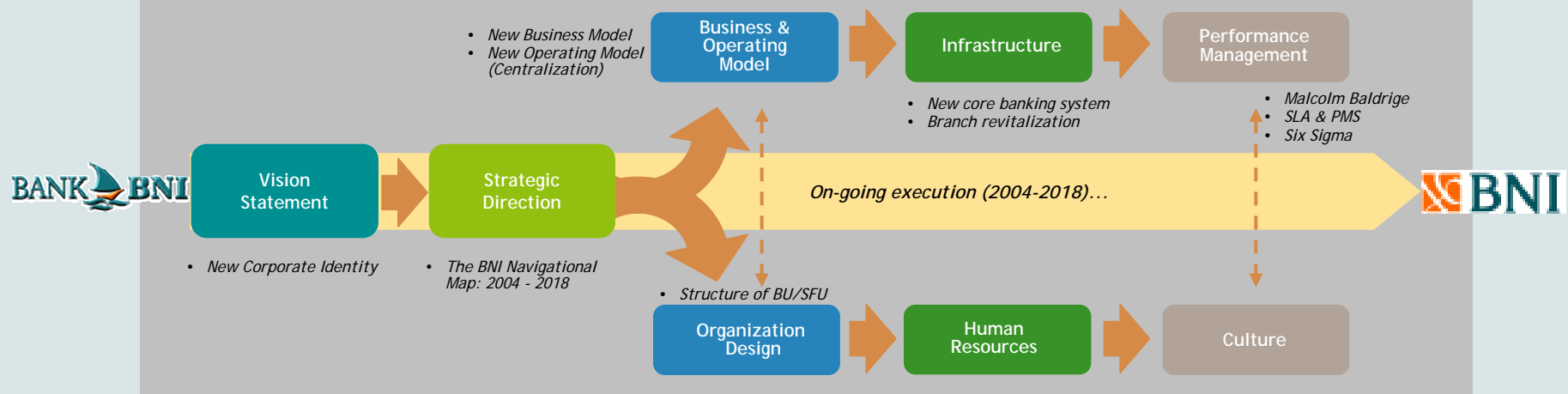
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Established position with clear vision for transformation

BNI's long track record in the Indonesian banking sector



BNI transformation program



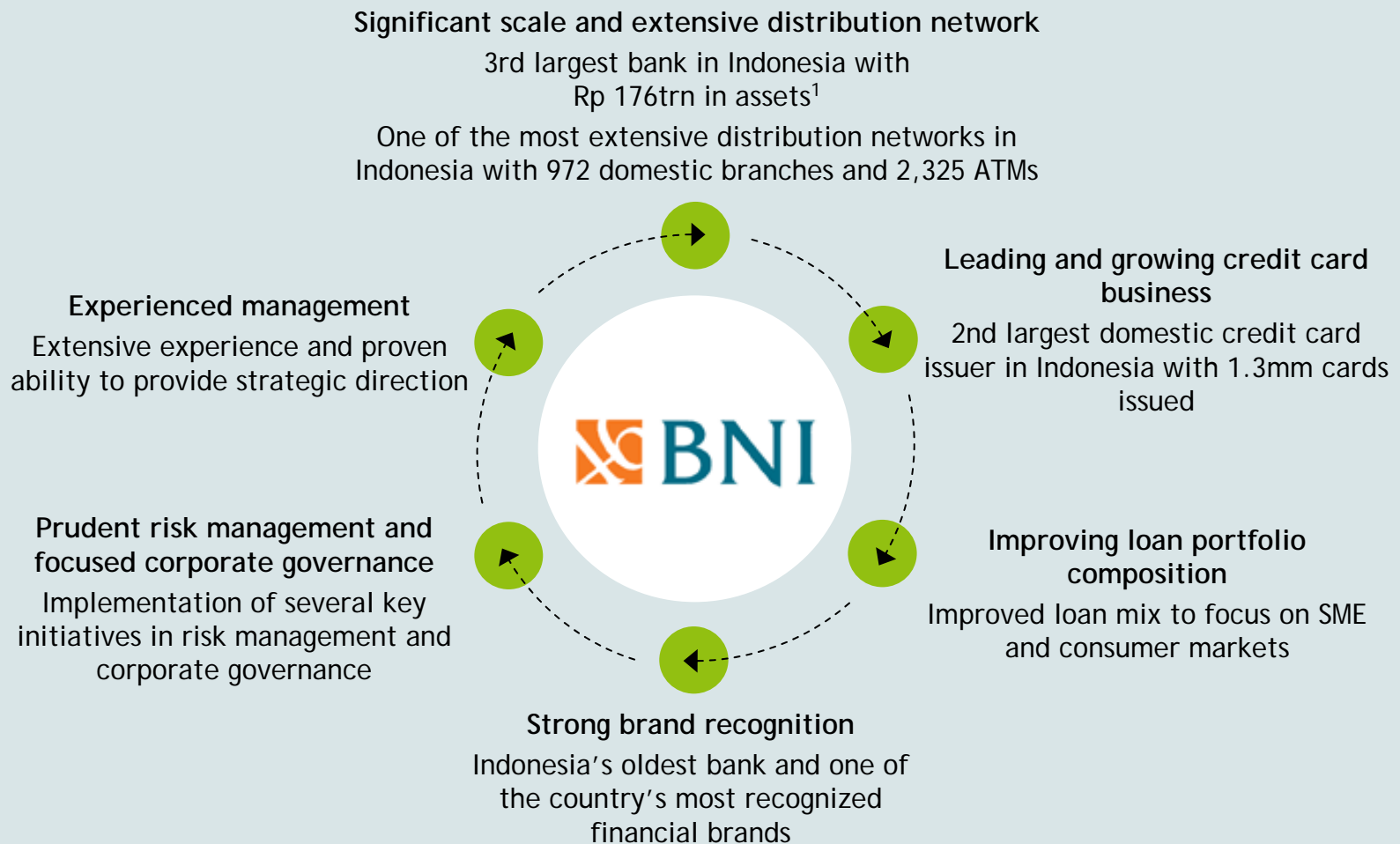
¹ Based on published financial results of individual banks as of March 31, 2007 for Bank Indonesia disclosure purposes

² Excluding microfinance units

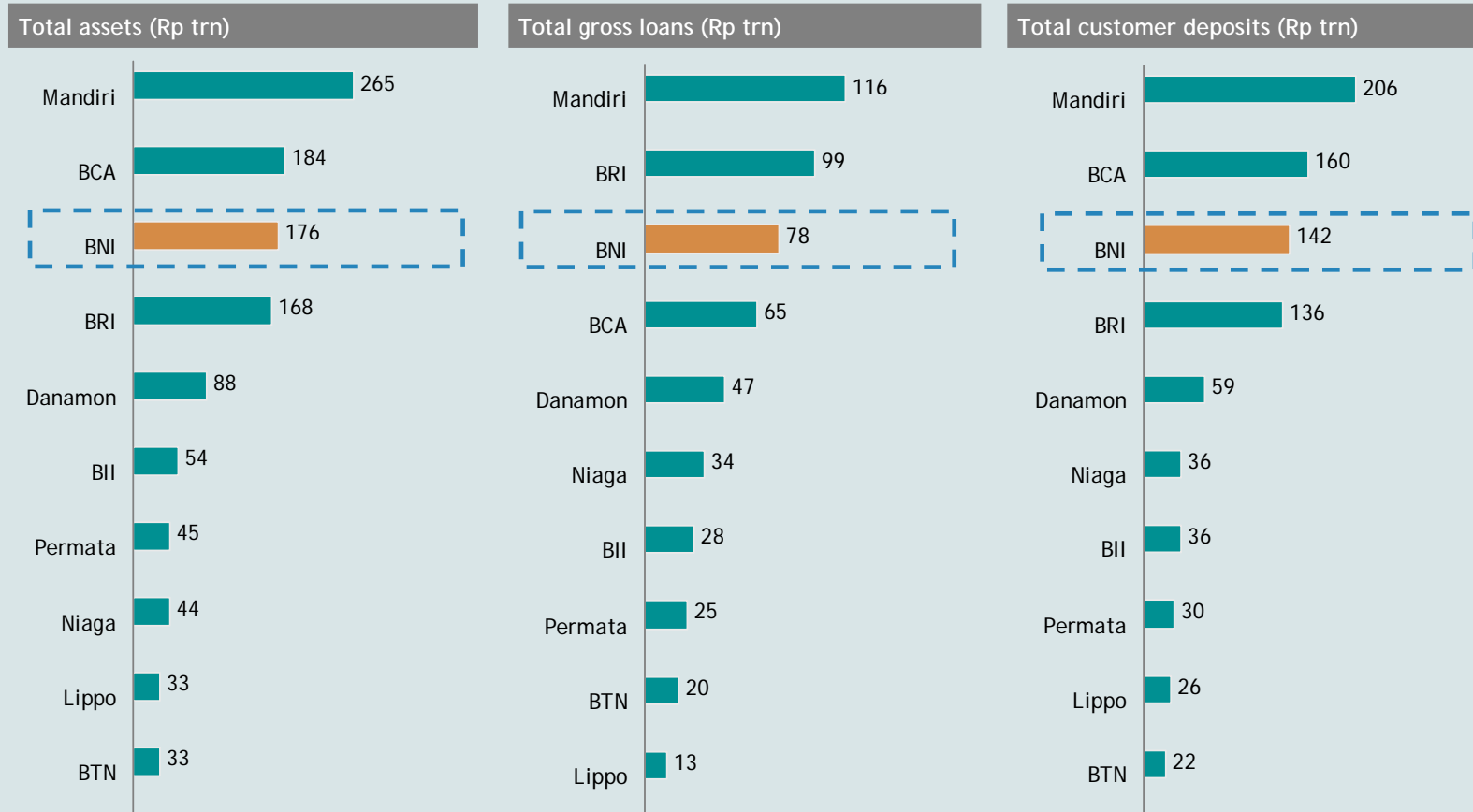
Key strengths of the BNI franchise

Key strengths of the BNI franchise

Key strengths



Significant scale



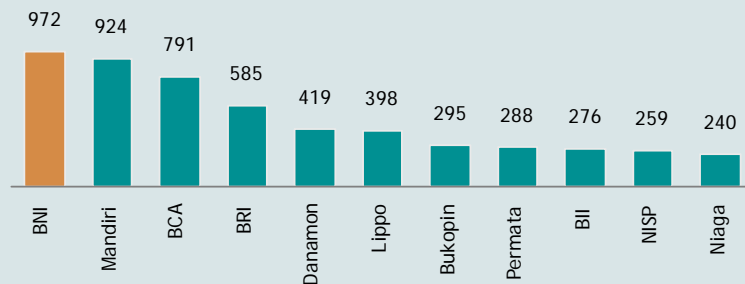
Source: Indonesian bank data based on published financial results of individual banks as of June 30, 2007 for Bank Indonesia disclosure purposes

