

# PT Bank Mandiri (Persero) Tbk.

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*Results Presentation, Q1 2004*



# Bank Mandiri Presentation Contents

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# Bank Mandiri Overview

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## *Operating Highlights & Financial Performance*

*Q1 2004*

## Summary P&L Information – First Quarter 2004

	Q1 2003		Q1 2004		YoY Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	7,089	11.1	5,178	8.5	(27.0)
Interest Expense	(5,345)	(8.4)	(2,623)	(4.3)	(50.9)
Net Interest Income	1,744	2.7	2,555	4.2	46.5
Other Operating Income	299	0.5	557	0.9	86.4
Gain from Increase in Value & Sale of Bonds	882	1.4	777	1.3	(11.9)
Provisions, Net	2	0	(243)	(0.4)	NA
Personnel Expenses	(417)	(0.7)	(558)	(0.9)	33.9
G & A Expenses	(379)	(0.6)	(491)	(0.8)	29.4
Other Operating Expenses**	(185)	(0.3)	(168)	(0.3)	(9.2)
Profit from Operations	1,946	3.1	2,429	4.0	24.8
Non Operating Income	82	0.1	36	0.1	(56.1)
Net Income Before Tax	2,028	3.2	2,465	4.0	21.6
Net Income After Tax	1,549	2.4	1,744	2.9	12.6

\* % of Average Assets on an annualized basis

\*\* primarily premiums paid under the blanket guarantee scheme

## Key Balance Sheet Items and Financial Ratios

<i>IDR billion / %</i>	Q1 2003	FY 2003	Q1 2004	YoY Change (%)
Gross Loans	68,673	75,943	76,652	11.6
Government Bonds	152,728	122,907	107,317	(29.7)
Total Assets	259,567	249,436	239,383	(7.8)
Customer Deposits	187,438	178,811	172,018	(8.2)
Total Equity	19,323	20,395	23,299	20.6
RoA - before tax (p.a.)	3.2%	2.8%	3.9%	
RoE – after tax (p.a.)	36.7%	23.6%	34.0%	
Cost to Income <sup>(1)</sup>	39.0%	40.4%	33.7%	
NIM (p.a.)	3.0%	3.4%	4.6%	
LDR	36.6%	42.5%	44.6%	
Gross NPL / Total Loans	6.6%	8.6%	8.4%	
NPL Provisions / NPLs	197.3%	139.1%	138.5%	
Tier 1 CAR <sup>(2)</sup>	19.2%	19.4%	22.0%	
Total CAR <sup>(2)</sup>	26.6%	27.7%	29.8%	
EPS (Rp) <sup>(3)</sup>	77	229	87	13.0
Book Value/Share (Rp) <sup>(3)</sup>	966	1,020	1,165	20.6

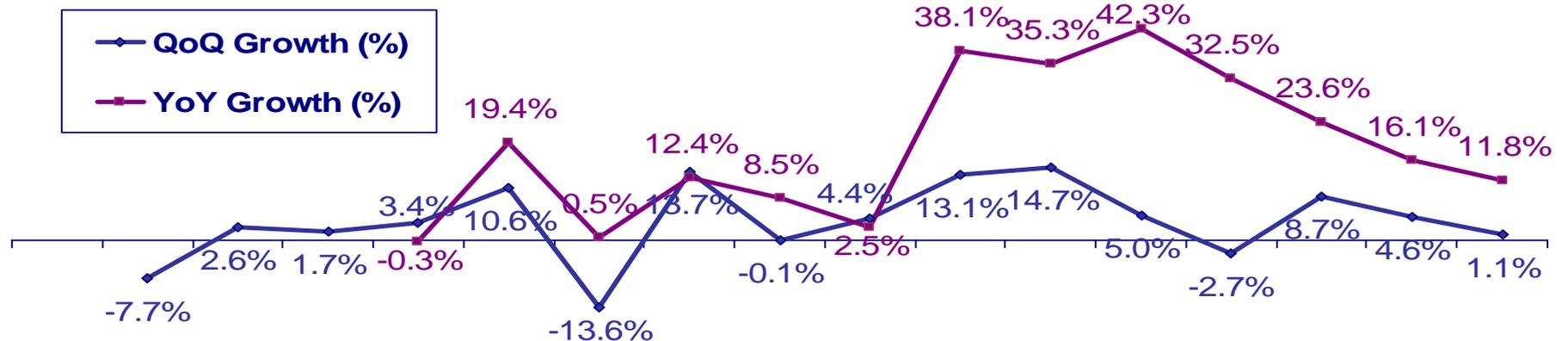
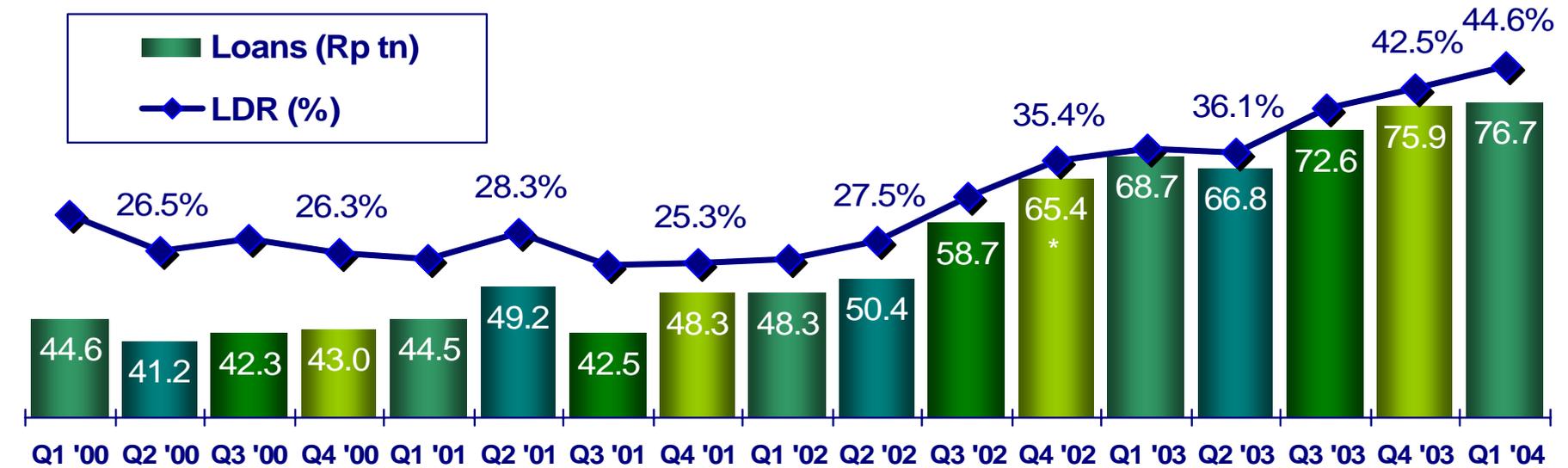
(1) (G&A and employee expenses) / (Net Interest Income + Other Operating Income)

(2) Bank only

(3) Based upon 20,000,000,000 shares outstanding

# No loan growth in Q1 2004; LDR increase due to lower deposits

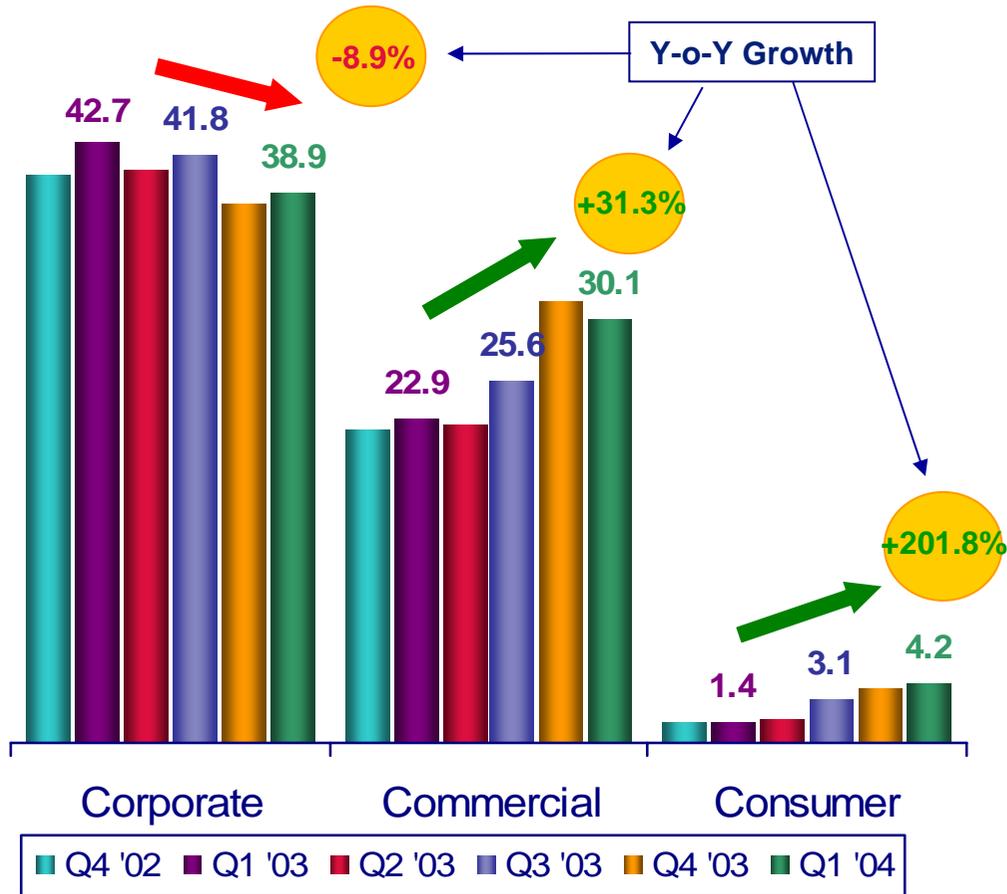
## Consolidated Quarterly Data



\* Note: Includes IBRA loan purchases of Rp 5 tr

# Continued growth in Consumer in Q1; Better segment mix

## Loans by Customer Type (Rp tn) – Bank Only



Share of Loan Book, Jan '03 - Mar '04



As of Mar. 2004; Non-consolidated numbers

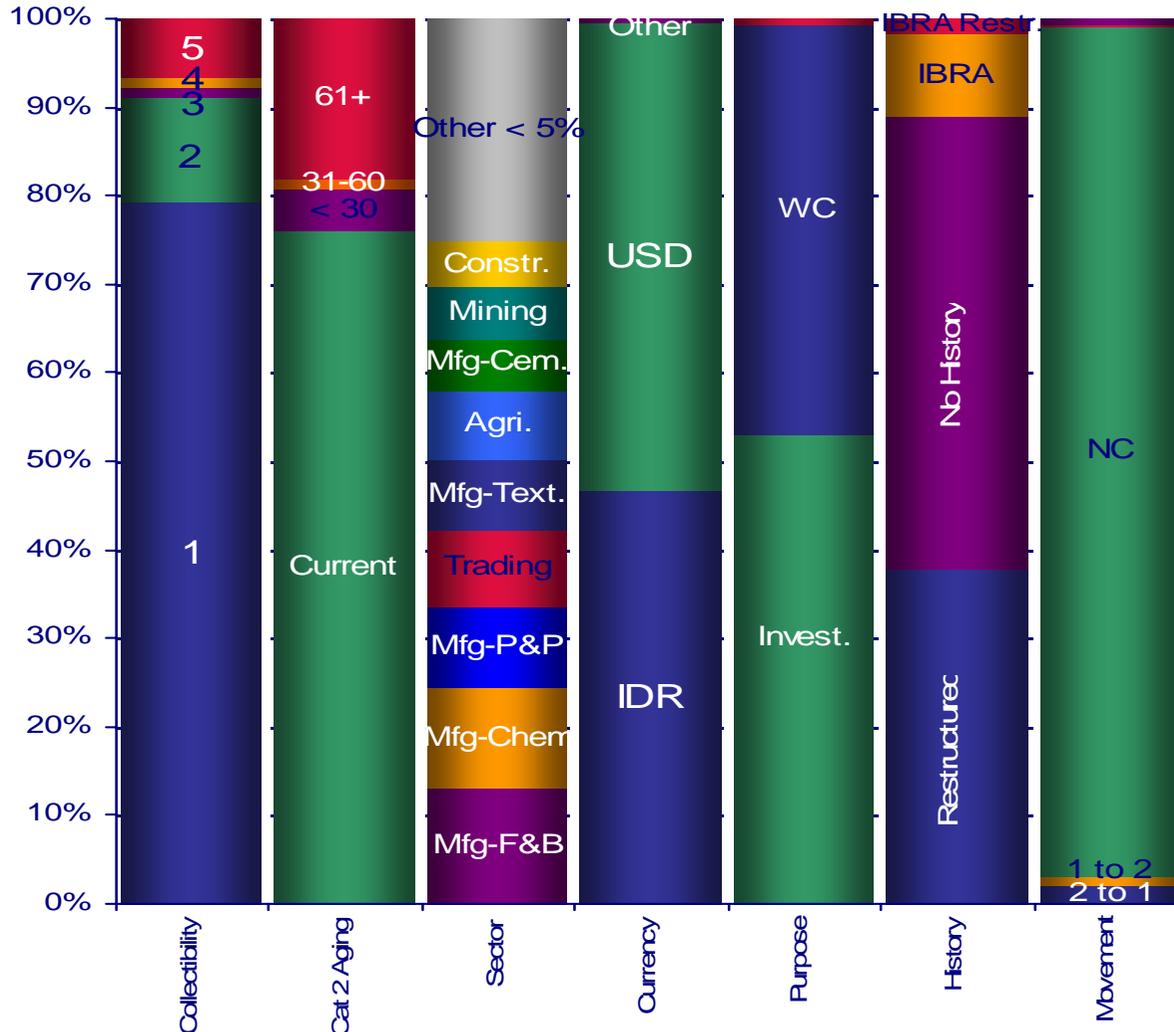
- Target loan mix by 2004 (originally 2007)
  - Corporate: 50%
  - Non-Corporate: 50%
- Strong Consumer Loan Growth across a range of products\*

(Rp bn)	Dec 2003	Mar 2004	Growth %
Mortgages	282.7	411.1	45.2%
Payroll Loans	1,802.0	1,859.6	3.2%
Collateralized Personal Loans	328.0	539.8	64.6%
Cash Collateral Loans	493.5	594.0	20.3%
Credit Cards	814.9	785.7	(3.6%)
Unsecured Loans	18.3	19.6	7.0%
<b>Total Consumer</b>	<b>3,742.0</b>	<b>4,212.5</b>	<b>12.6%</b>

\*Car Loans channeled through finance companies = Rp 1.26 tn

# Q1 2004 Loan Detail: Corporate Loans

Loan Profile: Q1 Corporate Loans Only (Rp 38.9 tn)

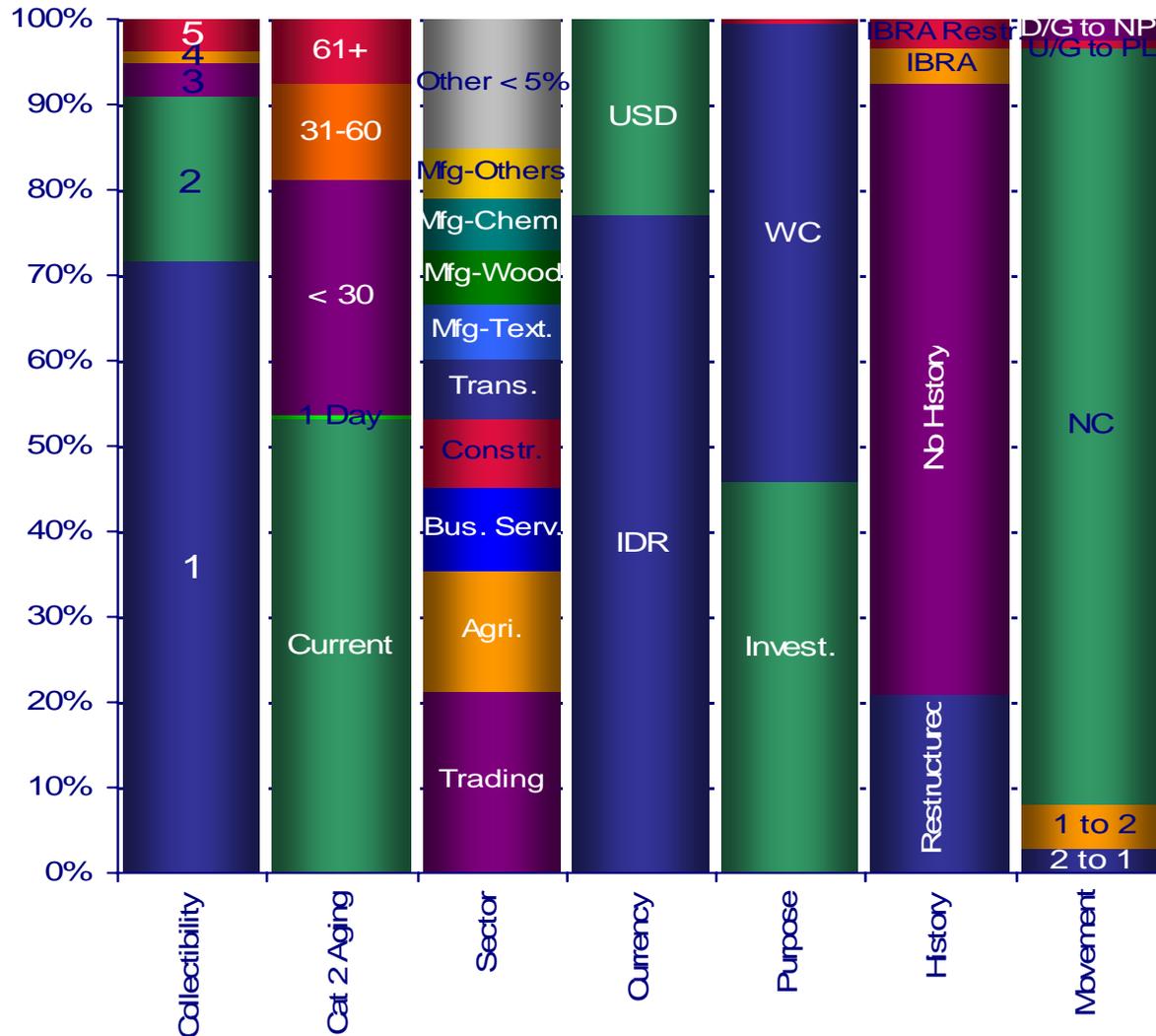


Rp 38.9 trillion in loans were in the Corporate portfolio in Q1, or 53.2% of total loans. Of the Corporate Loans in Q1:

- 91.0% are performing loans
- 11.5% are in Category 2
- 76.2% of Category 2 loans are current in interest payments
- Primary sectors in Corporate are:
  - Food & Beverage Mfg
  - Chemical Mfg
  - Pulp & Paper Mfg
  - Trading, Hotels & Restaurants
- 46.8% are Rupiah loans
- 53.1% are Investment loans
- 39.5% are Restructured loans
- 11.0% were purchased from IBRA

# Q1 2004 Loan Detail: Commercial Loans

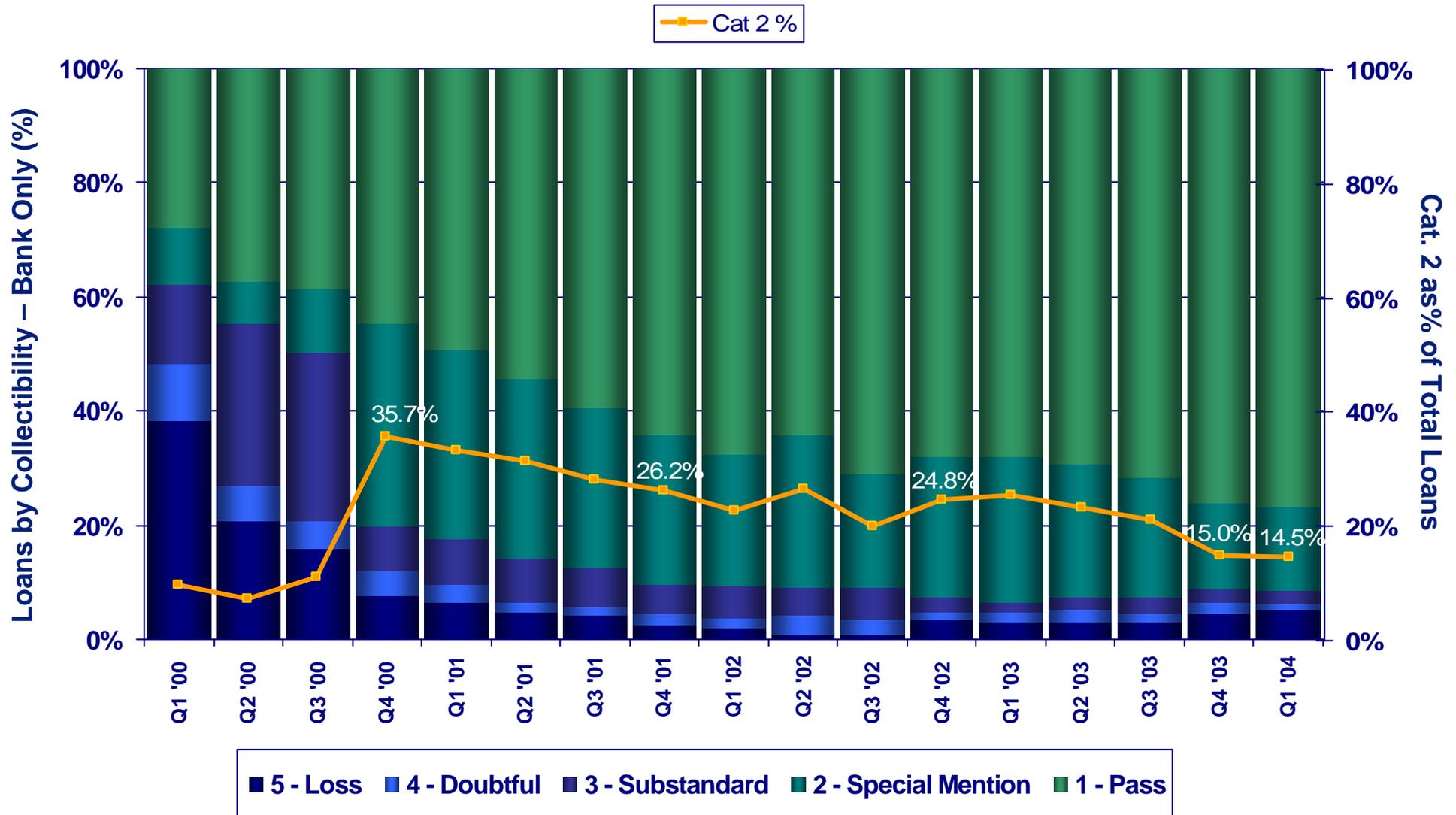
Loan Profile: Q1 Commercial Loans Only (Rp 30.1 tn)



Rp 30.1 trillion in loans were in Commercial portfolio in Q1, or 41.1% of total loans. Of the Commercial Loans in Q1:

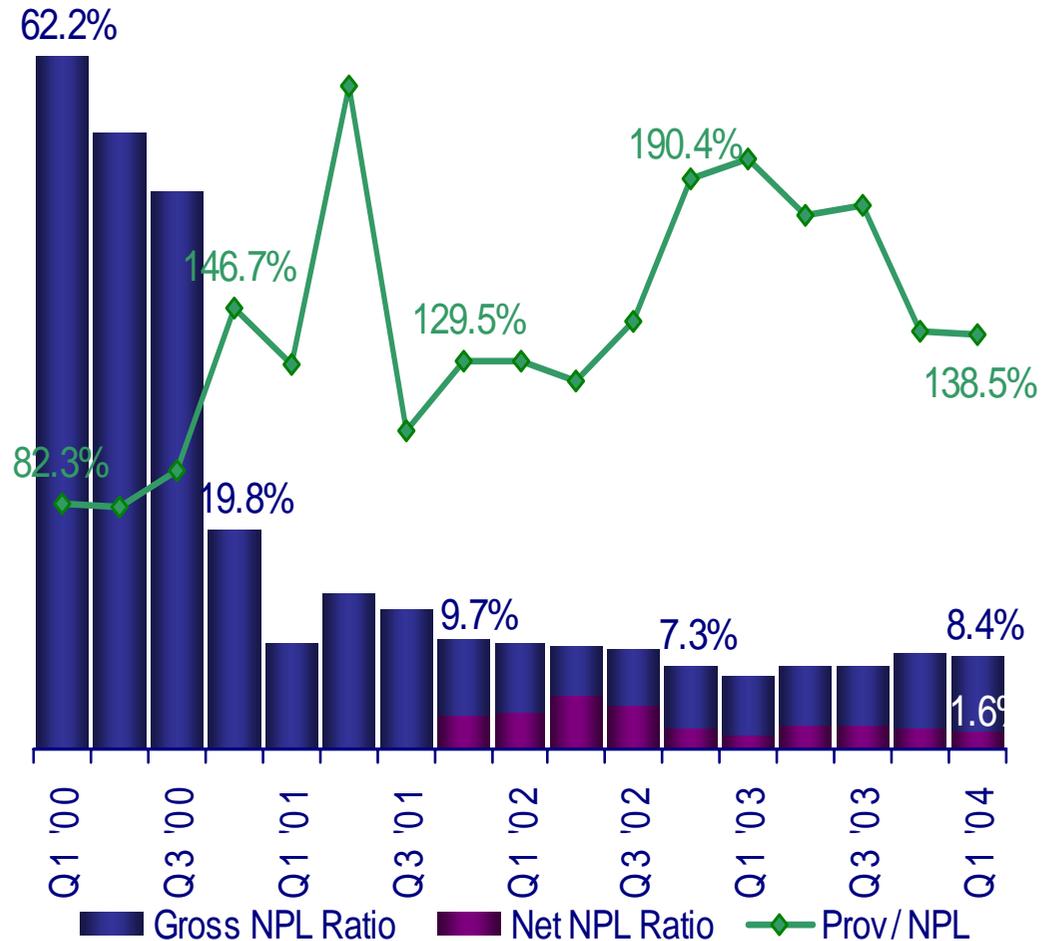
- 91.1% are performing
- 19.4% are in Category 2
- 53.2% of Category 2 loans are current in interest payments
- Primary sectors in Commercial are:
  - Trading, Hotels & Restaurants
  - Agriculture
  - Business Services
  - Construction
- 77.1% are Rupiah loans
- 45.7% are Investment loans
- 24.2% are Restructured loans
- 7.4% were purchased from IBRA

# Loan Collectibility



# Asset Quality

## NPL Movement - Consolidated



- Conservative provisioning at 31 Mar '04:
  - Prov/NPL coverage = 138.5%
  - Collateral values not deducted for 3,4,5
  - Excess to BI requirement = Rp 2.8 tn

Provisioning By Collectibility	PLs		NPLs		
	1	2	3	4	5
BI Requirement	1%	5%	15%	50%	100%
<b>Mandiri Policy</b>	<b>2%</b>	<b>15%</b>	<b>50%</b>	<b>100%</b>	

- Restructuring and recovery during Q1 '04:
  - Written-off loans recovered = Rp 189 bn
  - NPL collections = Rp 184 bn

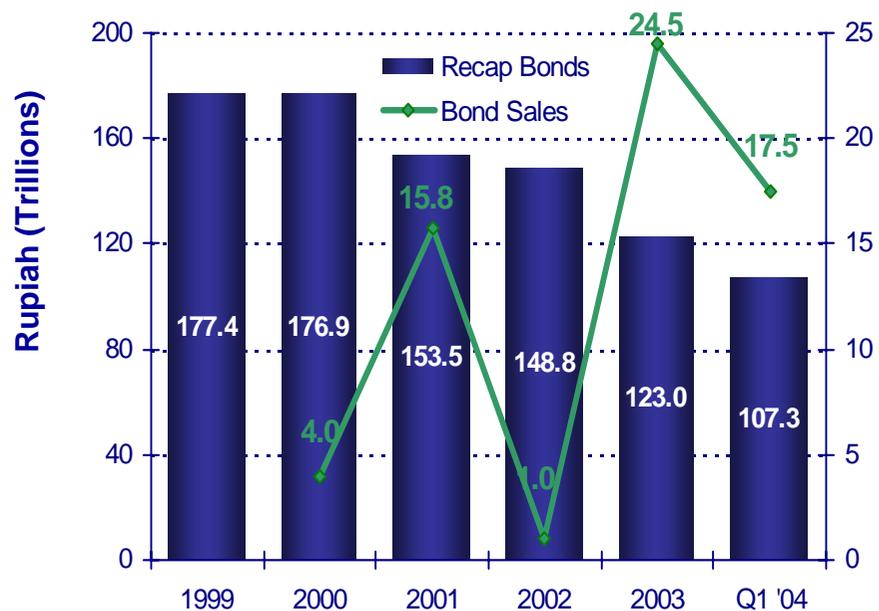
### NPL Breakdown by Customer Segment

(Bank Only)	Loans Outstanding (Rp tn)	NPLs (Rp tn)	NPL Ratio (%)
Corporate	38.9	3.51	9.03%
Commercial	30.1	2.68	8.92%
Consumer	4.2	0.15	3.46%
<b>Total</b>	<b>73.2</b>	<b>6.34</b>	<b>8.66%</b>

# Recap Bond Portfolio

<i>At Fair Value, Mar 2004 (Rp tn)</i>	<b>Trading (Mark to Market)</b>	<b>AFS (Mark to Market)</b>	<b>HTM (Nominal Value)</b>	<b>Total</b>	<b>% of Total</b>
<b>Fixed Rate</b>	<b>0.1</b>	<b>12.5</b>	<b>1.4</b>	<b>14.0</b>	<b>13.1%</b>
<b>Variable Rate</b>	<b>1.3</b>	<b>24.8</b>	<b>59.7</b>	<b>85.9</b>	<b>80.0%</b>
<b>Hedge Bonds</b>	<b>-</b>	<b>-</b>	<b>7.4</b>	<b>7.4</b>	<b>6.9%</b>
<b>Total</b>	<b>1.4</b>	<b>37.3</b>	<b>68.5</b>	<b>107.3</b>	<b>100.0%</b>
<b>% of Total</b>	<b>1.3%</b>	<b>34.8%</b>	<b>63.9%</b>	<b>100.0%</b>	

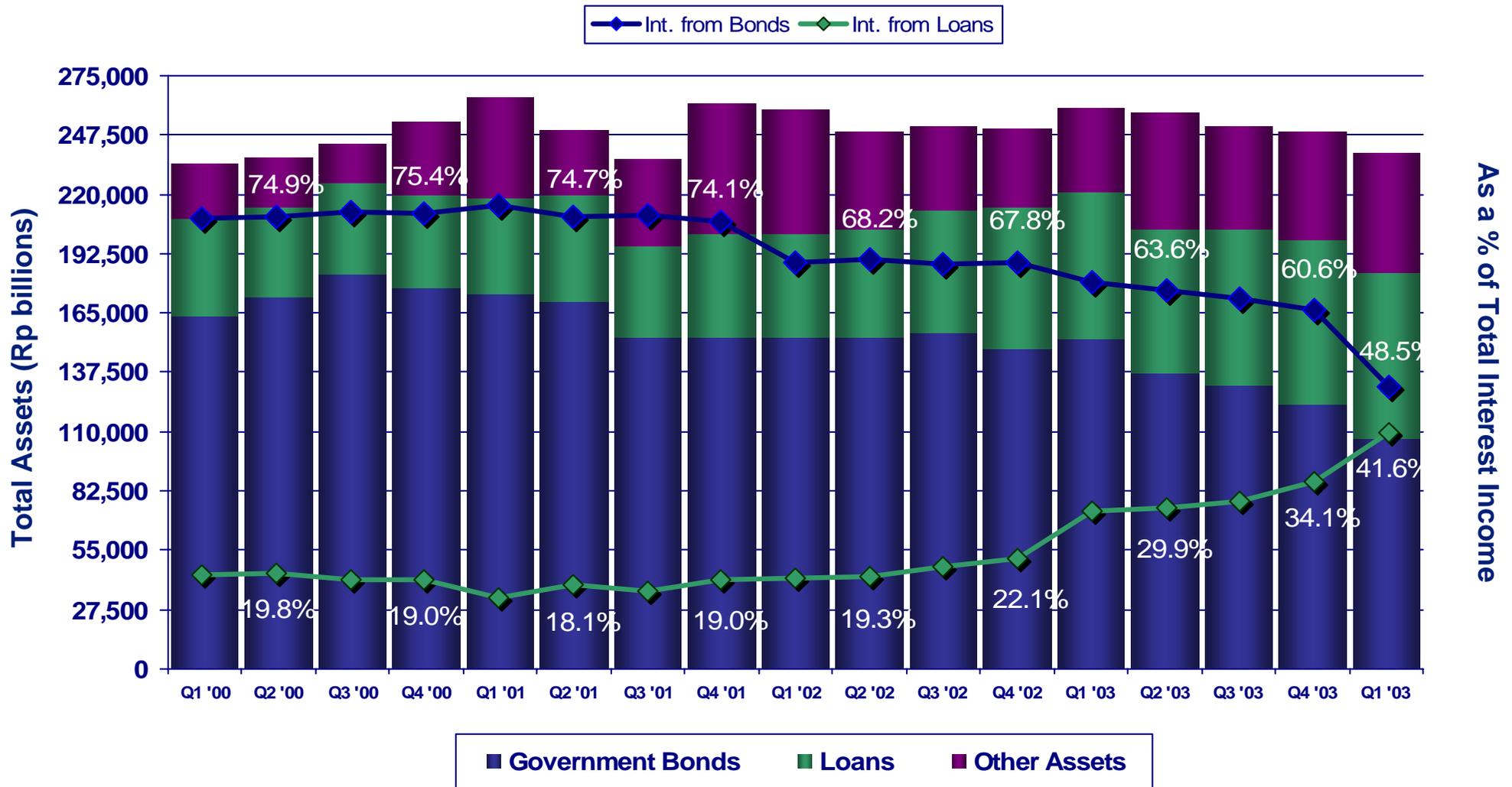
## Bond Portfolio Movement (Fair Value), 1999 – Q1 '04



