

PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

Financial Update Q2 2008

Jakarta, 31 July 2008



BRI in the First Half of 2008

- BRI is continuing to show a solid performance amid the inflationary pressure and interest rate rising trend :
 - Net Profit grew 19.5% (yoy), amounting Rp 2.82 trillion by end of June 2008, from Rp2.36 trillion last year
 - Loans grew at 37.6% yoy, reaching RpRp135.96 trillion, higher than industry loan growth at 32%
 - Loan quality is still maintained at manageable level with NPL at 3.37%
 - Deposits reached Rp176.53 trillion, a growth of 29.99% compared to last year's growth.
 - Fee Based Income is still showing an encouraging growth.
- New loan scheme KUR has successfully tapped the 'feasible yet un-bankable' business, serving as loan growth driver for micro and small lending
- State Owned Enterprises lending became the source of corporate lending, opening the gate for expanding business to small and medium business
- Yet, the commitment for 80% of loans go to micro, small and medium business is still kept.

Overview

Bank Rakyat Indonesia Snapshots (First Half 2008)

No. of Branches and Extension Counters	5,095
ATMs	29,361 (stand alone and shared)
Total Assets (IDR Billion)	216,889
Total Loans (Gross) (IDR Billion)	135,955
Total Deposits (IDR Billion)	176,533
MSME's Loans to Total Loans	82.01%
Portion of Low Cost Deposits	62.88%
NIM	10.42%
ROE Tier I	32.48%
ROA	4.06%
NPL (gross)	3.37%
Total CAR	13.89%
Profit after Tax (IDR billion)	2,818

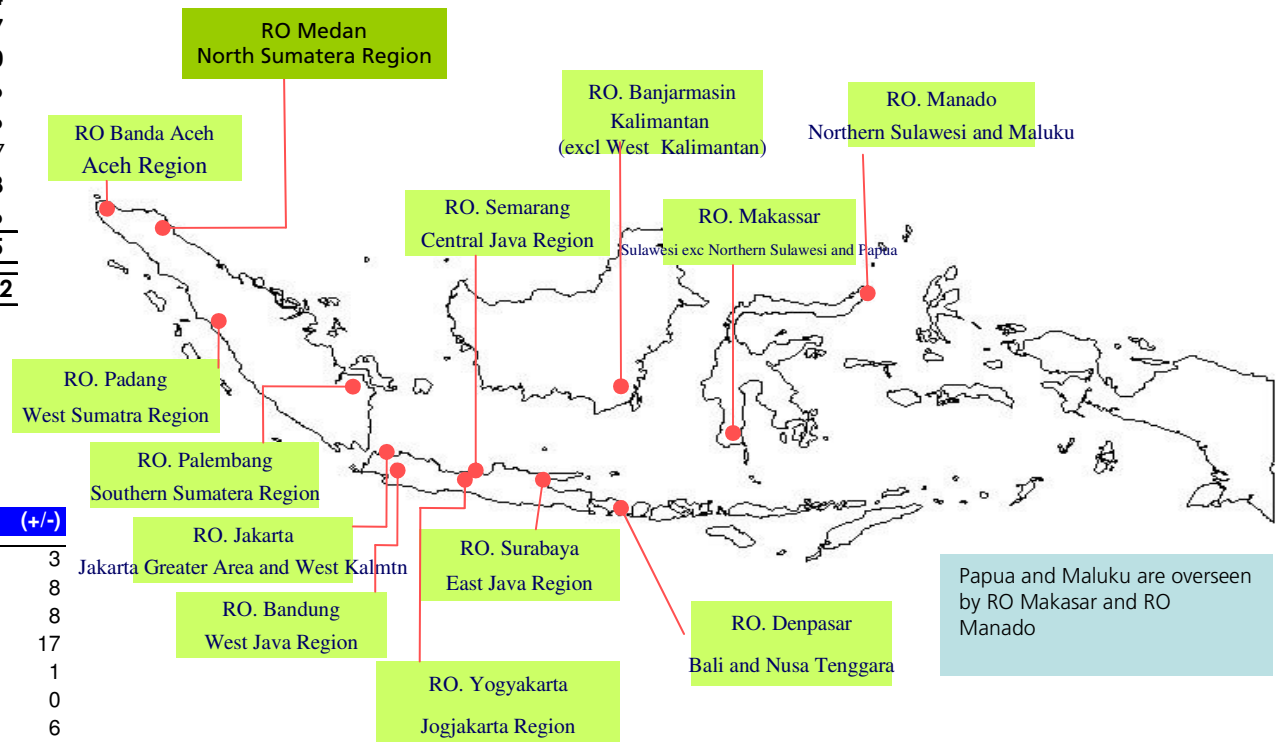
Note: Numbers stated in this presentation are Bank only

Networks –The Most Extensive and Largest Working Units in Indonesia

...and continue to expand, reaching more areas for Micro, Small and Medium Businesses

	Jun-07	Jun-08
Head Office	1	1
Regional Offices	14	14
Branches	332	347
Sub Branches	209	250
Micro Outlets	4,228	4,306
Village Services Posts	126	86
Sharia Branches	27	27
Sharia Sub Branches	18	18
Cash Counters	46	46
Total Working Units	4,955	5,095
Regional Audit Offices	12	12

