PT Bank Negara Indonesia (Persero) Tbk Presentation to Investors
April 09-13, 2007
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Key strengths of the BNI franchise
Key strengths of the BNI franchise

**Significant scale and extensive distribution network**
- 3rd largest bank in Indonesia with Rp. 169.4trn in assets\(^1\)
- Over 8.8 million customers nationwide
- One of the most extensive distribution network in Indonesia\(^2\)
  - with 971 branches and 2,325 ATMs

**Focused growth strategy**
- Ability to offer tailored products through refocused target market
- Paying continuous attention to value maximizing businesses

**Experienced management**
- Aiming to develop BNI along international best practice

**Leading product offering**
- Offers a variety of leading products
  - 2\(^{nd}\) largest domestic credit card issuer in Indonesia with over 1.2 million cards in force

**Improving loan mix and asset quality**
- Well balanced loan among corporate, commercial and consumer sectors

**Strong brand recognition**
- Indonesia’s oldest bank and one of the country’s most recognized brands

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\(^1\) As of December 2006
\(^2\) Does not include micro-finance units for BRI
BNI has significant scale...

<table>
<thead>
<tr>
<th></th>
<th>Total assets (Rp trn)</th>
<th>Total gross loans (Rp trn)</th>
<th>Total customer deposits (Rp trn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandiri</td>
<td>267.5</td>
<td>117.7</td>
<td>205.7</td>
</tr>
<tr>
<td>BCA</td>
<td>176.8</td>
<td>62.4</td>
<td>152.7</td>
</tr>
<tr>
<td>BNI</td>
<td>169.4</td>
<td>66.5</td>
<td>136.0</td>
</tr>
<tr>
<td>BRI</td>
<td>154.7</td>
<td>90.3</td>
<td>124.5</td>
</tr>
<tr>
<td>Danamon</td>
<td>82.1</td>
<td>43.0</td>
<td>54.2</td>
</tr>
<tr>
<td>BII</td>
<td>53.1</td>
<td>26.3</td>
<td>37.1</td>
</tr>
<tr>
<td>Niaga</td>
<td>46.5</td>
<td>33.4</td>
<td>39.1</td>
</tr>
<tr>
<td>Panin</td>
<td>40.5</td>
<td>19.1</td>
<td>23.7</td>
</tr>
<tr>
<td>Permata</td>
<td>37.8</td>
<td>23.8</td>
<td>28.6</td>
</tr>
<tr>
<td>Lippo</td>
<td>33.4</td>
<td>12.0</td>
<td>26.7</td>
</tr>
<tr>
<td>BTN</td>
<td>32.6</td>
<td>18.1</td>
<td>21.6</td>
</tr>
<tr>
<td>NISP</td>
<td>24.2</td>
<td>15.6</td>
<td>19.0</td>
</tr>
</tbody>
</table>

Source: Company reports
Note: Banks data as of December 31, 2006; consolidated figures; Top 10 banks based on total asset
BNI is well positioned in Indonesian banking consolidating market

Serving the country, being the pride of the nation
BNI has multiple touch-points to ensure maximum customer penetration

BNI’s multiple touch points for individual and corporate customers

- Mobile banking
- Call Center (PhonePlus)
- ATMs (2,325)
- Branches (971)
- Consumer loan centers (12)
- Small business centers (47)
- Medium business centers (17)
- Corporate business center (2)

Well diversified and balanced customer base

Individual customer highlights
- 8.8 million deposit customer accounts
- 33,000 housing loan
- 1.2 million credit cards holder
- 72,000 multi-purpose loan

Corporate customer highlights
- 240 corporate customers
- 40,000 commercial customer
- 135,000 corporate deposit accounts

Source: Company reports
Offering leading products

**Key asset and liability products**

- **Credit Cards (Visa & Mastercard)**
  - Launched in October 1997
  - Balance: Rp. 2,0 trillion
  - # Applications: 25,000/month
  - # of cards holder: 1.2 millions
  - 3rd largest credit card issuer (14.7% market share)
  - 3rd in terms of number of transactions with over 11 million transactions/year