## Portfolio Sales as of Mar 2004 (Rp bn)

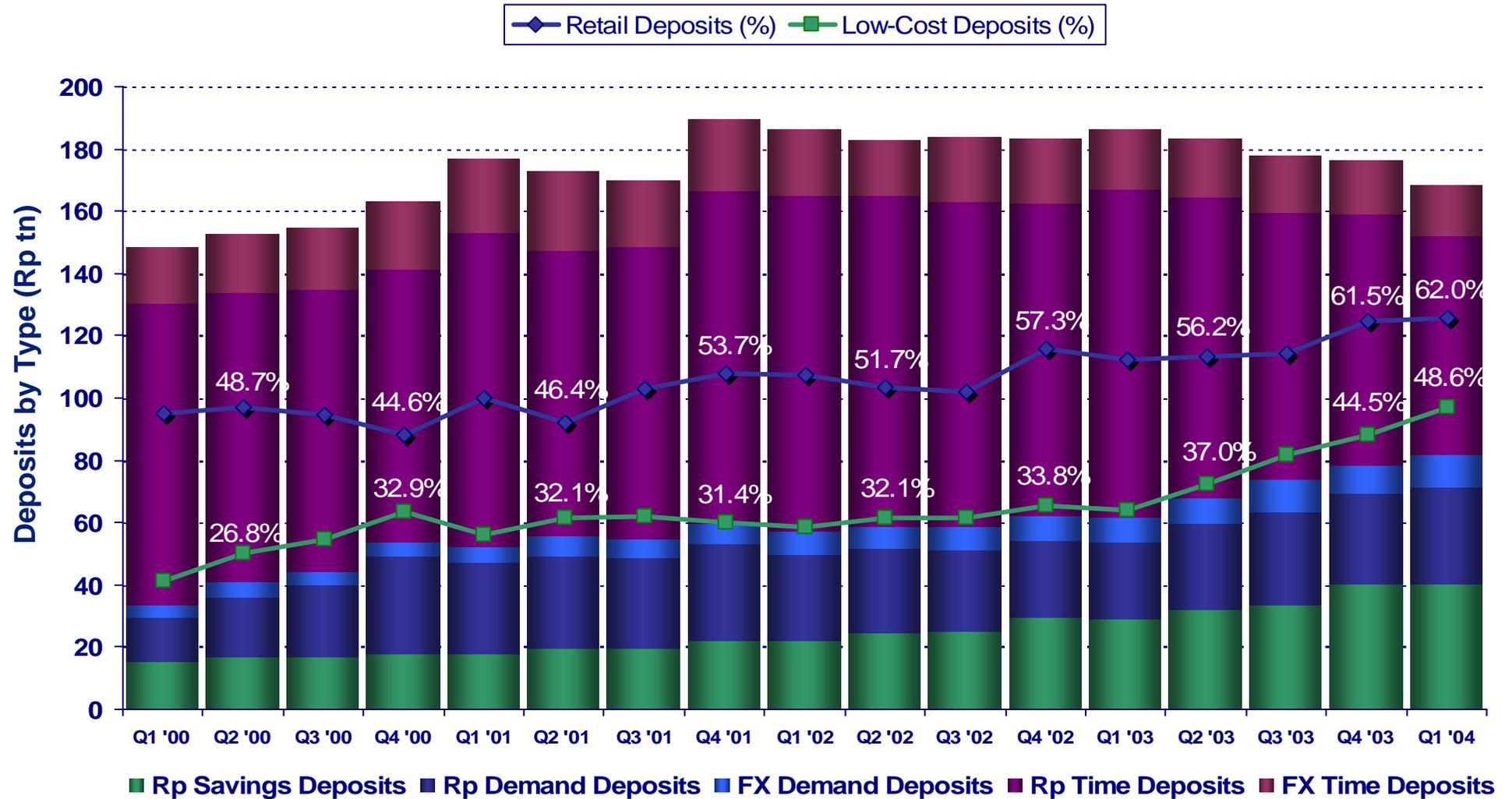
IDR bn	2003	Q1 '04
<b>Bonds Sold</b>	<b>24,505</b>	<b>17,540</b>
<b>Realized Profit</b>	<b>1,868</b>	<b>653</b>
<b>Unrealized Profit</b>	<b>(52)</b>	<b>60</b>

# Growing Contribution from Loans vs. Bonds – Bank Only



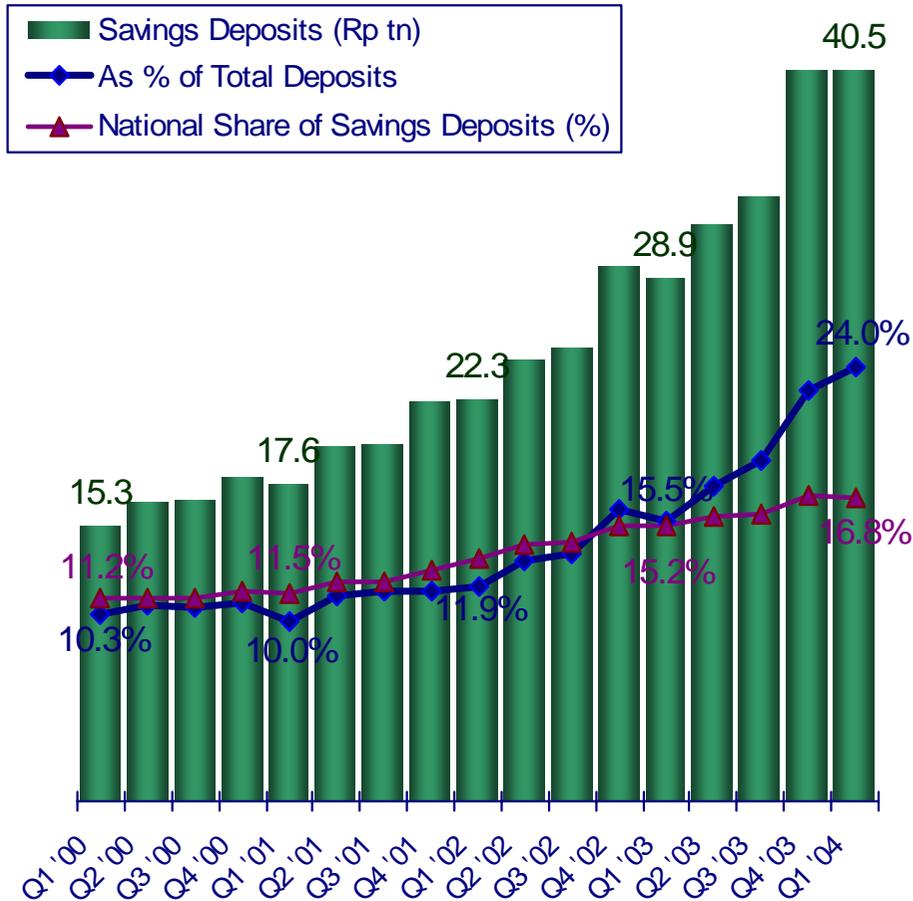
# Funding Mix Improves

## Deposit Analysis – Bank Only

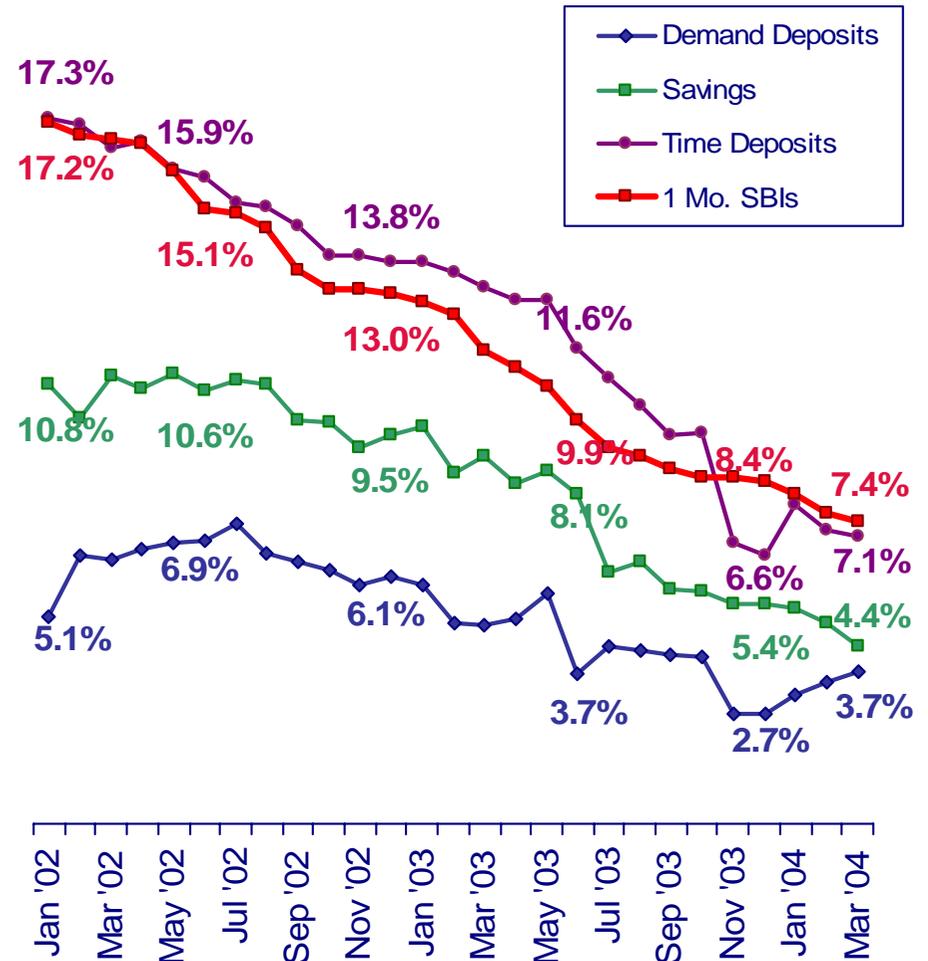


# Savings Deposit Growth Generating a Better Funding Mix

## Savings Deposit Growth

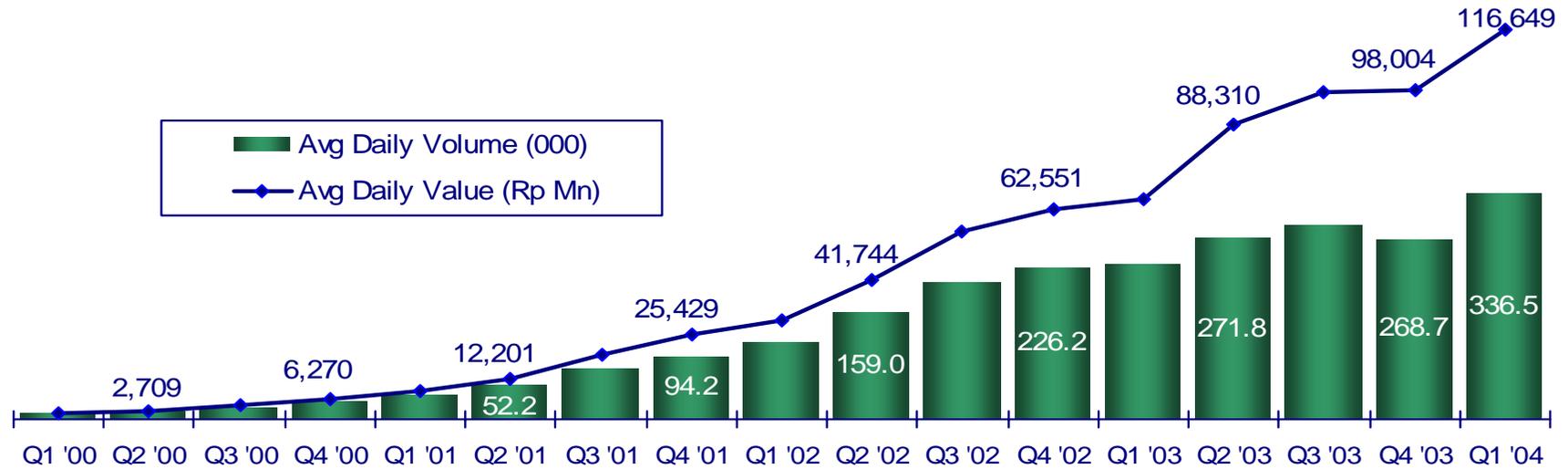


## Average Monthly Rupiah Deposit Costs (%)

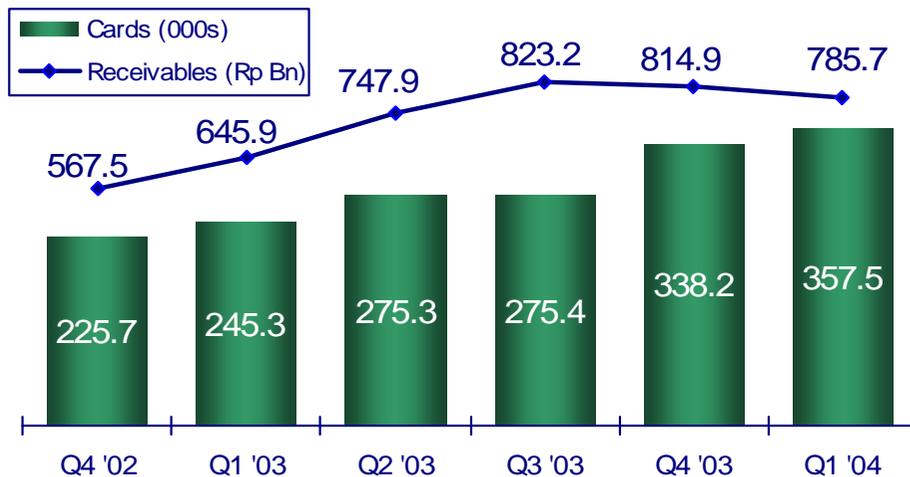


# ATM, Credit Card and Phone Banking Growth

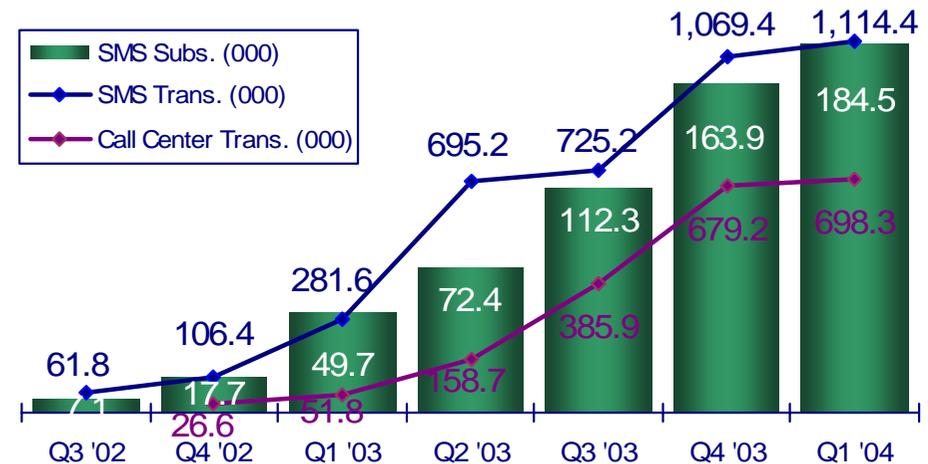
## ATM Network Average Daily Transaction Volume and Value



