

PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.

First Quarter 2007 Financial Results

Jakarta, 26 April 2007



First Quarter 2007 : Highlights on Macro Economic Issues and Banking Industry

- Real sector economy were still in 'wait and see' mood in responding BI's cutting rate policies, demanded real and concise executions from the Government and Bank Indonesia on the investment policies and banking system relaxation policy
- Most awaited projects such as agribusiness revitalisation and infrastructure had not been 'in the run'.
- Proposed regulation on Foreign Direct Investment intended to boost FDI and which had been promised to be more investors' friendly was still in process
- Banking industry :
Different trend and environment of macro economic condition :

Q1 2006

Marked by increasing interest rate, shock from oil price hike in late 2005 was only in its start phase.

Q1 2007

- Interest rate was trending down.
- Banks are expected to start to disburse more loans, as 2007 is perceived to be more conducive



BRI in First Quarter 2007

- ▶ Continue to record high year on year loan growth, reached 19.17% driven by micro, small commercial loans
- ▶ Preferable mix of Deposits with declining cost of funds
- ▶ Net interest income grew 22.16% (yoy), far better than Q1 2006 net interest income growth of only 9.28% (yoy).
- ▶ Net Profit reached Rp 1.22 trillion or grew by 4.64%, (yoy) better than Q1 2006 growth of only 1.50% (yoy)

Signs of more Conducive 2007-First Quarter Year to Date Performance : Support from Stronger Intermediary Activities

- ▶ BRI had firmly recorded growth in Loans, despite industry wide trend of both loans and deposits fall off *)
- ▶ Signs of receding excess of liquidity, loan growth is starting to exceed deposits growth
- ▶ Better Profitability :
 - NIM is starting to bouncing up with bigger contribution from interest income from loans
 - Better ROA
 - Continuing improvement in operational efficiency

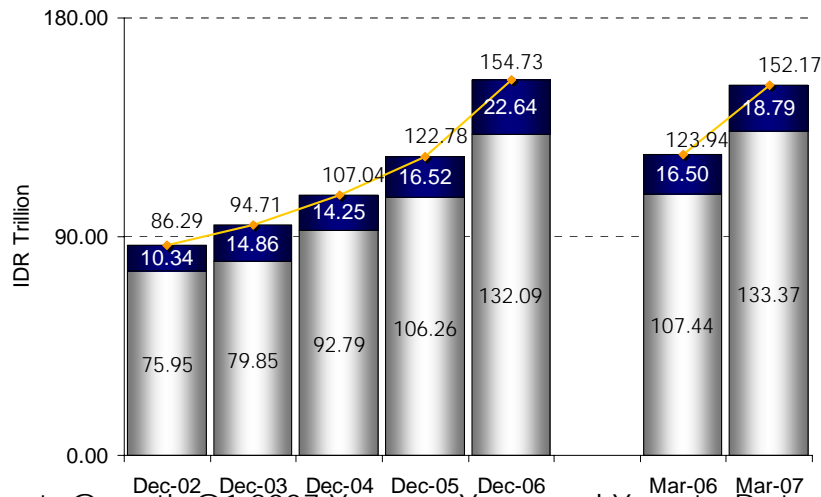
Asset and Liabilities : Highlights of Growth, Composition and Quality

Balance Sheet

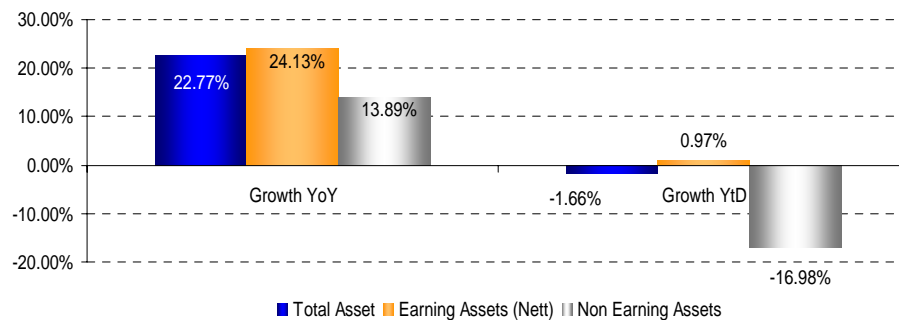
Description	full year					Q1		Growth YoY
	2002	2003	2004	2005	2006	2006	2007	
Total Assets	86,345	94,710	107,040	122,776	154,725	123,945	152,165	22.8%
- Gross Loans (incl. syariah)	39,373	47,599	62,368	75,533	90,283	76,409	91,059	19.2%
- Government Bonds	28,394	27,579	22,686	17,722	18,445	17,870	18,647	4.3%
- Other Earnings Assets	12,097	8,987	12,908	18,219	30,144	18,838	31,174	65.5%
Total Earning Assets	79,864	84,165	97,962	111,475	138,871	113,117	140,880	24.6%
Earning Assets Provision	(4,189)	(4,403)	(5,172)	(5,475)	(6,784)	(5,674)	(7,508)	32.3%
Total Non Earning Assets	10,394	14,858	14,250	16,776	22,638	16,501	18,793	13.9%
Total Liabilities & S.E	86,345	94,710	107,040	122,776	154,725	123,945	152,165	22.8%
Total Customer Deposits	69,627	76,316	82,400	97,046	124,468	97,722	121,898	24.7%
- Demand Deposits	11,459	14,112	13,364	17,384	27,864	16,567	25,451	53.6%
- Saving Deposits	28,673	35,803	44,569	49,372	58,308	48,114	57,443	19.4%
- Time and Certificate Deposits	29,495	26,402	24,467	30,290	38,297	33,041	39,004	18.0%
Other Interest Bearing Liabilities	5,655	5,726	6,384	5,597	6,037	5,086	4,906	-3.5%
Non Interest Bearing Liabilities	5,269	5,466	5,806	6,779	7,342	6,110	7,218	18.1%
Tier I Capital	4,133	7,532	8,506	10,519	13,104	13,183	15,811	19.9%
Total Shareholder's Equity	5,794	8,454	12,450	13,353	16,879	15,027	18,143	20.7%

