



CORPORATE PRESENTATION

I Q - 2008

PT Bank Negara Indonesia (Persero) Tbk

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Agenda

- **BNI in brief**
 - **BNI update**
 - **Strategy**
 - **Provisioning Policy**
- **Financial Performance**
 - **Balance Sheet**
 - **Profit & Loss**
 - **Financial Ratio**
 - **Quality of Loan**
- **Going Forward**

BNI in brief

Board of Commissioners



Erry Riyana Hardjapamekas
President Commissioner (Independent)

- Since February 2008
- Previously Vice Chairman of Corruption Eradication Commission



Suwarsono
Vice President Commissioner (Independent)

- Since July 2005
- Previously Commissioner to PT Bank Kesejahteraan Ekonomi



Achil Ridwan Djayadiningrat
Commissioner

- Since February 2008
- Previously Managing Director of BNI (Compliance and Human Resource)



H.M.S Latif
Commissioner

- Since May 2005
- Previously President Director of PT Bank Syariah Ikhwanul Ummah



Achjar Iljas
Commissioner (Independent)

- Since January 2004
- Previously Deputy Governor of Bank Indonesia



Parikesit Suprpto
Commissioner

- Since May 2007
- Currently Deputy Minister for Banking, Financial Services and Construction Sector, Ministry of SOE



Fero Poerbonegoro
Commissioner

- Since February 2008
- Previously Managing Director of BNI [Treasury & Private Banking]

Board of Directors



Gatot Mudiantoro Suwondo
President Director/ CEO

- Since February 2008
- Previously
 - Vice President Director of BNI
 - Managing Director of Bank Danamon



Felia Salim
Vice President Director & Chief Risk Officer

- Since February 2008
- Previously
 - Independent Commissioner of BNI
 - Deputy Chairman, Indonesian Banking Restructuring Agency
 - Director, Jakarta Stock Exchange



Yap Tjay Soen
Managing Director / CFO

- Since February 2008
- Previously
 - Commissioner of Bank Mandiri
 - Commissioner of BNI
 - CFO, Bank Int'l Indonesia



Achmad Baiquni
Managing Director (SME & Sharia)

- Since Dec 2003
- Previously
 - MD of Corporate Banking
 - MD of Consumer Banking
 - Head of Personal Banking Business Development



Bien Subiantoro
Managing Director (Intl. & Treasury)

- Since Dec 2003
- Previously
 - MD of SME & Sharia Business
 - MD of Risk Management
 - Group Head of Overseas Network Bank Mandiri



Krishna R Suprpto
Managing Director (Corporate)

- Since February 2008
- Previously
 - President Director of Barclays Securities
 - Managing Director of Bank Danamon



Ahdi Jumhari Luddin
Managing Director (Compliance)

- Since February 2008
- Previously Director, Banking Supervisory, Bank Indonesia



Darwin Suzandi
Managing Director (Consumer)

- Since February 2008
- Previously
 - GM of Network Distribution
 - GM of HR Division



Suwoko Singoasto
Managing Director (Operation)

- Since February 2008
- Previously
 - EVP Network & Operation
 - GM of Network Distribution Division

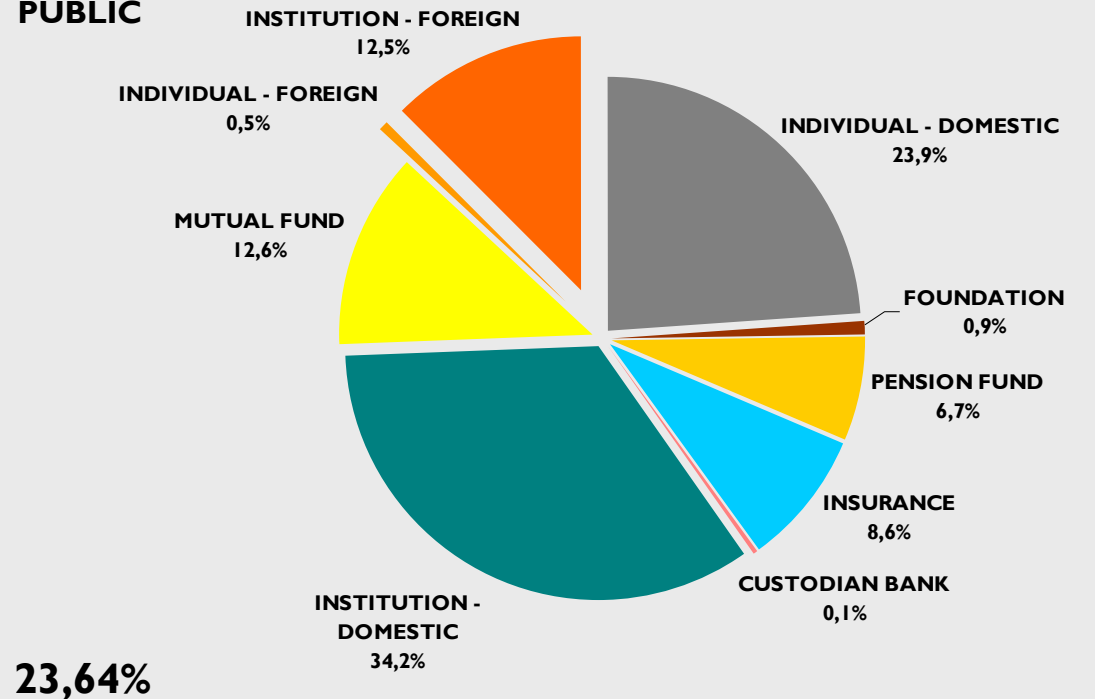
BNI Ownerships

As of 31 March 2008



76,36%

PUBLIC



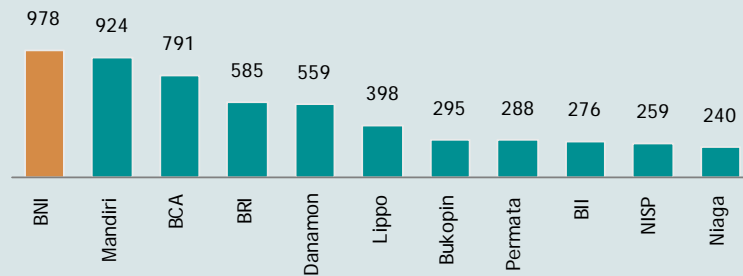
- Number of BBNi shares 15.273.940.510 shares
- Price [per 31 March 2008] : Rp 1.390,- per shares
- Market Capitalization : Rp. 21,2 triliun

Network & Distribution

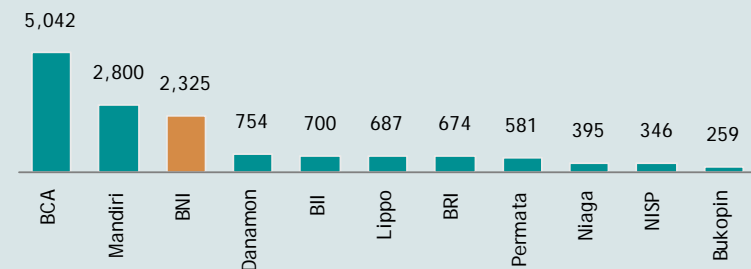
Jaringan distribusi yang tersebar di seluruh nusantara & pusat keuangan dunia



Jumlah Cabang²



ATM³



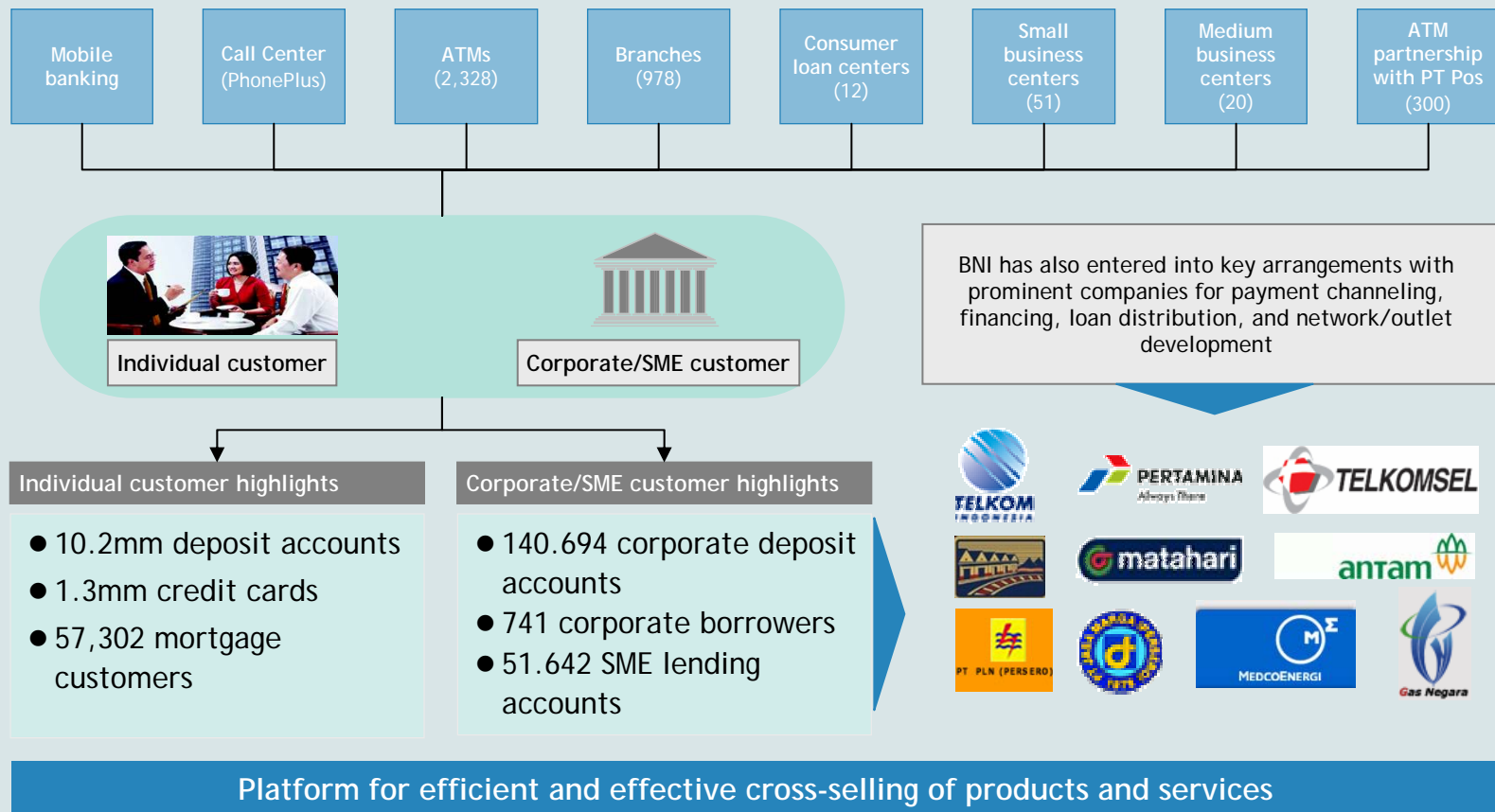
¹ Termasuk cabang, kantor cabang pembantu, cabang Syariah dan cabang pembantu Syariah

