



PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.

Financial Updates Q3 2005

Investor Relation Team

26 October 2005

Impacts on BRI

Oil Price Hike

- There will be some impacts on customers' businesses, but it will be a short term impact, as most BRI's customers are in businesses in the basic needs. There will always be a market for their products, regardless the condition of the macro economy.

Exchange Rate Fluctuations

- Rupiah has been weakening from IDR 9.161 /1 US\$ by end of January 2005 to IDR 10.300/1 US\$ by end of September 2005, or depreciated by $\pm 12\%$
- As of September 2005, US\$ denominated loans only incorporated 6.4% of BRI's total loans, hence the direct impact of exchange rate fluctuations is very limited.
- BRI maintains Net Open Position to be at long position and in a very limited amount

Interest Rates

- BRI's core funds are from customers which are more concern on the safety rather than interest rate, spread through extensive networks across Indonesia
- BRI's COF had been proven to be resilient to interest rate hike. SBI rate had been increasing since July 2004 from 7,3% to 10% in September 2005, while BRI's COF in the corresponding period is moving from 4,73% to 4,39%

Impacts on BRI

Interest Rates (contin'd)

- On the loan side, the priority is on asset quality, no significant loan interest hike in the near future, as long as there is no 'big jump' in interest rate benchmark.
- Significant impact was on the Government Bonds value, which recorded a decreasing value

Commitment in MSME Business

Commitment and consistent focus on MSME (micro, small and medium enterprise) business

- In line with BRI's competence and long experience
- In line with national economic program empowering grass root economy
- Utilizing extensive network to anticipate regional economy
- Maintaining MSME portfolio to 80% of total loan portfolio
- Maintaining micro segment at minimum 30% of total loan portfolio

Size of Loans

- Micro loan up to Rp 50 mio (US\$ 5,000)
- Consumer Loans up to Rp 200 mio (US\$ 2,000)
- Small Business Loans : up to Rp 5 billion (US\$500,000)
- Medium Scale Loans Rp 5 bio to 50 bio (US\$ 500,000 – US\$ 5 mio)
- Corporate Loans > Rp 50 billion(US\$ 5 mio)

Assumption : 1 US\$ = IDR. 10,000

% of Total Loans	2001*)	2002	2003	2004	Sep-04	Sep-05
Micro	30.4%	30.5%	30.6%	30.8%	31.1%	30.3%
Consumer	24.0%	24.2%	23.5%	23.1%	23.4%	22.4%
Small Commercial	19.0%	24.2%	26.7%	28.0%	27.8%	28.9%
Medium	3.7%	3.7%	4.6%	4.6%	4.4%	5.5%
Corporate	22.9%	17.4%	14.7%	13.6%	13.3%	12.9%

87.1%

*) 2001 : consolidated figures except figures of medium and corporate loan in 2001