Regional Offices Distribution



Distribution of Micro Outlets per RO

Regional Office (RO)	Jun-07	Jun-08	(+/-)
Aceh	114	117	3
Medan	210	218	8
Padang	207	215	8
Palembang	271	288	17
Jakarta I	162	163	1
Jakarta II	207	207	0
Bandung	563	569	6
Semarang	371	376	5
Jogjakarta	558	559	1
Surabaya	695	701	6
Banjarmasin	178	183	5
Denpasar	231	234	3
Makassar	311	322	11
Manado	150	154	4
Total	4,228	4,306	78

Asset and Liabilities : Highlights of Growth, Composition and Quality

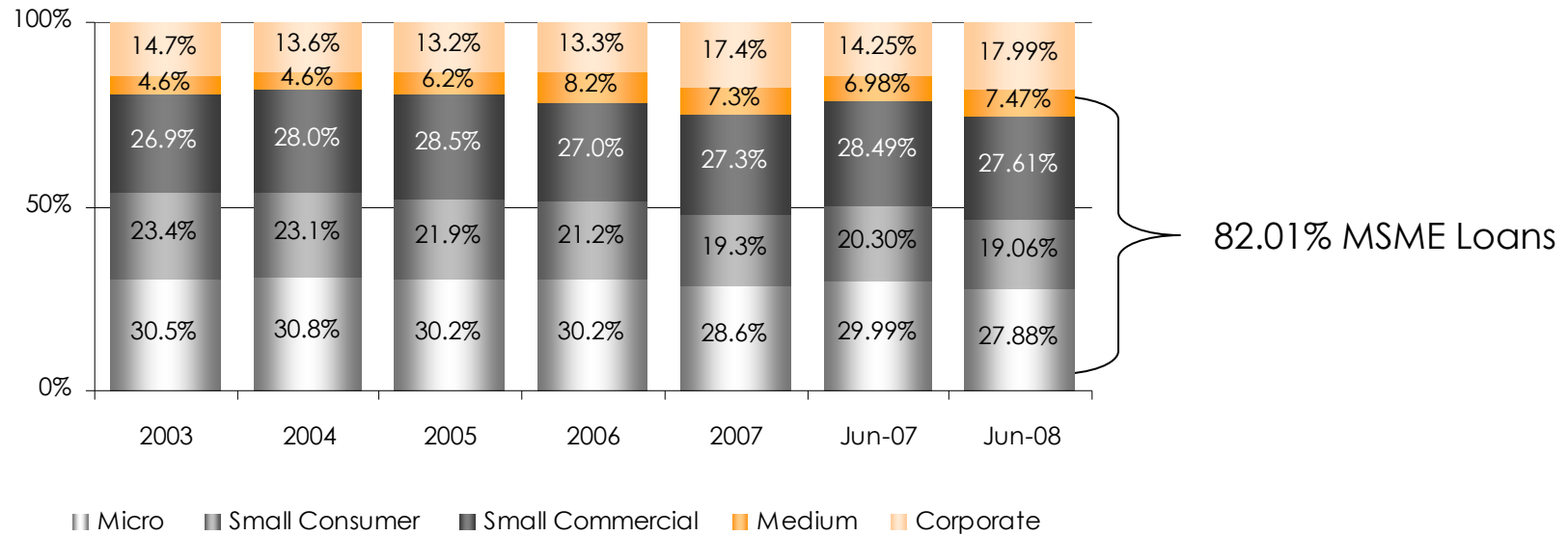


Balance Sheet

<i>IDR billion</i>								
Description	Full year					Q2		Growth YoY
	2003	2004	2005	2006	2007	2007	2008	
Total Assets	94,710	107,040	122,776	154,725	203,604	168,124	216,889	29.0%
- Gross Loans (incl. syariah)	47,599	62,368	75,533	90,283	113,853	98,779	135,955	37.6%
- Government Bonds (Recap)	27,579	22,686	17,722	18,445	18,223	18,560	16,806	-9.5%
- Other Earnings Assets	8,987	12,908	18,219	30,144	36,745	38,785	45,643	17.7%
Total Earning Assets	84,165	97,962	111,475	138,871	168,821	156,124	198,404	27.1%
Earning Assets Provision	(4,403)	(5,172)	(5,475)	(6,784)	(7,067)	(8,266)	(8,436)	2.1%
Total Non Earning Assets	14,858	14,250	16,776	22,638	41,850	20,266	26,921	32.8%
Total Liabilities & S.E	94,710	107,040	122,776	154,725	203,604	168,124	216,889	29.0%
Total Customer Deposits	76,316	82,400	97,046	124,468	165,475	135,810	176,533	30.0%
- Demand Deposits	14,112	13,364	17,384	27,864	37,146	25,987	34,525	32.9%
- Saving Deposits	35,803	44,569	49,372	58,308	72,269	60,637	76,473	26.1%
- Time and Certificate Deposits	26,402	24,467	30,290	38,297	56,061	49,186	65,535	33.2%
Other Interest Bearing Liabilities	5,726	6,384	5,597	6,037	6,263	5,743	6,446	12.2%
Non Interest Bearing Liabilities	5,466	5,806	6,779	7,342	12,428	9,423	14,708	56.1%
Tier I Capital	7,532	8,506	10,519	13,104	15,448	14,269	16,399	14.9%
Total Shareholder's Equity	8,454	12,450	13,353	16,879	19,438	17,148	19,202	12.0%

