

2006

Annual Report



Prosper with Us

BANK MANDIRI 

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Rp 267.5 trillion

Total Assets as of 31 December 2006

15.2%

Deposit Market Share

25.3%

Capital Adequacy Ratio (CAR)

reaffirming that
we are your
most trusted and
preferred bank

Prosper with Us

OUR VISION

The Trusted and Preferred Bank

OUR MISSION

- To be market oriented
- To enhance professionalism
- To maximize returns to stakeholders
- To have an open management approach
- To demonstrate concern for the community and the environment

A RICH HERITAGE

Bank Mandiri was established on 2 October 1998, as part of the Government of Indonesia's bank restructuring program. In July 1999, four state-owned banks—Bank Bumi Daya, Bank Dagang Negara, Bank Exim and Bapindo—were amalgamated into Bank Mandiri. The history of these four banks can be traced back over 140 years, and together they encapsulate the development of the Indonesian banking sector.

Bank Bumi Daya (BBD) originated in 1959 with the nationalization of a Dutch company, De Nationale Handelsbank NV, operating under the name of Bank Umum Negara. In 1964 Bank Umum Negara took over the banking business of recently nationalized Chartered Bank (formerly a British Bank). In 1965 Bank Umum Negara was brought under the umbrella of Bank Negara Indonesia (BNI) and became known as BNI Unit IV. BNI Unit IV was spun off from BNI as Bank Bumi Daya in 1968.

Bank Dagang Negara (BDN) was one of the oldest banks in Indonesia. It was originally known as Nederlandsch Indische Escompto Maatschappij when it was founded in Batavia (Jakarta) in 1857. The name was changed in 1949 to Escomptobank NV, and in 1960 the bank was nationalized and again renamed, to Bank Dagang Negara. BDN focused on lending to industry and the mining sector.

Bank Ekspor Impor Indonesia's (BankExim) roots can be traced back to the Dutch trading company N.V. Nederlandsche Handels Maatschappij which was established in 1824 and expanded into the banking sector in 1870. The Government of Indonesia nationalized this company in 1960, and in 1965 it was merged into Bank Negara Indonesia as BNI Unit II. In 1968, BNI Unit II was divided in two, with the division then known as BNI Unit II Export-Import ultimately becoming BankExim and specializing in the finance of exports and imports.

Bank Pembangunan Indonesia's (Bapindo) predecessor, Bank Industri Negara (BIN), was established in 1951. BIN's mission was to support the development of selected economic sectors, specifically plantations, industry and mining. Bapindo was established as a state-owned bank in 1960 and BIN was then merged into it. In 1970 Bapindo was assigned by the government to support national development through offering medium and long-term financing to the manufacturing, transportation and tourism sectors.

Each of our four legacy banks played an integral role in the development of the Indonesian economy. Today, Bank Mandiri continues this tradition of more than 140 years of delivering expertise in banking and financial services throughout Indonesia.

CONSOLIDATION AND INTEGRATION

Immediately following the merger, Bank Mandiri embarked on a comprehensive process of consolidation. Most visibly, we closed 194 overlapping branches and reduced our combined workforce from 26,600 to 17,620. Our single brand was rolled out throughout our network and across all of our advertising and promotional activities.

One of Bank Mandiri's most significant achievements has been the complete replacement of our technology platform. We inherited a total of nine different core banking systems from our four legacy banks. After an initial investment to immediately consolidate our systems around the strongest inherited platform, we undertook a three-year, US\$200 million, program to replace our core banking platform with one specifically geared toward consumer banking. Today, Bank Mandiri's IT infrastructure provides straight-through processing and a unified interface for customers.










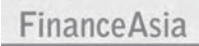


Our corporate customer base still represents the core of the Indonesia economy. By sector, it is well diversified and particularly active in food and beverage manufacturing, agriculture, construction, chemicals and textiles. Credit approvals and monitoring are subject to a highly structured 'four eyes' approval process, in which credit approval decisions are separated from the marketing activities of our business units. Bank Mandiri has also made significant progress in growing our exposure to small and medium enterprises (SME) as well as retail consumers. In December 1999, our exposure to corporate borrowers accounted for more than 87% of our loan book. As of 31 December 2006, corporate lending represented just 49.01% of total loans, with SME and micro lending accounting for 39.45% and consumer loans a further 11.54%.

From its founding, Bank Mandiri has worked to create a strong, professional management team operating under internationally recognized principles of corporate governance, control and compliance. The Bank is supervised by a Board of Commissioners appointed by the Ministry of State-Owned Enterprise from respected members of the financial community. The highest level of executive management is the Board of Directors, headed by a President Director. Our Board of Directors includes bankers drawn from the legacy banks as well as independent outside directors. In addition, Bank Mandiri maintains independent Offices of Compliance, Audit and the Corporate Secretary, and is under regular scrutiny from external auditors representing Bank Indonesia and the Supreme Audit Agency (BPK), as well as international auditing firms.

Today, through the efforts of our more than 21,000 employees in 924 domestic branches, with subsidiaries providing investment banking, syariah banking and bancassurance services, Bank Mandiri offers a comprehensive range of financial solutions to both private and State-owned corporate entities, commercial, small and micro businesses as well as retail consumers.

AWARDS

PUBLICATION/INSTITUTION	AWARD	asia money	Asiamoney 2006 Corporate Governance Poll for Indonesia - Overall Best Company in Indonesia for Corporate Governance 2006 - Best Company in Indonesia for Disclosure and Transparency 2006
	<p>Survey Consumer Banking Excellence – Bank Mandiri as a Future Bank Bank Mandiri rated as follows:</p> <ul style="list-style-type: none"> - The Best Savings Product (2nd ranking: 85.16) - The Best Installment Saving (2nd ranking: 63.76) - The Best ATM Card (2nd ranking: 80.74) - The Best ATM Machine (2nd ranking: 85.40) - The Best Debit Card (2nd ranking: 66.56) - The Best Mobile Bank (2nd ranking: 72.40) - The Best Internet Banking (2nd ranking: 65.92) - The Best Services (2nd ranking: 74.24) - Overall Winner (2nd ranking: 42.42) <ol style="list-style-type: none"> 1. BCA 2. Bank Mandiri 3. Bank Niaga <p>Runner up for Financial Sector categorized as a “Trusted Bank” and one of The Best of Top 10 GCG Perception Index 2006</p> <p>The Best Credit Card in Marketing Communications</p> <p>The Best Credit Card in Pricing</p> <ul style="list-style-type: none"> - The Best Loyalty Program 2005 for Mandiri Visa Card - First Ranking for Customer Satisfaction of Priority Banking 	<p>Asiamoney 2005 FX Poll for Indonesia–Corporate</p> <ul style="list-style-type: none"> - Best for innovative FX products and structured ideas 2005 - Best FX prime booking services for Asian Clients - Best for currency strategy - Best post-trade services, including back-office 	<p>Asiamoney 2006 FX Poll for Indonesia–Financial Institutions Best domestic providers of FX services</p>
 	<p>E-Learning Award 2006: The Best E-Learning Provider for Group of Company</p>		<p>Best Domestic FX Provider as voted by Corporates 2006</p> <ul style="list-style-type: none"> - Best for FX Sales - Best FX Prime Broking Services for Asian Clients - Best for Macroeconomics Research <p>Best Local Cash Management Banker as voted by Corporates 2006</p> <ul style="list-style-type: none"> - Best overall domestic cash management for small business - Best overall domestic cash management for large business - Best overall cross border cash management for medium business - Most innovative cash management solutions for small business
	<p>Third Ranking for Merchant Outlets version Member Ranking and Card & Merchant Statistical Report</p> <p>The Outstanding Achiever–Larger Issuer Award 2005</p>		<p><i>The Best Cash Management System 2006</i></p>

	<p>Kriya Pranala Award as Bank with Total Assets > Rp100 trillion for category :</p> <ol style="list-style-type: none"> 1. The Biggest BPR-linkage (partnership) 2. The highest Channeling Loan Limit to BPR 3. The biggest outstanding channeling loan to BPR 4. The Most Extensive Region Distribution 		The Best Performance Bank 2005 for mobile services / SMS Banking with the biggest user and the most complete features
	Linkage Program Award		Award of Achievement in Highest Increase in Number of Activated Locations
	Call Center Award 2006		Second Ranking for Indonesia Customer Satisfaction Award (ICSA), with index number 4,045 based on survey in 2005
	Service Quality Award 2007 Category Banking Services: Regular Banking and Priority Banking for Domestic Banking		Banking Service Excellence Award 2006 – Best Overall Performance
	The Best Online Banking in 2005 for Internet Banking Services		Indonesian Bank Loyalty Champion Category Credit Card
	Indonesia Best Website 2006 for Internet Banking		State Owned Bank with competitive & innovative pricing
	The Best Investor Relations in Banking Sector		- Call Center Banking - Learning Center
			ISO 9001: 2000 for Compliance and Treasury Operations Department – Central Operations Group

MILESTONES

1999

Bank Mandiri was established on 2 October 1998, and Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia and Bank Pembangunan Indonesia were formally merged into Bank Mandiri on 31 July 1999. The Government recapitalized the Bank in 1999 through the injection of Rp178 trillion in Recapitalization Bonds.

2003

The Government of the Republic of Indonesia divested 20% of its shareholding in Bank Mandiri through an IPO on 14 July 2003. In April, Bank Mandiri issued a five-year US\$300 million MTN listed on the Singapore Stock Exchange. In August, we completed the implementation of eMAS (Enterprise Mandiri Advance System), our new core banking system.

2004

On 11 March 2004, the Government of the Republic of Indonesia divested an additional 10% of its shareholding in Bank Mandiri through a secondary offering. This laid the foundation for the next phase of our transformation in becoming a regional champion bank.

FINANCIAL HIGHLIGHTS

	2002	2003	2004	2005	2006	2006
	Rp billion Audited	Rp billion Audited	Rp billion Audited	Rp billion Audited	Rp billion Audited	USD million
INCOME STATEMENT						
Net Interest Income	6,862	8,007	9,534	8,955	10,345	1,149
Non Interest Income ^[5]	3,633	3,746	4,047	2,489	2,733	304
Operating Income ^[2]	10,495	11,753	13,581	11,444	13,078	1,453
Overhead Expenses ^[3]	3,626	3,915	5,391	6,267	6,269	696
Provision/(Reversal) for Possible Losses on Earning Assets and Commitment & Contingencies	1,226	538	333	4,445	3,634	404
Provision / (Reversal) for Possible Losses on Other Assets	231	(321)	(309)	(1,057)	(129)	(14)
Profit before Corporate Income Tax and Minority Interests	5,811	7,032	7,525	1,233	2,831	314
Net Profit	3,586	4,586	5,256	603	2,421	269
BALANCE SHEET						
Total Assets	250,395	249,436	248,156	263,383	267,517	29,714
Earning Assets (Gross)	237,668	230,170	225,156	244,147	245,702	27,291
Earning Assets (Net)	226,433	218,807	214,214	229,059	229,004	25,436
Loans	65,417	75,943	94,403	106,693	117,671	13,070
Allowance for Possible Loan Losses ^[4]	(9,071)	(9,100)	(8,636)	(11,824)	(14,389)	(1,598)
Total Deposits	184,114	178,811	175,838	206,289	205,708	22,849
Total Liabilities	235,957	229,037	223,218	240,169	241,176	26,788
Total Shareholders' Equity	14,435	20,395	24,935	23,215	26,341	2,926
FINANCIAL RATIOS						
Return on Assets (ROA) – Before Tax ^[5]	2.3%	2.8%	3.1%	0.5%	1.1%	
Return on Equity (ROE) – After Tax ^[6]	26.2%	23.6%	22.8%	2.5%	10.0%	
Net Interest Margin	2.9%	3.4%	4.4%	4.1%	4.7%	
Non Interest Income to Operating Income	34.6%	31.9%	30.3%	21.7%	20.9%	
Overhead Expenses to Operating Income ^[7]	42.8%	40.4%	45.2%	55.6%	48.9%	
Overhead Expenses to Total Assets	1.4%	1.6%	2.2%	2.4%	2.3%	
Non Performing Loan (NPL) - Gross	7.3%	8.6%	7.1%	25.2%	16.3%	
Non Performing Loan (NPL) - Net	1.6%	1.8%	1.6%	15.3%	5.9%	
Provision to NPL Exposure	190.4%	139.1%	128.8%	44.0%	74.8%	
Loan to Deposit Ratio – Non Bank	35.5%	42.5%	53.7%	51.7%	57.2%	
Tier-1 Capital Ratio ^[8]	15.2%	19.4%	18.6%	18.0%	19.6%	
Capital Adequacy Ratio (CAR) ^[8]	23.4%	27.7%	25.3%	23.7%	25.3%	

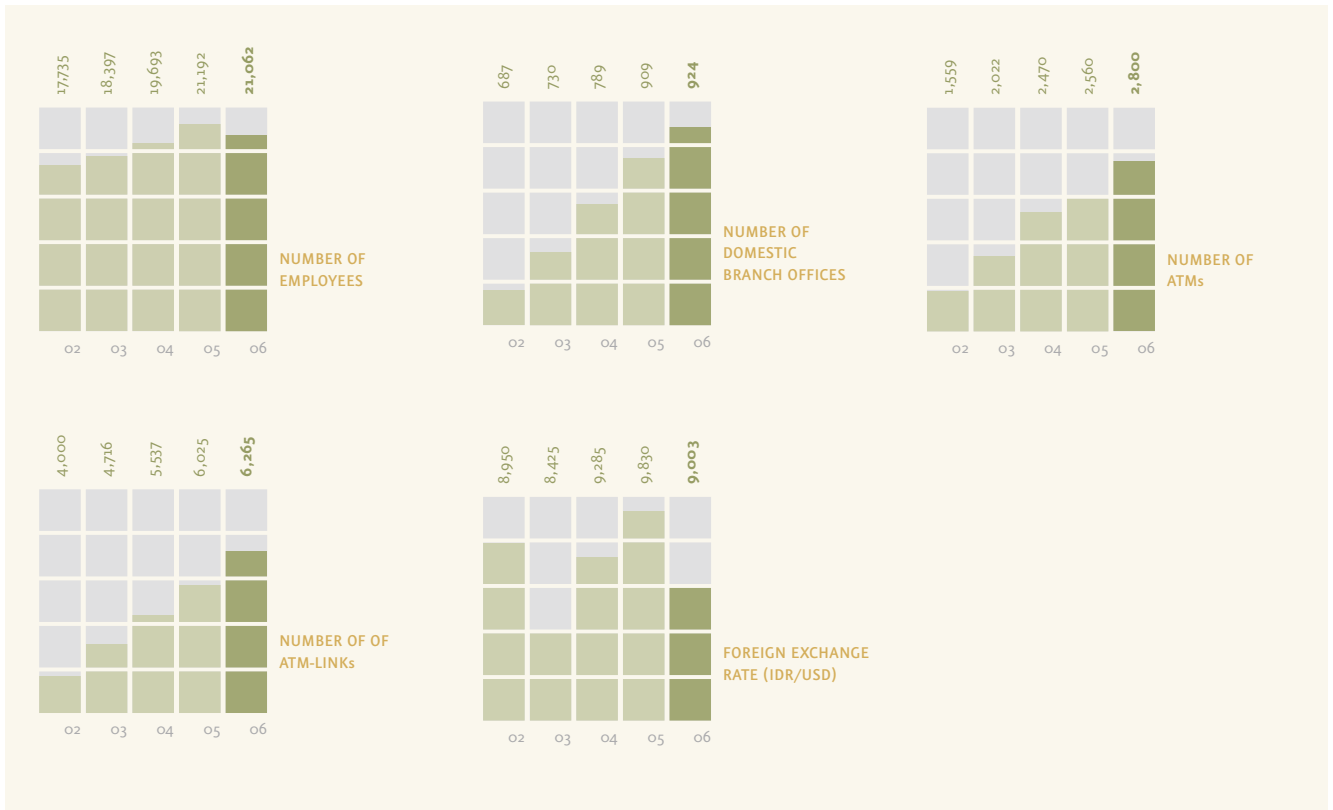
NOTES

- [1] Including gains from increase in value of and sale of securities and government bonds.
- [2] Net Interest Income + Non Interest Income. Including reclassification of Non Interest Income to Interest Income amounting to Rp 201 billion.
- [3] General and Administrative Expenses + Salaries & Employee Benefit Expenses.
- [4] Including Deferred Income arising from Loans Purchased from IBRA.
- [5] Profit before Provision for Income Tax & Minority Interest divided by the average of the quarterly balances of Total Assets for the year.

- [6] Net Profit divided by the average of the quarterly balances of Total Shareholders' Equity for the year.
- [7] Overhead Expenses/Operating Income (excluding gain from increase in value of and sale of securities and government bonds).
- [8] Tier-1 Capital and Capital Adequacy Ratios are calculated on a non-consolidated basis.
- [9] The 2006, 2005, 2004, 2003 and 2002 financial highlights shown herein are calculated/derived from the consolidated financial statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries for the years ended 31 December 2006, 2005 and

2004, for the eight month period ended 31 December, 2003, for the four month period ended 30 April, 2003 (after quasi reorganization) and for the year ended 31 December, 2002 that have been audited by Ernst & Young Purwanto, Sarwoko & Sandjaja (31 December 2006) and Ernst & Young Prasetio, Sarwoko & Sandjaja, independent auditors, members of Ernst & Young Global, therefore are not a complete presentation.

Some financial highlights for the years 2002, 2003, 2004 and 2005 have been reclassified for comparison purposes to year 2006 financial highlights.



MESSAGE FROM THE PRESIDENT COMMISSIONER



We remain committed to guiding the Bank in creating sustainable and growing shareholder value by fostering excellence in corporate governance through a strong governance ethic and culture that is exemplified through our structures and policies.

EDWIN GERUNGAN • President Commissioner and Independent Commissioner

To our Stakeholders, Shareholders and Community,

In 2006, Bank Mandiri made significant progress along the journey of transformation that began in mid-2005. We are well on our way toward realizing our aspirations to become a leading driver within the industry and, further down the road, a Regional Champion Bank. Much remains to be done, especially in the familiar areas of corporate governance, risk management and asset quality, but we've made an excellent start.

Our net profit in 2006 has increased by 301%, our asset quality has measurably improved and we continue to scale new heights in the quality of our banking services. We are being recognized for our efforts to implement good corporate governance, and have delivered excellent returns to shareholders over the year as a result.

We remain committed to guiding the Bank in creating sustainable and growing shareholder value by fostering excellence in corporate governance. We believe that our strong governance ethic and culture is exemplified through our structures and policies. While we focused in 2005 on the establishment of policies elaborated in our GCG Charter, in 2006 we turned to ensuring the effectiveness of GCG implementation.

We have already garnered recognition from the international community for our commitment to and progress in implementing GCG principles. A 2006 survey by Asiamoney magazine ranked Bank Mandiri as Overall Best Company in Indonesia for Corporate Governance 2006 and The Best Company in Indonesia for Disclosure & Transparency 2006.

As we continue to guide the Bank with long-term consolidation and growth in mind, our responsibilities will increasingly center on policy supervision and stewardship, overseeing strategy and risk management, and empowering management to create and drive a performance-oriented culture.

As I described last year, the vision of the Board of Commissioners is to adopt a proactive stance in carrying out our functions and roles in policy supervision of the Bank. We have been given a mandate to ensure that Good Corporate Governance principles are comprehensively applied, that risk management is effectively and efficiently implemented and that our management development and human capital systems are conducive to a professional working environment beneficial to our employees as well as to the company itself.

We carry out this mandate with the assistance of a comprehensive Committee structure comprised of four active Committees responsible for Corporate Governance, Risk Policy, Audit and Nomination & Remuneration. We will discuss the activities of these Committees and their role within our overall governance framework elsewhere in this annual report. Through their agency and through our regular contact with the Board of Directors, our policy supervision and stewardship encompasses responsibility for ensuring that the company is managed in accordance with all relevant rules and regulations, that management has formalized, disseminated and put into practice appropriate standard operating procedures to ensure companywide compliance, and that Good Corporate Governance principles are established and promulgated.

The Board of Commissioners maintains a critical role in establishing a competent and capable management team through the Nomination and Remuneration Committee. We are responsible for screening candidates for Director-level positions and reviewing those nominees recommended to the Shareholder based upon the needs of the organization and the particular skills of the candidates. In this role, we are pleased to welcome five new Directors who were appointed in 2006, including three who joined us after serving for significant periods in other financial institutions.

Our oversight of Bank strategy extends from the formulation of business planning and associated strategic alliances, through to the execution of programs for realizing operational efficiencies. We also then monitor the performance of management against the resulting plans. We also seek to ensure that the Bank's risk management is effectively and efficiently implemented through the periodic review of credit risk, market risk and operational risk, and monitor the effectiveness of internal control systems in minimizing fraud.

On behalf of the Board of Commissioners, I would like to acknowledge the tremendous results delivered by all of Bank Mandiri's employees in elevating our service levels, improving our governance and generally putting the Bank back on a solid track toward sustainable profitability and growth following the trying transitions of 2005. While the transformation of the Bank remains in its early stages, the overall direction and clear vision from the Board of Directors and senior management instills us with confidence that their vision can be realized.

I would also like to thank the many stakeholders of the Bank for their persistent support, advice and patience. We look forward to working with the Directors, senior management and staff in the years ahead to realize the vast potential originating from the Bank's loyal clientele, outstanding infrastructure, nationwide distribution and exceptional management talent.

PT Bank Mandiri (Persero) Tbk



Edwin Gerungan
President Commissioner and
Independent Commissioner

BOARD OF COMMISSIONERS

1 Edwin Gerungan
President Commissioner and
Independent Commissioner

2 Muchayat
Deputy President Commissioner

3 Soedarjono
Commissioner

4 Richard Claproth
Commissioner

5 Gunarni Soeworo
Independent Commissioner

6 Pradjoto
Independent Commissioner

7 Yap Tjay Soen
Independent Commissioner

EDWIN GERUNGAN

President Commissioner and
Independent Commissioner

Graduated from Principia College, Illinois in June 1972 with a Bachelor of Arts degree and joined Citibank N.A. in August 1972. His 25-year career at Citibank culminated in the position of Head of Treasury and Financial Markets.

He joined Atlantic Richfield in 1997, serving as Senior Advisor.

In 1999, he rejoined the banking sector as an Executive Vice President – Treasury & International with Bank Mandiri.

From 2000 to 2001, he worked as the Head of the Indonesian Bank Restructuring Agency (IBRA), with responsibilities for restructured companies, banking, the deposit guarantee program, and asset disposals in addressing the banking recovery program.

In 2002 he was appointed as a Commissioner of Bank Central Asia. He also served as a Commissioner of Bank Danamon from September 2003 through May 2005. In May 2005, he was appointed as President Commissioner of Bank Mandiri.

MUCHAYAT

Deputy President Commissioner

Graduated with a BSc in Chemistry from the Institut Teknologi Sepuluh Nopember, Surabaya in 1978, received a MA in Education in 1983, and a Certificate in Industrial Management from Institut National Polytechnique de Lorraine (INPL) in Nancy, France in 1984.

He began his career as a Lecturer in the Chemistry Faculty of Institut Teknologi Sepuluh Nopember, Surabaya in 1979.

In 1982, he was appointed Deputy Dean of the Technical Engineering Faculty, where he stayed until 1984.

From 1990 through 1996, he was President Commissioner of PT Surabaya Artha Selaras Sekuritas in Surabaya. In 1996 he took up the post of Commissioner to PT IEF Consultan, as well as becoming Coordinator for the Listing Committee of the Surabaya Stock Exchange (BES).

From 1998 to 1999, he served as a member of the Indonesian House of Representatives (MPR – RI). In 2001, he was selected as Deputy Chairman of the Government Officials' Wealth Audit Commission (KPKPN) for three years.

He accepted a position as President Commissioner of Asuransi Jiwa Bersama Bumiputera 1912 in 2003, and in May 2005, he was appointed as Commissioner of Bank Mandiri.

His professional appointments include Deputy Chairman of the Indonesian Chamber of Commerce and Industry (KADIN) in 2004, and Chairman of the Indonesian National Consultants Club from 1997 through 2002.



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BOARD OF COMMISSIONERS

SOEDARJONO

Commissioner

Graduated from the Faculty of Economics of the University of Indonesia in 1965 with a BA in Accounting, and began his career as an Accountant with the State Accountant Office in Jogjakarta in 1966.

In 1972, he became Head of the State Accountant Office in Jember, and in 1979 became Sub-Directorate Head for Planning and Analysis for the Directorate General of Supervisory for Government Finance (DJPKN).

He remained with the renamed Financial and Development Supervisory Board (BPKP), becoming Deputy Chairman in 1991 and Chairman of the BPKP in 1993, a position he held for six years. He also served as Chairman of the State Board for Export Facility Services and Financial Data Processing from 1991 to 1993.

From 1998 through 2003 he served as a Commissioner of Bank Mandiri, as well as Chairman of the Audit Committee. He was the President Commissioner of Bank Danamon from 2001 to 2002, as well as Chairman of the Supervisory Team of Bank International Indonesia from 2002 to 2003.

He has been serving as the President Commissioner of PT Danareksa (Persero) since 2004, and was reappointed as a Commissioner of Bank Mandiri in May 2005.

He has also held various professional appointments, including the Chairmanship of The Indonesian Institute of Accountants from 1994 through 1998.

RICHARD CLAPROTH

Commissioner

Graduated with a BSc in Geology from the Bandung Institute of Technology (ITB) in 1981, a Post Graduate degree in Geothermal Science from the International Institute of Geothermal Research in 1982 and a PhD in Earth Science from the University of Wollongong, Australia in 1988. He completed a Post graduate Fellowship at the John F. Kennedy School of Government, Harvard University in 1992.

He began his career as Section Head at the Ministry of Energy and Mineral Resources in 1989, and was promoted after two years to Corporate Communication Department Head of Ministry of Mining & Energy in 1991. He was then appointed as Information System Energy & Mining Division Head at the National Development Planning Agency (Bappenas) in 1993 in a role he filled for five years.

In 1998, he was appointed Assistant Coordinating Minister for Economics, Finance and Industry, and became Deputy Coordinating Minister for Economics, Finance and Industry from 1999 through 2001.

After returning from the United States, where he was a visiting Professor for Economics in the Post Graduate Program of the International Economics Graduate School at Brandeis University, he served as Secretary to the Minister for State-Owned Enterprises (MSOE) from 2004 to 2005 and also served as a member of the State Defense Institute Economics Team (Lemhanas). In 2005 he was appointed Commissioner of Bank Mandiri.

He has received a number of honors in the course of his service with the Indonesian government, including the Satya Lencana Karya Satya 10 Tahun in 1993, the Satya Lencana Wira Karya in 1996 and the Bintang Jasa Pratama in 1998.

GUNARNI SOEWORO

Independent Commissioner

Graduated with a BA from Padjadjaran University, Bandung in 1968 and joined PT Unilever in sales in the same year.

She joined Citibank NA, Jakarta in 1970 as a Pro-Manager, Credit Department Head, and moved to Citibank NA, New York in 1976 as a Risk Assets Reviewer. She returned to Jakarta in 1978 as a Vice President and Division Head of Corporate Banking Group.

In 1987, she moved to Bank Niaga, Jakarta as a Senior Vice President and Group Head, Marketing & Credit. She was promoted to Director at Bank Niaga with responsibility for the Marketing and Credit Directorate in 1989, and was named President Director in 1994 for a five-year term.

From 1999 to 2005, she served as Deputy President Commissioner of Bank Niaga, and in May 2005 was appointed as an Independent Commissioner of Bank Mandiri.

She has served as a member of the National Economic Council, as well as the IBRA Oversight Committee. She was elected Chairman of the Indonesian Banks Association (Perbanas) from 1999 through 2003 and headed the Banking Section of the Indonesian Chamber of Commerce (KADIN).

From 1999 through 2004, she was the Deputy Chairman of the National Committee on Good Corporate Governance. She is currently an advisor to the Council of Ethics of the Indonesian Bankers Institute. She has also been elected as a Deputy of the Indonesian Risk Professionals Association (IRPA) and a member of the Board of the Bankers Club of Indonesia.

PRADJOTO

Independent Commissioner

Graduated with a BA in Law from the University of Indonesia in 1981 and, during a twelve-year stint at PT Bank Pembangunan Indonesia (Bapindo), completed an MA in Economics from the Faculty of Economics, Kyoto University, Japan in 1986 - 1988.

In 1994, he established the law firm Pradjoto & Associates. From 1999 to 2001, he served as Lecturer in the Management Program at Atmajaya University, Jogjakarta.

In 2000, he was selected as a member of the National Law Commission, where he served on a team working to revise Indonesian Bankruptcy Law. He was also a member of the National Ombudsman Commission and the Ombudsman Committee for the Indonesian Bank Restructuring Agency (IBRA).

In 2001, he became a member of Corruption Watch Team (TGTPK), Chairman of the Ombudsman Committee for IBRA, and a member of the Oversight Committee for IBRA.

He served as a member of the Capital Market Legal Consultants Association in 2002, and was selected as a member of the IMF Team addressing problems arising from Central Bank Liquidity Support (BLBI - Bantuan Likuiditas Bank Indonesia).

In 2003 and 2004, he served on the independent divestment teams for Bank Danamon and Bank Permata, and as a member of the Indonesian Banking Architecture (API) panel.

He was Expert Staff to the Attorney General's office in 2005 as well as a member of the Indonesian Advocates Association. He was appointed as Independent Commissioner at Bank Mandiri in May 2005. In 2005 he was designated as Advisor to the Bank Indonesia Board of Governors.

YAP TJAY SOEN

Independent Commissioner

Graduated with a BSc in Mechanical Engineering from McGill University in Montreal, Canada in 1976 and received an MBA in Finance, also from McGill University, in 1980.

He began his career as a Loan & Foreign Exchange Department Head at Citibank NA, Indonesia in 1981 after entering Citibank as an Executive Trainee in 1980. In 1982, he was reassigned to establish a local joint venture, Citicorp Leasing Indonesia, with responsibility for Operations, Treasury and Financial Controls.

He returned to Citibank Corporate Banking in 1985 to handle non-performing loans and established the Transactional Product Business Unit in 1986. His Citibank career concluded in 1988 as a Vice President and Production Head in Operations, managing loans & deposits, trade, leasing operations, cash & tellers, transit clearing, remittances and counter services.

He joined the Astra Group in 1989 and was appointed as a Director for PT Toyota Astra Motor with responsibility for finance, accounting, and electronic data processing and as Executive Coordinator for Human Resources. In 1992, he became President Director of PT Astra Sedaya Finance, and in 1993 was appointed as CEO for the Auto 2000 Group through 1998.

He joined Asia Food & Properties (Singapore) as Chief Operating Officer in 1998 and moved to Bank International Indonesia as Deputy President Director in 1999, with responsibility for Finance, Accounting & Investor Relations.

In 2002 he was appointed President Director of PT Tuban Petrochemical Industries and concurrently appointed as an Independent Commissioner of PT Aneka Tambang. He was appointed as an Independent Commissioner at Bank BNI 46 from 2003 until May 2005.

In May 2005, he was appointed as Independent Commissioner at Bank Mandiri.

MESSAGE FROM THE PRESIDENT DIRECTOR



One of our key thrusts will be to grow in the future by better capturing the synergies among our SBUs. This strategy is critically important, as Bank Mandiri already has a sizeable customer base in all segments; we therefore have the opportunity to enhance our business through strategic alliances, cross-selling, and the implementation of client service teams

AGUS MARTOWARDOJO • President Director

Dear Shareholders,

We are very pleased that we can share with you, our valued shareholders, the results of our extraordinary efforts in 2006. In brief, our 2006 financial performance has provided a strong indication that we are on the right track to achieve the performance targets outlined in our 5-year transformation plan. As 2006 is the first year of this transformation plan, we have sought to establish a firm foundation on which to enhance the organization, systems and processes to achieve these goals over the medium term.

In 2005, we committed to a 5-year transformation plan that would result in Bank Mandiri's establishment as a Dominant Multi-Specialist Bank by 2010. This transformation is divided into 3 stages: Back on Track – in which our focus is on fixing the platform for growth; Building Growth Momentum – driving significant growth in our segments of focus and; Shaping the End Game – when the Bank will play an active role in the consolidation of the Indonesian banking sector. This strategy will be implemented across four themes:

1. Building a Winning Organization and Performance Culture
2. Delivering Tailored Propositions for Priority Segments
3. Building internal and external Alliances
4. Strengthening our Risk Management and Operations.

Consistent with our vision to be "Your Trusted and Preferred Bank", our emergence as a Dominant Multi-Specialist Bank in Indonesia can be further translated into specific measures that we would like to achieve by 2010:

1. *Growing a dominant market share of revenue in our segments of focus.* We are targeting a 20%-30% market share of revenue across Corporate, Commercial, Micro & Retail as well Consumer Finance, with distinctive strategies for each business that capture synergies across these different market segments.

2. *Establishing ourselves as a Regional Champion Bank.* As a publicly listed bank, this would be measured by market capitalization that is expected to approach USD10 billion, and to be considered as one of the blue chip publicly listed banks in South East Asia.

In 2006, Bank Mandiri recorded over 301% growth in after tax profit to Rp2,422.1 billion, indicating that the transformation initiated in 2006 is beginning to show results. As the Indonesian economy continues to gain momentum - with the banking sector as a primary facilitator and beneficiary - we expect to build upon this performance, and are optimistic that our planned transformation program will enable us to achieve our targets for 2007 and beyond.

INDONESIAN BANKING SECTOR

The Indonesia banking sector showed positive developments in 2006, partially reflecting the significant decline in interest rates. This decline was especially pronounced in the second semester, and was accompanied by improvements in several other macro economic indicators. There was a growing expectation that banks would play a more active role in intermediation. Despite the strong growth of bank loans in the final quarter of the year, loans grew by only 14.3% for the full year. In terms of performance, banks showed an improvement in profitability as well as stronger balance sheets. The Net Interest Margins (NIM) of the banking sector as a whole improved from 5.63% in 2005 to 5.80% in 2006.

In order to encourage lending and intermediation, in October 2006 BI issued a Policy Package that consisted of 14 (fourteen) Bank Indonesia Regulations (Peraturan Bank Indonesia - PBI). We have identified eleven out of these fourteen BI rulings as intending to provide more room for the banking sector to optimize its intermediary role. We also see great promise in Bank of Indonesia's move to review for possible revision the regulations related to loan collectibility classification.

Meanwhile, the Central Bank also established several policies to help shape the banking sector in line with the Indonesian Banking Architecture, which is intended to create a stronger and healthier banking industry, including through encouraging consolidation amongst banks:

1. No.8/16/PBI/2006 regarding the Banking Single Presence policy.
2. No.8/17/PBI/2006 regarding incentives for the planned bank consolidation process.
3. No.8/14/PBI/2006 regarding Good Corporate Governance for Public Banks.

We expect that by next year Bank Mandiri will be able to fulfill the criteria to be considered as a good performing bank, and can actively participate in the significant consolidation of the banking sector as outlined and anticipated by Bank Indonesia above. Bank Mandiri is currently the largest bank in Indonesia, with a very strong capital base and considerable expertise and experience in bank mergers, and we see a sizeable opportunity to be a leading driver of the Indonesian banking consolidation process.

Other regulatory factors which could affect competition in the banking sector include the gradual reduction in the blanket guarantee scheme that has been in place since the issuance of President of Republic Indonesia Act No. 24 on Deposit Guarantee Institution (LPS) in 2004. This act stipulates that the deposit guarantee will eventually be reduced to the maximum of Rp100 million per customer per bank. This final reduction will be effective from 22 March 2007, and apply the maximum amount of Rp100 million in deposits to demand deposits, time deposits, certificates of deposit, savings and any other similar deposits. As state-owned banks are often perceived to be safer than private banks, this may create an opportunity for Bank Mandiri to more readily gather deposits.

A LEVEL PLAYING FIELD

In our previous annual report, we have highlighted that many of the difficulties we face in quickly resolving our NPLs are due to the limited options available for a state-owned bank such as Bank Mandiri. Previously, as a state-

DEVELOPMENT IN THE MACRO ECONOMY

Although the economy only grew by 5.5% in 2006, economic conditions during the year indicated that growth in 2007 could improve to more than 7%. The slow-down in 2006 was largely due to the external factor of high oil prices. This condition compelled the government to revise the energy subsidy in mid-2005, leading to a sharp increase in headline inflation to double digit levels in October 2005.

A combination of fiscal and monetary policies have succeeded in dampening the inflation rate to 6.6% by the end of 2006 from 17.12% earlier in the year. This declining level presented ample room for the monetary authority to steadily reduce interest rates. From a high of 12.75% in the beginning of 2006 to compensate for inflation, interest rates fell by 300 bps to 9.75% by year end.

Those policies led to expectations of momentum for improving economic conditions in the second semester of 2006. Government spending was relatively high and exports expanded. The rising proportion of non-oil exports and increasing prices of commodities and energy generated a trade surplus from exports valued at USD100 billion. This also led to Rupiah appreciation. Along with the incoming foreign investment, the Central Bank's foreign exchange deposits reached their highest level of USD43.26 billion by the end of 2006.

We expect that in 2007 the Central Bank will continue to pursue prudent monetary policies due to several factors. Internally, inflation pressures will remain as costs and domestic demand increase. Externally, monetary policies in several countries are still in a tightening bias due to considerable uncertainty in world oil prices.

However, we expect economic growth in 2007 to improve on increasing household consumption as a result of stable inflation and decreasing interest rates in the year. We also expect timely government capital spending and consumption to contribute to economic growth in 2007. We expect an average inflation rate of 6.5% with interest rates at 8.75%-9.00% by the end of 2007.

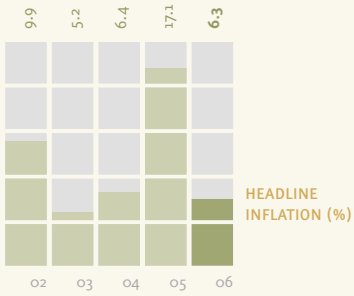
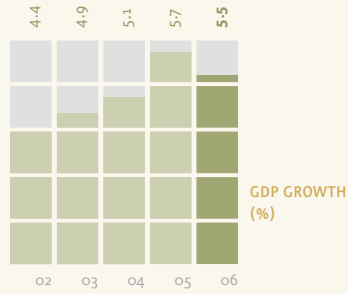
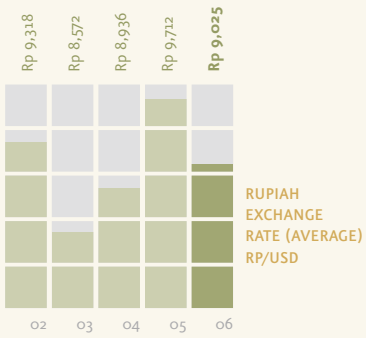
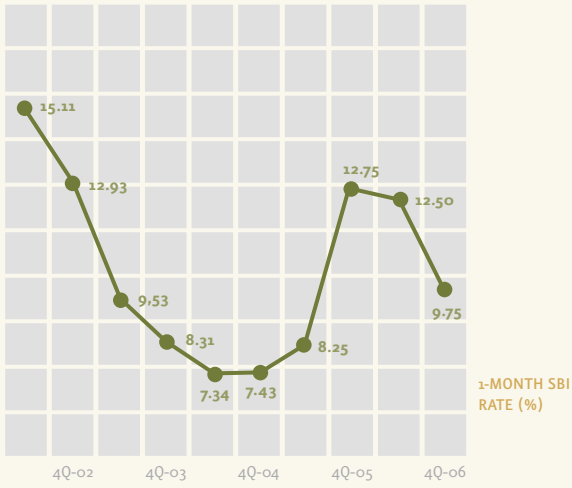
On the monetary side, the banking sector in particular is expected to contribute to economic development. Bank Indonesia has issued policies to induce a strong and efficient banking system, based on prudential principles and risk management aiming to improve performance and leading to the Indonesian Banking Landscape (Arsitektur Perbankan Indonesia (API)). In 2006, total assets in the banking system grew to Rp1,693.85 trillion from Rp1,469.83 trillion. At the same time, profitability improved with a Return on Assets (ROA) of 2.64% in 2006, up from 2.55% in 2005.

Capital expanded as well, with a Capital Adequacy Ratio (CAR) rising from 19.30% in 2005 to 21.27% in 2006. The steady decline in interest rates encouraged system loans to grow by 14% by the end of 2006. At the same time, non performing loans (NPL) improved to 6.07% by end of 2006 from the previous year's ratio of

7.56%. In expanding the system's intermediary function, the overall Loan to Deposit Ratio (LDR) in 2006 improved to 61.56% from 59.66% a year before.

Several policies are expected to make 2007 an important year for the banks in Indonesia. First, the Government has gradually reduced the blanket deposit guarantee. The blanket guarantee of Lembaga Penjamin Simpanan (LPS) was started in 2004 to reinstate consumer confidence in the banking industry, particularly following the Bank Global closure in December 2004. This policy will end by 22 March 2007, with guarantees on deposits at a maximum of Rp100 million only. This limitation should persuade banks to improve their performance and financial conditions in order to remain trusted depository institutions.

The end of 2007 will also be an important milestone in API. Many programs are planned to achieve the vision of API and meet the challenges faced by the banks in the future. One of programs is strengthening the capital structure of a bank by fulfilling minimum core capital in phases. Those capital requirements are Rp80 billion by the end of 2007 and Rp100 billion by the end of 2010. For banks with capital less than Rp100 billion, Bank Indonesia through its criteria of Bank with Good Performance (Bank Kinerja Baik (BKB)) and Anchor Bank will direct them to consolidate. Active involvement from the banks will lead to a successful consolidation strategy, with increased capital in the remaining banks and an optimum banking structure within the next ten to fifteen years.



owned bank, we were required to resolve our NPLs through a process similar to that followed by government institutions.

The Government has recognized the difficulties for state-owned companies, in particular the banks, in dealing with non-performing receivables including loans and, on 6 October 2006, issued Government Act (Peraturan Pemerintah-PP) No.33/2006 as a revision to Government Act No. 14/2005 regarding the Mechanism to Resolve Receivables for States/Regions. PP No.33/2006 determines that the management of state/region receivables should be conducted in accordance with regulations governing Indonesian corporations and SOEs (Law no. 1 year 1995 and Law No. 19 year 2003).

This Government Act re-affirms that SOE receivables (including those of Bank Mandiri) are not considered to be state receivables and, therefore, SOEs should be eligible to resolve their receivables in accordance with corporate law. The government act was further validated by a ruling from the Supreme Court.

Following the Government Act, on 9 October 2006, the Minister of Finance issued MoF Regulation (Peraturan Menteri Keuangan-PMK) No. 87/2006 on Resolution of the Receivables of State's/Region's Enterprise as the operational guideline to PP No. 33/2006. Both regulations are expected to allow state banks to accelerate the resolution of their NPL problems.

2006 ACHIEVEMENTS

Our assessment of the Bank in 2005 identified 7 key issues that we needed to immediately address, including low profitability, high NPLs and credit risk, poor public perception, ineffective corporate governance and risk management systems, a corporate culture that had not been fully ingrained in the organization, and the possibility of slower growth due to the need to focus on our NPL issues. Based upon our achievements in 2006, we seem to be on-track in addressing these key issues, and

in certain areas we have even been positively surprised by the progress that we have made to date. Some of the areas in which we exceeded our internal estimates (bank only) for 2006 include:

1. Net NPL levels declined further than targeted.
2. Low cost funds grew 113.8% compared to our original plan.
3. Net profit after tax achieved 159.1% of our target.

LOAN QUALITY IMPROVEMENT

The quality of our loan book showed significant improvement from a year earlier. Gross Non-Performing Loans (NPL) in 2006 fell dramatically during the year from 25.3% at the end of 2005 to 16.3% by the end of 2006. As previously mentioned, one of our key strategies in loan quality improvement has been to focus on our 30 largest obligors, as they have comprised as much as 75% of our NPLs. Outstanding NPLs to this group have declined from a high of Rp18.4 trillion at their peak in June 2005 to just Rp7.8 trillion in 2006. Our collections from written-off loans reached Rp1.1 trillion during the year, demonstrating our on-going diligence and discipline in pursuing written-off accounts.

Much of our success in resolving the NPLs of large obligors has been obtained through their cooperation. We would like take this opportunity to thank all of our stakeholders for their support as we restructure and resolve our problem accounts, and significantly reduce our balance of non-performing loans.

Due to the significant loan downgrades in 2005, our cash provisioning coverage by the end of that year was only 44.4%. As we have improved the quality of our loan book in 2006, we continued to improve the cash coverage for our NPLs as well, reaching 74.4% by the end of 2006. The coverage inclusive of collateral rose to 150.7%. Our provisioning for earning assets has significantly increased and demonstrates our commitment to prudential practices in managing our assets and especially our loans.

On 22 December 2006, Bank Mandiri conducted an extraordinary shareholders' meeting in order to formalize the acceleration of our NPL resolution and prepare to implement the operational guidelines relating to PP No. 33/2006 and PMK No. 87/2006. We would like to thank our shareholders for providing the necessary support and approval for the following elements:

1. Our NPL resolution acceleration program (PPKM) is expected to start in 2007, and could potentially allow us to monetize a portion of our written-off loan portfolio and, selectively, collectibility 5 loans.
2. In the implementation of PPKM, the maximum total of loans to be disposed is Rp 5 trillion, as approved by previous shareholders' meetings.
3. The PPKM program is prioritized to address medium and small businesses, but is not precluded for larger debtors, while the minimum recovery rate of the program should not be less than 15%.
4. The Bank's management will sign a performance contract, focusing on NPL resolution, with the representatives of the government.

The Government of Indonesia will establish an oversight committee that will monitor the implementation of the program, review internal policies and regulations that prohibit the acceleration of PPKM at state-owned banks, and socialize PP No.33/2006 and PMK No.87/2006 and their implications for resolving non-performing loan in state-owned banks to all parties - especially within the law enforcement community.

IMPROVED NIM, LOW COST OF FUNDS AND COST EFFICIENCY

Although NPL resolution remained a core focus throughout 2006, we nonetheless secured a significant increase in low cost funding during the year. Total savings deposits increased from Rp47.2 trillion in 2005 to Rp60.3 trillion at the end of 2006, or growth of 27.8% in one year.

By the end of 2006, our low cost deposits accounted for 53% of total deposits, with our total savings and demand deposits of Rp109.117 trillion growing by 16.6% compared to 2005. Our total consolidated funding in 2006 reached Rp205.71 trillion.

In managing a business unit, it is critical that we apply accurate pricing strategies and enhance the efficiency of public funding as reflected through our cost of funds and Net Interest Margins (NIM). In the 1st quarter of 2006, our cost of funds was 7.8%. This subsequently declined to 6.4% by the 4th quarter of 2006, resulting in the expansion of NIM from 4.13% in December 2005 to 4.69% by December 2006.

As we discuss elsewhere, rigorous cost controls throughout 2006 restrained the growth in our overhead spending to just 1%. This resulted in an improvement in our full year Cost Efficiency Ratio (CER) from 55.6% in 2005 to 48.9% in 2006.

BUILDING A PERFORMANCE DRIVEN CULTURE THROUGH AN SBU ORGANIZATION

Our vision to become a Dominant Multi Specialist Bank will necessitate that we grow profitably in all key segments that we focus on. This will demand a strong performance-driven culture across the organization as one element of our transformation toward a Strategic Business Unit (SBU) based organization, and leads us to one of the four transformation themes.

Beginning in June 2006, we have shifted our organization into a Strategic Business Unit (SBU) based structure. We have reorganized Bank Mandiri into three primary classifications:

1. *Strategic Business Units* are the profit generator and future growth engine consisting of 6 directorates: Corporate Banking, Commercial Banking, Consumer Finance, Micro & Retail Banking, Treasury & International Banking and Special Asset Management.

2. *Corporate Center* functions manage policy and corporate level strategy, consisting of 3 directorates: Risk Management, Compliance & Human Capital and Finance & Strategy
3. *Shared Services* support all units in the Bank operations, run by the Technology & Operations Directorate with a twin focus on improving the technology and operational platforms and on cost management.

Our transformation to an SBU-based organization is one of the most crucial planks in our drive to become a Dominant Multi-Specialist Bank, with the results expected to include:

1. Enhanced accountability within each of the Strategic Business Units (SBUs) as their responsibilities extend not only to growth in business volume, but also growth in profitability.
2. The consolidation of the shared services groups into one directorate should improve the efficiency and scale of the Bank's operations.
3. Each SBU will be better able to compete in an increasingly dynamic and competitive environment as they acquire better flexibility and authority.

One additional recent mechanism for internalizing a performance-driven culture within each line of business has been our monthly Performance Review Meetings. These meetings have been chaired by the President Director and attended by both the SBU Directors and SBU Group Heads. Each Group Head presents a review of performance against targets, and details action plans to address any under-performance.

SERVICE QUALITY IMPROVEMENTS AND IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

Our evolution into a Dominant Multi Specialist Bank and, subsequently, a Regional Champion Bank will be driven by the repositioning and strengthening of our corporate culture in response to both current conditions and future

challenges. Our Corporate Culture development is being guided by five Corporate Values that we all share: Trust, Integrity, Professionalism, Customer Focus and Excellence (abbreviated as TIPCE).

As these values have taken hold, we have taken a quantum leap up the ranks in the annual Bank Service Excellence Monitor. Bank Mandiri rated 3rd in the results of the 2005 survey, up from 11th rank in 2004 and 16th in 2003. No State Owned Enterprise has penetrated the top 10 in Service Excellence in the previous 10 years according to Marketing Research Indonesia (MRI). In 2006, we continued striving to improve our position through strategic programs for quality improvement, including mystery shopping and strengthening our front liners' capabilities. We are targeting Bank Mandiri to become the service leader in the national banking industry.

Good Corporate Governance within any organization requires a fundamental change of attitude and an orientation toward a performance culture among all employees over a sustained period of time. We are very pleased that our early efforts have already been recognized. At the end of 2006, we were acknowledged by the readers of *Asiamoney Magazine* with two awards: Best Overall for Corporate Governance and Best for Disclosure & Transparency in Indonesia. These awards represent a clear validation of our serious efforts to implement Good Corporate Governance (GCG) principles. This performance has demanded hard work and consistency in all of our business lines, but we have succeeded in amply demonstrating that Bank Mandiri is committed to and capable of consistently implementing transparency principles.

PROFITABILITY AND DELIVERING VALUE TO SHAREHOLDERS

Our efforts and achievements during the year have made a significant impact in our financial performance. Net profit after tax grew 301.5%,

while our return on equity (ROE) rebounded to double digits at 10.0%. Total net profit after tax rose from Rp 604 billion in 2005 to Rp2,421 billion in 2006.

Our early successes in transforming the Bank have been reflected in our share price performance during the year. At the end of 2005, our share price (BMRI) stood at Rp1,640 per share, while it reached Rp2,900 per share at the end of December 2006, for an increase of 76.8%. Over the same period, the Jakarta Stock Exchange Index advanced by only 55.3%.

This substantial out-performance provides tremendous positive reinforcement from our shareholders that all of our efforts are recognized and appreciated. In addition, this increase in share price has helped to rebuild the confidence, trust and high expectations of our customers and investors in Bank Mandiri as the largest bank in Indonesia.

A share price of Rp 2,900 per share also reflects a market capitalization of roughly Rp58 trillion. This is already more than half way to our target of becoming a Regional Champion Bank with a minimum market capitalization of Rp100 trillion.

TARGETS & OPPORTUNITIES IN 2007

We are very optimistic that 2007 will witness the continuity of our efforts, and look forward to an improving macroeconomic situation. The early signs are positive, with a generally low BI rate that should stimulate growth in the credit cycle. At the beginning of 2007, Bank Indonesia also signaled, through eight new banking regulations (including revisions to loan classification guidelines), that accelerated credit growth remains their bias. While we must still remain focused on resolving our non-performing assets, we are also preparing to drive business growth in all segments through improved collaboration among our business units.

CONTINUING FOCUS ON LOAN QUALITY

While the NPLs attributable to our 30 top debtors have significantly declined, we will continue to focus our efforts on our largest obligors in the coming year. We remain confident that we can achieve a net NPL ratio below 5%, and gross NPL ratio below 10% by the end of 2007. This reduction in NPLs will derive from continuing restructuring, upgrades and repayments.

In parallel, Bank Mandiri has received approval from our extraordinary shareholders' meeting on 22 December 2006 to implement internal and external preparations for conducting our NPL-resolution acceleration program (PPKM).

Internally, we are now in the process of:

1. Establishing Standard Operation Procedures (SOP). The program should accelerate the resolution of both on-balance sheet and off-balance sheet NPLs while maintaining prudential practices.
2. Conducting an historical review of the NPLs that can potentially be included in the acceleration program. This is to ensure that there are no potential legal issues entangling the credit.
3. Valuing the assets involved in PPKM, including collateral evaluation.

In addition to these internal preparations, Bank Mandiri is working together with the Oversight Committee (OC) established by Government to ensure and socialize regulations PP No.33/2006 and PMK No.87/2006 in order to obtain buy-in for the implementation of PPKM.

FOCUSED ON FORWARD GROWTH

Once we have succeeded in improving our loan quality as expected, our next challenge will be to grow and identify high quality new business. At present, our drive for growth will focus on 3 key areas of business development:

1. Building upon our Corporate Assets, Corporate Liabilities and Treasury as our legacy strength and primary cash generator.

2. Investing and growing our Commercial Assets and Commercial Funding as a newly emerging business.
3. Building our Retail Funding, Transactional Fee Income and Consumer Finance as our future engines of growth.

Based upon our internal evaluation and the expected increase in competition, our 2007 growth will be contingent upon our ability to improve in three key areas:

1. Focused sales and marketing activities targeting selected segments, industries and customers. This will depend upon a more intimate knowledge of our market and existing customer base.
2. Enhancing the productivity and sales capabilities of Account Managers in Corporate Banking and our Commercial Banking Centers (CBCs), as well as other front-liners in branches and outlets of Small Business District Centers (SBDCs) and Micro Banking District Centers (MBDCs).
3. Continuing to reduce our turn-around times to our most valuable customers, especially in credit processing and other services.

CONTINUED TRANSFORMATION INTO A PERFORMANCE DRIVEN CULTURE

The implementation of the SBU-based organization will be built upon continuous efforts to build Winning Organizations and a Performance Driven Culture. In the near term, we will aim to:

1. Increase transparency and accountability in all business units to create and accelerate a performance driven culture.
2. Synchronize our incentive systems with our performance management system to motivate all organization lines.
3. Synchronize resources, infrastructure and policies in each Business Unit to address challenges specific to each.
4. Integrate talent management with the transformation concept, in a strategy of placing the right person into the right role.

- Equip each SBU with a financial controller, decision support and human resource capabilities.
- Synchronize human capital with job description to ensure the right person at the right place.

BUILDING SYNERGY AMONG BUSINESS UNITS AND EXTERNAL ALLIANCES

One of our key thrusts will be to grow in the future by better capturing the synergies among our SBUs. This strategy is critically important, as Bank Mandiri already has a sizeable customer base in all segments; we therefore have the opportunity to enhance our business through strategic alliances, cross-selling, and the implementation of client service teams. For example, many of our corporate customers have suppliers with potential to become our Commercial Banking customers, while their employees hold significant potential for our Consumer Finance SBU. The potential of this growth through synergy strategy is one of the key differentiators of Bank Mandiri as we expand beyond our core business in the future.

Although we are still focusing on organic growth for the year to come, we are open to a variety of options for non-organic growth starting from 2008. Non-organic growth will be required in order for us to reach our aspiration of 30% revenue share in all segments, because organic growth is only expected to propel us to a 20% share. As our NPLs are resolved, we expect Bank Mandiri will fulfill Bank Indonesia criteria as a "Good Performing Bank" and actively participate as a leading driver of bank consolidation as envisioned in Indonesia Banking Landscape (API).

We remain firm in our belief that our capabilities and the commitment of all the management and staff at Bank Mandiri, along with the continuing support of our many stakeholders, will see us rise to the challenges posed by our vision to become a Dominant Multi-Specialist Bank, as well as your Trusted and Preferred Bank.

On behalf of the Board Directors, I would like to acknowledge, appreciate and thank J.B. Kendarto, who retired on 22 May 2006, for his 26 years of service and commitment to Bank Mandiri and its predecessors. I would like to thank the staff of Bank Mandiri for their unceasing efforts in building the bank that we have today. I would also like to thank the Board of Commissioners and Audit Committee for their invaluable contributions in guiding us throughout the year.

Finally, we would like to thank all of you, our stakeholders and customers, for your continuing trust and interest. We truly appreciate your support throughout 2005 and 2006. For 2007, we hope that Bank Mandiri will fulfill your aspirations.

PT. Bank Mandiri (Persero) Tbk



Agus Martowardojo
President Director

BOARD OF DIRECTORS

1 Agus Martowardojo

President Director

2 Wayan Agus Mertayasa

Deputy President Director

3 Omar Sjawaldy Anwar

Managing Director
Consumer Finance

4 Zulkifli Zaini

Managing Director
Commercial Banking

5 Sasmita

Managing Director
Technology & Operations

6 Abdul Rachman

Managing Director
Corporate Banking

7 Sentot A. Sentausa

Managing Director
Risk Management

8 Bambang Setiawan

Managing Director Compliance
& Human Capital

9 Riswinandi

Managing Director
Special Asset Management

10 Thomas Arifin

Managing Director Treasury
& International Banking

11 Budi G. Sadikin

Managing Director
Micro & Retail Banking

12 Pahala Nugraha Mansury

Executive Vice President Coordinator
Finance & Strategy
and Chief Financial Officer

13 Haryanto Tiara Budiman

Executive Vice President
(EVP) Coordinator Change
Management Office

AGUS MARTOWARDOJO

President Director

Graduated with a BA from the Economics Faculty of the University of Indonesia in 1984. He began his banking career with a three-year stint as an International Loan Officer for the Jakarta branch of Bank of America. He joined Bank Niaga in 1986, rising to the position of Vice President, Corporate Banking, Group Banking Head over the ensuing eight years. In 1995, he was appointed President Director of PT. Bank Bumiputera, and became President Director of PT. Bank Ekspor Impor Indonesia (Persero) in 1998.

From 1999 through 2002, he served as a Managing Director of Bank Mandiri with responsibility for Risk Management and Credit Restructuring, Retail Banking and Operations, and finally Human Resources and Support Services.

In October of 2002, after briefly serving as Advisor to the Chairman of IBRA (Indonesian Banking Restructuring Agency), he was appointed as President Director of PT. Bank Permata Tbk. (a merger of PT Bank Bali Tbk., PT Bank Universal Tbk., PT Bank Prima Ekspres, Bank Media and Bank Patriot) In May of 2005, he was appointed as the President Director of PT Bank Mandiri (Persero) Tbk. until present.

He was elected Chairman of the Indonesian Bankers' Association in December 2005, and has been serving as Chairman of the Indonesian State-Owned Banks Association (HIMBARA) since June 2006. He served as Chairman of the Indonesian Banks Association (Perbanas) from 2003 through May 2006. He was also the Chairman of the Bankers' Club of Indonesia from 2000 to 2003 and is currently the Secretary to the Advisory Board. From 2001 to 2004, he was a member of "Dewan Nasional" of the Indonesian Bankers' Institute.

WAYAN AGUS MERTAYASA

Deputy President Director

Graduated with a BA from the Economics Faculty of Brawijaya University, Malang in 1973. He began his banking career at Bank Bumi Daya (BBD) in 1973 as a Credit Analyst, becoming Head of the Credit Department, BBD Denpasar in 1980. From 1983 through 1991, he was promoted as Assistant Branch Manager and Branch Manager in several branches.

In 1991, he was promoted as the General Manager of Bank Bumi Daya, Los Angeles, and in 1992 was transferred to Hong Kong, where he served as Chief Representative, Bank Bumi Daya Representative Office, as well as Chief Executive of Bumi Daya International Finance. In 1993 he returned to the United States as the General Manager for Bank Bumi Daya, New York until 1994.

From 1994 until 1999 he served as Managing Director of Bank Pembangunan Indonesia (Bapindo), with responsibilities including Treasury & International Banking, Financial Accounting and Credit Restructuring.

In July 1999 he was appointed as the Executive Vice President for Risk Management until July 2001. From August 2001, he became Senior Executive Vice President Coordinator, Human Resources, Compliance and Corporate Secretary.

In 2002, he was made Managing Director Human Resources, Compliance and Corporate Secretary.

In April 2003, he was appointed as Managing Director Risk Management.

In May 2005 he was promoted to Deputy President Director of Bank Mandiri, with concurrent responsibility for Finance and Strategy. He currently serves as Deputy President Director.

OMAR SJAWALDY ANWAR

Managing Director Consumer Finance

Graduated with a BSc in Accounting from the University of Maryland in 1980 and, under a Scholarship granted by RMHI Inc., received an MBA in Finance from George Washington University in 1982. He received certification as a Chartered Financial Consultant and Certified Life Underwriter from the Singapore Insurance Institute in 2004.

He began his career as an Accountant and Analyst at RMHI Inc. in Houston and at Huffco Indonesia from 1983 through 1988.

He joined Citibank N.A., Jakarta in 1989 as Manager of the Quality Assurance Unit, becoming an Assistant Vice President of Operations in 1991, and Branch Manager of the Surabaya Branch in 1993. In 1996, he was appointed as Vice President, Sales and Investment Product Development.

In 1998, he moved to PT Bimantara Citra Tbk., Jakarta, a publicly listed company, as Deputy Director, Corporate Finance, and returned to banking in 1998 when he served as Vice President of Consumer Banking for ABN AMRO Bank, Jakarta.

He joined Bank Mandiri in July 1999 as Senior Vice President with responsibility for Product and Business Development. He became Executive Vice President Coordinator, Retail Banking in 2001.

He was named Senior Executive Vice President, Consumer Banking in January 2003 and was appointed Managing Director of Bank Mandiri in April 2003. In May 2006, he was appointed as Director of Consumer Finance.





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ZULKIFLI ZAINI

Managing Director Commercial Banking

Graduated with a BSc from the Bandung Institute Technology (ITB) in 1980 and an MBA in Finance and International Business from Washington University in 1994. He began working as a Civil and Structural Engineer at Wiratman and Associates in 1980, and in 1983 he became a Project Engineer and Civil and Structural Supervisor at Wahana Muda Indonesia.

He embarked upon a banking career as an Account Officer at Bank Pembangunan Indonesia (Bapindo) from 1988 through 1991. Upon receiving his management degree, he was appointed Staff of Banking and Finance Services at Bapindo, Jakarta in 1994.

From 1994 to 1996 he was the Head of Project Finance at Bapindo's Surabaya Branch, and then moved to Bandung where he became Deputy Branch Manager, from 1996 through 1998. In 1998, he was promoted to Branch Manager of the Jambi Branch.

Following the merger of Bank Mandiri, he served briefly as Senior Manager and Team Leader in Credit Risk Management. In September 1999, he was appointed as Vice President and Division Head, Government Relationship Management until 2003.

In early 2003 he became Senior Vice President and Group Head, Retail Risk Management, and in September 2003 he was appointed Managing Director and Senior Executive Vice President, Distribution Networks.

In June 2006, he was appointed as Director of Commercial Banking.

SASMITA

Managing Director Technology & Operations

Graduated with a BA degree from the Indonesia Accounting College, Jakarta in 1975 and began his banking career with Bank Dagang Negara (BDN), Jakarta 1974, in Accounting.

He joined the International Banking Division of BDN in 1980, becoming Section Head of Procedures & Systems, International Banking in 1987, and Department Head in 1988.

From 1991 through 1994, he served as Operations Manager at Staco International Finance Ltd, in Hong Kong, and was then the Assistant Managing Director from 1994 through 1997.

In 1997 he returned to Indonesia as the Branch Manager for Bank Dagang Negara Kota Baja Cilegon. He was then appointed to the Management Team of Bank Modern, Jakarta in 1998 and, in 1999, joined the Bank Mandiri Merger Team as a Representative for BDN.

Following the completion of the Bank Mandiri merger, he became Division Head, Head Office Operations & Branch Operations Support through 2001. In 2001, he was also appointed to the management team evaluating the acquisition of Bank International Indonesia. From 2002 through 2004, he was a Group Head, Central Operations.

In 2004 he was appointed Group Head, Jakarta Network, and in May 2005 he was appointed as Managing Director and Senior Executive Vice President, Small Business and Micro Banking. At year-end, He was also coordinating the activities of the Human Capital & Compliance Directorate.

Since May 2006, he has been the Director of Technology & Operations.

ABDUL RACHMAN

Managing Director Corporate Banking

Graduated with a BSc from Padjadjaran University, Bandung in Accounting in 1980, and an MBA from Kansas State University, USA in Financial Management in 1989. He has also completed several short domestic and international courses including the Pacific Rim Bankers Program, USA and Advanced Management Course, INSEAD, France.

He joined Bank Pembangunan Indonesia (Bapindo) in Jakarta in 1981 as a Loan Supervision Officer. Upon completing his graduate degree, he was appointed Business Development Manager for Bapindo's Hong Kong branch, from 1990 through 1992. In 1992 he was designated as Deputy General Manager and was promoted to General Manager of the Hong Kong branch in 1993 until 1995.

In 1995, he was moved to Bapindo's Surabaya branch as the Branch Manager, and moved again to the Bapindo Head Office in 1996 as Deputy Division Head, International Banking. From 1997 through 1999, he served as Division Head, International Banking.

Following the merger of Bank Mandiri in 1999, he became Senior Vice President, Corporate Banking and in 2001 he was appointed Group Head and Senior Vice President, Corporate Banking for Bank Mandiri in Jakarta.

In May 2005 he was appointed Managing Director and Senior Executive Vice President, Corporate Banking until present.

From April 2003 through August 2004 he served as a Commissioner of PT Mandiri Sekuritas. He was also appointed Commissioner of Bank Syariah Mandiri from February 2004 through May 2005.

He served as Deputy Chairman of the Financial Institution Club (FI Club) from 1998 to 2000, and has been the Chairman since his election in 2001 until the present. From 2000 through 2003, he was also a lecturer at the Banking Institute (SESPIBANK) Jakarta.

SENTOT A. SENTAUSA

Managing Director Risk Management

Graduated from Padjadjaran University, Bandung in 1983 with a BA in Statistics, and received an MBA from Monash University, Melbourne in 1994. From 1983 through 1985, he worked as a Planology Systems Analyst at the Agency for Assessment and Application of Technology (BPPT).

He entered the banking sector in 1986, as an Officer within the Research and Development Division of Bank Pembangunan Indonesia (Bapindo), where he served through 1995. After a brief period of training, he moved into the Treasury Directorate in 1996 to provide support to the Assets & Liabilities Committee (ALCO).

In 1997, he became a Deputy Branch Manager for Bapindo in Palembang, and subsequently served as Branch Manager at two other branches through 1999.

Following the Bank Mandiri merger in 1999, he was named Vice President and Division Head, Global Markets & Treasury Control within the Finance Directorate.

He was appointed Vice President and Division Head for Market, Operational and Legal Risk in 2000, and then Vice President and Division Head for Procurement and Fixed Assets in 2001.

In late 2001, he was assigned as a Vice President and Regional Risk Manager, working out of Bank Mandiri's East Java Region Office (including Bali, NTB, NTT). He returned to the Head Office in 2003 as the Group Head and Senior Vice President for Procurement & Fixed Assets.

In 2004, he assumed responsibility for the Consumer Risk Group as its Group Head and Senior Vice President, and moved into the same role for the Portfolio and Operational Risk Group in early 2005. In June 2005, he was appointed as Coordinator, Risk Management Directorate, while retaining his oversight of Portfolio and Operational Risk. In May 2006, he was appointed as Director of Risk Management.

BAMBANG SETIAWAN

Managing Director Compliance & Human Capital

Graduated with a BA in Accounting from Airlangga University, Surabaya in 1984, and an MBA in Accounting from Temple University, Philadelphia, Pennsylvania in 1994.

He began his banking career at Bank Bumi Daya (BBD) in 1985 as an Internal Audit Staff, becoming Assistant Manager of Internal Audit in 1987.

From 1994 through 1999 he moved on to assignments as Section Head and Department Head in several groups including Human Resources, Training Center and Financial Reporting at the Head Office.

Following the merger of Bank Mandiri, he was appointed as the Group Head of Accounting from July 1999 until January 2001, at which time he became Project Head of Financial Control.

In 2003 he was appointed as Group Head of Compliance until July 2004.

In July 2004 he was assigned by the President of the Republic of Indonesia as Deputy Chairman of the Indonesian Financial Transactions Reports & Analysis Center (PPATK).

In November 2005 he returned to Bank Mandiri and was appointed as Group Head of Accounting through May 2006. From February through May 2006 he was designated as Executive Vice President Coordinator, Information & Technology concurrent with his appointment as Group Head of Accounting.

In 22 May 2006 he was appointed as Director of Bank Mandiri, responsible for Human Capital, Learning, Legal and Compliance.

RISWINANDI

Managing Director Special Asset Management

Graduated in with a degree in Management from Universitas Trisakti, Jakarta, in 1983.

His first placement was as a Senior Assistant at SGV Utomo in 1984.

In 1986, he began his banking career at Bank Niaga, and his 13-year employment there culminated in the position of Vice President, Human Resources (Group Head).

In 1999 he moved to the Indonesian Bank Restructuring Agency (IBRA), reaching the position of Senior Vice President – Loan Work Out & Collection Division Head in 2001.

In 2001 he joined with Bank Danamon as Executive Vice President – Corporate Lending Division, and then as a Director of Bank Danamon from 2002 until June 2003.

In September 2003 he was appointed as Independent Commissioner of Bank Mandiri. From October 2004 through May 2006 he was a Commissioner of PT Asuransi Ekspor Indonesia (Persero).

In October 2005, he was assigned as Group Head – Credit Recovery II at Bank Mandiri. In May 2006, he was appointed as Director of Special Asset Management.

THOMAS ARIFIN

Managing Director Treasury & International Banking

Graduated in Mathematics from the Bandung Institute of Technology, Indonesia in 1985, and in Accounting from Parahyangan Catholic University, Indonesia in 1986. Completed the Economics program at University of Indonesia in 1990.

He received a Master of Business Administration (International Business) from European University, Toulouse, France in 1993 under a Scholarship granted by the European Community and ASEAN countries.

He began his career as Account Officer and Marketing Team Leader at PT Bank Bali Tbk., Jakarta from 1986 through 1991. In 1992, he was promoted to Senior Manager, Deputy Main Branch Manager. From 1992 he served as Assistant Vice President, Corporate Banking Department until 1993.

In 1994, he was designated as Vice President, General Manager, Risk Assets Management Support and Head of Investor Relations.

In 1997, he was promoted to First Vice President, General Manager of PT Bank Bali Tbk. International, Los Angeles Branch, USA until 2002.

In 2003, he was appointed as First Vice President, International Banking Group Head, PT Bank Bali Tbk..

Following the merger of PT Bank Bali Tbk. into PT Bank Permata Tbk., he was appointed as General Manager, Risk Management Group, Bank Permata from 2003 through 2006.

In 2006, he was appointed as Director of Treasury & International Banking for Bank Mandiri.

BUDI G. SADIKIN

Managing Director Micro & Retail Banking

Graduated with a BSc in Nuclear Science from Bandung Institute of Technology in 1988. He received certification as a Chartered Financial Consultant and Certified Life Underwriter from the Singapore Insurance Institute in 2004.

He began his career in 1988 as Information Systems Staff at IBM Asia-Pacific Headquarters, Japan. In 1993, he was promoted to Manager, Systems Integration & Professional Services.

He joined PT Bank Bali Tbk. as General Manager Electronic Banking, and also served as Chief General Manager, Jakarta Region and Chief General Manager, Human Resources until 1999.

He joined ABN AMRO Bank Indonesia where his final position was Senior Vice President Director of Consumer and Commercial Banking ABN AMRO Bank Indonesia & Malaysia through 2004.

In 2004, he moved to PT Bank Danamon Tbk. as Executive Vice President, Head of Consumer Banking and Director of Adira Quantum Multi Finance.

He was elected as member of “Dewan Nasional” of the Indonesian Bankers’ Institute from 2001 until 2004. He also served on the Indonesian Bankers Club and as Deputy Treasurer of the Indonesia Engineers Association

In 2006, he was appointed as Director of Micro & Retail Banking at Bank Mandiri.

PAHALA NUGRAHA MANSURY

EVP Coordinator & Chief Financial Officer

Graduated with a BSc in Accounting from Universitas Indonesia in 1994 and an MBA in Finance from the Stern School of Business, New York University, USA in 1999.

He began his career as a Change Management Consultant at Andersen Consulting Jakarta from 1994 - 1997. In 1998, he served at a New York-based securities company on a part-time basis.

From 1999 he was a Senior Consultant for Booz Allen & Hamilton until 2000.

In 2000 he joined The Boston Consulting Group, initially as a Consultant, and was later promoted to Project Leader.

He joined Bank Mandiri in 2003 and served as Group Head, Corporate Development/Change Management Office through 2006.

In 2006 he was appointed as EVP Coordinator, Finance & Strategy.

HARYANTO TIARA BUDIMAN

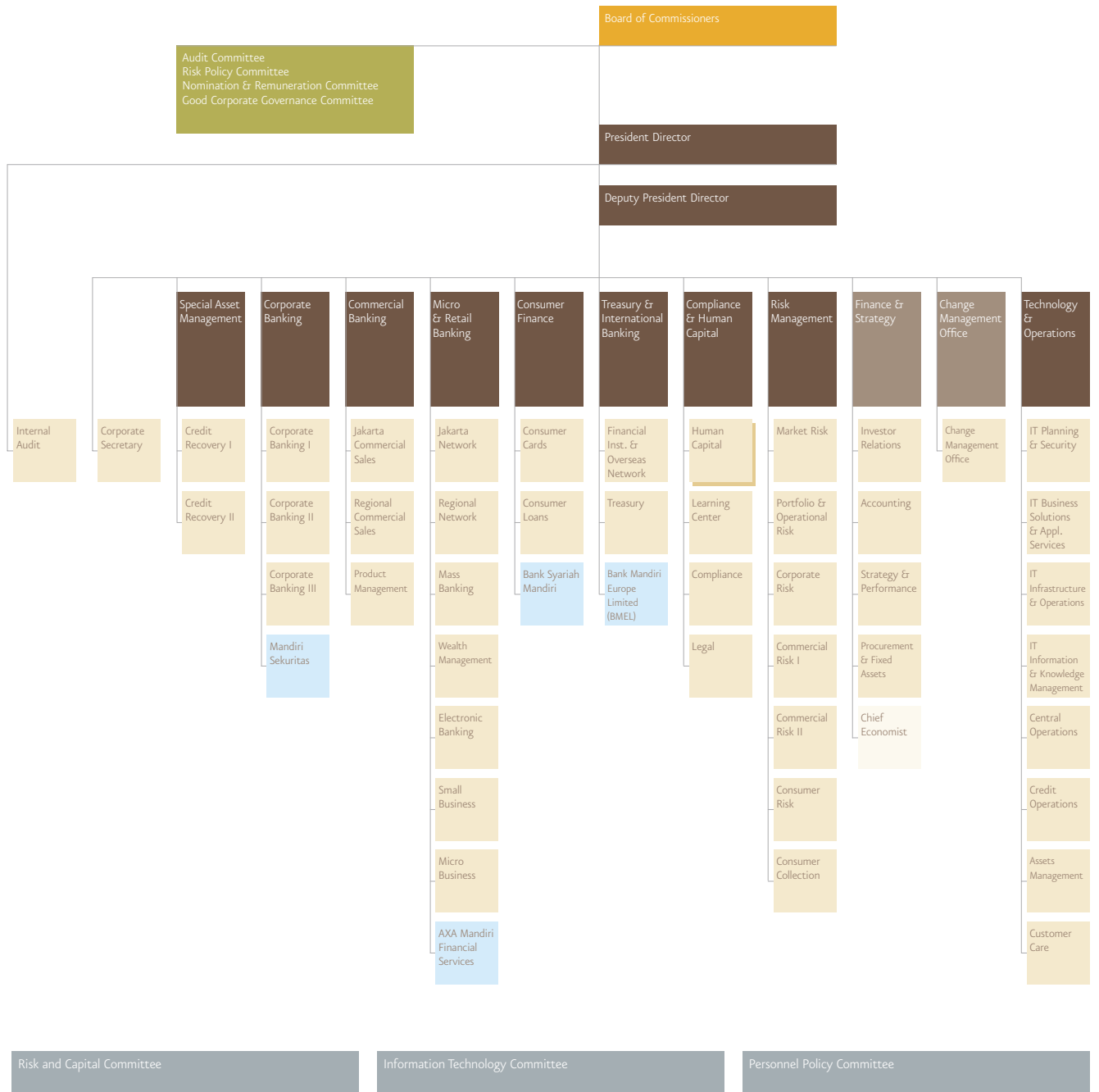
Executive Vice President (EVP) Coordinator
Change Management Office

Graduated with a BSc degree in Engineering from Texas A&M University, a MSc degree from Virginia Polytechnic Institute and State University, and a PhD degree from the Massachusetts Institute of Technology (MIT) in the United States in 1996.

Began his professional career at the global consulting firm of McKinsey & Company. His 10-year career with McKinsey included assignments in the United States, Australia, Indonesia, India, South Korea, Malaysia, and Singapore on topics related to strategy, organization, and operations within a variety of financial institution clients. His final position at McKinsey was as Associate Partner and Director of PT McKinsey Indonesia.

Joined Bank Mandiri in 2006 as Executive Vice President (EVP) Coordinator in the Directorate of Change Management Office.

ORGANIZATION STRUCTURE



- Board of Commissioner
- Board of Director
- Executive Vice President Coordinator
- Group Head
- Deputy Group Head
- Subsidiaries

**management's
discussion
& analysis
of financial
statements**



Earnings per share (EPS) for 2006 was Rp 119 compared to Rp 30 in 2005 as net profit increased by 301.5% to Rp 2,421 billion in 2006 from Rp 603 billion in 2005. Book value per share increased by 12.6% to Rp 1,295 as of 31 December 2006 from Rp 1,150 at the end of 2005.

WAYAN AGUS MERTAYASA • Deputy President Director

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL STATEMENTS AND OPERATING RESULTS

DISCUSSION AND ANALYSIS OF BANK MANDIRI'S FINANCIAL STATEMENTS AND OPERATING RESULTS

The discussion of Bank Mandiri's operating results for the periods ended 31 December 2006 and 2005 respectively should be read in conjunction with the audited financial statements, including the auditor's notes, contained elsewhere in this Annual Report.

The following discussion has been prepared based upon Bank Mandiri's Consolidated Financial Statements, which have been prepared in accordance to Indonesian GAAP (PSAK) for the year ended 31 December 2006. Our independent auditors, Purwantono, Sarwoko & Sandjaja, a member of Ernst & Young Global, have audited these financial statements of the Bank. The 2006 financial data are also presented in US Dollars based upon the exchange rate of Rp9,003 per USD as of 31 December 2006.

Unless stated otherwise, all financial information herein is stated on a consolidated basis in accordance to Indonesian GAAP.

This discussion and analysis of financial statements and operating results is presented in three sections as follows:

OVERVIEW OF PERFORMANCE AND FINANCIAL CONDITION

This will briefly review the historical performance of Bank Mandiri against 12 key indicators. We will also compare Bank Mandiri's performance to the average performance of the largest Indonesian state-owned and private banks. A more in-depth discussion of our financial performance and condition will be presented in the Management's Discussion and Analysis of Financial Statements and Operating Results section.

OPERATING RESULTS

This section will examine the Bank's financial operating results based on the Profit and Loss Statement for the years ended 31 December 2006 and 2005.

FINANCIAL CONDITION

This section will analyze Bank Mandiri's financial performance based on the Balance Sheet, Statement of Cash Flows and Statement of Commitments and Contingencies on subsequent pages.

Our core earnings in 2006 rose by 28.9% from Rp 4,335 billion in 2005 to Rp 5,589 billion, contributing 89.9% to 2006 pre-provision operating profit of Rp 6,216 billion.

OVERVIEW OF BANK MANDIRI'S PERFORMANCE AND FINANCIAL CONDITIONS ¹⁾

Bank Mandiri	Other Banks	
<ul style="list-style-type: none"> - Net interest margin increased to 4.7% for 2006 from 4.1% the year before. - The primary cause is improvement in the funding mix. 	<ul style="list-style-type: none"> - State-owned banks' net interest margin for 2006 decreased slightly from a year before. - For private banks, net interest margin for 2006 significantly expanded to 7.2% from 6.4% a year before. 	<p>NET INTEREST MARGIN</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p>
<ul style="list-style-type: none"> - ROE for 2006 rose significantly to 10.0% from 2.5% the year before. - This was the result of higher profit compared to a year earlier. 	<ul style="list-style-type: none"> - Other banks recorded higher ROE in 2006 as well as a result of increases in net income. - Bank Mandiri's 2006 ROE is the lowest compared to other state-owned (25.1%) and private banks (20.8%). 	<p>RETURN ON EQUITY (ROE)</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p>
<ul style="list-style-type: none"> - ROA for 2006 increase by 120% from the year before to 1.1%. - This increase was a result of significantly higher net income. 	<ul style="list-style-type: none"> - State-owned banks and private banks' ROA for 2006 slightly decreased from the year before to 2.8% and 2.9% respectively. - Average ROA for the banking sector in 2006 slightly increased from 2.2% to 2.3%. 	<p>RETURN ON ASSETS (ROA)</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p>
<ul style="list-style-type: none"> - Cost to income ratio for 2006 dropped to 48.9% from 56.6% a year before. - Reflects the competitive advantage of our operating scale and efficiency. 	<ul style="list-style-type: none"> - Cost to income ratio of private banks, at 44.2%, remains better than state-owned banks at 49.6%. 	<p>COST TO INCOME RATIO ¹⁾</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p>

<ul style="list-style-type: none"> - Ratio of category 2 loans to total loans in 2006 increased from 12.6% to 14.9% due to loan restructuring activity and NPL upgrading. 	<ul style="list-style-type: none"> - Ratio of category 2 loans to total loans for state-owned banks and private banks in 2006 decreased from a year before to 10.2% and 6.5% respectively. 	<p>RATIO OF CATEGORY 2 LOANS TO TOTAL LOANS</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>26</td><td>12</td><td>12</td></tr> <tr><td>02</td><td>25</td><td>10</td><td>9</td></tr> <tr><td>03</td><td>15</td><td>11</td><td>11</td></tr> <tr><td>04</td><td>12</td><td>11</td><td>8</td></tr> <tr><td>05</td><td>12</td><td>11</td><td>8</td></tr> <tr><td>06</td><td>15</td><td>11</td><td>7</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	26	12	12	02	25	10	9	03	15	11	11	04	12	11	8	05	12	11	8	06	15	11	7
Year	Bank Mandiri	State-owned Banks	Private Banks																											
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02	25	10	9																											
03	15	11	11																											
04	12	11	8																											
05	12	11	8																											
06	15	11	7																											
<ul style="list-style-type: none"> - Gross NPL ratio decreased significantly in 2006 from 25.2% to 16.3%. - Net NPL ratio stood at 5.9% in 2006. 	<ul style="list-style-type: none"> - State-owned banks' ratio in 2006 decreased from 8.3% to 6.8%. - Gross NPL ratio of private banks stood at 2.7%. 	<p>NON PERFORMING LOANS (NPL)-GROSS</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>10</td><td>12</td><td>16</td></tr> <tr><td>02</td><td>8</td><td>8</td><td>8</td></tr> <tr><td>03</td><td>8</td><td>8</td><td>8</td></tr> <tr><td>04</td><td>8</td><td>8</td><td>8</td></tr> <tr><td>05</td><td>25</td><td>9</td><td>1</td></tr> <tr><td>06</td><td>16</td><td>9</td><td>1</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	10	12	16	02	8	8	8	03	8	8	8	04	8	8	8	05	25	9	1	06	16	9	1
Year	Bank Mandiri	State-owned Banks	Private Banks																											
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03	8	8	8																											
04	8	8	8																											
05	25	9	1																											
06	16	9	1																											
<ul style="list-style-type: none"> - Our ratio of cash provisions to NPL exposure increased from 44.0% in 2005 to 74.8% in 2006. 	<ul style="list-style-type: none"> - Compared to Bank Mandiri and other state-owned banks, private banks are more conservative in provisioning their NPLs. - This is reflected in their provision to NPL ratio at of 104.3%, which is higher than the average for state-owned banks of 93.3%. 	<p>PROVISION TO NPL EXPOSURE</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>100</td><td>100</td><td>100</td></tr> <tr><td>02</td><td>100</td><td>100</td><td>100</td></tr> <tr><td>03</td><td>100</td><td>100</td><td>100</td></tr> <tr><td>04</td><td>100</td><td>100</td><td>100</td></tr> <tr><td>05</td><td>100</td><td>100</td><td>100</td></tr> <tr><td>06</td><td>80</td><td>100</td><td>104</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	100	100	100	02	100	100	100	03	100	100	100	04	100	100	100	05	100	100	100	06	80	100	104
Year	Bank Mandiri	State-owned Banks	Private Banks																											
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02	100	100	100																											
03	100	100	100																											
04	100	100	100																											
05	100	100	100																											
06	80	100	104																											
<ul style="list-style-type: none"> - Our LDR – non bank in 2006 increased to 57.2% from 51.7% in 2005. - Reflects our commitment to expanding our intermediary function. 	<ul style="list-style-type: none"> - Other state-owned banks average LDR of 62.0% is significantly higher than the average for private banks of 56.1%. 	<p>LOAN TO DEPOSIT RATIO (LDR) -NON BANK</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>25</td><td>42</td><td>25</td></tr> <tr><td>02</td><td>35</td><td>48</td><td>29</td></tr> <tr><td>03</td><td>42</td><td>55</td><td>25</td></tr> <tr><td>04</td><td>52</td><td>68</td><td>40</td></tr> <tr><td>05</td><td>52</td><td>65</td><td>52</td></tr> <tr><td>06</td><td>57</td><td>62</td><td>56</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	25	42	25	02	35	48	29	03	42	55	25	04	52	68	40	05	52	65	52	06	57	62	56
Year	Bank Mandiri	State-owned Banks	Private Banks																											
01	25	42	25																											
02	35	48	29																											
03	42	55	25																											
04	52	68	40																											
05	52	65	52																											
06	57	62	56																											

<ul style="list-style-type: none"> - Our ratio for 2006 is relatively stable at 2.3%, lower than other state-owned banks and private banks. - Reflects the competitive advantage of our operating scale and efficiency, as well as our asset mix which includes a high proportion of recap bonds. 	<ul style="list-style-type: none"> - Ratio of state-owned banks in 2006 declined slightly to 3.6% from 4.0% in 2005. - Private banks also showed a mild drop from 3.2% to 3.1% for the period. 	<p>RATIO OF OVERHEAD EXPENSES TO TOTAL ASSETS</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>1.3</td><td>1.2</td><td>1.1</td></tr> <tr><td>02</td><td>1.4</td><td>1.3</td><td>1.2</td></tr> <tr><td>03</td><td>1.5</td><td>1.4</td><td>1.3</td></tr> <tr><td>04</td><td>1.6</td><td>1.5</td><td>1.4</td></tr> <tr><td>05</td><td>1.7</td><td>1.6</td><td>1.5</td></tr> <tr><td>06</td><td>1.8</td><td>1.7</td><td>1.6</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	1.3	1.2	1.1	02	1.4	1.3	1.2	03	1.5	1.4	1.3	04	1.6	1.5	1.4	05	1.7	1.6	1.5	06	1.8	1.7	1.6
Year	Bank Mandiri	State-owned Banks	Private Banks																											
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05	1.7	1.6	1.5																											
06	1.8	1.7	1.6																											
<ul style="list-style-type: none"> - Our ratio in 2006 fell to 47.0% from 54.6% in 2005. - A decline in time deposit volumes is the primary cause. 	<ul style="list-style-type: none"> - In general, the ratio of high cost funds is higher in 2006 than in 2005. - Average ratio for private banks at 46.9%, rose more rapidly than at other state-owned banks. 	<p>RATIO OF HIGH COST FUNDS</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>35</td><td>18</td><td>12</td></tr> <tr><td>02</td><td>33</td><td>16</td><td>11</td></tr> <tr><td>03</td><td>31</td><td>15</td><td>10</td></tr> <tr><td>04</td><td>29</td><td>14</td><td>9</td></tr> <tr><td>05</td><td>30</td><td>15</td><td>10</td></tr> <tr><td>06</td><td>32</td><td>16</td><td>11</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	35	18	12	02	33	16	11	03	31	15	10	04	29	14	9	05	30	15	10	06	32	16	11
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03	31	15	10																											
04	29	14	9																											
05	30	15	10																											
06	32	16	11																											
<ul style="list-style-type: none"> - Our ratio in 2006 is remains quite high at 19.6%. - Higher growth in net profit than in risk-weighted assets resulted in stronger capital to anticipate growth. 	<ul style="list-style-type: none"> - Average tier 1 CAR for banks in 2006 increased to 16.7% from 15.2% in 2005. - The banking system still has adequate capital to anticipate growth. 	<p>TIER 1 CAPITAL ADEQUACY RATIO (TIER 1 CAR)</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>10</td><td>10</td><td>10</td></tr> <tr><td>02</td><td>11</td><td>11</td><td>11</td></tr> <tr><td>03</td><td>12</td><td>12</td><td>12</td></tr> <tr><td>04</td><td>13</td><td>13</td><td>13</td></tr> <tr><td>05</td><td>14</td><td>14</td><td>14</td></tr> <tr><td>06</td><td>15</td><td>15</td><td>15</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	10	10	10	02	11	11	11	03	12	12	12	04	13	13	13	05	14	14	14	06	15	15	15
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05	14	14	14																											
06	15	15	15																											
<ul style="list-style-type: none"> - Our CAR for 2006, stood at 25.3%, higher than the average of large state-owned and private banks. - High CAR will enable the bank to address asset quality concerns and explore new business opportunities. 	<ul style="list-style-type: none"> - In general, all banks experienced an increase in CAR in 2006. The ratios remain far above BI's minimum required rate of 8%. 	<p>CAPITAL ADEQUACY RATIO (CAR)</p> <p>Legend: Bank Mandiri (Green), State-owned Banks (Blue), Private Banks (Red)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Bank Mandiri</th> <th>State-owned Banks</th> <th>Private Banks</th> </tr> </thead> <tbody> <tr><td>01</td><td>14</td><td>14</td><td>14</td></tr> <tr><td>02</td><td>15</td><td>15</td><td>15</td></tr> <tr><td>03</td><td>16</td><td>16</td><td>16</td></tr> <tr><td>04</td><td>17</td><td>17</td><td>17</td></tr> <tr><td>05</td><td>18</td><td>18</td><td>18</td></tr> <tr><td>06</td><td>19</td><td>19</td><td>19</td></tr> </tbody> </table>	Year	Bank Mandiri	State-owned Banks	Private Banks	01	14	14	14	02	15	15	15	03	16	16	16	04	17	17	17	05	18	18	18	06	19	19	19
Year	Bank Mandiri	State-owned Banks	Private Banks																											
01	14	14	14																											
02	15	15	15																											
03	16	16	16																											
04	17	17	17																											
05	18	18	18																											
06	19	19	19																											

Notes:

1. Data for state-owned banks represent average data from Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI) and Bank Tabungan Negara (BTN). The data on private banks are averaged from the financial statements of Bank Central Asia (BCA), Bank Danamon, Bank Internasional Indonesia (BII), Bank Lippo and Bank Niaga, Indonesia's five largest private banks based on total assets, for which data is available since 2001.
2. Cost to Income Ratio=overhead expenses/operating income (excluding gains from increase in value of and sale of securities and government bonds).

**DOMINANT
MULTI-SPECIALIST
BANK MODEL**



- Dominant Bank in Indonesia with 20-30% market share of revenue across all segments, with distinctive strategies for each business that capture synergies across different segments.
- To be customers' bank of choice, offering the most extensive range of products and most convenient access.

CORPORATE

To be the dominant wholesale bank, offering integrated transaction, credit and capital market products to large local corporations

COMMERCIAL

To be the primary commercial bank, leveraging our dominant corporate position to provide service to SMEs up- and downstream in the value chain

CONSUMER

- To be the primary chosen bank for the affluent segment and the 'transaction bank' for the mass affluent
- To be the most convenient loan provider and a preferred partner among local consumer finance players

MICRO

Maintain our current presence and keep options open for possibility of further expansion

LIST OF SUBSIDIARIES AS OF 31 DECEMBER 2006

No	Name of Subsidiary	Nature of Business	Ownership (%)
1	Bank Mandiri (Europe) Limited (BMEL)	Commercial Banking	100.00
2	PT Bank Syariah Mandiri (BSM)	Syariah Banking	99.99
3	PT Usaha Gedung Bank Dagang Negara	Property Management	99.00
4	PT Mandiri Sekuritas	Securities	95.68
5	PT Bumi Daya Plaza	Property Management	95.33
6	PT AXA Mandiri Financial Services	Insurance	49.00
7	PT Sarana Bersama Pembiayaan Indonesia	Holding Company	34.00
8	PT Pisita Wisata	Tourism	16.21
9	PT Kustodian Sentral Efek Indonesia	Depository	10.00
10	PT Bapindo Bumi Sekuritas	Securities	3.99

SUMMARY OF STATEMENTS OF PROFIT AND LOSS FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2006

	2005 Rp billion	2006 Rp billion	USD million	% Change
Interest Income	20,999	26,261	2,917	25.1%
Interest Expenses	(12,044)	(15,916)	(1,768)	32.2%
Net Interest Income	8,955	10,345	1,149	15.5%
Other Fees and Commissions	1,577	1,755	195	11.3%
Income from Foreign Exchange Transactions	74	380	42	413.5%
Gain from Sale of Securities & Government Bonds	255	138	15	(45.9%)
Gain (Loss) from Increase (Decrease) in Value of Securities & Government Bonds	(89)	109	12	222.5%
Other Income	672	351	39	(47.8%)
Operating Income	11,444	13,078	1,453	14.3%
Provision for Possible Losses on Earning Assets, Commitments and Contingencies and Other Assets – Net	(3,388)	(3,505)	(389)	3.5%
General and Administrative Expenses	(3,080)	(3,251)	(361)	5.6%
Salary and Employee Benefits	(3,187)	(3,018)	(335)	(5.3%)
Other Operating Expense – Others	(601)	(593)	(66)	(1.3%)
Profit from Operations	1,188	2,711	301	128.2%
Non Operating Income – Net	45	120	13	166.7%
Profit before Tax and Minority Interest	1,233	2,831	314	129.6%
Net Profit	603	2,421	269	301.5%

OPERATING RESULTS 2006

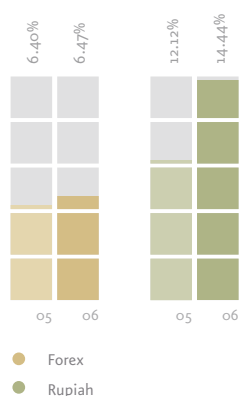
- Earnings per share (EPS) of Rp119
- Net profit increased by 301.5% to Rp2,421 billion
- Other fees and commissions increased by 11.3% to Rp1,755 billion
- Operating income of Rp13,078 billion

NET INTEREST INCOME

Net interest income rose by 15.5% from Rp8,955 billion in 2005 to Rp10,345 billion in 2006. This increase was mainly due to an increase in interest income of 25.1% from Rp20,999 billion in 2005 to Rp26,261 billion in 2006 accompanied by an increase in interest expense of 32.2% from Rp12,044 in 2005 to Rp15,916 billion in 2006.

Interest yields on Rupiah loans increased in 2006 to 13.0% compared to 12.2% in 2005 but declined for foreign currency denominated loans from 5.6% to 4.7%. The average volume of Rupiah loans increased as well from Rp62,839 billion to Rp69,968 billion while the average foreign currency loan volume declined from Rp32,826 billion to Rp29,970 billion.

AVERAGE BASE LENDING RATE



Our average Base Lending Rates for both Rupiah and foreign currency loans were higher in 2006. Rupiah rates increased by 232 basis points, while foreign currency rates were 7 basis point higher than in 2005.

The increased yield on Rupiah loans was primarily the result of a drop in the proportion of non-performing loans.

At year end, roughly 13.4% of our Rupiah loans were non-performing, while the comparable figure for foreign currency loans stood at 25.3%.

Based on Indonesia GAAP (PSAK), interest received from loans classified as category 4 or 5 must be booked as principal repayment rather than interest income.

The yield from our Government Bonds rose from 8.5% in 2005 to 11.8% in 2006

Interest income from Government Bonds increased by 39.0% from Rp7,802 billion in 2005 to Rp10,841 billion in 2006 as our average portfolio of Government Bonds (bank only) rose slightly from Rp91,419 billion in 2005 to Rp91,591 billion in 2006. The proportion of fixed-rate bonds in the portfolio increased from 4.23% in 2005 to 4.58% in 2006.

Interest rates for the fixed-rate bond portfolio ranged from 13.15% - 15.58%, while our variable-rate bonds pay the 3-month SBI rate.

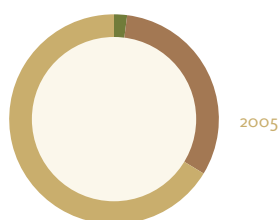
ANALYSIS OF NET INTEREST INCOME (BANK ONLY), 2005 AND 2006

Rp billion

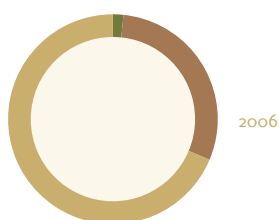
Assets	2005			2006		
	Average	Income	% p.a	Average	Income	% p.a
Rupiah						
a. Loans	62,839	7,693	12.2%	69,968	9,061	13.0%
b. Placements	2,995	511	17.1%	13,109	2,095	16.0%
c. Securities	11,086	416	3.8%	2,239	222	9.9%
d. Government Bonds	91,419	7,767	8.5%	91,591	10,841	11.8%
Sub Total	168,339	16,387	9.7%	176,907	22,219	12.6%
Foreign Currency						
a. Loans	32,826	1,842	5.6%	29,970	1,415	4.7%
b. Placements	8,738	269	3.1%	11,498	519	4.5%
c. Securities	2,097	146	7.0%	1,247	104	8.3%
d. Hedge Bonds	1,652	35	2.1%	-	-	-
Sub Total	45,313	2,292	5.1%	42,715	2,038	4.8%
Others						
Provision, Commission & Fee and others	-	1,004	-	-	832	-
Total (1)	213,652	19,683	9.2%	219,622	25,089	11.4%

Liabilities	2005			2006		
	Average	Expense	% p.a	Average	Expense	% p.a
Rupiah						
a. Demand Deposits	28,907	1,018	3.5%	30,174	982	3.3%
b. Saving Deposits	47,099	2,041	4.3%	45,697	2,070	4.5%
c. Time Deposits	80,042	6,621	8.3%	94,448	10,507	11.1%
d. Others	9,772	305	3.1%	7,340	232	3.2%
Sub Total	165,820	9,985	6.0%	177,659	13,791	7.8%
Foreign Currency						
a. Demand Deposits	12,442	229	1.8%	12,727	330	2.6%
b. Time Deposits	15,775	452	2.9%	15,269	615	4.0%
c. Others	11,850	888	7.5%	5,576	415	7.4%
Sub Total	40,067	1,569	3.9%	33,572	1,360	4.1%
Others					202	
Total (2)	205,887	11,554	5.6%	211,231	15,353	7.3%
Net (1) - (2)	7,765	8,129	3.6%	8,391	9,736	4.1%

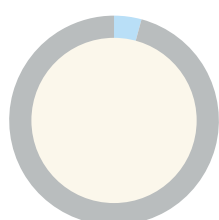
COMPOSITION OF INTEREST INCOME FROM GOVERNMENT BONDS FOR YEAR 2005 & 2006



- 2.01% Trading
- 31.67% Available for Sale
- 66.32% Held to Maturity

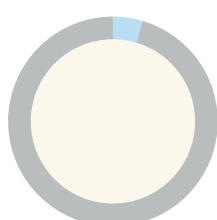


- 1.62% Trading
- 29.71% Available for Sale
- 68.67% Held to Maturity



- 4.23% Fixed-Rate
- 95.77% Variable-Rate

Government Bonds Portfolio 2005



- 4.58% Fixed-Rate
- 95.42% Variable-Rate

Government Bonds Portfolio 2006

Interest income derived from Government Bonds as a percentage of total interest income increased from 37.1% in 2005 to 41.3% in 2006. Interest income from loans accounted for 43.1% of total interest income for 2006, a decrease from 49.6% in 2005.

Interest income from loans increased by 8.6% from Rp10,419 in 2005 to Rp11,319 billion in 2006, largely due to an increase in loan volume and a decrease in NPLs. Average loans for the Bank grew from Rp95,665 billion in 2005 to Rp99,938 billion in 2006.

Interest expenses rose by 32.1% from Rp12,044 billion in 2005 to Rp15,916 billion in 2006. The proportion arising from interest expenses on deposits increased from 86.8% to 93.2%.

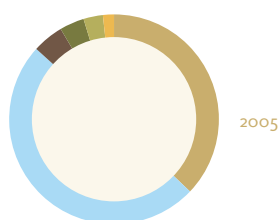
Average Rupiah deposits (bank only) grew by 9.1% from Rp156,048 billion in 2005 to Rp170,319 billion in 2006. Our average Rupiah time deposits rose from 51.3% of average total Rupiah deposits in 2005 to 55.5% in 2006. At the same time, average interest rates paid on Rupiah time deposits rose from 8.3% in 2005 to 11.1% in 2006.

Rupiah savings deposits accounted for 26.8% of average total Rupiah deposits in the year, falling from 30.2% in 2005.

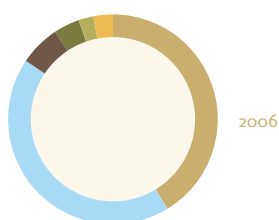
Average foreign currency deposits (bank only) fell by 0.8% from Rp28,217 billion in 2005 to Rp27,996 billion in 2006. Time deposits were the main contributor, but declined slightly from Rp15,775 billion in 2005 to Rp15,269 billion in 2006.

Our core earnings in 2006 rose by 28.9% from Rp4,335 billion in 2005 to Rp5,589 billion, contributing 89.9% to 2006 pre-provision operating profit of Rp6,216 billion. We booked increases in all components of pre-provision operating profit during the year.

COMPOSITION OF INTEREST INCOME 2005 & 2006

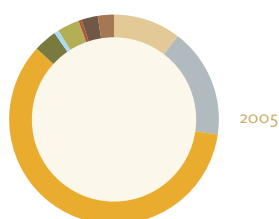


- 37.1% Government Bonds
- 49.6% Loans
- 4.8% Securities
- 3.8% Placements with Bank Indonesia & other banks
- 3.0% Fees and Commissions from loan facilities
- 1.7% Others

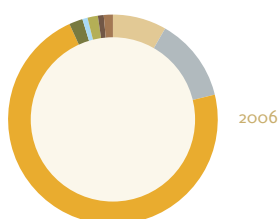


- 41.3% Government Bonds
- 43.1% Loans
- 6.3% Securities
- 4.0% Placements with Bank Indonesia & other banks
- 2.3% Fees and Commissions from loan facilities
- 3.0% Others

COMPOSITION OF INTEREST EXPENSES 2005 & 2006



- 10.4% Demand Deposits
- 16.9% Saving Deposit
- 59.5% Time Deposits
- 3.6% Fund Borrowings
- 0.7% Subordinated Loans
- 3.4% Securities Issued
- 0.5% Loan Capital
- 2.5% Other Financing Expenses
- 2.5% Others



- 8.3% Demand Deposits
- 12.9% Saving Deposit
- 72% Time Deposits
- 2.1% Fund Borrowings
- 0.8% Subordinated Loans
- 1.6% Securities Issued
-
- 0.9% Other Financing Expenses
- 1.4% Others

Other operating income for 2006 of Rp2,486 billion was slightly better than Rp2,323 billion from 2005. Net gains on foreign exchange transactions increased by 413.5% from Rp74 billion in 2005 to Rp380 billion in 2006.

Other income fell by 47.8% from Rp672 billion in 2005 to Rp351 billion in 2006. This decrease was mainly due to declines in the value of guarantees for, as well as an effective decrease in the principal value of, SUFRNs.

Other fees and commissions increased by 11.3% from Rp1,577 billion in 2005 to Rp1,755 billion in 2006 and comprised 70.6% of other operating income in 2006, higher than the 67.9% in 2005.

PRE-PROVISION OPERATING PROFIT

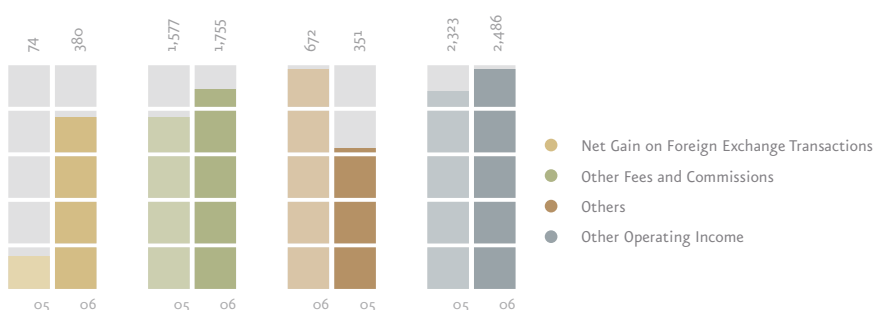
Rp billion

	2002	2003	2004	2005	2006
Core Earnings *)	4,034	4,845	5,492	4,335	5,589
Profit (loss) from Foreign Exchange Transactions	(25)	114	402	74	380
Gain from Increase in Value of and Sale of Securities and Government Bonds	2,021	2,072	1,651	166	247
Pre-provision Operating Profit	6,030	7,031	7,545	4,575	6,216

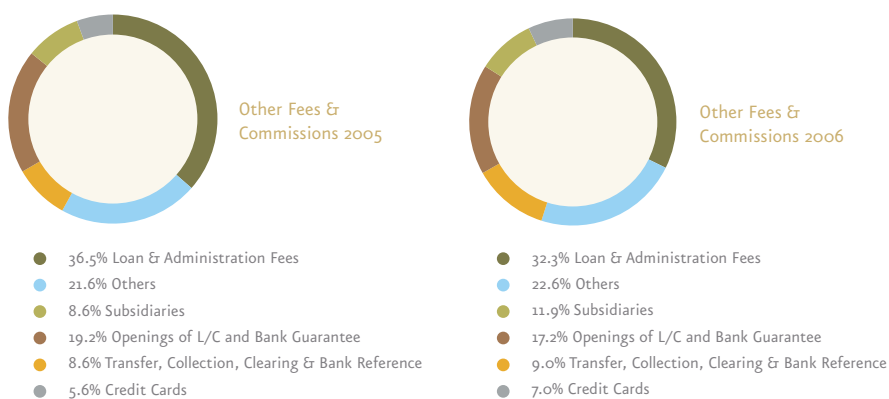
Notes :

*) Core earnings consist of net interest income, fees and commissions and other operating income less overhead expenses and other operating expenses.