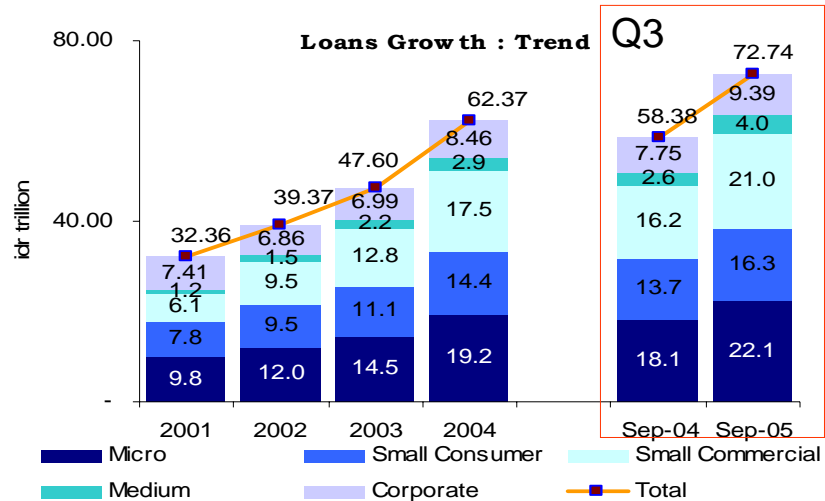
Balance Sheet

Description	Full Year				Q3		IDR bio Growth YoY
	2001*)	2002	2003	2004	2004	2005	
Total Assets	76,195	86,345	94,710	107,040	100,087	113,397	13.30%
- Gross Loans (incl. syariah)	33,529	39,373	47,599	62,368	58,382	72,738	24.59%
- Government Bonds (Recap)	28,436	28,394	27,579	23,950	25,148	17,193	-31.63%
Total Earning Assets	70,015	79,864	84,165	97,962	92,467	103,919	12.39%
Earning Assets Provision	(3,244)	(4,189)	(4,403)	(5,172)	(5,314)	(5,580)	5.00%
Total Non Earning Assets	10,104	10,394	14,858	14,250	12,934	15,058	16.42%
Total Liabilities & S.E	76,195	86,345	94,710	107,040	100,087	113,397	13.30%
Total Customer Deposits	57,759	69,627	76,316	82,400	78,568	90,201	14.81%
- Demand Deposits	7,516	11,459	14,112	13,364	12,975	16,742	29.03%
- Saving Deposits	26,529	28,673	35,803	44,569	41,142	46,287	12.50%
- Time and Certificate Deposits	23,714	29,495	26,402	24,467	24,450	27,172	11.13%
Other Interest Bearing Liabilities	8,596	5,655	5,726	6,396	6,617	6,838	3.34%
Non Interest Bearing Liabilities	9,840	5,269	5,466	5,794	5,806	6,584	13.39%
Tier I Capital	3,446	4,133	7,532	9,826	8,490	9,589	12.95%
Total Shareholder's Equity	4,814	5,794	8,454	12,450	11,192	11,432	2.15%

*) 2001 are consolidated figures

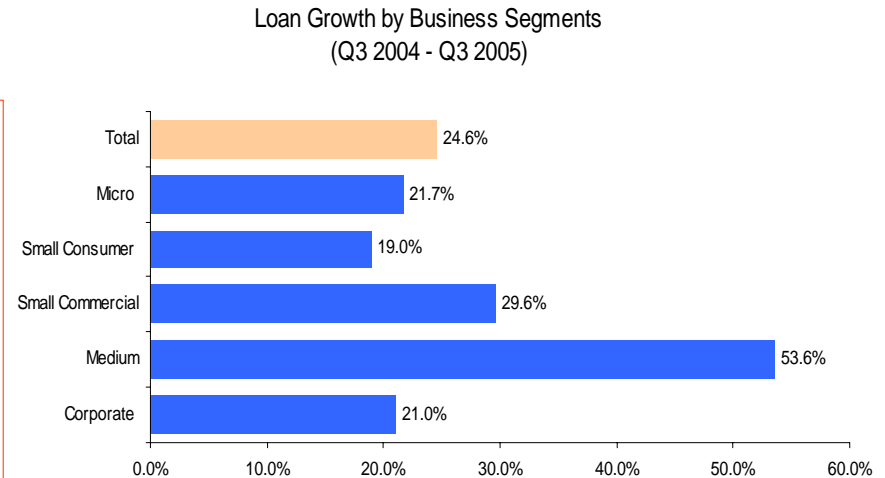
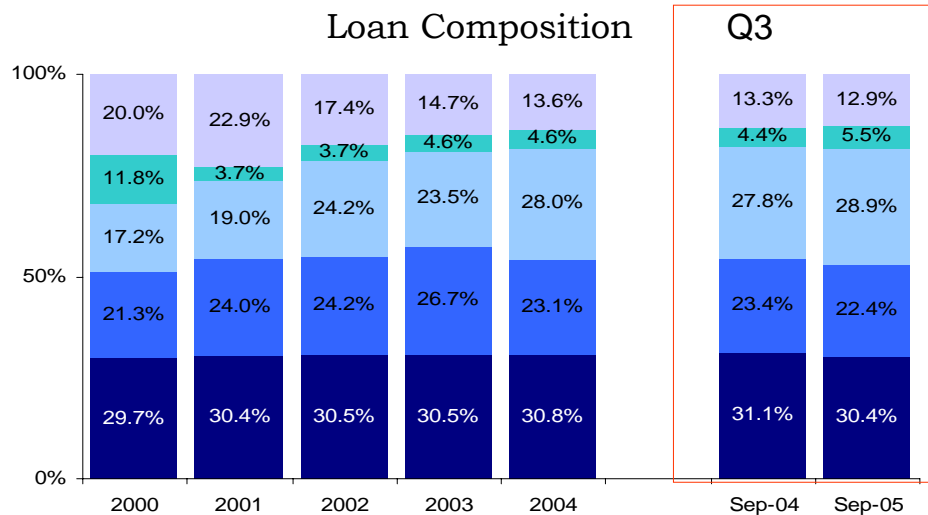
Asset and Liabilities Quality and Composition