Extensive distribution network

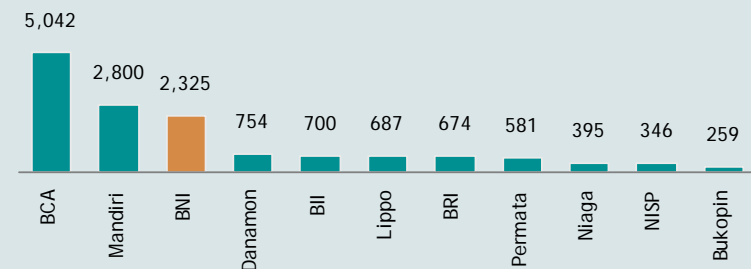
Nationwide spread of regional offices



Branches²



ATMs³



Note: Latest available data from company reports, March 31, 2007

¹ Includes domestic branches and sub branches, Syariah branches and sub-branches

² Excluding microfinance units

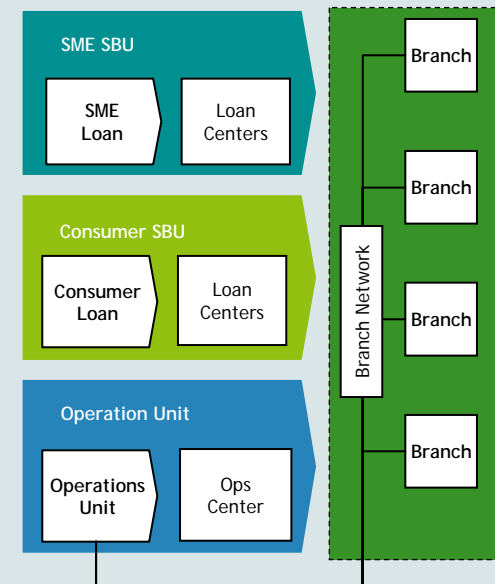
³ ATMs data are based on Company Annual Report 2006 and company websites

Distribution channel evolution and specialization

Modern branches



Channel specialization

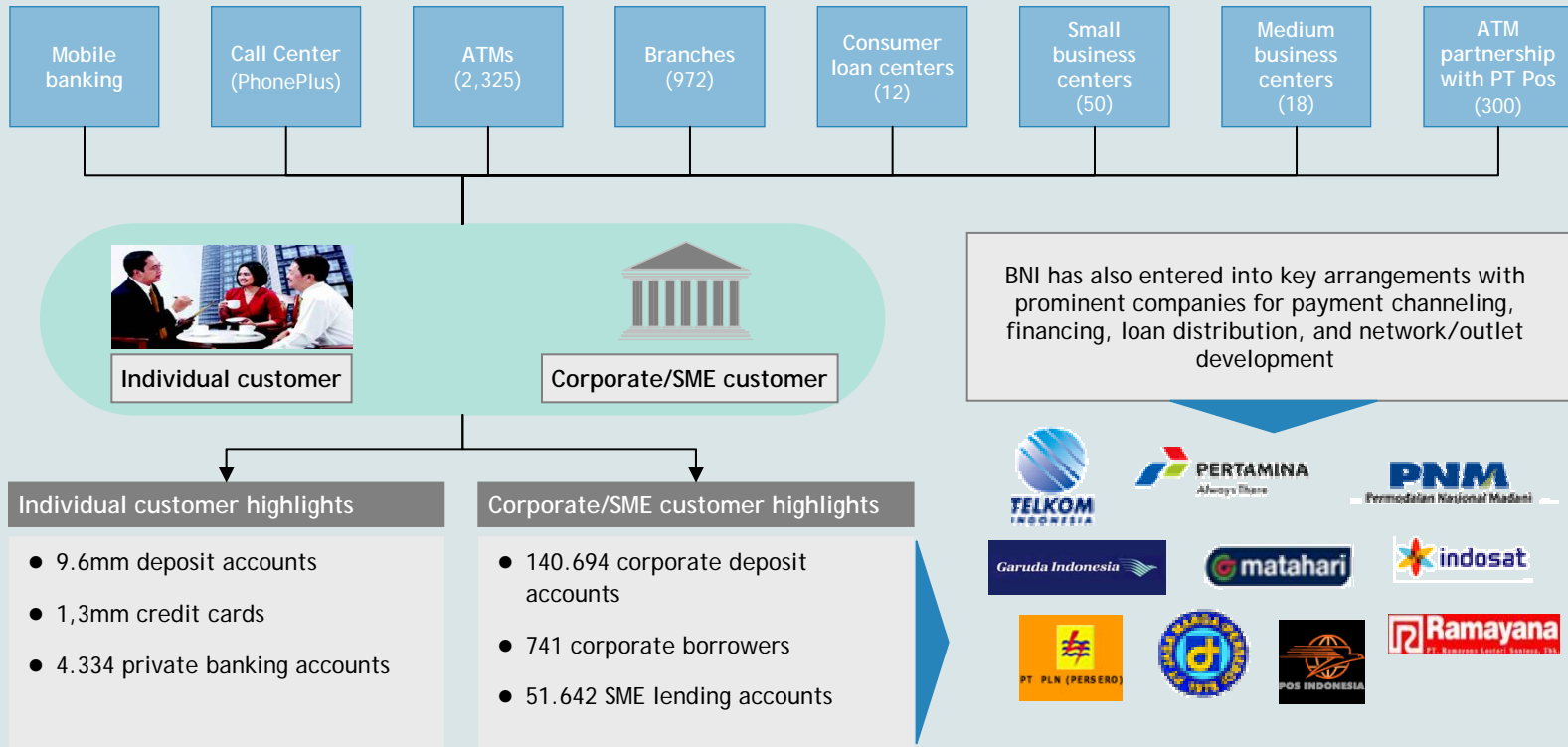


Separation of lending function from branch

- In running SME and consumer businesses, loan marketing process is managed under loan centers
- Branch office management is focused to ensure quality of service and operation support

Multiple touch-points to ensure maximum customer penetration

BNI's multiple touch points for individual and corporate customers



Platform for efficient and effective cross-selling of products and services

Note: As of Juni 30, 2007

Leading and growing credit card business

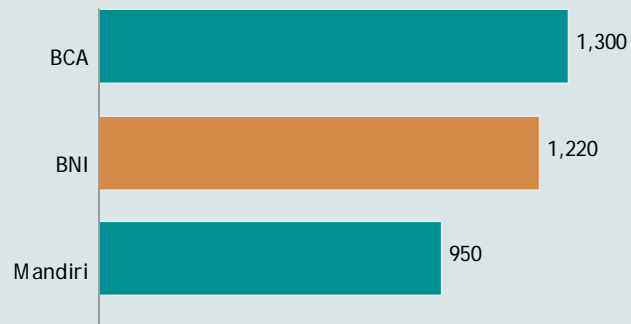
Key highlights

Credit Cards (Visa & Mastercard)

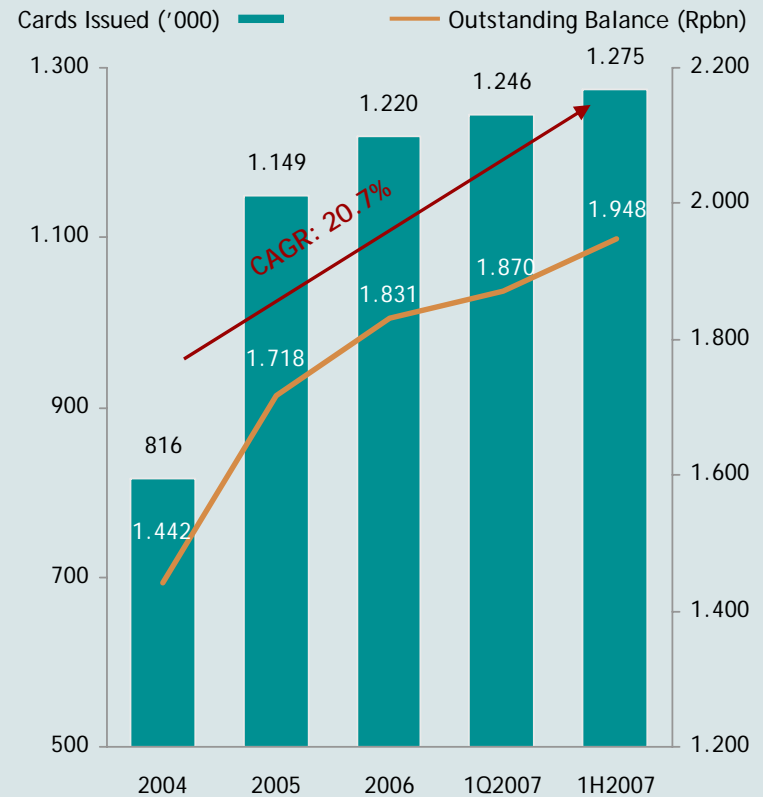
Launched in October 1997
 Balance: Rp 1.9trn
 Spending: Rp 2,7trn (Jan - Jun 2007)
 No. of cards: 1.3mm
 2nd largest domestic issuer
 No. of merchants: 11.113



Domestic banks ranked by cards issued as of 2006 ('000s)



Cards issued and outstanding card loan balance



Source: Company reports, data for credit cards issued in Indonesia based on most recent available information

Broad range of leading products

Key products

TaPlus

Launched in 1989
Balance: Rp 40trn
No. of accounts: approx. 9,0mm



BNI Griya (Housing Loan)

Launched in 1996
Balance: Rp 3,3bn
No. of accounts: approx. 47,000



Pension Plan Product (No. 1 in AUM)