OTHER OPERATING INCOME (Rp billion)



OTHER FEES AND COMMISSIONS IN 2005 AND 2006



(PROVISIONS)/REVERSAL OF PROVISIONS

Bank Mandiri fully adopted Bank Indonesia regulations on provisioning for possible losses on loans as of March 31, 2005.

BANK MANDIRI PROVISIONING POLICY BY LOAN CLASSIFICATION

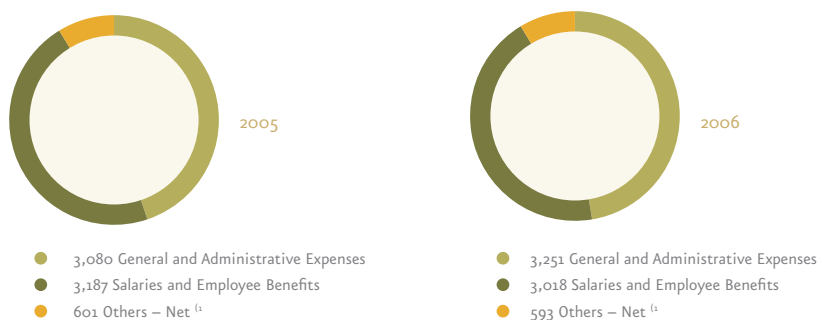
Collectibility	1	2	3	4	5
Pre-March 31, 2005	2%	15%	50%	100%	100%
Post-March 31, 2005	1%	5%	15%	50%	100%

PROVISIONS FOR POSSIBLE LOSSES ON EARNING ASSETS, COMMITMENTS AND CONTINGENCIES, AND OTHER PROVISIONS, 31 DECEMBER 2005 & 2006

Rp billion

	2005	2006
Provisions for Possible Losses on Loans	3,861	4,159
(Reversal)/provisions for Possible Losses on other Earning Assets	584	(487)
Net Provision for for Possible Losses on Earning Assets	4,445	3,672
(Reversal)/provisions for others and commitments & contingencies	(1,057)	(167)
Net Provisions	3,388	3,505

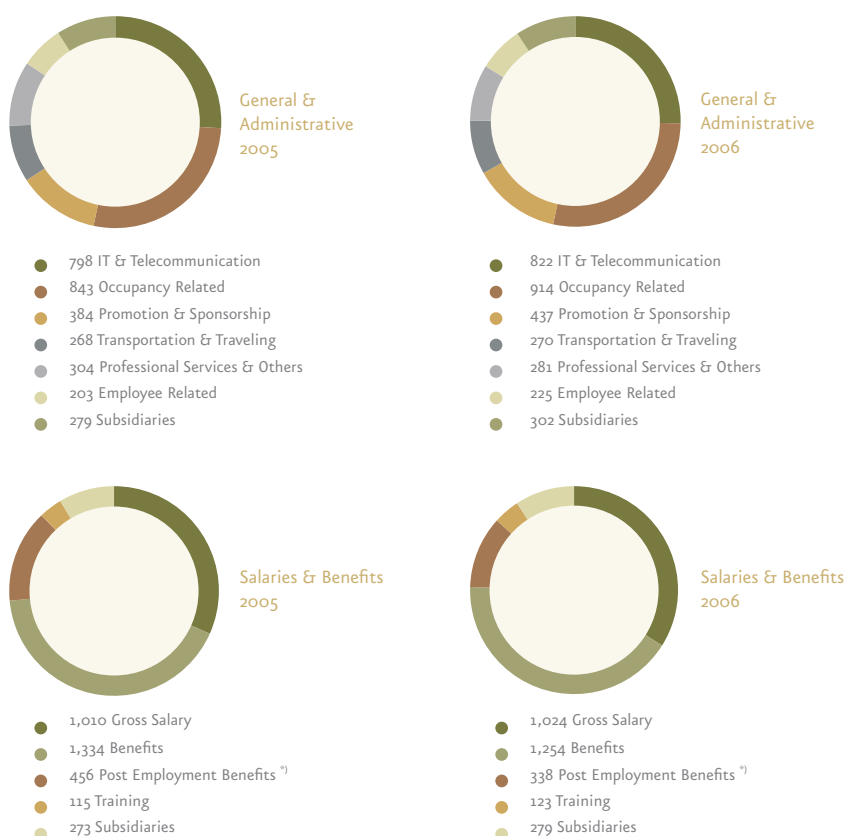
OTHER OPERATING EXPENSES (Rp billion)



Notes:

- 1) Includes expenses related to third-party fund guarantees under the Government Blanket Guarantee Program

OVERHEAD EXPENSES 2005 AND 2006 (Rp billion)



Notes:

- ^{*)} Starting in 2005, Bank Mandiri has recognized provisioning for post employment benefits (Masa Bebas Tugas -MBT), which generally entail full facilities including salary, leaving allowance, THR, etc for one year between an employee's retirement and reaching his or her pension age. For 2006 and 2005, we provisioned Rp490 billion and Rp376 billion respectively

Total net provisions for possible losses increased by 3.5% from Rp3,388 billion in 2005 to Rp3,505 billion in 2006. This was mainly due to a decrease in reversal of other provisions from Rp1,057 in 2005 to Rp129 billion in 2006 as well as a decrease in provisions for earning assets from Rp4,445 billion in 2005 to Rp3,672 billion in 2006.

GAINS/(LOSSES) FROM SALE OF SECURITIES AND GOVERNMENT BONDS

Bank Mandiri recorded gains from the sale of securities and Government Bonds of Rp138 billion in 2006 and Rp255 billion in 2005. This decrease was mainly due to a reduction in the volume of Government Bonds sold in 2006 to Rp1,852 billion (nominal value) from Rp2,544 billion (nominal value) in 2005. We booked gains of Rp43 billion on the sale of Government Bonds in 2006 as the selling prices were higher than the mark-to-market value from 2005.

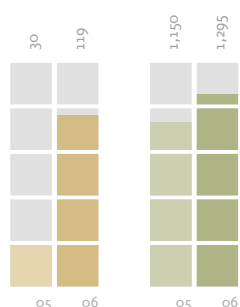
UNREALIZED GAINS/(LOSSES) FROM CHANGES IN VALUE OF SECURITIES AND GOVERNMENT BONDS

Bank Mandiri had unrealized gains from changes in the value of securities and Government Bonds in 2006 of Rp109 billion versus losses of Rp89 billion in 2005.

Other operating expenses slightly decreased from Rp6,868 billion in 2005 to Rp6,862 billion in 2006. General and administrative expenses increased by 5.6% from Rp3,080 billion in 2005 to Rp3,252 billion in 2006, while salaries and employee benefits fell by 5.3% from Rp3,187 billion in 2005 to Rp3,018 billion in 2006.

Other expenses-net dropped from Rp601 billion in 2005 to Rp593 billion in 2006.

EARNINGS & BOOK VALUE PER SHARE (Rupiah)



- Earnings per Share
- Book Value per Share

SUMMARY OF BALANCE SHEET, 31 DECEMBER 2005 AND 2006

	2005 (Rp billion)	USD million	2006 (Rp billion)	USD million	% Change
Total Assets	263,383	26,794	267,517	29,714	1.6
Cash & Placements with Bank Indonesia	37,566	3,822	39,875	4,429	6.2
Demand Deposits & Placements with Other Banks – Net	16,054	1,633	9,973	1,108	(37.9)
Securities – Net	4,027	410	4,031	448	0.1
Government Bonds	92,056	9,365	90,648	10,069	(1.5)
- Trading	2,144	218	834	93	(61.1)
- Available for Sale	28,818	2,932	28,719	3,190	(0.3)
- Held to Maturity	61,095	6,215	61,095	6,786	-
Loans	106,693	10,854	117,671	13,070	10.3
- Performing	79,804	8,118	98,442	10,934	23.4
- Non Performing	26,889	2,735	19,229	2,136	(28.5)
Provision for Possible Loan Losses	(11,824)	(1,203)	(14,389)	(1,598)	21.7
Loans – Net	94,869	9,651	103,282	11,472	8.9
Total Deposits – Non Bank	206,289	20,986	205,708	22,849	(0.3)
- Demand Deposits	46,410	4,721	48,813	5,422	5.2
- Savings	47,153	4,797	60,304	6,698	27.9
- Time Deposits & Certificates of Deposit	112,726	11,468	96,591	10,729	(14.3)
Equity	23,215	2,362	26,341	2,926	13.5

NET NON-OPERATING INCOME

Net non-operating income jumped from Rp45 billion in 2005 to Rp120 billion in 2006.

PROVISION FOR INCOME TAX

Provision for income tax decreased by 35% from Rp629 billion in 2005 to Rp409 billion in 2006.

Bank Mandiri adopts the liability method to determine income tax expenses. Using this method, deferred tax assets and liabilities are recognized for all temporary differences between the financial and the tax bases of asset and liability values on each reporting date. This method also requires the recognition of future tax benefits, such as the carry-forward of unused tax losses, to the extent that realization of such benefits is probable.

Items that can be categorized as temporary differences include:

- a. Depreciation of fixed assets
- b. Provision for personnel expenses
- c. Provision for possible losses on earning assets and commitments and contingencies
- d. Provision for possible losses in legal cases
- e. Gains (losses) on increase (decrease) in value of securities and Government Bonds

Assets and income tax liability are calculated based on the effective tax rate expected to be applicable at the time of realization.

Deferred tax assets – net as of 31 December 2006 were Rp3,295 billion, compared to Rp2,231 billion as of 31 December 2005.

Earnings per Share (EPS) are calculated as net profit divided by the weighted average number of shares outstanding for the year. For 2006, the weighted average number of shares outstanding is 20,334,565,065, while that for

2005 is 20,182,096,657 shares. EPS for 2006 was Rp119 compared to Rp30 in 2005 as net profit increased by 301.5% to Rp2,421 billion in 2006 from Rp603 billion in 2005.

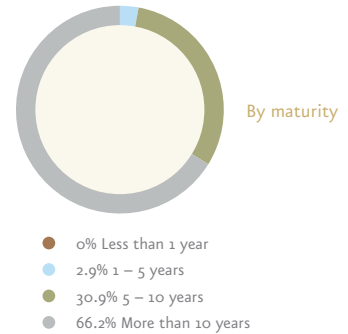
Net profit increased mainly as a result of a rise in net interest income from Rp8,955 billion in 2005 to Rp10,345 billion in 2006 and an increase in other operating income from Rp2,323 billion in 2005 to Rp2,486 billion in 2006.

Bank Mandiri's book value per share increased by 12.6% to Rp1,295 as of 31 December 2006 from Rp1,150 at the end of 2005.

GOVERNMENT BONDS BY PORTFOLIO AND INTEREST RATE TYPE

Rp billion

	Trading	Available for Sale	Held to Maturity	Total	% of total
Fixed Rate	784	2,016	1,350	4,150	4.6
Variable Rate	50	26,703	59,745	86,498	95.4
Total	834	28,719	61,095	90,648	100.0
% of total	0.9	31.7	67.4	100.0	



Total assets rose by 1.6% in the year from Rp263,383 billion as of 31 December 2005 to Rp267,517 billion as of 31 December 2006.

CASH AND PLACEMENTS WITH BANK INDONESIA

Cash and Placements with Bank Indonesia rose by 6.2% from Rp37,566 billion as of 31 December 2005 to Rp39,875 billion as of 31 December 2006. This was mainly due to an increase in placements with Bank Indonesia from Rp35,043 billion as of 31 December 2005 to Rp35,909 billion as of 31 December 2006.

Our current account with Bank Indonesia rose from Rp20,305 billion as of 31 December 2005 to Rp21,579 billion as of 31 December 2006.

Our holdings of Certificates of Bank Indonesia (SBI) as of 31 December 2006 increased by 121.2% from Rp6,477 billion as of 31 December 2005 to Rp14,330 billion.

DEMAND DEPOSITS AND PLACEMENTS WITH OTHER BANKS

Demand Deposits and Placements with Other Banks fell by 37.9% from Rp16,054 billion as of 31 December 2005 to Rp9,973 billion as of 31 December 2006, driven largely by a decrease in placements with other banks from Rp15,348 billion as of 31 December 2005 to Rp9,424 billion as of 31 December 2006.

SECURITIES

Securities – net increased slightly from Rp4,027 billion as of 31 December 2005 to Rp4,031 billion as of 31 December 2006.

GOVERNMENT BONDS

The fair value of Bank Mandiri’s Government Bond portfolio as of 31 December 2006 was Rp90,648 billion, comprising 33.9% of our total assets.

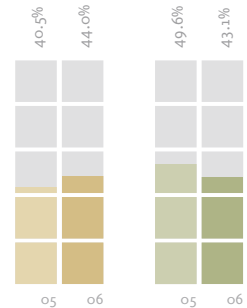
These bonds consisted of fixed and variable rate bonds. The coupons for the fixed rate bonds range from 13.15% to 15.58% per annum, while interest payments on our variable rate bonds are pegged to the 3-month SBI. As of 31 December 2006, Bank Mandiri’s variable rate Government Bonds comprised 95.4% of our total Government Bond portfolio

Bank Mandiri sold Rp1,852 billion (nominal value) of Government Bonds in 2006 and recognized gains of Rp43 billion. For 2006 our unrealized gains on Government Bonds were Rp66 billion compared to a loss of Rp101 billion in 2005.

In accordance to Indonesian GAAP, the unsold portion of Government Bonds – trading and available for sale should be valued based upon the market value at the end of each month, while the Government Bonds – held to maturity should be recorded at their acquisition cost.

Total loans (gross and consolidated) as of 31 December 2006 stood at Rp117,671 billion or 44.0% of total assets. This level was 10.3 % higher than our 31 December 2005 position of Rp106,693 billion.

LOANS



- Loans to Total Asset Ratio
- Ratio of Loan Interest Income to Total Interest Income

The following tables detail our loan movement for both performing and non-performing loans (bank only) from 31 December 2005 through 31 December 2006.

PERFORMING LOANS

Rp billion

Balance 31 December 2005	73,539
Downgrade to NPL	(4,818)
Upgrade from NPL	6,257
Net disbursement	17,071
Foreign Exchange Impact	(1,347)
Balance 31 December 2006	90,702

NON PERFORMING LOANS

Rp billion

Balance 31 December 2005	26,627
Downgrade to NPL	4,818
Upgrade from NPL	(6,257)
Repayment	(2,398)
Written-Off	(4,476)
Net disbursement	1,650
Foreign Exchange Impact	(1,287)
Balance 31 December 2006	18,677

LOAN SEGMENTATION DETAILS

The table below provides loan segmentation details (bank only) as of 31 December 2006:

Segment	Outstanding			Total	%
	Coll	Rupiah	Forex		
Corporate					
	1	20,237	12,378	32,615	60.8
	2	2,752	7,933	10,685	19.9
	3	824	309	1,132	2.1
	4	71	20	91	0.2
	5	3,465	5,624	9,090	17.0
Subtotal Corporate		27,350	26,263	53,613	49.0
Non performing loan		4,360	5,953	10,313	19.2
Commercial					
	1	18,552	4,076	22,628	69.5
	2	2,060	886	2,946	9.1
	3	535	185	720	2.2
	4	203	3	206	0.6
	5	3,635	2,429	6,064	18.6
Subtotal Commercial		24,985	7,579	32,564	29.8
Non performing loan		4,373	2,617	6,990	21.5
Small & Micro					
	1	8,308	31	8,339	78.8
	2	1,387	4	1,391	13.1
	3	59	0	59	0.6
	4	117	0	117	1.1
	5	677	0	677	6.4
Subtotal Small & Micro		10,548	35	10,583	9.7
Non performing loan		853	0	853	8.1
Consumer					
	1	10,132	22	10,154	80.5
	2	1,945	0	1,945	15.4
	3	80	0	80	0.6
	4	110	0	110	0.9
	5	332	0	332	2.6
Subtotal Consumer		12,599	22	12,621	11.5
Non performing loan		522	0	522	4.1
Total Loans		75,482	33,898	109,380	

COMPOSITION OF THE LOAN PORTFOLIO (BASED UPON THE BANK'S NUMBER)

AS OF 31 DECEMBER 2006

Loan size(Rp billion)	Number of Accounts			Balance (Rp billion)		
	Total	NPL Accounts	NPL %	Total	NPL Amount	NPL %
< 25	305,812	39,435	12.9%	38,991	5,754	14.8%
>= 25 to < 100	502	123	24.5%	24,004	5,749	24.0%
>= 100 to < 500	149	26	17.5%	28,810	4,557	15.8%
>= 500 to < 1,000	17	2	11.8%	11,859	1,362	11.5%
>= 1,000	4	1	25.0%	5,716	1,255	22.0%
TOTAL	306,484	39,587	12.9%	109,380	18,677	17.1%

RESTRUCTURED LOAN MOVEMENT, 2006

Rp billion

Balance at the Beginning of Year	19,427
Additional Restructurings	5,573
Loan Repayments	(10,701)
Loans Written-Off	(721)
Others ^{*)}	7,336
Balance at End of Year	20,914

^{*)} Includes partial payments, foreign currency translation effects and fluctuation in working capital facilities.

RESTRUCTURED LOANS BY TYPE OF RESTRUCTURING 2005 & 2006

Rp billion

	2005	2006	%
Long-term Loans with Option to convert Debt to Equity	1,568	1,518	7.3
Additional Loan Facilities	511	319	1.5
Extension of Loan Maturity Dates	9,738	12,064	57.7
Extension of Loan Maturity Dates & Reduction of Interest Rates	2,370	4,484	21.4
Extension of Loan Maturity Dates & Other Restructuring Schemes ¹⁾	5,240	2,529	12.1
Total	19,427	20,914	100

Notes:

¹⁾ Other restructuring schemes mainly involve reduction of interest rates, rescheduling of delayed interest payments and extension of delayed interest payment period.

WRITTEN-OFF LOAN MOVEMENT 2005 AND 2006 (BANK ONLY)

(Rp billion)

	2005	2006
Balance at Beginning of Year	21,527	22,622
Write-Offs	1,456	4,476
Recoveries ¹⁾	(817)	(3,411)
Others ²⁾	456	1,071
Balance at End of Year	22,622	24,758

Notes:

¹⁾ Includes write-back amounted Rp2,336 billion.

²⁾ Includes foreign currency translation effects

RESTRUCTURED LOANS

17.8% of our total loans as of 31 December 2006, or Rp20,914 billion, had been previously restructured, an increase of 7.7% from Rp19,427 billion as of 31 December 2005.

WRITTEN-OFF LOANS

In 2006, Bank Mandiri wrote off loans totaling Rp4,476 billion (bank only) and recovered Rp3,411 billion (include write-backs amounting to Rp2,336 billion) from loans previously written-off during and prior to 2006. The balance of loans previously written-off totaled Rp24,758 billion as of 31 December 2006 and is recorded off-balance sheet but continues to be recovered.

LOANS PURCHASED FROM IBRA

Loans purchased from IBRA and included in our year-end balance of total loans stood at Rp3,050 billion as of 31 December 2006. Since we have signed new loan agreements against all of these loans, we record differences between the face value and acquisition cost as a provision for possible losses on earning assets.

DEPOSITS

Total deposits fell slightly from Rp206,289 billion as of 31 December 2005 to Rp205,708 billion as of 31 December 2006.

Our time deposits registered a drop of 14.3% from Rp112,726 billion to Rp96,591 billion, while savings deposits grew by 27.9% from Rp47,153 billion to Rp60,304 billion. Demand deposits also rose by 5.2% from Rp46,410 billion to Rp48,813 billion.

As a percentage of total deposits as of 31 December 2006, demand and saving deposits increased by 1.2% and 6.4% respectively, while time deposits declined by 7.6% from a year before. Low cost deposits account for 53.0% of total deposits, up from 45.5% in the previous year.

EQUITY

Total equity at year-end increased by 13.5% from Rp23,215 billion in 2005 to Rp26,341 billion in 2006. This was primarily due to an increase in retained earnings from Rp4,005 billion as of 31 December 2005 to Rp6,113 billion as of 31 December 2006.

A portion of our 2005 profit was distributed in calendar year 2006 for purposes including dividend payments, general reserves and the Cooperatives & Community Development Fund Programs. Bank Mandiri paid total dividends for 2005 of Rp14.853 per share for a total of Rp302 billion compared with Rp130.496 per share, for a total of Rp2,628 billion for 2004.

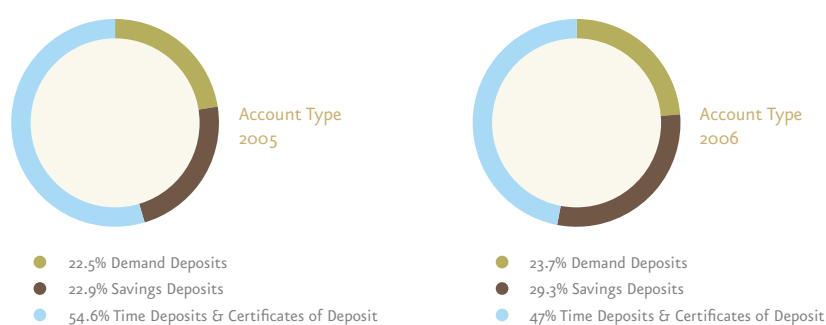
CLASSIFICATION OF LOANS PURCHASED FROM IBRA AS OF 31 DECEMBER 2005 & 2006 (Rp billion)

Collectibility	2005	2006
Current	631	471
Special mention	436	2,073
Sub standard	571	6
Doubtful	156	-
Loss	2,977	500
Total	4,771	3,050
NPL	77.6%	16.6%

LOANS PURCHASED FROM IBRA AS OF 31 DECEMBER 2005 & 2006 (Rp billion)

Description	2005	2006
Outstanding Balances	4,771	3,050
Deferred Income	160	86
Allowance for Possible Losses on Loans Purchased	807	379
Interest and Other Incomes from Loans Purchased from IBRA	209	139
Additional Loans	12	11

DEPOSIT COMPOSITION BY ACCOUNT TYPE AS OF 31 DECEMBER 2005 & 2006



DEPOSIT COMPOSITION (BANK ONLY) BY CUSTOMER SEGMENT AS OF 31 DECEMBER 2006 (Rp billion)

Deposits	Currency	Demand Deposits	Time Deposits	Savings Deposits	Total
Corporate	Rp	18,955	21,068	-	40,024
	Forex	5,249	6,893	-	12,142
Total		24,204	27,962	-	52,165
Commercial	Rp	12,496	7,278	-	19,774
	Forex	3,415	1,378	-	4,793
Total		15,911	8,656	-	24,567
Consumer	Rp	2,155	52,121	57,614	111,890
	Forex	4,525	4,291	-	8,816
Total		6,680	56,412	57,614	120,706

LIQUIDITY POSITION OF BANK MANDIRI AS OF 31 DECEMBER 2005 & 2006

(Rp billion)

	2005	2006
Liquid Assets ¹⁾	56,122	52,589
Government Recapitalization Bonds Held for Trading and Available for Sale	30,961	29,553
Loan to Deposit Ratio ²⁾	51.7%	57.2%
Liquid Assets to Total Assets	21.3%	19.7%
Liquid Assets to Deposits ²⁾	27.2%	25.6%

Notes:

¹⁾ Liquid assets consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia, other banks and financial institutions, and securities (excluding Government recapitalization Bonds) held in trading and available for sale portfolios.

²⁾ Excluding deposits from other banks.

LIQUIDITY AND CAPITAL RESOURCES

Bank Mandiri's activities for 2006 were primarily funded through a combination of interest income from loans, other fees & commissions, sale of Government Bonds, and an increase in demand and savings deposits. In addition, we also earned income from the inter-bank money market. We maintained our liquidity reserve position, which is usually larger than the Minimum Reserve Requirement of Bank Indonesia, to anticipate any increase in deposit withdrawals.

Bank Mandiri utilized these funding sources and capital to pay interest expenses for third party funding and fund borrowings, loans, repayment of fund borrowings, placements with other banks and operating expenses (including salary and benefits for employees and general and administrative expenses).

Bank Mandiri made use of Government Bonds to support liquidity and improve earning assets through collateral fund borrowing, bond sales with agreements to repurchase, as well as outright sales. In 2006, we sold Government Bonds with a nominal value of Rp1,860 billion with agreements to repurchase in January 2007, June 2007, January 2008, November 2009 and May 2010.

Cash flows from third party funds significantly affected the Bank's liquidity in 2006. Bank Mandiri had a positive cash flow generated from the increase in demand and saving deposits, despite the outflow from time deposits.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash inflows from operating activities in 2006 were recorded at Rp12,240 billion, derived primarily from interest income of Rp25,760 billion, of which interest from loans contributed Rp11,319 billion. Net cash inflows were also affected by the receipt of other fees & commissions of Rp2,359 billion and an increase in demand and saving deposits amounting to Rp17,644 billion, and partially offset by cash outflows due to interest expenses of Rp15,880 billion, additional loans of Rp15,874 billion and a decline in time deposits of Rp15,497 billion.

We booked Rp9,554 billion in net cash inflows from operating activities in 2005, derived primarily from interest income of Rp19,535 billion, of which interest from loans contributed Rp10,419 billion. This net cash inflow was also boosted by higher levels of fees and commissions of Rp2,210 billion and an increase in demand and time deposits amounting to Rp31,190 billion. Offsetting cash outflows included interest expenses of Rp11,783 billion, additional loans of Rp12,121 billion and a drop in saving deposits of Rp6,380 billion.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash outflows from investing activities during 2006 were Rp7,638 billion, primarily due to an increase of securities available for sale and held to maturity of Rp6,678 billion and purchases of fixed assets amounting to Rp264 billion and partially offset by cash inflows from sale of fixed assets of Rp65 billion.

For 2005, net cash inflows from investing activities were Rp3,891 billion, primarily due to sale or redemption of securities –available for sale and held to maturity of Rp1,928 billion and Government Bonds – available for sale and held to maturity of Rp1,935 billion.

CASH FLOW FROM FUNDING ACTIVITIES

Bank Mandiri's net cash outflows from funding activities during 2006 amounted to Rp2,042 billion, including repayment of borrowed funds of Rp1,522 billion, repayment of subordinated loans of Rp245 billion, purchase of securities with agreement to resell of Rp187 billion, stock option execution charges of Rp415 billion, as well as payments for dividends and Community and Small Business Programs of Rp314 billion.

Net cash outflows from funding activities during 2005 were Rp8,995 billion, primarily due to the repayment of borrowing of Rp3,035 billion, repayment of subordinated loans of Rp2,414 billion and payments for dividends of Rp2,759 billion.

CAPITAL EXPENDITURES

Bank Mandiri has budgeted Rp500 billion in 2007 for capital expenditures, of which Rp17 billion is for network expansion and renovation, Rp438 billion for office equipment, hardware and software.

COMMITMENTS & CONTINGENCIES

Total credit risk bearing commitments and contingencies as of 31 December 2006 declined by 5.2% compared to 2005. This was entirely due to a drop in our foreign currency-denominated commitments and contingencies.

Allowance for possible losses on commitments and contingencies as of 31 December 2006 and 2005 were Rp514 billion and Rp 594 billion respectively.

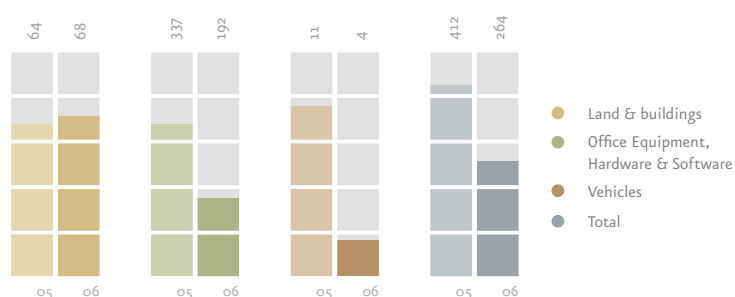
OTHER FINANCIAL RATIOS (BANK ONLY)

The following table provides other financial ratios in accordance to Bank Indonesia's regulations.

COLLECTIBILITY OF COMMITMENTS & CONTINGENCIES, 31 DECEMBER 2005 & 2006 (Rp billion)

	2005	2006
Performing	15,251	14,926
Non Performing	639	139

CONSOLIDATED CAPITAL EXPENDITURES 2005 & 2006 (Rp billion)



CREDIT RISK BEARING COMMITMENTS AND CONTINGENCIES, 31 DECEMBER 2005 & 2006

(Rp billion)

	2005	2006
Rupiah:		
Outstanding Irrevocable Letters of Credit	604	892
Bank Guarantees Issued	3,797	3,747
Standby Letters of Credit		
	4,401	4,639
Foreign Exchange		
Outstanding Irrevocable Letters of Credit	3,236	3,024
Bank Guarantees Issued	4,696	4,535
Standby Letters of Credit	3,557	2,867
	11,489	10,426
	15,890	15,065

OTHER FINANCIAL RATIOS (BANK ONLY)

Ratio	2005	2006
Non-Performing Earning Assets	12.3%	8.3%
Allowance for Possible Losses on Earning Assets to Earning Assets	6.1%	6.7%
Provision for Possible Losses on Earning Assets	103.0%	107.8%
Operating Expenses to Operating Income ¹⁾	95.0%	90.1%
Percentage of Lending in Excess of Legal Lending Limit		
- Related Party	0.0%	0.0%
- Third Party	0.0%	0.0%
Percentage of Violation of Legal Lending Limit		
- Related Party	0.0%	0.0%
- Third Party	0.0%	0.0%
Rupiah Minimum Reserve Requirement	11.3%	11.7%
Net Open Position ²⁾	2.6%	4.5%

Notes:

1) Operating expenses include interest expenses, provision for possible losses on earning assets and other assets divided by operating income inclusive of interest income.

2) Include balance sheet and administratif account.

GOOD CORPORATE GOVERNANCE

The Commissioners and Directors of Bank Mandiri are committed to fostering a strong and healthy banking industry within Indonesia, with Bank Mandiri as its cornerstone. They also aspire, over the longer term, to transform Bank Mandiri into a regional champion bank. The Bank's management feels that the cultivation of Good Corporate Governance (GCG) principles is an integral prerequisite in this process, and one that will improve investors' confidence as well as enhance the Bank's value to shareholders and other stakeholders.

The Bank believes that the consistent application of GCG principles will confer a number of concrete benefits to the Bank and all of its stakeholders by:

1. Ensuring management's commitment in applying principles of openness, accountability, responsibility, independence, fairness and prudence in managing the Bank.
2. Improving the Bank's performance, efficiency and services to stakeholders.
3. Enhancing our ability to access flexible, low-cost funding.
4. Stimulating investors' interest and confidence.
5. Protecting the Bank from external intervention and lawsuits.
6. Improving foreign investors' confidence to invest in Indonesia.

The recent issuance of PBI (Bank Indonesia Regulation) No. 8/4/PBI/2006 - as amended to PBI No. 8/14/PBI/2006 regarding the Implementation of Good Corporate Governance has provided new guidelines to the banking sector for GCG practices. Bank Mandiri, as a publicly listed state-owned enterprise, also remains subject to a variety of other regulatory regimes in implementing Good Corporate Governance. These include other BI regulations as well as the Act on Corporations Decree of the Minister of State-Owned Enterprises No.

Kep-117/M-MBU/2002 on the Implementation of GCG Practice in SOEs, BAPEPAM regulations and the Good Corporate Governance Code of the National Committee on Corporate Governance Policy (KNKCG – Komite Nasional Kebijakan Corporate Governance).

ESTABLISHMENT OF GOOD CORPORATE GOVERNANCE COMMITTEE

Bank Mandiri has recognized the importance of Good Corporate Governance implementation long before the issuance of PBI No. 8/4/PBI/2006. The Board of Commissioners of the Bank established the Good Corporate Governance (GCG) Committee on 18 July 2005. This was in accord with the Commissioners' tasks to oversee Directors in administering the Banks businesses in addition to supervising the implementation of Good Corporate Governance and its best practices.

PROMOTION OF GOOD CORPORATE GOVERNANCE

Bank Mandiri devotes considerable effort to encouraging its employees to adopt principles of and best practices in Good Corporate Governance. These and other related policies, such as our Corporate Values and Corporate Behaviors, are widely promoted through Socialization Forums in the head office, campaign visits to regional areas, training/workshops, focus groups, media campaigns in Bank Mandiri's Internal Bulletin, Intranet-based information that is accessible to all employees and a Knowledge-Based Management System (KMS), among others. All members of the GCG Committee were directly involved in preparing and delivering the socialization program materials to all working units in the head office and the regions.

Bank Mandiri is also an active advocate of Good Corporate Governance to other stakeholders through events such as the KNKCG Forum, regular dialogues held by other SOEs and national as well as international seminars on GCG.

This endorsement also includes the GCG section in the Bank's annual report, the corporate website, the many investor forums in which the Bank participates and other means of communication that enable all stakeholders to become thoroughly informed as to the implementation of GCG by the Bank.

GOOD CORPORATE GOVERNANCE IMPLEMENTATION REVIEW

To ensure improvement in the Bank's implementation of GCG principles, Bank Mandiri since 2003 has sought out the review, advice and opinion of various independent external organizations, including Standard & Poor's, PriceWaterhouseCoopers and The Indonesian Institute for Corporate Governance (IICG).

In December 2006, The Indonesian Institute for Corporate Governance (IICG) announced the results of their 2006 Corporate Governance Perception Index (CGPI) conducted starting in March 2006. This review encompassed several banks along with other companies. The CGPI results ranked Bank Mandiri in second place for the financial sector category, with the designation of "trusted". Overall, Bank Mandiri placed third, a significant improvement from its sixth place rank in the CGPI 2004.

In addition, on 24 January 2007 Bank Mandiri received two awards from AsiaMoney Magazine: Best Corporate Governance and Best Disclosure & Transparency. These were conferred based upon the results of a survey of readers that questioned respondents regarding several topics, including disclosure and transparency, accountability of management and Directors, treatment of shareholders and relations with investors.

SELF ASSESSMENT SURVEY

Prior to the release of PBI No. 8/4/PBI/2006 requiring banks to internally assess their Good Corporate Governance practices (internal self

assessment), our GCG Committee had already started to implement this survey approach. The survey is formulated to measure respondents' understanding of, and perception of the implementation of, GCG in Bank Mandiri. In order to formulate a representative conclusion, the survey included the Bank's Commissioners, Directors, Audit Committee, Internal Audit, Group Heads, Department Heads and managers in regional offices and branches. In the interests of soliciting objective opinions as well, the survey also engaged external parties including officials of BAPEPAM-LK, JSX, SSX, investors, vendors, suppliers and other competent parties.

OTHER ACHIEVEMENTS AND AWARDS

The Lloyd's Register Indonesia Certification Body has awarded ISO 9001:2000 certification to our Compliance and Treasury Operations Department – Central Operations Group.

GOOD CORPORATE GOVERNANCE PRINCIPLES OF BANK MANDIRI

- a. Transparency
 - Prompt, sufficient, clear and comparable disclosure of information that is readily accessible by all stakeholders.
 - Disclosure of information that includes, but is not limited to, the Bank's vision, mission, business targets, strategies, financial condition, composition and compensation of management, majority shareholders, cross shareholding, executives, risk management, internal supervision and control systems, compliance status, GCG systems and implementation and all other material information that might bear on an investment decision.
 - This principle does not take precedence over bank confidentiality regulations, confidentiality required for managerial positions or personal rights according to laws and regulation.
 - Formal disclosure and distribution

of information in written form to all stakeholders.

Bank Mandiri reports regularly to Bank Indonesia, BAPEPAM-LK, the Jakarta and Surabaya Stock Exchanges (JSX and SSX), and publicly announces all events and material information which could impact the share price or investment decisions on a timely and objective basis and in accordance with existing rules and regulations.

PBI no 8/4/PBI/2006 along with its amendment requires Bank Mandiri to report its Good Corporate Governance implementation to BI at each year-end, starting from the December 2007 report.

- b. Accountability
 - Clear responsibilities are specified for each of the Bank's organizational units in line with its vision, mission, business targets and strategies. The Bank also sets out competencies required within each of those organizational units.
 - Manages the Bank within a clearly defined check and balance system.
 - Utilizes performance measurement for each organizational unit based on parameters that are aligned with corporate values, business targets and strategies, and distributes incentives accordingly.
 - Ensures that all organizational units are competent for their level of responsibility and understand their roles in implementing GCG.
- c. Responsibility
 - Commits to prudential banking practices and ensures compliance to regulation and laws.
 - As a good corporate citizen, is concerned for the environment and acts accordingly.

- d. Independence
 - Avoids any irregular attempt by a stakeholder to influence the Bank, and remains free of any conflicts of interest.
 - Makes decisions objectively and without regard to the interests of an individual stakeholder.
- e. Fairness
 - Attends to all stakeholders' interests based on equal and fair treatment.
 - Encourages all stakeholders to share advice and opinion in the interests of the Bank. The Bank also provides open access to information to all stakeholders based on principles of transparency.

Bank Mandiri is committed to conferring equal rights and treatment to all shareholders consistent with the classification of their shareholdings.

In addition, as a publicly listed company, Bank Mandiri has several mechanisms that endeavor to protect the rights of minority shareholders:

- a. Shareholders representing ten percent of outstanding shares have the right to propose an agenda item for a Shareholder General Meeting to the Board of Directors.
- b. Independent Shareholders or their representatives should approve, via in AGM, any transaction in which a conflict of interest exists as determined under BAPEPAM-LK Regulation No. IX.E.1 as amended to BAPEPAM-LK Regulation No. KEP-32/PM/2000 regarding a transaction with conflicting interests.
- c. An AGM is required to approve any material transaction as determined under BAPEPAM-LK Regulation No. IX.E.2 as amended to BAPEPAM-LK Regulation no. KEP-02/PM/2001 regarding material transactions.

CORPORATE GOVERNANCE STRUCTURE

a. Commissioners

The Nomination and Remuneration Committee shall recommend candidates for Commissioner according to criteria proposed by shareholders. Shareholders will elect Commissioners following these recommendations in a Shareholder General Meeting in an open and transparent manner. Shareholders may also dismiss Commissioners in a Shareholder General Meeting in an open and transparent manner.

As a listed State-owned bank, Bank Mandiri's Articles of Association affirm that the holder of the Series A Share (The Government of Indonesia) must approve the appointment of Commissioners through a Shareholder General Meeting. Furthermore, the Articles state that only the holder of the Series A Share is eligible to nominate candidates for election at these meetings. Appointments are effective once the Commissioners have passed the fit and proper test of Bank Indonesia.

PBI no 8/4/PBI/2006 rules that shareholders of a bank should appoint a minimum of 3 (three) commissioners and a maximum number equal to the number of its Directors. Since the AGM in May 2005, shareholders of Bank Mandiri have appointed 7 (seven) Commissioners.

The responsibilities and duties of Commissioners include:

- a. Duties as delineated in the Articles of Association.
- b. Managing effective communications between Commissioners, with Directors, external auditors, banking supervision and capital market authorities.
- c. To conform to regulations and oversee the effectiveness of GCG practices.
- d. To follow up on any findings and recommendations regarding apparent divergence from regulations, Articles of Association and prudential banking practices.

- e. To determine guidelines for making and implementing decisions among Commissioners.
- f. Disclosure of share ownership in any corporation as regulated.

Commissioners are prohibited from exploiting the Bank for personal, family, company or group benefit in violation of banking bylaws and common practices

b. Independent Commissioners

Independent Commissioners are expected to influence the working environment, to be more objective, and to maintain fairness and equality among interests including those of minority shareholders and other stakeholders. Independent Commissioners are required to be free from conflicts of interest.

To encourage Bank Mandiri's Good Corporate Governance, shareholders appoint Independent Commissioners through a Shareholder General Meeting, as required by regulation, to supervise the Bank, including its subsidiaries and non-bank affiliates.

In addition, PBI No. 8/4/PBI/2006 regarding Implementation of Good Corporate Governance rules that a Commissioner is independent if he or she is not affiliated in any way with the Board of Directors, other Commissioners or the controlling shareholders. Such affiliation would include any current family, commercial or employment relationships, as well as any other relationship which might affect their independence through a potential conflict of interest.

It also requires that a minimum of 50% of Commissioners of a bank are independent. Furthermore, one of those independent Commissioners should chair the Audit Committee.

Bank Mandiri currently has four out of seven Commissioners who are formally designated as independent. One of the Independent Commissioners, Mrs. Gunarni Soeworo, serves as the Chair of the Audit Committee.

c. Committees under Commissioners

The Board of Commissioners has established the following committees to assist them in the conduct of their duties:

1. Audit Committee: to assist in carrying out its supervisory responsibility regarding financial information, internal control systems and audit effectiveness by external and internal auditors.
2. Nomination and Remuneration Committee: to assist in determining the qualifications, nomination process and remuneration for Commissioners, Directors and other executives.
3. Risk Policy Committee: to assist in the supervision of risk management.
4. Good Corporate Governance Committee: to assist in directing the implementation policies for GCG principles.

d. Directors

PBI No. 8/4/PBI/2006 mandates that the Nomination and Remuneration Committee shall recommend candidates for Director based upon criteria proposed by shareholders. Shareholders will elect Directors considering these recommendations in a Shareholder General Meeting in an open and transparent manner. As with the dismissal of Commissioners, shareholders may also dismiss Directors in a Shareholder General Meeting in an open and transparent manner.

As a listed State-owned bank, Bank Mandiri's Articles of Association affirm that the holder of the Series A Share (The Government of Indonesia) must approve the appointment of Directors through a Shareholder General Meeting. Furthermore, the Articles state that

only the holder of the Series A Share is eligible to nominate candidates for election at these meetings. Appointments are effective once the Directors have passed the fit and proper test of Bank Indonesia.

The responsibilities and duties of Directors, as delineated by PBI No. 8/4//PBI/2006, include:

- a. The effective and efficient operation of the Bank.
- b. Management of the bank as authorized by the Articles of Association and governing regulations.
- c. Adherence to Good Corporate Governance principles in each of the Bank's activities and across all levels of the Bank's organization.
- d. To follow up on any findings and recommendations from Internal Audit, External Auditors, BI Supervisory units and other supervisory bodies.
- e. To establish:
 - Internal Audit Work Unit
 - Risk Management Work Unit and Risk Management Committee
 - Compliance Work Unit
- f. To account for their results to shareholders in a Shareholder General Meeting.
- g. To disclose the Bank's strategic personnel policies to all Bank employees.
- h. To provide timely, accurate and relevant information to the Bank's Commissioners.
- i. To establish guidelines for determining and implementing policy decisions among Directors.

MEETINGS OF THE BOARD OF COMMISSIONERS FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Appointment	Meeting		%
			#	Absent	
1	Edwin Gerungan*	Chairman	27	1	96%
2	Muchayat	Vice Chairman	27	2	93%
3	Soedarjono	Commissioner	27	2	93%
4	Richard Claproth	Commissioner	27	6	78%
5	Gunarni Soeworo*	Commissioner	27	5	81%
6	Pradjoto*	Commissioner	27	17	37%
7	Yap Tjay Soen*	Commissioner	27	2	93%

*) Independent Commissioner

MEETINGS OF THE AUDIT COMMITTEE FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Appointment	Meeting		%
			#	Absent	
1	Gunarni Soeworo	Chair	26	3	88%
2	Soedarjono	Member	26	2	92%
3	Yap Tjay Soen	Member	26	9	65%
4	Zulkifli Djaelani	Member	26	-	100%
5	Imam Sukarno	Member	26	-	100%

MEETINGS OF THE RISK POLICY COMMITTEE FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Appointment	Meeting		%
			#	Absent	
1	Soedarjono	Chair	9	-	100%
2	Gunarni Soeworo	Member	9	2	78%
3	Edwin Gerungan	Member	9	1	89%
4	Tama Widjaja	Member	6	-	100%
5	Pardi Soedrajat	Secretary	9	-	100%

MEETINGS OF THE GCG COMMITTEE FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Appointment	Meeting		%
			#	Absent	
1	Muchayat	Chair	16	2	88%
2	Richard Claproth	Member	16	5	69%
3	Yap Tjay Soen	Member	16	6	63%
4	Anwar Isham	Member	16	1	94%
5	Mustaslimah	Secretary	16	-	100%

MEETINGS OF THE NOMINATION & REMUNERATION COMMITTEE FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Appointment	Meeting		%
			#	Absent	
1	Edwin Gerungan	Chair	7	-	100%
2	Muchayat	Member	7	-	100%
3	Yap Tjay Soen	Member	7	-	100%
4	Kustiawan	Secretary	7	-	100%

Note: Absences are primarily due to business travel.

MEETINGS OF THE BOARD OF DIRECTORS FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Meeting #	Absent	Present %
1	Agus Martowardojo	84	14	83%
2	Wayan Agus Mertayasa	84	10	88%
3	Omar S. Anwar	84	18	79%
4	Zulkifli Zaini	84	5	94%
5	Abdul Rachman	84	7	92%
6	Sasmita	84	9	89%
7	Sentot A. Sentausa ^{*)}	51	5	90%
8	Bambang Setiawan ^{*)}	51	8	84%
9	Riswinandi ^{*)}	51	4	92%
10	Thomas Arifin ^{*)}	51	15	71%
11	Budi G. Sadikin ^{*)}	51	5	90%

^{*)} Appointed since 22 May 2006

Note: Absences are primarily due to business travel.

COMPENSATION PAID TO COMMISSIONERS, DIRECTORS & COMMITTEE MEMBERS OTHER THAN COMMISSIONERS FOR 2006 (IN RUPIAH MILLION)

	Member	Salary	Benefits	Bonus	Total
Board of Commissioners	7	4,733	2,673		7,406
Board of Directors	11	37,588	12,199		28,751
Audit Committee	2	635	177		812
Senior Executive Vice President & Advisors	45	15,668	4,670	3,935	24,273
Total	65	37,588	19,719	3,935	61,242

e. Relationship between Commissioners and Directors

The working relationship between the Commissioners and Directors is both consultative and based upon checks and balances. The Commissioners and Directors are, according to their function, responsible for the long-term viability of business as reflected in:

- Maintaining the Bank's health according to prudential principles and other criteria established by Bank Indonesia.
- Implementing effective risk management and internal control systems.
- Achieving normal returns for shareholders.
- Protecting stakeholder interests.
- Implementing GCG.
- Succession planning and ensuring management continuity across all lines of the organization.

To achieve these responsibilities, the Commissioners and Directors have agreed on the following:

- A corporate vision, mission and values.
- Long-term business plans, strategies, targets and corporate working plans as well as an annual budget.
- Policies, Articles of Association and prudential banking practices, including commitments to prevent any conflicts of interest.
- Policies and mechanisms for performance measurement of the Bank as a whole, the individual units within it, and its personnel.
- An executive level organization structure that supports the achievement of the Bank's goals.
- To convene joint meetings between the Commissioners and Directors at least once every three months.

In committing to these tasks, the Commissioners are assisted by Audit, Nomination & Remuneration, Risk Policy and Good Corporate Governance Committees. Members of each committee are assisted by a secretary that is a related Group Head. At present, these are the Group Head Internal Audit as Secretary to the Audit Committee, Group Head Human Capital as Secretary to the Nomination & Remuneration Committee, Group Head PORG as Secretary to the Risk Policy Committee and Group Head Compliance as Secretary to the GCG Committee.

f. Compliance Director

At the Bank's Shareholder General Meeting (AGM) on 22 May 2006, shareholders approved the appointment of the Board of Directors, and conveyed the authority to the Commissioners of the Bank to determine the allocation of duties and responsibilities for each director in reference to the Articles of Association of the Bank.

In reference to PBI No. 1/6/PBI/1999 from 20 September 1999, Bank Mandiri, through a letter No. DIRUT/107/2006 dated 9 June 2006 regarding "Report of Changes of the Bank's Management and Approval Request for the Appointment of Compliance Director of PT Bank Mandiri (Persero) Tbk", proposed the appointment of a Compliance Director to the Board of Governors of Bank Indonesia.

Bank Indonesia responded to this request and through its letter No. 8 / 79 / GBI / DPIP / Rahasia dated 30 June 2006, approving the appointment of Bambang Setiawan as the Compliance Director of Bank Mandiri.

Bank Indonesia rules that in order to assure independence, the Compliance Director may not be the President Director, nor may he or she manage any other operational activities, including accounting or internal audit. The Compliance Director must understand all BI regulations and any other relevant laws and regulations, and be able to work independently.

In this capacity, the Compliance Director will report directly to Bank Indonesia in addition to the President Director and Board of Commissioners.

BANK MANDIRI SHARE AND SHARE OPTION OWNERSHIP OF COMMISSIONERS, DIRECTORS, AND COMMITTEE MEMBERS OTHER THAN COMMISSIONERS AS OF 31 DECEMBER 2006

No	Name	Bonus Share	Discount Share	MSOPo1	MSOPo2	Total Share	Option
Commissioner							
1	Edwin Gerungan *-	-	-	-	-	-	-
2	Muchayat #-	-	-	-	-	-	-
3	Soedarjono *+	-	-	-	-	-	-
4	Richard Claproth #	-	-	-	-	-	-
5	Goenarni Soeworo *+	-	-	-	-	-	-
6	Pradjoto	-	-	-	-	-	-
7	Yap Tjay Soen # +	-	-	-	-	-	-
Director							
1	Agus Martowardojo	-	-	-	3,148,399	3,148,399	-
2	Wayan Agus Mertayasa	-	-	8	2,785,507	2,785,515	-
3	Abdul Rachman	57	176	-	2,422,115	2,422,348	2,836,436
4	Omar S. Anwar	-	-	-	2,422,115	2,422,115	8
5	Bambang Setiawan	49,985	-	115,677	2,179,853	2,345,515	415,677
6	Sentot A. Sentausa	49,985	105,000	415,854	2,179,853	2,750,692	-
7	Sasmita	60,038	225,000	-	2,422,115	2,707,153	998,562
8	Zulkifli Zaini	60,038	-	-	2,422,115	2,482,153	499,562
9	Riswinandi	-	-	-	-	-	-
10	Thomas Arifin	-	-	-	-	-	-
11	Budi G. Sadikin	-	-	-	-	-	-
Committee Members other than Commissioner							
1	Zulkifli Djaelani +	259	185	-	-	444	-
2	Imam Sukarno +	-	-	-	-	-	-
3	Tama Widjaja *	-	-	-	-	-	-
4	Anwar Isham #	-	-	-	-	-	-

- Nomination & Remuneration Committee
- # GCG Committee
- * Risk Policy Committee
- + Audit Committee

JOINT MEETINGS FOR 1 JANUARY - 31 DECEMBER 2006

No	Name	Meeting #	Absent	% Attendance
Commissioner				
1	Edwin Gerungan [¶]	9	-	100%
2	Muchayat	9	3	67%
3	Soedarjono	9	-	100%
4	Richard Claproth	9	2	78%
5	Gunarni Soeworo [¶]	9	2	78%
6	Pradjoto [¶]	9	4	56%
7	Yap Tjay Soen [¶]	9	1	89%

[¶] Independent Commissioner

Director				
1	Agus Martowardojo	9	-	100%
2	Wayan Agus Mertayasa	9	2	78%
3	Omar S. Anwar	9	-	100%
4	Zulkifli Zaini	9	-	100%
5	Abdul Rachman	9	1	89%
6	Sasmita	9	-	100%
7	Sentot A. Sentausa [*]	3	-	100%
8	Bambang Setiawan [*]	3	-	100%
9	Riswinandi [*]	3	-	100%
10	Thomas Arifin [*]	3	2	33%
11	Budi G. Sadikin [*]	3	-	100%

^{*}Appointed since 22 May 2006

Note: Absences are primarily due to business travel.

g. External Auditor and Independent Reviewer

The Bank's Articles of Association establish that the Board of Commissioners must propose to a Shareholder General Meeting the appointment of public accountants to conduct the annual audit of the Bank's financial statements. The proposed public accountants must be licensed by the Ministry of Finance of the Republic of Indonesia and registered with BAPEPAM-LK.

The appointed public accountant conducts a general audit in order to deliver an opinion on the fairness of the Bank's financial report presentation based on Indonesian Generally Accepted Accounting Principles (GAAP).

In addition to this, Bank Mandiri may engage independent external parties to conduct annual reviews and ratings of our GCG practices.

h. Corporate Secretary

Bank Mandiri, as a publicly-listed entity, has appointed a Corporate Secretary to serve as a single point of contact for investors, capital market participants, regulators and observers. The Corporate Secretary facilitates effective communication, ensures the ready availability of information to various stakeholders, and is the key contact person between the Bank, BAPEPAM-LK and the public. The Bank reports this appointment to BAPEPAM-LK and the relevant stock exchanges, as well as announcing it in national newspapers.

i. Internal Control Systems

Bank Mandiri has implemented a variety of Internal Control Systems (Sistem Pengendalian Intern - SPI) to ensure effective and efficient operations as well as sound management.

The guidelines for these systems have been formalized by the Commissioners and Directors of the Bank through their joint decree No.KEP. DIR.KOM./003/2004 dated 28 December 2004. These guidelines serve as reference for the Bank's employees in conducting their daily operational activities.

BANK MANDIRI CORE VALUES & BEHAVIORS

The management of Bank Mandiri is committed to upholding the following core values:

1. **Trust:** To instill confidence among stakeholders through open and sincere relationships.
2. **Integrity:** To think, speak and act truthfully, with dignity and adhering to a professional code of ethics.
3. **Professionalism:** Committed to completing work accurately, based on a high level of competence and with a full sense of responsibility.
4. **Customer Focus:** To position customers as primary partners in mutually beneficial relationships that sustain growth.
5. **Excellence:** To develop and improve in all areas to achieve optimum value added and best results.

And seeks to instill these ten key behaviors throughout our working environment:

1. Cooperate with and appreciate each other
2. Honesty, sincerity and openness
3. Disciplined and consistent
4. Think, speak and act truthfully
5. Competent and accountable
6. Deliver the best solutions and results
7. Be innovative, proactive and responsive
8. Prioritize customer satisfaction
9. Orientation to value-added and continuous improvement
10. Environmentally aware

KNOW YOUR CUSTOMER (KYC)/ ANTI MONEY LAUNDERING (AML)

Bank Mandiri undertakes risk as a fundamental element of our business. In order to mitigate these risks, the Bank applies various prudential principles, including Know Your Customer/Anti Money Laundering (KYC/AML). Risk management policies and procedures that cover KYC/AML principles are an integral part of the Bank's policies and procedures, which also include supervision by management of the Bank, delegation of authority, separation of jobs and responsibilities, internal control systems and employee training.

A designated department in our Compliance Group – Know Your Customer/Anti Money Laundering (KYC/AML) Department – monitors the implementation effectiveness of KYC/AML principle in Bank Mandiri. This department reports directly to the Compliance Group Head who, in turn, is a special officer appointed by the Directors and, as regulated by BI, is responsible to the Compliance Director.

This oversight is conducted through both on-desk and on-site reviews. On-desk reviews are prepared from reporting from all working units that is followed up and reported to the relevant authorities. On-site reviews evaluate specific “working unit risk factors” as well as the “understanding of working unit personnel”. Working unit risk factors generally relate to the unit's transaction volume. Higher volumes in conjunction with reduced supervision of front-liners can potentially jeopardize our KYC/AML principles.

Should an on-desk review determine that the personnel from a particular working unit demonstrate an insufficient understanding of KYC/AML principles, the department will conduct an on-site review, along with training for front-liners.

The implementation of KYC/AML also entails audit checking from our Internal Audit Group and BI, as well as the Indonesian Financial Transaction Reports and Analysis Center (Pusat Pelaporan dan Analisis Transaksi Keuangan - PPAATK).

At Bank Mandiri, we continually refine our Customer Information Files (CIF) to reflect accurate and complete customer data as required by BI and international standards.

Bank Mandiri has also developed information systems to identify, analyse and administer money laundering activities as well as to report them to the appropriate authorities. In general, the authorities appraise the implementation of KYC/AML in Bank Mandiri as sufficient, while our management information systems are considered to be good.

REPORT OF THE AUDIT COMMITTEE

To the Shareholders,

Bank Mandiri's Audit Committee was established on 19 August, 1999 based upon Commissioners' Decree No. 013/KEP/KOM/1999 and was renewed by Commissioners' Decree No. 001/KEP/KOM/2005 on 1 July, 2005.

THE OBJECTIVES OF THE AUDIT COMMITTEE

Based upon Decrees from the Minister of State-Owned Enterprises and the Chairman of Bapepam, the objective of establishing the Audit Committee of Bank Mandiri is to assist and facilitate the Commissioners' activities and supervisory functions with respect to financial information, internal control systems, the effectiveness of internal and external audit procedures, the effectiveness of risk management implementation, and compliance with relevant laws and regulations.

TASKS AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee is responsible for advising the Commissioners on reports and or any other form of submissions from Directors as well as to identify matters that require the attention of the Commissioners by:

- Reviewing all financial information presented by management.
- Reviewing the effectiveness of internal controls of the Bank.
- Reviewing the effectiveness and audit report of the Internal Audit Task Force / Internal Audit Group.
- Reviewing the:
 - Independence and objectivity of public accounting firms joining the bidding to be appointed the Bank's auditor.
 - Scope of the audit and fees proposed by the selected public accounting firm.
 - Audit report of the selected public accounting firm.
- Reviewing the Bank's compliance with relevant laws and regulations.
- Reviewing all potential risks and reporting them.

As detailed in quarterly reports submitted to the Board of Commissioners, in 2006 the Audit Committee completed the following tasks:

1. Reviewed financial data and information consisting of:
 - The Bank's 2006 Working Plan and Budget.
 - Monthly and quarterly financial reports of Working Plans and Budget Realization.
 - Quarterly consolidated financial reports.
 - Quarterly published financial reports.
2. Reviewed 2006 Regular Audit Reports of the Internal Audit Task Force based upon audits by the task force of:
 - Market Risk Group, Consumer Cards Group, Central Operations Group and Procurement & Fixed Assets Group.
 - Commercial Banking Centers (12 units), Small Business District Centers (7 units) and Micro Business District Centers (13 units).
 - Hong Kong and Singapore branch offices.
 - 39 Hub Branches, including their 300 affiliated Spoke Offices.
3. Conducted 6 (six) meetings with the Internal Audit Task Force to discuss:
 - The 2006 Working Plan and realization of the 2005 Working Plan.
 - Follow-up on 2005 Bank Indonesia Checking.
 - Significant findings of their audit, as well as findings of the external auditor that related to policy implementation, systems & procedures, internal control systems and compliance with relevant laws and regulations, as well as the auditee's follow up.
 - Implementation of Risk-Based Audit.
 - Revision of the Internal Audit Charter.
4. Held 18 (eighteen) meetings with following working units:
 - Credit Recovery Group to discuss the management/resolution of NPLs.
 - Corporate Banking Group and Commercial Banking Group to discuss loan expansion and the top 25 debtors.


- Consumer Cards Group and Consumer Loans Group to discuss business development on credit cards and consumer loans.
 - Accounting Group to discuss the resolution of open items and suspense accounts.
 - Consumer Collection Group to discuss developments on consumer loan and non-performing credit card collections.
 - Directorate of Technology & Operations to discuss issues in information technology and operations.
5. Scheduled 5 (five) meetings with external auditors to discuss:
- Progress of the 2005 audit.
 - Implementation report on the Standards of Audit Statements (Pernyataan Standar Auditing – PSA) no. 62 for the year end of 31 December 2005.
 - Audit fee for Bank Mandiri 2006 financial report.
 - “Time Table & Scope of Work” for 2006 financial report audit.
 - Progress of the 2006 Audit.
6. Reviewed tasks as requested by the Commissioners including reviews of Internal Audit Reports, Commissioners’ reports to Bank Indonesia on the implementation of the Bank’s Business Plan for Semester I/2006.

Based upon the review and discussion above, the Audit Committee is of the opinion that:

- The presentation of published financial reports has satisfied all disclosure principles.
- The Bank has established sufficient internal control systems.
- The Bank has incorporated ample controls over compliance toward laws and regulations.

The Audit Committee concludes, therefore, that there are no significant additional issues to be reported.

Audit Committee



Gunarni Soeworo

Chairman



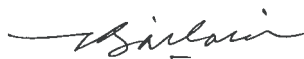
Soedarjono

Member



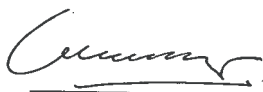
Yap Tjay Soen

Member



Zulkifli Djaelani

Member



Imam Sukarno

Member

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To the Shareholders,

The Nomination and Remuneration Committee (NRC) of Bank Mandiri is mandated to review and identify qualified individuals for nomination to the Board of Directors according to criteria and conditions declared in the Committee's charter.

The NRC has also been authorized to establish guidelines for performance evaluation for Directors and self-assessment performance evaluation for Commissioners. The NRC is responsible for ensuring that regular evaluations are conducted, and for proposing the remuneration packages to compensate for respective performances. In determining any proposed compensation package, the NRC must ensure that the interests of management are aligned with the interests of shareholders, as well as with the strategic priorities of Bank Mandiri. Last but not least, the NRC is also required to review the formulation of the authorities and responsibilities of the Board of Directors.

The NRC is fully cognizant that the Ministry of State-Owned Enterprises, as the holder of the single Series A Share for Bank Mandiri, retains the exclusive rights to appoint and terminate Directors and Commissioners. The Committee believes, however, that such appointments should be based upon a systematic and objective nomination process which will lead to improved performance and greater accountability.

As a result of management departures in 2005 and in anticipation of further organization restructuring in 2006, in January 2006 the NRC began to carry out this selection process and administered fit and proper tests for Director nominees as required.

In April 2006, the NRC reviewed the Management Stock Option Plan (MSOP) Phase 2 as resolved by General Shareholders' Meeting held on 16 May 2006.

Based on a 2005 compensation survey for Directors, the NRC in April 2006 examined each Director's authorities and responsibilities, as well as their respective remuneration. On the basis of that examination, the NRC prepared a compensation proposal for Directors and Commissioners for submission to the Board of Commissioners.

During 2006, the NRC; (1) reviewed Article 11 number 6 of the Bank's Articles of Association regarding Tantiem to the Board of Directors, (2) examined criteria of Commissioner independence, (3) established the Committee's working structure, (4) assessed the talent pool program, (5) and prepared the Board of Commissioners' working program.

In September 2006 the NRC reviewed a proposal from the Board of Directors regarding an organization restructuring, and provided recommendations on that proposal to the Board of Commissioners.

In 2007, the NRC will continue to pursue a comprehensive NRC working program to ensure the effectiveness of the Board of Commissioners' supervisory function.

Nomination and Remuneration Committee



Edwin Gerungan

Chairman

REPORT OF THE RISK POLICY COMMITTEE

To The Shareholders,

In 2006, the Risk Policy Committee (RPC) formalized the statutes enumerating the RPC's membership, duties, authorities, responsibilities and compensation. These statutes affirm that the RPC's duties and authorities are to:

1. Advise the Board of Commissioners in establishing and reviewing risk management policy.
2. Discuss and examine the implementation of risk management policies with relevant Directors or working units involved in risk management, and submit the findings for review in Board of Commissioners' meetings or Joint Meetings between the Board of Commissioners and Board of Directors.
3. Assess and reevaluate the Bank's internal regulations on risk management policies.
4. Evaluate product risk as well as risk associated with a changing environment arising either internally or external to the Bank.
5. Periodically review the Bank's risk management and its implementation guidelines including changes to these guidelines.
6. Evaluate the accuracy of risk measurement models and the validity of the data.
7. Monitor the activities of the Risk and Capital Committee (RCC) and review the effectiveness of RCC decisions.
8. Review the Bank's draft quarterly risk profile report on individual and consolidated bases and advise the Board of Commissioners on issues that require further discussion with the Board of Directors.

Members of the RPC have agreed to meet on a monthly basis. These meetings are official, and may develop recommendations to the Board of Commissioners. On the basis of these recommendations, the Board of Commissioners will draw conclusions on risk issues.

For each of these meetings, the RPC may invite all appropriate parties of relevance to the risk issues under discussion.

The RPC during 2006 held a series of intensive discussions with parties involved in risk management.

Risk Policy Committee



Soedarjono

Chairman

REPORT OF THE GOOD CORPORATE GOVERNANCE COMMITTEE

To the Shareholders,

2006 marks the second year since the Commissioners of Bank Mandiri established the Good Corporate Governance Committee ("The Committee") on 18 July 2005. The Committee's focus in 2005 was the establishment of framework for Good Corporate Governance (GCG) policies as elaborated in the GCG Charter. In 2006, the Committee put more emphasis on supervising the effectiveness of GCG implementation, and creating checks and balances within the Bank's activities.

In order to instill an understanding of the GCG principles to be implemented throughout the organizations of each line of business, the Bank conducted a socialization program at regional offices as well as focus groups at the head office. In the course of this program, management received, in return, valuable feedback from participants for improving the Bank's systems and procedures to better reflect GCG principles. The Bank has, to date, conducted focus groups for Procurement, Asset Management, Corporate Banking, Regional Commercial Sales, Jakarta Commercial Sales, Product Management and Small & Micro Banking Groups.

In addition, the Committee also delivered GCG learning materials to Officer Development Program (ODP) and Staff Development Program (SDP) participants in a Sharing Experience Forum. Participants in the ODP are new employees of the Bank who are expected to be the Bank's future leaders. The Committee, therefore, considered it both important and relevant to inculcate ODP participants with a firm grounding in GCG principles from the beginning of the program.

The Committee also concluded and reported on a GCG self assessment program in early 2006. This program measured respondents' understanding of, and perception of the implementation of, GCG in Bank Mandiri. The internal respondents with the highest understanding and perception of implementation were, consecutively, the Commissioners, Directors, Internal Audit, Regional Offices and Groups in the head office.

The Committee also actively advised Bank Indonesia, Himbara, Perbanas, FKDKP and Forum of Banks' Commissioners on best practices in corporate governance.

In order to develop a sense of compliance to regulations within the Bank, the Committee reviewed and advised the Commissioners regarding the following:

- Policies and organization of the Shareholders' General Meeting
- Structure of Commissioners' interactions internally and with the Bank
- Revamping the organization structure of the Bank
- Realigning several of the Bank's policies and procedures

Bank Mandiri participated in the Corporate Governance Perception Index 2005 (CGPI 2005) held by The Indonesian Institute for Corporate Governance (IICG) in order to engage independent parties in the Bank's GCG implementation and to solicit critical input on mechanisms to ensure continuous improvement. The survey result placed Bank Mandiri as the Runner-Up position for the financial sector, with the attribute of "Trusted". Bank Mandiri also ranked third in the Best of Top GCG Perception Index 2006.

The International community has also acknowledged the Bank's commitment and progress in implementing GCG principles. In early 2007, a survey by Asiamoney magazine ranked Bank Mandiri as Overall Best Company in Indonesia for Corporate Governance 2006 and The Best Company in Indonesia for Disclosure & Transparency 2006.

The Committee has prepared a 2007 working plan that will continue to focus more on the implementation of GCG principles and best practices within the Bank's primary activities, including loans, risk management and human capital among others.

This concludes the report of the Committee's activities during 2006. On behalf of the Committee's members, I thank you for the support you continue to extend to the Committee.

Good Corporate Governance Committee



Muchayat
Chairman

NON-COMMISSIONER MEMBERS OF COMMITTEES & CORPORATE SECRETARY

IMAM SUKARNO

Member, Audit Committee

Graduated with a BA from 17 Agustus 1945 University in 1973 and received a Master of Management degree from the Asian Institute of Management, Manila in 1985.

Started his career in the Balance of Payment & Monetary Section – Economic and Statistics Division of Bank Indonesia in 1975. During his tenure, he assumed responsibilities as a Director of Rural Bank Supervision in 1998 – 2000, Director of Banking License and Information Directorate in 2000 – 2002 and the Supervisory Team of Bank Universal in 2002.

He has served as a member of the Audit Committee of PT Bank Mandiri (Persero) Tbk since 2003.

TAMA WIDJAJA

Member, Risk Policy Committee

Completed his education at Fort Hays State University, Kansas.

His career began as a Treasury Manager with PT Bank Niaga in 1987.

In 1993 he became a General Manager, Group Treasury, PT Raja Garuda Mas, and in 2001 he assumed the position of Senior Vice President, Treasury & International Banking Group Head, PT Bank Bumi Putera Indonesia Tbk. He was appointed as a member of Risk Policy Committee of PT Bank Mandiri (Persero) Tbk. in 2006.

ZULKIFLI DJAELANI

Member, Audit Committee

Graduated with a BA from the Economics Faculty of University of Indonesia, Jakarta in 1975. He started his career as an Assistant Accountant with PT Rohm & Haas Indonesia in 1975.

He joined Bank Niaga, and from 1986 to 1994 held various positions as Branch Head and Regional Head before assuming the position of Director of Operations & Human Resources in 1994.

He has served as a member of Audit Committee of PT Bank Mandiri (Persero) Tbk since 1999.

MANSYUR S. NASUTION

Corporate Secretary

Graduated with a BA from Bogor Agricultural Institute (IPB) in 1981 and a Masters Degree from the University of Colorado in 1991. He started his banking career by joining Bank Bumi Daya in 1983.

In his tenure with Bank Mandiri, he has held positions as Regional Manager and Group Head Commercial Risk before assuming the duties of the Corporate Secretary.

ANWAR ISHAM

Member, GCG Committee

Completed his studies from Universitas Negeri Jakarta with a doctorate degree in March 2004.

He started his career as a Junior Auditor with Drs. Utomo, Mulia & Co. He entered the banking industry by joining Bank of America in 1983 as Financial Controller, and in 1989 he was appointed as Finance & Planning Manager. In 1993, he became the President Director of PT Mega Search.

In 2003 he was appointed as a member of the Audit Committee of AJB Bumiputera 1912 and became a vice chairman of the GCG Implementation Team of AJB Bumiputera 1912. He was then selected as a member of the GCG Committee of PT Bank Mandiri (Persero) Tbk in 2005.



Our 6 SBUs will be key enablers in fostering a performance-driven culture by enhancing the accountability of each business unit for profitability and growth.

PAHALA NUGRAHA MANSURY

EVP Coordinator & Chief Financial Officer

2006 was an important milestone for Bank Mandiri in our quest to create a performance driven organization as we initiated a Strategic Business Unit (SBU) based organization in June 2006. The Bank formally reorganized our directorates into 6 strategic business units (SBUs), 3 corporate center directorates and a shared services directorate.

The 6 SBUs will be key enablers in fostering a performance driven culture by enhancing the accountability of each business unit for explicit profitability and growth. This represents a significant departure from their previous emphasis on volume targets. At the same time, the corporate center and shared service directorates will focus on cost efficiency, while providing critical policy, process and systems support to the SBUs. This transition is the first stepping stone toward developing value centers with accountability for risk adjusted returns.

The implications of moving toward an SBU-based organization are:

- Decentralization of strategy, planning and budget development driven by each SBU. The role of the corporate center in strategy and planning is to challenge each SBU to ensure credible planning for improving bank-wide profitability and growth.
- Refinement of the Performance Management System to allow for better measures of profitability, fair and transparent allocation of costs as well as to accommodate changes to the organization.

- With further refinements in 2007, we will continue to use a balanced scorecard approach, with the SBU KPIs heavily weighted towards financial measures - specifically profitability, while the corporate center and shared services are heavily weighted towards efficiency and levels of service.

BUSINESS UNIT PERFORMANCE AND OUR CORPORATE STRATEGY

Although 2006 is the first year of our organizing into and reporting on the contributions generated by SBUs, we are pleased to report that the 5 of our SBUs which focus on business development - Corporate, Commercial, Micro & Retail, Treasury & International and Consumer Finance - all generated positive contribution margins. The only SBU with a negative contribution is Special Asset Management, which is exclusively focused on NPL resolution and asset recoveries rather than on business development.

On the basis of current contribution margins, we have classified the 5 business-generating SBUs into 3 stages of development: cash generators, emerging businesses and future growth engines.

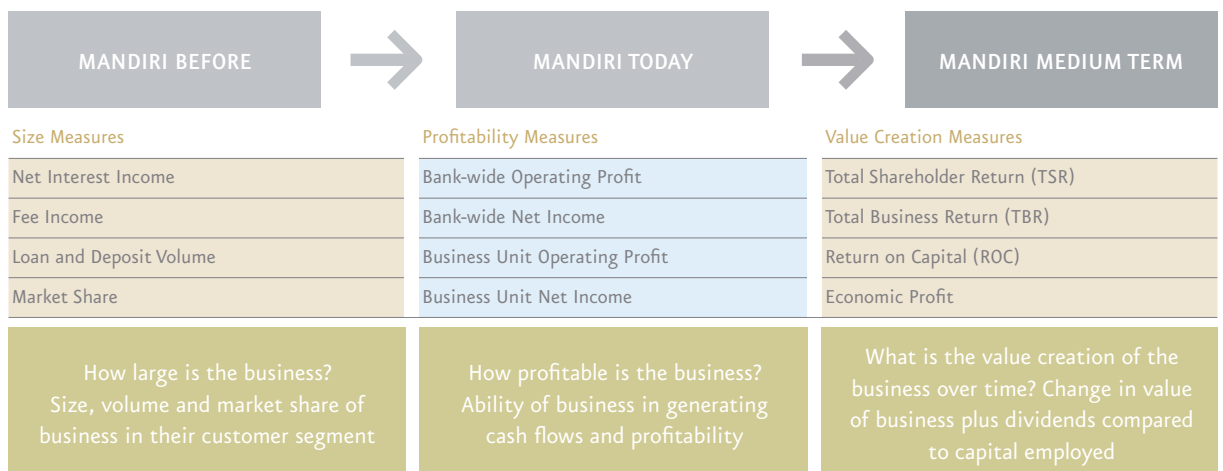
Corporate Banking, with a contribution margin of approximately Rp 2.1 trillion in 2006, is considered a cash generator business, providing the funds that will be required both to strengthen our emerging businesses and invest in our future growth engine businesses. Of the total

revenues in Corporate Banking, deposit products generated 59.8%, fee-based income provided 11.6% and 28.6% derived from lending activities, exemplifying the importance of cross-selling into our strong corporate customer base to enhance our future earnings.

Treasury & International Banking, with Rp 948 billion in contribution margin in 2006, is also a critical element of our corporate strategy. The collaboration between our Treasury and Corporate SBUs will be integral not only in expanding our future fee-based income, but also in further cementing relationships with our corporate clients and improving the profitability of our corporate customers. This highlights the need for collaboration across SBUs as an increasingly important strategy for Bank Mandiri, encouraged through measurements such as cross-referrals, revenue sharing and establishing structures such as Client Service Teams (CSTs).

Commercial Banking generated a Rp 1.96 trillion contribution margin in 2006, and is considered an emerging business—a business where we have already captured significant market share relative to our competitors. Commercial Banking in the future is expected to benefit from our corporate relationships through cross-selling to the suppliers and customers of these companies.

Consumer Finance and Micro & Retail Banking are expected to be the engines of our future growth. Consumer Finance



generated a contribution margin of Rp 412 billion, largely from consumer loans and credit cards. Micro & Retail contributed a Rp 1.51 trillion contribution margin, with nearly 74% of the revenues from deposit products in a year in which savings deposits grew by 27.6% (Bank only). Fees generated from our Retail & Micro business in 2006 were Rp 1.17 trillion, or 26.8% of total revenues from the SBU. Extracting additional business from our existing corporate clients and retail customers will be a critical success factor in further growing our retail deposits, fees and consumer finance business in the future.

INITIATIVES IN 2007

In 2007, as a follow up to the implementation of the SBU organization, we are planning to implement several initiatives:

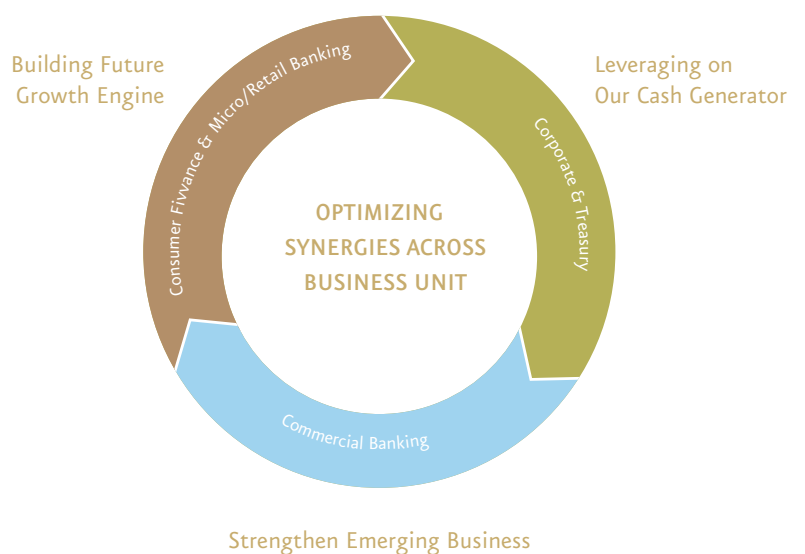
- Refinement of our Performance Management System to develop a value-based management framework, extending business unit measurements from profitability into risk-adjusted return on capital.
- Automation of performance reporting to increase accessibility and relevance of performance information to management on a timely basis to better monitor and manage the businesses.
- Putting in place processes,

methodologies and tools to allow the central planning and performance management group to plan and monitor the profitability and growth targets to be achieved by the business units.

- Increasing the role of the central planning group into an activist role in managing the balance sheet and capital of the bank as well as its subsidiaries.

In addition, as one of 3 corporate center directorates, the Finance & Strategy Directorate strives to implement several initiatives designed to enhance Bank Mandiri's financial performance, as well as to provide services to other working units, including:

- Refinements of our accounting and reporting systems to provide more timely and accurate reports.
- Minimizing overhead costs by enhancing the central procurement function and coordinating the implementation of cost control initiatives.
- Enhancing the information support and research functions to support management decision making within the Strategic Business Units.





Rp **555** trillion

CORPORATE BANKING

Bank Mandiri's corporate customers have a combined market capitalization of Rp 555 trillion, and include 20 of the largest non-financial public companies in the Jakarta Stock Exchange

29%

COMMERCIAL BANKING

29% of all non oil & gas exports by Letter of Credit from Indonesia are negotiated through Bank Mandiri



CONSUMER FINANCE

A customer in Balikpapan can obtain "in principal approval" for a personal loan in 90 seconds from our Call Center 14000 - a service available in 10 cities utilizing our Consumer Scoring System



90 seconds

312,000,000

MICRO & RETAIL BANKING

312 million transactions were processed through e-channels (ATM, phone, SMS and internet) in 2006, exceeding conventional transactions through our branch network.



50.3%

TREASURY & INTERNATIONAL BANKING

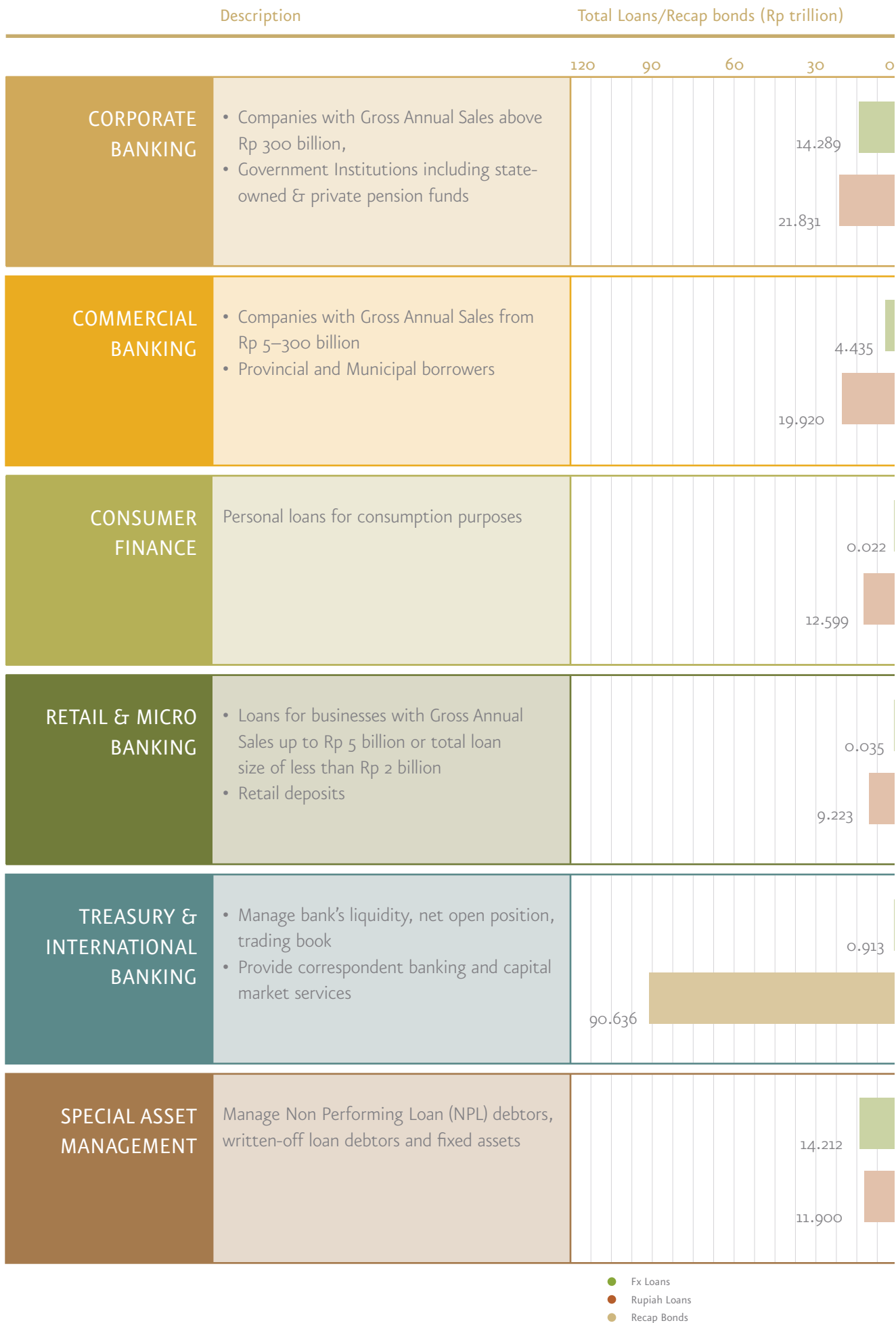
As a primary payment bank, we account for 50.3% of settlements for share transactions on JSX.

SPECIAL ASSET MANAGEMENT

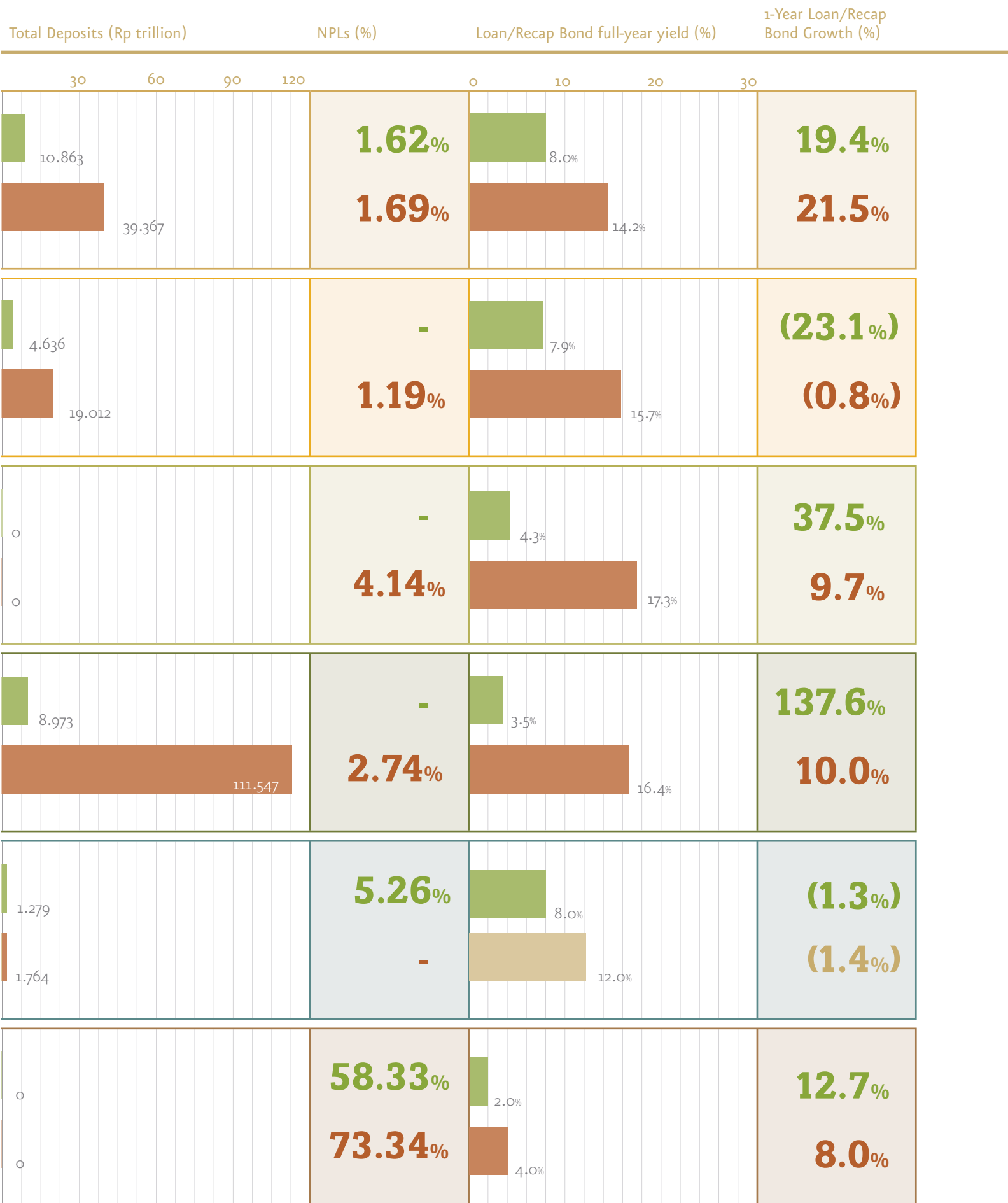
82% of Restructured loan debtors have been upgraded to performing loans



82%



- Fx Loans
- Rupiah Loans
- Recap Bonds



● Fx Deposits
● Rupiah Deposits

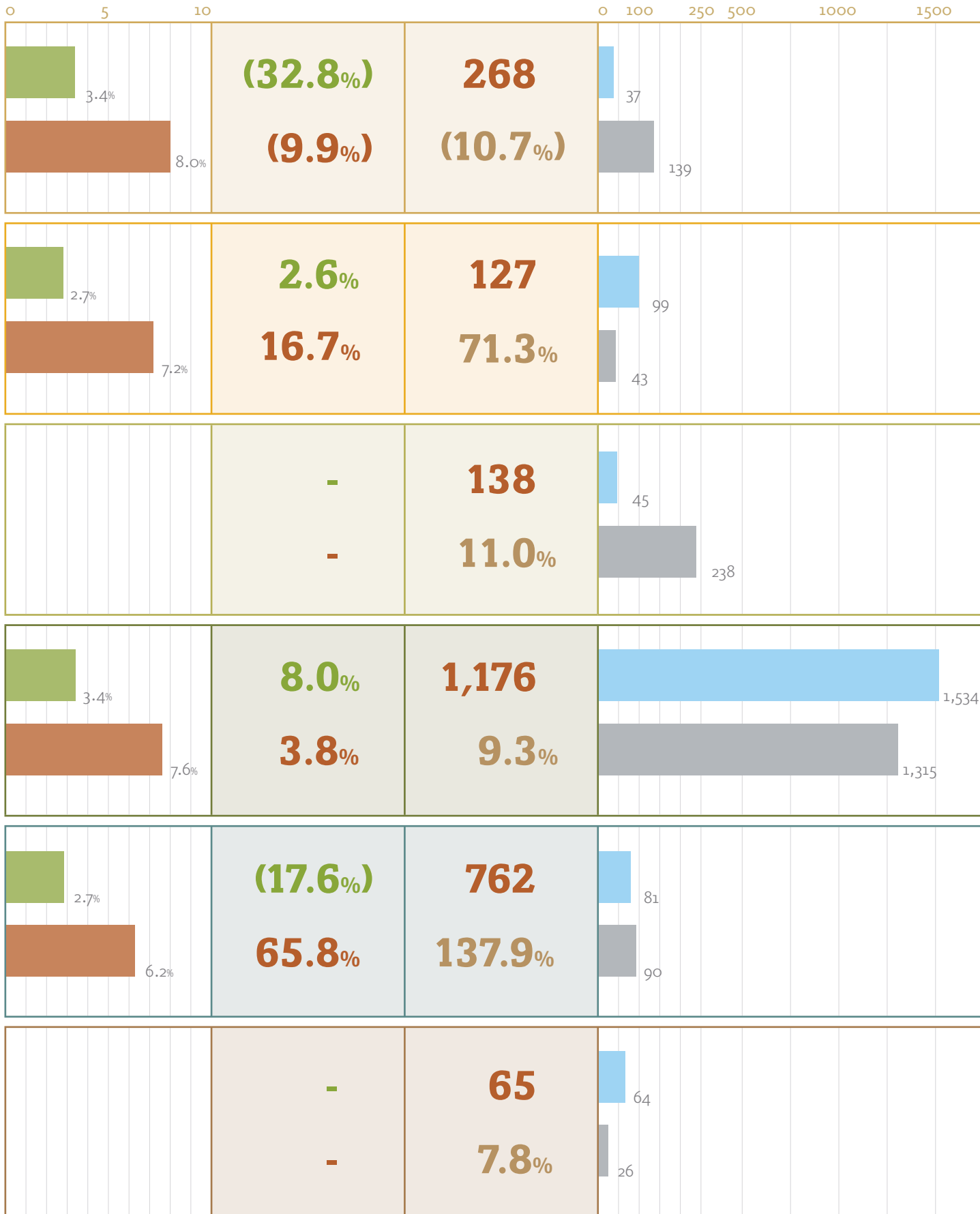
● Fx full-year loan yield
● Rupiah full-year loan yield
● Recap Bonds full-year yield

Deposit Rates (%)

1-Year Deposit Growth (%)

Fee Income

Overhead Expenses (Rp billion)



● Fx full-year deposit cost
● Rupiah full-year deposit cost

● Rupiah billion
● 1-Year Change (%)

● Personnel
● General & Administrative

1-Year Overhead Expenses Growth (%)	Contribution Margin (Rp billion)	1-Year Contribution Margin Growth (%)	Distribution
	0 1000 2000		
(8.4%) (4.1%)	 2,091	(24.0%)	Head Office, Medan and Surabaya Corporate Floors
1.6% (18.0%)	 1,957	56.8%	17 Commercial Banking Centers (CBCs), 2 Commercial Floors, 3 Trade Service Centers (TSCs) in Jakarta, Surabaya and Makassar
(10.6%) 8.1%	 412	(1.9%)	54 Consumer Loan Processing Centers, 916 Consumer Loan Points of Sale (Scoring Branch)
3.3% 8.7%	 1,509	20.2%	12 SBDCs (Small Business District Centers), 13 Micro Business District Centers (MBDCs), 200 Micro Business Unit (MBUs); 924 Branches, 27 Mandiri Priority Outlets, 2,800 ATMs, 17,362 merchant EDCs
(4.8%) (3.1%)	 948	41.2%	3 Regional Treasury Marketing (RTM) offices in Surabaya, Medan & Bandung; 6 Overseas Branches, Subsidiaries and Representative Offices
15.4% 41.6%		n/a	10 Regional Credit Recovery (RCR) centers

- Personnel 1-Year Change
- G & A 1-Year Change

CHANGE MANAGEMENT OFFICE



We are refining our business strategies in order to dominate the revenue shares in each of our customer segments, including implementing new business models for the corporate segment, optimizing the retail distribution network, and developing and applying targeted sales and services.

HARYANTO TIARA BUDIMAN

EVP Coordinator

Bank Mandiri has formed a special directorate, the Change Management Office (CMO), under the direct supervision of the President Director and led by an EVP Coordinator, to provide support for the Bank's transformation into a Dominant Multi-Specialist Bank and, ultimately, to become a Regional Champion Bank. The Change Management Office is responsible for the oversight and implementation of various strategic initiatives integral to this transformation process, with three discrete initiatives presently underway: (1) Organizational Change: Strategic Business Units (SBUs); (2) Non-organic growth: mergers, acquisitions, and alliances; and (3) Bad Debt Resolution Program (PPKM) implementing PP33/2006 and PMK87/2006.

1. Migration to a Strategic Business Unit-Based Organization

This initiative will comprehensively change the DNA of the organization into an emergent performance-based culture. The changes include the organization structure, work roles and responsibilities of each directorate, authority, governance and decision-making, Key Performance Indicators (KPIs) and Performance Management System (PMS), remuneration systems based on performance, as well as positioning the right people in the right places.

The Change Management Office oversees the development of personnel policies, blueprints and organization details with the assistance of an independent consultant. Based on the analysis and recommendation of the consultant, the new organization structure was approved by the Board of Directors and Board of Commissioners on 22 December 2006, to be implemented in early January 2007. The new structure is comprised of 5 (five) Strategic Business Units: Corporate Banking, Commercial Banking, Micro & Retail Banking, Consumer Finance, Treasury and International Banking and Special Asset Management. Risk Management maintains the role of Business Enabler, while Finance & Strategy, Compliance & Human Capital, Technology & Operations and the Change Management Office form the Corporate Center/Shared Services Units.

The implementation process has been accompanied by socialization throughout the related units in head office and the regions in which the changes will take place. Along with the support of our internal publications, we expect to engender a shared vision among all employees from the head office to the regions.

Implementation teams, led by Group Heads as liaison officers, have been established in each unit. These teams are responsible for detailing the organization structure proposed by the consultants (including job descriptions and KPIs) down to lower organizational levels, and to assist management with socialization and implementation within their business units. The CMO Directorate provides coordination for the systems, evaluations and review processes to monitor and identify any areas of concern.

We are taking great care in identifying and measuring the implementation risks inherent in a change of this magnitude. Our program to mitigate risk operates jointly with the Risk Management Directorate, and includes monitoring and mitigation activities which are regularly reported to the Audit Committee and Board of Commissioners.

2. Initiatives for Non-organic Growth through Mergers, Acquisitions, and Alliances

In addition to our efforts to foster Cross-Directorate strategic alliances to more fully capitalize upon each directorate's intangible assets, Bank Mandiri remains open to opportunities for non-organic growth through acquisition. At present, our

interests trend toward banks with unique geographic, customer or product segments, multi-finance companies active in vehicle and household finance and alliances with local or overseas finance institutions.

To date, Bank Mandiri has conducted analyses and due diligence on several non-organic growth options, identifying the potential for synergies and value-accretion. This process is expected to continue throughout 2007.

At the present time, Bank Mandiri's Net NPL ratio remains above 5%, necessitating intensive supervision by Bank Indonesia and, temporarily, precluding non-organic growth. Once we have achieved our near-term target of Net NPLs below 5% and are formally accorded the status of Good Performing Bank by Bank Indonesia, we will be prepared to undertake non-organic growth opportunities.

3. Accelerated Non-Performing Loan Resolution Program (PPKM) implementing PP33/2006 and PMK87/2006.

In October 2006, the Government issued regulations PP33/2006 and PMK87/2006, which: (1) confirmed that the receivables of State-Owned Enterprises are distinct from Government receivables, and (2) conveyed the authority to State-Owned Enterprises to resolve those receivables under commercial law. These regulations should allow State-Owned Banks to newly undertake credit resolution through non-conventional options (including principal haircuts).

In order to implement PP33/2006 and PMK87/2006, Bank Mandiri in 2006 developed the Accelerated Non-Performing Loan Resolution Program Mandiri (PPKM) which provides for direct settlement of problem loans with cooperative debtors (with or without a principal haircut), and a loan disposal program targeting new investors if direct settlement fails. As the first step, Bank Mandiri has appointed financial advisors to establish plans and strategies, and to analyze, filter and identify those accounts that are suitable for this loan disposal program. In addition, we have appointed legal advisors and independent appraisers to value the collateral that has been submitted to Bank Mandiri.

The Extraordinary shareholders meeting on 22 December 2006 provided a platform for the Bank to explain the Accelerated Non-Performing Loan Resolution Program (PPKM) in detail, including the limits of any principal forgiveness and the requisite changes to the Articles of Association in order to permit the program. Shareholders approved the implementation of PPKM, along with the supporting infrastructure and the necessary changes to the Articles of Association.

While the preparation stages have been initiated following the issuance of PP33/2006 and PMK87/2006, full implementation of this program will require a concurrence of vision among all stakeholders, including the legislature (DPR), law enforcement (Police, Attorney

General, Corruption Eradication Team) as well as the State Audit Agency (BPK) and Bank Indonesia. The Government of Indonesia and Bank Indonesia have issued a joint letter determining that an Oversight Committee should be formed in order to socialize these changes among all shareholders. Bank Mandiri welcomes the involvement of this Oversight Committee and stands ready to assist its activities wherever possible.

strategic business unit

**corporate
banking**



As our strategic programs gain traction, Corporate Banking will be able to provide comprehensive and integrated services and extensive loan and capital markets products for large companies operating throughout Indonesia, realizing our vision to be the dominant wholesale bank.

ABDUL RACHMAN • Managing Director

STRATEGIC BUSINESS UNIT
CORPORATE BANKING



YEAR END 2006

Loan Volume	Rp 36,121.74 billion
Deposit Volume	Rp 50,228.90 billion
Business Volume	Rp 86,350.64 billion
# of Cash Loan debtors	216
# of Non-Cash Loans debtors	83
# of funding customers	1,839
Number of Employees	214
Gross NPL Ratio	5.97%

Profitability

Net Interest Income	Rp 2,299.66 billion
Pre-Provision Contribution Margin	Rp 2,392 billion
Post-Provision Contribution Margin	Rp 2,091 billion
Fee based income	Rp 268.4 billion

Yield & Spread

Yield of Loan–Rp	14.2%
Yield of Loan–Fx	8.0%

CoF–Rp

Demand Deposit	3.4%
Time Deposit	11.1%

CoF–Fx

Demand Deposit	2.4%
Time Deposit	4.0%

Spread

Rp Loan	2.6%
Fx Loan	3.1%
Rp Demand Deposit	8.3%
Fx Demand Deposit	2.3%
Rp Time Deposit	0.8%
Fx Time Deposit	0.7%

PERFORMANCE

The total business volume in Corporate Banking (third party funds plus loans) reached Rp 86.3 trillion as of 31 December 2006. While we booked 21% growth in loan volume during the year, our deposit volume fell by 16%. This contraction in funding, however, is in line with our plan to increase our proportion of low-cost funds from 41.6% of the total in 2005 to 48% in 2006. We generated net interest income of Rp 2,299.7 billion in 2006 as well as fee-based income of Rp 268.4 billion, of which Rp 123.6 billion derived from import transactions.

Our loan expansion in 2006 was primarily directed toward four sectors with excellent prospects: Oil & Gas (25.5%), Plantations (20.4%), Insurance (11.6%), and Telecommunications (8.6%). All of our new loan accounts for the year, totaling Rp 4.4 trillion out of a total gross expansion of Rp 14.9 trillion, remained performing at year-end.

ACHIEVEMENTS

We preserved significant potential for profitable future business growth during the year, with a retention rate of 100% among our targeted corporate customers whose internal ratings fell within the range of B to AAA.

A survey conducted by MarkPlus Research to measure customer satisfaction with corporate banking services rated Bank Mandiri's Customer Satisfaction Index at 4.38 for Time Deposits, 4.16 for Cash Loans and 4.20 for Non-Cash Loans on a 6-point scale.

As a more practical measure, our customers' satisfaction is also clearly reflected in the expansion of our average product holding ratio, which leapt from 3.19 per customer last year to 4.26 in 2006.

As a more practical measure, our customers' satisfaction is also clearly reflected in the expansion of our average product holding ratio, which leapt from 3.19 per customer last year to 4.26 in 2006. The number of users of our cash management system also soared nearly fourfold, from 107 in the previous year to 399 in 2006.

We have endeavored to expand our specialist business offerings during the year by transforming the Corporate Banking Directorate into "an organization of specialists" through the creation of our Client Service Teams (CST) and Funding Teams, as well as by enhancing our syndication and structured finance desks. The much broader scope of our marketing efforts was supported through the establishment of two Corporate Banking floors in Medan and Surabaya.

We also commenced a number of cooperative business development efforts in conjunction with our major customers. These include the Pertamina Gaz Card; a host-to-host payment system with Pertamina, PGN and BPUI; a State Revenue module via e-channels on behalf of the Department of Finance; a collection service via eBiz with PT Ultrajaya; ATM co-branding with the Indonesian Haj Association member card (KTA- IPHI); and a payment system for users of radio frequency rights (BHP).

GOALS

As we retain, expand and entrench our position as the market leader in the corporate segment, we will look to expand our loan portfolio with an emphasis on prospective sectors: oil and gas, telecommunications, mining, food and beverages, infrastructure, plantations and their derivative industries.

Our Client Service Team model will help to drive internal strategic alliances with other Bank Mandiri business units in order to service all of our customers' financial needs and provide appropriately tailored solutions for each client. This includes working closely with Mandiri Sekuritas in offering our capital market capabilities as well.

We continue to enhance and optimize our use of IT support in order to accelerate our loan processing through tools such as our Loan Origination System, Corporate Collection System and Sales Tools (Macstools), in order to simplify and accelerate our business processes and monitoring effectiveness.

By implementing our syndication and structured finance desk, enlisting 14 Client Service Teams (CST) and establishing new corporate floors in selected corporate banking business centers, we expect to be able to

increase Bank Mandiri's share of wallet of our existing clientele as well as augment our capacity to acquire new customers.

We are also committed to actively participating in a broad range of infrastructure finance while maintaining our emphasis on prudential lending principles. For our corporate customers in general, we can continue to offer short-term loan products tailored to their specific needs.

As these programs gain traction, Corporate Banking will be able to provide comprehensive and integrated services and extensive loan and capital markets products for large companies operating throughout Indonesia, thereby realizing our vision "to be the dominant wholesale bank."

CORPORATE BANKING FLOOR

1. **Corporate Banking Floor Surabaya**
Kanwil VIII
Jl. Basuki Rachmat No. 127-129
Surabaya 60271
2. **Corporate Banking Floor Medan**
Kanwil I Lt. 3
Jl. Imam Bonjol No 7
Medan 20112



We have endeavored to expand our specialist business offerings during the year by transforming the Corporate Banking Directorate into an organization of specialists through the creation of our Client Service Teams.

MANDIRI SEKURITAS

Mandiri Sekuritas—a subsidiary of Bank Mandiri—has established a strong presence in three lines of business: Investment Banking, Debt and Equity Capital Markets and Investment Management. As one of the main players in the industry, Mandiri Sekuritas has also been strengthening its position and improving its performance throughout the past several years.

INVESTMENT BANKING

Our Investment Banking unit provides underwriting activities, corporate finance and financial advisory services to a corporate clientele. We concluded a number of key transactions in 2006, including bond underwriting of Rp 1 trillion for PT Bank BTN (Persero) and Rp 575 billion for PT Astra Sedaya Finance. In addition, Mandiri Sekuritas also served as sole arranger and placement agent on the issuance of the MTN of PT Pembangunan Perumahan (Persero) worth Rp 100 billion.

Mandiri Sekuritas also served as sole bookrunner and placement agent for the divestment of PT Jasa Marga (Persero)'s shares in PT Citra Marga Nusaphala Persada Tbk., worth Rp 480 billion. Together, these deals have affirmed Mandiri Sekuritas' capabilities in conducting the full range of capital market transactions.

CAPITAL MARKETS

Mandiri Sekuritas also provides services as both a trader in bonds and equities and as a broker in secondary market transactions. Mandiri Sekuritas was one of the most active members of the Surabaya Stock Exchange (BES) with respect to both government and corporate bond transactions. During the year, Mandiri

BOND TRANSACTIONS IN THE SURABAYA STOCK EXCHANGE

2006

No.	Company	Volume (billion Rp)	Market share
1	Mandiri Sekuritas	31,345	33%
2	CIMB-GK Securities Indonesia	13,284	14%
3	Bahana Securities	7,489	8%
4	Arab-Malaysian Capital	6,562	7%
5	Trimegah Securities Tbk	6,018	6%
6	KIM ENG Securities	5,875	6%
7	Andalan Artha Advisindo	4,915	5%
8	Danpac Sekuritas	3,403	4%
9	Binaartha Parama	3,307	3%
10	NISP Sekuritas	1,973	2%
	Others	11,377	12%
	Total	95,549	100%

Source: Bursa Efek Surabaya, has been reviewed.

EQUITY TRANSACTIONS IN THE JAKARTA STOCK EXCHANGE

2006

No.	Broker*	Amount (billion Rp)	Market Share
1	Danareksa Sekuritas	43,897	10.2%
2	Bahana Securities	28,855	6.7%
3	Trimegah Securities Tbk	27,124	6.3%
4	Mandiri Sekuritas	19,576	4.6%
5	Danatama Makmur	13,029	3.0%
6	Lautandhana Securindo	12,667	3.0%
7	Sarijaya Permana Sekuritas	11,347	2.6%
8	Sinarmas Sekuritas	10,926	2.6%
9	Nusadana	10,029	2.3%
10	Indo Premier	9,930	2.3%
	Others	241,043	56.3%
	Total	428,420	100.0%

* Local Broker

Source: Bursa Efek Jakarta, has been reviewed.

Sekuritas booked total bond trading volume of Rp 31.34 trillion, for a market share of 33%. This positioned Mandiri Sekuritas as the top house among all BES members in bond transactions.

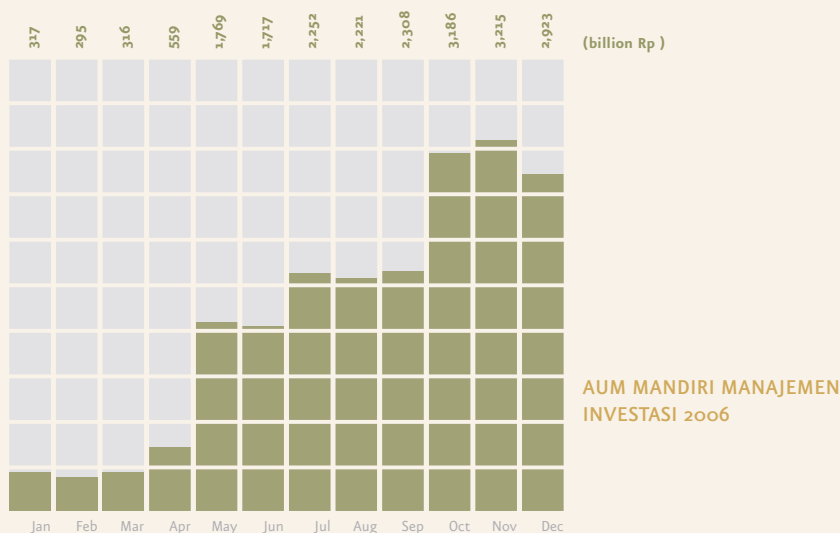
As a member of the Jakarta Stock Exchange (BEJ), Mandiri Sekuritas was one of the most active local brokers in 2006. With a total transaction volume of Rp 19.57 trillion during the year, Mandiri Sekuritas was positioned at number 4 among BEJ local brokers with a market share of 4.6%. Mandiri Sekuritas has also been a pioneer of remote trading among securities companies since 2003.

