



## *A TURN AROUND STORY FOR SUSTAINABLE GROWTH*

Analyst Meeting  
1Q – 2009

PT Bank Negara Indonesia (Persero) Tbk  
Jakarta, 29 April 2009

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# Agenda

- ▶ **Management Focus & Progress to date**

- ☑ 2009 Strategic Policy

- ☑ Target vs Achievement in 2009

- ☑ Summary Results

- ▶ **Financial Performance**

- ☑ Income Statement, Balance Sheet, Financial Ratio

- ▶ **Loan Quality**

- ▶ **APENDIX**

- ☑ **BNI in brief**

# Management Focus & Progress to date

## 2009 STRATEGIC POLICY



## 2009 Financial Target

Indicators	Initiatives	Target by end of 2009	Progress Jan-Mar 09	TREND
<b>Asset Quality :</b>  <b>Coverage ratio</b>  <b>-Prevent NPL formation</b>	<ul style="list-style-type: none"> <li>Establish provision policy in line with peers &amp; economy climate</li> <li>Increase recovery rate</li> </ul>	<ul style="list-style-type: none"> <li>Coverage: 110 - 120%</li> <li>Targeted recovery : Rp 750 bn – Rp 1,0 tn</li> </ul>	<ul style="list-style-type: none"> <li>105,8%</li> <li>Rp 154 Bn</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>-</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthen early warning system on loan portfolio</li> <li>Proactive monitoring of Pre-NPL</li> <li>Resolve Top 10 NPLs</li> </ul>	<ul style="list-style-type: none"> <li>Gross NPL below 6%</li> <li>Net NPL between 1% - 1,5%</li> </ul>	<ul style="list-style-type: none"> <li>Gross NPL 5,6%</li> <li>Net NPL 1,5%</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>+</li> </ul>
<b>Profitability :</b> <ul style="list-style-type: none"> <li>Net Interest Margin</li> <li>Increase recurring FBI</li> </ul>	<ul style="list-style-type: none"> <li>Increase lower cost funding base (CASA)</li> <li>Selective loan growth</li> <li>Increase Non-Interest Income</li> </ul>	<ul style="list-style-type: none"> <li>NIM 5.5% - 6,5%</li> <li>CASA up to 12% - 14%</li> <li>Loan growth 14% - 16%</li> <li>Recurring Fee by Rp 4 Tn</li> </ul>	<ul style="list-style-type: none"> <li>NIM 6,2%</li> <li>CASA down by 6%</li> <li>Loan Growth 2,5%</li> <li>Recurring Fee Rp 994 bn</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>-</li> <li>+</li> <li>-</li> </ul>
<b>Productivity :</b> <b>Lower Cost Income Ratio</b>	<ul style="list-style-type: none"> <li>Efficiency program</li> <li>Improve branch &amp; employee productivity</li> </ul>	<ul style="list-style-type: none"> <li>Maintain CIR max 55%</li> <li>Increase Operating Income per employee to Rp 350mn – Rp 400 million</li> </ul>	<ul style="list-style-type: none"> <li>CIR 40,2%</li> <li>Operating Income per Employee: Rp 539 million</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>+</li> </ul>
<b>Strengthen Tier-I Capital</b>	<ul style="list-style-type: none"> <li>Dividend Pay Out Ratio</li> <li>Asset Quality</li> </ul>	<ul style="list-style-type: none"> <li>Tier I Capital targeted above 10%</li> </ul>	<ul style="list-style-type: none"> <li>Tier I = 11,3%:</li> </ul>	<ul style="list-style-type: none"> <li>+</li> </ul>

## Summary Result 1Q-2009












1. Asset Quality	NPL 5,6%, Coverage 106%, Recovery Rp. 154 billion	+
2. Profitability	NIM 6,2%, Net Income Rp 635 Billion, ROA 1,9; ROE: 16,7	+
3. Low Cost Fund	CASA down 6%	-
4. Tier-1 Capital	Tier-1 : 11,3%, CAR : 15,0%	+
5. Fee Income	Recurring Fee Rp 994 Bn	+
6. Efficiency	Cost to Income Ratio 40,2%	+
7. Spin Off / JV	On going process	-

# **Financial Performance**

**IQ - 2009**

- I. Profit & Loss**
- II. Balance Sheet**
- III. Financial Ratio**

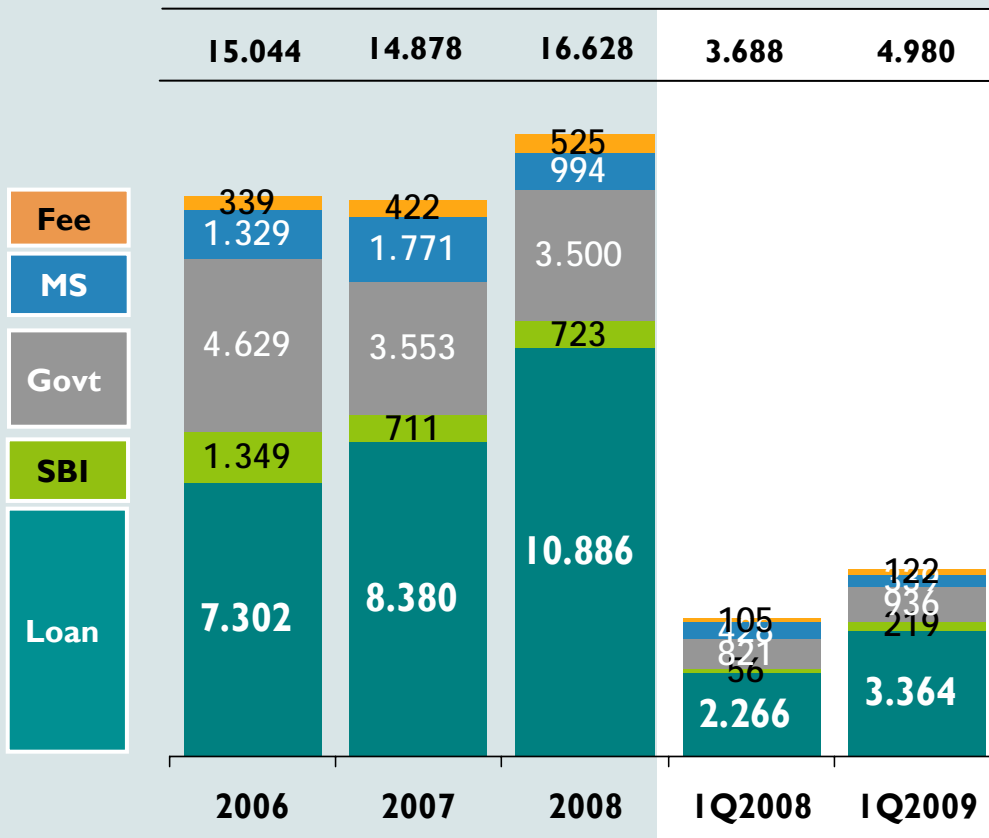
## Profit & Loss

[ Rp Billions ]	2006	2007	2008	IQ-2008	IQ-2009	Y.o.Y
<b>Net Interest Income</b>	<b>7.377</b>	<b>7.467</b>	<b>9.912</b>	<b>2.233</b>	<b>2.774</b>	 24,2%
Fee Income	2861	4.130	3.549	842	1.215	 44,3%
- Reccuring Fee	2.230	2.907	3.692	853	994	 16,5%
- Non Recurring Fee	631	1.223	(143)	(10)	221	
Operating Income	10.238	11.597	13.461	3.072	3.990	 29,9%
<b>Operating Expense</b>	<b>(6.258)</b>	<b>(7.626)</b>	<b>(7.228)</b>	<b>(1.650)</b>	<b>(1.605)</b>	 -2,7%
Net Non OperatingIncome/(Expense)	179	213	58	(13)	38	 392,3%
<b>Pre-Provision Income</b>	<b>4159</b>	<b>4.185</b>	<b>6.291</b>	<b>1.409</b>	<b>2.423</b>	 72,0%
<b>Provisioning</b>	<b>(1.319)</b>	<b>(2.704)</b>	<b>(4.359)</b>	<b>(1.199)</b>	<b>(1.474)</b>	 22,9%
Net Income before Tax	2.840	1.481	1.932	210	949	 351,9%
<b>Net Income</b>	<b>1.929</b>	<b>898</b>	<b>1.222</b>	<b>153</b>	<b>635</b>	 315,0%
Net Income per share [full amount]	126	64	80	10	42	 320,0%

