

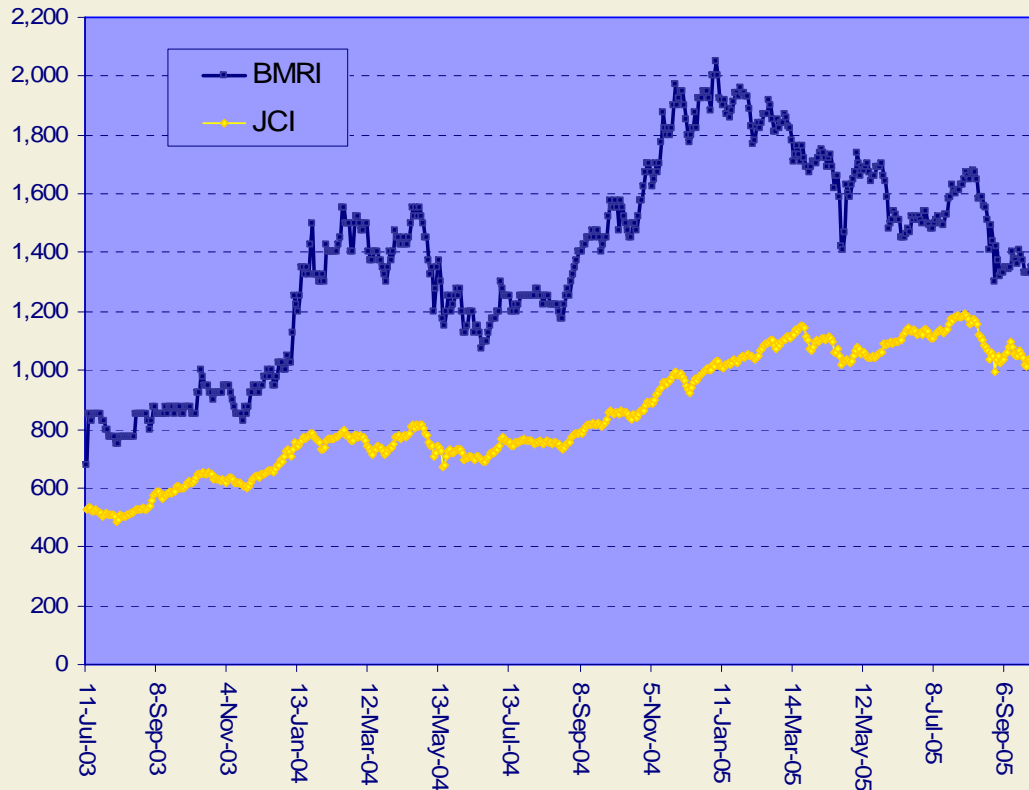
ONE HEART ONE NATION. ONE BANK.

PT Bank Mandiri (Persero) Tbk Q3 2005 Results Presentation

Bank Mandiri



Shareholding Information



△ from:	IPO	Jan 1 2005
BMRI	+114.8%	-24.68%
JCI	+105.7%	+7.90%

Description	Shareholders as of 30 September 2005		
	Investors	Shares	%
DOMESTIC			
1. Government	1	14,000,000,000	69.19%
2. Retail	9,133	423,780,500	2.09%
3. Employees	13,941	152,809,777	0.76%
4. Pension Funds	105	63,123,500	0.31%
5. Assurance/Banks	33	98,333,000	0.49%
6. Institutional	156	264,923,370	1.31%
7. Mutual Funds	29	58,784,500	0.29%
Total	23,398	15,061,754,647	74.44%
INTERNATIONAL			
1. Retail	75	6,459,000	0.03%
2. Institutional	292	5,165,386,630	25.53%
Total	367	5,171,845,630	25.56%
TOTAL	23,765	20,233,600,277	100.00%

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Bank Mandiri at a Glance

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Bank Mandiri Operating Highlights

Q3 2005

Key Quarterly Balance Sheet Items & Financial Ratios

<i>IDR billion / %</i>	Q3 2004	Q2 2005	Q3 2005	YoY Change (%)
Gross Loans	87,034	104,032	106,683	22.6
Government Bonds	93,954	92,536	92,267	(1.8)
Total Assets	235,542	256,784	250,341	6.3
Customer Deposits	168,145	183,184	186,448	10.9
Total Equity	23,855	22,787	23,563	(1.2)
RoA - before tax (p.a.)	3.2%	0.3%	1.6%	
RoE – after tax (p.a.)	24.2%	1.6%	10.5%	
Cost to Income⁽¹⁾	48.8%	55.2%	48.2%	
NIM (quarterly)	4.0%	3.6%	3.8%	
LDR	51.8%	56.8%	57.2%	
Gross NPL / Total Loans	7.2%	24.6%	23.4%	
Provisions / NPLs	132.0%	42.8%	47.7%	
Tier 1 CAR⁽²⁾	19.3%	17.8%	18.0%	
Total CAR⁽²⁾	26.6%	23.7%	23.7%	
Total CAR incl. Market Risk	23.8%	23.3%	23.0%	
EPS (Rp)	70	5	30	(57.1)
Book Value/Share (Rp)	1,193	1,132	1,163	(2.5)

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

(2) Bank only – Not including Market Risk

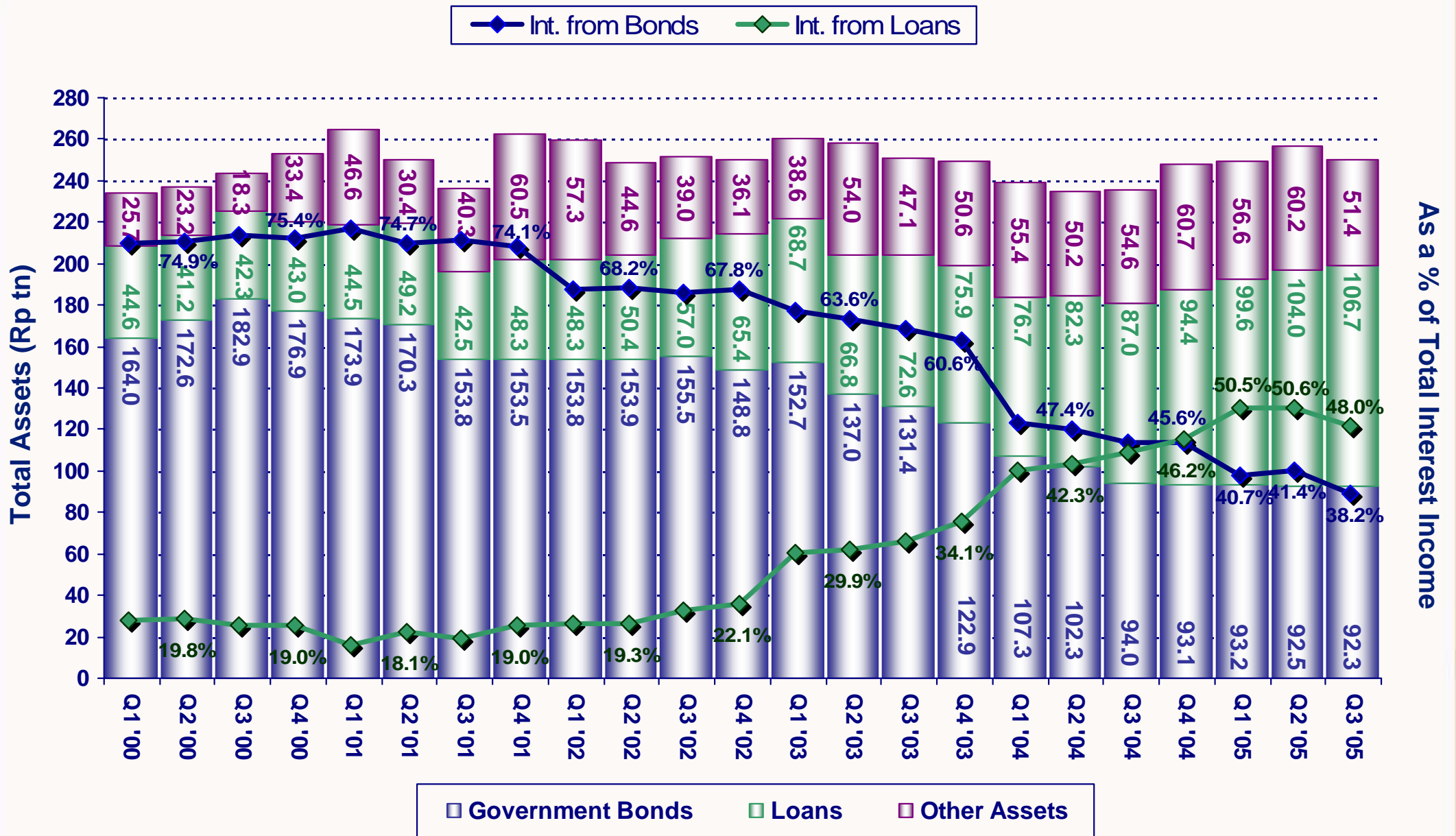
Summary P&L Information – 9 Mo. 2005 vs. 9 Mo. 2004

	9 Mo. 2004		9 Mo. 2005		YoY Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	14,426	8.0	14,775	7.8	2.4
Interest Expense	(7,236)	(4.0)	(8,092)	(4.3)	11.8
Net Interest Income	7,190	4.0	6,683	3.5	(7.1)
Other Operating Income	1,756	1.0	1,891	1.0	7.7
Gain from Increase in Value & Sale of Bonds	1,597	0.9	417	0.2	(73.9)
Provisions, Net	(171)	(0.1)	(2,254)	(1.2)	1,218.1
Personnel Expenses	(1,679)	(0.9)	(1,946)	(1.0)	15.9
G & A Expenses	(1,954)	(1.1)	(2,238)	(1.2)	14.5
Other Operating Expenses**	(462)	(0.3)	(462)	(0.2)	0.0
Profit from Operations	6,277	3.5	1,987	1.1	(68.3)
Non Operating Income	33	0.0	(18)	0.0	(154.5)
Net Income Before Tax	6,310	3.5	1,969	1.0	(68.8)
Net Income After Tax	4,481	2.5	1,227	0.7	(72.6)

* % of Average Assets on an annualized basis

** primarily premiums paid under the blanket guarantee scheme

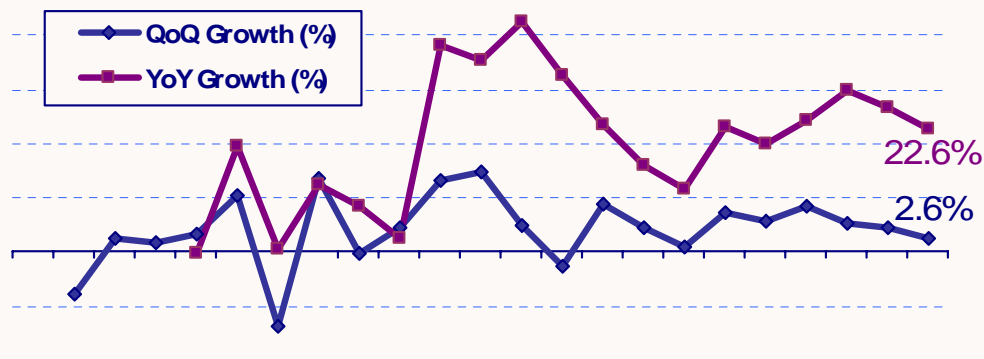
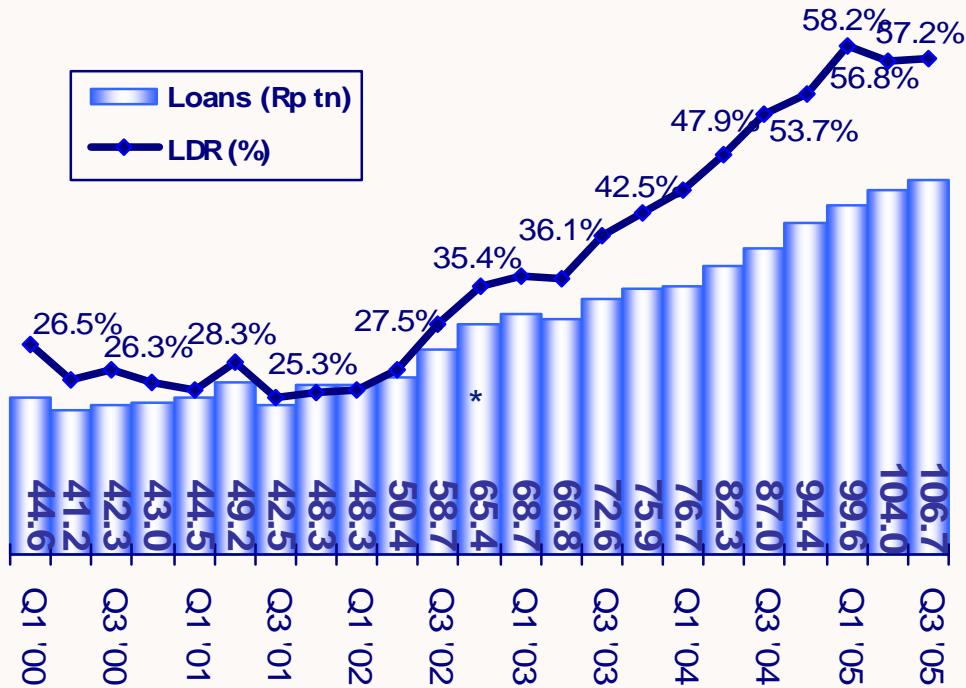
Total assets contract by 2.5% Q-o-Q – Consolidated



As a % of Total Interest Income

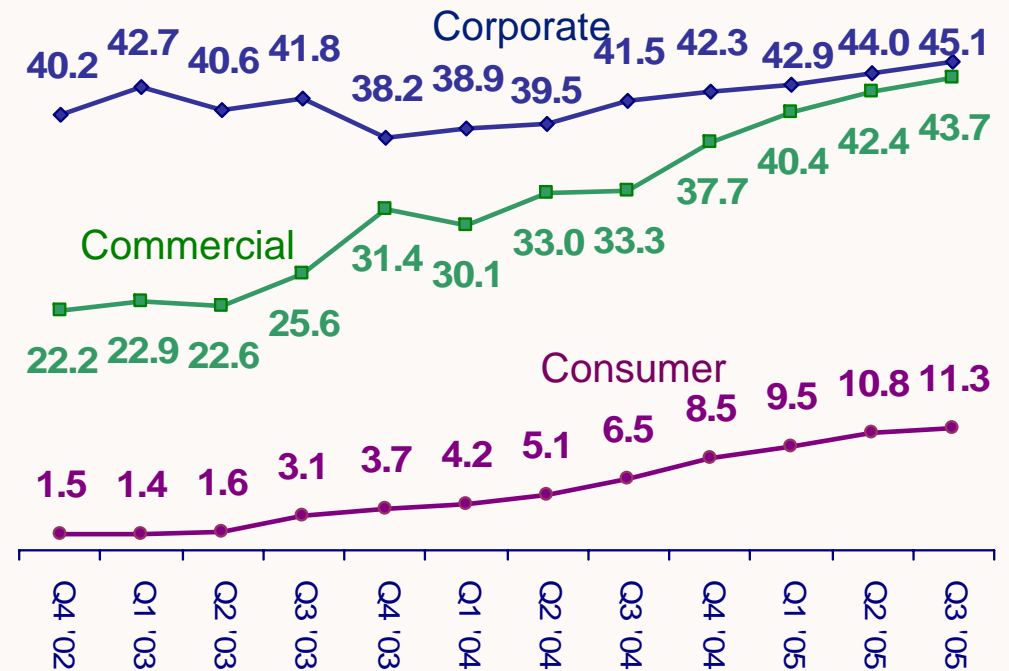
Loan growth modest across all segments

Quarterly Loan Data – Consolidated



* Note: Includes IBRA loan purchases of Rp 5 tr

Quarterly Loan Segment Details – Bank Only



By Segment (Bank only)	Loans (Rp tn)	Y-O-Y Growth (%)	% of Portfolio
Corporate	45.15	8.7%	45.1%
Commercial	43.68	31.3%	43.7%
Consumer	11.25	72.0%	11.2%
Total	100.08	25.3%	100%