This level of performance has been realized not only due to our extensive client base, both institutional and retail, but also through a reliance on experienced professionals, remote trading facilities and real-time market monitoring capabilities.

INVESTMENT MANAGEMENT

PT Mandiri Manajemen Investasi is currently a stand-alone investment management unit, offering mutual funds or discretionary management investment as well as investment advisory services.

As general economic conditions have improved, and public trust and perceptions of mutual fund products have recovered, the value of Assets Under Management (AUM) has grown significantly throughout 2006. From our January level of Rp 317 billion in AUM, by the end of 2006, we had booked a gain of 822% in AUM to Rp 2.92 trillion. This level positioned Mandiri Manajemen Investasi as seventh largest out of 94 investment managers listed with Bapepam.



In the coming year, Mandiri Manajemen Investasi will continue to enhance our range of product offerings and strengthen our cooperation with the Bank Mandiri branch network as well as with third parties to distribute the products.





Mandiri Sekuritas received broad acclaim for these achievements in 2006, marked by a number of local and international awards: Best Investment Bank from Global Finance, Best Domestic Bond House and #3 Best Local Broker from Asiamoney and The Most Active bourse member for SUN transactions in 2006 from Bursa Efek Surabaya

Mandiri Sekuritas has set up a number of branches of our "Mandiri Investment Gallery",

in three cities - Jakarta, Surabaya and Medan. As a key component in our strategy to become a prominent financial service provider, and to improve our service to investors, we plan to establish additional new branch offices in several locations and to work more closely with the Wealth Management Group at Bank Mandiri to deliver a full complement of capital market investment products, including equity, bond and mutual funds, especially through the Bank's priority banking services across Indonesia.

For further information, please contact Mandiri Sekuritas Corporate Secretary at e-mail : corsec@mandirisek.co.id.

AWARDS IN 2006

magazine/institution	awards
	Best Investment Bank in Indonesia
	Best Domestic Bond House in Indonesia
	Most Active SSX member for Government Bond Trading
	#3 best Local Broker

2006 ACCOMPLISHMENTS

PT PP (PERSERO)



MTN
IDR 100.00 BILLION
 Sole Arranger & Placement Agent
 December 2006

**PT ASTRA
 SEDAYA FINANCE**



Bonds
IDR 575.00 BILLION
 Joint Lead Underwriter
 June 2006

**PT JASA MARGA
 (PERSERO)**



Placement of Jasa Marga Shares in
 Citra Marga Nusaphala Persada
IDR 480.00 BILLION
 Sole Bookrunner
 & Placement Agent
 December 2006

**PT BANK TABUNGAN
 NEGARA (PERSERO)**



Bonds
IDR 1.00 TRILLION
 Joint Lead Underwriter
 September 2006

strategic business unit
commercial
banking



We have refined the overall management of our loan portfolio, from processing through monitoring, pursuing a 'targeted customer' approach, with more rigorous trade checking, a committee-based loan approval mechanism, and a loan monitoring system.

ZULKIFLI ZAINI • Managing Director



We have launched new financing schemes targeting business prospects in the agribusiness, construction and telecommunication sectors through our alliance strategy of providing value chain financing.

YEAR END 2006

Business Volume	Rp 52,840 billion
Loan Volume	Rp 24,355 billion
Deposit Volume	Rp 28,485 billion
• Demand Deposit	Rp 16,259 billion
• Time Deposit	Rp 12,225 billion
Fee-based Income	Rp 127 billion
Net Interest Income	Rp 2,112 billion
Operating Income	Rp 2,048 billion

Profitability

Contribution Margin	Rp 1,957 billion
# CMS Customers	850

Spread

YoL-Rp	16%
YoL-Fx	8%

CoF-Rp

Demand Deposit	3%
Time Deposit	11%

CoF-Fx

Demand Deposit	2%
Time Deposit	4%



We acquired 323 new customers for our Cash Management System (CMS) services in 2006, bringing our total to 850.

PERFORMANCE

Our Commercial Banking business volume in 2006 reached Rp 52,840 billion, or 4.9% above the previous year. This growth was derived, in part, from gross loan expansion of Rp 6,753 billion, of which new customers received Rp 1,977 billion and existing customers Rp 4,776 billion.

At the same time, weakness in the real sector, particularly earlier in the year, resulted in downgrades in loan collectibility of Rp 4,689 billion to non-performing status. We also received repayments of Rp 2,504 billion in loans, further deflating our reported growth.

Our total funding, including deposits from other banks, grew by 16.1% to Rp 28,485 billion. This growth was accompanied by a significant improvement in our funding mix. Low cost funds in our demand deposit accounts increased by 30.9% to Rp 16,259 billion, while high cost time deposits rose by only 0.9% to Rp 12,225 billion. This is indicative of Bank Mandiri's expanding role in providing transaction services for this business segment.

Commercial Banking booked a net interest income of Rp 2,111.7 billion in 2006, with total operating income excluding provisions of Rp 2,048.0 billion, or 33.3% of the Bank's total operating income excluding provisions. Our fee-based income was robust as well, jumping by 71.3% compared to the previous year to Rp 127 billion. Finally, we booked Rp 1.957 trillion in contribution margin, an increase of 56.8% from 2005.

ACHIEVEMENTS

We currently maintain 17 Commercial Banking Centers (CBCs) distributed across Jakarta and nine other large cities, with 6 located outside Java. We expanded our Commercial Banking distribution channels in 2006 by opening 2 Commercial Floors in Batam and Balikpapan, and setting up 3 Trade Service Centers (TSCs) in Jakarta, Surabaya, and Makassar.

We have launched new financing schemes targeting business prospects in the agribusiness, construction and telecommunication sectors through our alliance strategy of providing value chain financing. With respect to services, we have enhanced our Cash Management System (CMS) as well as our Customer Access for trade services. These initiatives contributed directly to the positive movement in our funding levels and funding mix, as well as to the growth in both fee-based income and number of customers. In 2006, we acquired 323 new customers for our CMS services, bringing the total to 850.

We have worked to improve the overall management of our loan portfolio, from processing through monitoring, through various means. We are increasingly pursuing a 'targeted customer' approach, with more rigorous trade checking, a loan monitoring system, a watch list, and a tighter disbursement process. We have also implemented a committee-based loan approval mechanism.

We continue to upgrade our organization and the quality of our human resources through competency assessments, specific training such as credit workshops, and manning evaluations in accordance with our staff's proficiency.

GOALS

We have mapped out a series of strategic initiatives to guide the development of the Commercial Banking Directorate and to fulfill the promise of our new SBU organization. From an organizational perspective, we will realign our workforce to our new strategic goals, upgrade the knowledge and capabilities of our sales force, and establish a separate customer management function. We will continue to enhance our transaction banking capabilities and practices and optimize our end-to-end operations. We also intend to pursue high quality growth through an active alliances program, and thereby to improve the overall quality of our credit portfolio.

Together, these initiatives should enhance our service standards and the productivity of our human resources. By consistent adherence to our core values of Trust, Integrity, Professionalism, Customer Focus, and Excellence, we expect to successfully position the Bank within a more competitive environment, and foster our long-term business expansion.

strategic business unit
consumer
finance



Our imperative is to carefully select our target markets, employ segment-specific pricing strategies and focus on high-yield products, relying upon the commitment and support of our extensive branch network.

OMAR SJAWALDY ANWAR • Managing Director

YEAR END 2006

Loan Volume	Rp 11.33 trillion
• Mortgage (KPR Mandiri)	Rp 3.61 trillion
• Home Equity (Multiguna Mandiri)	Rp 3.67 trillion
# of debtors	169 thousand
# of professional sales	1,180
Credit Card volume	Rp 1,293 billion
# of Credit Cards	872 thousand
Profitability	
Contribution Margin	Rp 412 billion
Spread	
YoL–Rp	16%
YoL–Fx	4%

PERFORMANCE

The Consumer Finance Directorate recorded net interest income of Rp 771 billion and generated a contribution of Rp 412 billion to the Bank in the year ending 31 December 2006. As of year-end, we had extended Rp 11.33 trillion in loans to 169,209 accounts, for a growth rate of 11.3% from the previous year.

The market share of Mandiri Visa Cards increased to 19%, both in terms of number of card holders and our share of outstanding card balances. Bank Mandiri was ranked #1 as a Visa Card issuing agent and #3 for sales volume, according to the Member Ranking Report-Quarter September 2006, from Visa International.

ACHIEVEMENTS

The modification of Bank Mandiri's overall organization structure in 2006 resulted in the formation of the Consumer Finance Directorate, with a mandate to manage consumer loans, credit cards, and to supervise Bank Syariah Mandiri, our Islamic banking subsidiary.

A number of strategic initiatives were carried out in 2006 to support this new focus:

- New segment-specific card products were developed, including the launch of our Everyday Card for the young-adult segment.
- Additional credit card features were introduced, such as the Power Buy over EDC networks.
- Consumer loan products were enhanced by the launch of new products and features including our KPR Flexible, KPR Top Up and KPR Duo.
- Consumer loan product penetration efforts were intensified through the implementation of telesales, the availability of a strong and knowledgeable salesperson at each point of sale, and more rigorous cross-selling to potential customers.

We have expanded our mortgage marketing programs in cooperation with developers from across Indonesia, participating in more than 245 housing projects.

- Consumer loan extension was simplified through the streamlining of documents and the loan approval process.

The development of new features, introduction of new and innovative products, and acceleration of the loan approval process were all key factors in bolstering the performance of units under the Consumer Finance Directorate.

CONSUMER LOANS

Mortgage loans (KPR Mandiri) and home equity loans (Multi Guna) still dominate our loan portfolio, with total balances of Rp 3.61 trillion and Rp 3.67 trillion respectively. Our mortgage loans have expanded by 18.4% compared to 31 December 2005 as we have launched several new products and features in the course of 2006, including variations such as KPR Flexible, KPR Duo, and KPR Top Up. We have also expanded our marketing programs in cooperation with developers from across Indonesia, as we participate in more than 245 housing projects.

In addition, Mitrakarya Mandiri grew considerably, by 81.9%, from last year. These are loans to employees of companies which have been using the payroll services of Bank Mandiri. We have been working in cooperation with more than 630 companies in delivering this product, particularly through our business partners.

Our Consumer Loan Group has been supported by 1,180 sales professionals who assist our marketing efforts, and backed by on-line

computerized loan processing at 13 Consumer Loan Processing Centers and 41 Consumer Loan Processing Outlets all across Indonesia. An independent survey showed our CSI (Customer Satisfaction Index) improving to 88.6% from last year's 85%.

In addition, in 2006 Bank Mandiri received an award from Property & Bank magazine as 'State Own Bank with innovative interest rate strategy'.

CREDIT CARDS

We had 872,480 cards in circulation at the end of 2006, or 15.96% more than the previous year. New regulations increasing minimum monthly payments to 10%, as well as macroeconomic factors, caused a decline in card usage in 2006, and as a result, our year-end balance of Rp 1,293 billion was lower by 5.46% compared to 2005. Credit cards, however, continued to deliver a positive contribution margin to Bank Mandiri.

We developed a number of new card products in 2006. Working in cooperation with MasterCard International, we launched a Titanium Card and an Everyday Card to extend our market into the Young Adult Segment. We also issued Affinity Cards with educational institutions and introduced second-line card embossing with companies such as PT. Samudra Indonesia, PT. Inco, PT. Indo Pasific, and PT. Pertamina.

Our primary marketing channels include direct sales, telemarketing, Bank Mandiri branches and strategic alliances with customers of Bank Mandiri. To accelerate the growth in the number

of credit cards issued, we have conducted Member Get Member programs, offered Add Ons for existing Mandiri Visa card holders, held Branch Sales Contests, and cross-sold to our borrowers and funding customers with free annual fees.

We have established many innovative features and programs to enhance the value proposition to our targeted credit card customers. These include Power Buy, a term-payment shopping program with zero interest; Power Cash, a cash advance program with 1.5% interest rate; 50% Discount Program for Everyday and Titanium Cardholders; Top Up program, an easy way to charge re-fills or prepaid mobile phones through SMS; and Mandiri Siswa Sejahtera program in cooperation with AXA Mandiri, offering a Unit-Linked Eduplan program. In 2006 we orchestrated a usage program with more than 1,200 merchant partners and instituted recurring transactions for more than 11 bill payment partners. More than 800 promotions and events were aimed at increasing card usage and cardholders' loyalty.

Bank Mandiri received a number of awards in connection with our marketing and loyalty programs during 2006, including Outstanding Achiever-Large Issuer from Visa International; The Best Credit Card in Pricing; Third Winner of the Best Credit Card in Marketing Communication from Swasembada and Synovate; and also the Indonesian Bank Loyalty Champion from MarkPlus Insight and Info Bank.



Our product penetration efforts were intensified through the implementation of telesales, the availability of strong and knowledgeable staff at each point of sale, and more rigorous cross-selling to potential customers.

GOALS

In the year to come, the Consumer Finance Directorate will broaden our product offerings into new profitable segments; cross-sell products to Bank Mandiri's existing customers; strengthen our point-of-sales presence; and improve the effectiveness and productivity of our sales and marketing network.

In addition, we will extend our loyalty program with a power mileage feature; create new card products such as a Corporate Card which includes T&E Reporting; co-brand with companies and institutions which can provide access to our targeted segments; and implement EMV and contact-less technology.

New entrants, both domestic and foreign, into the consumer finance market have significantly intensified the competition. Our imperative is to carefully select our target markets, employ segment-specific pricing strategies and focus on high-yield products. The commitment and support of our extensive branch network, exceptional infrastructure capabilities and dynamic human resources will enable us to continue to expand our presence and contribute to the overall performance of the Bank.



BANK SYARIAH MANDIRI

Bank Syariah Mandiri (BSM) was established on 1 November 1999 and is one of three Syariah banks and 20 Islamic Windows in Indonesia offering deposit and loan products based on Islamic Syariah principles.

Our deposit products consist of time, demand and saving deposits, as well as education and hajj savings. By the end of 2006, Bank Syariah Mandiri had in excess of 728,000 individual and institutional customers maintaining deposit accounts with us.

Our financing activities are focused in sectors such as grocery trading, agriculture, industry, retail trade, housing and infrastructure including telecommunications. Our financing products include investment and working capital finance to the middle commercial, small and micro segments, as well as consumer financing. By the end of 2006, we had extended financing facilities to roughly 32,000 individual and institutional customers.

Bank Syariah Mandiri also offers our customers a full-range of services including payment points, trade financing and services, intercity clearing, on-line tax payments, foreign currency transfers and RTGS.

BSM has 212 outlet offices in 24 provinces across Indonesia. Customers can access 53 proprietary ATMs, 2,661 ATMs within the Bank Mandiri network and 10,388 ATMs within the network of ATM Bersama, in addition to 2,903 Malaysian Electronic Payment System (MPES) ATMs.

As of 31 December 2006, total financing extended reached Rp 7.40 trillion or 6.3% of total loans outstanding at Bank Mandiri. Third party funds reached Rp 8.22 trillion or 4% of total third party funds at Bank Mandiri.

Bank Syariah Mandiri is the largest Syariah bank in Indonesia, with a market share of 35.97% in total assets, 36.20% in financing and 39.76% in funding. We generated operating income of Rp 1.08 trillion in 2006.

Bank Syariah Mandiri received a number of awards over the past year. These include:

- Golden Award from Infobank Magazine July 2006, for achieving “excellence” status over five consecutive years.
- Indonesian Bank Loyalty Award (IBLA), May 2006: The Best of Indonesian Bank Loyalty Champion: Category Sharia Banking.



strategic business unit
micro & retail
banking



Our primary focus is to create a strong funding structure (large, low-cost and stable) and to disburse productive loans to Small & Micro entrepreneurs through our 924 branches and 200 Micro units across Indonesia.

BUDI G. SADIKIN • Managing Director



YEAR END 2006

Loan Volume	Rp 9.26 trillion
• Small business	Rp 7.32 trillion
• Micro	Rp 1.94 trillion
Deposit volume	Rp 120.96 trillion
• Demand Deposits	Rp 8.02 trillion
• Savings	Rp 55.92 trillion
• Time Deposits	Rp 57.02 trillion
Contribution Margin	Rp 1.51 trillion
# of small & micro debtors	126 thousand
# of ATM card holders	5.75 million

PERFORMANCE

The Micro & Retail Banking Directorate had extended financing to 126,541 small and micro business owners by the end of 2006. Our total Small Business volume of Rp 8.6 trillion was 9.7% above the previous year, and consisted of loans amounting to Rp 7.32 trillion and deposits of Rp 1.28 trillion. Our Micro volume stood at Rp 1.94 trillion, or 12% stronger than in 2005, of which 69% was extended to small-scale vendors with the remainder to plantations and house-hold industries.

Our Retail Banking activities were focused on the expansion of our low cost funds, and generated growth in demand and savings deposits of 9.3% and 28.7% respectively. This performance resulted in our low-cost funds ratio improving to 53% of total 3rd party funds. At year-end, the number of Mandiri ATM cards in circulation had also increased, to 5.75 million or 29.8% above the level in 2005. During 2006, e-channel transactions grew to 26 million per month, 33% above 2005 levels, and far exceeding branch transactions of 8 million per month.

Our branch network expanded by 17 new branch offices in 2006, bringing our total to 924 outlets servicing our regular customers, while the mass-affluent segment enjoys 25 Priority Banking outlets and 17 Priority Lounges distributed across 17 large cities in Indonesia. Our ATM network has grown as well, to 2,800 units, along with 2 CDMs, 17,362 merchant EDCs and, in co-operation with ATM Bersama and ATM Himbara, access to 13,714 ATMs



We have allocated Rp11 trillion in financing for 160,000 farmers on 321,268 hectares of palm plantations.

ACHIEVEMENTS

Small Business and Micro

Our loans to the plantation sector in 2006 accounted for 36% of the nationwide total. We extended loans to small-scale plantations in the form of working capital loans, investment loans, nucleus plasma schemes, and program loans such as to members of Koperasi Primer (KKPA), financing schemes to Agriculture (SP3), Loans for Food Sufficiency (KKP), and KUMK-government bond (SUP005). In December 2006, the Minister of Finance appointed Bank Mandiri as an executing bank to channel Kredit Pengembangan Energi Nabati—Revitalisasi Perkebunan (KPEN-RP).

To expand our loan portfolio to the micro segment, we have implemented a hybrid strategy including BPR linkage programs and the expansion of our Micro Business Unit (MBU) network, with a current total of 200 MBUs.

We cooperate with 1,001 BPRs, or more than 30% of all BPRs, through linkage programs with executing and channeling schemes. These successful programs led to our garnering 4 “Kriya Pranala Awards” from Bank Indonesia in the categories of: The largest number of BPR-linkages; The Largest Linkage Program Initial Plafond; The Largest Total Linkage Balance and; The Broadest BPR-linkage area coverage, encompassing 24 provinces and reaching remote areas such as Aceh, Sulawesi Utara, and East Nusa Tenggara.

In the oil and gas sector, in cooperation with Pertamina, we are providing payment and other services, including Host-to-Host payments and Cash Management, to the distribution chain for Pertamina liquid fuel (BBM). This results in

substantial, regular and rapidly growing business volume. We also provided financing to 393 gas stations out of a total of 3,200. The maximum of Rp 2 billion in financing per station was utilized for building or renovating stations, working capital needs and bridging finance for Delivery Orders to Pertamina.

RETAIL BANKING

Our growth in saving deposits was driven in part by integrated end-to-end services for Corporate and State-Owned Enterprise clients (SOE) with substantial cash flows deriving from Indosat, Telkom, PLN, Pertamina, Modul Penerimaan Negara (MPN) Ministry of Finance, payments services for PT Kereta Api Indonesia, Perusahaan Gas Negara and Gajah Mada University, and payroll services for corporate and commercial clients.

We are also looking to build our business transaction volume through penetration programs in the Jakarta business centers of Tanah Abang and Mangga Dua, and will expand these to 7 other large cities in Indonesia. We have launched savings products with features tailored for entrepreneurs and vendors, and have also added 10 e-channel features that enhance the convenience of our payment transactions and account maintenance, with easy access to a variety of banking products.

We frequently organize promotion programs to build and maintain customer and public awareness, such as the Mandiri Fiesta Program. In addition, each region conducts specific promotional programs which are adapted to the local character and culture.

We continue to register strong productivity improvement as our transaction volumes migrate from high-cost to lower-cost channels, such as

e-channel transactions, including ATMs, Internet Banking, SMS Banking and Call Centers. This shift was also supported by the addition or relocation of ATMs from less profitable areas to higher transaction potential areas.

This increase in business volume went hand-in-hand with improving service quality to our customers. In an annual survey conducted by Infobank magazine and MRI, an independent research company, Bank Mandiri was ranked 2nd overall in service excellence in 2006, with the best service quality among State-owned banks. Our Call Center received the Call Center Award 2006 from the Center for Customer Satisfaction and Loyalty (CCSL) and also achieved ISO Certificate 9001:2000. PC Magazine recognized the Bank for The Best Online Banking in Indonesia, and MarkPlus Insight named Bank Mandiri in the Top 3 Indonesian Bank Loyalty Index for Saving.

GOALS

Building upon our 2006 performance, we have allocated Rp 11 trillion in financing to the palm plantation sector for 160,000 farmers on 321,268 hectares, to be extended in a number of stages appropriate to planting and maintenance requirements through KPEN-RP program (Kredit Pengembangan Energi Nabati dan Revitalisasi Perkebunan).

We will also extend our exposure to the oil and gas sector through working capital loans, investment loans, financing to rejuvenate dispensers, lay-out renovation, gaz cards, as well as loans to cooperatives, LPG agents, kerosene agents and dispenser dealers and distributors. As an example of the potential scale of these efforts, kerosene is currently distributed through

Our e-channel transactions, including ATMs, Internet Banking, SMS Banking and Call Centers, grew to 26 million per month, and far exceeded our branch transactions of 8 million per month.

more than 17,000 bases and 80,000 retailers across Indonesia, all of whom could benefit from capital support.

In addition to further growing our network, we expect to generate new business volume through better-defined customer segmentation via our partnership programs, take-over programs, and loan packages to specific segments. We see significant potential in loans to Indonesian Overseas Labor (TKI), which will be one main focus for financing in the coming year, in particular to 5 destination countries. The TKI program is expected to encompass 750,000 people, and will require financing of more than Rp 3.75 trillion per year. To support this program, Bank Mandiri hopes to finance 100,000 members channeled through PPTKIS.

To get closer to our customers, we continue to open Micro Business Units (MBU) in business centers with high potential for micro business, with an additional 100 Micro Business Units in the year. Our rapid expansion has also utilized our existing branch office infrastructure as well as our dedicated outlets.

PT AXA MANDIRI FINANCIAL SERVICES

PT AXA Mandiri Financial Services (AMFS), a joint venture company between PT Bank Mandiri (Persero) Tbk (49%) and AXA (51%), commenced operations in December 2003 and, by the end of 2006, had representatives active in more than 650 of Bank Mandiri's branches in ten regions.

800 Financial Advisors (FAs) offer AXA Mandiri services in financial planning and wealth management through insurance and investment products that provide added value for Bank Mandiri customers.

For individuals, AXA Mandiri offers unit-linked products that combine traditional protection features with investment returns. Unit-linked products offer flexible options with relatively high yields to fulfill a variety of needs, including retirement savings, educational funds and multi-purpose funds.

Currently, AXA Mandiri offers three unit-linked products. Mandiri Investasi Sejahtera is a single premium unit-linked product that provides an easy way to invest, with a one-time premium payment. It also features the option to add or withdraw funds at any time and has a life insurance component. Mandiri Dana Sejahtera is a regular premium

unit-linked product that offers an easy way to regularly save, also with options to deposit or withdraw funds at any time and a life insurance component.

Mandiri Siswa Sejahtera is an education plan unit-linked product that helps customers to save for higher-level education. AXA Mandiri also offers to guarantee the educational funding for the children's education. Several additional riders to these products can include Medicash, Protector (protection against accidents) and payer benefits. Protection coverage is extended to groups as well, including Mandiri Visa cardholders (Mandiri Protection) and Bank Mandiri's consumer loan customers.

In addition to these unit-linked products, AXA Mandiri also distributes Mandiri Jiwa Sejahtera, a traditional term life insurance that focuses on protection, with clients choosing between terms of one, five or ten years.

In 2006, AXA Mandiri generated Rp827 billion in premium income. As of 31 December 2006, AXA Mandiri's assets stood at Rp1.7 trillion, with a Risk-Based Capital (RBC) level of 1,293%. RBC is an indicator of a life insurance

company's solvency, with the minimum RBC required by law in Indonesia of 120%.

The Dewan Asuransi Indonesia (DAI), in the third quarter of 2006, ranked AXA Mandiri at 2nd amongst all life insurance companies with unit-linked products in Indonesia, with a 20.88% market share. AXA Mandiri's FAs are the most productive in the country, with total case count of more than 67,000 in 2006.

In the coming year, AXA Mandiri plans to expand further through more fully leveraging the resources of Bank Mandiri. In addition to Financial Advisors working within Bank Mandiri branches and Worksite Marketing, which directly targets the employees of companies that have existing relationships with Bank Mandiri, AXA Mandiri has launched a new service called Mobile Financial Advisor. Through this service, AXA Mandiri will prospect the 70% of Bank Mandiri's customers who only rarely have direct branch contact since the advancement of Bank Mandiri's e-banking facilities (ATM, Internet Banking, SMS Banking). AXA Mandiri in the near future also plans to launch Mandiri Rencana Sejahtera to further serve our customers' needs.

strategic business unit

**treasury &
international
banking**



Our integrated services for treasury, remittance, trade service, trade finance, and funding continue to improve, and provide solutions for all of our customer requirements as we strive to become the main international transaction channel for Indonesia.

THOMAS ARIFIN • Managing Director



**PERFORMANCE OF INTERNATIONAL
BANKING & CAPITAL MARKET SERVICES
GROUP AS PER 31 DEC 2006**

Earning Assets (Avg. Balance)	Rp 913 billion
Deposits & Borrowings (Avg. Balance)	Rp 3,007 billion
Interest Income	Rp 402 billion
Fee based income	Rp 194 billion
Contribution Margin	Rp 454 billion

PERFORMANCE

Treasury:

Our foreign exchange transaction volume from corporate and individual customers totaled USD 23.75 billion in 2006, while inter-bank customers transacted an additional USD 42.73 billion. Our profit from foreign exchange transactions reached IDR 337 billion. Our total fee-based income of Rp 572 billion was somewhat ahead of our target for the year.

We complied with Bank Indonesia regulations regarding Net Open Position and Reserve Requirements over the year. Our Rupiah Reserves averaged 11.13% versus an 11% BI requirement, while our average Net Open Position was 14.83% on a balance sheet basis and 3.98% on an overall basis, compared to Bank Indonesia requirements of 20% of the Bank's equity.

International Banking:

In 2006, Bank Mandiri maintained reciprocal relationships with 1,117 correspondent banks in 102 countries as well as 35 nostro accounts, which helped to generate a 28.2% increase in business including trade finance and remittances as well as risk-sharing and bilateral financing agreements.

In trade services, our market share of correspondent bank export transactions rose by 5.6%, while import transactions from our correspondent banks declined by 38.7% from 2005.

In remittance services, our priority has been to grow our transaction volume and fee-based

We maintained reciprocal relationships with 1,117 correspondent banks in 102 countries, as well as 35 nostro accounts, which helped to generate a 28.2% increase in business.

income derived from Indonesian Overseas Labor (TKI) as well as other Indonesian individuals and companies abroad. Our total international remittance volume in 2006 rose 20.6% compared with 2005. Our TKI-sourced remittance volume was 56.4% higher in 2006, while the associated fee-based income rose 25.3%. In all, our fee-based income arising from trade services, including Bank Guarantee issuance and remittances, increased by 12.0% compared with 2005.

At the same time, USD Export Bill Collections by our Cayman Islands Branch rose by 43.5% in 2005.

Capital Market Services:

We provide a variety of capital market services, including custodial (general, sub registry, Euroclear, ADR/GDR conversion, mutual fund), trustee services, escrow agent, paying agent and security agent. We also provide settlement services of securities, forex lines and provide intraday facilities for stock transactions, bonds and OTC in supporting Bank Mandiri's function as a payment bank for the Jakarta Stock Exchange.

Our total portfolio of securities depository custodial services stood at Rp 73,596,885 million and USD 395,383,869, or an increase of 18.3% compared with last year, while our trustee portfolio amounted to Rp 9.8 trillion and USD 100 million. Fee-based income from custodial and trustee services generated Rp 7.3 billion as of December 2006, for an increase of 22.5%. Our custodial and trustee services were rated "good" in a customer satisfaction survey (3 on a 4-point scale).

Our financing and bank payment facilities now service 78 stock exchange members, up from 74 in 2005. Our average intraday facilities rose by 88.9% from Rp 63 billion in 2005 to Rp 119 billion in 2006. Our income from capital market services as a payment bank increased by 130.9% from Rp 1.1 billion in 2005 to Rp 2.5 billion in 2006. A Stock Exchange survey showed that Bank Mandiri delivered consistent satisfaction in 2006 with score of 3.4 on a 4-point scale.

ACHIEVEMENTS

Treasury:

Our persistent efforts in the past year have resulted in significant acclaim. We were awarded the Best Domestic FX Provider in 2006 by Asiamoney magazine for our services to corporate customers, following our receipt in 2005 of the Best FX Interbank. Our success has been founded upon service excellence through fast processing, competitive pricing and a strong supporting network.

We continued to recruit dealers throughout the year, providing training through overseas banking treasury courses as well as overseas job attachments to ensure that they are equipped with the ethics, skills, and knowledge required to excel in their workplace. By November 2006, our dealing room was renovated and transformed into the most modern and advanced dealing room in Jakarta.

International Banking:

We continue to explore long-term financing alternatives in collaboration with our correspondent banks in order to anticipate demand arising from our corporate customers'

projects. This has led to our establishing an Export Credit Agency (ECA) Guaranteed Supplier's Credit as one example of new bilateral financing products.

In order to improve international remittance transactions, Bank Mandiri Hong Kong Branch has developed one remittance office to serve Indonesian Overseas Labor (TKI) in Hong Kong. We have also developed integrated services such as remittance and savings for Indonesian Overseas Labor (TKI).

Capital Market Services:

We strengthened our capabilities in custodial services by adding securities lending and borrowing products, where our custodial role is an intermediary with the Indonesian Central Securities Depository (KPEI), in order to provide added value to securities depository in Bank Mandiri custodial services.

GOALS

Treasury:

We would like to maintain and improve our performance in 2007 by further emphasizing customer satisfaction. The introduction of the Strategic Business Unit (SBU) organization should enable us to move faster in achieving our targets. With broader autonomy and a streamlined organization, we expect to enter derivatives market niches, expand our Regional Treasury Marketing (RTM) in major cities in Indonesia for a larger share of the consumer FX market, and recruit and develop more staff. We will also strengthen our product control and risk management practices in order to maintain our accountability.



We expect to enter derivatives market niches and expand our Regional Treasury Marketing (RTM) into major cities in Indonesia for a larger share of the consumer FX market.

International Banking:

Our focus in 2007 and beyond is to become the primary correspondent for domestic correspondent banks. Our integrated services of treasury, remittance, trade service, trade finance, funding and training continue to improve in order to provide solutions for all of our domestic correspondent banks' requirements. For international banking correspondent services, we will strive to become the main transaction channel for Indonesia, not only in remittances but also in trade services.

In 2007 Bank Mandiri is launching Mandiri Direct Settlement (MDS) which is intended to improve domestic inter-bank USD remittance services and also improve fee-based income for remittance transactions.

We expect to complete the implementation of our Central Liabilities System (CLS) in Head Office and our overseas branches to enhance our capability to monitor our exposure to correspondent banks, scrutinize limit usage and prepare reciprocal business analyses. Through CLS, we also expect to consolidate real time data from all of our business units, maximizing our capacity to monitor limit utilization for customers and correspondent banks alike.



We will also continue to rollout the standardization of our operational systems to integrate our overseas offices with our domestic network through a program begun in 2004. This implementation process began with our Singapore branch and is to be followed by the remaining branches based upon urgency, their transaction volumes and complexity of operations

The new system is intended to improve integration, standardization and security of overseas branch services in parallel with the operations systems of international banking services.

Bank Mandiri is also seeking approval to upgrade the status of our Shanghai representative office to a Branch office, and also develop a Settlement Company to increase fee-based income in international remittance services. We are also pursuing opportunities to open Representative Offices in the Middle East, Vietnam and Malaysia, in addition to a Remittance Office/Kiosk in Hong Kong to serve Indonesian workers as a part of our international network development strategy.

Capital Market Services:

In order to improve customer service satisfaction and process efficiency, we are still developing custodial service capabilities through on-line custody services, which will enable customers to access their securities accounts on-line. We are also working on system integration of custodial services to improve straight-through-processing in operational custodial services.

Our capital market financing activities will focus on short term financing (money market lines) and bridging, while our payment facilities will broaden to include OTC intraday facilities for stocks and corporate bonds. We also expect to successfully cross-sell Bank Mandiri's custodial services.

strategic business unit
special asset
management



In the course of 2006, our loan restructuring and recovery processes have been accelerated to successfully reduce our Non Performing Loans (NPLs) and optimize our recovery rates. We have also carried out intensive training of our human resources in order to more effectively and efficiently manage problem loans, and to strengthen our position to become a Dominant Multi-specialist Bank.

RISWINANDI • Managing Director



From a balance of Rp 26,751 billion in NPLs at the beginning of the year, our extensive restructuring and recovery efforts successfully reduced our gross NPLs to Rp 18,677 billion by year-end.

CREDIT RECOVERY BANK ONLY

(RP BILLION)

	Total	Corporate	Commercial *)	Consumer
Gross NPL				
Balance 31 December 2005	26,751.51	16,703.79	9,705.59	342.13
Additional during the period	5,379.07	2,060.21	2,725.98	592.88
Upgrades & Repayments	(11,313.82)	(9,853.85)	(1,366.92)	(93.05)
Write-backs	2,336.40	2,336.40	-	-
Gross NPLs prior to write off	23,153.16	11,246.55	11,064.65	841.96
Write off	(4,475.75)	(933.76)	(3,221.43)	(320.56)
Balance 31 December 2006	18,677.41	10,312.79	7,843.22	521.40

Provision for Loan Losses

Balance 31 December 2005	11,649.81			
Write off	(4,475.75)			
Provisions during the period	4,023.41			
Recoveries **)	3,408.68			
Others ***)	(521.46)			
Balance 31 December 2006	14,084.69			

Net NPL

Balance 31 December 2005	16,192.12			
Net change in Gross NPLs	(8,074.10)			
Net change in NPLs provision	(1,492.35)			
Balance 31 December 2006	6,625.67			
Net NPLs as percentage	6.06%			

Notes:

- *) Commercial loans including Small and Micro
- **) Includes Write-backs
- ***) Includes effects of foreign currency translation

PERFORMANCE

The management of Bank Mandiri established the Special Asset Management Directorate in May 2006 with the responsibility for carrying out loan restructuring and recovery across the Bank in an efficient and structured manner. As 2006 began, problem loans accounted for 25.3% (gross) of the Banks gross portfolio, or 15.3% net of provisions.

Special Asset Management incorporates the Credit Recovery Groups I and II, which were previously under our Treasury & International Directorate, and thereby removes problem loan management and resolution from the business units in which the loans originated. These two groups manage NPLs arising from our Corporate and Commercial loan portfolios, while our Consumer Collection Group, which reports through the Risk Management Directorate, manages Consumer NPLs.

From a balance of Rp 26,751.51 billion in NPLs at the beginning of the year, extensive restructuring and recovery efforts successfully reduced the gross balance of NPLs to Rp 18,677.41 billion by year-end, of which more than 80% were managed by the Special Asset Management Directorate.

The primary means of NPL reduction during the year were restructuring and collection activities, resulting in overall loan collectibility improvements and or repayment of a total of Rp 11,313.82 billion in loans. Of this amount, Corporate, Commercial and Consumer customers accounted for Rp 9,853.85 billion, Rp 1,366.92 billion and Rp 93.05 billion respectively.

In the course of 2006, Bank Mandiri also wrote-off Rp 4,475.75 billion in loans, comprised of 20.86% from Corporate, 71.98% from Commercial and 7.16% from Consumer customers.

ACHIEVEMENTS

We achieved a net NPL ratio of below 6.1% and collections of Rp 1,072.29 billion from written-off loans by the end of 2006. This was attributable to the implementation of three broad strategies in addressing our NPL stock: loan restructuring, exiting and loan maintenance. In general, we opt in favor of loan restructuring in instances where the borrower retains sound business prospects despite failing to maintain performing loan status due to technical downgrades or poor payment history.

For borrowers with poor prospects, we seek to exit the NPL through the sale of fixed assets and other collateral, refinancing from other sources or identifying new strategic investors. Loan maintenance is our primary recourse for post-restructuring NPLs for which the borrowers continue to meet all restructuring terms and conditions but cannot be upgraded due to technical factors.

During 2006, the balance of loans outstanding to our Top 30 largest NPL obligors has shown significant improvement, declining from Rp 16,112 billion to Rp 7,330 billion as of 31 December 2006.

The successful restructuring of loans to two of our largest obligors - Argo Pantes and Raja Garuda Mas—was completed by year-end, resulting in significant NPL reductions:

- The Bank's exposure to Argo Pantes was Rp 2.28 trillion. Subsequent to the signing of a Restructuring and Loan Settlement Agreement on 18 October

2006, the debtor has consistently met the new commitments. According to the agreement, a portion of the loan repayments will be settled through the disposal of property and non-core assets.

- The Raja Garuda Mas restructuring to 3 (three) companies grouped in the "Riau Complex" was signed and effective on 19 October 2006, with total facilities as of 30 September 2006 of USD 1.43 billion (where Bank Mandiri's portion was USD 589.93 million). The obligor has subsequently complied with the new terms of the loan agreement for the remainder of the year.

Repayment from some other obligors also contributed to our NPL reduction, as well as loan collectibility improvements for others of the 30 largest obligors, including Pupuk Iskandar Muda, Anugerah Inti Gema Nusa, Eterindo Group, Benang Sari, and Apac Inti Corpora.

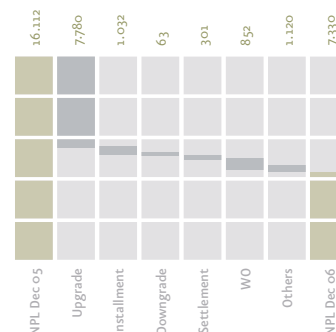
Our collection of written-off loans amounted to Rp 1,072.29 billion, consisting of Corporate at Rp 494.97 billion (46.16%), Commercial at Rp 548.51 billion (51.15%) and Consumer at Rp 28.81 billion (2.69%).

GOALS

We continue to target a reduction in our gross NPL ratio to below 10% and below 5% net by the end of 2007, by prioritizing our restructuring and settlement efforts on our 30 largest NPL borrowers.

In addition, Government Regulation (PP) No. 33/2006 and MoF Decree (PMK) No. 87/2006

PROGRESS OF TOP 30 BIGGEST NPL OBLIGORS DECEMBER 2005–DECEMBER 2006



concerning the Mechanism for Managing State Receivables, which are revisions to PP 14/2005 and PMK 31/2005, affirm that SOE receivables are not State receivables, and that the settlement of SOE receivables are no longer through the PUPN.

As a result, NPL settlement in state-owned banks may be resolved in accord with corporate law and regulations, resulting in the parity of a "level playing field" with other private and foreign banks.

In line with the above Government Regulations (PP), Bank Mandiri will commence an accelerated loan disposal program, called the Mandiri Bad Debt Settlement Program (PPKM) in order to further improve our asset quality.

In general, we opt for loan restructuring in instances where the borrower retains sound business prospects despite failing to maintain performing loan status due to technical downgrades or poor payment history.

PRODUCTS & SERVICES

CORPORATE

Loan	Syndication	Treasury
Working Capital Loan Investment Loan Cash Collateral	Arranger Facility Agent Security Agent Escrow Agent Revolving Underwriting Facility	Cash Transaction/Foreign Currency Trading Derivative transactions - Foreign Exchange Transaction Service (Forward, Swap, Option) - Interest Rate Transaction (Interest Rate Swap, Interest Rate Floor, Interest Rate Cap) Forex Line

COMMERCIAL

Loan	Cash Management Services	Trade Services
Working Capital Loan Investment Loan Cash Collateral	Immediate Cash Mass Transaction System Cash Management System Cash Management Bank Services Cash Pooling Notional Pooling	Export Advising Pre-export Financing Forfaiting Bill Purchasing Bill Collection Import LC/SKBDN (Issuance/UPAS) Trust Receipt Shipping Guarantee
	Customized Loan	
Bid Bond Advance Payment Bond Performance Bond Maintenance Bond Custom Bond Payment Bond Standby L/C	Financing to Contractor Mining - Working Capital Loan–Mining Contractor - Investment loan–Mining Contractor - Import Facilities–Mining Contractor - Bank Guarantee–Mining Contractor Telecommunication - Working Capital Loan–Telecommunication - Investment loan–Telecommunication - Import Facilities–Telecommunication - Bank Guarantee–Telecommunication Working Capital Loan Commodity Loan to/through Multi Finance Company Working Capital Loan with e_Biz Card Mandiri facilities Multi Purposed Loan Loan to Special Haj Travel Bureau	
Micro Loan		
Loan to Micro Business (KUM): - KUM–Mandiri - KUM–Mapan - KUM–Prima	Multi-Purpose Micro Loan (KSM) Loan to BPR: - BPR Mitra Mandiri - BPR Proyek Kredit Mikro	Partnership Program for Cooperatives and Rural Community Development Kredit Usaha Mikro–Layak Tanpa Agunan

RETAIL

Deposit	Electronic Banking	Merchant Acquiring Business
Savings Rupiah Demand Deposit Fx Demand Deposit Mandiri Dollar Rupiah Time Deposit Fx Time Deposit Deposit on Call Haj Saving Rencana Mandiri Saving Business Saving TKI Saving Micro Saving Kapel Saving	Mandiri Card Mandiri ATM Call Mandiri SMS Banking Mandiri Internet Banking Mandiri mATM	Electronic Data Capture (EDC)
Bancassurance	Fx Transaction	Mandiri Prioritas
Mandiri Dana Sejahtera Mandiri Siswa Sejahtera Mandiri Investasi Sejahtera Mandiri Jiwa Sejahtera Riders	Banknotes Sale/Purchase Currency Options Spot, Today, Tomorrow for IDR/USD and major currencies Dual Currency Deposits Deposito Swap Forward Yen	Dedicated Personal bankers Upscale Premises Airport Executive Lounge Exclusive Loyalty Programs Airport Handling Services Flexible ATM limit Safe Deposit Box Travel Related Services
Mutual Fund	Other Services	
Reksa Dana Pasar Uang Reksa Dana Pendapatan Tetap Reksa Dana Campuran Reksa Dana Saham Reksa Dana Terproteksi	Mandiri Transfer valas Mandiri Transfer Rp Real Time Gross Settlement Clearing Mandiri Bank Draft Mandiri Western Union Mandiri Collection Rp Mandiri Collection Fx Mandiri Bill Payment Mandiri Payroll Package Safe Deposit Box Mandiri Mandiri Travellers Cheque Fx Traveller Cheque Bank Reference Tax Payment Authorized Money Changer Standing Instruction	
Consumer Loan		
KPR Graha Mandiri Kredit Multiguna Mandiri Kredit Agunan Deposito Mandiri Kredit Mitrakarya Mandiri Kredit Bebas Agunan Mandiri KPM Kendara Mandiri		

TREASURY

Foreign Exchange & Money Market	Hedging Products	Investment Products
Placement & Borrowing SBI Auction & Repo Currency Spot	Currency Forward, Option & Swap Interest Rate Forward & Swap	Foreign Exchange Linked Deposit: <ul style="list-style-type: none"> - Deposito Dinamis Mandiri Single Range - Dual Currency Deposit Mandiri Interest Rate Linked Deposit: <ul style="list-style-type: none"> - Government Bond - Corporate Bond - Bond Repo and Reverse Repo - Retail Bond

INTERNATIONAL

Trade Finance	Trade Services	Assets Products
Export Usance Bills Discounting Export L/C Renegotiation Forfaiting Trust Receipt Usance Payable at Sight (UPAS) L/C Refinancing GSM 102 Program ECA Covered Buyer's Credit Islamic Trade Finance	L/C Issuance & Amendment L/C Advising L/C Negotiation L/C Confirmation Inter Mandiri Transaction Export Bills Collection Documentary Collection	Call Loan Syndicated Loan Investment Loan Working Capital Loan Two-Step Loans Ship Scrapping Business Banker's Acceptance Financing
Custody Service	Trustee	Other services
General Custody Sub Registry Govt. Bonds & SBI Local Custody for ADR/GDR Mutual Funds Administration Sub Custody Euroclear Securities Lending & Borrowing	Payment Agent Security Agent Escrow Agent Receiving Bank	Counter Guarantee Standby L/C International Remittance International Cheque Collection Mandiri Transfer Indonesia Vostro Account Interbank Risk Participation Financial Advisory Bank Reference Intra-day Facility Payment Bank for Indonesian Central-Securities Depository (KSEI) KMK Cash Collateral for Securities Company.

SMALL BUSINESS

Loan	Program Loan	Trade Service
Working Capital Loan Investment Loan Kredit Usaha Kecil Mandiri Kredit Koperasi Mandiri Working Capital Loan with Mandiri eBiz Card Facilities Mandiri Loans for Business Premises Cash Collateral	Loan for Food Sufficiency Loan to Member of Prime Cooperatives Small Investment Loans Post PIR Trans Conversion SUP005 Loan Agriculture Financing Scheme	Export Pre-export Financing Forfeiting Bill Purchasing/Discounting Bill Collection Import L/C Issuance (sight/ Usance/ UPAS) SKBDN Trust Receipt Shipping Guarantee
Bank Guarantee - Bid Bond - Advance Payment Bond - Performance Bond - Maintenance Bond - BG for Tobacco Duty - BG for trade BG for Deferral of Duty		
Standby L/C		

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**corporate
center
& shared
services**

corporate center

risk

management



We began the implementation of Enterprise Risk Management (ERM) in 2006 as a key strategic initiative intended to further strengthen the existing risk management processes of the Bank and to integrate and embed them within the Bank's business processes.

SENTOT A. SENTAUUSA • Managing Director

We determine loan interest rates using a risk-based pricing structure comprised of Cost of Funds, Overhead Costs, Cost of Allocated Capital and a Risk Premium, which depends on each borrower's segment and risk level.

ENTERPRISE RISK MANAGEMENT AND RISK-BASED PERFORMANCE

We began the implementation of Enterprise Risk Management (ERM) in 2006 as a key strategic initiative intended to further strengthen the existing risk management processes of the Bank. Risk management is no longer the sole responsibility of the Risk Management Directorate, but has become integrated and embedded within the Bank's business processes. This will support the introduction of the Strategic Business Unit (SBU) Organization in 2007 and ultimately enhance the value of the Bank.

With Basel II as a catalyst, ERM implementation aims to comprehensively quantify the Bank's risk-adjusted performance measures. These risk-adjusted performance measures are based upon the risk-taking activities specific to each Strategic Business Unit (SBU), and provide an opportunity to evaluate SBU performance not simply based upon traditional accounting

profitability, but also in light of the risks undertaken.

ERM provides the tools through which stakeholders can assess whether the Bank as a whole, in a given period of time, creates value. The metrics for value creation are most frequently EVA (Economic Value Added) or RAROC (Risk Adjusted Return on Capital). Risk capital comprises a primary input to the formulation of EVA and RAROC, and is itself derived from unexpected losses arising from market risk, credit risk and operational risk. The ERM system will provide the capability to calculate risk capital.

Bank-wide EVA or RAROC can then be further drilled down to the SBU level, and within each SBU into individual products and services. The Bank can then determine which SBUs, products and services generate the highest value added for the company and prioritize resources accordingly.

RISK-ADJUSTED INCOME STATEMENT

FUND TRANSFER PRICING (FTP)	GROSS INCOME	CAPITAL BENEFIT
Produces NII after transfer of A/L mismatch risk to Group ALM taking into account:	Net Interest Income	Notional return on economic capital allocated
- Yield curve and maturity, and	Capital Benefit	
- Optionally and indeterminate maturities	Other (NIR)	
	- Expected Loss	Expected Loss (EL)
	- Expenses	Substitutes for volatile accounting impairments
	= Risk-adjusted profit	
	: Economic Capital (ECap)	Economic Capital (ECap)
	= RAROC (%)	Bottom up internal measurements of risk consumed by businesses
	X ECap-(cost of capital x ECap	
	= Economic Profit (Rm)	
Activity-justified transfer pricing (AJTP)		Capital Asset pricing Model (CAPM) primarily used for determining the cost of capital
Allocate expenses based on true usage resources		



The aim of our Enterprise Risk Management [ERM] initiative is to drive optimal value creation within the business. Since 2004, the Bank has developed ERM through our Basel II Compliance Committee, with a target completion date before the end of 2010.

CAPITAL MEASUREMENT TO COVER RISKS

The assessment of value generation is derived from the capital required as the main input, alongside other inputs such as income and expense data. We need to calculate the capital requirement to cover risk arising from business activities such as market risk, credit risk and operational risk.

Risk measurement and capital allocation for each risk category can be described as follows:

MARKET RISK

Market risk management focuses on the risk of loss due to changes in the market value of positions in both our banking and trading books caused by movement in foreign exchange and interest rates. The objective of market risk management is to minimize loss using appropriate hedging techniques to reduce unwanted risk, and to optimize the capital required to cover residual market risk.

Trading Book

To enhance our Fee Based Income from treasury activities, the Bank often takes a treasury position which creates market risk. Our market risk management includes the determination of policy limits, trading limits, risk identification, risk monitoring and market risk mitigation. In our trading book, the Bank utilizes a standardized model which complies with the regulatory requirements of Bank Indonesia to measure market risk. In parallel with this, for internal market risk measurement purposes, the Bank also makes use of a Value at Risk (VaR) approach. The VaR number is then used as a basis to determine the capital requirements to cover our market risk.

For plain vanilla products, the Bank's internal model adopts a variance-covariance method using a one-day holding period and a confidence level of 99%.

In line with our plan to enhance derivatives trading activities, since 2006 the Bank has implemented an internal model—Historical Simulation Method to measure derivatives instruments and non-linear risk structured products. To validate the model's accuracy, the Bank regularly conducts back-testing and runs through stress condition procedures. In addition, the Bank also regularly performs stress testing in compliance with Basel regulations. Based on back-testing per December 2006, the VaR model showed acceptable conditions.

To execute a risk control process, the Bank determines the VaR limit using the treasury business profit risk and risk tolerance as a basis. The VaR Limit is further used as a basis to determine nominal trading limits for dealers, including the maximum open position and loss limit aimed to control excessive exposure to market risk.

Market risk measurement is one basis to determine the capital charge to cover market risk, particularly for the Bank's trading book positions. This capital is then allocated to each business unit as the originator of the market risk, and is further used to monitor risk-adjusted performance measures in line with our SBU performance measurement system.

Interest Rates in the Banking Book

The gap between the interest-rate sensitive assets and liabilities on the banking book exposes the Bank to interest rate risk. The banking book position consists of outstanding loans, government bond positions, third party funds (savings, time deposits and demand deposits) and borrowings from other banks. The Bank uses a Repricing Gap methodology to measure net interest income (NII) sensitivity to interest rate

changes. By applying the interest rate volatility, we derive a value for Earnings at Risk (EaR), which quantifies the potential for reduction of NII by more than a threshold value within a three-month holding period.

We also use a Duration Gap method to determine the sensitivity of our economic value of equity (EVE) to interest rate changes and, further, our CaR (Capital at Risk), establishing the probability of a decline in EVE by more than a specified amount within a one-year holding period.

The ALCO (Assets and Liability Committee), as part of the RCC (Risk and Capital Committee), determines internal limits in order to manage the interest rate risk in the banking book. Limits on the banking book include repricing gap limits, sensitivity of Economic Value of Equity (EVE) limits, Earning at Risk (EaR) limits and Capital at Risk (CaR) limits.

The Bank utilizes a sensitivity technique applying rate shocks of 100 bps over a 12-month period to determine the sensitivity of NII and EVE to yield curve changes. The results show that our 12-month NII sensitivity is 1.32% of our target NII in IDR, and EVE sensitivity equivalent to 2.03% of the book equity.

To determine the EaR (earning at risk) and CaR (Capital at Risk), the Bank applies a stochastic approach using historical interest rate volatility data. As of December 2006, EaR for a 3-month period is 0.75% of the equity value, while CaR for a one-year holding period is 1.81% of equity value.

We also periodically conduct a stress test to estimate the impact of extreme interest rate changes on the Bank's income and equity value. The purpose of the stress test is to enable the Bank to proactively mitigate risk, should unacceptable levels be forecast. The Bank may hedge exposure to such market factor changes through the use of derivatives instrument such as forwards, swaps and options.

VALUE AT RISK PER 31 DECEMBER 2006 (Rp billion)

Value at Risk	Year End	Maximum	Minimum	Average
FX VAR	9.27	57.11	0.96	15.14
Interest Rate VAR	18.13	28.60	1.30	14.25
Correlation Effect	(7.28)	(15.57)	5.82	(4.58)
Comprehensive VAR	20.12	70.14	8.08	24.81
Credit Spread VAR	1.85	12.39	1.51	5.96
Total VAR	21.97	82.53	9.59	30.77

Liquidity Risk

The potential for liquidity risk to the Bank is inherent in our deposit structure, asset liquidity, liabilities to counter-parties and loan commitments to borrowers. Any inability to fund our liquidity under favourable terms might impact the Bank's profitability.

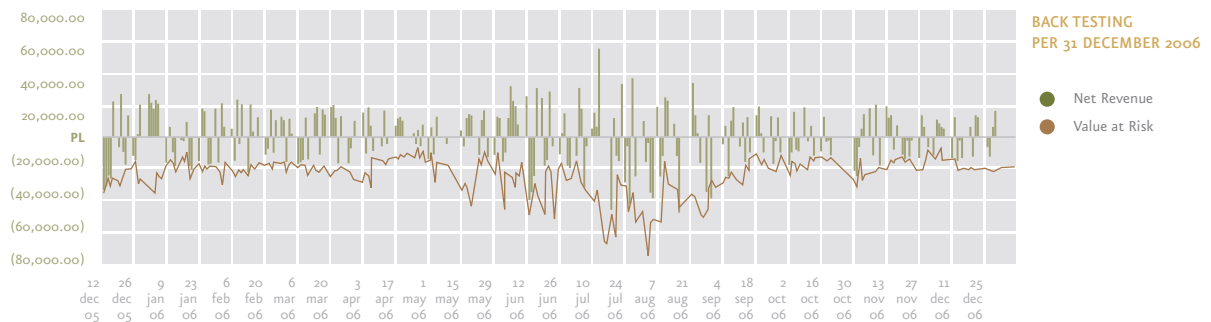
The Bank manages liquidity risk in order to meet our financial obligations as they come due, as well as to maintain an optimum level of liquidity. These objectives are achieved by setting and implementing a liquidity risk management policy that designates an optimum liquidity reserve, measures and sets limits for liquidity risk, outlines scenario analyses and contingency plans, devises a funding strategy and maintains sufficient market access. This liquidity risk management policy is set in line with the business activities undertaken by the business units.

The Bank's liquidity is measured through primary and secondary reserve levels. We maintain primary and secondary reserves to cover daily operational funding needs and to create a liquidity buffer to cover unexpected fund withdrawals or asset expansion.

The Bank maintains primary reserves in the form of the Minimum Reserve Requirement (GWM) held at Bank Indonesia and cash required to be kept within our branches. In accordance with Bank Indonesia regulation, the Bank is required to maintain a daily GWM at a minimum of 11% of third party Rupiah funds (applicable to any bank with third party funds exceeding Rp 50 trillion and a loan to deposit ratio between 50% and 60%) and a minimum of 3% of third party foreign currency funds. As per 31 December 2006, Bank Mandiri maintained a GWM of 11.73% (Rupiah) and 3.01% (foreign currency).

The Bank's secondary reserve is in the form of Bank Indonesia Certificates (SBI), placements with other banks and marketable securities. The Bank sets internal limits for secondary reserves at a minimum of 5% of third party funds. As per 31 December 2006, the Bank held a secondary reserve of Rp 23.20 trillion or 11.43% of its third party funds of Rp 203.03 trillion.

The Bank monitors the potential liquidity risk through a liquidity gap analysis which is a measure of projected surplus or deficit built around the Bank's asset and liability maturity



profile and business expansion needs. Based on the Bank's 2007 business plan, our liquidity is projected to be in a surplus position over 12 months. The Bank monitors any projected funding deficit using a Maximum Cumulative Outflow (MCO) limit.

We assess our resilience through differing liquidity pressures by running a series of liquidity scenarios to cover both normal and unusual situations. These also include scenarios for crisis conditions, or stress testing, which then serve as a basis for generating a liquidity contingency plan.

We may satisfy our funding needs through alternative channels other than third party funding. These may include transactions such as repurchase agreements, bilateral funding, collateralized facility agreements, and foreign exchange swaps, as well as selling marketable securities such as government bonds.

Foreign Exchange Risk

The Bank measures and manages its structural foreign exchange risk in order to assess the effect of foreign exchange rate movements on the Bank's income and capital. The Bank's foreign exchange position is primarily US Dollar-denominated. These are in the form of third party funds and borrowings on the liabilities side, and in the form of foreign currency loans, inter-bank placements and marketable securities on the asset side.

Our basic principle is for the Bank to finance foreign exchange lending and placements by the same currency. In order to hedge any foreign exchange open position that is deemed to be significant, the Bank may employ derivative instruments such as foreign exchange forwards, swaps and options.

Bank Mandiri complies with the Bank Indonesia requirement that a bank's consolidated Net Open Position in all foreign currencies be no more than 20% of the bank's Tier I and Tier II equity capital. The Bank, however, has established a lower internal limit of no more than 10% of total capital. The Bank's foreign currency net open position limit is determined by the ALCO in accordance with the Bank's expectations regarding the foreign exchange outlook. As of 31 December 2006, the Bank's foreign currency Net Open Position (absolute measure) was 5% of its total capital.

CREDIT RISK

Credit Risk Management encompasses both our efforts to expand our loan portfolio in a healthy manner, as well as the maintenance of our existing loan portfolio to prevent loan collectibility downgrades to Non Performing Loan (NPL) status. Lower levels of NPL will reduce our potential losses and optimize the capital required for credit risk. The credit risk management process entails identification of credit risk, enhanced controls to reduce credit risk, and determination of capital requirements to cover residual credit risk. The following are some of the Bank's initiatives to enhance credit risk control:

New loan processing or extension

- Enhancement of Credit Scoring and Rating Systems

Our SME Scoring System (SMES) provides credit scoring for SME and Micro borrowers, while we apply a credit rating system for the corporate and large commercial segments.

Scoring for micro loans delivers convenience to small entrepreneurs who prefer straightforward credit processes and prompt application responses, even though they may lack much of the data usually required for loan applications. Through our micro credit scoring system, the Bank is able to make quick decisions based solely on relatively limited information, as compared to that generally required for other SME or middle commercial applicants.

A similar concept is being used to evaluate loan applications from Indonesian Overseas Labor (TKI). The scoring system assists the Bank to make rapid decisions for this particular customer category and prevents any slowdown in the process to work overseas. The scoring system for small-scale business is continuously under refinement, including most recently a specialized scoring system which has been developed for borrowers in the kerosene retailer segment.

Our rating system used for corporate and large commercial borrowers has just undergone a major recalibration, through which the determination of qualitative

factors has become more objective by means of a scaling factor used as a basis to determine customer ratings.

Scoring and rating tools also contribute to a more objective evaluation of borrowers, such that lower-risk customers may receive differentiated services compared with higher-risk customers, including:

- Loans (nominal amount)
- Interest rates (risk-based pricing)
- Tariffs
- Loan Covenants
- Loan Processing Authority (lower level officials have the authority to make decisions on lower-risk customers, resulting in faster processing of loan applications)

Customer differentiation helps our field officers to develop relationship banking that focuses on business expansion to targeted customers through more streamlined processing. In addition, the development of scoring models for micro and TKI borrowers has opened up new business opportunities for credit expansion and will help to generate additional fee-based income in addition to interest income.

The Bank regularly evaluates the predictability of the scoring and rating systems, comparing the model performance with the actual historical default data. This process helps us to prepare for Basel II implementation, particularly with our intention to implement the Internal Rating Based Method.

- **Risk Based Pricing**
The Bank determines loan interest rates using a risk-based pricing approach. Our loan pricing structure is comprised of Cost of Funds, Overhead Costs, Cost of Allocated Capital and a Risk Premium. The Risk Premium depends on each borrower's segment and risk level.

Our risk-based pricing concept utilizes a Required Yield, or the minimum acceptable return based upon loan segments, to determine the pricing for our borrowers. This pricing strategy helps to maintain our profitability as the Bank must establish competitive interest rates in order to support credit expansion within each business unit.

The integration of risk management is a foundation for the risk-based capital allocation process to business units and for their risk-based performance measurement.

- Our Loan Origination System (LOS) has been implemented for our Consumer, Commercial and Corporate segments, while it is still in a pilot phase for the Micro credit segment. LOS helps to ensure more systematic loan processing, and promotes faster processing time. In addition, LOS integrates a process to capture the necessary going-concern data required for risk management and Basel II requirements using the IRB approach.
- Bank Mandiri Credit Policy (KPBM) and credit standard operating procedures (PPK). The Bank's credit policy is not static, but is one element of the Bank's dynamic loan activity. It is continuously updated in line with the development of the Bank's credit activity, the competitive environment and the Bank's requirements, based on prudential principles.

Loan monitoring on existing loan portfolio

The Bank's efforts to improve the monitoring and maintenance of the quality of our existing stock of loans includes several initiatives:

- Building and maintaining an Intensive Watch List system.
This system intensively monitors borrowers in Categories 1 and 2, to provide early detection of potential difficulties that could lead to downgrades. Detection will prompt the Bank to devise action plans to prevent the downgrade. This system has been socialized to all loan units and is working well.
- Improving the Loan Collection System for the Consumer Segment (including credit cards) and the Micro Segment.

- Improving Credit Risk Datamart system. Data provides the fundamental basis for loan decisions. The Bank continuously improves the accuracy, reliability and comprehensiveness of our loan data. Accurate data is required as an input to the ERM System, which in turn will be embedded within the Bank's business processes to comply with Basel II.
- Loan Portfolio Management and Portfolio Guideline Improvement
We have implemented our Portfolio Guideline model since 2005. We use back testing as a basis to improve the accuracy of the model as a tool for determining credit expansion to prospective sectors. One of the applications of the Portfolio Guideline is to limit loan expansion to non-prospective sectors, and encourage loan growth to better sectors. This initiative is meant to prevent high risk concentration in any one industry, region, segment or certain sector.

We produce a periodic Portfolio Analysis report (monthly, half-yearly and annually) and a credit risk profile report as part of the Loan Portfolio Management process. These reports function as early warning tools on the direction of credit expansion and the Bank's credit portfolio position.

Credit Capital charge

At this time, the credit capital charge is calculated for each segment by a stand-alone system. The ERM project, which is still in process, will allow capital requirements to be determined for each debtor account, and then consolidated to each group, business unit and Bank-wide in order to determine the Bank-wide credit risk capital charge.

OPERATIONAL RISK

In addition to market and credit risk, the Bank also controls for losses caused by operational risk. Operational Risk Management starts with the process of identifying and measuring operational risk in each business unit. These are categorized according to cause, such as human factors, processes, systems and external factors that are then consolidated at the group level, directorate and Bank-wide. To minimize risk, the Bank periodically examines action planning in order to reduce operational risk levels. The Bank provides capital to cover the residual risk. Our operational risk initiatives include:

Risk Identification and Risk Measurement

- Since 2004, the Bank has developed a Risk & Control Self Assessment (RCSA) process, to enhance risk awareness within each business unit, and to identify forward-looking operational risk levels. Each business unit is able to evaluate its own risks with the aid of facilitators and through a voting assessment process. This has been implemented in our branches and at our Bill Processing Centers (BPCs) in Bandung, Medan, Makassar, Samarinda, Palembang and Surabaya.
- To track our historical operational risk, the Bank has implemented a Mandiri Loss Event Database (MLED), in which the Bank has compiled historical loss data. MLED will be implemented within all Bank Mandiri business units by the end of 2008.
- To mitigate the risk associated with new products, or changes to processes and systems, the Bank has formalized a Policy of Product and New Activity (PAB) which was promulgated in 2005.

Operational Risk Capital Measurement

Other than the Basic Indicator Method, the Bank is in the process of building the standard method and in preparation for implementing operational risk management using the Advanced Measurement Approach (AMA) and complying with international best practice.

Business Continuity Planning (BCP) and Disaster Recovery Center (DRC).

Banks must always be able to cope with conditions which might constrain banking operations in general. Consequently, the Bank must have formal guidelines and procedures for each business unit to remain operational under disaster conditions.

The Bank has developed a comprehensive plan which consists of fully-documented steps that are to be taken both before and after disaster conditions, to assure operational continuity through our Business Continuity Planning (BCP). Our Disaster Recovery Plan (DRP) has been developed since 2003. With DRP, if extreme conditions such as an earthquake occur, the Bank will quickly restore operations in order to serve our customers.

RISK CAPITAL

Our management of risk is fully integrated with our management of capital and strategy. This ensures that the risks incurred are controlled and are consistent with our risk appetite as it pertains to enhancing shareholder value.

Integrated risk management activities are supported by the use of Capital at Risk (CaR) measures, scenario analyses and stress testing. CaR provides a single measure of risk that is comparable across business activities and risk types.

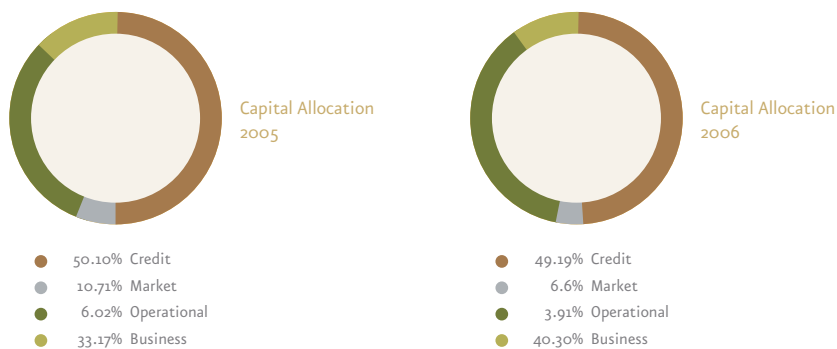
The integration of risk management is a foundation for the risk-based capital allocation process to business units and for their risk-based performance measurement. Capital utilization will create costs of capital that are booked by each business unit. Any increases in risk capital will indicate a higher risk and will require additional returns in order to cover the risk and its capital.

We allocate our risk capital to cover our inherent risks (credit risk, market risk and operational risk) as well as to provide a capital buffer for business expansion and non-organic growth.

RISK GOVERNANCE ORGANIZATION

The Bank's integrated risk governance is the collective responsibility of the Board of Commissioners (BoC), Board of Directors (BoD), Risk & Capital Committee (RCC), risk management unit and business units. At the level of the BoC, the Risk & Policy Committee supervises the Bank's management of Bank risk. In the risk management unit level, the BoD will determine the Bank's risk appetite and risk policy under the supervision of the BoC. The Risk Management Committee, which is a sub committee of the Risk & Capital Committee, consists of senior management and has the responsibility to support the Board of Directors in identifying, measuring, monitoring and

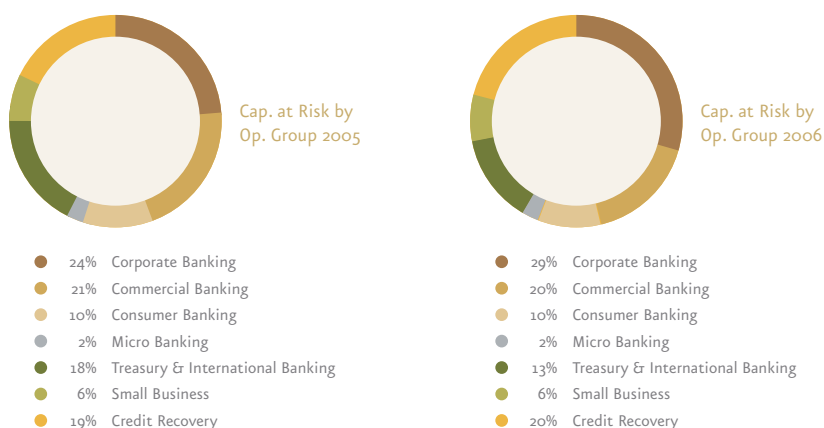
TOTAL CAPITAL AT RISK BY RISK TYPE 31 DEC 2005 & 31 DEC 2006



TOTAL CAPITAL AT RISK BY OPERATING GROUP 31 DEC 2005 & 31 DEC 2006

Capital at Risk by Operating Group	31 Dec 2005	31 Dec 2006
Corporate Banking	24.37%	28.87%
Commercial Banking	21.36%	20.02%
Consumer Banking	9.77%	10.42%
Micro Banking	2.03%	2.01%
Treasury & International Banking	17.89%	12.59%
Small Business	5.67%	6.05%
CR Recovery	18.90%	20.04%
Total	100%	100%

TOTAL CAPITAL AT RISK BY RISK TYPE 31 DEC 2005 & 31 DEC 2006



TOTAL CAPITAL AT RISK BY OPERATING GROUP AS AT 31 DEC 2006 & 31 DEC 2005

2005 Segmentation	Market Risk	Credit Risk	Op. Risk	Total
Corporate Banking		4,150.06	429.06	4,579.12
Commercial Banking		3,581.86	432.88	4,014.74
Consumer Banking		1,600.41	236.26	1,836.67
Micro Banking		240.47	141.73	382.20
Treasury & International Banking	3,010.52	131.10	221.09	3,362.71
Small Business		923.98	141.73	1,065.71
Credit Recovery		3,461.19	91.26	3,552.45
	3,010.52	14,089.07	1,694.01	18,793.60

2006 Segmentation	Market Risk	Credit Risk	Op. Risk	Total
Corporate Banking		4,605.44	280.55	4,885.99
Commercial Banking		3,105.26	283.05	3,388.31
Consumer Banking		1,609.43	154.48	1,763.91
Micro Banking		248.20	92.67	340.87
Treasury & International Banking	1,870.47	116.38	144.57	2,131.42
Small Business		932.15	92.67	1,024.82
Credit Recovery		3,330.38	59.67	3,390.05
	1,870.47	14,089.07	1,107.66	16,925.37

controlling the risks resulting from the Bank's activities.

The Risk & Capital Committee (RCC) is authorized and has the responsibility to provide recommendations to the President Director regarding the following: Formalizing a Risk Management Policy, including strategy and contingency plans, enhancement of risk management implementation, and recommending action plans based on business considerations and corresponding analysis. The RCC's organization structure consists of several sub-committees; the Risk Management Committee [RMC], Asset & Liability Committee [ALCO] and Investment & Capital Committee [CIC]. The RCC organizes meetings at least once each month and reports directly to the BoD and BoC. Membership of the RCC is comprised of Senior Management from each business unit and the risk management unit, and is led by the President Director.

Policies & Limits

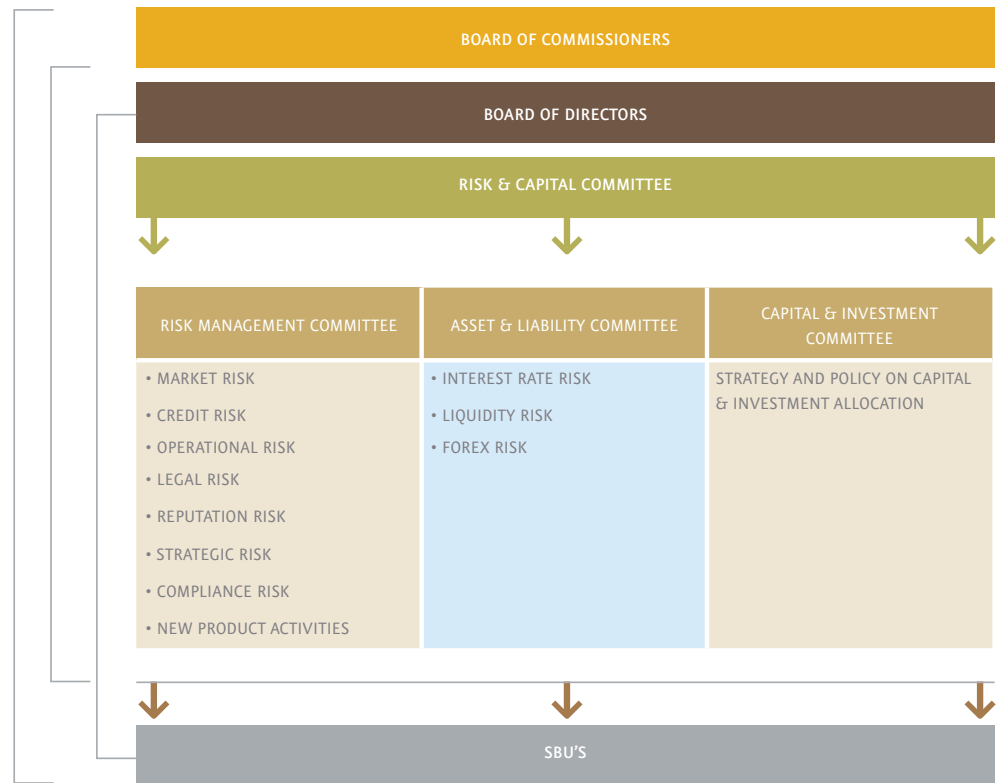
The Risk & Capital Committee determines policies, procedures and limits used to mitigate risk. The Bank's Risk Management Policy serves as the umbrella for the other specific policies applied to business units or the risk management unit, such as the ALMA Policy or the Trading Book Policy. On the limit side, the RCC also establishes explicit limits used in mitigating liquidity risk, interest rate risk, foreign exchange risk and trading risk. The following table highlights some of the limits set by the Committee:

Risk Professionals

To successfully set up and maintain sound bank-wide risk management systems, we depend on the competence and experience of our risk personnel to:

- promote a strong risk culture that sets high value on disciplined and effective risk management processes and controls;

RISK GOVERNANCE ORGANIZATION



- comply with established risk management standards for the assessment and acceptance of risk; and
- Apply sound business decision-making.

ERM PROGRESS

All risk managers and risk-taking Groups need to receive risk management certification, issued by the Badan Sertifikasi Manajemen Risiko and GARP, by 2010 in order to enhance our existing risk management capabilities and to fulfill the regulations.

The plan for the evolution of our risk management processes from 2002 through to ERM in 2007 is mapped out below:

RISK PROFILE

We have developed a Risk Profile Report (RPR) to evaluate the Bank-wide inherent risk, the control quality and composite risk control, and further drilled this down to the level of business unit. The RPR describes the eight risk types within each Business Unit and the corresponding control systems for market risk, liquidity risk, credit risk, operational risk, legal risk, strategic risk, reputation risk and compliance risk, in compliance with PBI 5/8/PBI/2005.

Risk Profile measurement is completed by an action plan that will be implemented by each SBU and unit, and is linked to each risk type. The action plan is geared to reduce the inherent risk level in each successive period. Any residual risk would be covered by capital, as explained earlier in this discussion.

RISK LIMITS

APPROVED LIMIT

A. LIQUIDITY RISK LIMITS

1. Statutory Reserves	
- Rupiah	12.50% of 3rd party Fund
- Foreign Currency	3.01% of 3rd party Fund
2. Secondary Reserves to 3rd Party Fund	12% of 3rd party Fund
3. Loan to Deposit Ratio (LDR)	≤ 75%
4. Single Largest Customer Fund to Total Deposit	≤ 10% of 3rd party Fund

B. INTEREST RATE RISK LIMITS

1. Net Interest Income Sensitivity	
a. Cummulative Dynamic Repricing Gap for IDR+Foreign CCY < 12 Months bucket	≤ 10% of Total Earning Assets
b. 3 Months Earning at Risk	≤ 5% of Total Equity
2. Economic Value of Equity Sensitivity	
a. Duration Gap Limit (Maximum EVE Changes)	≤ 15% of Total Equity
b. Capital at Risk	≤ 10% of Total Equity

C. FOREIGN EXCHANGE RISK LIMITS

Net Open Position	10% of Total Capital
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D. TRADING RISK LIMITS

VAR Total	Rp 80 billion
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RISK LIMITS

MANAGING LIQUIDITY RISK

1. Statutory Reserves
2. Secondary Reserves to 3rd Party Fund
3. Loan to Deposit Ratio (LDR)
4. Single Largest Customer Fund to Total Deposit
5. Maximum Cumulative Outflow (MCO)
6. Overnight Borrowing

MANAGING INTEREST RATE RISK

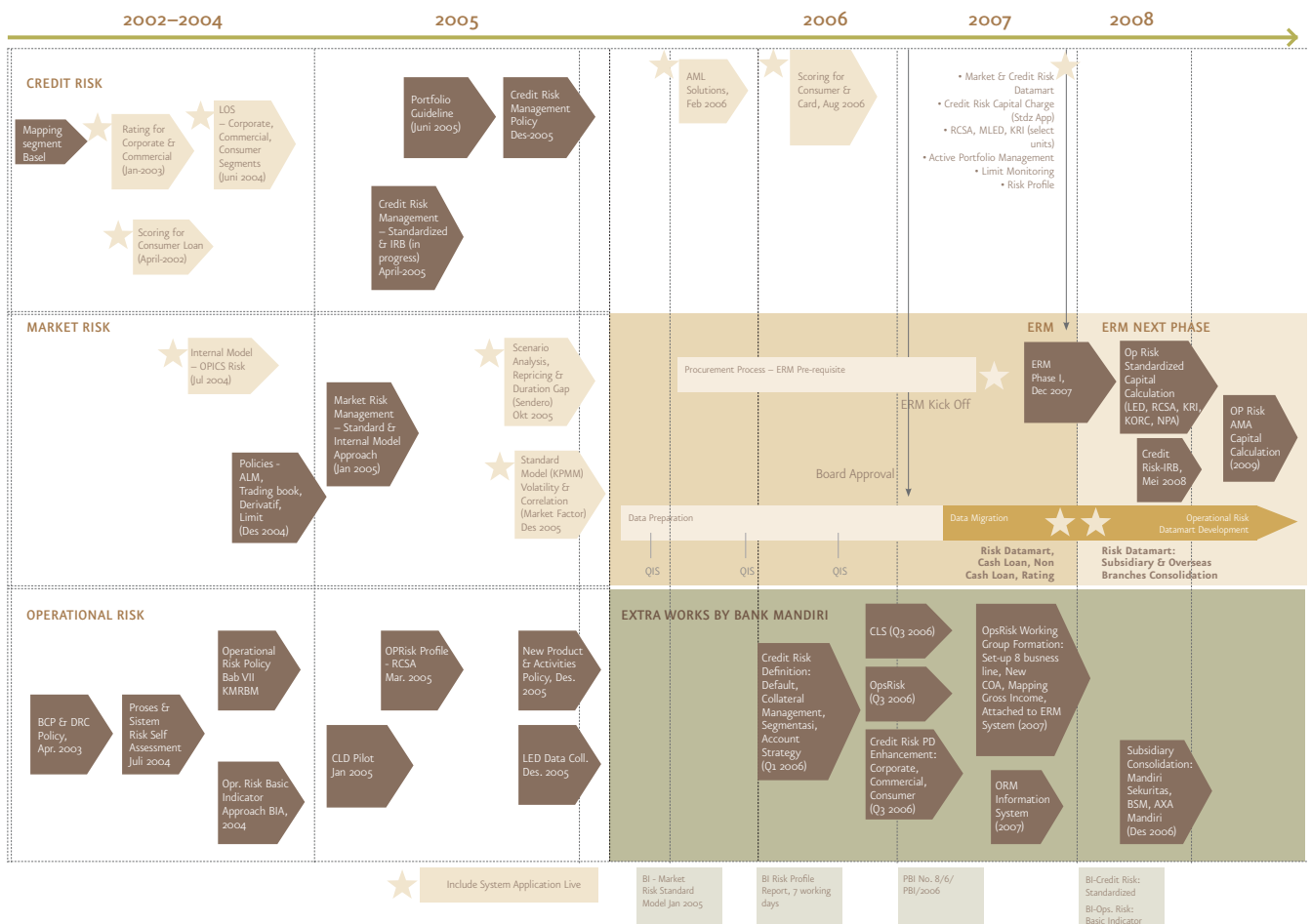
1. Net Interest Income Sensitivity
2. Economic Value of Equity Sensitivity
3. Earning at Risk
4. Capital at Risk

MANAGING FOREIGN EXCHANGE RISK

Net Open Position

MANAGING TRADING RISK

- VAR Total
- Treasury Group
- Unit Trading FX & MM
 - Unit Sales
 - Unit Securities
 - Unit Liquidity
 - Consumer Banking Treasury (CBT)



corporate center

**compliance &
human capital**



Implementation of the SBU-based organization will depend upon a Performance Management System (PMS) that is derived from refined Key Performance Indicators (KPIs) that are clearly linked to Value Based Management.

BAMBANG SETIAWAN • Managing Director

Our talent management program provides special development programs including postings in challenging positions, special project assignments, certification programs as well as special training & development.

Bank Mandiri is in the process of transforming into a performance-based organization utilizing a Strategic Business Unit (SBU) organizational model. Our aspiration to become a "Dominant Multi-specialist Bank" will entail a dramatic expansion in several of our businesses at rates that exceed the growth of the market as a whole.

To succeed in this transformation, Bank Mandiri must be able to utilize all of its capital at an optimum level—particularly human capital. Consequently, we must acquire productive human capital that is fully equipped with the best capabilities in our fields. For that reason, Bank Mandiri has changed the role and function of human resource management into a more strategic approach to creating the Bank's sustainable competitive advantage.

To realize this transformation, Bank Mandiri in 2006 has:

- Reorganized its structure to provide a foundation for transforming into an SBU-based organization.
- Reconfigured the Performance Management System (PMS).
- Induced optimum performance through Talent Management.

- Internalized a new corporate culture and implemented high ethical standards.
- Developed the capability of its human capital.

REORGANIZING TO PROVIDE A FOUNDATION FOR TRANSFORMATION

In June 2006, Bank Mandiri reorganized the organization structure as a preliminary stage in transforming into an SBU-based organization. Broadly, there are 3 groups of working units:

- a. Business Units are the primary revenue generators for the Bank and consist of 6 directorates: Corporate Banking, Commercial Banking, Consumer Finance, Micro & Retail Banking, Treasury & International Banking and Special Asset Management.
- b. Corporate Center functions establish the policies and strategies at the corporate level, and consist of 3 directorates: Risk Management, Compliance & Human Capital, and Finance & Strategy.
- c. Shared Services support the Bank's entire operational activities and are assumed by the Directorate of Technology & Operations.

The aims of this initial implementation are:

- a. To enhance the transparency, accountability



and performance of the business units, and in turn drive the creation and adoption of a performance driven culture within each business unit.

- b. To harmonize each business unit's resources, infrastructure and policies with its respective strategies and development challenges.
- c. To optimize the Bank's operational platform and technology infrastructure and enable all segments/business units and Corporate Center to better utilize them.
- d. To synchronize Corporate Center policies and strategies to provide a supporting foundation in the development of the Bank's business.

RECONFIGURING THE PERFORMANCE MANAGEMENT SYSTEM (PMS)

The implementation of our SBU-based organization requires a Performance Management System (PMS) that is derived from a refined set of Key Performance Indicators (KPIs) that are clearly linked to Value Based Management. This implies that the Bank will also develop its incentive system based upon the value contributed by each SBU.

The Bank will compel the linkage between KPIs and value creation through:

- a. Basing individual KPIs at the officer level on the Balanced Scorecard which supports and aligns the KPIs to their respective working units.
- b. Tracking and evaluating the execution of individual KPIs, and providing feedback through each employee's manager.
- c. Requiring all managers to prepare competence and performance development plans for each employee, along with an Individual Development Plan (IDP).

TALENT MANAGEMENT

Within our new organization, Bank Mandiri should be better able to identify, manage and appreciate employees with consistent above-average performance and competence. Through our talent management program, Bank Mandiri attempts to retain and develop our top talents.

The Bank's talent management program has already begun to prepare for successive cohorts of senior managers by:

- a. Identifying and conducting an acceleration program for 307 staff with

high potential and good performance, from staff levels through Group Heads.

- b. Providing special development programs such as posting in a challenging position, special project assignments, certification programs and special training & development.

INTERNALIZING CORPORATE CULTURE AND APPLYING ETHICAL STANDARDS

Bank Mandiri's aspiration to become a "Dominant Multi-specialist Bank" must rely on a well-aligned and achievement-oriented culture. The Bank makes continuous efforts to internalize a culture of Trust, Integrity, Professionalism, Customer Focus and Excellence (TIPCE) through the following programs:

- a. Change Agents as Drivers of Cultural Change
Our Learning Center has trained the Bank's change agents on corporate culture and change management methods. We have then asked those agents to cascade their culture knowledge to their respective working peers to enable the internalization of our corporate culture. As of the end of 2006, Bank Mandiri had prepared 1,560 change agents.
- b. Corporate Culture Socialization and Communication

Bank Mandiri socializes and communicates its corporate culture through a wide variety of events and media:

- Culture Fair & Championship: including exhibitions, campaigns, shows, gatherings and culture innovation competitions among working units.
- Culture Workshop: employees of Bank Mandiri participate in corporate culture workshops and seminars held internally as well as by external parties.
- Corporate Magazine: Bank Mandiri periodically publishes articles on corporate culture in Buletin Mandiri.
- Employee Promotion Media: Through advertisements, banners, posters, PC desktops, e-Learning, email and others.

c. Value Recognition Program

Through our value recognition program, Bank Mandiri strives to show appreciation to working units or employees considered the most successful in adopting and promoting TIPCE culture values within the Bank. This program aims to stimulate competition among employees in implementing TIPCE culture values.

HUMAN CAPITAL APTITUDE

The SBU organization of Bank Mandiri will be driven forward through the strength of its human capital capabilities. During 2006, Bank Mandiri provided training to encourage the growth of its human capital capabilities and competitive advantages. This training included, among others:

- Participation in national and international seminars, banking forums and other bank-related programs to enhance the competence and perspective of directors and other senior management.
- Leadership Skill Improvement, for heads of units, from Section Heads through Group Heads .
- Loan channeling competence, specifically for staff involved in loans either in Corporate, Commercial, Consumer/Retail or Small/Micro segments.
- Special training for front-liners to improve branch service quality improvement.
- Service Quality Improvement, for front-liners in order to achieve target MRI scores.
- Programs that improve efficiency and productivity, as well as a Learning Organization Program.

STAFFING LEVELS

Bank Mandiri employed 21,062 employees as of 31 December 2006, a decrease of 130 employees from the end of 2005.

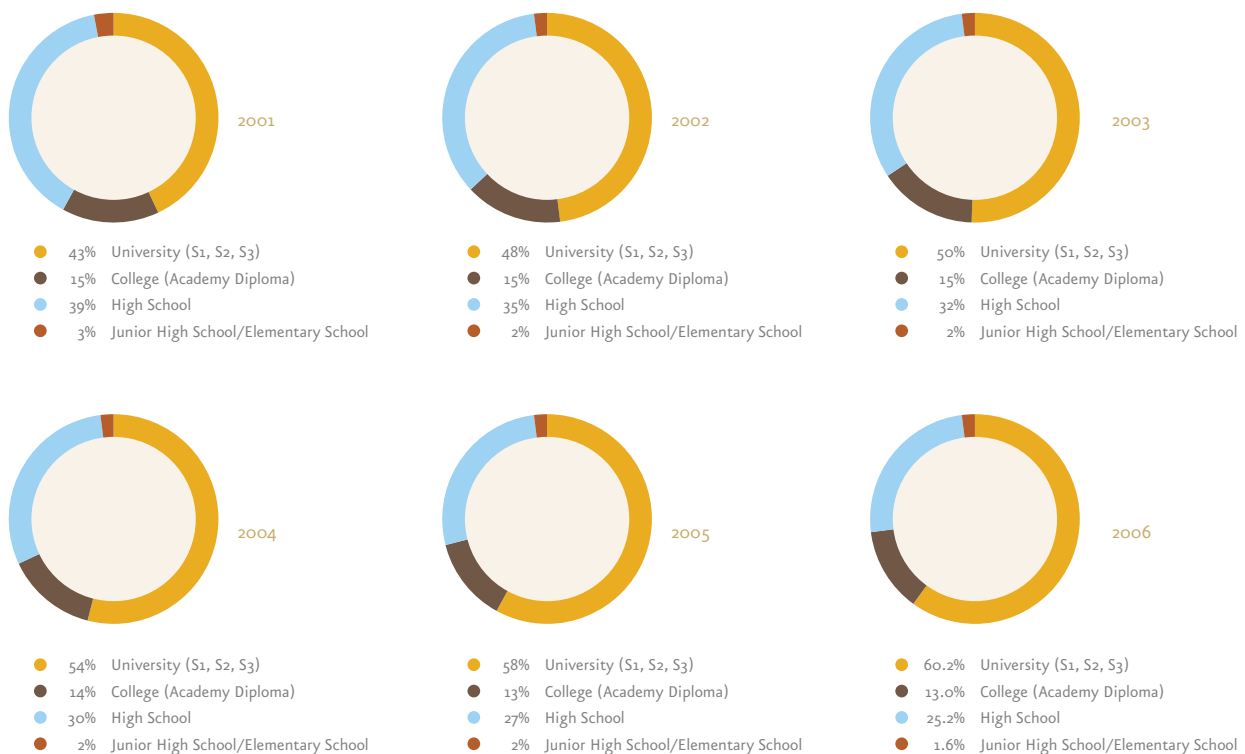
With this composition, Bank Mandiri strives to elevate its service levels and pursue a broad range of business development opportunities while maintaining our organizational effectiveness.

Our staffing composition is as follows:

STAFF BREAKDOWN BY DIRECTORATE AND LEVEL (AS OF 31 DECEMBER 2006)

Level	Corporate	Commercial	Consumer Finance	Micro & Retail	Treasury & Int'l	SAM	Risk Mgt	Compliance & HC	Finance & Strategy	Tech & Ops	CMO	Audit & Others
1 Director/EVP/Coordinator	1	1	1	1	1	1	1	1	1	1	1	2
2 Group Head	3	4	2	17	2	2	4	4	5	7	-	2
3 Department Head	13	5	12	64	10	8	27	22	17	22	2	13
4 Senior Officer	29	51	147	202	24	11	35	29	3	21	3	48
5 Officer	99	447	50	4,665	119	235	216	313	144	266	18	149
6 Clerk	48	157	130	11,345	63	118	68	86	379	305	6	57
7 Non Clerk	6	2	2	572	8	9	5	16	25	24	-	27
	199	667	334	16,866	227	384	356	471	574	646	30	298

STAFF BREAKDOWN BY LEVEL OF EDUCATION (AS OF 31 DECEMBER)



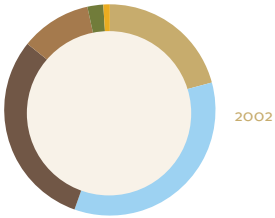
EMPLOYEE'S TRAINING AND DEVELOPMENT PROGRAM

Program	2001		2002		2003		2004		2005		2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Inhouse-Intern	4,872	33.01	13,927	49.92	1,881	6.24	4,682	25.01	4,421	39.69	8,589	37.38
Inhouse-Extern	2,179	14.76	2,755	9.87	2,287	7.59	3,779	20.19	1,720	15.44	5,264	22.91
Socialization	5,090	34.49	8,616	30.88	6,507	21.59	3,889	20.78	3,616	32.46	5,968	25.97
Public Class	2,619	17.74	1,684	6.04	2,408	7.99	2,103	11.24	866	7.77	1,202	5.23
E-mas Training	-	0.00	919	3.29	17,062	56.60	3,651	19.51	34	0.31	0	0.00
Special Project	-	0.00	-	0.00	-	0.00	613	3.28	482	4.33	1,955	8.51
Sub Total	14,760	100.00	27,901	100.00	30,145	100.00	18,717	100.00	11,139	100.00	22,978	100.00
Others												
E-Learning	-	0.00	-	0.00	-	0.00	37,127	97.19	119,553	98.74	110,185	99.68
ODP	43	100.00	48	100.00	206	48.93	417	1.09	450	0.37	240	0.22
Master Degree	-	0.00	-	0.00	22	5.23	41	0.11	6	0.00	23	0.02
Doctorate Program	-	0.00	-	0.00	1	0.24	2	0.01	2	0.00	2	0.00
SDP	-	0.00	-	0.00	192	45.61	613	1.60	1,065	0.88	90	0.08
Sub Total	43	100.00	48	100.00	421	100.00	38,200	100.00	121,076	100.00	110,540	100.00
Total	14,803		27,949		30,566		56,917		132,215		133,518	

PROFILE OF TRAINING PARTICIPANTS BY ORGANIZATION LEVEL

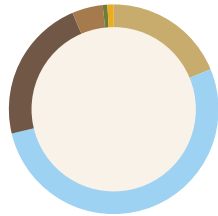


COMPOSITION OF TRAINING PROGRAMS BY LENGTH



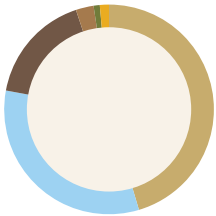
2002

- 20.82% Less than 1 day
- 34.62% 1-4 days
- 30.33% 5-9 days
- 10.82% 10-14 days
- 2.43% 15-19 days
- 0.99% >=20 days



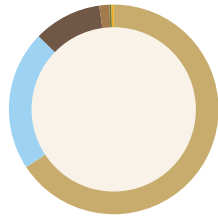
2003

- 18.76% Less than 1 day
- 52.51% 1-4 days
- 22.29% 5-9 days
- 4.75% 10-14 days
- 0.71% 15-19 days
- 0.97% >=20 days



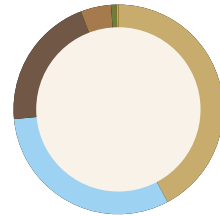
2004

- 45.39% Less than 1 day
- 32.50% 1-4 days
- 17.00% 5-9 days
- 2.75% 10-14 days
- 0.95% 15-19 days
- 1.41% >=20 days



2005

- 65.71% Less than 1 day
- 21.57% 1-4 days
- 10.50% 5-9 days
- 1.53% 10-14 days
- 0.33% 15-19 days
- 0.35% >=20 days



2006

- 42.24% Less than 1 day
- 31.29% 1-4 days
- 20.66% 5-9 days
- 4.70% 10-14 days
- 0.88% 15-19 days
- 0.24% >=20 days

shared service

**technology &
operations**



“We are committed to ensure that our customers have access to our full range of products and services 24 X 7, by managing our integrated and centralized technology and operations platforms effectively and efficiently”

SASMITA • Managing Director

In 2006, 1.1 billion transactions were processed, including 476 million financial transactions valued at Rp 14,633 trillion.

EVOLUTION OF TECHNOLOGY & OPERATIONS

Over the past few years, as the Bank has focused on consolidation, integration and centralization, the capability of our technology platforms was successfully augmented to process large volumes of transactions with high levels of accuracy. At the same time, the centralization of domestic and international operations and expansion of distribution channels proceeded at a rapid pace giving us the desired economies of scale. By late 2005, both technology and operations reached a sufficient level of maturity to set the stage for deriving significant breakthroughs through their synergies, and readying us to embark on business process optimization as the next stage of evolution.

Thus in 2006, the Directorate of Technology & Operations was established as a Shared Service to the strategic business units by bringing together the functions of technology and banking operations under one command. The organization's vision is to provide agile and efficient utility-based processing services at lowest cost benchmarks by taking advantage of scale economies and advanced levels of automation. The goals are to adapt quickly to the changing needs of our market, business and customers; sustain and improve the quality of customer service; increase operations' effectiveness in order to realize the "Strategic Value of Shared Services"; and at the same time prepare the foundation for the next stages of evolution.

As we progress, we are aiming to shorten 'time to market' for our new products and services, and to accelerate "time to change" in order to support the Bank's strategic growth and value

creation opportunities. These evolutionary stages are aligned with the Bank's longer-term aspiration to become a "Dominant Multi-Specialist Bank" and ultimately move on to become a Regional Champion Bank.

CAPABILITY TO SERVE CUSTOMERS INCREASES DURING 2006

For our Consumer banking customers, the features of our existing products were enriched, while new products were added to an already comprehensive list of deposit, loan, card and investment offerings. Many additional third party payment and purchasing capabilities were introduced encompassing utilities, telecommunications, credit cards, tickets, educational institutions, consumer financing and others over our secured electronic payment systems, which have adopted an industry standard two-factor authentication.

Corporate, Commercial and Small Business banking customers saw more end-to-end products and services, such as increasingly sophisticated cash management services which now include enriched bulk processing, pooling and collections. Host-to-host transaction processing and the enabling of seamless alliances among our Corporate and Commercial customers and with their end customers can be easily and swiftly implemented with minimum cost through our Service Oriented Architecture (SOA) infrastructure.

Our credit processing time has improved significantly through the use of a Scoring system and a Loan Origination System (LOS), and these



have been complemented by the implementation of a Central Liability System (CLS) to enable centralized credit exposure monitoring.

Our transactional services have been enhanced by providing, for example, extended clearing hours to our customers through the implementation of Sistem Kiring Nasional (SKN); same-day services for national and international trade services; and On-Line Real-Time payments with the implementation of Straight-Through-Processing (STP).

We continued to expand the coverage area for our customers to access banking services and products through the addition of new branches and ATMs as our main customer points of contact. With the introduction of Cash Deposit Machines and Self Service Passbook Printers as additional delivery channels, our customers now have even more convenient options for transactions and services.

In 2006, we successfully migrated the stand-alone core banking system in our Singapore Branch to our integrated core banking system, with the head office serving as the hub for operations. This hubbing will be further extended to other overseas branches, allowing their customers to conduct On-Line Real-Time transactions with domestic customers and vice versa.

Our endeavor to retain our customers' loyalty has been strengthened with the launch of a specialized customer care unit that focuses on enhancing bank-wide customer service quality by means of a single contact center and improved management of customer complaint handling. Our achievement in attaining 3rd Best Overall Performance in the Banking Service Excellence Monitor Awards 2005 from InfoBank and MRI showed marked progress from our rank of 11th in 2004. Again in 2006, our achievement in

attaining 2nd Best for that award shows our commitment and provides early validation that our policy and strategy is on the right track to provide excellent services to our customers.

We consistently ensure timely compliance to domestic and international regulatory requirements, and our target initiatives for PBI, PSAK31, Euro Master Visa (EMV), Triple Data Encryption Standard (3DES) and Basel II are well underway to be implemented before their due dates. The implementation of Enterprise Resource Planning in areas such as e-bidding and automated budget monitoring have simplified internal business processes. Good corporate governance has been embedded into our business processes in order to preserve and enhance our value to all stakeholders by applying best practices in daily practices and management of our technology, and embracing operations standards that conform to international certifications including ISO 9001:2000 for Data Center Operations; Clearing Processing Center; Domestic & International Payment; and Treasury Operations.

Our strategies to shift customers' transactions into low cost e-channels have yielded positive results. The ratio of customers' financial transactions through e-channels relative to our branch transactions rose to 73:27, a sharp improvement from 67:33 recorded in 2005. In total, the average volume of financial transactions processed per month in 2006 reached 39.7 million, an increase of 29.7% from an average of 30.6 million per month processed in 2005.

TARGETS FOR 2007

In the year ahead, apart from further enhancing payment and purchasing relationships and implementing infrastructure and solutions for additional customer contact points such

as Business Unit Outlets, ATMs, CDMs and Self Service Passbooks, the Technology and Operations Directorate will continue with its centralization process, focusing on merging operations functions and overseas branch hubbing.

We have set ourselves a target to be among the service leaders in the banking industry by creating and implementing high standards of customer service.

In addition, our cost per transaction will be continuously reduced through efficiency programs and disciplined expenditures. Efficiency programs, among other things, will attempt to exploit new low cost technologies for communication, and optimize and manage investments and maintenance costs.

The Technology & Operations Directorate will provide the breakthroughs appropriate to best of class shared service organizations and become the catalyst for creating synergies among businesses. Our efforts will continue to enrich functionalities and features, increasing the "tailor-made" capabilities of our products and extending back office support to end customers, especially for cash management and host to host, by the optimal application of SOA infrastructure.

The combination of increased business volumes and savings due from efficiency programs should enable us to return some of the accumulated benefits of our investments in the form of cost reductions, improved service levels, better risk management, better value and superior quality of products and services to the customers and contribute significantly in shaping the future of the bank.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has become a worldwide phenomenon and an important aspect of many company agendas.

In line with the United Nations 2006 campaign “Stand Up Against Poverty”, and to support government efforts in improving community standards of living, the CSR (Corporate Social Responsibility) program at Bank Mandiri embraces a mission of community involvement and environmental protection.

The primary goal of Bank Mandiri’s Corporate Social Responsibility program is improving Indonesian welfare in general, and the social aspects, education & public health and environment in particular. Through these activities, Bank Mandiri hopes to cement its reputation as a company with consistent concern for the community, to inspire stakeholders to participate in community care and also to unite the employees and stakeholders of Bank Mandiri.

In 2006, Bank Mandiri provided more than Rp 15 billion in funding for programs including Mandiri Cares For Education, Mandiri Cares For Public Health, Mandiri Cares For Sports, Mandiri

Cares For Small Business, Mandiri Cares For Community and Mandiri Cares For Culture.

MANDIRI CARES FOR EDUCATION

High poverty levels in Indonesia have prevented many elements of society from benefiting from a formal education. Bank Mandiri has selected education as one path for developing the nation. Mandiri Cares For Education is one of Bank Mandiri’s CSR programs to educate poor people and provide scholarships for students, including university students who care for the environment. In addition, Bank Mandiri also helps in the rebuilding of decrepit school premises.

In 2006, in cooperation with the Ministry of Culture and Education, Bank Mandiri provided scholarships to 31 winners of Science Competitions, and provided 231 Best Teachers awards amounting to Rp 1.3 billion. To improve school infrastructure, Bank Mandiri donated 40 computers and printers to support the OSOL Program (One School One Computer Laboratory) through the Minister of Welfare and Minister of Telecommunication with a total amount in excess of Rp 500 million, notebook and

desktop computers for faculties at selected state universities for a total of Rp 1 billion, and assistance to other schools in the amount of Rp 132 million.

In addition, we also provided 36,000 books for 3,000 children in Banten and 1,600 school stationery supplies. Bank Mandiri also participated in improving human resource quality through Yayasan Sekar, recycling paper art training, seaweed farmer training, an audio visual workshop for cultural art and banking training for university students.

MANDIRI CARES FOR PUBLIC HEALTH

Bank Mandiri also supports the Government’s efforts to improve public health. In line with UN program to reduce the juvenile death rate, Bank Mandiri rebuilt health center infrastructure in Malang, supplied drinking machines and funded mass circumcision for 16,000 children all over Indonesia. To help overcome chronic trash problems, Bank Mandiri has donated 3 (three) garbage trucks to the cities of Jambi, Bandar Lampung and the capital city of Jakarta at a cost of Rp 293.5 million each.

MANDIRI CARES FOR SPORTS

Bank Mandiri provides support for sports activities in the community. These programs are intended to improve our national achievement in sports.

In 2006, Bank Mandiri sponsored the Tugu Monas 10K running race, the Big 4 Football Tournament LIGINA 2006, "Indonesia Tunas Muda" basketball tournament and the 19th Asian Tenpin Bowling Championship at Jakarta.

MANDIRI CARES FOR SMALL BUSINESS

Bank Mandiri, by itself or in coordination with other institutions, helps to foster small and micro enterprises (included Cooperatives) to improve production, management and marketing skills. We also provide assistance in the form of financing as well as grants.

Through the Partnership Program for Cooperatives and Rural Community Development (PKBL), Bank Mandiri hopes to support micro enterprises (including Cooperatives) to improve their skills and be better able to compete in the market.

In 2006, Bank Mandiri has distributed Rp 5.4 billion through the Partnership Program for Cooperatives and Rural Community Development and loans totaling more than Rp 56 billion.

MANDIRI CARES FOR COMMUNITY

Through Mandiri Cares For Community, we support government programs to preserve the environment and local communities. In 2006 we distributed Rp 1.8 billion for casualties of natural disasters. We constructed public facilities, built public toilets (MCK), water pumps, water

installations, traditional houses, Islamic schools, dams, bridge rehabilitation and other public facilities valued at more than Rp 1.2 billion. In support of religious activity infrastructure, Bank Mandiri donated funds amounting to Rp 708 million.

MANDIRI CARES FOR CULTURE

Through this program, Bank Mandiri supports the preservation of Indonesian culture, the enrichment of Indonesian culture & art, improvement of cultural infrastructure, traditional houses, traditional music and dance, and traditional dress. In 2006, we conducted the renovation of Silinduang Bulan Palace at Tanah Datar, Bukit Tinggi, including traditional equipment amounting to Rp 89 million. Bank Mandiri also supported the West Java Batik Fashion Show at Sunaryo Art Bandung.

SHAREHOLDER INFORMATION

CORPORATE ACTIONS IN 2006

A Shareholders Annual General Meeting was held on 22 May to vote on the following agenda:

1. Resolution of the 1st Agenda

1. Approval of the Annual Report and Consolidated Financial Statements of the Company for the year ending 31 December 2005 and audited by Public Accounting Firm Prasetio, Sarwoko & Sandjaja–Ernst & Young as stated by their report No. RPC-5087 dated 9 March 2006.
2. Approval of the Annual Report of Partnership and Environment Construction Program (*Program Kemitraan dan Bina Lingkungan–PKBL*) for the Financial Year ending 31 December 2005 and audited by the Financial and Development Supervisory Board (BPKP) Jakarta II.
3. Providing full release and discharge (*volledig acquit et de charge*) to the Directors and Commissioners for their management and supervision during the Financial Year ending 31 December 2005, provided that:
 - a. their actions are reflected in the Consolidated Financial Statement of the Company and the Annual Report of Partnership and Environment Construction Program for the Financial Year ending on 31 December 2005, and
 - b. their actions are not categorized as a criminal actions.