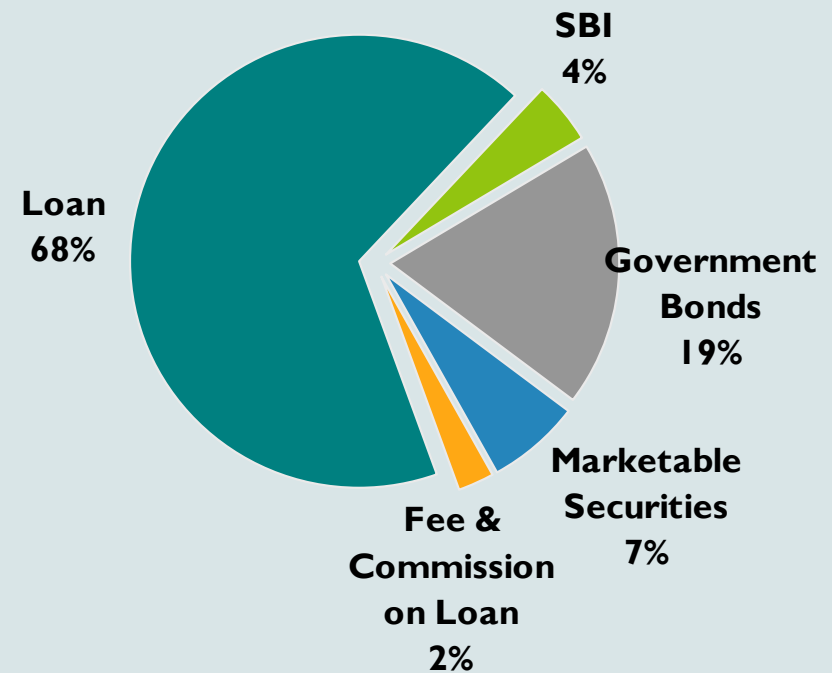


# Interest Income Composition

Growth of interest income from loan [Rp Bn]



Breakdown of interest income [%]

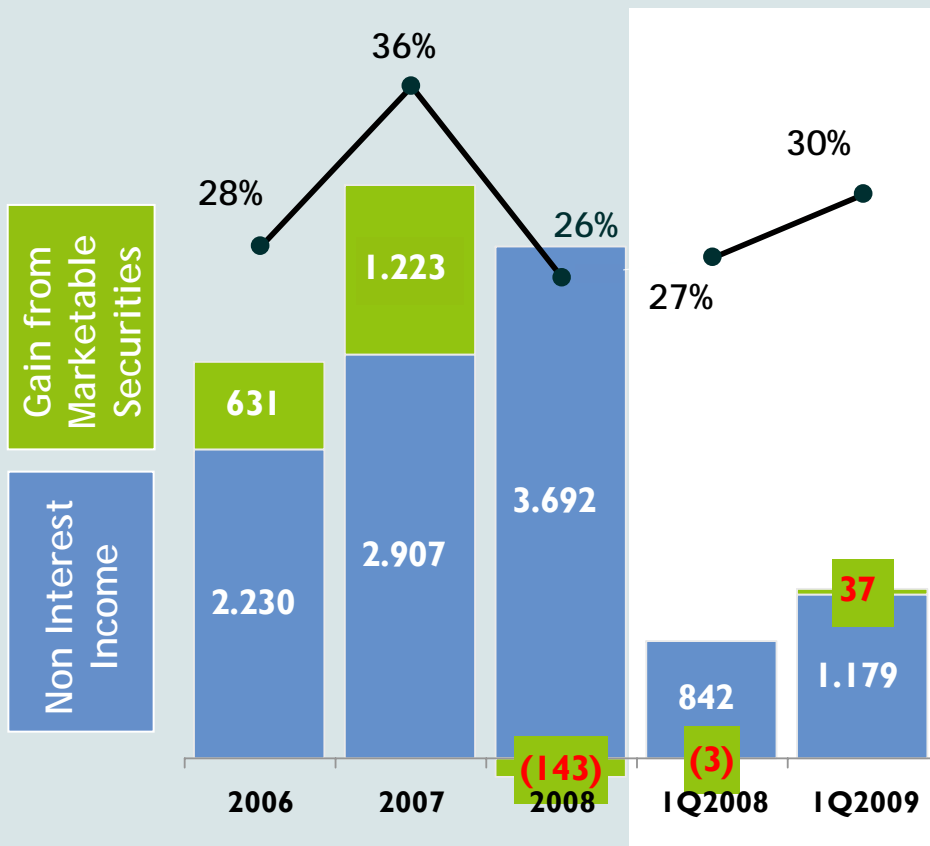


Total = Rp 4,98 trillion

# Non Interest Income

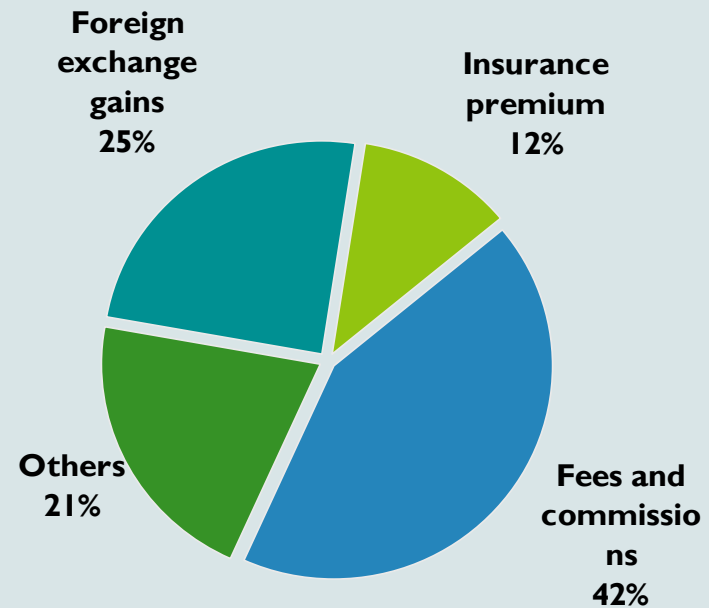
## Key highlights of non-interest income (Rp Bn)