Total Assets (Gross) – Growth and Composition

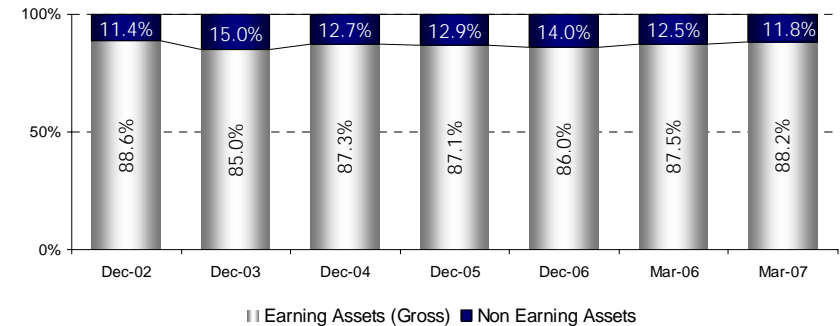
Assets Growth : Trend



Assets Growth Q1 2007 Year on Year and Year to Date
 ■ Earning Assets (nett) ■ Non Earning Assets — Total Asset

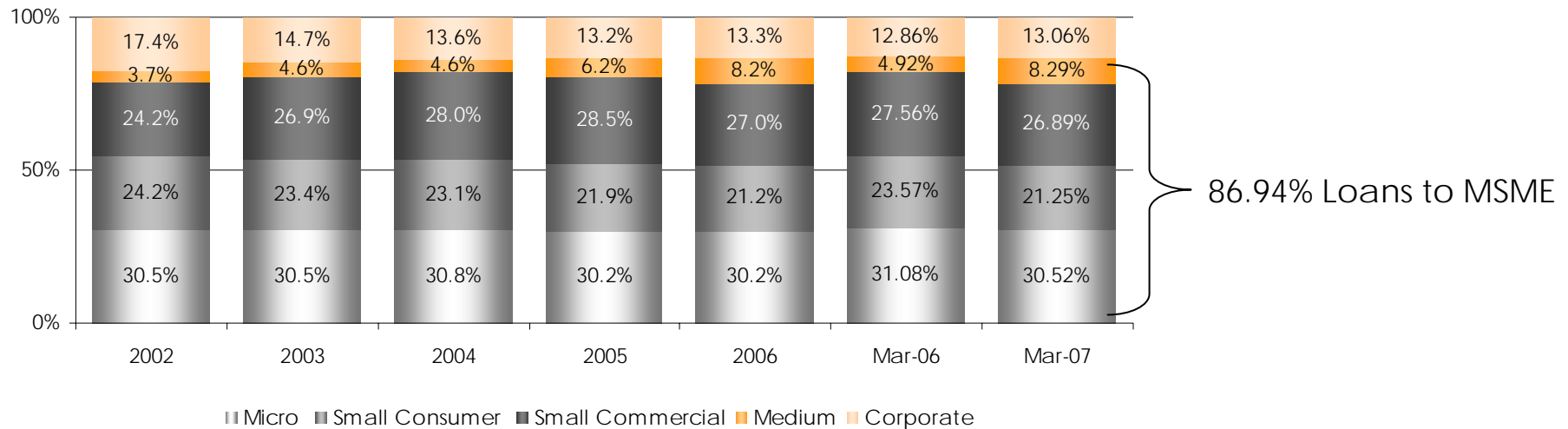


Assets Composition : Trend



- On year on year basis, BRI's total assets (net) grew steadily, reaching 22.77%, driven by earning assets growth
- Year to date, BRI's total assets was declining but the decline was caused by declining non earning assets. Hence, BRI's asset is moving toward more productive assets