As of September 2005; Non-consolidated numbers

Business Unit Performance, 9 Months 2005

<i>Business Unit Performance (Rp bn)</i>	<i>Corp.</i>	<i>Comm.</i>	<i>Cons.</i>	<i>Small & Micro</i>	<i>CRG</i>	<i>Treasury*</i>
Earning Assets (Avg. Bal.)	34,399	24,277	10,120	6,951	15,461	100,454
Deposits & Borrowings (Avg. Bal.)	52,538	20,625	98,635	828	0	11,219
Interest Margin on Assets	632	907	493	264	(373)	(942)
Interest Margin on Liabilities	1,328	540	2,332	20	2	274
Total Interest Margin	1,960	1,447	2,825	284	(371)	(669)
Other Operating Income	215	53	797	95	47	810
Other Operating Expenses**	(285)	(334)	(1,992)	(165)	(69)	(69)
Pre-Provision Operating Profit	1,890	1,167	1,631	214	(393)	72
Operating Profit (Incl. Provision)	730	1,165	1,514	121	(1,834)	57
% of Pre-Prov. Operating Profit***	43.8%	27.0%	37.8%	5.0%	(9.1%)	1.7%
% of Operating Profit (Incl. Prov.)	34.2%	54.7%	71.1%	5.7%	(86.1%)	2.7%

Excludes Overseas

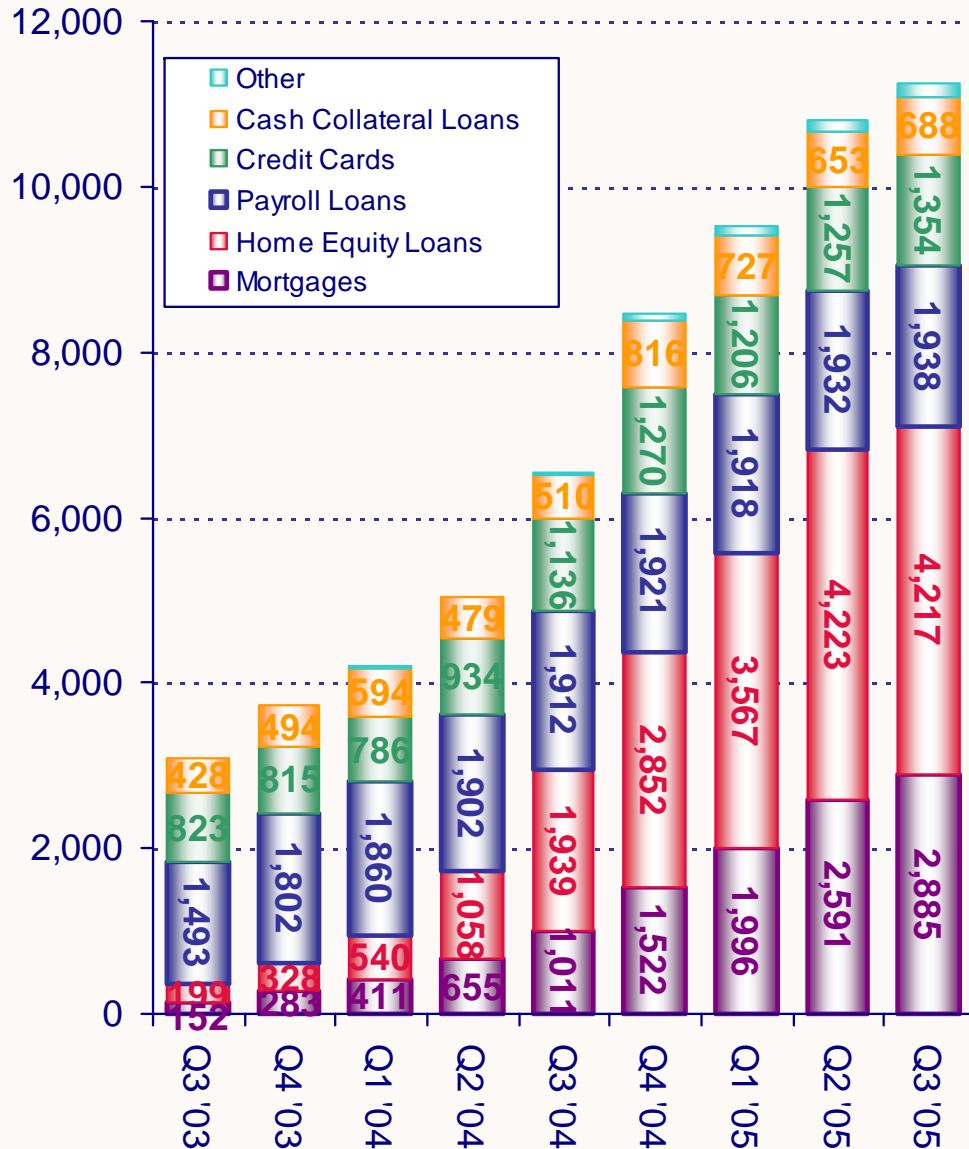
* Includes Government Bonds

** Includes Allocated Cost

*** Balance of pre-provision operating profit attributable to funds transfer pricing on capital not allocated to BU

Consumer lending growth slows on tighter credit criteria

Quarterly Consumer Loan Balances by Type



Consumer Loan Growth by Type

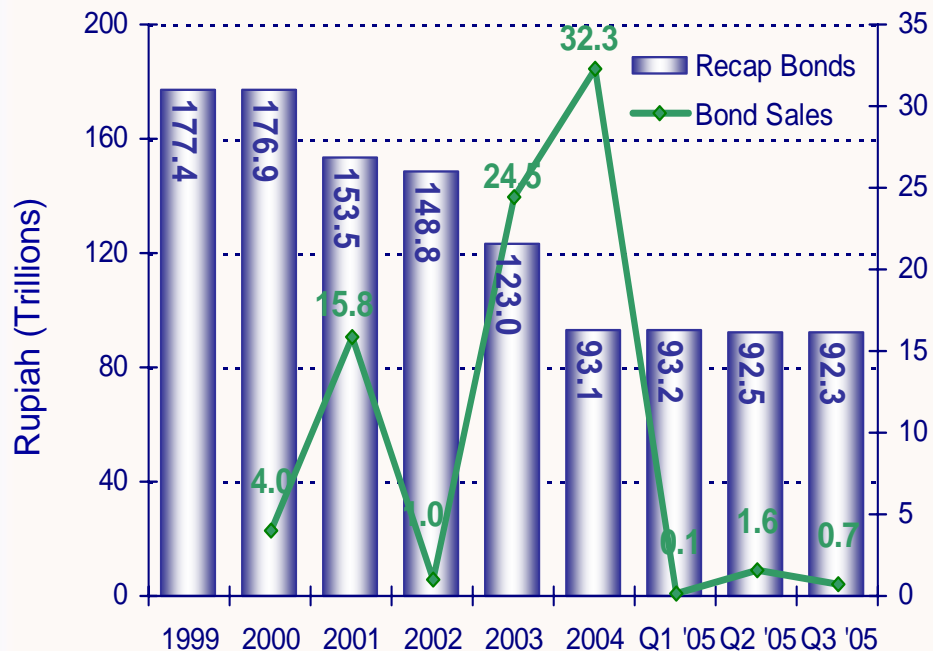
Loan Type	Growth (%)	
	Y-o-Y	Q-o-Q
Other	422.45%	15.16%
Cash Collateral Loans	35.05%	5.42%
Credit Cards	19.19%	7.71%
Payroll Loans	1.38%	0.32%
Home Equity Loans	117.49%	-0.13%
Mortgages	185.42%	11.35%
Total Consumer	72.05%	4.16%

*Auto & Motorcycle Loans channeled or executed through finance companies = Rp 2.635 tn in our Commercial Loan Portfolio

Sales of Rp 666 billion from the Recap Bond Portfolio

<i>At Fair Value, Sept 2005 (Rp tn)</i>	Trading (Mark to Market*)	AFS (Mark to Market#)	HTM (Nominal Value)	Total	% of Total
Fixed Rate	0.6	1.9	1.4	3.8	4.2%
Variable Rate	1.7	26.9	59.7	88.4	95.8%
Hedge Bonds	-	-	-	-	-
Total	2.3	28.8	61.1	92.3	
% of Total	2.5%	31.3%	66.2%		

Bond Portfolio Movement (Fair Value), 1999 – Q3 '05



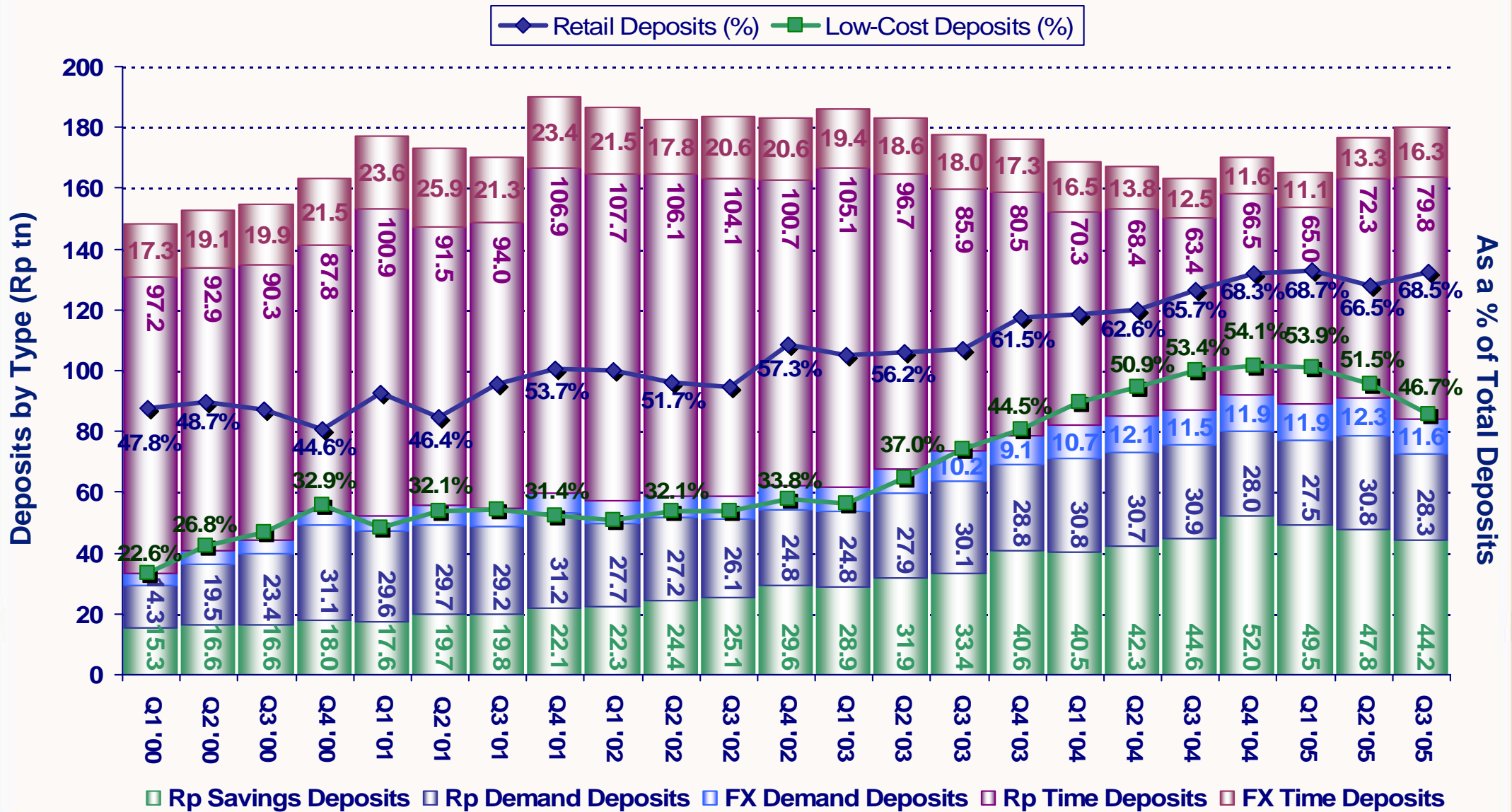
Portfolio Sales as of September 2005 (Rp bn)

IDR bn	2003	2004	Q1 '05	Q2 '05	Q3 '05
Bonds Sold	24,505	32,334	85	1,622	666
Realized Profit	1,868	1,365	18	244	2
Unrealized Profit	(52)	66	(7)	12	(12)

* Mark to Market impacts Profit
Mark to Market impacts Equity

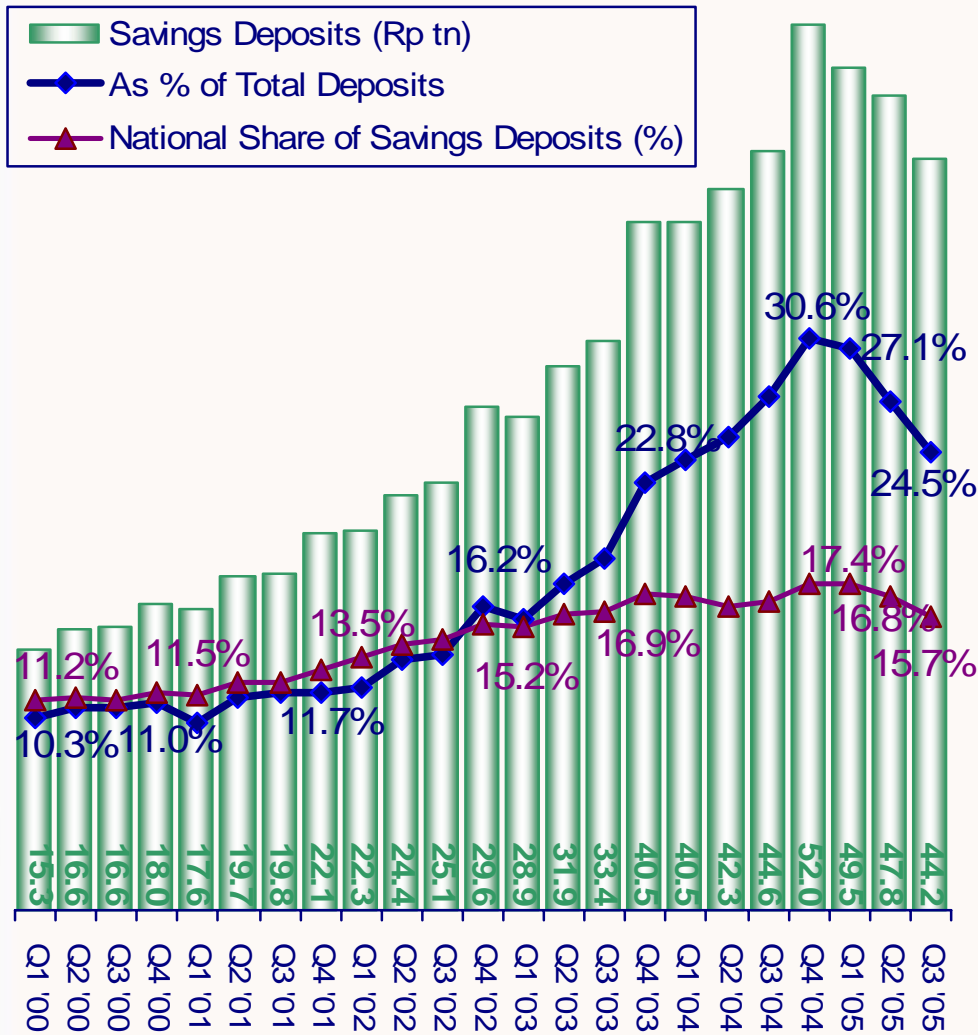
Funding growth of 2.2% Q-o-Q driven by Rp Time Deposits