● Non-interest income as % of total operating income



## Breakdown of non-interest income ( IQ-2009)

Total = Rp 1,2 trillion

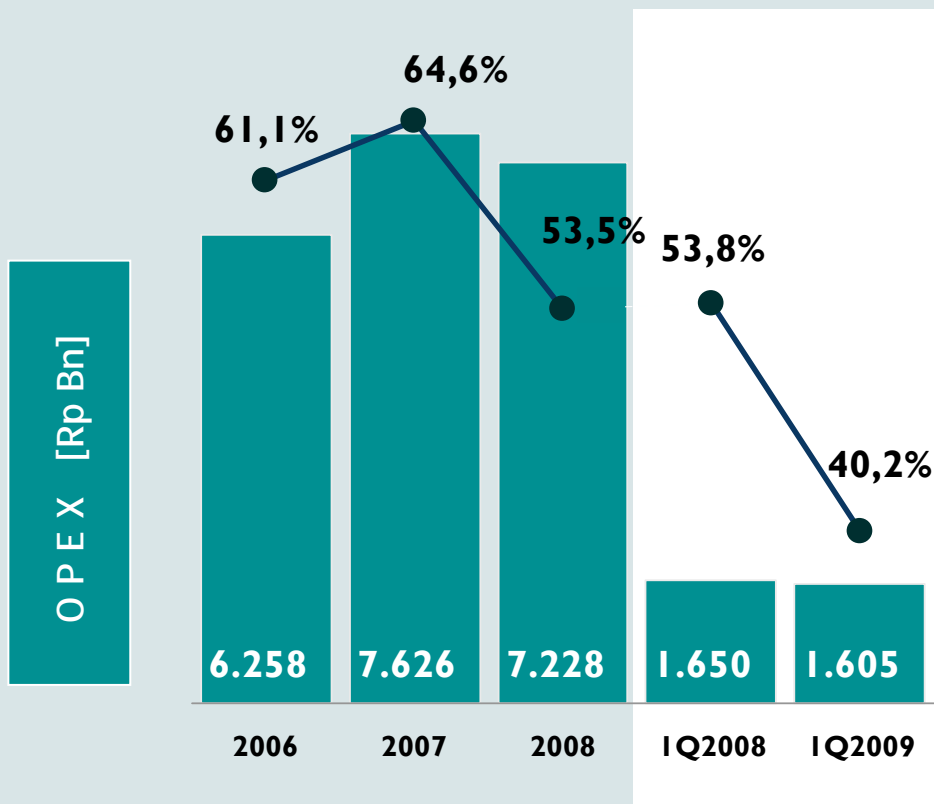


Recurring Fee Income is targeted to cover operating expense

# Operating Expense

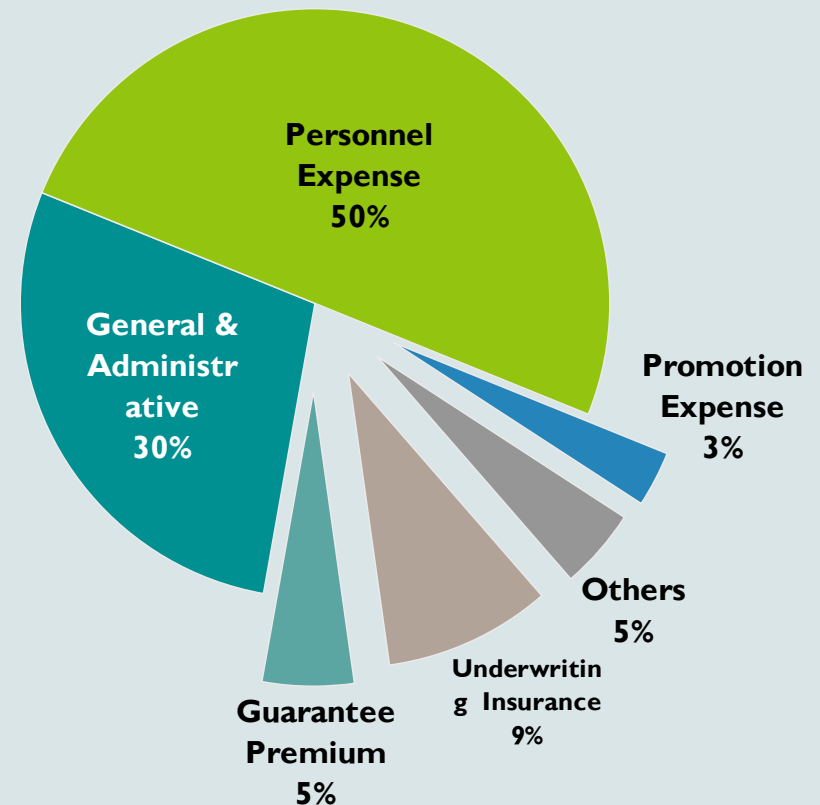
## Key highlights of OPEX compare to CIR

● Cost to Income Ratio



## Breakdown of OPEX [%]

Total = Rp 1,6 trillion



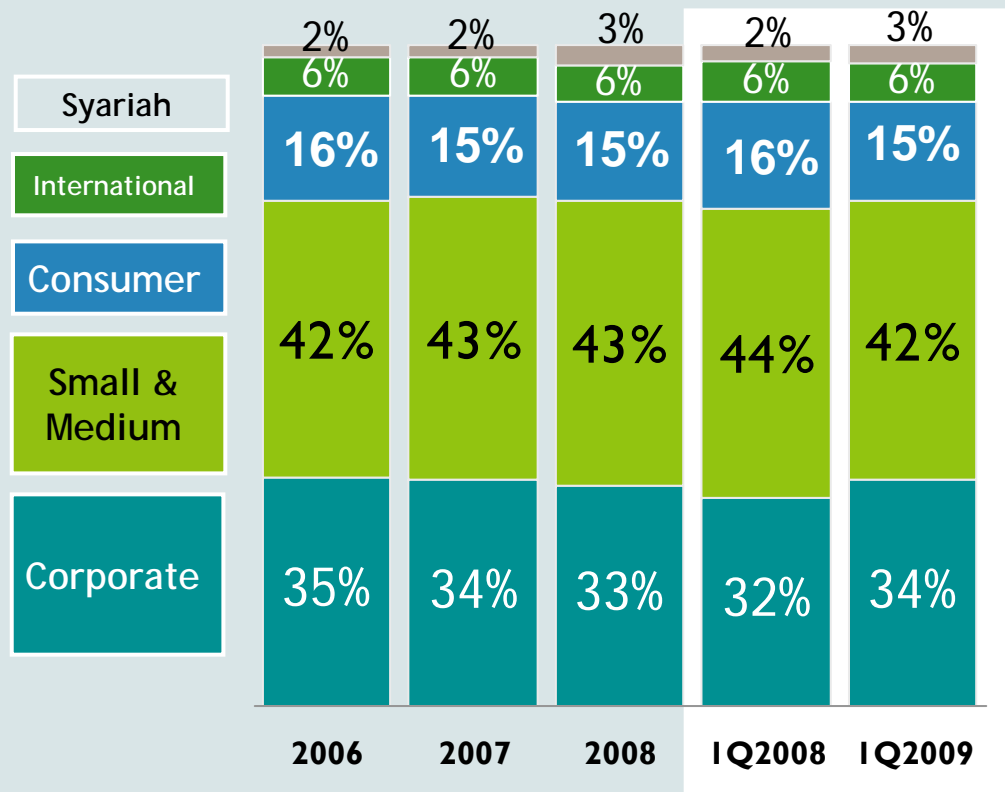
## Balance Sheet Highlight

[ Rp Billions ]	2006	2007	2008	IQ-2008	IQ-2009	Y.o.Y
Total Assets	169.416	183.342	201.741	162.267	201.264	↑ 24,0%
Current Account with BI	15.160	17.573	9.351	11.974	9.314	↓ -22,2%
Placement with other banks & BI	32.340	14.809	22.642	7.895	17.996	↑ 127,9%
Marketable Securities	3.932	16.201	9.874	9.800	15.201	↑ 55,1%
Loans (gross)	66.460	88.651	111.994	89.171	114.770	↑ 28,7%
Government Bonds	41.227	36.701	34.655	36.384	35.676	↓ -1,9%
Customer Deposits	135.797	146.189	163.164	126.425	165.044	↑ 30,5%
Borrowings	4.009	6.309	8.617	6.435	6.807	↑ 5,8%
Subordinated Debt	2.239	933	-	915	-	↓ Na
Equity	14.794	17.220	15.431	14.923	16.566	↑ 11,0%

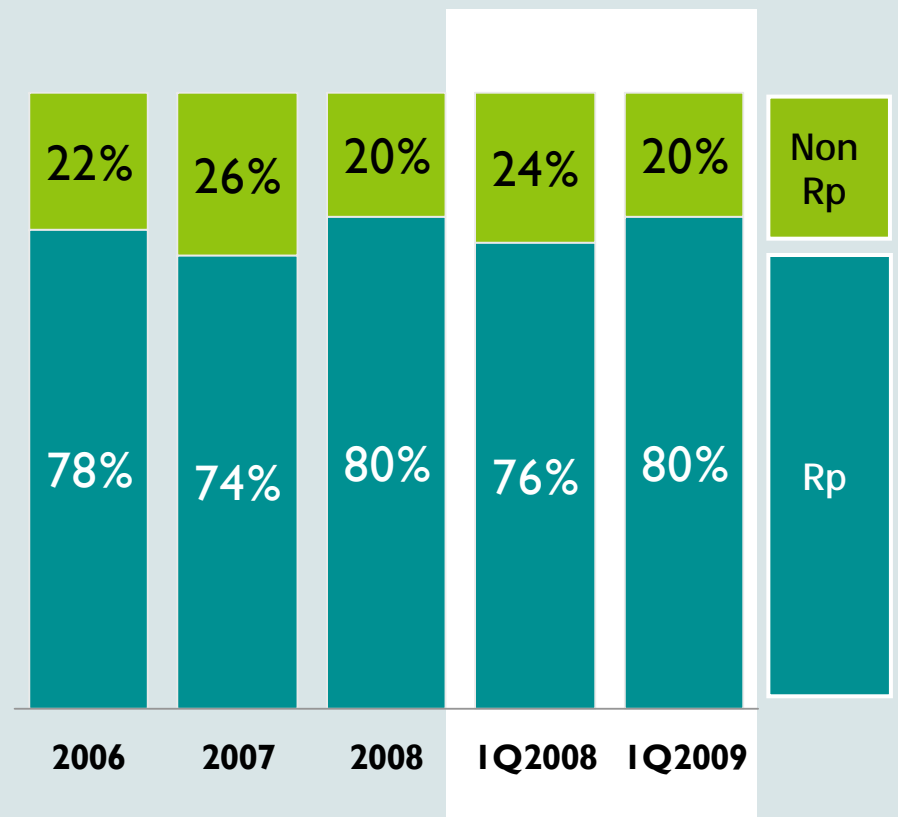
# Loan Composition

Loan Composition (% , Rp bn)