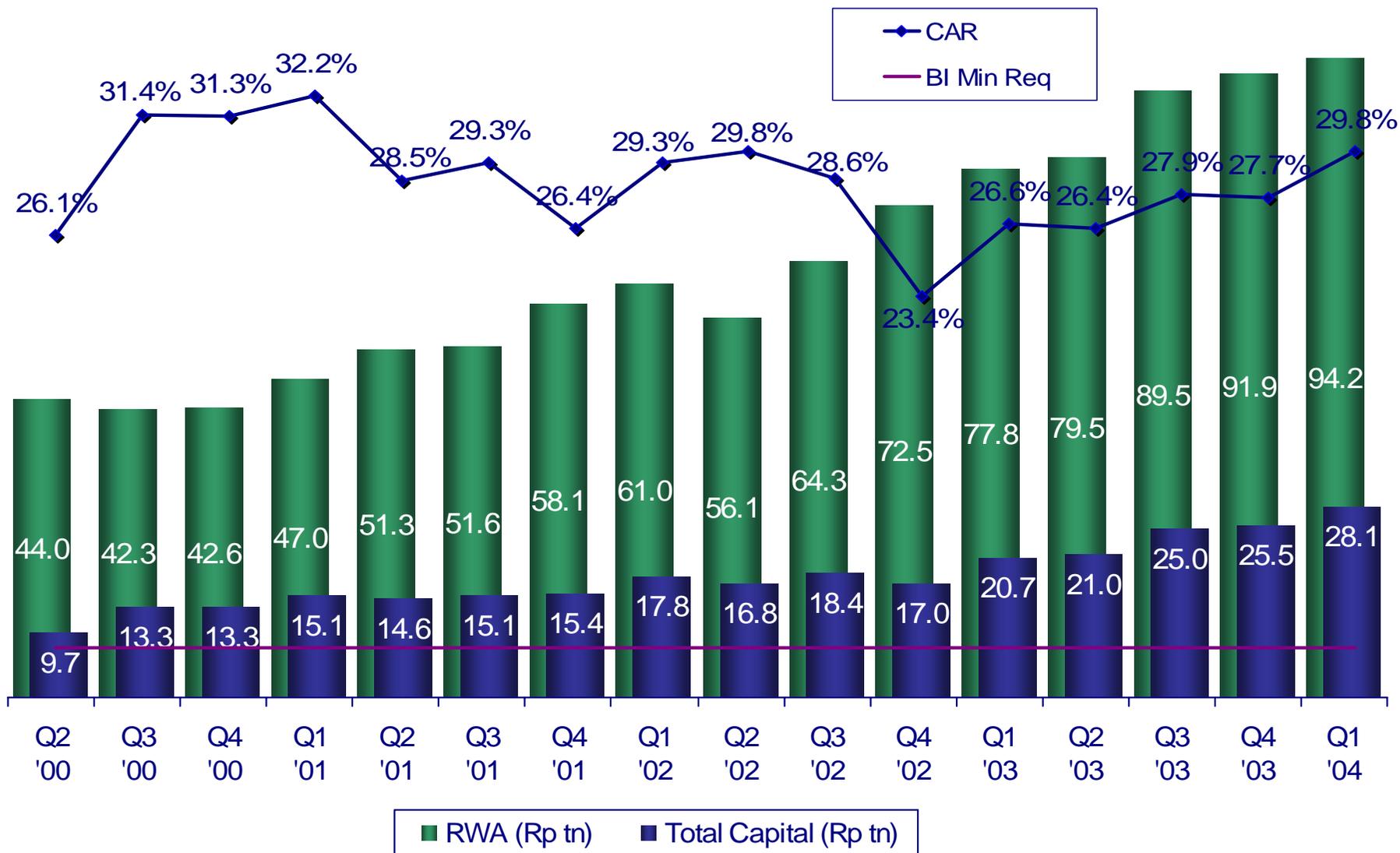
## Mandiri Visa Card Holders and Receivables



## Phone Banking Subscribers & Transactions

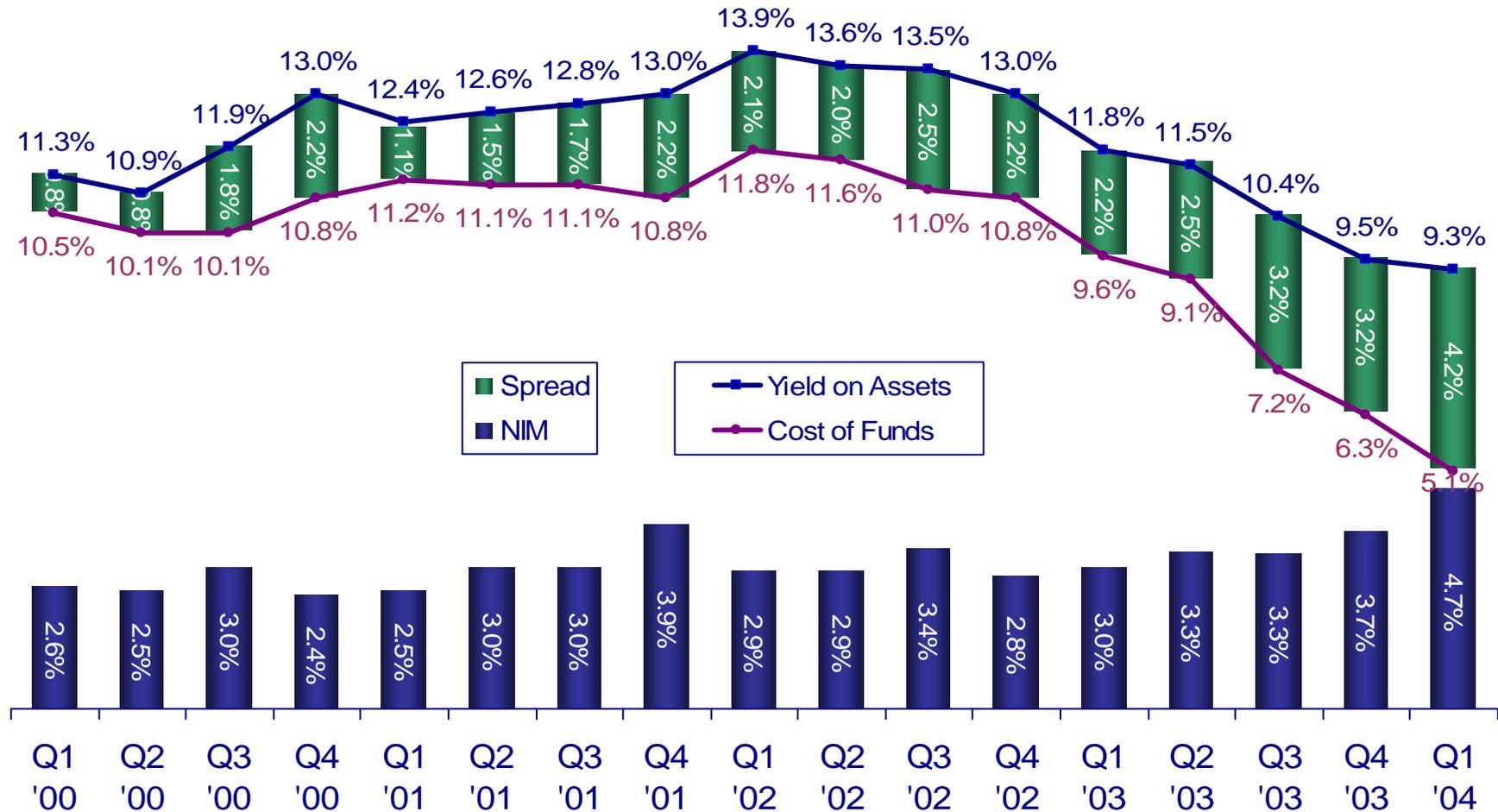


# High CAR maintained through strong internal capital generation

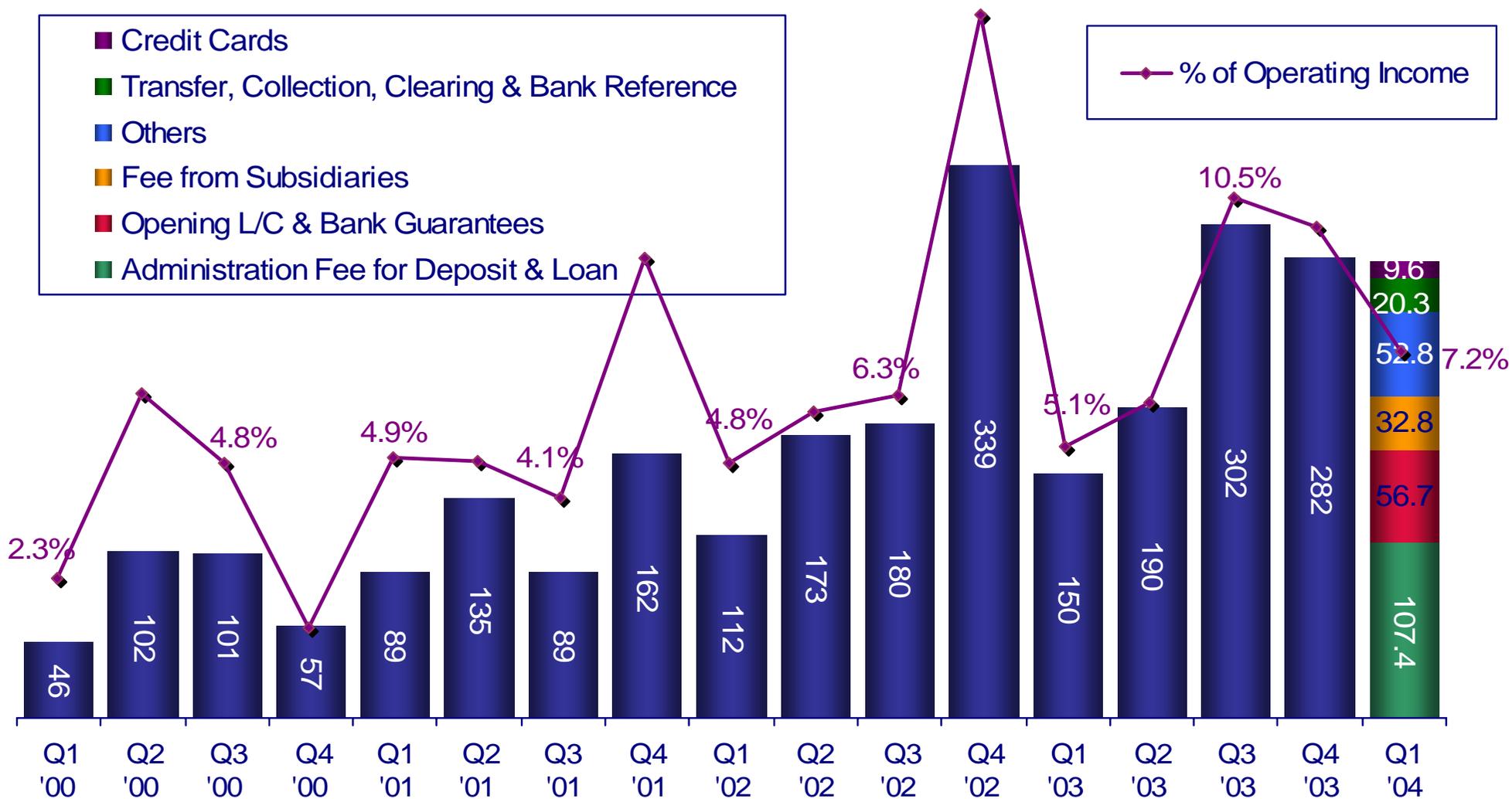


# Margins improving through better Assets/Liabilities mix

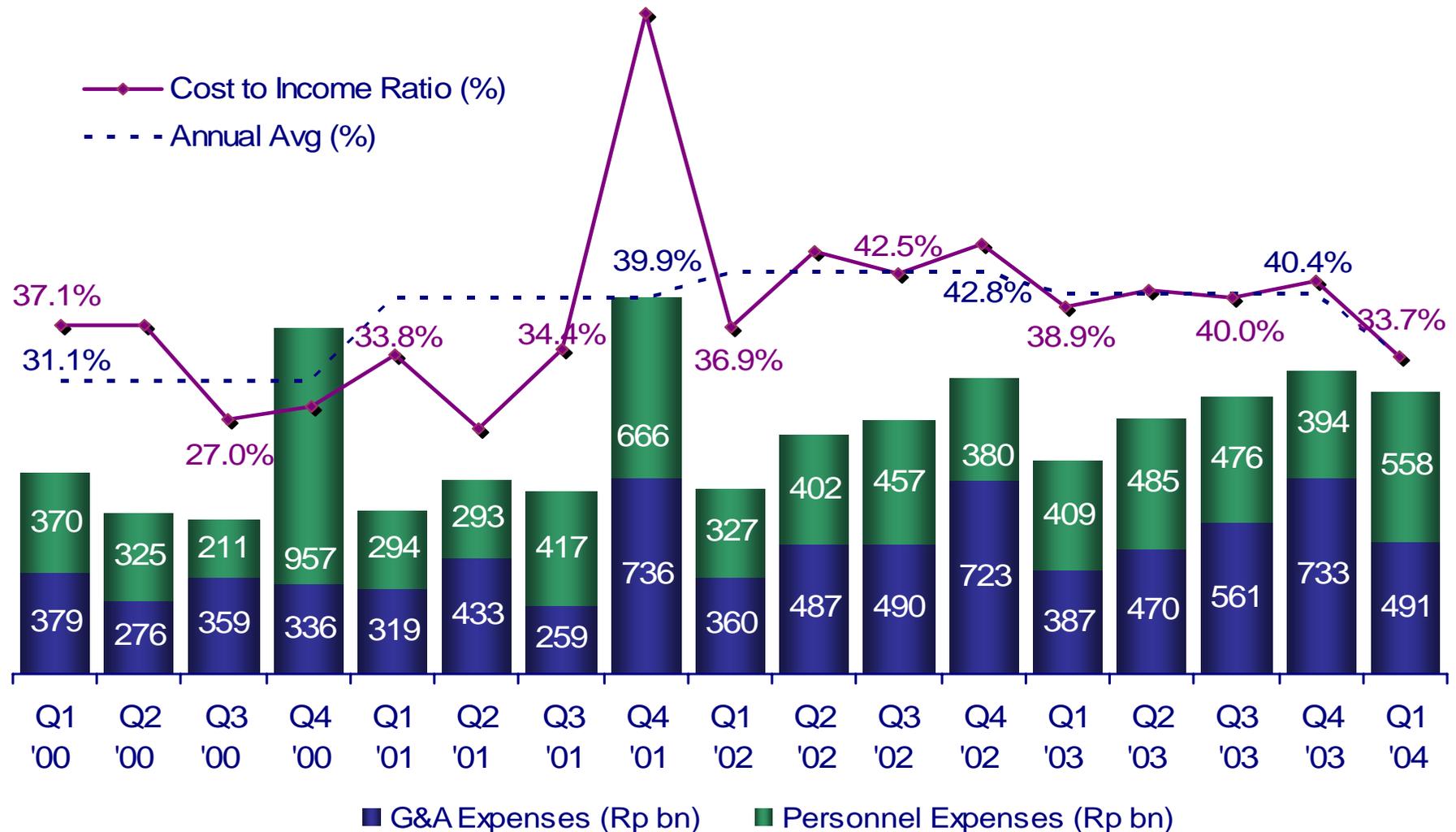
All figures - Bank Only



# Rising non-loan related fees & commissions



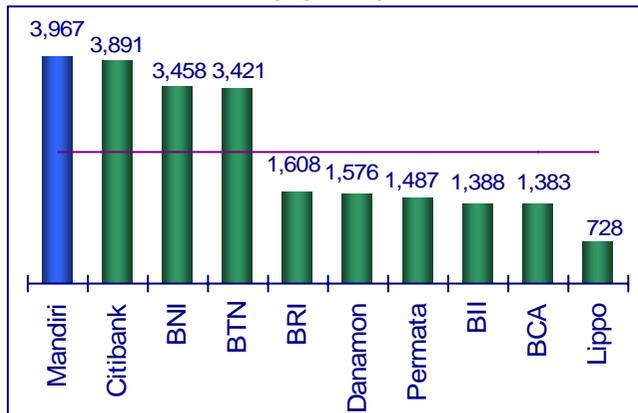
# Efficiency ratios maintained despite salary adjustments and higher G&A expenses



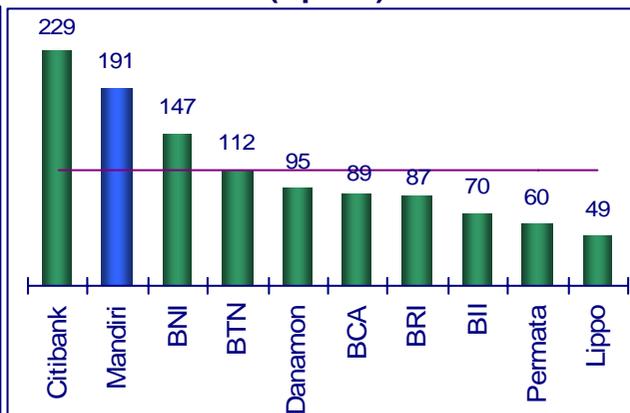
# Scale maintains efficiency advantage over competitors

## Bank Only, As of March 2004

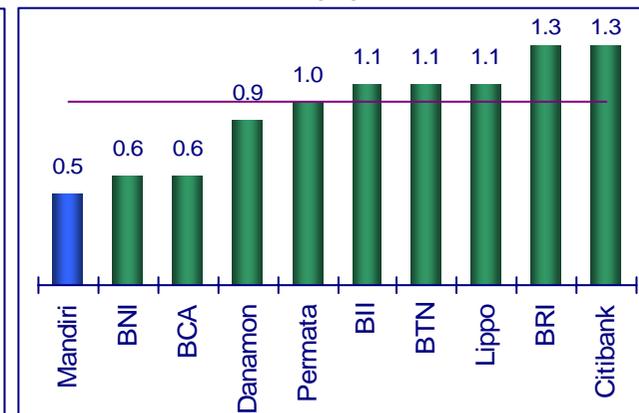
**Loans/ Employee**  
(Rp Mn)



