

PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.

Q1 2006 Financial Results

Jakarta, 27 April 2006



Highlights of Indonesian Macro Economy and BRI's Performance

Highlights of Indonesian Macro Economy in the First Quarter 2006

- The economy grew 4.58% (YoY) better than early year expectation of 4.35% as the result of stable macro economic condition : appreciation of Rupiah, decreasing inflation and Balance of Payment's surplus- Foreign Reserves reached US\$ 41,1 billion
- Economic expansion in the first quarter is slower due to weakened domestic demand.
- Overall, Indonesian Economy will be in positive direction in the 2006, supported by more conducive global economy condition, better balance of payment performance, declining inflation and government continuing efforts to improve investment environment

BI Policy :

- Tight monetary policy will be maintained, but there will be opportunities to decrease BI Rate sooner If the economy is still in its track as it is now

(source : Statement Gubernur Bank Indonesia, 5 April 2006)



Balance Sheet

IDR billion

	2001*)	Full Year				Q1		Growth
	2002	2003	2004	2005	2005	2006	YoY	
Total Assets	76.195	86.345	94.710	107.040	122.776	107.214	123.945	15,6%
- Gross Loans (incl. syariah)	33.529	39.373	47.599	62.368	75.533	63.356	76.409	20,6%
- Government Bonds (Recap)	28.436	28.394	27.579	22.686	17.722	20.281	17.870	-11,9%
Total Earning Assets	70.015	79.864	84.165	97.962	111.731	98.876	113.383	14,7%
Earning Assets Provision	(3.244)	(4.189)	(4.403)	(5.172)	(5.478)	(5.374)	(5.676)	5,6%
Total Non Earning Assets	10.104	10.394	14.858	14.250	16.523	13.712	16.238	18,4%
Total Liabilities & S.E	76.195	86.345	94.710	107.040	122.776	107.214	123.945	15,6%
Total Customer Deposits	57.759	69.627	76.316	82.400	97.046	82.820	97.723	18,0%
- Demand Deposits	7.516	11.459	14.112	13.364	17.384	14.636	16.567	13,2%
- Saving Deposits	26.529	28.673	35.803	44.569	49.372	43.417	48.114	10,8%
- Time and Certificate Deposits	23.714	29.495	26.402	24.467	30.290	24.766	33.041	33,4%
Other Interest Bearing Liabilities	8.596	5.655	5.726	6.384	5.597	5.533	5.086	-8,1%
Non Interest Bearing Liabilities	9.840	5.269	5.466	5.806	6.779	5.658	6.110	8,0%
Tier I Capital	3.446	4.133	7.532	8.506	10.519	10.849	13.183	21,5%
Total Shareholder's Equity	4.814	5.794	8.454	12.450	13.353	13.204	15.027	13,8%



Income Statement : Highlights

IDR billion

Description	Full Year					Q1		Growth (YoY)
	2001*)	2002	2003	2004	2005	2005	2006	
Interest Income	10.968,0	13.454,0	15.069,0	15.531	17.254	4.012,09	4.933,12	23,0%
Interest Expense	(6.006,0)	(7.373,0)	(7.043,0)	(4.475)	(4.817)	(1.044,47)	(1.682,82)	61,1%
Net Interest Income	4.962,0	6.081,0	8.026,0	11.056	12.437	2.967,62	3.250,30	9,5%
Fee & Other Opr. Income	1.153,0	1.045,0	939,0	1.447	969	305,37	443,70	45,3%
Gross Operating Income	6.115,0	7.126,0	8.965,0	12.503	13.406	3.273	3.694	12,9%
Other Operating Expenses	(3.396,0)	(3.908,0)	(5.810,0)	(5.887)	(7.680)	(1.585,90)	(1.789,58)	12,8%
Pre Provision Operating Profit	2.719,0	3.218,0	3.155,0	6.616	5.726	1.687	1.904	12,9%
Provision	(1.603,0)	(1.755,0)	75,0	(1.328)	(413)	(98,42)	(230,57)	134,3%
Non Operating Profit/(Loss)	25,0	8,0	406,0	444	296	38,16	58,86	54,2%
Profit Before Tax n Minor. Int.	1.141,0	1.471,0	3.636,0	5.731	5.608	1.626,84	1.732,71	6,5%
Net Profit	1.064,0	1.525,0	2.502,0	3.633	3.809	1.152,90	1.170,42	1,5%
EPS**)				306,6	321,7	391,48	393,80	0,6%