66.460 88.651 111.994 89.171 114.770



Rp vs non-Rp loans (%)

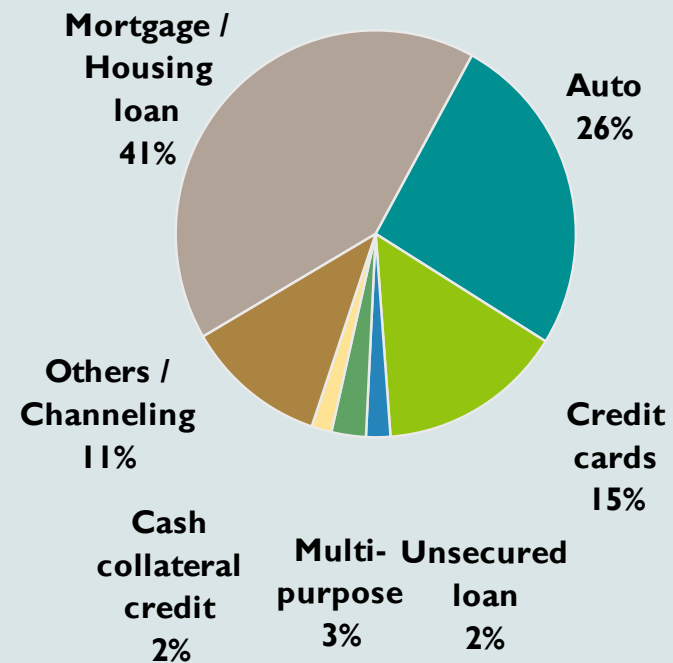


# Loan diversifications

Loans by Economic Sector [1Q-2009]

Sectors	IQ-2008	IQ-2009
Manufacturing	28%	26%
Trading, Resto & Hotel	20%	19%
Agriculture	5%	5%
Business Service	9%	11%
Constructions	5%	5%
Transportation & Comm	4%	6%
Social Services	1%	1%
Mining	3%	3%
Electricity, Gas & Water	5%	6%
Others	20%	18%
<b>TOTAL LOAN [Rp Bn]</b>	<b>89.171</b>	<b>114.770</b>

Consumer Loan Composition [1Q-2009]

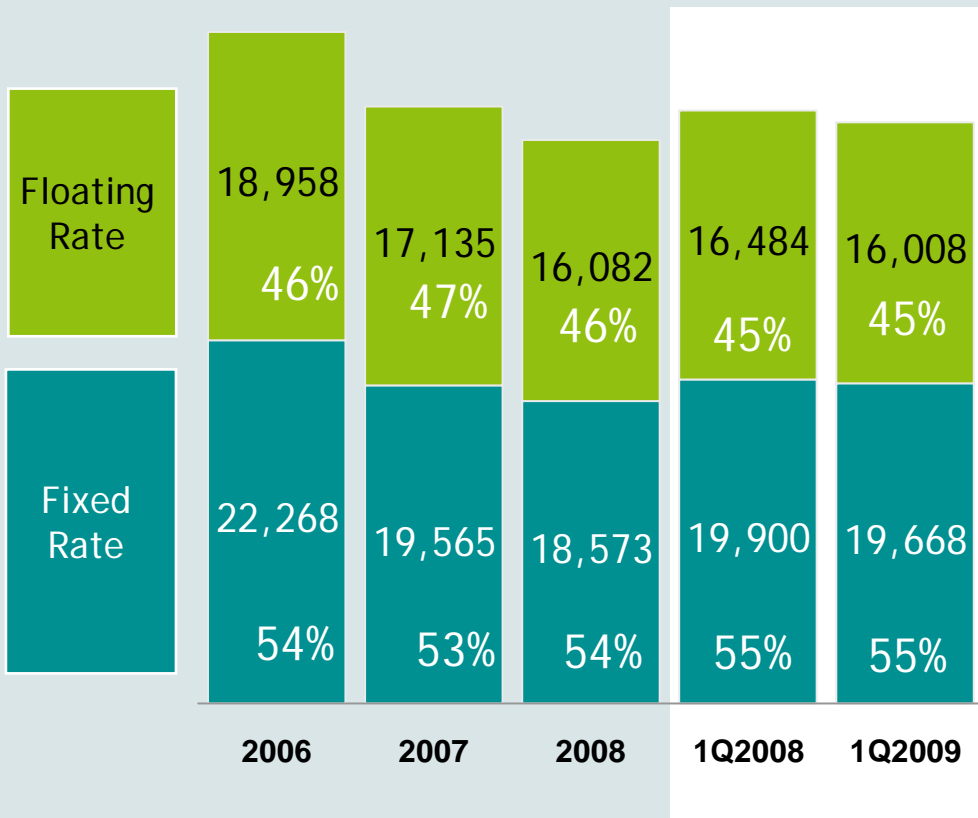


**Total Consumer Loan IQ-2009: Rp 17,0 Tn**

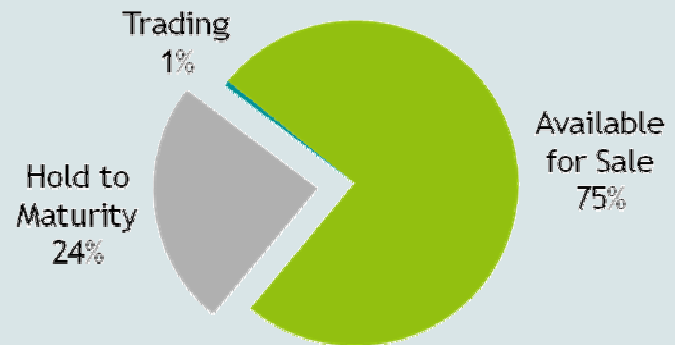
# Government Bonds

## Fixed vs. floating rate (Rp bn)

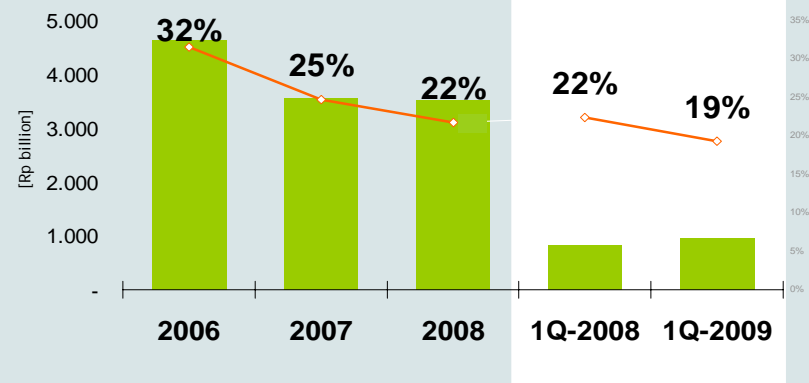
41.226    36.700    34.655    36384    35.676



## Accounting Treatment



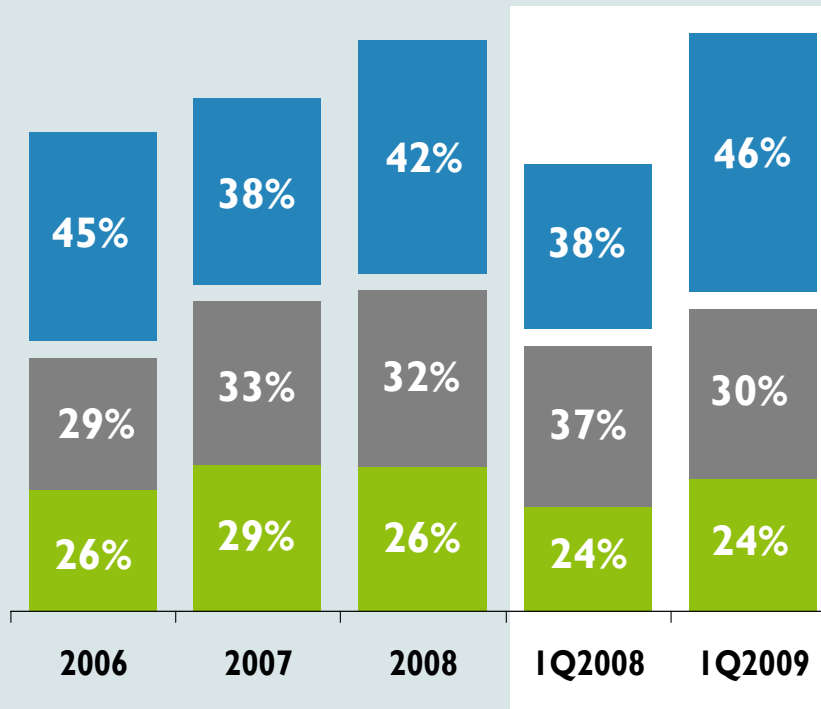
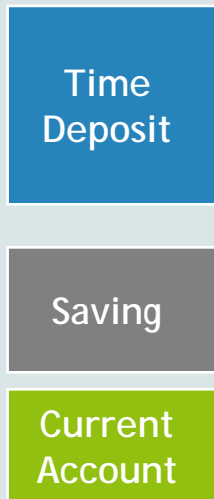
## Interest Income from Govt. bonds vs % from total interest income