Launched in July 1994
Balance: Rp 2.59trn
No. of member: 370,054



New products

BNI Usaha Maju

- Amount of loan Rp 3bn—10bn

BNI Usaha Berkembang

- Amount of loan Rp 500mm—3bn

BNI Wirausaha

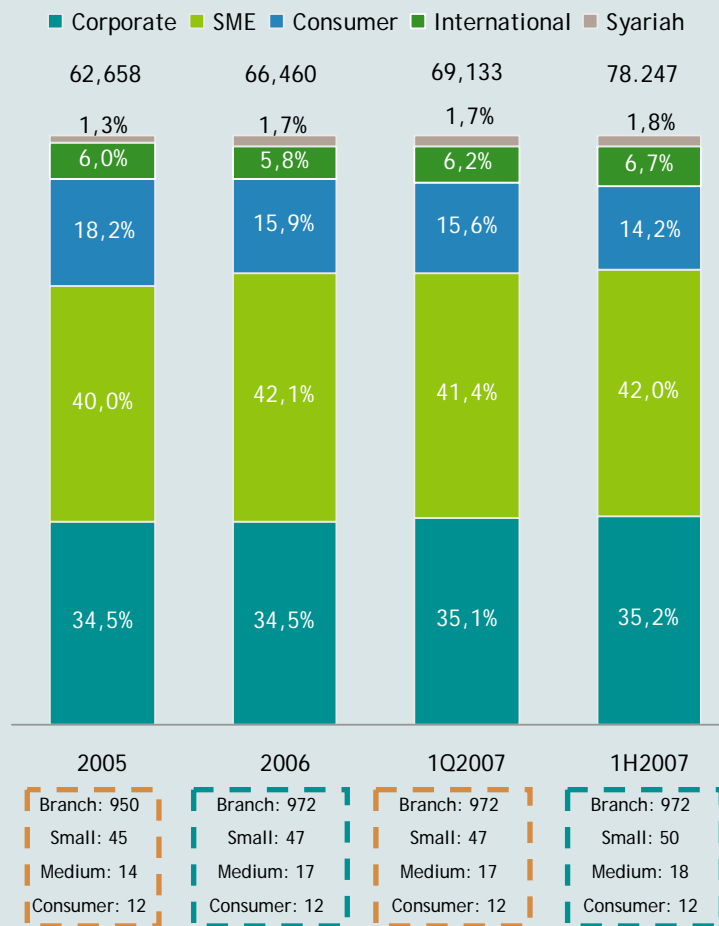
- Amount of loan Rp 50mm—500mm

BNI Emerald

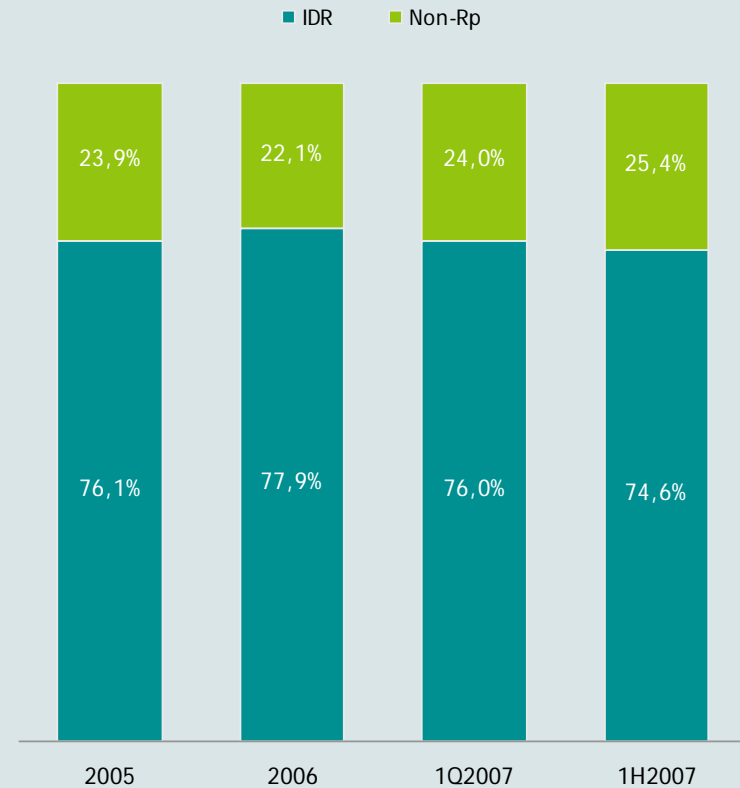
- BNI Private Banking

Loan portfolio composition

Increasing middle market focus (% , Rp bn)

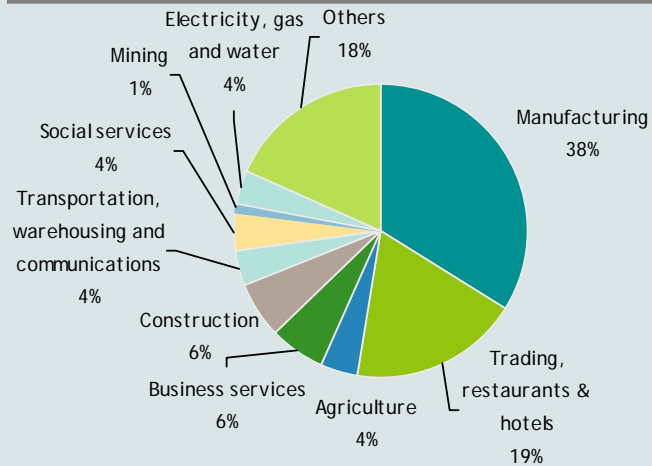


Rp vs. non-Rp loans (%)

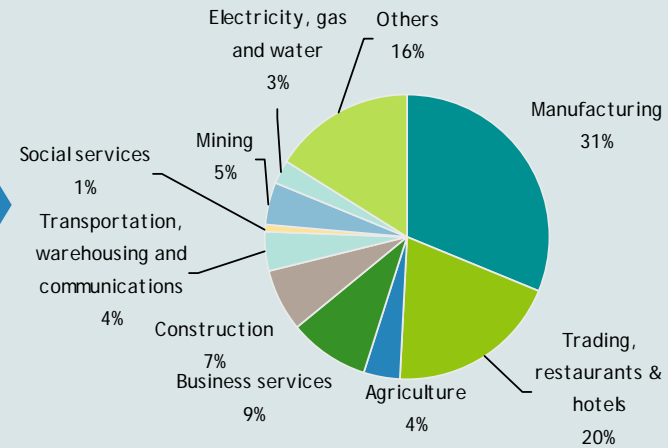


Reduced loan concentration

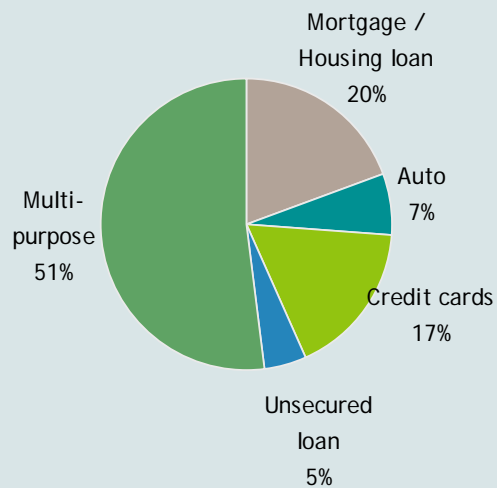
Loans by Economic Sector - December 31, 2005



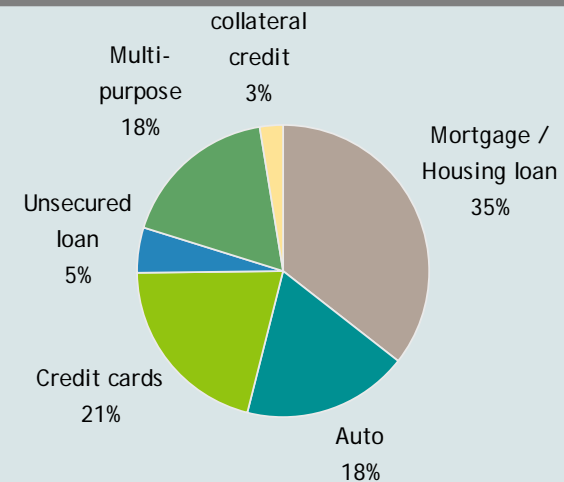
Loans by Economic Sector - June 30, 2007



Consumer Loan Composition - December 31, 2005



Consumer Loan Composition - June 30, 2007



Prudent and continuous focus on risk management

Organizational initiatives

Process initiatives

Basel II

Key initiatives	Details	Key initiatives	Details
Establishment of a new Risk and Capital Committee	<ul style="list-style-type: none"> ✓ Reports to and advises the Board of Directors on all risk management issues ✓ Centralizes risk management control and oversight 	Centralization of credit risk managers	<ul style="list-style-type: none"> ✓ Credit risk managers centralized in the small/medium business centres and the head office
Establishment of new lending platform	<ul style="list-style-type: none"> ✓ 50 Small size loan centres ✓ 18 Medium size loan centres ✓ 12 Consumer loan centres ✓ 53 Syariah branches and sub-branches 	Establishment of Operational and Market Risk Management procedures	<ul style="list-style-type: none"> ✓ Implementation of operational and market risk management system and a loss event database ✓ Developed a scoring system methodology
Enforcement of a "Four-Eyes Principle" for credit approvals	<ul style="list-style-type: none"> ✓ Approvals must be processed separately by both a business manager and credit risk manager ✓ Separate lines of reporting for each (credit/compliance) 	Performance management system	<ul style="list-style-type: none"> ✓ Malcolm Balridge criteria ✓ Performance management system based on SLA ✓ Six Sigma process improvement
"Zero fraud operation" program	<ul style="list-style-type: none"> ✓ Employee bonuses in branches, credit centres and business units are now tied to the absence of fraud in their locations 	Establishment of a centralized disaster recovery center	<ul style="list-style-type: none"> ✓ Ensure contingencies for full business continuity
Intention to comply with most advanced Basel II guidelines	<ul style="list-style-type: none"> ✓ Appointment of external advisors and internal process underway to ensure Basel II compliance within two years post implementation by BIS in 2008 	Centralized trade finance processing	<ul style="list-style-type: none"> ✓ Limit branches' ability to negotiate L/C to new customers ✓ Centralize international trade processing centres

Strict credit approval process

Credit approval process

<u>Authorizing Authority</u>	<u>Lending Limit (Rp mm)</u>	<u>No of Persons Required for Approval</u>	<u>Risk Management Officer</u>
Board of Directors	BNI legal lending limit ¹	Six	Director
President Director	1,375,000	Four	Director
Vice-President Director	500,000	Three	Director
Managing Director	150,000	Two	Director
Division General Manager	75,000	Two	General Manager
Head of Middle Business Credit Centre	25,000	Three	Regional Manager
Head of Small Business Credit Centre	7,500	Three	Small Business Manager
Branch Manager	4,000	Two	Deputy Branch Manager

¹ Bank Indonesia's prescribed legal lending limit for related and non-related parties is 10% and 20% of bank capital respectively

Experienced management

BNI Board of Directors



Sigit Pramono
President Director/CEO

- Since Dec 2003
- Previously President Director of Bank International Indonesia



Gatot Mudiantoro Suwondo
Vice President Director/ CFO

- Since May 2005
- Previously Director of Bank Danamon



Fero Poerbonegoro
Managing Director (Treasury & Private Banking)

- Since Dec 2003
- Previously Director of Bank Central Asia



Achmad Baiquni
Managing Director (Corporate)

- Since Dec 2003
- Previously Head of Personal Banking Business Development



Bien Subiantoro
Managing Director (SME & Sharia)

- Since Dec 2003
- Previously Group Head of International Banking, Bank Mandiri



I. Supomo
Managing Director (Risk Management)

- Since June 2003
- Previously SEVP of Bank Mandiri



Suroto Moehadji
Managing Director (Operation)

- Since Dec 2003
- Previously Head of Operations



Kemal Ranadireksa
Managing Director (Consumer)

- Since Dec 2003
- Previously Regional Head, Bank Mandiri, Bandung



Achil Ridwan Djayadiningrat
Managing Director (Compliance and Human Resource)

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

Strategy

Key management strategies

Key highlights

1. Increasing Focus on Targeted Customer Segments

- Target small, medium-sized and consumer market segments
- Selected corporate sectors—infrastructure, energy, ship-building and agricultural (in particular, oil palm)