- **TabunganPlus**
  - Launched in 1989
  - Balance: Rp. 36.5 trillion
  - # Applications: 90,000/month
  - # of accounts: 7.1 million

- **Pension Plan Product (#1 in AUM)**
  - Launched in July 1994
  - Balance: Rp. 2,05 trillion
  - # Applications: 2,500/month
  - # of member: 343,304

- **BNI Griya (Housing Loan)**
  - Launched in 1996
  - Balance: Rp. 858 billion
  - # Applications: 1,100/month
  - # of accounts: 72,085

- **New products**

  - **BNI Wirausaha**
    - Loan for SME segments
      - BNI Mikro
        - Loan from IDR 0 to 50mm
      - BNI Usaha Berkembang
        - Loan between IDR500mm to 3bn
      - BNI Usaha Maju
        - Loan from IDR 3bn - 10bn

  - **BNI Emerald**
    - BNI Private Banking

- **Credit cards in-force in Indonesia in 2006 (’000s)**

  - Citibank: 1,600
  - BCA: 1,300
  - BNI: 1,200
  - Mandiri: 950
  - HSBC: 900

Source: Company reports, data for credit cards in-force in Indonesia based on recent available information
Building better overall loan composition

### Increasing middle market focus (Rp bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate</th>
<th>Medium</th>
<th>Small</th>
<th>Consumer</th>
<th>Syariah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>49,8%</td>
<td>41,8%</td>
<td>41,5%</td>
<td>41,1%</td>
<td>40,7%</td>
</tr>
<tr>
<td>2004</td>
<td>22.6%</td>
<td>26.0%</td>
<td>20.1%</td>
<td>19.6%</td>
<td>21.5%</td>
</tr>
<tr>
<td>2005</td>
<td>15.6%</td>
<td>18.6%</td>
<td>19.7%</td>
<td>20.6%</td>
<td>21.5%</td>
</tr>
<tr>
<td>FY2006</td>
<td>11.1%</td>
<td>12.4%</td>
<td>17.6%</td>
<td>17.3%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

### Rp vs. non-Rp loans (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>IDR</th>
<th>Non-Rp</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>55.2%</td>
<td>32.1%</td>
</tr>
<tr>
<td>2002</td>
<td>67.9%</td>
<td>26.1%</td>
</tr>
<tr>
<td>2003</td>
<td>73.9%</td>
<td>23.9%</td>
</tr>
<tr>
<td>2004</td>
<td>76.1%</td>
<td>23.8%</td>
</tr>
<tr>
<td>2005</td>
<td>76.2%</td>
<td>22.2%</td>
</tr>
<tr>
<td>FY2006</td>
<td>77.8%</td>
<td>22.2%</td>
</tr>
</tbody>
</table>

Source: Company reports
Loan By Sector

Loan by economic sector:
- Manufacturing: 32%
- Others: 18%
- Social Services: 1%
- Transportation & Communication: 4%
- Electricity, Gas & Water: 4%
- Construction: 6%
- Business Services: 8%
- Agriculture: 4%
- Mining: 2%
- Trading, Restaurant & Hotels: 21%
- Mining: 2%

Loan by currencies:
- Rupiah: 78%
- Foreign Currencies: 22%
Well balanced consumer loan mix driven by growth in housing loans

Source: Company reports
Tackling loan quality issues

Non-performing loans

- Substandard
- Doubtful
- Loss
- NPL ratio

NPL (Rp bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Substandard</th>
<th>Doubtful</th>
<th>Loss</th>
<th>NPL ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7,962</td>
<td>6,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>5,154</td>
<td>5,113</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>2,639</td>
<td>1,912</td>
<td></td>
<td>10.47%</td>
</tr>
<tr>
<td>2003</td>
<td>2,664</td>
<td>1,593</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3,130</td>
<td>1,593</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>4,328</td>
<td>1,593</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2006</td>
<td>3,846</td>
<td>1,593</td>
<td></td>
<td>55.27%</td>
</tr>
</tbody>
</table>