Loans : Steady Loan Growth



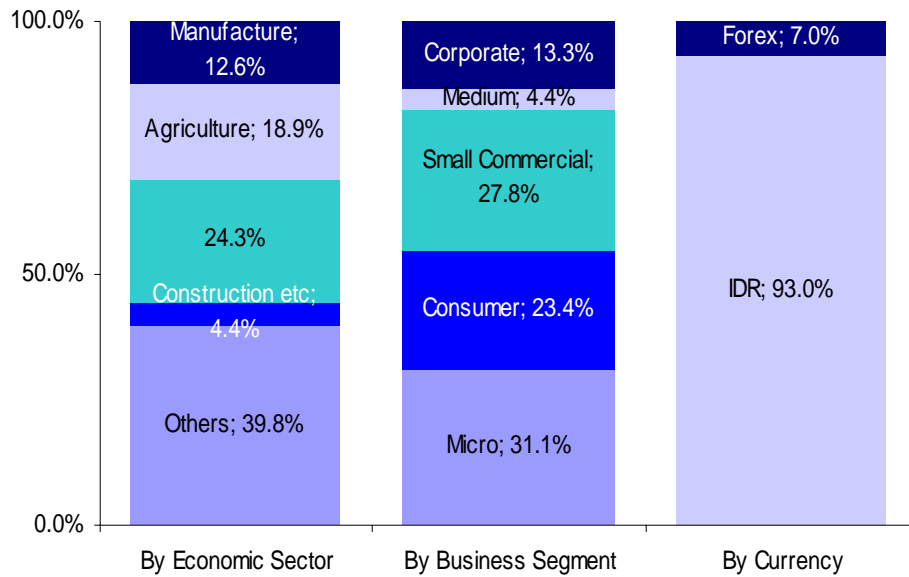
Loan CAGR by Business Segment (2000 - 2004)