*) consolidated

**) annualized



Financial Ratios

Description	Full Year					Q1		Growth
	2001	2002	2003	2004	2005	2005	2006	Q1 '05 to Q1 '06
Classified Loan Ratio	22,66%	15,31%	13,19%	12,23%	11,55%	12,86%	12,44%	-3,27%
NPL ratio - Gross	7,30%	6,74%	6,03%	4,19%	4,68%	4,58%	5,02%	9,61%
NPL Coverage ratio - Gross	162,30%	147,50%	150,39%	196,00%	153,09%	183,47%	146,49%	-20,16%
Tier I CAR	10,70%	10,30%	16,30%	12,49%	12,52%	15,48%	19,17%	23,84%
Total CAR	13,30%	12,60%	20,87%	18,09%	16,25%	21,17%	23,97%	13,23%
Total CAR with market risk	n.a	n.a	18,94%	16,19%	15,29%	19,05%	22,32%	17,17%
Loan to Deposit Ratio	58,10%	56,50%	62,37%	75,69%	77,83%	76,50%	78,19%	2,21%
Net Interest Margin (NIM)	7,60%	8,12%	9,54%	12,16%	12,17%	11,97%	11,49%	-4,01%
Return on Assets (ROA) - b.t	1,62%	1,83%	4,02%	5,77%	5,04%	6,08%	5,59%	-8,06%
Return on Assets (ROA) - a.t	1,52%	1,90%	2,77%	3,66%	3,42%	4,31%	3,78%	-12,30%
Return on Equity (ROE) - Tier I	30,36%	38,81%	43,41%	42,76%	37,92%	43,09%	36,38%	-15,57%
Return on Equity (ROE) - B/S	21,27%	26,99%	35,68%	34,41%	30,63%	34,75%	32,39%	-6,79%
Cost of Fund (COF)	9,14%	10,04%	7,86%	4,60%	4,73%	4,29%	6,20%	44,52%
Min. Reserve Requirement	7,82%	6,05%	10,92%	9,39%	9,55%	8,67%	9,05%	4,38%
Net Open Position	11,40%	7,80%	12,46%	10,77%	5,23%	7,80%	4,20%	-46,15%
Cost Efficiency Ratio (CER)*)	50,13%	57,48%	65,33%	51,33%	54,26%	50,83%	50,72%	-0,22%

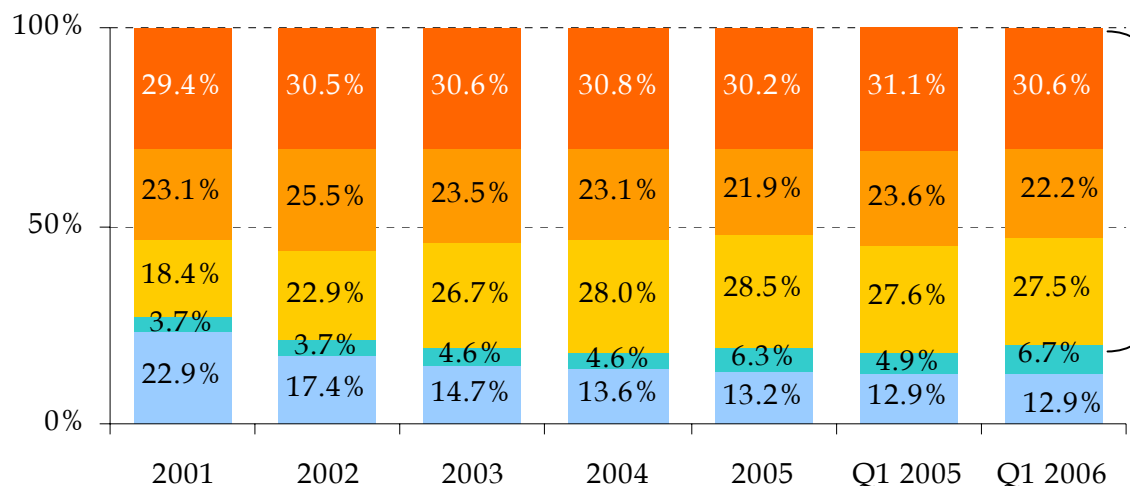
*) CER : (Employee expense+ G&A+Other Op. Expense)/(NII+Fee&Commision+Other Op. Income)