LLR/NPLs

- LLR (Rp bn)
- LLR/NPL ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>LLR (Rp bn)</th>
<th>LLR/NPL ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>5,154</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>5,113</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>2,422</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>3,130</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>4,328</td>
<td></td>
</tr>
<tr>
<td>FY2006</td>
<td>3,846</td>
<td></td>
</tr>
</tbody>
</table>

Source: Company data
Maintaining a healthy deposit mix

Well-balanced deposit mix (Rp bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>Savings</th>
<th>Time deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>85,729</td>
<td>27.60%</td>
<td>53.50%</td>
</tr>
<tr>
<td>2001</td>
<td>100,475</td>
<td>27.30%</td>
<td>51.50%</td>
</tr>
<tr>
<td>2002</td>
<td>96,990</td>
<td>30.00%</td>
<td>47.60%</td>
</tr>
<tr>
<td>2003</td>
<td>105,258</td>
<td>33.00%</td>
<td>40.00%</td>
</tr>
<tr>
<td>2004</td>
<td>100,253</td>
<td>37.18%</td>
<td>35.65%</td>
</tr>
<tr>
<td>2005</td>
<td>115,372</td>
<td>31.61%</td>
<td>41.84%</td>
</tr>
<tr>
<td>FY2006</td>
<td>135,996</td>
<td>28.32%</td>
<td>45.29%</td>
</tr>
</tbody>
</table>

Source: Company reports
Introducing BNI’s Board of Directors

Serving the country, being the pride of the nation

**Board of Directors**

- **Sigit Pramono**  
  President Director / CEO  
  - Since Dec 2003  
  - Former President Director of Bank International Indonesia

- **Gatot Mudiantoro Suwondo**  
  Vice President Director / CFO  
  - Since May 2005  
  - Former Director of Bank Danamon

- **Bien Subiantoro**  
  Managing Director (Commercial & Sharia)  
  - Since Dec 2003  
  - Former Group Head of International Banking, Bank Mandiri

- **I. Supomo**  
  Managing Director (Risk Management)  
  - Since Jun 2003  
  - Former SEVP, Bank Mandiri

- **Fero Poerbonegoro**  
  Managing Director (Treasury & Private Banking)  
  - Since Dec 2003  
  - Former Director of Bank Central Asia

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

- **Tjahjana Tjakrawinata**  
  Managing Director (Consumer)  
  - Since Dec 2003  
  - Former Regional Head for Jakarta area, Bank Mandiri

- **Kemal Ranadireksa**  
  Managing Director (Operation)  
  - Since Dec 2003  
  - Former Regional Head, Bank Mandiri, Bandung

- **Suroto Moehadji**  
  Managing Director (Human Resources)  
  - Since Dec 2003  
  - Former Head of Operations

- **Achil Ridwan Djayadiningrat**  
  Managing Director (Compliance)  
  - Since Dec 2003  
  - Currently member of expert staff to Board of Governors, Bank Indonesia
## Proactive management approach

### Key highlights of management’s recent proactive actions

#### Customer targeting
- Refocusing customer base
- Focused growth strategy

#### Products and services
- Expanded product offering and distribution platform
- Provide value-added service through one-on-one relationships with large corporate clients
- Sharia banking service offering

#### Human resources
- BNI applies a Competency-Based Human Resources Management (CBHRM) system to help develop the Bank’s personnel management, manpower planning, etc.