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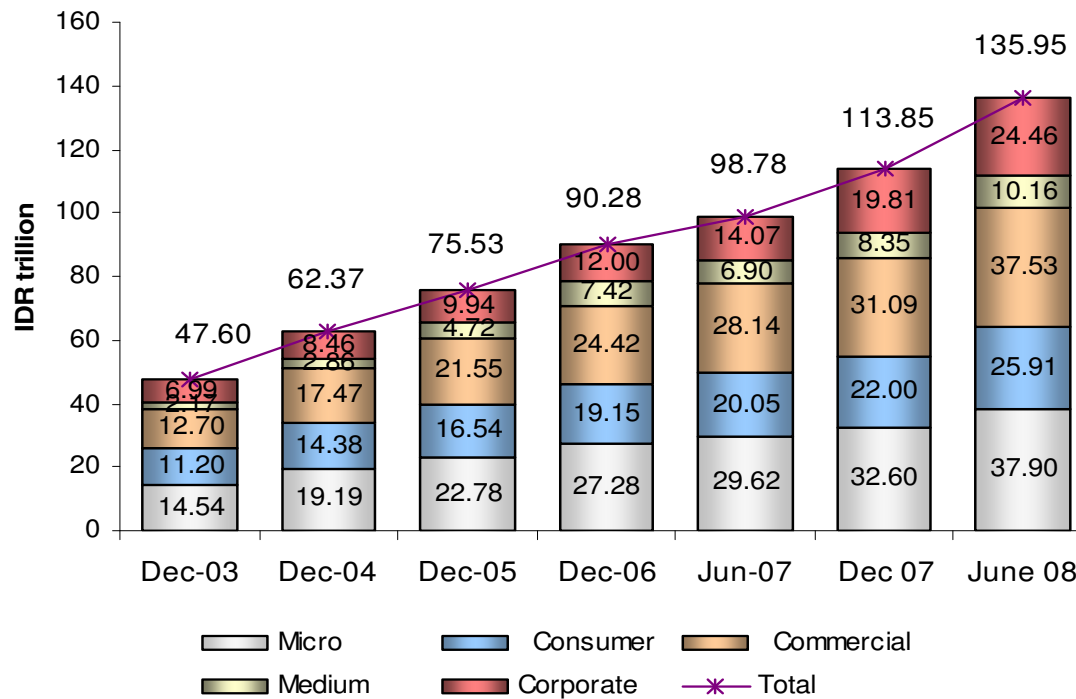
Loans : Composition by Business Segments



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 : Keep Growing



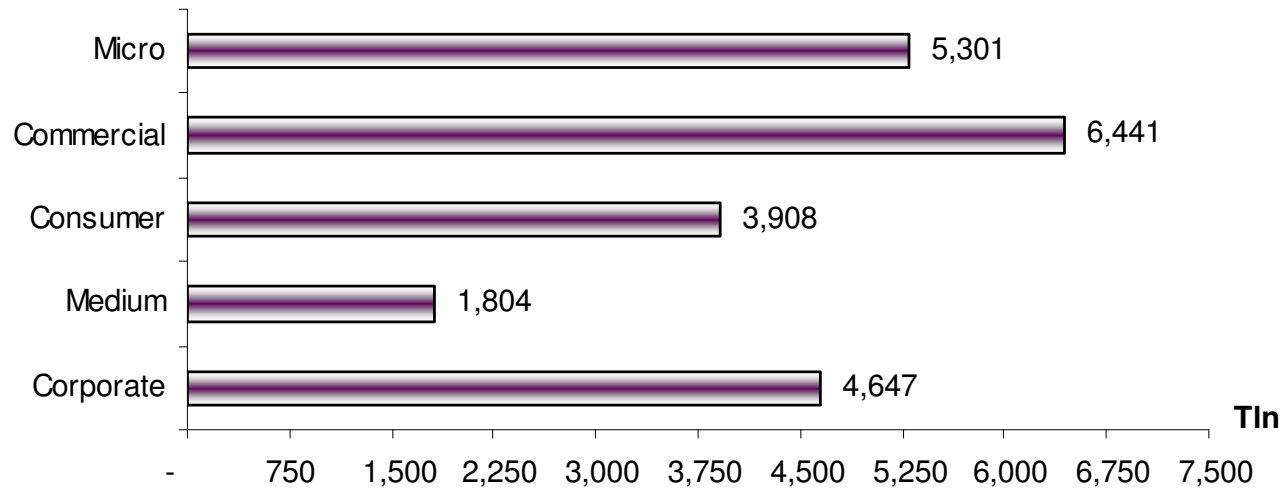
Loan CAGR – by Business Segment

Loan CAGR Jun 2004 - Jun 2008	
Micro	22.3%
Small Consumer	19.1%
Small Commercials	24.7%
Medium	42.5%
Corporate	35.4%
Total	25.4%

- During the last 5 years, the loans show a steady growth at 25.4% on average
- Micro and small commercial business still serve as the growth driver, while corporate loans will be the option for embarking the liquidity excess as well as creating a more favorable business environment to the small businesses