Asset and Liabilities : Highlights of Growth, Composition and Quality

Loans : Focus to MSMEs Maintained

Loan Portfolio Composition



From Q1 2005 to Q1 2006

- Loan to MSMEs maintained at 87.1% of total loan portfolio
- A greater portion of small commercial loans and medium loans reflected the movement of BRI's loans toward the productive sectors in the economy

■ Corporate ■ Medium ■ Small Commercial ■ Small Consumer ■ Micro

BRI's Commitment :

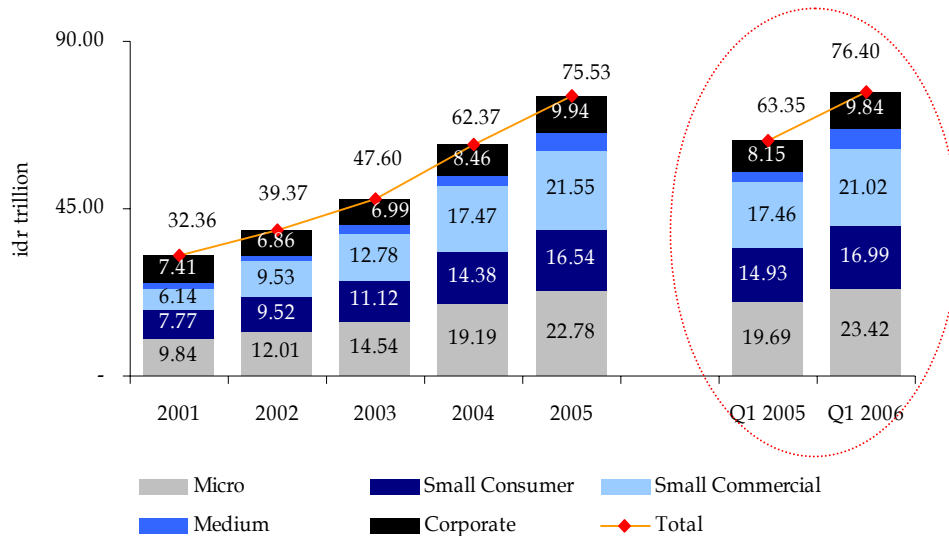
Maintaining Loans to MSMEs at least 80% of Total Loan
 Maintaining Micro Loans at least 30% of Total Loans

Size of Loans

- Micro loan up to Rp 50 mio (US\$ 5,000)
 - Consumer Loans up to Rp 200 mio (US\$ 20,000)
 - 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



Loan : Steady - Seasonal Growth

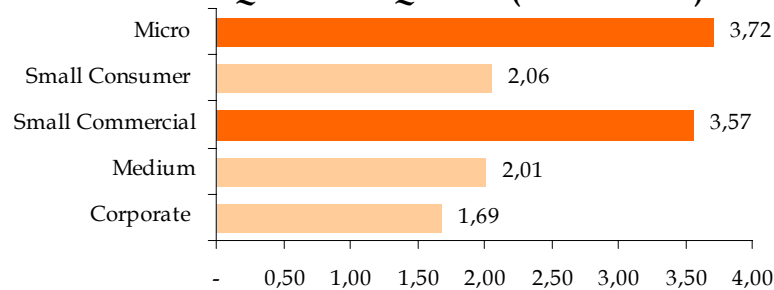


Loan CAGR 2000 - 2005

Micro	23,82%
Small Consumers	24,10%
Small Commercial	36,56%
Medium	8,72%
Corporate	13,51%