Micro	25.1%
Consumer	26.5%
Small Commercial	40.1%
Medium	-2.0%
Corporate	12.5%

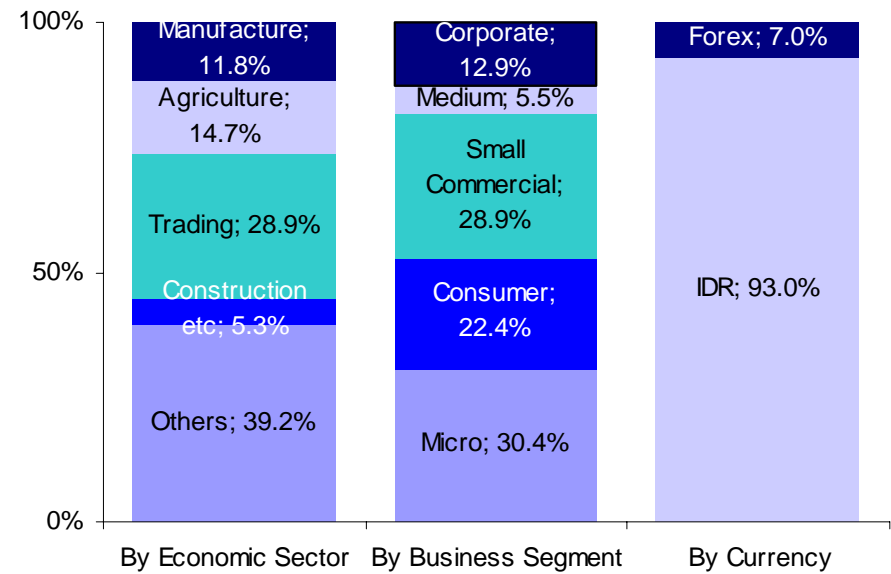


Loan Composition

September 2004



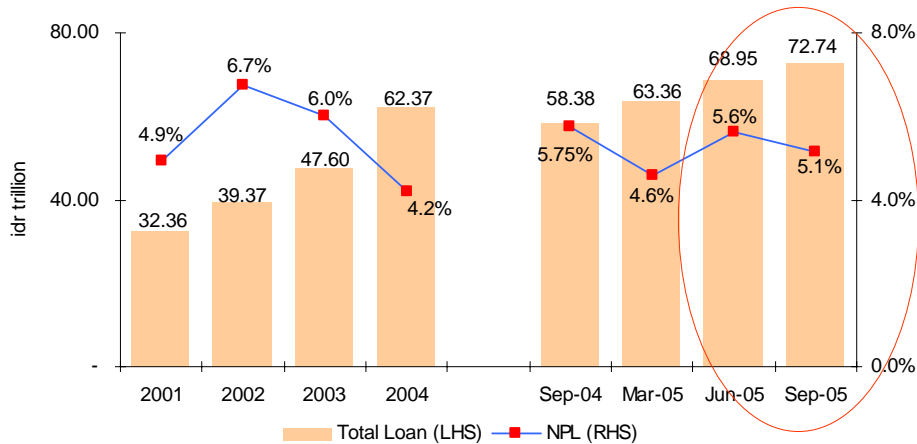
September 2005



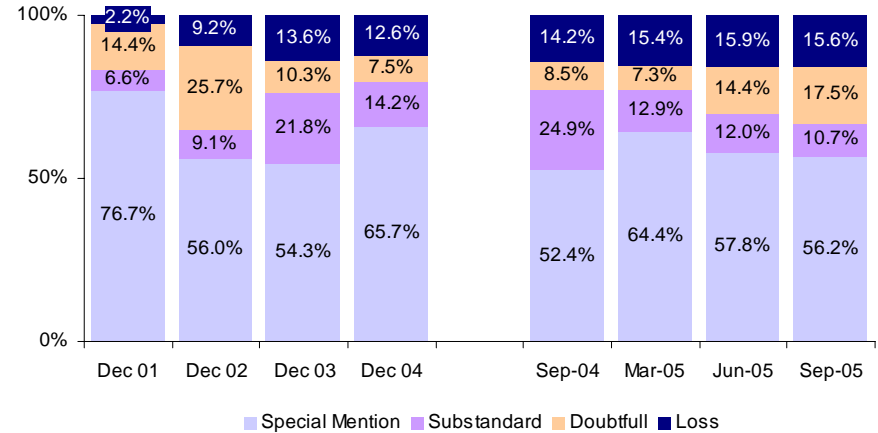
Note :
Others incl fiix income loans and Kupedes

Loan Quality : High Quality Growth

Total Loan vs Total NPL : Trend



Composition of Classified Loans



	Dec 01	Dec 02	Dec 03	Dec 04	Sep-04	Sep-05
Classified Loans to Ttl Loans	21.21%	15.30%	13.19%	12.23%	12.08%	11.71%

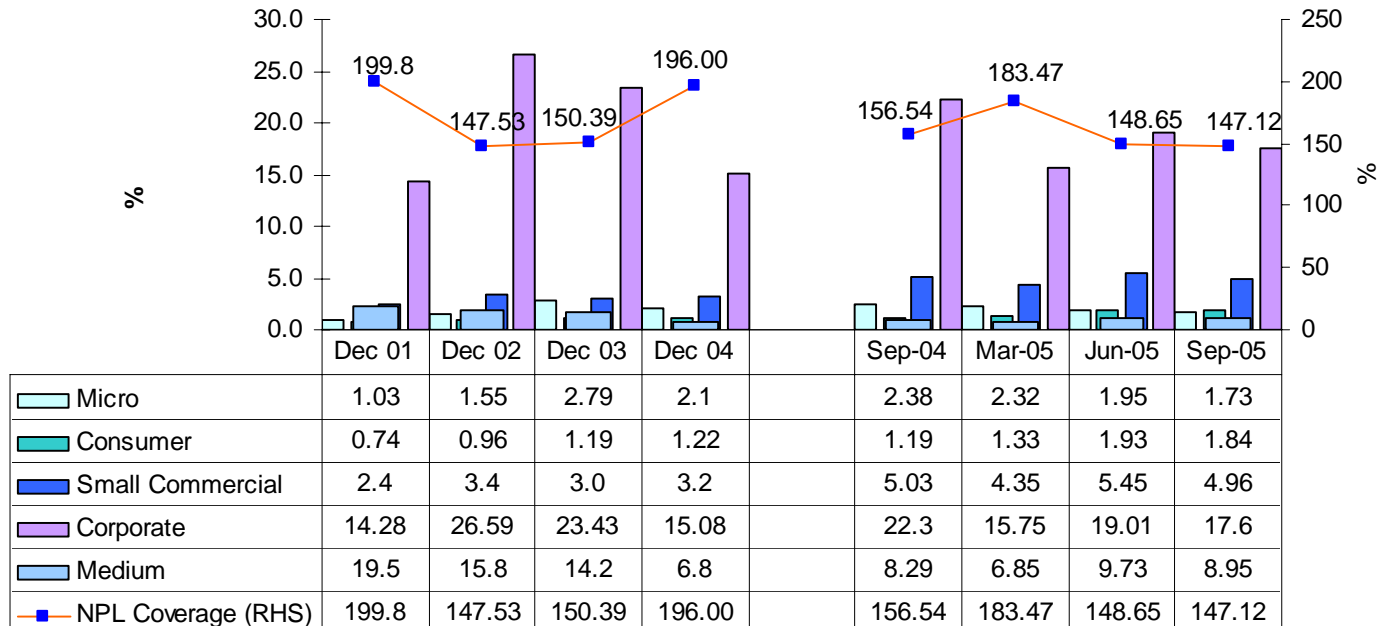
BRI has implemented PBI No 7 since June 2005

Despite tougher macro economic condition, BRI still managed to book a high quality loan growth

NPL Coverage is 147%, far above 100%

Loan Quality : High Quality Growth

NPL by Business Segments and NPL Coverage



Impact of Government Bonds Marked to Market

IDR BIO

	Dec 2004	Mar-05	Jun-05	Sep-05
Trading Portfolio				
Recap Bond				
Nominal	1,358,964	974,334	519,334	310,000
MTM	1,466,136	1,028,567	541,790	291,733
Other Govt Bonds				
Nominal	1,278,887	3,519,880	3,659,880	3,636,076
MTM	1,321,900	3,435,057	3,508,109	2,886,774
AFS				
Recap Bonds				
Nominal	8,554,500	6,976,038	5,931,038	5,931,038
MTM	9,822,690	7,814,737	6,530,890	5,561,331
Total (Trading + AFS)				
Nominal	11,192,351	11,470,252	10,110,252	9,877,114
MTM	12,610,726	12,278,361	10,580,789	8,739,838