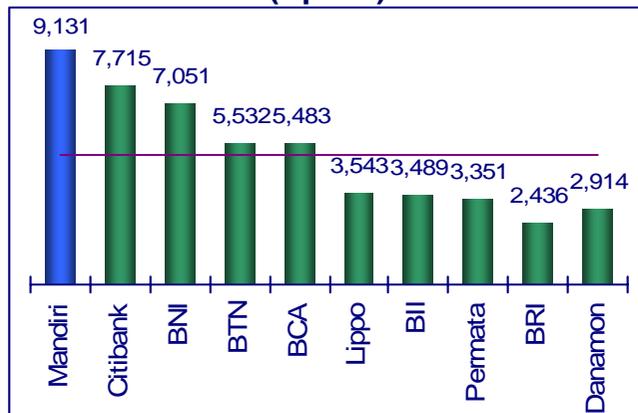
**Q1 Revenue/ Employee**  
(Rp Mn)



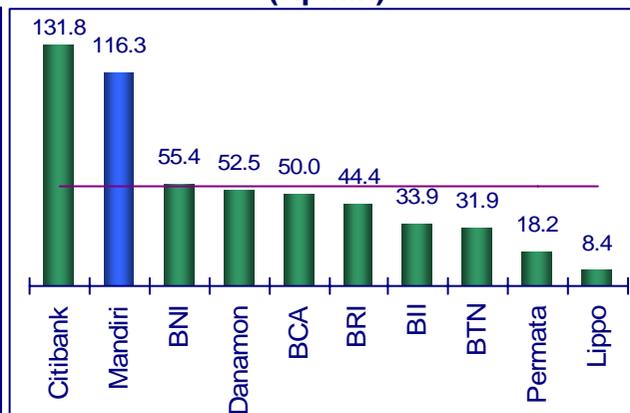
**Q1 Cost/Assets**  
(%)



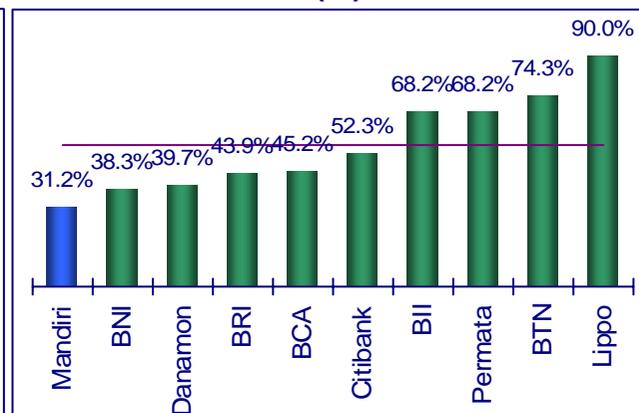
**Deposits/ Employee**  
(Rp Mn)



**Q1 Pre Tax Income/Employee**  
(Rp Mn)



**Q1 Cost/ Income**  
(%)

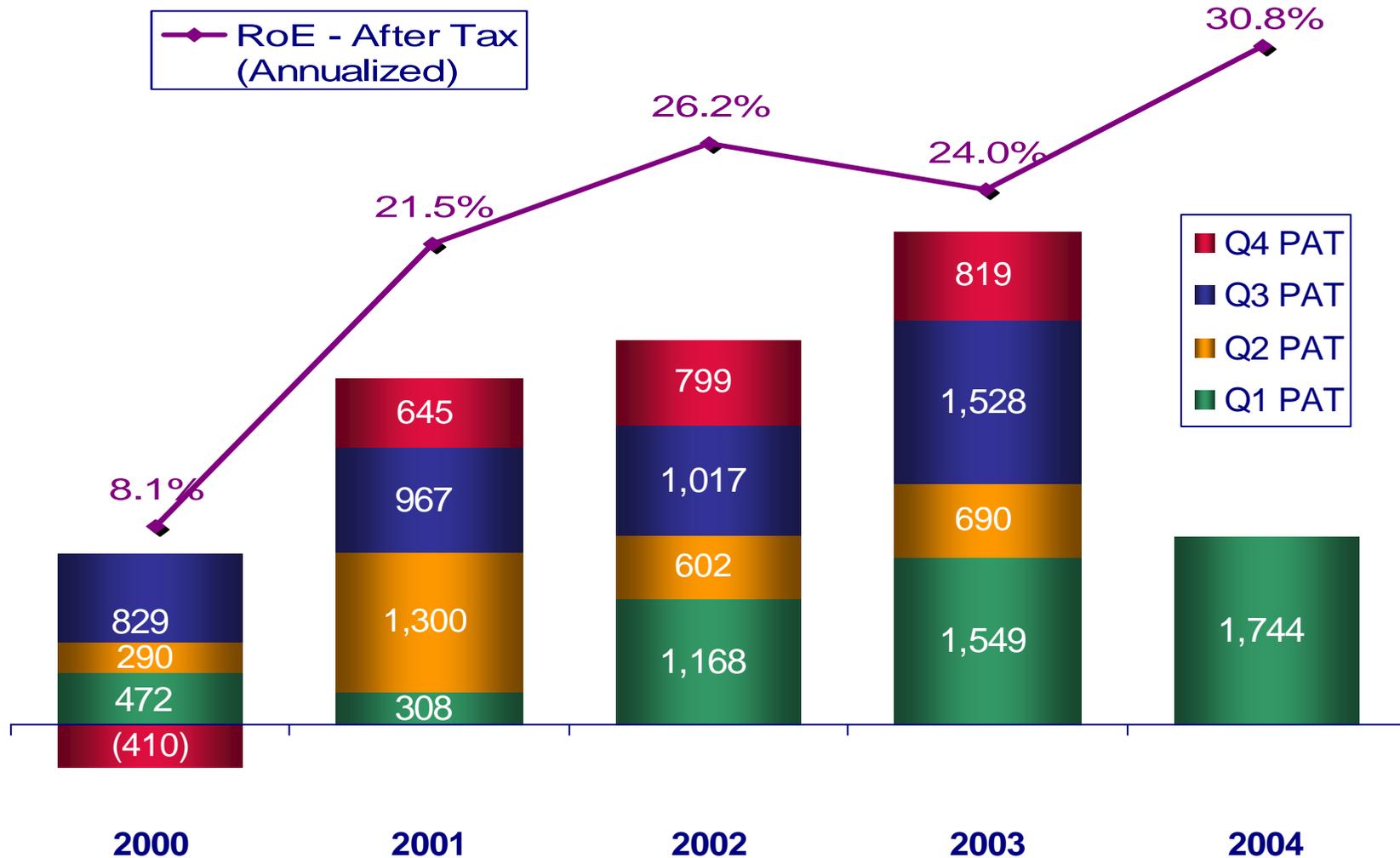


— Industry Average

# Q1 2004 core earnings expand by 72.2% from Q1 2003



# Q1 PAT of Rp 1,744 bn is an increase of 12.6% on Q1 2003



# Potential Upsides

## Written-off Loans

- Aggregate of IDR 21.29 tn (US\$ 2.49 bn) in written-off loans as of end-March 2004, with significant recoveries on-going:
  - 2001: IDR 2.0 tn (US\$ 224 mn)
  - 2002: IDR 1.1 tn (US\$ 123 mn)
  - 2003: IDR 1.2 tn (US\$ 147 mn)
  - Q1 '04: IDR 0.19 tn (US\$ 22 mn)

## Property Revaluation

- Property revalued by Rp. 3.0 trillion in our June accounts
- Based upon a valuation by Vigers as of June 2003, an additional Rp. 2.8 trillion remains un-booked

## Conservative Provisioning

- Conservative provisioning policy resulted in allowances on loans exceeding BI's minimum requirements
  - As of 31 March 2004, excess provisions totaled IDR 2.814 tn (US\$ 329 mn)

## Loan Collateral Undervalued

- Collateral values on NPLs are generally not included for provisioning purposes due to outdated valuations

# Corporate Actions

## Dividend Policy

- 50% Dividend payment policy maintained
- Based upon Full Year EPS of Rp 229:
  - Total Dividend Payout declared : Rp 115
  - Less Interim Dividend paid in Dec 2003 : Rp 50
  - Final Dividend approved at AGM on 05 May 2004 : Rp 65
  - Cum Dividend Date : 11 June 04
  - Ex Dividend Date : 14 June 04
  - Payment Date : 30 June 04

## In Conclusion

Despite no overall growth in assets and loans during Q1 2004:

- Asset mix continues to improve
- Liability mix continues to improve
- Retail banking continues to grow (now on the asset side)
- Margins improving
- Transformation in corporate governance, risk management and corporate culture continues

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# Bank Mandiri Financial Summary

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***Full Year 2003***

# Summary Balance Sheet – Quarters ending March 31 & Dec 31

	Mar. '03	Dec. '03	Mar. '04		Q-o-Q
	Rp (Billions)	Rp (Billions)	Rp (Billions)	USD (Millions)#	Rp % Change
<b>Total Assets</b>	<b>259,567</b>	<b>249,436</b>	<b>239,383</b>	<b>27,957</b>	<b>(7.8)</b>
Cash & Placements w/BI	24,980	27,089	28,135	3,286	12.6
Current Accounts & Placements w/Other Banks	3,476	6,972	10,358	1,210	198.0
Securities - Net	2,906	5,215	4,335	506	49.2
Government Bonds	152,728	122,907	107,317	12,533	(29.7)
Trading	9,928	1,389	1,478	173	(85.1)
AFS	36,329	51,437	37,321	4,359	2.7
HTM	106,471	70,081	68,518	8,002	(35.6)
Loans	68,673	75,943	76,652	8,952	11.6
Performing Loans	64,128	69,401	70,231	8,202	9.5
Non-Performing Loans	4,545	6,542	6,421	750	41.3
Allowances	(8,968)	(9,100)	(8,894)	(1,039)	(0.8)
Loans – Net	59,705	66,843	67,758	7,913	13.5
<b>Total Deposits – Non-Bank</b>	<b>187,438</b>	<b>178,811</b>	<b>172,018</b>	<b>20,090</b>	<b>(8.2)</b>
Demand Deposits	33,071	38,232	41,843	4,887	26.5
Savings Deposits	29,335	41,307	41,719	4,872	42.2
Certificate & Time Deposits	125,032	99,272	88,456	10,331	(29.3)
<b>Shareholders' Equity</b>	<b>19,323</b>	<b>20,395</b>	<b>23,299</b>	<b>2,721</b>	<b>20.6</b>

# USD1 = Rp8,562.5

# Recap Bond Portfolio Details – 31 March 2004

Series	Maturity Date	Nominal Available (Rp)	Interest Rate (%)	Nominal			Mark To Market	Fair Value		
				Total Trading Port.	Total Available For Sale Port.	Total Investment Port.		Total Trading Port.	Total Available For Sale Port.	Total Investment Port.
<b>Fixed Rate</b>										
FR0002	15-Jun-09	117,139,000,000	14.00%	19,068,000,000	98,071,000,000	-	110.25	21,022,470,000	108,123,277,500	-
FR0005	15-Jul-07	72,813,000,000	12.25%	30,000,000,000	72,813,000,000	-	108.05	32,415,000,000	78,674,446,500	-
FR0010	15-Mar-10	2,896,101,000,000	13.15%	30,000,000,000	1,546,101,000,000	1,350,000,000,000	107.90	32,370,000,000	1,668,242,979,000	1,350,000,000,000
FR0013	15-Sep-10	265,852,000,000	15.43%	-	265,852,000,000	-	118.45	-	314,901,694,000	-
FR0014	15-Nov-10	609,947,000,000	15.58%	-	609,947,000,000	-	119.00	-	725,836,930,000	-
FR0019	15-Jun-13	3,303,791,000,000	14.25%	50,000,000,000	3,303,791,000,000	-	115.50	57,750,000,000	3,815,878,605,000	-
FR0020	15-Dec-13	5,014,791,000,000	14.28%	-	5,014,791,000,000	-	115.60	-	5,797,098,396,000	-
<b>Sub Total</b>		<b>12,280,434,000,000</b>	<b>14.08%</b>	<b>129,068,000,000</b>	<b>10,911,366,000,000</b>	<b>1,350,000,000,000</b>		<b>143,567,470,000</b>	<b>12,508,766,328,000</b>	<b>1,350,000,000,000</b>
<b>Variable Rate</b>										
VR0005	25-May-04	999,000,000	7.70%	999,000,000	-	-	99.80	997,002,000	-	-
VR0008	25-Nov-05	1,899,000,000	7.70%	1,899,000,000	-	-	99.25	1,884,757,500	-	-
VR0010	25-Oct-06	1,312,361,000,000	8.15%	1,312,361,000,000	-	-	99.00	1,299,237,390,000	-	-
VR0012	25-Sep-07	200,000,000,000	7.33%	-	200,000,000,000	-	98.75	-	197,500,000,000	-
VR0013	25-Jan-08	1,198,384,000,000	8.15%	-	1,198,384,000,000	-	98.00	-	1,174,416,320,000	-
VR0014	25-Aug-08	2,000,000,000,000	7.70%	-	2,000,000,000,000	-	97.50	-	1,950,000,000,000	-
VR0015	25-Dec-08	3,000,000,000,000	7.33%	-	3,000,000,000,000	-	97.25	-	2,917,500,000,000	-
VR0017	25-Jun-11	2,878,270,000,000	7.33%	-	2,878,270,000,000	-	94.50	-	2,719,965,150,000	-
VR0019	25-Dec-14	6,164,300,000,000	7.33%	-	5,050,000,000,000	1,114,300,000,000	92.00	-	4,646,000,000,000	1,114,300,000,000
VR0020	25-Apr-15	4,491,029,000,000	8.15%	-	4,100,000,000,000	391,029,000,000	91.00	-	3,731,000,000,000	391,029,000,000
VR0021	25-Nov-15	2,400,690,000,000	7.70%	-	2,400,000,000,000	690,000,000	91.00	-	2,184,000,000,000	690,000,000
VR0022	25-Mar-16	7,489,657,000,000	7.33%	-	6,928,844,000,000	6,796,813,000,000	90.00	-	6,235,559,600,000	6,796,813,000,000
VR0023	25-Oct-16	4,745,806,000,000	8.15%	-	659,738,000,000	4,086,068,000,000	90.00	-	4,086,068,000,000	4,086,068,000,000
VR0024	25-Feb-17	8,210,550,000,000	7.70%	-	8,210,550,000,000	-	-	-	8,210,550,000,000	-
VR0025	25-Sep-17	5,210,550,000,000	7.33%	-	5,210,550,000,000	-	-	-	5,210,550,000,000	-
VR0026	25-Jan-18	3,475,267,000,000	8.15%	-	3,475,267,000,000	-	-	-	3,475,267,000,000	-
VR0027	25-Jul-18	3,475,267,000,000	8.15%	-	3,475,267,000,000	-	-	-	3,475,267,000,000	-
VR0028	25-Aug-18	5,171,695,000,000	7.70%	-	1,696,428,000,000	3,475,267,000,000	88.25	-	1,497,097,710,000	3,475,267,000,000
VR0029	25-Aug-19	6,404,120,000,000	7.70%	-	2,928,853,000,000	3,475,267,000,000	88.00	-	2,577,390,640,000	3,475,267,000,000
VR0030	25-Dec-19	8,016,765,000,000	7.33%	-	8,016,765,000,000	-	-	-	8,016,765,000,000	-
VR0031	25-Jul-20	12,016,765,000,000	8.15%	-	12,016,765,000,000	-	-	-	12,016,765,000,000	-
<b>Sub Total</b>		<b>87,864,374,000,000</b>	<b>7.72%</b>	<b>1,315,259,000,000</b>	<b>26,804,517,000,000</b>	<b>59,744,598,000,000</b>		<b>1,302,119,149,500</b>	<b>24,812,193,620,000</b>	<b>59,744,598,000,000</b>
<b>Hedge Bonds</b>										
		<b>KPSB (Bank Ind.)</b>				<b>KPSB (Bank Ind.)</b>				<b>Midas Position</b>
HB00068	25-Apr-04	561,350,195,628	3.12%	-	561,350,195,628	-	-	-	569,835,334,922	-
HB00069	25-May-04	562,348,447,309	3.12%	-	562,348,447,309	-	-	-	569,835,334,922	-
HB00070	25-Jun-04	566,075,253,587	3.11%	-	566,075,253,587	-	-	-	569,835,334,922	-
HB00071	25-Jul-04	561,350,195,628	3.12%	-	561,350,195,628	-	-	-	569,835,334,922	-
HB00072	25-Aug-04	501,592,757,848	3.12%	-	501,592,757,848	-	-	-	508,270,767,937	-
HB00073	25-Sep-04	504,916,922,870	3.11%	-	504,916,922,870	-	-	-	508,270,767,937	-
HB00074	25-Oct-04	500,702,356,502	3.12%	-	500,702,356,502	-	-	-	508,270,767,937	-
HB00075	25-Nov-04	501,592,757,848	3.12%	-	501,592,757,848	-	-	-	508,270,767,937	-
HB00076	25-Dec-04	504,916,922,870	3.11%	-	504,916,922,870	-	-	-	508,270,767,937	-
HB00077	25-Jan-05	427,402,017,377	3.12%	-	427,402,017,377	-	-	-	433,862,450,953	-
HB00078	25-Feb-05	428,162,068,386	3.12%	-	428,162,068,386	-	-	-	433,862,450,953	-
HB00079	25-Mar-05	430,999,592,152	3.11%	-	430,999,592,152	-	-	-	433,862,450,953	-
HB00080	25-Apr-05	427,317,856,502	3.12%	-	427,317,856,502	-	-	-	433,777,017,937	-
HB00081	25-May-05	428,077,757,848	3.12%	-	428,077,757,848	-	-	-	433,777,017,937	-
HB00082	25-Jun-05	430,914,722,870	3.11%	-	430,914,722,870	-	-	-	433,777,017,937	-
<b>Sub Total</b>		<b>7,337,719,825,224</b>	<b>3.12%</b>	<b>-</b>	<b>-</b>	<b>7,337,719,825,224</b>		<b>-</b>	<b>-</b>	<b>7,423,613,586,042</b>
<b>Grand Total</b>		<b>107,482,527,825,224</b>		<b>1,444,327,000,000</b>	<b>37,715,883,000,000</b>	<b>68,432,317,825,224</b>		<b>1,445,676,619,500</b>	<b>37,320,949,948,000</b>	<b>68,518,211,586,043</b>
				<b>1.34%</b>	<b>35.05%</b>	<b>63.60%</b>		<b>1.35%</b>	<b>34.79%</b>	<b>63.87%</b>
						<b>107,592,527,825,224</b>		<b>Total Fair Value</b>		<b>107,284,838,153,542</b>