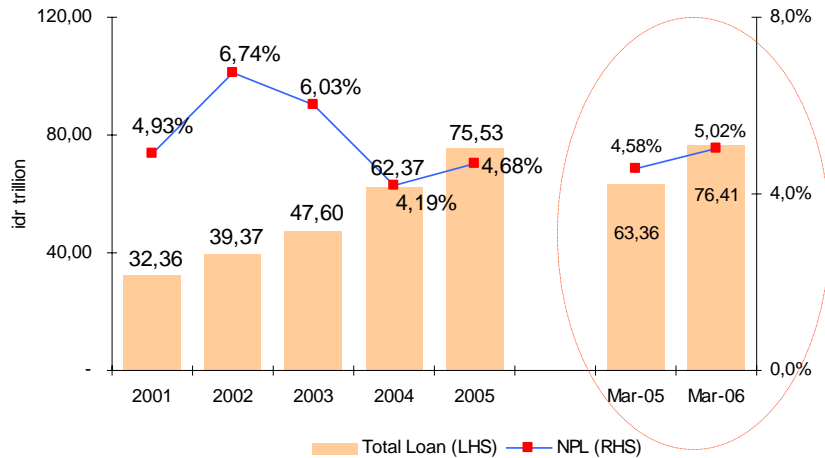
- Yearly Growth (Q1 2005 to Q1 2006)
 - total loan grew by IDR 13,05 trillion or 20.6% .
 - The driver of growth is still Small Commercial and Micro Loans which grew by IDR 7,29 trillion, constitute 55.9% of total loan growth
- Quarterly Growth : (end of 2005 to Q1 2006) :
The growth rate is lower as the reflection of seasonal nature of BRI loans

Loan Expansions by Business Segment (YoY) Q1 2005 to Q1 2006 (IDR trillion)