² Tidak termasuk unit mikro

³ Data ATM berdasarkan Laporan Tahunan dan data website

Multiple touch-points to ensure maximum customer penetration

BNI's multiple touch points for individual and corporate customers



BNI ratings

...Improving Market Confident...

| | | 2006 | 2007 |
|-------------------|-------------------------------------|-------------------------|--------------------------|
| Fitch Rating | National long term rating | A+ (idn) | AA- (idn) |
| | Long term foreign & local currency | BB-/positive | BB/stable |
| | Short term foreign & local currency | B | B |
| | Individual rating | D | D |
| | Subordinated debt | B+ | BB- |
| Standard & Poor's | Credit rating | B+/Stable/B | BB-/Stable/B |
| | Senior unsecured rating | B+ | BB- |
| | Subordinated rating | B- | B |
| Moody's | Long term subordinated debt rating | Ba3 | Ba2 |
| | Deposit rating | B2 | B1 |
| | Bank Financial Strength Rating | D- | D- |
| | Outlook | Stable | Stable |
| Pefindo | Corporate rating | _{id} A/Stable | _{id} AA-/Stable |
| | Bond 1 | _{id} A/Stable | _{id} AA-/Stable |
| | Subordinated | _{id} A-/Stable | _{id} A+/Stable |

Awards & Accolades

INFORMATION TECHNOLOGY

- ▶ ISO Certificate 9001:2000 for IT System Development Life Cycle, IT Operation Services and IT Security Management (August 2007)
- ▶ IT Excellence Award from MIS Asia as Top 3 Finalist in Asia's Best Change Management (August 2007)
- ▶ Century Era Award in Gold category, in recognition of quality, leadership, technology and innovation based on QC100 TQM, International Business Initiatives Directions (B.I.D) Quality Convention, Geneva (April 2007)

SERVICE EXCELLENCE

- ▶ Banking Efficiency Award : 2nd rank for The Most Efficient Bank in Jakarta Stock Exchange, 2nd rank for The Most Efficient State-owned Bank, 3rd rank for The Most Efficient Bank from Bisnis Indonesia Daily (October 2007).
- ▶ 2nd rising star bank in service excellence, MRI and Info Bank magazine
- ▶ TOP BRAND AWARD from Frontier Consulting Group and Marketing Magazine (February 2007)
- ▶ Service Quality Award, banking service domestic category, Marketing magazine.
- ▶ Gold Achievement Award for The Performance Excellence Growth in Indonesia Quality Award 2007 (December 2007)

CONSUMER INNOVATIVE

- ▶ Consumer Banking Excellence Award from Perbanas (Indonesian Associations of Banks), SWA Magazine and Synovate as 3rd Winner - Best in Mobile Banking, 3rd Winner - Best in Internet Banking, 4th Overall Winner in Saving and Deposits Access Product (October 2007)



Corporate Initiative

- 16 January 2008. as a lead of syndication loan to construction of Bekasi Timur - Cawang – Kampung Melayu toll road project. The toll road is about 21 kilometers, with total investment is Rp 5.74 trillions, whereby BNI commit to finance Rp 1.41 trillions.
- 16 January 2008. BNI signed the agreement with The Islamic Corporation for the Development of Private Sector (ICD) to study the feasibility of setting up a new *joint venture* bank with sharia principle in Indonesia
- Singapore, 22 January 2008– Singapore Post Limited (SingPost) and BNI announced a new remittance service to Indonesia at 51 designated SingPost branches (post offices).
- 29 January 2008. BNI launch mailbox PO BOX GCG-BNI and email: gcg@bni.co.id to receive complain or comments from all BNI's stakeholders, about the implementation of *Good Corporate Governance* in BNI.
- 21 February 2008. BNI signed Bilateral Loan Agreement with Standard Chartered Bank amounted USD 150 millions with 3 years tenor
- 13 March 2008. BNI signed agreement with Mandala Airlines for e-Top Deposit Travel Agent services. The Services is for online payment through BNI Internet Banking and BNI ATM for Mandala ticket agencies
- 13 April 2008. BNI and Telkomsel signed agreement for T-Cash Remittance services, The services is payment transfer with digital and mobile transaction services through mobile phone feature to BNI branch network and ATM throughout Indonesia
- 17-26 April 2008. BNI distributed *Kredit Usaha Rakyat* in Purworejo, Palangkaraya, Banjarmasin and Pasuruan
- 18 April 2008. BNI participate in the syndication to finance 3 Power Plant Project amounted Rp 1.1 trillions.



Strategy

Vision & Mission

Vision

- ☑ **To be a leading bank with excellent services & performance**

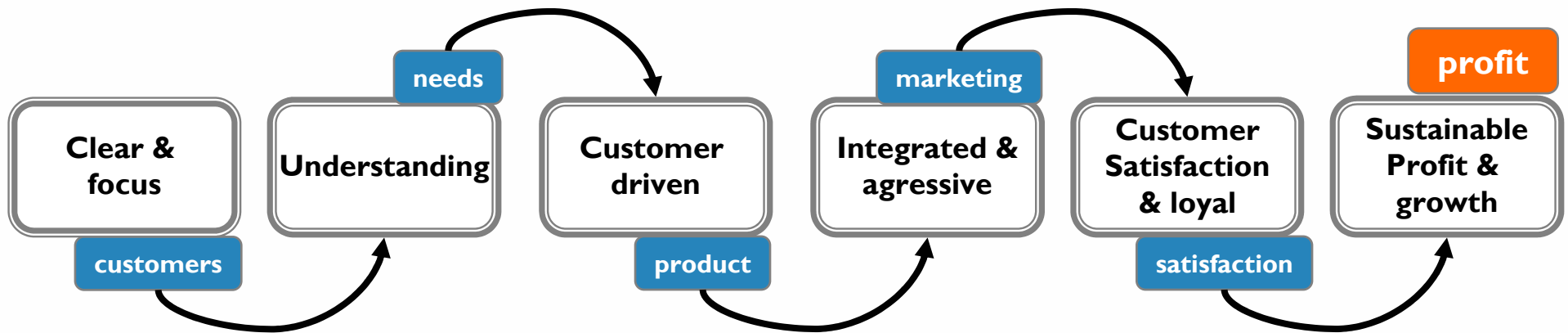
Mission

- ☑ Becoming a bank-of-choice, providing excellence service and value-added solution to all customer
- ☑ Deliver investment value to shareholder
- ☑ Creating a performance-driven environment as the best place to work and deliver the best result;
- ☑ Improving responsibility & fostering community development;
- ☑ Become the best-practices for implementation of good corporate governance.

Business Approach

Customer Centric Process

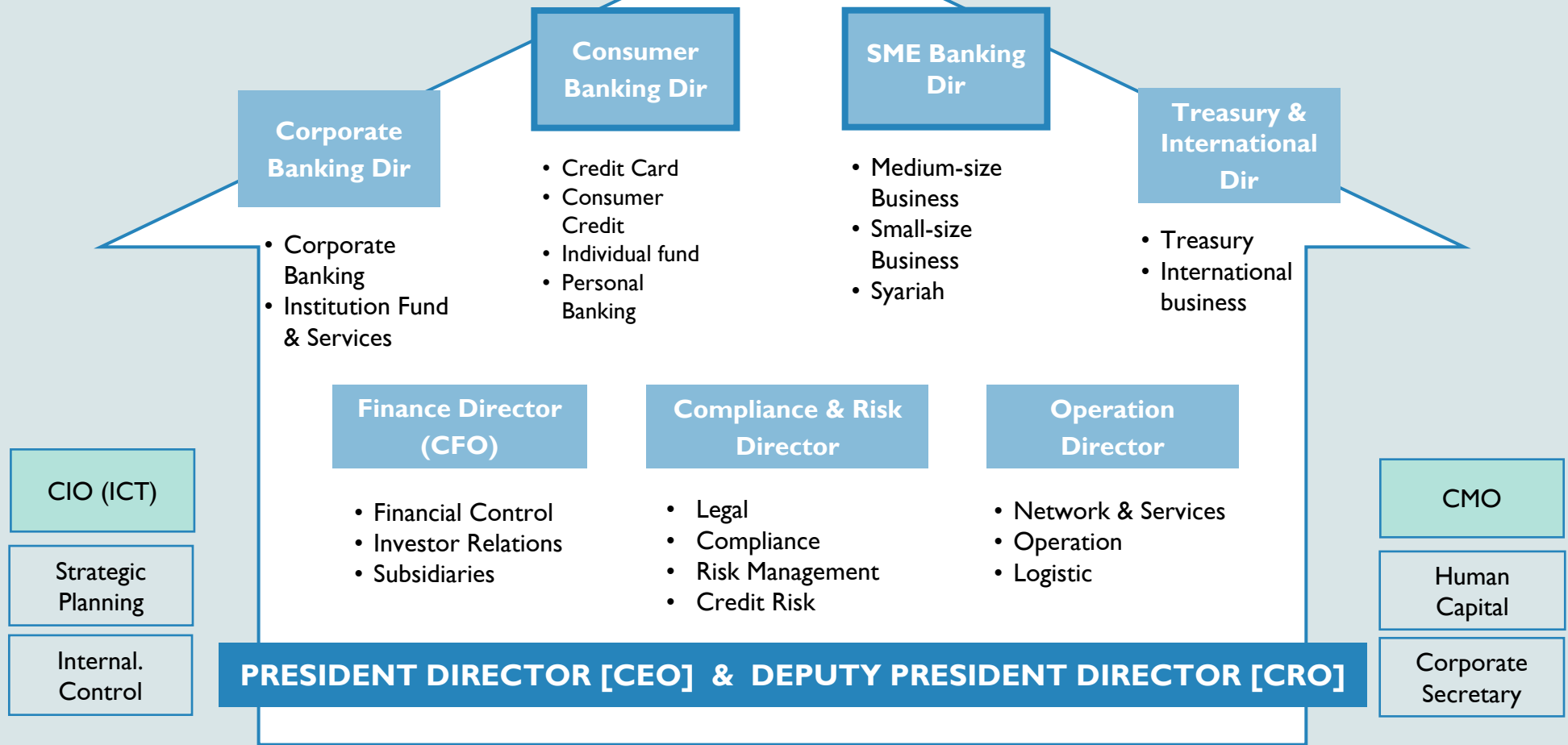
- ✓ Customer Value,
- ✓ Cost to Customer,
- ✓ Convenience to Customer,
- ✓ Customer Intimacy