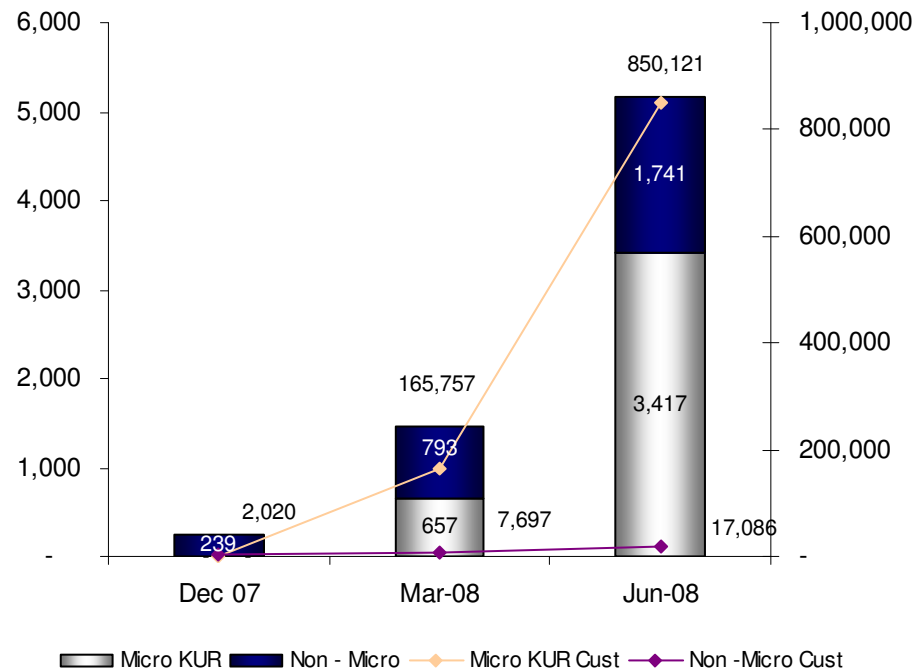
Loans : Driver of Growth

....Year to date loans



- Year to date Growth : (end of 2007 to Q2 2008) :
 - The loan growth reached IDR 22 trillion, a significant jump from Rp8.5 trillion in the first half of 2007
 - Micro and small commercial growth was supported by new initiative “KUR” scheme
 - State Owned Enterprises lending and agribusiness project has spurred the corporate loans growth

KREDIT USAHA RAKYAT (KUR) – Expanding the market



KUR Scheme:

- KUR, a government guaranteed loan scheme, is intended for 'un-bankable' micro and small businesses
- Since the inception in the end of 2007, KUR scheme shows a tremendous growth both in amount and number of borrowers

Corporate Loans

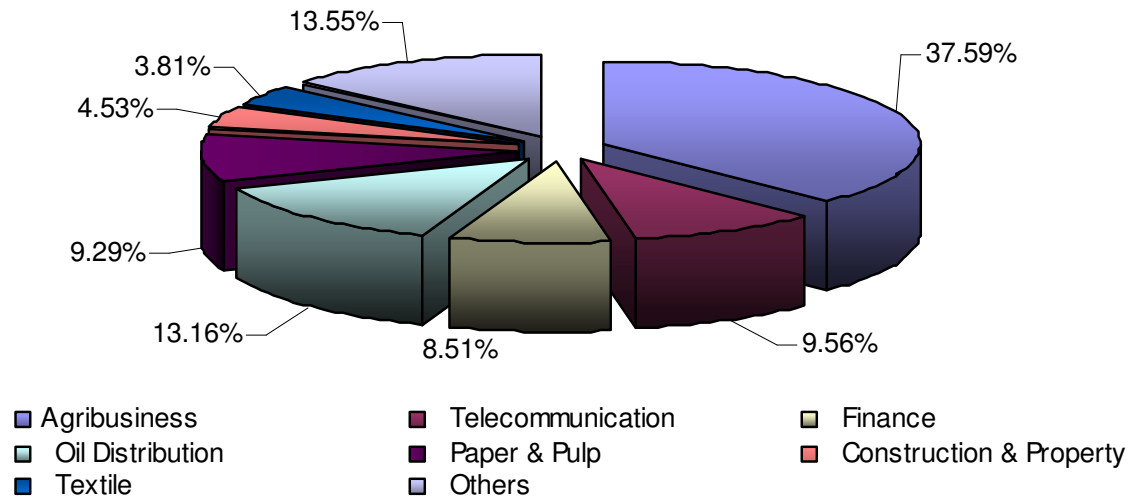
Pursuing SOE and Agribusiness sector

(Rp billion)

	Dec-07	Jun-08	Growth (ytd)
SOEs	6,654	9,067	36.3%
Non-SOEs	13,155	15,389	17.0%
Corporate	19,809	24,456	

Corporate Loans growth :

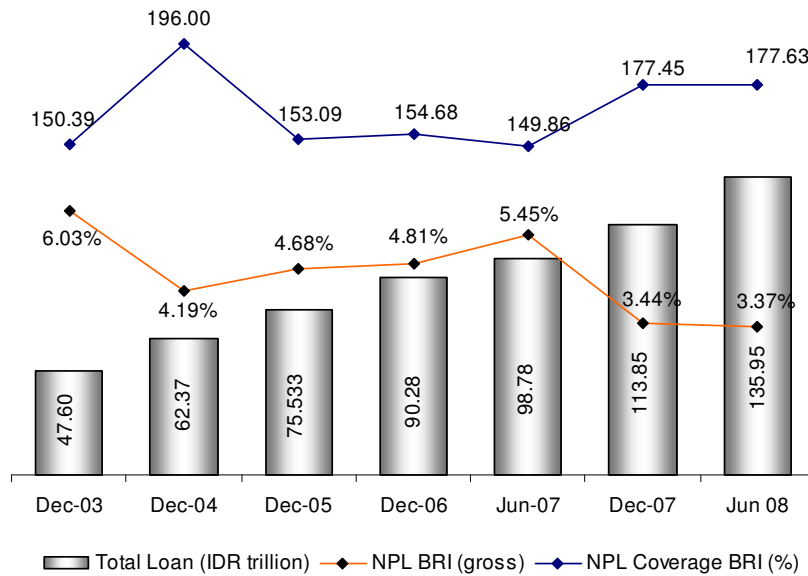
- A higher growth on SOEs's lending, moving toward a lower risk corporate loans and opportunity to prompt up small commercial lending
- Agribusiness contributes 37% of corporate loans, supported by commodity booming