Deposit Analysis – Bank Only

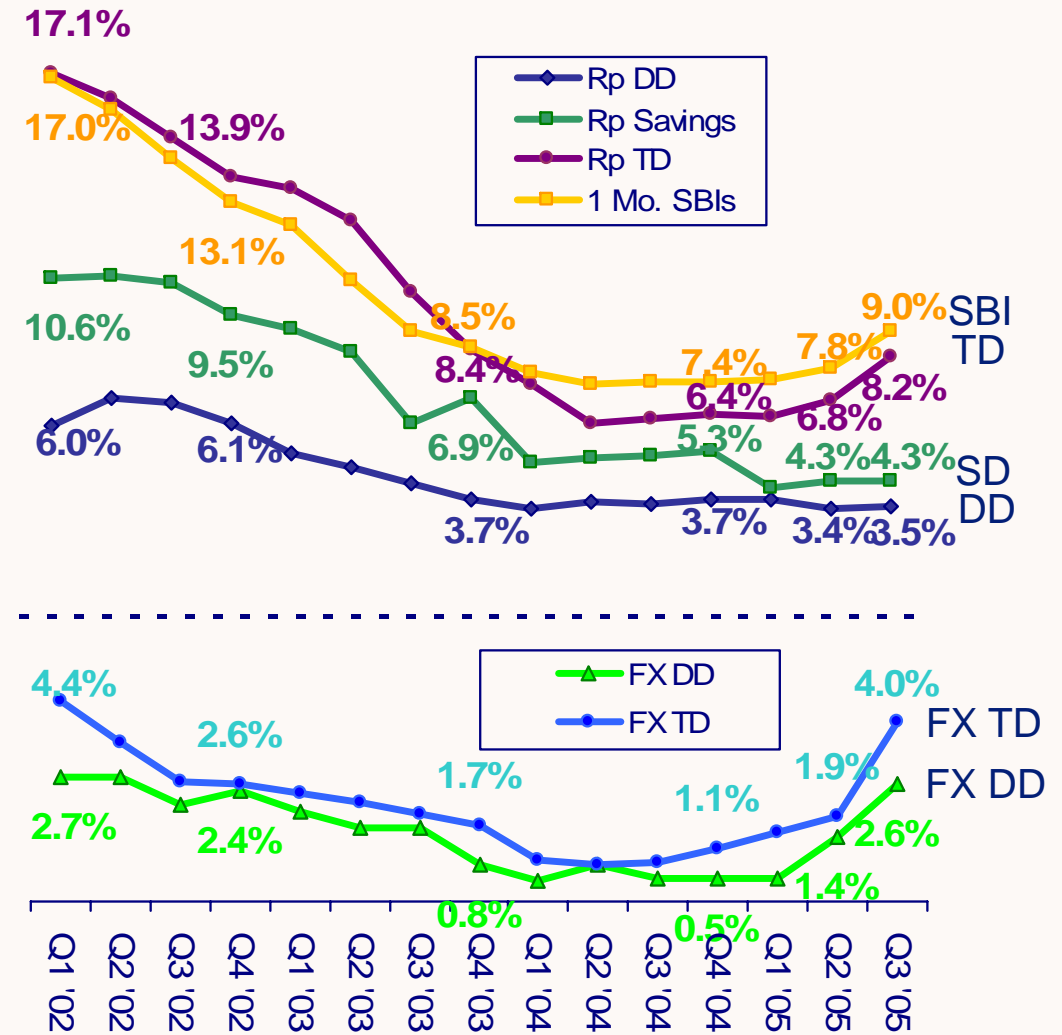


Savings deposit volume drops as TD rates rapidly increase

Savings Deposit Growth

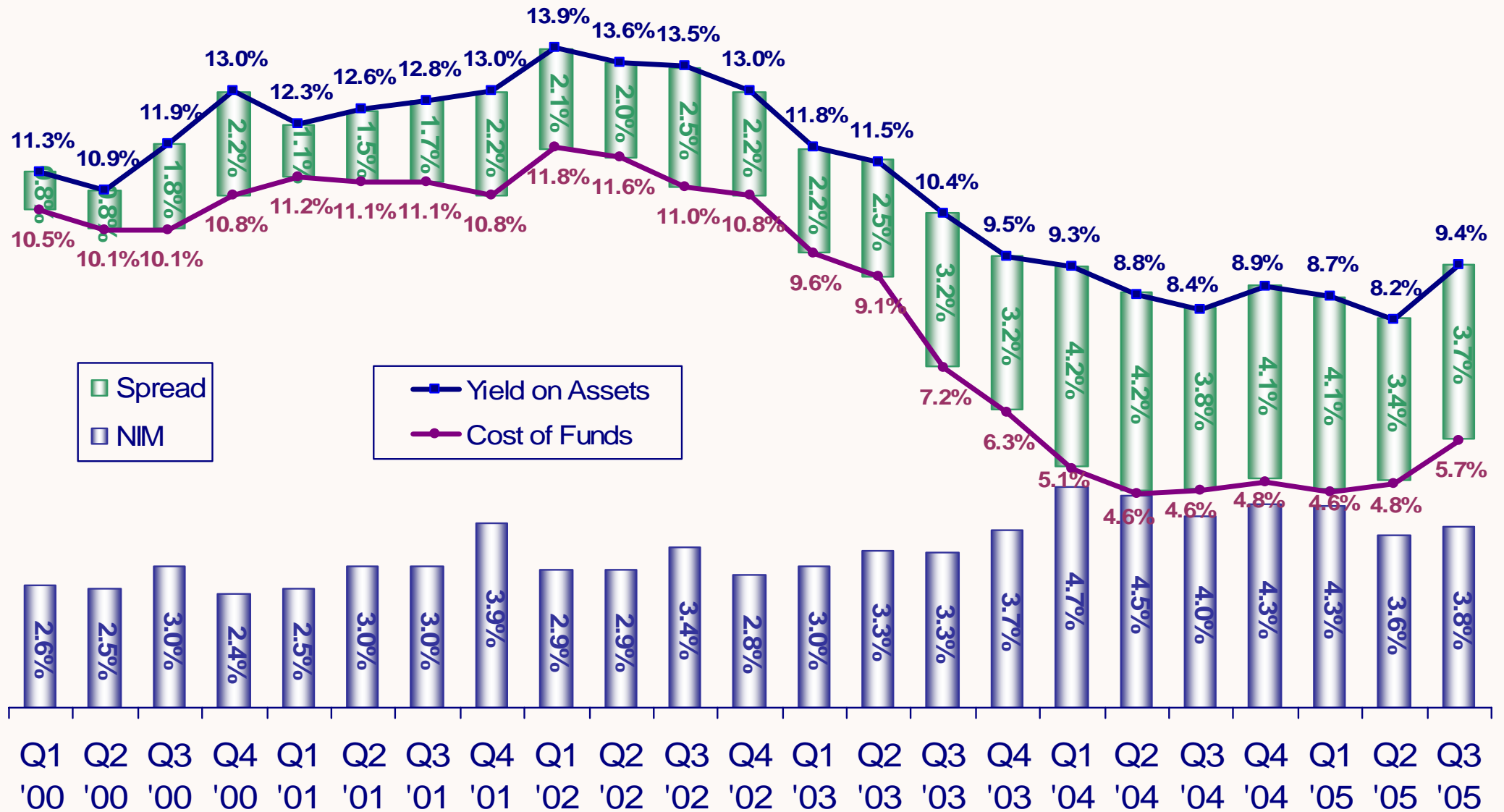


Average Quarterly Deposit Costs (%)



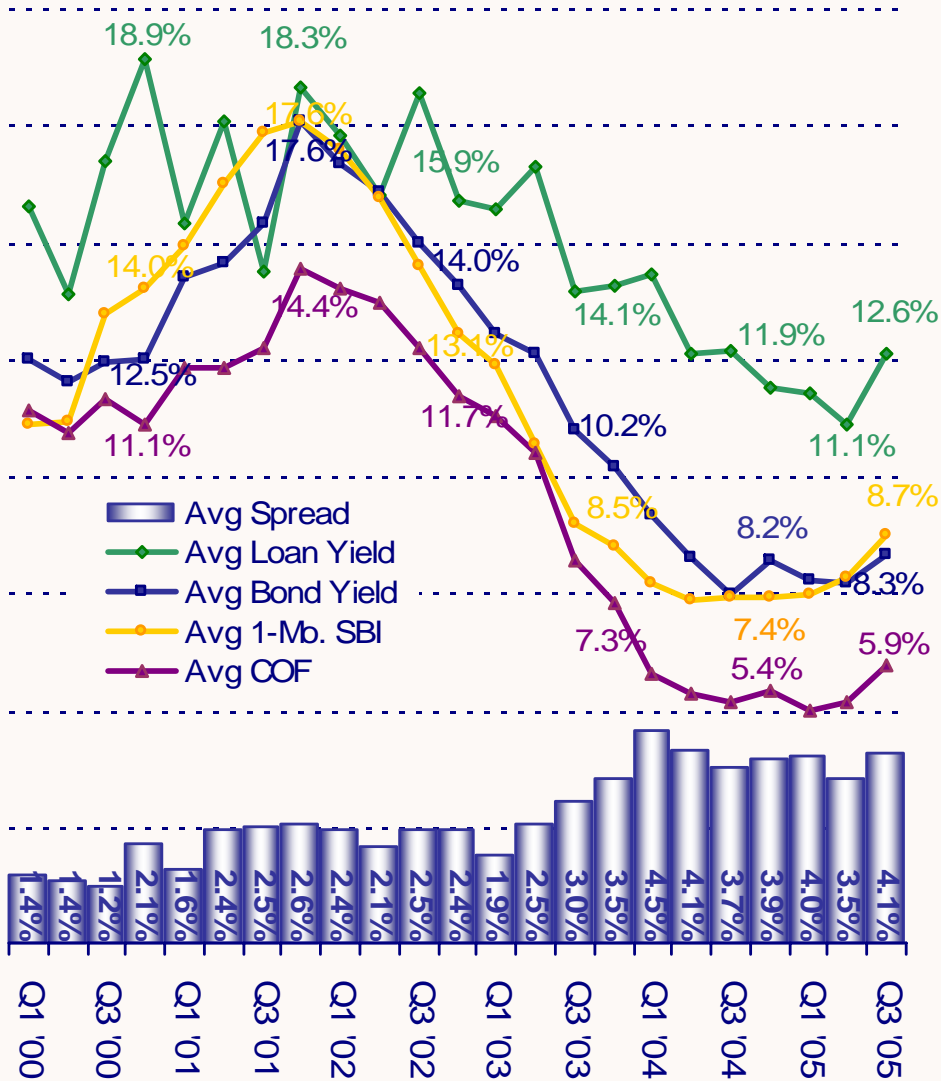
Margins expand as loan yields outpace funding costs