Recent Issues on Indonesia's Macro Economy :

Impacts on BRI - Impact of Government Bonds) Marked to Market*

Government Bonds Portfolio

IDR billion

Recap Bonds	1Q05	2Q05	3Q05
Trading	929.2	442.8	310.0
AFS	7,814.9	6,530.9	5,931.0
Hold to Maturity	11,339.3	11,339.3	11,339.2
	20,083.3	18,313.0	17,580.2
Other Govt Bonds			
Trading	4,194.2	3,869.2	3,636.1
Total Govt Bonds	24,277.55	22,182.17	21,216.30

Summary Gain (Loss) on Trading and Mark To Market Securities 3Q05

IDR billion

Securities (Total)

	1Q05	2Q05	3Q05	3Q FY05
Realized Gain (Loss)	254.6	85.5	(30.5)	309.6
Unrealized Gain (Loss)	(135.9)	(61.9)	(647.8)	(845.6)
Total	118.7	23.5	(678.3)	(536.0)

Portfolio of Government Bonds

(Recap Bonds and Other Govt. Bonds)

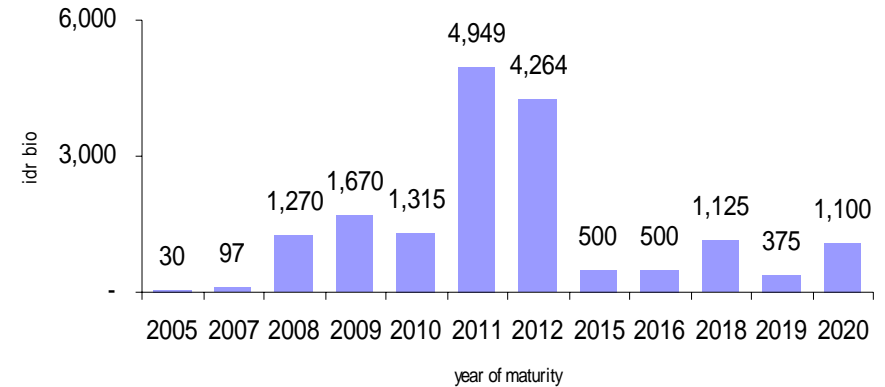
IDR billion

	Nominal	% to Total	Marked to Market
Hold to Maturity	11,339	53.4%	11,339
Fixed Rate	4,800		4,800
FR0011	800		800
FR0015	4,000		4,000
Variable Rate	6,539		6,539
VR0013	635		635
VR0014	635		635
VR0016	1669.647		1669.647
VR0020	250		250
VR0021	250		250
VR0023	500		500
VR0026	375		375
VR0027	375		375
VR0028	375		375
VR0029	375		375
VR0031	1100		1100
Available For Sale	5,931	28.0%	5,561
Fixed Rate	5,931		5,561
FR0014	500		515
FR0016	998		949
FR0017	1,158		1,070
FR0018	3,275		3,028
Trading	3,946	18.6%	3,180
Fixed Rate	3,816		3,053
FR0017	180		166
FR0002	10		10
FR0010	55		53
FR0013	50		51
FR0019	50		48
FR0020	6		6
FR0021	41		40
FR0022	50		45
FR0023	310		254
FR0024	25		23
FR0025	683		554
FR0026	876		708
FR0027	930		675
FR0028	500		373
FR0029	20		19
FR0032	30		29
Variable Rate	130		126
VR0008	30		30
VR0012	100		97
Total	21,216	100.0%	20,080

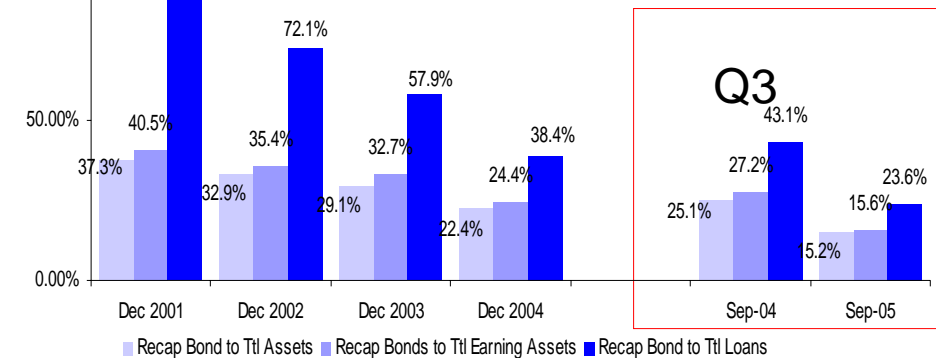
Other Govt Bonds

3,636

Govt Bonds Maturity Profile (as of September 2005)