# Customer Deposit

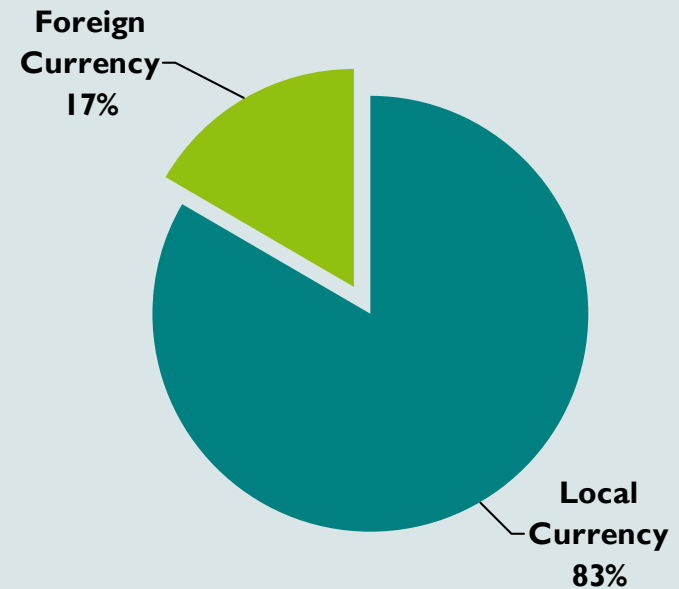
By Type (Rp Bn)

135.797   146.189   163.164   126.425   165.044



CASA      55%      62%      58%      61%      54%

By Currencies



**Customer deposit increased 30% (yoy) with CASA at 54%**



## Financial Ratios [%]

	2006	2007	2008	I Q2008	I Q2009
<b>CAPITAL</b>					
Shareholders equity to total assets	8.7	9,4	7,7	<b>9,2</b>	<b>8.2</b>
Tier I – CAR	10.0	11,7	9,8	<b>12,1</b>	<b>11.3</b>
Tier II – CAR	6.1	4,6	4,0	<b>4,6</b>	<b>4.1</b>
CAR [after adjustment for credit & market risk]	15.3	15,7	13,5	<b>16,3</b>	<b>15.0</b>
<b>ASSET QUALITY</b>					
Net Non Performing Loan	6.8	4,0	1,7	<b>3,2</b>	<b>1.5</b>
Gross Non Performing Loan	10.5	8,2	4,9	<b>8,6</b>	<b>5.6</b>
Allowance for possible loan losses to gross NPL	55.1	71,9	101,0	<b>83,4</b>	<b>105.8</b>
Requirement for provision of Earning Assets	108.6	116,5	141,4	<b>141,2</b>	<b>187.5</b>

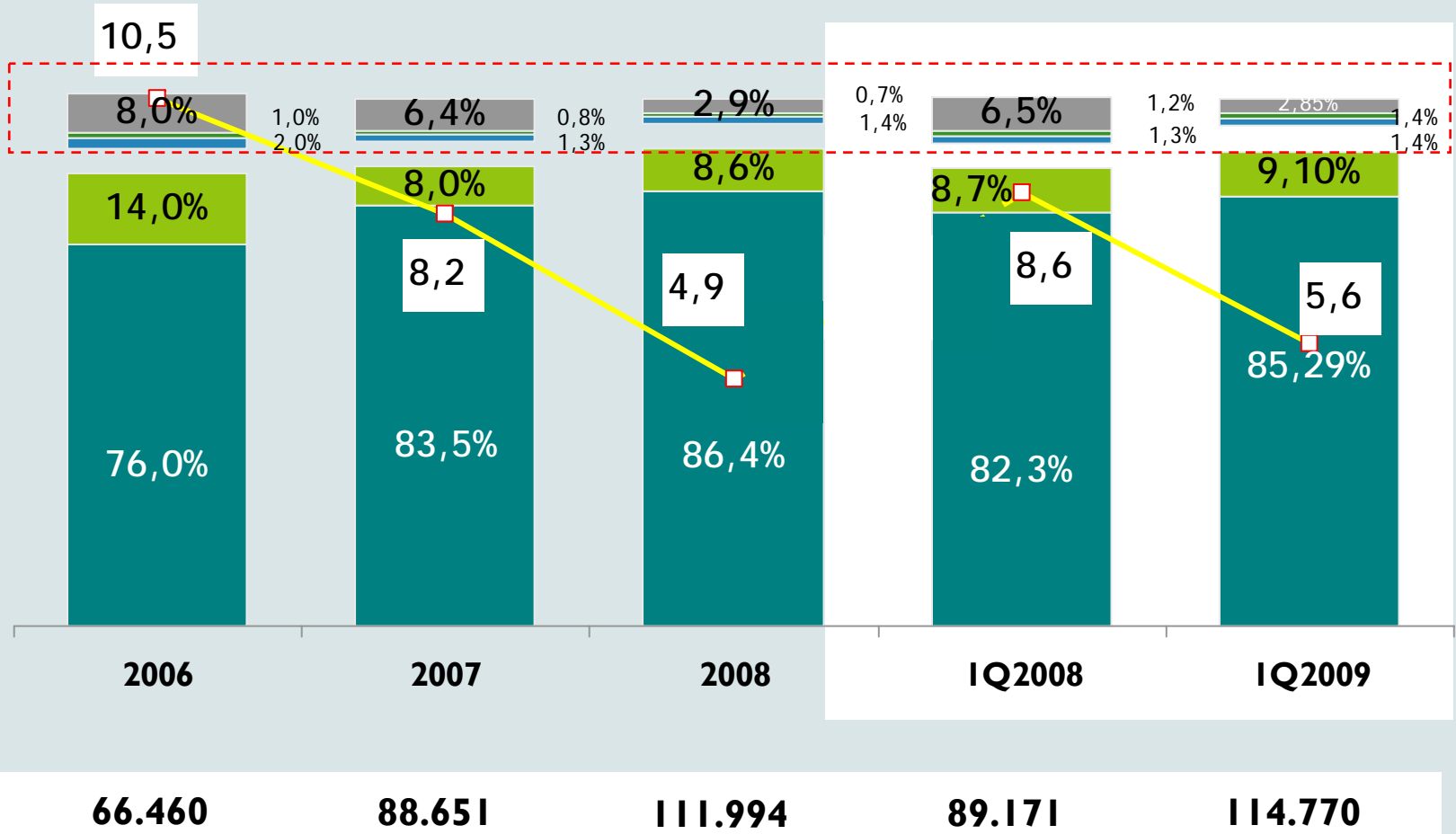
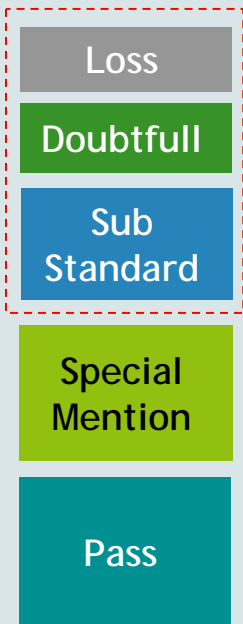
## Financial Ratios [%]