All figures - Bank Only

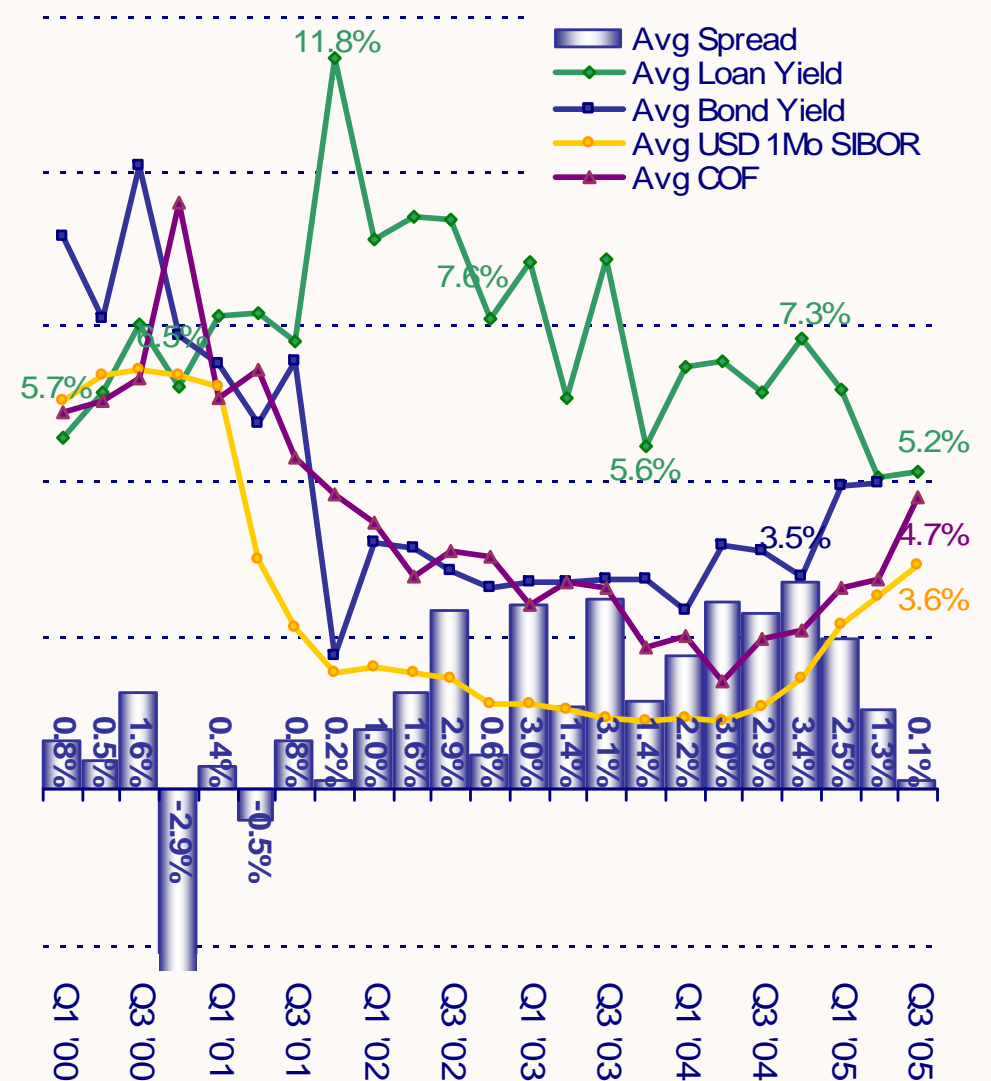


Quarterly Margin Analysis by Currency

Quarterly Rupiah Margins

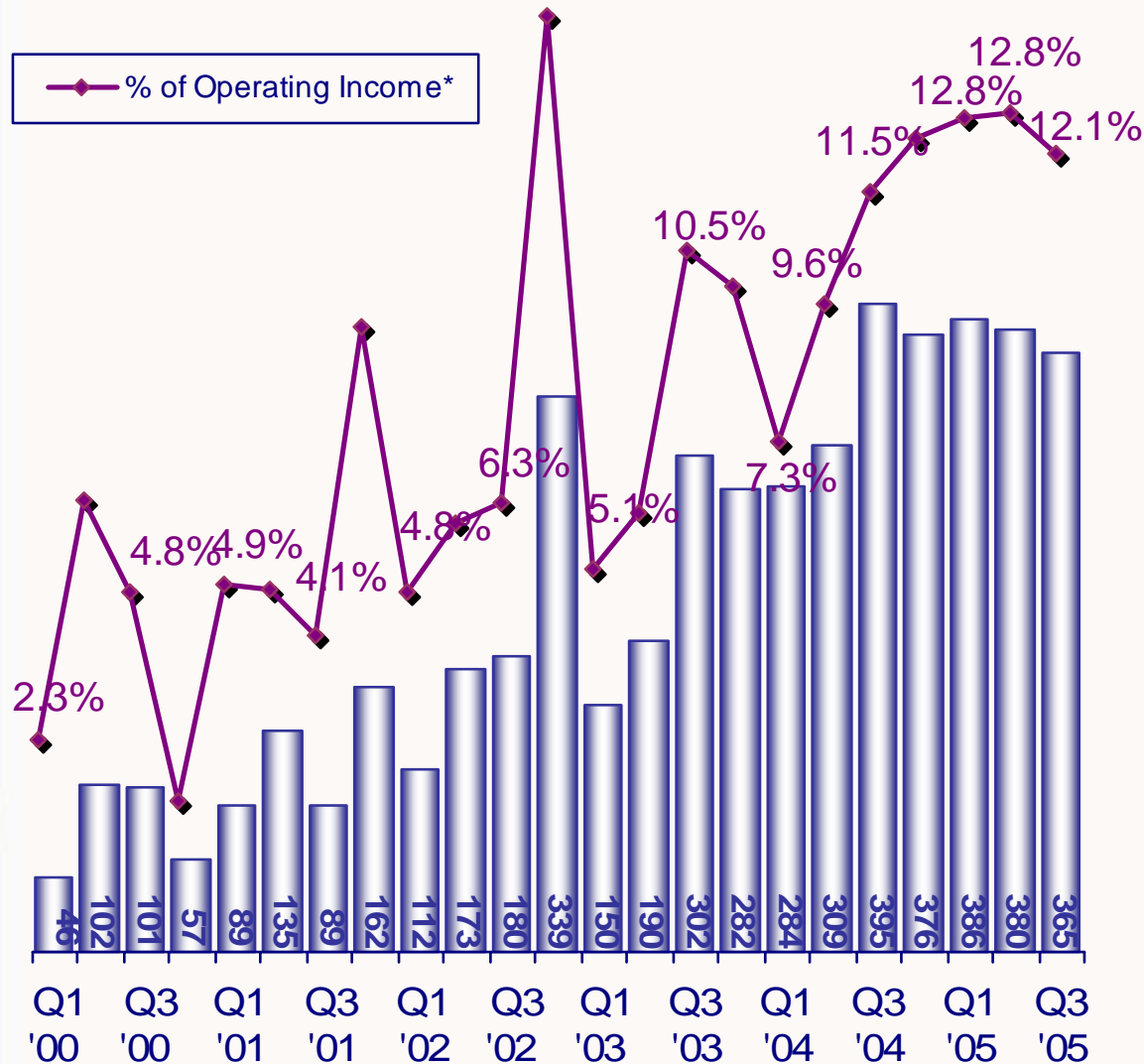


Quarterly Foreign Currency Margins



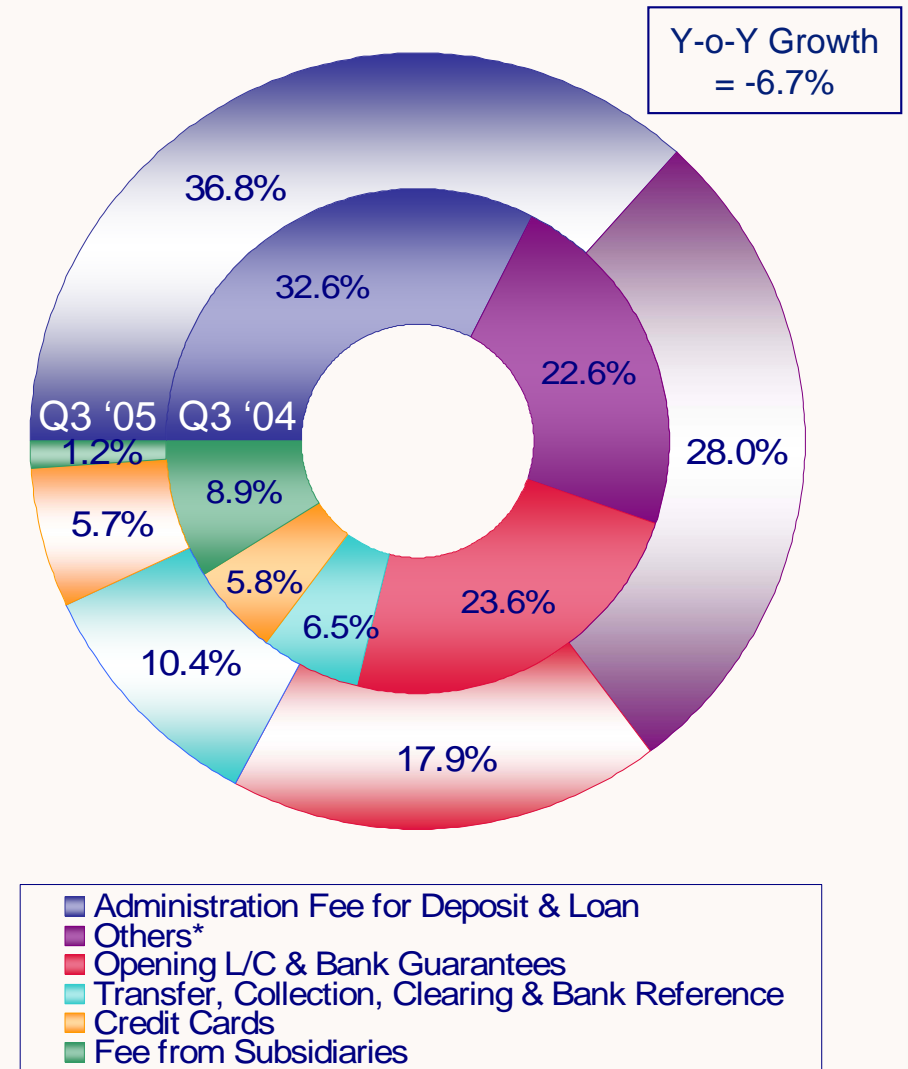
Non-loan Related Fees & Commissions

Non-loan related fees & commissions



*Non-Loan related fees & commissions/Total Operating Income

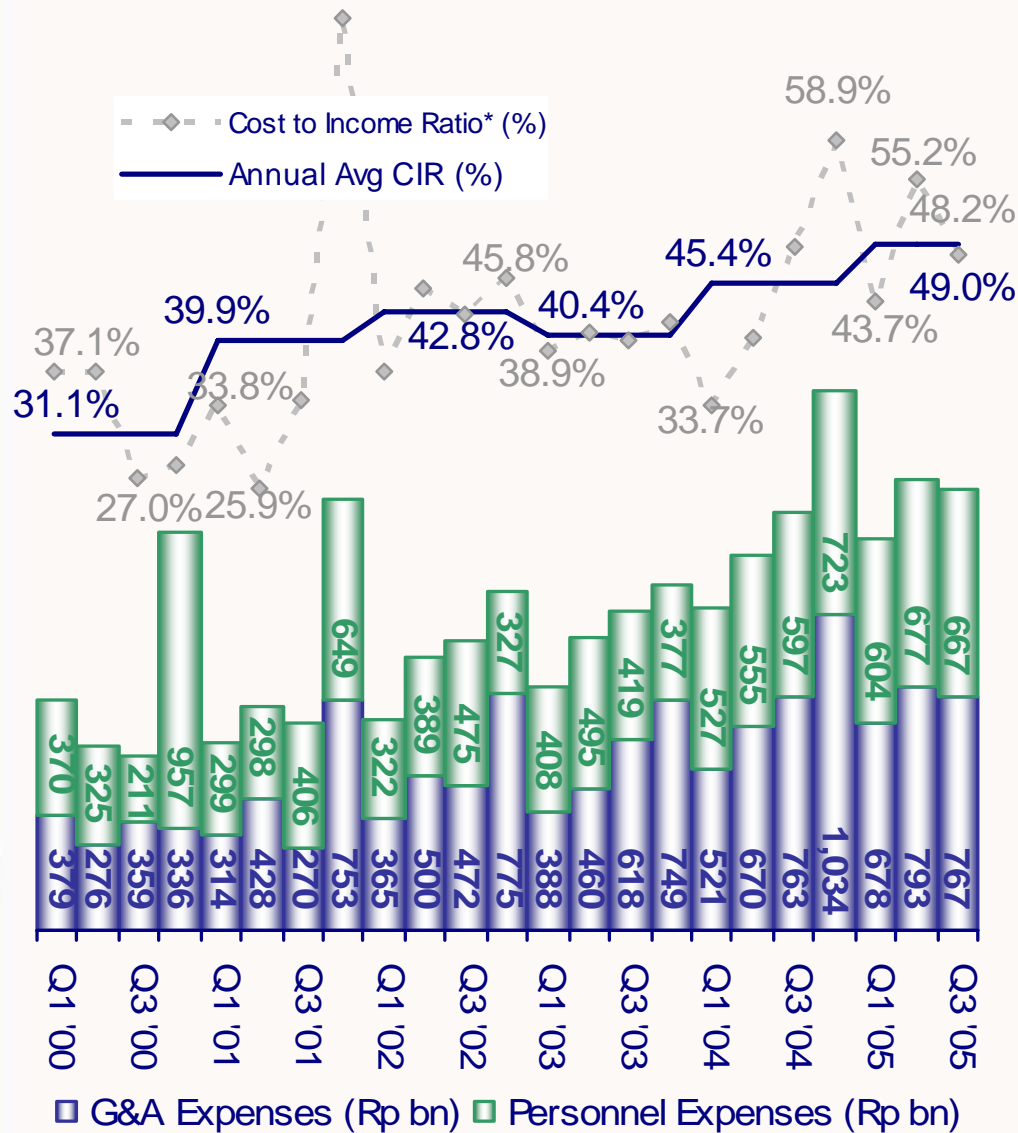
Details of Q3 2004 & 2005



*Others include Custodian & Trustee fees, Syndication, Mutual Funds, Payment Points, etc.

Cost to Income Ratio contained in Q3

Quarterly Operating Expenses & CIR



*Excluding Bond gains

Breakdown of Q3 2004 & 2005 Operating Expenses

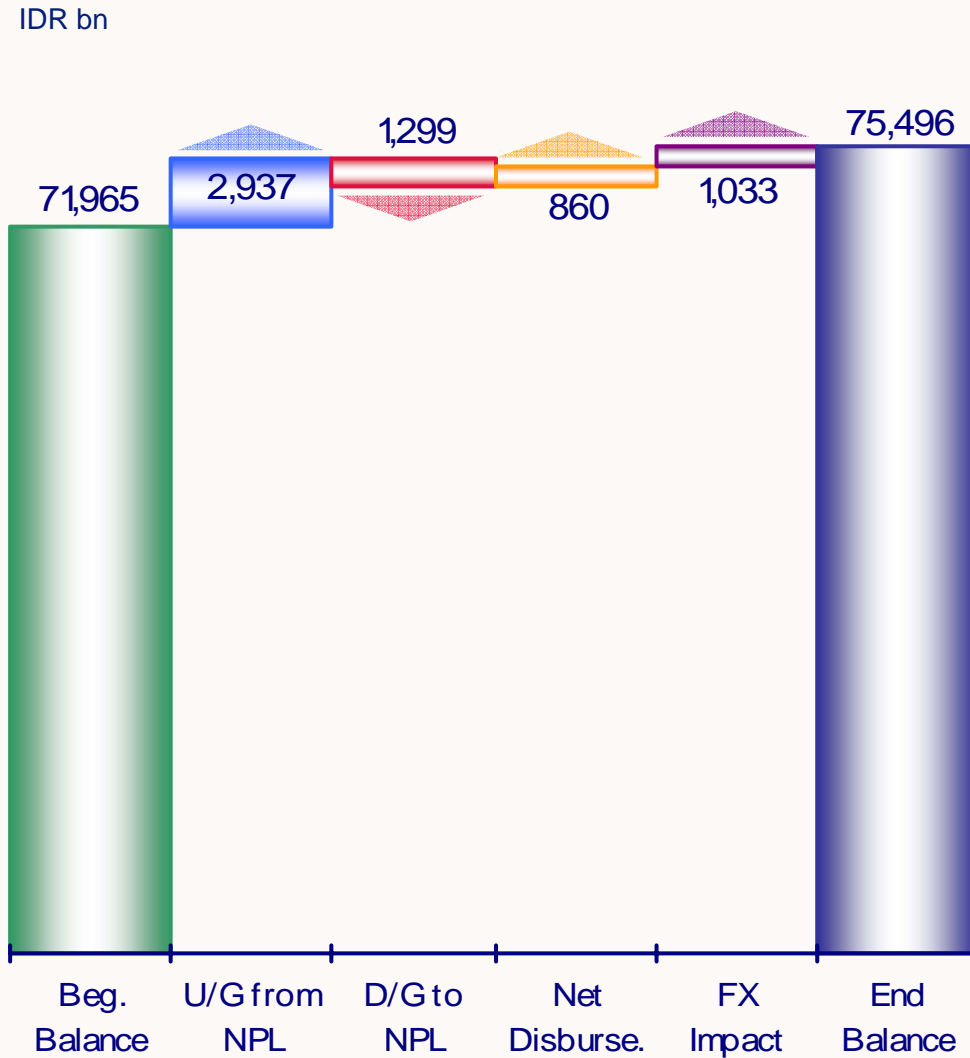
	Q3 '04	Q3 '05	Change (Y-o-Y)
Personnel Expenses			
Other Allowances	274,963	290,750	5.7%
Base Salary	225,829	262,460	16.2%
Training	27,829	32,218	15.8%
Post Employment Benefits	14,187	14,416	1.6%
Subsidiaries	53,766	65,930	22.6%
Total Personnel Expenses	596,574	665,774	11.6%
G & A Expenses			
Occupancy Related	189,171	240,515	27.1%
IT & Telecommunication	199,834	205,445	2.8%
Prof. Services & Others	68,996	72,726	5.4%
Transportation & Traveling	61,340	68,934	12.4%
Employee Related	36,383	51,599	41.8%
Promotion & Sponsorship	138,152	44,487	(67.8%)
Subsidiaries	69,532	82,942	19.3%
Total G & A Expenses	763,408	766,648	0.4%