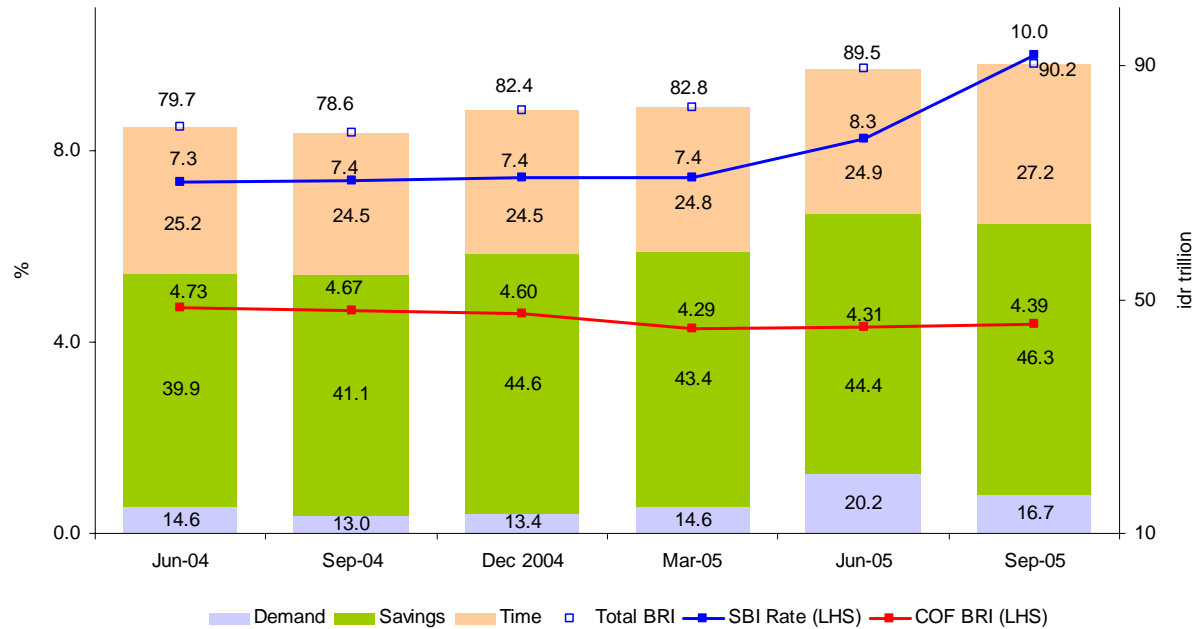


Recap Bond to Ttl Assets, Ttl Earning Assets and Ttl Loans



Deposits : Resiliency of Low Cost Funds Structure

SBI Rate, BRI COF and the Growth of Deposits

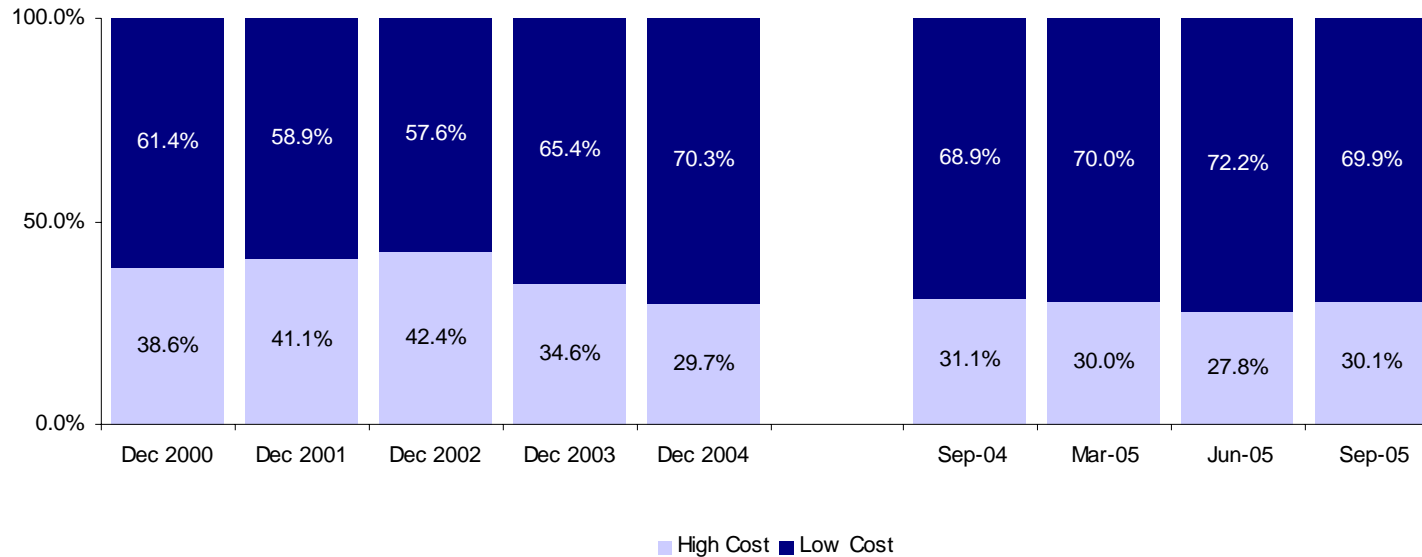


CAGR : 2000 - 2004

Total Deposits	
Commercial Banks	8.31%
BRI	13.75%
by Type : BRI	
Demand	15.42%
Savings	18.36%
Time	6.56%

Deposits : Resiliency of Low Cost Funds Structure

High Cost Funds vs Low Cost Funds : Trend



BRI's COF shows a relatively stable trend despite of increasing SBI Rate

The portion of low cost funds can be kept above 60%, better than the ideal mix of 60% Low Cost Funds and 40% high cost funds

Profitability



Income Statement : Highlights

<i>IDR billion</i> Description	Full Year				Q3		Growth (YoY)
	2001*)	2002	2003	2004**)	2004	2005	
Interest Income	10,968	13,454	15,069	15,475	11,561	12,630	9.25%
Interest Expense	(6,006)	(7,373)	(7,043)	(4,769)	(3,189)	(3,337)	4.65%
Net Interest Income	4,962	6,081	8,026	10,706	8,372	9,293	11.00%
Fee & Other Opr. Income	1,153	1,045	939	1,503	1,168	542	-53.63%
Gross Operating Income	6,115	7,126	8,965	12,209	9,540	9,834	3.09%
Other Operating Expenses	(3,396)	(3,908)	(5,810)	(5,283)	(4,158)	(5,680)	36.62%
Pre Provision Operating Profit	2,719	3,218	3,155	6,926	5,382	4,154	-22.81%
Provision	(1,603)	(1,755)	75	(1,328)	(1,246)	(468)	-62.44%
Non Operating Profit/Loss	25	8	406	134	108	94	-13.07%
Profit Before Tax n Minor. Int.	1,141	1,471	3,636	5,731	4,244	3,781	-10.92%
Net Profit	1,064	1,525	2,502	3,633	2,734	2,512	-8.12%

*) 2001 are consolidated figures

Main Sources of Income

...Maintained High Interest Income and Resiliency of Low Cost Fund Structure

Idr billion

Source of Income	2000	2001	2002	2003	2004	Sep-04	Sep-05	Growth
Other Opr.Income	754.3	1,153.2	1,044.7	938.5	1,502.6	1,168.0	541.6	-53.6%
Interest income	7,616.2	10,967.7	13,453.6	15,069.3	15,475.0	11,560.7	12,630.0	9.2%
Non Operational Income (net)	8.0	24.8	7.7	405.6	133.8	108.3	94.1	-13.1%
Total	8,378.5	12,145.8	14,506.0	16,413.4	17,111.4	12,837.0	13,265.8	3.3%