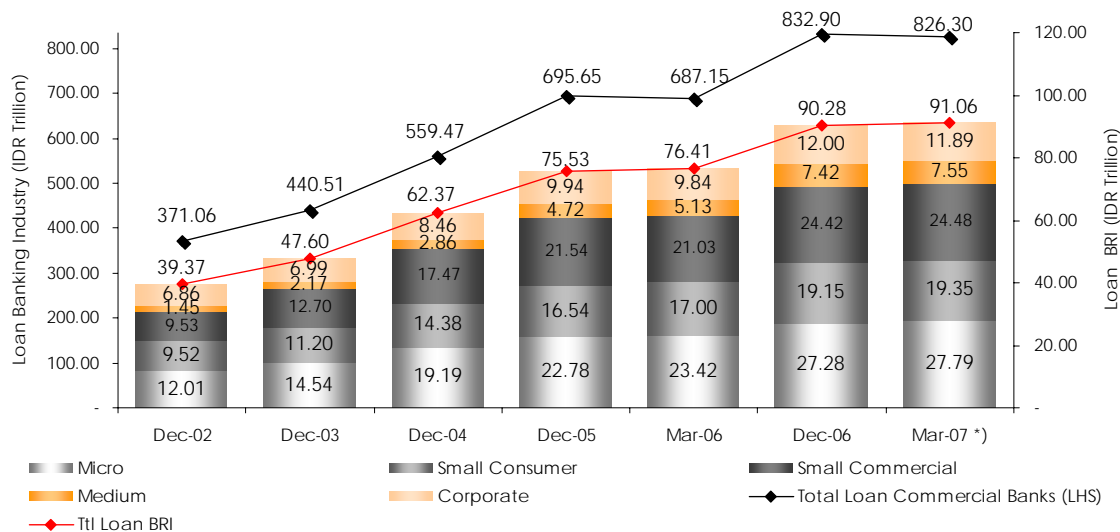
Loans : Composition by Business Segments



Loan Definitions : By Loan Size

- Micro Loans : Up to Rp 50 mio (US\$ 5,000)
- Small Consumer : Up to Rp 200 mio (US\$ 20,000)
- Small Commercial : > Rp 50 mio to Rp 5 bio (US\$500,000)
- Medium Loans : > Rp 5 bio to Rp 50 bio (US\$ 500,000 – US\$ 5 mio)
- Corporate Loans : > Rp 50 bio (> US\$ 5 mio)

Loans : Steady - Seasonal Growth

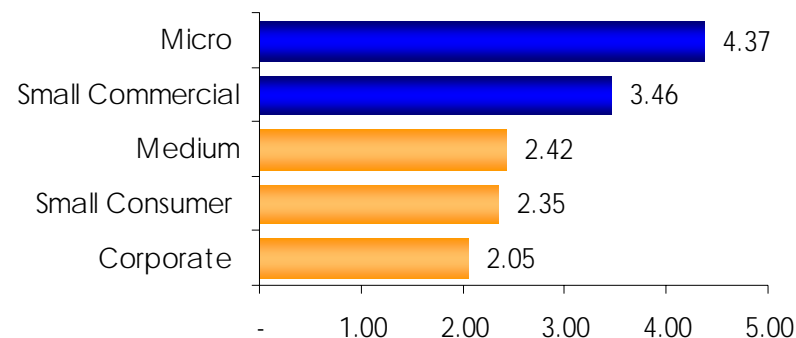


Loan CAGR - by Business Segment

2002 - 2006 (Full Year)	
Mikro	22.8%
Small Consumer	19.1%
Small Commercial	26.5%
Medium	50.3%
Corporate	15.0%

- Yearly Growth (Q1 2006 to Q1 2007)
 - total loan grew by IDR 14.65 trillion or 19.17% .
 - The driver of growth is still Small Commercial and Micro Loans which grew by IDR 7,83 trillion, constitute 55.34% of total loan growth
- Year to date Growth : (end of 2006 to Q1 2007) :
 - BRI is still recorded loan growth despite a drop in Industry's total loans *)
 - Relatively lower growth rate of BRI loans in Q1 was of seasonal reason

Loan Expansions by Business Segment (YoY) Q1 2006 to Q1 2007 (IDR trillion)