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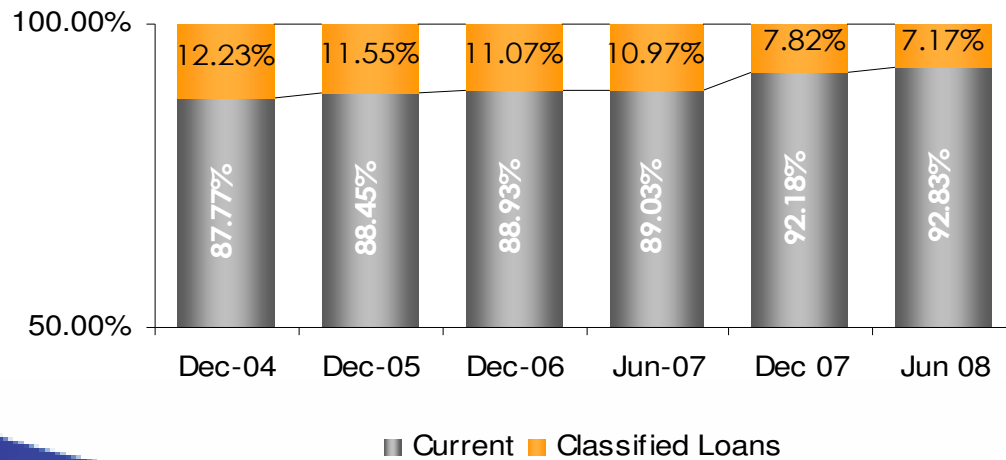
Loan Quality

Total Loan vs Total NPLs and NPLs Coverage : Trend



- Improvement of loan quality showed in lower and well cushioned NPLs, reflecting BRI's conservative provisioning policy
- The portion of classified loans is steadily declining, sign of healthier loan portfolio

Classified Loans : Trend



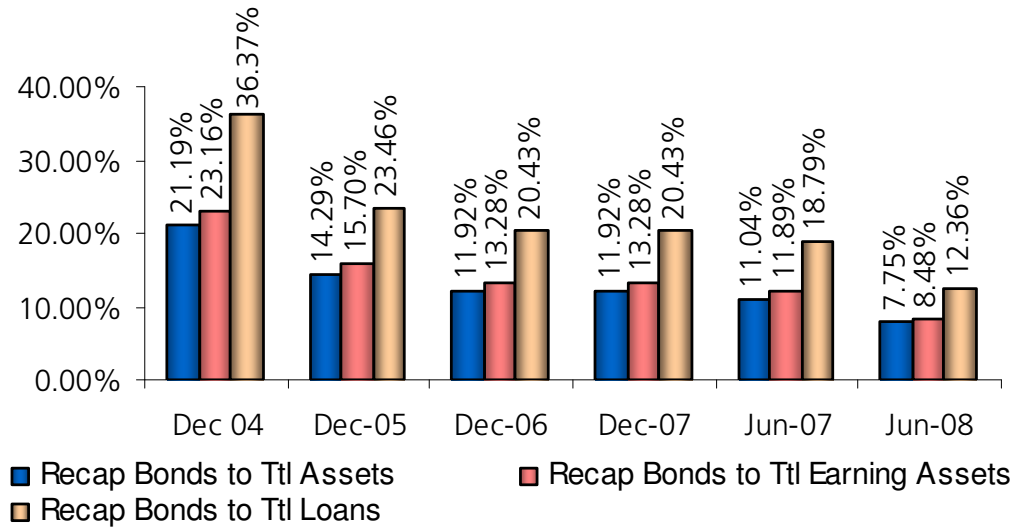
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NPLs (Gross) by Business Segments : Trend

NPL BY SEGMENT (%)	Dec 02	Dec 03	Dec 04	Dec-05	Dec-06	Dec-07	Jun-07	Jun-08
Micro	1.55	2.79	2.1	1.55	1.36	1.19	1.47	1.13
Consumer	0.96	1.19	1.22	1.62	1.91	1.67	2.03	1.62
Small Commercial	3.4	3.0	3.2	4.06	6.32	5.71	8.40	6.27
Medium	15.8	14.2	6.8	7.48	5.87	5.67	8.75	5.43
Corporate	26.59	23.43	15.08	16.93	13.55	4.62	11.17	3.42
Total NPL	6.74	6.03	4.19	4.68	4.81	3.44	5.45	3.37