2. Targeting High Net Worth and Affluent Customers

- “Layanan Prima” and “BNI Emerald” programs
- Increase number of outlets and implement differentiated pricing, service and retention strategies

7. A Customer-Focused Service Culture and Improving Employee Productivity

- Implementation of performance management systems, performance-driven incentives and extensive training programs
- Enhance product knowledge and sales and marketing skills of employees
- Focus on service excellence

3. Increasing Cross-Selling

- Active cross-selling of an increasingly broader suite of products and services
- Cost effective strategy due to extensive distribution platform

6. Improving Branch Productivity and Harnessing Distribution Networks

- Tailor products and services offered by each branch to the specific needs of the local market
- Expand distribution network through organic growth and partnerships—ATM network, POS Indonesia

4. Reducing Funding Costs

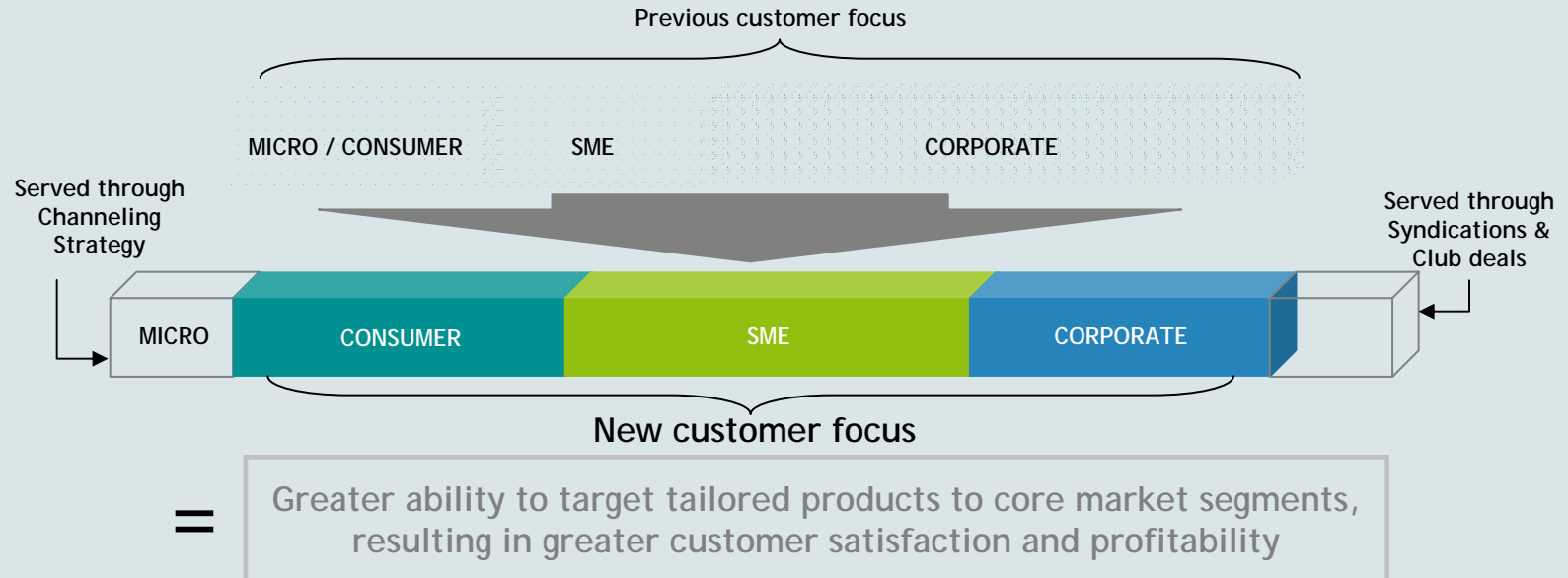
- Take advantage of scale to reduce funding costs
- Improve our composition of current and savings accounts relative to total deposits

5. Improving Risk Management and Managing Asset Quality

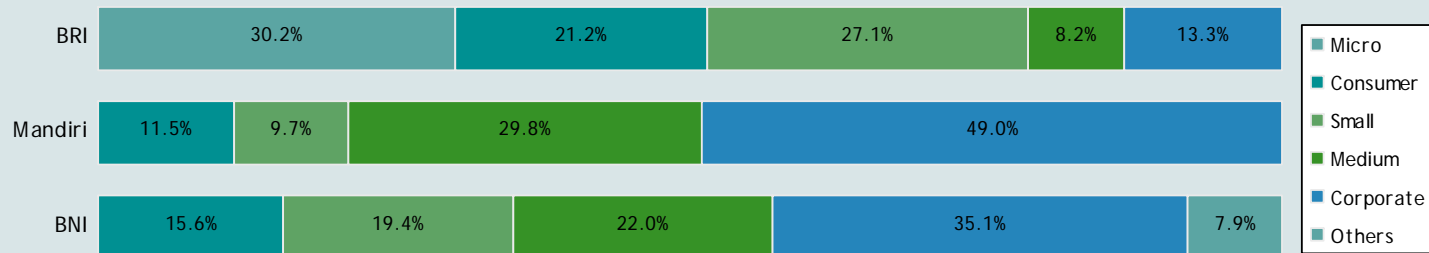
- Enhanced credit approval, monitoring and evaluation practices
- Streamline and refine internal governance structure

Targeting new customer segments

BNI: Refocusing target market



Comparison of segmentation among Big 3 Government banks [FY2006]

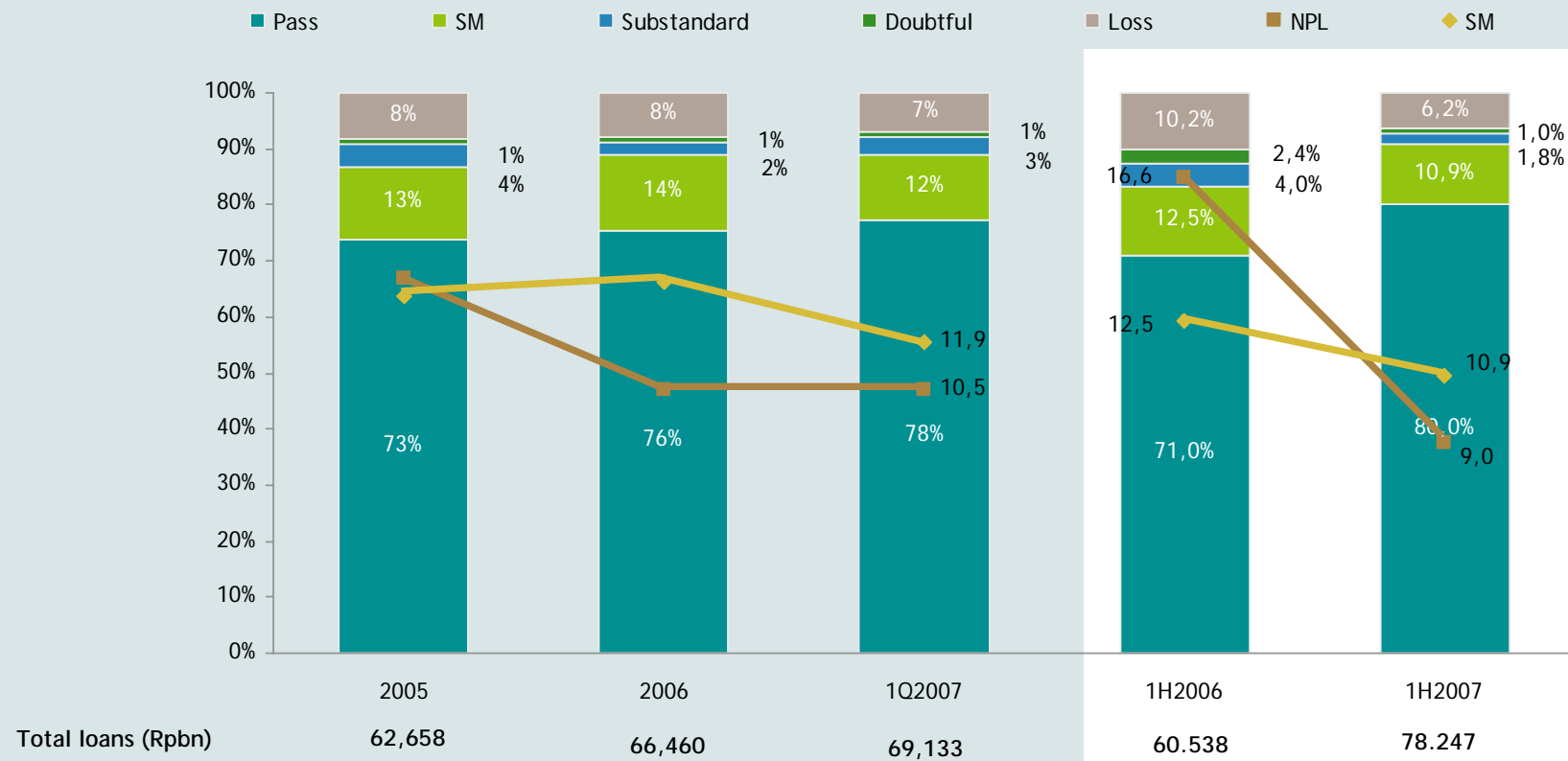


Source: Company data and 2006 Annual Report for Bank Mandiri and Bank Rakyat Indonesia

Asset quality

Loan collectibility of BNI

Loan collectibility of BNI (%)