“ Change from product driven to customer centric process “

Organization and Structure Approach

To be a leading bank with excellent services & performance



Opportunity for Improvement

Reflected in financial indicator :

- Profitability
- Productivity
- Asset Quality

- Net Interest Margin
- Cost-to-Income Ratio
- NPL level
- Coverage ratio
- Earning asset allocation

Not-reflected in financial indicator :

- Business Focus & Segments
- Program vs execution
- Human Resources
- Systems & Policies

- “*installed capacity*” of the bank’s infrastructure, resources and competencies have not been capitalized well
- Good Program, but lack of execution capability
- Strengthen coordination among units in the organization
- Improve cross-selling program, initiatives and proper execution
- Productivity
- Complex systems and ineffective bureaucratic procedures in the business process

Short-term Initiatives

| Areas for improvement | Opportunity for improvement | Initiatives |
|-----------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Profitability | Net Interest Margin | <ul style="list-style-type: none"> • Review the pricing policy on assets & liabilities portfolio • Increase non interest income thru better services in financial transactions |
| Productivity | Cost to Income Ratio | <ul style="list-style-type: none"> • Improve branch and employee productivity • Efficiency program across the board thru “bottom line” mindset |
| Asset Quality | NPL level | <ul style="list-style-type: none"> • Implement Government Decree No 33 on haircut policy • Strengthen early warning system on loan portfolio • Disclose & resolve Top 10 NPLs |
| | Coverage ratio | <ul style="list-style-type: none"> • Increase provision • Increase recovery rate |
| | Earning Asset allocation | <ul style="list-style-type: none"> • Quick asset review with the aim to improve risk asset allocation • Yield enhancement program |

Short-term Initiatives

| Areas for improvement | Opportunity for improvement | Initiatives |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Focus & Segments | <i>"installed capacity"</i> of the bank's infrastructure, resources and competencies have not been capitalized | <ul style="list-style-type: none"> • Implement customer centric approach • Re-design "go to market" strategy for all business unit thru capitalizing on <i>"installed capacity"</i> • Recapture trade finance • Drive transactional banking business aggressively |
| Program vs execution | <ul style="list-style-type: none"> ▪ Good programs, but lack execution ▪ Strengthening coordination among units in the organization ▪ Improve cross-selling program, initiatives and proper execution | <ul style="list-style-type: none"> • Establish Change Management Office • Improve communication quality along with alignment of organization • Establish portfolio and client profitability analysis |
| Human Resources Issues | Productivity | <ul style="list-style-type: none"> • Pay for Performance • Review and improve Man Power Planning, • Develop talent management • Efficiency program across the board through <i>"bottom line"</i> mindset • Cultivate strong sales & services culture |
| Systems & Procedure | Complex systems and ineffective bureaucratic procedures in the business process | <ul style="list-style-type: none"> • Simplify procedures to improve Business Process • Establish Enterprise Risk Management (ERM) framework to improve risk & governance environment |

Business Strategy

| | Corporate | SME & Sharia | Consumer | Treasury & Int'l |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target Segment | Focus on leading largest both in private publicly-listed companies & SOE with strategic value | <ul style="list-style-type: none"> • Focus to industry with sustainable growth • Strong backward linkage | Targeting affluent, mass-market segment | Corporate clients & middle segment with treasury, trade finance and International activities |
| Brand Position | To be a premier corporate bank providing total financial solutions. | <ul style="list-style-type: none"> • Leading bank with extensive network & cap market competence • Excellence Services | <ul style="list-style-type: none"> • Friendly local character with international exposure • Competitive value | <ul style="list-style-type: none"> • Bank with large customer base and excellent in service • Strong domestic & overseas network |
| Key Product | <ul style="list-style-type: none"> • Corporate Finance • Loan Syndication • Trade Finance • Cash Management | <ul style="list-style-type: none"> • Wide product-range & tailor-made product • Integrated Islamic & conventional banking with global partner | <ul style="list-style-type: none"> • Transaction and investment for liabilities product • High yield loan mortgage product | <ul style="list-style-type: none"> • Trade finance & remittance • Inter-bank placement • Leading in money market & capital market |
| Channel / Process | <ul style="list-style-type: none"> • Value Chain including Synergizing with subsidiaries • Value Added Services • Quick turnaround with constant service level | <ul style="list-style-type: none"> • Value chain approach • Faster processing time • Adding more Account Officers | <ul style="list-style-type: none"> • New Branch Concept, supported with strong active sales team and user friendly electronic channel • Hassle-free open account initiation program • Cross Selling & Strategic Alliances | <ul style="list-style-type: none"> • Overseas branches & 757 correspondent banks • Centralized trade finance processing • Treasury Remote Area |

Long-term Plan

Build a Platform for Sustainable Growth

Trust Improvement

1. Gather support and acquire trust from all stakeholders :
 - Open two-way communication, to external and internal stakeholder
 - Full Disclosure
2. Review Corporate Vision & Mission
3. Redesign “go-to market “ strategy; SME, Consumer & Corporate business model
4. Build Performance-based organization
5. Identify the 2008 Quick-wins
6. Improving data security system

Feb-Jun 2008

Fit in Infrastructure

Building a strong platform to support sustainable growth

1. Achieve financial aspiration (Profitability, Liquidity and Solvability/Capital)
2. Ensure implementation of Performance-based Organization Structure
3. Productivity enhancement & capacity planning
4. Build supporting infrastructure
5. Realize the 2008 Quick-wins

June-Dec 2008

Maintain Momentum and Excellence Performance

Sharpening Business

Sharpening business focus & segment, with aggressive growth

1. Expand distribution network in selected segment
2. Become a leader in key segments and products – in transactional banking thru IT driven
3. Increase market share and improve franchise value
4. Establish strong BNI Incorporated

2009

Sustainable Superior Performance

1. Maintain aggressive growth momentum
2. Maintain market share (consumer & SME)
3. Leading in profitability
4. Excellence service, especially in transaction settlement

2010-forward

Provisioning Policy

Macro Condition

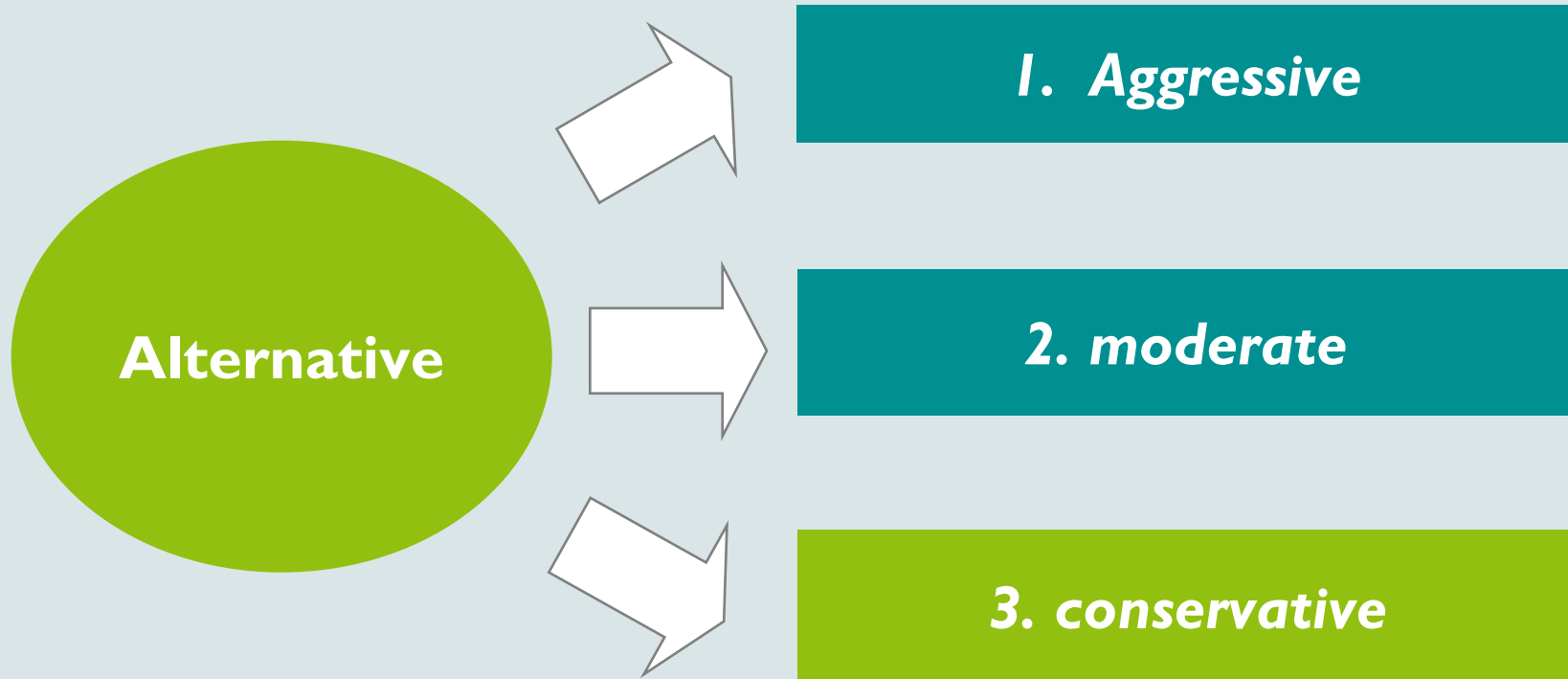
Global

- Subprime crisis in US starting to the new recession
- Oil Price
- Market Index
- USA in / close to recession
- No clear de coupling global market to US market

Domestic

- Budget Pressure (Deficit & Global Bond Covenant, Oil Price & Subsidies)
- Unemployment & Inflation Pressure (Interest Rate Effect)
- Capital market (drop)
- Political Heat & Uncertainty Lead into 2009 Elections
- Natural Disaster