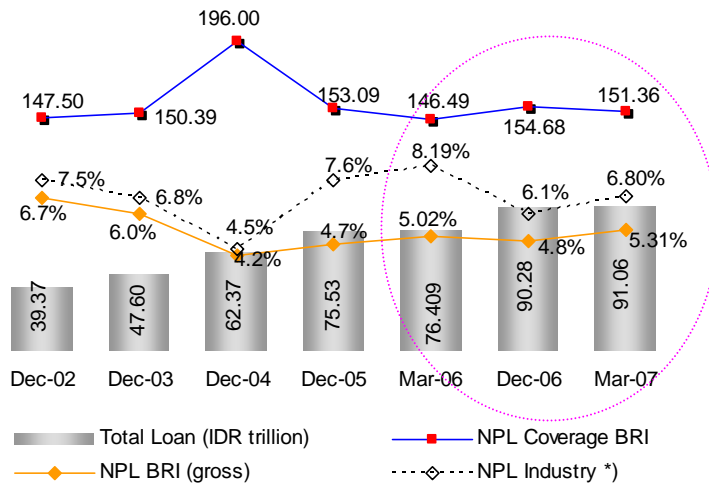


*) Banking Industry : February 2007 Position, Source : Bank Indonesia

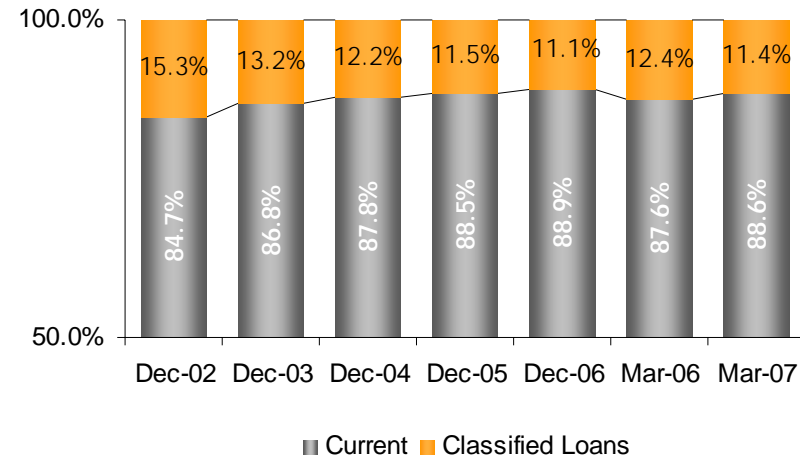


Loan Quality

Total Loan vs Total NPLs and NPLs Coverage : Trend



Classified Loans : Trend

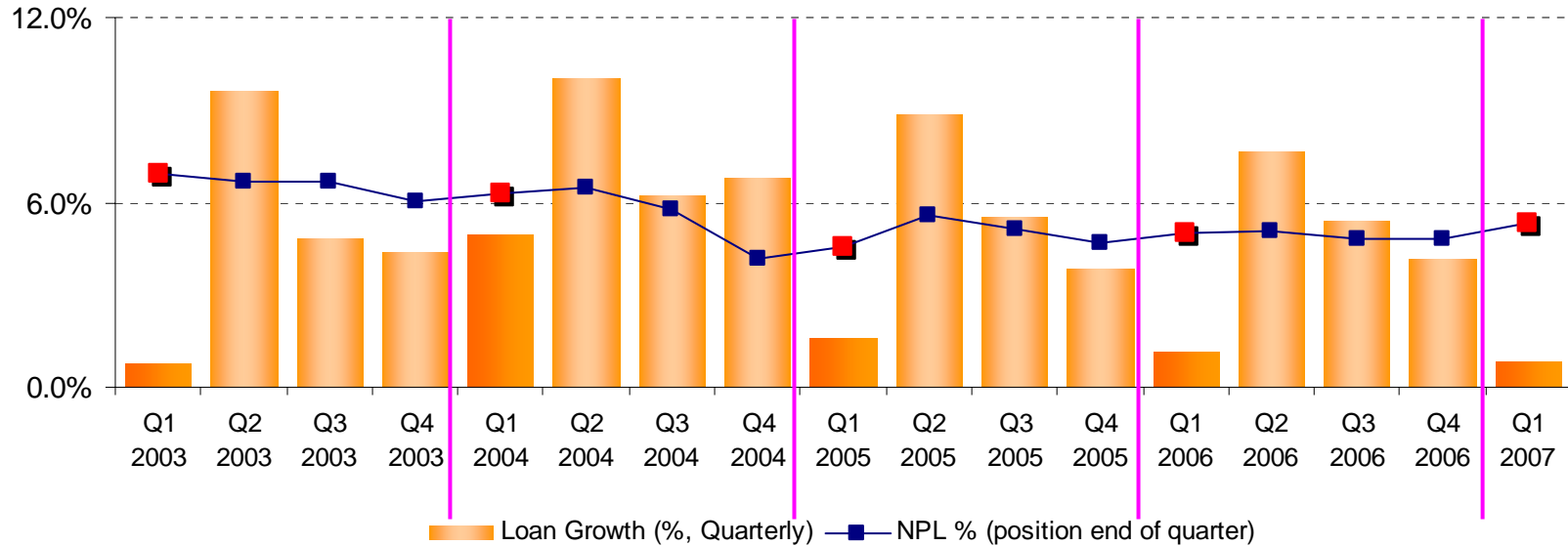


BRI's NPL was manageable at around 5% through many economic cycles. Higher NPLs In Q1 2007 was of seasonal pattern

*) Industry = February 2007 position, Source Bank Indonesia

Loan :

Repeated : Seasonal Pattern of Quarterly Loan Growth and NPL Trend



The 'Seasonal' Patterns :

- First quarters are always marked by slower loan growth
- Loan growth will be speed up mostly in Q2s and Q3s
- NPLs tend to be higher in Q1s and will be in down trend toward Q4s



NPLs (Gross) by Business Segments : Trend

NPL BY SEGMENT (%)	Dec 02	Dec 03	Dec 04	Dec-05	Mar-06	Dec-06	Mar-07
Micro	1.55	2.79	2.1	1.55	1.74	1.36	1.53
Consumer	0.96	1.19	1.22	1.62	1.83	1.91	2.03
Small Commercial	3.4	3.0	3.2	4.06	5.27	6.32	7.62
Medium	15.8	14.2	6.8	7.48	8.38	5.87	6.77
Corporate	26.59	23.43	15.08	16.93	16.03	13.55	13.74
Total NPL	6.74	6.03	4.19	4.68	5.02	4.81	5.31