Other Operating Income

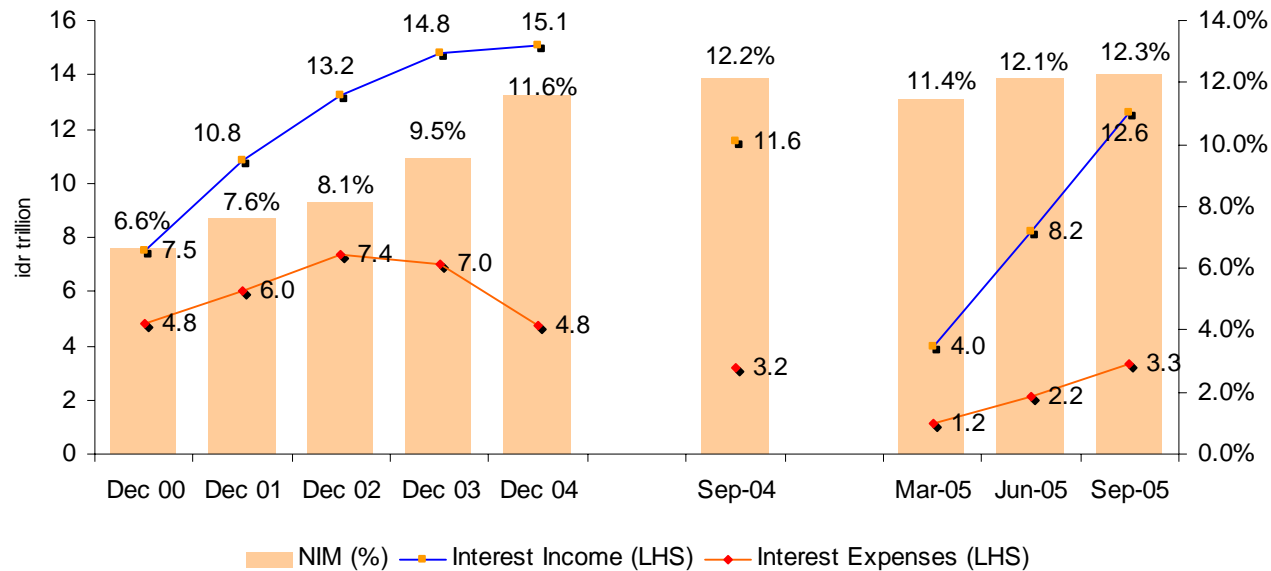
Idr billion

Other Operating Income	Sep-04	Sep-05	Growth
Gain Fr Value Increase of Securities and Govt. Recap Bonds (net)	416.0	-	-100.0%
Gain from sale of Securities and Govt Recap Bonds (net)	192.6	-	-100.0%
Fees and Commissions	349.3	395.8	13.3%
Gain fr Forex (net)	131.7	77.4	-41.2%
Others	78.4	68.4	-12.8%
Total	1,168.0	541.6	-53.6%

Main Sources of Income

...Maintained High Interest Income and Resiliency of Low Cost Fund Structure

Interest Income, Interest Expenses and NIM



Over Head Expenses

Over Head Costs : Trend

idr billion

	Dec 2001	Dec 2002	Dec 2003	Dec 2004	Sep-04	Mar-05	Jun-05	Sep-05	Growth yoy (Sep 04-Sep 05)
Personnel	1,961.9	2,644.1	3,666.0	3,717.5	2,582.6	974.0	2,232.4	3,285.8	27.2%
General and Administration	949.6	1,081.8	1,330.0	1,348.5	1,163.8	397.0	842.7	1,306.6	12.3%
Losses fr decrease of Securities and Govt. Bonds value	-	-	-	-	-	-	-	536.0	100.0%
Others	81.0	133.0	738.0	216.8	411.2	233.0	369.5	551.5	34.1%
Total	2,992.4	3,858.9	5,734.0	5,282.8	4,157.6	1,604.0	3,444.7	5,679.9	36.6%

Financial Ratios

Description	Full Year				Q3		Growth YoY
	2001	2002	2003	2004	2004	2005	
Classified Loan Ratio	22.66%	15.31%	13.19%	12.23%	12.08%	11.71%	-3.06%
NPL ratio - Gross	7.30%	6.74%	6.03%	4.19%	5.75%	5.13%	-10.78%
NPL Coverage ratio - Gross	162.30%	147.50%	150.39%	196.00%	156.54%	147.12%	-6.02%
Tier I CAR	10.70%	10.30%	16.30%	15.72%	14.14%	12.08%	-14.57%
Total CAR	13.30%	12.60%	20.87%	17.89%	18.67%	16.11%	-13.71%
Total CAR with market risk	n.a	n.a	18.94%	16.19%	n.a	15.13%	
Loan to Deposit Ratio	58.10%	56.50%	62.37%	75.69%	74.31%	80.64%	8.52%
Net Interest Margin (NIM)	7.60%	8.12%	9.54%	11.56%	12.21%	12.29%	0.66%
Return on Assets (ROA) - b.t	1.62%	1.83%	4.02%	5.77%	5.79%	4.62%	-20.21%
Return on Assets (ROA) - a.t	1.52%	1.90%	2.77%	3.66%	3.73%	3.07%	-17.69%
Return on Equity (ROE) - Tier I	30.36%	38.81%	43.41%	42.20%	43.24%	33.47%	-22.59%
Return on Equity (ROE) - B/S	21.27%	26.99%	35.68%	32.61%	36.18%	27.14%	-24.99%
Cost of Fund (COF)	9.14%	10.04%	7.86%	4.60%	4.67%	4.39%	-6.00%
Min. Reserve Requirement	7.82%	6.05%	10.92%	9.39%	8.11%	9.10%	12.21%
Net Open Position	11.40%	7.80%	12.46%	9.61%	12.88%	3.70%	-71.27%
Opr. Expense to Opr. Income	90.81%	89.92%	79.82%	67.03%	67.51%	72.51%	7.41%
Cost Efficiency Ratio (CER)*)	50.13%	57.48%	65.33%	46.48%	47.25%	52.72%	11.58%

*) CER : (Employee expense+ G&A+Other Op. Expense)/(NII+Fee&Commision+Other Op. Income)

.....Thank You

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