Bank Mandiri Loan Portfolio Analysis

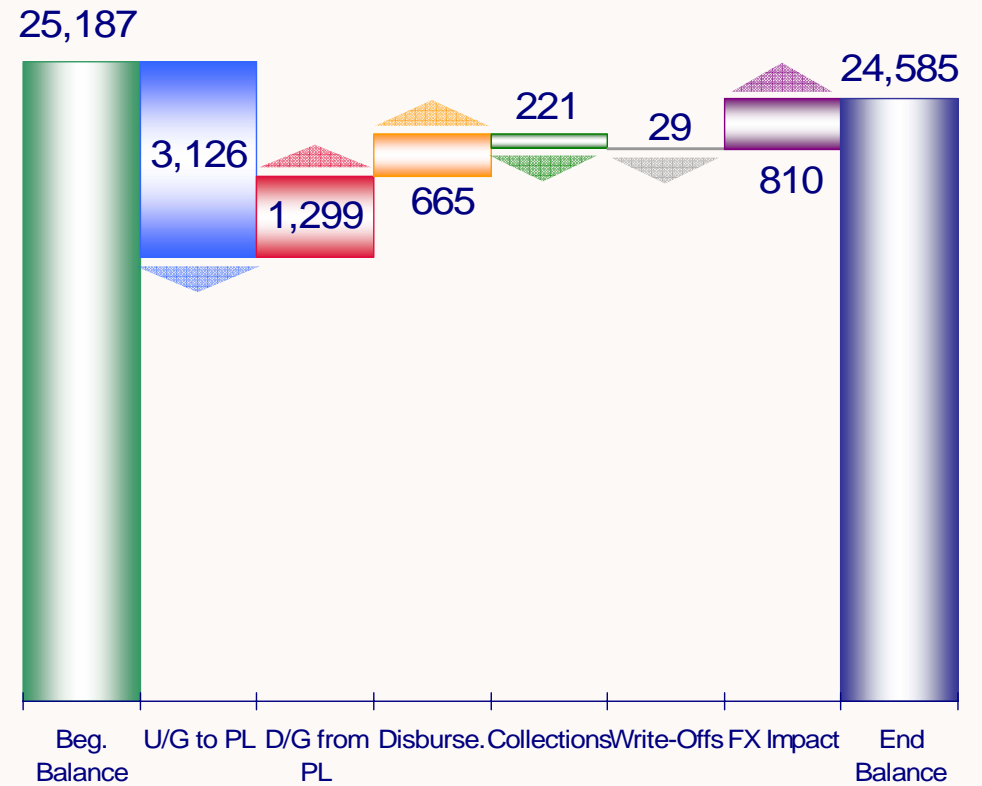
Q3 2005

Q3 2005 Loan Movement, Performing & Non-Performing Loans

Performing Loan Movements - Bank Only

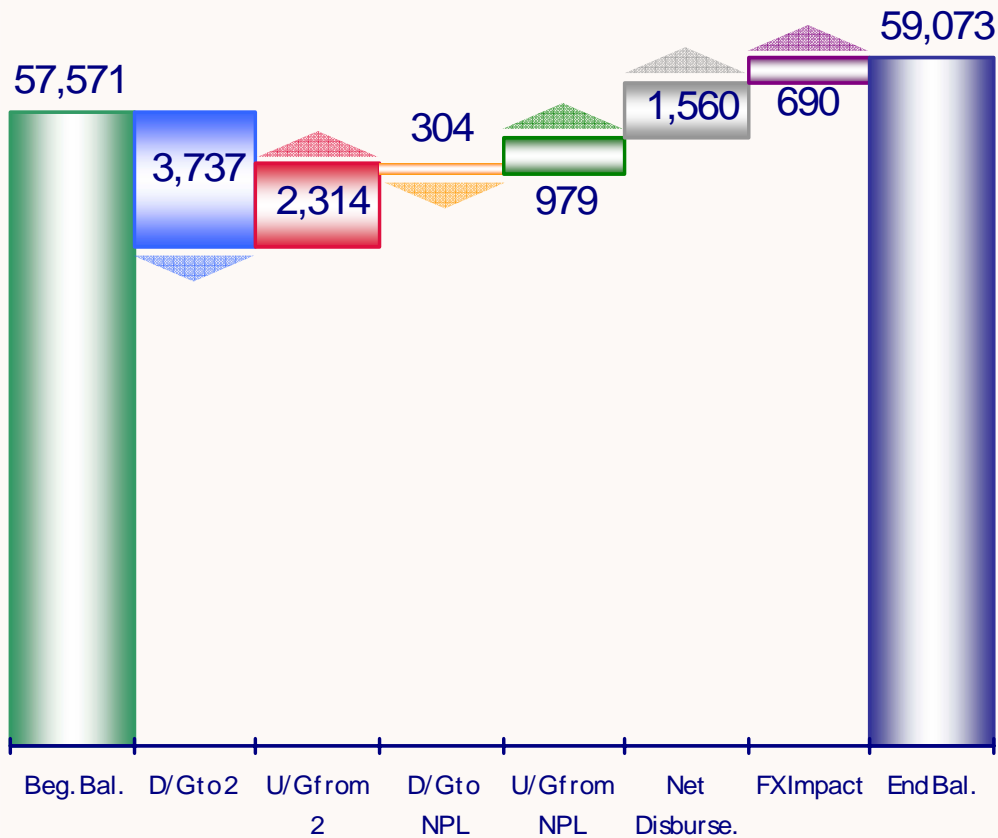


Non-Performing Loan Movements - Bank Only

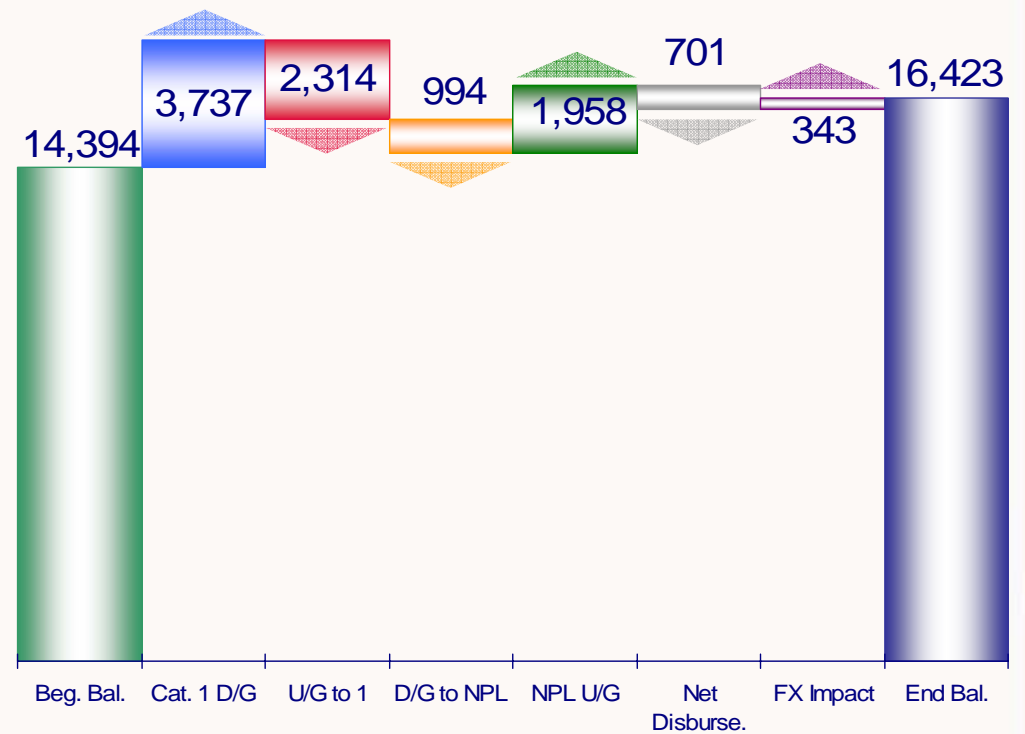


Q3 2005 Movement in Category 1 and 2 Loans

Category 1 Loan Movements (Rp bn) – Bank Only

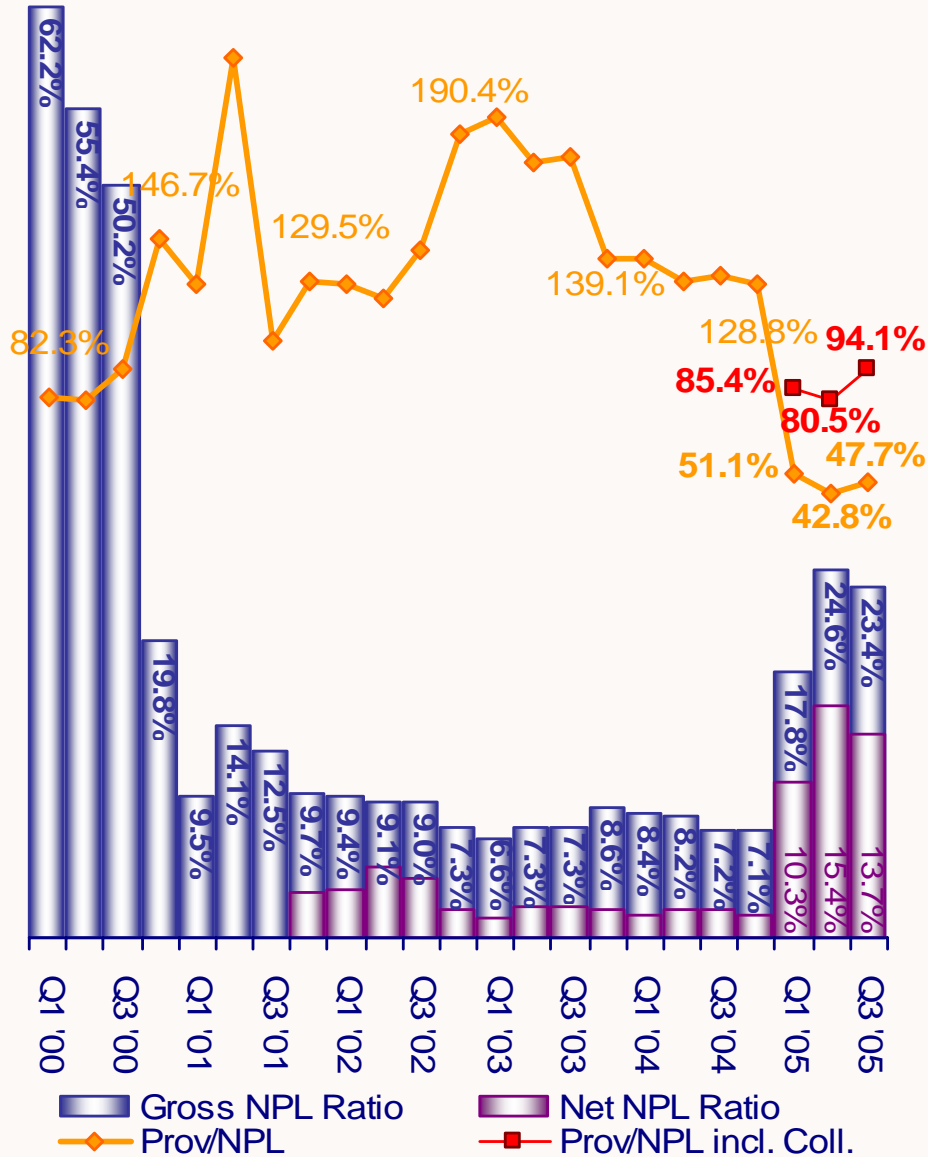


Category 2 Loan Movements (Rp bn) – Bank Only

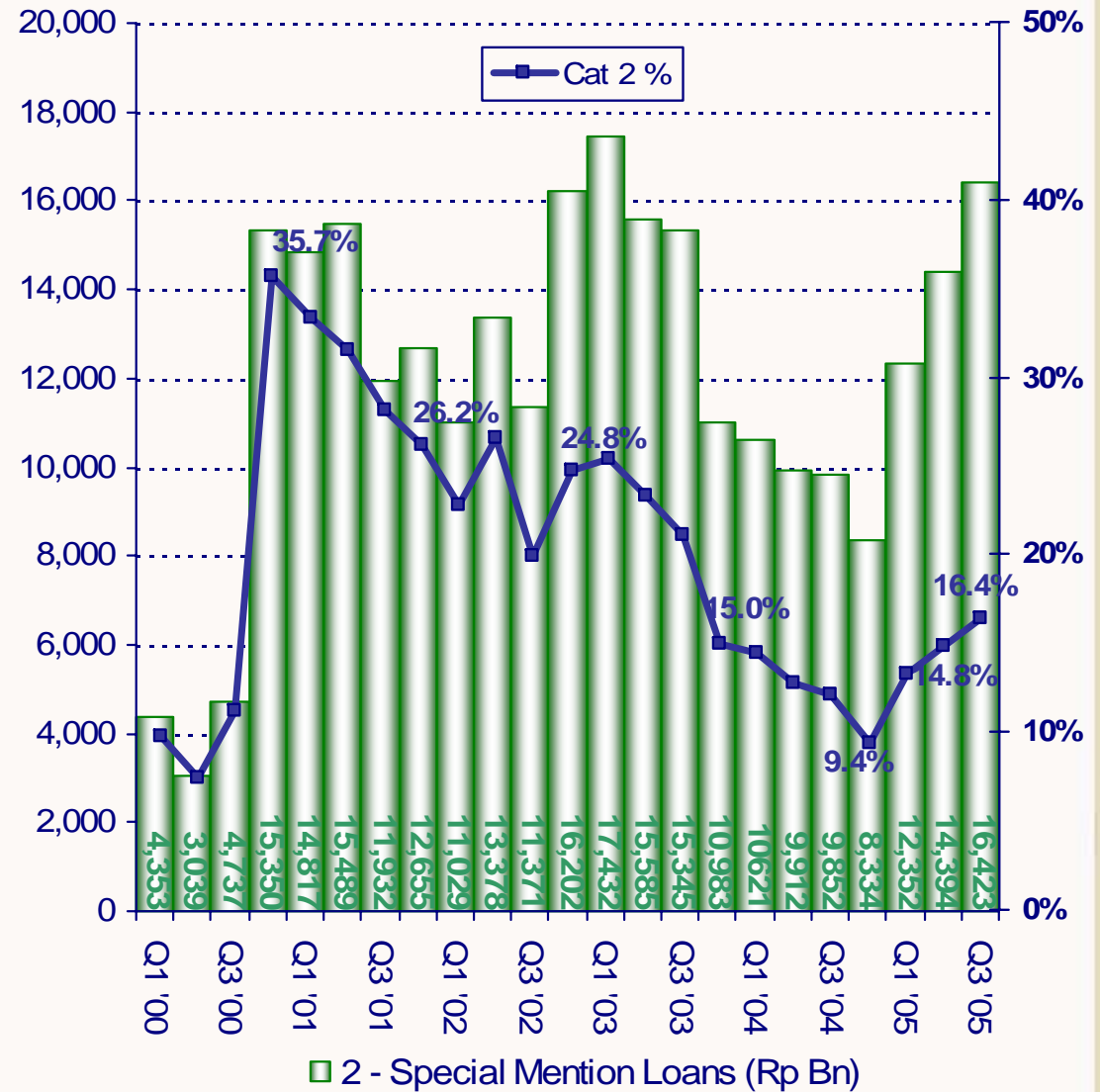


Provisioning coverage reflects BI requirements

NPL Movement - Consolidated



Category 2 Loans – Bank Only



NPL, Provisioning & Collateral Details – Bank Only

Non-Performing Loans by Segment

	NPLs (Rp tn)	Q3△ (Rp tn)	NPLs (%)
Corporate	16.43	(1.58)	36.39%
Commercial	7.86	0.90	18.00%
Consumer	0.29	0.06	2.60%
Total	24.59	(0.60)	24.57%