2. Resolution of the 2nd Agenda

Approved and determined the use of the net profit of the Company for the Financial

Year of 2005, in an amount of Rp 603,369,311,151.39 as follows:

1. 50% of the net profit, in the amount of Rp 301,684,655,575.70, will be distributed as cash dividends to the shareholders, or a minimal of Rp 14.80 per share, which will be subject to the following conditions:
 - a. For the dividends to be received by the Government of Indonesia attributable to the 14 billion share holdings to be deposited to the account of *Bendahara Umum Negara* (BUN) No.502.000 000 at Bank Indonesia.
 - b. To grant a power of attorney and authority to the Directors to decide upon the procedures for the payment of the cash dividend and to announce it in accordance with the prevailing laws and regulations.
2. 2% of net profit, or an amount of Rp 12,067,386,223.03, will be allocated for the Environment Construction Program (*Program Kemitraan dan Bina Lingkungan*). Meanwhile, the Partnership Program will utilize the remaining budget from the previous year, which amounted to Rp 115,800,000,000.00. The use of the funds for the Partnership and Environment Construction Program shall be reported in the subsequent AGM for approval and ratification.
3. 2.5% of the net profit, or an amount of Rp 15,084,232,778.78, will be used for General Reserves.
4. The remaining 45.5% of net profit, or an amount of Rp 274,533,036,573.88 is determined to be Retained Earnings.

3. Resolution of the 3rd Agenda

1. To appoint the Public Accounting Firm Purwantonono, Sarwoko & Sandjaja–Ernst & Young as the auditor for the Consolidated Financial Report of the Company for the Financial Year ending 31 December 2006.
2. To appoint the Financial and Development Supervisory Board (BPKP) Jakarta II to audit the Annual Report of Partnership and Environment Construction Program for the Financial Year ending on 31 December 2006.

4. Resolution of the 4th Agenda

- Approved the salary/honorarium, facilities and post-service benefits for the Directors and Commissioners, as follows:
1. Salary for the Directors and the Commissioners shall not increase, therefore the amount of such salary and honorarium remains the same as the amount of salary and honorarium as determined in the AGM held on 16 May 2005.
 2. Facilities and benefits for the Directors and the Commissioners are determined pursuant to the resolution of the AGM held on 14 June 2002 and Letter of the Minister of State-Owned Enterprises No. S-412/MBU/2004 dated 10 August 2004.
 3. Post-service benefits for the Directors and Commissioners are determined pursuant to the resolution of the AGM held on 22 January 2003.

5. Resolution of the 5th Agenda

1. Approved the grant of stock options for MSOP Phase–III amounting to 309,416,215 options, or 1.55% of the

issued and paid-up capital at the time of the IPO, to buy the Company's new Series B shares which will be issued, in which every 1 (one) option gives the right to the holder to buy 1 (one) of the Company's new Series B shares.

2. Determined that the price and the implementation guidelines of MSOP Phase-III shall follow the Decision of Directors of Jakarta Stock Exchange No. Kep-305/BEJ/07/2004 dated 19 July 2004, particularly Rule No. 1-A.
3. Approved to grant authority to the Commissioners to:
 - a. increase the issued and paid-up capital of the Company, which followed by the amendment of Article 4 paragraph 2 and paragraph 3 of the Company's Articles of Association in case there is an execution of options by purchasing the Company's new Series B shares.
 - b. determine the implementation and supervision policy of MSOP Phase-III, including to determine the option receivers, and to report it to the next AGM.

6. Resolution of the 6th Agenda

1. To discharge with honor, Johannes Bambang Kendaro as Director of the Company and thank him for his services provided during his post, effective as of the closing of this meeting.
2. To appoint Sentot A. Sentausa, Thomas Arifin, Budi Gunadi Sadikin, Bambang Setiawan and Riswinandi, each as a new Director of the Company, effective after obtaining approval from Bank Indonesia (upon passing the fit and proper test),

effective until the AGM which will be held in 2011.

Therefore, the composition of the Board of Directors upon the closing of this meeting becomes as follows:

- President Director:
Agus Martowardojo
- Deputy President Director:
I Wayan Agus Mertayasa
- Managing Director:
Omar S. Anwar
- Managing Director:
Zulkifli Zaini
- Managing Director:
Abdul Rachman
- Managing Director:
Sasmita

Following the appointment approval of Sentot A. Sentausa, Thomas Arifin, Budi Gunadi Sadikin, Bambang Setiawan and Riswinandi from Bank Indonesia, the composition of the Board of Directors becomes as follows:

- President Director:
Agus Martowardojo
- Deputy President Director:
I Wayan Agus Mertayasa
- Managing Director:
Omar S. Anwar
- Managing Director:
Zulkifli Zaini
- Managing Director:
Abdul Rachman
- Managing Director:
Sasmita
- Managing Director:
Sentot A. Sentausa
- Managing Director:
Bambang Setiawan

- Managing Director:
Riswinandi
- Managing Director:
Thomas Arifin
- Managing Director:
Budi Gunadi Sadikin

3. To determine that Edwin Gerungan, who is the President Commissioner of the Company, is also an Independent Commissioner. Therefore the composition of the Board of Commissioner becomes as follows:

- President Commissioner as well as Independent Commissioner :
Edwin Gerungan
- Deputy President Commissioner:
Muchayat
- Commissioner:
Soedarjono
- Commissioner:
Richard Claproth
- Independent Commissioner:
Pradjoto
- Independent Commissioner:
Gunarni Soeworo
- Independent Commissioner:
Yap Tjay Soen

These commissioner assignments are effective until the AGM which will be held in 2010.

4. Approved the grant of authority to the Commissioners of the Company to determine the allocation of duties and authorities among the Directors in accord with the Articles of Association of the Company.

An Extraordinary General Meeting of Shareholders was also held, on 22 December 2006, with the following resolutions:

1. First agenda resolution

To approve the actions of Directors to accelerate the settlement of the Company's non-performing loans, inter alia through the "Program Penyelesaian Kredit Macet Bank Mandiri" or the Non-Performing Loan Settlement Program of Bank Mandiri ("PPKM Mandiri") of which the salient features have been described in this EGM, in an effort to become a well-performing bank as required by Bank Indonesia, and the granting of authority to the Directors to:

- i. Undertake transfers, including releases and or sales, of non-performing loans to investors at a price below their book value, with such limits on the amount of "haircuts" pertaining to the difference between such loans' book value and transfer price as determined by the general meeting of shareholders from time to time,
- ii. Use the permitted limits for "haircuts" originally reserved for written-off principal amounts of non-performing loans, as resolved by the EGMs of the Company dated 29 September 2003 and 21 December 2005, in the total amount of Rp 5 trillion, for the optimizing of assets of the Company, including loans of the Company, by undertaking "haircuts" over the principal amounts of certain non performing loans, and/or "haircuts" over the difference between the book value and the transfer price of such loans, including through PPKM Mandiri,
- iii. Sign the Performance Management Contract with the Government, as an implementation of the Joint Decree of the Coordinating Minister for the Economy,

Minister of Finance, Minister of State Enterprise, Governor of Bank Indonesia Joint Decree, dated 5 July 2006.

2. Second Agenda Resolution

1. To amend Article 12 Paragraph 6 which originally stipulated:
"The actions of the Directors hereunder shall obtain written approval from the Commissioners with due observance of the prevailing laws and regulation" into:
"The actions of the Directors hereunder shall obtain written approval from the Commissioners"
2. To amend Article 12 Paragraph 6 Letter f which originally stipulated:
"disclaiming principal bad debts which have been written-off which amount shall be determined from time to time by the General Meeting of Shareholders." into:
"disclaiming, transferring or releasing rights to claim over the principal amount of bad debts which have been written off, provided that the general meeting of shareholders shall from time to time determine the amount of haircuts which can be implemented, be it for "haircuts" over the principal amount of bad debts which have already been written-off, or for "haircuts" pertaining to the difference between the book value and the transfer values of such debts, or for release of any rights over the principal amount of bad debts which have already been written off."
3. To move the content of original Article 12 Paragraph 6 Letter g to become new point vii of Article 12 Paragraph 14 Letter b as follows:
"disclaiming receivables arising from interest, penalty and/or charges within the framework of credit restructuring and/or

credit settlement."

4. To add one new provision as Letter g, of Article 12 Paragraph 6 as follows:
g. Other actions in the course of optimizing the assets, including receivables, of the Company, with due observance of Article 15 Paragraph 9.
5. To add one new provision as Paragraph 9 of Article 15 as follows: *"Commissioners have the right and authority to approve policies of Directors regarding the determination of mechanism, criteria and delegation of authority, related to the optimizing of assets of the Company including receivables of the Company."*

DIVIDEND PAYMENTS

Through an AGM on 22 May 2006, shareholders of Bank Mandiri approved a distribution of cash dividends of Rp 301,684,655,575.70 from the net profit of 2005. This amount is equivalent to Rp 14.853 per share and was paid on 30 June 2006.

BACKGROUND ON LISTING AND ADDITIONAL SHARES

The shares of Bank Mandiri consist of one A Share (the "Special Share") which may only be held by the Republic of Indonesia and B Shares (common shares) which may be publicly owned. The A Share is non-transferable. The Special Share also conveys specific rights to the holder such that its approval is required for certain decisions of the Bank, including decisions relating to:

- Increasing capital.
- Electing and removing Directors and Commissioners.
- Amending the Articles of Association of the Bank.

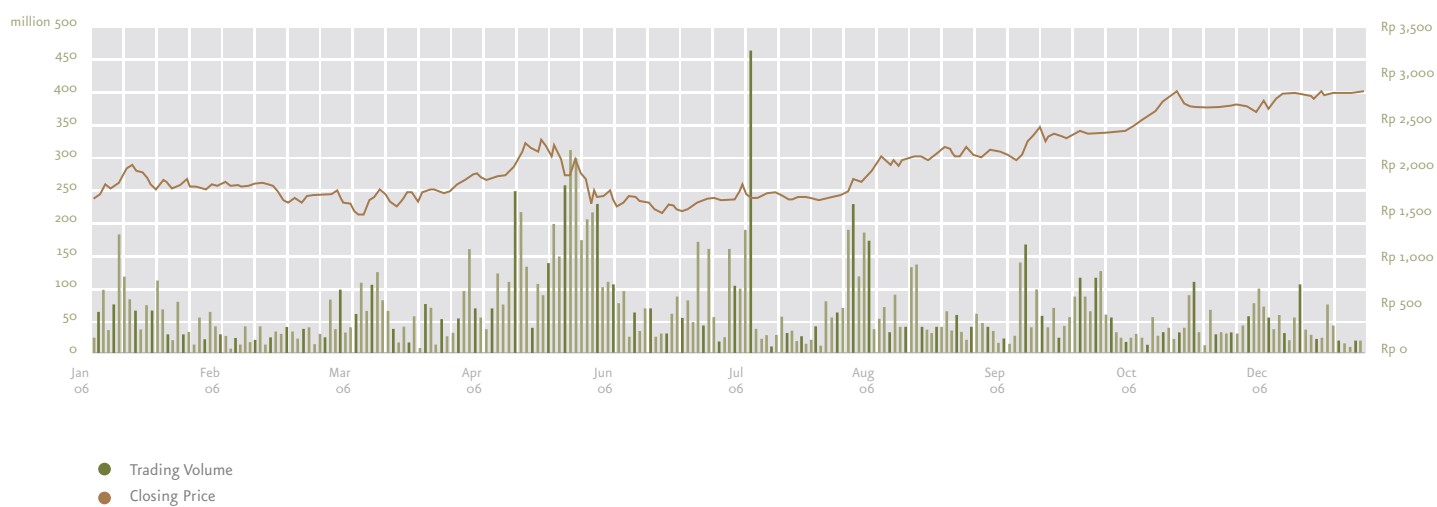
MANAGEMENT STOCK OPTION PLAN

MSOP	Price (Rp/Share)	Number of Options/ Shares Issued	Outstanding options as of 31 December 2006
Phase I	742.5	378,583,785	51,566,082
Phase II	1,190.5	312,000,000	7,800,236
Phase III	1,495.08	309,416,215	309,416,215

BANK MANDIRI SHARE HIGHLIGHTS

Bank Mandiri Share Closing Price (Rp)	2005		2006			
	Full Year	Full Year	Quarter I	Quarter II	Quarter III	Quarter IV
Highest	2,050	2,925	1,980	2,325	2,375	2,925
Lowest	1,100	1,500	1,500	1,520	1,600	2,225
End of Period	1,640	2,900	1,690	1,720	2,325	2,900
Average	1,586	2,056	1,741	1,810	1,977	2,730

BANK MANDIRI SHARE



- Undertaking a merger, consolidation and/or acquisition of the Bank.
- Dissolution and liquidation.

Otherwise, the material rights and restrictions which are applicable to common shares are also applicable to the Special Share.

Prior to the Government's divestment of shares through an Initial Public Offering (IPO) on 14 July 2003, the total shares outstanding for Bank Mandiri were one Special Share and 19,999,999,999 common shares, of which 19,800,000,000 shares were subsequently listed on the Jakarta Stock Exchange (JSX) and Surabaya Stock Exchange (SSX). The Government's sale of 4,000,000,000 common shares (B Shares) represented 20% of paid-in capital at an offering price of Rp 675 per share with a par value of Rp 500 per share.

On 11 March 2004, the Government of Indonesia divested an additional 10% of the company, or 2,000,000,000 common shares (B Shares) of Bank Mandiri through a secondary offering at a price of Rp 1,450 per share.

In conjunction with the approval for the IPO, shareholders of Bank Mandiri at an EGM on 29 May 2003 approved the Employee Stock Allocation (ESA) program and Management Stock Option Plan (MSOP). The ESA was provided as (i) bonus shares granted to every permanent employee and (ii) a limited number of discounted shares offered at 80% of the IPO price. The MSOP was distributed to the senior management of the Bank to provide on-going performance incentives. The Directors of the Bank are responsible for implementing both the

ESA and MSOP programs under the supervision of the Commissioners.

The implementation of the Company's Management Stock Ownership Plan (MSOP) has been effected through the issuance of new shares. Bank Mandiri had pre-listed 1,000,000,000 stock options as approved by the Jakarta Stock Exchange (JSX) based on its decree No.S-1065/BEJ.PSJ/P/07-2004 dated 13 July 2004 and the Surabaya Stock Exchange (SSX) based on its decree No.JKT-023/LIST-EMITEN/BES/VII/2004 dated 13 July 2004.

The stock options are divided into three tranches, of which MSOP-Phase I consisted of 378,583,785 stock options with a nominal value of Rp500 per share. A total of 327,017,703 options had been exercised as of 31 December 2006, of which 71,300,339 options were exercised in 2006. This exercise resulted in an increase of the Bank's paid up capital of Rp 163,508,851,500.

In its AGM on 16 May 2005, shareholders of the Bank approved the distribution of 312,000,000 stock options through MSOP-Phase II, again with a nominal value of Rp500 per share. Employees exercised 304,199,764 of these options as of 31 December 2006, resulting in an increase of the Bank's paid up capital of Rp 152,099,882,000.

In its AGM on 22 May 2006, shareholders of the Bank approved the distribution of 309,416,215 stock options through MSOP-Phase III with nominal value of Rp 500 per share. As of 31 December 2006, there had been no conversions for the MSOP-Phase III.

SHAREHOLDERS OF BANK MANDIRI

There are more than 22,600 shareholders of Bank Mandiri, of whom 22,120 are domestic shareholders and 492 are foreign shareholders. Bank Mandiri employees comprise roughly 41.7% of total shareholders and 0.75% of total shareholdings as of 31 December 2006.

Share registrar accounts for a nominee account are considered to be one shareholder.

STOCK LISTING AND TRADING INFORMATION

Jakarta Stock Exchange

JSX Building, 4/F

Jl. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia

Tel: 62-21-515-0515

Fax: 62-21-515-0550

www.jsx.co.id

Surabaya Stock Exchange

Head Office

Gedung Medan Pemuda, 5/F

Jl. Pemuda 27-31, Surabaya 60271, Indonesia

Tel: 62-31-531-0646

Fax: 62-31-531-9490

Operational Office

Menara II Plaza Bapindo, 24/F

Jl. Jend. Sudirman Kav 54-55, Jakarta 12190, Indonesia

Tel: 62-21-526-6210

Fax: 62-21-526-6702; 62-21-526-6219

www.bes.co.id

Share Registrar
Datindo Entrycom

Wisma Diners Club Annex
 Jl. Jend. Sudirman Kav 34-35, Jakarta 12930, Indonesia
 Tel: 61-21-570-9009
 Fax: 62-21-526-6702
 www.datindo.com

Registered Public Accountant
Purwanto, Sarwoko & Sandjaja,
member of Ernst & Young Global

JSX Building Tower II, 7/F
 Jl. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia
 Tel: 62-21-5289-5000
 Fax: 62-21-5289-4100
 www.ey.com

INVESTOR INFORMATION

Corporate Secretary
Mansyur Nasution

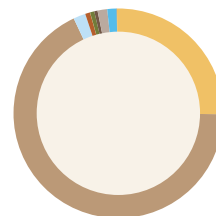
Tel: 62-21-526-5045
 Fax: 62-21-5296-4024
 mansyur.nasution@bankmandiri.co.id

Head of Investor Relations

Jonathan Zax

Tel: 62-21-3002-3172
 Fax: 62-21-5290-4249
 ir@bankmandiri.co.id

OWNERSHIP DISTRIBUTION, 31 DECEMBER 2006



By number of shares held

Domestic		International	
67.86%	Government of RI	0.05%	Retail
1.88%	Retail	25.35%	Institutional
0.75%	Employees		
0.02%	Foundation		
0.65%	Pension Funds		
0.51%	Assurance/Banks		
1.49%	Corporations		
1.44%	Mutual Funds		

REGISTERED SHAREHOLDERS WITH MORE THAN 5% OF SHARES OUTSTANDING AS OF 31 DECEMBER 2006:

No	Name	Number of Shares	%
1	Government of Republic Indonesia	14,000,000,000	67.86%

MANAGEMENT

BOARD OF COMMISSIONERS

Edwin Gerungan	President Commissioner & Independent Commissioner
Muchayat	Deputy President Commissioner
Soedarjono	Commissioner
Richard Claproth	Commissioner
Gunarni Soeworo	Independent Commissioner
Pradjoto	Independent Commissioner
Yap Tjay Soen	Independent Commissioner

BOARD OF DIRECTORS

Agus Martowardojo	President Director
Wayan Agus Mertayasa	Deputy President Director
Omar Sjawaldy Anwar	Managing Director Consumer Finance
Zulkifli Zaini	Managing Director Commercial Banking
Sasmita	Managing Director Technology & Operations
Abdul Rachman	Managing Director Corporate Banking
Sentot A. Sentausa	Managing Director Risk Management
Bambang Setiawan	Managing Director Compliance & Human Capital
Riswinandi	Managing Director Special Asset Management
Thomas Arifin	Managing Director Treasury & International
Budi G. Sadikin	Managing Director Micro & Retail Banking
Pahala Nugraha Mansury	EVP Coordinator Finance & Strategy
Haryanto Tiara Budiman	EVP Coordinator Change Management Office

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

Audit Committee
Gunarni Soeworo
Soedarjono
Yap Tjay Soen
Zulkifli Djaelani
Imam Sukarno

Risk Policy Committee

Soedarjono
Gunarni Soeworo
Edwin Gerungan
Tama Widjaja

Good Corporate Governance Committee

Muchayat
Richard Claproth
Yap Tjay Soen
Anwar Isham

Nomination and Remuneration Committee

Edwin Gerungan
Muchayat
Yap Tjay Soen

Committees under the Board of Directors

Risk and Capital Committee
Information Technology Committee
Personnel Policy Committee

GROUP HEADS

E. Wiseto Baroto	Credit Recovery I Group
Tardi	Credit Recovery II Group
Suwhono	Corporate Banking I Group
Rustam Sirait	Corporate Banking II Group
Dasa Sutantio	Corporate Banking III Group
Fransisca Nelwan Mok	Jakarta Commercial Sales Group
A. Kaduhu Sasrayudha	Regional Commercial Sales Group
C. Paul Tehusijarana	Product Management Group
Maryono	Jakarta Network Group
Marwan Budiarsyah	Regional Network Group
Sukoriyanto Saputro	Micro Business Group
Kresno Sediarsi	Small Business Group
Inkawan D. Jusi	Electronic Banking Group
Widhayati Dharmawan	Mass Banking Group
Heri Gunardi	Wealth Management Group
Handayani	Consumer Card Group
Sarastrri Baskoro	Consumer Loan Group
Gatut Subadio	Financial Institution & Overseas Network Group
Sugiharto	Treasury Group
I Nengah Rentaya	Human Capital Group
Bambang Ari Prasodjo	Learning Center Group
Mustaslimah	Compliance Group
Ridzki Juniadi	Legal Group
Pardi Sudradjat*	Market Risk Group Portfolio & Operational Risk Group
Riyani T. Bondan	Corporate Risk Group
Kartini Sally*	Commercial Risk I Group Commercial Risk II Group
Santaputra Pita*	Consumer Risk Group Consumer Collection Group
Jonathan Zax	Investor Relations Group
Kartika Wirjoatmodjo	Strategy & Performance Group
Budi Sulistio	Accounting Group
Raizal Munir	Procurement & Fixed Assets Group
Denny Aritonang	IT Planning & Security Group
Suresh Gummalam	IT Business Solutions & Application Services Group
O.C. Harry Pudjiatmoko	IT Infrastructure Operations Group
Mohammad Guntur	IT Information & Knowledge Management Group
Basuvitri Manugrahani*	Central Operations Group Customer Care Group
Chrisna Pranoto	Credit Operations Group
Buntoro	Asset Management Group
Ogi Prastomiyono	Internal Audit Group
Mansyur S. Nasution	Corporate Secretary Group
Martin Panggabean	Chief Economist

Notes : * concurrent appointment

BANK MANDIRI BRANCH NETWORK

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
DISTRICT I/ MEDAN	Jl. Imam Bonjol No. 7	Medan	20112	(061) 4153396, 4150600, 567985	4153273
HUB MEDAN IMAM BONJOL					
Medan Imam Bonjol	Jl. Imam Bonjol No. 7	Medan	20112	(061) 4150600	4527365, 4155385
Pangkalan Brandan	Komplek Pertamina Sumbangut	Pangkalan Brandan	20857	(0620) 21000, 21490	20190
Banda Aceh	Jl. Teuku H. Daud Beureuh No. 15 H	Banda Aceh	23123	(0651) 23981	636154
Lhokseumawe Merdeka	Jl. Merdeka No. 135 C	Lhokseumawe	24301	(0645) 40082	42922
Langsa	Jl. Jend. Ahmad Yani No. 20	Langsa	24416	(0641) 21023	21212
Medan Taman Setiabudi	Perumahan Taman Setiabudi Indah, Jl. Cactus Raya Blok K No. 36 G	Medan	20132	(061) 8200636, 8218183, 8221189,	800121, 8219445
Medan Gatot Subroto	Jl. Jend. Gatot Subroto No. 139	Medan	20112	(061) 4551162	4566626
Medan Tiara	Jl. Imam Bonjol No. 28-30	Medan	20152	(061) 4519666, 4518477	4538471
Medan Zainul Arifin	Jl. Imam Bonjol No. 16 D	Medan	20112	(061) 4538555	45338383
Medan Kirana	Jl. Kirana Raya No. 40-42	Medan	20112	(061) 4157555	4155269
Kabanjahe	Jl. Veteran No.23, Kabanjahe	Tanah Karo	20303	(0628) 323977	20087
Lhokseumawe Pendopo	Jl. Merdeka No. 1	Lhokseumawe	24315	(0645) 43702	43062
Kuala Simpang	Jl. Cut Nyak Dhien No. 21 A, Kuala Simpang	Aceh Tamiang	24475	(0641) 31000, 333155	333499
Medan Dharma Agung	Jl. Batam No. 21	Medan	20153	(061) 4529059	4526613
Medan PLN Wilayah II	Jl. Yos Sudarso No. 284	Medan	20112	(061) 6617848	6613930
Medan Pertamina	Jl. KL. Yos Sudarso No. 8-10	Medan	20112	(061) 4552406	4552406
Medan Katamso	Jl. Brigjen Zain Hamid No. 28	Medan	20158	(061) 7863298, 7864298, 7875729	7864598
Medan Tanjung Morawa	Kompleks Perkebunan PTP Nusantara II (Persero), Tanjung Mora- wa	Deli Serdang	20362	(061) 7944866, 7944944	7944977
Medan Adam Malik	Jl. H. Adam Malik No.128	Medan	20114	(061) 6643507, 6643508	6643505
Stabat	Jl. KH Zainul Arifin No. 32, Stabat	Langkat	20811	(061) 8910691, 8912239	8912240
Banda Aceh Unsyiah	Gedung AAC Prof. DR. Dayan Dawood, Universitas Syah Kuala,	Banda Aceh	23111	(0651) 51809	51809
Darussalam	Jl. Teuku Nyak Arief Kampus Unsyiah Darussalam				
Banda Aceh Cut Meutia	Jl. Cut Meutia No. 2	Banda Aceh	23242	(0651) 23370, 23381, 23686	23575
Blang Lancang	Main Office Bld. PT Arun Ngl Co	Blang Lancang	24352	(0645) 654252	652711
Batuphat	Komplek PT Arun NGL Co.	Batuphat	24352	(0645) 653157, 653158	653971
Lhoksukon	Kompleks Mobil Oil Inc., Point A Landing	Lhoksukon	24381	(0645) 393119, 393120	393177
HUB MEDAN BALAIKOTA					
Medan Balaikota	Jl. Balaikota No. 8-10	Medan	20111	(061) 4524900	41552209, 4577691
Tebing Tinggi	Jl. Dr. Sutomo No. 17	Tebing Tinggi	20633	(0621) 21723	21093
Medan Gunung Krakatau	Jl. Gunung Krakatau No. 7 G-H	Medan	20239	(061) 6619000, 6629000	6619540
Medan Asia	Jl. Asia No. 97 C-D	Medan	20214	(061) 7368798	7361897
Medan Letda Sujono	Jl. Letda Sujono No.220	Medan	20371	(061) 7353907, 735433	7356219, 7352629
Medan Lapangan Merdeka	Jl. Balaikota No. 12-14	Medan	20111	(061) 4538122	45385666
Medan Pusat Pasar	Jl. Pusat Pasar No. 94-95	Medan	20212	(061) 4531164	4517644
Medan Ahmad Yani	Jl. Jend. Ahmad Yani No. 109	Medan	20111	(061) 4536800	4512459
Medan Belawan	Jl. Pelabuhan II Kotak Pos 15	Belawan	20411	(061) 6941152	6941733
Medan Pulo Brayay	Jl. Yos Sudarso Blok A No.1A, Pulo Brayay	Medan	20116	(061) 6610033	611100
Medan KIM	Wisma Kawasan Industri Medan, Jl. Pulau Batam No. 1	Medan	20242	(061) 6871050, 6871030	6871049
Binjai	Jl. Jend. Sudirman No. 397	Binjai	20711	(061) 8826000	8828064
Medan Jalan Cirebon	Jl. Cirebon No. 97-99	Medan	20212	(061) 4567162, 4157547	4157246
Medan Iskandar Muda	Jl. Iskandar Muda No.24 A-B	Medan	20153	(061) 4515064, 4515068, 4515070	4515065
Medan Universitas	Jl. Universitas, Gelanggang Mahasiswa USU, Kampus USU Sumatera Utara	Medan	20155	(061) 8200361, 8210548	8210548
Medan M. Yamin	Jl. Prof. H.M. Yamin, SH No.17 G, H, I	Medan	20234	(061) 4532609, 4532111, 4532262	4537282
Medan Kapten Muslim	Jl. Kapten Muslim No.10 A	Medan	20124	(061) 8445229, 8445231, 8445232	8445230
Medan Sisingamangaraja	Jl. Sisingamangaraja No.55 A-B	Medan	20217	(061) 7333981, 7333982, 7333984	7333983
HUB PEMATANGSIANTAR SUDIRMAN					
Pematangsiantar Sudirman	Jl. Jend. Sudirman No. 14	Pematangsiantar	21117	(0622) 22035	23211
Padang Sidempuan	Jl. Sudirman No. 30-32	Padang Sidempuan	22718	(0634) 21032	21238
Sibolga	Jl. Brigjend. Katamso No. 43	Sibolga	22522	(0631) 21376, 21591	22313
Rantau Prapat Ahmad Yani	Jl. Jend. Ahmad Yani No. 2	Rantau Prapat	21415	(0624) 21434	21091
Kisaran	Jl. Cokroaminoto No. 65	Kisaran	21215	(0623) 41855, 41375	41857
Pematangsiantar Sutomo	Jl. Sutomo No. 16	Pematangsiantar	21115	(0622) 21540, 21211	23446
Rantau Prapat M. Lubis	Jl. Letkol. Martinus Lubis 11	Rantau Prapat	21412	(0624) 21712	21713
Tanjung Balai	Jl. Teuku Umar No. 48-54	Tanjung Balai	21312	(0623) 93137	597142
Balige	Jl. Patuan Nagari No.10	Balige	22313	(0632) 322431	322432
Panyabungan	Jl. Willem Iskandar No. 105, Panyabungan	Mandailing Natal	22913	(0636) 20925	20926
Kota Pinang	Jl. Bukit No.6, Kota Pinang	Rantau Prapat	21464	(0624) 496351	496431
HUB PEKANBARU SUDIRMAN BAWAH					
Pekanbaru Sudirman Bawah	Jl. Jend. Sudirman No. 140	Pekanbaru	28113	(0761) 31786, 32881, 32403, 32223	28683, 33500, 46920
Dumai Sudirman	Jl. Jend. Sudirman No. 133 A	Dumai	28812	(0765) 31088	31097
Duri	Jl. Hangtuh No.289-292	Duri	28884	(0765) 91170	91137
Rengat	Jl. Jend. M.T. Haryono No. 11	Rengat	29319	(0769) 22070, 323357	21382/ 21383

- DISTRICT
- HUB
- MAIN BRANCH
- SPOKE BRANCH
- CASH OUTLET
- NEW BRANCHES

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Pekanbaru Nangka	Jl. Tuanku Tambusai No. 18 E-F	Pekanbaru	28282	(0761) 571610	572623
Pekanbaru Ahmad Yani	Jl. Jend. Ahmad Yani No. 85	Pekanbaru	28115	(0761) 24888	38003
Ujungbatu	Jl. Jend. Sudirman No.15	Ujungbatu	28454	(0762) 61147, 61636, 61620	61148
Pekanbaru Sudirman Atas	Jl. Jend. Sudirman No. 452	Pekanbaru	28115	(0761) 31021-5, 21464	36383
Siak Perawang	Jl. Raya Perawang Kilometer 5	Siak	28772	(0761) 693426	693468
Pangkalan Kerinci	Jl. Raya Lintas Timur	Pangkalan Kerinci	28381	(0761) 493696, 493906	493719
Pekanbaru Jalan Riau	Jl. Riau No. 12 D-E	Pekanbaru	28292	(0761) 859381, 859580, 859581	47764
Dumai Syarif Kasim	Jl. Sultan Syarif Kasim No. 99	Dumai	28812	(0765) 32203-4	32302
Baganbatu	Jl. Jend. Sudirman No. 219, Bagan Sinembah	Bengkalis	28992	(0765) 51093, 51091	51092
Bengkalis	Jl. Ahmad Yani	Bengkalis	28712	(0766) 22771-2	22773
Air Molek	Jl. Jend. Sudirman No. 190-192	Air Molek	29352	(0769) 41075	41074
Pekanbaru Rumbai	Kompleks PT Caltex Pasific Indonesia, Rumbai, Pekanbaru	Pekanbaru	28271	(0761) 592190	594398
Pekanbaru Minas	Main Office PT Caltex Pasific Indonesia, Minas, Pekanbaru	Pekanbaru	28885	(0761) 993894, 993895	43177
Pekanbaru Tuanku Tambusai	Komplek Lancang Kuning Square Jl. Tuanku Tambusai No.144	Pekanbaru	28283	(0761) 859848, 859858	859868
Pertamina Sungai Pakning	Kompleks Pertamina, Sungai Pakning, Jl. Cendana, Sungai Pakning	Dumai	28700	(0766) 91220 - 22 Ext. 4269	391777
Duri Caltex	Kompleks PT Caltex Pasific Indonesia, Duri	Duri	28884	(0765) 996156	995500
Duri Sudirman	Jl. Jend. Sudirman Kav. 109	Duri	28884	(0765) 598795, 598791	598796
HUB BATAM IMAM BONJOL					
Batam Imam Bonjol	Jl. Imam Bonjol No. 90	Batam	29432	(0778) 454444, 458137, 458280	452606, 452607, 431740
Tanjungpinang	Jl. Teuku Umar No. 23	Tanjungpinang	29111	(0771) 22437, 21805	28047
Batam Lubuk Baja	Jl. Imam Bonjol, Lubuk Baja	Batam	29432	(0778) 458159	457830
Batam Sekupang	Jl. R.E. Martadinata, Komp. Harapan Business Center Blok I No.1	Batam	29422	(0778) 322126	322474
Batam Raja Ali Haji	Jl. Raja Ali Haji No.39	Batam	29432	(0778) 456717, 456824, 456842	457988, 430295
Batam Industrial Park	Batam Industrial Park, Jl. Rasamala No. 1	Batam	29434	(0778) 611666, 611444	611333
Batam Panbil	Kawasan Industri Panbil, Jl. Ahmad Yani	Batam	29433	(0778) 371283, 371284	371281
Tanjung Balai Karimun	Jl. Teuku Umar No.9	Tanjung Balai Karimun	29161	(0777) 327668, 327389, 327078	327669
Tanjung Uban	Jl. Permaisuri No. 3	Tanjung Uban	29152	(0771) 81007, 81006	81008
Batam Bandara Hang Nadim	Bandara Hang Nadim	Batam	29431	(0778) 761318	761317
Batam Center	Gedung Otorita Batam, Batam Center	Batam	29432	(0778) 462048, 462264	462216
Batam Batuaji	Komplek Saguling Mas Indah Blok A No. 3, Batuaji	Batam	29422	(0778) 392040, 322047	322765
Batam Pulau Sambu	Jl. Pasar	Pukau Sambu	29411	(0778) 310059, 310053	310053
Batam Tiban	Jl. Tiban Raya, Komplek Tiban Garden Blok C No.20	Batam	29421	(0778) 327177, 326877	323264
DISTRICT II/ PALEMBANG	Jl. Kapten A. Rivai No. 1008	Palembang	30135	(0711) 364008 - 13	310992, 3120417, 374279
HUB JAMBI GATOT SUBROTO					
Jambi Gatot Subroto	Jl. Jend. Gatot Soebroto No. 60 A	Jambi	36138	(0741) 31581-2, 21412 - 418	20066, 23644
Muara Bungo	Jl. Lintas Sumatra Km. 1	Muara Bungo	37212	(0747) 21188, 21138	21137
Jambi Telanaipura	Jl. Prof. Dr. Sri S.M. Sofwan, SH No. 27, Telanaipura	Jambi	36122	(0741) 62184, 63267	62292
Jambi Sam Ratulangi	Jl. Dr. Sam Ratulangi No. 20	Jambi	36113	(0741) 31089, 22202	22202, 26915
Jambi Dr. Sutomo	Jl. Dr. Sutomo, P.O.Box 14	Jambi	36113	(0741) 34374, 22864	34185
Sarolangon	Jl. Lintas Sumatera KM 1	Sarolangon	37381	(0745) 91318, 91546	91443
Bangko	Jl. Jend. Sudirman, Pematang Kandis	Bangko	37314	(0746) 323224	323225
Bajubang	Jl. Pramuka No. 1, Bajubang	Bajubang	21366	(0743) 21366	20066
Sengeti	Jalan Lintas Timur Km.35, Desa Sengeti, Muaro Jambi	Jambi	36381	(0741) 51900	51900
Jambi Sipin	Jl. Kol. Abunjani No.54	Jambi	36129	(0741) 61042	668691
HUB PADANG LAPANGAN IMAM BONJOL					
Padang Lapangan Imam Bonjol	Jl. Bagindo Aziz Chan No. 12	Padang	31505	(0751) 31501-2	31505, 36726
Bukittinggi	Jl. Perintis Kemerdekaan No.3	Bukittinggi	26111	(0752) 626401	626406
Solok	Jl. K.H. Akhmad Dahlan	Solok	27322	(0755) 21123	20169
Padang Indarung	Social Center PT Semen Padang	Padang	25237	(0751) 777618, 777619, 72333	777620
Padang Sudirman	Jl. Sudirman No. 2A	Padang	25001	(0751) 26940, 28940, 33840	31571
Padang Bagindo Aziz Chan	Jl. Bagindo Aziz Chan No. 21	Padang	25211	(0751) 33331	28332
Padang Muara	Jl. Batang Arau No. 42	Padang	25215	(0751) 34872	34036
Payakumbuh	Jl. Jenderal Sudirman No. 14	Payakumbuh	26211	(0752) 796783 s.d. 796786	796789
Sawahlunto	Kompleks Saringan No. W 27, Jl. Soekarno Hatta	Sawahlunto	27421	(0754) 61144, 61146, 61477	61422
Padang Veteran	Jl. Veteran No. 62 J	Padang	22115	(0751) 32726, 32748	32749
Bukittinggi Aur Kuning	Jl. Raya By Pass No.42, Aur Kuning	Bukittinggi	26131	(0752) 627880, 627881	627879
Sungai Rumbai	Jl. Lintas Sumatera No. 2, Sungai Rumbai	Sawahlunto	27584	(0754) 583393, 583394	583395
HUB PALEMBANG SUDIRMAN					
Palembang Sudirman	Jl. Jend. Sudirman No. 419	Palembang	30134	(0711) 311177, 358325	310393
Tanjungenim	Jl. Jend. A. Yani No.8	Tanjungenim	31711	(0734) 451033-35	451036
Baturaja	Jl. Serma Zakaria No. 35-37	Baturaja	32116	(0735) 20688, 20687	23576
Pangkalpinang	Jl. Jend. Sudirman No. 7	Pangkalpinang	33128	(0717) 432385	432623
Tanjungpandan	Jl. Merdeka No. 6	Tanjungpandan	33411	(0719) 21011, 21012	21600

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Palembang Pusat Dagang	Jl. T.P. Rustam Effendi No. 550	Palembang	30125	(0711) 313767, 356436	310873
Lubuk Linggau	Jl. Garuda No. 8-9	Lubuk Linggau	31616	(0733) 325350, 321925	325680
Palembang Atmo	Jl. Kolonel Atmo No.118	Palembang	30125	(0711) 354144, 354245	313655
Palembang Pusri	Jl. Mayor Zen No. 9, Gedung YDPK	Palembang	30118	(0711) 711023, 711023	710994
Palembang R.S.U	Jl. Jend. Sudirman Km. 3,5	Palembang	30126	(0711) 313498, 364020	313977
Lahat	Jl. Mayor Ruslan Blok A No. 7-8	Lahat	31411	(0731) 323700, 321012, 321013, 322381, 322383	323600
Sungailiat	Jl. Sudirman No. 18	Sungailiat	32111	(0717) 92233, 92416	92233
Mentok	Jl. Yos Sudarso No. 1 / 78	Mentok	33311	(0717) 21194, 31942	21194
Palembang Sako Kenten	Terminal Sako Kenten, Ruko K3 No.1, Sako Kenten	Palembang	30762	(0711) 810771	810772
Muara Enim	Jl. Jenderal Sudirman No. 44	Muara Enim	31315	(0734) 424148, 421363	423338
HUB PALEMBANG ARIEF					
Palembang Arief	Jl. Kapten A. Rivai No. 27	Palembang	30129	(0711) 310952, 352346, 373271	313379, 313627
Bengkulu S. Parman	Jl. Letjend. S. Parman No. 183	Bengkulu	38223	(0736) 20016, 22138, 21244	21361, 20464
Palembang Plaju	Pertamina UEP III, Jl. Kurnia	Plaju	20368	(0711) 352432	352432
Palembang A. Rivai	Jl. Kapten A. Rivai No. 39	Palembang	30135	(0711) 313455, 311556	312016
Palembang Pasar 16 Ilir	Jl. Pasar 16 Ilir No. 165-167	Palembang	30122	(0711) 318511, 322226	311481
Prabumulih Sudirman	Jl. Sudirman No. 117	Prabumulih	31121	(0713) 326000, 326093, 326094	326095
Bengkulu Ahmad Yani	Jl. Jend. Ahmad Yani No. 60	Bengkulu	38115	(0736) 22881, 22916	22882
Sekayu	Petro Muba Building Jl. Merdeka Lk 1, Sekayu	Musi Banyuasin	30711	(0714) 322900-2	322904
Palembang Bandara Sultan Badaruddin	Bandara Sultan Mahmud.Badaruddin II	Palembang	30152	(0711) 410150	420183
Palembang Uniba	Jl. Mayor Ruslan	Palembang	30113	(0711) 364025	372233
Palembang Gedung Kanwil	Jl. Kapten A. Rivai No. 1008	Palembang	30137	(0711) 364013, 322131	312477
Palembang R. Sukamto	Jl. R. Soekamto No.79, Simpang Patal	Palembang	30114	(0711) 360808	357670
Palembang Veteran	Jl. Veteran No. A-8	Palembang	30113	(0711) 374004, 357472, 357496	350013
Pendopo	Komplek Pertamina II, Jl. Cemara 18	Pendopo	31211	(0711) 90204	90808
Prabumulih	Pertamina UEP II, Jl. Pramuka	Prabumulih	31122	(0713) 20868	21515
Bengkulu Panorama	Jl. Salak Raya No. 297 B, Bengkulu	Bengkulu	38226	(0736) 346890	346891
HUB BANDARLAMPUNG MALAHAYATI					
Bandarlampung Malahayati	Jl. Laksamana Malahayati No. 3	Bandarlampung	35221	(0721) 481222, 486146, 481431	489064, 473752
Kotabumi	Jl. Jend. Sudirman No. 43	Kotabumi	34516	(0724) 21392, 21539, 21611	21975, 21489
Bandarlampung Cut Meutia	Jl. Cut Meutiah No. 46	Bandarlampung	35214	(0721) 486087	483849
Tanjungkarang Bambu Kuning	Jl. Bukit Tinggi No. 21 D	Tanjungkarang	35114	(0721) 255167	268602
Bandarlampung Telukbetung	Jl. Laksamana Malahayati No. 30	Bandarlampung	34223	(0721) 481945	486847
Bandarlampung Supratman	Jl. W.R. Supratman No. 70	Bandarlampung	35111	(0721) 486942-3	485684
Tanjungkarang Kartini	Jl. Kartini No. 79	Tanjungkarang	35111	(0721) 251414	252796
Metro	Jl. Jend. Sudirman No. 39 A	Metro	34111	(0725) 41363	41860
Pringsewu	Jl. Ahmad Yani No. 9, Pringsewu	Tanggamus	35373	(0729) 24452, 24453	21472
Bandarlampung Teuku Umar	Jl. Teuku Umar No. 7	Bandarlampung	35141	(0721) 774653	771692
Bandarlampung Antasari	Jl. Pangeran Antasari No. 149 B-C	Bandarlampung	35133	(0721) 782555, 770163	782333
Bandar Jaya	Jl. Proklamator No. 33 A, Bandar Jaya	Lampung Tengah	34163	(0725) 529999	529127
Bandarlampung Raden Intan	Jl. Raden Intan No. 132	Bandarlampung	35118	(0721) 251312, 251510	51510
DISTRICT III/ JAKARTA KOTA	Jl. Lapangan Stasiun No. 2	Jakarta Barat	11110	(021) 6922004, 2600500	6922006
HUB JAKARTA KOTA					
Jakarta Kota	Jl. Lapangan Stasiun No. 2	Jakarta Barat	11110	(021) 2600500, 2600506	2600505, 2600508
Jakarta Mitra Bahari	Komplek Pertokoan Mitra Bahari Blok E No.7-8, Jl. Pasar Ikan	Jakarta Utara	14440	(021) 6625325-8, 6627901	6625327
Jakarta Glodok Plaza	Ruko Glodok Plaza Blok H No.45-46, Jl. Pinangisia Raya	Jakarta Barat	11180	(021) 6291486, 6281936	6281937
Jakarta Mangga Dua	Arkade Dusit Mangga Dua No. 5, Jl. Arteri Mangga Dua Raya	Jakarta Pusat	10730	(021) 6127623-4	6127624
Jakarta Bandengan	Komplek Puri Deltamas Blok J 1-2 Jl. Bandengan Selatan No.43	Jakarta Utara	14450	(021) 6603086, 6603087	66603981, 6690602
Jakarta Pluit Selatan	Jl. Raya Pluit Selatan No. 31-35	Jakarta Utara	14450	(021) 6670909, 6670101	6697201
Jakarta Pangeran Jayakarta	Jl. Pangeran Jayakarta No. 73	Jakarta Pusat	10730	(021) 6299030, 6264215	6399070
Jakarta Mega Mal Pluit	Ruko Mega Mal Pluit No. MG 46 - 47	Jakarta Utara	14450	(021) 6670926, 6683566	6683565
Jakarta Muara Karang Dalam	Jl. Muara Karang Blok O / VIII Timur No. 69-70	Jakarta Utara	14440	(021) 6685553, 6628061	6678048
Jakarta Muara Karang Raya	Jl. Muara Karang Raya No. 93-95	Jakarta Utara	14450	(021) 6603482, 6603884	6630936
Jakarta Pluit Kencana	Jl. Raya Pluit Kencana No. 51-53	Jakarta Utara	14450	(021) 6601602/5, 6601609	6601608
Jakarta Glodok Sky	Pasar Glodok Lt. 2 A.LO2 BKS039,	Jakarta Barat	11120	(021) 6336120, 6336320	6336440
Jakarta Pinangisia	Jalan Pinangisia II No. 3 D, Taman Sari	Jakarta Barat	11110	(021) 6011029, 6012024, 6903715	62371073
Jakarta Pluit Karang Baru	Jalan Pluit Karang Utara No. 66 A, Kav. 38-SEB, Penjaringan	Jakarta Utara	14450	(021) 66694401, 66694402, 66694407	66992630
Jakarta Pasar Pagi	Gedung Pusat Perdagangan Grosir Mangga Dua Blok KA	Jakarta Utara	14430	(021) 6019948	6019257
Mangga Dua	No.12A-14,Jl. Mangga				
Jakarta ITC Mangga Dua	ITC Mangga Dua Lt. 1 Blok B/13-14, Jl. Mangga Dua Raya	Jakarta Utara	14430	(021) 62300268, 62300269	62300267
Jakarta Harco Mangga Dua	Ruko Agung Sedayu Blok N No. 36, Jl. Mangga Dua Raya	Jakarta Utara	10730	(021) 6123135, 6127049, 6127048	6123134
Jakarta WTC Mangga Dua	WTC Mangga Dua Lantai 5 Blok D No. 27, Jl. Mangga Dua Raya No. 8	Jakarta Utara	14430	(021) 30012229, 30012234, 30012235	30012227
Jakarta Mangga Dua Square	Mangga Dua Square Blok B No.9, Jl. Gunung Sahari Raya 1	Jakarta Utara	14430	(021) 62312970	62312971
Jakarta Pasar Pagi Lama	Jl. Pintu Kecil III No. 54, Pasar Pagi	Jakarta Barat	11230	(021) 6916434, 6926655	6909647
Jakarta Pejagalan	Jl. Pejagalan Raya No.85 F/C, Tambora	Jakarta Barat	11110	(021) 6930104	6930105
HUB JAKARTA S. PARMAN					
Jakarta S. Parman	Wisma Barito Pacific, Jl. S. Parman Kav. 62-63, Slipi	Jakarta Barat	11410	(021) 5346627, 5483595	5347012
Jakarta Bandara Soekarno-HattaTerminal D	Bandara Soekarno-Hatta, Terminal D & E Departures	Jakarta Barat	19100	(021) 5506744, 5507283	5501383
Jakarta R.S. Pelni	Jl. Aipda KS Tubun 92-94, Petamburan	Jakarta Barat	11410	(021) 5306783-4	5480027
Jakarta Gedung Pusri	Jl. Taman Anggrek-Kemanggis Jaya	Jakarta Barat	11480	(021) 53672756, 53672801	5482003

- DISTRICT
- MAIN BRANCH
- CASH OUTLET
- HUB
- SPOKE BRANCH
- NEW BRANCHES

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Jakarta Bandara Soekarno-Hatta Cargo	Bandara Soekarno-Hatta, Cargo Area Gedung 501	Jakarta Barat	19101	(021) 5501260, 5507172	5501289
Jakarta Design Center	Jl. Jend. Gatot Subroto Kav. 53-54	Jakarta Pusat	10260	(021) 5495136-8, 5495144	5495139
Jakarta R.S. Harapan Kita	Jl. S. Parman Kav. 87	Jakarta Barat	11420	(021) 5681153	56963325
Jakarta Garuda Sentra Operasi	Bandara Soekarno-Hatta, Cengkareng	Jakarta Barat	19110	(021) 5590369, 5590370	5590369
Jakarta Slipi Jaya	Jl. Letjend. S. Parman Kav. 17-18, Gedung Slipi Jaya	Jakarta Barat	11480	(021) 5356830, 5356802	5356917
Jakarta Bandara Soekarno-Hatta Gedung Angkasa Pura	Bandara Soekarno-Hatta, Gedung 601	Jakarta Barat	19120	(021) 5501240/1378/2426	5502427
Jakarta R.S. Kanker Dharmais	Jl. Letjend. S. Parman Kav. 84-88, Slipi	Jakarta Barat	11420	(021) 5681573	56943406
Tangerang Taman Niaga Soewarna	Taman Niaga Soewarna Lantai Dasar Blok B Lot 1-5, Bandara Internasional Soekarno Hatta	Tangerang	11109	(021) 55911440, 55911242	55911441
Jakarta Jalan Panjang	Jl. Panjang No.5 A, Kebon Jeruk	Jakarta Barat	11530	(021) 5327262, 5327472, 5327393	5322397
Jakarta Pos Pengumben	Kompleks Intercon Megah Blok W.3 No. 20	Jakarta Barat	11640	(021) 5864931, 5864951, 5865075	5864448
Jakarta Pantai Indah Selatan	Jl. Pantai Indah Selatan I Blok D-A Kav. No.1, Penjaringan	Jakarta Barat	14460	(021) 55964740	55964739
Jakarta Duta Harapan Indah	Ruko Duta Harapan Indah Blok I No.18, Kapuk Muara	Jakarta Utara	14460	(021) 66605630	66605631
Jakarta Teluk Mas	Ruko Teluk Mas Jl. Teluk Gong No.18 E, Pejagalan	Jakarta Utara	14450	(021) 66698324	66698325
Jakarta Kapuk Raya	Ruko Kapuk RayaJl. Kapuk Raya No.62 B, Kamal Muara	Jakarta Utara	14460	(021) 70708601	5562102
Jakarta Kemanggisan	Jl. Budi Raya No.7 A-B, Kemanggisan	Jakarta Barat	11480	(021) 53666265	53666264
HUB JAKARTA KYAI TAPA					
Jakarta Kyai Tapa	Jl. Kyai Tapa No. 99	Jakarta Barat	11440	(021) 5634614	5634613
Jakarta Kebon Jeruk Perjuangan	Jl. Perjuangan No. 9 B, Kebon Jeruk	Jakarta Barat	11520	(021) 5360735-7	5348757
Jakarta Jelambar	Jl. Pangeran Tubagus Angke No. 10	Jakarta Barat	11460	(021) 5647439, 5665804	5675890
Jakarta Roxy Mas	Jl. K.H. Hasyim Ashari No. 125	Jakarta Pusat	10150	(021) 6329512	6329487
Jakarta Taman Kebon Jeruk	Jl. Meruya Ilir Blok A No. 19	Jakarta Barat	11650	(021) 5304300, 5868489	5304127
Jakarta Jembatan Lima	Jl. K.H. Moch. Mansyur No. 222	Jakarta Barat	11210	(021) 6306118, 6310068	6306112
Jakarta Tomang	Jl. Tomang Raya No. 32	Jakarta Barat	11430	(021) 56968006, 56968281	56968284
Jakarta Universitas Trisakti	Kampus A Universitas Trisakti, Jl. Kyai Tapa No. 1, Grogol	Jakarta Barat	11440	(021) 5636771	5636527
Jakarta Latumetten	Jl. Prof. DR. Latumetten No.17 E	Jakarta Barat	11330	(021) 6343303	63851739
Jakarta Taman Permata Indah	Jl. Kampung Gusti Blok M No.25, Penjaringan	Jakarta Utara	14440	(021) 6606262, 6603040	6602987
Jakarta Jelambar Baru	Ruko Jelambar BaruJl. Jelambar Baru Raya No.6B, Grogol - Petamburan	Jakarta Barat	11460	(021) 5643966	56963916
Jakarta Jembatan Dua	Ruko Jembatan DuaJl. Jembatan Dua No.5C, Penjaringan	Jakarta Utara	14450	(021) 6619596	6620392
Jakarta Taman Duta Mas	Ruko Taman Duta Mas Blok A3/46, Grogol - Petamburan	Jakarta Barat	11460	(021) 56942316	56942339
Jakarta Taman Permata Buana	Ruko Taman Permata Buana Jl. Pulau Bira III Blok D1 Kav.47, Kembangan	Jakarta Barat	11610	(021) 58355045	58304247
Jakarta Mohammad Mansyur	Jl. KH. Mohammad Mansyur No.11 Blok A-3	Jakarta Pusat	10140	(021) 63857527	63857509
Jakarta Grogol Muwardi	Jl. Dr Muwardi II No.15 A, Grogol Petamburan	Jakarta Barat	11460	(021) 58355045	58304247
Jakarta Roxy Square	Gedung Roxy Square, Lantai Lower Ground Blok C3 No. 7-8 Jl. Kyai Tapa No. 1	Jakarta Barat	11440	(021) 56954494	56954514
HUB JAKARTA DAAN MOGOT					
Jakarta Daan Mogot	Jl. Daan Mogot	Jakarta Barat	11460	(021) 56961890, 5674669	5606252
Jakarta Kalideres	Jl. Peta Selatan No. 6A-6B, Kalideres	Jakarta Barat	11840	(021) 54391549, 5450258-9	5450257
Jakarta Grenvil	Grenvil Real Estate Blok BG 31-36	Jakarta Barat	11510	(021) 5689044/47	5689048
Jakarta Puri Indah	Jl. Puri Indah Raya Ruko Blok I / 1	Jakarta Barat	11610	(021) 5824408-9	5824410
Jakarta Kedoya	Rukan Golden Green No. 21, Jl. Arteri Kedoya	Jakarta Barat	11520	(021) 5824804	5824806
Jakarta Kepa Duri	Jl. Mangga Raya Blok Y No. 20	Jakarta Barat	11510	(021) 5656646-7	5656645
Jakarta Tanjungduren	Jl. Tanjungduren Raya No. 56 A-B	Jakarta Barat	11470	(021) 5666503, 5669125	5666552
Jakarta Taman Palem Lestari	Jl. Boulevar Taman Palem Lestari Blok D1 No. 19	Jakarta Barat	11730	(021) 55955409	55955410
Jakarta Taman Semanan Indah	Komplek Perumahan Taman Semanan Indah, Jl. Dharma Kencana Blok H No. 21	Jakarta Barat	11750	(021) 5407035-6	5445098
Jakarta Daan Mogot Baru	Pertokoan Daan Mogot Baru, Jl. Jimbaran Blok 7 B No. 14	Jakarta Barat	11840	(021) 54381659, 5459397	5459827
Jakarta Mal Puri Indah	Komplek Mal Puri Indah, Lantai Dasar Unit 70 C, Jl. Puri Agung, Puri Indah	Jakarta Barat	11610	(021) 5822723, 5822778	5822302
Jakarta Puri Kencana	Komplek Puri BugarJl. Kencana Utama Raya Blok L6/G	Jakarta Barat	11610	(021) 5819878	5808383
Jakarta Taman Kedoya Baru	Ruko Agave Blok B1/12A, Jl. Agave Kedoya	Jakarta Barat	11520	(021) 5822882	5823111
Jakarta Galeria Niaga Mediterania	Ruko Galeri Niaga Mediterania Blok X-3 Kav No.A-8F, Kapuk Muara	Jakarta Utara	14460	(021) 55964740	55964739
Jakarta Mal Taman Anggrek	Mal Taman Anggrek Ground Level C 13A&C 13Z Jl. Letjend. S. Parman Kav.21	Jakarta Barat	11470	(021) 56998570-8572	56998574
Jakarta Mutiara Taman Palem	Ruko Mutiara Taman Palem Blok A2 No. 22 Jl. Outer Ring Road Kamal, Cengkareng	Jakarta Barat	11730	(021) 54353574, 54353584	54353122
HUB JAKARTA GAMBIR					
Jakarta Gambir	Jl. Ir. H. Juanda No. 18	Jakarta Pusat	10120	(021) 3808367-9, 3842654	3808357
Jakarta Gunung Sahari	Jl. Industri No. 1	Jakarta Pusat	10720	(021) 2600025, 2600170	2600236
Jakarta Krekot	Jl. H. Samanhudi No. 2 AB	Jakarta Pusat	10710	(021) 2311508, 2310593	2310314
Jakarta Juanda	Jl. Ir. H. Juanda No. 25	Jakarta Pusat	10110	(021) 2310203, 2310455	2310311
Jakarta Angkasa	Kantor Pusat PT MNA, Jl. Angkasa Blok B-15 Kav. 2-3	Jakarta Pusat	10720	(021) 6540703, 6544906	6540705
Jakarta KP Pertamina	Jl. Perwira No. 2	Jakarta Pusat	10110	(021) 2310380, 3815339	2310509
Jakarta Pasar Baru	Jl. H. Samanhudi No. 46	Jakarta Pusat	10710	(021) 2311443, 2310277	2310318
Jakarta Mangga Besar	Jl. Mangga Besar Raya No. 73-75	Jakarta Barat	11170	(021) 2600044	6391113
Jakarta Ketapang Indah	Komplek Ketapang Indah, Jl. K.H. Zainal Arifin Blok A1	Jakarta Barat	11140	(021) 6336461, 6336601	6349340, 6340164
Jakarta KPKN II	Jl. Dr. Wahidin II No. 3	Jakarta Pusat	10710	(021) 3850160	3850159
Jakarta Karang Anyar	Ruko Karang Anyar Blok C / 26	Jakarta Pusat	10740	(021) 6247384	6249405
Jakarta Departemen Keuangan	Gedung 16 Lantai Departemen Keuangan Jl.Lapangan Banteng Timur No. 2-4	Jakarta Pusat	10710	(021) 3522074	3522072
Jakarta Krekot Bunder	Ruko Krekot BunderJl. Krekot Bunder Raya No.62, Sawah Besar	Jakarta Pusat	10710	(021) 3841665	3809826

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Jakarta Pademangan	Jl. Pademangan IV Gang 6 No.39	Jakarta Utara	14410	(021) 6409587, 6409588	6411910
Jakarta KP BPKP	KP BPKP, Jl. Hayam Wuruk	Jakarta Pusat	10120	(021) 3866724	3866724
Jakarta Pasar Mobil Kemayoran	Pasar Mobil Kemayoran Blok C No.S-044A, Kemayoran	Jakarta Pusat	10260	(021) 6540806	6543016
Jakarta Gedung Askrindo	Jl. Angkasa Blok B-9 Kav.8	Jakarta Pusat	10610	(021) 6546550	6546550
Jakarta Hayam Wuruk	Jl. Hayam Wuruk No.96A, Tamansari	Jakarta Utara	11160	(021) 6009371	6009375
Jakarta Batu Ceper	Wisma Tigris Jl. Batu Ceper No.19 DEF	Jakarta Pusat	10120	(021) 3500229, 3442873, 3512474	3512435
HUB JAKARTA TANJUNGPRIOK ENGGANO					
Jakarta Tanjungpriok Enggano	Jl. Enggano No. 42	Jakarta Utara	14310	(021) 4351168-9, 498274	493637
Jakarta Cakung	Komplek PT KBN, Jl. Raya Cakung, Cilincing	Jakarta Utara	14410	(021) 44820957, 4416566	44820937
Jakarta Sunter Permai	Jl. Sunter Permai Raya No. 1-4	Jakarta Utara	14350	(021) 6408751, 6408766	6408763
Jakarta Tanjungpriok	Jl. Yos Sudarso No. 750	Jakarta Utara	14210	(021) 4371946, 490617	490980
Jakarta Sunter Paradise	Jl. Sunter Paradise Blok F2o No. 45-A/B, Sunter	Jakarta Utara	14350	(021) 6459934, 6503701	686453
Jakarta Tanjungpriok Tawes	Jl. Tawes No. 23, Tanjungpriok	Jakarta Utara	14310	(021) 4300138, 492500	4300182
Jakarta Ahmad Yani	Jl. Jend. Ahmad Yani No. 2	Jakarta Pusat	10510	(021) 4211167, 44820942	4249658
Jakarta Perumpel Tanjungpriok	Gedung Pulau Laut, Jl. Banda No. 1, Tanjungpriok	Jakarta Utara	14310	(021) 4304953, 4304944, 43930230, 43904547	4304952
Jakarta Ancol	Jl. Parang Tritis No. 4	Jakarta Utara	14430	(021) 6909447-9	6927821
Jakarta Tanjungpriok	Kantor Gudang Persediaan, Cabang Pelabuhan Tanjungpriok, Bea & Cukai	Jakarta Utara	14310	(021) 43903235, 43903236	43903237
Jakarta Pertamina DPKK	Jl. Yos Sudarso No. 32-34	Jakarta Utara	14320	(021) 43904578	497827
Jakarta Tanjungpriok	Kantor Departemen Agama Kota Jakarta Utara,	Jakarta Utara	14210	(021) 4300489, 4304572, 4308769,	4300733
Jakarta Griya Inti Sentosa	Ruko Griya Inti SentosaJl. Griya Utama Blok A No.22	Jakarta Utara	14350	(021) 65835033, 65835014, 65835034, 65835035	6516285
Jakarta Taman Sunter Indah	Ruko Taman Sunter Indah Jl. Taman Sunter Indah Blok KI-1 No.15	Jakarta Utara	14350	(021) 6514680, 6514681, 6500587	6500719
Jakarta Sunter Agung Utara	Jl. Sunter Agung Utara Blok A 36D No.25	Jakarta Utara	14350	(021) 65835132, 65835133, 65835229	64715602
Jakarta Mal Sunter	Mal Sunter Lantai Dasar No.88Jl. Danau Sunter Utara	Jakarta Utara	14350	(021) 65832298, 65832299, 65832395	65831994
Jakarta Plumpang	Jl. Yos Sudarso, Depot Pertamina UPPDN III Plumpang	Jakarta Utara	14230	(021) 43906859/61	43906860
Jakarta Pasar Seni Ancol	Jl. Lodan Timur, Blok F	Jakarta Utara	14420	(021) 6413614, 6408862	682210
Jakarta Prima Sunter	Ruko Prima Sunter Jl. Danau Sunter Utara Blok A Kav No.1	Jakarta Utara	14350	(021) 65836180, 65836181, 65830952	65830953
HUB TANGERANG KI SAMAUN					
Tangerang Ki Samaun	Jl. Ki Samaun No. 214	Tangerang	15118	(021) 5523618, 5521818	5525344
Cilegon Anyer	Jl. Raya Anyer No. 2	Cilegon	42431	(0254) 391515, 931234	391396
Serang	Jl. Diponegoro No. 8	Serang	42111	(0254) 201260	217723
Tangerang Ahmad Yani	Jl. Jend. Ahmad Yani No. 9	Tangerang	15111	(021) 5522206, 5524965	5525004
Tangerang Merdeka	Plaza Sinar Merdeka Mas Blok A2 No. 7-8, Jalan Merdeka 53	Tangerang	15113	(021) 5517019, 5516959	5523718
Tangerang Cikokol	Mahkota Mas Blok C / 14-15, Cikokol	Tangerang	15117	(021) 5543218	5543048
Tangerang Ciledug	Jl. Ciledug Raya No. 77, Kav. 1-2, Ciledug	Tangerang	15154	(021) 7325200, 5847825	5847827
Tangerang Daan Mogot	Jl. Daan Mogot No. 32	Tangerang	15111	(021) 5521050/58, 5510120	5521047
Cilegon Merak	Jl. Raya Merak No. 3	Cilegon	42431	(0254) 391577, 391133	391606
Tangerang Cikupa	Pertokoan Cikupa Blok B No.3 Jl. Raya Serang Km 14,8	Tangerang	15710	(021) 5960561, 5963003	5961708
Tangerang Pinangsia Karawaci	Ruko Pinangsia Blok A-39, Lippo Karawaci	Tangerang	15139	(021) 5516058, 5515745	5588869
Tangerang Kota Modern	Perumahan Modernland Blok BR No.19, Jl. Jendral Sudirman.	Tangerang	15117	(021) 55749147-8	55749149
Tangerang Gading Serpong	Ruko Gading Serpong Blok AA4 No 38,Jl. Boulevard	Tangerang	15333	(021) 5462297, 5462330	5462220
Tangerang Alam Sutera	Ruko Sutera Niaga I No. 71, Jl. Raya Serpong	Tangerang	15325	(021) 53124348, 53124349	5398754
Cilegon Pasar Anyer	Jl. Raya Anyer No. 103, Anyer	Serang	42166	(0254) 603515	603516
Cilegon Krakatau Steel	Kawasan Industri Berat Cilegon, Gedung ADB Krakatau Steel	Cilegon	42431	(0254) 372124	-
Serang Cikande	Kawasan Industri Modern Cikande, Komplek Ruko Modern Cikande Blok B No. 1, Jl. Raya Cikande,	Serang	42186	(0254) 404102-4	400439
Serang Pasar Lama	Jl. Maulana Hasanuddin No. 57 B	Serang	42112	(0254-220404-6	201224
DISTRICT IV/ JAKARTA THAMRIN	Jl. M.H. Thamrin No. 5	Jakarta Pusat	10340	(021) 39832922, 2300412	39832917-8, 39832923
HUB JAKARTA KEBON SIRIH					
Jakarta Kebon Sirih	Jl. Tanah Abang Timur No. 1-2	Jakarta Pusat	10110	(021) 2311800,108, 628	2310604, 2310216
Jakarta Wisma Bisnis Indonesia	Wisma Bisnis Indonesia, Jl. KH. Mas Mansyur No. 12 A	Jakarta Pusat	10220	(021) 5900645, 5900646	5900647
Jakarta Cideng	Jl. Cideng Barat No. 87	Jakarta Pusat	10150	(021) 3850658, 3446955	3857935
Jakarta Duta Merlin	Komplek Pertokoan Duta Merlin, Blok A/26-28, Jl. Gajah Mada No. 3-5	Jakarta Pusat	10130	(021) 2311525	6342220
Jakarta Kebon Jati	Jl. Kebon Jati No.18, Komplek Ruko No.116-117	Jakarta Pusat	10250	(021) 3914859, 3914860	2303146
Jakarta Suryopranoto	Jl. Suryopranoto No. 48 C-D	Jakarta Pusat	10130	(021) 6304431-2, 6307747	6307748
Jakarta Fakhrudin	Jl. K.H. Fakrudin No.15, Tanah Abang	Jakarta Pusat	10250	(021) 2311079, 2301488	2301338
Jakarta Gedung Pelni	Jl. Gajah Mada No. 14	Jakarta Pusat	10130	(021) 6335770, 5510	63857742
Jakarta Pasar Tanah Abang Blok A	Pasar Regional Tanah Abang Blok ALantai Basement 2 Blok F No.85-86,	Jakarta Pusat	10250	(021) 23571745, 23571748	23571746
Jakarta Tanah Abang Bukit	Pasar Tanah Abang Bukit Blok B No.3, Jl. Fachrudin No. 36	Jakarta Pusat	10250	(021) 3456372, 31908817	3456373
Jakarta Metro Tanah Abang	Gedung Pusat Grosir Metro Tanah Abang Lantai 6 No. 6-7 Jl. K.H. Wahid Hasyim No.187-189	Jakarta Pusat	10230	(021) 30035457, 30035458	30035469
Jakarta Departemen Hankam	Jl. Merdeka Barat No. 13-14	Jakarta Pusat	10110	(021) 3828403/05, 34830689	3840918
Jakarta Gedung Indosat	Jl. Medan Merdeka Barat No. 21	Jakarta Pusat	10110	(021) 3802614	2310141
Jakarta Gedung Depparpostel	Jl. Merdeka Barat No. 17	Jakarta Pusat	10110	(021) 3867496	3520678
Jakarta Caltex Pacific Indonesia	Gedung Sarana Jaya, Jl. Budi Kemuliaan	Jakarta Pusat	10110	(021) 3512124	3512122
HUB JAKARTA THAMRIN					
Jakarta Thamrin	Jl. Kebon Sirih No. 83	Jakarta Pusat	10340	(021) 2302411	2303744, 2302567
Jakarta Jalan Sunda	Jl. Sunda No. 1	Jakarta Pusat	10350	(021) 2300473, 2300718, 31930396	39899056
Jakarta Menara Thamrin	Jl. M.H. Thamrin Kav. 3	Jakarta Pusat	10340	(021) 2303860	2302841
Jakarta Gedung Jaya	Jl. M.H. Thamrin No. 12	Jakarta Pusat	10250	(021) 2300272, 821, 629	2300316

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- MAIN BRANCH
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Jakarta Wisma Nusantara	Jl. M.H. Thamrin No. 59	Jakarta Pusat	10310	(021) 39000909	334947
Jakarta Sabang	Jl. Kebon Sirih No. 73	Jakarta Pusat	10340	(021) 3919931, 3919736	325285
Jakarta Sarinah	Jl. M.H. Thamrin No. 11	Jakarta Pusat	10340	(021) 2300644	2300720
Jakarta Wisma Alia	Jl. M. Ikhwani Ridwan Rais No. 10-18	Jakarta Pusat	10110	(021) 2311533, 2312029	2310175
Jakarta PLN Gambir	Jl. M. Ikhwani Ridwan Rais No. 1	Jakarta Pusat	10110	(021) 3454001, 3510691	3453880
Jakarta Prapatan	Jl. Prapatan No. 30	Jakarta Pusat	10410	(021) 34831074, 3847101	3847110
Jakarta Atrium Senen	Ruko Segitiga Senen Blok E-21/22, Jl. Senen Raya No. 135	Jakarta Pusat	10410	(021) 3852370	3852369
Jakarta RSPAD Gatot Subroto	RSPAD Gatot Subroto, Jalan Abdul Rachman Saleh No. 24	Jakarta Pusat	10410	(021) 3505963, 3505964, 3505966	3505967
Jakarta Gedung Bimantara	Gedung Bimantara, Jl. Kebon Sirih 17-19	Jakarta Pusat	10340	(021) 3920105	3920017
Jakarta Departemen Agama	Jl. Lapangan Banteng No. 3-4	Jakarta Pusat	10710	(021) 3504143-153-156	3504132
Jakarta Stasiun Senen	Jl. Stasiun Senen No. 16	Jakarta Pusat	10410	(021) 42887720	42887731
HUB JAKARTA IMAM BONJOL					
Jakarta Imam Bonjol	Jl. Imam Bonjol No. 61	Jakarta Pusat	10310	(021) 2300300, 2301555	2300433, 2300927
Jakarta RSCM	Jl. Diponegoro No. 71	Jakarta Pusat	10430	(021) 3908574, 3909217	3100145
R.S. Jakarta	Jl. Jend. Sudirman Kav. 49	Jakarta Selatan	12930	(021) 5732241-43	5710329
Jakarta Bendungan Hilir	Jl. Bendungan Hilir Raya No. 82	Jakarta Pusat	10210	(021) 5711658, 5721672	5711671
Jakarta Cik Ditiro	Jl. Ki S. Mangunsarkoro No. 49	Jakarta Pusat	10310	(021) 2300955, 956	2300837, 2300291
Jakarta Wisma Indosemen	Jl. Jend. Sudirman Kav. 70-71	Jakarta Selatan	12910	(021) 2510381	2510380
Jakarta Berdharna	Jl. Jend. Sudirman Kav. 32-33	Jakarta Pusat	10220	(021) 5701916	5706563
Jakarta Mid Plaza	Jl. Jend. Sudirman Kav. 10-11	Jakarta Pusat	10220	(021) 5704560, 5720710	5746474
Jakarta Kebun Melati	Jl. M.H. Thamrin No. 8 A-B	Jakarta Pusat	10230	(021) 3907390	3907384, 3907278
Jakarta Wisma Metropolitan	Jl. Jend. Sudirman Kav. 29	Jakarta Selatan	12920	(021) 5253208, 5705386	5701647, 5712288
Jakarta Plaza Indonesia	Jl. M.H. Thamrin Kav. 28-30	Jakarta Pusat	10350	(021) 2300766	2300320
Jakarta Menteng	Jl. Gereja Theresia No. 45	Jakarta Pusat	10350	(021) 3928625	3143413
Jakarta Plaza Dua Mutiara	Plaza Mutiara Jl. Jend. Sudirman Kav. 25	Jakarta Selatan	12920	(021) 5208915/7	5208913
HUB JAKARTA CIKINI					
Jakarta Cikini	Jl. Cikini Raya No. 56	Jakarta Pusat	10330	(021) 31931732	3270002
Jakarta Salemba Raya	Jl. Salemba Tengah No. 4 B	Jakarta Pusat	10440	(021) 3907605	3913331
Jakarta Taman Ismail Marzuki	Jl. Cikini Raya No. 34-36	Jakarta Pusat	10330	(021) 2300361	2301511
Jakarta Kramat Raya	Jl. Kramat Raya No. 94-96	Jakarta Pusat	10450	(021) 3161941, 3161938	3161946
Jakarta Cut Meutia	Jl. Cut Meutiah No. 16	Jakarta Pusat	10340	(021) 3927781-3	2301586
Jakarta Cempaka Mas	Kompleks Pertokoan Graha Cempaka Mas Blok A 24-25, Jl. Letjend. Suprpto	Jakarta Pusat	10640	(021) 42800153-4, 4263947	4263946
Jakarta Universitas Yarsi	Jl. Letjend. Soeprapto, Cempaka Putih	Jakarta Pusat	10510	(021) 4262540, 4259277/85	4259339
Jakarta Cempaka Putih Permai	Cempaka Putih Permai Blok A No. 20-21, Jl. Letjend. Suprpto	Jakarta Pusat	10510	(021) 4203363-4	4205880
Jakarta Percetakan Negara	Departemen Kesehatan Direktorat Jenderal PPM & PL Jl. Percetakan Negara No.29	Jakarta Pusat	10560	(021) 42802567	42802567
Jakarta Pertamina UPMS III	Jl. Kramat Raya No. 59	Jakarta Pusat	10450	(021) 3100242 - 3925876-77	3925876
Jakarta R.S. Islam Jakarta	Jl. Cempaka Putih Tengah 1	Jakarta Pusat	10510	(021) 4250451 Ext. 368	4206683
Jakarta Taspen	Jl. Letjend. Suprpto, Cempaka Putih	Jakarta Pusat	10510	(021) 4256546	4256537
Jakarta Rawasari	Jl. Rawasari Selatan No. 29	Jakarta Pusat	10570	42801640, 42802851, 42802853, 42802854	42802852
Jakarta ITC Cempaka Mas	ITC Cempaka Mas Mega Grosir LG No. 155-156, Jl. Letjend. Suprpto	Jakarta Pusat	10640	(021) 42874324, 42876943, 42874774	42873090
Jakarta Mega Grosir Cempaka Mas	Ruko Mega Grosir Cempaka Mas Blok E1/1 Jl. Letjend. Suprpto, Kemayoran	Jakarta Pusat	10640	(021) 42889320, 42889321, 42889322	42906759
Jakarta Kenari Mas	Gedung Kenari Mas Lantai 2 Blok G-5, Jl. Kramat Raya No. 101	Jakarta Pusat	10440	(021) 39842765	39840413
HUB JAKARTA CASABLANCA					
Jakarta Casablanca	Jl. Casablanca Kav. 18	Jakarta Selatan	12870	(021) 8317028-29-32	8317011
Jakarta Gedung Tira	Jl. H.R. Rasuna Said Kav. B-3	Jakarta Selatan	12920	(021) 5209343-5	5209325
Jakarta Tebet Barat	Jl. Tebet Barat IX No.26, Tebet	Jakarta Selatan	12810	(021) 83700179, 83795438, 83792659	83700178
Jakarta Tebet Supomo	Jl. Prof. Dr. Supomo, SH No. 43, Tebet	Jakarta Selatan	12180	(021) 8301180-81	8291001
Jakarta Kuningan	Jl. H.R. Rasuna Said Kav. B-9, Gedung Menara Duta	Jakarta Selatan	12920	(021) 5207075, 5207887	5200301
Jakarta Rasuna Said	Jl. H.R. Rasuna Said Kav. C-5, Gedung Enterprise	Jakarta Selatan	12920	(021) 2501256, 1240	2501249, 2501250
Jakarta Graha Irama	Jl. H.R. Rasuna Said Kav. X-1, No. 1-2, Graha Irama Lantai Dasar	Jakarta Selatan	12950	(021) 52964180, 52964282	52964179
Jakarta Asem Baris	Jl. KH. Abdullah Syafie No.45E, Tebet	Jakarta Selatan	12840	(021) 8308035, 8308065	8318593
Jakarta Mega Kuningan	Jl. Denpasar Kav. D III, Gedung RNI	Jakarta Selatan	12950	(021) 2522852/55	2522853
Jakarta Saharjo	Kompleks Gajah Unit F & G, Jl. Dr. Saharjo No. 111	Jakarta Selatan	12810	(021) 8293567-8	8282349, 83791681
Jakarta Pasar Rumput	Jl. Sultan Agung No. 59 D	Jakarta Selatan	12970	(021) 8294959	8315687
Jakarta Ambassador	Mall Ambassador, Jl. Prof. Dr. Satrio	Jakarta Selatan	12940	(021) 57930970, 57930971-72	57930973
Jakarta Wisma Tugu	Jl. H.R. Rasuna Said Kav. C 8/9	Jakarta Selatan	12940	(021) 5208814	8298464
Jakarta Tebet Timur	Jl. Tebet Timur Dalam Raya No. 115	Jakarta Selatan	12820	(021) 8290675, 8290521, 8290721	8291788
Jakarta Tebet Raya	Jl. Tebet Raya No.9A	Jakarta Selatan	12810	(021) 8310117	8310208
HUB JAKARTA JATINEGARA TIMUR					
Jakarta Jatinegara Timur	Jl. Jatinegara Timur No. 58	Jakarta Timur	13310	(021) 2800033	2800056-57
Jakarta Kalimantan	Jl. Raya Tarum Barat Blok M I No. 2, Kav. Billy Moon, Kalimalang	Jakarta Timur	13450	(021) 8645943-4	8656511
Jakarta Pahlawan Revolusi	Jl. Pahlawan Revolusi No. 57 , Pondok Bambu	Jakarta Timur	13470	(021) 8623403	8625120
Jakarta Puri Sentra Niaga	Jl. Seulawah Raya, Puri Sentra Niaga Blok C-50, Jatiwaringin	Jakarta Timur	13620	(021) 86600854-5	8604829
Jakarta Pondok Bambu	Jl. Pahlawan Revolusi No. 125 F/G, Pondok Bambu	Jakarta Timur	13430	(021) 8610456-67	8612422
Jakarta Rawamangun Pegambiran	Jl. Pegambiran No. 4, Rawamangun	Jakarta Timur	13220	(021) 4702841	4750071
Jakarta D.I. Panjaitan	Jl. D.I. Panjaitan Kav. 9, Gedung Wika	Jakarta Timur	13340	(021) 2800088	8195074
Jakarta Matraman	Jl. Matraman Raya No. 31	Jakarta Timur	13150	(021) 8503181, 8503183	8502389
Jakarta Jatinegara Barat	Jl. Jatinegara Barat No. 142 AB	Jakarta Timur	13320	(021) 8199747, 8508805	8508807
Jakarta Pondok Kelapa	Jl. Tarum Barat Km. 4,5, Kalimalang	Jakarta Timur	13450	(021) 8645173	8655418
Jakarta Buaran	Ruko Taman Buaran Indah Jl. Buaran Raya Blok A	Jakarta Timur	13470	(021) 8608169, 8608232	86611127

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Jakarta Pondok Kelapa Kavling DKI	Jl. Raya Pondok Kelapa, Blok D.II No. 2	Jakarta Timur	13450	(021) 86900803, 86902849, 86902268	86902294
Jakarta Pasar Jatinegara	Jl. Matraman Raya No. 242	Jakarta Timur	13310	(021) 2800064	2800072
Jakarta Waskita Karya	Jl. Biru Laut X Kav. 10, Cawang	Jakarta Timur	13340	(021) 8564421	8564422
Jakarta Klender	Kompleks Ruko Blok B1 No.6, Jl. I Gusti Ngurah Rai	Jakarta Timur	13470	(021) 86612125-7	86612129
Jakarta Pramuka	Gedung IS Plaza, Jl. Pramuka Raya Kav.151	Jakarta Timur	13120	(021) 8199377, 8564666	8199341
Jakarta Halim	Bandara Halim Perdanakusuma No. 21/HT	Jakarta Timur	13610	(021) 80889951	80889950
Perdanakusuma					
Jakarta Otto Iskandardinata	Gedung Graha Marba, Lantai 1, Jl. Otto Iskandardinata No. 64	Jakarta Timur	13450	(021) 85904114, 85903837	85903966
Jakarta Rawamangun	Komplek Ruko Mega Indah Blok A3	Jakarta Timur	13220	(021) 47861964	47861964
Balai Pustaka	Jl. Balai Pustaka Timur No.39, Rawamangun				
HUB JAKARTA PULOGADUNG					
Jakarta Pulogadung	Jl. Raya Bekasi Km. 21, Pulogadung	Jakarta Utara	14250	(021) 4602877	4602875, 4602879
Jakarta Kawasan Industri Pulogadung	Jl. Pulobuaran No. 2, Pulogadung	Jakarta Timur	13930	(021) 46826936, 4600081	46825364
Jakarta Kelapa Gading Bolevar	Jl. Bolevar Raya Blok L No. 8, Kelapa Gading	Jakarta Utara	14240	(021) 4520245, 4520474	4520203
Jakarta Perumnas Klender	Jl. Raya Teratai Putih Blok 19 No.5 C-D, Klender	Jakarta Timur	13460	(021) 86601823-4	86601828
Jakarta Kelapa Gading Barat	Jl. Bolevar Barat Raya Blok LC-7 No. 22-23, Kelapa Gading	Jakarta Utara	14240	(021) 45841815-6	4504788
Jakarta Kelapa Gading	Jl. Kelapa Gading Bolevar Blok TB2 No. 6-8, Kelapa Gading	Jakarta Utara	14240	(021) 4509076-7	4520566
Jakarta Graha Rekso	Graha Rekso Building Ground & 3rd Floor Jl. Bulevar Artha Gading Kav.A1	Jakarta Utara	14240	(021) 45856278, 45856279, 45856315, 45856317, 45856866, 45856867	45856266, 45856277
Jakarta Rawamangun Pemuda	Jl. Pemuda No.10, Kav.79 Blok A	Jakarta Timur	13220	(021) 4757450	4757451, 4705267
Jakarta Pulomas	Komplek Artamas, Jl. Jend. Ahmad Yani No. 2	Jakarta Timur	13210	(021) 4714814-5, 47865223	47868923
Jakarta Permata Ujung Menteng	Ruko Permata Ujung Menteng Blok B1 Jl. Raya Bekasi Km 25, Cakung	Jakarta Timur	13910	(021) 46833623, 46833624, 46833482	46820527
Bekasi Pondok Ungu	Pertokoan Naga Swalayan Blok A 17, Jl. Sultan Agung	Bekasi	17132	(021) 88852531-32	88852533
Jakarta Mal Kelapa Gading	Mal Kelapa Gading 3, Unit LG 47, Jl. Bulevar Raya Blok M, Kelapa Gading Permai	Jakarta Utara	14240	(021) 45853740-2	45853745
Jakarta Artha Gading	Rukan Artha Gading Niaga Blok A.17, Jl. Raya Boulevard Artha Gading	Jakarta Utara	14240	(021) 45847771-2	45847773
Bekasi Harapan Indah	Ruko Sentra Niaga Blok SN 07, Jl. Boulevard Hijau, Kompleks Perumahan Harapan Indah	Bekasi	17131	(021) 88872211, 88872244, 88872266	88875533
Jakarta Kelapa Gading Inkopal	Pertokoan dan Kantor Inkopal Jl. Bulevar Barat Raya Blok A No.12A, Kelapa Gading Barat	Jakarta Utara	14240	(021) 45859414, 45859415, 45859416	45851022
Jakarta Kelapa Gading Hibrida	Jl. Bulevar Raya Blok PD9 No.12A	Jakarta Timur	14250	(021) 45866152, 45866153, 45866154	4525827
Jakarta Kelapa Gading Bolevar Timur	Jl. Raya Bolevar Timur Blok NB I No.55	Jakarta Timur	14250	(021) 4535909, 4535910, 4535911	45865866
Jakarta Kelapa Gading Bolevar Raya	Jl. Bolevar Raya Blok LA 6 No.10-11	Jakarta Timur	14240	(021) 45856822, 45856823, 45856824	4530510
HUB BEKASI JUANDA					
Bekasi Juanda	Jl. Ir. H. Juanda No. 155	Bekasi	17112	(021) 8803023	8800881
Bekasi Sentra Niaga Kalimalang	Jl. Jend. Ahmad Yani, Sentra Niaga Kalimalang Blok A3 No. 6-7	Bekasi	17141	(021) 8853507	8862613
Bekasi Ahmad Yani	Jl. Jend. Ahmad Yani, Pusat Perdagangan Kalimalang Blok A VIII No.17-18	Bekasi	17141	(021) 8848683	8846716
Bekasi Kemang Pratama	Ruko Kemang Pratama, Jl. Kemang Pratama Raya Blok MM-02	Bekasi	17114	(021) 8271328	8271326
Bekasi Plaza Pondok Gede	Jl. Raya Pondok Gede No. 50 B, Pondok Gede	Bekasi	17414	(021) 8485643, 8485645	8482936
Jakarta Jatiwaringin	Jl. Raya Jatiwaringin No. 263, Pondok Gede	Bekasi	17411	(021) 84972840, 8465362	8473566
Bekasi Cikarang	Ruko Union Blok E No.1, Jl. M.H. Thamrin, Lippo Cikarang	Bekasi	17550	(021) 89909420-1	89909422
Cikarang Jababeka Ruko Roxy	Ruko Roxy Blok B No. 3 Jl. Kasuari Raya, Cikarang Utara	Bekasi	17550	(021) 89840781 - 84	89840780
Bekasi Mega Hypermall	Bekasi Mega Hypermall Lantai 1 No.23Jl. Jend. Ahmad Yani No.1	Bekasi	17144	(021) 88956375, 88956575, 88958059	88957674
Bekasi Bulak Kapal	Ruko Juanda Elok No.3Ajl. Ir. H.Juanda	Bekasi	17112	(021) 8814241, 8814844, 8814593	8814002
Bekasi Grand Mal	Komplek Ruko Grand Mal Bekasi Kaveling B No. 7, Jl. Raya Sudirman	Bekasi	17135	(021) 88854988-9	88854987
Bekasi Taman Galaxi	Komplek Pertokoan Taman Galaxi, Jl. Galaxi Raya Blok G No. 1	Bekasi	17147	(021) 82424918, 82424919	8205212
Bekasi Villa Galaxi	Jl. Pulo Ribung Raya Blok AR No.25	Bekasi	17148	(021) 82425777, 82425306, 82425850	82426013
Villa Nusa Indah	Komplek Perumahan Villa Nusa Indah I Blok U3 No.3 - 4	Bogor	16969	(021) 8214349, 8215078, 8215488	8213763
Bekasi Kalimas	Ruko Kalimas, Jl. Chairil Anwar Blok C No. 3 A	Bekasi	17113	(021) 88353563, 88355577	8810036
Bekasi Jatibening	Rukan Villa Jatibening Toll Kaveling No.A-05, Jl. Caman Raya, Jatibening, P. Gede	Bekasi	17412	(021) 84978016	84993901
Bekasi Jati Asih	Jl. Raya Jati Makmur No.53 B, Pondok Gede	Bekasi	17421	(021) 8461731, 8461991, 8462059	8461819
Bekasi Cibitung	Kawasan Industri MM 2100, Cibitung, Bekasi Fajar	Bekasi	17520	(021) 8981217	8980344
Cikarang Ruko Sentra	Ruko Sentra Cikarang Blok C No. 2, Jl. Raya Cikarang - Cibusah	Bekasi	17550	(021) 89902333, 89903742	89901502
Cikarang Jababeka	Kawasan Industri Cikarang, Ruko Commercial Blok A, No. 25-26	Cikarang	17550	(021) 89832280-81	89832282
DISTRICT V/JAKARTA SUDIRMAN	Jl. Jend. Sudirman Kav. 54-55	Jakarta Selatan	12190	(021) 5266566 ext.8710-15	5267371, 5267365
HUB JAKARTA PLAZA MANDIRI					
Jakarta Plaza Mandiri	Jl. Jend. Gatot Subroto Kav. 36-38	Jakarta Selatan	12190	(021) 5263553	5263656, 5263756
Jakarta Mampang	Jl. Mampang Prapatan No. 61	Jakarta Selatan	12790	(021) 7995559, 7980695	7989909
Jakarta Wisma Argo Manunggal	Jl. Jend. Gatot Subroto Kav. 22	Jakarta Selatan	12930	(021) 2520051-3	2520054
Jakarta Gedung Bidakara	Jl. Jend. Gatot Subroto Kav. 71-73	Jakarta Selatan	12870	(021) 83793115-9	83793120
Jakarta Wisma Baja	Jl. Jend. Gatot Subroto Kav. 54	Jakarta Selatan	12170	(021) 5200683, 5221261-2	5204338, 5207277
Jakarta Pancoran	Jl. Raya Pasar Minggu No.17 A	Jakarta Selatan	12780	(021) 7983377	7983422
Jakarta Gatot Subroto	Ged. Menara Jamsostek Jl. Jend. Gatot Subroto Kav. 38	Jakarta Selatan	12710	(021) 52961514, 52962256-7	52961513
Jakarta Gedung Jamsostek	Jl. Jend. Gatot Subroto No. 79	Jakarta Selatan	12930	(021) 5201885, 5255155	5221632
Jakarta M.T. Haryono	Jl. Letjend. M.T. Haryono Kav. 17	Jakarta Selatan	12810	(021) 83792003, 8291043-4	8297223
Jakarta Gedung Patrajasa	Gedung Patrajasa, Jl. Jend. Gatot Subroto Kav. 32-34	Jakarta Selatan	12950	(021) 5227994	5227993, 5252265
Jakarta Grha Citra Caraka	Grha Citra Caraka/Witel IV, Jl. Jend. Gatot Subroto No. 52	Jakarta Selatan	12710	(021) 5222185-6	5203868

- DISTRICT
- HUB
- MAIN BRANCH
- SPOKE BRANCH
- CASH OUTLET
- NEW BRANCHES

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Jakarta Dewi Sartika	Jl. Dewi Sartika No.184 A, Cawang	Jakarta Timur	13630	(021) 8094755	8094754
Jakarta Nindya Karya	Jl. Letjend. M.T. Haryono No. 3-7	Jakarta Timur	13630	(021) 8096961	8096961
Jakarta BKPM	Gedung BKPM, Jl. Jend. Gatot Subroto Kav. 44	Jakarta Selatan	12190	(021) 5225828-9	5225828
Jakarta Wisma IKPT	Wisma IKPT Jl. M.T. Haryono Kav.4-5	Jakarta Selatan	12820	(021) 8294717	8353987
HUB JAKARTA SUDIRMAN					
Jakarta Sudirman	Plaza Bapindo, Jl. Jend. Sudirman Kav. 54-55	Jakarta Selatan	12190	(021) 5266527	5266528-29
Jakarta Mayestik	Jl. Kyai Maja No. 6 A1-2, Kebayoran Baru	Jakarta Selatan	12120	(021) 7233486, 7233487	7233715
Jakarta Ratu Plaza	Perkantoran Ratu Plaza Unit GB 2A & 2B, Jl. Jend. Sudirman No. 9	Jakarta Pusat	10270	(021) 2700851, 2700853	2700854
Jakarta DPR RI	Gedung MPR/DPR RI Senayan, Jl. Jend. Gatot Subroto	Jakarta Pusat	10270	(021) 5701274, 5715400	5701275
Jakarta Bursa Efek	Gedung Bursa Efek Jakarta, Jl. Jend. Sudirman Kav. 52-53	Jakarta Selatan	12190	(021) 5153003-4	5153012, 5154165
Jakarta Simprug	Jl. Kramat No. 5 A-C, Arteri Simprug, Kebayoran Lama	Jakarta Selatan	12240	(021) 7231355, 7253780	7253787, 7231358
Jakarta Gedung Pusat Kesehatan	Jl. Jend. Gatot Subroto, Manggala Wanabakti	Jakarta Pusat	10270	(021) 5703265, 5703246	5732972, 5711204
Jakarta Puncak Emas	Jl. Jend. Sudirman Kav. 61-62	Jakarta Selatan	12190	(021) 5200208, 5200234	5202462, 5202464
Jakarta Permata Hijau	Pertokoan Permata Hijau Blok DC No. 25	Jakarta Selatan	12210	(021) 5346918, 5346981	5485627
Jakarta Palmerah	Jl. Palmerah Barat No.39	Jakarta Pusat	10270	(021) 5308376	5308376
Jakarta Gedung AKA	Gedung AKA Lantai Dasar, Jl. Bangka Raya No. 2	Jakarta Selatan	12730	(021) 71790829	7198430
Jakarta Pakubuwono	Jl. Pakubuwono VI No. 39A, Kebayoran Baru	Jakarta Selatan	12120	(021) 7223462-63	72790837
Jakarta ITC Permata Hijau	Ruko Grand ITC Permata Hijau Blok Emerald G 28 Jl. Arteri Permata Hijau	Jakarta Selatan	12210	(021) 53663322, 53663950, 53663951	53663622
Jakarta Plaza ABDA	Plaza ABDA Jl. Jend. Sudirman Kav.32	Jakarta Selatan	12190	(021) 51401090	51401091
HUB JAKARTA FALATEHAN					
Jakarta Falatehan	Jl. Falatehan I No.44	Jakarta Selatan	12160	(021) 2700501-3	2700516, 2700202
Jakarta Panglima Polim	Jl. Panglima Polim Raya No. 192 Blok A, Kebayoran Baru	Jakarta Selatan	12000	(021) 2700106, 2700119	2700122
Jakarta Kalibata	Jl. Raya Pasar Minggu Km. 17 No.8	Jakarta Selatan	12740	(021) 7945427-8	7945429
Jakarta Pasar Minggu	Jl. Raya Pasar Minggu No. 89 J, Pejaten	Jakarta Selatan	12510	(021) 79190338-9	79190337
Jakarta Wolter Monginsidi	Jl. Wolter Monginsidi No. 57, Kebayoran Baru	Jakarta Selatan	12180	(021) 2702861-3	2702864
Jakarta Departemen PU	Jl. Patimura No. 20, Kebayoran Baru	Jakarta Selatan	12110	(021) 2700017	2700018, 7397730
Jakarta PLN Pusat	Jl. Trunojoyo M 1 No. 135, Kebayoran Baru	Jakarta Selatan	12160	(021) 72794359, 7251091	2700019
Jakarta Grand Wijaya	Jl. Wijaya II, Komp. Wijaya Grand Center Blok B 1-3	Jakarta Selatan	12160	(021) 2700107	2700938
Jakarta Kemang Raya	Jl. Kemang Raya No. 18 A	Jakarta Selatan	12370	(021) 7199123-7	7190448
Jakarta Iskandarsyah	Graha Iskandarsyah, Jl. Iskandarsyah Raya No. 66	Jakarta Selatan	12160	(021) 2702711-3	2702716, 2700016
Jakarta Melawai	Jl. Melawai Raya No. 12-14, Kebayoran Baru	Jakarta Selatan	12160	(021) 2700346	2700352, 2700324
Jakarta Mabes Polri	Jl. Trunojoyo No. 3, Kebayoran Baru	Jakarta Selatan	12110	(021) 7255467, 2700299	2700300
Jakarta R.S. Pusat Pertamina	Jl. Kyai Maja No. 43, Kebayoran Baru	Jakarta Selatan	12120	(021) 2700347, 7219288	2700347
Jakarta Kemang Plaza	Kemang Plaza, Jl. Kemang Raya No. 15C	Jakarta Selatan	12790	(021) 71794582, 71794583, 71794585	71790789
Jakarta Kalibata Rawajati	Ruko Kalibata Indah Blok K No.20Jl. Rawajati Timur, Kalibata	Jakarta Selatan	12750	(021) 7987185, 7987186, 7980932	7987152
Jakarta Kemang Selatan	Gedung Haery Jl. Kemang Selatan Raya No.151	Jakarta Selatan	12560	(021) 7812371, 7812372, 7812373	7814737
HUB JAKARTA PONDOK INDAH					
Jakarta Pondok Indah	Jl. Metro Pondok Indah Kav.II UA No. 48-50	Jakarta Selatan	12310	(021) 7507208-9, 7505045	7694850, 7698778
Jakarta Gandaria	Jl. Gandaria Tengah III No. 21, Kebayoran Baru	Jakarta Selatan	12130	(021) 2702865-7	2702867
Jakarta Cirendeu	Jl. Cirende Raya, Pertokoan Prima Indah No. 10	Tangerang	15419	(021) 7444809-810	7444812
Jakarta Radio Dalam	Jl. Radio Dalam Raya No.11-11A	Jakarta Selatan	12140	(021) 2700439-626-440	2700627
Jakarta Mal Pondok Indah	Jl. Metro Pondok Indah, Pondok Indah Mal Blok B/2	Jakarta Selatan	12310	(021) 7506717-9, 7506793	7506721
Jakarta Aminta Plaza	Gedung Aminta Plaza, Jl. Letjend. T.B. Simatupang Kav. X	Jakarta Selatan	12310	(021) 7512062-67	7512061, 7512071
Jakarta Plaza Pondok Indah	Jl. Taman Duta Kav. II UA 36-37, Pondok Indah	Jakarta Selatan	12310	(021) 7507213-4	7507213
Jakarta Lebak Bulus	Jl. Karang Tengah, Bona Indah Blok A2/B7, Lebak Bulus	Jakarta Selatan	12440	(021) 7692733-34, 7692063	7691845
Jakarta Pondok Pinang Center	Pertokoan Pondok Pinang Center Blok A 36/38/40, Jl. Ciputat Raya	Jakarta Selatan	12310	(021) 7507366-7	7507365
Cinere	Jl. Cinere Raya Kav. 32-33	Depok	16514	(021) 7541916, 7543844	7533985, 7547565
Jakarta Kebayoran Lama	Jl. Raya Kebayoran Lama No. 222	Jakarta Selatan	12220	(021) 2700602-5	2700606, 2702690
Tangerang Graha Karnos	Jl. Ir. H. Juanda No. 39, Ciputat	Tangerang	15412	(021) 74701725, 74701726, 74701727	74705316
Jakarta Ciputat Center	Pertokoan Ciputat Center, Jl. Ciputat Raya No. 75	Tangerang	15412	(021) 7493125	7491621
Jakarta Pondok Indah Metro	Jl. Metro Pondok Indah Kav.II UA No. 24-27, Pondok Indah	Jakarta Selatan	12310	(021) 7503057	7653061
Jakarta Arteri Pondok Indah	Jl. Sultan Iskandar Muda No. 8A, Kebayoran Lama Selatan	Jakarta Selatan	12240	(021) 2701173-5	7396772
Cinere PLN Gandul	Kompk. Kantor PLN (Persero) UBS P3B, Jl. Garuda No. 15	Depok	16514	(021) 7542646	7533209
Jakarta Mal Pondok Indah 2	Mal Pondok Indah 2 No.G 33 CJI. Metro Pondok Indah	Jakarta Selatan	12310	(021) 75920455	75920452
Jakarta Lebak Bulus Poins Square	Lebak Bulus Poins Square Blok A 55, Jl. R.A. Kartini	Jakarta Selatan	12440	(021) 75921384, 75921401, 75921402	75921218
HUB JAKARTA FATMAWATI					
Jakarta Fatmawati	Jl. R.S. Fatmawati No. 8, Cilandak	Jakarta Selatan	12430	(021) 7504791, 7509191	7504326, 7692309
Jakarta Cipete	Gedung Chase Worth, Jl. R.S. Fatmawati No. 75, Cipete	Jakarta Selatan	12410	(021) 7236142-5	7236141
Jakarta Pejaten	Jl. Warung Jati Barat No. 15 A, Pejaten	Jakarta Selatan	12550	(021) 78831247, 78831086	78831127
Jakarta Pondok Labu	Jl. R.S. Fatmawati No. 8 , Pondok Labu	Jakarta Selatan	12430	(021) 75816903, 7692324	7699803
Jakarta Simatupang	Gedung PT AAF, Jl. Letjend. T.B. Simatupang Kav. 18	Jakarta Selatan	12430	(021) 75816558-9	75816560
Jakarta Ragunan	Jl. Harsono RM No.3, Gedung D, KP Departemen Pertanian	Jakarta Selatan	12550	(021) 7805441, 7805184	7805116
Jakarta Kawasan Komersial Cilandak	Jl. Raya Cilandak KKO, Kawasan Komersial Cilandak Gedung III	Jakarta Selatan	12560	(021) 7801478, 7802464	7801479
Jakarta Warung Buncit Raya	Jl. Warung Buncit Raya No. 6, Wisma Ritra	Jakarta Selatan	12740	(021) 7970906, 7980666	7980644
Jakarta Jatipadang	Jl. Raya Ragunan No. 8 D	Jakarta Selatan	12520	(021) 7890989	78845753
Jakarta Gedung Elnusa	Graha Elnusa, Jl. Letjend. T.B. Simatupang Kav. 1 B	Jakarta Selatan	12560	(021) 78831183-4	78831184
Jakarta ITC Fatmawati	Ruko ITC Fatmawati No.17 Jl. RS. Fatmawati	Jakarta Selatan	12150	(021) 7248700, 727988815	7392522
Jakarta Mampang Imigrasi	Jl. Warung Buncit Raya No.302 H	Jakarta Selatan	12760	(021) 7940450	7972146
Jakarta Fatmawati Cenderawasih	Jl. Cenderawasih I No.15 A, Cilandak	Jakarta Selatan	12420	(021) 75905080	75912911
Jakarta Cilandak KKO	Jl. Raya Cilandak KKO No. 5	Jakarta Selatan	12560	(021) 7811469, 7818880, , 78835622	7811409

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
HUB JAKARTA BINTARO JAYA					
Jakarta Bintaro Jaya	Jl. Bintaro Utama, Bintaro Jaya Sektor I	Jakarta Selatan	12330	(021) 7340924-8	7364068-9
Jakarta Pamulang	Komplek Pertokoan Pamulang Permai	Tangerang	15417	(021) 7421007-8	7421009
Tangerang Bintaro	Jl. Bintaro Utama 3 A Blok D No. 42-43 Sektor III, Bintaro Jaya	Tangerang	15225	(021) 7362419, 7362404	7375884
Jakarta Bintaro Burung Gereja	Jl. Burung Gereja Blok B2 HS 2 No.6, Sektor II, Bintaro Jaya	Jakarta Selatan	12330	(021) 7357272, 7357277	7357318
Tangerang Bumi Serpong Damai	Jl. Gunung Rinjani No.13 Blok R-G, Sektor IV Bumi Serpong Damai	Tangerang	15311	(021) 5376767/68	5376769
Tangerang Pasar Ciputat	Ruko Mutiara Center CiputatJl. Dewi Sartika No.B 3, Ciputat	Tangerang	15411	(021) 7426545, 7425932, 7425635	7426021
Jakarta Gedung Lemigas	Kampus. PPPTMGB Lemigas, Jl. Ciledug Raya	Jakarta Selatan	12230	(021) 2700298, 72795635	2700298
Tangerang Pondok Cabe Mutiara	Komplek Pertokoan Pondok Cabe Mutiara Blok B-3A, Jl. Raya Parung	Tangerang	15418	(021) 7490389	7424976
Tangerang Bintaro Sentra Menteng	Ruko Sentra Menteng, Bintaro Jaya Sektor VII Blok MN 29	Tangerang	15225	(021) 74864018-9	74863971
Jakarta Bintaro Veteran	Jl. RS C. Veteran No. 23 Bintaro	Jakarta Selatan	12330	(021) 73889818, 7351265, 7374758	7351303
Jakarta Petukangan	Jl. Raya Ciledug No.5 C, Petukangan	Jakarta Selatan	12270	(021) 73887739, 73887620, 73887702	7372450
Tangerang BSD Modern	Ruko Pasar Modern BSDSektor Commercial I Blok R No.59, Serpong, Jl. Pahlawan Seribu	Tangerang	15318	(021) 53158541, 53158542	53158543
Tangerang ITC BSD	Ruko ITC BSD No.17Jl. Pahlawan Seribu, Serpong	Tangerang	15322	(021) 53161747 - 49	53161781
Tangerang Serpong	Simpang Tiga Puspitek Serpong	Tangerang	15310	(021) 7560948-9	7560950
Tangerang Jurangmangu	Ruko Pondok Aren, Jl. Raya Ceger No. 59	Tangerang	15222	(021) 73887963, 73887964, 73886679	73886485
HUB JAKARTA PASAR REBO					
Jakarta Pasar Rebo	Plaza PP, Jl. Letjend. T.B. Simatupang No. 57	Jakarta Timur	13760	(021) 8403957, 8408283	8403961, 8414446
Jakarta Gedung Aneka Tambang	Jl. Letjend. T.B. Simatupang, Tanjung Barat	Jakarta Selatan	12530	(021) 7892955-7, 7891226	7892953
Jakarta Cilangkap	Komplek Mabes ABRI Cilangkap	Jakarta Timur	13870	(021) 8441076, 8711748	8711447
Jakarta Kramatjati	Kokan Angatra PUSDIKES No.PP8-A1 dan PP9-A1, Jl. Raya Bogor Km.18	Jakarta Timur	13510	(021) 8000455, 80882150	8000378, 80876863
Jakarta Plaza Kramatjati Indah	Jl. Raya Bogor, Pertokoan Ramayana Blok A No.11-12	Jakarta Timur	13510	(021) 8090364	8090324
Cibubur Automotive Center	Komplek Cibubur Point Automotive Center Blok A 12 Jl. Raya Alternatif Cibubur-Cileungsi	Depok	16954	(021) 84592909, 8446542	84592910
Cibubur Citra Grand	Komplek Citra Grand Ruko 2 No. 15, Jl. Alternatif Km.4, Pondok Gede	Bekasi	17435	(021) 84596942, 84596941	84300086
Jakarta Cijantung	Gedung BP2TKI Lantai 1, Jl. Raya Bogor Km. 23,5	Jakarta Timur	13750	87794824, 87794874, 87794902	87794915
Jakarta Taman Mini Indonesia Indah	Komplek TMII, Gedung Sasana Kriya No. B 16	Jakarta Timur	13560	(021) 8403190	8714954
Jakarta R.S. M.H. Thamrin	Jl. Raya Pondok Gede No. 23, Kramatjati	Jakarta Timur	13550	(021) 8096791	8008963
Jakarta Pasar Induk Kramatjati	Pasar Induk Kramatjati Blok B.AKS/001, Jl. Raya Bogor Km. 17	Jakarta Timur	13540	(021) 8400248, 87781739	8400879
Jakarta Condet	Jl. Raya Condet No.15	Jakarta Timur	13520	(021) 80878729, 80878730, 80878731	80878727
Bekasi Ujung Aspal	Jl. Raya Hankam No.18 B-C, Jati Murni, Pondok Gede	Bekasi	17431	(021) 84592090, 84597382	84592091
Cibubur Kota Wisata	Ruko Sentra Eropa Blok A No.6, Perumahan Kota Wisata, Jl. Transyogi Km.6, Cibubur	Bogor	16968	(021) 84935699, 84930634, 84930635	84935675
Cibubur Time Square	Time Square Cibubur, Ruko Madison Square B3-3A, Jl. Raya Alternatif Cibubur - Cileungsi Km.4	Bekasi	17435	(021) 84302577, 84303649, 84303650	84302578
HUB DEPOK					
Depok	Jl. Margonda Raya No. 2	Depok	16432	(021) 7520569	7762684
Jakarta Cimanggis	Jl. Raya Jakarta Bogor Km. 28	Jakarta Timur	13710	(021) 8710013, 87100775	8710776
Jakarta Cibubur	Jl. Lapangan Tembak, Pertokoan Cibubur Indah Blok. A-22-23	Jakarta Timur	13720	(021) 87704204-6	8703106
Depok Bukit Sawangan	Ruko Bukit Sawangan Indah Blok F 2 No.1, Jl. Raya Parung KM.35, Sawangan	Depok	16518	(0251) 604904, 604905	604908
Citeureup	Jl. Mayor Oking No.10-11, Citeureup	Bogor	16810	(021) 87942420, 87942283, 87909462	87942683
Depok Tengah	Komplek Ruko Sukmajaya No. 15, Jl. Tole Iskandar, Depok II Tengah	Depok	16411	(021) 7715427, 7715432	7715441
Depok Kelapa Dua	Jl. Raya Akses UI No. 88 C, Kelapa Dua, Cimanggis	Depok	16951	(021) 87712226	87712226
Depok Cisalak	Jl. Raya Bogor/Km 31 No. 8, Cisalak	Depok	16416	(021) 8734224, 8734117	8734220
Depok I	Jl. Nusantara Raya No. 25 AB	Depok	16432	(021) 77205078, 77205270	77205361
Depok ITC	Pertokoan ITC Depok No.49Jl. Margonda Raya	Depok	16431	(021) 77202319, 77202325	77202356
Depok Timur	Jl. Proklamasi Raya Blok A No.7-8, Depok II Timur	Depok	16417	(021) 77831443, 77829381, 77827453	77830194
Jakarta Universitas Pancasila	Jl. Raya Lenteng Agung, Srenseng Sawah	Jakarta Selatan	12640	(021) 7270086 ext.120	78880410
Depok Cinere Limo	Jl. Cinere Raya No.18 B, Cinere	Depok	16514	(021) 7536364, 7536360	7536368
Depok Universitas Indonesia	Kampus Universitas Indonesia, Fakultas Ekonomi	Depok	16424	(021) 78849075, 78849076	78849074
DISTRICT VI/ BANDUNG	Jl. Soekarno Hatta No. 486	Bandung	40266	(022) 7506242, 7511478	7505810, 7506632
HUB BANDUNG ASIA-AFRIKA UTARA					
Bandung Asia Afrika Utara	Jl. Asia Afrika No. 107	Bandung	40112	(022) 4207026, 4203461, 4336693	4206998, 4233546
Bandung Kiaracondong	Jl. Kiara Condong No. 95	Bandung	40281	(022) 7273046	7205633
Bandung Buah Batu	Jl. Buah Batu No. 268	Bandung	40264	(022) 7320854-5	7300369
Bandung Binacitra	Jl. Soekarno Hatta No. 162	Bandung	40235	(022) 5422366, 5406674, 5406693	5411336, 5409846
Bandung Asia Afrika Selatan	Jl. Asia Afrika No. 118-120	Bandung	40261	(022) 4240282	4240281
Bandung Metro	Jl. Soekarno Hatta No. 638	Bandung	40286	(022) 7508202	7562091
Bandung Soekarno-Hatta	Jl. Soekarno Hatta No. 486	Bandung	40266	(022) 7562950	7562944
Bandung Siliwangi	Jl. Siliwangi No. 3	Bandung	40132	(022) 2506858, 2502549, 2531941,	2531940, 2531942
Bandung Kopo	Jl. Raya Terusan Kopo 228 A	Bandung	40226	(022) 5425541-3	5410568
Bandung Alun-alun	Jl. Asia Afrika No. 51	Bandung	40001	(022) 4205555	4205312
Bandung Jamika	Jl. Jamika No. 33 C	Bandung	40231	(022) 6403199	6403199
Bandung Sumbersari	Jl. Soekarno Hatta No. 132-B	Bandung	40222	(022) 6046262	6046261
Bandung Burangrang	Jl. Burangrang No. 35-D	Bandung	40262	(022) 7333999	7333995
Bandung Pungkur	Jl. Pungkur No.97 B	Bandung	40251	(022) 4262345, 4262346, 4262347	4262348