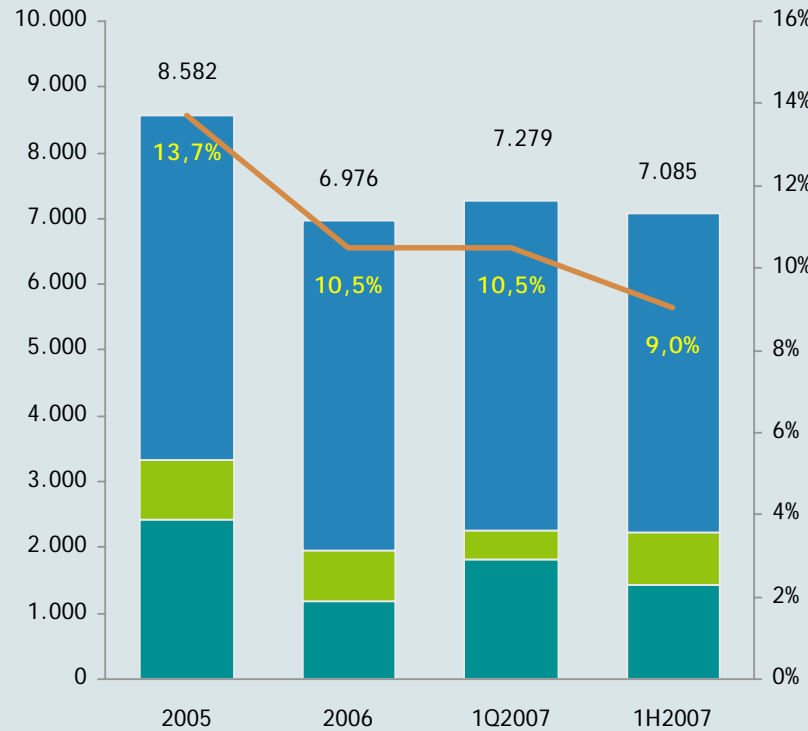


Tackling loan quality issues

Non-performing loans

Substandard Doubtful Loss NPL ratio

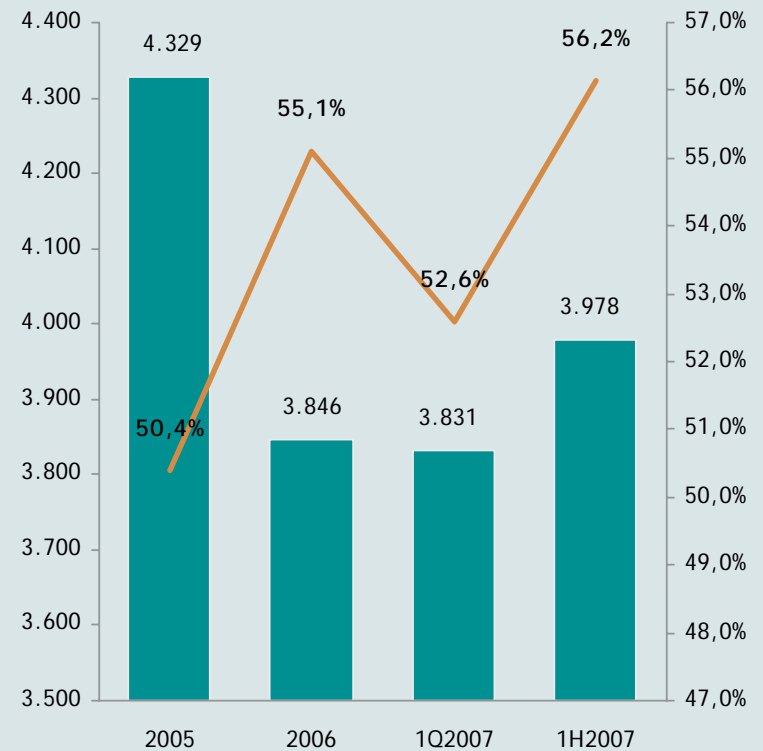
NPL (Rpbn)



LLR/NPLs

LLR (Rpbn)

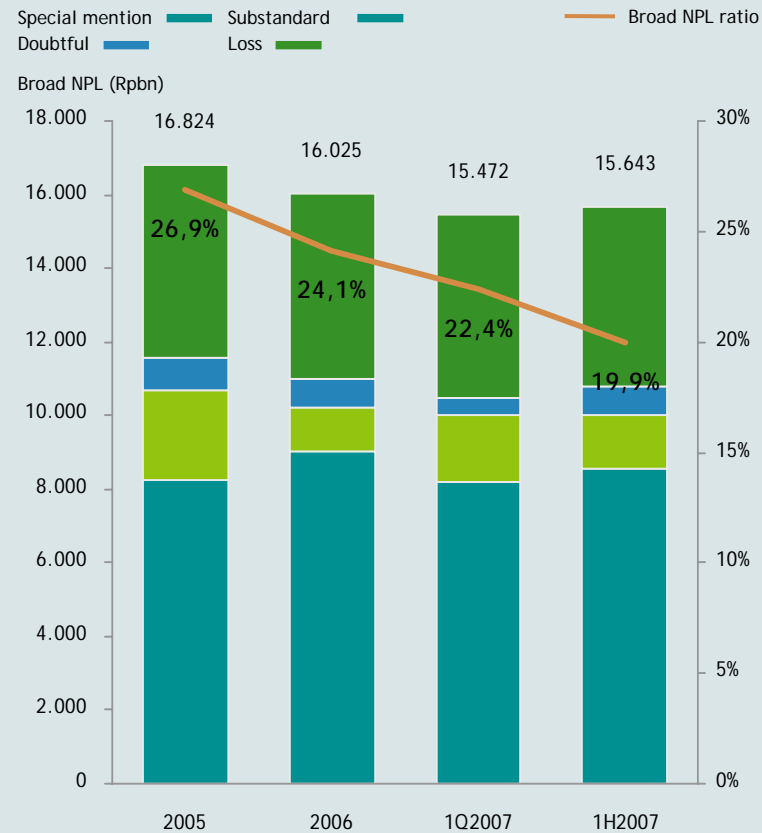
LLR/NPL ratio



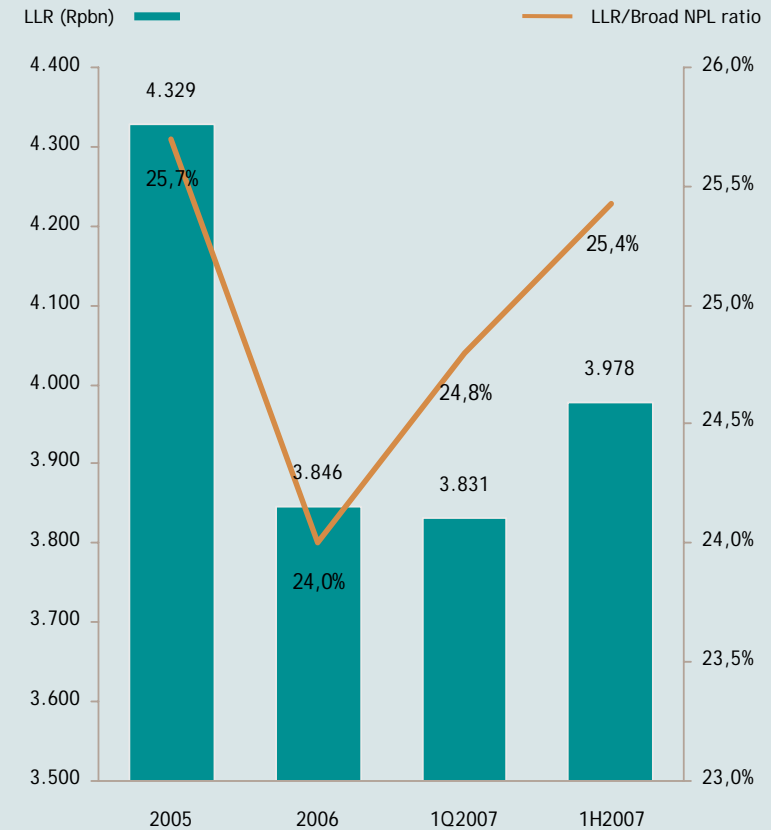
Source: Company data

Broad NPL of BNI

Broad NPL (Rpbn)