	2006	2007	2008	I Q-2008	I Q-2009
<b>RENTABILITY</b>					
ROA	1.9	0,9	1,1	<b>0,5</b>	<b>1.9</b>
ROE	22.6	8,0	9,0	<b>4,2</b>	<b>16.7</b>
Net Interest Margin	5.2	5,0	6,3	<b>6,0</b>	<b>6.2</b>
<b>EFFICIENCY</b>					
BOPO	84.9	93,0	90,2	<b>95,1</b>	<b>85.0</b>
Cost to Income Ratio	61.1	65,8	53,7	<b>53,8</b>	<b>40.2</b>
<b>LIQUIDITY</b>					
Loan to Deposit Ratio	49.0	60,6	68,6	<b>70,5</b>	<b>68.8</b>
<b>COMPLIANCE</b>					
Statuary Reserve Requirement (Rupiah)	13.0	14,7	6,7	<b>12,1</b>	<b>5.0</b>
Net Open Position	6.8	5,9	7,6	<b>6,0</b>	<b>6.4</b>

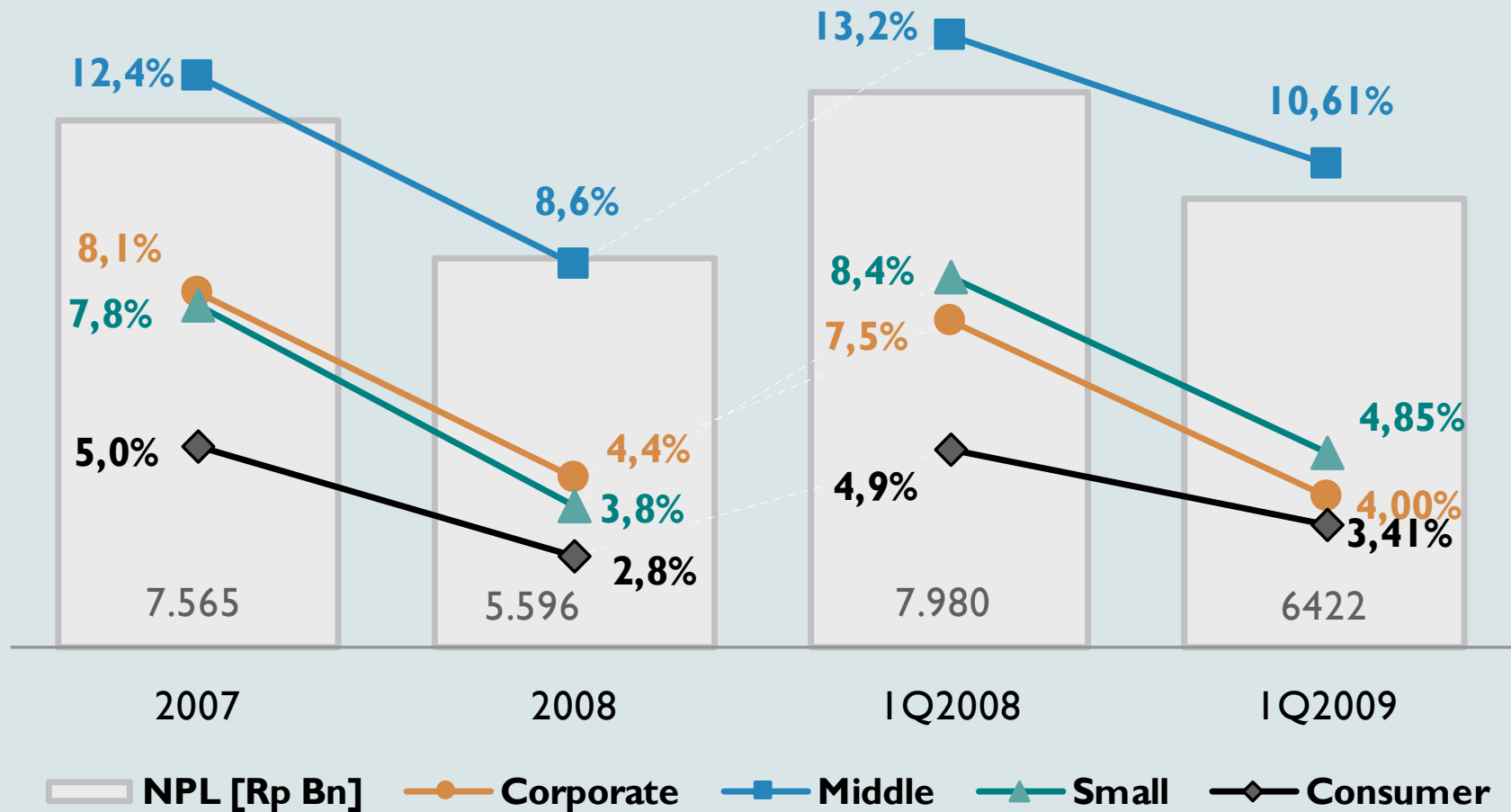
# Loan Quality

# Loan Collectibility

—■— : NPL %

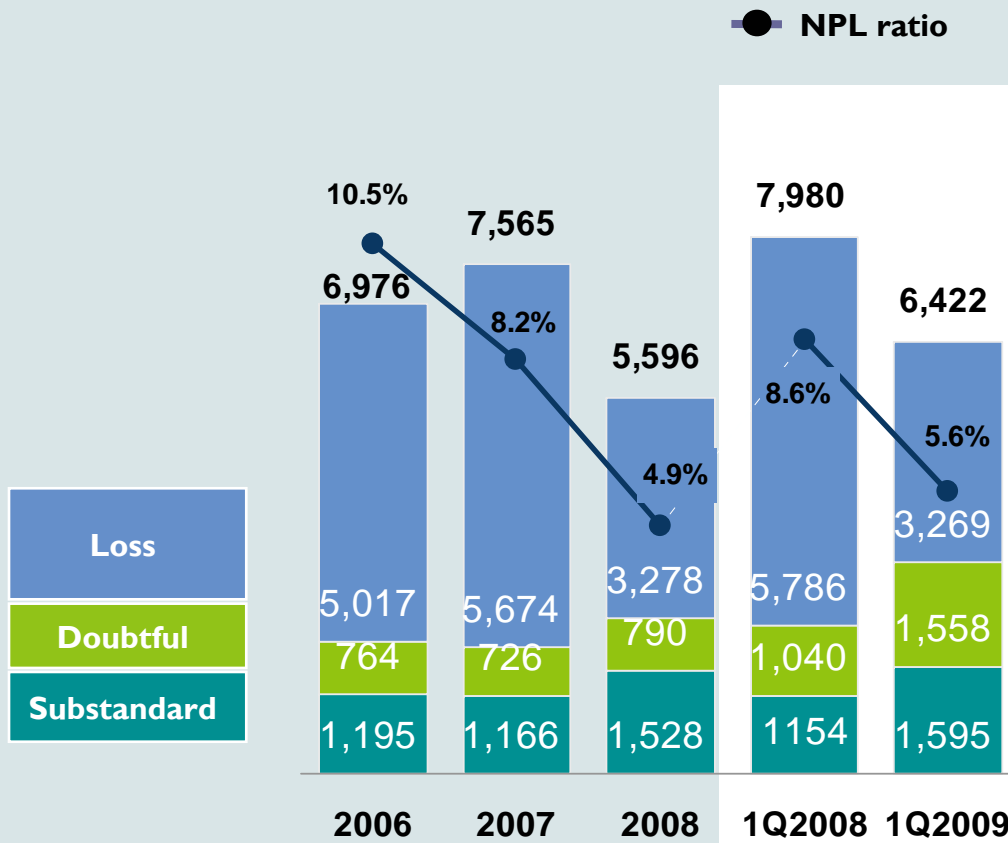


## NPL by Segment

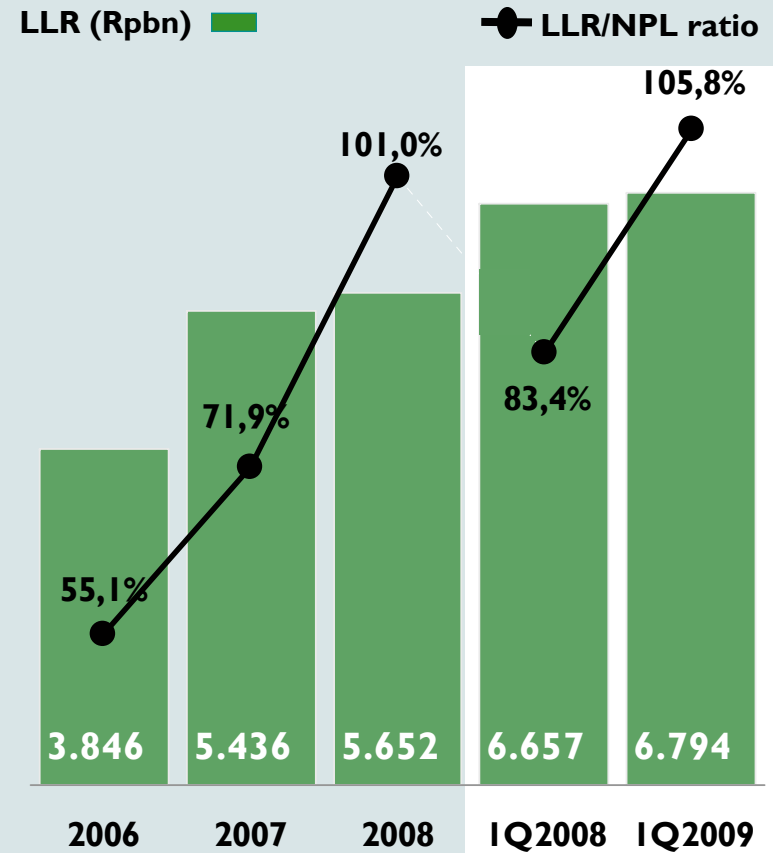


# Coverage

Non-performing loans [Rp Bn]



LLR/NPLs



Coverage Ratio [LLR/NPL] increased from 83.4% to 105.8%

## Top 10 Debtors

No	Debtors by Industry	Type of banking arrangement	Total outstanding of loans (Rp bn)	Loan Classifications
1	Electricity	Investment	2.707	I
2	Steel Manufacture	Working Capital/ Investment	2.520	I
3	Telecommunication	Investment	2.250	I
4	Petro-Chemical	Working Capital/ Investment	2.043	I
5	Oil & Gas	Working Capital/ Investment	1.829	I
6	Oil & Gas	Working Capital/ Investment	1.733	I
7	Electricity	Working Capital/ Investment	1.618	I
8	Oil & Gas	Working Capital/ Investment	1.583	I
9	Telecommunication	Working Capital/ Investment	1.289	I
10	Construction	Working Capital/ Investment	1.050	I
<b>Total</b>			<b>18.622</b>	
<b>% of total loans</b>			<b>16,2%</b>	

## Top 10 NPL Debtors

No	Company, Industry	Type of banking arrangement	Total outstanding of loans (Rp bn)	Loan Classifications
1	Duta Rendamulya, Plywood	Working Capital/Investment	229	5
2	Himalaya Tunas, Textiles	Working Capital/Investment	209	5
3	Prima Alloy Universal, Alloy Wheel	Investment	177	3
4	Sanex Elektronik Indonesia	Working capital	142	4
5	Jakarana Tama, Food & Beverage	Working capital	138	3
6	Kusumaputra Santosa	Working capital	133	4
7	Griya Pancaloka	Working capital	130	4
8	Kusumahadi Santosa	Working capital	121	4
9	Griya Pesona Mentari	Working capital/Investment	114	5
10	Radiance	Working capital	109	5
<b>Total</b>			<b>1.503</b>	
<b>% of total NPL</b>			<b>22,4%</b>	
<b>% of total loans</b>			<b>1,3%</b>	