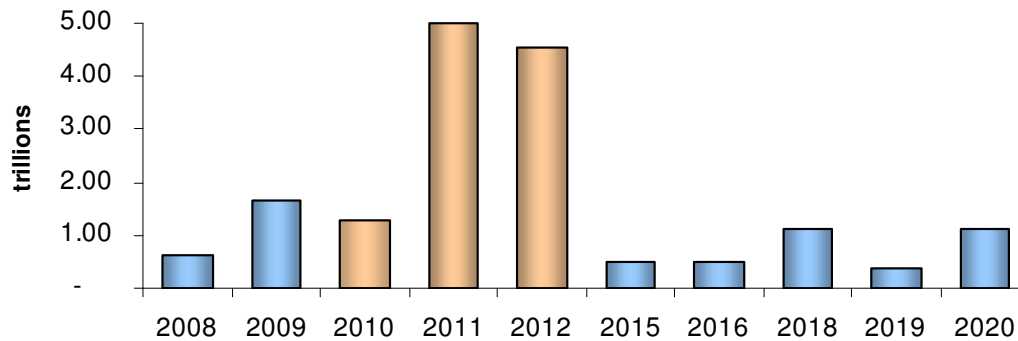
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Government Recap Bonds : Portfolio



During the last 5 years, the portion of Government Recapitalization Bond in the balance sheet is declining continuously, reflecting its lesser role as earning generator for BRI and BRI's movement toward stronger core banking activities

Recap Bonds Maturity



Most of recap bonds will mature in 2011 and 2012

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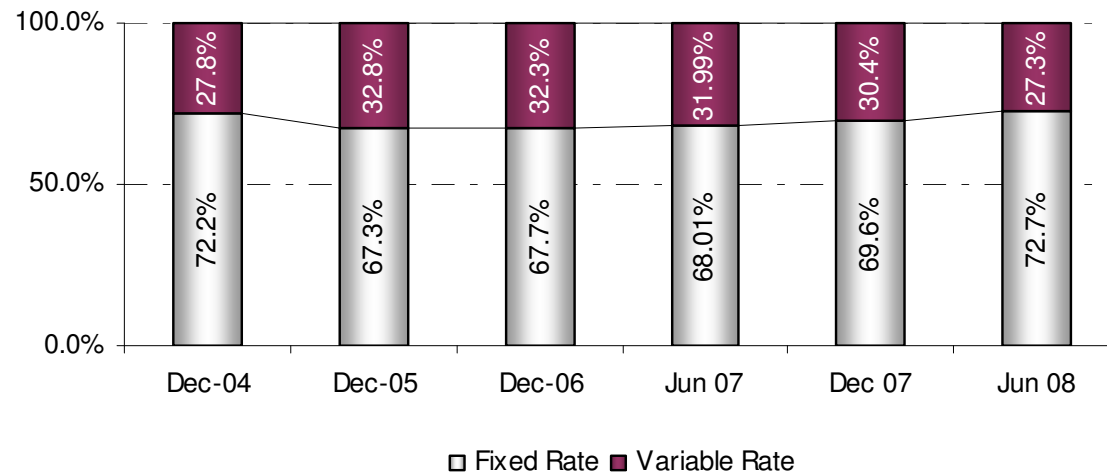
Government Bonds : Portfolio

(Recapitalization Bonds and Other Government Bonds)

By Type of Holding

Portofolio	Dec-05		Dec-06		Jun-07		Dec-07		Jun-08	
	Nominal	% to Ttl	Nominal	% to Ttl	Noml	% to Ttl	Nominal	% to Ttl	Nominal	% to Ttl
Hold to Maturity	11.34	53.8%	11.34	53.8%	11.34	55.48%	11.34	49.7%	10.70	49.6%
Available for Sale*)	6.27	29.7%	6.27	29.7%	7.22	35.32%	8.35	36.6%	7.57	35.1%
Trading	3.48	16.5%	3.48	16.5%	1.88	9.20%	3.12	13.7%	3.32	15.4%
Total	21.09	100.0%	21.09	100.0%	20.44	100.00%	22.81	100.0%	21.59	100.0%

By Type of Rate

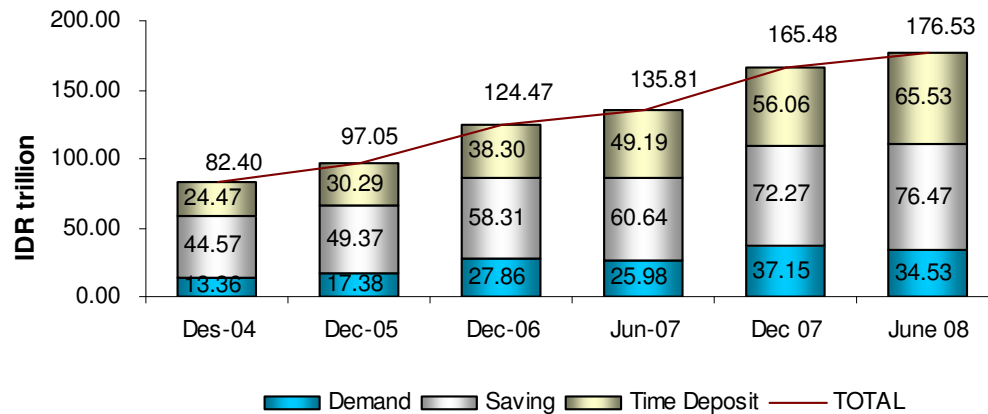


Half of the government bonds holding (including Recap Bonds) is in the Hold to Maturity, which is not exposed to marked to market