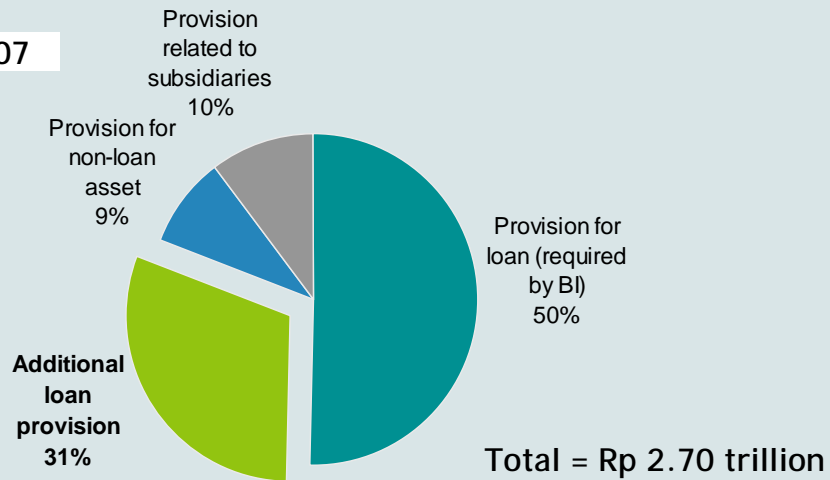
Alternative



Facing uncertainty global economics conditions, BNI taking more conservative approach to especially to manage asset quality and determine conservative provisioning

Provisioning Policy

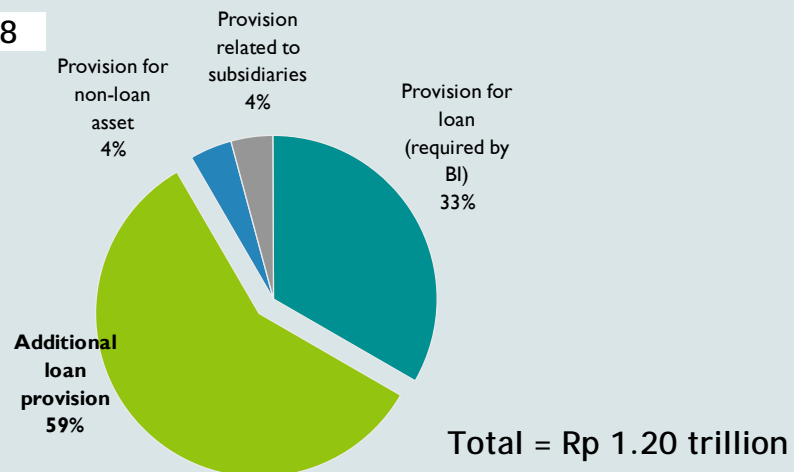
FY 2007



✓ Conservative

✓ Reassessment of earning assets

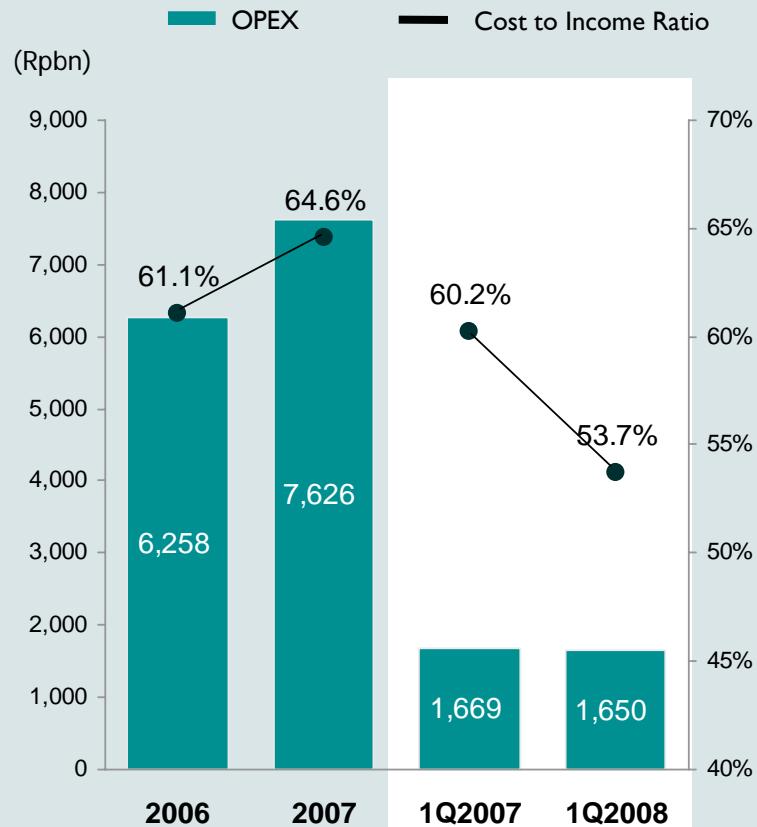
1Q 2008



✓ Provision policy exceeds than regulation and equal with average Peer Group

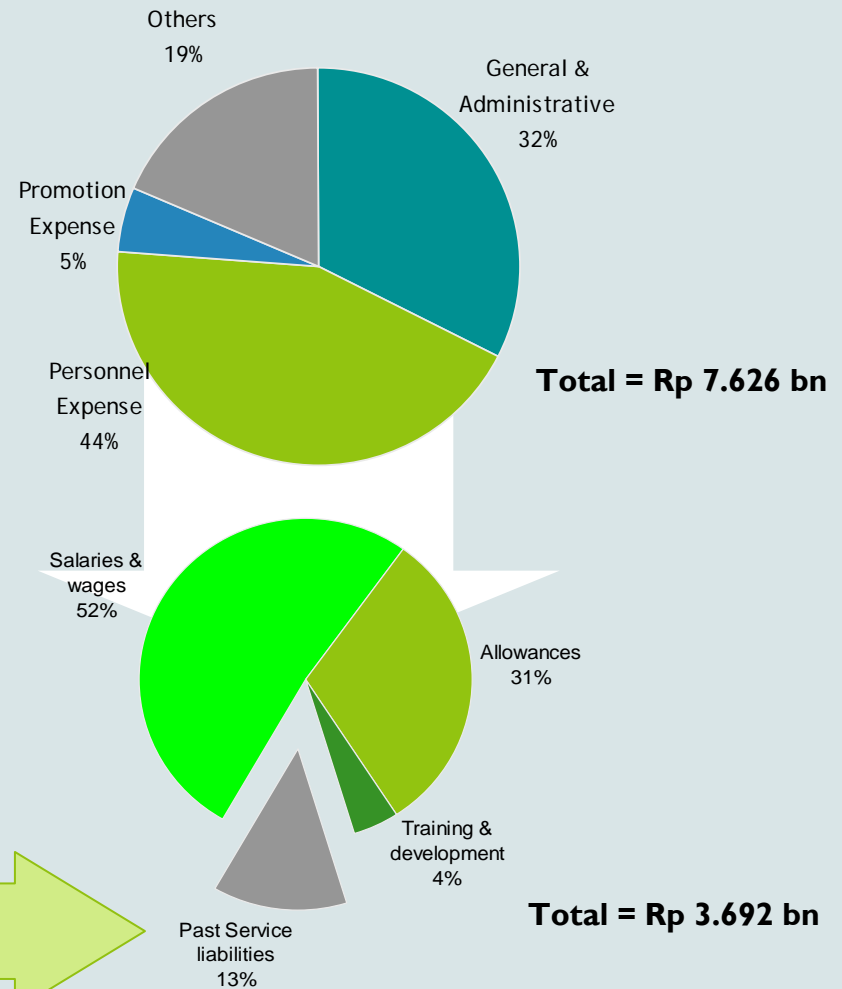
Operational Expense

Key highlights of OPEX compare to CIR



Past Service Liabilities expense to fulfill PSAK 24 that makes big jump in our CIR in 2007

Breakdown of OPEX (as of Desember 2007)



Financial Performance

I Q - 2008

- I. Balance Sheet**
- II. Profit & Loss**
- III. Ratio**
- IV. Asset Quality**

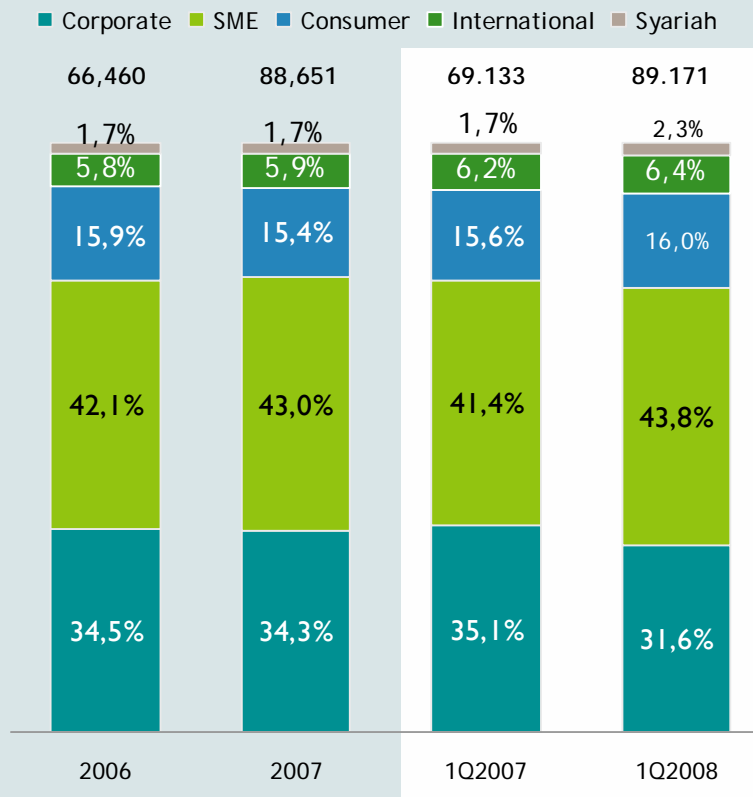
Balance Sheet

| [Rp millions] | 2006 | 2007 | I Q2007 | I Q2008 | Growth |
|-----------------------------------|---------|---------|---------|---------|----------|
| Total Assets | 169.416 | 183.342 | 174.972 | 162.267 | ↓ -7,3% |
| Current Account with BI | 15.160 | 17.573 | 15.733 | 11.974 | ↓ -23,9% |
| Placement with other banks and BI | 32.340 | 28.144 | 32.850 | 7.895 | ↓ -75,9% |
| Marketable Securities | 3.932 | 4.498 | 6.805 | 9.800 | ↑ 44,0% |
| Loans | 66.460 | 88.651 | 69.133 | 89.171 | ↑ 29,0% |
| Government Bonds | 41.227 | 36.701 | 39.718 | 36.384 | ↓ -8,4% |
| Customer Deposits | 135.797 | 146.189 | 141.727 | 126.425 | ↓ -10,8% |
| Borrowings | 4.009 | 6.309 | 4.703 | 6.435 | ↑ 36,8% |
| Subordinated Debt | 2.239 | 933 | 2.271 | 915 | ↓ -59,7% |
| Equity | 14.794 | 17.219 | 14.549 | 14.923 | ↑ 2,6% |

...Toward 30 : 70
(corporate vs non-corporate)...