LLR/Broad NPL

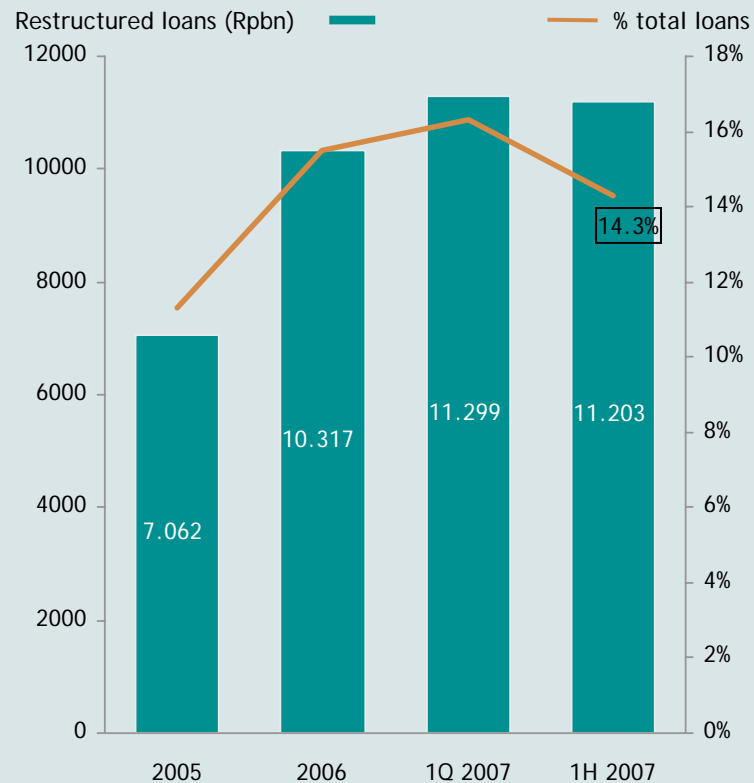


Source: Company data

Note: Broad NPL is defined as NPL plus loans under Special Mention category

Restructured loans

Movement of restructured loans

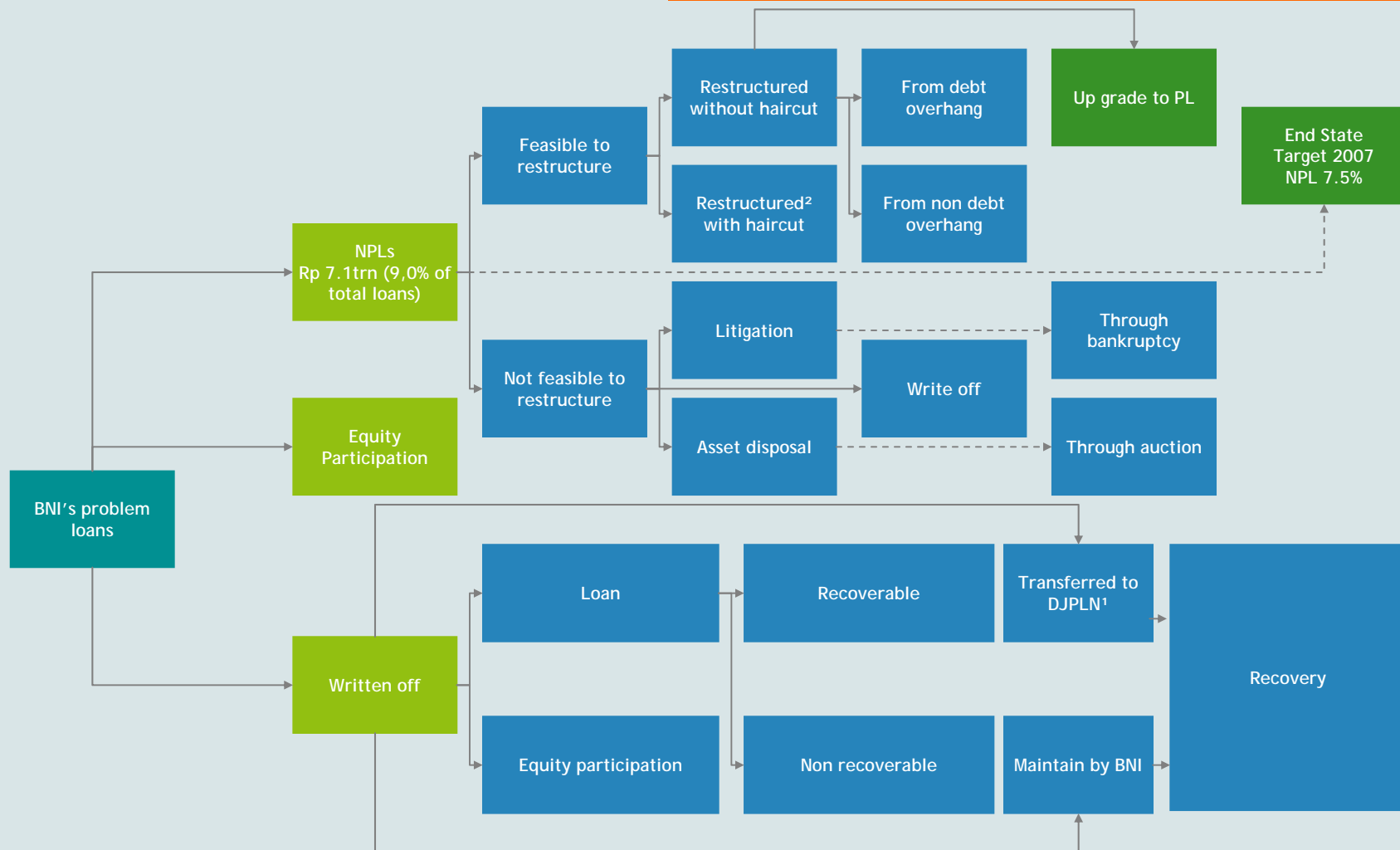


Source: Company data

Key highlights

- Rp11,203bn in restructured loans as of June 2007, compared to Rp7,062bn as of Dec 2005
 - Equivalent to 14.3% of total loans as of June 2007 and 11.3% as of Dec 2005
- Restructured loans as of June 2007
 - 25.6% are classified as Performing
 - 46.6% are classified as Special Mention
 - Primary sectors are manufacturing and trading, restaurant and hotels
- Restructuring involves
 - Extending tenure of loan
 - Waiving past-due interest
 - Interest rate adjustment
- NPLs restructured on a case-by-case basis for debtors with good operating prospects to ensure value maximization
- Prohibition from giving "haircuts" result in non "apples-to-apples" comparison with private banks

Restructuring process and approach to problem loans

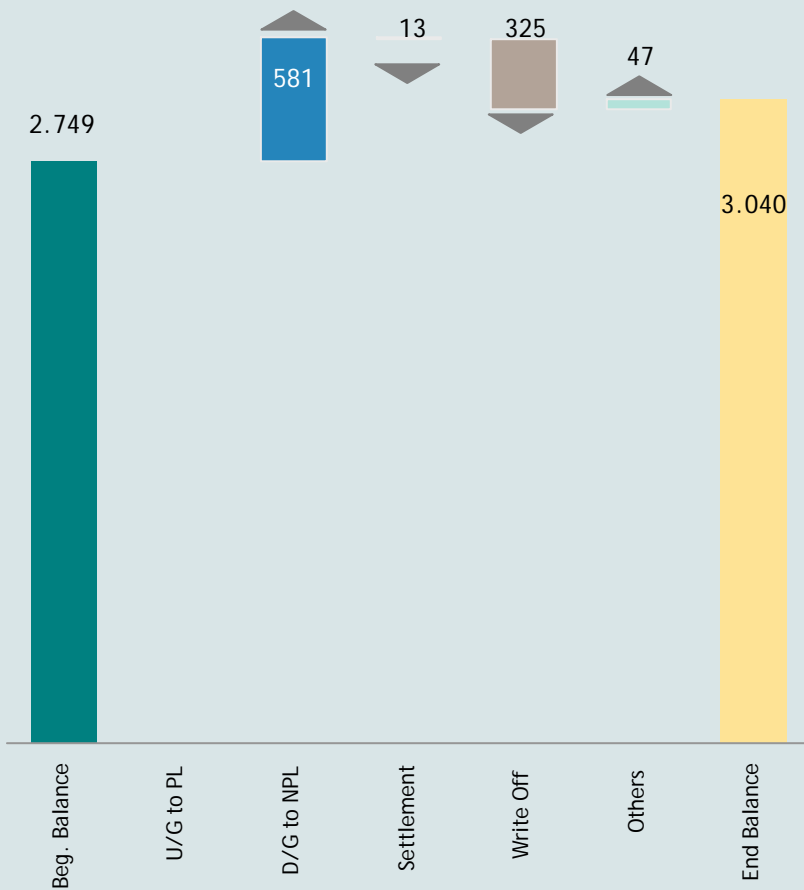


¹ DJPLN is a government body—directorate general for loans and statutory auctions

² Haircut on principle is currently not allowed (ambiguity of Gov. regulation No. 33 of 2006)

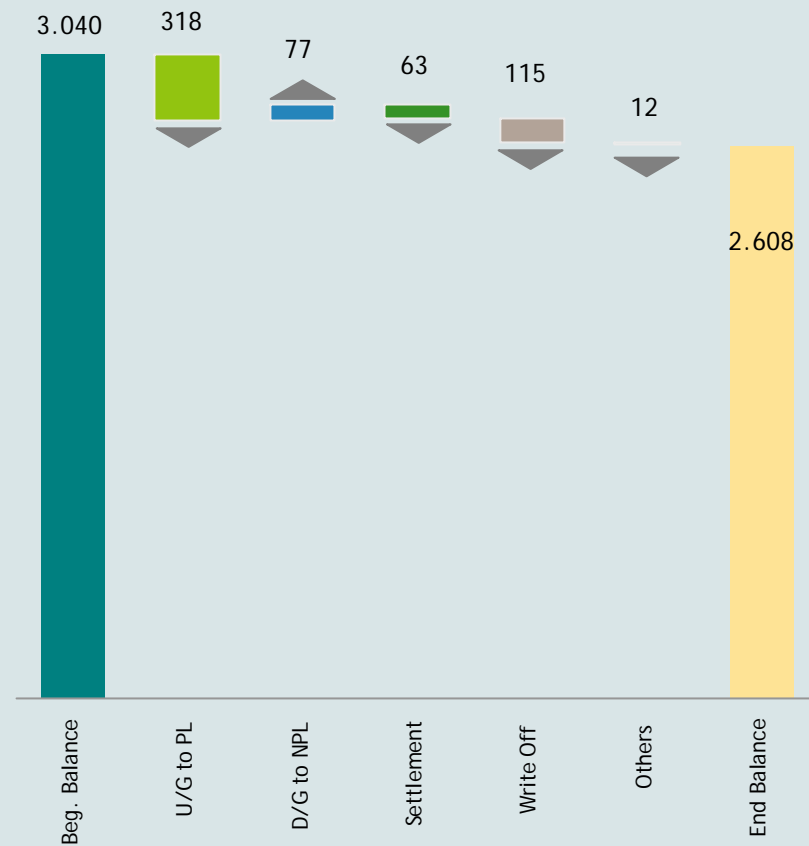
NPL movement — Corporate loans

Corporate NPL movement for Dec 2006 - Mar 2007 (Rp bn)



Source: BNI

Corporate NPL movement for Mar 2007 - Jun 2007 (Rp bn)



Top 10 loans and NPLs

Top 10 Loans

No	Industry	Total Balance (Rp mm)	Total Non—funded (Rp mm)	Total Funded and Non—funded (Rp mm)	Maximum Total Funded and Non—funded (Rp mm)	Loan Classification
1	Mining ¹	2.063	1.055	3.118	3.439	1
2	Electricity, water and gas ²	271	1.357	1.629	2.081	1
3	Electricity, water and gas ¹	1,534	—	1,534	1,534	2
4	Business Services	1.402	—	1,402	1,402	1
5	Telecommunication	1,040	—	1,040	1,400	1
6	Gas	905	-	905	905	1
7	Manufacturing, Pulp	731	—	731	821	1
8	Construction ¹	369	366	735	1.452	1
9	Manufacturing, Paper	674	-	674	831	2
10	Manufacturing	642	212	855	1.139	1
Total		9.632	2.991	12,623	15.005	
% of total loans				16,1%		

Top 10 NPLs

No	Industry	Type of banking arrangement	Total outstanding principal balance of loans (Rp bn)	Loan classification
1	Manufacturing	Investment	584	5
2	Manufacturing	Working Capital	349	3
3	Construction	Working capital	185	3
4	Manufacturing	Working capital	144	4
5	Manufacturing	Working capital	132	3
6	Manufacturing	Working capital	114	5
7	Business services	Working capital	112	4
8	Transportation	Working Capital	108	5
9	Manufacturing	Investment, Working capital	106	5
10	Manufacturing	Working capital	103	5
Total			1,937	
% of total NPLs			27.34%	
% of total loans			2.47%	

Source: Company reports

¹ Individual corporate borrowers

² Corporate group borrowers

On going restructuring progress...

(in Rp billion)

RESTRUCTURING PHASE	31 DEC 2006			30 JUNE 2007		
	NUMBER OF DEBTOR	OUTSTANDING	%	NUMBER OF DEBTOR	OUTSTANDING	%
EARLY NEGOTIATION	16	1.693,38	61,60%	23	2.191,36	84,03%
FINAL NEGOTIATION	11	577,42	21,00%	5	123,80	4,75%
RESTRUCTURING PROGRAM APPROVED	2	206,47	7,51%	0	-	0,00%
LOAN AGREEMENT SIGNED	2	271,76	9,89%	6	292,52	11,22%
	31	2.749,02	100,00%	34	2.607,68	100%

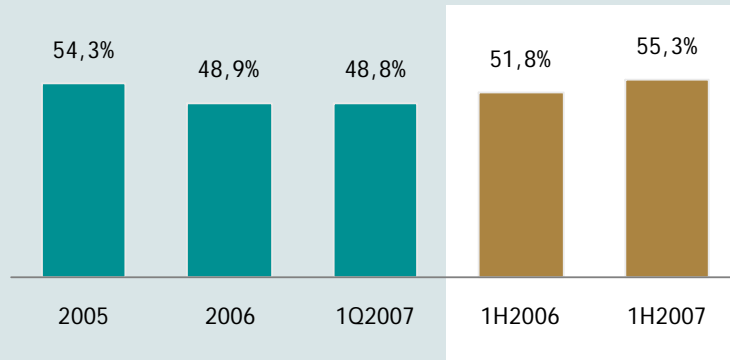
Financial performance

Balance sheet highlights

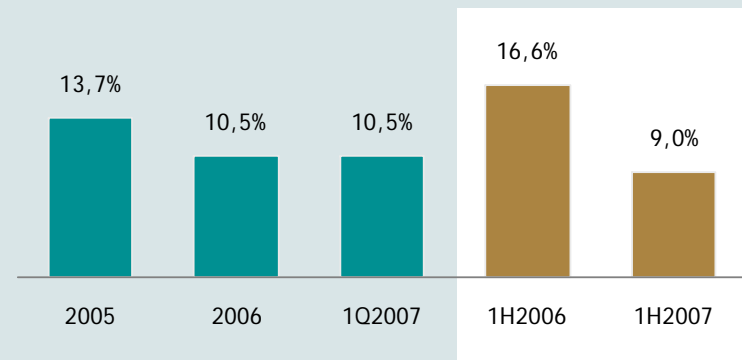
Balance sheet highlights						
Rpbn	2005	2006	1Q2007	1H2006	1H20007	Growth
Total assets	147,812	169,416	174,972	146.800	176.427	20.2%
Cash	2,844	2,695	2,331	2.844	2.947	3,6%
Placement with other banks and Bank Indonesia (net)	19,554	30,327	32,850	10.237	10.851	5,9%
Marketable Securities	3.773	4.956	6.805	11.986	24.049	100.6%
Government bonds	37,444	41,227	39,718	37.492	35.316	-5,8%
Total loans	62,659	66,460	69,133	60.538	78.247	29,3%
Customer deposits	115,372	135,797	141,727	116.906	141.639	21,1%
Total liabilities	135,891	154,597	160,397	134.692	161.704	20,0%
Total equity	11,895	14,794	14,549	12.083	14.699	21,6%