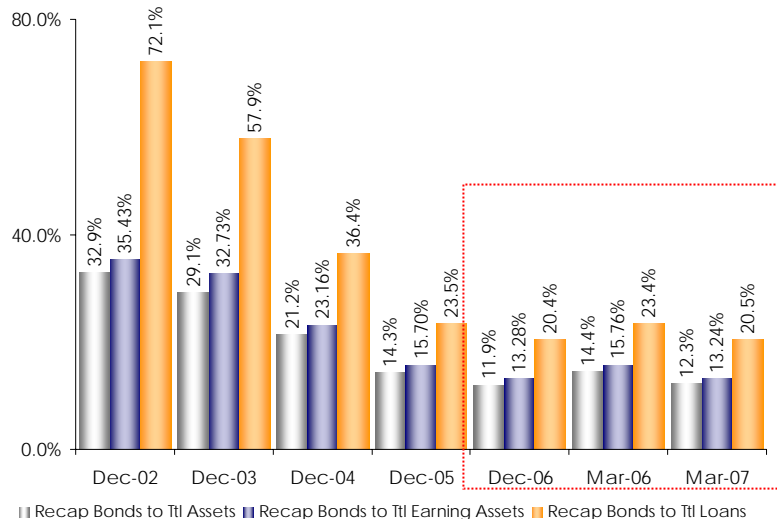
Government Bonds : Portfolio

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

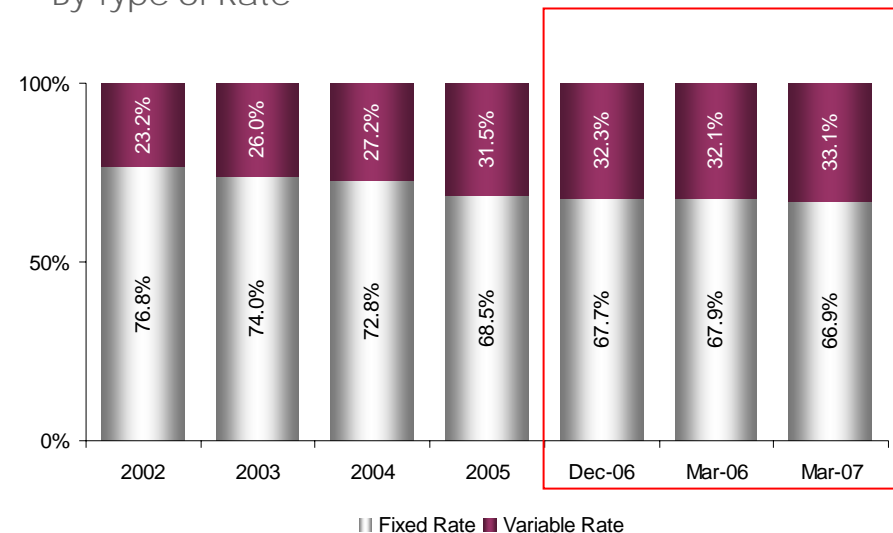
IDR Trio

Portofolio	Dec-04		Dec-05		Mar-06		Dec-06		Mar-07	
	Nominal	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl
Hold to Maturity	11.34	46.2%	11.34	53.8%	11.34	55.4%	11.34	56.0%	11.34	55.3%
Available for Sale	9.96	40.6%	6.27	29.7%	6.59	32.2%	7.09	35.0%	6.82	33.3%
Trading	3.22	13.1%	3.48	16.5%	2.54	12.4%	1.81	8.9%	2.34	11.4%
Total	24.52	100.0%	21.09	100.0%	20.47	100.0%	20.24	100%	20.50	100%