Of the government bond holding 72.7% is fixed rate

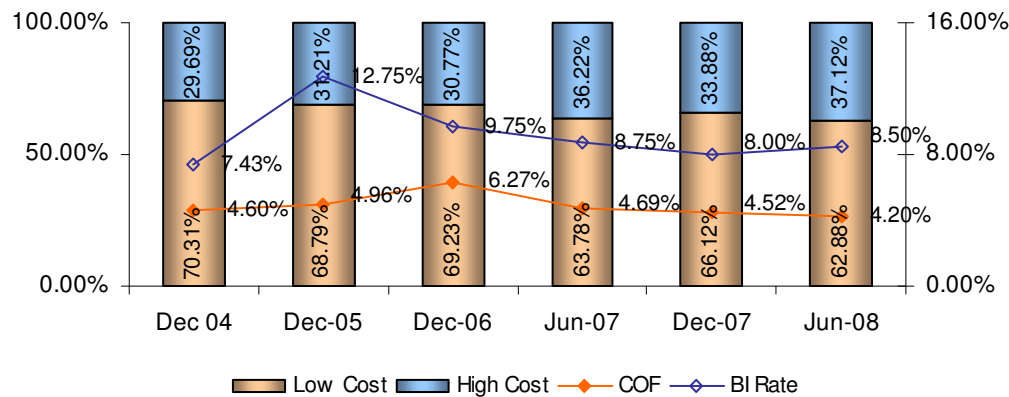
Deposits : Mix and COF Trend

Deposits Growth: Trend



- Year on year, total deposits show steady growth, reaching Rp176.53 trillion or grow 29.99%
- Deposit mix is in the range of 60% low cost and 40% high cost
- Despite the interest rate hike, cost of fund is maintained at a level of 4.20% to keep NIM at 10.42%

Deposit Mix, COF and BI Rate



Note: Numbers stated in this presentation are Bank only

Profitability



Income Statement : Highlights

IDR billion

Description	Full Year					Q2		Growth (YoY)
	2003	2004	2005	2006	2007	2007	2008	
Interest Income	15,069.0	15,530.8	17,253.7	21,070.5	23,240.6	11,280.0	13,208.3	17.10%
Interest Expense	(7,043.0)	(4,273.2)	(4,827.4)	(7,300.8)	(6,544.1)	(3,147.3)	(3,631.5)	15.38%
Net Interest Income	8,026.0	11,257.6	12,426.3	13,769.7	16,696.6	8,132.7	9,576.8	17.76%
Fee & Other Opr. Income	939.0	1,446.8	390.0	1,509.0	1,821.7	730.6	1,000.6	36.96%
Gross Operating Income	8,965.0	12,704.4	12,816.3	15,278.7	18,518.3	8,863.3	10,577.4	19.34%
Other Operating Expenses	(5,810.0)	(5,887.0)	(7,103.0)	(7,646.1)	(9,019.6)	(4,061.9)	(5,073.4)	24.90%
PPOP	3,155.0	6,817.4	5,713.3	7,632.7	9,498.7	4,801.4	5,504.0	14.63%
Provision	75.0	(1,328.4)	(401.0)	(1,848.0)	(1,942.7)	(1,475.8)	(1,426.0)	-3.38%
Non Operating Profit/Loss	406.0	444.2	295.6	122.1	224.1	27.9	22.5	-19.30%
Profit Before Tax n Minor. Int	3,636.0	5,731.2	5,608.0	5,906.8	7,780.1	3,353.4	4,100.6	22.28%
Net Profit	2,502.0	2,560.0	3,808.6	4,257.6	4,838.0	2,358.3	2,818.2	19.50%
EPS *)	na	306.6	321.7	355.6	403.6	393.8	470.2	19.39%

*) Annualized

Sources of Income

IDR billion

Source of Income	2003	2004	2005	2006	Jun-07	2007	Jun-08	Q1 Growth YoY
Interest income	15,069	15,531	17,254	21,071	11,280	23,241	13,208	17.1%
Other Opr.Income	820	1,447	725	1,509	731	1,822	1,001	37.0%
Non Operational Income	412	511	310	122	28	224	23	-19.3%
Total Income	16,302	17,489	18,288	22,702	12,038	25,287	14,231	18.2%

Other Operating Income

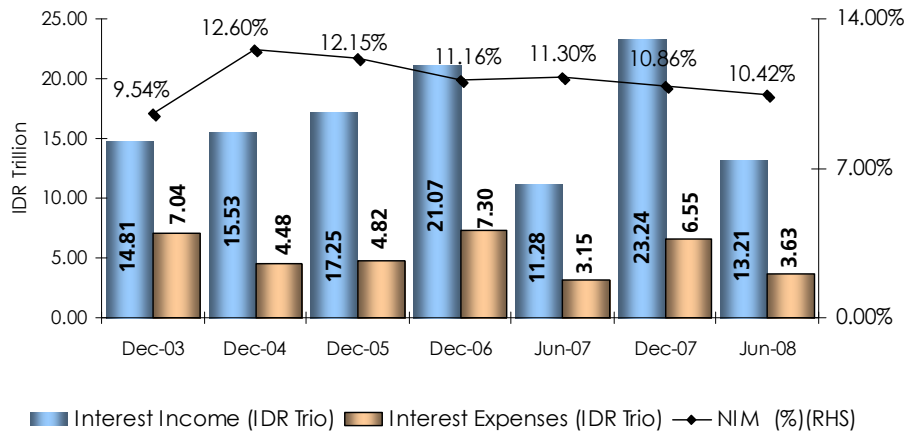
IDR billion

Other Operating Income	Dec-06	Jun-07	Dec-07	Jun-08	YoY
Gain Fr Value Increase of Securities and Govt. Recap Bonds	484	64	48	123	93.6%
Fees and Commissions	838	521	1,456	829	59.2%
Gain fr Forex	-	41	176		0.0%
Others	187	105	142	48	-54.3%
Total	1,509	731	1,822	1,001	37.0%