- Bank Mandiri's current provisioning policy adheres to BI requirements
- As of 30 September '05, provisions excess to BI requirements = Rp 459.0 bn

Provisioning Policy	Performing Loans		Non-Performing Loans		
	1	2	3	4	5
Collectibility	1	2	3	4	5
BI Req.	1%	5%	15%	50%	100%
BMRI Policy	1%	5%	15%	50%	100%
BMRI pre-2005	2%	15%	50%	100%	100%

Collateral Valuation Details

Collateral value is credited against cash provisioning requirements on a conservative basis. For assets valued above Rp 5bn:

- Collateral is valued only if Bank Mandiri has exercisable rights to claim collateral assets
- 70% of appraised value can be credited within the initial 12 months of valuation, declining to:
 - 50% of appraised value within 12 to 18 months
 - 30% of appraised value within 18 to 24 months
 - No value beyond 24 months from appraisal
- Collateral has been valued for 130 accounts and collateral provisions of Rp 11,600bn have been credited against loan balances of Rp 22,884bn

Collectibility	1	2	3	4	5
Cash Provisions	616	808	1,505	1,554	7,242
Collateral Provisions		2,300	1,907	2,197	5,196
# of Accounts	13	27	25	17	48

Quarterly Analysis of Upgrades and Downgrades*

Total Corporate, Commercial & Small Business Loans

Loan Background	Q2'05 Balance (Rp bn)	Net Upgrades/Downgrades#				Q3 2005 Details	
		Q4 2004	Q1 2005	Q2 2005	Q3 2005	DG to NPL	UG to PL
Restructured	21,546.2	2.2%	30.7%	10.0%	4.5%	0.8%	5.3%
IBRA	4,909.5	9.1%	15.0%	3.4%	0.5%	0.8%	0.3%
Pre-Merger	457.9	0.1%	1.9%	0.1%	0.1%	0.1%	0.0%
Post-Merger	58,010.8	0.7%	5.5%	8.2%	1.4%	1.6%	3.0%
Overseas	2,322.1	-	38.6%	1.8%	0.4%	0.6%	0.9%
Total	87,246.4	0.4%	13.3%	8.0%	2.0%	1.3%	3.3%

% downgrades and upgrades are quarterly figures

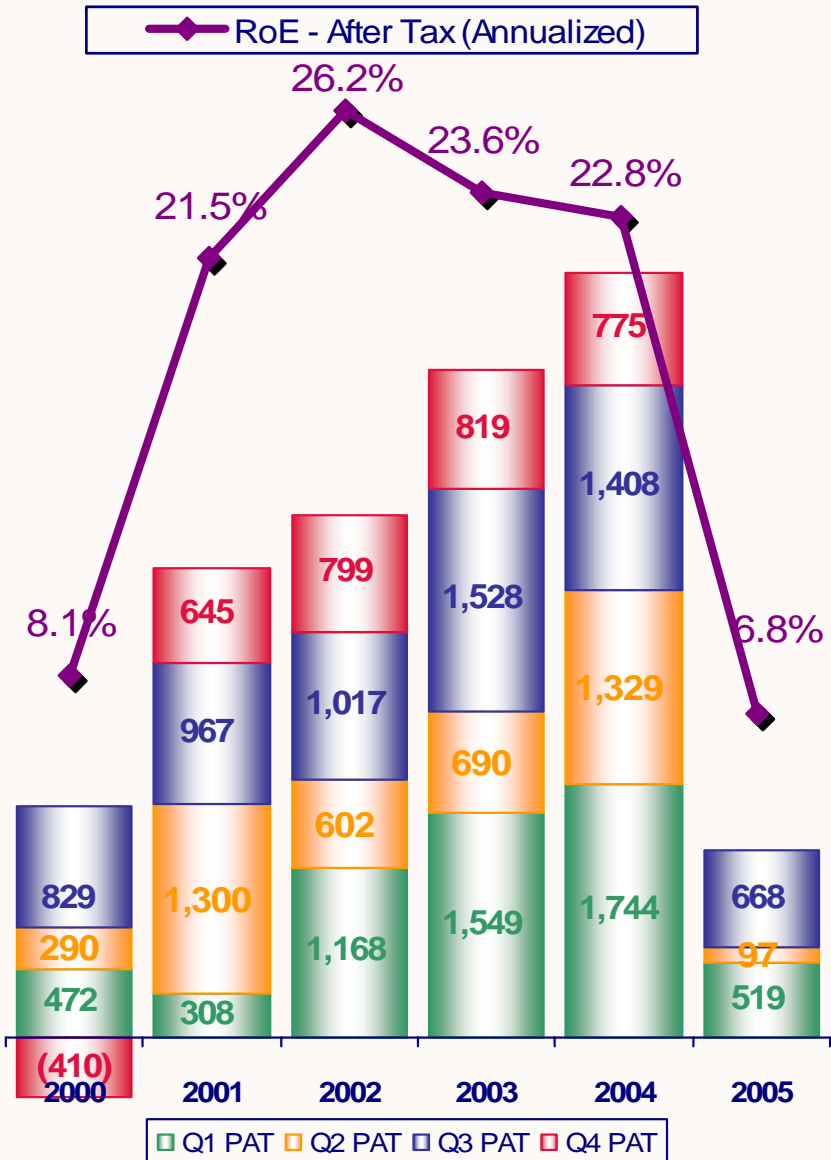
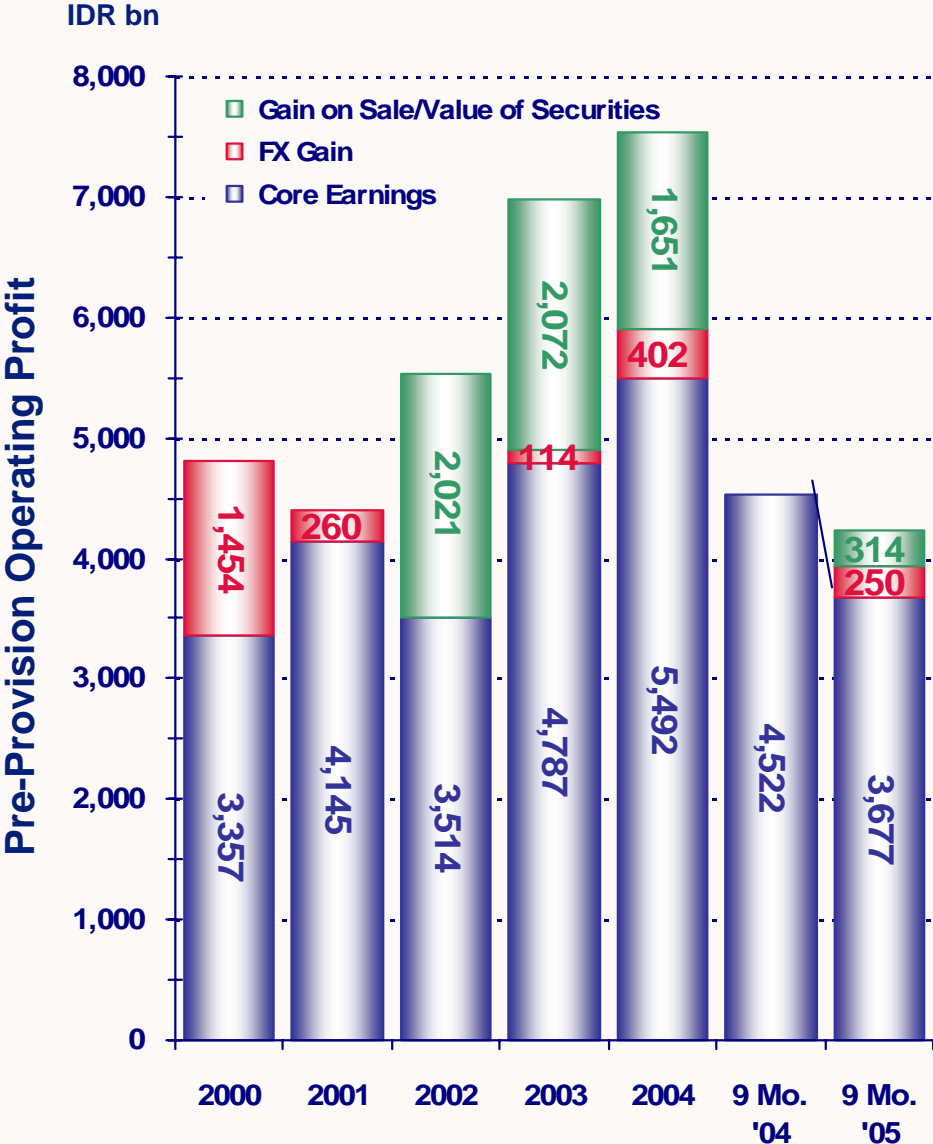
* Excluding Micro & Consumer Banking

Note: For a breakdown of Corporate and Commercial loans, please refer to the detail slide in the appendix.

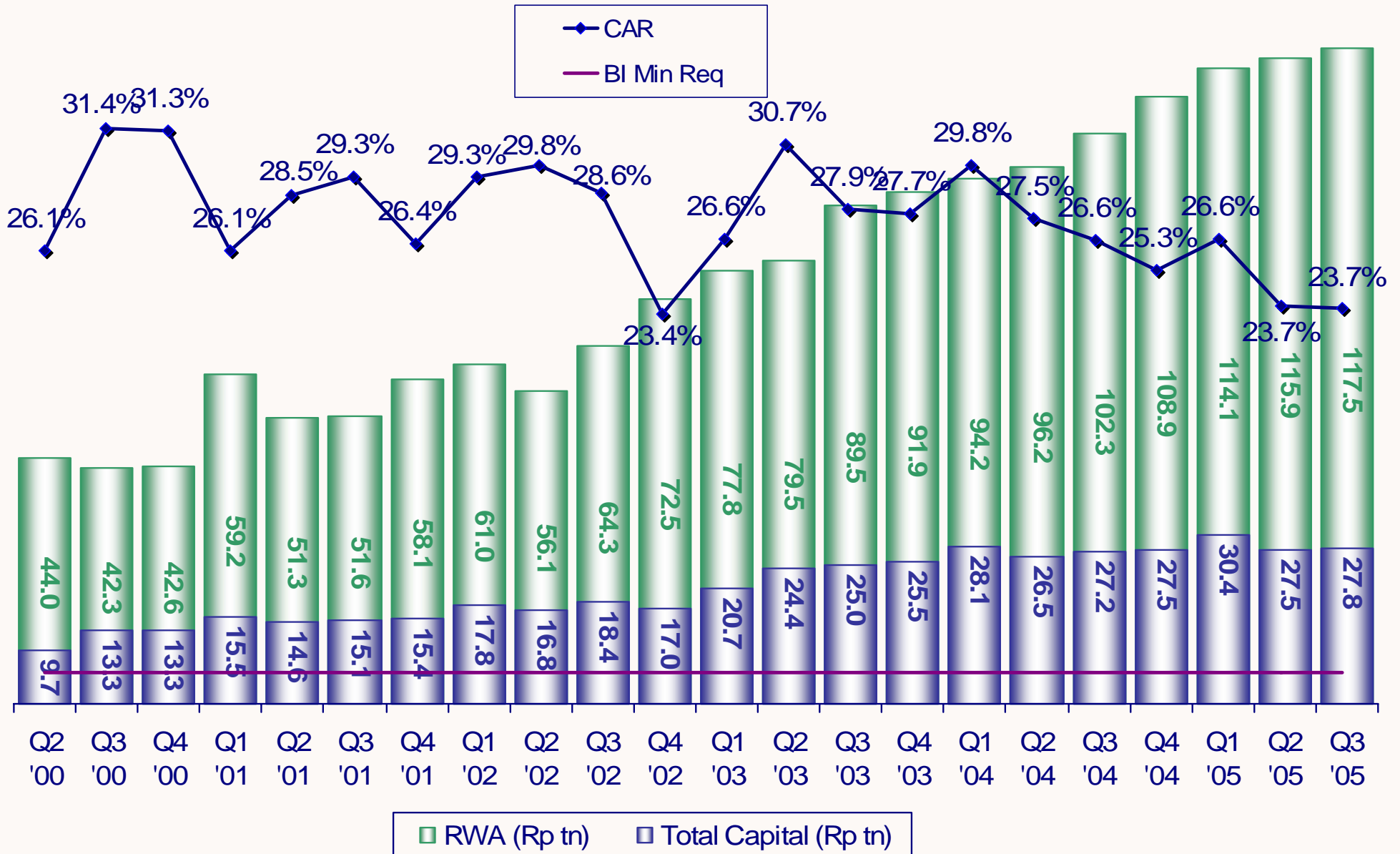
Bank Mandiri Financial Performance

Q3 2005

9 Mo. 2005 core earnings decline 23.0% from 9 Mo. 2004



High CAR maintained at 23.7%



Additional Factors

Written-off Loans

- Aggregate of IDR 22.07 tn (US\$ 2.14 bn) in written-off loans as of end-September 2005, with significant recoveries on-going:
 - 2001: IDR 2.0 tn
 - 2002: IDR 1.1 tn
 - 2003: IDR 1.2 tn
 - 2004: IDR 1.08 tn
 - H1 '05 : IDR 0.420 tn (US\$ 43.7 mn)
 - **Q3 '05 : IDR 0.164 tn (US\$ 15.9 mn)**

Property Revaluation

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

Provisioning in line with BI requirements

- Exceptional provisioning policy resulted in allowances on loans exceeding BI's minimum requirements
 - As of 30 September 2005, excess provisions on earning assets totaled IDR 459.0 bn

Loan Collateral Undervalued

- Collateral values included for provisioning purposes on only 130 accounts. This will rise as current valuations are completed