# APENDIX

## I. BNI in Brief

## BNI in brief

# BNI has a long track record in the Indonesian banking sector



**1946:** BNI Established

**Indonesia Independence**  
(17 August 1945)

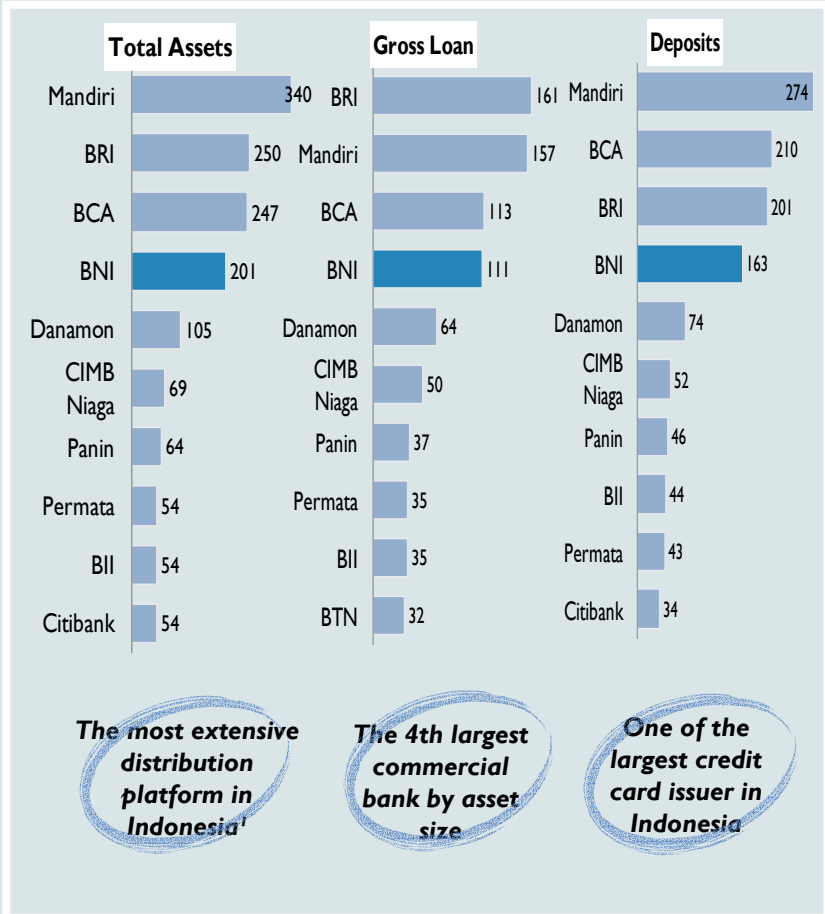
**1996**  
First state-owned bank, to "go public"

**2000:** Post-recap. The Government owned 99.1% of BNI



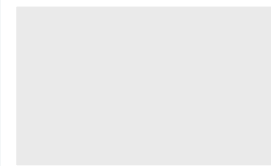
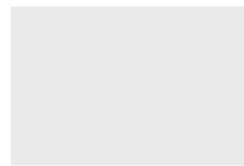
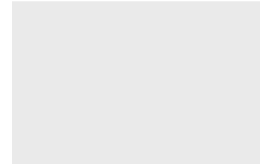
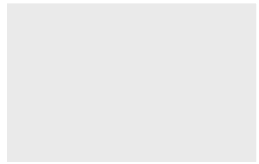
**2007:** Secondary Offering, +/- US\$ 445mn new Tier-I capital

- ✓ **Strong Brand Name** – 62 years History
- ✓ **Network** (+/- 1000 Branches) including Five Overseas Branches
- ✓ **Customer Base** – (+/- 10 millions customers)



Source: Bank Indonesia, SPI Dec 2008

# Board of Commisioners



**Achil Ridwan  
Djayadiningrat**  
Commissioner

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

**Suwarsono**  
Vice President  
Commissioner  
(Independent)

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

**H.M.S Latif**  
Commissioner

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

**Erry Riyana  
Hardjapamekas**  
President Commissioner  
(Independent)

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

**Parikesit Suprpto**  
Commissioner

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

**Achjar Iljas**  
Commissioner  
(Independent)

- Since January 2004
- Previously Deputy Governor of Bank Indonesia

**Fero Poerbonegoro**  
Commissioner

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

# Board of Directors



**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

**Darwin Suzandi**  
Managing Director (Consumer)

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

**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

**Suwoko Singoasto**  
Managing Director (Operation)

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

**Yap Tjay Soen**  
Managing Director / CFO

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

**Gatot Mudiantoro Suwondo**  
President Director/ CEO

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

**Ahdi Jumhari Luddin**  
Managing Director (Compliance)

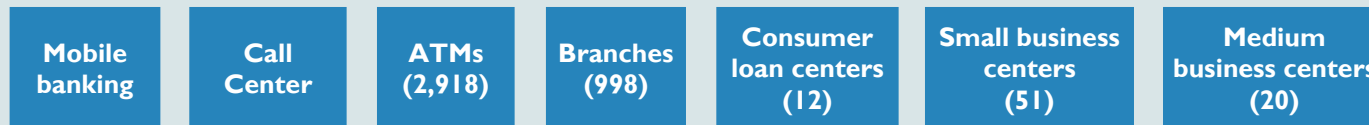
- Since February 2008
- Previously Director, Banking Supervisory, Bank Indonesia