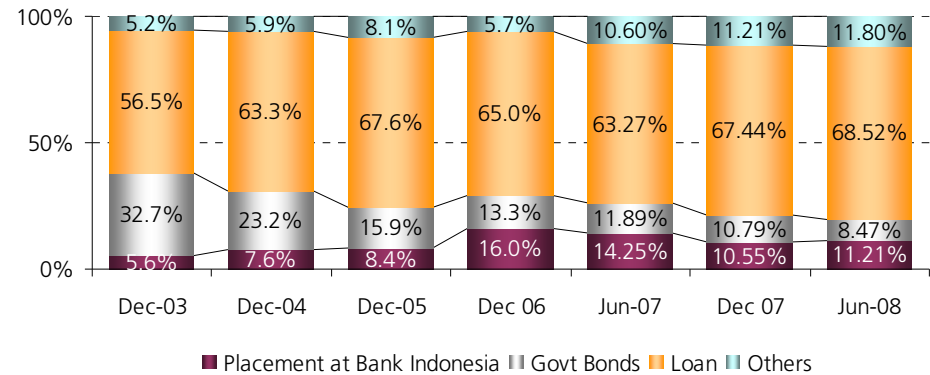
- Strong growth of fees and commissions (around 60% year on year) increase the contribution of Fee Based Income to total income, from 4.32% in Q2 2007 to 5.83% in Q2 2008

Sources of Income

Interest Income, Interest Expenses and NIM



Earning Assets : Composition Trend



Source of Interest Income

Source of Interest Income	Jun-07	Dec-07	Jun-08
Interest fr Loans	78.0%	77.3%	77.9%
Interest from Govt Recap Bonds	9.5%	8.7%	7.0%
Int from Other Earning Assets	12.5%	14.1%	15.1%

- The contribution of Interest income from loans still the dominant of the source of BRI income
- The increasing interest income from other earning assets is contributed by other government bond holding and placement at Bank Indonesia and other banks

Over Head Expenses

IDR billion

	Dec 2003	Dec 2004	Dec-05	Dec-06	Jun-07	Dec-07	Jun-08	Q2 Growth YoY
Personnel	3,666	3,717	4,407	4,831	2,519	5,274	2,843	12.8%
General and Administration	1,330	1,835	1,913	2,054	1,071	2,405	1,299	21.3%
Losses fr decrease of Securities and Govt. Bonds value	-	-	334	-	6	46	362	
Losses from forex transaction	128	-	-	5	-	-	0.4	
Premium Paid on Govt Guarantees	-	183	200	206	130	267	170	30.4%
Promotion	-	110	203	177	118	470	102	-13.2%
Others	610	243	381	393	218	558	297	36.2%
Total	5,734	6,089	7,438	7,666	4,062	9,020	5,073	24.9%

- Increasing overhead expenses due to outlet expansion to support the business and an adjustment to inflation
- Marked to market loss due to plummet government bond price affected by global market condition

Financial Ratios

Description	Full Year					Q2	
	2003	2004	2005	2006	2007	2007	2008
Classified Loan Ratio	13.19%	12.23%	11.55%	11.07%	7.82%	10.97%	7.17%
NPL ratio - Gross	6.03%	4.19%	4.68%	4.81%	3.44%	5.45%	3.37%
NPL Coverage ratio - Gross	150.39%	196.00%	153.09%	154.68%	177.45%	149.86%	177.63%
Tier I CAR	16.30%	12.49%	12.52%	16.44%	14.15%	15.87%	12.41%
Total CAR with market risk	20.87%	18.09%	15.29%	18.82%	15.84%	17.93%	13.89%
Loan to Deposit Ratio	62.37%	75.69%	77.83%	72.53%	68.80%	72.73%	77.01%
Net Interest Margin (NIM)	9.54%	12.16%	12.15%	11.16%	10.86%	11.30%	10.42%
Return on Assets (ROA) - b.t	4.11%	5.77%	5.04%	4.36%	4.61%	4.29%	4.06%
Return on Assets (ROA) - a.t	2.77%	3.66%	3.42%	3.15%	2.87%	3.02%	2.79%
Return on Equity (ROE) - Tier I	43.41%	42.76%	38.00%	33.75%	31.64%	30.28%	32.48%
Return on Equity (ROE) - B/S	35.68%	34.41%	30.63%	28.19%	26.45%	26.17%	28.15%
Cost of Fund (COF)	7.86%	4.60%	4.96%	6.27%	4.52%	4.69%	4.20%
Min. Reserve Requirement	10.92%	9.39%	9.55%	12.34%	22.09%	9.10%	9.02%
Net Open Position	12.46%	10.77%	5.23%	5.41%	7.90%	5.22%	12.48%
Opr. Expense to Opr. Income	79.82%	68.86%	70.45%	74.38%	69.80%	72.30%	71.05%
Cost Efficiency Ratio (CER)	65.33%	51.33%	54.22%	51.65%	49.03%	46.28%	45.06%

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

Shareholders – Composition

Shareholder	Nov 2003	Jun-07	Jun-08
Government	59.5%	56.9%	56.8%
Public	40.1%	43.1%	43.2%
Foreign *)	55.3%	88.7%	79.9%
Domestic *)	44.7%	11.3%	20.1%

*) As a percentage of public shareholding

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