#### Risk management
- Establishment of Operational Risk Management procedures with Ernst & Young
- Implementation of Basel II Accord
- Established a Risk and Capital Committee which is directly led by the President Director

#### IT system and processes
- Implementation of new IT infrastructure and system (e.g., BNI ICONS)
- Shift from a distributed to a centralized IT process

#### Corporate governance practices
- Implementation of GCG principles (fairness, transparency, accountability and responsibility)
- Full implementation of KYC & AML (Anti Money Laundering) procedures
- Complying to the transparency principal, BNI’s annual report as well as latest updates on BNI’s investments and public activities are accessible to the stakeholders through its website

Source: Company data
<table>
<thead>
<tr>
<th>Key initiatives</th>
<th>Details</th>
<th>Key initiatives</th>
<th>Details</th>
</tr>
</thead>
</table>
| Establishment of a new Risk and Capital Committee | ✓ Reports to and advises the Board of Directors on all risk management issues  
✓ Centralizes risk management control and oversight at BNI | Centralized trade finance processing | ✓ Limit branches’ ability to negotiate L/C to new customers  
✓ Centralize international trade processing centres |
| Establishment of new lending platform | ✓ 47 Small size loan centres  
✓ 17 Medium size loan centres  
✓ 12 Consumer loan centres  
✓ 136 Syariah channelling outlets | “Zero fraud operation” program | ✓ Employee bonuses in branches, credit centres and business units are now tied to the absence of fraud in their locations |
| Centralization of credit risk managers | ✓ Credit risk managers centralized in the small/medium business centres and the head office | Establishment of Operational Risk Management procedures with Ernst & Young | ✓ Implementation of operational risk management infrastructure and a loss event database  
✓ Jointly developed a scoring system methodology |
| Performance measurement system | ✓ Malcolm Balridge criteria  
✓ SLA to evaluate relationship between divisions  
✓ 6 Sigma | Establishment of a centralized disaster recovery center | ✓ Ensure contingencies for full business continuity |
| Enforcement of a “Four-Eye Principle” for credit approvals | ✓ Approvals must be processed separately by both a business manager and credit risk manager  
✓ Separate lines of reporting for each (credit/compliance) | Intention to comply with Basel II guidelines | ✓ Appointment of external advisors and internal process underway to ensure Basel II compliance within two years post implementation by BIS in 2008 |
Targeting new customer segments

BNI: Refocusing target market

Previous customer focus

Served through Channeling Strategy

MICRO / CONSUMER

COMMERCIAL

CORPORATE

New customer focus

Served through Syndications & Club deals

MICRO

CONSUMER

COMMERCIAL

CORPORATE

Greater ability to target tailored products to core market segments, resulting in greater customer satisfaction and profitability
Accolades awarded to one of Indonesia’s most recognizable brands

<table>
<thead>
<tr>
<th>Awards in 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesian Institute of Corporate Governance</td>
</tr>
<tr>
<td>Indonesian Bank Loyalty Award</td>
</tr>
<tr>
<td>Smart 50 company for IT Best User</td>
</tr>
<tr>
<td>Brand Visualization Award</td>
</tr>
<tr>
<td>Surabaya Stock Exchange</td>
</tr>
<tr>
<td>Call Center Award for Service Excellence</td>
</tr>
<tr>
<td>Best report for Financial Institutions category</td>
</tr>
<tr>
<td>The Most Aggressive state-bank in property financing</td>
</tr>
<tr>
<td>Awards in 2005</td>
</tr>
<tr>
<td>The Banker</td>
</tr>
<tr>
<td>Bnis Indonesia</td>
</tr>
<tr>
<td>Euromoney magazine</td>
</tr>
<tr>
<td>SWA magazine</td>
</tr>
<tr>
<td>Bank of the Year (Indonesia) 2005</td>
</tr>
<tr>
<td>Best National Bank in 2005</td>
</tr>
<tr>
<td>Real Estate Award 2005 for Commercial Banking category</td>
</tr>
<tr>
<td>The Value Creator Award 2005</td>
</tr>
</tbody>
</table>