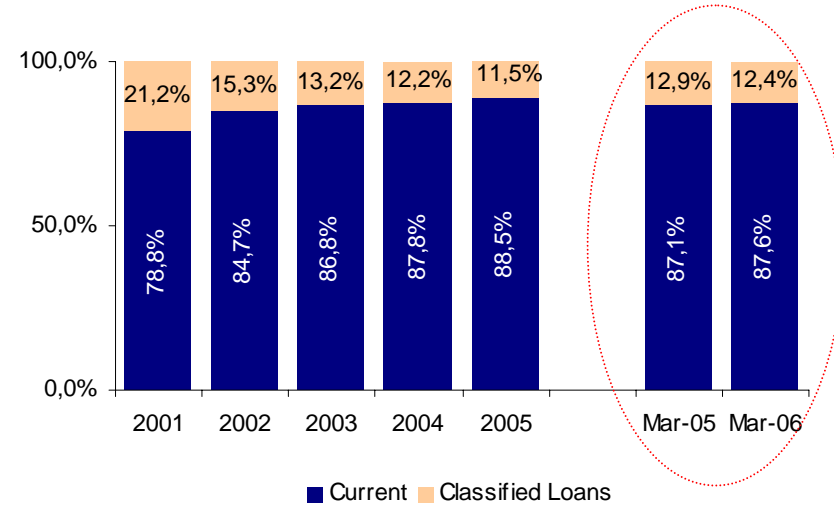


Loan Quality

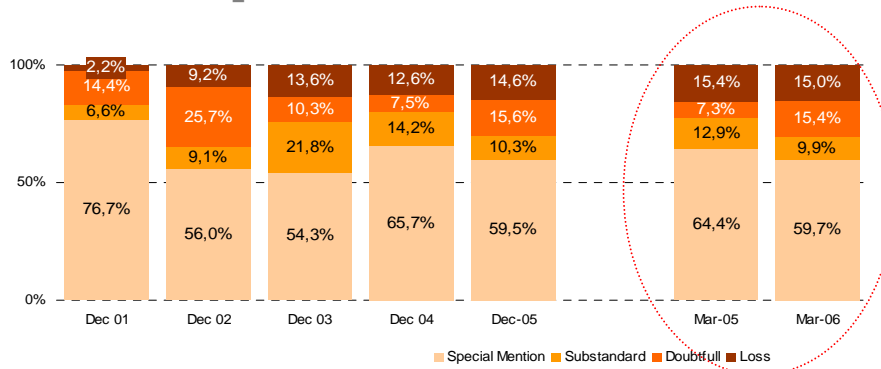
Total Loan vs Total NPL : Trend



Classified Loans to Ttl Loans

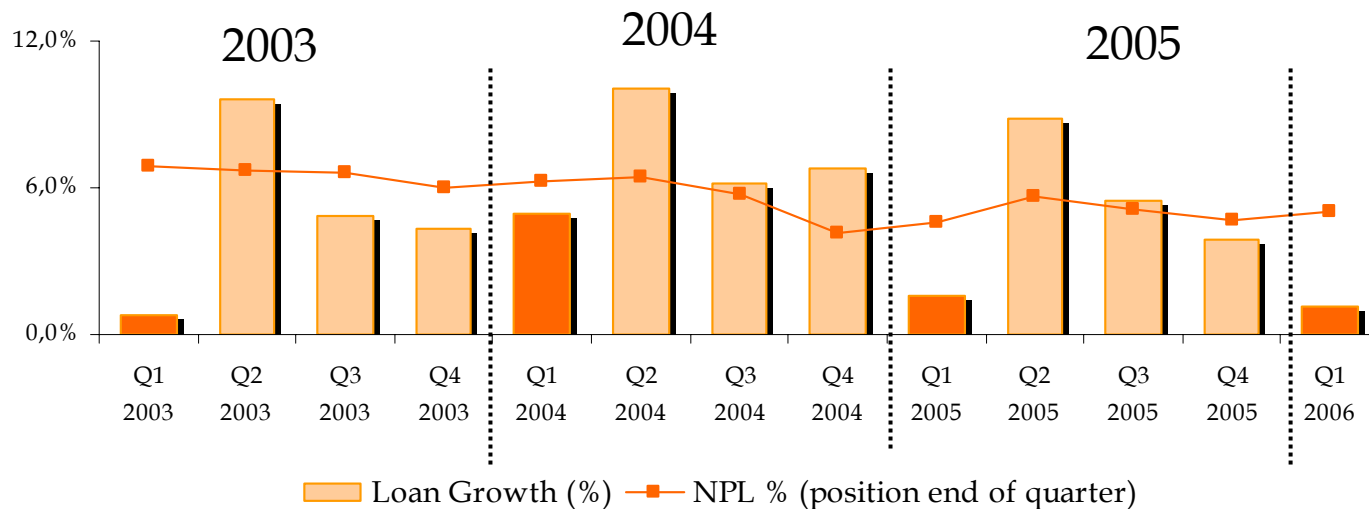


Composition of Classified Loans



Loan :

Growth Rate and NPL Trend Pattern (Quarterly)



The 'Seasonal' Patterns :

- First quarters are always marked by lower growth rate ("January Effect")
- Highest growth occurred in Q2s and Q3s
- Toward end of the year, NPLs will be in down trend

NPLs by Business Segments and NPL Coverage : Trend

NPL BY SEGMENT (%)	Dec 01	Dec 02	Dec 03	Dec 04	Dec-05	Mar-05	Mar-06
Micro	1,03	1,55	2,79	2,1	1,55	2,32	1,74
Consumer	0,74	0,96	1,19	1,22	1,62	1,33	1,83
Small Commercial	2,4	3,4	3,0	3,2	4,00	4,35	5,27
Medium	19,5	15,8	14,2	6,8	7,48	6,85	8,38
Corporate	14,28	26,59	23,43	15,08	16,93	15,75	16,03
Total	4,93	6,74	6,03	4,19	4,68	4,58	5,02
NPL Coverage	199,8	147,53	150,39	196,00	153,09	183,47	146,49