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

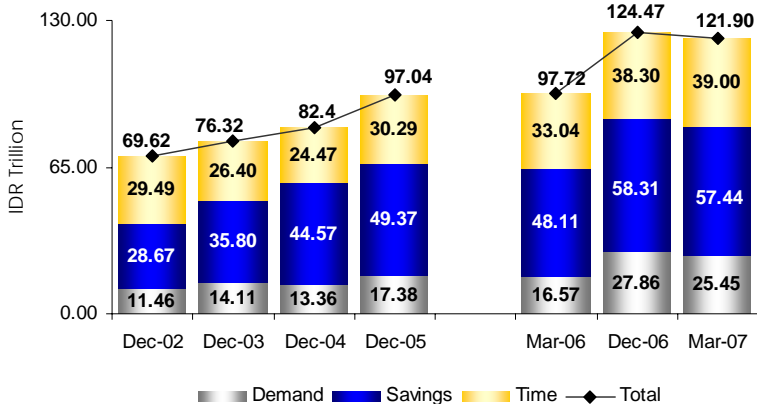


Government Bonds (Recap and Other Govt Bonds)
By Type of Rate

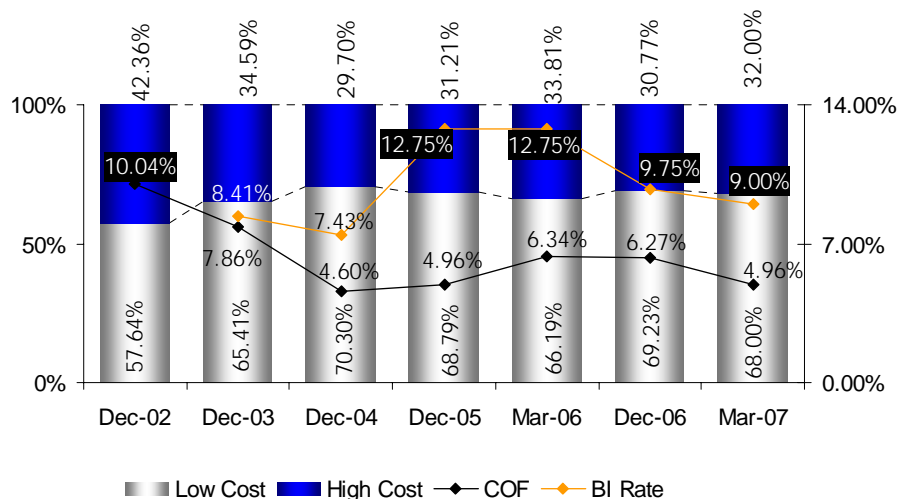


Deposits : Mix and COF Trend

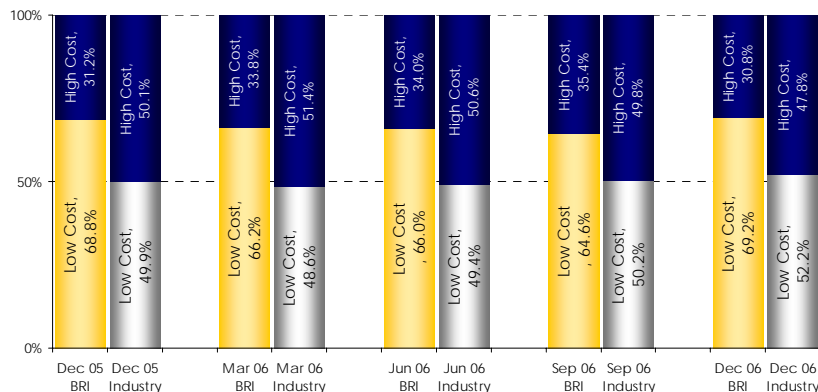
Deposits Growth: Trend



Deposit Mix, COF and BI Rate



Deposits Mix : Trend in 2006 BRI vs. Industry *)



- Year on year, deposits was growing, reaching 24.7%
- Quarterly, total deposits was showing a decline, largely because of extra ordinary jump in demand deposits occurred in the end of December 2006, stemming from one time government funds
- Deposit Mix was still in the range of 60 low cost :40 high cost mix
- Declining COF and preferable deposit mix laid strong funding base for more lending

*) Commercial Banks, Source : Statistik Perbankan Indonesia Desember 2006, Bank Indonesia



Profitability

Income Statement : Highlights

Description	Full Year					Q1		Growth (YoY)
	2002	2003	2004	2005	2006	2006	2007	
Interest Income	13,454.0	15,069.0	15,530.8	17,253.7	21,070.5	4,931.8	5,594.3	13.43%
Interest Expense	(7,373.0)	(7,043.0)	(4,273.2)	(4,827.4)	(7,300.8)	(1,691.1)	(1,635.3)	-3.30%
Net Interest Income	6,081.0	8,026.0	11,257.6	12,426.3	13,769.7	3,240.8	3,959.0	22.16%
Fee & Other Opr. Income	1,045.0	939.0	1,446.8	390.0	1,509.0	424.7	327.2	-22.95%
Gross Operating Income	7,126.0	8,965.0	12,704.4	12,816.3	15,278.7	3,665.5	4,286.2	16.94%
Other Operating Expenses	(3,908.0)	(5,810.0)	(5,887.0)	(7,103.0)	(7,646.1)	(1,761.0)	(1,927.9)	9.48%
PPOP	3,218.0	3,155.0	6,817.4	5,713.3	7,632.7	1,904.5	2,358.3	23.83%
Provision	(1,755.0)	75.0	(1,328.4)	(401.0)	(1,848.0)	(230.6)	(667.4)	189.43%
Non Operating Profit/Loss	8.0	406.0	444.2	295.6	122.1	59.0	20.0	-66.10%
Profit Before Tax n Minor. Int.	1,471.0	3,636.0	5,731.2	5,608.0	5,906.8	1,732.9	1,710.9	-1.27%
Net Profit	1,525.0	2,502.0	2,560.0	3,808.6	4,257.6	1,170.4	1,224.7	4.64%
EPS *)	na	na	306.6	321.7	355.6	393.8	409.2	3.90%

*) Annualized

Sources of Income

IDR billion

Source of Income	2002	2003	2004	2005	Mar-06	2006	Mar-07	Q1 Growth YoY
Interest income	13,454	15,069	15,531	17,253.7	4,931.8	21,071	5,594.3	13.4%
Other Opr.Income	1,045	820	1,447	724.6	424.7	1,509.1	327.2	-23.0%
Non Operational Income	22	412	511	309.8	58.9	122.0	20.3	-65.6%
Total Income	14,521	16,302	17,489	18,288.1	5,415.4	22,702	5,941.8	9.7%