Corporate Actions

Dividend Payment

- Interim dividend payment of Rp 60 per share on 30 December 2004
- AGM approved payment of Rp 70.496 per share final dividend payment, in keeping with our 50% dividend payout policy. Schedule as follows:
 - Cum Date – 13 June 2005
 - Ex Date – 14 June 2005
 - Payment Date – 24 June 2005
- Total dividend for 2004 = Rp 130.496 per share (an increase of 13.0%)
- Total dividend for 2003 = Rp 115 per share

Bank Mandiri's Strategic Roadmap and NPL Resolution Progress

7 Major Operational Problems and 5 Consolidation Strategies

1

▪ Non-performing loans and high credit risk, especially in the corporate portfolio as a result of system weakness and inadequate human resource capabilities in credit area

2

▪ Governance, risk management and control systems have not functioned effectively

3

▪ Negative image due to inappropriate BPK (State Auditor) audit findings and corruption indications resulting in a growing concern among customers and employees that non-performing loans issue can be linked directly to corruption indications

4

▪ Low profitability (Profit, ROE, ROA, NIM) due to high proportion of low yielding government recapitalization bonds, high NPLs, high Cost of Funds, and low fee based income, while Cost to Income Ratio tends to increase

5

▪ Corporate values, performance culture and accountability have not been built in completely into the organization

6

▪ Consumer and Commercial sales model, branch network and electronic channel have not been optimized

7

▪ Growth may slow down due to high NPLs level, therefore earning assets growth target may not be reached

1

Resolving Non-Performing Loans (NPLs) and consolidating Corporate Banking business

2

Improving corporate image, while ensuring implementation of Good Corporate Governance practices and upgrading capabilities

3

Continuing to develop business in all targeted segments

4

Increasing operational efficiency

5

Developing human resources professionalism through enhancement of corporate values, performance-based culture and sales & risk culture

Our aspiration is to be a Dominant Multi-Specialist Bank



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 market segments

To be the 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 services 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”

Transformation themes for achieving these aspirations

Strategic Aspiration: Dominant Multi-Specialist Bank

Build winning organization and performance culture

- Re-structure the organization
- Revamp performance management system
- Reinforce high ethical standards
- Implement new corporate culture in the bank
- Establish a Leadership and talent development program

“Culture”

Deliver tailored proposition for priority segments

- Implement new coverage models for wholesale banking
- Design and implement an optimal retail channel network configuration
- Embed stronger service and sales culture in branches
- Develop and launch a lower affluent retail offering
- Acquire ethnic banks and multi-finance companies

“Boost Sales”

Revamp alliance program

- Specify focus of alliance management program
- Aggressively launch 2-3 high opportunity programs

“Strategic Alliances”

Strengthen risk management and operations

- Improve current NPL position : Bad bank and quick liquidation
- Design and implement a strong CRM based loan monitoring system
- Enhance effectiveness of current loan approval processes
- Optimize end-to-end operations, e.g. significantly reduce TAT for consumer loans

“Control NPLs”

Strategic Road Map toward Dominant Multi-specialist Bank

	~12 months	~12-24 months	~12-24 months
	Horizon 1: Fix the leaks and lay foundations	Horizon 2: Consolidate and build momentum	Horizon 3: Accelerate and grow
Build winning organization & performance culture	<p><u><i>“Back on Track”</i></u></p> <ul style="list-style-type: none"> ▪ New BU structure and Performance Management System in place to drive performance culture ▪ Higher professional standards embedded ▪ Implement new corporate culture 	<p><u><i>“Outperform the Market”</i></u></p> <ul style="list-style-type: none"> ▪ Among most desired employers in Indonesia due to best people development program 	<p><u><i>“Shaping the End Game”</i></u></p>
Deliver tailored proposition for priority segments	<ul style="list-style-type: none"> ▪ Piloted and implementing CST model for large corporates ▪ New commercial business model in place for medium and small commercial 	<ul style="list-style-type: none"> ▪ Dominant corporate bank built on CST model ▪ Among top commercial players with strong penetration in target segments ▪ Completed acquisition of specialized bank and multi-finance company ▪ Market-leading position for affluent and lower affluent banking ▪ Most convenient and service-oriented retail bank 	<ul style="list-style-type: none"> ▪ Completed acquisition and integration of major domestic bank
Revamp alliance program		<ul style="list-style-type: none"> ▪ Top 3 alliance program up and running, creating synergies across segments 	<ul style="list-style-type: none"> ▪ Alliance program up and running, creating synergies across segments
Strengthen risk management & operations	<ul style="list-style-type: none"> ▪ “Bad Bank” up and running to resolve NPL issues ▪ Key operational improvements well underway 	<ul style="list-style-type: none"> ▪ NPLs down < 5% net 	<ul style="list-style-type: none"> ▪ NPLs fully resolved and Bad Bank dissolved

Milestone Achievements in the Four Transformation Themes

Boost Sales

Culture

Control NPLs



Quick Wins

- Acquisition of 3 (three) prime Corporate Banking customers
- 3rd party funds increased in the last 3 months by Rp. 3.7tn
- Operating Profit increased by Rp. 1.3tn

- Implementation of a new organization with a focus on consolidation in Corporate Banking and loan workout
- Recruitment of professionals for strategic positions
- Personnel Policy Committee (PPC) follow-up on fraud cases

- NPLs decreased by Rp 604 billion from 25.9% (gross) to 24.5%, as a result of :
 - Principal repayment
 - Collectibility upgrade



Foundations For Growth

- Corporate Banking consolidation and reorganization
- Enhancement of distribution channels coverage and development of electronic payment features – to match the main competitor
- Regular Business Gatherings to improve relationships with prime customers

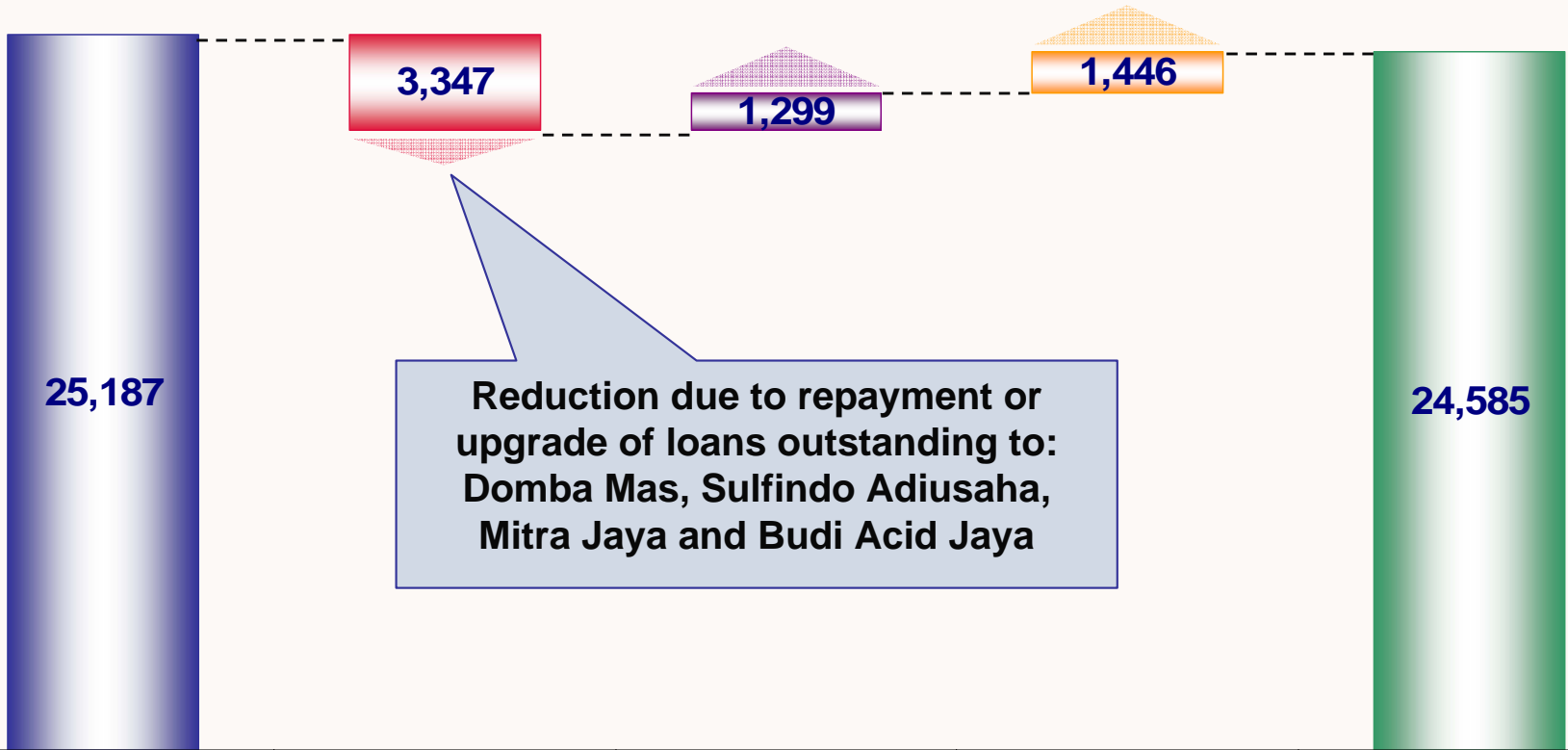
- Formulation and implementation of renewed Corporate Values
- Establish a Good Corporate Governance Committee at the Commissioner level to strengthen commitment to implementation

- Implementation of improved Credit Policy and Process
- Implementation of execution and auction of collateral in cooperation with DJPLN
- Finalization of Special Purpose Vehicle (SPV) formation

Strategic Alliance Initiatives will begin in 2006

NPL decrease by Rp. 604 billion or down from 25.9% (Gross) To 24.6% (Gross) – Bank Only

NPL June - Sept '05 Summary (Rp billion)



NPL June

Repayment/
Principal
payment/
UpGrade

Downgrade

Other (FX,
Write-Offs,
Consumer)

NPL September

% NPL Gross

25.93%

% NPL Nett

16.22%

% Provision / NPL

42.70%

24.57%

14.27%

47.69%

Progress among 30 largest NPLs improves collectibility

Collectibility improvements from June to September 2005 amounted to Rp2,237 billion, due in large part to improvements among our 30 largest NPL obligors :

Domba Mas

- Domas Agrounti Prima in October 2005 has paid off Rp890 billion in principal
- In December 2005, the company plans to repay an additional Rp285 billion, with the remaining balance to be repaid through the year 2007.

Mitra Jaya

- Kalimantan Energi Lestari has paid interest in-arrears, resulting in improved loan collectibility from 3 to 2. Total exposure as at September 2005 was Rp275 billion
- In addition, there was a repayment of Rp3.1 billion for loan exposure to Mitra Jaya
- The debtor has supplied data on all their debts and copies of export bills to be negotiated

Sulfindo Adiusaha

- Collectibility previously downgraded due to poor financial condition and BI checking as Bank Danamon classified as Col. 4. Per September 2005, improving financial performance and an upgrade to Col. 1 from Bank Danamon led to collectibility improvement from 3 to 2
- Total exposure per September 2005 was Rp869 billion, while during Q3 2005 the company paid Rp 2 billion of their obligations

Budi Acid Jaya

- Collectibility downgraded due to BI Checking, as BNP categorized the company at 3. As of September 2005, BNP upgraded collectibility to 2 and Bank Mandiri adjusted accordingly
- Total exposure is Rp203 billion

Pacific Andes

- The group repaid Rp4.6 billion for PT Sun Hope Investment obligations
- Sun Hope Investment Ltd has completely paid off their obligation amounting to Rp21.8 billion by the end of October 2005
- The facilities to other debtors within this group are planned to be reduced significantly.

Significant NPL Restructuring at SOEs (includes 30 largest NPLs)

Garuda

- Waiting for government approval to roll-over the guarantee scheme on Garuda MCB, as a follow-on to the KKSK Meeting on 19 October 2005. If guarantees of the MTN are implemented, the loan collectibility will be upgraded to current

Merpati Nusantara

- Debtors were asked to sell off assets (buildings) to reduce exposure as a follow-on to the KKSK Meeting on 19 October 2005. Valuation is currently in process. Restructuring of this loan will be based upon a business plan approved by government

PTPN II

- Debtor has sold non-earning assets (excluding collateral) to reduce the loan by Rp75 billion
- Intends to repay loans through sale of non-earnings assets excluding collateral. Asset Sale approved by MSOE will be tabled at AGM on January 2006
- Have advised debtors to sell collateral by June 2007
- After selling non-earnings asset & collateral, remaining liabilities will be transferred to DJPLN (December 2007)

Semen Kupang

- Bank Mandiri's Divestment Plan on selling loan facilities to third parties already proposed to the MSOE.

Kertas Kraft Aceh

- MSOE on October 2005 has advised the Minister of Finance to allocate 2005 government budget of Rp 50 billion to re-open the factory
- Remaining payment will be fulfilled from government budget allocation in 2006.
- Bank Mandiri will take additional steps after government capital plan addition in order to re-operate the manufacture.

Resolving NPLs and Written-Off Loans through DJPLN



**Auction in
conjunction with
DJPLN (State
Collection
Agency)**

- A breakthrough solution to reduce *non performing loans* by working together with DJPLN to auction foreclosed collateral
- Bank Mandiri and DJPLN have signed an MoU on November 28, 2005
- Published summons to debtors in the newspaper on November 29, 2005

Benefits of Agreement

Speed Up Auction Process

- In previous practice, the Bank must transfer its credit along with any collateral. Now Bank Mandiri can transfer foreclosed collateral without transferring its corresponding credit