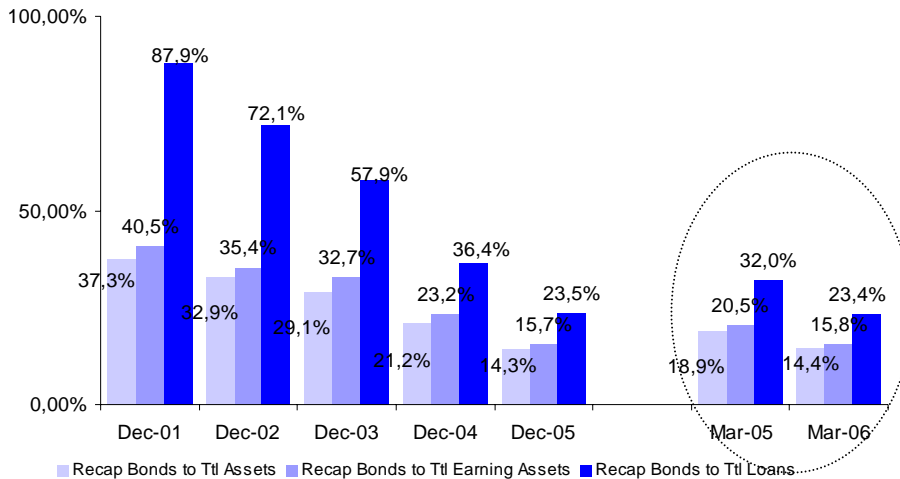
Government Bonds : Portfolio

Govt Bonds (Recap Bonds and Other Govt Bonds) by Type of Holdings

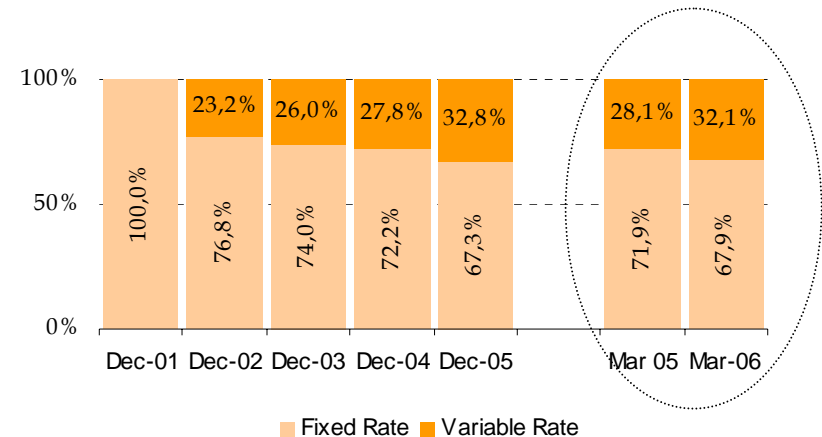
IDR Trio

Portofolio	Sep-04		Dec-04		Dec-05		Mar-05		Mar-06	
	Nominal	% thd Ttl	Nominal	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl
Hold to Maturity	11,34	41,7%	11,34	46,2%	11,34	53,8%	11,34	47,0%	11,34	55,4%
Available for Sale	9,56	35,2%	9,96	40,6%	6,27	29,7%	8,20	34,0%	6,59	32,2%
Trading	6,29	23,1%	3,22	13,1%	3,48	16,5%	4,61	19,1%	2,54	12,4%
Total	27,19	100,0%	24,52	100,0%	21,09	100,0%	24,15	100,0%	20,46	100,0%