Loan Composition

Increasing middle market focus (% , Rp bn)



Rp vs. non-Rp loans (%)

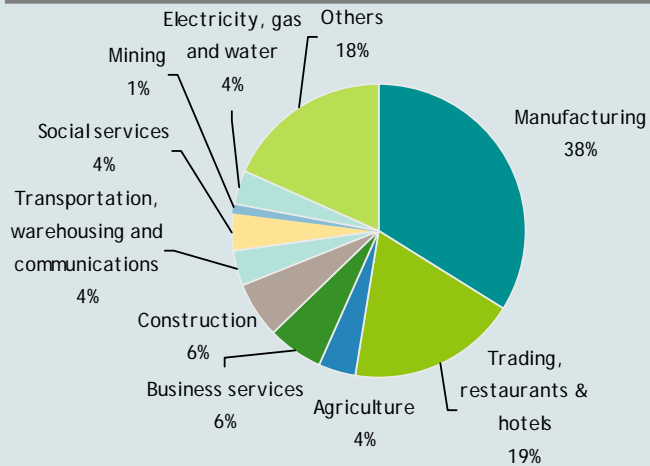


Loan Portfolio in non-corporate segment was increasing...

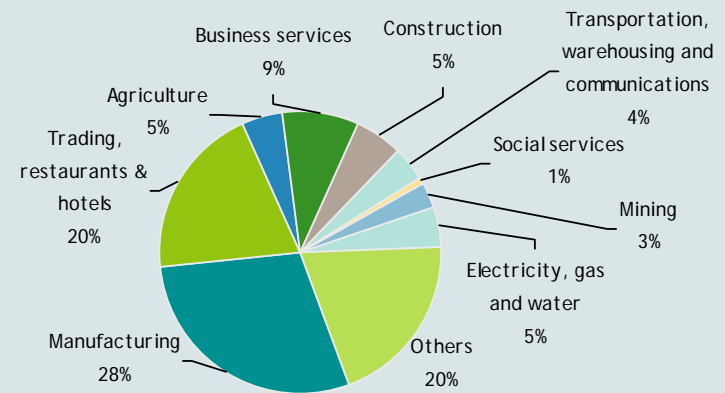
...since December 2005, composition of loan was not dominated by certain sector or product...

Loan diversifications

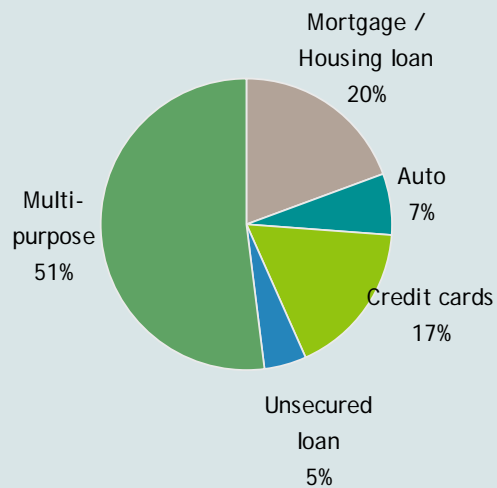
Loans by Economic Sector - December 31, 2005



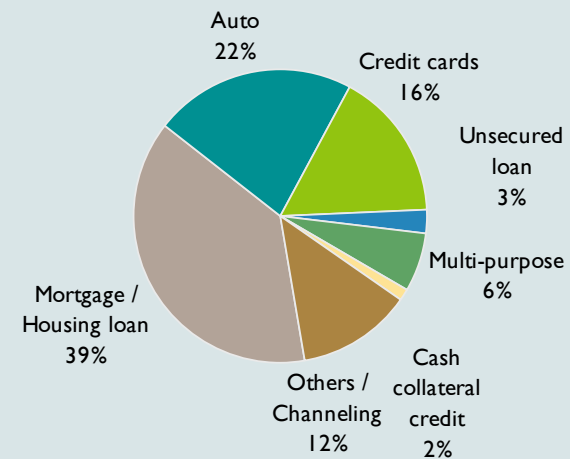
Loans by Economic Sector - March 31, 2007



Consumer Loan Composition - December 31, 2005

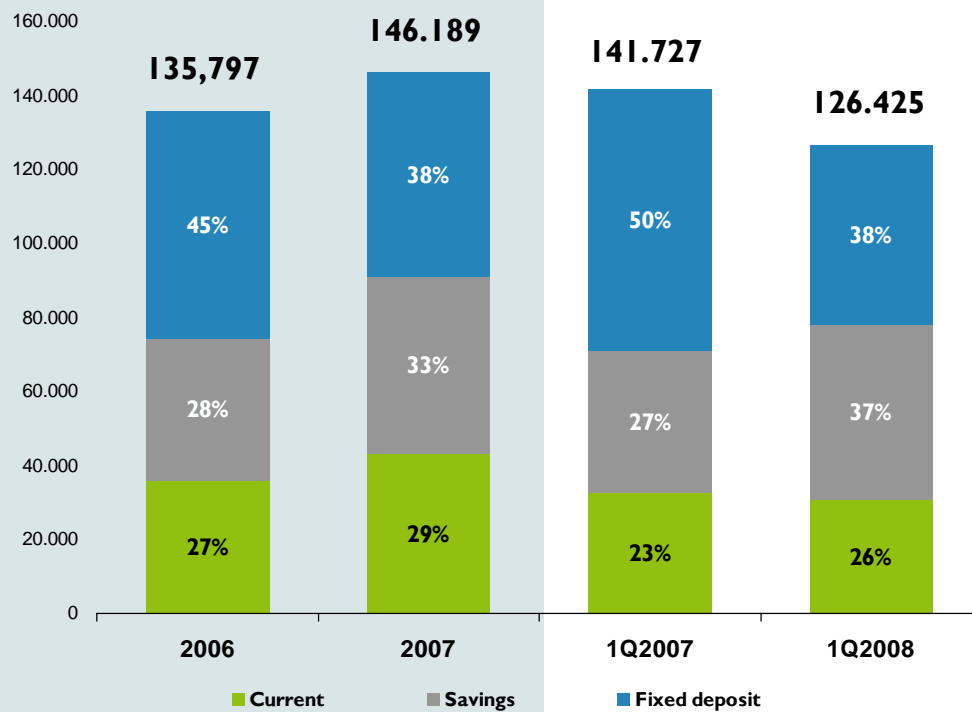


Consumer Loan Composition - March 31, 2007

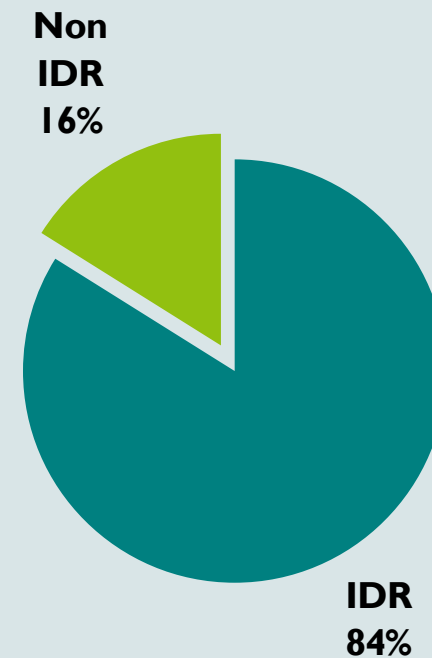


Customer Deposit

Customer Deposit by Type



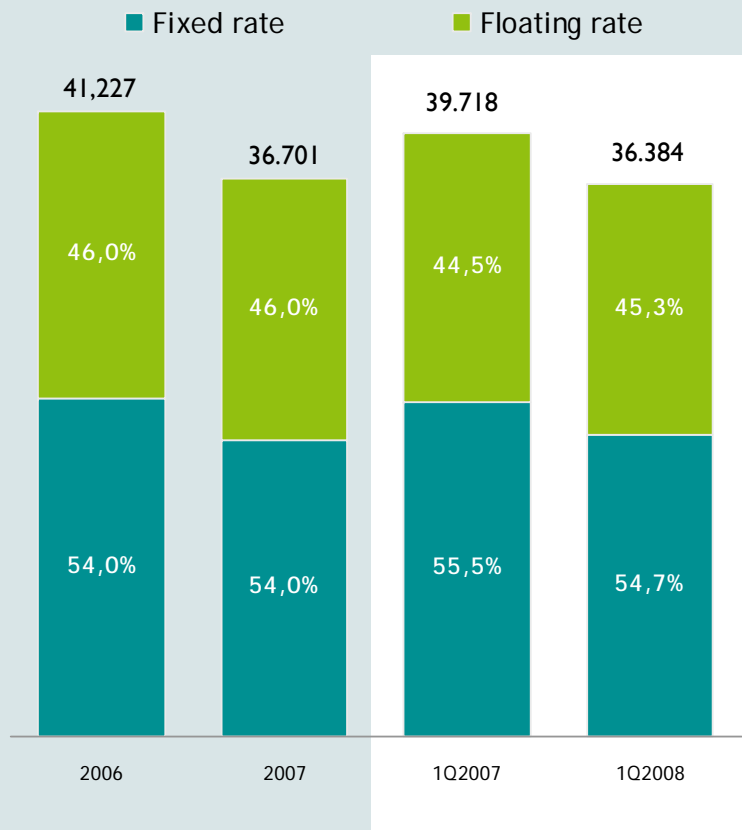
Customer Deposit by currencies



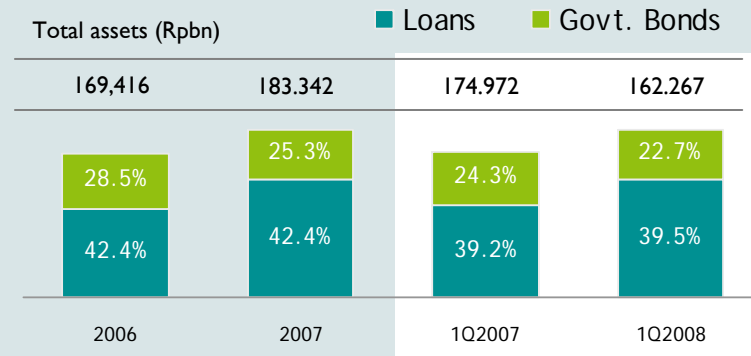
...CASA was increased from 50% to 63% (Q1-2007 to Q1-2008)...