# Bank Mandiri's Credit Ratings

	S&P	Moody's	Fitch
<b><u>Sovereign Ratings</u></b>			
Outlook	Positive	Stable	Stable
Long Term Bank Deposits		B3	
Long Term Foreign Currency Debt	B	B2	B
Long Term Local Currency Debt	B+		B
<b><u>Bank Mandiri Ratings</u></b>			
Long Term Foreign Currency Outlook	Positive	Stable	
Long Term Bank Deposits		B3	
Long Term Foreign Currency Debt	B	B2	B
Short Term Foreign Currency Debt	B		B
Long Term Local Currency Outlook	Positive		
Long Term Local Currency Debt	B+		B+

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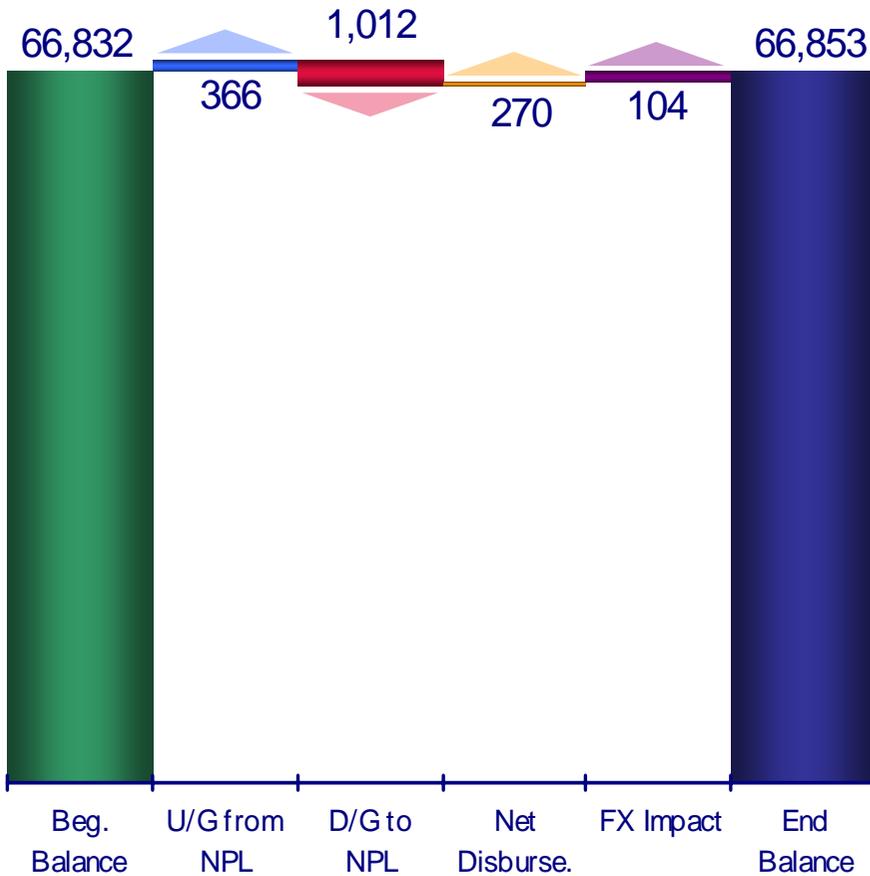
# Bank Mandiri Additional Loan Movement & Portfolio Detail

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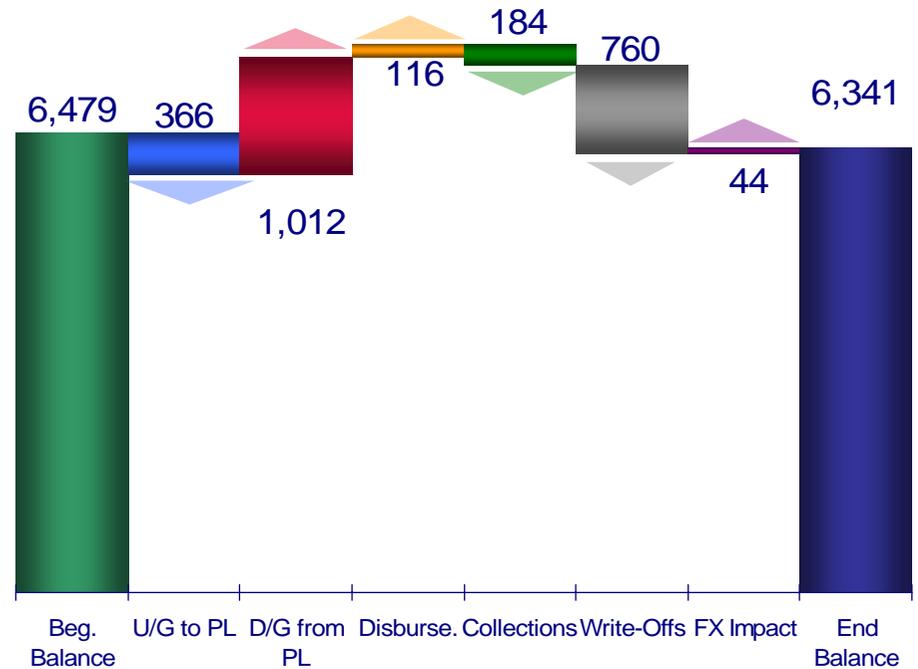
# Q1 2004 Loan Movement, Performing & Non-Performing Loans

## Performing Loan Movements - Bank Only

IDR bn

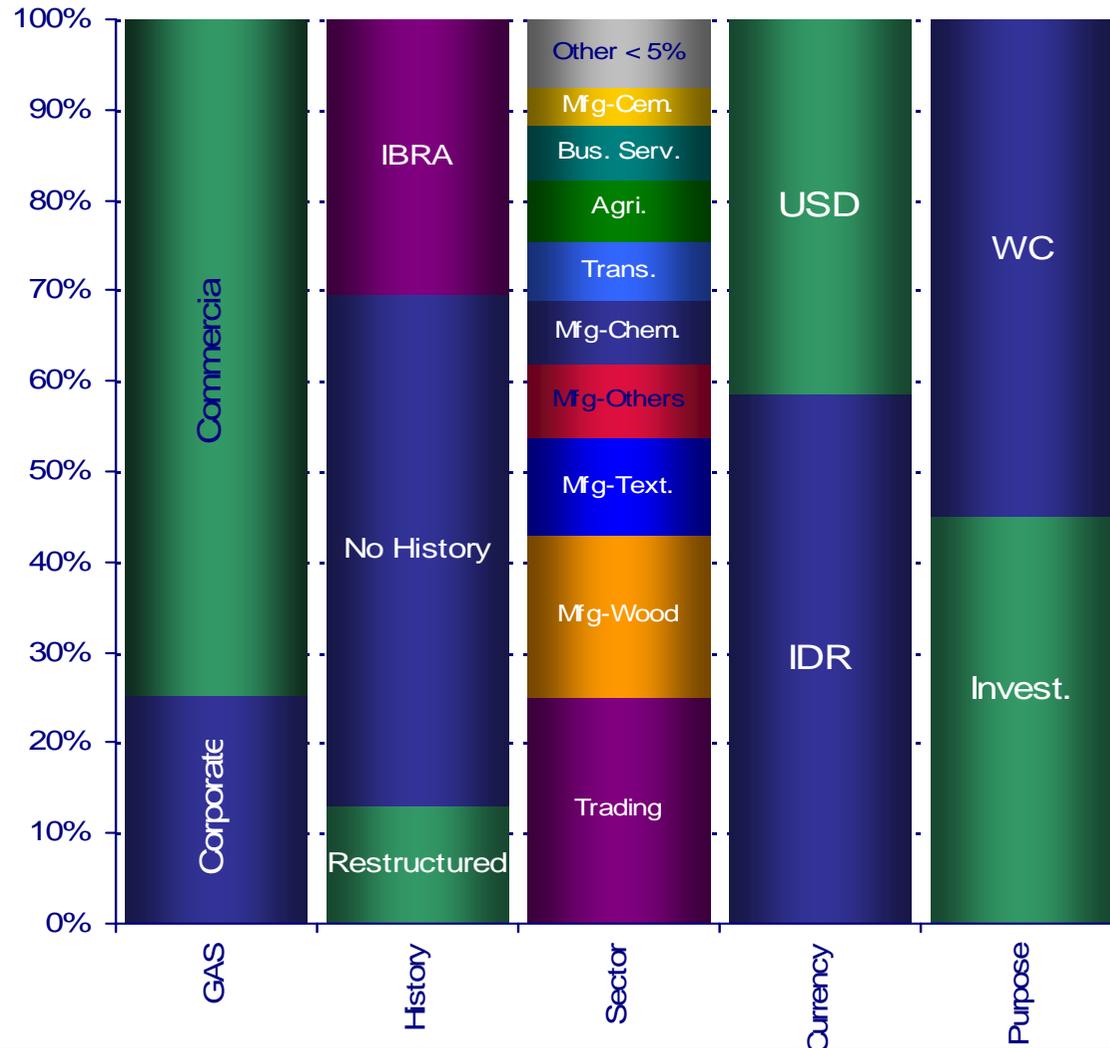


## Non-Performing Loan Movements – Bank Only



# Q1 2004 Loan Detail\*: Loans downgraded to NPL

Loan Profile: Q1 Corporate & Commercial Downgrades to NPL (Rp 976 bn)  
Bank Only



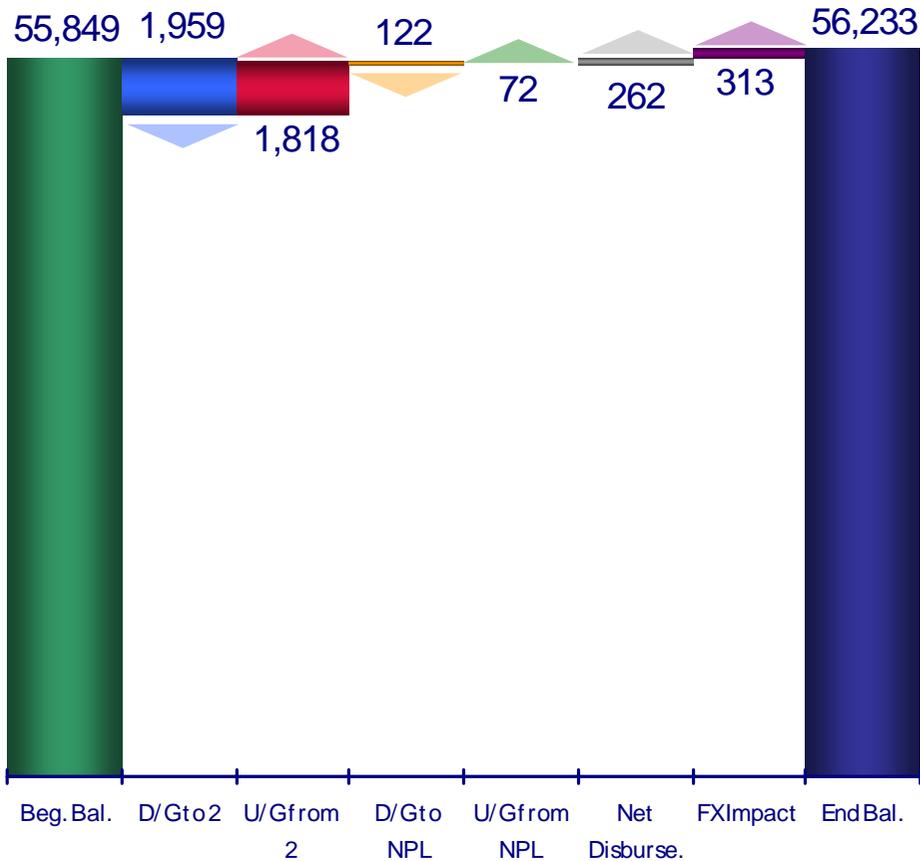
Rp 976 billion in Corporate and Commercial loans (1.3% of total loans) were downgraded to NPL in Q1. Of these Loans downgraded in Q1:

- 74.8% were from Commercial borrowers
- 30.4% were loans purchased from IBRA, while 13.2% were previously restructured
- Largest downgrades by sector:
  - Trading, Hotels & Restaurants
  - Manufacturing of Wood
  - Manufacturing of Textiles & Leather
- 58.6% were Rupiah loans
- 45.2% were for Investment loans
- 1<sup>st</sup> time downgrades from Trading & Hotels, Wood Mfg, Textile & Leather Mfg