Serving the country, being the pride of the nation
Agenda

Financial performance
## Balance sheet highlights

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>114,657</td>
<td>129,053</td>
<td>125,623</td>
<td>131,487</td>
<td>136,482</td>
<td>147,812</td>
<td>169,416</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Government bonds</strong></td>
<td></td>
<td>62,464</td>
<td>60,144</td>
<td>47,223</td>
<td>40,267</td>
<td>38,277</td>
<td>36,948</td>
<td>41,227</td>
<td>-6.7%</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td></td>
<td>31,970</td>
<td>35,392</td>
<td>37,792</td>
<td>46,408</td>
<td>57,868</td>
<td>62,659</td>
<td>66,460</td>
<td>13.0%</td>
</tr>
<tr>
<td><strong>Customer deposits</strong></td>
<td></td>
<td>85,729</td>
<td>100,475</td>
<td>96,990</td>
<td>105,258</td>
<td>105,014</td>
<td>115,517</td>
<td>135,996</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>4,483</td>
<td>6,797</td>
<td>8,231</td>
<td>10,016</td>
<td>12,623</td>
<td>11,895</td>
<td>14,794</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

Source: Company data
## Income statement highlights

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>9,740</td>
<td>13,861</td>
<td>14,576</td>
<td>13,219</td>
<td>11,586</td>
<td>12,522</td>
<td>14,599</td>
<td>7.0%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>664</td>
<td>2,772</td>
<td>4,125</td>
<td>5,002</td>
<td>6,885</td>
<td>6,908</td>
<td>7,064</td>
<td>48.3%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,614</td>
<td>1,744</td>
<td>1,655</td>
<td>2,108</td>
<td>2,859</td>
<td>2,331</td>
<td>3,201</td>
<td>12.1%</td>
</tr>
<tr>
<td>Operating expenses(^1)</td>
<td>(1,420)</td>
<td>(2,629)</td>
<td>(2,786)</td>
<td>(3,379)</td>
<td>(4,461)</td>
<td>(6,110)</td>
<td>(6,290)</td>
<td>28.2%</td>
</tr>
<tr>
<td>Annual loan loss provisions</td>
<td>(679)</td>
<td>(231)</td>
<td>(518)</td>
<td>(2,966)</td>
<td>(2,128)</td>
<td>(1,256)</td>
<td>(1,313)</td>
<td>11.6%</td>
</tr>
<tr>
<td>Net income</td>
<td>295</td>
<td>1,756</td>
<td>2,508</td>
<td>829</td>
<td>3,090</td>
<td>1,415</td>
<td>1,926</td>
<td>36.7%</td>
</tr>
</tbody>
</table>

Source: Company reports

\(^1\) Operating expenses exclude annual loan loss provisions
Strengthening balance sheet fundamentals

- **Loan-to-deposit ratio (%)**
  - 2000: 37.3%
  - 2001: 35.2%
  - 2002: 39.0%
  - 2003: 44.1%
  - 2004: 55.1%
  - 2005: 54.2%
  - FY2006: 49.0%

- **Non-performing loan ratio (%)**
  - 2000: 24.9%
  - 2001: 19.5%
  - 2002: 5.1%
  - 2003: 5.7%
  - 2004: 4.6%
  - 2005: 13.7%
  - FY2006: 10.5%

- **Tier 1 capital ratio (%)**
  - 2000: 11.4%
  - 2001: 10.6%
  - 2002: 10.9%
  - 2003: 14.6%
  - 2004: 13.8%
  - 2005: 8.8%
  - FY2006: 10.4%

- **Loan Loss Reserve/NPL ratio (%)**
  - 2000: 64.7%
  - 2001: 74.0%
  - 2002: 83.3%
  - 2003: 91.8%
  - 2004: 117.6%
  - 2005: 50.4%
  - FY2006: 55.3%

Source: Company reports
Improving income statement ratios

<table>
<thead>
<tr>
<th>ROAA¹ (%)</th>
<th>ROAE² (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>8.2%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efficiency ratio³ (%)</th>
<th>Net interest margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.6%</td>
<td>61.7%</td>
</tr>
<tr>
<td>1.0%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

Source: Company reports
Note: All 3Q2006 audited figures are annualized
¹ ROAA is calculated based on pre-tax earnings over average total balance for the period (month end balances)
² ROAE is calculated based on post-tax earnings over average Tier 1 capital + Tier 2 capital (month end balances)
³ Efficiency ratio is defined as: Operating expenses (excluding Loan Loss Reserves) / (net interest income + other operating income)