Government Bonds

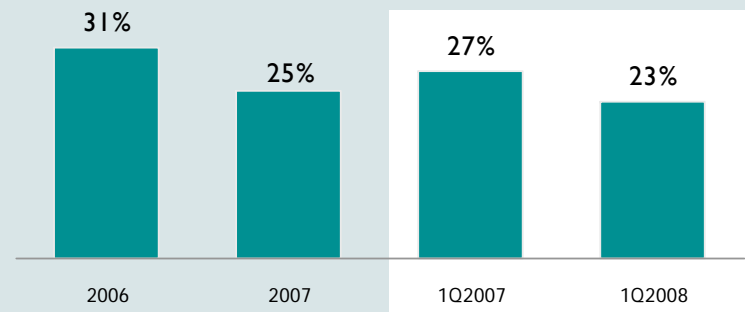
Fixed vs. floating rate government bonds (Rp bn)



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



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

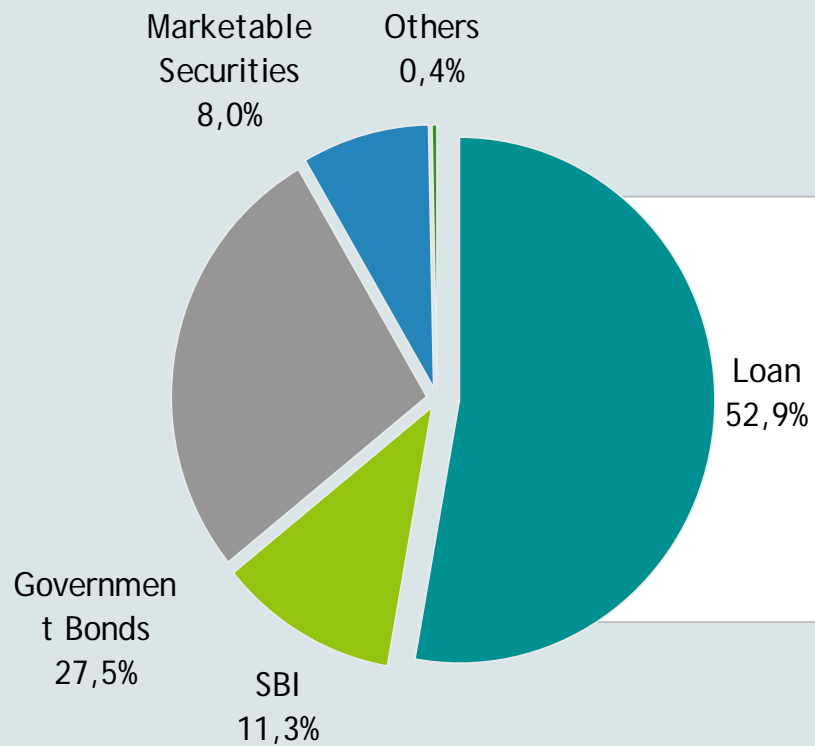


Profit & Loss

| [Rp Billions] | 2006 | 2007 | IQ2007 | IQ2008 | Changes |
|-------------------------------------------|---------|---------|---------|---------|----------|
| Net Interest Income | 7.377 | 7.467 | 1.528 | 2.233 | ↑ 46,1% |
| Fee Income | 2.861 | 4.130 | 1.210 | 839 | ↓ -30,7% |
| Operating Income | 10.238 | 11.597 | 2.738 | 3.072 | ↑ 12,2% |
| Operating Expense | (6.258) | (7.626) | (1.669) | (1.650) | ↓ -1,1% |
| Net Non Operating Income/(Expense) | 179 | 213 | 160 | (13) | ↓ -108% |
| Pre-Provision Operating Income | 3.980 | 3.971 | 1.229 | 1.409 | ↑ 14,6% |
| Provisioning | (1.319) | (2.704) | (623) | (1.199) | ↑ 92,5% |
| Net Income before Tax | 2.840 | 1.481 | 606 | 210 | ↓ -65,3% |
| Net Income | 1.926 | 898 | 400 | 153 | ↓ -61,7% |
| Net Income per share [full amount / Rp] | 126 | 59 | 26 | 10 | ↓ -61,5% |

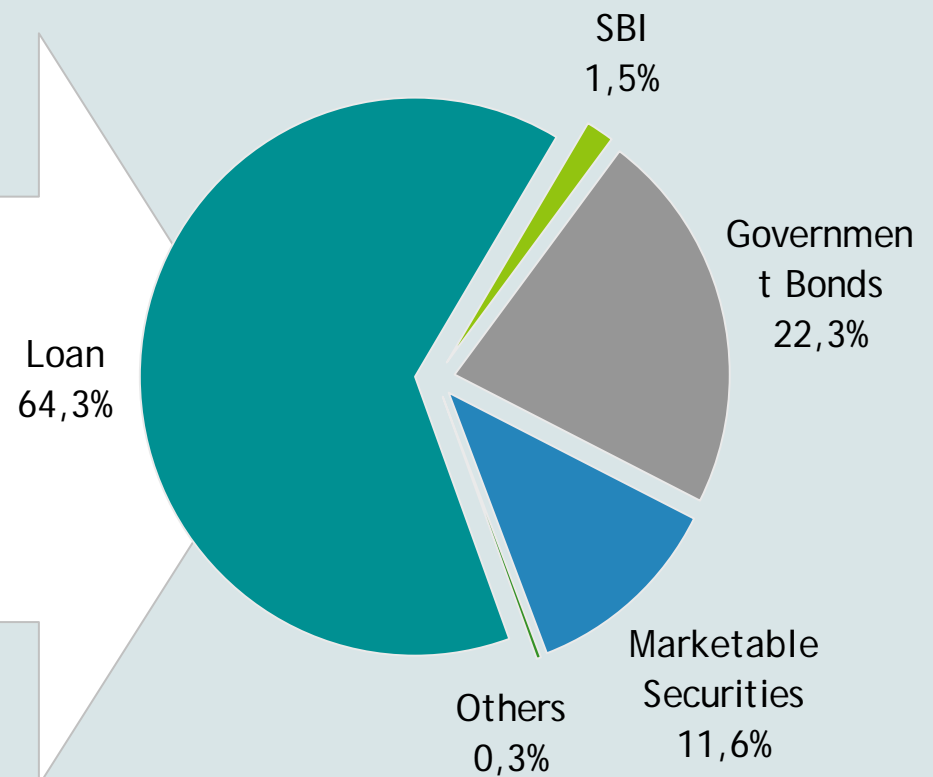
Interest Income Composition

Breakdown of interest income (1Q-2007)



Total = Rp 3.605 bn

Breakdown of interest income (1Q-2008)

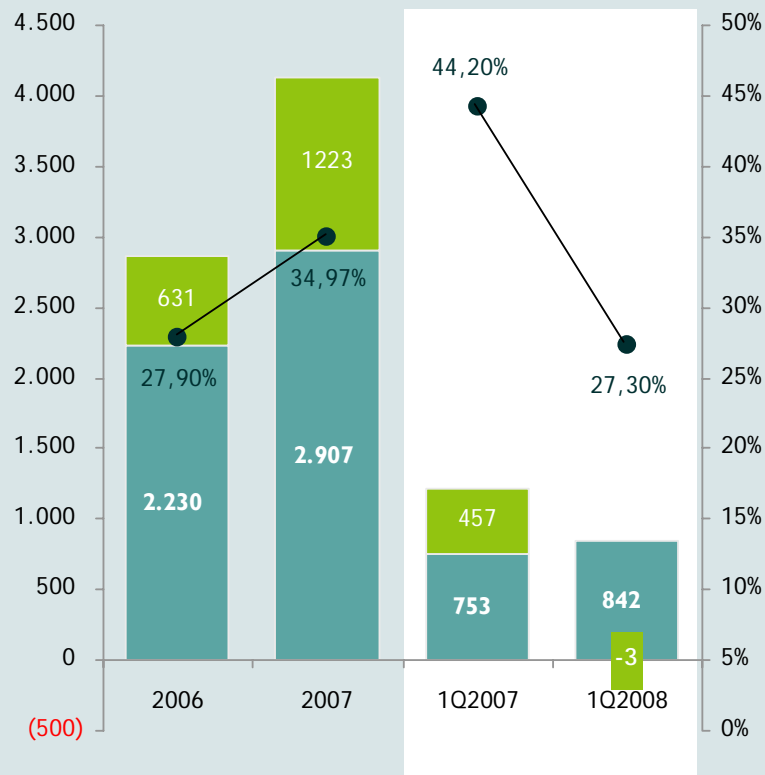


Total = Rp 3.688 bn

Non Interest Income

Key highlights of non-interest income

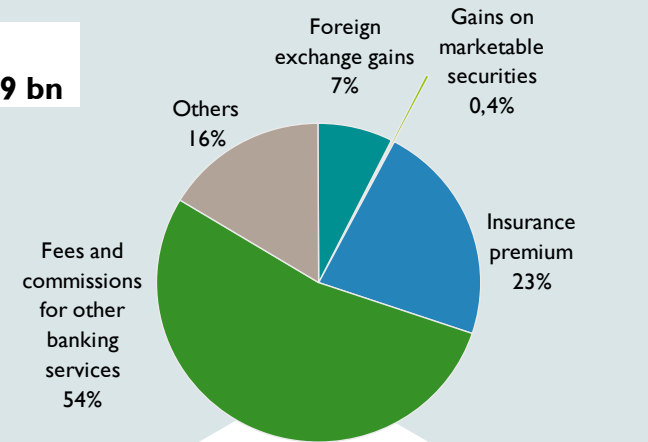
Non-interest income (Rpbn) — Non-interest income as % of total revenue
Gain from Marketable Securities



Breakdown of non-interest income (1Q-2008)