Strengthening balance sheet fundamentals

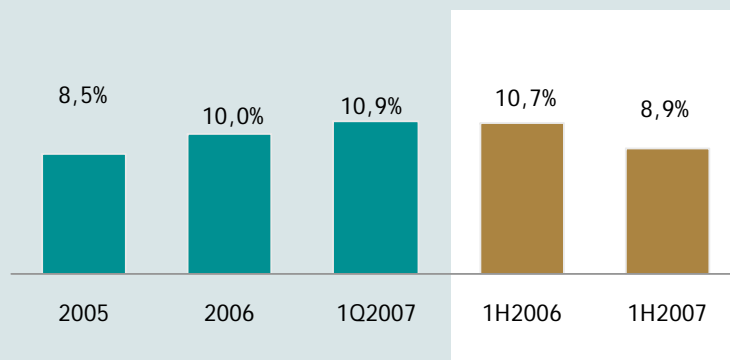
Loan-to-deposit ratio (%)



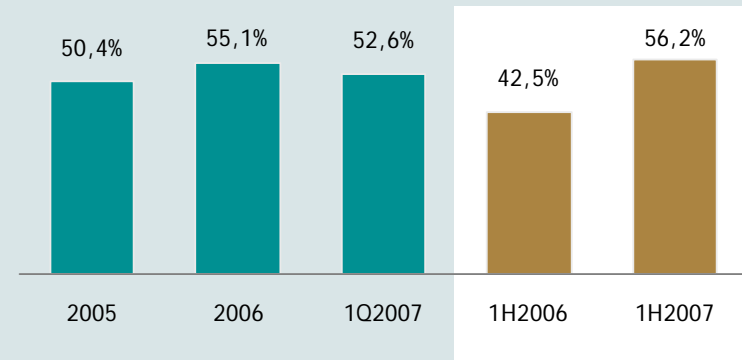
Non-performing loan ratio (%)



Tier I capital ratio (%)



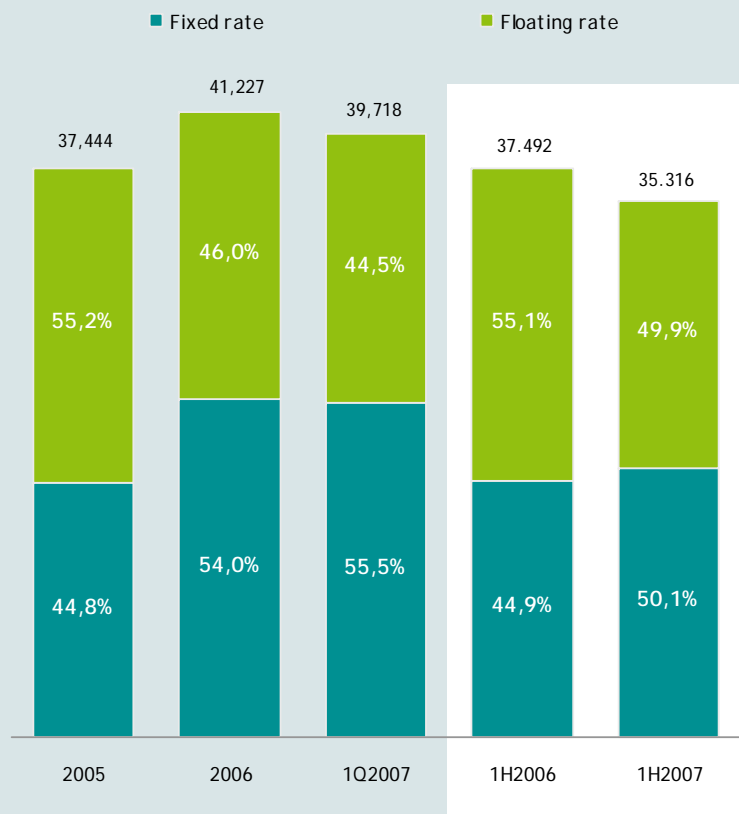
Loan loss reserve/NPL ratio (%)



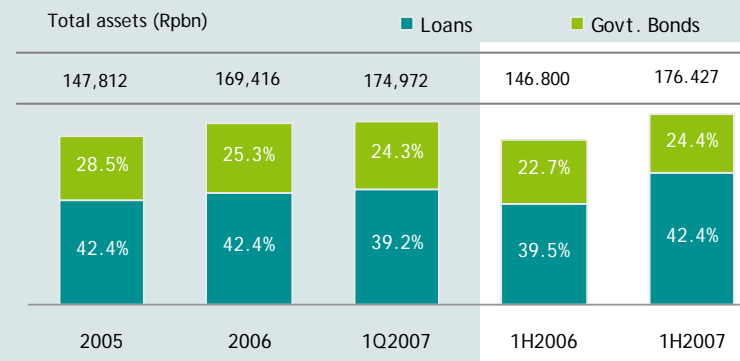
Note: Tier 1 capital ratio excludes proceeds from rights offering

Tackling government bonds

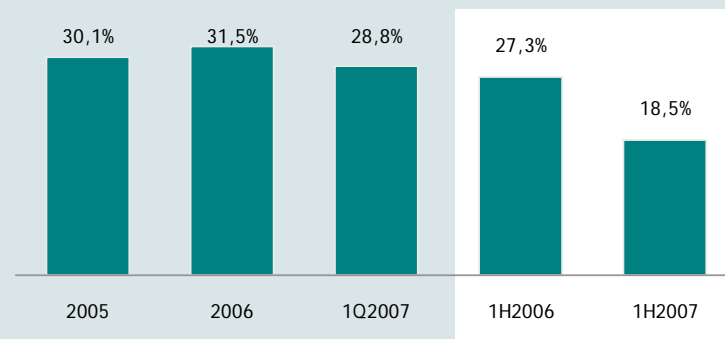
Fixed vs. floating rate government bonds (Rp bn)



Government bond vs. loans comparison as % of total assets (%)

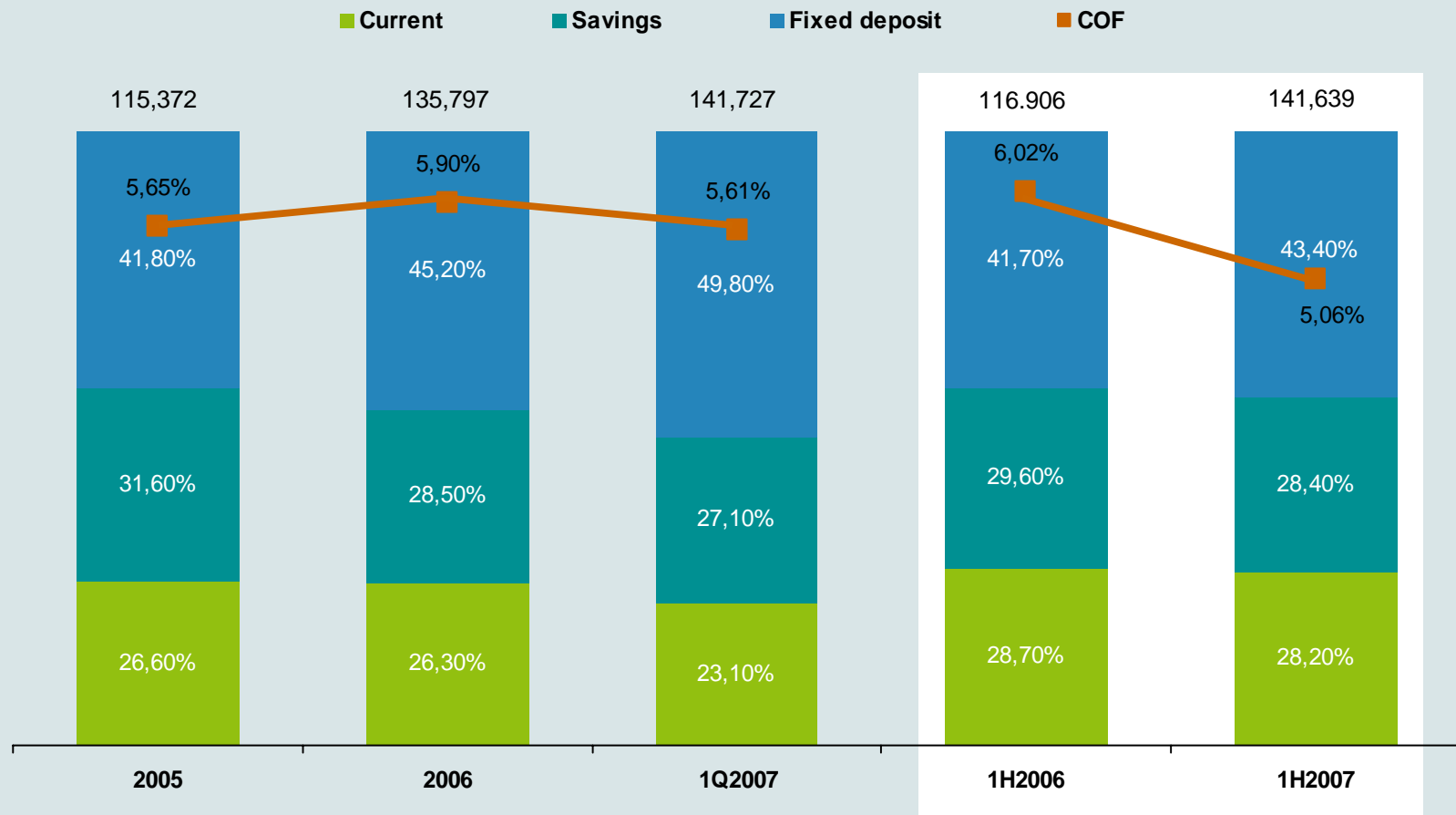


Income from Govt. bonds as % of total interest income (%)



Breakdown of BNI deposits

Breakdown of BNI deposits (Rp bn) + Cost Of Fund (%)