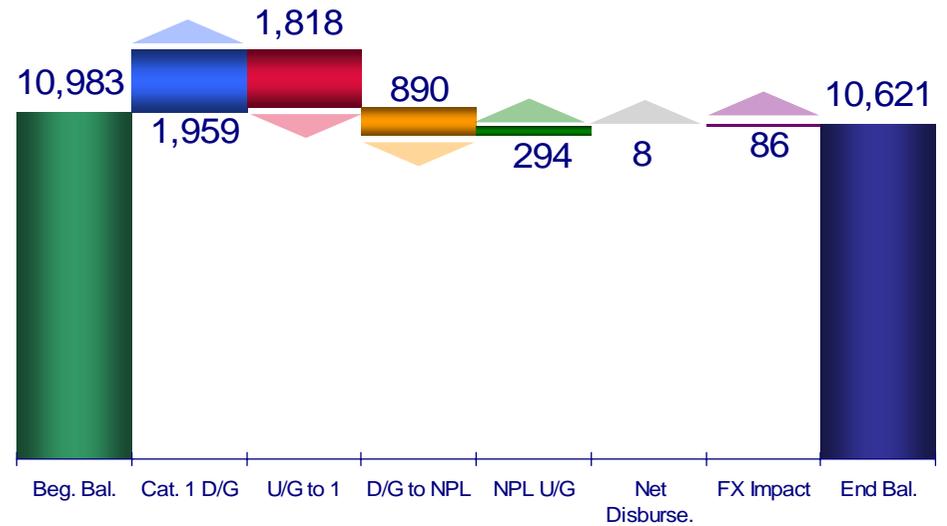
\* Corporate & Commercial Loans Only

# Q1 2004 Movement in Category 1 and 2 Loans

Category 1 Loan Movements (Rp bn) – Bank Only

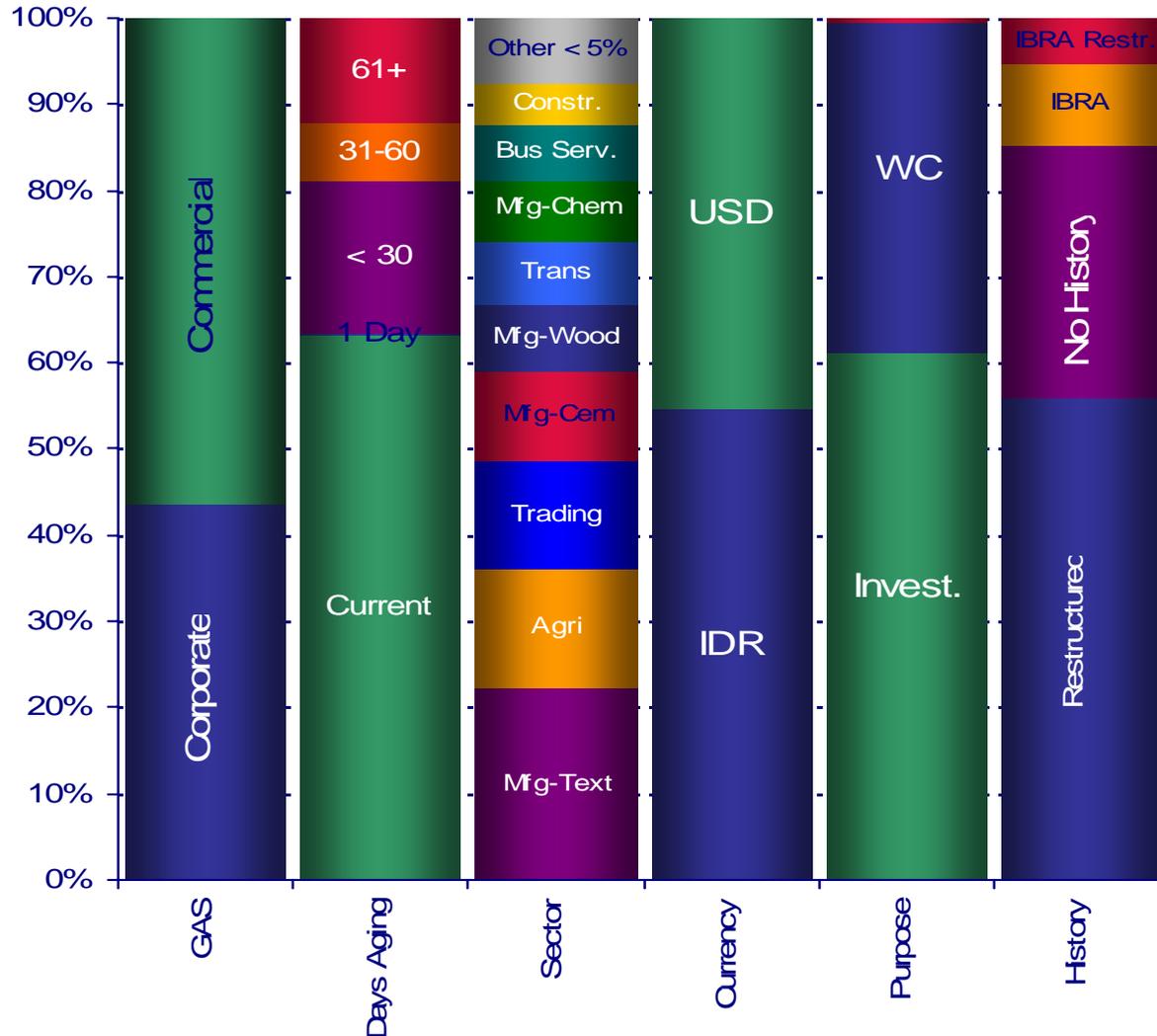


Category 2 Loan Movements (Rp bn) – Bank Only



# Q1 2004 Loan Detail\*: Category 2 Loans

Loan Profile: Q1 Corporate & Commercial Category 2 Loans (Rp 10.3 tn)  
Bank Only



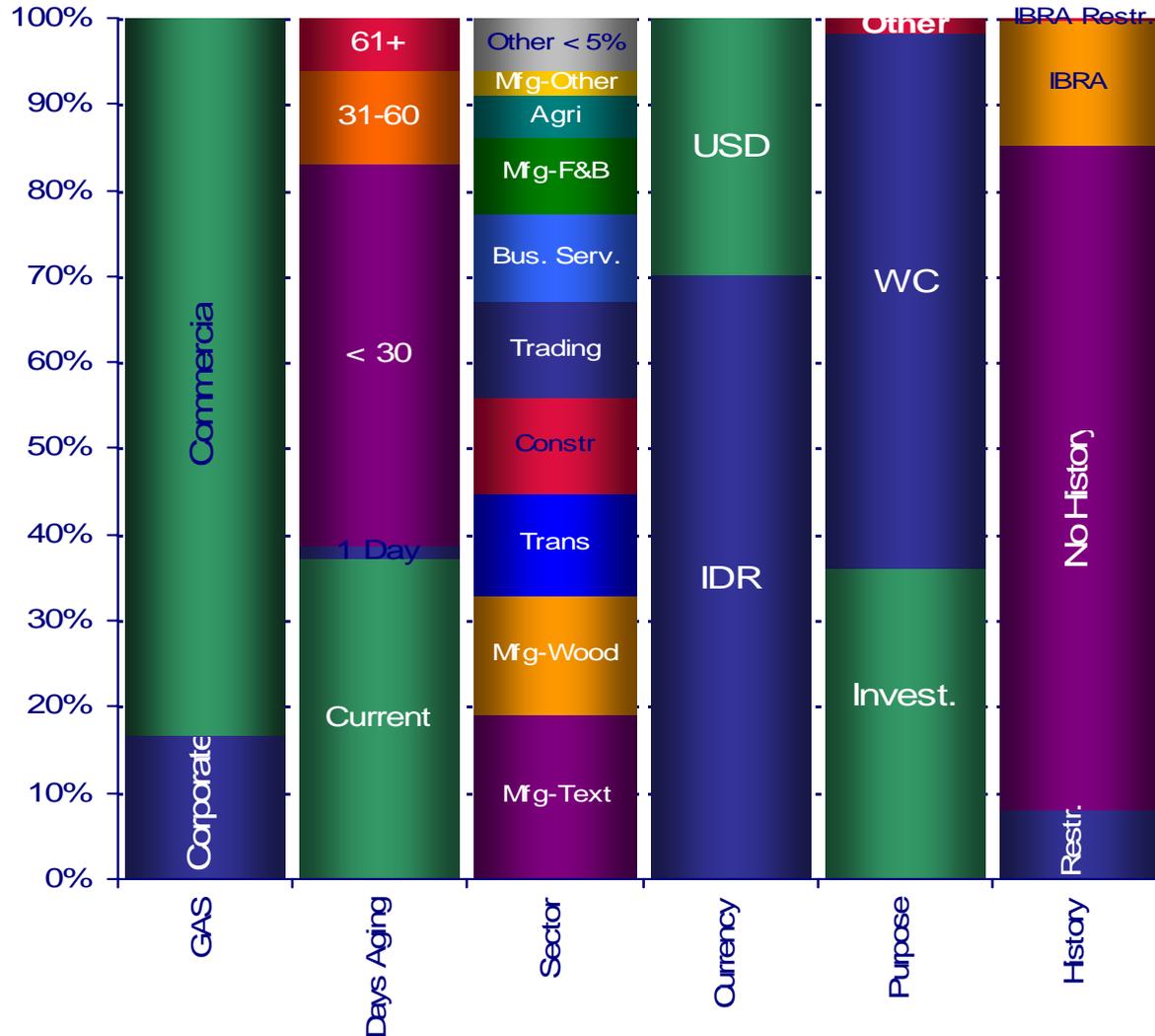
Rp 10.3 trillion in Corporate & Commercial loans were in Category 2 in Q1, or 14.1% of total loans. Of these Special Mention loans in Q1:

- 43.5% are to Corporate customers
- 63.5% are current or 1 day overdue
- Primary sectors in Category 2 are:
  - Textile Manufacturing
  - Agriculture
  - Trading, Hotels & Restaurants
  - Cement
- 54.8% are Rupiah loans
- 61.2% are Investment loans
- 61.1% are Restructured loans
- 14.9% were purchased from IBRA

\* Corporate & Commercial Loans Only

# Q1 2004 Loan Detail\*: Loans Downgraded to Category 2

Loan Profile: Q1 Corporate & Commercial Downgrades to Cat. 2 (Rp 1.85 tn)  
Bank Only



Rp 1.85 trillion in Corporate & Commercial loans were downgraded to Category 2 in Q1, or 2.5% of total loans. Of the Loans downgraded to Special Mention in Q1:

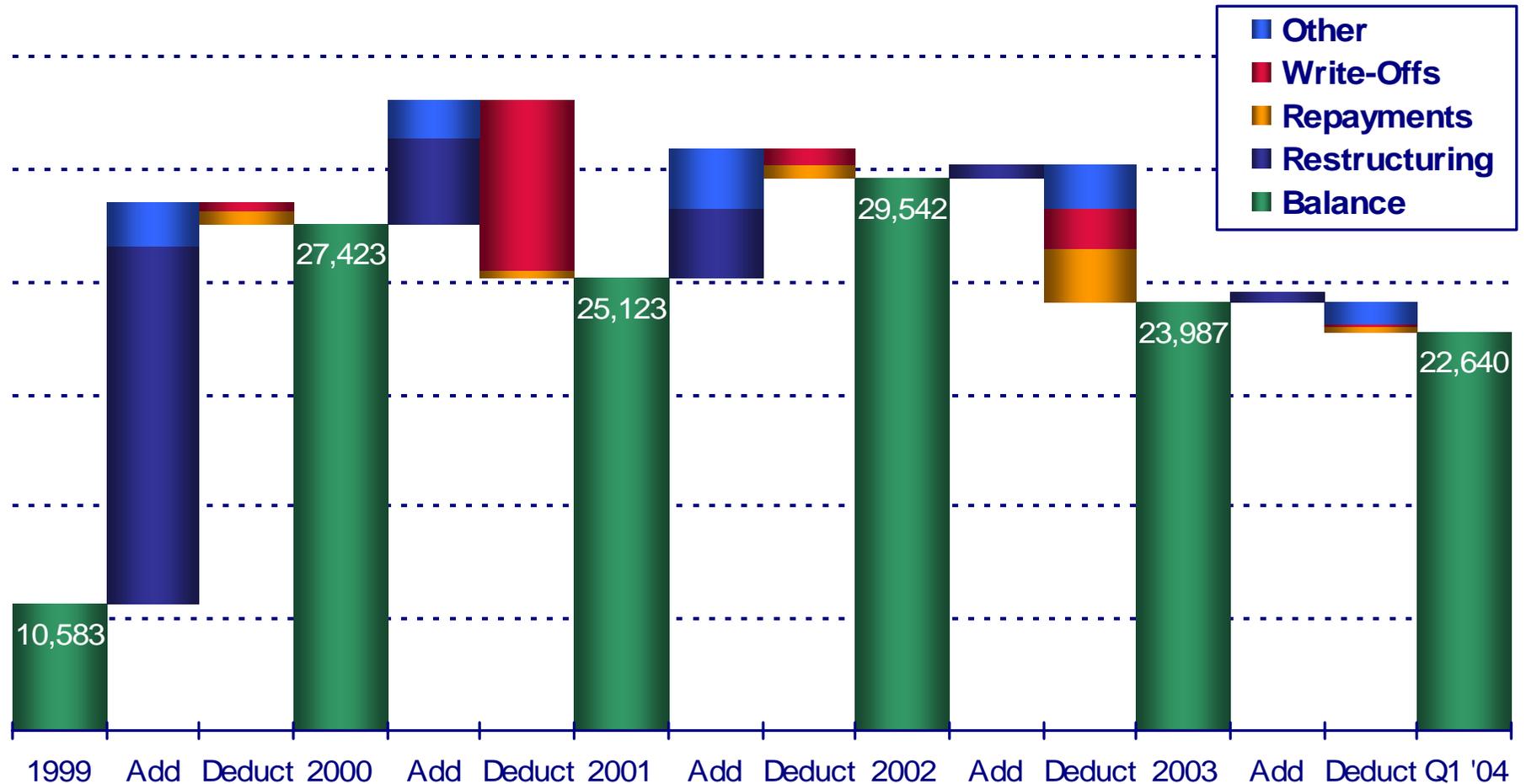
- 83.2% are to Commercial customers
- 38.6% are current or 1 day overdue
- Primary sectors in Category 2 are:
  - Textile Manufacturing
  - Wood Manufacturing
  - Transportation
  - Construction
- 70.2% are Rupiah loans
- 36.1% are Investment loans
- 8.3% are Restructured loans
- 14.9% were purchased from IBRA

\* Corporate & Commercial Loans Only

# Movement in Restructured Loans, 1999 – Q1 '04

## FY 2003 Restructured Loan Movements

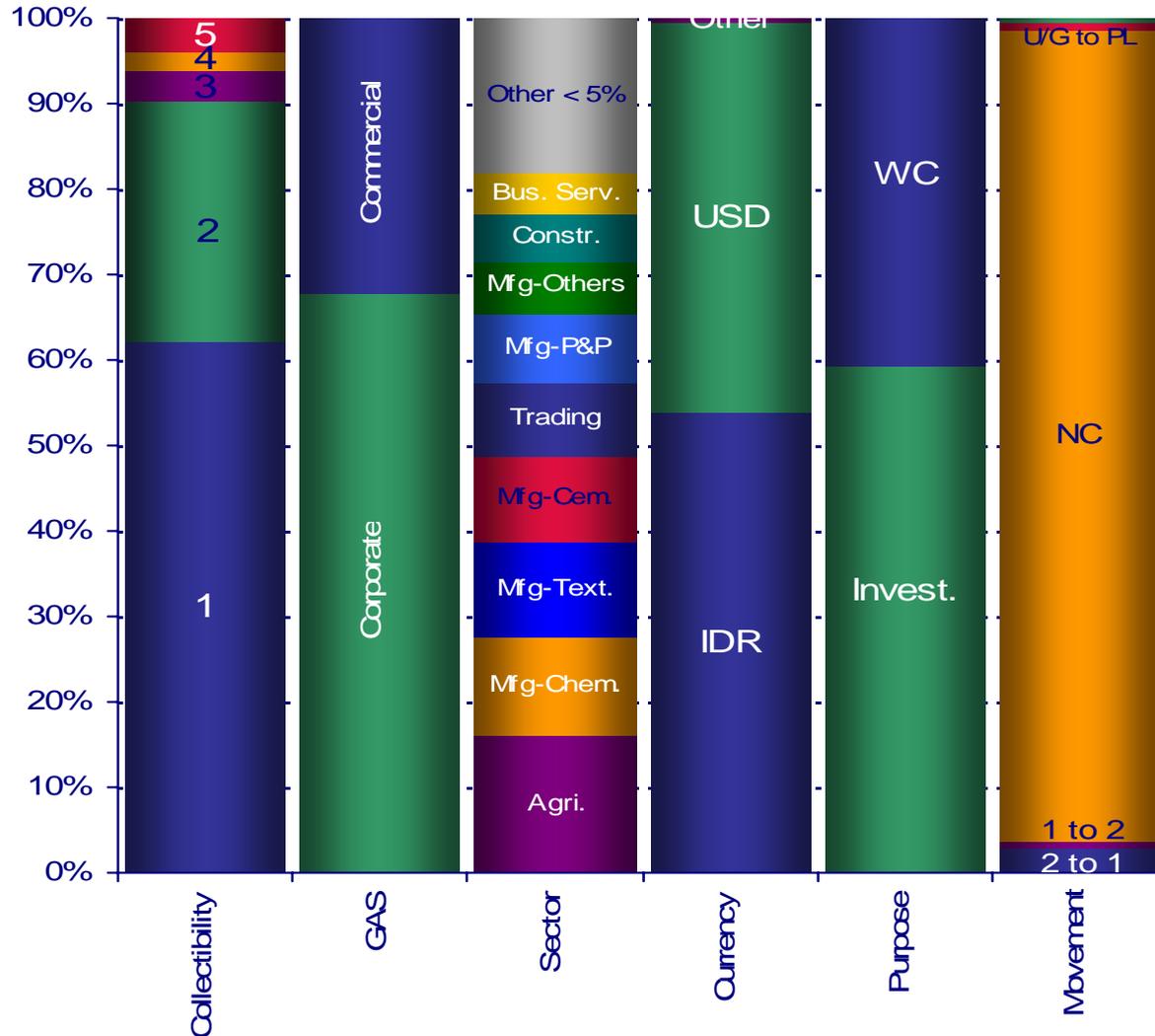
IDR bn



\*Others includes partial payments, FX impacts, and fluctuation in Working Capital facilities

# Q1 2004 Loan Detail\*: Restructured Loans

Loan Profile: Q1 Corporate & Commercial Restructured Loans (Rp 22.6 tn)  
Bank Only