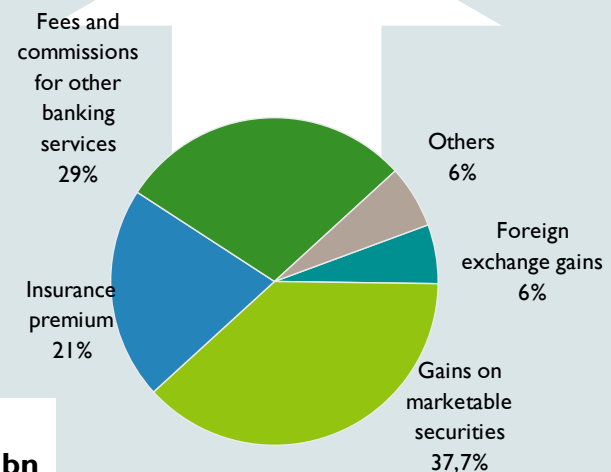
1Q2008

Total = Rp 839 bn



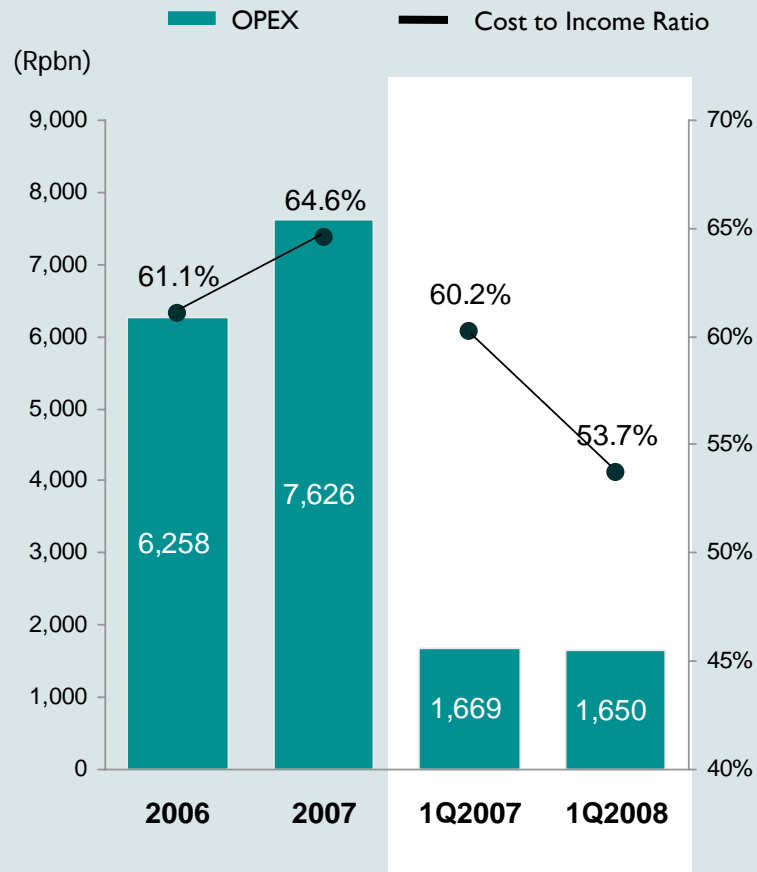
1Q2007

Total = Rp 1.210 bn

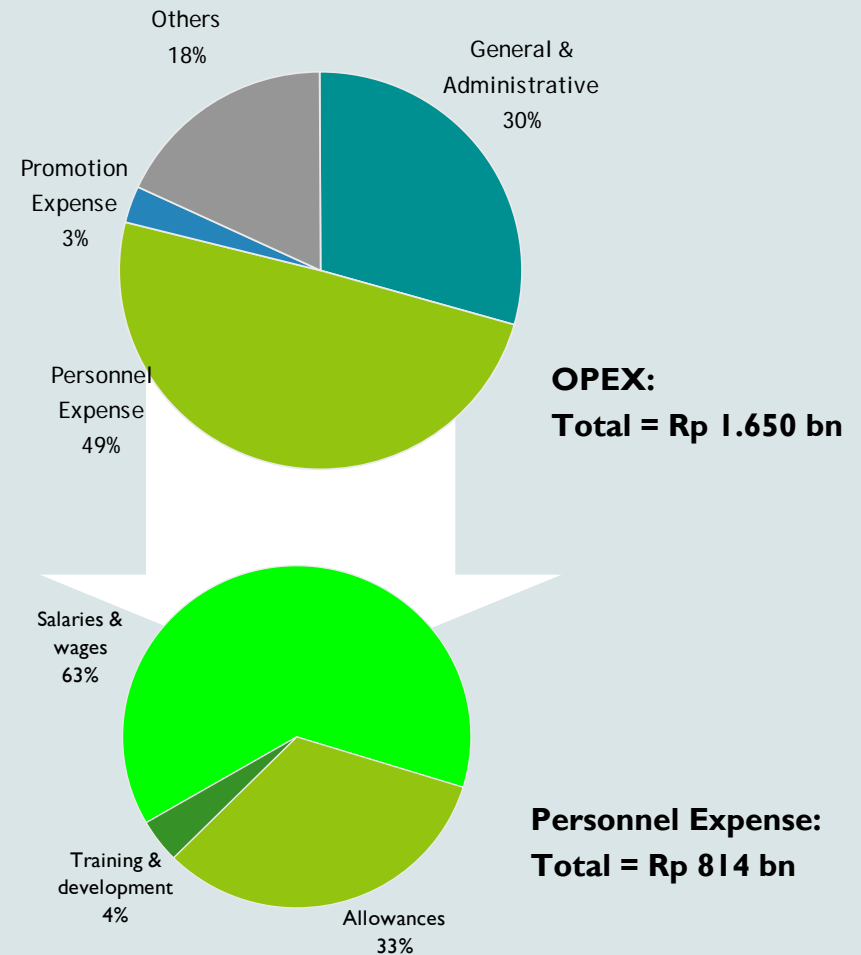


Operational Expense

Key highlights of OPEX compare to CIR



Breakdown of OPEX (as of March 31, 2008)



Financial Ratios [%]

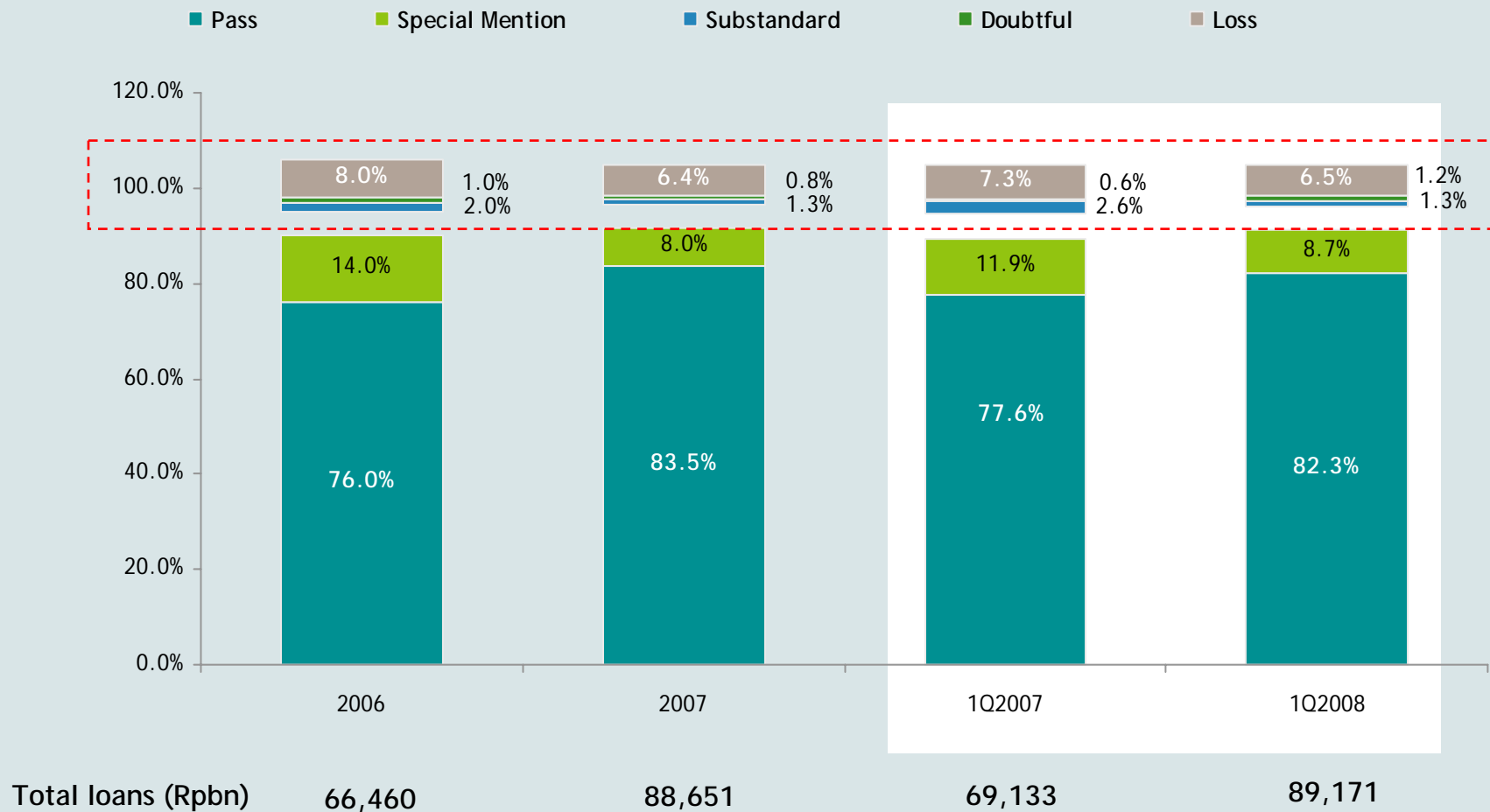
| | 2006 | 2007 | I Q2007 | I Q2008 |
|-------------------------------------------------|-------|-------|---------|---------|
| CAPITAL | | | | |
| Shareholders equity to total assets | 8,7 | 9,4 | 8,3 | 9,2 |
| Tier I – CAR | 10,0 | 11,7 | 10.9 | 12.1 |
| Tier II – CAR | 6,1 | 4,6 | 5.6 | 4.6 |
| CAR [after adjustment for market risk] | 15,3 | 15,7 | 15.7 | 16.3 |
| ASSET QUALITY | | | | |
| Net Non Performing Loan | 6,6 | 4,0 | 6,6 | 3,2 |
| Gross Non Performing Loan | 10,5 | 8,2 | 10,5 | 8,6 |
| Allowance for possible loan losses to gross NPL | 55,1 | 71,9 | 52,6 | 83,4 |
| Requirement for provision of Earning Assets | 108,6 | 116,5 | 112.6 | 141.2 |

Financial Ratios [%]

| | 2006 | 2007 | I Q2007 | I Q2008 |
|---------------------------------------|------|------|---------|---------|
| RENTABILITY | | | | |
| ROAA | 1,2 | 0,5 | 0.9 | 0,4 |
| ROAE | 14,4 | 5,6 | 11.3 | 3,3 |
| Net Interest Margin | 5,2 | 5,0 | 4.1 | 6.0 |
| EFFICIENCY | | | | |
| BOPO | 84,8 | 93,0 | 90.0 | 95.1 |
| Cost to Income Ratio | 60,1 | 64,6 | 60.2 | 53.8 |
| LIQUIDITY | | | | |
| Loan to Deposit Ratio | 49,0 | 60,2 | 48.8 | 70.5 |
| COMPLIANCE | | | | |
| Statuary Reserve Requirement (Rupiah) | 13,0 | 14,7 | 12.1 | 12.1 |
| Net Open Position | 6,8 | 5,9 | 6.3 | 6.0 |