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

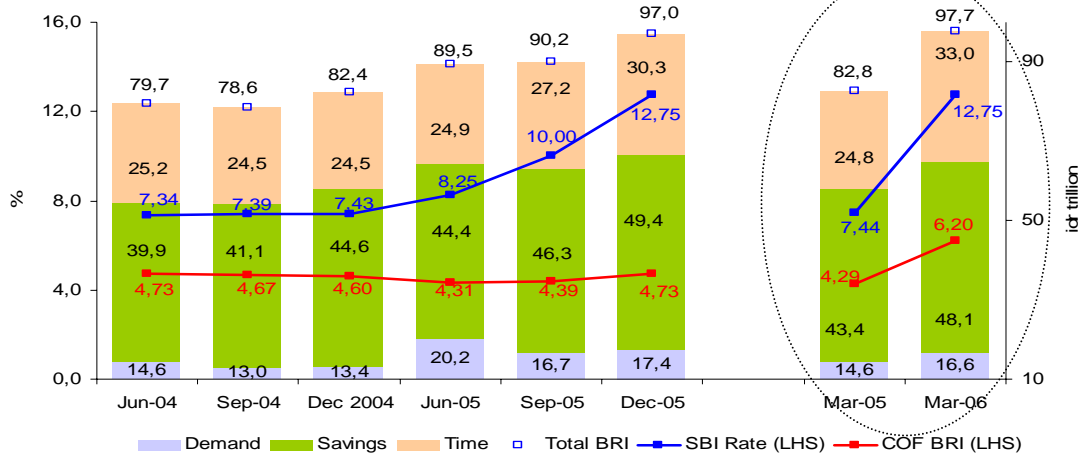


Government Bonds (Recap and Other Govt Bonds)
By Type of Rate

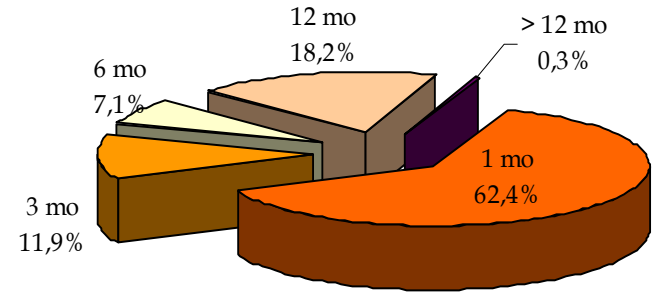


Deposits : Absorbing Interest Rate Hike

BI Rate, BRI's COF and the Growth of Deposits

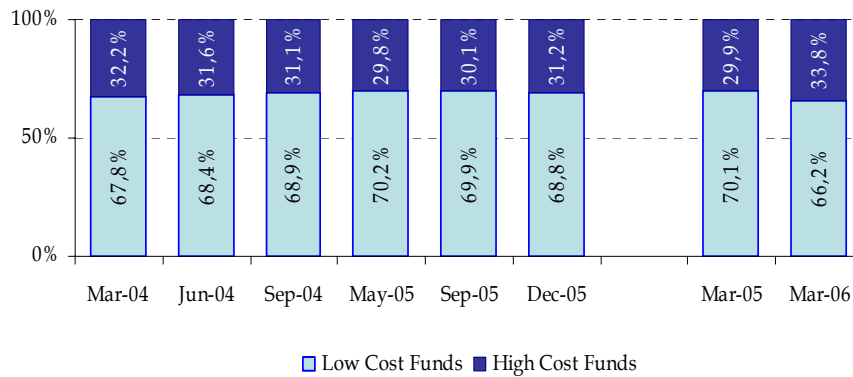


Composition of Time Deposits (as of end of March 2006)



COF was increasing as there was movements of deposit toward Time Deposits.

Low Cost Funds vs. High Cost Funds



As the majority of Time Deposits are in short duration, BRI will have more flexibility to adjust its Time Deposit rate, in line with expected interest rate decrease in the next couple months.

The portion of high cost funds can still be kept to be below 40%.