- DISTRICT
- HUB
- MAIN BRANCH
- SPOKE BRANCH
- CASH OUTLET
- NEW BRANCHES

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Bandung BKR	Jl. BKR No.124 A	Bandung	40254	(022) 5222752	5226925
Bandung Soreang	Jl. Raya Soreang No.457	Bandung	40377	(022) 5892828	5896133
Bandung Taman Kopo Indah	Komplek Taman Kopo Indah II Ruko IB No.19	Bandung	40226	(022) 5421777	5421505
HUB BANDUNG SURAPATI					
Bandung Surapati	Jl. Surapati No. 2	Bandung	40115	(022) 4241411	4207552, 4241436
Tasikmalaya Otto Iskandardinata	Jl. Otto Iskandardinata No. 26	Tasikmalaya	46113	(0265) 331821	331824
Bandung Ahmad Yani	Jl. Jend. Ahmad Yani No. 730, Gerbang Puri Tirta Kencana	Bandung	40282	(022) 7213707	7213708
Bandung Martadinata	Jl. R.E. Martadinata No.103	Bandung	40115	(022) 4209093	4204991
Bandung Ujungberung	Jl. A.H. Nasution No. 67	Bandung	40611	(022) 7800135	7815020
Bandung Kanpus Telkom	Gedung Kantor Pusat PT Telkom, Jl. Japati No. 1	Bandung	40133	(022) 706661	706562
Garut	Jl. Ahmad Yani No. 24	Garut	44115	(0262) 231698	232675
Sumedang	Jl. Mayor Abdurachman No.99	Sumedang	45323	(0261) 210275, 210276, 210277	210565
Tasikmalaya Mustofa	Jl. H.S. Mustofa No. 294	Tasikmalaya	46125	(0265) 333328	333336
Tasikmalaya Sutisna	Jl. Sutisna Senjaya No. 88	Tasikmalaya	46114	(0265) 323261	335059
Ciamis	Jl. Ahmad Yani No. 21	Ciamis	46211	(0265) 771538	771384
Bandung STT Telkom	Komplek STT Telkom, Jl. Japati No. 1	Bandung	40133	(022) 7512480	7207501
Bandung Rancaekek	Jl. Raya Dandeur No. 137, Rancaekek	Bandung	40394	(022) 7791010, 7791001	7791001
Bandung Jamsostek	Jl. Cikutra No. 204 A	Bandung	40125	(022) 7207437	7207437
Bandung Gatot Subroto	Jl. Jend Gatot Subroto No. 295 A	Bandung	40274	(022) 7320412	7313469
Bandung Cibeunying	Jalan Jend. Ahmad Yani No. 317	Bandung	40121	(022) 7218551, 7210866	7210764
Bandung Cihampelas	Jalan Cihampelas No. 182	Bandung	40131	(022) 2043996	2043997
Ciamis Banjar	Jl. Letjend. Suwanto No. 48	Ciamis	43622	(0265) 742466	744719
HUB BANDUNG BRAGA					
Bandung Braga	Jl. Braga No. 133	Bandung	40111	(022) 4236030	4204444, 4238129
Karawang	Jl. Jend. Ahmad Yani No. 4, By Pass	Karawang	41314	(0267) 402353, 402679, 403127	402853, 414944
Dawuan Cikampek	Jl. Jend. Ahmad Yani (Pupuk Kujang)	Cikampek	41373	(0264) 316140	316385
Bandung R.S. Hasan Sadikin	Jl. Pasteur No. 38	Bandung	40161	(022) 2042575	203184, 2043311
Cimahi	Jl. Raya Cimahi No. 612	Bandung	40525	(022) 6644628	6644628
Bandung Pasteur	Jl. Dr. Junjuran No. 155 A	Bandung	40173	(022) 6020295-6	6020360
Purwakarta	Jl. Sudirman No. 176	Purwakarta	41115	(0264) 201505	201507
Bandung Pajajaran	Jl. Pajajaran No. 125	Bandung	40174	(022) 6018862, 6032301	6032296, 6002019
Bandung Setiabudi	Jl. Setiabudi No. 210	Bandung	40141	(022) 2041933	2034958
Pamanukan	Jl. Ion Martasasmita No.35, Pamanukan	Subang	41254	(0260) 554555	551357
Subang	Jl. Jend. Ahmad Yani No.5	Subang	41211	(0260) 417773, 416445, 416550	416665
Baros Lewigajah	Ruko Taman Pondok Mas Indah No. 4, Jl. Baros	Cimahi	40532	(022) 6634666	6634659
Bandung Setrasari Plaza	Setrasari Plaza Blok A No.5 Jl. Suria Sumantri	Bandung	40146	(022) 2002465	2007496
Bandung Otista	Jl. Otto Iskandardinata No. 293	Bandung	40251	(022) 4224728, 4224730	4237271
Bandung Cimindi	Jl. Raya Cimindi No.270	Bandung	40175	(022) 6631642, 6631663	6631643
Bandung Sukajadi	Jl. Sukajadi No.152 D	Bandung	40161	(022) 2037944, 2031762, 2042734	2041073
Padalarang	Jl. Raya Padalarang No.465 A	Padalarang	40553	(022) 6808214, 6808206	6808213
Cikampek GKB PT Pupuk Kujang	Kawasan PT Pupuk Kujang	Cikampek	41373	(0264) 316386	611623
HUB BOGOR JUANDA					
Bogor Juanda	Jl. Ir. H, Juanda No. 12	Bogor	16121	(0251) 313644, 320008, 324836	323967, 382401
Sukabumi Sudirman	Jl. Jend. Sudirman No. 124	Sukabumi	43132	(0266) 221319	221236
Bogor Suryakencana	Jl. Suryakencana No. 310	Bogor	16123	(0251) 381136, 329611	381134, 353104
Bogor Kapten Muslihat	Jl. Kapten Muslihat No. 17	Bogor	16121	(0251) 311129	326852
Cibinong	Jl. Raya Bogor Km. 47 Cibinong	Bogor	16916	(021) 87916724	87916724
Sukabumi Ahmad Yani	Jl. Ahmad Yani No. 44	Sukabumi	43131	(0266) 222801	221116
Cianjur	Jl. Suroso No. 51	Cianjur	43211	(0263) 268383	266078
Cipanas	Jl. Raya Cipanas No. 43, Pacet	Cianjur	43553	(0263) 511037	511039
Cicurug	Jl. Siliwangi No. 287 B, Cicurug	Sukabumi	43159	(0266) 732512	736364
Pelabuhan Ratu	Jalan Siliwangi No. 62, Pelabuhan Ratu	Sukabumi	43363	(0266) 434651, 434654	434652
Bogor Warung Jambu	Jl. Raya Pajajaran No. 1-B	Bogor	16153	(0251) 380733, 380763	390287
Bogor Tajur	Jl. Raya Tajur No. 130	Bogor	16720	(0251) 387356	319825
Bogor Pajajaran	Ruko Bantar Kemang No. 20 Q, Jalan Raya Pajajaran	Bogor	16143	(0251) 329512	350085
Cianjur Cokroaminoto	Jl. HOS Cokroaminoto No.172	Cianjur	43214	(0263) 261730	261749
HUB CIREBON YOS SUDARSO					
Cirebon Yos Sudarso	Jl. Yos Sudarso No. 11	Cirebon	45111	(0231) 205506-7, 23450-1, 206204	203084
Cirebon Jalan Kantor	Jl. Kantor No. 4	Cirebon	45112	(0231) 203025	201596
Cirebon Siliwangi	Jl. Siliwangi No. 139	Cirebon	45124	(0231) 202125	207021
Cirebon Tegalwangi	Jl. Raya Tegalwangi Km. 9 No. 58	Cirebon	45154	(0231) 321260, 321513	321026
Indramayu Panjaitan	Jl. D.I. Panjaitan No. 8	Indramayu	45212	(0234) 22001	22901
Kuningan	Pertokoan Siliwangi No.39-40 Jl. Siliwangi	Kuningan	45511	(0232) 876457, 876557	871742
Majalengka Kadipaten	Jl. Raya Timur No. 124, Kadipaten	Majalengka	45453	(0233) 663007, 663008, 663010	662004
Jatibarang	Jl. Mayor Dasuki No.92	Jatibarang	45273	(0234) 351450, 351440	353569
Indramayu Balongan	Jl. Raya Balongan (Depo Pertamina)	Indramayu	45217	(0234) 28475	28722
Cirebon Plered	Jl. Raya Panembahan No.51, Plered	Cirebon	45154	(0234) 325438, 325439	321345
DISTRICT VII/ SEMARANG	Jl. Pemuda No. 73	Semarang	50139	(024) 3520486, 3520487, 3517349	3520485
HUB SEMARANG PEMUDA					
Semarang Pemuda	Jl. Pemuda No. 73	Semarang	50139	(024) 3514321, 3514327	3545365
Kudus	Jl. Jend. Sudirman No. 164	Kudus	59301	(0291) 432974, 438768	438769, 439278
Semarang Kepodang	Jl. Kepodang No. 32-34	Semarang	50137	(024) 3544181	3544184
Semarang Pandanaran	Jl. Pandanaran No.104	Semarang	50134	(024) 8310325, 8310259, 8310719	8414125
Semarang Bangkong Plaza	Jl. M.T. Haryono No. 864-866, Komp. Bangkong Plaza B 4-6	Semarang	50242	(024) 8312736, 8312807, 8414263	8414346

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Semarang R.S. Kariadi	Jl. Dr. Sutomo No. 16	Semarang	50231	(024) 8412503, 8413191, 8453529	8317546
Salatiga	Jl. Diponegoro No. 41	Salatiga	50711	(0298) 321002, 324030, 323917	321331
Semarang Gedung Telkom	Gedung PT Telkom (Persero), Jl. Pahlawan No. 10	Semarang	50241	(024) 8442595, 8303005, 8445672	8445710
Semarang Majapahit	Kompleks Ruko Majapahit, Jl. Majapahit No. 339	Semarang	50191	(024) 6725702, 6725704	6725703
Jepara	Jl. HOS Cokroaminoto No. 4	Jepara	59417	(0291) 591555	591666
Blora	Jl. Alun-alun Selatan No.5	Blora	58215	(0296) 5100091, 5100092	531547
Cepu	Jl. Pemuda No. 60	Cepu	58312	(296) 424627, 424631, 424632, 424737	424625
Pati	Pertokoan Plaza Puri Blok A No. 6-7	Pati	59112	(0295) 385909, 386067	385065
Semarang Pelindo	Kompleks Pelabuhan Tanjung Emas, Jl. Coaster No. 10	Semarang	50174	(024) 3585382	3583450
Semarang Patrajasa	Jl. Sisingamangaraja	Semarang	50232	(024) 8505673, 8314450, 8314441 psw 8826	8505672
Semarang Sronдол	Jl. Setiabudi No. G 62 E & F	Semarang	50263	(024) 7461192, 7461215, 7461216	7461191
Kudus Alun-alun	Jl. Jendral Sudirman No.3 C	Kudus	59312	(0291) 439902, 439903, 439904	439901
HUB SEMARANG PAHLAWAN					
Semarang Pahlawan	Jl. Pahlawan No. 3	Semarang	50241	(024) 8415362	8311366
Magelang	Jl. Sudirman No. 26, Komplek Pertokoan Rejotumoto	Magelang	56126	(0293) 364012, 364989, 366763	64282
Semarang Sugiyopranoto	Jl. Mgr. Sugiyopranoto No. 36 A-B	Semarang	50246	(024) 3522790	3585084
Semarang Mpu Tantular	Jl. Mpu Tantular No. 19	Semarang	50010	(024) 3544031-3, 3542041-2	3517337
Semarang Candi Baru	Jl. S. Parman No. 55 K, Ruko Sultan Agung	Semarang	50232	(024) 8312141, 8442550	8505501
Ungaran	Jl. Jend. Gatot Subroto No. 671 E-F	Semarang	50511	(024) 6924296, 921989	6924295
Parakan	Jl. Pahlawan No. 28, Parakan	Temanggung	56254	(0293) 596471-73, 596598, 597227	596239
Weleri	Jl. Utama Tengah No. 198	Weleri	51355	(0294) 644009, 642010, 642148	643460
Purwodadi	Jl. R. Suprpto No.97 A-B	Purwodadi	58111	(0292) 425061	425062
Muntilan	Kompleks Ruko Muntilan Plaza, Jl. Pemuda	Muntilan	56414	(0293) 586066	586065
Wonosobo	Jl. Sumbing No. 18	Wonosobo	56311	(0286) 322474	322460
Kutoarjo	Jl. Pangeran Diponegoro No. 114	Kutoarjo	54212	(0275) 642000	642652
Temanggung	Jl. Tentara Pelajar No.1	Temanggung	56213	(0293) 493862, 493863	491012
Semarang Kawasan Industri Candi	Kawasan Industri CandiJl. Candi Raya Blok F1E No.1-2	Semarang	50184	(024) 7606303, 7606342,7612381	7604357
Semarang MT Haryono	Jl. M.T. Haryono No.419	Semarang	50136	(024) 3586267, 3586268	3586939
Semarang Gang Pinggir	Jl. Gang Pinggir No.13A	Semarang	50137	(024) 3510537, 3512929, 3551921	3551918
Magelang A Yani	Jl. Ahmad Yani No. 203	Magelang	56115	(0293) 314503	314546
HUB YOGYAKARTA SUDIRMAN					
Yogyakarta Sudirman	Jl. Jend. Sudirman No. 26	Yogyakarta	55232	(0274) 586425	561893, 586432
Yogyakarta Wisma PU	Jl. Laksda. Adisucipto No.165	Yogyakarta	55281	(0274) 560915 s/d 560919	560920, 560921
Yogyakarta Gejayan	Jl. Gejayan No. 28, Condong Catur	Yogyakarta	55283	(0274) 584041, 584140	543029
Yogyakarta Diponegoro	Jl. Pangeran Diponegoro No. 107	Yogyakarta	55231	(0274) 584758, 562415	562878
Yogyakarta UGM	Jl. Kaliurang, Sekip Blok L-6	Yogyakarta	55281	(0274) 543032	543031, 551654
Yogyakarta Katamso	Jl. Brigjen. Katamso No. 69 B	Yogyakarta	55121	(0274) 415392, 415616, 415670, 415672	415388, 415389
Yogyakarta Malioboro	Hotel Garuda, Jl. Malioboro No. 60	Yogyakarta	55213	(0274) 561556, 566353 ext. 148	565475
Bantul	Jl. Gajah Mada No. 14, Bantul	Bantul	55711	(0274) 368469, 368470	368470
Yogyakarta Gedung Magister UGM	Lobby Gedung Magister UGM, Jl. Nusanantara, Bulak Sumur	Yogyakarta	55281	(0274) 521412	548956
Sleman	Jl. Raya Magelang Km. 10	Sleman	55511	(0274) 865123, 868405 Ex.285	865566
Yogyakarta Ahmad Dahlan	Jl. K.H. Ahmad Dahlan No. 25	Yogyakarta	55121	(0274) 376428	376428
Yogyakarta STIE YKPN	Kampus STIE YKPN, Jl. Seturan	Yogyakarta	55281	(0274) 486163	487657
Yogyakarta Suryotomo	Hotel Limaran, Jl. Suryotomo No. 1	Yogyakarta	55121	(0274) 515621	515621
Yogyakarta R.S. Sardjito	Jl. Kesehatan Sekip, Kotak Pos 21	Yogyakarta	55284	(0274) 518671	518671
Yogyakarta Kaliurang	Jl. Kaliurang Km.6,5 No.A5 C, Condongcatur, Depok, Sleman	Yogyakarta	55281	(0274) 889645, 889646	889657
HUB SOLO SRIWEDARI					
Solo Sriwedari	Jl. Brigjend. Slamet Riyadi No. 294	Solo	57141	(0271) 715455	711888
Solo Purwotomo	Jl. Brigjend. Slamet Riyadi No. 329	Solo	57142	(0271) 711161	713896
Solo Slamet Riyadi	Jl. Brigjend. Slamet Riyadi No. 16	Solo	57111	(0271) 644911	645500
Solo Pasar Klewer	Komplek Pasar Klewer Los E 27-29, Jl. Dr. Rajiman	Solo	57115	(0271) 642925	635018
Klaten	Jl. Pemuda Tengah No. 54	Klaten	57413	(0272) 327844, 327840, 327841	321277
Sragen	Plaza Atrium Blok C-D, Jl. Raya Sukowati No. 302-304	Sragen	57211	(0271) 890585	894611
Boyolali	Jl. Kates, Pulisan	Boyolali	57316	(0276) 322702	325029
Solo Baru	Jl. Yos Sudarso No. 387	Solo	57157	(0271) 663542, 664407, 6644096	645586
Wonogiri	Jl. Jenderal Sudirman No. 132	Wonogiri	57611	(0273) 323656, 323657	323658
Palur	Jl. Raya Palur No.32, Jaten	Karanganyar	57771	(0271) 827029	827589
Kartosuro	Jl. Ahmad Yani No. 9	Kartosuro	57162	(0271) 780822	784240
HUB TEGAL ARIF RAHMAN HAKIM					
Tegal Arif Rahman Hakim	Jl. Arief Rahman Hakim No. 19	Tegal	52123	(0283) 351181, 356211, 357411	353628
Purwokerto	Jl. Jend. Sudirman No. 463	Purwokerto	53114	(0281) 632222 - 5	636687
Cilacap	Jl. Jend. Ahmad Yani No. 100	Cilacap	53212	(0282) 533193, 533806, 534826	535408
Pekalongan Imam Bonjol	Jl. Imam Bonjol No. 34	Pekalongan	51111	(0285) 425131-33	425134
Pemalang	Jl. Sudirman No. 31	Pemalang	52313	(0284) 321647, 321980, 324880	321433
Tegal Sudirman	Jl. Jend. Sudirman No. 11	Tegal	52131	(0283) 351391, 351310, 358151, 342155, 342156	351309, 322194
Gombong	Jl Yos Sudarso No. 241	Gombong	54411	(0287) 473620, 473621, 473115	472695
Brebes	Jl. Jend Sudirman No. 109	Brebes	52212	(0283) 673535, 673536, 3304210	3308880
Tegal Banjaran Adiwerna	Jl. Raya Banjaran No.10, Adiwerna	Tegal	52194	(0283) 442255, 442377	445545
Banjarnegara	Jl. S. Parman No. 31	Banjarnegara	53411	(0286) 591333, 591999	591839
Purbalingga	Jl. Jenderal Sudirman No. 53	Purbalingga	53312	(0281) 895555	891977
Kroya	Jl. Jend. Ahmad Yani No. 10 A	Kroya	53282	(0282) 492086, 492105	492087
Pekalongan Hayam Wuruk	Jl. Hayam Wuruk No. 5	Pekalongan	51119	(0285) 424671, 422550, 422085, 424670	421501
Purwokerto Unsoed	Jl. Prof. DR. HR. Boenjamin No. 15	Purwokerto	53124	(0281) 642555, 642556	642557
Cilacap Maos	Komplek Pertamina Depot Maos, Jl. Pertamina, Maos Kidul	Cilacap	57232	(0282) 695026	695009

● DISTRICT

● MAIN BRANCH

● CASH OUTLET

● HUB

● SPOKE BRANCH

● NEW BRANCHES

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Pekalongan Alun-alun	Jl. Alun-alun No. 3	Pekalongan	51101	(0285) 421758, 422212, 425240, 423990	421780
DISTRICT VIII/ SURABAYA	Jl. Basuki Rahmat No. 129-137	Surabaya	60271	(031) 5316760-66	5316776, 5320641, 5316597
HUB SURABAYA NIAGA					
Surabaya Niaga	Jl. Veteran No. 42-44	Surabaya	60175	(031) 3524223-6	3547571, 3533029
Surabaya Stasiun Kota	Jl. Stasiun Kota No.60 C-D Kav. No.1 dan 2	Surabaya	60160	(031) 3530293	3530951
Surabaya Pelabuhan Tanjungperak	Jl. Perak Timur No. 512 Blok H3-H4	Surabaya	60165	(031) 3295924	3294234
Surabaya Tanjungperak	Jl. Perak Timur No. 398	Surabaya	60164	(031) 3293568, 3293578	3293579
Surabaya Jembatan Merah	Jl. Jembatan Merah No. 25-27	Surabaya	60175	(031) 3520091-99	3525779
Surabaya Kusuma Bangsa	Jl. Kusuma Bangsa No. 106	Surabaya	60136	(031) 5323642, 5323880	5313298
Surabaya Baruna	Jl. Perak Barat No. 217 A	Surabaya	60177	(031) 3298333, 3294481	3294675, 3292354
Surabaya Kembang Jepun	Jl. Kembang Jepun No.168-170	Surabaya	60162	(031) 3550091	3550576
Surabaya Indrapura	Jl. Indrapura No. 45	Surabaya	60176	(031) 3535715	3522653
Surabaya Pahlawan	Jl. Pahlawan No. 120	Surabaya	60174	(031) 3534072-74	3530561
Gresik	Jl. R.A. Kartini No. 210	Gresik	61122	(031) 3981300	3981442
Tuban	Jl. Basuki Rachmat No. 55	Tuban	62317	(0356) 320786, 331436, 331437	320787
Bojonegoro	Jl. Panglima Sudirman No. 107-109	Bojonegoro	62113	(0353) 892110, 892113	892114
Lamongan	Jl. Lamongrejo No. 120	Lamongan	62213	(0322) 318200, 318300, 318774	318773
Surabaya Margorejo	Jl. Raya Margorejo Indah Kav. A No.131-132	Surabaya	60238	(031) 8499502, 8499773	8499031
Surabaya Pasar Turi	Kompleks Pertokoan Dupak Megah Blok B-6, Jl. Dupak No. 3-9	Surabaya	60174	(031) 5345620	5345603
Surabaya PT. PAL	Kantor Pusat PT. PAL	Surabaya	60155	(031) 3298482	329848
Surabaya Pertamina Jagir	Jl. Jagir, Wonokromo	Surabaya	60243	(031) 8420753-54	840754
Surabaya Kapasan	Jl. Kapasan No. 159	Surabaya	60141	(031) 319944, 317529	3719944
Gedung Utama Semen Gresik	Jl. Veteran	Gresik	61121	(031) 3978504, 3981745 ext.2077	3984608
Surabaya Armada Timur	Markas Komando TNI AL, Gedung Panti Tjahaja Armada Basis TNI AL Ujung	Surabaya	60155	(031) 3281075	3292354
Surabaya Unika Widya Mandala	Jl. Dinoyo No. 42 - 44	Surabaya	60265	(031) 5624344	5623963
Surabaya Kedungdoro	Jl. Kedungdoro No.84	Surabaya	60251	(031) 5462851, 5462853	5462852
Surabaya Kapas Krampung	Jl. Kapas Krampung No.67 Kav.06	Surabaya	60133	(031) 3737469, 3737467, 3737471	3737468
Surabaya Undaan	Jl. Undaan Kulon No.105 A	Surabaya	60274	(031) 5484379, 5484383, 5484384	5484393
HUB SURABAYA GENTENGKALI					
Surabaya Gentengkali	Jl. Gentengkali No. 93-95	Surabaya	60275	(031) 5319511-15	5316716, 5478401
Surabaya Sungkono	Jl. Mayjend. Sungkono No. 121 F	Surabaya	60225	(031) 5663045	5678075
Surabaya Mulyosari	Jl. Raya Mulyosari, Pertokoan Sutorejo Prima I Blok PC-21	Surabaya	60113	(031) 5927468	5926432
Surabaya Rungkut Megah Raya	Jl. Raya Rungkut, Komp. Ruko Rungkut Megah Raya Blok E-5-6	Surabaya	60293	(031) 8720705-6	8707941
Surabaya Darmo Park	Kompleks Pertokoan Darmo Park I Blok V No. 5-6, Jl. Mayjend. Sungkono	Surabaya	60256	(031) 5661745, 5661816	5672987, 5617389
Surabaya Darmo Permai	Jl. H.R. Muhammad 36, Ruko Permata Blok B-1	Surabaya	60226	(031) 7344473-4	7344472
Surabaya Rungkut	Jl. Rungkut Industri Raya No. 10	Surabaya	60293	(031) 8439581	8410435
Sidoarjo	Jl. Ahmad Yani No. 7	Sidoarjo	61219	(031) 8921327	8941577
Pamekasan	Jl. Pangeran Diponegoro No.151	Pamekasan	69315	(0324) 331000, 330803, 330806	324302
Sidoarjo Pahlawan	Ruko Pondok Mutiara Indah Blok N-01 Jl. Pahlawan	Sidoarjo	61213	(031) 8922634	8922283
Surabaya Pucang Anom	Jl. Pucang Anom Timur No.28	Surabaya	60282	(031) 5020126, 5020701	5026330
Surabaya Pasar Atom	Pusat Perbelanjaan Pasar Atom, Lt.1 Stand No.1001T-1002T, Jl. Bunguran No.45	Surabaya	60161	(031) 3531820, 3531825	3531796
Sidoarjo Krian	Jl. Raya Krian No. 47, Krian	Sidoarjo	61262	(031) 8982375, 8982376, 8982377	8971304
Surabaya Bandara Juanda	Bandara Juanda	Surabaya	61253	(031) 2986422, 8667596, 8688419	8671661
Surabaya Darmo Indah	Kompleks Ruko Darmo Indah Timur, Jl. Darmo Indah Timur Blok SS No. 8	Surabaya	60187	(031) 7328524, 7317618	7328525
Surabaya Pakuwon	Jl. Raya Bukit Darmo Boulevard No.8-G	Surabaya	60226	(031) 7344049, 7344708	7344071
Sidoarjo Sepanjang	Jl. Bebekan No.23, Sepanjang	Sidoarjo	61257	(031) 7860003, 7860005	7860004
Sidoarjo Porong	Jl. Raya Porong No.160	Sidoarjo	61274	(0343) 842324, 842325	842323
Sidoarjo Gateway	Ruko Gateway Blok C-7, Waru	Sidoarjo	61256	(031) 8557335, 8557402	8554113
Surabaya Kenjeran	Ruko Kenjeran Indah Jl. Babatan Pantai No.2 AB	Surabaya	60113	(031) 3823303, 3823273	3823297
Surabaya Kupang Jaya	Jl. Kupang Jaya A I No.43	Surabaya	60189	(031) 7344674, 7344693	7344679
HUB SURABAYA BASUKI RAHMAT					
Surabaya Basuki Rahmat	Jl. Basuki Rahmat No. 129-137	Surabaya	60271	(031) 5316760-66	5316778, 5320631,
Surabaya Pondok Chandra	Jl. Palem TC 1 / 12, Pondok Chandra Indah	Surabaya	61256	(031) 8663363	8673866
Surabaya PDAM	Jl. Prof. Dr. Moestopo No. 2	Surabaya	60131	(031) 5046745, 5046746	5034988
Surabaya Diponegoro	Jl. Raya Diponegoro No. 155	Surabaya	60241	(031) 5674347, 5662853, 5669892, 5669893	5662839, 5674348
Surabaya Bratang Binangun	Jl. Ngagek Jaya Selatan, Plaza Manyar Megah Indah Blok J 5-6	Surabaya	60284	(031) 5624701	5043702
Surabaya Gubeng	Jl. Kalimantan No.10	Surabaya	60281	(031) 5030765	5035346
Surabaya Kertajaya	Jl. Dharmasada Indah No. 130	Surabaya	32190	(031) 5999869, 5981670	5981622
Surabaya Darmo Raya	Jl. Darmo Raya No. 41	Surabaya	60625	(031) 5685574, 5685891, 5686756, 5687458	5677843
Surabaya Swandayani	Menara BBD, Jl. Basuki Rahmat No. 2-4	Surabaya	60261	(031) 5311303-4	5311305
Mojokerto	Jl. Mojopahit No. 375 A-B	Mojokerto	61321	(0321) 323086	323093
Surabaya Pemuda	Jl. Pemuda No. 27-31	Surabaya	60271	(031) 5340756	5311432
Jombang	Ruko Cempaka Mas Blok A 1-2, Jl. Soekarno Hatta No. 3	Jombang	61481	(0321) 875141, 875541	875542
Surabaya Wiyung	Jl. Raya Menganti No. 207, Wiyung	Surabaya	60222	(031) 7660056, 7664559	7668423
Surabaya Telkom Ketintang	Jl. Ketintang No.156	Surabaya	60245	(031) 8292659, 8292314, 8285823	8285713
Surabaya Jemursari	Jl. Jemursari No.81	Surabaya	60231	(031) 8474247, 8474458	8474376
Surabaya Menanggal	Jl. A. Yani Komplek Mandiri Menanggal C1-C2	Surabaya	60243	(031) 8287568, 8287728	8288144
Surabaya Klampis	Jl. Klampis Jaya No.50	Surabaya	60117	(031) 5990060 5990061	5995025
Surabaya Darmo Trade Center	Darmo Trade Center Lt.1 Kios A1-2 Jl. Wonokromo Raya	Surabaya	60241	(031) 8484490, 8484491	8484493
HUB JEMBER ALUN-ALUN					
Jember Alun-alun	Jl. Jend. Ahmad Yani No. 3	Jember	68118	(0331) 486671	485461, 487704
Probolinggo	Jl. Suroyo No. 23	Probolinggo	67211	(0335) 421205	422303

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Situbondo	Jl. Jend. Ahmad Yani No. 102	Situbondo	68311	(0338) 671853	671854
Banyuwangi	Jl. Dr. Wahidin Sudiro Husodo No. 2	Banyuwangi	68411	(0333) 424674, 424815	423257
Jember Ahmad Yani	Jl. Jend. Ahmad Yani No. 6-8	Jember	68137	(0331) 484691	486094
Jember Wijaya Kusuma	Jl. Wijaya Kusuma No. 1	Jember	68118	(0331) 486096-8, 422687	484370
Lumajang	Jl. Panglima Sudirman No. 33	Lumajang	67311	(0334) 886866	882151
Genteng	Jl. Gajah Mada No. 253, Genteng	Banyuwangi	68465	(0333) 845375	845827
Bondowoso	Jl. R.E. Martadinata No. 39, Bondowoso	Bondowoso	68211	(0332) 420800, 420844	428888
Jember Ambulu	Jl. Manggar No. 23, Ambulu	Jember	68172	(0336) 88117, 881118	882549
Probolinggo Kraksaan	Jl. Panglima Sudirman No.119	Kraksaan	67282	(0335) 844399	844895
Banyuwangi Rogojampi	Jl. Raya Rogojampi No. 121-14, Rogojampi	Banyuwangi	68462	(0333) 636419, 636420, 636422	636421
HUB MALANG WAHID HAKIM					
Malang Wahid Hasyim	Jl. K.H. Wahid Hasyim No. 5-7	Malang	65119	(0341) 364961-2	364977, 342102
Kediri	Jl. Diponegoro No. 17	Kediri	64123	(0354) 681396, 681480	681629
Madiun	Jl. Pahlawan No. 29	Madiun	63116	(0351) 462557, 451598	463482
Tulungagung	Jl. Sudirman No. 55	Tulungagung	66219	(0355) 326543-44	322571
Pasuruan	Jl. Panglima Sudirman No. 11	Pasuruan	67115	(0343) 420221, 426876, 428666, 416833	426875
Malang Merdeka	Jl. Merdeka Barat No. 1	Malang	65119	(0341) 325658	366959
Malang Suprpto	Jl. Jaksu Agung Suprpto 65	Malang	65112	(0341) 368691	364665
Batu	Jl. Dewi Sartika No. 45, Batu	Malang	65315	(0341) 592998, 596534, 512334	512335
Malang Griya Shanta	Ruko Griya Shanta Blok MP-53, Jl. Soekarno -Hatta	Malang	65142	(0341) 404300	404301
Malang Dampit	Jl. Semeru Selatan No. 9, Dampit	Malang	65181	(0341) 898461 - 64	898444
Ponorogo	Jl. Urip Sumoharjo No. 102	Ponorogo	63411	(0352) 488909, 488910	484207
Blitar	Jl. Merdeka No. 30	Blitar	66112	(0342) 813546, 813547	813548
Pandaan	Kompleks Pandaan Delta Permai A 18-19	Pandaan	67156	(0343) 638444, 638585	639493
Kepanjen	Jl. Ahmad Yani No. 62 A, Kepanjen	Malang	65163	(0341) 399858	399855
Lawang	Ruko Istana Lawang Blok A5, Jl. Dr. Soetomo	Lawang	65213	(0341) 422999, 420555	422998
Malang Ahmad Yani	Jl. Jend. Ahmad Yani No.50 C-D	Malang	65125	(0341) 480461, 480462, 480463	480460
Malang Gatot Subroto	Jl. Jend. Gatot Subroto No.9 A	Malang	65127	(0341) 364441, 326477, 328391	334890
Malang MT Haryono	Jl. MT Haryono No. 131	Malang	65141	(0341) 558140 - 42, 577252	558143
Pare	Jl. Panglima Besar Sudirman No. 43, Pare	Kediri	64212	(0354) 398400, 398401	395489
HUB DENPASAR VETERAN					
Denpasar Veteran	Jl. Veteran No. 1	Denpasar	80111	(0361) 226761-3	224077
Mataram Cakranegara	Jl. Pejanggitik No. 20-22, Cakranegara	Mataram	83231	(0370) 631813, 636071	631810
Kupang Urip Sumoharjo	Jl. Urip Sumoharjo No. 16	Kupang	85229	(0380) 833216	833818
Kuta Raya	Jl. Raya Kuta No. 456	Kuta	80361	(0361) 752060, 754241	752221
Denpasar Teuku Umar	Rukan Denpasar Business Center Blok C, No.3 & 5, Jl. Teuku Umar No.1	Denpasar	80114	(0361) 257566	257567
Denpasar Gajah Mada	Jl. Gajah Mada No. 3	Denpasar	80112	(0361) 224705	234646
Nusa Dua	Pertokoan Niaga Nusa Dua No. 2-4, Jl. By Pass I Gusti Ngurah Rai, Nusa Dua	Badung	80362	(0361) 772095, 772096, 778052	772097
Denpasar Udayana	Jl. Udayana No. 11	Denpasar	80112	(0361) 223511	231277
Pelabuhan Benoa	Jl. Raya Pelabuhan Benoa	Denpasar	80222	(0361) 723551	723552
Singaraja	Jl. Jend. Ahmad Yani No. 60	Singaraja	81116	(0362) 25222	24543
Tabanan	Jl. Jend. Ahmad Yani No. 99 X, Kediri	Tabanan	82171	(0361) 812217, 812654, 815363	815364
Legian	Jl. Raya Legian No. 494 E, Legian - Badung	Badung	80361	(0361) 762589, 7762586, 763412	751894
Singaraja Seririt	Jl. Jend. Sudirman No. 64-66, Seririt	Singaraja	81153	(0362) 94790, 94793, 94794, 94795	94792
Gianyar Ngurah Rai	Komplek Pertokoan Pasar Gianyar Blok I No.2-3, Jl. I Gusti Ngurah Rai	Gianyar	80511	(0361) 948976, 948945	948567
Mataram AA Gde Ngurah	Jl. AA Gde Ngurah No. 48 A-B	Mataram	83231	(0370) 21481	37118
Kupang M. Hatta	Jl. Muhammad Hatta No. 54 A	Kupang	85112	(0380) 832459	832460
Atambua	Jl. Pramuka No.7	Atambua	85700	(0389) 21688	21535
Kuta Discovery Mall	Discovery Shopping Mall A-3A Jl. Kartika Plaza	Kuta	80361	(0361) 755522, 753390	753416
Ubud	Jl. Raya Ubud No. 14, Ubud	Gianyar	80561	(0361) 977022, 975946	975889
Denpasar Sanur	Jl. Danau Tamblingan No. 27	Denpasar	80228	(0361) 283485, 283885	281240
Denpasar Gatot Subroto	Jl. Gatot Subroto No. 180 X	Denpasar	80116	(0361) 418807, 418133	418133
Gianyar Sukowati	Jl. Raya Sukowati	Gianyar	80582	(0361) 294810, 294991	294729
Denpasar Merdeka	Komplek Graha Merdeka No. 12-12A, Jl. Merdeka	Denpasar	80226	(0361) 246647, 248827, 263451	255715
Denpasar Pasar Kumbasari	Jl. Gajah Mada No. 15	Denpasar	80118	(0361) 434812	427599
Denpasar Bandara Ngurah Rai	Wisti Sabha Building Lantai 1 / 6	Denpasar	80031	(0361) 756497	756497
DISTRICT IX/ BANJARMASIN	Jl. Lambung Mangkurat No. 3	Banjarmasin	70111	(0511) 51405, 51403, 365767/69/70/71	52249, 66719
HUB PONTIANAK DIPONEGORO					
Pontianak Diponegoro	Jl. Diponegoro No. 17	Pontianak	78123	(0561) 769769, 736390	733767, 768330
Sambas	Jl. Kramat No. 78-79	Sambas	79162	(0562) 391208, 391138, 392567	391294
Singkawang	Jl. Merdeka No. 20	Singkawang	79122	(0561) 631335, 631389, 637546, 631735	631151, 631190
Pontianak Ngurah Rai	Jl. I Gusti Ngurah Rai No. 2, Humaera B	Pontianak	78117	(0561) 734247, 736943, 737053, 734153	734147
Pontianak Tanjungpura	Jl. Tanjungpura No. 110	Pontianak	78117	(0561) 734464, 732886	734752, 736522
Pontianak Sidas	Jl. Sidas No. 2	Pontianak	78111	(0561) 734670, 747495	733672
Ketapang	Jl. Letjen. R. Suprpto No. 1-2	Pontianak	78812	(0534) 35822, 35833, 35844	35755
Sintang	Jl. Mas Tirta Haryono	Sintang	78614	(0565) 24967, 24968, 24969	24973
Pontianak RS Santo Antonius	Jl. K.H. Wahid Hasyim	Pontianak	78115	(0561) 737454	737454
Pontianak Bandara Supadio	Komp. Bandara Supadio/Term.Penumpang, Desa Arang Lingung	Pontianak	78391	(0561) 743883	722859
HUB BANJARMASIN LAMBUNG MANGKURAT					
Banjarmasin Lambung Mangkurat	Jl. Lambung Mangkurat No. 3	Banjarmasin	70111	(0511) 3357140, 4366759	4367856, 3352510, 3366051
Tanjung Palangkaraya	Jl. Pangeran Antasari No. 43	Tanjung Palangkaraya	71513	(0526) 2021575, 2021898, 2023473	2021079
Palangkaraya	Jl. Jend. Ahmad Yani No. 70	Palangkaraya	73111	(0536) 21378, 21969, 22961, 22702	21781

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OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Sampit	Jl. M.T. Haryono No. 81 A	Sampit	74322	(0531) 21035, 21322, 30850, 21098	21632, 22622
Kuala Kapuas	Jl. Jend. Sudirman No. 32	Kuala Kapuas	73513	(0513) 21132, 21695, 22727	21028
Banjarmasin A. Yani	Jl. Achmad Yani No. 13 - 17	Banjarmasin	70233	(0511) 264261, 263333, 262690-92	257278, 257281
Banjarmasin Pangeran Samudera	Jl. Lambung Mangkurat No. 4	Banjarmasin	70111	(0511) 54339, 66303, 66636, 66316, 54298	50928
Banjarmasin Mitra Plaza	Jl. Pangeran Antasari, Mitra Plaza Blok B-I No.37-38	Banjarmasin	70234	(0511) 267748, 267749	267751
Banjarbaru	Jl. A. Yani Km.34 No.31D RT.04/01 Loktabat	Banjarbaru	70713	(0511) 4777058, 4780926, 4773002	4780777
Batulicin	Jl. Raya Btulicin, Kabupaten Kota Baru	Kota Baru	72171	(0518) 71480 - 83	71484
Barabai	Pusat Perbelanjaan Murakata Blok D1, Site 1 Lantai 2, Jl. P.H.M. Noor	Barabai	71311	(0517) 43702, 44240, 44250	43701
Pangkalan Bun	Jl. Pangeran Antasari No. 41	Pangkalan Bun	74113	(0532) 24255, 22779	22710
Banjarmasin Bandara Syamsuddin Noor	Bandara Syamsuddin Noor, Jl. Landasan Ulin	Banjarmasin	70724	(0511) 705277 ext.296, 705203	705203
Banjarmasin Pelindo III/ Trisakti	Pelabuhan Trisakti, Jl. Barito Hilir No. 6	Banjarmasin	70119	(0511) 364965, 366354	366345
Banjarmasin Sentra Antasari	Pusat Perbelanjaan Sentra Antasari Blok DT.001 Lantai 2, Jl. Pangeran Antasari	Banjarmasin	70234	(0511) 360900, 361948	361949
HUB SAMARINDA MULAWARMAN					
Samarinda Mulawarman	Jl. Mulawarman No. 23	Samarinda	75112	(0541) 742097, 741464, 741462	742855, 205720
Tarakan Yos Sudarso	Jl. Yos Sudarso No. 80	Tarakan	77113	(0551) 25960-63, 51141, 51444	21340
Bontang	Jl. Angkasa No. 1, Airport Road, Komp. PT Badak	Bontang	75324	(0548) 21490, 21492, 26309	21489
Samarinda Sudirman	Jl. Jend. Sudirman No. 9	Samarinda	75111	(0541) 200836-7, 731531, 731529, 743402	731530
Samarinda Kesuma Bangsa	Jl. Kesuma Bangsa No. 76	Samarinda	75121	(0541) 742549, 743915, 743049, 745095-96	743777, 749075
Tanjungredeb	Jl. Jend. Sudirman No. 747	Tanjungredeb	77312	(0554) 26031, 26032, 26033	26030
Tenggarong	Jl. K.H. Akhmad Muksin No. 36	Tenggarong	75512	(0541) 662150, 661945	664103
Samarinda Irian	Jl. Irian No. 16 C	Samarinda	75111	(0541) 742066, 67731606, 742102, 743455	731718
Samarinda A Yani	Jl. Hasan Basri Blok A No.1	Samarinda	75117	(0541) 736514, 736587	736291
Sangatta	Jl. Yos Sudarso II No. 2, Sangatta	Kutai Timur	75611	(0549) 25084, 25085	25086
Lhoktuan	Wisma KIE PT Pupuk Kaltim, Lhoktuan, Jl. Pakuaji Kav. 79	Bontang Utara	75313	(0548) 41558, 41559, 41410, 41217	41219, 41535
Bontang Ahmad Yani	Jl. Ahmad Yani No. 37	Bontang	75311	(0548) 20332, 21913	27453
Tarakan Simbang Tiga	Jl. Yos Sudarso No. 25	Tarakan	71112	(0551) 21933, 21700, 21358, 25936	21359
Pulau Bunyu	Jl. Pangkalan, RT 01, Pulau Bunyu	Tarakan	77181	(0551) 24318, 25001 EXT. 2544, 2343	24318
HUB BALIKPAPAN AHMAD YANI					
Balikpapan Ahmad Yani	Jl. Jend. Ahmad Yani No. 15	Balikpapan	76113	(0542) 422882, 424994	422109, 424933
Balikpapan Sudirman	Kompleks Ruko Balikpapan Permai, Jl. Jend. Sudirman No. 62	Balikpapan	76114	(0542) 731257, 733860	732249, 410555
Balikpapan Klandasan	Jl. Jend. Sudirman No. 71	Balikpapan	76112	(0542) 422821, 422900, 422822	422902
Balikpapan Suprpto	Jl. Letjend. Suprpto No. 1	Balikpapan	76131	(0542) 427000, 422840, 422842, 424511	424523
Balikpapan Muara Rapak	Jl. Jend. Ahmad Yani, Komp. Pertokoan Muara Rapak D-04	Balikpapan	76125	(0542) 421559	421559
Balikpapan Batakan	Jl. Mulawarman No. 122	Balikpapan	76115	(0541) 771191	771447
Balikpapan Telkom Divre VI	Gedung Telkom, Jl. MT. Haryono No. 169 - Ring Road	Balikpapan	76114	(0542) 872588	872588
Balikpapan Baru	Kompleks Ruko Balikpapan Baru Blok D.6 No. 2	Balikpapan	76114	(0542) 871584, 876614	877976
DISTRICT X/ MAKASSAR	Jl. R.A. Kartini No. 12-14	Makassar	90111	(0411) 329097, 323547	329095
HUB MANADO DATU LOLONG LASUT					
Manado Datu Lolong Lasut	Jl. Dotulong Lasut No. 15	Manado	95122	(0431) 866228, 863477	857579, 863577
Kotamobagu	Jl. Ahmad Yani No. 51	Kotamobagu	95711	(0434) 22820, 21580, 24250	21696
Bitung	Jl. Dr. Sam Ratulangi No. 51	Bitung	95521	(0438) 21022	21763
Gorontalo	Jl. Jend. Ahmad Yani No. 28	Gorontalo	96112	(0435) 823551, 824131	824305
Tahuna	Jl. Dr. Sutomo No. 1	Tahuna	95813	(0432) 21051	21457
Ternate	Jl. Nukila No. 51	Ternate	97721	(0921) 22778	21040
Manado Sam Ratulangi	Komp. Wanea Plaza Blok I No. 8, Jl. Sam Ratulangi	Manado	95117	(0431) 876195, 876196, 876312, 876400	876500
Manado Toar	Jl. Toar No. 4-6	Manado	95112	(0431) 863079, 866950	863677
Manado Sudirman	Jl. Jend. Sudirman No. 47	Manado	95122	(0431) 824312, 860570	851877
Tomohon	Kompleks RS Bethesda, Jl. Raya Tomohon	Tomohon	95362	(0431) 354951	353844
Marisa	Jl. Trans Sulawesi No.29, Marisa	Pohuwato	96266	(0443) 210071, 210371	210522
Limboto	Jl. Jend. Sudirman No. 35, Limboto	Gorontalo	96211	(0435) 880512, 880653	882363
Manado Boulevard	Komplek Megamas, Blom 1 A No.23 Jl. Piere Tendean, Boulevard	Manado	95111	(0431) 858407	858652
Ternate Mononutu	Jl. A. Mononutu No. 91	Ternate	97712	(0921) 327304, 327358, 24604	327072
HUB PALU SAM RATULANGI					
Palu Sam Ratulangi	Jl. Dr. Sam Ratulangi No. 60	Palu	94111	(0451) 424971, 423975, 423942	424766
Luwuk	Jl. Jend. Ahmad Yani No. 132	Luwuk	94711	(0461) 21143	22038
Toli Toli	Jl. W.R. Supratman No. 1	Toli Toli	94514	(0453) 21360	21760
Poso	Jl. Hasanuddin No. 13, Poso	Poso	94616	(0452) 21367, 21467, 21567, 21704	21767
Palu Imam Bonjol	Jl. Imam Bonjol No. 88	Palu	94223	(0451) 421480-2	421483
Palu Hasanudin	Jl. Sultan Hasanuddin No. 35	Palu	94112	(0451) 4215880	424975
Donggala	Jl. Moro No. 78	Donggala	94351	(0457) 71175	71161
Parigi	Jl. Trans Sulawesi No. 117	Parigi	94371	(0450) 22244 - 47	22248
HUB MAKASSAR KARTINI					
Makassar Kartini	Jl. R.A. Kartini No. 12-14	Makassar	90111	(0411) 319443, 324095	310778, 335741,
Watampone	Jl. M.H. Thamrin No. 10	Watampone	92713	(0481) 21330, 21227	21938
Pare Pare	Jl. Andi Isa No. 5	Pare Pare	91114	(0421) 21046, 24339, 25339, 25439, 21339	21416
Palopo	Jl. Jend. Sudirman No. 123	Palopo	91921	(0471) 22123, 23672	23674
Soroako	Jl. Gamalama Kav. 2	Soroako	91984	(0475) 321042, 321043, (021) 5249860-2	321044, (021) 5249584
Kendari Mesjid Agung	Jl. H. Abdullah Silondae 45, Mondonga	Kendari	93111	(0401) 327708	322386
Pomalaa	Komplek Aneka Tambang, Jl. Ahmad Yani	Pomalaa	93562	(0405) 310572, 310317	310562
Ambon Pantai Mardika	Jl. Pantai Mardika	Ambon	97123	(0911) 354572-5	354578

OFFICE	ADDRESS	MUNICIPAL	POST CODE	PHONE	FAX
Ambon Pattimura	Jl. Raya Pattimura No. SK.2 / 1	Ambon	90172	(0911) 345587, 353122	352208
Makassar Slamet Riyadi	Jl. Brigjend. Slamet Riyadi No. 8	Makassar	90111	(0411) 319963-4	317854
Makassar Sulawesi	Jl. Sulawesi No. 81	Makassar	90174	(0411) 317378, 317388	320629, 320473
Makassar Cokroaminoto	Jl. HOS Cokroaminoto No. 3	Makassar	90174	(0411) 323809, 317545	316488
Sungguminasa	Kompleks Graha Satelit Blok 12 A, Jl. Sultan Hasanuddin	Gowa	92111	(0411) 840133	840134
Makassar Cenderawasih	Jl. Cenderawasih No. 185	Makassar	90133	(0411) 837609	837609
Makassar Tanjung Bunga	Mall GTC Tanjung Bunga No. 22	Makassar	90134	(0411) 838841	838842
Makassar Panakkukang	Jl. Bolevar 89 F	Makassar	90231	(0411) 425290, 441605	443777
Bulukumba	Jl. Sam Ratulangi No.90	Bulukumba	92512	(0413) 2587965, 2587966, 2587967	2587968
Makassar Daya	Kompleks Bukit Khatulistiwa Blok B/9,	Makassar	90241	(0411) 591255, 591256	591257
Sengkang	Jl. Bau Mahmud No. 1	Sengkang	90913	(0485) 324333, 324222	324111
Pinrang	Jl. Durian No.24-26	Pinrang	91211	(0421) 921367, 922145	921878
Polewali Mandar	Jl. Jend. Sudirman No. 132, Wonomulyo	Polewali Mandar	91352	(0428) 51985, 51987, 51988	51986
Makassar Kampus IKIP	Kampus IKIP Gedung 4C, Jl. Bontolangkasa, Gunungsari Baru	Makassar	90221	(0411) 874744	874747
Makassar Andalas	Jl. Andalas No. 116 F	Makassar	90155	(0411) 334023, 310164	310372
Makassar Veteran	Jl. Veteran Utara No. 220	Makassar	90145	(0411) 319981, 332354	332354
Semen Tonasa	Komplek PT Semen Tonasa I, Kotak pos 114	Tonasa	90662	(0411) 320672	319173
Makassar RS Stella Maris	Komplek RS. Stella Maris Jl. Somba Opu No.273	Makassar	90001	(0411) 854289	854289
Kendari Soekarno	Jl. Soekarno No. 37	Kendari	93127	(0401) 331211, 321477	331210
Kolaka	Jl. Repelita No. 1	Kolaka	93560	(0405) 22225	22226
HUB JAYAPURA AHMAD YANI					
Jayapura Ahmad Yani	Jl. Jend. Ahmad Yani No. 35	Jayapura	99111	(0967) 531028, 534186/9, 533919	534494, 531836
Manokwari	Jl. Yos Sudarso No. 61	Manokwari	98311	(0986) 213567, 211102	211222
Merauke	Jl. Raya Mandala No. 1	Merauke	99613	(0971) 321333, 321128	322094
Nabire	Jl. Pepera No. 19	Nabire	98801	(0984) 21135, 21045	21683, 23170
Serui	Jl. Diponegoro	Serui	98212	(0963) 31535-7	31636, 31179
Fak Fak	Jl. Izak Telussa No. 26	Fak-fak	98601	(0956) 22119, 22124, 22480, 22120	22636
Biak	Jl. Jend. Ahmad Yani No. 2	Biak	98112	(0981) 22000, 21527, 22528	21557
Sorong Ahmad Yani	Jl. Jend. Ahmad Yani No. 99	Sorong	98414	(0951) 323200, 323111, 323222	323400, 323981
Timika	Jl. Yos Sudarso No. 30	Timika	98663	(0901) 321727, 321145, 321045	321515
Wamena	Jl. Trikora No. 92	Wamena	99511	(0969) 31033, 31010	32520, 33646
Jayapura Abepura	Jl. Raya Abepura, Abepura	Jayapura	99351	(0967) 581397, 587183	587182
Tembagapura	Jl. Numfor	Tembagapura	98100	(0901) 351125, 351027, 404225	351155
Kuala Kencana	Jl. Mandala Raya Selatan	Kuala Kencana	99920	(0901) 302265, 302266	302264
Jayapura Sentani	Jl. Raya Kemiri, Sentani	Jayapura	99352	(0967) 591668	593624
Jayapura Waena	Pertokoan Topaz Jl. Raya Waena Sentani No. 231	Jayapura	99351	(0967) 572813, 572816	572817
Jayapura Sentra Bisnis Pasifik	Kompleks Ruko Pasifik Permai Blok D No.5 Jl. Reklamasi Pantai Apo	Jayapura	99112	(0967) 535166, 535177	535178
Sorong Basuki Rahmat	Jl. Basuki Rahmat No. 22	Sorong	98401	(0951) 323845, 323844, 321440	321113
Tembagapura Shopping Centre	Family Shopping Center Tembagapura	Tembagapura	98100	(0901) 352707, 403122	407625

- DISTRICT
- HUB
- MAIN BRANCH
- SPOKE BRANCH
- CASH OUTLET
- NEW BRANCHES

OVERSEAS BRANCHES/SUBSIDIARIES/REPRESENTATIVE OFFICES

Branch Network	Address	Telephone	Facsimile	SWIFT	Telex	website
Bank Mandiri Cayman Island	Cardinal Plaza 3rd Floor #30 Cardinal Avenue, George Town Grand Cayman, Cayman Island PO BOX 10198 APO	1-345-945-8891 (3 lines)	1-345-945-8892	BEIIKYKY	4206 EXIMCAY	-
Bank Mandiri Dili - Timor Leste	Jl. Ave Presidente Nicolau Lobato No. 12 Colmera, Dili, Timor Leste	670-390-317-555 or 777 Lokal: 5263769 Satelit: +086815000123	670-3317-444 /190/192	-	-	-
Bank Mandiri Hong Kong Branch	7th Floor, Far East Finance Centre 16 Harcourt Road, HongKong	852-2527-6611, 852-2877-3632	852-2529-8131, 852-2877-0735	BBUDHKHH	70663 / 71360 MDRIHX	www.bankmandirihk.com
Bank Mandiri Singapore Branch	9 Raffles Place #35 - 01 / 02 Republic Plaza, Singapore 048619	65-6213-5588 (General) 65-6213-5880 (Dealer) 65-6532-6086 (Dealer Board)	65-6438-3363 (General) 65-6536-3008 (Dealers)	BEIISGSG	RS23697 MDRISQ (General) RS23699 MDRIFX (Dealers)	www.ptbankmandiri.com.sg
Bank Mandiri Europe Limited	Cardinal Court (2nd Floor) 23 Thomas More Street London E1W 1YY, United Kingdom	44-207-553-8688	44-207-553-8699	BEIIGB2LA	8813270	www.bkmandiri.co.uk
Bank Mandiri Shanghai (Representative Office)	3401, Bank of China Tower 200 Yin Cheng (M) Road, Pudong New Area, Shanghai 200120, People's Republic of China	86-21-5037-2509	86-21-5037-2507	-	-	-

CBC, SBDC, MBDC & MBU NETWORK

CBC (COMMERCIAL BANKING CENTERS)	ADDRESS	PHONE	FAX
Jakarta Commercial Sales Group			
Commercial Banking Center Jakarta Kota	Jl. Lapangan Stasiun No.2, Jakarta Barat 11110	021 6910705	021 6917029
Commercial Banking Center Jakarta Thamrin I	Gedung Menara BDN Lantai 3, Jl. Kebon Sirih No.83 Jakarta Pusat 10340	021 39832879	021 39832832
Commercial Banking Center Jakarta Thamrin II	Gedung Menara BDN Lantai 3, Jl. Kebon Sirih No.83 Jakarta Pusat 10340	021 39832817	021 39832891
Commercial Banking Center Jkt Sudirman	Bank Mandiri Tower Lantai 5, Jl. Jend.Sudirman Kav.54-55 Jakarta 12190	021 5268118	021 5268119
Commercial Banking Center Jkt Plaza Mandiri	Plaza Mandiri Lantai 19, Jl.Jend.Gatot Subroto Kav.36-38 Jakarta 12190	021 5245029	021 5274343
Commercial Banking Center Jkt Kelapa Gading	Gedung Graha Reko Lantai 3, Jl. Boulevard Artha Gading Kav.A1 Blok CN.2 No.12 Kelapa Gading Jakarta 14240	021 45856250	(021) 45856230
Commercial Banking Center Bekasi	Gedung Spoke Bekasi Juanda, Jl. Ir. H Juanda No.155 Bekasi 17112	021 8813200	021 8821100
Commercial Banking Center Plaza Mandiri	Plaza Mandiri Lantai 29, Jl.Jend.Gatot Subroto Kav.36-38, Jakarta 12190	021 5245026	021 52963012

Regional Commercial Sales Group			
Commercial Banking Center Medan	Jl. Imam Bonjol No. 7, Medan 20112	061 4153393	061 4155385
Commercial Banking Center Pekanbaru	Jl. A. Yani No.85, Jl. Kapten Rivai No.39	0761 856743	0761 856732
Commercial Banking Center Palembang	Spoke Palembang A.Rivai No.39, Jl. Kapten Rivai No.39 Palembang 30135	0711 355399	0711 360361
Commercial Banking Center Bandung	Gedung Dana Pensiun Satu(Lantai 3), Jl. Asia Afrika no.118-120 Bandung 40261	022 4220595	022 4209328
Commercial Banking Center Semarang	Gedung Kanwil VII/ Lantai 3, Jl.Pemuda No.73 Semarang 50139	024 3520053	024 3580579
Commercial Banking Center Surabaya	Gedung Bumi Mandiri Lantai 11, Jl. Basuki Rahmat No.129-137 Surabaya 60271	031 5320642	031 5480731
Commercial Banking Center Denpasar	Jl.Suropati no.15, Denpasar 80232 Bali	0361 244336	0361 238082
Commercial Banking Center Makassar	Jl. R.A. Kartini No.19, Makassar 90111	0411 311752	0411 312595
Commercial Banking Center Banjarmasin	Jl.Lambung Mangkurat No.8, Banjarmasin 70111	0511 4366792	0511 4366793

SBDC (SMALL BUSINESS DISTRICT CENTERS)	ADDRESS	PHONE	FAX
SBDC Bandung	Jl. Asia Afrika No. 118 120 Bandung 40261	022 4240286	022- 4209328
SBDC Surabaya	Jl. Basuki Rachmat No. 129 137 Surabaya 60271	031 5348880	031 5480731
SBDC Makassar	Jln. Kartini No. 19 Makassar 90111	0411 312984	0411 312595
SBDC Palembang	Jl. Kapt. A Rivai No 39 Palembang 30135	0711 312500	0711 360361
SBDC Medan	Jln. Imam Bonjol No 7 Medan 20112	061 4154600	061 4155385
SBDC Denpasar	Jl. Surapati No 15 Denpasar 80232	0361 238083	0361 244342
SBDC Banjarmasin	Jl. Lambung Mangkurat No. 8 Banjarmasin	0511 9955484	0511 3363082
SBDC Jkt Sudirman	Jl. Jend. Sudirman Kav. 54-55, Jakarta Selatan 12190	021 5268115	021 5267549
SBDC Semarang	Jl. Pemuda No 73 Semarang 50139	024 3514321	024 3580579
SBDC Jkt Thamrin	Jl. MH Thamrin No 5 Jakarta Pusat 10340	021 39832879	021 39832891
SBDC Jkt Kota	Jl. Lapangan Stasiun No 2 Jakarta Barat 11110	021 6915478	021 2600508
SBDC Pekanbaru	Jl. A Yani No 85 Pekanbaru 28115	0761 839267	0761 856732

MBDC (MICRO BANKING DISTRICT CENTERS)	ADDRESS	PHONE	FAX
Medan	Bank Mandiri Cab. Zainul Arifin, Jl. Imam Bonjol No. 16 D. Medan	(061) 453 6661	(061) 451 6837
Palembang	Jl. TP. Rustam Effendi No 550, Palembang/Pusat Dagang	(0711) 313 767, 356 436, 355 190, flexi 706 3877	(0711) 368 510
Jakarta Kota	Jl. Lapangan Stasiun No. 2, Jakarta Barat 11110	(021) 691 6533, 698 33162 / 63 / 66	(021) 691 0681, 698 33167 / 64
Jakarta Sudirman	Gedung Plaza Bapindo Lt. 4, Jl. Jend. Sudirman Kav.54-55, Jakarta Selatan 12190	(021) 5266 566 ext 1112-1114, DM(021) 5266 936	(021) 5266 940
Jakarta Thamrin	Menara BDN Lt. 4, Jl. Kebon Sirih No. 83, Jakarta Pusat 10340	(021) 3983 3059	(021) 230 2926, 390 8322
Bandung	Jl. Asia Afrika No. 51 Bandung 40001	(022) 421 8911, 421 8722, 421 8733, 421 8765	(022) 421 8797
Semarang	Jl. Pahlawan No. 3(Lt.2), Semarang 50243	(024) 841 9757, 841 9758, (024) 841 9756(DM)	(024) 841 9759
Surabaya	Gedung Bumi Mandiri Lt 11, Jl. Basuki Rachmat No. 129 137, Surabaya 60271	(031) 534 8808 ext. 226 / 5321819	(031) 535 6372
Denpasar	Jl. Surapati No. 15, Denpasar 80232	(0361) 238083 ext 216	(0361) 238082,(223 296)
Banjarmasin	Jl. Achmad Yani KM 2 No. 45, Banjarmasin 70233	(0511) 326 2540, 263333, 262690, 326 2540	(0511) 3269626, 257278, 257281
Makassar	Jl. HOS. Cokroaminoto No. 3, Makassar 90174	(0411) 323809, 317345, 319 442	(0411) 316488, 319467
Yogyakarta	Jl. Diponegoro No. 107, Yogyakarta 55231	(0274) 586731	(0274) 561 923
Malang	Jl. Merdeka Barat No. 1, Malang 65119	(0341) 335 290, 335 292	(0341) 335 291

MBU (MICRO BANKING UNITS)	MBDC	ADDRESS	PHONE	FAX
Batam Lubuk Baja	Medan	Jl. Imam Bonjol, Lubuk Baja, Batam 29432	(0778) 432315	(0778) 457830
Batam Sekupang Martadinata	Medan	Jl. R.E. Martadinata, Komp. Harapan Business Center Blok I No.1, Batam 29422	(0778) 327842	(0778) 322474
Medan Pusat Pasar	Medan	Jl. Pusat Pasar No. 94-95, Medan 20212	(061) 4143990	(061) 4517644
Medan Pulo Brayan	Medan	Jl. Yos Sudarso Blok A No.1A Pulo Brayan, Medan 20116	(061) 6643696	(061) 6611100
Medan Kirana	Medan	Jl. Kirana Raya No. 40-42, Medan 20112	(061) 4523509	(061) 4155269
Medan Belawan	Medan	Jl. Pelabuhan II Kotak Pos 15, Belawan 20411	(061) 6940246	(061) 6941768
Binjai	Medan	Jl. Jend. Sudirman No.292, Binjai 20711		(061) 8828064
Medan Gunung Krakatau	Medan	Jl. Gunung Krakatau No. 7 G-H, Medan 20239	(061) 6642658	(061) 6619540
Medan Katamso	Medan	Jl. Brigjen Zain Hamid No. 28, Medan 20158 Alamat Booking Kredit: KC Imam Bonjol Jl. Imam Bonjol No.7, Medan	(061) 7864298	(061) 7864598
Pekanbaru Sudirman Atas	Medan	Jl. Jend. Sudirman No. 452, Pekanbaru 28115		
Pematang Siantar	Medan	Jl. Sutomo No. 16, Pematang Siantar 21117		
Pangkal Pinang	Palembang	Jl. Jend. Sudirman No. 7, Pangkal Pinang 33128		
Bandar Lampung Teluk Betung	Palembang	Jl. Laksamana Malahayati No. 30, Bandar Lampung 34223	(0721) 483212	(0721) 485082
Metro	Palembang	Jl. Jend. Sudirman No. 39 A, Metro 34111	(0725) 48269	(0725) 41860
Tanjung Karang Kartini	Palembang	Jl. Kartini No. 79, Tanjung Karang 35111	(0721) 241998	(0721) 241998
Padang Bagindo Aziz Chan	Palembang	Jl. Bagindo Aziz Chan No. 21, Padang 25211	(0751) 33124	(0751) 33124
Bukit Tinggi	Palembang	Jl. Perintis Kemerdekaan No.03 Lt.II, Bukit Tinggi 26111	(0752) 625035	(0752) 625035
Jambi Dr.Sutomo	Palembang	Jl. Dr. Sutomo Kotak Pos 14, Jambi 36113	(0741) 7551066	(0741) 7550082
Palembang Atmo	Palembang	Jl. Kolonel Atmo No. 118, Palembang 30125	(0711) 7063376	(0711) 313655
Palembang PUSRI	Palembang	Jl. Mayor Zein No.9 Gedung YDPK, Palembang 30118	(0711) 7063378	(0711) 719882
Palembang Pusat Dagang	Palembang	Jl. T.P. Rustam Effendi No. 550, Palembang 30125	(0711) 7068155	(0711) 310873
Bengkulu S. Parman	Palembang	Jl. LetJend. S. Parman No. 183, Bengkulu 38223		
Prabumulih Sudirman	Palembang	Jl. Sudirman No. 117, Prabumulih, Sumatera Selatan 31121	(0713) 7000031	(0713) 326005
Jakarta Tanjung Priok Yos Sudarso	Jakarta Kota	Jl. Yos Sudarso No. 750, Jakarta Utara 14210	(021) 4371948	(021) 43930980
Jakarta Kota	Jakarta Kota	Jl. Lapangan Stasiun No. 2, Jakarta Barat 11110	(021) 69833165	(021) 69833167
Jakarta Pasar Baru	Jakarta Kota	Jl. H. Samanhudi No. 46, Jakarta Pusat 10710	(021) 92694422	(021) 2310318
Jakarta Mangga Dua	Jakarta Kota	Arkade Dusit Mangga Dua No. 5 Jl. Arteri Mangga Dua Raya, Jakarta Pusat 10730	(021) 926 94425	(021) 6592683
Jakarta Mitra Bahari	Jakarta Kota	Komplek Pertokoan Mitra Bahari Blok E No.7-8, Jl. Pasar Ikan, Jakarta Utara 14440	(021) 92694421	(021) 6625327
Jakarta Jelambar	Jakarta Kota	Jl. Pangeran Tubagus Angke No. 10, Jakarta Barat 11460	(021) 70974118	(021) 5647439
Jakarta Gambir	Jakarta Kota	Jl. Ir. H. Juanda No. 18, Jakarta 10120	(021) 3864028	(021) 3864031
Jakarta PuloMas	Jakarta Kota	Komplek Artamas, Jl. Jend. Ahmad Yani No. 2, Jakarta Timur 13210	(021) 40706202	(021) 4898109
Jakarta Ketapang Indah	Jakarta Kota	Komplek Ketapang Indah, Jl. K.H. Zainal Arifin Blok A1, Jakarta Barat 11140	(021) 70972293	(021) 6349340
Jakarta Jembatan Lima	Jakarta Kota	Jl. K.H. Moch. Mansyur No. 18, Jakarta Barat 11210	(021) 70972292	(021) 6306112
Jakarta Cakung	Jakarta Kota	Komplek PT KBN, Jl. Raya Cakung, Cilincing, Jakarta Utara 14410	(021) 4405213	(021) 44820937
Jakarta Pangeran Jayakarta	Jakarta Kota	Jl. Pangeran Jayakarta No. 73, Jakarta Pusat 10730	(021) 70770600	(021) 6399070
Tangerang Bumi Serpong Damai	Jakarta Kota	Jl. Gunung Rinjani No.13 Blok R-G Sektor IV Bumi Serpong Damai, Tangerang 15311	(021) 70970235	(021) 5376769
Tangerang Ahmad Yani	Jakarta Kota	Jl. Jend. Ahmad Yani No. 9, Tangerang 15111	(021) 92694419	(021) 5525004
Jakarta Puri Indah	Jakarta Kota	Jl. Puri Indah Raya Ruko Blok 1/1, Jakarta Barat 11610	(021) 92694420	(021) 92752304
Tangerang Ciledug	Jakarta Kota	Jl. Ciledug Raya No. 77 Kav. 1-2, Ciledug, Tangerang 42431	(021) 5866499	(021) 5866499
Jakarta Grenvil	Jakarta Kota	Grenvil Real Estate Blok BG 31-36	(021) 5689044-6	(021) 5689048
Serang	Jakarta Kota	Jl. Diponegoro No.8, Serang 42112	(0254) 201260	(0254) 217723
Jakarta Kali Deres	Jakarta Kota	Jl. Utama Raya Blok A/B No 57 B Cengkareng, Jakarta Barat	(021) 70637223	(021) 5450257
Jakarta Tanjungduren	Jakarta Kota	Jl. Tanjungduren Raya No. 56 A-B, Jakarta Barat 11470	(021) 70759125	(021) 5666552
Tangerang Cikokol	Jakarta Kota	Jl. Raya MH Thamrin Ruko Mahkota Mas Diamond(The BEST) Blok J No.4-5 Tangerang Cikokol 15117	(021) 55755791	(021) 5543048
Cilegon Merak	Jakarta Kota	Jl. Raya Merak No. 3, Cilegon 42431	(0254) 437194815	(0254) 4392616
Tangerang Merdeka	Jakarta Kota	Jl. Merdeka No.167 D, Tangerang 15133	(021) 5516142	(021) 5523718
Jakarta RS. Pelni	Jakarta Kota	Jl. Aipda KS Tubun 92-94, Petamburan, Jakarta Barat 11410	(021) 70917154	(021) 5480027
Bekasi Cikarang 1	Jakarta Thamrin	Ruko Roxy Blok E .No. 1, Jl. M.H. Thamrin, Lippo Cikarang, Bekasi 17550	(021) 7020066	(021) 89902878
Jakarta Fakhrudin	Jakarta Thamrin	Jl. K.H. Fakrudin No.15, Tanah Abang, Jakarta Pusat 10250	(021) 92694223	(021) 2301338
Bekasi Sentra Niaga Kalimalang	Jakarta Thamrin	Jl. Jend. Ahmad Yani, Pusat Perdagangan Kalimalang Blok A 3 No. 6, 7, Bekasi 17141	(021) 92694427	(021) 8862613
Jakarta Sabang	Jakarta Thamrin	Jl. Kebon Sirih No. 73, Jakarta Pusat 10340	(021) 70950705	(021) 325285
Jakarta Kelapa Gading Barat	Jakarta Thamrin	Jl. Bolevar Barat Raya Blok LC-7 No. 22-23, Kelapa Gading, Jakarta Utara 14240	(021) 70995199	(021) 4504788
Bekasi Cikarang II	Jakarta Thamrin	Ruko Roxy Blok E No. 1 Jl. M.H. Thamrin, Lippo Cikarang, Bekasi 17550	(021) 70950768	(021) 89902878
Jakarta Bendungan Hilir	Jakarta Thamrin	Jl. Bendungan Hilir No. 94 A, Jakarta Pusat 10210	(021) 70988472	(021) 5711671
Pulogadung	Jakarta Thamrin	Jl. Raya Bekasi Km. 21, Pulogadung, Jakarta Utara 14250	(021) 70992877	(021) 4602875, 4602879
Bekasi Ahmad Yani	Jakarta Thamrin	Jl. Jend. Ahmad Yani, Pusat Perdagangan Kalimalang Blok A VIII No.17-18, Bekasi 17141	(021) 70920521	(021) 8846716, 8868401
Kebon Jati	Jakarta Thamrin	Jl. Kebon Jati No.18, Komplek Ruko No.116-117 Jakarta Pusat 10250	(021) 70986304	(021) 2303146
Jakarta Jatinegara Barat	Jakarta Thamrin	Jl. Jatinegara Barat No. 142 AB, Jakarta Timur 13320	(021) 70985974	(021) 8508807
Jakarta Atrium Senen	Jakarta Thamrin	Ruko Segitiga Senen Blok E-21/22 Jl. Senen Raya No. 135, Jakarta Pusat 10410	(021) 3868112	(021) 3868114
Jakarta Pasar Rumpit	Jakarta Thamrin	Jl. Sultan Agung No. 59 D, Jakarta Selatan 12970	-	(021) 8315687
Jakarta Pahlawan Revolusi	Jakarta Thamrin	Jl. Pahlawan Revolusi No. 57, Pondok Bambu, Jakarta Timur 13470	(021) 70980933/12	(021) 8632073
Jakarta Pasar Jatinegara	Jakarta Thamrin	Jl. Matraman Raya No. 242, Jakarta Timur 13310	(021) 92694424	(021) 2800072
Jakarta Saharjo	Jakarta Thamrin	Komplek Gajah Unit F & G, Jl. Dr. Saharjo No. 111, Jakarta 12810	(021) 92694411	(021) 8282349
Jakarta Rawamangun Pemuda	Jakarta Thamrin	Jl. Pemuda No. 73, Jakarta Timur 13220	(021) 92694426	(021) 47882420
Jakarta Kalimalang	Jakarta Thamrin	Jl. Raya Tarum Barat Blok M I No. 2, Kav. Billy Moon, Kalimalang, Jakarta Timur 13450	(021) 70975943	(021) 8656511
Pondok Kelapa	Jakarta Thamrin	Jl. Tarum Barat Km. 4,5, Kalimalang	(021) 70268090	(021) 8652418
Jakarta Kramat Raya	Jakarta Thamrin	Jl. Kramat Raya No. 94-96, Jakarta Pusat 10450	(021) 3161938	(021) 3161946

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Jakarta Cimanggis	Jakarta Sudirman	Jl. Raya Jakarta Bogor Km. 28, Jakarta Timur 13710	(021) 70973988	(021) 87713945, 87711803
Jakarta Plaza Kramat Jati Indah	Jakarta Sudirman	Jl. Raya Bogor, Pertokoan Ramayana Blok A No.11-12, Jakarta Timur 13510	(021) 84977412, 92694412	(021) 8482936
Jakarta Cirendeu	Jakarta Sudirman	Jl. Cirendeu Raya, Pertokoan Prima Indah No. 10, Tangerang 15419	(021) 92694415	(021) 7444812
Jakarta Cibubur	Jakarta Sudirman	Jl. Lapangan Tembak, Pertokoan Cibubur Indah Blok A.22-23, Jakarta Timur 13720	(021) 92694414	(021) 87704206
Bekasi Plaza Pondok Gede	Jakarta Sudirman	Jl. Raya Pondok Gede No. 50 B, Pondok Gede, Bekasi 17414	(021) 84977412, 92694412	(021) 8482936
Depok	Jakarta Sudirman	Jl. Margonda Raya No. 2, Depok 16432	(021) 92694413	(021) 7762684
Cinere	Jakarta Sudirman	Jl. Cinere Raya Kav. 32-33, Depok 16514	(021) 92694416	(021) 7547565
Depok I	Jakarta Sudirman	Jl. Nusantara Raya No. 25 AB, Depok 16432 Alamat Booking Kredit: Hub Pasar Rebo Plaza PP, Jl. Letjend. T.B. Simatupang No. 57, Jakarta Timur 13760	(021) 7764715	(021) 7764715
Depok Tengah	Jakarta Sudirman	Komplek Ruko Sukmajaya No. 15, Jl. Tole Iskandar, Depok II Tengah, Depok 16411 Alamat Booking Kredit: Hub Pasar Rebo Plaza PP, Jl. Letjend. T.B. Simatupang No. 57, Jakarta Timur 13760	(021) 77823438	(021) 7715441
Jakarta Mayestik	Jakarta Sudirman	Jl. Kyai Maja No. 6 A1-2, Kebayoran Baru, Jakarta Selatan 12120	(021) 70978006	(021) 7233715
Jakarta Pasar Minggu	Jakarta Sudirman	Jl. Raya Pasar Minggu No. 89 J, Pejaten, Jakarta Selatan 12510	(021) 70625334	(021) 79192536
Jakarta Melawai	Jakarta Sudirman	Jl. Melawai Raya No.12-14, Kebayoran Baru Jakarta Selatan 12160	(021) 92694417	(021) 2700352
Jakarta Pamulang	Jakarta Sudirman	Komplek Pertokoan Pamulang Permai Blok SH IX Kav. 11-14, Tangerang 15417	(021) 92718230	(021) 74713028
Jakarta Fatmawati	Jakarta Sudirman	Jl. R.S. Fatmawati No. 8, Cilandak, Jakarta Selatan 12430	(021) 92715040	(021) 7692309
Jakarta Bintaro Jaya	Jakarta Sudirman	Jl. Bintaro Utama, Bintaro Jaya Sektor I, Jakarta Selatan 12330	(021) 7375187	(021) 7374537, 736406869
Jakarta Palmerah	Jakarta Sudirman	Jl. Palmerah Barat No. 39, Jakarta Pusat 10270 Alamat Booking Kredit: Plaza Bapindo, Jl. Jend. Sudirman Kav. 54-55 Jakarta Selatan 12190	(021) 5307758	(021) 5308376
Jakarta Kebayoran Lama	Jakarta Sudirman	Jl. Raya Kebayoran Lama No. 222, Jakarta Selatan 12220	(021) 725 6917	(021) 72791036
Tangerang Ciputat Center	Jakarta Sudirman	Ruko Mutiara Center B/3 Jl. Dewi Sartika Ciputat Tangerang	(021) 7400352	(021) 7426021
Jakarta Simprug	Jakarta Sudirman	Jl. Kramat No. 5 A-C, Arteri Simprug, Kebayoran Lama, Jakarta Selatan 12240	(021) 7397958	(021) 7231358
Purwakarta	Bandung	Jl. Sudirman No. 176, Purwakarta 41115	(0264) 207185	(0264) 201507
Bandung Alun-alun	Bandung	Jl. Asia Afrika No. 51, Bandung 40261	(022) 4205555	(022) 4205312
Bandung Siliwangi (Lapangan Raya)	Bandung	Jl. Siliwangi No. 3, Bandung 40132	(022) 2506858	(022) 2531940
Bandung Braga	Bandung	Jl. Braga No. 133, Bandung 40111	(022) 70831973	(022) 4204444
Bandung Padjajaran	Bandung	Jl. Pajajaran No. 125, Bandung 40174	(022) 91142244	(022) 6002019
Bandung Pasteur	Bandung	Jl. Dr. Junjuran No. 155 A, Bandung 40173	(022) 70840361	(022) 6020361
Bandung Otista	Bandung	Jl. Otto Iskandardinata No. 293, Bandung 40251 Alamat Booking Kredit: Hub Bandung Braga, Jl. Braga No. 133, Bandung 40111	(022) 70838293	(022) 4237271
Bandung Kiara Condong	Bandung	Jl. Kiara Condong No. 95, Bandung 40281	(022) 7213891	(022) 7205633
Cimahi	Bandung	Jl. Raya Cimahi No. 612, Bandung 40525	(022) 6645209	(022) 6645209
Bandung Sukarno Hatta	Bandung	Jl. Soekarno Hatta No. 486, Bandung 40266	(022) 70284145	(022) 7562944
Bandung Buah Batu	Bandung	Jl. Soekarno Hatta No. 132 B, Bandung 40235 Alamat Booking Kredit: Hub Bandung Asia Afrika Utara Jl. Asia Afrika No. 107, Bandung 40112	(022) 70725682	(022) 6046261
Bandung Bina Citra	Bandung	Jl. Soekarno Hatta No. 162, Bandung 40235	(022) 70687389	(022) 5409846
Sumedang	Bandung	Jl. Abdul Rahman No. 99, Sumedang	(0261) 201523	(0261) 201523
Bandung Ujung Berung	Bandung	Jl. Raya Ujungberung No.134, Bandung 40612	(022) 7834976	(022) 7834977
Bandung Ahmad Yani	Bandung	Jl. Jend. Ahmad Yani No. 730, Gerbang Puri Tirta Kencana, Bandung 40282	(022) 7278151	(022) 7213708
Bandung Martadinata	Bandung	Jl. R.E. Martadinata No.103, Bandung 40115	(022) 4267694	(022) 4204991
Garut	Bandung	Jl. Ahmad Yani No. 24, Garut 44115	(0262) 243971	(0262) 232675
Bandung Kopo	Bandung	Jl. Raya Terusan Kopo 228 A, Bandung 40226	(022) 5425541	(022)4204991
Bogor Kapten Muslihat	Bandung	Jl. Kapten Muslihat No. 17, Bogor 16121	(0251) 352529	(0251) 356037

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Bogor Suryakencana(Siliwangi)	Bandung	Jl. Surya Kencana No. 310, Bogor 10123	(0251) 7165499	(022) 381134
Cianjur	Bandung	Jl. Suroso No. 51, Cianjur 43211	(0263) 270891	(0263) 270891
Cipanas	Bandung	Jl. Raya Cipanas No. 43, Pacet, Cianjur 43553	(0263) 524467	(0263) 511039
Bogor Juanda	Bandung	Jl. Ir. H. Juanda No. 12, Bogor 16121	(0251) 357018	(0251) 356037
Sukabumi Ahmad Yani	Bandung	Jl. Ahmad Yani No. 44, Sukabumi 43131	(0266) 237393	(0266) 2211160
Tasikmalaya Otto Iskandardinata	Bandung	Jl. Otto Iskandardinata No. 26, Tasikmalaya 46113	(0265) 313582	(0265) 331824
Tasikmalaya Sutisna	Bandung	Jl. Sutisna Senjaya No. 88, Tasikmalaya 46114	(0265) 332422	(0265) 332422
Ciamis	Bandung	Jl. Ahmad Yani No. 21, Ciamis 46211	(0265) 771383	(0265) 771384
Cirebon Yos Sudarso	Bandung	Jl. Yos Sudarso No. 11, Cirebon 45111	(0231) 246655	(0231) 223421
Cirebon Tegal Wangi	Bandung	Jl. Raya Tegalwangi Km. 9 No. 58, Cirebon 45154	(0231) 325480	(0231) 321026
Cirebon Siliwangi	Bandung	Jl. Siliwangi No. 139, Cirebon 45124	(0231) 3387057	(0231) 206343
Majalengka Kadipaten	Bandung	Jl. Raya Timur No. 124, Kadipaten, Majalengka 45453	(0233) 664511	(0233) 662004
Jatibarang	Bandung	Jl. Mayor Dasuki No. 92, Jatibarang Alamat Booking Kredit: Spoke Indramayu Panjaitan Jl. D.I. Panjaitan No. 8, Indramayu 54212	(0234)-356535	(0234) 353569
Magelang	Yogyakarta	Jl. Sudirman No. 26, Komplek Pertokoan Rejotumoto, Magelang 56126	(0293) 312480	(0293) 364282
Yogyakarta Sudirman	Yogyakarta	Jl. Jend. Sudirman No. 26, Yogyakarta 55232	(0274) 586425	(0274) 561893
Yogyakarta STIE YKPN	Yogyakarta	Kampus STIE YKPN, Jl. Seturan, Yogyakarta 55213 Alamat Booking Kredit: KC Wisma PU, Jl. Laksda Adisucipto No. 165 Yogyakarta 55281	(0274) 486164	(0274) 486164
Yogyakarta Diponegoro 1	Yogyakarta	Jl. Pangeran Diponegoro No. 107 Yogyakarta 55231	(0274) 586731	(0274) 562878
Yogyakarta Katamso	Yogyakarta	Jl. Brigjend. Katamso No. 69 B, Yogyakarta 55121	(0274) 415681	(0274) 415388
Yogyakarta UGM	Yogyakarta	Jl. Kaliurang, Sekip Blok L 6, Yogyakarta 55281	(0274) 541909	(0274) 541908
Parakan	Yogyakarta	Jl. H. Saubari No.10, Parakan, Temanggung 56254	(0293) 596598	(0293) 596598
Yogyakarta Diponegoro 2	Yogyakarta	Spoke Yogyakarta Diponegoro Jl. Pangeran Diponegoro No. 107, Yogyakarta 55231	(0274) 368275	(0274) 562878
Muntilan	Yogyakarta	Kompleks Ruko Muntilan Plaza, Jl. Pemuda, Muntilan 56414	(0293) 585985	(0293) 585985
Solo Purwotomo	Yogyakarta	Jl. BrigJend. Slamet Riyadi No.329, Solo 57142	(0271) 717786	(0271) 712864, 713896
Solo Slamet Riyadi 1	Yogyakarta	Jl. BrigJend. Slamet Riyadi No. 16, Solo 57111	(0271) 661638	(0271) 661638, 645500
Solo Slamet Riyadi 2	Yogyakarta	Jl. Brigjend. Slamet Riyadi No. 16, Solo 57111	(0271) 669817	(0271) 661638, 645500
Klaten	Yogyakarta	Jl. Pemuda Utara No. 115, Klaten 57414	(0272) 325743	(0272) 321277
Purwokerto	Yogyakarta	Jl. Jend. Sudirman No. 463, Purwokerto 53114	(0281) 642624	(0281) 642934
Gombong	Yogyakarta	Jl. Yos Sudarso No. 245, Gombong 54411	(0287) 5500111	(0287) 474020, 472695
Cilacap	Yogyakarta	Jl. Jend. Ahmad Yani No. 100, Cilacap 53212	(0282) 534898	(0282) 535408
Kutoarjo	Yogyakarta	Jl. Pangeran Diponegoro No. 114, Kutoarjo 54212	(0275) 641306	(0275) 641306
Banjarnegara	Yogyakarta	Jl. S. Parman No. 31, Banjarnegara 53411	(0286) 592375	(0286) 592375
Semarang Pahlawan	Semarang	Jl. Pahlawan No. 3, Semarang 50241	(024) 8450527	(024) 9311366
Semarang Sugiyopranoto 1	Semarang	Jl. Sugiyopranoto No. 36 A-B, Semarang 50246	(024) 70702520	(024) 3585084
Semarang Candi Baru	Semarang	Jl. S. Parman No. 55 K, Ruko Sultan Agung, Semarang 50232	(024) 70709465	(024) 8505501
Semarang Sugiyopranoto 2	Semarang	Jl. Sugiyopranoto No. 36 A-B, Semarang 50246	(024) 70702540	(024) 3585084
Semarang Kepodang	Semarang	Jl. Kepodang No. 32-34, Semarang 50137	(024) 3544401	(024) 355184
Ungaran	Semarang	Jl. Jend. Gatot Subroto No. 671 E-F, Semarang 50511	(024) 70784004	(024) 6924295
Kudus	Semarang	Jl. Jend. Sudirman No. 164, Kudus 59301	(0283) 342155	(0291) 438769
Salatiga	Semarang	Jl. Diponegoro No. 41, Salatiga 50711	(0298) 313464	(0298) 316011
Semarang Majapahit	Semarang	Kompleks Ruko Majapahit, Jl. Majapahit No. 339, Semarang 50191	(024) 70780650	(024) 8505501
Tegal Arif Rahman Hakim	Semarang	Jl. Arief Rahman Hakim No. 19, Tegal 52123	(0283) 3319277	(0283) 353628
Tegal Sudirman	Semarang	Jl. Jend. Sudirman No. 11, Tegal 52131	(0283) 342155	(0283) 322194
Brebes	Semarang	Plaza Dedy Jaya, Jl. Jend.eral Sudirman No. 109, Brebes 52212	(0283) 3319266	(0283) 673535
Pekalongan Hayam Wuruk 1	Semarang	Jl. Hayam Wuruk No. 5, Pekalongan 51119	(0285) 422550	(0285) 435087
Pekalongan Hayam Wuruk 2	Semarang	Jl. Hayam Wuruk No. 5, Pekalongan 51119	(0285) 422550	(0285) 435087
Surabaya Sungkono	Surabaya	Jl. Mayjend. Sungkono No. 121 F, Surabaya 60225	(031) 5632909	(031) 5678075
Surabaya Rungkut Megah Raya	Surabaya	Komplek Pertokoan Rungkut Megah Raya Blok E/5-6, Jl. Raya Kali Rungkut No.5 Surabaya 60293	(031) 8704910	(031) 8704910

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Surabaya Rungkut SIER	Surabaya	Jl. Rungkut Industri Raya No. 10, Surabaya 60293	(031) 8472974	(031) 8472974
Sidoarjo	Surabaya	Jl. Ahmad Yani No. 7, Sidoarjo 61219	(031) 8959290	(031) 8941577
Sidoarjo Porong	Surabaya	Jl. Raya Porong No. 160, Sidoarjo 61274	(0343) 842808	(0343) 842323
Sidoarjo Krian	Surabaya	Jl. Raya Krian No. 47, Krian, Sidoarjo 61262 Alamat Booking Kredit: Spoke Sidoarjo Jl. Ahmad Yani No. 7, Sidoarjo 61219	(031) 8982377	(031) 8971304
Surabaya Bratang Binangun	Surabaya	Jl. Ngagel Jaya Selatan, Plaza Manyar Megah Indah Blok J 5-6, Surabaya 60284	(031) 5054765	(031) 5054765
Surabaya Pemuda	Surabaya	Jl. Pemuda No. 27-31, Surabaya 60271	(031) 5312253	(031) 5311429
Surabaya Gubeng	Surabaya	Jl. Kalimantan No.10, Surabaya 60281	(031) 5025345	(031) 5035346
Mojokerto	Surabaya	Jl. Mojopahit No. 375 A-B, Mojokerto 61321	(0321) 330725	(0321) 323093
Jombang	Surabaya	Ruko Cempaka Mas Blok A 1-2, Jl. Soekarno-Hatta No. 3, Jombang 61481	(0321) 875142	(0321) 875542
Surabaya Stasiun Kota	Surabaya	Jl. Stasiun Kota No.60 C-D Kav. No.1 dan 2, Surabaya 60160	(031) 3525307	(031) 3530951
Bojonegoro	Surabaya	Jl. Panglima Sudirman No. 107-109, Bojonegoro 62113	(0353) 892110	(0353) 892114
Surabaya Kembang Jepun	Surabaya	Jl. Kembang Jepun No.168-170, Surabaya 60162	(031) 3557150	(031) 3550576
Surabaya Indrapura	Surabaya	Jl. Indrapura No. 45, Surabaya 60176		(031) 3544319
Surabaya Tanjungperak	Surabaya	Jl. Perak Timur No. 398, Surabaya 60164	(031) 3293553	(031) 3293579
Tuban	Surabaya	Jl. Basuki Rachmat No. 55, Tuban 62317	(0356) 333204	(0356) 892114
Gresik	Surabaya	Jl. R.A. Kartini No. 210, Gresik 61122	(031) 3972835	(031) 3981442
Lamongan	Surabaya	Jl. Lamongrejo No. 120, Lamongan 62213	(0322) 316581	(0322) 318773
Pamekasan	Surabaya	Jl. Pangeran Diponegoro No.151, Pamekasan 69315	(0324) 330803	(0324) 324302
Surabaya Mulyosari	Surabaya	Jl. Raya Mulyosari No. 94, Pertokoan Sutorejo Prima Blok PC 21, Surabaya 60113	(031) 5962282	(031) 5926432
Surabaya Swandayani	Surabaya	Menara BBD, Jl. Basuki Rahmat No. 2-4 Surabaya 60261	(031) 5460855	(031) 5311305
Malang Merdeka	Malang	Jl. Merdeka Barat No. 1, Malang 65119	(0341) 335292	(0341) 335291
Malang Madiun	Malang	Jl. Pahlawan No. 29, Madiun 63116	(0351) 472472	(0351) 463482
Jember Alun alun	Malang	Jl. Jend. Ahmad Yani No. 3, Jember 68118	(0331) 427884	(0331) 485461
Probolinggo	Malang	Jl. Suryo No. 23, Probolinggo 67211	(0335) 423822	(0335) 422303
Situbondo	Malang	Jl. Jend. Ahmad Yani No. 102, Situbondo 68311	(0338) 676543	(0338) 671854
Banyuwangi	Malang	Jl. Dr. Wahidin Sudiro Husodo No. 2, Banyuwangi 68411	(0333) 421577	(0333) 423257
Pasuruan	Malang	Jl. Soekarno Hatta Kotak Pos 27, Pasuruan 67112	(0343) 432303	(0343) 432305
Kediri	Malang	Jl. Diponegoro No. 17, Kediri 64123	(0354) 699328	(0354) 681629
Malang Suprpto	Malang	Jl. Jaks Agung Suprpto 65, Malang 65112	(0341) 331212	(0341) 364665
Batu	Malang	Jl. Dewi Sartika No. 45, Batu	(0341) 512577	(0341) 512335
Tulungagung	Malang	Jl. Sudirman No. 55, Tulungagung 66219	(0355) 328155	(0355) 329834
Denpasar Gajah Mada	Denpasar	Jl. Gajah Mada No. 3, Denpasar 80112	(0361) 262983	(0361) 234646
Kuta Raya	Denpasar	Jl. Kuta Raya No.456, Denpasar 80361	(0361) 7464685	(0361) 752221
Denpasar Udayana	Denpasar	Jl. Udayana No. 11, Denpasar 80112	(0361) 233971	(0361) 231277
Mataram AA Gde Ngurah	Denpasar	Jl. AA Gde Ngurah No. 48 A-B, Mataram 83235		
Singaraja	Denpasar	Jl. Jend. A. Yani No. 60 Singaraja 81116		
Banjarmasin Pangeran Samudra	Banjarmasin	Jl. Lumbang Mangkurat No. 4, Banjarmasin 70111	(0511)3361154	(0511) 3361154, 3350928
Banjarmasin A. Yani	Banjarmasin	Jl. Achmad Yani No. 4 5, Banjarmasin 70233	(0511)3269626	(0511) 3257278
Banjar Baru	Banjarmasin	Jl. Jend.eral Ahmad Yani Km.34 No. 31 D, Banjarbaru, Kalimantan Selatan 70713	(0511)7473729	(0511) 4780777
Samarinda Sudirman	Banjarmasin	Jl. Jend. Sudirman No. 7, Samarinda 75111		
Balikpapan Suprpto	Banjarmasin	Jl. Jend. Suprpto No.1, Balikpapan 76131		
Makassar Kartini	Makassar	Jl. RA Kartini No. 12-14, Makassar 90111	(0411) 3650401	(0411) 333455
Sungguminasa	Makassar	Kompleks Graha Satelit Blok 12 A, Jl. Sultan Hasanuddin, Gowa 92111	(0411) 864226	(0411) 864226
Makassar Cendrawasih	Makassar	Jl. Cendrawasih No. 185, Makassar 90133	(0411) 8112628	(0411) 8112628
Makassar Sulawesi	Makassar	Jl. Sulawesi No. 81, Makassar 90174	(0411) 320473	(0411) 320473
Manado Datu Lolong Lasut	Makassar	Jl. Dotu Lolong Lasut No. 15, Manado 95122		
Bitung	Makassar	Jl. Dr. Sam Ratulangi No. 51, Bitung 95521		
Makassar Daya	Makassar	Komplek Bukit Khatulistiwa Blok B/9, Jl. Perintis Kemerdekaan Km.13, Makassar 90241 Alamat Booking Kredit: Hub Makassar Kartini, Jl. RA Kartini No. 12-14, Makassar 90111	(0411) 4772368	(0411) 4772368

STATEMENT OF THE BOARD OF COMMISSIONERS

We hereby declare that we are fully responsible for the Annual Report of PT Bank Mandiri (Persero) Tbk.

BOARD OF COMMISSIONERS



Edwin Gerungan
President Commissioner &
Independent Commissioner



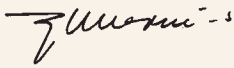
Muchayat
Deputy President
Commissioner



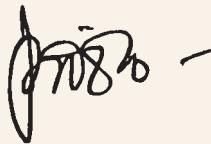
Soedarjono
Commissioner



Richard Claproth
Commissioner



Gunarni Soewarno
Independent Commissioner



Pradjoto
Independent Commissioner



Yap Tjay Soen
Independent Commissioner

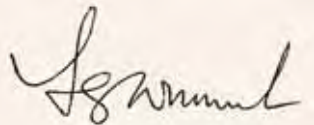
STATEMENT OF THE BOARD OF DIRECTORS

We hereby declare that we are fully responsible for the Annual Report of PT Bank Mandiri (Persero) Tbk.

BOARD OF DIRECTORS



Agus Martowardojo
President Director



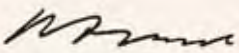
Wayan Agus Mertayasa
Deputy President Director



Omar Sjawaldy Anwar
Managing Director
Consumer Finance



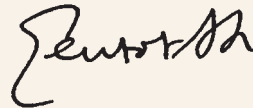
Zulkifli Zaini
Managing Director
Commercial Banking



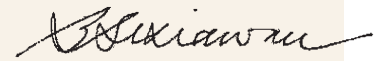
Sasmita
Managing Director
Technology & Operations



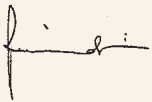
Abdul Rachman
Managing Director
Corporate Banking



Sentot A. Sentausa
Managing Director
Risk Management



Bambang Setiawan
Managing Director
Compliance & Human Capital



Riswinandi
Managing Director
Special Asset Management



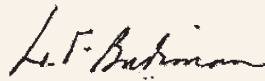
Thomas Arifin
Managing Director Treasury
& International Banking



Budi G. Sadikin
Managing Director
Micro & Retail Banking



Pahala Nugraha Mansury
EVP Coordinator
Finance & Strategy



Haryanto Tiara Budiman
EVP Coordinator Change
Management Office

**Consolidated Financial
Statements With Independent
Auditors' Report Year Ended
December 31, 2006 With
Comparative Figures for 2005**

BANK MANDIRI 

PT Bank Mandiri (Persero) Tbk.
and Subsidiaries

Independent Auditors' Report

Report No. RPC-6569

The Stockholders, the Boards of Commissioners and Directors PT Bank Mandiri (Persero) Tbk.

We have audited the consolidated balance sheet of PT Bank Mandiri (Persero) Tbk. (herein referred to as "Bank Mandiri") and Subsidiaries as of December 31, 2006, and the related consolidated statements of profit and loss, changes in shareholders' equity and cash flows for the year ended. These consolidated financial statements are the responsibility of Bank Mandiri's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of Bank Mandiri and Subsidiaries for the year ended December 31, 2005 were audited by Prasetyo, Sarwoko & Sandjaja whose report dated March 9, 2006, expressed an unqualified opinion on those statements and made reference to the financial statements of certain subsidiaries which were audited by other independent auditors whose reports expressed unqualified opinions which have been furnished to them. We did not audit the financial statements of certain subsidiaries of Bank Mandiri as of and for the year ended December 31, 2006, whose statements represent total assets of 4.57% of consolidated total assets as of December 31, 2006 and total operational revenues of 3.10% of consolidated operational revenues for the year then ended. Those financial statements were audited by other independent auditors whose reports expressed unqualified opinions and have been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the reports of the other independent auditors.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bank Mandiri Subsidiaries as of December 31, 2006, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles in Indonesia.

As discussed in Note 59 to the consolidated financial statements, accounting principles generally accepted in Indonesia vary in certain significant respects from International Financial Reporting Standards. The application of International Financial Reporting Standards and Bank Indonesia Regulations in respect of the minimum provision for unimpaired loans would have affected the consolidated shareholders' equity of Bank Mandiri and Subsidiaries as for December 31, 2006 and the consolidated results of their operations for the year then ended to the extent summarized in Note 60 to the consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as whole. The financial statements for the year ended December 31, 2005 of the Bank and certain subsidiaries were audited by Prasetyo, Sarwoko & Sandjaja and other independent auditors, respectively. The supplementary additional information is presented for purposes of additional analyses, and is not required part of the basic consolidated financial statements in accordance with generally accepted accounting principles in Indonesia. Such information, except for that pertaining to the year ended December 31, 2005, on which Prasetyo, Sarwoko & Sandjaja and other independent auditors have expressed unqualified opinion, has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements, and in our opinion, based on our audit and the reports of the other independent auditors, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Purwanto, Sarwoko & Sandjaja



Drs. Soemarso S. Rahardjo, ME
Public Accountant Licence No. 98.1.0064

March 2, 2007

**DIRECTORS STATEMENT ON
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2006
PT BANK MANDIRI (PERSERO) Tbk.**

We the undersigned :

1. Name : Agus Martowardojo
Office Address : Jl. Jend. Gatot Subroto Kav.36-38
Jakarta 12190
Residential Address : Kav Polri E/31 B RT011/RW007
Kelurahan Ragunan, Pasar Minggu
Jakarta Selatan
Telephone : 5245285
Title : President Director
2. Name : Wayan Agus Mertayasa
Office Address : Jl. Jend. Gatot Subroto Kav.36-38
Jakarta 12190
Residential Address : Jl Gereja Theresia No.21, Menteng
Jakarta Pusat
Telephone : 5245969
Title : Deputy President Director

as the stated position and authority on behalf of Board of Directors, declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements.
2. The consolidated financial statements of PT Bank Mandiri (Persero) Tbk and subsidiaries have been prepared and presented in accordance with accounting principles generally accepted in Indonesia.
3. a. All information has been fully and correctly disclosed in the consolidated financial statements of PT Bank Mandiri (Persero) Tbk.
b. The consolidated financial statements of PT Bank Mandiri (Persero) Tbk and subsidiaries do not contain false material information or facts, nor do they not omit material information or facts.
4. We are responsible for the internal control system of PT Bank Mandiri (Persero) Tbk.

This is our declaration, which has been made truthfully.