**Krishna R Suparto**  
Managing Director (Corporate)

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

# Network & Distribution

BNI's multiple touch points for individual and corporate customers



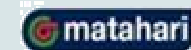
BNI has also entered into key arrangements with prominent companies for payment channeling, financing, loan distribution, and network/outlet development

## Individual customer highlights

- ✓ 11,2mm deposit accounts
- ✓ 1.4 mm credit cards
- ✓ 74.500 mortgage customers

## Corporate/SME customer highlights

- ✓ 141.000 corporate deposit accounts
- ✓ 816 corporate borrowers
- ✓ 67.800 SME lending accounts



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

# Offering leading products...

## Key asset and liability products

### Credit Cards (Visa & Mastercard)

Launched in October 1997  
Balance: Rp. 2.3 trillion  
# Applications: 35.000/month  
# of cards holder: 1.4 millions



### TAPLUS (Savings Product)

Launched in 1989  
Balance: Rp. 50,0 trillion  
# Applications: 20,000/month  
# of accounts: 10.5 million



### BNI Wirausaha (Commercial)

Launched in August 2005  
Balance: Rp 2,58 trillion  
# Applications: 1.000/month  
# of member: 13.407



### BNI Griya (Housing Loan)

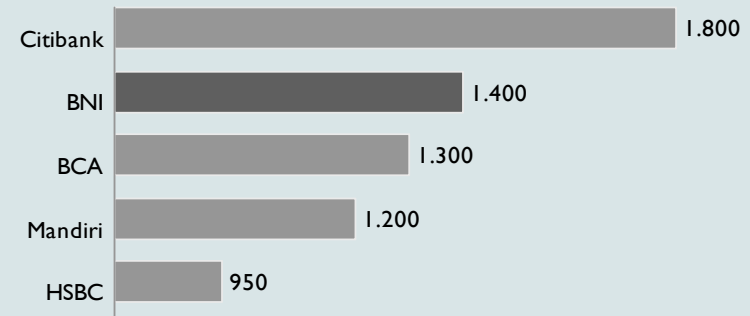
Launched in 2005  
Balance: Rp. 6,5 trillions  
# Applications: 3.000/month  
# of accounts: 72.226



## Product Focus 2009

- **TAPLUS, [saving account]**
  - To balance CASA – Non CASA composition
  - Target growth 2008: : 12%
- **BNI Griya [housing loan]** with growth target in 2008 over 20%
- **BNI Wirausaha [loan product for Small Business]** with growth target 20%
- **Remittance**, more extensive acquisition through our overseas branches with target growth 100%

## Credit cards in-force in Indonesia in 2008 ('000s)



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

# Accolades



## 10 Islamic Finance Quality Awards

Category: The Best Sharia Division, The Most Earning Asset Expansion, The Most Third Party Fund Expansion, The Top of Mind Sharia Division and The 1st Rank Sharia Skill Competition [From Karim Business Consulting]



## 10 2007 Vision Award,

Annual Report Competition Category: Gold in Banking and Financial Institution [From League of Americans Communications Professionals]



## 10 Service Quality Award 2008

Category: Regular Banking Services – Domestic Banking [from: Marketing Magazine and Carre, Center Customer]



## 10 Indonesian Banking Loyalty Award

Category: The Best Loyalty Program for Sharia Banking & he Best Loyalty Program for Credit Card [from InfoBank & Markplus]

## 10 Annual Report Award

Category : BUMN Financial listed [from BI, Bappepam, Directorate of Tax, and GCG Committee]



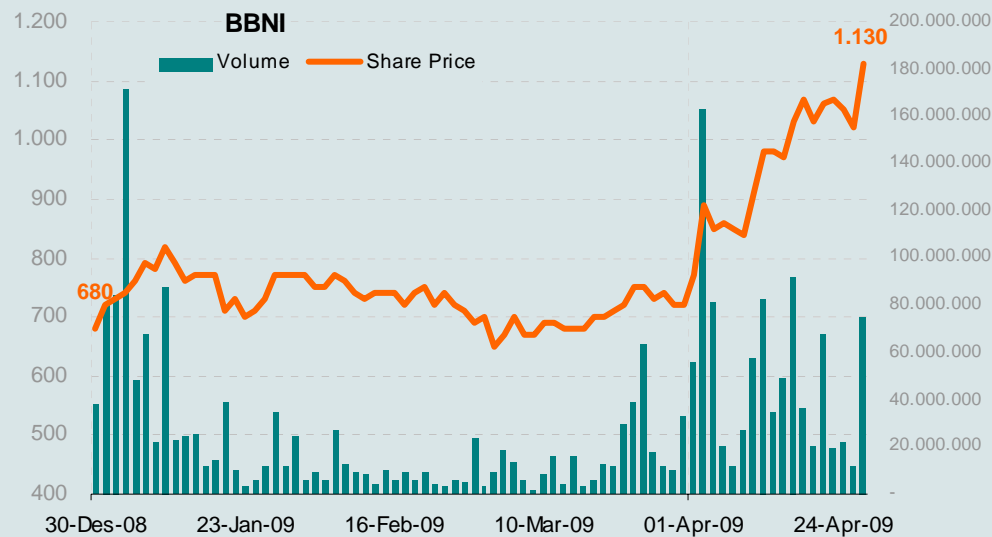
## BNI ratings

...Improving Market Confident...

		2007	2008
<b>Fitch Rating</b>	National long term rating Long term foreign & local currency Short term foreign & local currency Individual rating Subordinated debt	AA- (idn) BB/stable B D BB-	AA- (idn) BB/stable B D --
<b>Standard &amp; Poor's</b>	Credit rating Senior unsecured rating Subordinated rating	BB-/Stable/B BB- B	BB-/Stable/B BB- --
<b>Moody's</b>	Long term subordinated debt rating Deposit rating Bank Financial Strength Rating Outlook	Ba2 B1 D- Stable	Ba2 B1 D- Stable
<b>Pefindo</b>	Corporate rating Bond I Subordinated	<sup>id</sup> AA-/Stable <sup>id</sup> AA-/Stable <sup>id</sup> A+/Stable	<sup>id</sup> AA-/Stable <sup>id</sup> AA-/Stable --

# Outperform share in IQ-2009

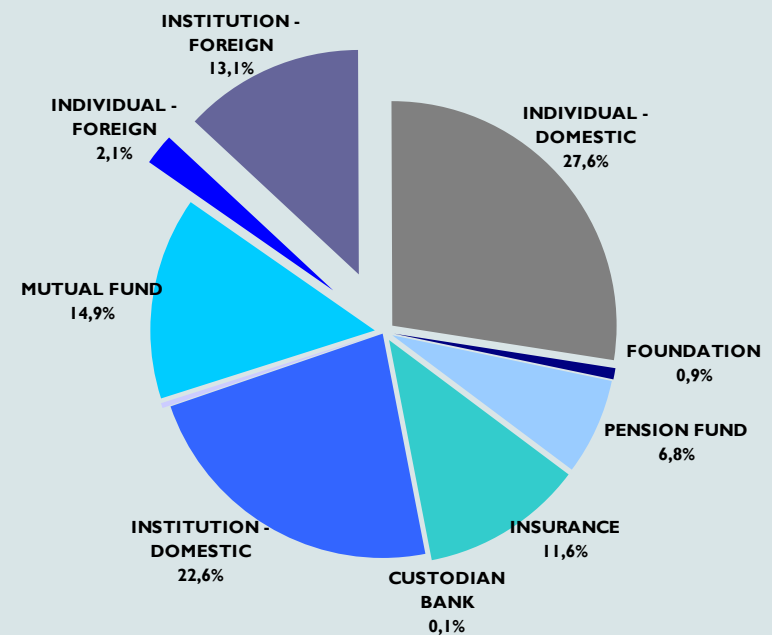
## BBNI Latest Movement



**Increased 66,2% from December'08 (680) to 28 April'09 (1130)**

- ⑩ Government of Indonesia has 76.36% of BNI shares
- ⑩ Issued shares 15.273.940.510 shares
- ⑩ Price [April 28, 2009] : Rp 1.130,-
- ⑩ Market Capitalization : Rp. 1,7 trillion [+/- US\$ 1,7 billion]

## BBNI Public Ownerships [23.64%]



As of March 31, 2008



Thank you

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