Income statement highlights

Income statement highlights

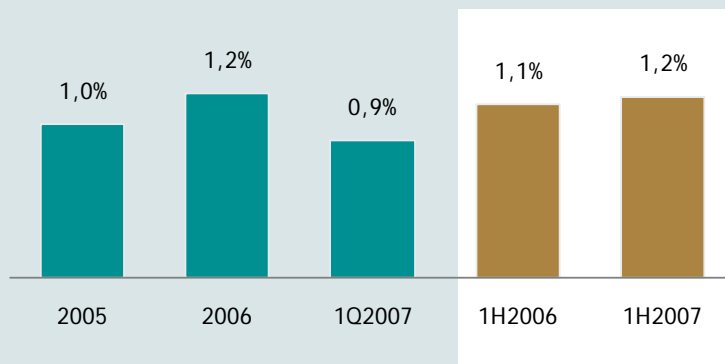
Rpbn	2005	2006	1Q2007	1H2006	1H2007	Growth
Interest income ¹	12,707	15,044	3,605	7,506	7,476	-0,3%
Interest expense ¹	(5,536)	(7,667)	(2,172)	(3,793)	(4,150)	9,4%
Net interest income	7,172	7,377	1,479	3,713	3,326	10,4%
Non-interest income	2,101	2,861	1,210	1,157	2,327	101,1%
Operating income	9,273	10,238	2,689	4,870	5,653	16,1%
Operating expenses ²	5,752	6,258	1,620	2,816	3,271	16,2%
Annual loan loss provisions	1,256	1,319	623	832	998	19,9%
Net income before tax and minority interest	2,256	2,840	606	1,212	1,522	25,6%
Net income	1,415	1,926	400	838	1,018	21,5%
Net Income Per Share [Rp]	106	145	30	63	77	22,2%

¹ Includes fee and commission income/expense

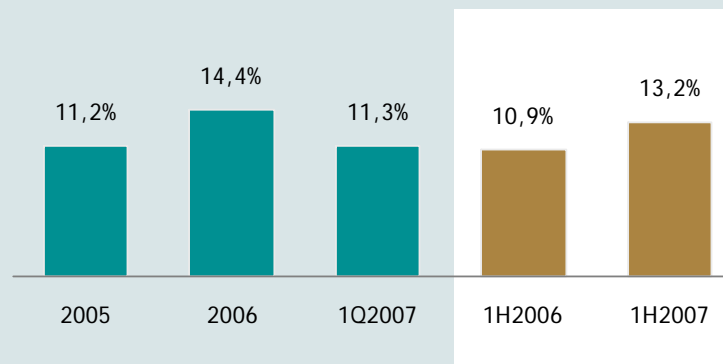
² Operating expenses exclude annual loan loss provisions

Key income statement ratios

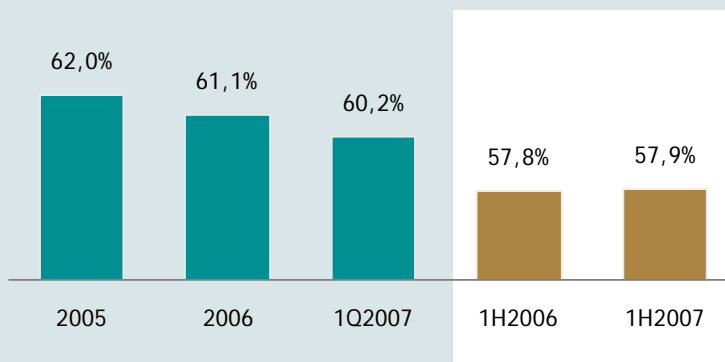
ROAA¹ (%)



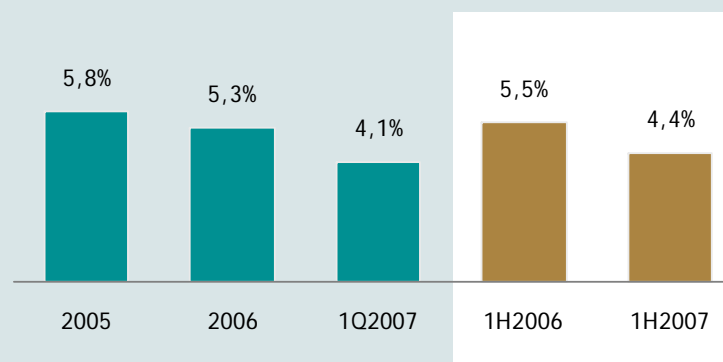
ROAE² (%)



Efficiency ratio³ (%)



Net interest margin (%)



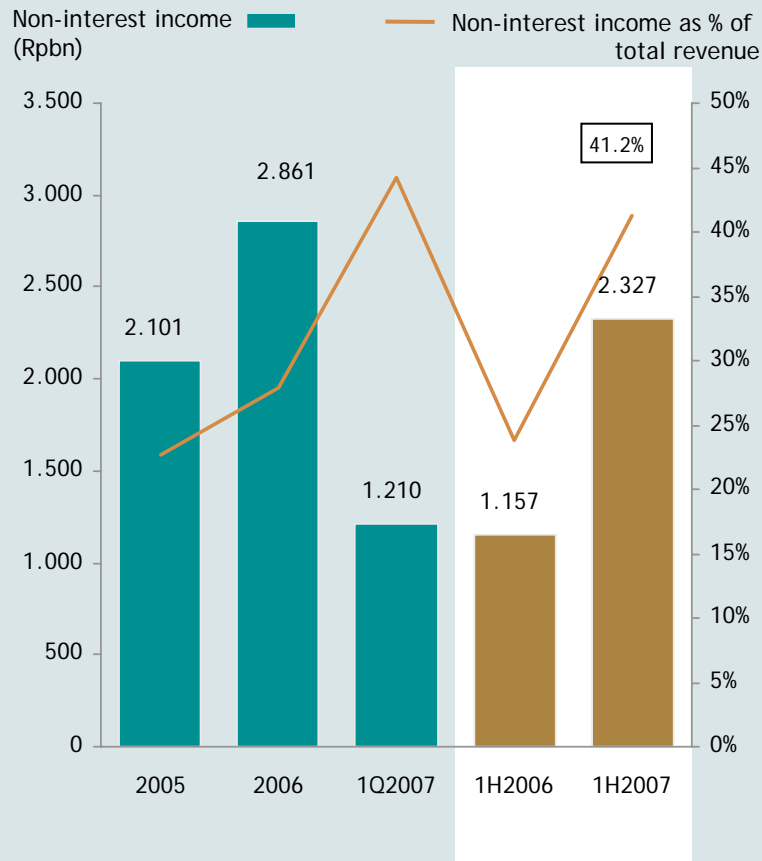
¹ Return on average total assets (ROAA) is calculated based on net income divided by average total assets (calculated based on the opening balance at the beginning of the relevant year/period, and the month end balances during the relevant year/period) for the relevant period

² Return on average equity (ROAE) is calculated based on net income divided by average total shareholder equity for the relevant period.

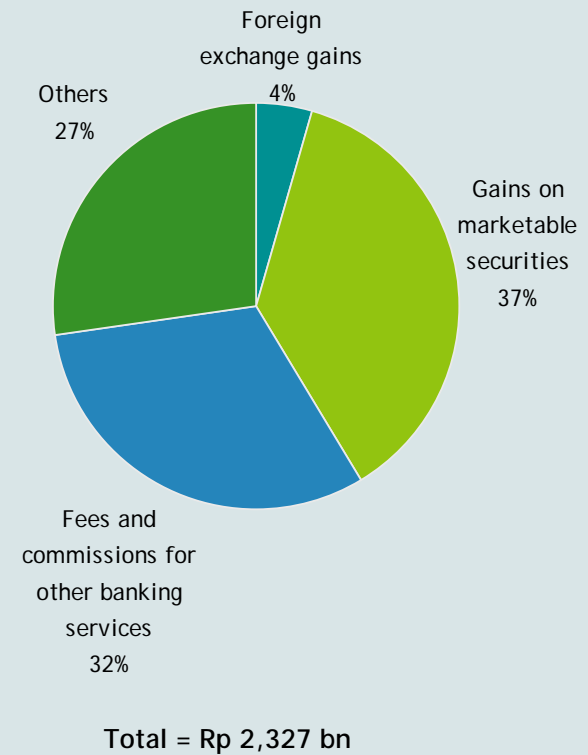
³ Calculated based on (i) other operating expenses (excluding expenses from allowance for possible losses) divided by (ii) net interest income plus other operating income

Growing non-interest income

Key highlights of non-interest income



Breakdown of non-interest income (as of March 2007)



Ratio's continue...

	2005	2006	1Q-2007	2Q-2006	2Q-2007
Capital					
Shareholders equity to total assets	8,1%	8,7%	8,3%	8,2%	8,3%
Tier I - CAR	8,5%	10,0%	10,9%	10,7%	8,9%
Tier II - CAR	8,3%	6,1%	5,6%	9,2%	6,0%
CAR [After Adjustment for Market Risk]	16,0%	15,3%	15,7%	19,0%	14,3%
Asset Quality					
Net NPL to Gross Loan	8,4%	6,6%	6,6%	11,3%	5,4%
Gross NPL to Gross Loan	13,7%	10,5%	10,5%	16,6%	9,0%
NPL to Total Assets	5,8%	4,1%	4,2%	6,8%	4,0%
Allowance for Possible Loan Losses to total gross loan	6,9%	5,8%	5,5%	7,0%	5,1%
Allowance for Possible Loan Losses to Gross NPL	50,4%	55,1%	52,6%	42,5%	56,2%
Requirement for Provision of Earning Assets	102,3%	100,0%	135,2%	187,1%	129,0%

Ratio's continue...

	2005	2006	1Q-2007	2Q-2006	2Q-2007
Rentability <i>[bank only]</i>					
ROA	1,6%	1,8%	1,4%	1,6%	1,8%
ROAA	1,0%	1,2%	0,9%	1,1%	1,2%
ROAC	9,8%	13,7%	10,9%	19,8%	21,1%
ROAE	11,2%	14,4%	11,3%	10,9%	13,2%
NIM	5,8%	5,3%	4,1%	5,5%	4,4%
Efficiency					
BOPO	84,7%	85,1%	90,8%	85,9%	85,2%
CIR	62,0%	61,1%	60,2%	57,8%	57,9%
Liquidity					
LDR	54,2%	49,0%	48,8%	51,8%	55,3%
Compliance					
Statuary Reserve Requirement (Rupiah)	11,4%	13,0%	12,1%	12,3%	12,1%
NOP [Net Open Position]	8,2%	6,8%	6,0%	6,6%	6,4%

Our ratings...

Fitch Rating

National long term rating	A+ (idn)
Long term foreign & local currency	BB-
Short term foreign & local currency	B
Individual rating	D
Outlook	Stable

Standard & Poor's

Credit rating	B+/Stable/B
Senior unsecured rating	B+
Subordinated rating	B-

Moody's

Long term subordinated debt rating	Ba3
Deposit rating	B2/Not Prime
Bank Financial Strength Rating	D-
Outlook	Stable

Pefindo

Corporate rating	idA/Stable
Bond 1	idA/Stable
Subordinated	idA-/Stable



Thank you

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