Jakarta, March 2, 2007



Agus Martowardojo
President Director

Wayan Agus Mertayasa
Deputy President Director

**Consolidated Financial Statements
With Independent Auditors' Report
Year Ended December 31, 2006
With Comparative Figures for 2005**

**PT BANK MANDIRI (PERSERO) TBK.
AND SUBSIDIARIES**

These consolidated financial statements are originally issued in Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2006
WITH COMPARATIVE FIGURES FOR 2005**

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These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
ASSETS			
Cash	2e	3,965,717	2,522,764
Current Accounts with Bank Indonesia	2e, 3	21,579,158	20,304,705
Current Accounts with Other Banks - net of allowance for possible losses of Rp11,149 and Rp7,725 as of December 31, 2006 and 2005	2d, 2e, 2o, 4, 36, 47	537,234	697,603
Placements with Bank Indonesia and Other Banks - net of allowance for possible losses of Rp97,981, and Rp154,871 as of December 31, 2006 and 2005	2f, 2o, 5, 36	9,435,541	23,617,054
Securities	2d, 2g, 2o, 6, 36, 47		
Related parties		873,264	600,200
Third parties		18,627,219	11,238,532
		19,500,483	11,838,732
Less: Unamortized discounts, unrealized (losses)/gains from decrease/increase in value of securities and allowance for possible losses		(1,139,525)	(1,334,463)
		18,360,958	10,504,269
Government Recapitalization Bonds	2d, 2h, 2o, 7, 47	90,648,024	92,055,964
Other Receivables - Trade Transactions - net of allowance for possible losses of Rp812,247 and Rp1,101,415 as of December 31, 2006 and 2005	2d, 2i, 2o, 8, 36, 47	1,958,039	2,724,729
Securities Purchased with Agreements to Resell - net of allowance for possible losses of Rp8,600 and RpNil as of December 31, 2006 and 2005	2j, 2o, 9, 36	833,388	317,043
Derivative Receivables - net of allowance for possible losses of Rp4,260 and Rp3,443 as of December 31, 2006 and 2005	2k, 2o, 10, 36	410,727	315,243
Loans	2d, 2l, 2o, 11, 36, 47, 54		
Related parties		750,672	1,245,740
Third parties		117,006,650	105,607,206
		117,757,322	106,852,946
Less: Deferred income		(86,380)	(159,858)
		117,670,942	106,693,088
Less: Allowance for possible losses		(14,388,695)	(11,823,614)
Loans - net		103,282,247	94,869,474
Acceptances Receivable - net of allowance for possible losses of Rp155,223 and Rp429,092 as of December 31, 2006 and 2005	2d, 2m, 2o, 12, 36, 47	3,453,170	3,890,010
Investments in Shares of Stock - net of allowance for possible losses of Rp73,625 and Rp73,298 as of December 31, 2006 and 2005	2n, 2o, 13, 36	84,870	68,066

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
ASSETS (continued)			
Premises and Equipment - net of accumulated depreciation and amortization of Rp3,392,670 and Rp2,836,857 as of December 31, 2006 and 2005	2p, 14	4,709,243	5,305,413
Deferred Tax Assets - net	2v, 27e	3,295,451	2,231,402
Other Assets – net of allowance for possible losses of Rp994,703 and Rp427,225 as of December 31, 2006 and 2005	2d, 2q, 2r, 15	4,963,425	3,959,609
TOTAL ASSETS		267,517,192	263,383,348

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Liabilities Immediately Payable		671,339	675,285
Deposits from Customers			
Demand deposits	2d, 2s, 16, 47		
Related parties		333,512	314,961
Third parties		48,479,241	46,095,309
		48,812,753	46,410,270
Savings deposits	2d, 2s, 17, 47		
Related parties		46,355	23,276
Third parties		60,257,206	47,129,902
		60,303,561	47,153,178
Time deposits	2d, 2s, 18, 47		
Related parties		877,911	1,080,031
Third parties		95,713,323	111,646,173
		96,591,234	112,726,204
Total Deposits from Customers		205,707,548	206,289,652
Deposits from Other Banks			
Demand and savings deposits	2d, 2t, 19, 47	1,286,609	415,841
Inter-bank call money	2t, 20	1,899,681	838,019
Time deposits	2t, 21	5,003,010	5,545,129
Total Deposits from Other Banks		8,189,300	6,798,989
Securities Sold with Agreements to Repurchase	2j, 22	1,859,780	2,046,420
Derivative Payables	2k, 10	100,823	189,546
Acceptances Payable	2m, 23, 47	3,608,393	4,319,102
Securities Issued - net of unamortized discount of Rp3,660 and Rp2,754 as of December 31, 2006 and 2005, respectively	2u, 24	3,793,883	3,983,469
Fund Borrowings	2d, 25, 47	3,424,892	4,279,631
Estimated Losses on Commitments and Contingencies	2o, 26, 45	514,399	594,084
Accrued Expenses		590,533	693,956
Taxes Payable	2v, 27a	1,582,800	272,101
Other Liabilities	2y, 28	6,970,296	5,619,744
Subordinated Loans	29	4,157,360	4,402,266
TOTAL LIABILITIES		241,171,346	240,164,245

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY (continued)			
Minority Interests in Net Assets of Consolidated Subsidiaries	30	5,176	4,705
SHAREHOLDERS' EQUITY			
Share Capital - Rp500 (full amount) par value per share			
Authorized capital - 1 share Dwiwarna Series A and 31,999,999,999 common shares Series B			
Issued and fully paid-up capital - 1 share Dwiwarna Series A and 20,631,217,467 common shares Series B as of December 31, 2006 (1 share Dwiwarna Series A and 20,255,717,364 common shares Series B as of December 31, 2005)	31a	10,315,609	10,127,859
Additional Paid-in Capital/Agio	31b	6,433,948	6,006,255
Differences Arising from Translation of Foreign Currency Financial Statements	2c	86,867	108,923
Unrealized Gains/(Losses) on Availables-for-Sale Securities and Government Recapitalization Bonds - net of deferred tax	2g, 2h	229,572	(241,961)
Premises and Equipment Revaluation Increment	2p, 14, 31c	3,046,936	3,046,936
Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	2n, 31e	9,318	(14,063)
Share Options	2z, 32	105,330	175,012
Retained Earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganization as of April 30, 2003)			
Appropriated	31d	2,575,369	2,560,285
Unappropriated	31d	3,537,721	1,445,152
Total Retained Earnings		6,113,090	4,005,437
TOTAL SHAREHOLDERS' EQUITY		26,340,670	23,214,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		267,517,192	263,383,348

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
INCOME AND EXPENSES FROM OPERATIONS			
Interest Income			
Interest income	2l, 2w, 2ad, 33	25,657,397	20,366,450
Fees and commissions on loan facilities	2x, 33	603,709	632,775
Total Interest Income		26,261,106	20,999,225
Interest Expense			
Interest expense	2w, 34	(15,776,751)	(11,747,360)
Other financing expenses		(139,119)	(296,821)
Total Interest Expense		(15,915,870)	(12,044,181)
NET INTEREST INCOME		10,345,236	8,955,044
Other Operating Income			
Other fees and commissions	2x	1,755,027	1,577,330
Foreign exchange gains - net	2c	379,727	74,079
Others	35	351,345	671,462
Total Other Operating Income		2,486,099	2,322,871
Provision for Possible Losses on Earning Assets	2o, 36	(3,671,788)	(4,445,226)
Reversal/(Addition) of Estimated Losses on Commitments and Contingencies	2o, 26c	37,670	(80)
Reversal of Allowance for Possible Losses - Others	15, 28, 37	128,945	1,056,645
Gains/(Losses) from Increase/(decrease) in Value of Securities and Government Recapitalization Bonds	2g, 2h, 38	109,381	(89,144)
Gains from Sale of Securities and Government Recapitalization Bonds	2g, 2h, 2ad, 39	137,542	255,458
Other Operating Expenses			
General and administrative expenses	2p, 40	(3,250,893)	(3,080,079)
Salaries and employee benefits	2d, 2y, 2z, 32, 41, 42, 47	(3,017,502)	(3,187,255)
Others - net	43	(593,580)	(600,661)
Total Other Operating Expenses		(6,861,975)	(6,867,995)
PROFIT FROM OPERATIONS		2,711,110	1,187,573
Non-operating Income - net	44	120,086	45,304
PROFIT BEFORE TAX BENEFIT (EXPENSE) AND MINORITY INTERESTS		2,831,196	1,232,877
Tax Benefit (Expense)			
Current	2v, 27b, 27c	(1,675,010)	(500,501)
Deferred	2v, 27b, 27d	1,266,286	(127,845)
Tax Expense, net		(408,724)	(628,346)
PROFIT BEFORE MINORITY INTERESTS		2,422,472	604,531
MINORITY INTERESTS IN NET PROFIT OF CONSOLIDATED SUBSIDIARIES		(1,067)	(1,162)
NET PROFIT		2,421,405	603,369

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS (continued)
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
EARNINGS PER SHARE	2aa		
Basic (full amount)		119.08	29.90
Diluted (full amount)		117.83	29.68

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES'
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid-up Capital	Additional Paid-in Capital/Agio	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized Gains/(Losses) on Available-for-Sale Securities and Government Bonds-net of deferred tax	Revaluation Increment of Premises and Equipment	Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	Share Options	Retained Earnings *)		Total Shareholders' Equity	
								Appropriated	Unappropriated		
	10,066,427	5,967,897	72,554	(404,001)	3,046,936	9,788	13,831	747,000	5,414,275	6,161,275	24,934,707
Execution of shares options from Management Stock Option Plan (MSOP)	61,432	38,369	-	-	-	-	(8,565)	-	-	-	91,225
General and specific reserve allocated from 2004 net profit	-	-	-	-	-	-	-	1,813,285	(1,813,285)	-	-
Dividends allocated from 2004 net profit	-	-	-	-	-	-	-	-	(2,627,816)	(2,627,816)	(2,627,816)
Cooperative development fund program and community development reserve allocated from 2004 net profit	-	-	-	-	-	-	-	-	(105,113)	(105,113)	(105,113)
Directors and Commissioners' Tantiem from 2004 net profit	-	-	-	-	-	-	-	-	(26,278)	(26,278)	(26,278)
Differences Arising from Translation of Foreign Currency Financial Statements	-	-	36,369	-	-	-	-	-	-	-	36,369
Unrealized gains on available for sale securities and government recapitalization bonds - net of deferred tax	-	-	-	162,040	-	-	-	-	-	-	162,040
Recognition of shares options from Management Stock Option Plan (MSOP)	-	-	-	-	-	-	169,746	-	-	-	169,746
Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	-	-	-	-	-	(23,851)	-	-	603,369	-	603,369
Net profit for the year ended 31 December, 2005	-	-	-	-	-	-	-	-	-	-	-
Balance as of 31 December, 2005	10,127,859	6,006,255	108,923	(241,981)	3,046,936	(14,063)	175,012	2,560,285	1,445,152	4,005,437	23,214,398

*) Accumulated losses of Rp162,874,901 have been eliminated with additional paid-in capital/agio due to quasi reorganization as of April 30, 2003

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid-Up Capital	Additional Paid-in Capital/Agio	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized Gains/(Losses) on Available-for-Sale Securities and Government Recapitalization Programs-net of deferred tax	Revaluation Increment of Property and Equipment	Difference Arising from Transactions Resulting in the Equity of Subsidiaries	Share Options	Retained Earnings *)		Total Shareholders' Equity	
								Appropriated	Unappropriated		
Balance as of December 31, 2005	10,127,859	6,006,255	108,923	(241,961)	3,046,936	(14,063)	175,012	2,560,285	1,445,152	4,005,437	23,214,398
General and specific reserve allocated from 2005 net profit	-	-	-	-	-	-	-	15,084	(15,084)	-	-
Dividends allocated from 2005 net profit	-	-	-	-	-	-	-	-	(301,685)	-	(301,685)
Cooperative development fund program and community development reserve allocated from 2005 net profit	-	-	-	-	-	-	-	-	-	(12,067)	(12,067)
Execution of shares options from Management Stock Option Plan (MSOP)	187,750	427,693	-	-	-	-	(200,352)	-	-	-	415,091
Differences arising from translation of foreign currency financial statements	-	-	(22,056)	-	-	-	-	-	-	-	(22,056)
Unrealized gains on available for sale securities and government recapitalization bonds - net of deferred tax	-	-	-	471,533	-	-	-	-	-	-	471,533
Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	-	-	-	-	-	23,381	-	-	-	-	23,381
Recognition of share options from Management Stock Option Plan (MSOP)	-	-	-	-	-	-	130,670	-	-	-	130,670
Net profit for the year ended December 31, 2006	-	-	-	-	-	-	-	-	2,421,405	-	2,421,405
Balance as of December 31, 2006	10,315,609	6,433,948	86,867	229,572	3,046,936	9,318	105,330	2,575,369	3,537,721	6,113,090	26,340,670

*) Accumulated losses of Rp162,974,901 have been eliminated with additional paid-in capital/agio due to quasi reorganization as of April 30, 2003

The accompanying notes form an integral part of these consolidated financial statements.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interest income	2l, 2w, 2ad	25,759,601	19,534,754
Receipts from fees and commissions	2x	2,358,736	2,210,104
Payments of interest expenses	2w	(15,880,174)	(11,783,158)
Payments of other financing expenses		(139,119)	(296,821)
Receipts from the sale of Government Recapitalization Bonds - trading portfolio	2g, 2h, 2ad	3,253,360	7,999,998
Acquisition of Government Recapitalization Bonds - trading portfolio		(1,845,117)	(8,173,726)
Foreign exchange gains/(losses) - net	2c, 2h	599,902	(928,517)
Operating income - others		587,127	692,840
Operating expenses - others		(593,578)	(600,662)
Salaries and employee benefits	2y, 2z	(2,845,005)	(2,652,702)
General and administrative expenses	2p	(2,642,535)	(2,522,373)
Non-operating income/(expense) - others		246,292	(109,659)
Profit before changes in operating assets and liabilities		8,859,490	3,370,078
(Increase)/decrease in operating assets:			
Placements with Bank Indonesia and other banks	2f, 2o	14,238,403	(9,500,609)
Securities and Government Recapitalization Bonds - trading portfolio	2g, 2o	(292,604)	(156,366)
Other Receivables - Trade transactions	2i, 2o	1,055,858	(1,035,092)
Loans	2l, 2o	(15,874,043)	(12,120,897)
Proceeds from collection of earning assets already written-off		1,086,061	830,539
Other assets	2q, 2r	(873,007)	4,646,124
Increase/(decrease) in operating liabilities:			
Demand deposits	2s	4,493,436	3,967,854
Saving deposits	2s	13,150,383	(6,380,224)
Time deposits	2s	(15,496,976)	27,221,611
Inter-bank call money	2t	1,061,662	(1,126,341)
Liabilities immediately payable		(3,946)	129,008
Taxes payable	2v	(364,311)	(724,524)
Other liabilities	2n, 2y	1,202,403	432,339
Estimated losses on commitments and contingencies	2o	(2,419)	288
Net cash provided by operating activities		12,240,390	9,553,788
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(Increase) in securities - available for sale and held to maturity	2g	(6,678,117)	1,927,795
(Increase)/decrease in government recapitalization bonds - available for sale and held to maturity		(242,160)	1,935,476
Redemption of matured Government recapitalization bonds	2h	-	2,865,356
Addition to Government recapitalization bonds	2h	-	(2,865,356)
Proceeds from sale of premises and equipment	2p	65,017	48,797
Acquisition of premises and equipment		(263,847)	(411,507)
Decrease/(Increase) in investments in shares of stock	2n	6,250	(1,035)
Decrease/(Increase) in securities purchased with agreements to resell	2j	(524,945)	391,091
Net cash provided by/(used in) investing activities		(7,637,802)	3,890,617

The accompanying notes form an integral part of these consolidated financial statements.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2006	2005
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in securities issued	2g	(189,586)	(10,511)
Decrease in fund borrowings		(1,522,333)	(3,035,246)
Decrease in subordinated loans		(244,906)	(2,413,940)
Decrease in securities sold with agreements to repurchase	2j	(186,640)	(867,212)
Payments of dividends	31d	(313,752)	(2,759,207)
Execution of shares option	2z	415,090	91,225
Net cash used in financing activities		(2,042,127)	(8,994,891)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,560,461	4,449,514
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		23,532,797	19,083,283
CASH AND CASH EQUIVALENTS AT END OF YEAR		26,093,258	23,532,797
Cash and cash equivalents at end of year consist of:			
Cash	2e	3,965,717	2,522,764
Current accounts with Bank Indonesia	2e, 3	21,579,158	20,304,705
Current accounts with other banks	2e, 4	548,383	705,328
Total Cash and Cash Equivalents		26,093,258	23,532,797
SUPPLEMENTAL NON-CASH FLOWS INFORMATION			
Activities not affecting cash flows:			
Unrealized gains on securities and government recapitalization bonds available for sale		471,533	162,040
Unrealized (losses)/gains on securities and Government recapitalization bonds trading		109,381	(89,144)
Recognition of shares options from Management Stock Option Plan (MSOP)		(130,670)	(169,746)

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in Indonesian language.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment

PT Bank Mandiri (Persero) Tbk. (hereinafter referred to as "Bank Mandiri" or the "Bank") was established in the Republic of Indonesia on October 2, 1998 under Government Regulation No. 75 of 1998 dated October 1, 1998 and based on notarial deed No. 10 of Sutjipto, S.H. dated October 2, 1998. The deed of establishment was approved by the Minister of Justice in decision letter No. C2-16561.HT.01.01.TH.98 dated October 2, 1998 and was published in Supplement No. 6859 of State Gazette No. 97 dated December 4, 1998. Bank Mandiri was established through the merger of the former PT Bank Bumi Daya (Persero) (BBD), former PT Bank Dagang Negara (Persero) (BDN), former PT Bank Ekspor Impor Indonesia (Persero) (Bank *Exim*) and former PT Bank Pembangunan Indonesia (Persero) (Bapindo) (hereinafter collectively referred to as the "Merged Banks").

Based on Article 3 of the Bank's Articles of Association, Bank Mandiri is engaged in banking activities in accordance with prevailing laws and regulations. The Bank commenced operations on August 1, 1999.

Bank Mandiri's Articles of Association have been amended several times. The amendment is in respect of the exercise of stock options under the Management Stock Option Plan (MSOP) program based on the number of share options executed.

During the year January 1, 2006 through December 31, 2006 and year 2005 the stock options exercised totaled 375,500,103 and 122,862,492 shares (Note 32). The stock options exercised during 2006 and 2005 resulted in the increase of the issued and fully paid-up capital by Rp187,750 and Rp61,431, respectively and additional paid in capital/agio of Rp427,693 and Rp38,359 respectively. The increase in additional paid in capital/agio represents the difference between the exercise price and market values of MSOP shares with the nominal value of Rp500 per share. The amendment of the Bank's Articles of Association related to the change in the capital structure is still in process.

b. Merger

At the end of February 1998, the Government announced its plan to restructure the Merged Banks.

In connection with such restructuring plan, the Government established Bank Mandiri in October 1998 through the payment of cash and the acquisition of the Government of the Republic of Indonesia's shares of stock in the Merged Banks (Notes 31a and 31b). Due to the impracticability of measurement, the difference between the transfer price and the book value of the shares of stock at the time of the acquisition was not determined. All losses incurred during the year of acquisition were taken into account in the Recapitalization Program.

The above mentioned restructuring plan provided for the merger of the Merged Banks into Bank Mandiri in July 1999 and the recapitalization of Bank Mandiri. The restructuring of the Merged Banks and Bank Mandiri also covered the following:

- Restructuring of loans.
- Restructuring of non-loan assets.
- Rationalization of domestic and overseas offices.
- Rationalization of human resources.

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PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2006
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(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

b. Merger (continued)

Based on the Merger Deed No. 100 of Sutjipto, S.H. dated July 24, 1999 the Merged Banks were legally merged into Bank Mandiri. The merger deed was legalized by the Minister of Justice in its decision letter No. C-13.781.HT.01.04.TH.99 dated July 29, 1999 and approved by the Governor of Bank Indonesia in his decision letter No. 1/9/KEP.GBI/1999 dated July 29, 1999. The merger was declared effective by the Chief of the South Jakarta Office of the Minister of Industry and Trade in his decision letter No. 09031827089 dated July 31, 1999.

Effective from the date of the merger:

- All of the assets and liabilities of the Merged Banks were transferred to Bank Mandiri, the surviving bank.
- All operations and business activities of the Merged Banks were transferred to and continued by Bank Mandiri.
- Bank Mandiri received additional paid-in capital amounting to Rp1,000,000 (one million Rupiah) (full amount) or equivalent to one share for each Merged Bank representing the remaining shares of the Government in the Merged Banks (Notes 31a and 31b).

Effective on the same date, the Merged Banks were legally dissolved without the process of liquidation and Bank Mandiri, as the surviving bank, received the rights and obligations of the Merged Banks.

c. Recapitalization

In response to the effects of the adverse economic conditions in Indonesia on the banking sector (Note 58), on December 31, 1998, the Government issued Regulation No. 84 of 1998 concerning its Recapitalization Program for Commercial Banks, which was designed to increase the paid-up capital of commercial banks to enable them to meet the minimum required capital adequacy ratio (CAR). The eligibility of commercial banks for inclusion in the Recapitalization Program is based on requirements and procedures set forth in the Joint Decrees No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated February 8, 1999 of the Minister of Finance and the Governor of Bank Indonesia. Under the Joint Decrees, the Government, among others, shall implement the Recapitalization Program for Commercial Banks with respect to all State-Owned Banks, Regional Development Banks and Commercial Banks that have been taken over by the Indonesian Bank Restructuring Agency (IBRA).

On May 28, 1999 the Government issued Government Regulation (PP) No. 52/1999 that provided for the increase in the Government of the Republic of Indonesia's capital participation in Bank Mandiri through Government Recapitalization Bonds to be issued by the Minister of Finance with a value of up to Rp137,800,000. The implementation of PP No. 52/1999 is set forth in Joint Decrees No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated July 29, 1999 of the Minister of Finance and the Governor of Bank Indonesia.

During the period the above mentioned bonds were not yet issued, Bank Mandiri accounted for such bonds as "Due from the Government" in the amount of Rp137,800,000 in accordance with the Government's commitment through the Minister of Finance's letter No. S-360/MK.017/1999 dated September 29, 1999 and the approval of the Minister of State-Owned Enterprises in letter No. S-510/M-PBUMN/1999 dated September 29, 1999.

PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL (continued)

c. Recapitalization (continued)

Based on Bank Indonesia Letter No. 1/1/GBI/DPIP dated October 11, 1999, concerning the issuance of Government Bonds/Debentures in connection with the Government of the Republic of Indonesia's investment in Bank Mandiri, Bank Indonesia agreed that the above receivable be included in Bank Mandiri's core capital ("Tier 1") for purposes of calculating its capital adequacy ratio (CAR) as of July 31, 1999 through September 30, 1999, subject to the condition that not later than October 15, 1999 the Government Bonds/Debentures should have been received by Bank Indonesia.

Based on Government Regulation No. 97 of 1999 dated December 24, 1999 concerning the increase in capital of the Government of the Republic of Indonesia in Bank Mandiri within the framework of the Recapitalization Program, the Government of the Republic of Indonesia increased its investment to a maximum of Rp42,200,000, such that the total maximum investment would amount to Rp180,000,000.

In connection with the implementation of the above Government Regulations No. 52 and No. 97 of 1999, in accordance with the Interim Recapitalization Agreement between the Government and Bank Mandiri and its amendment, the Government issued Government Recapitalization Bonds ("Recap Bonds") in two tranches of Rp103,000,000 on October 13, 1999 and Rp75,000,000 on December 28, 1999 so that as of December 31, 1999 the total Recapitalization Bonds issued in accordance with the aforementioned Agreements amounted to Rp178,000,000.

Based on the Management Contract dated April 8, 2000, between Bank Mandiri and the Government, the total amount of recapitalization required by Bank Mandiri was Rp173,931,000, or less than the amount of the Recapitalization Bonds. Of such excess, Rp1,412,000 is to be retained as additional paid-in capital, and the balance of Rp2,657,000 was returned to the Government on July 7, 2000 in the form of Recapitalization Bonds equivalent to 2,657,000 (two million six hundred and fifty seven thousand) units.

Based on the decision letter of the Minister of Finance No. S-174/MK.01/2003 dated April 24, 2003 regarding the return of the excess Government Recapitalization Bonds, which was previously retained as additional paid-in capital, Government Recapitalization Bonds amounting to Rp1,412,000 were returned to the Government on April 25, 2003 (Note 31b).

On May 23, 2003, the Minister of Finance issued decrees (KMK-RI) No. 227/KMK.02/2003 and No. 420/KMK-02/2003 dated September 30, 2003 confirming among others the final amount of the Government's participation in Bank Mandiri in the amount of Rp173,801,315 (Note 31b).

d. Initial Public Offering of the Bank's Shares

Bank Mandiri submitted its registration for an Initial Public Offering (IPO) to the Capital Market Supervisory Board (Bapepam) on June 2, 2003. The Registration Statement became effective based on the decision letter of the Chairman of Bapepam No. S-1551/PM/2003 dated June 27, 2003.

On July 14, 2003, Bank Mandiri made an IPO of its 4,000,000,000 shares, with a nominal value of Rp500 (full amount) per share with an initial selling price of Rp675 (full amount) per share. The offering of 4,000,000,000 shares of the Bank represents a divestment of 20% of the ownership of the Government of the Republic of Indonesia in Bank Mandiri (Note 31a).

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PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2006
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1. GENERAL (continued)

d. Initial Public Offering of the Bank's Shares (continued)

On July 14, 2003, 19,800,000,000 of Bank Mandiri's shares were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on Jakarta Stock Exchange's Approval Letter No. S-1187/BEJ.PSJ/07-2003 dated July 8, 2003 and Surabaya's Stock Exchange's Approval Letter No. JKT-028/LIST/BES/VII/2003 dated July 10, 2003.

Based on an amendment to the Articles of Association approved by the Minister of Justice and Human Rights in his decision letter No. C-12783.HT.01.04.TH.2003 dated June 6, 2003 that was published in Supplement No. 6590 of State Gazette No. 63 dated August 8, 2003, the Bank's name was changed from PT Bank Mandiri (Persero) to PT Bank Mandiri (Persero) Tbk.

e. Quasi-Reorganization

In order for Bank Mandiri to eliminate the negative consequences of being burdened by accumulated losses, the Bank undertook a quasi-reorganization as approved in the Shareholder's Extraordinary General Meeting (RUPSLB) on May 29, 2003.

The quasi-reorganization adjustments resulted in the accumulated losses of Rp162,874,901 as at April 30, 2003 being eliminated against additional paid-in capital/agio.

Bank Mandiri's Articles of Association were amended to reflect the change in additional paid-up capital as a result of quasi-reorganization, by notarial deed No. 130 of Sutjipto, S.H. dated September 29, 2003 which was approved by the Minister of Justice and Human Rights in his decision letter No. C-25309.HT.01.04.TH.2003 dated October 23, 2003 and was published in Supplement No. 93 of State Gazette No. 910 dated October 23, 2003.

On October 30, 2003, an Extraordinary Shareholders' General Meeting (RUPSLB) approved the Quasi-Reorganization as at April 30, 2003. The minutes of the RUPSLB were notarized by Notary Sutjipto S.H. in notarial deed No. 165 dated October 30, 2003.

f. Divestment of Government Share Ownership

On March 11, 2004, the Government divested a further 10% shareholding involving 2,000,000,000 of its shares in Bank Mandiri through private placements (Note 31a).

g. Structure and Management

Bank Mandiri's head office is located in Jl. Jend. Gatot Subroto Kav 36-38, Jakarta, Indonesia. As of December 31, 2006 and 2005 Bank Mandiri had the following domestic and offshore structure:

	<u>2006</u>	<u>2005</u>
Domestic Regional Branches	10	10
Domestic Branches:		
Hubs	57	54
Community Branches	98	98
Spokes	336	334
Cash Outlets	433	423
	<u>924</u>	<u>909</u>
Offshore Branches	4	4
Representative Office	1	1

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PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL (continued)

g. Structure and Management (continued)

As of December 31, 2006 and 2005, Bank Mandiri had offshore branches located in Grand Cayman, Singapore, Hong Kong and Timor Leste and a representative office in Shanghai, China.

On June 5, 2006, the Bank's organization structure has been changed based on Board of Directors' Resolution No. Kep.Dir/069/2006. Those changes including the Board of Directors' segregation of roles and responsibilities were approved by the Board of Commissioners through its letter No. COM/063/2006 dated June 1, 2006. On December 12, 2006, Management through letter No.COM/063/2006 proposed the change in the Organization Structure Based On Strategic Business Units to the Commissioners. The Commissioners approved the change in the Organization Structure Based On Strategic Business Units through letter No.COM/170/2006 dated December 22, 2006. The Organization Structure based on Strategic Business Units became effective since January 9, 2007 through Directors Decision Letter No. Kep.Dir/06A/2007 dated January 9, 2007.

Compared with the previous organization structure, there are several changes to Bank Mandiri's organization structure, where the function of existing units were divided into three major group, which are:

1. Business Units (BU) responsible as the Bank's main business development engine, consist of 6 Directorate which are Corporate Banking, Commercial Banking, Consumer Finance, Micro & Retail Banking, Treasury & International Banking, and Special Asset Management.
2. Corporate Centers responsible to handle strategic corporate and support the bank's policies, consist of 4 Directorate which are Risk Management, Compliance & Human Capital, Finance & Strategy and Change Management Office.
3. Shared Services as a support unit to support the Bank operational activities as a whole are handled by the Technology & Operations Directorate.

The implementation of the change in the organization structure and Strategic Business Unit (SBU) is in-line with the Bank's aspiration to become the Dominant Multi-Specialist Bank.

The members of the Boards of Commissioners and Directors of Bank Mandiri as of December 31, 2006 in accordance with the change in the organization as mentioned above and as of December 31, 2005 are as follows:

	December 31, 2006	December 31, 2005
<u>Board of Commissioners</u>		
Chairman	: Edwin Gerungan*)	Edwin Gerungan
Deputy Chairman	: Muchayat	Muchayat
Commissioner	: Soedarjono	Soedarjono
Commissioner	: Richard Claproth	Richard Claproth
Independent Commissioner	: Pradjoto	Pradjoto
Independent Commissioner	: Gunarni Soeworo	Gunarni Soeworo
Independent Commissioner	: Yap Tjay Soen	Yap Tjay Soen

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PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
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1. GENERAL (continued)

g. Structure and Management (continued)

Board of Directors

President Director	:	Agus Martowardojo	Agus Martowardojo
Deputy President Director	:	Wayan Agus Mertayasa	Wayan Agus Mertayasa
Director	:	Omar Sjawaldy Anwar	Omar Sjawaldy Anwar
Director	:	Zulkifli Zaini	Johanes Bambang Kendarto
Director	:	Abdul Rachman	Zulkifli Zaini
Director	:	Sasmita	Abdul Rachman
Director	:	Sentot A. Sentausa	Sasmita ***)
Director	:	Bambang Setiawan**)	-
Director	:	Riswinandi	-
Director	:	Thomas Arifin	-
Director	:	Budi Gunadi Sadikin	-

*) also appointed as Independent Commissioner

***) also appointed as Compliance Director

****) also appointed as temporary Compliance Director (waiting for BI approval)

Bank Mandiri's Audit Committee as of December 31, 2006 and 2005 is comprised of the following members:

	2006 and 2005
Chairman	: Gunarni Soeworo
Member	: Soedarjono
Member	: Yap Tjay Soen
Member	: Zulkifli Djaelani
Member	: Imam Sukarno

As of December 31, 2006 and 2005 Bank Mandiri has a total of 21,062 and 21,192 employees (unaudited), respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements of Bank Mandiri and Subsidiaries have been prepared in conformity with the Statement of Financial Accounting Standards (SFAS) No. 31 (Revised 2000), "Accounting for the Banking Industry" and other generally accepted accounting principles established by the Indonesian Institute of Accountants and, where applicable, with prevailing banking industry practices and accounting and reporting guidelines prescribed by the Indonesian banking regulatory authority and the Capital Market Supervisory Board.

The consolidated financial statements have been prepared on the historical cost and accrual basis of accounting, except for trading and available for sale securities and Government Recapitalization Bonds and derivative receivables and payables which are stated at fair value, hedge bonds which are stated at indexed value, certain investments in shares of stock which are accounted for under the equity method, and certain premises and equipment which have been revalued.

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PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Consolidated Financial Statements (continued)

The consolidated statements of cash flows are presented under the direct method, which classifies cash receipts and payments on the basis of operating, investing and financing activities. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, current accounts with Bank Indonesia and current accounts with other banks.

The financial statements of a subsidiary company engaged in syariah banking have been prepared in conformity with PSAK No.59 regarding the Accounting for Syariah Banking and Accounting Guidelines for Indonesian Syariah Banking (PAPSI).

b. Principles of Consolidation

The consolidated financial statements include the financial statements of Bank Mandiri and its majority-owned or controlled Subsidiaries. Control is presumed to exist where more than 50% of a Subsidiary's voting power is controlled by Bank Mandiri, or Bank Mandiri is able to govern the financial and operating policies of a Subsidiary, or control the removal or appointment of the majority of a Subsidiary's board of directors. Significant inter-company balances and transactions have been eliminated.

Subsidiaries included in the consolidated financial statements as of December 31, 2006 and 2005 are as follows:

Name of Subsidiary	Nature of Business	Domicile	Percentage of Ownership
Bank Mandiri (Europe) Limited (BMEL)	Commercial Banking	London	100.00
PT Bank Syariah Mandiri (BSM)	Syariah Banking	Jakarta	99.99
PT Usaha Gedung Bank Dagang Negara	Property Management	Jakarta	99.00
PT Mandiri Sekuritas	Securities	Jakarta	95.69
PT Bumi Daya Plaza	Property Management	Jakarta	93.33

Bank Mandiri Europe Limited (BMEL) was incorporated on June 22, 1999 under the Companies Act 1985 of the United Kingdom. It was established from the conversion of Bank Exim London Branch to a subsidiary effective July 31, 1999. BMEL was mandated to act as a commercial bank to represent the interests of Bank Mandiri. The registered office of BMEL is in London, United Kingdom.

PT Bank Syariah Mandiri (BSM) was established in the Republic of Indonesia on August 10, 1973 under the name of PT Bank Susila Bhakti, a subsidiary of BDN, based on notarial deed No. 146 of R. Soeratman. The Company's name changed several times, the latest of these changes was based on notarial deed No. 23 of Sutjipto, S.H. dated September 8, 1999, whereby its name was changed to PT Bank Syariah Mandiri. The Company is engaged in banking activities in accordance with "Syariah" banking principles.

PT Usaha Gedung Bank Dagang Negara was established in the Republic of Indonesia on October 29, 1971 based on notarial deed No. 104 of Abdul Latief, S.H. dated October 29, 1971. The Company is engaged in property management and office rental activities, which involve the Company's and its Subsidiaries' offices, and other offices. It owns 25% of the share capital of PT Pengelola Investama Mandiri (PIM), a company primarily established to manage the investments in shares of stock of Bank Mandiri.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

PT Mandiri Sekuritas was established in the Republic of Indonesia on July 31, 2000 based on notarial deed No. 116 of Ny. Vita Buena, S.H. replacing Sutjipto, S.H. It was established through the merger of PT Bumi Daya Sekuritas, PT Exim Sekuritas and PT Merincorp Securindo. The merger was approved by the Minister of Laws and Regulations of the Republic of Indonesia on August 25, 2000 based on decision letter No. C-18762.HT.01.01-TH.2000. PT Mandiri Sekuritas owns 99.9% of the share capital of PT Mandiri Manajemen Investasi, a subsidiary established on October 26, 2004 engaged in investment management and advisory activities.

PT Bumi Daya Plaza was established in the Republic of Indonesia based on notarial deed No. 33 of Ny. Subagyo Reksodipuro, S.H. dated December 22, 1978. The Company is engaged in property management and rental activities. It owns 75% of the share capital of PIM.

The total assets of the subsidiaries as of December 31, 2006 and 2005 (prior to elimination) amounted to Rp14,189,586 and Rp11,667,363 or 5.30% and 4.43% of the total consolidated assets, respectively.

For consolidation purposes, the financial statements of the overseas branches and overseas subsidiary of Bank Mandiri denominated in foreign currency are translated into Rupiah based on the following basis:

- (1) Assets, liabilities, commitments and contingencies - using the middle rates as published by Bank Indonesia at the balance sheet date.
- (2) Revenues, expenses, gains and losses - using the average middle rates during each month in the financial reporting period.
- (3) Shareholders' equity accounts - using historical rates.
- (4) Statements of cash flows - using the middle rates as published by Bank Indonesia at the balance sheet date, except for profit and loss statement balances which are translated using the average middle rates and shareholders' equity balances which are translated using historical rates.

The resulting net translation adjustment is presented as "Differences Arising from Translation of Foreign Currency Financial Statements" under the Shareholders' Equity section of the consolidated balance sheets.

c. Foreign Currency Transactions and Balances

Bank Mandiri maintains its accounting records in Indonesian Rupiah. Transactions in currencies other than Rupiah are recorded at the prevailing rates of exchange in effect on the date of the transactions. At balance sheet date, all foreign currency monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) on December 31, 2006 and 2005. The resulting gains or losses are credited or charged to the current year's profit and loss.

The exchange rates used against the Rupiah were as follows (amounts in full Rupiah):

	December 31, 2006	December 31, 2005
Great Britain Pound Sterling 1/Rp	17,616	16,982
Euro 1/Rp	11,846	11,643
US Dollar 1/Rp	9,003	9,830
Japanese Yen 100/Rp	7,563	8,383

These consolidated financial statements are originally issued in Indonesian language.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Transactions with Related Parties

Bank Mandiri and Subsidiaries enter into transactions with related parties as defined in SFAS No. 7 - "Related Party Disclosures".

All significant transactions with related parties, whether or not conducted under normal terms and conditions as those with third parties, are disclosed in Note 47. Transactions of Bank Mandiri with state and regionally-owned/controlled entities including the Indonesian Bank Restructuring Agency ("IBRA"), *Unit Pelaksanaan Penjaminan Pemerintah (UP3)* (an institution that replaced IBRA), and (a new institution that replaced UP3), the Indonesia Deposit Insurance Corporation (*LPS*) are not considered as transactions with related parties.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks.

f. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and other banks represent placements in the form of call money, "fixed-term" placements, time deposits and others.

Placements with Bank Indonesia are stated at the outstanding balances, net of the unamortized interest. Placements with other banks are stated at the outstanding balances, net of allowance for possible losses.

g. Securities

Securities consist of securities traded in the money market such as, Certificates of Bank Indonesia, medium term notes, floating rate notes, promissory notes, export bills, securities traded on the capital market such as mutual fund units and securities traded on the stock exchanges such as shares of stocks and bonds.

Securities include bonds issued by the Government that are not related to the recapitalization program such as treasury bonds and foreign currency bonds. These bonds or notes are issued by the Government for the purpose of managing the Government's funding requirements, and are obtained through both primary and secondary markets.

Investments in mutual fund units are stated at market value, which is the net value of assets of the mutual funds at the balance sheet date. Any unrealized gains or losses at the balance sheet date are reflected in the current year's profit or loss.

The value of securities is stated based on the classification of the securities, as follows:

- (1) Trading securities are stated at fair value. The unrealized gains/losses resulting from the increase/decrease in fair value are recognized in the current year's profit and loss. Upon the sale of securities in a trading portfolio, the difference between selling price and fair value per books is recognized as a realized gain or loss on sale.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Securities (continued)

- (2) Available for sale securities are stated at fair value. Unrealized gains/losses resulting from the increase/decrease in fair value are not recognized in the current year's profit and loss but are presented as a separate component of shareholders' equity. Gains/losses are recognized in profit and loss upon realization.
- (3) Held to maturity securities are stated at cost adjusted for unamortized discounts or premiums.

For securities which are actively traded in organized financial markets, fair value is generally determined by reference to quoted market bid prices by the stock exchanges at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the assets. For securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of securities. Any permanent decline in the fair value of securities held to maturity and available for sale is charged to profit and loss in the year incurred.

Purchase and sale of securities transactions both for the customer and for the Bank are recognized in the consolidated financial statements when there is an agreement on securities transactions.

Securities are stated net of allowance for possible losses and unamortized interest/premium or discount. Premiums and discounts are amortized using the straight-line method.

Securities are derecognized from the balance sheet after the Bank has transferred all significant risk and rewards of the related securities.

h. Government Recapitalization Bonds

Government Recapitalization Bonds represent bonds issued by the Government in connection with the recapitalization of commercial banks. Government Recapitalization Bonds are stated based on the classification of the bonds, which accounting treatment is similar to those of securities as described in Note 2g above, except for hedge bonds which are stated at values determined by the exchange rate of the Rupiah against the US Dollar, as published by Reuters on the balance sheet date. The exchange gain or loss arising from the indexation of hedge bonds is charged to the current year's profit and loss.

For Government Recapitalization Bonds, which are traded, fair value is generally determined by reference to quoted market bid prices by Bloomberg's and the stock exchanges on the balance sheet date. For Government Recapitalization Bonds where there are no quoted market prices, a reasonable estimate of the fair value is calculated using the yield-to-maturity approach.

Government Recapitalization Bonds was derecognized from the balance sheet after the Bank has transferred all significant risk and rewards of the related Government Recapitalization Bonds.

i. Other Receivables - Trade Transactions

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which are collectible when due, presented at their outstanding balances, net of allowance for possible losses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Securities Purchased/Sold under Resale/Repurchase Agreements

Securities purchased under resale agreements are presented as assets in the consolidated balance sheet at their resale price less unamortized interest and allowance for possible losses. The difference between the purchase price and the selling price is treated as unrealized (unamortized) interest income and is recognized as income during the period from the purchase of securities to the date of resale.

Securities sold under repurchase agreements are presented as liabilities in the consolidated balance sheet at the repurchase price less unamortized interest. The difference between the selling price and the repurchase price is treated as a prepaid expense and is recognized as expense during the period from the sale of securities to the date of repurchase.

k. Derivative Receivables and Derivative Payables

All derivative instruments (including foreign currency transactions for funding and trading) are recognized in the consolidated balance sheet at their fair values. Fair value is determined based on market value, Reuters spot rate at reporting date, pricing models or quoted prices of other instruments with similar characteristics. Derivative assets and liabilities are presented at the amount of unrealized gains or losses on derivative contracts.

Gains or losses on derivative contracts are accounted for based on the purpose the Bank has designated upon acquisition as (1) fair value hedge, (2) cash flow hedge, (3) a hedge of a net investment in a foreign operation, and (4) trading instruments, as follows:

1. Gain or loss on a derivative contract designated and qualifying as a fair value hedging instrument, and the gain or loss on the revaluation of hedged assets or liabilities is recognized currently in profit and loss in the same accounting period. Gains or losses arising from such revaluations may be offset. Any difference that arises representing the effect of hedge ineffectiveness is recognized currently in profit and loss;
2. The effective portion of the gain or loss on a derivative contract designated and qualifying as a cash flow hedging instrument is reported as a component of other comprehensive income under shareholders' equity. The effect of the hedge ineffectiveness is recognized currently in profit and loss;
3. Gain or loss on a hedging derivative instrument in a hedge of a net investment in a foreign operation is reported in other comprehensive income as part of the cumulative translation adjustment under shareholders' equity to the extent it is effective as a hedge; and
4. Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized currently in profit and loss.

l. Loans

Loans represent receivables under contracts with borrowers, where borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.

Loans are stated at their outstanding balance less an allowance for possible loan losses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Loans (continued)

Syndicated (joint financing) and channeling loans are stated at their balances in proportion to the risks borne by the Bank and its Subsidiaries.

Included in loans are *syariah* financing which consists of *syariah* receivables and *musyarakah* financing.

Syariah receivables result from lease transactions based on *murabahah*, *istishna*, *ijarah*, *hiwalah*, *rahn* and *qardh* agreements.

Musyarakah financing is an agreement between the investors (*mitra musyarakah*) to have a joint venture in a partnership with profit and loss sharing based on an agreement and capital contribution proportion. *Musyarakah* financing is presented at the outstanding balance, net of allowance for possible losses.

Loans Purchased from IBRA

Bank Indonesia issued Regulation No. 4/7/PBI/2002 regarding "Prudential Principles for Credits Purchased by Banks from IBRA" dated September 27, 2002, which applies for all loans purchased from IBRA starting January 1, 2002.

The difference between the outstanding loan principal and purchase price is booked as deferred income if the Bank enters into a new credit agreement with the borrower, and as an allowance for possible losses if the Bank does not enter into a new credit agreement with the borrower. The allowance for loan losses or deferred income is only adjusted once the Bank has recovered the original purchase price.

Income arising from the loans purchased from IBRA is recognized on a cash basis. If the Bank enters into a new credit agreement with the borrower, any receipts from a borrower are recognized as a deduction of the outstanding principal and/or as interest income following the terms or conditions as set out in the new credit agreement. If the Bank does not enter into a new credit agreement with the borrower, any receipts from a borrower must be recognized firstly as a deduction of outstanding principal. The excess of receipts over the outstanding principal balance shall be recognized as interest income.

Bank Indonesia allows the Bank to classify all the loans purchased from IBRA as Category 1 (Current) for a period of one year from the date of booking. Thereafter, the loans are classified based on the normal loan rating guidelines of Bank Indonesia.

Bank Indonesia requires banks to fully recover the purchase price of the loans within five years from the date of booking. Any unpaid amount after five years should be written off by the banks.

Loan Restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into equity or other financial instruments and/or a combination of both.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Loans (continued)

Loan Restructuring (continued)

Losses on loan restructurings in respect of modification of the terms of the loans are recognized only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the recorded loans before restructuring.

For loan restructurings which involve a conversion of loans into equity or other financial instruments in partial satisfaction of loans, a loss on loan restructuring is recognized only if the fair value of the equity or financial instruments received, reduced by estimated expenses to sell the equity or other financial instruments, is less than the designated loan's value.

Deferred interest, which is capitalized to receivables under new restructuring agreements, is recorded as deferred interest income and is amortized proportionately based on the amount of capitalized interest relative to the loan principal upon loan collections.

m. Acceptances Receivable and Payable

Acceptances receivable and payable are stated at the value of the letters of credit or realizable value of the letters of credit accepted by the Bank. Acceptances receivable are presented net of allowance for possible losses.

n. Investments in Shares of Stock

Investments in shares of stock represent long-term investments in non-publicly-listed companies and temporary investments in debtor companies arising from conversion of loans to equity.

Investments in shares of stock representing ownership interests of 20% to 50%, except for investments in companies arising from conversion of loans to equity, are accounted for under the equity method. Under this method, investments are stated at cost and adjusted for the Bank's proportionate share in the net equity of the investees and reduced by dividends earned since the acquisition date reduced by allowance for possible losses.

Temporary investments in debtor companies arising from the conversion of loans to equity are accounted for under the cost method regardless of the percentage of ownership, less an allowance for possible losses.

All other investments are carried at cost reduced by an allowance for possible losses.

Changes in value of investments in subsidiaries which is caused by changes in the subsidiaries' equity and is not a transaction between the Bank and the Subsidiaries, is recognized as part of the equity as "Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries", this account will be calculated in determining the parent companies' profit and loss at the disposal of the investment (Note 31e).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- o. Allowance for Possible Losses on Earning Assets and Non-earning Assets and Estimated Losses on Commitments and Contingencies

Earning assets consist of current accounts with other banks, placements with Bank Indonesia and other banks, securities, Government Recapitalization Bonds, other receivables - trade transactions, securities purchased with agreements to resell, derivative receivables, loans, acceptances receivable, investments in shares of stock and commitments and contingencies with credit-related risk.

Commitments and contingencies with credit-related risk consist of outstanding irrevocable letters of credit, outstanding letters of credit under Bank Indonesia's guarantee program, guarantees issued in the form of standby letters of credit, bank guarantees, risk sharing and unused loan facilities.

Non-earning assets are assets with potential loss and include but is not limited to foreclosed properties, abandoned properties, inter-office accounts and suspense accounts.

In accordance with Bank Indonesia (BI) regulations, the Bank classifies earning assets into one of five categories and non earning assets into one of four categories. Performing assets are categorized as "Current" and "Special Mention", while non-performing assets are categorized into three categories: "Sub-Standard", "Doubtful" and "Loss". Non earning asset are divided into "Current", "Sub-Standard", "Doubtful" and "Loss".

The classification of earning assets is based on Bank Indonesia Regulation No.7/2/PBI/2005 dated January 20, 2005 regarding Asset Quality Rating For Commercial Banks (PBI 7) which has been amended Bank Indonesia Regulation No. 8/2/PBI/2006 dated January 30, 2006 regarding Changes on PBI 7. In connection with the implementation of PBI 7, Bank Mandiri determined the classification of earning assets based on the evaluation of the management on each borrower's repayment performance, business prospects, and ability to repay.

Except for classification of quality for foreclosed properties, abandoned properties, inter-office accounts, suspense accounts and unused loan facilities granted to customers (off balance sheet item), PBI No. 7/2/PBI/2005 became effective on the date of its enactment and is applied by the Bank prospectively.

For Syariah Banks, the classification of earning assets is determined based on Bank Indonesia Regulation No. 5/7/PBI/2003 dated May 19, 2003 regarding Earning Assets Quality For Syariah Banks.

The amount of the minimum allowance for possible losses on assets and commitments and contingencies with credit-related risk, takes into consideration Bank Indonesia Regulation No. 7/2/PBI/2005 dated January 20, 2005 (PBI 7) regarding Asset Quality Rating For Commercial Banks which has been amended with Bank Indonesia Regulation No. 8/2/PBI/2006 dated January 30, 2006 regarding Changes on PBI 7 which prescribe minimum rates of allowance for possible losses on assets and commitments and contingencies with credit-related risk.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- o. Allowance for Possible Losses on Earning Assets and Non-earning Assets and Estimated Losses on Commitments and Contingencies (continued)

The amount of the minimum allowance in accordance with the Bank Indonesia Regulation are as follows:

- 1) General provision, at minimum amounting to 1% from the earning assets classified as current, except for earning assets in Certificates of Bank Indonesia and Government Bonds (Government Recapitalization Bonds and other government bonds) and for earning assets which are guaranteed with cash collateral such as current accounts, time deposits, savings, margin deposits, gold, Certificates of Bank Indonesia or Government Bonds, Government Guarantees in accordance with the regulations, standby letters of credit from prime bank, which are issued in accordance with Uniform Customs and Practice for Documentary Credit (UCP) or International Standard Practices (ISP).
- 2) Special provision, at minimum amounting to:
 - a. 5% from the asset classified as special mention and after deducting the value of collateral.
 - b. 15% from the asset classified as sub-standard after deducting with the value of collateral.
 - c. 50% from the asset classified as doubtful after deducting the value of collateral.
 - d. 100% from the asset classified as loss after deducting the value of collateral.

The collateral which can be deducted from the allowance for possible losses calculation is only for earning assets.

The collateral value which can be deducted from the allowance for possible losses on earning assets is that, with appraisal conducted not exceeding 24 months and is done by an independent appraisal for amounts exceeding Rp5 billion.

The Bank has not included all collateral in the calculation of allowance for possible losses since the last appraisal has exceeded 24 months.

The estimated losses on commitments and contingencies with credit-related risk is presented in the liabilities section of the consolidated balance sheets.

The outstanding balances of earning assets classified as loss are written off against the respective allowance for possible losses when the management of Bank Mandiri and Subsidiaries believes that the earning assets are uncollectible. Recoveries of earning assets previously written off are recorded as an addition to the allowance for possible losses during the year. If the recovery exceeds the principal amount, the excess will be recognized as interest income.

- p. Premises and Equipment

Premises and equipment are stated at cost, except for certain premises and equipment used in operations that were revalued in 1979, 1987 and 2003 in accordance with Government regulations, less accumulated depreciation and amortization. The corresponding revaluation increments were credited to "Premises and Equipment Revaluation Increment" under the shareholders' equity in the balance sheet.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Premises and Equipment (continued)

Premises and equipment, except land, are depreciated and amortized using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings	20
Furniture, fixtures, office equipment and computer equipment/software	5
Vehicles	5

Construction in progress is stated at cost and is presented as part of premises and equipment. Accumulated costs are reclassified to the appropriate premises and equipment account when the assets are substantially complete and are ready for their intended use.

The cost of repairs and maintenance is expensed as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are reflected in the current year's profit and loss.

SFAS No. 48 – "Decline in Assets Value" state that the carrying amounts of fixed assets are reviewed as of each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and, when carrying value exceeds this estimated recoverable amount, assets are written down to their recoverable amount.

q. Repossessed Assets

Repossessed assets represent loan collateral that has been acquired in settlement of loans and is included in "Other Assets". Repossessed assets are presented at their net realizable value. Realizable value is the fair value of the repossessed assets less estimated costs of liquidating the assets. Any excess of the loan balance over the value of the repossessed assets, which is not recoverable from the borrower, is charged to the allowance for possible losses. Differences between the estimated realizable value and the proceeds from sale of the repossessed assets are recognized in profit and loss at the time of sale.

Expenses for maintaining repossessed assets are recognized in the current year's profit and loss. The carrying amount of the repossessed assets is written down to recognize a permanent decline in value of the repossessed asset. Any such write down is recognized to the current year's profit and loss.

r. Other Assets

Other assets include accrued income for interest, fees and commissions, receivables, prepaid taxes, prepaid expenses, repossessed assets, abandoned properties, inter-branch accounts and others.

s. Deposits from Customers

Demand deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may be used as instruments of payment, and which may be withdrawn at any time by cheque, automated teller machine card or other orders of payment or transfers. These are stated at nominal value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Deposits from Customers (continued)

Savings deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking, Phone Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments. These are stated at nominal value.

Time deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may only be withdrawn after a certain time in accordance with the agreement between the depositor and Bank Mandiri and banking subsidiaries. These are stated at the nominal amount set forth in the certificates between Bank Mandiri and banking subsidiaries and holders of time deposits.

Certificates of deposit represent time deposits with certificates that are negotiable. These are stated at nominal value reduced by unamortized interest. The discount or the difference between the present value received and the nominal value is recognized as interest paid in advance and is amortized over the time periods of the certificates of deposit.

Included in the deposits are *Syariah* deposits and unrestricted investments consisting of the following:

- a. *Wadiah* is a *wadiah yad-adhamanah* deposit in which the depositor is entitled to receive bonus income.
- b. Unrestricted investments in the form of *mudharabah* savings which entitle the depositor to receive a share of Bank Syariah Mandiri (BSM) income in return for the usage of the funds in accordance with the defined terms (*nisbah*).
- c. Unrestricted investments in the form of *mudharabah* time deposits are fund deposits which entitle the depositor to receive a share of BSM's income for the usage of the funds in accordance with the defined terms (*nisbah*).

t. Deposits from Other Banks

Deposits from other banks represent liabilities to local and overseas banks, in the form of demand deposits, savings deposits, inter-bank call money with original maturities of 90 days or less, time deposits and certificates of deposit. These are stated at the amount due to the other banks.

Deposits from other banks include *syariah* deposits in the form of *wadiah* deposits and unrestricted investments which comprise *mudharabah savings* and *mudharabah* time deposits.

u. Securities Issued

Securities issued by the Bank, which include floating rate notes, medium term notes and travelers' cheques, are recorded at their nominal value. Under Bank Indonesia requirements deposits from other banks with periods of more than 90 days are also presented as securities issued. Premiums or discounts arising from issuance of floating rate notes and medium term notes are recognized as deferred expense/income and amortized over the period of the securities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Income Tax

The Bank and Subsidiaries apply the liability method to determine income tax expense. Under the liability method, deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. This method also requires the recognition of future tax benefits, such as the carry-forward of unused tax losses, to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined.

The corporate income tax of Bank Mandiri and its Subsidiaries is computed for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities are not offset in the consolidated financial statements. Deferred tax assets are presented net of deferred tax liabilities in the consolidated balance sheets.

w. Interest Income and Interest Expense

Interest income and interest expense are recognized on an accrual basis. Interest income on non-performing earning assets is not recognized, except to the extent of cash collections received. When a loan is classified as non-performing, interest income previously recognized but not yet collected is reversed against interest income. The reversed interest income is recognized as a contingent receivable.

All receipts from credits classified as doubtful or loss must be recognized firstly as a deduction of the outstanding principal balance. The excess of receipts over the outstanding principal balance shall be recognized as interest income.

The interest income from restructured loan is recognized only when it is received in cash before the loan's quality become current as determined by Bank Indonesia Regulation No.7/2/PBI/2005 dated January 20, 2005-regarding Asset Quality Rating for Commercial Banks.

Interest receivable on non-performing assets of Bank Mandiri and its Subsidiaries is treated as off-balance sheet and is disclosed in the notes to the consolidated financial statements.

Interest income and expense include syariah income and expense. Syariah income is earned from *murabahah*, *istishna* and *ijarah* transactions and from *mudharabah* and *musyarakah* financing profit sharing income. Income from *murabahah* and *ijarah* is recognized using the accrual basis while income from *istishna* transactions and *mudharabah* and *musyarakah* financing profit sharing is recognized when cash is received as a payment of an installment. Syariah expense consists of expenses from *mudharabah* profit sharing and *wadiah* bonuses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Fees and Commissions

Significant fees and commissions that are directly related to lending activities and/or involving specific time periods are deferred and amortized using the straight-line method over those periods. The balances of unamortized fees and commissions relating to loans settled prior to maturity are recognized in the current year's profit and loss upon settlement. Other fees and commissions are recognized as income at the transaction date.

y. Post-Employment Benefits

On June 2004, The Indonesian Institute of Accountants (IAI) issued Revised PSAK No. 24 regarding "Employee Benefits" replacing PSAK No. 24. The revised PSAK is regarding recognition, measurement, and disclosure of employee benefits. The estimated provision is accrued based on the results of an actuarial valuation in accordance with Labor Law No. 13/2003.

Bank Mandiri established a defined contribution pension plan covering substantially all of its eligible employees from August 1, 1999. It also supports defined benefit pension plans, which were derived from each of the Merged Banks' pension plans.

Bank Mandiri recognizes a provision for post employment benefits under the Labor Law No. 13/2003 dated March 25, 2003 regarding the settlement of labor dismissal and the stipulation of severance pay, gratuity and compensation in companies.

The provision has been calculated by comparing the benefit that will be received by an employee at normal pension age from the Pension Plans with the benefit as stipulated under the Labor Law No. 13/2003 after deduction of accumulation of employee contributions and the results of its investments. If the pension benefit from the Pension Plans is less than the benefit as required by the Labor Law, the Bank will have to pay such shortage. Provision for employee service entitlements is accrued based on the results of an actuarial valuation. Actuarial gain and loss is recognized as income or expense if the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period exceeded the greater of 10% of the present value of the defined benefit obligation at that date (before deducting plan assets) and 10% of the fair value of any plan assets at that date. The amount of actuarial gain or loss is recognized through the average remaining working period of the employee in the program. Past service cost arises when the bank introduces a defined benefit plan or changes the benefits payable under an existing defined benefit plan. Past service cost is recognized over the period until the benefits concerned are vested.

z. Share Options

The Bank has granted stock options to the Directors and Senior Management at certain levels and based on certain criteria under the Management Stock Option Plan (MSOP). Stock compensation cost is calculated at the grant date using the fair value of the stock options and is recognized as part of salaries and employee benefits expense, over the vesting period of the stock options based on graded vesting. The accumulated stock compensation costs are recognized as 'Share Options' in the equity section.

The fair value of the stock options granted is based on an actuary's valuation report calculated using the Black-Scholes option pricing model.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

aa. Earnings Per Share

Earnings per share is calculated by dividing the net profit with the weighted average number of shares issued and fully paid-up during the year.

Net profit used in calculating the basic earnings per share was Rp2,421,405 and Rp603,369 for the years ended December 31, 2006 and 2005, respectively. The weighted-average number of outstanding shares used in computing the basic earnings per share as of December 31, 2006 and 2005 totaled 20,334,565,065 shares and 20,182,096,657 shares, respectively. The weighted-average number of outstanding shares used in computing the basic earnings per share as of December 31, 2006 has been adjusted to reflect the changes in issued shares as a result of the conversion of share option (Note 32).

The weighted-average number of outstanding shares used in computing diluted earnings per share has been adjusted to reflect the changes in issued shares as a result of the conversion of share options (Notes 31a and 32).

The weighted-average number of outstanding shares used in computing the diluted earnings per share as of December 31, 2006 and 2005 totaled 20,550,301,606 shares and 20,326,735,892 shares, respectively.

	<u>2006</u>	<u>2005</u>
The weighted-average shares – Basic	20,334,565,065	20,182,096,657
Adjustment on dilutive common shares:		
MSOP Stage I	43,162,893	105,107,347
MSOP Stage II	110,511,469	39,531,888
MSOP Stage III	62,062,179	-
The weighted-average number of outstanding shares – Dillutive	<u>20,550,301,606</u>	<u>20,326,735,892</u>

ab. Segment Information

Bank Mandiri and its Subsidiaries have presented financial information by nature of business (primary segment) and by geographical area (secondary segment). The primary segment is divided into banking, *syariah* banking, securities, insurance and others, while the secondary segment is divided into Indonesia (domestic), Asia, Europe and others.

ac. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimations and assumptions that affect the amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad. Reclassification of Accounts

Certain accounts in the December 31, 2005 consolidated financial statements have been reclassified to conform to the presentation of accounts in the December 31, 2006 consolidated financial statements as follows:

December 31, 2005

Accounts Description	As Previously Reported	Reclassification	As Currently Reported
Gains from Sale of Securities and Government Recapitalization Bonds	456,494	(201,036)	255,458
Interest income	20,165,414	201,036	20,366,450
Premises and Equipment Revaluation Increment	3,056,724	(9,788)	3,046,936
Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	(23,527)	9,464	(14,063)
Minority Interests in Net Assets of Consolidated Subsidiaries	4,381	324	4,705

3. CURRENT ACCOUNTS WITH BANK INDONESIA

	<u>2006</u>	<u>2005</u>
Rupiah	20,457,558	18,896,163
United States Dollar	1,121,600	1,408,542
	<u>21,579,158</u>	<u>20,304,705</u>

The current accounts with Bank Indonesia are primarily maintained to meet the minimum reserve requirements of Bank Indonesia of 11.73% and 3.01% as of December 31, 2006 (2005: 11% and 3%) of Rupiah and US Dollar deposits, respectively.

The realization of the minimum reserve requirement ratio of Bank Mandiri for its Rupiah and US Dollar accounts as of December 31, 2006 and 2005, is as follows:

	<u>2006</u>	<u>2005</u>
Rupiah	11.73%	11.30%
United States Dollar	3.01%	3.01%

4. CURRENT ACCOUNTS WITH OTHER BANKS

a. By Currency:

	<u>2006</u>	<u>2005</u>
Rupiah	12,816	3,654
Foreign Currency	535,567	701,674
Total	548,383	705,328
Less: Allowance for Possible Losses	(11,149)	(7,725)
	<u>537,234</u>	<u>697,603</u>

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4. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Collectibility:

As of December 31, 2006 and 2005, all current accounts with other banks were classified as current.

c. By Related Party and Third Party:

As of December 31, 2006 and 2005, current accounts with related party were Rp70 and Rp53 respectively (Note 47).

d. Average Interest Rate per Annum:

	<u>2006</u>	<u>2005</u>
Rupiah	0.83%	0.53%
Foreign Currency	1.92%	1.32%

e. Movements of allowance for possible losses on current accounts with other banks:

	<u>2006</u>	<u>2005</u>
Balance at beginning of year	7,725	6,557
Provision during the year (Note 36)	4,101	1,278
Others *)	(677)	(110)
Balance at end of year	<u>11,149</u>	<u>7,725</u>

(*) Includes effect of foreign currency translation.

Management believes that the allowance for possible losses on current accounts with other banks is adequate.

5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. By Type, Currency, Maturity and Collectibility:

		<u>2006</u>	
		<u>Maturity</u>	<u>Current</u>
Rupiah:			
Call Money	< 1 month		3,300,000
	1 month - 3 months		5,000
"Fixed-term" Placements	> 3 months < 6 months		212,057
	> 6 months < 12 months		180,053
Time Deposits	< 1 month		31,502
	1 month - 3 months		7,600
	> 3 months < 6 months		2,600
Total Rupiah			<u>3,738,812</u>

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5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. By Type, Currency, Maturity and Collectibility: (continued)

2006		
	Maturity	Current
Foreign Currency:		
Call Money	< 1 month	3,493,497
	1 month - 3 months	418
"Fixed-term" Placements	< 1 month	2,278,245
Time Deposits	< 1 month	22,550
Total Foreign Currency		5,794,710
Total		9,533,522
Less: Allowance for Possible Losses		(97,981)
		9,435,541

2005		
	Maturity	Current
Rupiah:		
Bank Indonesia	< 1 month	8,260,930
Call Money	< 1 month	4,044,907
"Fixed-term" Placements	> 1 month < 3 months	137,864
	> 3 months < 6 months	39,062
	> 6 months < 12 months	46,925
Time Deposits	< 1 month	35,000
	> 1 month < 3 months	15,200
Total Rupiah		12,579,888
Foreign Currency:		
Call Money	< 1 month	9,069,659
	> 1 month < 3 months	25,202
"Fixed-term" Placements	< 1 month	2,057,856
Time Deposits	< 1 month	39,320
Total Foreign Currency		11,192,037
Total		23,771,925
Less: Allowance for Possible Losses		(154,871)
		23,617,054

b. Bank Mandiri has no placements with related party banks.

c. Average Interest Rate per Annum (unaudited):

	2006	2005
Rupiah	12.09%	8.37%
Foreign Currency	4.33%	3.36%

d. As of December 31, 2006 and 2005, there was no placement pledged as cash collateral.

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5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

e. Movements of allowance for possible losses on placements with other banks:

	<u>2006</u>	<u>2005</u>
Balance at beginning of year	154,871	91,258
Provision/(reversal) during the year (Note 36)	(51,542)	63,043
Recoveries	-	1,451
Others *)	(5,348)	(881)
Balance at end of year	<u>97,981</u>	<u>154,871</u>

(*) Includes effect of foreign currency translation.

Management believes that the allowance for possible losses on placements with other banks is adequate.

6. SECURITIES

a. By Purpose and Related and Third Parties:

	<u>2006</u>	<u>2005</u>
Related parties (Note 47):		
Trading	467,683	101,329
Available for sale	296,832	232,026
Held to maturity	108,749	266,845
	<u>873,264</u>	<u>600,200</u>
Third parties:		
Trading	13,013,736	4,100,101
Available for sale	2,271,071	4,500,342
Held to maturity	3,342,412	2,638,089
	<u>18,627,219</u>	<u>11,238,532</u>
Total	19,500,483	11,838,732
Less:		
Unamortized discounts	(7,056)	(8,982)
Unrealized gains/(losses) from increase/(decrease) in value of securities	13,369	(116,446)
Allowance for possible losses	(1,145,838)	(1,209,035)
	<u>18,360,958</u>	<u>10,504,269</u>

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6. SECURITIES (continued)

b. By Type, Currency and Collectibility:

	2006						
	Cost/ Nominal *)	Unamortized Premiums/ (Discounts)	Unrealized Gains/ (Losses)	Fair Value/Book Value **)			
				Current	Substandard	Loss	Total
Rupiah:							
Trading							
Certificates of Bank Indonesia	12,622,441	-	28,703	12,651,144	-	-	12,651,144
Bonds	635,976	-	1,622	637,292	-	306	637,598
Shares	61,068	-	2,735	63,803	-	-	63,803
Medium Term Notes	54,900	-	-	54,900	-	-	54,900
Investments in mutual fund units	21,247	-	3,144	24,391	-	-	24,391
	13,395,632	-	36,204	13,431,530	-	306	13,431,836
Available for sale							
<i>Wadiah</i> certificates of Bank Indonesia	780,000	-	-	780,000	-	-	780,000
Bonds	758,056	-	(19,103)	728,953	-	10,000	738,953
Syariah Mudharabah bonds	499,500	-	(11,230)	488,270	-	-	488,270
	2,037,556	-	(30,333)	1,997,223	-	10,000	2,007,223
Held to maturity							
Mandatory convertible bonds	1,018,809	-	-	-	-	1,018,809	1,018,809
Certificates of Bank Indonesia	900,000	(764)	-	899,236	-	-	899,236
Export bills	96,455	-	-	96,455	-	-	96,455
Investments in mutual fund units	5,000	-	-	5,000	-	-	5,000
Bonds	2,000	-	-	2,000	-	-	2,000
	2,022,264	(764)	-	1,002,691	-	1,018,809	2,021,500
Total Rupiah	17,455,452	(764)	5,871	16,431,444	-	1,029,115	17,460,559
Foreign currency:							
Trading							
Bonds	85,787	-	(526)	85,261	-	-	85,261
Available for sale							
Floating rate notes	241,455	-	-	241,455	-	-	241,455
Export bills	137,519	-	-	137,519	-	-	137,519
Bonds	114,092	-	4,896	118,988	-	-	118,988
Promissory notes	37,281	-	3,128	40,409	-	-	40,409
	530,347	-	8,024	538,371	-	-	538,371
Held to maturity							
Export bills	1,020,247	-	-	985,424	-	34,823	1,020,247
Bonds	189,074	2,492	-	191,566	-	-	191,566
Treasury bills	120,543	(8,777)	-	111,766	-	-	111,766
Floating rate notes	99,033	(7)	-	99,026	-	-	99,026
	1,428,897	(6,292)	-	1,387,782	-	34,823	1,422,605
Total foreign currency	2,045,031	(6,292)	7,498	2,011,414	-	34,823	2,046,237
Total	19,500,483	(7,056)	13,369	18,442,858	-	1,063,938	19,506,796
Less: Allowance for possible losses				(41,900)	-	(1,103,938)	(1,145,838)
				18,400,958	-	(40,000)	18,360,958

*) Held to maturity securities are stated at nominal value.

**) Held to maturity securities are stated at book value.

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6. SECURITIES (continued)

b. By Type, Currency and Collectibility (continued):

	2005						
	Cost/ Nominal *)	Unamortized Premiums/ (Discounts)	Unrealized Gains/ (Losses)	Fair Value/Book Value **)			Total
				Current	Substandard	Loss	
Rupiah:							
Trading							
Certificates of Bank Indonesia	3,618,984	-	-	3,618,984	-	-	3,618,984
Bonds	381,187	-	(16,387)	364,800	-	-	364,800
Medium Term Notes	113,573	-	327	113,900	-	-	113,900
Investment in mutual fund units	18,800	-	(1,915)	16,885	-	-	16,885
Shares	16,610	-	(475)	16,135	-	-	16,135
	4,149,154	-	(18,450)	4,130,704	-	-	4,130,704
Available for sale							
Certificates of Bank Indonesia	1,485,271	-	-	1,485,271	-	-	1,485,271
Wadiah certificates of Bank Indonesia	1,373,000	-	-	1,373,000	-	-	1,373,000
Bonds	931,574	-	(99,806)	821,768	-	10,000	831,768
Syariah Mudharabah bonds	365,425	-	-	365,425	-	-	365,425
Medium Term Notes	90,000	-	-	90,000	-	-	90,000
Investment in mutual fund units	1,000	-	-	1,000	-	-	1,000
	4,246,270	-	(99,806)	4,136,464	-	10,000	4,146,464
Held to maturity							
Mandatory convertible bonds	1,018,809	-	-	-	-	1,018,809	1,018,809
Bonds	38,000	-	-	38,000	-	-	38,000
Export bills	26,399	-	-	26,399	-	-	26,399
Investment in mutual fund units	10,000	-	-	10,000	-	-	10,000
	1,093,208	-	-	74,399	-	1,018,809	1,093,208
Total Rupiah	9,488,632	-	(118,256)	8,341,567	-	1,028,809	9,370,376
Foreign currency:							
Trading							
Bonds	39,615	-	(93)	39,522	-	-	39,522
Investment in mutual fund units	12,661	-	(1,141)	11,520	-	-	11,520
	52,276	-	(1,234)	51,042	-	-	51,042
Available for sale							
Export bills	181,213	-	-	181,213	-	-	181,213
Floating rate notes	157,280	-	159	157,439	-	-	157,439
Bonds	88,685	-	(556)	88,129	-	-	88,129
Promissory notes	58,920	-	3,441	62,361	-	-	62,361
	486,098	-	3,044	489,142	-	-	489,142
Held to maturity							
Export bills	1,185,289	-	-	919,080	205,272	60,937	1,185,289
Bonds	378,558	2,017	-	380,575	-	-	380,575
Treasury bills	129,069	(10,979)	-	118,090	-	-	118,090
Floating rate notes	68,810	(20)	-	68,790	-	-	68,790
Medium Term Notes	50,000	-	-	50,000	-	-	50,000
	1,811,726	(8,982)	-	1,536,535	205,272	60,937	1,802,744
Total foreign currency	2,350,100	(8,982)	1,810	2,076,719	205,272	60,937	2,342,928
Total	11,838,732	(8,982)	(116,446)	10,418,286	205,272	1,089,746	11,713,304
Less: Allowance for possible losses				(88,498)	(30,791)	(1,089,746)	(1,209,035)
				10,329,788	174,481	-	10,504,269

*) Held to maturity securities are stated at nominal value.

**) Held to maturity securities are stated at book value.

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6. SECURITIES (continued)

c. By Remaining Period to Maturity:

	2006	2005
Rupiah:		
No maturity date	92,315	46,410
Less than 1 year	14,628,446	7,837,563
1 - 5 years	2,215,227	1,461,900
5 - 10 years	167,089	115,303
Over 10 years	352,375	27,456
Total Rupiah	17,455,452	9,488,632
Foreign currency:		
No maturity date	-	12,661
Less than 1 year	1,317,261	1,672,019
1 - 5 years	484,287	370,010
5 - 10 years	169,388	295,410
Over 10 years	74,095	-
Total Foreign currency	2,045,031	2,350,100
	19,500,483	11,838,732
Less:		
Unamortized discounts	(7,056)	(8,982)
Unrealized gains/(losses) from increase/(decrease) in value of securities	13,369	(116,446)
Allowance for possible losses	(1,145,838)	(1,209,035)
	18,360,958	10,504,269

d. By Type of Issuer:

	2006	2005
Banks	15,921,158	8,194,980
Other companies	2,711,460	3,063,115
Government of Republic of Indonesia	867,865	580,637
	19,500,483	11,838,732
Less:		
Unamortized discounts	(7,056)	(8,982)
Unrealized gains/(losses) from increase/(decrease) in value of securities	13,369	(116,446)
Allowance for possible losses	(1,145,838)	(1,209,035)
	18,360,958	10,504,269

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6. SECURITIES (continued)

e. Details of Bonds by Rating:

	Rating *)			Fair value/Book Value **)	
	Rating Agencies	2006	2005	2006	2005
Rupiah:					
Trading					
Bonds	Various	Various	Various	637,598	364,800
Available for sale					
Bonds					
PT Medco Energi International Tbk.	Pefindo	idAA-	idAA-	156,563	136,875
PT Tunas Baru Lampung Tbk.	Pefindo	idBBB	idBBB	123,750	117,500
PT Ciliandra Perkasa	Pefindo	-	idBBB	-	131,600
Others	Various	Various	Various	458,640	445,793
Syariah Mudharabah bonds	Various	Various	Various	488,270	365,425
				1,227,223	1,197,193
Held to maturity					
Mandatory convertible bonds					
PT Garuda Indonesia	-	-	-	1,018,809	1,018,809
Bonds	Various	Various	Various	2,000	38,000
				1,020,809	1,056,809
Total Rupiah				2,885,630	2,618,802
Foreign currency:					
Trading					
Bonds	Various	Various	Various	85,261	39,522
Available for sale					
Bonds	Various	Various	Various	118,988	88,129
Held to maturity					
Bonds					
Republic of Indonesia	S & P	BB-	B+	17,984	166,336
Others	Various	Various	Various	173,582	214,239
				191,566	380,575
Total foreign currency				395,815	508,226

*) Information on rating of bonds were obtained from Bloomberg, which is based on ratings issued by the rating agencies acknowledged by Bank Indonesia, such as Pemeringkat Efek Indonesia, Standard and Poor's, Moody's and Fitch Ratings.

**) Held to maturity securities are stated at book value.

f. Average Interest Rates per Annum:

	2006	2005
Rupiah	10.15%	8.18%
Foreign currency	8.40%	7.83%

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6. SECURITIES (continued)

g. Movements of Allowance for Possible Losses on Securities:

	2006	2005
Balance at beginning of year	1,209,035	1,144,501
(Reversal)/Provision during the year (Note 36)	(30,839)	59,310
Recoveries	-	3,919
Others *)	(32,358)	1,305
Balance at end of year	1,145,838	1,209,035

*) Includes effect of foreign exchange translation.

Management believes that the allowance for possible losses on securities is adequate.

7. GOVERNMENT RECAPITALIZATION BONDS

Government Recapitalization Bonds consist of bonds issued by the Government in connection with its Recapitalization Program, acquired from primary and secondary markets with details as follows:

	2006	2005
Trading, fair value	834,273	2,143,723
Available for sale, fair value	28,719,153	28,817,643
Held to maturity, at cost	61,094,598	61,094,598
	90,648,024	92,055,964

Based on maturities, the Government Recapitalization Bonds are as follows:

	2006	2005
Trading:		
Less than 1 year	-	1,370,217
1 - 5 years	109,807	164,377
5 - 10 years	724,466	609,129
	834,273	2,143,723
Available for sale:		
Less than 1 year	-	19,953
1 - 5 years	1,190,795	1,496,628
5 - 10 years	14,911,591	11,111,957
Over 10 years	12,616,767	16,189,105
	28,719,153	28,817,643
Held to maturity:		
1 - 5 years	1,350,000	1,350,000
5 - 10 years	12,388,900	1,505,329
Over 10 years	47,355,698	58,239,269
	61,094,598	61,094,598
	90,648,024	92,055,964

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7. GOVERNMENT RECAPITALIZATION BONDS (continued)

The details of Government Recapitalization Bonds are as follows:

2006

Trading

	Nominal	Interest Rates per Annum	Fair Value	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	643,606	13.15%- 15.58%	784,274	06/15/2009- 12/15/2013	6 months
Variable rate bonds	50,000	3-month SBI	49,999	06/25/2011	3 months
	<u>693,606</u>		<u>834,273</u>		

Available for sale

	Nominal	Interest Rates per Annum	Fair Value	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	1,654,272	14.25%- 15.58%	2,015,920	11/15/2010- 12/15/2013	6 months
Variable rate bonds	26,727,428	3-month SBI	26,703,233	01/25/2008- 07/25/2020	3 months
	<u>28,381,700</u>		<u>28,719,153</u>		

Held to maturity

	Nominal	Interest Rates per Annum	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	1,350,000	13.15%	03/15/2010	6 months
Variable rate bonds	59,744,598	3-month SBI	12/25/2014- 07/25/2020	3 months
	<u>61,094,598</u>			

2005

Trading

	Nominal	Interest Rates per Annum	Fair Value	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	572,306	12.13%- 14.28%	593,198	02/15/2006- 12/15/2013	6 months
Variable rate bonds	1,562,361	3-month SBI	1,550,525	03/25/2006- 06/25/2011	3 months
	<u>2,134,667</u>		<u>2,143,723</u>		

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7. GOVERNMENT RECAPITALIZATION BONDS (continued)

2005 (continued)

Available for sale

	Nominal	Interest Rates per Annum	Fair Value	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	1,829,634	14.00%- 15.58%	1,875,674	06/15/2009- 12/15/2013	6 months
Variable rate bonds	27,267,428	3-month SBI	26,941,969	03/25/2006- 07/25/2020	3 months
	<u>29,097,062</u>		<u>28,817,643</u>		

Held to maturity

	Nominal	Interest Rates per Annum	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	1,350,000	13.15%	03/15/2010	6 months
Variable rate bonds	59,744,598	3-month SBI	12/25/2014- 07/25/2020	3 months
	<u>61,094,598</u>			

Significant information relating to Government Recapitalization Bonds is as follows:

2006

As of December 31, 2006, Government Recapitalization Bonds with a total nominal amount of Rp1,605,954 had been sold to counterparties with agreements to repurchase (Note 22).

The ownership of Government Recapitalization Bonds with an aggregate nominal value of Rp1,926,843 have been transferred to counterparty bank related with Callable Parallel Deposits (Note 21) and Callable Zero Coupon Deposits transactions. Because of significant risk and rewards of ownership of Government Recapitalization Bonds that have not been transferred to counterparty bank, the Bank still recognized Government Recapitalization Bonds on its balance sheet.

The Bank has also entered in two Callable Zero Coupon Deposits transaction with counterparty bank related to transfer contract of Government Recapitalization Bonds. Such contract was initiated when the Bank transferred Government Recapitalization Bonds to counterparty bank and received the fund from the proceeds in Rupiah. A portion of the total transfer proceeds amounting to Rp974,666 was placed back as Callable Zero Coupon Deposits to the counterparty bank.

A summary of callable zero coupon deposit contract is as follows:

Deposits	Effective Date	Maturity Date	Beginning Balance	Ending Balance	Effective Interest Rate
Rupiah	July 29, 2004	June 20, 2013	359,666	1,000,000	12.18%
Rupiah	April 8, 2005	December 20, 2013	615,000	1,514,470	10.90%

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7. GOVERNMENT RECAPITALIZATION BONDS (continued)

2006 (continued)

The deposit was placed from a portion of fund received from transfer proceeds of Government Recapitalization Bonds to counterpart bank.

The interest rate of deposit above is the same with the yield of Government Recapitalization Bonds at the transfer date.

The agreement gives an option right to counterpart bank to early terminate the agreement by early termination/withdrawal of the Rupiah deposit on any of the redemption date each year.

If trigger events occurs, which is the defaults or restructuring of Government Recapitalization Bonds by Government of Republic of Indonesia relating to the principal or interest payment, counterpart bank may opt to return the Government Recapitalization Bonds which have been transferred to the Bank as a settlement for the callable zero coupon deposit transactions.

As the Bank has not sold and transferred the significant risk and rewards of the Government Recapitalization Bonds, Bank still recognized the deposits as Government Recapitalization Bonds on the Bank's balance sheet as of December 31, 2006.

2005

As of December 31, 2005, Government Recapitalization Bonds with a total nominal amount of Rp2,084,796 had been sold to counterparties with agreements to repurchase (Note 22).

Hedge bonds which matured in 2005 were settled by the Government with issuance of VR0031 series replacement bonds, with aggregate nominal value of Rp2,865,356.

8. OTHER RECEIVABLES - TRADE TRANSACTIONS

a. By Type, Currency, Related Parties and Third Parties:

	<u>2006</u>	<u>2005</u>
Rupiah:		
Third parties		
Usance L/C payable at sight	754,275	520,682
Others	223,273	236,832
Total Rupiah	<u>977,548</u>	<u>757,514</u>
Foreign Currency:		
Related parties (Note 47)		
Others	56,878	54,531
Third parties		
Usance L/C payable at sight	1,072,611	2,197,345
Others	663,249	816,754
Total Foreign Currency	<u>1,735,860</u>	<u>3,014,099</u>
Total Foreign Currency	<u>1,792,738</u>	<u>3,068,630</u>
Total	2,770,286	3,826,144
Less: Allowance for possible losses	(812,247)	(1,101,415)
	<u><u>1,958,039</u></u>	<u><u>2,724,729</u></u>

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8. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)

b. By Collectibility:

	2006	2005
Current	1,546,468	1,794,447
Special mention	458,152	401,903
Sub-standard	-	553,073
Doubtful	1,010	192,237
Loss	764,656	884,484
Total	2,770,286	3,826,144
Less: Allowance for possible losses	(812,247)	(1,101,415)
	1,958,039	2,724,729

c. By Maturity:

	2006	2005
Rupiah:		
Less than 1 month	381,031	333,433
1 - 3 months	431,971	120,593
3 - 6 months	164,546	303,488
Total Rupiah	977,548	757,514
Foreign Currency:		
Less than 1 month	923,331	1,443,834
1 - 3 months	392,561	838,437
3 - 6 months	476,846	761,596
6 - 12 months	-	24,763
Total Foreign Currency	1,792,738	3,068,630
Total	2,770,286	3,826,144
Less: Allowance for possible losses	(812,247)	(1,101,415)
	1,958,039	2,724,729

d. Movements of Allowance for Possible Losses on Other Receivables - Trade Transactions:

	2006	2005
Balance at beginning year	1,101,415	883,405
(Reversal)/Provision during the year (Note 36)	(215,583)	192,897
Others *)	(73,585)	25,113
Balance at end of year	812,247	1,101,415

(*) Includes foreign exchange translation effect.

The minimum allowance for possible losses on other receivables - trade transactions, under the guidelines prescribed by Bank Indonesia, as of December 31, 2006 and 2005 amounted to Rp803,399 and Rp1,101,415 respectively.

Management believes that the allowance for possible losses on other receivables - trade transactions is adequate.

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9. SECURITIES PURCHASED WITH AGREEMENTS TO RESELL

a. A summary of securities purchased with agreements to resell

2006

	Securities	Commencement Date	Maturity Date	Resell Value	Unamortized Deferred Interest Income	Net Value
Rupiah						
	Bonds VR0017	12/26/06	01/26/07	226,711	1,623	225,088
	Bonds VR0017	12/27/06	01/26/07	226,648	1,623	225,025
	Shares	10/20/06	04/18/07	163,875	8,320	155,555
	Shares	10/20/06	04/18/07	54,625	2,773	51,852
	Shares	10/10/06	04/10/07	46,141	2,275	43,866
	Shares	11/16/06	05/15/07	38,410	2,559	35,851
	Shares	08/23/06	02/19/07	30,555	710	29,845
	Shares	12/21/06	03/21/07	28,283	1,140	27,143
	Shares	08/24/06	02/20/07	27,281	646	26,635
	Shares	10/03/06	01/03/07	12,555	-	12,555
	Bonds FR0026	09/25/06	03/14/07	2,756	9	2,747
	Bonds FR0025	09/25/06	03/14/07	2,739	12	2,727
	Bonds FR0024	12/22/06	01/22/07	2,067	16	2,051
	Shares	10/03/06	01/03/07	598	20	578
	Bonds FR0025	12/22/06	12/22/07	474	4	470
				863,718	21,730	841,988
	Allowance for possible losses					(8,600)
	Total					833,388

2005

	Securities	Commencement Date	Maturity Date	Resell Value	Unamortized Deferred Interest Income	Net Value
Rupiah						
	Shares	10/20/2005	01/18/2006	104,750	950	103,800
	Shares	10/28/2005	01/26/2006	104,750	1,372	103,378
	Shares	12/02/2005	03/02/2006	52,375	1,610	50,765
	Shares	12/02/2005	03/02/2006	52,375	1,610	50,765
	Bonds FR25	12/13/2005	01/13/2006	8,387	52	8,335
	Total Rupiah			322,637	5,594	317,043

b. Movements of allowance for securities purchased with agreements to resell:

	2006	2005
Balance at beginning of year	-	4,800
Provision/(Reversal) during the year (Note 36)	8,600	(4,800)
Balance at end of year	8,600	-

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10. DERIVATIVE RECEIVABLES AND PAYABLES

As of December 31, 2006, a summary of derivative transactions is as follows:

Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
Third parties				
<i>Foreign Exchange Related</i>				
1. Forward-buy				
US Dollar	314,493	308,027	17	6,483
Others	398,874	389,757	4,028	13,145
2. Forward-sell				
US Dollar	75,158	74,350	819	11
Others	90,661	91,551	248	1,138
3. Swap-buy				
US Dollar	1,179,910	1,173,632	95	6,373
Others	1,069,095	1,080,094	13,319	2,320
4. Swap - sell				
US Dollar	3,446,550	3,054,153	392,467	70
Others	49,967	49,697	296	26
5. Option - buy				
US Dollar	-	406	406	-
Others	-	1,218	1,218	-
6. Option - sell				
US Dollar	-	408	-	408
Others	-	930	-	930
<i>Interest Rate Related</i>				
1. Swap - interest rate				
US Dollar	-	62,095	-	62,095
Other	-	7,411	-	7,411
2. Forward Rate Agreement				
US Dollar	-	2,487	2,074	413
Total			414,987	100,823
Less: Allowance for possible losses			(4,260)	-
			410,727	100,823

Interest Rate Swaps

On April 17, 2003 Bank Mandiri entered into interest rate swap agreements with counterparty banks with nominal values amounting to US\$125,000,000 (full amount) and US\$175,000,000 (full amount), respectively. The underlying transaction is the Bank's US\$300,000,000 (full amount) fixed interest rate Medium-Term Note (MTN) issued in April 2003 (Note 24). Under this transaction, the Bank receives semi-annual fixed interest at the rate of 7.00% per annum and pays semi-annual floating interest at the rate of six-month Libor + 3.37% per annum until the maturity of the Note on April 22, 2008. The six-month Libor interest is stated in arrears. These transactions qualify as hedging for accounting purposes.

The background and purpose of the issuance of the hedging instruments are related to interest rate risk management, whereby the Bank's positive foreign currency interest rate gap position is exposed to downward trends in interest rates in the following five years. The Bank decided to convert its MTN's fixed interest rate into floating interest rates in order to mitigate the risks of a decrease in net interest margin. As of December 31, 2006 and 2005, losses amounting to (Rp51,512) and (Rp86,039) as a result of the hedging fair value calculation have been offset against the gain from decrease of the MTNs, a hedged item, based on the fair value calculation (Note 24).

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10. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

Interest Rate Swaps (continued)

Bank Mandiri entered into an interest rate swap agreement with nominal amount of US\$125,000,000 (full amount) with counterparty bank in August 2002. The underlying transaction is the Bank's US\$125,000,000 (full amount) fixed interest rate Subordinated Note issued in 2002 (Note 29). Under the transaction, the Bank receives semi-annual fixed interest at the rate of 10.625% per annum and pays semi-annual floating interest at the rate of six-month LIBOR + 6.19% per annum for a 5-year period. The six-month Libor interest is stated in arrears. While the transaction is for the purpose of hedging the fixed rate coupon payments of the Subordinated Note with floating coupon payments, it does not qualify as a hedging transaction for accounting purposes.

Cross Currency Swaps

Bank Mandiri has entered into cross currency swap contracts, which are associated with the securities sold with agreements to repurchase with several counterparty banks. The contracts were initiated when Bank Mandiri sold its Government Recapitalization Bonds to the counterparty banks and received Rupiah funds. These funds were used to settle the spot leg of the cross currency swaps and Bank Mandiri will then receive US Dollar funds. On the settlement date, the Bank will receive Rupiah funds and pay US Dollar funds to the counterparty banks. Bank Mandiri is then obliged to use the Rupiah funds to repurchase the Government Recapitalization Bonds previously sold to counterparty banks (Notes 7 and 22).

A summary of the cross currency swap contracts is as follows:

Effective Date	Maturity Date	Type of Transactions	Buy (full amount)	Sell (full amount)
November 3, 2004	November 3, 2009	Spot Forward	US\$25 million Rp285,060 million	Rp285,060 million US\$25 million
November 4, 2004	November 4, 2009	Spot Forward	US\$25 million Rp284,062 million	Rp284,062 million US\$25 million
May 18, 2005	May 18, 2010	Spot Forward	US\$25 million Rp316,356 million	Rp316,356 million US\$25 million
June 7, 2005	January 7, 2008	Spot Forward	US\$50 million Rp617,500 million	Rp617,500 million US\$50 million

As of December 31, 2005, a summary of derivative transactions is as follows:

Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
Third parties				
<i>Foreign Exchange Related :</i>				
1. Forward - buy				
US Dollar	622,074	605,772	1,655	17,957
Others	77,300	76,054	-	1,246
2. Forward - sell				
US Dollar	426,077	425,276	835	34
Others	59,919	59,401	594	76
3. Swap - buy				
US Dollar	2,666,750	2,644,010	1,239	23,979
4. Swap - sell				
US Dollar	4,869,156	4,601,502	312,921	45,267
Others	150,000	149,620	-	380

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10. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

<i>2005</i> (continued)				
Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
<i>Interest Rate Related</i>				
1. Swap - Interest rate				
US Dollar	-	97,533	-	97,533
Other	-	4,182	1,442	2,740
2. Forward Rate Agreement				
US Dollar	-	334	-	334
Total			318,686	189,546
Less: Allowance for possible losses			(3,443)	-
			315,243	189,546

As of December 31, 2006 and 2005, the collectibility of derivative receivables is as follows:

	2006	2005
Current	414,987	318,686
Total	414,987	318,686
Less: Allowance for possible losses	(4,260)	(3,443)
Balance at end of year	410,727	315,243

Management believes that the allowance for possible losses on derivative receivables is adequate.

Movements of allowance for possible losses on derivative receivables:

	2006	2005
Balance at beginning of year	3,443	2,881
Provision during the year (Note 36)	874	559
Others *)	(57)	3
Balance at end of year	4,260	3,443

(*) Includes effect of foreign exchange translation.

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11. LOANS

A. Details of loans:

a) By Currency and Related Parties and Third Parties:

	2006	2005
Rupiah:		
Related parties	121,625	568,970
Third parties	82,131,648	73,718,795
	<u>82,253,273</u>	<u>74,287,765</u>
Foreign Currency:		
Related parties	629,047	676,770
Third parties	34,875,002	31,888,411
	<u>35,504,049</u>	<u>32,565,181</u>
Total	117,757,322	106,852,946
Less: Deferred income	(86,380)	(159,858)
Total	117,670,942	106,693,088
Less: Allowance for possible losses	(14,388,695)	(11,823,614)
	<u>103,282,247</u>	<u>94,869,474</u>

b) By Type and Collectibility:

	2006					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Rupiah:						
Working capital	36,414,687	2,477,373	1,227,418	428,609	3,499,137	44,047,224
Investment	11,425,360	3,572,387	302,143	99,809	3,015,571	18,415,270
Consumer	9,348,868	1,979,874	87,491	113,629	339,381	11,869,243
Export	2,506,320	44,754	5,370	3,015	260,747	2,820,206
Government Program	1,633,767	316,219	2,682	31,608	208,857	2,193,133
Syndicated	236,229	235,839	-	-	997,274	1,469,342
Employees	1,429,933	4,564	307	267	3,784	1,438,855
Total Rupiah	<u>62,995,164</u>	<u>8,631,010</u>	<u>1,625,411</u>	<u>676,937</u>	<u>8,324,751</u>	<u>82,253,273</u>
Foreign Currency:						
Working capital	7,831,167	3,774,276	182,609	22,577	3,250,873	15,061,502
Investment	7,147,037	2,240,750	229,506	-	3,736,865	13,354,158
Syndicated	591,430	2,479,035	47	-	51,716	3,122,228
Export	1,316,526	407,941	81,822	-	1,036,533	2,842,822
Government Program	100,219	-	-	-	-	100,219
Consumer	29,977	11,949	-	-	5,422	47,348
Employees	456	-	-	-	-	456
Others	938,458	-	-	-	36,858	975,316
Total Foreign Currency	<u>17,955,270</u>	<u>8,913,951</u>	<u>493,984</u>	<u>22,577</u>	<u>8,118,267</u>	<u>35,504,049</u>
Total	80,950,434	17,544,961	2,119,395	699,514	16,443,018	117,757,322
Less:						
Deferred income	(9,751)	(43,722)	(1,150)	-	(31,757)	(86,380)
Total	<u>80,940,683</u>	<u>17,501,239</u>	<u>2,118,245</u>	<u>699,514</u>	<u>16,411,261</u>	<u>117,670,942</u>
Less:						
Allowance for possible losses	(836,988)	(1,292,353)	(509,604)	(255,696)	(11,494,054)	(14,388,695)
	<u>80,103,695</u>	<u>16,208,886</u>	<u>1,608,641</u>	<u>443,818</u>	<u>4,917,207</u>	<u>103,282,247</u>

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11. LOANS (continued)

A. Details of loans: (continued)

b) By Type and Collectibility (continued):

	2005					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Rupiah:						
Working capital	29,430,891	3,010,573	1,093,399	604,524	2,948,425	37,087,812
Investment	9,529,950	3,152,988	1,566,939	393,595	2,687,282	17,330,754
Consumer	9,427,534	2,120,579	107,404	123,371	192,450	11,971,338
Export	1,913,340	88,530	76,169	84,488	225,998	2,388,525
Government Program	1,514,859	361,198	77,271	55,509	140,594	2,149,431
Syndicated	315,149	90,240	-	1,265,454	1,002	1,671,845
Employees	1,469,741	2,735	127	256	3,720	1,476,579
Others	203,208	5,566	1,380	754	573	211,481
Total Rupiah	53,804,672	8,832,409	2,922,689	2,527,951	6,200,044	74,287,765
Foreign Currency:						
Investment	5,898,810	2,865,175	1,137,113	1,838,462	2,306,825	14,046,385
Working capital	4,511,508	695,392	1,288,343	493,546	2,832,159	9,820,948
Syndicated	489,065	389,956	10,860	172,936	3,362,862	4,425,679
Export	770,517	625,173	340,316	345,279	1,177,036	3,258,321
Consumer	225,719	46,884	-	-	-	272,603
Government Program	113,280	-	-	-	-	113,280
Employees	605	-	-	-	-	605
Others	563,704	6,319	-	-	57,337	627,360
Total Foreign Currency	12,573,208	4,628,899	2,776,632	2,850,223	9,736,219	32,565,181
Total	66,377,880	13,461,308	5,699,321	5,378,174	15,936,263	106,852,946
Less:						
Deferred income	(16,035)	(18,921)	(8,932)	(23,354)	(92,616)	(159,858)
Total	66,361,845	13,442,387	5,690,389	5,354,820	15,843,647	106,693,088
Less:						
Allowance for possible losses	(668,795)	(631,273)	(748,115)	(1,743,536)	(8,031,895)	(11,823,614)
	65,693,050	12,811,114	4,942,274	3,611,284	7,811,752	94,869,474

c) By Economic Sector and Collectibility:

	2006					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Rupiah:						
Manufacturing	16,320,656	2,381,695	1,096,908	290,232	3,626,984	23,716,475
Trading, restaurant and hotel	9,539,620	1,038,261	134,001	91,748	1,217,297	12,020,927
Agriculture	6,462,667	1,000,235	24,012	4,535	819,809	8,311,258
Construction	5,601,453	912,168	133,444	70,219	412,015	7,129,299
Business services	5,101,521	347,873	32,398	84,565	852,474	6,418,831
Transportation, warehousing and communications	2,441,585	725,700	45,775	14,832	513,792	3,741,684
Social services	3,221,266	81,336	4,126	2,517	191,628	3,500,873
Mining	293,609	120,296	61,082	-	86,860	561,847
Electricity, gas and water	115,927	132	1,350	-	185,264	302,673
Others	13,896,860	2,023,314	92,315	118,289	418,628	16,549,406
Total Rupiah	62,995,164	8,631,010	1,625,411	676,937	8,324,751	82,253,273

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11. LOANS (continued)

A. Details of loans: (continued)

c) By Economic Sector and Collectibility (continued):

2006 (continued)

	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Foreign Currency:						
Manufacturing	4,351,014	7,561,865	256,535	17,218	5,836,755	18,023,387
Mining	5,817,732	145,239	175,082	-	495,085	6,633,138
Trading, restaurant and hotel	1,669,829	335,304	54,424	1,107	722,832	2,783,496
Agriculture	1,915,135	38,918	-	-	193,085	2,147,138
Electricity, gas and water	925,876	442,327	-	-	-	1,368,203
Construction	1,055,302	135,878	-	-	2,080	1,193,260
Transportation, warehousing and communications	598,483	172,577	-	-	91,270	862,330
Business services	366,653	5,663	607	2,385	9,168	384,476
Social services	2,056	-	-	-	-	2,056
Others	1,253,190	76,180	7,336	1,867	767,992	2,106,565
Total Foreign Currency	17,955,270	8,913,951	493,984	22,577	8,118,267	35,504,049
Total	80,950,434	17,544,961	2,119,395	699,514	16,443,018	117,757,322
Less:						
Deferred income	(9,751)	(43,722)	(1,150)	-	(31,757)	(86,380)
Total	80,940,683	17,501,239	2,118,245	699,514	16,411,261	117,670,942
Less:						
Allowance for possible losses	(836,988)	(1,292,353)	(509,604)	(255,696)	(11,494,054)	(14,388,695)
	80,103,695	16,208,886	1,608,641	443,818	4,917,207	103,282,247

2005

	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Rupiah:						
Manufacturing	15,112,561	2,020,058	1,054,965	1,750,235	2,654,413	22,592,232
Trading, restaurant and hotel	9,145,331	1,235,340	148,563	244,117	731,232	11,504,583
Construction	4,492,409	711,722	1,076,081	98,924	602,355	6,981,491
Agriculture	4,396,305	1,590,320	184,647	82,259	606,225	6,859,756
Business services	4,122,928	334,893	63,304	81,523	245,981	4,848,629
Transportation, warehousing and communications	1,538,706	647,259	287,580	91,351	597,100	3,161,996
Social services	1,419,692	179,125	10,204	650	291,125	1,900,796
Mining	277,777	155,659	4,421	63,449	97,721	599,027
Electricity, gas and water	89,981	52,985	-	-	115,569	258,535
Others	13,208,982	1,905,048	92,924	115,443	258,323	15,580,720
Total Rupiah	53,804,672	8,832,409	2,922,689	2,527,951	6,200,044	74,287,765
Foreign Currency:						
Manufacturing	4,670,206	2,439,139	1,237,520	1,816,862	8,136,690	18,300,417
Trading, restaurant and hotel	1,562,929	534,120	565,486	248,414	210,146	3,121,095
Agriculture	1,316,863	469,675	450,813	197,791	269,553	2,704,695
Construction	1,052,520	332,540	119,807	2,878	519,686	2,027,431
Mining	1,333,128	146,984	104,932	537,150	109,122	2,231,316
Business services	764,189	30,337	111,928	47,128	459,527	1,413,109
Electricity, gas and water	1,089,087	308,977	-	-	-	1,398,064

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11. LOANS (continued)

A. Details of loans: (continued)

c) By Economic Sector and Collectibility (continued):

2005 (continued)

	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Foreign Currency:						
Transportation, warehousing and communications	184,094	332,933	-	-	30,965	547,992
Social services	2,173	-	-	-	-	2,173
Others	598,019	34,194	186,146	-	530	818,889
Total Foreign Currency	<u>12,573,208</u>	<u>4,628,899</u>	<u>2,776,632</u>	<u>2,850,223</u>	<u>9,736,219</u>	<u>32,565,181</u>
Total	<u>66,377,880</u>	<u>13,461,308</u>	<u>5,699,321</u>	<u>5,378,174</u>	<u>15,936,263</u>	<u>106,852,946</u>
Less:						
Deferred income	(16,035)	(18,921)	(8,932)	(23,354)	(92,616)	(159,858)
Total	<u>66,361,845</u>	<u>13,442,387</u>	<u>5,690,389</u>	<u>5,354,820</u>	<u>15,843,647</u>	<u>106,693,088</u>
Less:						
Allowance for possible losses	(668,795)	(631,273)	(748,115)	(1,743,536)	(8,031,895)	(11,823,614)
	<u>65,693,050</u>	<u>12,811,114</u>	<u>4,942,274</u>	<u>3,611,284</u>	<u>7,811,752</u>	<u>94,869,474</u>

d) By Period:

	2006	2005
Rupiah:		
Less than 1 year	13,237,128	8,176,507
1 - 2 years	7,648,357	5,438,367
2 - 5 years	22,146,627	21,883,988
Over 5 years	39,221,161	38,788,903
Total Rupiah	<u>82,253,273</u>	<u>74,287,765</u>
Foreign Currency:		
Less than 1 year	8,859,082	4,808,827
1 - 2 years	1,350,872	1,486,901
2 - 5 years	5,245,373	6,761,123
Over 5 years	20,048,722	19,508,330
Total Foreign Currency	<u>35,504,049</u>	<u>32,565,181</u>
Total	<u>117,757,322</u>	<u>106,852,946</u>
Less: Deferred income	(86,380)	(159,858)
Total	<u>117,670,942</u>	<u>106,693,088</u>
Less: Allowance for possible losses	(14,388,695)	(11,823,614)
	<u>103,282,247</u>	<u>94,869,474</u>

The non-performing loans ratio (consolidated gross basis) before deducting the allowance for possible losses as of December 31, 2006 and 2005, was 16.34% and 25.20%, respectively (Bank Mandiri only 17.08% and 26.58%, as of December 31, 2006 and 2005, respectively) while the non-performing loans ratio (consolidated net basis) as of December 31, 2006 and 2005, was 5.92% and 15.34%, respectively (Bank Mandiri only 6.06% and 16.17%, as of December 31, 2006 and 2005, respectively).

The loans as of December 31, 2006 and 2005 include the loans purchased from IBRA amounting to Rp3,050,488 and Rp4,771,405, respectively, with an allowance for possible losses of Rp379,446 and Rp807,109, and deferred income of Rp86,380 and Rp159,858, respectively.

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11. LOANS (continued)

B. Significant information related to loans:

- a. Included in loans are *syariah* finance receivables amounting to Rp7,215,491 and Rp5,790,544 as of December 31, 2006 and 2005:

	2006	2005
Receivables	4,291,887	4,020,059
<i>Musyarakah</i> finance receivables	1,554,196	1,206,012
Other <i>syariah</i> finance receivables	1,369,408	564,473
	7,215,491	5,790,544
Less: Allowance for possible losses	(261,133)	(126,687)
	6,954,358	5,663,857

- b. Average Interest Rates and Range of Profit Sharing Per Annum:

Average interest rates per annum:

	2006	2005
Rupiah	15.30%	14.10%
Foreign Currency	9.31%	8.85%

Range of profit sharing per annum:

	2006	2005
Receivables	11.56% -13.46 %	13.16% - 14.08%
<i>Musyarakah</i> finance receivables	11.96% -16.45 %	13.57% - 13.95%
Other <i>syariah</i> finance receivables	14.70% -17.48 %	15.80% - 16.58%

- c. Loan Collateral

Loans are generally collateralized by registered mortgages, powers of attorney to mortgage or sell pledged assets, time deposits or other guarantees acceptable to Bank Mandiri.

- d. Government Program Loans

Government program loans consist of investment loans, permanent working capital loans and working capital loans which can be fully funded by the Government.

- e. Syndicated Loans

Syndicated loans represent loans provided to customers under syndication agreements with other banks. Bank Mandiri's share as facility agent in syndicated loans ranged from 4.50% to 73.40% and 4.50% to 83.09% of the total syndicated loans as of December 31, 2006 and 2005, respectively. Bank Mandiri's total participation in syndicated loans ranged from 0.07% to 95.56% and 0.07% to 95.69%, of the total syndicated loans as of December 31, 2006 and 2005, respectively.

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11. LOANS (continued)

B. Significant information related to loans: (continued)

f. Restructured Loans

Below is the type and amount of restructured loans as of December 31, 2006 and 2005:

	2006	2005
Extension of loan maturity dates	12,063,859	9,738,462
Extension of loan maturity dates and reduction of interest rates	4,483,994	2,369,978
Long-term loans with options to convert debt to equity	1,518,801	1,568,052
Additional loan facilities	319,187	511,201
Extension of loan maturity dates and other restructuring schemes *)	2,528,410	5,239,505
	20,914,251	19,427,198

*) Other restructuring schemes mainly involve one or more of the following: reduction of interest rates, rescheduling of unpaid interest and extension of repayment periods for unpaid interest.

Total restructured loans under non-performing loans (NPL) category as of December 31, 2006 and 2005 amounted to Rp7,362,544 and Rp9,419,958, respectively.

g. Loans to Related Parties (Note 47a)

Loans to related parties amounted to Rp750,672 and Rp1,245,740 as of December 31, 2006 and 2005 or 0.28% and 0.47% of total consolidated assets as of December 31, 2006 and 2005, respectively. Details of loans given to related parties are as follows:

	2006	2005
Republic of Indonesia	533,855	572,775
PT Great River International	200,899	209,747
PT Kertas Padalarang *)	-	6,000
PT Staco Estika Sedaya Finance **) (previously PT Stacomitra Sedaya Finance)	-	220,992
Danareksa	-	214,000
PT Bayu Beringin Lestari *)	-	10,500
Employee loans	15,918	11,726
	750,672	1,245,740

*) Originated from conversion of debt to equity.