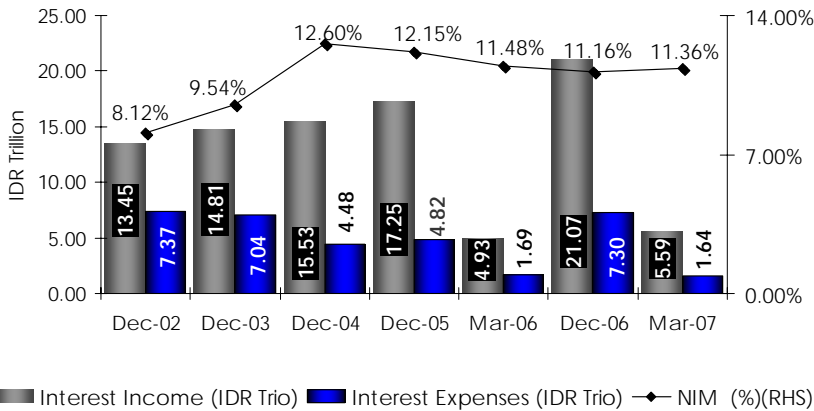
Other Operating Income

IDR billion

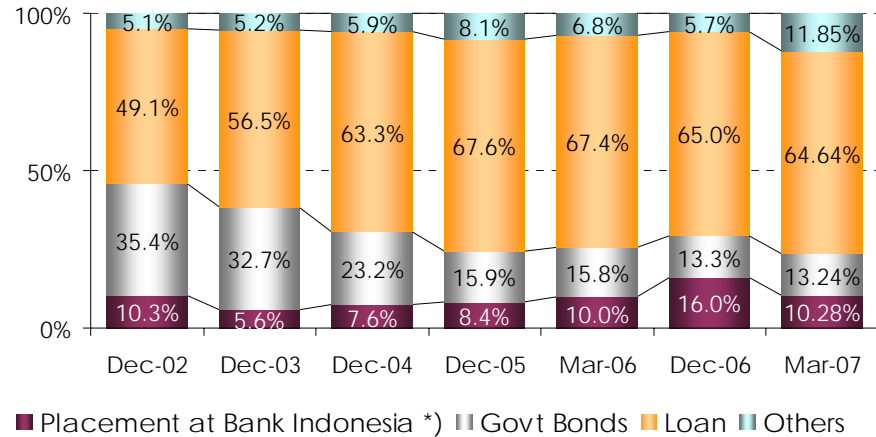
Other Operating Income	Dec-05	Mar-06	Dec-06	Mar-07	YoY
Gain Fr Value Increase of Securitie: and Govt. Recap Bonds	-	210.8	484.2	26.8	-87.3%
Fees and Commissions	527.9	164.5	837.7	245.1	49.0%
Gain fr Forex	49.5	49.4	-	23.0	-100.0%
Others	147.3	-	187.2	32.3	-
Total	724.6	424.7	1,509.1	327.2	108.3%

Sources of Income

Interest Income, Interest Expenses and NIM



Earning Assets : Composition Trend



Source of Interest Income

Source of Interest Income	Mar-06	Dec-06	Mar-07
Interest fr Loans	74.5%	74.7%	77.0%
Interest from Govt Bonds	13.0%	11.6%	9.8%
Int from Other Earning Assets	12.6%	13.7%	13.2%

Yearly Trend

Interest income was increasing, but NIM was still lower due to less productive non loan earning asset composition rooted from industry-wide excess of liquidity

Quarterly Trend :

- NIM was creeping up, due to higher net interest income growth from earning asset growth,

- Loan growth was starting to surpass deposit growth, a sign of stronger Intermediary activities

- Increasing contribution of interest income from loans indicated that the profit was coming from core banking business of lending activities

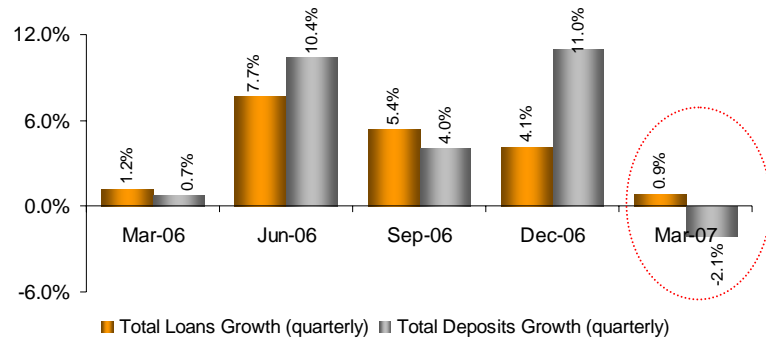


*) Incl. SBI

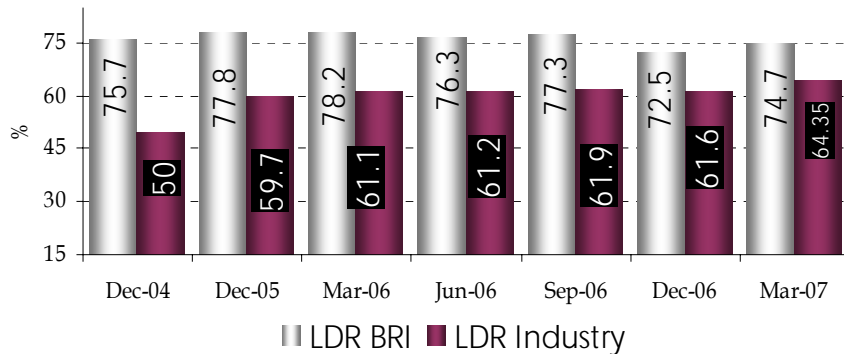
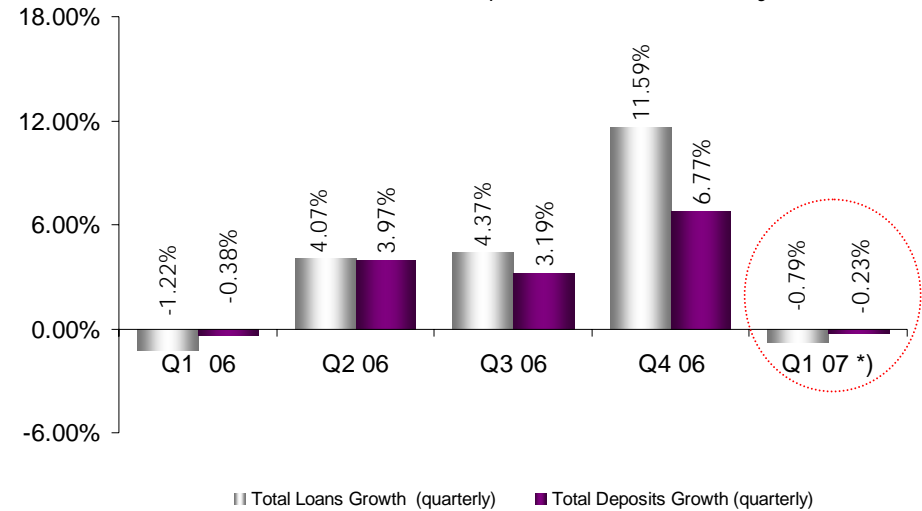
**) Industry = Commercial Banks, Source : Statistik Perbankan Indonesia, Desember 2006, Bank Indonesia