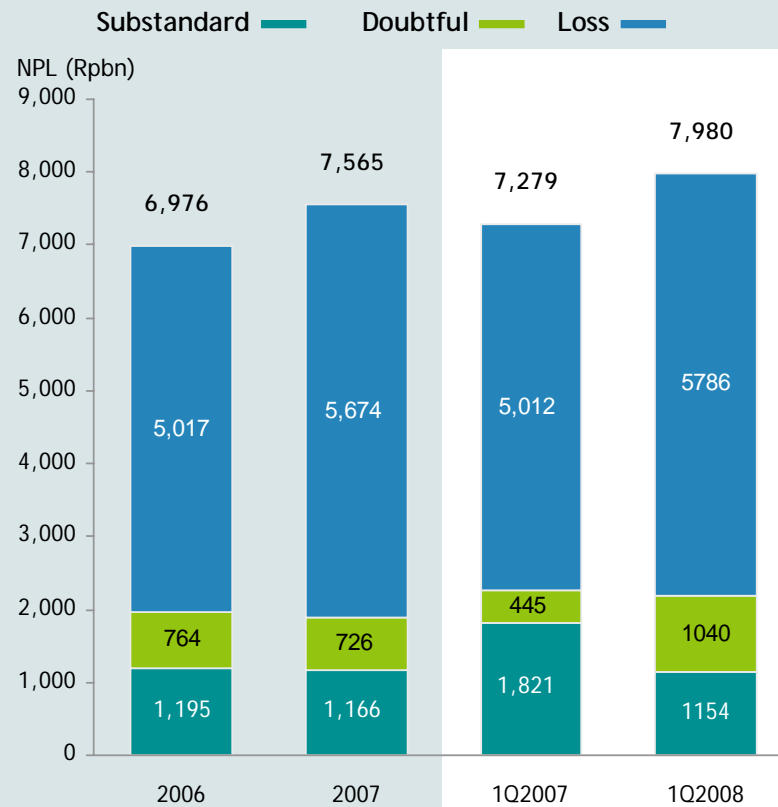
Loan Quality

Loan Collectibility

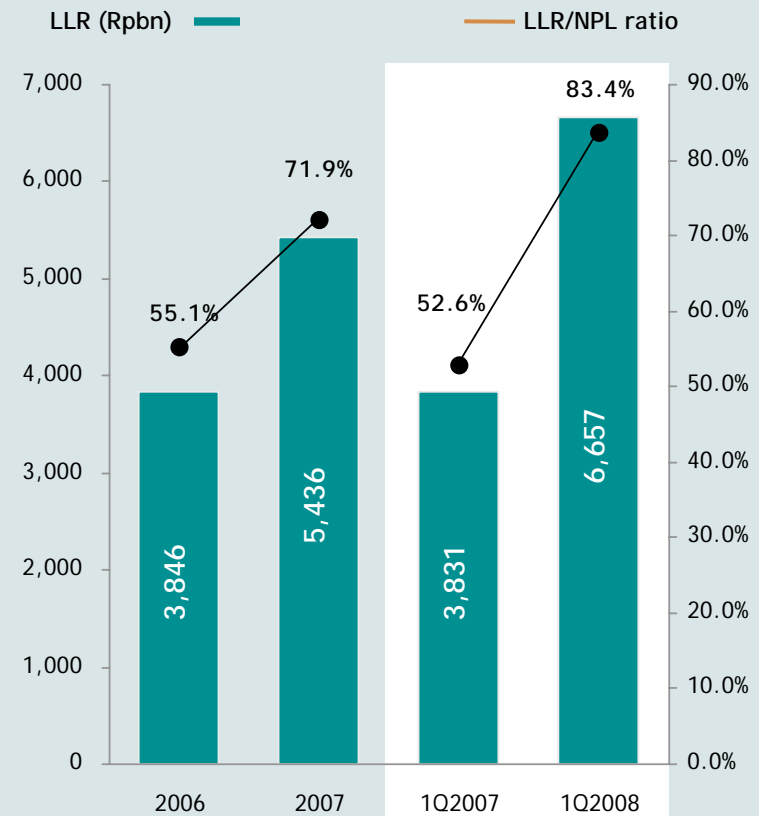


Managing NPL

Non-performing loans



LLR/NPLs



Coverage Ratio [LLR/NPL] increased 30,8% from 52,6% to 83,4% as result of provisioning policy applied

Top 10 Debtors

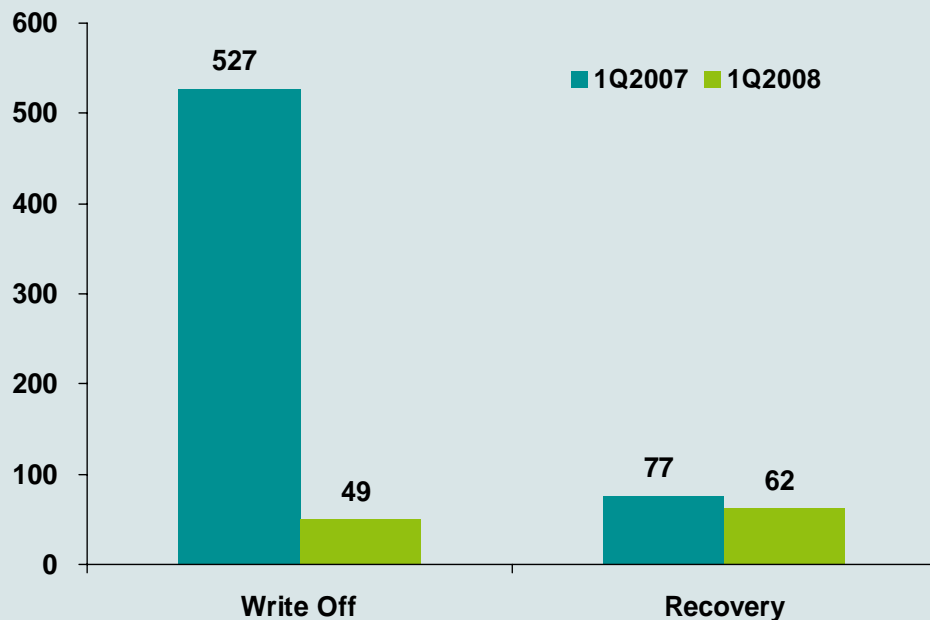
| No | Debtors by Industry | Type of banking arrangement | Total outstanding of loans (Rp bn) | Loan Classifications |
|------------------------------|---------------------|-----------------------------|------------------------------------|----------------------|
| 1 | Oil & Gas | Investment | 2.679 | I |
| 2 | Electricity | Working Capital/ Investment | 1.455 | I |
| 3 | Telecommunication | Working Capital/ Investment | 1.437 | I |
| 4 | Oil & Gas | Working Capital/ Investment | 1.381 | I |
| 5 | Property | Working Capital/ Investment | 1.233 | I |
| 6 | Manufacturing | Working capital | 888 | I |
| 7 | Agriculture | Working Capital/ Investment | 767 | I |
| 8 | Electricity | Working capital/Investment | 727 | I |
| 9 | Construction | Investment Loan | 717 | I |
| 10 | Pulp & Paper | Working Capital | 668 | I |
| Total | | | 11.950 | |
| % dari total pinjaman | | | 13,4% | |

Top 10 NPL Debtors

| No | Company, Industry | Type of banking arrangement | Total outstanding of loans (Rp bn) | Loan Classifications |
|------------------------------|------------------------------------|-----------------------------|------------------------------------|----------------------|
| 1 | Semen Bosowa Maros, Manufaktur | Investment | 584 | 5 |
| 2 | Prima Inreksa, Manufaktur | Working Capital | 343 | 3 |
| 3 | Perwita Karya, Konstruksi | Working Capital | 186 | 5 |
| 4 | Himalaya Tunas, Textile | Working capital | 171 | 3 |
| 5 | Jakarana Tama, Makanan | Working capital | 142 | 5 |
| 6 | Griya Pesona Mentari, Property | Working capital | 123 | 3 |
| 7 | Zidon Indonesia, Elektronik | Working capital | 122 | 5 |
| 8 | Citra Insulindo Abadi, Konstruksi | Working capital | 109 | 5 |
| 9 | Damai Indah Kaca Tipis, Manufaktur | Investment Loan | 107 | 5 |
| 10 | Alam Tirta Sari, Manufaktur | Investment Loan | 84 | 3 |
| Total | | | 1.971 | |
| % dari total NPL | | | 24.7% | |
| % dari total pinjaman | | | 2.2% | |

Asset Recovery

Write off & Recovery



| | 1Q2007 | 1Q2008 | % |
|------------------------|--------|--------|--------|
| Write-off (Rp billion) | 527,34 | 49,26 | -90,6% |
| Recovery (Rp billion) | 76,81 | 62,47 | -18,6% |

- In 2007, BNI has not yet implement Government Decree No 33
- As of 17 January 2008, BNI was released from “Bank Under Intensive Supervision”
- Proceed from recovery was used to increase provision and not accrued as income

Going Forward

2008 Financial target

| Areas for improvement | Short-term Initiatives | Target by end of 2008 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Profitability : <ul style="list-style-type: none"> • Higher Net Interest Margin • Increase recurring fee-based income | <ul style="list-style-type: none"> • Review the pricing policy on assets & liabilities portfolio • Increase lower cost funding source (CASA) • Higher growth in SME & Consumer loan • Increase non-interest income through better services in financial transactions & new product features | <ul style="list-style-type: none"> • Improve NIM > 5.5% • Increase CASA by $\pm 20\%$ • Overall loan growth $\pm 20\%$: <ul style="list-style-type: none"> • SME loan growth 22%-25% • Consumer loan growth 20%-22% • Increase recurring fee-based income 25% • Interest income vs fee-based income = 70:30 |
| Productivity : Lower Cost Income Ratio | <ul style="list-style-type: none"> • Improve branch & employee productivity • Efficiency program across the board | <ul style="list-style-type: none"> • Improve CIR to $\pm 55\%$ • Increase Operating Income per employee |

2008 Financial target

| Opportunity for improvement | Initiatives | Target by end of 2008 |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Quality : - Lower NPL level - Higher coverage ratio - Yield Enhancement | <ul style="list-style-type: none"> • Implement Government Decree No 33 • Strengthen early warning system on loan portfolio • Disclose & resolve Top 10 NPLs | <ul style="list-style-type: none"> • Gross NPL below 5% • Policy only applicable for SME debtor below Rp 5 billion with targeted proceed of Rp 180 billion from Rp 455 billion outstanding NPL. |
| | <ul style="list-style-type: none"> • Establish provision policy that exceed minimum requirement • Increase recovery rate | <ul style="list-style-type: none"> • Accelerated increase in coverage $\pm 100\%$ • Targeted recovery : Rp 500 billion |
| | <ul style="list-style-type: none"> • Decrease composition of lower yield asset (cash, placement to Bank Indonesia, etc) | <ul style="list-style-type: none"> • Increase LDR to $\pm 64\%$ |



Thank you

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