**) These are subsidiaries of the Bank's pension fund.

The loans to Bank Mandiri employees consist of interest-bearing loans at 4% per annum which are intended for the acquisition of vehicles and houses, and are repayable within 1 (one) to 15 (fifteen) years through monthly payroll deductions.

h. Legal Lending Limit (LLL)

As of December 31, 2006 and 2005, Bank Mandiri had not exceeded the Legal Lending Limit as required by Bank Indonesia Regulations.

i. Bank Mandiri has several loan-channeling agreements with several international financial institutions (Note 54).

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11. LOANS (continued)

B. Significant information related to loans: (continued)

j. Movements of Allowance for Possible Losses on Loans:

The allowance for possible loan losses is comprised of:

	<u>2006</u>	<u>2005</u>
Allowance for possible loan losses	14,388,695	11,823,614
Allowance for possible losses derived from the difference between purchase price and loan principal of loans purchased from IBRA (Note 11B.n)	-	-
	<u>14,388,695</u>	<u>11,823,614</u>

The movements of allowance for possible loan losses (excluding allowance for possible losses derived from the difference between loan principal and the purchase price on loans purchased from IBRA) are as follows:

	<u>2006</u>	<u>2005</u>
Balance at beginning of year	11,823,614	8,471,343
Provision during the year (Note 36)	4,158,551	3,860,646
Loan recoveries **)	3,422,460	825,169
Write-offs	(4,492,871)	(1,503,081)
Others *)	(523,059)	169,537
Balance at end of year	<u>14,388,695</u>	<u>11,823,614</u>

*) Includes effect of foreign currency translation.

**) Includes write-back amounting to Rp2,336,399.

As explained in Note 2o, an allowance for possible loan losses is provided based on the review and evaluation of the collectibility and realizable value of the respective loan balances at the balance sheet date. In determining the minimum amount of allowance for possible losses, Bank Mandiri takes into account Bank Indonesia regulations on Allowances for Possible Losses on Earning Assets.

The minimum allowance for possible losses on loans (including those for loans purchased from IBRA), under the guidelines prescribed by Bank Indonesia, as of December 31, 2006 and 2005 is Rp13,485,834 and Rp11,556,688. Management believes that the allowance for possible losses on loans is adequate.

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11. LOANS (continued)

B. Significant information related to loans: (continued)

k. A summary of non-performing loans based on economic sector and related minimum allowances for possible losses based on Bank Indonesia regulations, is as follows:

2006

	Non-performing Loans	Minimum Allowance for Possible Losses
Rupiah:		
Manufacturing	5,014,124	2,780,627
Trading, restaurant and hotel	1,443,046	777,690
Business services	969,437	507,484
Others	3,200,492	1,763,499
Total Rupiah	<u>10,627,099</u>	<u>5,829,300</u>
Foreign Currency:		
Manufacturing	6,110,508	3,898,487
Trading, restaurant and hotel	778,363	510,556
Business services	12,160	10,277
Others	1,733,797	1,107,871
Total Foreign Currency	<u>8,634,828</u>	<u>5,527,191</u>
	<u>19,261,927</u>	<u>11,356,491</u>

2005

	Non-performing Loans	Minimum Allowance for Possible Losses
Rupiah:		
Manufacturing	5,459,613	2,408,678
Trading, restaurant and hotel	1,123,912	489,404
Business services	390,808	171,631
Others	4,676,351	2,052,840
Total Rupiah	<u>11,650,684</u>	<u>5,122,553</u>
Foreign Currency:		
Manufacturing	11,191,072	3,815,221
Trading, restaurant and hotel	1,024,046	370,557
Business services	618,583	210,885
Others	2,529,373	862,305
Total Foreign Currency	<u>15,363,074</u>	<u>5,258,968</u>
	<u>27,013,758</u>	<u>10,381,521</u>

I. Write-offs Loans – Loss Rating

In 2006 and 2005, Bank Mandiri wrote-off loss rated loans amounting to Rp4,475,753 and Rp1,456,034 (Bank only) respectively. The debtors' criteria for loan write-offs are as follows:

- a. Loan facility is classified as loss
- b. Loan facility has been provided with 100% provision from the loan principal
- c. Collection and recovery efforts were performed, but the results were unsuccessful
- d. The debtors' business prospect or performance is bad or they do not have the ability to repay the loan
- e. The write-offs were performed for all their entire loan obligations, including that from non cash loan facilities, so that the write-offs were not partial write-offs.

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11. LOANS (continued)

B. Significant information related to loans: (continued)

I. Write-offs Loans – Loss Rating (continued)

The loans rated loss written-off are still to be pursued for collection continuously.

- m. Bank Mandiri had extra-komtabel loans amounting to Rp24,758,452 and Rp22,621,706 as of December 31, 2006 and 2005. Extra-komtabel loans are loans which have been written-off by the Bank but which continue to be pursued for collection. These loans are not reflected in the balance sheet of the Bank, but are maintained as off-balance sheet in the Bank's ledger system. A summary of movements of extra-komtabel loans for the years ended December 31, 2006 and 2005 is as follows (Bank Only):

	2006	2005
Balance at beginning of year	22,621,706	21,527,023
Write-offs	4,475,753	1,456,034
Recoveries **)	(3,410,734)	(817,697)
Others *)	1,071,727	456,346
Balance at end of year	24,758,452	22,621,706

*) Includes effect of foreign currency translation.

**) Includes write-back amounting to Rp2,336,399.

n. Purchase of Loans from IBRA

Period from January 1, 2006 to December 31, 2006

In addition to the allowance for possible loan losses and deferred income, the Bank had provided an additional allowance for possible losses on IBRA loans amounting to Rp379,446 as of December 31, 2006.

Of the total outstanding principal balance of IBRA loans, Rp3,050,488 was covered by new credit agreements. Total additional facilities to debtors under loans purchased from IBRA for the years ended December 31, 2006 amounted to Rp11,498.

Total interest and other income (up-front fees, restructuring and provision fees) received related to loans purchased from IBRA for the year ended December 31, 2006 was Rp139,010.

Total loans purchased from IBRA recorded under "Other Assets" amounted to RpNil as of December 31, 2006 (Note 15).

Period from January 1, 2005 to December 31, 2005

In addition to the allowance for possible losses and deferred income, the Bank had provided an additional allowance for possible losses on IBRA loans amounting to Rp807,109 as of December 31, 2005.

Of the total outstanding principal balance of Rp4,771,405 was covered by new credit agreements. Total additional facilities to debtors under loans purchased from IBRA for the year ended December 31, 2005 amounted to Rp12,035.

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11. LOANS (continued)

B. Significant information related to loans: (continued)

n. Purchase of Loans from IBRA (continued)

Total interest and other income (up-front fees, restructuring and provision fees) received related to loans purchased from IBRA for the year ended December 31, 2005 was Rp209,066.

Total loans purchased from IBRA recorded under "Other Assets" amounted to Rp2,288 as of December 31, 2005 (Note 15).

Below are the movements of loan principal, allowance for possible losses and deferred income on loans purchased from IBRA for the years ended December 31, 2006 and 2005, which were recorded under loan account:

	2006	2005
<i>Principal</i>		
Balance at beginning of year	4,771,405	5,075,309
Repayments during the year	(639,663)	(514,537)
Loan write-off during the year	(742,816)	(26,933)
Foreign currency translation effect	(338,438)	237,566
Balance at end of year	3,050,488	4,771,405
<i>Allowance for possible loan losses</i>		
Balance at beginning of year	-	-
Reversal of provision during the year	-	-
Foreign currency translation effect	-	-
Balance at end of year	-	-
<i>Deferred Income</i>		
Balance at beginning of year	159,858	164,964
Correction from repayment	(18,620)	(7,088)
Deferred income utilized for write offs	(50,161)	(4,155)
Foreign currency translation effect	(4,697)	6,137
Balance at end of year	86,380	159,858

The collectibility of loans purchased from IBRA as of 31 December, 2006 and 2005 is as follows :

	2006	2005
Current	470,689	631,016
Special mention	2,072,669	436,408
Sub-standard	6,584	570,732
Doubtful	-	156,473
Loss	500,546	2,976,776
	3,050,488	4,771,405

- o. On November 28, 2005 Bank Mandiri signed a Memorandum of Understanding with *Direktorat Jenderal Piutang dan Lelang Negara* ("DJPLN") ^{No.NKB-001/PL/2005} _{No. DIR.MOU/009/2005} regarding the execution of auction of power of attorney to mortgage and sell based on Article 6 *Undang-Undang Hak Tanggungan* in order to expedite and optimize the auction based on Article 6 Law No. 4 year 1996 by DJPLN/KP2LN on request from the Bank as the holder of power of attorney to mortgage and sell.

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11. LOANS (continued)

B. Significant information related to loans: (continued)

- p. On December 22, 2006, the Bank held Extraordinary Shareholder's General Meeting (RUPS-LB), the shareholders agreed to approve the Directors' actions to accelerate the process of resolving non-performing loans through Bank Mandiri's Loss Rated Loans Settlement Program (PPKM Mandiri), in order to regain the status of well-performing bank as required by Bank Indonesia, by granting the Directors authorization to:
- Perform transfer including release of right and or sale of problem loans under principal value to investor, with write-off loans limit in the amount of the difference between principal value and transfer value, as determined by the RUPS from time to time.
 - Utilize the write-off limit on loss loan principal written-off as approved by RUPSLB on September 29, 2003 and RUPSLB on December 21, 2005 with total amount of Rp5 trillion, in order to optimize the Bank's assets including loans, by performing loan disposal on loss loan principal and or loan disposal on difference of principal value and transfer value, including PPKM Mandiri.
 - Enter into Management Performance Contract with the Government as the execution of Joint Decree between Coordinating Ministry of the Economy, Ministry of Finance, Ministry of State-Owned Enterprises, Governor of Bank Indonesia regarding Financial Sector Policy Package dated July 5, 2006.
- The resolution was documented in the Notarial deed of Minutes of Meeting of Ny. Poerbaningsih Adi Warsito, S.H. No. 64 dated December 22, 2006. The copy of the notarial is still in the finalization process.
- q. The Bank has adjusted the collectibility of several debtors as of December 2006 based on subsequent event transaction on the payment of principal and interest in January 2007.

12. ACCEPTANCES RECEIVABLE

a) By Currency, Related Parties and Third Parties:

	2006	2005
Rupiah:		
Receivables from other banks		
Related parties (Note 47)	769	552
Third parties	20,708	12,718
Receivables from debtors		
Third parties	290,583	175,065
Total Rupiah	312,060	188,335
Foreign Currency:		
Receivables from other banks		
Third parties	38,450	38,487
Receivables from debtors		
Third parties	3,257,883	4,092,280
Total Foreign Currency	3,296,333	4,130,767
Total	3,608,393	4,319,102
Less: Allowance for possible losses	(155,223)	(429,092)
	3,453,170	3,890,010

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12. ACCEPTANCES RECEIVABLE (continued)

b) By Maturity:

	2006	2005
Rupiah:		
Less than 1 month	88,066	104,444
1 - 3 months	164,020	61,374
3 - 6 months	59,974	22,517
Total Rupiah	312,060	188,335
Foreign Currency:		
Less than 1 month	790,217	986,953
1 - 3 months	1,448,175	1,868,876
3 - 6 months	957,886	1,243,348
6 - 12 months	93,303	27,165
Over 12 months	6,752	4,425
Total Foreign Currency	3,296,333	4,130,767
Total	3,608,393	4,319,102
Less: Allowance for possible losses	(155,223)	(429,092)
	3,453,170	3,890,010

c) By Collectibility:

	2006	2005
Current	2,968,660	2,563,288
Special mention	599,910	1,161,873
Sub-standard	247	250,612
Doubtful	-	67,987
Loss	39,576	275,342
Total	3,608,393	4,319,102
Less: Allowance for possible losses	(155,223)	(429,092)
	3,453,170	3,890,010

d) Movements of Allowance for Possible Losses on Acceptances Receivable:

	2006	2005
Balance at beginning year	429,092	147,286
(Reversal)/Provision during the year (Note 36)	(202,701)	277,140
Others *)	(71,168)	4,666
Balance at end of year	155,223	429,092

*) Includes effect of foreign currency translation.

The minimum allowance for possible losses on acceptances receivable under the guidelines prescribed by Bank Indonesia, as of December 31, 2006 and 2005 is Rp99,295 and Rp429,092, respectively.

Management believes that the allowance for possible losses on acceptances receivable is adequate.

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13. INVESTMENTS IN SHARES OF STOCK

a. The details of investments in shares of stock are as follows:

	2006	2005
Equity method of accounting	79,505	62,374
Cost method of accounting	78,990	78,990
Total	158,495	141,364
Less: Allowance for possible losses	(73,625)	(73,298)
	84,870	68,066

The details of investments in shares of stock as of December 31, 2006 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Equity Method of Accounting:</i>					
PT AXA Mandiri Financial Services	Insurance	49.00%	16,761	62,744	79,505
PT Sarana Bersama Pembiayaan Indonesia	Holding company	34.00%	2,278	(2,278)	-
					<u>79,505</u>
<i>Cost Method of Accounting:</i>					
PT Semen Kupang ^{a)}	Manufacturing	59.73%	45,023		45,023
PT Sri Thai ^{a)}	Manufacturing	21.60%	23,055		23,055
Others (each less than Rp3,889)	Various		10,912		10,912
					<u>78,990</u>
Total					158,495
Less: Allowance for possible losses					(73,625)
					<u>84,870</u>

The details of investments in shares of stock as of December 31, 2005 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Equity Method of Accounting:</i>					
PT AXA Mandiri Financial Services	Insurance	49.00%	16,761	45,613	62,374
PT Sarana Bersama Pembiayaan Indonesia	Holding company	34.00%	2,278	(2,278)	-
					<u>62,374</u>

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13. INVESTMENTS IN SHARES OF STOCK (continued)

a. The details of investments in shares of stock are as follows (continued):

The details of investments in shares of stock as of December 31, 2005 are as follows (continued):

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Cost Method of Accounting:</i>					
PT Semen Kupang ^{a)}	Manufacturing	59.70%	45,023		45,023
PT Sri Thai ^{a)}	Manufacturing	21.60%	23,055		23,055
Others (each less than Rp3,889)	Various		10,912		10,912
					78,990
Total					141,364
Less: Allowance for possible losses					(73,298)
					68,066

a) These investments represent restructured loans through debt to equity participations (Note 11B.g). Such investments are temporary investments for up to a maximum of five (5) years based on Bank Indonesia regulations. Accordingly, such investments are accounted for using the cost method regardless of the percentage of ownership, effective January 1, 2001.

b. Investments in shares of stocks by collectibility:

	2006	2005
Current	85,815	68,739
Loss	72,680	72,625
Total	158,495	141,364
Less: Allowance for possible losses	(73,625)	(73,298)
	84,870	68,066

c. Movements of allowance for possible losses on investments in shares of stocks:

	2006	2005
Balance at beginning of year	73,298	78,145
Provision during the year (Note 36)	327	(4,847)
Balance at end of year	73,625	73,298

Management believes that the allowance for possible losses on investments in shares of stock is adequate.

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14. PREMISES AND EQUIPMENT

	2006	2005
Cost/Valuation *)	8,101,913	8,142,270
Less: Accumulated depreciation and amortization	(3,392,670)	(2,836,857)
Net book value	4,709,243	5,305,413

*) Certain premises and equipment were revalued in 1979, 1987 and 2003.

Movements from January 1, 2006 to December 31, 2006	Beginning Balance	Additions	Deductions	Reclassifications**)	Ending Balance
<i>Cost /Valuation</i>					
Direct ownership					
Land *)	2,824,925	6,725	-	(227,547)	2,604,103
Buildings *)	1,463,485	11,233	(1,226)	67,060	1,540,552
Furnitures, fixtures, office equipment and computer equipment/software	3,510,938	107,065	(29,418)	128,925	3,717,510
Vehicles	70,737	4,267	(1,617)	(209)	73,178
Construction in progress	272,185	134,557	(47,322)	(192,850)	166,570
	<u>8,142,270</u>	<u>263,847</u>	<u>(79,583)</u>	<u>(224,621)</u>	<u>8,101,913</u>
<i>Accumulated Depreciation and Amortization</i>					
Direct ownership					
Buildings	737,114	84,805	(348)	(21,328)	800,243
Furnitures, fixtures, office equipment and computer equipment/software	2,065,724	513,860	(29,110)	-	2,550,474
Vehicles	34,019	9,693	(1,550)	(209)	41,953
	<u>2,836,857</u>	<u>608,358</u>	<u>(31,008)</u>	<u>(21,537)</u>	<u>3,392,670</u>
<i>Net book value</i>					
Direct ownership					
Land					2,604,103
Buildings					740,309
Furniture, fixtures, office equipment and computer equipment/software					1,167,036
Vehicles					31,225
					<u>4,542,673</u>
Construction in progress					166,570
					<u>4,709,243</u>

**) Reclassified to abandoned property.

Construction in progress as of December 31, 2006 is comprised of:

Product and license - Core Banking System	79,562
Buildings	30,851
Others	56,157
	<u>166,570</u>

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14. PREMISES AND EQUIPMENT (continued)

The construction in progress for Integrated Banking System agreement with PT Silverlake Informatikatama was approximately 96.22% complete whilst with Silverlake Corporation was approximately 100% complete as of December 31, 2006.

Certain premises and equipment of BSM, a subsidiary, with net book value as of December 31, 2006 amounting to Rp24,346 have been pledged as collateral to Bank Indonesia in relation to BSM's proposal for the settlement of its Rp32,000 subordinated loan from BI (Note 29).

Movements from January 1, 2005 to December 31, 2005	Beginning Balance	Additions	Deductions	Reclassifications	Ending Balance
<i>Cost /Valuation</i>					
<i>Direct ownership</i>					
Land *)	2,829,613	301	(4,989)	-	2,824,925
Buildings *)	1,460,171	20,147	(30,623)	13,790	1,463,485
Furnitures, fixtures, office equipment and computer equipment/software	3,125,558	140,569	(11,506)	256,317	3,510,938
Vehicles	63,157	11,299	(3,719)	-	70,737
Construction in progress	265,551	239,191	-	(232,557)	272,185
Leased assets	81,528	-	(43,978)	(37,550)	-
	<u>7,825,578</u>	<u>411,507</u>	<u>(94,815)</u>	<u>-</u>	<u>8,142,270</u>
<i>Accumulated Depreciation and Amortization</i>					
<i>Direct ownership</i>					
Buildings	695,344	76,580	(34,810)	-	737,114
Furnitures, fixtures, office equipment and computer equipment/software	1,580,906	474,020	(9,229)	20,027	2,065,724
Vehicles	32,963	4,602	(3,546)	-	34,019
Leased assets	32,737	2,504	(15,214)	(20,027)	-
	<u>2,341,950</u>	<u>557,706</u>	<u>(62,799)</u>	<u>-</u>	<u>2,836,857</u>
<i>Net book value</i>					
<i>Direct ownership</i>					
Land					2,824,925
Buildings					726,371
Furniture, fixtures, office equipment and computer equipment/software					1,445,214
Vehicles					36,718
					<u>5,033,228</u>
Construction in progress					272,185
					<u><u>5,305,413</u></u>

*) The amount includes an increment in value of fixed assets based on revaluation of fixed assets of the merged banks performed by an Independent Appraiser, PT Vigers Hagai Sejahtera, using market values as of July 31, 1999. The revaluation increment was recorded prospectively on June 18, 2003 (Note 14a).

Construction in progress as of December 31, 2005 is comprised of:

Product and license - Core Banking System	164,554
Buildings	44,229
Others	63,402
	<u>272,185</u>

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14. PREMISES AND EQUIPMENT (continued)

The construction in progress for integrated banking system agreement with PT Silverlake Informatikatama was approximately 95.78% complete as of December 31, 2005.

- a. In accordance with the Decrees of the Minister of Finance (KMK) No. 211/KMK.03/2003 dated May 14, 2003 and No. S-206/MK.01/2003 dated May 21, 2003, Bank Mandiri engaged PT Vigers Hagai Sejahtera, a registered appraisal company, to revalue the premises and equipment of the merged banks, BBD, BDN, Bank Exim and Bapindo as of July 31, 1999, in relation to the transfer to Bank Mandiri of tax losses of these taxpayers which transferred assets to Bank Mandiri.

Based on PT Vigers Hagai Sejahtera's Valuation Report No. Ref-020-IVHS/V/03 dated May 26, 2003, the value of premises and equipment of the Bank and the corresponding increment in value as of July 31, 1999 were as follows:

Fixed Assets	Market Value	Book Value	Increment in Value
Land and buildings	4,427,510	843,414	3,584,096
Furniture, fixtures and equipment	438,086	275,370	162,716
Vehicles	19,604	355	19,249
	4,885,200	1,119,139	3,766,061

PT Vigers Hagai Sejahtera's opinion of the market value was based on "Indonesian Appraisal Standards" issued by the Indonesian Appraisal Companies Association (GAPPI) and the Indonesian Society of Appraisers (MAPPI).

In arriving at the market values, PT Vigers Hagai Sejahtera has taken into consideration the market data approach and cost approach valuation methodologies.

The results of the revaluation have been approved by the Directorate General of Taxation through Kepala Kantor Pelayanan Pajak Perusahaan Negara dan Daerah through its Decision Letter No. Kep-01/WPJ.07/KP.0105/2003 dated June 18, 2003.

Bank Mandiri has recorded the results of the revaluation on June 18, 2003, the date of approval from the Directorate General of Taxation, after deducting the relevant accumulated depreciation for the period from August 1, 1999 to June 18, 2003. The net increment of premises and equipment of Rp3,046,936, involved land, buildings, vehicles, and office equipment.

The recognition of the premises and equipment revaluation increment did not impact the Bank's tax expense position, as the tax losses used to compensate the premises and equipment revaluation increment had not been recognized as deferred tax assets by the Bank.

- b. Bank Mandiri and Subsidiaries have insured their premises and equipment (excluding land) against physical loss; fire, theft and natural disaster with PT Staco Jasapratama, PT Asuransi Raya and PT Asuransi Dharma Bangsa for total coverage amounts of Rp3,016,153 and US\$174,357,150.76 (full amount) as of December 31, 2006 and Rp2,481,272 as of December 31, 2005. Management believes that the insurance coverage is adequate to cover the possibility of losses arising in relation to premises and equipment.

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15. OTHER ASSETS

	2006	2005
Accrued income	1,661,130	1,852,191
Others	3,302,295	2,107,418
	4,963,425	3,959,609

Accrued Income

Accrued income primarily comprises accrued interest receivable from placements, securities, Government Recapitalization Bonds, loans, and accrued fees and commissions.

Others

	2006	2005
Rupiah:		
Receivables from customer transactions	713,357	107,000
Abandoned properties – net of accumulated losses arising from difference in net realizable value of Rp28,762 and Rp31,064 as of December 31, 2006 and 2005	416,167	238,236
Prepaid expenses	303,804	361,361
Interest receivables from financial institutions	254,004	43,496
Interbranch account – net	201,152	265,400
Repossessed assets – net of accumulated losses arising from difference in net realizable value of Rp10,451 and Rp10,451 as of December 31, 2006 and 2005	188,094	188,703
Prepaid taxes	7,356	217,292
Others	1,630,052	729,753
Total Rupiah	3,713,986	2,151,241
Foreign Currency:		
Prepaid expenses	21,041	52,736
Interest receivables from financial institutions	17,601	-
Receivables from customer transactions	16,052	26,860
Prepaid taxes	92	-
Interbranch account – net	-	39,306
Others	528,226	264,500
Total Foreign Currency	583,012	383,402
Total	4,296,998	2,534,643
Less: Allowance for possible losses	(994,703)	(427,225)
	3,302,295	2,107,418

Receivables from customer transactions primarily consist of securities transactions from PT Mandiri Sekuritas (subsidiary).

Abandoned properties are the fixed assets in the form of property owned by the Bank but are not utilized for the Bank's general operational activities.

Prepaid expenses consist of payments made in advance mostly relating to rent and insurance.

Prepaid taxes as of December 31, 2006 and 2005 primarily comprised of corporate income tax installments and others.

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15. OTHER ASSETS (continued)

Included in others is purchased loans from IBRA amounting to RpNil and Rp2,288 in 2006 and 2005, respectively in which related cessie agreements to these loans are still in the process of finalization (Note 11). As of 31 December, 2006 all related cessie agreements to loans from IBRA have been finalized.

The allowance for possible losses amounting to Rp994,703 and Rp427,225 as of December 31, 2006 and 2005, respectively, was provided to cover possible losses arising from inter-branch accounts and other assets. Bank Mandiri's management believes that the allowance is adequate to cover possible losses arising from other assets.

Movement of allowance for possible losses on other assets are as follows:

	2006	2005
Balance at beginning of year	427,225	1,880,346
Provision/(reversal) during the year	53,663	(797,841)
Utilization during the year (open items written off)	-	(1,089,404)
Others *)	513,815	434,124
Balance at end of year	994,703	427,225

*) Includes effect of foreign currency translation.

16. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS

a. By Currency and Related Parties and Third Parties:

	2006	2005
Rupiah:		
Related parties (Note 47)	83,524	82,377
Third parties	35,366,597	31,145,666
Total Rupiah	35,450,121	31,228,043
Foreign Currency:		
Related parties (Note 47)	249,988	232,584
Third parties	13,112,644	14,949,643
Total Foreign Currency	13,362,632	15,182,227
	48,812,753	46,410,270

Included in demand deposits are *wadiah* deposits amounting to Rp2,058,994 and Rp1,261,474 as of December 31, 2006 and 2005, respectively.

b. Average Interest Rates and Range of Bonuses per Annum:

Average interest rates per annum:

	2006	2005
Rupiah	3.26%	3.52%
Foreign Currency	2.59%	1.84%

Range of bonuses per annum on *wadiah* deposits:

	2006	2005
Rupiah	1.09% - 1.42%	1.31% - 2.90%
Foreign Currency	1.24% - 1.95%	0.26% - 1.98%

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16. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS (continued)

- c. As of December 31, 2006 and 2005, demand deposits pledged by borrowers as collateral for bank guarantees, loans and trade finance facilities amounted to Rp859,951 and Rp780,244 respectively.

17. DEPOSITS FROM CUSTOMERS - SAVINGS DEPOSITS

- a. By Type and Currency:

	2006	2005
Rupiah:		
Mandiri Savings	57,283,153	44,857,580
Mudharabah Savings	2,662,402	1,988,476
Mandiri Haji Savings	358,006	307,122
	60,303,561	47,153,178

- b. As of December 31, 2006 and 2005, Bank Mandiri had saving deposits from related party amounting to Rp46,355 and Rp23,276 respectively, or 0.08% and 0.05% from total saving deposits (Note 47).
- c. Annual average interest rates of savings deposits for the years ended December 31, 2006 and 2005 were 4.53% and 4.33%, respectively.
- d. Profit sharing for *mudharabah* savings ranged from 2.73% to 7.39% and 5.72% to 6.57% for the years ended December 31, 2006 and 2005, respectively.

18. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS

- a. By Currency:

	2006	2005
Rupiah	83,539,150	96,464,773
Foreign Currency	13,052,084	16,261,431
	96,591,234	112,726,204

- b. By Contract Period:

	2006	2005
Rupiah:		
1 month	56,945,785	66,298,569
3 months	12,322,070	18,495,955
6 months	3,569,430	4,253,505
12 months	7,063,403	3,782,693
Over 12 months	3,638,462	3,634,051
Total Rupiah	83,539,150	96,464,773
Foreign Currency:		
1 month	11,364,960	12,889,302
3 months	834,361	1,285,620
6 months	343,553	1,055,938
12 months	463,257	895,639
Over 12 months	45,953	134,932
Total Foreign Currency	13,052,084	16,261,431
	96,591,234	112,726,204

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18. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)

c. By Remaining Period Until Maturity Date:

	2006	2005
Rupiah:		
1 month	62,419,959	71,644,295
3 months	13,293,095	15,748,165
6 months	2,723,278	2,262,829
12 months	3,226,267	3,204,628
Over 12 months	1,876,551	3,604,856
Total Rupiah	83,539,150	96,464,773
Foreign Currency:		
1 month	11,612,650	13,197,420
3 months	951,699	1,573,232
6 months	275,116	667,922
12 months	211,658	703,725
Over 12 months	961	119,132
Total Foreign Currency	13,052,084	16,261,431
	96,591,234	112,726,204

d. Included in time deposits are unrestricted *mudharabah* investments amounting to Rp3,510,184 and Rp3,818,239 as of December 31, 2006 and 2005, respectively.

e. Average Interest Rates and Range of Profit Sharing per Annum:

Average interest rates per annum:

	2006	2005
Rupiah	11.12%	8.27%
Foreign Currency	4.03%	2.99%

Range of profit sharing per annum on *mudharabah* investments:

	2006	2005
Rupiah	6.56% - 8.24 %	6.42% - 8.31%
Foreign Currency	2.73% - 3.55 %	1.40% - 3.46%

f. As of December 31, 2006 and 2005, time deposits from related parties amounted to Rp877,911 and Rp1,080,031, respectively, or 0.91% and 0.96% of the total time deposits, respectively (Note 47).

g. As of December 31, 2006 and 2005, time deposits which are frozen and blocked as collateral for bank guarantees, loans and trade finance facilities amounted to Rp5,645,389 and Rp4,976,460, respectively. *Mudharabah* time deposits pledged as of December 31, 2006 and 2005, for *mudharabah* receivables extended by a subsidiary amounted to RpNil and Rp19,735, respectively.

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19. DEPOSITS FROM OTHER BANKS - DEMAND AND SAVING DEPOSITS

a. By Currency:

	<u>2006</u>	<u>2005</u>
Rupiah	1,090,454	374,078
Foreign Currency	196,155	41,763
	<u>1,286,609</u>	<u>415,841</u>

Included in deposits from other banks - demand deposits are *wadiah* deposits amounting to RpNil and Rp8,636 as of December 31, 2006 and 2005, respectively.

b. Average Interest Rates and Range of Bonuses Per Annum:

Average interest rates per annum:

	<u>2006</u>	<u>2005</u>
Rupiah	3.26%	3.52%
Foreign Currency	2.59%	1.84%

b. Average Interest Rates and Range of Bonuses Per Annum:

Range of bonuses per annum on *wadiah* deposits:

	<u>2006</u>	<u>2005</u>
Rupiah	1.09% - 4.26 %	1.31% - 2.90%
Foreign Currency	0.22% - 1.95 %	-

c. As of December 31, 2006 and 2005, the Bank demand deposits from related party banks amounted to Rp138 and Rp287 (Note 47).

d. As of December 31, 2006 and 2005, demand deposits pledged by borrowers as bank guarantees, loan collateral and trade finance facilities amounted to Rp1,596 and Rp2,718, respectively.

20. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY

a. By Currency:

	<u>2006</u>	<u>2005</u>
Rupiah	1,420,000	600,000
Foreign Currency	479,681	238,019
	<u>1,899,681</u>	<u>838,019</u>

b. By Remaining Period Until Maturity Date:

	<u>2006</u>	<u>2005</u>
Rupiah:		
Less than 1 month	1,420,000	600,000
Foreign Currency:		
Less than 1 month	479,681	238,019
	<u>1,899,681</u>	<u>838,019</u>

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20. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY (continued)

c. Average Interest Rates Per Annum:

	<u>2006</u>	<u>2005</u>
Rupiah	8.26%	10.86%
Foreign Currency	4.25%	3.99%

d. As of December 31, 2006 and 2005, the Bank had no inter-bank call money from related party banks.

21. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS

a. By Currency:

	<u>2006</u>	<u>2005</u>
Rupiah	4,203,055	4,013,928
Foreign Currency	799,955	1,531,201
	<u>5,003,010</u>	<u>5,545,129</u>

b. By Contract Period:

	<u>2006</u>	<u>2005</u>
Rupiah:		
Less than 1 month	4,152,853	3,993,650
3 months	43,708	13,513
6 months	4,269	5,885
12 months	2,225	880
Total Rupiah	<u>4,203,055</u>	<u>4,013,928</u>
Foreign Currency:		
Less than 1 month	799,955	17,707
3 months	-	53,559
6 months	-	203,565
12 months	-	273,370
Over 12 months	-	983,000
Total Foreign Currency	<u>799,955</u>	<u>1,531,201</u>
	<u>5,003,010</u>	<u>5,545,129</u>

Included in deposits from other banks - time deposits are unrestricted investments - *mudharabah* time deposits amounting to Rp5,433 and Rp133,522 as of December 31, 2006 and 2005, respectively.

c. Average Interest Rates and Range of Profit Sharing Per Annum:

Average interest rates per annum:

	<u>2006</u>	<u>2005</u>
Rupiah	11.12%	8.27%
Foreign Currency	4.03%	2.99%

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21. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)

c. Average Interest Rates and Range of Profit Sharing Per Annum: (continued)

Range of profit sharing per annum on *mudharabah* time deposits:

	2006	2005
Rupiah	5.58% - 8.53 %	6.42% - 8.31%
Foreign Currency	1.20% - 3.55 %	1.40% - 3.46%

d. As of December 31, 2006 and 2005, the Bank had no time deposits from related party banks.

e. As of December 31, 2006 and 2005, time deposits from other banks which are frozen and blocked as bank guarantees, loan collateral and trade finance facilities amounted to Rp11,721 and Rp4,893, respectively.

f. In the second quarter of year 2005, Bank has entered into two callable parallel deposit transactions with counterparty bank relating to the sale contract of Government Recapitalization Bonds. Such contract was initiated when the Bank transferred Government Recapitalization Bonds to Counterpart Bank and received the fund from the proceeds in Rupiah. A portion of the total transfer proceeds amounting to Rp1,268,000 was placed back as deposit to counterparty bank and then the Bank received US Dollar loan amounting to US\$100 million (full amount).

The details of callable parallel deposits contracts are as follows:

Deposit	Effective Date	Maturity Date	Beginning Balance	Ending Balance	Interest Rate
Rupiah	May 16, 2005	June 20, 2013	634,000	1,493,110 *)	11.17%
United States Dollar	May 17, 2005	June 15, 2013	US\$50 million (full amount)	US\$50 million (full amount)	3 months LIBOR + spread
Rupiah	June 3, 2005	December 20, 2013	634,000	1,540,310 *)	11.00%
United States Dollar	June 8, 2005	December 15, 2013	US\$50 million (full amount)	US\$50 million (full amount)	3 months LIBOR + spread

*) Zero Coupon Deposits

The deposit was funded from a portion of fund received from transfer proceeds of Government Recapitalization Bonds to counterparty bank.

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21. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)

Based on the agreement counterparty bank has option rights to pre-terminate the transaction by early termination/withdrawal of the Rupiah and US Dollar deposits on any of the redemption date each year. The Agreement requires the Bank to add (top up) Rupiah deposit placement to counterparty bank during the period of transaction based on the movement of Rupiah against US Dollar spot rate.

On June 15, 2006, the Bank has exercised the right to early terminate the facility of US\$50,000,000 (full amount) with effective date May 17, 2005. On December 15, 2006, the Bank also has exercised the right to early terminate the facility of US\$50,000,000 (full amount) with effective date June 8, 2005. In the event that counterparty bank exercise the option then the outstanding placement in Callable Zero Coupon Deposit is not automatically terminated.

If trigger events occur, which is the defaults or restructuring of Government Recapitalization Bonds by Government the Indonesia relating to the principal or interest payment, the counterparty bank may opt to return the transferred bonds as a settlement for the callable zero coupon deposit transactions.

As of December 31, 2006, on the Bank's balance sheet the Rupiah deposits are presented as Government Recapitalization Bonds (Note 7), considering that the sales has not yet met the Government Recapitalization Bonds sales recognition requirement.

22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE

As of December 31, 2006, securities sold with agreements to repurchase are as follows :

Securities	Nominal Value	Commencement Date	Maturity Date	Repurchase Value	Unamortized Prepaid Interest Expense	Net Value
Rupiah						
Recap bonds VR0019	111,915	12/28/2006	01/25/2007	100,700	625	100,075
Recap bonds VR0013	617,500	06/07/2005	01/07/2008	617,500	-	617,500
Recap bonds FR0019	231,028	11/03/2004	11/03/2009	285,060	-	285,060
Recap bonds VR0017	289,859	11/04/2004	11/04/2009	284,062	-	284,062
Recap bonds VR0019	355,652	05/18/2005	05/18/2010	316,356	-	316,356
Bonds	30,000	09/29/2006	09/28/2007	31,994	3,194	28,800
Bonds	27,000	09/29/2006	09/28/2007	26,426	2,396	24,030
Medium term notes	21,000	12/22/2006	06/20/2007	22,097	1,097	21,000
Bonds	14,000	09/29/2006	09/28/2007	14,087	1,347	12,740
Medium term notes	10,000	09/29/2006	09/28/2007	10,057	822	9,235
Bonds	10,000	09/29/2006	09/28/2007	9,915	915	9,000
Bonds	9,000	12/22/2006	06/20/2007	9,550	550	9,000
Bonds	6,500	12/22/2006	06/20/2007	7,028	398	6,630
Recap bonds FR0040	6,000	12/22/2006	06/20/2007	6,545	314	6,231
Bonds	5,000	09/29/2006	09/28/2007	5,304	504	4,800
Bonds	5,000	09/29/2006	09/28/2007	5,001	476	4,525
Bonds	2,000	12/22/2006	06/20/2007	2,125	112	2,013
Bonds	2,000	12/22/2006	06/20/2007	2,111	104	2,007
Bonds	1,900	12/22/2006	06/20/2007	2,004	123	1,881
Foreign Currency						
Bonds FR0038 and FR0040	47,725	12/11/2006	01/27/2007	48,054	182	47,872
Bonds FR0019, FR0023, FR0034 and bonds	50,588	12/15/2006	01/15/2007	50,828	116	50,712
Bonds FR0034 and FR0040	16,226	12/21/2006	01/22/2007	16,305	54	16,251
Jumlah	<u>1,869,893</u>			<u>1,873,109</u>	<u>13,329</u>	<u>1,859,780</u>

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22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE (continued)

The agreements to repurchase Government Recapitalization Bonds with counterparty banks (serial numbers VR0013, VR0017, FR0019 and serial numbers VR0019) are associated with funding of foreign currency with cross currency swap transactions with the respective counterparties. There is no premium or discount on these contracts.

As of December 31, 2005, securities sold with agreements to repurchase were as follows:

Securities	Nominal Value	Commencement Date	Maturity Date	Repurchase Value	Unamortized Prepaid Interest Expense	Net Value
Rupiah						
Bonds FR0019	231,028	11/03/2004	11/03/2009	285,060	-	285,060
Bonds VR0017	289,859	11/04/2004	11/04/2009	284,062	-	284,062
Bonds VR0019	355,652	05/18/2005	05/18/2010	316,356	-	316,356
Bonds VR0013	617,500	06/07/2005	01/07/2008	617,500	-	617,500
Bonds VR0019	63,982	12/05/2005	01/04/2006	56,595	79	56,516
Bonds VR0019	57,127	12/15/2005	01/16/2006	50,578	289	50,289
Bonds VR0019	114,550	12/22/2005	01/19/2006	100,994	673	100,321
Bonds VR0019	114,550	12/28/2005	01/09/2006	100,398	297	100,101
Bonds VR0019	114,548	12/29/2005	01/30/2006	101,134	1,063	100,071
Bonds FR0002	30,000	10/20/2005	01/20/2006	29,108	114	28,994
Bonds FR0013	20,000	10/20/2005	01/20/2006	21,202	196	21,006
Bonds FR0020	1,000	12/13/2005	01/11/2006	999	2	997
Bonds FR0013	25,000	12/14/2005	01/16/2006	25,060	173	24,887
Bonds FR0002	20,000	12/15/2005	01/16/2006	20,258	129	20,129
Bonds FR0002	30,000	12/23/2005	01/23/2006	30,469	279	30,190
Foreign Currency						
SN BMRI	9,830	10/28/2005	01/30/2006	9,992	51	9,941
Jumlah	2,094,626			2,049,765	3,345	2,046,420

The agreements to repurchase Government Recapitalization Bonds with counterparty banks (serial numbers VR0013, VR0017, FR0019 and serial numbers VR0019) are associated with cross currency swap transactions with the respective counterparties. There is no premium or discount on these contracts.

23. ACCEPTANCES PAYABLE

a. By Currency, Related Parties and Third Parties:

	2006	2005
Rupiah:		
Payable to other banks		
Related parties (Note 47)	322	-
Third parties	290,261	175,065
Payable to debtors		
Third parties	21,477	13,270
Total Rupiah	312,060	188,335
Foreign Currency:		
Payable to other banks		
Third parties	3,257,883	4,092,280
Payable to debtors		
Related parties (Note 47)	517	-
Third parties	37,933	38,487
	38,450	38,487
Total Foreign Currency	3,296,333	4,130,767
	3,608,393	4,319,102

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23. ACCEPTANCES PAYABLE (continued)

b. By Maturity:

	2006	2005
Rupiah:		
Less than 1 month	88,066	104,444
1 - 3 months	164,020	61,374
3 - 6 months	59,974	22,517
Total Rupiah	<u>312,060</u>	<u>188,335</u>
Foreign Currency:		
Less than 1 month	790,217	986,953
1 - 3 months	1,448,175	1,868,876
3 - 6 months	957,886	1,243,348
6 - 12 months	93,303	27,165
Over 12 months	6,752	4,425
Total Foreign Currency	<u>3,296,333</u>	<u>4,130,767</u>
	<u>3,608,393</u>	<u>4,319,102</u>

24. SECURITIES ISSUED

By Type and Currency:

	2006	2005
Rupiah :		
Mandiri travelers' cheques	948,267	948,451
Syariah bonds	200,000	200,000
Others	564	564
	<u>1,148,831</u>	<u>1,149,015</u>
Foreign Currency :		
Floating Rate Notes (FRN) and Medium Term Notes (MTN)	2,558,682	2,753,515
Promissory Notes	90,030	83,693
	<u>2,648,712</u>	<u>2,837,208</u>
Total	3,797,543	3,986,223
Less: Unamortized discount	(3,660)	(2,754)
	<u>3,793,883</u>	<u>3,983,469</u>

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24. SECURITIES ISSUED (continued)

Details of MTN are as follows:

2006

Type/ ISIN No	Arranger	Maturity Date	Tenor (months)	Interest Rate Per Annum	Nominal Amount	
					US\$ (full amount)	Equivalent Rupiah
MTN (XS0167272375)	Credit Suisse First Boston (Europe) Ltd., London, UBS Hong Kong and PT Mandiri Sekuritas	Apr 22, 2008	60	7.00%	294,278,375	2,649,388
Less: - Securities issued and held by Bank Mandiri and Subsidiaries					(10,075,134)	(90,706)
- Unamortized discount					284,203,241 (406,575)	2,558,682 (3,660)
					283,796,666	2,555,022

2005

Type/ ISIN No	Arranger	Maturity Date	Tenor (months)	Interest Rate Per Annum	Nominal Amount	
					US\$ (full amount)	Equivalent Rupiah
MTN (XS0167272375)	Credit Suisse First Boston (Europe) Ltd., London, UBS Hong Kong and PT Mandiri Sekuritas	Apr 22, 2008	60	7.00%	291,247,264	2,862,961
Less: - Securities issued and held by Bank Mandiri and Subsidiaries					(11,133,826)	(109,446)
- Unamortized discount					280,113,438 (280,165)	2,753,515 (2,754)
					279,833,273	2,750,761

On October 31, 2003, Bank Syariah Mandiri, a subsidiary, issued five-year *Syariah* bonds amounting to Rp200,000. The profit sharing on such bonds is payable every 3 months with the first payment being made on January 30, 2004 whilst the maturity of the *Syariah* bonds is on October 31, 2008. The profit on sharing will be taken from the margin revenue of Bank Syariah Mandiri obtained from its quarterly *murabahah* portfolio.

Bank Mandiri issued Senior Notes amounting to US\$300,000,000 (full amount) at 99.482% of nominal value with a coupon of 7.00% per annum, which mature on April 22, 2008. The US\$300 million MTNs are hedged with an interest rate swap instrument. The MTNs are recognized at their fair value as adjusted by the hedging transaction, which fair value adjustment as of December 31, 2006 and 2005 decreased by Rp51,512 or equivalent to US\$5,721,625 (full amount) and Rp86,039 or equivalent to US\$8,752,736 (full amount).

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25. FUND BORROWINGS

	2006	2005
Rupiah:		
Bank Indonesia (a)	599,426	735,004
PT Permodalan Nasional Madani (Persero) (b)	486,159	573,722
PT Bank Ekspor Indonesia (Persero) (c)	400,000	667,400
The Government of Republic of Indonesia (d) (Note 47)	350,000	350,000
Others (g)	75,000	305,000
Total Rupiah	1,910,585	2,631,126
Foreign Currency:		
Direct Off-shore Loans (e)	1,359,453	1,445,010
Trade Financing Facilities (f)	154,854	196,600
Others (g)	-	6,895
Total Foreign Currency	1,514,307	1,648,505
	3,424,892	4,279,631

As of December 31, 2006 and 2005, fund borrowings from related parties amounted to Rp350,000 and Rp350,000, respectively (Note 47).

(a) Bank Indonesia

This account represents a credit liquidity facility obtained from Bank Indonesia (BI), which was re-loaned to Bank Mandiri customers under the Government Credit Program. The management and monitoring of the credit facility are performed by PT Permodalan Nasional Madani (Persero), a state-owned company, based on Law No. 23/1999 dated May 17, 1999 regarding BI, BI Regulation No. 2/3/PBI/2000 dated February 1, 2000 and BI Regulation No. 5/20/PBI/2003 dated September 17, 2003 regarding the Hand-over of Management of Credit Liquidity of Bank Indonesia Under Credit Program. This facility is subject to interest at rates ranging from 3% to 9% per annum and will mature on various dates through 2017. The details of this account are as follows:

	2006	2005
Rupiah:		
Small-Scale Working Capital Loans (KKPA)	365,407	420,571
Small-Scale Investment Loans (KIK)	121,675	188,738
Investment Loans (KI)	112,344	125,695
	599,426	735,004

(b) PT Permodalan Nasional Madani (Persero)

This account represents credit facilities obtained from PT Permodalan Nasional Madani (Persero), which borrowings were re-loaned by Bank Mandiri to the members of the Primary Cooperative (Kredit Koperasi Primer kepada Anggotanya [KKPA]). These facilities are subject to interest at 7% per annum. The loan terms and installment payments schedule reflect the terms of the individual loan agreements.

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25. FUND BORROWINGS (continued)

(c) PT Bank Ekspor Indonesia (Persero)

This account represents credit facilities for export working capital obtained from Bank Ekspor Indonesia based on the facility agreement No. 064/PPF/12/2000 dated December 12, 2000 between PT Bank Ekspor Indonesia (Persero) and PT Bank Mandiri (Persero) Tbk. The agreement was for the period from December 20, 2000 until December 19, 2001, and was extended annually with the latest agreement No. 054/PPF/12/2005 to December 16, 2006. The agreement which will be effective until 2007 is in the extension process. The facilities were re-loaned to direct and indirect exporter customers of Bank Mandiri and bear interest at market rates.

(d) The Government of Republic of Indonesia

This account represents credit facilities obtained from The Government of Republic of Indonesia based on agreement No. KP-022/DP3/2004 dated May 14, 2004 which was amended with agreement No. AMA-7/KP-022/DP3/2004 dated December 15, 2004 and letter No.5-662/PB.7/2005 dated May 13, 2005 regarding amendment of loan agreement between The Government of Republic of Indonesia and PT Bank Mandiri (Persero) Tbk No. KP-022/DP3/2004 dated May 14, 2004. This borrowing is re-loaned by Bank Mandiri to the small and micro businesses which procedures, arrangements and requirements of the relending program are agreed with the Decision Letter of Ministry of Finance No. 40/KMK.06/2003 dated January 29, 2003 regarding Credit Financing Facilities for Small and Micro Businesses and amended with Decision Letter of Ministry of Finance No. 74/KMK.06/2004 dated February 20, 2004. This facility bears interest at 3-month SBI rate which will be determined every four months at March 10, June 10, September 10 and December 10 based on the latest SBI auction rate. The repayment of the borrowing will be made in five (5) installments and the first installment will be due on December 10, 2007.

(e) Direct Off-shore Loans

The details of direct off-shore loans are as follows :

	2006	2005
Deutsche Bank AG, Singapore	675,225	737,250
Sumitomo Mitsui Banking Corporation, Singapore	270,090	294,900
Bayerische Hypo-Und Vereinsbank AG, Singapore	135,045	147,450
Natexis Banques Populaires	135,045	-
Overseas Chinese Banking Corp.	135,045	-
Bank of New York, Singapore	9,003	-
United Overseas Bank, Singapore	-	265,410
	1,359,453	1,445,010

Borrowing from Deutsche Bank AG, Singapore bear interest at three-month LIBOR plus an applicable margin, borrowing from Sumitomo Mitsui Banking Corporation (SMBC), Singapore bear interest at three-month SIBOR plus an applicable margin, borrowing from Bayerische Hypo-und Vereinsbank AG (BHV), Singapore bear interest at six-month LIBOR plus an applicable, borrowing from Natexis Banques Populaires and Overseas Chinese Banking Corp., Singapore bear interest at three-month LIBOR plus an applicable, borrowing from Bank of New York, Singapore bear fixed interest 5.59% and borrowing from United Overseas Bank (UOB), Singapore bear interest at six-month SIBOR plus an applicable margin. These borrowings will be fully paid on maturity date.

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25. FUND BORROWINGS (continued)

(f) Trade Financing Facilities

Trade financing facilities represent short-term borrowings with tenors between 129 to 185 days and bear interest at LIBOR and SIBOR plus an applicable margin. These borrowings are guaranteed by letters of credit issued by Bank Mandiri. The details of the borrowings are as follows:

	2006	2005
Bayerische Landesbank, Munchen	67,523	-
Dresdner Bank, AG, Frankfurt	67,523	-
Natexis Banques Populaires	19,808	-
Commerzbank, Singapore	-	196,000
	154,854	196,600

(g) Others

	2006	2005
(i) Rupiah		
Bank Permata, Jakarta	50,000	-
Bank Lippo, Jakarta	25,000	-
Bank Panin, Jakarta	-	100,000
HSBC, Jakarta	-	105,000
DBS Bank Ltd., Jakarta	-	100,000
	75,000	305,000
(ii) Foreign Currency		
Others	-	6,895
	-	6,895

26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a. Commitment and contingent transactions in the normal course of Bank Mandiri activities that have credit risk are as follows:

	2006	2005
Rupiah:		
Bank guarantees issued (Note 45)	3,746,502	3,797,255
Outstanding irrevocable letters of credit (Note 45)	892,418	603,455
	4,638,920	4,400,710
Foreign Currency:		
Bank guarantees issued (Note 45)	4,535,248	4,695,898
Outstanding irrevocable letters of credit (Note 45)	3,024,142	3,236,305
Standby letters of credit (Note 45)	2,866,448	3,557,056
	10,425,838	11,489,259
	15,064,758	15,889,969

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26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

b. By Collectibility:

	2006	2005
Current	14,456,257	14,419,537
Special mention	469,192	831,259
Sub-standard	911	329,674
Doubtful	12,425	128,710
Loss	125,973	180,789
Total	15,064,758	15,889,969
Less: Estimated losses	(514,399)	(594,084)
Commitments and Contingencies - net	14,550,359	15,295,885

c. Movements of estimated losses on commitments and contingencies:

	2006	2005
Balance at beginning of year	594,084	565,898
(Reversal)/Provision during the year	(37,670)	80
Others *)	(42,015)	28,106
Balance at end of year	514,399	594,084

*) includes effect of foreign currency translation.

The minimum estimated losses on commitments and contingencies, under the guidelines prescribed by Bank Indonesia, as of December 31, 2006 and 2005, were Rp300,345 and Rp464,765, respectively.

Management believes that the estimated losses on commitments and contingencies provided for is adequate.

27. TAXATION

a. Taxes payable

	2006	2005
Bank Mandiri		
Income Taxes:		
Employee income tax - Article 21	21,824	42,483
Withholding tax - Article 4 (2)	175,985	201,611
Corporate income tax - Article 29	1,345,436	-
Others	13,756	7,277
	1,557,001	251,371
Subsidiaries	25,799	20,730
	1,582,800	272,101

b. Tax expense

	2006	2005
Tax expense - current:		
Bank Mandiri only	1,609,549	403,244
Subsidiaries	65,461	97,257
	1,675,010	500,501

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27. TAXATION (continued)

b. Tax expense (continued)

	<u>2006</u>	<u>2005</u>
Tax (benefit)/expense - deferred		
Bank Mandiri only	(1,266,454)	136,223
Subsidiaries	168	(8,378)
	<u>(1,266,286)</u>	<u>127,845</u>
	<u>408,724</u>	<u>628,346</u>

As explained in Note 2v, income tax for Bank Mandiri and its Subsidiaries is computed for each company as a separate legal entity (consolidation is not permitted for corporate income tax filing purposes).

c. Tax expense - current

The reconciliation between profit before tax benefit (expense) as shown in the consolidated statements of profit and loss and estimated income tax computations, and the related current tax expense for Bank Mandiri and its Subsidiaries is as follows:

	<u>2006</u>	<u>2005</u>
Consolidated profit before tax benefit (expense) and minority interests	2,831,196	1,232,877
Less: Profit before tax expense of Subsidiaries after elimination	(66,696)	(90,041)
Profit before tax expense and minority interests - Bank Mandiri only	<u>2,764,500</u>	<u>1,142,836</u>
Add/(deduct) permanent differences:		
Non-deductible expenses	332,524	422,074
Losses from Dili branch	4,876	-
Others	194,930	385,373
Add/(deduct) temporary differences:		
Over/(under) provision for loans losses per commercial to allowable tax provision	5,160,826	(1,162,641)
Write Back and loan recovery *)	(2,371,131)	(152,003)
Under Depreciation of fixed assets per commercial over depreciation per fiscal	(23,436)	(96,839)
Financial statement provision for personnel expenses over allowable tax provision	264,876	364,807
Financial statement provision for losses on earning assets other than loans (under)/over allowable tax provision	(670,837)	610,993
Difference in net realizable value of repossessed collateral over asset value based on tax	-	10,451
Difference in net realizable value of abandoned property over asset value based on tax	(2,303)	31,064
Under provision for estimated losses on commitments and contingencies per commercial over allowable tax provision	(46,577)	(3,106)
Under provision for losses arising from legal cases per commercial over allowable tax provision	(156,026)	(280,001)
(Gains)/Loses on increase in market value of securities and Government recapitalization bonds	(87,001)	71,196
Estimated taxable income	<u>5,365,221</u>	<u>1,344,204</u>
Estimated tax expense - current		
Bank Mandiri only	1,609,549	403,244
Subsidiaries	65,461	97,257
Estimated tax expense – current	<u>1,675,010</u>	<u>500,501</u>

*) The amount in 2006 includes the write back amounting to Rp2,336,399 and the loans recovery amounting to Rp34,732 to which the deferred tax impact were not computed. The amount in 2005 includes the loan recovery amounting to Rp152,003 to which the deferred tax was not computed.

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27. TAXATION (continued)

c. Tax expense - current (continued)

Under the Indonesian taxation laws, Bank Mandiri and its Subsidiaries submit tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within 10 years after the date of the tax filings.

Tax Decisions and Tax Assessments

On October 29, 2003, Bank Mandiri received tax assessment letters dated October 24, 2003 regarding BDN tax audits for the period of January 1, 1999 up to July 31, 1999. Based on the assessment letters, BDN had tax underpayments amounting to Rp717,229 which consisted of income tax article 21 of Rp172,378, income tax article 23 of Rp301, value added tax (VAT) of Rp1,501, final income tax article 4 (2) of Rp542,846 and a VAT tax collection letter for an amount of Rp203. On January 13, 2004, the Bank submitted an objection letter to the tax office regarding such tax assessment letters and the Director General of Taxation (DGT) approved most of the Bank's objections by issuing tax decision letters as follows:

- i. Tax decision letter dated August 24, 2004 revised the value added tax assessment from Rp1,501 to Rp1,062. The Bank filed an appeal against such decision to the tax court on November 11, 2004. On October 28, 2005 the tax court issued Tax Court Decisions No.Put.06848/PP/M.VI/16/2005, which approved most of the bank's appeal. On November 23, 2005 DGT issued decision letter No. KEP-002/WPJ.07/KP.0103/2005 regarding implementation of tax court decision which revised VAT underpayment from Rp1,062 to Rp507. Bank had agreed and paid for the tax underpayment.
- ii. Tax decision letter dated December 31, 2004 revised the final income tax article 4 (2) assessment from Rp542,846 to Rp40,594. The Bank filed an appeal against such decision to the tax court on March 29, 2005. On March 15, 2006 the tax court issued Tax Court Decisions No.Put.07796/PP/M.VI/25/2006, which approved most of the bank's appeal which revised the final income tax article 4 (2) underpayment from Rp40,594 to Rp39,067. Bank had agreed and paid for the tax underpayment.
- iii. Tax decision letter dated December 31, 2004 revised the income tax article 21 assessment from Rp172,378 to Rp33,434. The Bank filed an appeal against such decision to the tax court on March 29, 2005. On February 20, 2006 the tax court issued Tax Court Decisions No.Put.07629/PP/M.VI/10/2006, which approved most of the bank's appeal. On March 21, 2006 DGT issued decision letter No. KEP-00019/WPJ.07/KP.0103/2006 regarding implementation of tax court decision which revised the income tax article 21 underpayment from Rp33,434 to Rp32,926. Bank had agreed and paid for the tax underpayment.

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27. TAXATION (continued)

d. Tax expense-deferred

The reconciliation between estimated income tax expense, calculated using applicable tax rates based on commercial profit before tax expense, and estimated income tax as reported in the statements of profit and loss for the years ended December 31, 2006 and 2005 are as follows:

	2006	2005
Consolidated profit before tax benefit (expense) and minority interests	2,831,196	1,232,877
Less: Profit before tax expense of Subsidiaries after elimination	(66,696)	(90,041)
Profit before tax expense and minority interests - Bank Mandiri only	2,764,500	1,142,836
Estimated income tax expense at standard statutory rates	829,333	342,833
Tax effect of permanent differences:		
Non-deductible expenses	99,757	126,622
Losses from Dili branch	1,463	-
Others	58,479	115,612
Loans write back and recovery	(711,339)	(45,601)
Provision for deferred tax assets	65,402	-
	(486,238)	196,633
Tax expense – Bank Mandiri only	343,095	539,466
Tax expense – Subsidiaries	65,629	88,880
Tax expense – consolidated	408,724	628,346
Less: current tax expense - consolidated	(1,675,010)	(500,501)
Tax (benefit) Expense Deferred - Consolidated	(1,266,286)	127,845

e. Deferred Tax Assets

The tax effects from significant temporary differences between commercial and tax bases are as follows:

	2006	2005
Bank Mandiri		
Deferred tax assets:		
Loans write-off	1,611,806	386,767
Allowance for possible losses on earning assets other than loans	690,742	891,994
Allowance for possible loan losses	513,987	190,778
Provision for personnel expenses	447,177	367,714
Estimated Losses on Commitments and Contingencies	153,657	167,630
Allowance for possible losses arising from legal cases – net provision for deferred tax asset Rp65,402	29,302	141,512
Accumulated losses arising from the difference in net realizable value of abandoned property	8,627	9,319
Accumulated losses arising from the difference in net realizable value of repossessed collateral	3,135	3,135
Deferred tax assets	3,458,433	2,158,849
Deferred tax liabilities:		
Mark to market of securities	(4,346)	21,754
Net book value of fixed assets	(75,256)	(68,225)
Unrealized loss for securities and government recapitalization bonds (available for sale)	(98,387)	103,697
Net deferred tax assets - Bank Mandiri only	3,280,444	2,216,075
Net deferred tax assets - Subsidiaries	15,007	15,327
Total deferred tax assets - net	3,295,451	2,231,402

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28. OTHER LIABILITIES

	2006	2005
Rupiah:		
Payable to customer	664,689	-
Provision for post-employment benefits (Note 42)	689,654	517,426
Provision for free of service period benefits (Note 42)	489,650	376,340
Accrued bonus, employee incentives, leave and holiday	399,635	418,948
Unearned income	333,089	233,488
Provision for possible losses on legal cases (Note 56g)	301,046	453,412
Guarantee deposits	306,880	284,808
Inter-branch accounts – net	-	80,210
Others	2,248,471	1,701,232
Total Rupiah	5,433,114	4,065,864
Foreign Currency:		
Guarantee deposits	312,870	531,714
Unearned income	185,487	204,938
Inter-branch accounts	69,040	-
Provision for possible losses on legal cases (Note 56g)	15,181	18,294
Others	954,604	798,934
Total Foreign Currency	1,537,182	1,553,880
	6,970,296	5,619,744

Movements of certain provisions for the years ended December 31, 2006 and 2005 were as follows:

	2006	2005
Balance at beginning of year	471,706	751,707
Reversal during the year (Note 37)	(154,427)	(297,241)
Utilization during the year	-	(48)
Others *)	(1,052)	17,288
Balance at end of year	316,227	471,706

*) Includes effect of foreign currency translation.

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29. SUBORDINATED LOANS

a. By Currency:

	<u>2006</u>	<u>2005</u>
Rupiah:		
Two-Step Loans (TSL)		
(a) Nordic Investment Bank (NIB)	246,358	278,993
(b) Export-Import Bank of Japan (EBJ)	9,765	29,294
(c) Asian Development Bank (ADB)	1,378	2,610
(d) International Bank for Reconstruction and Development (IBRD)	8,674	18,285
(e) ASEAN Japan Development Fund-Overseas Economic Cooperation Fund (AJDF-OECF)	84,507	93,505
(f) ASEAN Japan Development Fund-Export-Import Bank of Japan (AJDF-EBJ)	2,812	3,936
	<u>353,494</u>	<u>426,623</u>
Bank Indonesia	2,448,859	2,473,859
Total Rupiah	<u>2,802,353</u>	<u>2,900,482</u>
Foreign Currency:		
(c) Two-Step Loans - Asian Development Bank (ADB)	200,797	224,959
(g) Two-Step Loans - Kreditanstalt fur Wiederaufbau, Frankfurt (KfW)	34,192	54,970
Others	1,120,018	1,221,855
Total Foreign Currency	<u>1,355,007</u>	<u>1,501,784</u>
	<u>4,157,360</u>	<u>4,402,266</u>

b. By Type:

	<u>2006</u>	<u>2005</u>
Two-Step Loans (TSL)		
(a) Nordic Investment Bank (NIB)	246,358	278,993
(b) Export-Import Bank of Japan (EBJ)	9,765	29,294
(c) Asian Development Bank (ADB)	202,175	227,569
(d) International Bank for Reconstruction and Development (IBRD)	8,674	18,285
(e) ASEAN Japan Development Fund-Overseas Economic Cooperation Fund (AJDF-OECF)	84,507	93,505
(f) ASEAN Japan Development Fund-Export-Import Bank of Japan (AJDF-EBJ)	2,812	3,936
(g) Kreditanstalt fur Wiederaufbau, Frankfurt (KfW)	34,192	54,970
	<u>588,483</u>	<u>706,552</u>
Bank Indonesia	2,448,859	2,473,859
Others	1,120,018	1,221,855
	<u>4,157,360</u>	<u>4,402,266</u>

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (TSL)

(a) Nordic Investment Bank (NIB)

This account represents a credit facility obtained from NIB through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Nordic Investment Bank III	To promote and finance high priority investments in Indonesia, primarily in the private sector, or joint Indonesian and Nordic interests.	August 4, 1993 - August 15, 2008 with the 1 st installment on February 15, 1999.
Nordic Investment Bank IV	To promote and finance high priority investments in Indonesia, primarily in the private sector, or joint Indonesian and Nordic interests.	April 15, 1997 - February 28, 2017 with the 1 st installment on August 31, 2002.

The details of credit facilities from Nordic Investment Bank are as follows:

	2006	2005
(a) Nordic Investment Bank III (NIB III)	22,660	33,990
(b) Nordic Investment Bank IV (NIB IV)	223,698	245,003
	246,358	278,993

The interest rate on the NIB III and IV facility are based on a variable interest rate as determined by Bank Indonesia based on the prevailing average interest rates for the past six months for three-month Certificates of Bank Indonesia.

(b) Export-Import Bank of Japan (EBJ)

This account represents credit facilities obtained from the EBJ through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
EBJ-TSL IV	To finance projects which help to increase investments in the private sector and which are export-oriented.	January 28, 1992 - January 15, 2007 with the 1 st installment on July 15, 1995.

The details of credit facilities from the EBJ are as follows:

	2006	2005
Export-Import Bank of Japan IV (EBJ-TSL IV)	9,765	29,294

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (TSL) (continued)

(b) Export-Import Bank of Japan (EBJ) (continued)

The interest rate on the credit facilities from EBJ-TSL IV is based on the floating interest rate determined every six months based on the prevailing average interest rate for the past six months for three-month Certificates of Bank Indonesia, which should not be higher than the six-months' average interest rate for three-month time deposits in five (5) state-owned banks.

(c) Asian Development Bank (ADB)

This account represents credit facilities from the ADB through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
ADB Perkebunan Nusantara XII and Nescoco Inti	To finance government projects in funding credit for plantation projects.	February 15, 1989 - September 15, 2008 with 1 st installment on March 15, 1995.
ADB Fishery II	To finance government projects in funding credit for fishery projects.	December 19, 1991 - September 15, 2006 with 1 st installment on March 15, 1995
ADB 1327-INO (SF)	To finance Micro Credit Projects.	January 15, 2005 - July 15, 2029 with 1 st installment on January 15, 2005.

The details of credit facilities from Asian Development Bank (ADB) are as follows:

	2006	2005
(a) ADB Loan 1327 - INO	200,797	224,959
(b) ADB Perkebunan Nusantara XII and Nescoco Inti	1,378	2,067
(c) ADB Fishery II	-	543
	202,175	227,569

The Ministry of Finance of the Republic of Indonesia had issued letter No. S-596/MK.6/2004 dated July 12, 2004, which approved the transfer of Micro Project Loan of ADB No. 1327-INO (SF) from Bank Indonesia to Bank Mandiri. With the transfer approval, an amendment was made on channeling loan No. SLA-805/DP3/1995 dated April 27, 1995, which was revised by amendment No. AMA-287/SLA-805/DP3/2003 dated April 22, 2003, from the Republic of Indonesia and Bank Indonesia to the Republic of Indonesia and PT Bank Mandiri (Persero) Tbk., under No. AMA-298/SLA-805/DP3/2004 dated July 16, 2004.

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (TSL) (continued)

(c) Asian Development Bank (ADB) (continued)

The ADB Loans for Micro Credit Projects was extended in SDR (Special Drawing Rights) for SDR15,872,600.44 (full amount) which is repayable by Bank Mandiri in SDR to the Government in fifty semi-annual equal installments every January 15 and July 15, with the first installment to be paid on January 15, 2005 and the last on July 15, 2029. The ADB loans are subject to a service charge of 1.50% per annum every January 15 and July 15 starting from the drawdown of the loans.

The annual interest rates on the ADB Perkebunan Nusantara XII and ADB Nescoco Inti facilities are 9.50% per annum and 10.00% per annum, respectively.

The interest rate on the ADB Fishery II facility shall not be lower than the annual interest rate charged by the ADB to the Government of the Republic of Indonesia plus 4% per annum.

Drawdowns of the ADB Fishery II are repayable within fifteen (15) years from the first drawdown (inclusive of a 3-year grace period) and are repayable in 24 semi-annual installments starting March 15, 1995. The Bank has fully settled ADB Fishery II facility on September 15, 2006.

(d) International Bank for Reconstruction and Development (IBRD)

This account represents credit facilities obtained from IBRD through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Agricultural Financing Project (AFP)	To finance production sector projects and agriculture, animal husbandry, fishery and forestry industries.	January 10, 1992 - December 1, 2006 with 1 st installment on June 1, 1995.
Financial Sector Development Project (FSDP)	To finance Financial Sector Development Projects.	February 1, 1993 - September 15, 2007 with 1 st installment on March 15, 1998.

Details of credit facilities from the International Bank for Reconstruction and Development (IBRD) are as follows:

	2006	2005
(a) Financial Sector Development Project (FSDP)	8,674	17,347
(b) Agricultural Financing Project (AFP)	-	938
	8,674	18,285

The interest rate on the FSDP credit facility is 0% per annum. Installments for the FSDP credit facility are repayable on March 15 and September 15 of every year.

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (TSL) (continued)

(d) International Bank for Reconstruction and Development (IBRD) (continued)

The interest rate on the AFP facility is computed based on a variable interest rate for a period of six months, at the lower of:

- Six-months' average interest rate for three-month Certificates of Bank Indonesia.
- Six-months' average interest rate for three-month time deposits in five state-owned banks.

The interest rate on the AFP facility shall not be lower than the interest rate charged by IBRD to the Government plus 2% per annum.

The Bank has fully settled AFP facility on December 1, 2006.

(e) ASEAN Japan Development Fund – Overseas Economic Cooperation Fund (AJDF-OECF)

This account represents a credit facility obtained from AJDF-OECF through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Pollution Abatement Equipment Program (PAE)	To purchase equipment to prevent pollution	August 19, 1993 - August 19, 2013, with 1 st installment on August 15, 1998
Small Scale Industry (SSI)	To finance small-scale industry	August 19, 1993 - August 19, 2013, with 1 st installment on August 15, 1998

Details of outstanding credit facilities from the International ASEAN Japan Development Fund Overseas Economic Cooperation Fund (AJDF-OECF) are as follows:

	2006	2005
(a) Pollution Abatement Equipment Program (PAE)	81,803	90,385
(b) Small Scale Industry (SSI)	2,704	3,120
	84,507	93,505

The drawdowns on the above AJDF-OECF facilities are repayable within twenty years after the first drawdown (inclusive of a 5-year grace period), in thirty semi-annual installments starting August 15, 1998 and ending on February 15, 2013.

The PAE facility is subject to a variable interest rate determined every six months based on the prevailing average interest rate for the past six months of the three-month Certificates of Bank Indonesia, less 5% per annum.

The SSI facility is subject to a variable interest rate determined every six months based on the prevailing average interest rate for the six months of the three-month Certificates of Bank Indonesia, less 2.5% per annum.

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (TSL) (continued)

(f) ASEAN Japan Development Fund – Export - Import Bank of Japan (AJDF-EBJ)

This account represents a credit facility obtained from the AJDF-EBJ through the Government of the Republic of Indonesia, through the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance investment projects and working capital requirements of small-scale industries. The credit facility, which amounts to Rp9,560, is repayable in 24 semi-annual installments within fifteen years after the date of the first drawdown (inclusive of a 3-year grace period), with the first installment starting on December 15, 1997.

Total outstanding credit facilities from the International ASEAN Japan Development Fund - Export - Import Bank of Japan (AJDF-EBJ) as of December 31, 2006 and 2005 were Rp2,812 and Rp3,936, respectively.

The facility is subject to an interest rate determined every six months based on the prevailing average interest rate for the past six months for three-month Certificates of Bank Indonesia.

(g) Kreditanstalt für Wiederaufbau (KfW)

This account represents a credit facility from KfW to the Government of the Republic of Indonesia through Bank Indonesia (BI) and is disbursed by Bank Mandiri to finance export contracts denominated in Deutsche Marks (DM) with a maximum of DM250,000,000 (full amount) for the supply of capital goods, investments in infrastructure projects such as transportation, energy or communications projects, and transfer of new technologies to be concluded between buyers domiciled in Indonesia and exporters domiciled in the Federal Republic of Germany.

Prior to importing supplies from Germany, the buyer shall sign an Individual Loan Agreement (ILA) with approval from BI, KfW and the Government of the Republic of Indonesia. The financing shall be limited to an amount of up to 85% of the total price in DM of each Export Contract. In the event that the total price shall be reduced during the period of disbursement, KfW shall reduce the individual loans proportionally.

The minimum order value of an Export Contract is DM353,000 (full amount) of which the resulting credit element would be DM300,000 (full amount).

The terms and conditions as set out in the subordinated loan agreement No. 31/1013/UK dated January 21, 1999, between Bank Indonesia and PT Bank Bumi Daya (a legacy bank) are as follows:

- The loan tenor shall be five years, exclusive of a six-month grace period, from the signing date of ILA, which can be renewed for up to eight or ten years depending upon each ILA.
- The loan principal repayment shall be made in ten equal installments on June 15 and December 15 annually starting six months after the grace period of each ILA.
- The interest rate is calculated at 0.75% per annum above the Commercial Interest Reference Rate starting from the date of withdrawal of loans, including Bank Indonesia fees of 0.15%, net of tax, which shall be payable semi-annually every June 15 and December 15.
- A commitment fee of 0.25% per annum is charged on the unused facility from the signing date of each ILA; and
- A penalty of 2% per annum above the interest rate as explained in point three in the event of late payment.

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29. SUBORDINATED LOANS (continued)

Two-Step Loans (continued)

(g) Kreditanstalt fur Wiederaufbau (KfW) (continued)

KfW advanced to the Government of Republic of Indonesia through BI and Bank Mandiri an amount of EUR11,777,361 (full amount), of which EUR11,133,645 (full amount) had already been withdrawn by Bank Mandiri through payment of a letter of credit (L/C), in line with the import of equipment for the modernization of a Hot Strip Mill, Roughing Mill Motor and Stand F4 Rear Motor Drivers System and related services from Siemens AG, Erlangen, Germany, to PT Krakatau Steel which has entered into two ILAs with BI and KfW, as follows:

2006

Loan No.	Facility (full amount)	Used Facility (full amount)	Balance		Repayment Period
			Original Currency (full amount)	Rupiah Equivalent	
F3137/1	EUR7,859,450	EUR7,215,734	EUR2,886,293.80	34,192	January 13, 2000 - December 15, 2006 with 1 st installment on August 30, 2002, which was extended to May 31, 2004. Repayments are due in ten equal installments. Last installment is on December 15, 2008
F3137/2	EUR3,917,911	EUR3,917,911	-	-	March 3, 2000 - June 15, 2006 with 1 st installment on December 31, 2001. Repayments are due in ten equal installments.

In accordance with the agreement, loan number F3137/2 was settled on June 15, 2006.

2005

Loan No.	Facility (full amount)	Used Facility (full amount)	Balance		Repayment Period
			Original Currency (full amount)	Rupiah Equivalent	
F3137/1	EUR7,859,450	EUR7,215,734	EUR4,329,440.70	50,408	January 13, 2000 - December 15, 2006 with 1 st installment on August 30, 2002, which was extended to May 31, 2004. Repayments are due in ten equal installments.
F3137/2	EUR3,917,911	EUR3,917,911	EUR391,791.10	4,562	March 3, 2000 - June 15, 2006 with 1 st installment on December 31, 2001. Repayments are due in ten equal installments.

Bank Indonesia

This account represents loans arising from the conversion of Bank Indonesia liquidity used to improve the capital structure of BDN, Bapindo and PT Bank Syariah Mandiri (a subsidiary).

Bank Indonesia agreed to the restructuring of the subordinated loans of BDN amounting to Rp736,859 and Bapindo (previously recorded as Loan Capital) amounting to Rp1,755,000 as stated in Bank Indonesia Letter No. 6/360/BKR dated November 23, 2004 regarding the Restructuring of Subordinated Loans. Under the restructuring, the subordinated loans of both ex-legacies are combined into one amount of Rp2,491,859, with a repayment period of eleven years from 2004 until 2014. The restructured loan bears interest at the rate of 0.2% per annum. The restructuring of the subordinated loans was legalized in the notarial deed of Restructuring Agreement of Subordinated Loan No. 4 dated December 7, 2004 by notary Ratih Gondokusumo Siswono, S.H. in Jakarta.

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29. SUBORDINATED LOANS (continued)

Bank Indonesia (continued)

As stated in the letter from Bank Indonesia No. 6/130i/DPbS dated November 26, 2004 regarding the settlement of the subordinated loan to BSM, Bank Indonesia agreed to the proposal from BSM to fully pay the subordinated loan amounting to Rp32,000 on November 30, 2008. For this purpose, BSM pledged premises and equipment as collateral. The loan bears interest at the rate of 6% per annum and is to be repaid in quarterly installments.

The details of this facility as of December 31, 2006 and 2005 are as follows:

Bank	Term of Loan	2006 Amount (Rupiah)	2005 Amount (Rupiah)	Interest Rate
PT Bank Mandiri (Persero) Tbk.	November 30, 2004 - March 31, 2014 with 1 st installment on November 30, 2004.	2,416,859	2,441,859	0.2% per annum
PT Bank Syariah Mandiri (BSM)	January 31, 1994 - November 30, 2008 with payment at maturity date	32,000	32,000	Paid quarterly at 6% per annum
		<u>2,448,859</u>	<u>2,473,859</u>	

Others

Subordinated Notes (SNs)

Details of *Subordinated Notes (SNs)* are as follows:

Issuer	Term of Subscription	2006		2005	
		Original Amount (full amount)	Equivalent Rupiah	Original Amount (full amount)	Equivalent Rupiah
Bank Mandiri	August 2, 2002 - 2012 with Call Option by August 2, 2007	US\$125,000,000	1,125,375	US\$125,000,000	1,228,750
Less: Unamortized discount		(US\$595,036)	(5,357)	(US\$701,448)	(6,895)
		<u>US\$124,404,964</u>	<u>1,120,018</u>	<u>US\$124,298,552</u>	<u>1,221,855</u>

For purposes of increasing the Bank's Supplementary Capital (Tier II Capital), refinancing the Bank's maturing subordinated debt obligations and providing funds for new US Dollar loans, on August 2, 2002 the Bank issued US\$125,000,000 (full amount) Subordinated Notes Due 2012 (the "Notes") through its Cayman Islands Branch. The Notes have been issued at 99.148% of their principal amount and are due on August 2, 2012. The Notes bear interest at the rate of 10.625% per annum from and including August 12, 2007 but excluding August 3, 2007 except that in 2007, interest will accrue from and including February 2, 2007 but excluding August 3, 2007. Unless the Notes are previously redeemed, the interest rate from and including August 3, 2007 but excluding August 2, 2012 will be reset at the US Treasury Rate plus 11.20% per annum. Interest will be paid semi-annually in arrears on February 2 and August 2, starting August 2, 2008.

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29. SUBORDINATED LOANS (continued)

Others (continued)

Subordinated Notes (SNs) (continued)

The Notes are traded on the Singapore Stock Exchange in a minimum board lot size of US\$200,000 (full amount). The Notes are offered and sold outside of the United States to persons that are not U.S. persons (as defined in Regulation S under the Securities Act) in compliance with Regulation S (the "Unrestricted Notes"). The Notes are initially offered and sold in the United States to qualified institutional buyers (as defined in the Trust Deed) and will originally be represented by a restricted global note certificate in registered form (the "Restricted Global Notes Certificate" and, together with the Unrestricted Global Note Certificate, the "Global Note Certificates" and, either one of them, a "Global Note Certificate") which will be deposited with a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System (Euroclear) and Clearstream Banking, Société Anonyme, Luxembourg (Clearstream, Luxembourg).

The issuance and classification of the SNs as Subordinated Loans has been approved by Bank Indonesia (BI), through its letter No. 4/88/DPwB2/PwB23 dated July 12, 2002.

30. MINORITY INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES

This account represents minority interests in net assets of subsidiaries as follows:

	2006	2005
<i>Dana Pensiun Bank Bumi Daya</i>	4,072	3,650
<i>Yayasan Dana Pensiun Bank Dagang Negara</i>	1,058	1,002
<i>Koperasi Karyawan - PT Bank Mandiri (Persero), Tbk.</i>	46	53
	5,176	4,705

31. SHAREHOLDERS' EQUITY

a. Authorized, Issued and Fully Paid-up Capital

The Bank's authorized, issued and fully paid-up capital as of December 31, 2006 and 2005 are as follows:

	2006			Percentage Of Ownership
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	
Authorized Capital				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	31,999,999,999	500	15,999,999,999,500	100.00%
Total Authorized Capital	32,000,000,000	500	16,000,000,000,000	100.00%

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31. SHAREHOLDERS' EQUITY (continued)

a. Authorized, Issued and Fully Paid-up Capital (continued)

	2006 (continued)			
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	Percentage Of Ownership
Issued and Fully Paid-up Capital				
Republic of Indonesia				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	13,999,999,999	500	6,999,999,999,500	67.86%
Public (less than 5 % each)				
- Common Shares B Series	6,631,217,467	500	3,315,608,733,500	32.14%
Total Issued and Fully Paid-up Capital	20,631,217,467	500	10,315,608,733,500	100.00%

Shares ownership by directors are 21,063,890 shares (0.1020972%) as of December 31, 2006.

	2005			
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	Percentage Of Ownership
Authorized Capital				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	31,999,999,999	500	15,999,999,999,500	100.00%
Total Authorized Capital	32,000,000,000	500	16,000,000,000,000	100.00%
Issued and Fully Paid-up Capital				
Republic of Indonesia				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	13,999,999,999	500	6,999,999,999,500	69.11%
JP Morgan Chase Bank US Resident (Norbax Inc)				
- Common Shares B Series	1,954,376,586	500	977,188,293,000	9.65%
Public (less than 5 % each)				
- Common Shares B Series	4,301,340,778	500	2,150,670,389,000	21.24%
Total Issued and Fully Paid-up Capital	20,255,717,364	500	10,127,858,682,000	100.00%

Shares ownership by directors and commissioners are 1,747,809 shares (0.0086287%) as of December 31, 2005.

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31. SHAREHOLDERS' EQUITY (continued)

a. Authorized, Issued and Fully Paid-up Capital (continued)

Based on notarial deed No. 10 of Sutjipto, S.H., dated October 2, 1998, the authorized capital of Bank Mandiri amounts to Rp16,000,000 with a par value of Rp1,000,000 (full amount) per share.

The establishment of issued and fully paid-up capital amounting to Rp4,000,000 by the Republic of Indonesia at the date of establishment of Bank Mandiri was carried out as follows:

1. Cash payment through Bank Indonesia amounting to Rp1,600,004.
2. Placements in shares of stocks recorded as investments in shares of the Merged Banks amounting to Rp599,999 each or totaling Rp2,399,996, through the transfer of shares of the Republic of Indonesia in each of the Merged Banks to Bank Mandiri, as resolved during the respective Extraordinary General Meetings of the Merged Banks. Based on the agreement ("*inbreng*") notarized by deed No. 9 of Sutjipto, S.H. dated October 2, 1998, Bank Mandiri and the Republic of Indonesia, agreed to transfer those shares (*inbreng*) as payment for new shares to be issued by Bank Mandiri.

Based on the amendments to the Articles of Association of Bank Mandiri covered by notarial deed No. 98 of Sutjipto, S.H. dated July 24, 1999, the shareholder resolved to increase the paid-up capital (share capital) of Bank Mandiri from Rp4,000,000 to Rp4,251,000 to be entirely paid for by the Republic of Indonesia. The increase of Rp251,000 was effected through the conversion of additional paid-in capital to share capital and resulted from the excess of recapitalization bonds under the 1st Recapitalization Program as per Government Regulation No. 52/1999.

Based on an Extraordinary General Shareholder's Meeting resolution dated May 29, 2003, which was amended by notarial deed No. 142 of Sutjipto, S.H., dated May 29, 2003, the shareholder agreed among others the following:

- (i) Initial Public Offering of Bank Mandiri
- (ii) Changes in Bank Mandiri's capital structure
- (iii) Changes in Bank Mandiri's Articles of Association

Following the shareholder decision to change the capital structure, Bank Mandiri increased its issued and fully paid-up capital to Rp10,000,000 and split the share price from Rp1,000,000 (full amount) per share to Rp500 (full amount) per share. Accordingly, the number of authorized shares increased from 16,000,000 (full amount) shares to 32,000,000,000 (full amount) shares, and the number of issued and fully paid-up shares increased from 10,000,000 shares with a nominal value of Rp1,000,000 (full amount) to 20,000,000,000 (full amount) shares with a nominal value of Rp500 (full amount). The issued and fully paid-up capital consists of 1 Dwiwarna A Series share and 19,999,999,999 Common B Series shares owned by the Republic of Indonesia.

In relation to the change in capital structure, the Extraordinary Shareholder's Meeting also approved the amount of Rp168,801,314,557,901 (full amount) as Agio.

The above changes in capital structure became effective from May 23, 2003, with the requirement that the Bank should conduct a quasi-reorganization on or before the end of 2003 based on an approval of the Shareholder.

The Dwiwarna A Series share represents a share owned by the Republic of Indonesia, which is not transferable. It provides the Republic of Indonesia with the following privileges:

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31. SHAREHOLDERS' EQUITY (continued)

a. Authorized, Issued and Fully Paid-up Capital (continued)

1. General Shareholders Meetings concerning increases in capital should be attended by and approved by the Dwiwarna A Series shareholder;
2. General Shareholders Meetings concerning changes in the composition of the Boards of Directors and Commissioners should be attended and approved by the Dwiwarna A Series shareholder;
3. General Shareholders Meetings concerning changes in the Articles of Association should be attended and approved by the Dwiwarna A Series shareholder;
4. General Shareholders Meetings concerning mergers, acquisitions and takeovers should be attended and approved by the Dwiwarna A Series shareholder;
5. General Shareholders Meetings concerning dissolution and liquidation should be attended and approved by the Dwiwarna A Series shareholder.

The changes in the capital structure are based on the Minutes of the Meeting regarding the amendment of the Articles of Association (Pernyataan Keputusan Rapat Perubahan Anggaran Dasar) of PT Bank Mandiri (Persero) as notarized by Sutjipto, S.H. No. 2 dated June 1, 2003. The amendment was approved by the Minister of Justice and Human Rights through decree No. C-12783 HT.01.04.TH.2003 dated June 6, 2003 and announced in Appendix No. 6590 of State Gazette of the Republic of Indonesia No. 63 dated August 8, 2003 (Note 1d).

The increase in paid-up capital of Bank Mandiri from Rp4,251,000 to Rp10,000,000 was made through the following:

1. Return of paid-up capital of Rp251,000 to the Government as a part of the return of excess recapitalization of Rp1,412,000 which was retained by Bank Mandiri, and an increase in capital amounting to Rp1,000,000 from the capitalization of reserves, based on Government Regulation (PP) No. 26/2003 dated May 29, 2003, regarding the "Conversion of the Investment of the Republic of Indonesia into the Paid-in Capital of PT Bank Mandiri (Persero)", and Decree of the Minister of State-Owned Enterprises, as the Bank's shareholder, No. KEP-154/M-MBU/2002 dated October 29, 2002.
2. Increase in fully paid-up capital of Rp5,000,000 from the capitalization of additional paid-up capital based on the Decree of the Minister of Finance of the Republic of Indonesia ("KMK RI") No. 227/202.02/2003 dated May 23, 2003 regarding "The final amount and implementation of the Government's rights arising from the additional share participation of the Government of the Republic of Indonesia in Bank Mandiri in connection with the general banking recapitalization program".

Based on the Extraordinary General Shareholders' Meeting held on May 29, 2003, which was notarized on the same date by Sutjipto, S.H., as per notarial deed No. 142 dated May 29, 2003, the shareholder agreed to among others, the introduction of an employee stock ownership plan through an Employee Stock Allocation Program (ESA) and a Management Stock Option Plan (MSOP). The ESA consists of a Bonus Share Plan and a Share Purchase at Discount program. MSOP is directed to directors and senior management at certain levels and based on certain criteria. All costs and discounts related to the ESA program are recognized by Bank Mandiri through allocation of reserves. The management and execution of the ESA and MSOP programs is performed by the Board of Directors, while the supervision is performed by the Board of Commissioners (Note 32).

On July 14, 2003, the Government of the Republic of Indonesia divested 4,000,000,000 shares representing 20% of its shareholding in Bank Mandiri through an Initial Public Offering (IPO).

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31. SHAREHOLDERS' EQUITY (continued)

a. Authorized, Issued and Fully Paid-up Capital (continued)

Following the Regulation of the Government of the Republic of Indonesia No. 27/2003 dated June 2, 2003, which approved the divestment of the Government ownership in Bank Mandiri of up to 30%, and based on a decision of Tim Kebijakan Privatisasi Badan Usaha Milik Negara No. Kep-05/TKP/01/2004 dated January 19, 2004, the Government of the Republic of Indonesia divested a 10% ownership interest in PT Bank Mandiri (Persero) Tbk. or 2,000,000,000 shares of Common Shares of Series B on March 11, 2004 through private placements.

On July 14, 2003, the date of the IPO, through MSOP – Stage 1 (Management Stock Option Plan – Stage 1), the Bank issued 378,583,785 share options for the management with an exercise price of Rp742.5 (full amount) per share and a nominal value of Rp500 (full amount) per share. The share options are recorded in the equity account – Share Options amounting to Rp69.71 per options. As at December 31, 2006, MSOP – Stage 1 options exercised totaled 327,017,703 shares, thereby increasing the total issued and fully paid-up capital by Rp163,509 and agio by Rp102,098, including MSOP – Stage 1 exercised during 2006 amounting to 71,300,339 shares thereby increasing the total issued and fully paid-up capital by Rp35,650 and agio by Rp22,262. As of Desember 31, 2006 share option value still recorded as equity – shares option from MSOP – Stage 1 amounting to Rp 3,595.

The General Shareholders' Meeting on May 16, 2005 approved MSOP – Stage 2 amounting to 312,000,000 share options. The exercise price and nominal value for each share is Rp1,190.5 (full amount) and Rp500 (full amount), respectively. As at December 31, 2005, the Bank recorded MSOP – Stage 2 in the equity account – Share Options with fair value amounting to Rp642.28 per share options. As of December 31, 2006 MSOP – Stage 2 option exercised totaled 304,199,764 shares thereby increasing the total issued and fully paid-up capital by Rp152,100 and agio by Rp405,431. As of December 31, 2006 share option value still recorded as equity-share option from MSOP – Stage 2 amounting to Rp5,010.

During 2006, MSOP – Stage 1 option and MSOP – Stage 2 option exercised totaled 71,300,339 and 304,199,764 shares respectively, thereby increasing the total issued and fully paid – up capital by Rp187,750.

The General Shareholders' Meeting on May 22, 2006 approved MSOP – Stage 3 amounting to 309,416,215 share options or 1.55% from total issued and fully paid – up capital at the date of the IPO to purchase new shares B series to be issued. The General Shareholders' Meeting also give authority to the commissioners to determine the execution and monitoring policy of MSOP – Stage 3 including the options implementation and report it in the future general shareholders' meeting.

b. Additional Paid-In Capital/Agio

The additional paid-in capital/agio of Rp6,433,948 and Rp6,006,255, as of December 31, 2006 and 2005, respectively, represents additional paid-up capital arising from the Recapitalization Program (Note 1c).

The increase in agio amounting to Rp427,693 as of December 31, 2006 represents exercised of MSOP Stage 1 and MSOP Stage 2 amounting to 71,300,339 and 304,199,764, respectively.

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31. SHAREHOLDERS' EQUITY (continued)

b. Additional Paid-In Capital/Agio (continued)

Based on the results of a due diligence review conducted on behalf of the Government dated December 31, 1999 and a Management Contract (IMPA) dated April 8, 2000, it was determined that there was an excess recapitalization amounting to Rp4,069,000. The Bank returned Rp2,657,000 of Government Recapitalization Bonds to the Government on July 7, 2000 pursuant to the Management Contract. The balance of Rp1,412,000 was returned to the Government on April 25, 2003 as approved by the Shareholder during its meeting on October 29, 2002 and the Minister of State-Owned Enterprises Decision Letter No. KEP-154/M-MBU/2002 dated October 29, 2002.

The return of the above excess recapitalization amounting to Rp1,412,000 includes issued and fully paid-up capital of Rp251,000.

On May 23, 2003, the Minister of Finance of the Republic of Indonesia issued decree ("KMK-RI") No. 227/KMK.02/2003 dated May 23, 2003, which was amended by KMK No. 420/KMK.02/2003 dated September 30, 2003, which provides further guidance on Government Regulations No. 52 year 1999 and No. 97 year 1999 regarding the additional Government participation in Bank Mandiri's capital.

Matters decided under the KMK RI, among others, are as follows:

- a. The final Bank Mandiri recapitalization amount is Rp173,801,314,557,593 (full amount);
- b. Recapitalization of Rp5,000,000,000,000 (full amount) is converted into 5,000,000 (full amount) new shares issued by Bank Mandiri with a nominal value of Rp1,000,000 (full amount) per share;
- c. The remaining recapitalization amount of Rp168,801,314,557,593 (full amount) is recorded as agio.

Through quasi-reorganization, the Bank's accumulated losses as of April 30, 2003 amounting to Rp162,874,901 were eliminated against additional paid-in capital/agio.

c. Premises and Equipment Revaluation Increment

The premises and equipment revaluation increment amounting to Rp3,046,936 as of December 31, 2006 and 2005, represents the revaluation increment of the premises and equipment of the Merged Banks based on an appraisal as of July 31, 1999. This was based on the Decision Letter of the Minister of Finance No. 211/KMK.03/2003 dated May 14, 2003, Bank Mandiri letter No. S.206/MK.01/2003 dated May 21, 2003 and approval of the Directorate General of Taxation, through the Head of State and Regional Offices of Corporate Tax Services Decision Letter No. KEP-01/WPJ.07/KP.0105/2003 dated June 18, 2003.

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31. SHAREHOLDERS' EQUITY (continued)

d. Distribution of Net Profit

Based on the resolution of the shareholders during their general meetings held on May 22, 2006 and May 16, 2005, the shareholders approved the distribution of the 2005 and 2004 net profit as follows:

	<u>2005</u>	<u>2004</u>
Dividends	301,685	2,627,816
Tantiem *)	-	26,278
Cooperative Development fund program	-	78,835
Community Development fund program	12,067	26,278
	<u>313,752</u>	<u>2,759,207</u>
Appropriated retained earnings: General reserve	15,084	1,813,285
Specific reserve	-	-
Total	15,084	1,813,285
Retained earnings	274,533	683,139
	<u>603,369</u>	<u>5,255,631</u>
Dividend per share	Rp14.853(full amount)	Rp130.496(full amount)

*) In accordance with the Extraordinary General Shareholders' Meeting held on December 21, 2005, tantiem is taken from 2004 net profit, which have been approved as retained earnings based on the General Shareholders' Meeting's decision on May 16, 2005

The dividends from 2005 and 2004 net profit were paid to the shareholders on June 30, 2006 and June 24, 2005, respectively. Based on the decision of Shareholder's Annual General Meeting Year 2005 on May 22, 2006, there is no tantiem paid from the 2005 net profit. The tantiem from 2004 amounting to Rp26,278 were paid to the directors and commissioners of the Bank on December 30, 2005. The allocations for Cooperative development fund program and the community development fund program from 2005 and 2004 net profit were paid on June 16, 2006 and June 21, 2005, respectively.

Up to 2003, the Bank charged tantiem to retained earnings. In accordance with PSAK No.24 (Revised 2004) regarding employee benefits, the Bank has accrued the tantiem in the 2004 financial statements. At the General Stockholders' Meeting on May 16, 2005, the shareholders agreed the payment of tantiem to the members of the Board of Directors and Commissioners and Commissioners' Secretary in the amount of Rp26,278.

Tantiem amounting to Rp26,278 from the 2004 profit which was previously charged against the accrual provided in 2004, based on the decision at the Extraordinary General Shareholders' Meeting held on December 21, 2005 is charged against the 2004 retained earnings and the accrual previously provided is reversed as part of the 2005 operational profit.

The change is made to fulfill the legal requirement as stated in Explanation of Article 62 (1) UU No. 1 Year 1995 regarding Limited Company ("UU PT"), which states that tantiem be taken from net profit.

e. Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries

The account represents the Bank's proportionate interest in the subsidiaries arising from changes in subsidiaries' equity which are not derived from transactions with the Bank and are calculated based on the percentage of ownership of the Bank and subsidiaries. In 2006 and 2005, the Bank adjusted the unrealized loss from available for sale securities as part of Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries because of the related securities held by Subsidiaries.

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32. MANAGEMENT STOCK OPTION PLAN

Based on the Extraordinary General Shareholders' Meeting held on May 29, 2003, which was notarized on the same date by Sutjipto, S.H., as per notarial deed No. 142, the shareholders approved the adoption of the Management Stock Option Plan (MSOP).

The purpose of the MSOP program is to achieve long-term objective, of ensuring the continuity of the current or future performance of the Bank by aligning management and shareholders' objectives. The Bank implemented a MSOP program to attract, retain and motivate senior management and other key employees. The bank plans to issue MSOP shares, additional common shares Series B (issued without the priority right to order share), up to maximum 5% from the total of Issued and fully paid-up capital or equal to 1 billion of common shares Series B with par value of Rp500 (full amount) per share.

The share option life is five years from the grant date. The number of stock options that can be exercised (for MSOP - Stage 1) at the end of the first year from the grant date is a maximum of 50% of the total options granted, and the remaining 50% may be exercised at the end of the second year up through the end of the fifth year.

On July 14, 2003, after approval by Extraordinary General Shareholders' Meeting held on May 29, 2003, the Bank granted MSOP - Stage 1 amounting to 378,583,785 share options with an exercise price of Rp742.5 (full amount) per share or 110% of the offering price with a vesting period of two years.

The fair value of MSOP – Stage 1 stock options granted as of July 14, 2003 was Rp69.71 (full amount) based on a valuation report issued by PT Watson Wyatt Indonesia dated March 4, 2004.

The General Shareholders' Meeting held on May 16, 2005 approved the MSOP – Stage 2 amounting to 312,000,000 share options. Exercise price and nominal value for each share is Rp1,190.5 (full amount) for the first two execution period and Rp500 (full amount), respectively.

MSOP – Stage 2 share option life is five years from the grant date, which was on June 21, 2005. The number of stock options that can be exercised since December 4, 2006 is 100% of the total options granted.

The fair value of MSOP – Stage 2 stock options granted as of May 16, 2005 was Rp642.28 (full amount) based on a valuation report issued by PT Watson Wyatt Indonesia dated February 27, 2006.

MSOP – Stage 2 options exercised since December 4, 2006 totaled 304,199,764 shares. The remaining options amounting to 7,800,236 shares can be exercised effective May 7, 2007 with exercise price Rp2,493 calculated from the average share closing price during 25 days before reporting date to Jakarta Stock Exchange.

The General Shareholders' Meeting held on May 22, 2006 approved the MSOP – Stage 3 amounting to 309,416,215 share options or 1.55% from the issued and fully paid-up capital at the date of IPO to purchase the new common shares Series B to be issued. Exercise price for each share is Rp1,495.08 (full amount) during the options period.

The decision of the stock options allocation and the policy of MSOP – Stage 3 was established by the Commissioners on July 28, 2006. MSOP – Stage 3 share option life is 5 (five) years from the grant date with exercise period of 30 (thirty) days for each execution.

The fair value of MSOP – Stage 3 stock options granted as of May 22, 2006 was Rp593.89 (full amount) based on a valuation report issued by PT Watson Wyatt Indonesia dated February 22, 2007.

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32. MANAGEMENT STOCK OPTION PLAN (continued)

The fair value of the options granted were estimated using the Black-Scholes option-pricing model with the following assumptions:

	MSOP – Stage 1	MSOP – Stage 2	MSOP – Stage 3
Risk free interest rate	8.46%	9.50%	11.65%
Expected period of option	5 years	5 years	5 years
Expected stock's volatility	24.53%	50%	50%
Expected dividend yield	7.63%	7.63%	7.75%
Employee turnover rate	1%	1%	1%

A summary of the Management Stock Option Plan and the movements during the year (full amount):

2006				
	Number of options	Weight average fair value of options (full amount)	Weighted average exercise price of options (full amount)	Value of Options
Option outstanding at beginning of year	434,866,421	480.51	1,063.92	175,012
Option granted during the year	309,416,215	593.89	1,495.08	130,669
Option exercised during the year	<u>(375,500,103)</u>	533.56	1,105.43	<u>(200,351)</u>
Options that can be exercised at the end of the year	<u>368,782,533</u>	521.62	1,383.41	<u>105,330</u>
2005				
	Number of options	Weight average fair value of options (full amount)	Weighted average exercise price of options (full amount)	Value of Options
Option outstanding at beginning of year	245,728,913	69.71	742.50	13,830
Option granted during the year	312,000,000	642.28	1,190.50	169,746
Option exercised during the year	<u>(122,862,492)</u>	69.71	742.50	<u>(8,564)</u>
Options that can be exercised at the end of the year	<u>434,866,421</u>	480.51	1,063.92	<u>175,012</u>

Share options amounted to Rp105,330 and Rp175,012 as of December 31, 2006 and 2005. MSOP – Stage 1 and MSOP – Stage 2 and MSOP – Stage 3 expense which was recorded as salaries and employee benefits for the years ended December 31, 2006 and 2005 totaled Rp130,669 and Rp169,746, respectively (Note 41).

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33. INTEREST INCOME

Interest income was derived from the following:

	<u>2006</u>	<u>2005</u>
Loans	11,319,184	10,418,826
Government Recapitalization Bonds	10,840,987	7,797,767
Securities	1,646,826	1,008,765
Placements with Bank Indonesia and other banks	1,067,532	789,287
Fees and commissions	603,709	632,775
Others	782,868	351,805
	<u>26,261,106</u>	<u>20,999,225</u>

Included in interest income from loans and others is *syariah* income for the years ended December 31, 2006 and 2005 amounting to Rp825,107 and Rp777,812, respectively, with details as follows:

	<u>2006</u>	<u>2005</u>
<i>Murabahah</i> income	492,689	567,368
<i>Musarakah</i> income	189,779	137,735
Others	142,639	72,709
	<u>825,107</u>	<u>777,812</u>

34. INTEREST EXPENSE

Interest expense was incurred on the following:

	<u>2006</u>	<u>2005</u>
Time deposits	11,459,892	7,161,132
Savings deposits	2,059,386	2,033,438
Demand deposits	1,325,764	1,252,277
Fund borrowings	331,809	427,613
Securities issued	251,972	413,203
Subordinated loans	129,704	84,006
Loan capital	-	56,863
Others	218,224	318,828
	<u>15,776,751</u>	<u>11,747,360</u>

Included in interest expense from time and savings deposits is *syariah* expense for the years ended December 31, 2006 and 2005 amounting to Rp314,493 and Rp357,518, respectively.

35. OTHER OPERATING INCOME - OTHERS

	<u>2006</u>	<u>2005</u>
Accretion in the realizable value of the security and effective reduction of principal related to SUFRNs	-	337,431
Others	351,345	334,031
	<u>351,345</u>	<u>671,462</u>

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36. PROVISION FOR POSSIBLE LOSSES ON EARNING ASSETS

	2006	2005
Provision/(reversal of allowance) for possible losses on:		
Current accounts with other banks (Note 4e)	4,101	1,278
Placements with other banks (Note 5e)	(51,542)	63,043
Securities (Note 6g)	(30,839)	59,310
Other receivables - trade transactions (Note 8d)	(215,583)	192,897
Securities purchased with agreements to resell (Note 9b)	8,600	(4,800)
Derivative receivables (Note 10)	874	559
Loans (Note 11B.j)	4,158,551	3,860,646
Acceptances receivable (Note 12d)	(202,701)	277,140
Investments in shares of stock (Note 13c)	327	(4,847)
	3,671,788	4,445,226

37. REVERSAL OF ALLOWANCE FOR POSSIBLE LOSSES - OTHERS

	2006	2005
Reversal/(provision) of allowance for:		
Possible losses on legal cases (Note 28)	154,427	297,241
Possible losses on fraud cases	51,018	3,078
Others assets	(53,663)	797,841
Others	(22,837)	(41,515)
	128,945	1,056,645

38. GAINS/(LOSSES) FROM INCREASE/(DECREASE) IN VALUE OF SECURITIES AND GOVERNMENT RECAPITALIZATION BONDS

	2006	2005
Securities	8,318	(22,812)
Government Recapitalization Bonds	101,063	(66,332)
	109,381	(89,144)

39. GAINS FROM SALE OF SECURITIES AND GOVERNMENT RECAPITALIZATION BONDS

	2006	2005
Securities	94,286	(1,832)
Government Recapitalization Bonds	43,256	257,290
	137,542	255,458

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40. GENERAL AND ADMINISTRATIVE EXPENSES

	2006	2005
Depreciation and amortization of premises and equipment	608,358	557,706
Rent	452,025	446,310
Promotions	406,826	270,812
Communications	342,519	419,915
Repairs and maintenance	312,698	283,153
Professional fees *)	281,925	277,075
Electricity, water and gas	191,234	198,716
Office supplies	159,897	154,989
Transportations	82,023	133,385
Research and development	7,114	6,480
Others	406,274	331,538
	3,250,893	3,080,079

*) Professional fees included audit services amounting to Rp15,775 and Rp23,703 for the years ended December 31, 2006 and 2005, respectively.

41. SALARIES AND EMPLOYEE BENEFITS

	2006	2005
Salaries, wages, pension and tax allowances	1,727,159	1,547,352
Holidays (THR), leave and related entitlements	324,168	356,060
Provision for post-employment benefit expenses (Note 42)	303,691	456,190
Employee benefits in kind	213,459	163,768
Training and development	133,087	127,835
Compensation expense on stock options (Note 32)	130,669	169,746
Bonuses and others	185,269	366,304
	3,017,502	3,187,255

Total gross salaries, allowances and bonuses of the Boards of Directors and Commissioners, and Executive Officers amounted to Rp61,242 and Rp107,086 for the years ended December 31, 2006 and 2005, respectively, are as follows:

	2006				
	Number of Members/ Officers	Salaries	Allowances*)	Bonuses	Total
Board of Commissioners	7	4,733	2,673	-	7,406
Board of Directors	11	16,552	12,199	-	28,751
Audit Committee	2	635	177	-	812
Senior Executive Vice Presidents, Group Heads and Advisors of Directors	45	15,668	4,670	3,935	24,273
	65	37,588	19,719	3,935	61,242

*) Including post employment benefit

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41. SALARIES AND EMPLOYEE BENEFITS (continued)

	2005				
	Number of Members/ Officers	Salaries	Allowances	Bonuses	Total
Board of Commissioners	7	4,983	3,258	5,587	13,828
Board of Directors	8	15,378	16,140	19,745	51,263
Audit Committee	2	634	123	369	1,126
Senior Executive Vice Presidents, Group Heads and Advisors of Directors	47	25,568	9,131	6,170	40,869
	64	46,563	28,652	31,871	107,086

42. PENSION AND SEVERANCE

Under the Bank's policy, in addition to salaries, employees are entitled to allowances and benefits, such as: holiday allowance (THR), pre-retirement (MBT) allowance, medical reimbursements, death allowance, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on employee's and the Bank's performance, and post-employment benefits based on the prevailing Labor Law.