LDR : Sign of Receding Excess of Liquidity

Loan Growth vs Deposit Growth : BRI



Loan Growth vs. Deposit Growth : Industry



- BRI had successfully posted loan growth in Q1 2007 despite industry wide loan decline, indicated BRI's better preparedness for more lending activities in more conducive macro environment expected in the next quarters of 2007
- BRI's LDR was above Industry's, indicated better ability in weathering excess of liquidity

*) Industry : February 2007 position, Source : Bank Indonesia



Over Head Expenses

IDR billion

	Dec 2002	Dec 2003	Dec 2004	Dec-05	Mar-06	Dec-06	Mar-07	Q1 Growth YoY
Personnel	2,644.1	3,666.0	3,717.5	4,407.2	1,097.9	4,830.8	1,214.1	10.6%
General and Administration	1,081.8	1,330.0	1,835.0	1,912.6	464.9	2,054.0	509.9	9.7%
Losses fr decrease of Securities and Govt. Bonds value	-	-	-	334.3	-	-	-	
Losses from forex transaction	49.1	128.2	-	-	22.8	4.6	-	-100.0%
Premium Paid on Govt Guarantees	-	-	183.4	199.3	49.2	206.2	65.0	32.1%
Others	132.7	609.9	536.2	783.7	175.5	756.6	204.0	16.2%
Total	3,907.7	5,734.0	6,088.8	7,437.8	1,761.0	7,646.1	1,927.9	2.8%

Financial Ratios

Description	Full Year					Q1	
	2002	2003	2004	2005	2006	2006	2007
Classified Loan Ratio	15.31%	13.19%	12.23%	11.55%	11.07%	12.44%	11.45%
NPL ratio - Gross	6.74%	6.03%	4.19%	4.68%	4.81%	5.02%	5.31%
NPL Coverage ratio - Gross	147.50%	150.39%	196.00%	153.09%	154.68%	146.49%	151.36%
Tier I CAR	10.30%	16.30%	12.49%	12.52%	16.44%	19.17%	18.67%
Total CAR	12.60%	20.87%	18.09%	15.29%	18.82%	22.32%	20.87%
Loan to Deposit Ratio	56.55%	62.37%	75.69%	77.83%	72.53%	78.19%	74.70%
Net Interest Margin (NIM)	8.12%	9.54%	12.16%	12.15%	11.16%	11.48%	11.36%
Return on Assets (ROA) - b.t	1.83%	4.11%	5.77%	5.04%	4.36%	5.59%	4.49%
Return on Assets (ROA) - a.t	1.90%	2.77%	3.66%	3.42%	3.15%	3.78%	3.22%
Return on Equity (ROE) - Tier I	38.81%	43.41%	42.76%	38.00%	33.75%	36.38%	31.31%
Return on Equity (ROE) - B/S	26.99%	35.68%	34.41%	30.63%	28.19%	32.39%	27.54%
Cost of Fund (COF)	10.04%	7.86%	4.60%	4.96%	6.27%	6.34%	4.97%
Min. Reserve Requirement	6.05%	10.92%	9.39%	9.55%	12.34%	9.05%	9.08%
Net Open Position	7.80%	12.46%	10.77%	5.23%	5.41%	4.20%	5.38%
Cost Efficiency Ratio (CER)	57.48%	65.33%	51.33%	54.22%	51.65%	50.32%	45.51%

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

Concluding Remarks

Concluding Remarks

Prerequisite to the implementation of most awaited regulations and Government projects seen to be vital to real sector movements, BRI had laid strong base for more intermediaries activities, as BRI had :

- Steady high loan growth, driven by loans to micro and small businesses, which are likely to be the segments faster in grabbing business opportunities available
- Steady deposit growth, with proven resilient of to be in low cost and have wide retail base depositors, will give a strong funding base for more lending activities
- Continuous outlets expansion, strengthening BRI competitive advantage on grabbing more business opportunities in the wider spread of economic centers and activities should the long awaited infrastructure projects and agribusiness revitalization are materialized

Concluding Remarks

Year to Date trend had shown the strengthening of BRI's intermediaries activities, hence to be ready for a more conducive macro economic environment expected to occur in the next quarters of 2007. Signs of the readiness, among other things, are apparent on :

- Steady loan growth in loans despite economic cycles. BRI will be in advantage should macro economic condition in 2007 does improve as expected.
- Profitability : sourcing more from intermediaries activities :
 - NIM had been crawled up, with more contribution from loans in the interest income, supported by continuing decline in cost of funds
 - Profit was increasing, largely supported by increasing net interest income
- Loan growth was starting to exceed deposit growth, indicated BRI's better ability in weathering the impact of excess liquidity than banking industry, to move toward more productive assets

Thank You