Profitability

Sources of Income

Idr billion

Source of Income	2001	2002	2003	2004	2005	Mar-05	Mar-06	Growth
Interest income	10.967,7	13.453,6	15.069,3	15.530,8	17.253,7	4.012,09	4.933,12	18,7%
Other Opr.Income	1.153,2	1.044,7	938,5	1.446,8	968,6	305,37	443,70	31,2%
Non Operational Income (net)	24,8	7,7	405,6	444,2	295,6	38,16	58,86	35,2%
Total Income	12.145,8	14.506,0	16.413,4	17.421,8	18.518,0	4.355,62	5.435,68	19,9%

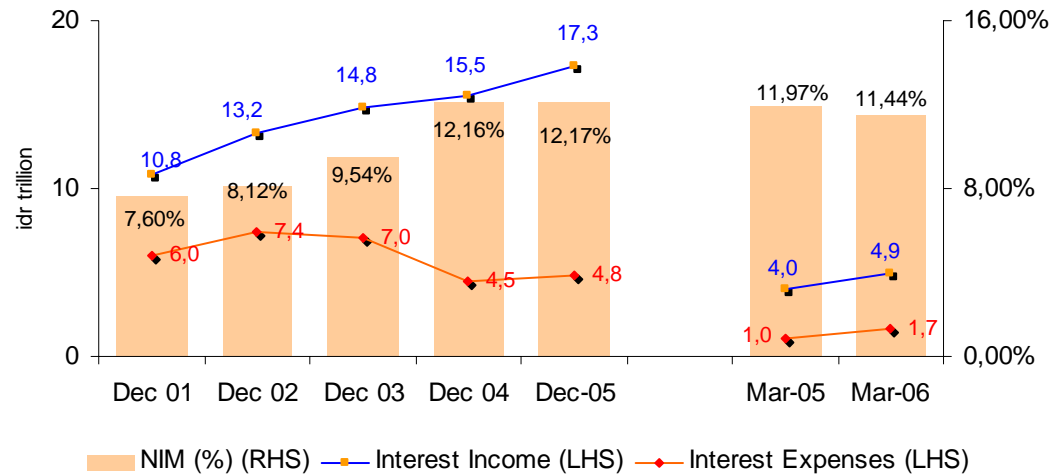
Other Operating Income

Idr billion

Other Operating Income	Mar-05	Mar-06	Growth
Gain Fr Value Increase and sale securiteias and Govt. Recap Bonds (net)	118,72	210,77	77,5%
Fees and Commissions	123,52	178,15	44,2%
Gain fr Forex (net)	34,24	-	-100,0%
Others	28,90	54,79	89,6%
Total	305,37	443,70	45,3%

Main Sources of Income

Interest Income vs. Interest Expenses



- Net Interest Income Margin decrease slightly due to the increase of interest expenses

Over Head Expenses

IDR billion

	Dec 2001	Dec 2002	Dec 2003	Dec 2004	Dec-05	Mar-05	Mar-06	Growth YoY (Q1'05-Q1'06)
Personnel	1.961,9	2.644,1	3.666,0	3.717,5	4.407,2	974,1	1.097,9	11,3%
General and Administration	949,6	1.081,8	1.330,0	1.835,0	2.126,4	411,6	470,7	12,6%
Losses fr decrease of Securities and Govt. Bonds value and sale	-	-	-	-	566,0	-	-	0,0%
Premium Paid on Govt Guarantee				183,4	199,3	-	-	0,0%
Others	81,0	133,0	738,0	151,0	381,2	200,3	221,0	9,4%
Total	2.992,4	3.858,9	5.734,0	5.887,0	7.680,1	1.585,9	1.789,6	36,6%

Others incl : losses from forex, promotion expenses

Conclusions

- Loan to MSMSEs is still the focus of BRI's business
- BRI's core business is still perform well, reflected in the increase of net interest income.
- Lower loan expansion in the first quarters are of seasonal pattern
- The increase of BRI's cost of funds will likely be only in short term as there is expectation of interest rate decline in the next couple months and the majority of BRI's Deposits are in short duration



Thank You

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