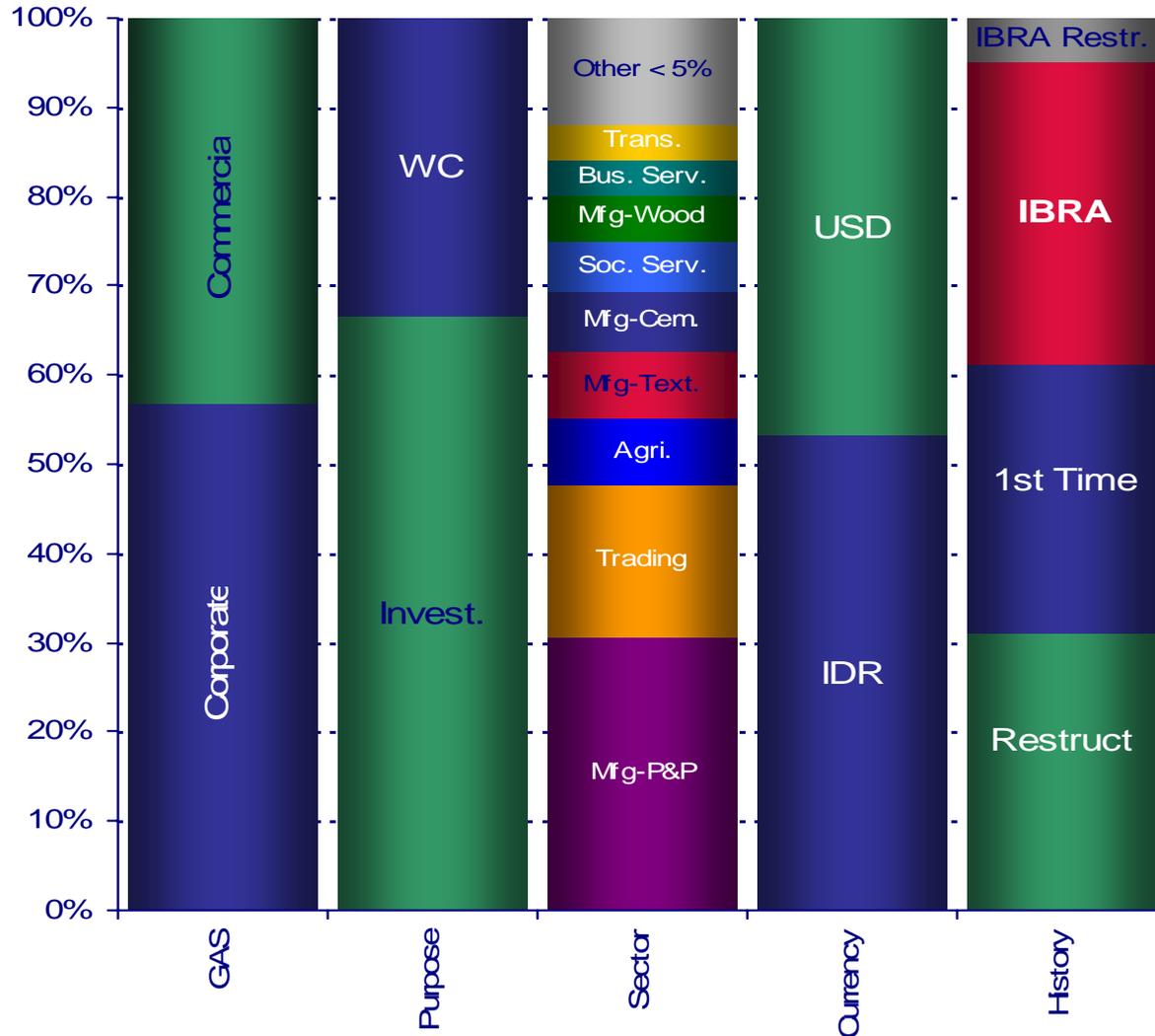
Rp 22.6 trillion in restructured Corporate & Commercial loans remained in Q1, or 30.9% of total loans. Of these Restructured Loans in Q1:

- 90.1% are performing
- 67.8% are to Corporate customers
- Primary sectors are:
  - Agriculture
  - Manufacturing
    - Chemicals
    - Textiles
    - Cement
    - Pulp & Paper
  - Trading & Hotels
- 53.8% are Rupiah loans
- 59.4% are Investment loans
- 3.0% were upgraded to Category 1
- 0.6% were downgraded to NPL, while 1.0% were upgraded to PL

\* Corporate & Commercial Loans Only

# Q1 2004 Loan Detail\*: Non-Performing Loans

Loan Profile: Q1 Corporate & Commercial NPLs (Rp 6.2 tn)  
Bank Only



Rp 6.2 trillion in Corporate & Commercial NPLs remained in Q1, or 8.5% of total loans. Of these NPLs in Q1:

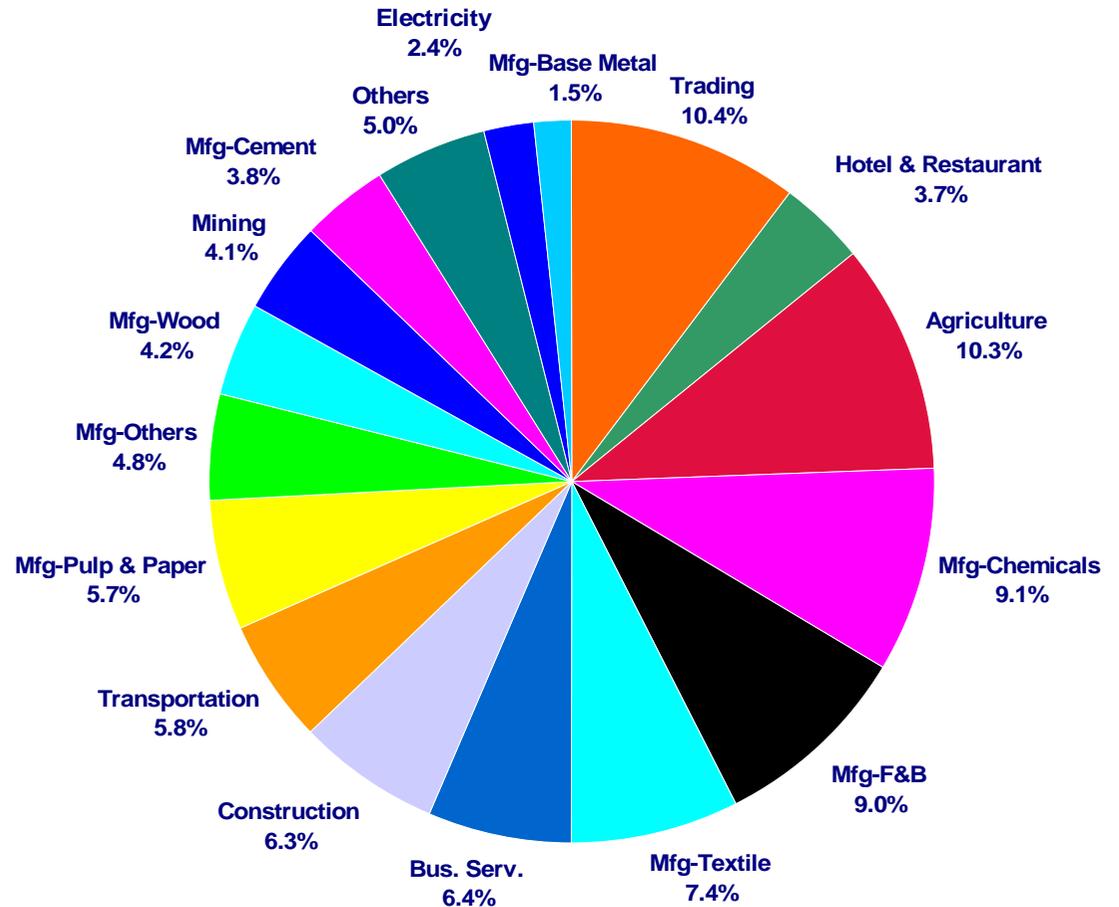
- 56.7% are to Corporate customers
- 66.6% are Investment loans
- Primary sectors are:
  - Manufacturing
    - Pulp & Paper
    - Textiles
    - Cement
    - Wood
  - Trading, Hotel & Restaurant
  - Agriculture
- 53.3% are Rupiah loans
- 36.0% were previously restructured, while 38.9% were loans purchased from IBRA

\* Corporate & Commercial Loans Only

# Loan Portfolio Sector Analysis

- No sector accounts for more than 15% of total loans
- Minimizing exposure to problem sectors including
  - Textiles (7.4%)
  - Plywood (4.2%)
  - Hotels & Restaurants (3.7%)
- Focusing on growth sectors including:
  - Agriculture
  - Fisheries
  - Natural Resources

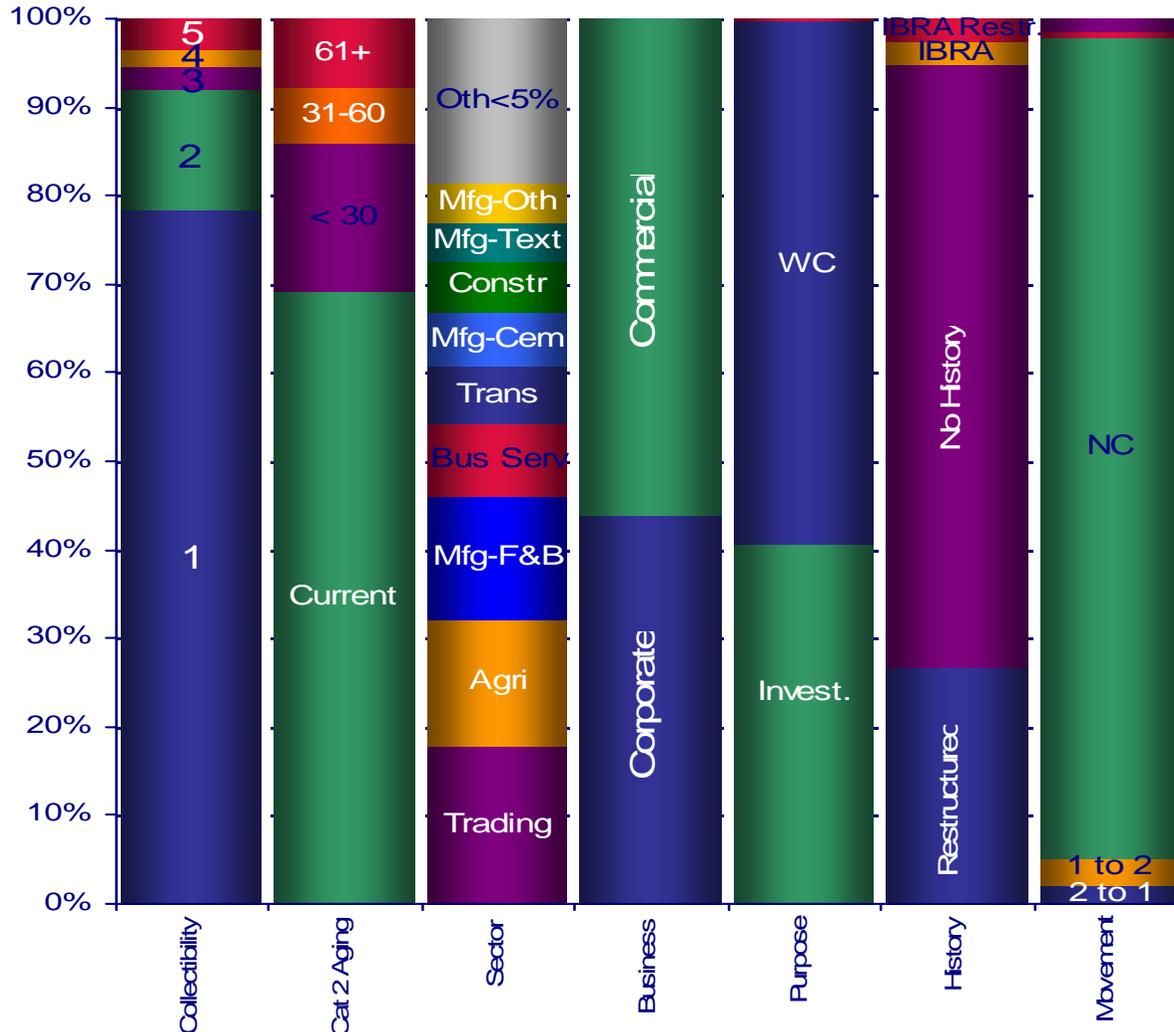
Breakdown By Sector, March 2004<sup>(1)</sup>



(1) Non-consolidated numbers

# Q1 2004 Loan Detail: Rupiah Loans

Loan Profile: Q1 Corporate & Commercial Rupiah Loans (Rp 41.4 tn)  
Bank Only

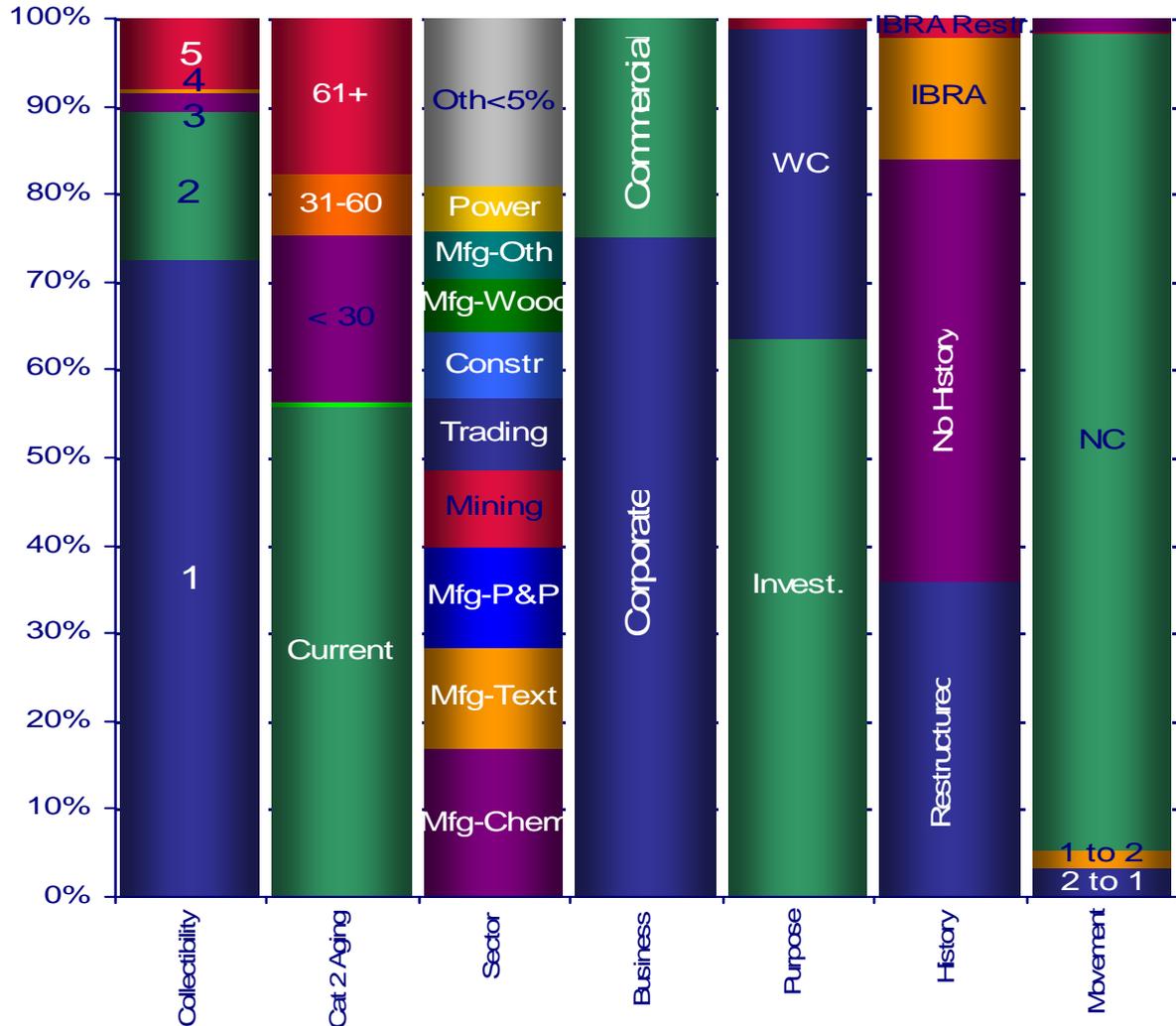


Rp 41.4 trillion in loans were Rupiah denominated in Q1, or 56.6% of total loans. Of the Rupiah Loans in Q1:

- 92.0% are performing loans
- 13.6% are in Category 2
- 69.2% of Category 2 loans are current in interest payments
- Primary sectors in Corporate are:
  - Trading, Hotels & Restaurants
  - Agriculture
  - Food & Beverage Mfg
  - Business Services
- 43.9% are Corporate loans
- 40.7% are Investment loans
- 29.4% are Restructured loans
- 5.2% were purchased from IBRA

# Q1 2004 Loan Detail: Foreign Currency Loans

Loan Profile: Q1 Corporate & Commercial FX Loans (Rp 27.6 tn)  
Bank Only



Rp 27.6 trillion in loans were foreign currency denominated in Q1, or 37.7% of total loans. Of the FX Loans in Q1:

- 89.5% are performing loans
- 16.9% are in Category 2
- 55.9% of Category 2 loans are current in interest payments
- Primary sectors in Corporate are:
  - Manufacturing of
    - Chemicals
    - Textiles & Leather
    - Pulp & Paper
  - Mining
  - Trading, Hotels & Restaurants
- 75.1% are Corporate loans
- 63.7% are Investment loans
- 37.9% are Restructured loans
- 15.9% were purchased from IBRA