Pension Plan

Bank Mandiri has five pension plans in the form of Employer Pension Plans as follows:

- a. One defined contribution pension plan, *Dana Pensiun Pemberi Kerja Program Pensiun Iuran Pasti (DPPK-PPIP)* or the Bank Mandiri Pension Plan (*Dana Pensiun Bank Mandiri (DPBM)*) established on August 1, 1999. The DPBM's regulations were legalized based on the decision letter of the Minister of Finance of the Republic of Indonesia No. KEP/300/KM.017/1999 dated July 14, 1999 and was included in the Addendum to the State Gazette of the Republic of Indonesia No. 62 dated August 3, 1999 and Bank Mandiri's Directors' Resolution No. 004/KEP.DIR/1999 dated April 26, 1999 and were amended based on the Minister of Finance of the Republic of Indonesia's letter No. KEP-213/KM.5/2005 dated July 22, 2005 and was included in the Addendum to the State Gazette of the Republic of Indonesia No. 77 dated September 27, 2005 and Bank Mandiri's Directors' Resolution No. 068/KEP.DIR/2005 dated June 28, 2005.

Bank Mandiri and the employees contribute 10% and 5% of the Base Pension Plan Employee Income, respectively.

The President Director and the members of the Supervisory Board of the DPBM are active employees of Bank Mandiri; therefore, in substance, Bank Mandiri has control over the DPBM. As a consequence, transactions between the DPBM and Bank Mandiri are considered related party transactions. The DPBM invests a part of its financial resources in Bank Mandiri time deposits, which balances as of December 31, 2006 and 2005 were Rp30,000 and Rp24,000, respectively. The interest rates on these time deposits are at arms-length.

The Bank paid pension contributions totaling Rp107,566 and Rp96,272, respectively, for the years ended December 31, 2006 and 2005, respectively.

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42. PENSION AND SEVERANCE (continued)

Pension Plan (continued)

- b. Four employer defined benefit pension plans, *Dana Pensiun Pemberi Kerja Program Pensiun Manfaat Pasti* (DPPK-PPMP) are derived from the respective pension plans of the Merged Banks, namely Dana Pensiun Bank Mandiri Satu or DPBM I (BBD), DPBM II (BDN), DPBM III (Bank Exim) and DPBM IV (Bapindo). The regulations of the respective pension plans were legalized by the Minister of Finance of the Republic of Indonesia in his decision letters No. KEP-394/KM.017/1999, No. KEP-395/KM.017/1999, No. KEP-396/KM.017/1999 and No. KEP-397/KM.017/1999 dated November 15, 1999. Based on the approval of shareholders No. S-923/M-MBU/2003 dated March 6, 2003, Bank Mandiri has adjusted pension benefits for each Pension Fund. Such approval has been incorporated in each of the Pension Fund's Regulations (Peraturan Dana Pensiun (PDP)) which have been approved by the Minister of Finance of the Republic of Indonesia based on his decision letters No. KEP/115/KM.6/2003 for PDP DPBM I, No. KEP/116/KM.6/2003 for PDP DPBM II, No. KEP/117/KM.6/2003 for PDP DPBM III, and No. KEP/118/KM.6/2003 for PDP DPBM IV, all dated March 31, 2003.

The members of the defined benefit pension plans originated from the legacy banks who have rendered three or more service years at the time of merger and are comprised of active employees of the Bank, deferred members (those whose employment has been terminated but for whom the beneficial rights were not transferred to other pension plans), and pensioners.

As of December 31, 2006 and 2005, the calculation of the fair value of plan assets and projected benefit obligation is based on the independent actuarial report of PT Dayamandiri Dharmakonsilindo dated February 23, 2007 and March 2, 2006 for the years ended December 31, 2006 and 2005, respectively. In its calculation, the actuary used the following assumptions:

	DPBM I	DPBM II	DPBM III	DPBM IV
Discount rate	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)
Expected rate of return on plan assets	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)	9.5% per annum (2005 : 12%)
Working period used	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999
Pensionable salary used	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary
Expected rates of pensionable salary increase	Nil	Nil	Nil	Nil
Mortality rate table	CSO-1958	CSO-1958	CSO-1958	CSO-1958
Turnover rate	5% up to employees' age of 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age of 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age of 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age of 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter
Disability rate	10% of mortality rate	10% of mortality rate	10% of mortality rate	10% of mortality rate

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42. PENSION AND SEVERANCE (continued)

Pension Plan (continued)

	DPBM I	DPBM II	DPBM III	DPBM IV
Actuarial method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Normal pension age	56 years for all grades	56 years for all grades	56 years for all grades	56 years for all grades
Maximum defined benefit amount	80% of latest gross pensionable salary (PhDP)	80% of latest gross pensionable salary (PhDP)	62.50% of latest gross pensionable salary (PhDP)	75% of latest gross pensionable salary (PhDP)
Expected rate of pension benefit increase	Nil	Nil	Nil	4% every 2 years
Tax rates - average	15% of pension benefit	15% of pension benefit	15% of pension benefit	15% of pension benefit

The projected benefit obligations and fair value of plan assets as of December 31, 2006 are as follows:

	DPBM I	DPBM II	DPBM III	DPBM IV
Projected Benefit Obligations	900,027	849,484	519,172	294,111
Fair Value of Plan Assets	<u>1,342,620</u>	<u>1,456,766</u>	<u>707,511</u>	<u>450,450</u>
Funded Status	442,593	607,282	188,339	156,339
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Actuarial Gains	<u>(258,648)</u>	<u>(305,567)</u>	<u>(174,902)</u>	<u>(55,305)</u>
Surplus Based on PSAK No. 24 (Revised)	183,945	301,715	13,437	101,034
Asset Ceiling *)	-	-	-	-
Pension Plan Program Assets recognized in Balance Sheet **)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*) There are no unrecognized accumulated actuarial loss-net nor unrecognized past service cost and there are no present value of available future refunds or reductions of future contributions.

***) There are no plan assets recognized in the Balance Sheets since the requirements under PSAK No. 24 (Revised) are not fulfilled.

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42. PENSION AND SEVERANCE (continued)

Pension Plan (continued)

The projected benefit obligations and fair value of plan assets as of December 31, 2005 are as follows:

	<u>DPBM I</u>	<u>DPBM II</u>	<u>DPBM III</u>	<u>DPBM IV</u>
Projected Benefit Obligations	875,883	828,720	503,472	292,743
Fair Value of Plan Assets	<u>1,283,339</u>	<u>1,300,799</u>	<u>720,997</u>	<u>406,869</u>
Funded Status	407,456	472,079	217,525	114,126
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Actuarial Gains	<u>(270,826)</u>	<u>(236,254)</u>	<u>(184,188)</u>	<u>(26,787)</u>
Surplus Based on PSAK No. 24 (Revised)	136,630	235,825	33,337	87,339
Asset Ceiling *)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pension Plan Program Assets recognized in Balance Sheet **)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*) There are no unrecognized accumulated actuarial loss-net nor unrecognized past service cost and there are no present value of available future refunds or reductions of future contributions.

***) There are no plan assets recognized in the Balance Sheets since the requirements under PSAK No. 24 (Revised) are not fulfilled.

Labor Law No. 13/2003

On March 25, 2003, the House of Representatives of the Republic of Indonesia and the Government of the Republic of Indonesia approved Labor Law No.13 Year 2003 (UU No.13/2003), which regulates, among others, the calculation of post-employment benefits, compensation upon termination and gratuity.

Bank Mandiri has implemented an accounting policy for employment benefits (PSAK 24 - Revised 2004) to recognize provision for employee service entitlements. As of December 31, 2006 and 2005, the Bank recognized a provision for employee service entitlements in accordance with Labor Law No. 13/2003 amounting to Rp689,654 and Rp517,426 respectively, based on independent actuarial reports (Note 28).

Provision for employee service entitlements as of December 31, 2006 and 2005 is based on independent actuarial reports of PT Dayamandiri Dharmakonsilindo dated February 14, 2007 and March 2, 2006 for the year ended December 31, 2005 and 2004, respectively. The assumptions used by the actuary were as follows:

- a. Discount rate is 10% per annum (December 31, 2005: 13% per annum).
- b. Expected rate of annual salary increase is 10% (December 31, 2005: 12% per annum).
- c. Mortality rate table is US 1980 Commissioners' Standard Ordinary Table of Mortality.
- d. Early retirement rate is 5% from age 25 decreasing linearly at 0.25% per year up to 0% at age 45 and thereafter.
- e. Actuarial method is projected unit credit method.
- f. Normal pension age is 56 years.
- g. Disability rate is 10% of mortality rate.

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42. PENSION AND SEVERANCE (continued)

Labor Law No. 13/2003 (continued)

Reconciliation between the provision for post employee benefits presented in the balance sheet and its expenses are as follows (Bank Mandiri only):

	2006	2005
Present value of obligations	636,267	413,602
Unrecognized past service cost	31,544	31,611
Unrecognized actuarial gains	10,317	63,264
Provision for Post Employee Benefits Presented in Balance Sheet	678,128	508,477
	2006	2005
Current service cost	26,060	39,565
Interest cost	61,302	40,487
Amortization of unrecognized actuarial gains	(644)	(135)
Amortization of unrecognized past service cost	(67)	(67)
Adjustment from last year tax calculation effect	67,697	-
Recognition of past service cost *)	25,015	-
Cost of Pension benefits	179,363	79,850

*) Represents recognition of cost from changes in benefit received by employees who voluntarily resign in accordance with the new employment agreement.

Reconciliation of Provision for Post Employee Benefits are as follows:

	2006	2005
Beginning Balance of Provision for Post Employee Benefits	508,477	446,290
Expenses during the year	179,363	79,850
Payments of benefits	(9,712)	(17,663)
Provision for Post Employee Benefits (Note 28)	678,128	508,477

As of December 31, 2006 and 2005, the provision for post employee benefits in the subsidiaries amounted to Rp11,526 and 8,949, respectively.

Free of Service Period (MBT)

MBT is a period prior to pension age which frees the employee from their active routine job where the related employee does not come to work but still obtains employee benefits such as: salary, medical facility, religion vacation benefit, annual leave (if in the current year the employee has active working period), special leave (if the special leave is in the MBT period) and mourning benefit and mourning facility.

In addition to the above benefits, the MBT facilities are to provide the employee a preparation opportunity before entering pension age.

The pension age, Minimal Working Period and MBT period are as follows:

No	Pension Age	Minimal Working Period	MBT Period
1.	56 years	12 years	12 months
2.	46 years	9 years	9 months

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42. PENSION AND SEVERANCE (continued)

Free of Service Period (MBT) (continued)

Assumptions used in the actuarial report for MBT are as follows:

- a. Discount rate is 10% per annum (December 31, 2005: 13% per annum).
- b. Expected rate of annual salary increase is 10% (December 31, 2005: 12% per annum).
- c. Normal pension age 56 years.
- d. Early retirement rate is 5% from age 25 decreasing linearly at 0.25% per year up to 0% at age 45 and thereafter.
- e. Mortality rate table is US 1980 Commissioners' Standard Ordinary Table of Mortality.
- f. Disability rate is 10% of mortality rate.

Based on those assumptions, provision for MBT facilities for years 2006 and 2005 amounted to Rp489,650 and Rp376,340 respectively (Note 28).

Reconciliation of Provision for Free of Service Period facilities is as follows:

	2006	2005
Current Service Cost	67,637	376,340
Interest Cost	52,397	-
Adjustment from last year tax calculation effect	30,178	-
Recognition of Actuarial Gains/(loss)	(25,884)	-
Cost of free of service period	124,328	376,340
Beginning balance of provision of free of service period facilities	376,340	-
Expenses during the year	124,328	376,340
Payment of benefit	(11,018)	-
Cost of Pension benefits	489,650	376,340

43. OTHER OPERATING EXPENSES – OTHERS - NET

	2006	2005
Insurance premiums on customer guarantees (Note 58)	401,219	422,916
Others	192,361	157,745
	593,580	600,661

44. NON-OPERATING INCOME/(EXPENSE) - NET

	2006	2005
Gain on sale of premises and equipment	16,217	16,781
Penalties	(16,417)	(31,489)
Others - net	120,286	60,012
	120,086	45,304

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45. COMMITMENTS AND CONTINGENCIES

	2006	2005
COMMITMENTS		
Commitment Receivables:		
Unrealized spot foreign currencies bought (Note 46)		
Third Parties	1,861,522	479,336
Total Commitment Receivables	1,861,522	479,336
Commitment Payables:		
Unused loan facilities granted		
Third Parties	20,128,250	19,494,865
Related Parties	-	32,008
	20,128,250	19,526,873
Outstanding irrevocable letters of credit (Note 26)		
Third Parties	3,916,516	3,827,930
Related Parties	44	11,830
	3,916,560	3,839,760
Unrealized spot foreign currencies sold (Note 46)		
Third Parties	1,860,475	478,878
	1,860,475	478,878
Total Commitment Payables	25,905,285	23,845,511
Commitment Payables - Net	(24,043,763)	(23,366,175)
CONTINGENCIES		
Contingent Receivables:		
Interest receivable on non-performing assets	6,913,744	4,205,991
Guarantees received from other banks	2,479,215	2,542,446
Others	32,741	32,904
Total Contingent Receivables	9,425,700	6,781,341
Contingent Payables:		
Guarantees issued in the form of:		
Bank guarantees issued (Note 26):		
Third Parties	8,277,171	8,486,811
Related Parties	4,579	6,342
	8,281,750	8,493,153
Standby letters of credit (Note 26)	2,866,448	3,557,056
Others	37,645	106,227
Total Contingent Payables	11,185,843	12,156,436
Contingent Payables - Net	(1,760,143)	(5,375,095)
COMMITMENTS AND CONTINGENCIES PAYABLE – NET	(25,803,906)	(28,741,270)

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46. FOREIGN CURRENCY TRANSACTIONS

Forward and cross currency swap transactions are presented as derivative receivables/payables in the balance sheet (Note 10).

Details of outstanding spot foreign currency bought and sold transactions as of December 31, 2006 are as follows:

Original Currency	Spot-Bought		Spot-Sold	
	Original Currency (full amount)	Equivalent Rupiah	Original Currency (full amount)	Equivalent Rupiah
United States Dollars	82,950,750	746,806	122,991,590	1,107,293
Others	-	1,114,716	-	753,182
		<u>1,861,522</u>		<u>1,860,475</u>

Details of outstanding spot foreign currency bought and sold transactions as of December 31, 2005 are as follows:

Original Currency	Spot-Bought		Spot-Sold	
	Original Currency (full amount)	Equivalent Rupiah	Original Currency (full amount)	Equivalent Rupiah
United States Dollars	3,009,000	29,578	45,704,193	449,272
Others	-	449,758	-	29,606
		<u>479,336</u>		<u>478,878</u>

47. RELATED PARTY TRANSACTIONS

a. Banking Activities in the Ordinary Course of Business

In the ordinary course of its business, Bank Mandiri engages in significant transactions with the following related parties:

- **Related by ownership:**
The Government of the Republic of Indonesia
- **Related by ownership and/or management:**
PT. Axa Mandiri Services, PT. Koexim Mandiri Finance, PT. Kustodian Sentral Efek Indonesia, PT. Mandiri Management Investasi, PT. Danareksa, PT. Sarana Bersama Pembiayaan Indonesia, PT. Great River International, PT. Tuban Petrochemical Industries, PT. Asuransi Dharma Bangsa, PT. Gelora Karya Jasatama, PT. Gelora Karya Jasatama Putera, PT. Asuransi Staco Jasapratama, PT. Bandar Sumatera Indonesia, PT. Stacomitra Graha, PT. Eastern Sumatera Indonesia, PT. Kerasaan Indonesia, PT. Melania Indonesia, PT. Staco Estika Sedaya Finance, PT. Timbang Deli Indonesia, PT. Tolan Tiga Indonesia, PT. Mulia Sasmita Bhakti, PT. Puri Asri Bhakti Karya, PT. Surya Chandra Permai, PT. Caraka Mulia, PT. Puripariwara, PT. Griyawisata HM & C, PT. Gedung Bank Exim, PT. Wahana Optima Permai, PT. Tatapuri Perdana, PT. Estika Daya Mandiri, PT. Krida Upaya Tunggal, PT. Aneka Tambang (Persero) Tbk, PT. Bank Niaga Tbk, Asuransi Jiwa Bersama Bumiputera (AJBP) 1912, and PT. Bapindo Bumi Sekuritas.
- **Related by management or key personnel Bank Mandiri's employees**

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47. RELATED PARTY TRANSACTIONS (continued)

a. Banking Activities in the Ordinary Course of Business (continued)

• **Related by management or key personnel Bank Mandiri's employees (continued)**

Details of significant transactions with related parties as of December 31, 2006 and 2005 are as follows:

	2006	2005
Current Accounts with Other Banks (Note 4c)	70	53
Securities (Note 6a)	873,264	600,200
Government Recapitalization Bonds (Note 7)	90,648,024	92,055,964
Other Receivables – Trade transaction (Note 8a)	56,878	54,531
Loans (Note 11B.g)	750,672	1,245,740
Acceptance Receivables (Note 12a)	769	552
Total assets involving related parties	92,329,677	93,957,040
Total consolidated assets	267,517,192	263,383,348
Percentage of assets involving related parties to total consolidated assets	34.51%	35.67%

The percentages of securities, Government Recapitalization Bonds, other receivables – trade transaction and loans, compared to the total consolidated assets are as follows:

	2006	2005
Current Accounts with Other Banks	-	-
Securities	0.33%	0.23%
Government Recapitalization Bonds	33.88%	34.95%
Other Receivables – Trade transaction	0.02%	0.02%
Loans	0.28%	0.47%
Acceptance Receivables	-	-
Total	34.51%	35.67%

	2006	2005
Demand Deposits (Note 16a)	333,512	314,961
Savings Deposits (Note 17b)	46,355	23,276
Time Deposits (Note 18f)	877,911	1,080,031
Deposits From Other Banks – Demand Deposits and Savings (Note 19c)	138	287
Acceptance Payables (Note 23)	839	-
Fund Borrowings (Note 25)	350,000	350,000
Total liabilities involving related parties	1,608,755	1,768,555
Total consolidated liabilities	241,171,346	240,164,245
Percentage of liabilities involving related parties to total consolidated liabilities	0.67%	0.74%

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47. RELATED PARTY TRANSACTIONS (continued)

a. Banking Activities in the Ordinary Course of Business (continued)

• **Related by management or key personnel Bank Mandiri's employees (continued)**

Percentages of demand deposits, saving deposits, time deposits, deposits from other banks - demand deposits and savings, acceptance payables and fund borrowings involving related parties compared to the total consolidated liabilities are as follows:

	2006	2005
Demand Deposits	0.14%	0.13%
Savings Deposits	0.02%	0.01%
Time Deposits	0.36%	0.45%
Deposits From Other Banks – Demand Deposits and Savings	-	-
Acceptance Payables	-	-
Fund Borrowings	0.15%	0.15%
Total	0.67%	0.74%

Salary, allowances and bonuses of the Boards of Directors and Commissioners and Executive Officers (Note 41) for the years ended December 31, 2006 and 2005 amounted to Rp61,242 and Rp107,086, respectively.

b. Significant transactions with the Government of the Republic of Indonesia

- In May 1999, the Government implemented a recapitalization program for Bank Mandiri by issuing Government Recapitalization Bonds (Notes 1c and 7).
- The Committee on Financial Sector Policy (KKSK) and the Minister of Finance approved and guaranteed the issuance of standby letters of credit and conversion of loans of PT Garuda Indonesia to Mandatory Convertible Bonds.
- The Bank returned additional paid-in capital of Rp1,412,000 representing a portion of the excess recapitalization (Note 31a).

Based on the Decree of the Minister of Finance of the Republic of Indonesia No.227/KMK.02/2003 dated May 23, 2003 and the Decree of the Minister of State – Owned Enterprises, as the Bank's shareholder, No.KEP-154/M-MBU/2002 dated October 29, 2002 the Government converted the recapitalization fund amounting to Rp5,000,000 with 5,000,000 shares with nominal Rp1,000,000 (full amount) per share, and with the remaining recapitalization fund amounting to Rp168,801,315 recorded as Agio.

The regulation of the Government of the Republic of Indonesia No.26/2003 dated May 29, 2003 approved the increase in fully issued and paid – up capital of the Bank amounting to Rp1,000,000 from capitalization of partial appropriated reserve.

48. MATURITY PROFILE

This profile as of December 31, 2006 and 2005 is based on the remaining maturity period since those dates. Historically, a significant proportion of deposits are rolled-over on maturity. Also, Government recapitalization bonds (trading and available for sale) could be liquidated through sale or used as collateral in the inter-bank market should the need for liquidity arise. The Bank's policy with regards to the maturity gap between the monetary assets and liabilities is to determine a gap limit which is adjusted to the Bank's ability to obtain immediate liquidity.

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48. MATURITY PROFILE (continued)

The maturity profile of the Bank's assets and liabilities is as follows:

2006

Description	Total	No Maturity Contract	< 1 mth	1 mth - 3 mth	>3 mth < 6 mth	>6 mth < 12 mth	>12 mth
Assets							
Cash	3,965,717	-	3,965,717	-	-	-	-
Current accounts with Bank Indonesia	21,579,158	-	21,579,158	-	-	-	-
Current accounts with other banks - net	537,234	-	537,234	-	-	-	-
Placements with Bank Indonesia and other banks - net	9,435,541	-	9,031,890	12,888	212,511	178,252	-
Securities - net	18,360,958	92,262	15,286,420	259,586	203,067	128,910	2,390,713
Government Recapitalization Bonds	90,648,024	-	-	-	-	-	90,648,024
Other receivables-trade transactions - net	1,958,039	-	526,842	802,434	628,763	-	-
Securities purchased							
agreements to resell - net	833,388	-	460,929	88,206	284,253	-	-
Derivative receivables - net	410,727	-	13,059	17,929	2,697	3,093	373,949
Loans - net	103,282,247	-	10,760,612	9,538,657	7,892,524	18,682,463	56,407,991
Acceptances receivable - net	3,453,170	-	805,629	1,551,088	999,879	89,889	6,685
Investments in shares of stock - net	84,870	84,870	-	-	-	-	-
Premises and equipment - net	4,709,243	4,709,243	-	-	-	-	-
Deferred tax assets - net	3,295,451	3,295,451	-	-	-	-	-
Accrued income	1,661,130	-	-	1,661,130	-	-	-
Others - net	3,302,295	2,240,593	729,409	-	-	332,293	-
Total Assets	267,517,192	10,422,419	63,696,899	13,931,918	10,223,694	19,414,900	149,827,362
Liabilities							
Liabilities immediately payable	671,339	-	671,339	-	-	-	-
Demand deposits	48,812,753	-	48,812,753	-	-	-	-
Savings deposits	60,303,561	-	60,303,561	-	-	-	-
Time deposits	96,591,234	-	74,032,609	14,244,794	2,998,394	3,437,925	1,877,512
Deposits from other banks							
- Demand & Saving deposits	1,286,609	-	1,286,609	-	-	-	-
- Inter-bank call money	1,899,681	-	1,899,681	-	-	-	-
- Time deposits	5,003,010	-	4,952,808	43,708	4,269	2,225	-
Securities sold with agreements to repurchase	1,859,780	-	214,909	-	141,893	-	1,502,978
Derivative payables	100,823	-	15,235	14,196	1,474	14,679	55,239
Acceptances payables	3,608,393	-	878,285	1,612,195	1,017,859	93,302	6,752
Securities issued	3,793,883	-	-	-	-	-	3,793,883
Fund borrowings	3,424,892	-	-	-	-	-	3,424,892
Estimated losses on commitments and contingencies	514,399	514,399	-	-	-	-	-
Accrued expenses	590,533	-	590,533	-	-	-	-
Taxes payable	1,582,800	-	-	-	-	-	1,582,800
Other liabilities	6,970,296	6,970,296	-	-	-	-	-
Subordinated loans	4,157,360	-	9,765	27,499	563	53,063	4,066,470
Total Liabilities	241,171,346	7,484,695	193,668,087	15,942,392	4,164,452	3,601,194	16,310,526
Net Assets (Liabilities)	26,345,846	2,937,724	(129,971,188)	(2,010,474)	6,059,242	15,813,706	133,516,836

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48. MATURITY PROFILE (continued)

2005

Description	Total	No Maturity Contract	< 1 mth	1 mth - 3 mth	>3 mth < 6 mth	>6 mth < 12 mth	>12 mth
Assets							
Cash	2,522,764	-	2,522,764	-	-	-	-
Current accounts with Bank Indonesia	20,304,705	-	20,304,705	-	-	-	-
Current accounts with other banks - net	697,603	-	697,603	-	-	-	-
Placements with Bank Indonesia and other banks - net	23,617,054	-	23,355,312	176,616	38,671	46,455	-
Securities - net	10,504,269	55,530	7,488,147	355,044	232,059	261,000	2,112,489
Government Recapitalization Bonds	92,055,964	-	-	57,568	-	1,332,602	90,665,794
Other receivables - trade transactions - net	2,724,729	-	834,141	867,759	999,742	23,087	-
Securities Purchased with Agreements to Resell - net	317,043	-	215,513	101,530	-	-	-
Derivative receivables - net	315,243	-	19,545	18,795	5,673	-	271,230
Loans - net	94,869,474	-	15,469,798	9,987,343	6,415,058	8,718,649	54,278,626
Acceptances receivable - net	3,890,010	-	906,352	1,757,492	1,194,869	26,901	4,396
Investments in shares of stock - net	68,066	68,066	-	-	-	-	-
Premises and equipment - net	5,305,413	5,305,413	-	-	-	-	-
Deferred tax assets - net	2,231,402	2,231,402	-	-	-	-	-
Accrued income	1,852,191	-	-	-	-	-	-
Others - net	2,107,418	238,236	107,000	-	-	631,389	1,130,793
Total Assets	263,383,348	9,750,838	71,920,880	13,322,147	8,886,072	11,040,083	148,463,328
Liabilities							
Liabilities immediately payable	675,285	-	675,285	-	-	-	-
Demand deposits	46,410,270	-	46,410,270	-	-	-	-
Savings deposits	47,153,178	-	47,153,178	-	-	-	-
Time deposits	112,726,204	-	84,841,715	17,321,397	2,930,751	3,908,353	3,723,988
Deposits from other banks	-	-	-	-	-	-	-
- Demand deposits	415,841	-	415,841	-	-	-	-
- Inter-bank call money	838,019	-	838,019	-	-	-	-
- Time deposits	5,545,129	-	4,104,556	222,658	674,276	543,639	-
Securities sold with agreements to repurchase	2,046,420	-	543,443	-	-	-	1,502,977
Derivative payables	189,546	-	20,194	21,027	5,771	2,391	140,163
Acceptances payables	4,319,102	-	1,091,398	1,930,249	1,265,865	27,165	4,425
Securities issued	3,983,469	-	949,015	83,693	-	-	2,950,761
Fund borrowings	4,279,631	-	508,495	462,223	420,623	1,103,936	1,784,354
Estimated losses on commitments and contingencies	594,084	594,084	-	-	-	-	-
Accrued expenses	693,956	-	693,956	-	-	-	-
Taxes payable	272,101	-	-	-	-	-	272,101
Other liabilities	5,619,744	5,205,407	-	-	389,992	-	24,345
Subordinated loans	4,402,266	-	-	-	4,562	-	4,397,704
Total Liabilities	240,164,245	5,799,491	188,245,365	20,041,247	5,691,840	5,585,484	14,800,818
Net Assets (Liabilities)	23,219,103	3,951,347	(116,324,485)	(6,719,100)	3,194,232	5,454,599	133,662,510

49. SEGMENT INFORMATION

The Bank considers the nature of business as the primary segment, and geographical areas as the secondary segment. The business activities of the Bank and its Subsidiaries and its geographical locations are as follows:

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49. SEGMENT INFORMATION (continued)

Name of Company	Nature of Business	Location
• Parent PT Bank Mandiri (Persero) Tbk.	Commercial Banking	Indonesia, Singapore, Hong Kong, Grand Cayman and Timor Leste
• Subsidiaries PT Bank Syariah Mandiri	Syariah Banking	Indonesia
Bank Mandiri (Europe) Limited	Commercial Banking	United Kingdom
PT Mandiri Sekuritas	Securities	Indonesia
PT Bumi Daya Plaza and its subsidiaries	Others	Indonesia
PT Usaha Gedung Bank Dagang Negara and its subsidiaries	Others	Indonesia

Primary Segment Information for the year ended December 31, 2006

	Banking	'Syariah' Banking	Securities	Others	Elimination	Consolidated
Operating income	27,679,726	1,079,546	219,439	15,417	-	28,994,128
Inter-segment operating income	201,370	-	-	-	(201,370)	-
Operating income including inter-segment operating income	27,881,096	1,079,546	219,439	15,417	(201,370)	28,994,128
Operating expenses	25,052,651	978,714	158,118	93,535	-	26,283,018
Inter-segment operating expenses	33,028	-	-	-	(33,028)	-
Operating expenses including inter-segment operating expenses	25,085,679	978,714	158,118	93,535	(33,028)	26,283,018
Profit from operations	2,795,417	100,832	61,321	(78,118)	(168,342)	2,711,110
Net profit	2,479,433	65,480	42,635	20,945	(187,088)	2,421,405
Total assets	258,211,155	9,554,967	2,320,022	314,660	(2,883,612)	267,517,192
Total assets (as a percentage of total consolidated assets prior to elimination)	95.49%	3.53%	0.86%	0.12%		

Secondary Segment Information for the year ended December 31, 2006

	Indonesia (Domestic)	Asia	West Europe	Pacific (Cayman)	Elimination	Consolidated
Operating income	28,285,022	336,121	159,571	213,414	-	28,994,128
Inter-segment operating income	194,715	-	6,655	-	(201,370)	-
Operating income including inter-segment operating income	28,479,737	336,121	166,226	213,414	(201,370)	28,994,128
Operating expenses	25,591,972	170,382	112,974	407,690	-	26,283,018
Inter-segment operating expenses	25,400	-	7,628	-	(33,028)	-
Operating expenses including inter-segment operating expenses	25,617,372	170,382	120,602	407,690	(33,028)	26,283,018
Profit from operations	2,862,365	165,739	45,624	(194,276)	(168,342)	2,711,110
Net profit	2,253,096	107,306	59,094	188,996	(187,088)	2,421,405
Total assets	261,340,622	1,977,521	1,999,938	5,082,723	(2,883,612)	267,517,192
Total assets (as a percentage of total consolidated assets prior to elimination)	96.65%	0.73%	0.74%	1.88%		

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49. SEGMENT INFORMATION (continued)

Primary Segment Information for the year ended December 31, 2005

	Banking	'Syariah' Banking	Securities	Others	Elimination	Consolidated
Operating income	22,237,744	959,115	202,671	88,880	-	23,488,410
Inter-segment operating income	79,094	-	4,305	-	(83,399)	-
Operating income including inter-segment operating income	22,316,838	959,115	206,976	88,880	(83,399)	23,488,410
Operating expenses	21,242,904	821,937	155,918	80,078	-	22,300,837
Inter-segment operating expense	10,917	-	-	-	(10,917)	-
Operating income including inter-segment operating expenses	21,253,821	821,937	155,918	80,078	(10,917)	22,300,837
Profit from operations	1,063,017	137,178	51,058	8,802	(72,482)	1,187,573
Net profit	549,404	83,819	16,690	25,938	(72,482)	603,369
Total assets	256,152,002	8,272,965	1,233,023	298,653	(2,573,295)	263,383,348
Total assets (as a percentage of total consolidated assets prior to elimination)	96.31%	3.11%	0.46%	0.11%		

Secondary Segment Information for the year ended December 31, 2005

	Indonesia (Domestic)	Asia	West Europe	Pacific (Cayman)	Elimination	Consolidated
Operating income	22,812,829	357,059	123,432	195,090	-	23,488,410
Inter-segment operating Income	83,399	-	-	-	(83,399)	-
Operating income including inter-segment operating income	22,896,228	357,059	123,432	195,090	(83,399)	23,488,410
Operating expenses	21,257,987	231,216	169,481	642,153	-	22,300,837
Inter-segment operating expenses	10,917	-	-	-	(10,917)	-
Operating income including inter-segment operating expense	21,268,904	231,216	169,481	642,153	(10,917)	22,300,837
Profit from operations	1,627,324	125,843	(46,049)	(447,063)	(72,485)	1,187,573
Net profit	425,991	106,626	(46,514)	189,751	(72,485)	603,369
Total assets	257,256,936	4,474,469	1,862,722	2,362,516	(2,573,295)	263,383,348
Total assets (as a percentage of total consolidated assets prior to elimination)	96.73%	1.68%	0.70%	0.89%		

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50. CAPITAL ADEQUACY RATIO

The Capital Adequacy Ratio (CAR) is the ratio of the Bank's capital over its Risk-Weighted Assets (RWA). Under Bank Indonesia regulations, total capital includes core (Tier I) capital and supplementary capital (Tier II) less investments in subsidiaries. To calculate the market risk exposure, the Bank could include the supplementary capital (Tier III). Supplementary capital for taking account of market risk (Tier III) is short-term subordinated loans which meet the criteria as capital components. The CAR of Bank Mandiri (Bank Mandiri only) as of December 31, 2006 and 2005 was 25.30% and 23.65% for CAR with credit risk, and 24.62% and 23.21% for CAR with credit risk and market risk, respectively and calculated as follows:

	2006	2005
Capital:		
Tier I *)	22,011,986	20,858,866
Tier II	8,564,284	8,575,390
Total Tier I and Tier II	30,576,270	29,434,256
Less: Investments in subsidiaries	(2,210,393)	(2,046,481)
Total capital for credit risk	28,365,877	27,387,775
Tier III	-	-
Total capital for credit risk and market risk	28,365,877	27,387,775
Credit RWA	112,138,825	115,806,894
Market RWA	3,057,992	2,204,133
Total Risk-Weighted Assets	115,196,817	118,011,027
CAR for credit risk	25.30%	23.65%
CAR for credit risk and market risk	24.62%	23.21%
Minimum CAR	8%	8%

*) Excludes the impact of deferred tax assets of Rp1,266,286 and (Rp127,845) as of December 31, 2006 and 2005, and unrealized losses on available for sale securities and Government Recapitalization Bonds of Rp327,960 and (Rp345,658) as of December 31, 2006 and 2005, respectively.

51. NET OPEN POSITION

Net Open Position calculation as of December 31, 2006 and 2005 based on Bank Indonesia's Regulation No. 7/37/PBI/2005 dated September 30, 2005. Based on the related regulation, banks are required to maintain aggregate and balance sheet net open position of a maximum of 20% of total capital. In accordance with Bank Indonesia guidelines, the aggregate net open position ratio is the sum of the absolute values of the net difference between assets and liabilities denominated in each foreign currency plus the net difference of receivables and payables of both commitments and contingencies recorded in the administrative accounts denominated in each foreign currency, which are stated in Rupiah. The Net Open Position for balance sheets is the net difference between total assets and total liabilities in the balance sheets denominated in each foreign currency, which are stated in Rupiah.

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51. NET OPEN POSITION (continued)

The NOP by currency of Bank Mandiri as of December 31, 2006 was as follows:

Currency	Assets	Liabilities	Net Open Position
AGGREGATE (ON & OFF BALANCE SHEET)			
United States Dollar	41,030,408	40,248,117	782,291
Japanese Yen	766,483	694,392	72,091
Euro	674,356	489,332	185,024
Singapore Dollar	240,952	232,290	8,662
Hong Kong Dollar	234,456	116,265	118,191
Great Britain Poundsterling	145,491	103,108	42,383
Australian Dollar	80,941	27,316	53,625
Others *)	28,129	6,951	28,084
Total			1,290,351
ON-BALANCE SHEET			
United States Dollar	39,795,789	36,153,929	3,641,860
Singapore Dollar	231,935	220,868	11,067
Euro	218,275	513,025	(294,750)
Hong Kong Dollar	200,761	116,265	84,496
Japanese Yen	191,539	413,525	(221,986)
Great Britain Poundsterling	70,622	10,623	59,999
Australian Dollar	40,013	20,198	19,815
Others	23,610	6,951	16,659
Total			3,317,160
Total Tier I and II Capital less investments in subsidiaries (Note 50)			28,365,877
NOP Ratio (On-Balance Sheet)			11.69%
NOP Ratio (Aggregate)			4.55%
NOP Ratios based on the total capital as of November 2006 (unaudited) are as follows :			
Total Capital November 2006			28,276,345
NOP Ratio (On-Balance Sheet)			11.73%
NOP Ratio (Aggregate)			4.56%

*) Sum of the absolute values of difference between assets and liabilities.

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51. NET OPEN POSITION (continued)

The Net Open Position by currency of Bank Mandiri as of December 31, 2005 is as follows:

Currency	Assets	Liabilities	Net Open Position
AGGREGATE (ON & OFF BALANCE SHEET)			
United Stated Dolar	47,328,306	46,984,911	343,395
Hong Kong Dollar	248,797	123,844	124,953
Singapore Dollar	1,805,477	1,683,567	121,910
Great Britain Poundsterling	125,526	75,880	49,646
Euro	716,890	692,445	24,445
Australian Dollar	30,350	17,114	13,236
Japanese Yen	252,298	243,775	8,523
Others	20,009	6,375	20,250
Total			706,358
ON-BALANCE SHEET			
United Stated Dollar	43,919,757	41,432,545	2,487,212
Singapore Dollar	1,805,477	1,647,090	158,387
Euro	724,170	708,480	15,690
Japanese Yen	241,435	237,832	3,603
Hong Kong Dollar	235,924	123,844	112,080
Great Britain Poundsterling	96,656	47,011	49,645
Australian Dollar	30,350	17,114	13,236
Others	20,009	6,375	13,634
Total			2,853,487
Total Tier I and II Capital less investments in subsidiaries (Note 50)			27,387,775
NOP Ratio (On-Balance Sheet)			10.42%
NOP Ratio (Aggregate)			2.58%

52. NON-PERFORMING EARNING ASSETS RATIO, TOTAL ALLOWANCE FOR POSSIBLE LOSSES ON EARNING ASSETS RATIO, SMALL-SCALE LOANS RATIO, AND LEGAL LENDING LIMIT

Non-performing earning assets to total earning assets Bank Mandiri only, was 8.25% and 12.29% as of December 31, 2006 and 2005, respectively. The Non-Performing Loan (NPL) ratio (Bank Mandiri only) before being deducted by the allowance for possible losses (gross basis) was 17.08% and 26.58% as of December 31, 2006 and 2005, respectively (Note 11A.d).

The total allowance for possible losses on earning assets provided by Bank Mandiri compared to the minimum allowance for possible losses on earning assets under the guidelines prescribed by Bank Indonesia were 107.83% and 102.97% as of December 31, 2006 and 2005, respectively.

The small-scale loans to total loans ratio was 4.15% and 4.85% as of December 31, 2006 and 2005, respectively.

Legal Lending Limit (BMPK) as of December 31, 2006 and 2005 did not exceed the BMPK regulation for related parties and third parties. BMPK is calculated in accordance with Bank Indonesia Regulation - PBI No.7/3/PBI/2005 dated January 20, 2005 as revised with PBI No. 8/13/PBI/2006 regarding Changes on PBI No.7/3/PBI/2005 regarding Legal Lending Limit Commercial Bank.

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53. CUSTODIAL AND TRUST OPERATIONS

Custodial Operations

Bank Mandiri started rendering custodial services in 1995. The operating license for custodial services was renewed and re-issued based on Bapepam Decision Letter No. KEP.01/PM/Kstd/1999 dated October 4, 1999. Bank Mandiri's Custodial, which is part of the Securities Services Department (SSD) of Bank Mandiri, provides a full range of custodial services such as:

- a. Settlement and handling services for script and scriptless trading transactions.
- b. Safekeeping and administration of securities and other valuable assets.
- c. Corporate action services related to the rights on the securities.
- d. Proxy services for its customers' shareholders' meetings and obligation holders' meetings
- e. Generate reports and informations regarding customers' securities kept and administrated by custody.

In order to fulfill the investors needs in investing in various securities instruments, Bank Mandiri's Custodial facilitates by acting as:

- a. General custodial which provides services for the investors in investing in the Indonesia capital market;
- b. Local custodial for American Depository Receipts (ADRs) and Global Depository Receipts (GDR) which is needed by the investors in converting the companies' shares listed in local and overseas stock exchange (dual listing);
- c. Sub-registry services for settlement of transactions of Indonesian recapitalization bonds ("Government Recapitalization Bonds") as well as SBIs;
- d. Custodial for mutual fund issued and managed by investment manager;
- e. As direct participant of Euroclear for customer who is conducting investment and securities transactions settlement listed in overseas market and recorded in Euroclear Operations Centre, Brussels;
- f. Securities lending as services for customers who want to maximize their investment return by lending their securities to securities companies through intermediary and guarantee by PT Kliring Penjaminan Efek Indonesia.

Bank Mandiri has 337 and 329 custodial customers as of December 31, 2006 and 2005, respectively. The customers are primarily pension funds, insurance companies, institution, banks, securities companies, mutual funds and other private companies with a total portfolio value as of December 31, 2006 of Rp73,596,884 and US\$395,383,869.08 (full amount) and as of December 31, 2005 of Rp60,690,045 and US\$260,618,596.36 (full amount).

Bank Mandiri carries insurance on custodial services against safekeeping and transit loss in accordance with Capital Market Supervisory Agency and financial institutions' regulation.

Trust Operations

Bank Mandiri had been rendering trustee services since 1983. The operating license for trustee services was renewed and re-registered with Bapepam as stipulated in Decision Letter No. 17/STTD-WA/PM/1999 dated October 27, 1999. The Trustee Services Business (TSB) provides a full range of the following services:

- a. Trustee for bonds & MTN
- b. Escrow Account Agent
- c. Paying Agent
- d. Initial Public Offering/IPO Receiving Bank
- e. Security Agent

These consolidated financial statements are originally issued in Indonesian language.

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53. CUSTODIAL AND TRUST OPERATIONS (continued)

Bank Mandiri Wali Amanat has 30 and 31 trustee customers as of December 31, 2006 and 2005 with the total value of bonds and MTN issued amounted to Rp9,852,386 and US\$100,000,000 (full amount) and Rp9,381,567 and US\$100,000,000 (full amount), respectively. While the sinking fund managed and escrow account amounted to Rp50,461 on behalf of 8 customers and Rp374,582 on behalf of 6 customers as of December 31, 2006 and 2005, respectively.

Both Bank Mandiri Trust and Custodial Services have received Quality Certification ISO 9001 in 2000.

54. CHANNELING LOANS

Channeling loans based on sources of funds and economic sectors are as follows:

	2006	2005
Government:		
Electricity, gas and water	8,349,541	9,295,177
Transportation and communications	4,185,230	4,973,541
Agriculture	1,307,609	1,492,249
Manufacturing	769,286	796,800
Mining	36,266	65,995
Construction	14,084	15,558
Others	102,055	110,375
	14,764,071	16,749,695

Bank Mandiri has been appointed to administer channeling loans in various foreign currencies received by the Government of Indonesia from various bilateral and multilateral financing institutions for financing government projects through BUMN, BUMD, and PEMDA, such as, Overseas Economic Cooperation Fund, Protocol France, International Bank for Reconstruction and Development, Asian Development Bank, The Swiss Confederation 30.09.1985, Kreditanstalt Fur Wiederaufbau, Banque Paribas, IGGI, Nederland Urban Sector Loan & De Nederlandse Investeringsbank voor Ontwikkelingslanden NV, Swiss Government, Banque Française & Credit National, US EXPORT IMPORT BANK, RYOSIN INT'L LTD, HKG, AUSTRIA, Swiss Banks Consortium 16.12.1994, The European Investment Bank, West Merchant Bank Ltd, Sumisho, Fuyo, LTCB, Orix & Sinco, Export Finance And Insurance Corporation (EFIC) Australia, Japan Bank for International Cooperation, Calyon & BNP Paribas, BNP Paribas & CAI, BELGIA, MEESPIERSON N.V. Nederland 14.07.1994, France Government.

Channeling loans are not recognized in the consolidated balance sheets as the credit risk is not borne by the Bank or its Subsidiaries. Bank Mandiri's responsibilities under the above arrangements include, among others, collections from borrowers and payments to the Government of principal, interest and other charges and the maintenance of loan documentation. As compensation, Bank Mandiri receives bank fee which varies from 0.15% - 0.40% of the interest paid from the borrowers and 0.50% from the average loan balance in one year.

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55. RISK MANAGEMENT

The Bank's risk management is conducted based on Bank Indonesia's Regulations regarding the Implementation of Risk Management for Commercial Banking No. 5/8/PBI/2003 dated May 19, 2003 and Circular Letter No. 5/21/DPNP dated September 29, 2003 regarding Implementation of Risk Management for Banks, and it is intended that the Bank can implement Basel II in 2008. The Bank is implementing Basel II and related regulations in stages, starting with the standard model and then through the internal model approach which will be developed in accordance with the best practice standard, which is primarily based on identification, risk measurement, risk monitoring and risk mitigation.

For the implementation, the Bank has established a Basel II Compliance Committee, the purpose is to integrate all initiatives related to risk management, such as:

- Identify PT Bank Mandiri (Persero) Tbk. position with the Basel II regulation (gap analysis).
- Prepare the strategy and implementation of integrated Risk Management.
- Integrate the above steps with the infrastructure preparation including the information technology with Enterprise Risk Management (ERM) Project (2005 - 2008).

To comply with the related Bank Indonesia's Regulation and Circular Letter, the Bank prepares a quarterly risk profile and reports to Bank Indonesia as scheduled. The risk profile report describes the inherent risk in the Bank's business activities including the risk control system for each risk. Beside the Quarterly report submitted to Bank Indonesia, the Bank internally attempts to evaluate risk profile in shorter period such as monthly, weekly and daily, in order to detect risk performance earlier and more accurate.

In order to manage more complex risk and to meet the need of healthy and integrated bank management, the Bank has established Bank Mandiri Risk Management Policy (KMRBM).

In accordance with Bank Indonesia regulation regarding Implementation of Risk Management for Commercial Banks, the Bank has established Risk Management Committee and Risk Management Unit which are intended to support the Bank-wide, integrated, measurable and controlled risk management.

The Risk Management Committee in Bank Mandiri called Risk and Capital Committee (RCC) was established on October 10, 2001. RCC is responsible for establishing Bank-wide risk management policies, such as reviewing internal limits, establishing funding and loan related interest rate policies, loan policies, new product launching and monitoring the implementation of established policies and procedures to identify, measure and mitigate risk.

The scope of responsibility and function of the committee has undergone several changes. The latest changes which is implemented in the first half year of 2006 is to focus the RCC into three sub committees, which are: Asset & Liability Committee, Risk Management Committee and Capital & Investment Committee. With the improvement, the scope of control and responsibility over each risk has become more focused and more effective. Each committee is supported by working group whose members are consisting of groups directly related to the risk problems included in the committees scope.

The Bank has established an organizational structure that is able to support risk management in a more comprehensive, centralized, measurable and controllable way, by establishing the Risk Management Working Unit that is under Risk Management Directorate. The Risk Management Directorate is responsible for managing/coordinating all risks encountered by the Bank, such as credit risk, market risk, operational risk, liquidity risk, legal risk, reputation risk, strategic risk and compliance risk, including defining risk management guidance and policies.

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55. RISK MANAGEMENT (continued)

The Risk Management Directorate is led by a Director who reports to the Board of Directors and also a voting member in the Risk and Capital Committee. The Risk Management Directorate is divided into 2 (two) main functions: 1) Credit Approval as a part of the four-eye principle, and 2) Independent Risk Management which is divided into several groups in relation with credit and portfolio risk, operational risk and market risk.

In response to the Bank Indonesia Regulation No. 7/25/PBI/2005 regarding Certification of Risk Management for the Management of the Bank, the Bank has prepared preliminary steps such as enrolling their employees from Risk Management and related Business Units into the Risk Management Training and Risk Management Certification conducted by Badan Sertifikasi Manajemen Risiko (BSMR) in cooperation with Global Association of Risk Professionals (GARP). Through intensive internal certification training, the Bank will be ready with certified risk management human resources in accordance with BI regulation.

Aside from compliance with Bank Indonesia regulation and Basel II, the Bank also developed Enterprise Risk Management (ERM) in accordance with the Bank strategic and operational need. Through the ERM development, the Bank's risk management will be integrated and becoming embedded process in the Bank business process, especially for supporting the Strategic Business Unit (SBU) organization plan that started in 2007, so it will increase the value added for the Bank and its stakeholders. With Basel II as catalyst, ERM implementation will enable the Bank to see the end result of the Bank's risk based performance in value.

Credit Risk

The Bank's credit risk management mainly concentrated on increasing healthy loans expansion and managed existing loans in order to prevent collectibility downgrade or Non Performing Loan (NPL). At the end, controlled NPL value minimize loss and optimize capital utilization allocated for credit risk.

To support this matter, Bank has established policies and written guidelines regarding loans disbursement, which includes the Bank Mandiri Credit Policy (KPBM), Credit Manual (PPK), and various circular letters that constitute a more detailed operating manual. The purpose of those guidelines is to provide a comprehensive loan management manual related to loan application, analysis process, approval process, documentation, monitoring and restructuring processes, including risk analysis and assessment. In order to ensure prudential loan process, the Bank reviews and improves its credit policies (KPBM & PPK) periodically to fit with the current business.

In general, credit risk management is implemented on both transactional and portfolio level. On transactional level, the Bank has implemented four-eye principle whereby every loan approval will involve Business Unit And Risk Management Unit independently to obtain an objective decision. Four-eye principle process is conducted through the Credit Approval Committee and credit decisions are made by the Bank's officials from the Business Unit and Risk Management Unit that has competence, abilities and integrity. Therefore, the loan process becomes more comprehensive and more prudent.

As part of prudential banking practice, the party with authority in deciding loan disbursement beside using the Loan Analysis form and financial spread sheet also using guidance from Tools Rating (BMRS) and Scoring System (MBSS & SBSS) to be able to perform credit risk assessment more accurate and interest rate risk based pricing. The Bank has Credit Rating and Credit Scoring Model Design and Development Guidance, which is a complete guidance for the Bank to create proven and reliable credit rating and credit scoring model and the model is implemented into the Credit Risk Tools as one of the credit decision tools. To monitor the performance of credit rating and credit scoring model, the scoring and rating result performed by Business Units was reviewed periodically and the result was documented in Credit Scoring Review and Rating Outlook issued quarterly and semi annually.

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55. RISK MANAGEMENT (continued)

Credit Risk (continued)

Originally the scoring system only consisted of scoring on UKM debtors and scoring on middle commercial debtors. In line with the Bank's business development, nowadays the Bank already developed special scoring model for micro loans (KUM) and special scoring model for financing loans to *Tenaga Kerja Indonesia* (TKI). The Bank will continue to improve the scoring system development for micro business loans, such as scoring system for making decision in financing oil distributor agent with households and other small industries as end users.

On the other hand, currently the rating system for corporate and large commercial debtors has been calibrated with financial rating model and has been modified with qualitative parameters in order to decrease subjectivity in rating activities by establishing scoring base as adjustment base to determine customer rating.

Scoring and rating tools also intended to provide more objective assessment to the debtors so that lower risk debtors will get different treatment than the higher risk debtors.

In order to decrease the existing non-performing loans, the Bank has enhanced the loan analysis form to be more risk analysis oriented and comprehensive in order to support the credit decision based on prudential banking. The Bank also developed and implemented Early Warning Analysis for performing debtors to identify debtors who have high potential to be downgraded to NPL so that the Management could decide the account strategy and action immediately to obtain optimal result.

Non-performing loans were managed by special unit (Credit Recovery Group) so that the settlements were managed comprehensively and Business Units could focus on managing the current debtors and loan expansion. In accordance with the organization needs, the Credit Recovery Group has been upgraded to Special Asset Management Directorate (managed by a Director) which supervised 2 (two) Credit Recovery Group with the intention of increasing the speed and effectiveness of non-performing loans settlement.

At the portfolio level the Bank has Portfolio Guideline directing the loan expansion to maintain optimum portfolio composition based on economic, geographical, segment and product sectors. Optimum portfolio allocation prevents the Bank from taking risk over the Bank's risk appetite and obtains optimum return. Portfolio analysis is performed periodically (monthly and semi annually) in order to monitor the changes in economic and sector (industrial) variables which influence the optimum allocation and to make the anticipative actions both tactical and strategic (portfolio rebalancing).

In accordance with the implementation of risk assessment tools and as supporting analysis in credit risk management, the Bank uses risk based Customer Profitability Analysis, which shows the economical value added to the shareholders on loans activities performed by the Bank. The Bank will continue to increase the credit risk assessment tools in order to obtain lower economic capital allocation incentive when the New Basel II Capital Accord is implemented in the future.

The Bank has also implemented risk based interest rate pricing and required yield as minimum rate of return in determining loans interest rate. The pricing strategy is intended to preserve the Bank's profitability rate and to produce competitive interest rate to support loans expansion by the business units.

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55. RISK MANAGEMENT (continued)

Market and Liquidity Risk

a. Liquidity Risk Management

The Bank manages its liquidity risk in order to be able to meet any financial obligation as it comes due, and to maintain an optimum level of liquidity. These objectives are achieved by setting and implementing a liquidity risk management policy that designates an optimum liquidity reserve, measures and sets limits for liquidity risk, outlines scenario analyses and contingency plans, and designs a funding strategy as well as preserves access to the market.

The liquidity level of the Bank is measured through primary reserve and secondary reserve levels. The Bank maintains primary and secondary reserves to meet its daily operational funding requirements and to create a liquidity buffer to meet unexpected fund withdrawals as well as to provide funding for asset expansion.

Primary reserves, in respect of the Minimum Reserve Requirements (Giro Wajib Minimum, or GWM) are held at Bank Indonesia, and as cash in Bank's branches. In accordance with Bank Indonesia regulations, the Bank is required to maintain a daily GWM at a minimum of 11% of third party Rupiah funds (applicable to any bank with third party funds exceeding Rp50 trillion and a loan to deposit ratio between 50% and 60%) and at a minimum of 3% of third party foreign currency funds. As of December 31, 2006, Bank Mandiri maintained a GWM of 11.73% (Rupiah) and 3.01% (foreign currency).

Secondary reserves may be in the form of central bank certificates (*Sertifikat Bank Indonesia*, or SBI), Bank Indonesia deposits facility or FASBI, interbank placements and marketable securities (trading and available-for-sale portfolios). The Bank establishes internal limit for secondary reserves at a minimum of 5% of its third party funds. As of December 31, 2006, the Bank held Rp22.80 trillion in secondary reserves, or 11.23% of its Rp203.03 trillion in third party funds.

The Bank's potential liquidity risk is assessed and monitored through liquidity gap analysis, which is a projection of surplus or deficit built around the Bank's asset and liability maturity profile as well as any business expansion needs. Based on the Bank's 2007 plan (*Rencana Kerja dan Anggaran Perusahaan*, or RKAP), the Bank's liquidity is projected to be in a surplus position over the next 12 months.

Liquidity risk is monitored by setting limits on several liquidity risk indicators, known collectively as liquidity red flags. Liquidity red flags consist of primary reserves (GWM) limits, secondary reserves, loan to deposit ratio (LDR), deposits concentration, Maximum Cumulative Outflow (MCO) and overnight borrowing limits.

Bank's ability to handle of differing liquidity pressures is assessed by running a range of liquidity scenarios that covers both normal and unusual situations. These also include scenarios for extreme or crisis conditions (stress testing), which then generates contingency plans.

According to the contingency funding plan, Bank may source its funding needs through different funding channels available other than third party funding. These may include repurchase agreement, bilateral funding, collateralised facility agreement, foreign exchange swap, and selling marketable securities such as government bond. We might also utilize our leading position in the market to generate short-term funding without compromising any funding cost significantly.

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55. RISK MANAGEMENT (continued)

Market and Liquidity Risk (continued)

b. Interest Rate Risk Management

Bank's assets and liabilities which are sensitive to interest rates dominated by government bonds, loans, and third party funding (demand deposits, savings deposits, and time deposits).

The Bank manages its interest rate risk through the use of repricing gap analysis and duration gap analysis. The Bank conduct simulation to assess the impact of interest rate changes on Bank's net interest income (NII Sensitivity) and equity (Economic Value of Equity, EVE). The sensitivity is assessed by assuming a gradual parallel shift (ramp) up and down in the term structure of interest rate. With 100 bps parallel increase in interest rates, over the next 12 months the Bank anticipates 1.32% change from the target Rupiah NII and 0.80% change from the target foreign currency NII, as well as 2.03% from its equity value (EVE). In addition to running a 100 bps sensitivity analysis, the Bank also uses statistical approach to assess the impact of interest rate volatility on earning (Earning at Risk, EaR) and equity (Capital at Risk, CaR). As of December 31, 2006, Bank's EaR and CaR were simulated at 0.75% and 1.81% of equity, respectively.

The Bank also regularly conducts sensitivity analyses on extreme scenarios (stress testing) to see the impact of significant changes in interest rate on the Bank's NII and equity value.

As an early warning indicator of interest rate risk, the Bank applies a set of monitoring tools called Interest Rate Risk Red Flags, which consist of Repricing Gap, NII Sensitivity and Economic Value of Equity Sensitivity, Earning at Risk and Capital at Risk.

The Bank monitors and manages its interest rate risk by establishing limits on interest rate risk indicators. Breach of the limits will be mitigated through assets-liabilities restructuring or hedging strategies. To certain degree, Bank uses derivative instruments to hedge its exposure to interest rate change, mostly in the form of interest rate swaps and forward rate agreements.

c. Pricing Management

Pricing Management is one of the strategy performed in order to support the Bank in taking control the market share revenue by maximizing Net Interest Margin (NIM) especially through third party fund and loans pricing.

In determining the third party fund pricing, the Bank considers internal and external factors. Internal factors such as: funding cost, structure and funding target. External factors such as: market liquidity, market interest rate and guarantee interest rate. By considering the internal and external factors, the Bank implemented the aggressive or defensive strategy.

To determine loans pricing, the Bank established the interest rate based on risk (risk based pricing). Loan interest rate structure consist of Cost of Funds, Overhead Cost, Cost of Allocated Capital and Risk Premium. The Bank established Required Yield which is the Bank's minimum rate of return.

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55. RISK MANAGEMENT (continued)

Market and Liquidity Risk (continued)

d. Market Risk Management

In monitoring treasury trading activities, the Bank has established trading risk limits in the form of Value at Risk (VaR), dealer limits and dealer loss limit. As monitoring tools the bank generate Market Risk Profile, including Value at Risk report and position/exposure on all financial products traded by the Bank with market risk exposure. The VaR reports are intended to provide assessment on the risk of losses arising from potential adverse movements in interest rates, foreign exchange rates and other volatilities which could affect values of financial instruments. To manage abnormal market behavior, the Bank has implemented stress testing methodology to quantify financial risk arising from abnormal market movements on a monthly basis. Every month Bank Mandiri has performed Back Testing to accurately assess the methodology and resulting VaR.

Financial products traded by the Bank were not limited to plain vanilla transactions, but already developed to derivative transactions and structured product, such as FX Digital Option and Range Accrual. To anticipate the development of product traded, the Bank is currently developing derivative system as one of the initiative target to be completed in the mid year 2007. The derivative system used Historical Simulation approach in measuring Value at Risk, whilst existing system used Variance Covariance approach, so that the risk measurement become more accurate.

In accordance with Bank Indonesia regulations, the Bank has considered market risk in preparing its Capital Adequacy Ratio (CAR) calculation. The minimum capital adequacy required which has considered market risk as of December 31, 2006 was Rp294.16 billion, therefore the CAR which has considered market risk and credit risk is 24.62% (Note 50).

The Bank monitors the methodology development and market risk management practice in the banking industry and performs improvements in accordance with the needs in financial instruments and Bank activities.

e. Foreign Exchange Risk Management

The Bank's foreign exchange position is primarily US Dollar-denominated. Most of the assets are in the form of inter-bank placements, marketable securities and loans, whilst most of the liabilities are in the form of third party funds and borrowing. The Bank's operational net open position (NOP) in foreign currencies monitoring is centralized at Treasury unit, while its Market Risk unit monitors foreign exchange risk through an integrated system encompassing front office, back office and middle office.

The Bank's net open position in foreign currencies is managed with compliance to limits stipulated by Bank Indonesia and Risk and Capital Committee based on the Bank's risk appetite. Bank Indonesia requires the net open position in all foreign currencies be no more than 20% of the capital (core capital and supplementary capital). As of December 31, 2006, the Bank's NOP on-balance sheet was 11.69% of the capital and NOP aggregate was 4.55% from the capital (Note 51).

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55. RISK MANAGEMENT (continued)

Operational Risk

Operational Risk Management (ORM) initiative's goals is to effectively implement Proactive Risk Management by focusing on the mitigation of prioritized risks derived from risk assessment result to prevent potential losses. Proactive risk management will enable the Bank to better achieve its targets and still take into account the prudential principles in the Bank's business activities. Since systematic operational risk management is a new discipline, the operational risk management in Bank Mandiri consists of three major components:

- Comprehensive understanding on the purpose of Operational Risk Management (ORM), especially risk awareness culture and full disclosure, as well as ORM information system implementation, and human resource training for ORM discipline competency.
- The Bank has written ORM policies and guidelines in accordance with the latest Bank Indonesia Regulation and Basel II Accord, and
- Accurate Operational Risk Profile in identifying significant risks supported by the use of ORM tools and information system implementation.

The Bank has applied the ORM process in several banking activities. To anticipate inherent risk of a new product or business activities, the Bank performs risk assessment process of New Products and Activities (PAB) as standard procedures. In developing a new product or service, the ORM unit is always involved to complete the identification and assessment process of operational risks from the related development.

Significant efforts in comprehensive operational risk identification and mitigation have been performed. The Bank has standard information system and procedures to record loss and systematically mitigate operational risk. The information system helps the Bank in minimizing the occurrence of same loss event as well as increasing the service quality to the customers. The Loss Event Database provides historical products and business units risk profile, thus it is also an important variable in performing internal capital adequacy calculation.

To further improve the Bank's operational risk management's capability to the international best practice, on June 27, 2006 the Bank entered into addendum agreement with ABN Amro Bank N.V for ORM Extension Mandate. Under the agreement, the Bank plans to increase the competency of the operational risk management unit and implement up-to-date ORM procedures in order to minimize operational loss, more efficient capital adequacy reserve calculation for operational risk as well as increasing the Bank's service image.

56. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Integrated Banking System Agreement with PT Silverlake Informatikama and Silverlake Corporation

On July 21, 2001, Bank Mandiri entered into an agreement with PT Silverlake Informatikama for the procurement of software and installation services for a total integrated banking system which is called eMAS, for a total contract value of US\$43,213,658 (full amount) excluding 10% VAT. Additional projects have been contracted involving a value of US\$18,606,562 (full amount) on April 23, 2002, US\$420,000 (full amount) on August 28, 2003, US\$922,131.10 (full amount) on April 12, 2004 and US\$40,000 (full amount) on July 4, 2005. Payment realized until December 31, 2006 amounting US\$65,537,944.45 (full amount) (after VAT) was recorded as construction in progress amounting to US\$2,480,337.35 (full amount) and as fixed assets amounting to US\$63,057,607.10 (full amount). The estimated percentage of completion of the contract as of December 31, 2006 is 96.22%.

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56. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

- a. Integrated Banking System Agreement with PT Silverlake Informatikama and Silverlake Corporation (continued)

On June 18, 2004, the Bank entered into agreement to enhance the eMAS feature with Silverlake Corporation for a total contract value of 3,315 mandays (US\$ 975/mandays before VAT 10%). The payments realization until December 31, 2006 amounting to US\$3,544,612.50 (full amount) (after VAT 10%) was recorded as fixed assets amounting to US\$3,544,612.50 (full amount). The project completion as of December 31, 2006 was 100%.

On August 1, 2006, the Bank entered into an agreement to enhance the eMAS feature with Silverlake Corporation for a total contract value of 3,705 mandays (US\$720/mandays) before VAT 10%. The payments realization until December 31, 2006 amounting to US\$930,893.04 (full amount) (after VAT 10%) was recorded as construction in progress amounting to US\$930,893.04 (full amount). The estimated percentage of completion as of December 31, 2006 was 31.72%.

- b. Agreement with PT Suprima Nusantara (SNP)

On December 16, 2004, Bank Mandiri has entered into an agreement with SNP which has then been amended with 2 (two) addendums. Based on the addendum agreement:

- a. Bank Mandiri has an option to become a 20% shareholder of SNP if Bank Mandiri disburses a financing facility to SNP and/or its consumers, either directly or indirectly, of up to Rp1,000,000 or effective 4 (four) years after the signing date of such agreement dated December 16, 2004 that is on December 16, 2008, whichever is earlier.
- b. Bank Mandiri has an option for 51% SNP shares after execution of 20% shareholder option right until 16 December 2009.

The agreement was notarized under Deed No. 37 by N.M. Dipo Nusantara Pua Upa, S.H., dated December 16, 2004. Addendum 1 was reported to the notary, Harun Kamil, in Jakarta dated March 28, 2006 No. 001/WAR/N/III/06, whilst Addendum 2 was a letter of agreement between SNP and Bank Mandiri No. WADIRUT/576/2006 dated December 12, 2006.

- c. Agreement on development of Operational Risk Management with ABN AMRO Bank N.V.

On February 25, 2005, Bank Mandiri and ABN AMRO Bank N.V. entered into an agreement to develop Operational Risk Management to assist the Bank in operational risk management implementation process and has been revised with an addendum. The agreement was meant as a means for transfer of knowledge to increase the Bank and the employees' capability in operational risk management, and to increase the capability to measure and calculate capital allocation in accordance with Basel II standard. Based on the agreement, ABN AMRO Bank N.V. will support the development of Bank Mandiri internal capability in operational risk management. The capability development will be conducted through nine action tracks in the form of transfer of knowledge and advisory. The agreement's value is USD 1,200,000 (full amount) and planned to be completed on June 30, 2007.

- d. Agreement on Implementation of e-Learning

In order to support Bank Mandiri's plan to focus on Strategic Excellence and Operational Excellence, the training infrastructure for an e-Learning program was established by the Bank. Bank Mandiri signed a three-year contract (agreement) with PT Mitra Integrasi Komputindo as a representative of Intralearn Asia Pte. Ltd. Singapore involving a total contract value of US\$7,213,200 (full amount) (as stipulated in contract letter No. CHC.TRN/TPD.PK.0028/2003 dated July 30, 2003 and addendum No.CHC.LRC/PK.0044/2006 dated September 5, 2006).

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56. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

- e. On January 25, 2005, Bank Mandiri has entered into an agreement with PT SCS Astragraphia Technologies for the implementation of mySAP Human Resource Solution which then known as enterprise Human Capital Management System project (eHCMS). The contract is estimated to be completed in 2006 with contract value of US\$1,441,001 (full amount). Up to March 2006, Personnel Management Module, Payroll, Compensation & Benefit, Time Management, Recruitment, and Organization Management had been implemented and on the next stages Travel Management, Training & Event Management, Employee Self Services and Business Warehouse had been implemented in December 2006.

- f. Additional Prudential Supervision Requirements from Bank Indonesia

Based on the result of the meetings between Bank Mandiri and Bank Indonesia on May 23, 2003 and a follow up meeting on August 25, 2003, Bank Indonesia through letter:

- No. 5/5/DGS/DPwB2 dated August 29, 2003 regarding August 25, 2003 Meeting's Main Result
- No. 5/8/DGS/DPwB2 dated November 17, 2003 regarding Progress Report of the Follow Up of August 25, 2003 Meeting's Main Result

required Bank Mandiri to meet the following conditions before expanding its corporate credit portfolio:

- a. Secondary reserve (liquid assets/total assets) \geq 12%
- b. Cost of funds to total assets ratio \leq 7.5%
- c. Core earning to total assets ratio \geq 1.5%

Based on letter No. 5/87/DPwB2/PwB21 dated December 3, 2003, Bank Indonesia also required Bank Mandiri to achieve a maximum ratio of corporate credit to total credit of 50% by 2004.

With regards to Bank Mandiri's corporate banking portfolio that has been guarded under 50% from total loans and referring to Bank Mandiri letter to Bank Indonesia No. COO/287/2005 dated July 12, 2005, Bank Mandiri sent another letter to Bank Indonesia No. DIRUT/038/2006 dated March 6, 2006 which states the cancellation of ratio requirement as stated in the Bank Indonesia letter No.5/5/DGS/DPwB2 dated August 29, 2003 and No. 5/8/DGS/DPwB2 dated November 17, 2003.

Based on Bank Indonesia letter No.8/2/DpG/DPBI dated September 7, 2006, Bank Indonesia agreed on the Bank request to remove the corporate loan expansion requirement as stated in letter No.5/5/DGS/DPwB2 dated August 29, 2003 and No.5/8/DGS/DPwB2 dated November 17, 2003.

- g. Legal Matters

- Bank Mandiri received a request from a customer to liquidate its current account and deposit since the Directorate General of Taxes has taken off the blockage and confiscation. Due to several conditions, the request cannot be executed directly since Bank Mandiri has to clarify it first to IBRA.

In the process, Bank Mandiri received admonition from the customer directly via the High Court to disburse as soon as possible the above mentioned accounts. Receiving the admonition, Bank Mandiri took steps by proposing a request to consign the funds to the High Court.

When transferring the customer funds to the High Court account, Bank Mandiri received an order from the Minister of State Owned Enterprises as the Deputy of Clearance Team of IBRA to freeze the fund transfer. Bank Mandiri also received a letter from the Minister of Finance as the Chief of Clearance Team of IBRA confirming that Bank Mandiri not to execute the disbursement of that customer funds.

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56. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

g. Legal Matters (continued)

Minister of Finance as the Chief of Clearance Team of IBRA in his letter dated November 15, 2005 instructed the Coordinator of Execution Clearance Team of IBRA to ask Bank Mandiri to set off the customer's demand deposit and time deposit, and follow up the letter of the Minister of Finance, Coordinator of Execution Clearance Team of IBRA in its letter dated November 25, 2005 informed the Bank to immediately transfer the customer's demand deposit and time deposit to the government account in Bank Indonesia.

The Bank replied the letter on December 28, 2005 stating that in accordance with the procedures and regulation the liquidation of customers' demand deposit and time deposit requires liquidation letter from the customer and the time deposit certificate.

On June 7, 2006, the customer filed a law suit on the Bank as First Defendant and the Minister of Finance as Second Defendant at South Jakarta High Court. The law suit was decided by the judge of south Jakarta High Court on November 21, 2006 granting several customer claims. The Bank and Minister of Finance have filed an appeal on the verdict and currently is in the Jakarta High Court appeal examination process.

- Aside from the above legal case, Bank Mandiri has also received a letter from a customer (giran) dated January 27, 2005 regarding the customer's plan to include in its balance sheets, receivables from Bank Mandiri amounting to US\$10,000,000 (full amount) and request to the Bank to credit their account amounting to US\$10,000,000 (full amount).

That customer request is related to the foreign exchange transaction conducted by the customer through Bank Mandiri, which was later on checked by the investigators and proposed to the court at Central Jakarta High Court. In the litigation process, it is determined that the accused and the defendant is the customer's employee/official.

In this matter, Bank Mandiri opined that the Bank does not have the obligation to fulfill the customer's request and decides not to pay the customer, since not one of Bank Mandiri's employees/officials have been named as the accused/defendant, and there is no court verdict obliging Bank Mandiri to pay to the customer.

Furthermore, Bank Mandiri opined that in relation to the content of the above letter, there is no liability that should be acknowledged or adjustment that should be made in the financial statement of PT Bank Mandiri (Persero) Tbk. and Subsidiaries as of December 31, 2006.

The Bank's total potential exposure arising from outstanding lawsuits as of December 31, 2006 and 2005 amounts to Rp2,331,607 and Rp2,615,232, respectively. As of December 31, 2006 and 2005, Bank Mandiri has provided a provision (included in "Other Liabilities") for a number of lawsuits involving Bank Mandiri amounting to Rp316,277 and Rp471,706, respectively (Note 28). Management believes that the provision is adequate to cover possible losses arising from pending litigation, or litigation cases currently in progress.

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57. ECONOMIC CONDITIONS

The Indonesian economy has shown improvement along with macro economic stability and sustainable finance in the second half of 2006. The 6.1% economic growth in the fourth quarter was supported with high government expenditure and improvement in export activities. Macro stability was maintained with decrease in inflation and stability of Rupiah exchange rate around 9,000 – 9,200 per United States dollar. With this development and considering the economic monetary prospect, Bank Indonesia continued to decrease the BI rate to 9.75%.

The hope for further improvement in Indonesian economy is supported by the banking industry. In December 2006, loan disbursements have shown improvement with increasing bank loans growth along with decreasing non-performing loans (NPL).

Monetary policy in maintaining the price stability and the government efforts in increasing the infrastructure development, driving the real sector, and improving the investment environment, will continue to encourage economic improvement. This optimism is believed to be able to drive the economic growth and Indonesian banking performance in 2007.

The consolidated financial statements included the impact of economic condition to the extent they can be determined and estimated. The economic recovery to a healthy and stable condition depends largely on fiscal and monetary policies that the government of Republic of Indonesia continue to make an effort to, actions which are beyond the control of the Bank and subsidiaries. Therefore, it is not possible to determine the future impact of the economic condition on the liquidity and earnings of Bank Mandiri and subsidiaries and realization of assets, including influence from customers, creditors, shareholders, and other stakeholders. The effect of the uncertainty on the assets and liabilities reported in the current balance sheet cannot be estimated. The effect will be reported in the consolidated financial statements when it can be identified and estimated.

58. GOVERNMENT GUARANTEE OF OBLIGATIONS OF LOCALLY INCORPORATED BANKS

Based on the Decree of the Minister of Finance of Republic Indonesia No. 26/KMK.017/1998 dated January 28, 1998, which was replaced by the Decree of the Minister of Finance No. 179/KMK.017/2000 dated May 26, 2000, the Government of the Republic of Indonesia is guaranteeing certain obligations of locally incorporated banks namely demand deposits, savings, time deposits and deposits on call, bonds, marketable securities, inter-bank placements, fund borrowings, currency swaps and contingent liabilities such as bank guarantees, standby letters of credit and other liabilities, excluding subordinated loans and amounts due to directors, commissioners and related parties.

Based on Joint Decrees of the Directors of Bank Indonesia and Head of IBRA No. 32/46/KEP/DIR and No. 181/BPPN/0599 dated May 14, 1999, the guarantee period is automatically extended, unless otherwise i.e. that within six months from the maturity of this guarantee, IBRA decides not to extend its maturity. In 2001, the Joint Decrees of the Directors of Bank Indonesia and the Head of IBRA were replaced by BI regulation No. 3/7/PBI/2001 and the Decree of the Head of IBRA No. 1035/BPPN/0401.

The Head of IBRA issued Decree No. SK-1036/BPPN/0401 in 2001 that provides for specific operational guidance in respect of the Government of the Republic of Indonesia's Guarantee of obligations of locally incorporated banks.

The Government charges a premium in respect of its guarantee program in accordance with prevailing regulations (Note 43).

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58. GOVERNMENT GUARANTEE OF OBLIGATIONS OF LOCALLY INCORPORATED BANKS (continued)

Based on Presidential Decree No. 15/2004 dated February 27, 2004 in relation to the termination of IBRA's duties and its dissolution, and Decree of the Minister of Finance No. 84/KMK.06/2004 dated February 27, 2004, the Government of the Republic of Indonesia established *Unit Pelaksana Penjaminan Pemerintah*, a new institution replacing IBRA, to continue the Government guarantee program for obligations of locally incorporated banks.

Based on Ministry of Finance Decree No. 17/PMK.05/2005 dated March 3, 2005, effective as of April 18, 2005, the Government guarantee program covers the demand deposits, savings, time deposits and deposits from other banks from money market inter-bank transactions.

Government guarantee program through Unit Pelaksana Penjamin Pemerintah (UP3) was ended on September 22, 2005, as stated in Ministry of Finance Decree No. 68/PMK.05/2005 dated August 10, 2005 regarding Calculation and Payment of Bank Liability on Government Guarantee Program Premium For Period July 1 until September 21, 2005. The Government replaced UP3 with an independent institution, Lembaga Penjamin Simpanan (LPS) based on Republic of Indonesia Decree No. 24/2004 dated September 22, 2004 regarding Lembaga Penjamin Simpanan (LPS), which LPS guarantee third party fund including placement from other bank in the form of current account, time deposit, certificate of deposit, savings and other form that is equivalent to them.

Based on the Lembaga Penjaminan Simpanan Regulation No. 1/PLPS/2006 dated March 9, 2006 regarding the Deposit Guarantee Program, the amounts guaranteed for each of the customer in one bank are as follows:

- a. Maximum of Rp5 billion, effective March 22, 2006 until September 21, 2006
- b. Maximum of Rp1 billion, effective September 22, 2006 until March 21, 2007
- c. Maximum of Rp100 million, effective March 22, 2007.

59. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK ("INDONESIAN GAAP") AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The accompanying consolidated financial statements have been prepared in accordance with Indonesian GAAP, which varies in certain significant respects from IFRS. The significant differences relate to the items in the following paragraphs:

- a. Allowance for Possible Losses on Earning Assets

Under Indonesian GAAP, the Bank records allowances for possible losses on earning assets using general and specific allowances based on management's estimates and using the guidelines prescribed by Bank Indonesia (BI).

Under IAS No. 39 - "Financial Instruments: Recognition and Measurement", the Bank calculates allowances for possible losses on earning assets based on the difference between the carrying amount of the impaired earning asset and the net present value of expected future cash flows discounted at the earning asset's original effective interest rate. An earning asset is considered impaired when it becomes probable that the Bank will be unable to collect all amounts due according to contractual terms. In addition, the Bank also recognizes allowances for possible losses on unimpaired loans in accordance with BI minimum provision.

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59. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK (“INDONESIAN GAAP”) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

b. Allowance for Possible Losses on Commitments and Contingencies

Under Indonesian GAAP, the Bank records allowances for possible losses on commitments and contingencies using general and specific allowances based on management’s estimates and using the guidelines prescribed by Bank Indonesia.

Under IFRS, the Bank does not recognize certain of the allowances for possible losses on commitments and contingencies in accordance with the provisions of IAS No. 37 - “Estimated Liabilities, Contingent Liabilities and Contingent Assets”. In accordance with IAS No. 37 - “Estimated Liabilities, Contingent Liabilities and Contingent Assets” the allowances for possible losses on commitments and contingencies is recognized only (a) The company has current liabilities (both legally and constructively) resulting from past event; (b) it is probable the settlement of the liabilities resulting in the resources outflow; and (c) reliable estimate can be made on the amount of the liabilities.

c. Loans Purchased from IBRA

Under Indonesian GAAP, the difference between the outstanding loan principal and purchase price is booked as deferred income if the Bank enters into a new credit agreement with the borrower, and as an allowance for possible losses if the Bank does not enter into a new credit agreement with the borrower. The allowance for loan losses or deferred income is only adjusted once the Bank has recovered the original purchase price.

Under IFRS, the difference between outstanding loan principal and purchase price is booked as deferred income for all loans purchased from IBRA. For performing loans, the deferred income is accreted into income over the life of the loan using the effective interest rate method in accordance with IAS No. 39 - “Financial Instruments: Recognition and Measurement”. For non-performing loans, the deferred income is only adjusted once the Bank has recovered the original purchase price.

d. Premises and Equipment

Under Indonesian GAAP, premises and equipment are stated at cost, except for certain premises and equipment used in operations that were revalued in 1979, 1987 and 2003 in accordance with Government regulations, less accumulated depreciation and amortization.

Under IFRS, in accordance with IAS 16 - “Property, Plant and Equipment”, company could choose cost method or revaluation method as the accounting policy for fixed assets and has to implement the policy to all fixed assets. In the cost method, after recognition of assets, an assets is carried at its cost less any accumulated depreciation and accumulated impairment, if any. In the revaluation method, after recognition of assets, a fixed assets that has a reliable fair value could be reported at the revalued amount, that is the fair value on the revaluation date less any accumulated depreciation and accumulated impairment, if any. The revaluation should be sufficient regularity to ensure book value does not materially different with the fair value on the balance sheet date.

For IFRS, the Bank has chosen to adopt cost method on all fixed assets, and therefore, presented the fixed assets at cost less any accumulated depreciation, and did not include the revaluation value, because of IAS No. 16 requirement for sufficient regularity on fixed assets revaluation.

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59. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK ("INDONESIAN GAAP") AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

e. Land Rights

Under Indonesian GAAP, the costs of acquired land-rights (including incidental costs) are capitalized. It also provides that the main acquisition costs of land-rights are generally not subject to amortization. However, the incidental costs incurred in connection with the acquisition of the land-rights or renewal or extension of the legal titles should be deferred and presented separately from the main acquisition costs, and amortized over the period of the land-use rights or the land-rights estimated useful lives, whichever is shorter.

Under IFRS, if the title of land is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership, in which case the lease of land will be classified as an operating lease. A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortized over the lease term in accordance with the pattern of benefits provided.

In 2006 for IFRS, the Bank elected to revise prior accounting policy on land rights to the method in accordance with IAS 17 "Lease". The financial statements for the year ended December 31, 2005 were not adjusted due to materiality.

f. Deferred Income Taxes

The impact on deferred income taxes of the IFRS adjustments has been recognized in accordance with IAS 12 - "Income Taxes". An effective tax rate of 30% has been applied.

60. RECONCILIATION OF NET INCOME AND SHAREHOLDERS' EQUITY TO THE AMOUNTS DETERMINED UNDER IFRS

The following is a summary of the adjustments to consolidated shareholders' equity as of December 31, 2006 and 2005 and consolidated net income for the years then ended, which would be required if IFRS had been applied by Bank Mandiri instead of Indonesian GAAP in the preparation of its consolidated financial statements.

	Dec 31, 2006	Dec 31, 2005
Shareholders' equity as reported in the consolidated financial statements prepared under Indonesian GAAP	26,340,670	23,214,398
IFRS adjustments - increase/(decrease) due to:		
Allowance for possible losses on earning assets	427,432	(1,170,791)
Allowance for possible losses on commitments and contingencies	382,076	338,407
Accretion of deferred income arising from the purchase of loans from IBRA	60,554	56,097
De-recognition of revaluation of premises and equipment	(2,716,844)	(2,747,181)
Amortization of land rights	(136,937)	-
Deferred income taxes	554,035	1,057,040
Net decrease in reported shareholders' equity	(1,429,684)	(2,466,428)
Shareholders' equity in accordance with IFRS	24,910,986	20,747,970

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60. RECONCILIATION OF NET INCOME AND SHAREHOLDERS' EQUITY TO THE AMOUNTS DETERMINED UNDER IFRS (continued)

	For the year ended Dec 31, 2006	For the year ended Dec 31, 2005
Net profit as reported in the consolidated financial statements prepared under Indonesian GAAP	2,421,405	603,369
IFRS adjustments - increase/(decrease) due to:		
Allowance for possible losses on earning assets	1,598,223	(2,680,552)
Allowance for possible losses on commitments and contingencies	43,669	(222,875)
Accretion of deferred income arising from the purchase of loans from IBRA	4,457	9,046
De-recognition of revaluation of premises and equipment	30,337	25,428
Amortization of land rights	(136,937)	-
Deferred income taxes	(503,006)	860,686
Net increase/(decrease) in reported net profit	1,036,743	(2,008,267)
Net (loss)/profit in accordance with IFRS	3,458,148	(1,404,898)
Net (loss)/earnings per share		
Basic (full amount)	170.06	(69.61)
Diluted (full amount)	168.28	(69.12)

61. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Bank is responsible for the preparation of these consolidated financial statements which were completed on March 2, 2007.

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APPENDIX 1

**PT BANK MANDIRI (PERSERO) TBK.
BALANCE SHEETS - PARENT COMPANY ONLY
December 31, 2006
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	2006	2005
ASSETS		
Cash	3,828,154	2,428,499
Current Accounts with Bank Indonesia	21,119,659	19,988,680
Current Accounts with Other Banks - net of allowance for possible losses of Rp11,146 and Rp6,790 as of December 31, 2006 and 2005, respectively	478,291	626,384
Placements with Bank Indonesia and Other Banks - net of allowance for possible losses of Rp96,559 and Rp154,108 as of December 31, 2006 and 2005, respectively	9,291,949	23,365,073
Securities		
Related parties	718,946	485,983
Third parties	16,462,590	8,385,932
	17,181,536	8,871,915
Less: Unamortized discounts, unrealized (losses)/gains from decrease/increase in value of securities and allowance for possible losses	(1,128,076)	(1,305,496)
	16,053,460	7,566,419
Government Recapitalization Bonds	90,636,049	91,884,307
Other Receivables - Trade Transactions - net of allowance for possible losses of Rp812,112 and Rp1,101,415 as of December 31, 2006 and 2005, respectively	1,944,675	2,724,729
Securities Purchased with Agreements to Resell - net of allowance for possible losses of Rp8,600 and RpNil as of December 31, 2006 and 2005, respectively	441,512	-
Derivative Receivables - net of allowance for possible losses of Rp4,260 and Rp3,443 as of December 31, 2006 and 2005, respectively	405,973	314,298
Loans		
Related parties	648,335	1,128,972
Third parties	108,817,768	99,196,779
	109,466,103	100,325,751
Less: Deferred income	(86,380)	(159,858)
	109,379,723	100,165,893
Less: Allowance for possible losses	(14,084,689)	(11,649,804)
	95,295,034	88,516,089
Acceptances Receivable - net of allowance for possible losses of Rp155,223 and Rp429,092 as of December 31, 2006 and 2005, respectively	3,450,924	3,886,864
Investments in Shares of Stock - net of allowance for possible losses of Rp73,625 and Rp73,298 as of December 31, 2006 and 2005, respectively	2,209,393	2,045,808

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APPENDIX 1

**PT BANK MANDIRI (PERSERO) TBK.
BALANCE SHEETS - PARENT COMPANY ONLY (continued)
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	<u>2006</u>	<u>2005</u>
ASSETS (continued)		
Premises and Equipment - net of accumulated depreciation and amortization of Rp3,116,028 and Rp2,602,712 as of December 31, 2006 and 2005, respectively	4,541,005	5,129,702
Deferred Tax Assets – net	3,280,444	2,216,075
Other Assets - net of allowance for possible losses of Rp994,703 and Rp427,225 as of December 31, 2006 and 2005, respectively	3,234,695	3,605,816
TOTAL ASSETS	<u>256,211,217</u>	<u>254,298,743</u>

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APPENDIX 1

**PT BANK MANDIRI (PERSERO) TBK.
BALANCE SHEETS - PARENT COMPANY ONLY (continued)
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	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Liabilities Immediately Payable	571,484	548,340
Deposits from Customers		
Demand deposits		322,613
Related parties	376,148	
Third parties	46,420,248	44,693,519
	46,796,396	45,016,132
Savings deposits		
Related parties	44,131	19,504
Third parties	57,569,471	45,145,198
	57,613,602	45,164,702
Time deposits		
Related parties	1,019,937	1,275,705
Third parties	92,008,326	107,580,558
	93,028,263	108,856,263
Total Deposits from Customers	197,438,261	199,037,097
Deposits from Other Banks		
Demand and Saving deposits	1,340,674	426,513
Inter-bank call money	1,899,681	838,019
Time deposits	4,251,380	4,900,078
	7,491,735	6,164,610
Securities Sold with Agreements to Repurchase	1,603,053	1,910,277
Derivative Payables	100,246	188,883
Acceptances Payable	3,606,147	4,315,956
Securities Issued - net of unamortized discount of Rp3,660 and Rp2,754 as of December 31, 2006 and 2005, respectively	3,594,560	3,809,222
Fund Borrowings	3,361,447	3,974,631
Estimated Losses on Commitments and Contingencies	512,189	558,766
Accrued Expenses	516,201	676,241
Taxes Payable	1,557,001	251,371
Other Liabilities	5,392,863	5,278,685
Subordinated Loans	4,125,360	4,370,266
TOTAL LIABILITIES	229,870,547	231,084,345

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APPENDIX 1

**PT BANK MANDIRI (PERSERO) TBK.
BALANCE SHEETS - PARENT COMPANY ONLY (continued)
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	2006	2005
LIABILITIES AND SHAREHOLDERS' EQUITY (continued)		
SHAREHOLDERS' EQUITY		
Share Capital - Rp500 (full amount) par value per share		
Authorized capital - 1 share Dwiwarna Series A and 31,999,999,999 common shares Series B		
Issued and fully paid-up capital - 1 share Dwiwarna Series A and 20,631,217,467 common shares Series B as of December 31, 2006 (1 share Dwiwarna Series A and 20,255,717,364 common shares Series B as of December 31, 2005)	10,315,609	10,127,859
Additional Paid-in Capital/Agio	6,433,948	6,006,255
Differences Arising from Translation of Foreign Currency Financial Statements	86,867	108,923
Unrealized Gains/(Losses) on Available-for-Sale Securities and Government Recapitalization Bonds - net of deferred tax	229,572	(241,961)
Premises and Equipment Revaluation Increment	3,046,936	3,046,936
Difference Arising from Transactions Resulting in Changes in the Equity of Subsidiaries	9,318	(14,063)
Share Options	105,330	175,012
Retained Earnings (accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganization as April 30,2003)		
Appropriated	2,575,369	2,560,285
Unappropriated	3,537,721	1,445,152
Total Retained Earnings	6,113,090	4,005,437
TOTAL SHAREHOLDERS' EQUITY	26,340,670	23,214,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	256,211,217	254,298,743

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APPENDIX 2

PT BANK MANDIRI (PERSERO) TBK.
STATEMENTS OF PROFIT AND LOSS - PARENT COMPANY ONLY
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	2006	2005
INCOME AND EXPENSES FROM OPERATIONS		
Interest Income		
Interest income	24,495,146	19,281,769
Fees and commissions on loan facilities	593,407	602,290
Total Interest Income	25,088,553	19,884,059
Interest Expense		
Interest expense	(15,214,295)	(11,257,166)
Other financing expenses	(139,119)	(296,821)
Total Interest Expense	(15,353,414)	(11,553,987)
NET INTEREST INCOME	9,735,139	8,330,072
Other Operating Income		
Other fees and commissions	1,546,280	1,441,757
Foreign exchange gains – net	378,147	61,918
Others	511,661	628,967
Total Other Operating Income	2,436,088	2,132,642
Provision for Possible Losses on Earning Assets	(3,535,647)	(4,337,583)
Reversal of Estimated Losses on Commitments and Contingencies	20,203	30,850
Reversal of Allowance for Possible Losses - Others	128,945	1,056,645
Gains/(Losses) from Increase/(decrease) in Value of Securities and Government Recapitalization Bonds	89,995	(66,214)
Gains from Sale of Securities and Government Recapitalization Bonds	105,031	242,916
Other Operating Expenses		
General and administrative expenses	(2,948,611)	(2,800,771)
Salaries and employee benefits	(2,739,083)	(2,914,602)
Others - net	(555,760)	(564,893)
Total Other Operating Expenses	(6,243,454)	(6,280,266)
PROFIT FROM OPERATIONS	2,736,300	1,109,062
Non-operating Income - Net	28,200	33,774
PROFIT BEFORE TAX	2,764,500	1,142,836
Tax Benefit (Expense)		
Current	(1,609,549)	(403,244)
Deferred	1,266,454	(136,223)
	(343,095)	(539,467)
NET PROFIT	2,421,405	603,369
EARNINGS PER SHARE		
Basic (full amount)	119.08	29.90
Diluted (full amount)	117.83	29.68

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APPENDIX 3

PT BANK MANDIRI (PERSERO) TBK.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY ONLY
Year Ended December 31, 2006
With Comparative Figures For 2005
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	Issued and Fully Paid-Up Capital	Additional Paid-in Capital/Agio	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized Gains/(Losses) on Available-for-Sale Securities and Government Bonds-net of deferred tax	Revaluation Increment of Premises and Equipment	Difference Arising from Changes in the Equity of Subsidiaries	Share Options	Retained Earnings *)		Total Shareholders' Equity	
								Appropriated	Unappropriated		
Balance as of December 31, 2004	10,096,427	5,997,897	72,554	(404,001)	3,046,936	9,788	13,831	747,000	5,414,275	6,161,275	24,934,707
Execution of shares options from Management Stock Option Plan (MSOP)	61,432	38,358	-	-	-	-	(6,565)	-	-	-	91,225
General and specific reserve allocated from 2004 net profit	-	-	-	-	-	-	-	1,813,285	(1,813,285)	-	-
Dividends allocated from 2004 net profit	-	-	-	-	-	-	-	-	(2,627,816)	(2,627,816)	(2,627,816)
Cooperative development fund program and community development reserve allocated from 2004 net profit	-	-	-	-	-	-	-	-	-	-	-
Directors and Commissioners Tamtem from 2004 net profit	-	-	-	-	-	-	-	-	(105,113)	(105,113)	(105,113)
Differences Arising from Translation of Foreign Currency Financial Statements	-	-	36,369	-	-	-	-	-	(26,278)	(26,278)	(26,278)
Unrealized gains from the increase in value on available-for-sale securities and government recapitalization bonds - net of deferred tax	-	-	-	162,040	-	-	-	-	-	-	162,040
Recognition of shares options from Management Stock Option Plan (MSOP)	-	-	-	-	-	-	169,746	-	-	-	169,746
Difference Arising from Transactions Resulting In Changes in the Equity of subsidiaries	-	-	-	-	-	(23,851)	-	-	-	-	(23,851)
Net income for the year ended 31 December, 2005	-	-	-	-	-	-	-	-	603,369	603,369	603,369
Balance as of December 31, 2005	10,127,859	6,006,255	108,923	(241,961)	3,046,936	(14,063)	175,012	2,560,285	1,445,152	4,005,437	23,214,398

*) Accumulated losses of Rp 162,874,901 has been eliminated with additional paid-in capital/agio due to quasi reorganization as of April 30, 2003

These financial statements are originally issued in Indonesian language.

APPENDIX 3

PT BANK MANDIRI (PERSERO) TBK.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY ONLY
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid-Up Capital	Additional Paid-in Capital/Agio	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized Gains/(Losses) on Available-for-Sale Securities and Government Bonds-net of deferred tax	Revaluation Increment of Premises and Equipment	Difference Arising from Changes in the Equity of Subsidiaries	Share Options	Retained Earnings *)		Total Shareholders' Equity	
								Appropriated	Unappropriated		
Balance as of December 31, 2005	10,127,859	6,006,255	108,923	(241,961)	3,046,836	(14,063)	175,012	2,560,285	1,445,152	4,005,437	23,214,398
General and specific reserve allocated from 2005 net profit	-	-	-	-	-	-	-	15,084	(15,084)	-	-
Dividends allocated from 2005 net profit and cooperative development fund program	-	-	-	-	-	-	-	-	(301,685)	(301,685)	(301,685)
Cooperative development fund program and community development reserve allocated from 2005 net profit	-	-	-	-	-	-	-	-	-	-	-
Execution of shares options from Management Stock Option Plan (MSOP)	187,750	427,693	-	-	-	-	(200,352)	-	-	-	415,091
Differences arising from translation of foreign currency financial statements	-	-	(22,056)	-	-	-	-	-	-	-	(22,056)
Unrealized gains from the increase in value on available-for-sale securities and government recapitalization bonds – net of deferred tax	-	-	-	471,533	-	-	-	-	-	-	471,533
Differences arising from transaction resulting in changes in the equity of subsidiaries	-	-	-	-	-	23,381	-	-	-	-	23,381
Recognition of share options from Management Stock Option Plan	-	-	-	-	-	-	130,670	-	-	-	130,670
Net income for the year ended December 31, 2006	-	-	-	-	-	-	-	-	2,421,405	2,421,405	2,421,405
Balance as of December 31, 2006	10,315,609	6,433,948	86,867	229,572	3,046,836	9,318	105,330	2,575,369	3,537,721	6,113,090	26,340,670

*) Accumulated losses of Rp 162,874,901 has been eliminated with additional paid-in capital/agio due to quasi reorganization as of April 30, 2003

These financial statements are originally issued in Indonesian language.

APPENDIX 4

**PT BANK MANDIRI (PERSERO) TBK.
STATEMENTS OF CASH FLOWS - PARENT COMPANY ONLY
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)**

	2006	2005
CASH FLOWS FROM OPERATIONAL ACTIVITIES		
Receipts from interest income	24,615,371	18,449,440
Receipts from fees and commissions	2,139,687	2,044,047
Payments of interest expense	(15,374,335)	(11,262,867)
Payments of other financing expenses	(139,119)	(296,821)
Receipts from the sale of securities and Government recapitalization bonds	3,253,360	7,798,577
Acquisition of Government recapitalization bonds – trading portfolio	(1,845,117)	(8,173,726)
Foreign exchange gains/(losses) - net	559,203	(932,967)
Operating income - others	641,454	603,094
Operating expenses - others	(555,758)	(564,895)
Salaries and employee benefits	(2,566,586)	(2,380,049)
General and administrative expenses	(2,384,911)	(2,284,160)
Non-operating income/(expenses) - others	155,117	(117,879)
Profit before changes in operating assets and liabilities	8,498,366	2,881,794
(Increase)/decrease in operating assets:		
Placements with Bank Indonesia and other banks	14,130,673	(9,718,014)
Securities and Government Recapitalization Bonds - trading portfolio	(294,163)	22,632
Other receivables - trade transactions	1,069,357	(1,035,095)
Loans	(13,914,012)	(11,468,977)
Proceeds from collection of earning assets already written-off	1,074,335	823,067
Other assets	483,996	4,399,773
Increase/(decrease) in operating liabilities:		
Demand deposits	3,891,292	3,741,010
Saving deposits	12,448,900	(6,832,423)
Time deposits	(15,322,896)	26,489,678
Inter-bank call money	1,061,662	(1,126,341)
Liabilities immediately payable	23,144	31,632
Taxes payable	(303,918)	(590,029)
Other liabilities	(33,971)	717,514
Estimated losses on commitments and contingencies	-	288
Net cash provided by operating activities	12,812,765	8,336,509
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/decrease in securities - available for sale and held-to-maturity portfolio	(7,325,280)	3,113,790
(Increase)/decrease in Government Recapitalization Bonds - available for sale and held-to-maturity portfolio	(401,841)	2,107,132
Redemption of matured Government Recapitalization Bonds	-	2,865,356
Replacement of Government Recapitalization Bonds	-	(2,865,356)
Proceeds from sale of premises and equipment	64,189	19,492
Acquisition of premises and equipment	(226,060)	(358,223)
Increase in investment in shares of stock	(140,531)	-
Increase/(decrease) in securities purchased with agreement to resell	(450,112)	480,000
Net cash provided by/(used in) investing activities	(8,479,635)	5,362,191

These financial statements are originally issued in Indonesian language.

APPENDIX 4

PT BANK MANDIRI (PERSERO) TBK.
STATEMENTS OF CASH FLOWS - PARENT COMPANY ONLY (continued)
Year Ended December 31, 2006
With Comparative Figures For 2005
(Expressed in millions of Rupiah, unless otherwise stated)

	2006	2005
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in securities issued	(214,662)	(6,032)
Decrease in fund borrowings	(1,280,778)	(3,103,821)
Decrease in subordinated loans	(244,906)	(2,413,940)
Decrease in securities sold with agreements to repurchase	(307,224)	(1,001,345)
Dividends payment	(313,752)	(2,759,207)
Execution of shares option	415,090	91,225
Net cash used in financing activities	(1,946,232)	(9,193,120)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,386,898	4,505,580
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	23,050,352	18,544,773
CASH AND CASH EQUIVALENTS AT END OF YEAR	25,437,250	23,050,353
Cash and cash equivalents at end of year consist of:		
Cash	3,828,154	2,428,499
Current accounts with Bank Indonesia	21,119,659	19,988,680
Current accounts with other banks	489,437	633,174
Total Cash and Cash Equivalents	25,437,250	23,050,353
 SUPPLEMENTAL NON-CASH FLOW INFORMATION		
Activities not affecting cash flows:		
Unrealized gains on securities and government recapitalization bonds available for sale	471,533	162,040
Unrealized (losses)/gains on securities and Government recapitalization bonds trading	89,995	(66,214)
Recognition of shares options from Management Stock Option Plan (MSOP)	(130,670)	(169,746)

PT BANK MANDIRI (PERSERO) TBK - PARENT COMPANY
QUALITY OF EARNING ASSETS *)
 As of December 31, 2006 With Comparative Figures For 2005
 (Expressed in millions of Rupiah, unless otherwise stated)

No	ASSETS	December 31, 2006 (Audited)					December 31, 2005 (Audited)						
		CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL
I	Related Parties EARNING ASSETS												
A	EARNING ASSETS												
1	Placement with other banks	126,042	-	-	-	-	126,042	206,761	-	-	-	-	206,761
2	Securities **)	91,313,857	-	-	10,163	-	91,324,020	92,320,016	-	-	-	-	92,320,016
3	Loan to related parties	447,436	-	-	200,899	-	648,335	913,194	31	6,000	-	209,747	1,128,972
a.	Small scale business credit (KUK)	-	-	-	-	-	-	-	-	-	-	-	-
b.	Property Loans	736	-	-	-	-	736	11,014	-	-	-	-	11,014
i.	Restructured	-	-	-	-	-	-	10,500	-	-	-	-	10,500
ii.	Unrestructured	736	-	-	-	-	736	514	-	-	-	-	514
c.	Other restructured loans	-	-	-	-	-	-	110,992	-	-	-	-	110,992
d.	Others	446,700	-	-	200,899	-	647,599	791,188	31	6,000	-	209,747	1,006,966
4	Investment in shares of stock to related parties	2,210,393	-	-	-	-	2,210,393	2,046,481	-	-	-	-	2,046,481
a.	In bank financial institutions	1,248,906	-	-	-	-	1,248,906	1,167,731	-	-	-	-	1,167,731
b.	In non bank financial institutions	799,839	-	-	-	-	799,839	728,581	-	-	-	-	728,581
c.	Due to loan restructuring	-	-	-	-	-	-	-	-	-	-	-	-
d.	Others	161,648	-	-	-	-	161,648	150,169	-	-	-	-	150,169
5	Other receivables to related parties	57,400	-	247	-	-	57,647	54,531	552	-	-	-	55,083
	Commitments and contingencies to related parties	4,623	-	-	-	-	4,623	18,172	-	-	-	-	18,172
B	NON EARNING ASSETS												
1	Abandoned properties	-	-	-	-	-	-	-	-	-	-	-	-
2	Repossessed Assets	-	-	-	-	-	-	-	-	-	-	-	-
3	Interbranch and suspense account	-	-	-	-	-	-	-	-	-	-	-	-
II	Third Parties EARNING ASSETS												
A	EARNING ASSETS												
1	Placement with other banks	9,751,903	-	-	-	-	9,751,903	23,945,594	-	-	-	-	23,945,594
2	Securities (issued by Bank Indonesia and third parties)	15,452,971	-	-	1,053,469	-	16,506,440	7,040,858	-	205,272	-	1,089,746	8,335,876
3	Loan to third parties	73,288,577	16,966,301	1,991,360	523,607	-	108,733,388	59,733,197	12,892,862	5,299,083	-	15,509,030	99,036,921
a.	Small scale business credit (KUK)	3,274,521	757,820	35,438	72,519	-	4,537,053	91,295	581,821	91,295	-	361,136	4,865,367
b.	Property Loans	6,626,187	2,452,173	116,167	81,185	-	10,714,500	1,958,965	959,964	1,025,980	-	4,458,159	4,865,367
i.	Restructured	4,533	855,000	56,081	171,386	-	1,093,050	240,125	240,125	76,413	-	587,165	3,151,613
ii.	Unrestructured	6,621,654	1,597,173	60,086	75,735	-	9,621,450	1,877,586	719,839	948,567	-	3,151,613	3,870,964
c.	Other restructured loans	5,525,657	6,614,874	1,500,232	309,203	-	19,268,169	5,542,379	3,487,042	1,300,257	-	5,485,675	18,091,888
d.	Others	57,682,212	7,141,434	339,543	-	-	74,211,666	48,480,056	7,864,035	3,185,227	-	9,346,606	71,821,507
4	Investment in shares of stock of third parties	-	-	-	-	-	-	-	-	-	-	-	-
a.	In bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
b.	In non bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
c.	Due to loan restructuring	-	-	-	-	-	-	-	-	-	-	-	-
d.	Others	-	-	-	-	-	-	-	-	-	-	-	-
5	Other receivables from third parties	5,302,328	1,058,062	-	1,010	-	7,165,632	4,817,799	1,563,224	805,685	260,224	1,159,826	8,404,798
	Commitments and contingencies to third parties	14,135,867	469,119	911	12,425	-	14,753,904	13,939,899	831,280	329,674	68,243	180,790	15,349,866
B	NON EARNING ASSETS												
1	Abandoned properties	416,167	-	-	-	-	416,167	-	-	-	-	-	238,236
2	Repossessed Assets	158,922	-	-	-	-	158,922	-	-	-	-	-	158,922
3	Interbranch and suspense account	811,418	-	-	-	-	1,590,385	-	-	-	-	-	1,205,839
	TOTAL	213,477,904	18,493,482	1,992,538	537,042	18,989,460	253,490,426	204,838,502	15,287,929	6,947,390	18,221,764	252,924,122	
	Minimum requirement allowance for possible losses on earning assets ***)	1,084,717	1,341,922	500,255	208,977	12,536,244	15,672,115	986,557	718,556	953,740	1,899,210	10,185,262	14,743,325
	Required allowance for possible losses on non earning assets	-	-	-	-	776,967	776,967	-	-	-	-	-	-
	Total required allowance for possible losses on assets	1,084,717	1,341,922	500,255	208,977	13,313,211	16,451,082	986,557	718,556	953,740	1,899,210	10,185,262	14,743,325
	Established allowance for possible losses on earning assets	1,391,988	1,341,922	500,255	208,977	13,456,212	16,899,354	1,198,188	718,556	953,740	1,899,210	10,452,189	15,181,883
	Established allowance for possible losses on non earning assets	-	-	-	-	964,703	964,703	-	-	-	-	-	2,030,018
	Total established allowance for possible losses on assets	1,391,988	1,341,922	500,255	208,977	14,450,915	17,894,057	1,198,188	718,556	953,740	1,899,210	10,452,189	17,211,901

*) This information has been based on:
 a) Bank Indonesia Regulation No. 7/50/PBI/2005 dated November 29, 2005 regarding Transparency of Bank's Financial Condition
 b) Bank Indonesia's Circular Letter No. 7/10/DPNP dated March 31, 2005 regarding amendment to Bank Indonesia's Circular Letter No. 3/30/DNP dated December 14, 2001 regarding Presentation of Quarterly and Monthly Published Financial Statements of Commercial Banks and Certain Reports Submitted to Bank Indonesia.
 c) Bank Indonesia's Regulation No. 4/7/PBI/2002 dated September 27, 2002 regarding Prudential Principles for Purchase of Credit by Banks from The Indonesian Bank Restructuring Agency (IBRA).

**) The calculation of allowance for possible losses on earning assets should be provided on the principal after deducting by collateral.
 ***) The calculation of allowance for possible losses is required for certificates of Bank Indonesia, placements with Bank Indonesia, placements with Bank Indonesia and government recapitalization bond.
 No allowance for possible losses is required for certificates of Bank Indonesia, placements with Bank Indonesia, placements with Bank Indonesia and government recapitalization bond.

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