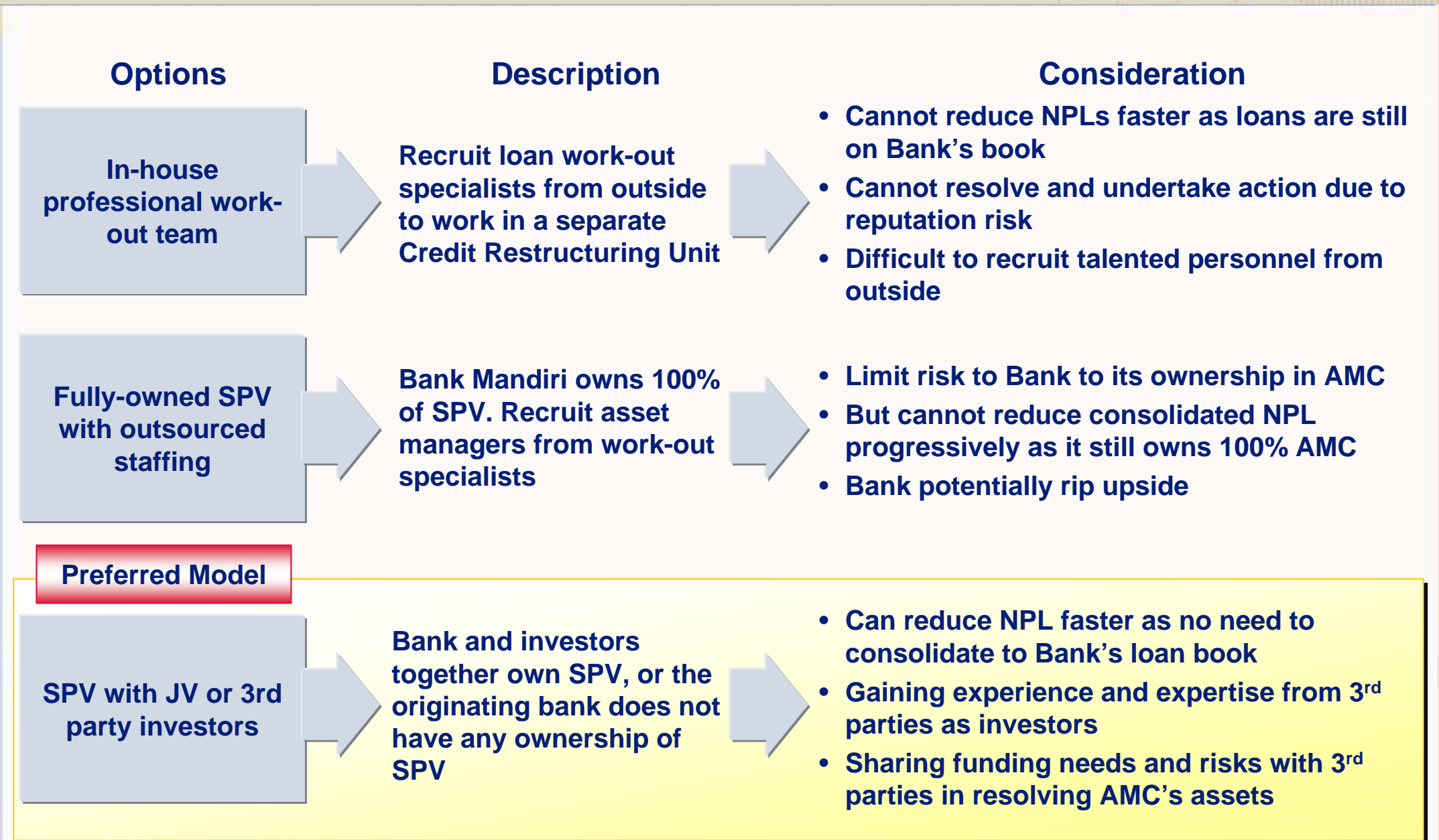
Optimizing Foreclosed collateral execution

- To auction foreclosed collateral of loans to debtors that are not cooperative
- To give shock therapy to other debtors and to show that Bank Mandiri is very serious in executing its foreclosed collateral

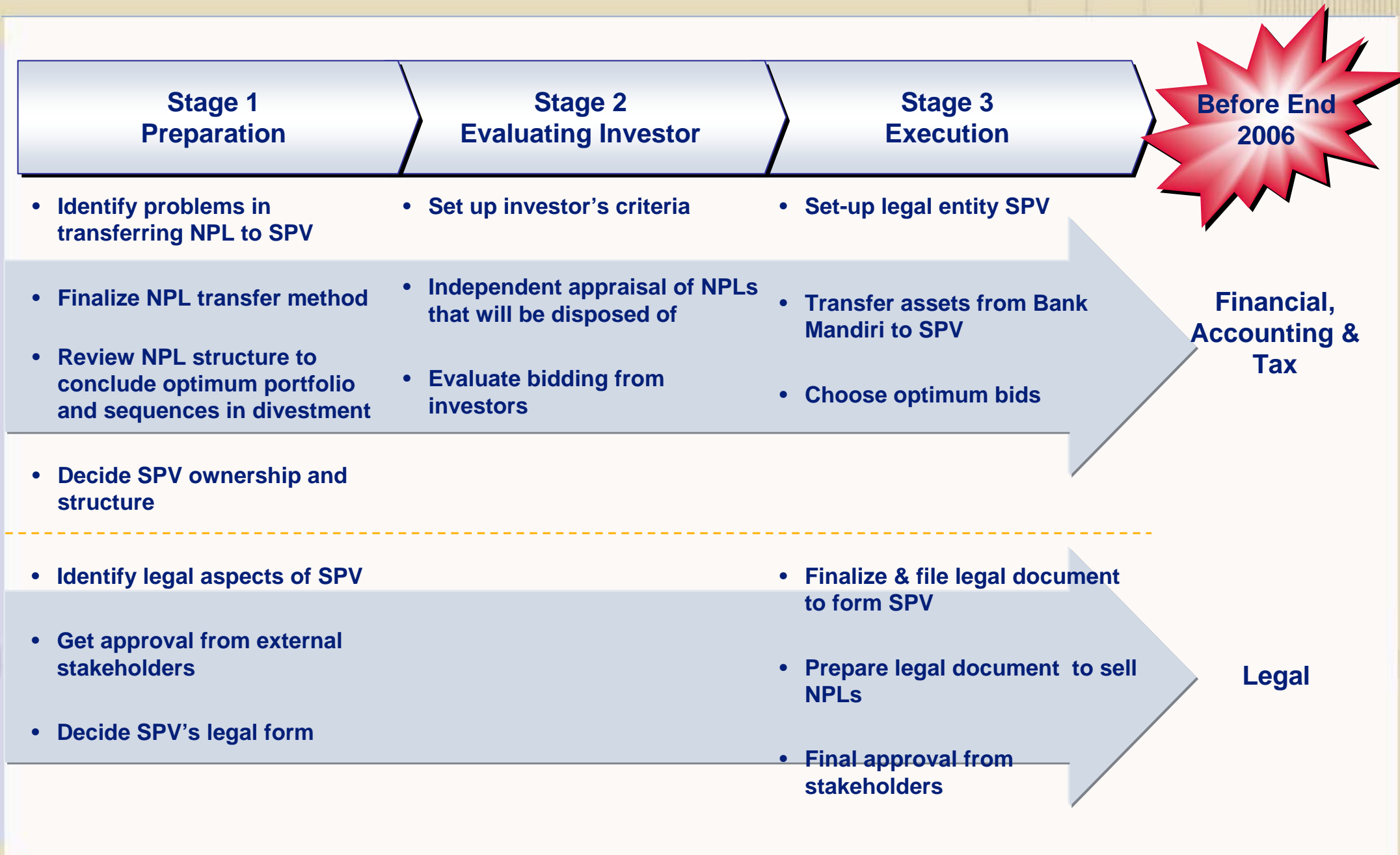
Process Coordination and Continuity

- Bank Mandiri's Regional Offices will work together with the corresponding DJPLN Regional Office to auction their foreclosed collateral
- Phase I will include 140 debtors, consisting of 380 certificates of ownership for land/building

Creating SPV JV to optimize collections and minimize risk



Targeting SPV Creation before end of 2006



A comprehensive review of credit practices is expected to strengthen future business development

Bank Mandiri has improved credit practices in order to strengthen risk management in 3 areas: Policies, Process and Committee

1 Policies

- Improve Loan Disbursement Principles and Credit Policy to provide comprehensive and up-to-date guidelines for credit operational procedures
- Improvement has elaborated all relevant laws and regulations, and is consistent with prudential banking practices

2 Process

- The credit approval process has been revamped from circulated approval to committee approval, in order to provide faster decision-making with higher quality analysis
- This mechanism maintains the implementation of the *four-eyes principle* and the independence of the risk management unit

3 Committee

- The Risk & Capital Committee (RCC) structure has been enlarged to include 4 committees - Asset & Liability Committee, Credit Policy Committee, Credit Approval Committee and Capital & Investment Approval Committee - in order to better integrate risk management governance

New paradigms in Corporate Culture & Organization Development

Corporate Culture

- New corporate values have been formulated (Trust, Integrity, Professionalism, Customer Focus and Excellence) as a foundation for future company development

Reorganization

- Reorganization focusing on consolidation in corporate banking and improvement in the loan work-out function has been implemented

Empowerment of SDM

- Conducted an internal promotion program as well as external recruitment of professionals with good reputation and experience in the market to fill senior management positions within the organization. New external hires include the Group Head of Credit Recovery II and Group Head of Corporate Banking III

Enforcement of Discipline

- Follow-up on employees who have been indicated in fraud cases has been continuously pursued by the Personnel Policy Committee (through November 2005 there have been 177 sanctions, including dismissals)

GCG

- A Good Corporate Governance Committee has been established at the Commissioner level to reinforce our implementation of and commitment to good corporate governance principles

Business Development – still a strategic focus of management

Acquisition of Prime Customers

- Business consolidation and reorganization in Corporate Banking has been carried out. Business expansion has now begun with the acquisition of three prime customers from competitors

Stronger Relationships

- To build stronger relationships with prime customers and to strengthen our commitment, Bank Mandiri has conducted several Business Gatherings in big cities.

Fund Raising

- From the end of June 2005 through the end of September 2005, 3rd party funds increase by Rp 3.7trillion

Extension of Coverage in Distribution Channels

- The development of distribution channels has been selectively undertaken, through the addition of branches and ATMs by end-2005. Additional payment features in electronic channels have been implemented as well. Currently, Call Center Bank Mandiri has 38 features, ATMs have 52 features, Internet Banking has 46 features and Mobile Banking has 42 features. These result in more competitive coverage and functionality of Bank Mandiri distribution channels

Increase in Operating Profit

- Operating profit has increased by Rp 1.3 trillion due to increases in NII of Rp 2 trillion and Fee-Based Income of Rp 700 billion, with Cost Efficiency Ratios maintained below 50%

Bank Mandiri Financial Summary

Q3 2005

Summary Balance Sheet: Sept 2004, June & Sept 2005

	Q3'04	Q2'05	Q3 '05		Y-o-Y
	Rp (trillions)	Rp (trillions)	Rp (trillions)	USD (billions)#	Rp % Change
Total Assets	235.5	256.8	250.3	24.3	6.3
Cash	2.1	2.3	2.6	0.3	23.5
Current Account w/BI	13.6	15.9	18.8	1.8	38.5
Certificates of BI	4.0	5.4	0.1	0.0	(97.8)
Other Placements w/BI	9.8	4.1	2.4	0.2	(75.4)
Current Accounts & Placements w/Other Banks	5.8	13.4	12.6	1.2	116.8
Securities - Net	6.0	3.3	4.2	0.4	(29.3)
Government Bonds	94.0	92.5	92.3	9.0	(1.8)
Trading	1.6	2.4	2.3	0.2	47.6
AFS	26.9	29.0	28.8	2.8	7.3
HTM	65.5	61.1	61.1	5.9	(6.7)
Loans	87.0	104.0	106.7	10.4	22.6
Performing Loans	80.8	78.5	81.7	7.9	1.1
Non-Performing Loans	6.3	25.6	25.0	2.4	299.8
Allowances	(8.3)	(10.9)	(11.9)	-1.2	44.6
Loans – Net	78.8	93.1	94.7	9.2	20.3
Total Deposits – Non-Bank	168.1	183.2	186.4	18.1	10.9
Demand Deposits	43.3	44.4	41.1	4.0	(5.1)
Savings Deposits	46.1	49.5	46.0	4.5	(0.2)
Certificate & Time Deposits	78.8	89.2	99.4	9.7	26.2
Shareholders' Equity	23.9	22.8	23.6	2.3	(1.2)

Summary Quarterly Balance Sheet: Q4 '04 – Q3 '05

	Q4 '04	Q1 '04	Q2 '05	Q3 '05		Q-o-Q
	Rp (tn)	Rp (tn)	Rp (tn)	Rp (tn)	US\$ (bn)#	Rp % Change
Total Assets	248.2	249.4	256.8	250.3	24.3	(2.5)
<i>Cash</i>	2.4	2.4	2.3	2.6	0.3	12.7
<i>Current Accounts w/BI</i>	16.0	14.3	15.9	18.8	1.8	18.5
<i>Certificates of BI</i>	8.0	3.7	5.4	0.1	0.0	(98.3)
<i>Other Placements w/BI</i>	6.0	5.1	4.1	2.4	0.2	(41.3)
<i>Current Accounts & Placements w/Other Banks</i>	8.8	8.2	13.4	12.6	1.2	(6.1)
<i>Securities - Net</i>	4.5	4.1	3.3	4.2	0.4	28.2
Government Bonds	93.1	93.2	92.5	92.3	9.0	(0.3)
<i>Trading</i>	1.6	1.7	2.4	2.3	0.2	(2.5)
<i>AFS</i>	27.6	29.0	29.0	28.8	2.8	(0.6)
<i>HTM</i>	63.9	62.5	61.1	61.1	5.9	0.0
Loans	94.4	99.6	104.0	106.7	10.4	2.6
<i>Performing Loans</i>	87.7	81.8	78.5	81.7	7.9	4.0
<i>Non-Performing Loans</i>	6.7	17.8	25.6	25.0	2.4	(2.3)
<i>Allowances</i>	(8.6)	(9.1)	(10.9)	(11.9)	(1.2)	9.5
Loans – Net	85.8	90.5	93.1	94.7	9.2	1.8
Total Deposits – Non-Bank	175.8	171.0	183.2	186.4	18.1	1.8
<i>Demand Deposits</i>	41.1	40.6	44.4	41.1	4.0	(7.5)
<i>Savings Deposits</i>	53.5	51.1	49.5	46.0	4.5	(7.2)
<i>Certificate & Time Deposits</i>	81.2	79.3	89.2	99.4	9.7	11.4
Shareholders' Equity	24.9	25.4	22.8	23.6	2.3	3.3

Summary P&L Information – Q3 2005

	Q3 2004		Q2 2005		Q3 2005		Q-o-Q Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	4,451	7.6	4,680	7.4	5,318	8.4	13.6
Interest Expense	(2,304)	(3.9)	(2,594)	(4.1)	(3,091)	(4.9)	19.2
Net Interest Income	2,147	3.7	2,086	3.3	2,227	3.5	6.8
Other Operating Income	643	1.1	579	0.9	746	1.2	28.8
Gain from Increase in Value & Sale of Bonds	647	1.1	302	0.5	37	0.1	(87.7)
Provisions, Net	(78)	(0.1)	(1,120)	(1.8)	(371)	(0.6)	(66.9)
Personnel Expenses	(597)	(1.0)	(677)	(1.1)	(665)	(1.1)	(1.8)
G & A Expenses	(763)	(1.3)	(793)	(1.3)	(767)	(1.2)	(3.3)
Other Operating Expenses**	(145)	(0.2)	(191)	(0.3)	(116)	(0.2)	(39.3)
Profit from Operations	1,854	3.2	186	0.3	987	1.6	430.6
Non Operating Income	3	0.0	(22)	0.0	17	0.0	(177.3)
Net Income Before Tax	1,857	3.2	164	0.3	1,004	1.6	512.2
Net Income After Tax	1,408	2.4	97	0.2	611	1.0	529.9

* % of Average Assets on an annualized basis

** primarily premiums paid under the blanket guarantee scheme

Recap Bond Portfolio Details – 30 September 2005 – Bank Only

Series	Maturity Date	Interest Rate (%)	Nominal			Mark To Market	Fair Value		
			Trading	AFS	HTM		Trading	AFS	HTM
Fixed Rate									
FR0002	15-Jun-09	14.00%	68			99.99	68		
FR0004	15-Feb-06	12.13%	55,000			99.51	54,733		
FR0005	15-Jul-07	12.25%	10,000			97.50	9,750		
FR0010	15-Mar-10	13.15%			1,350,000	96.41			1,350,000
FR0013	15-Sep-10	15.43%				103.07			
FR0014	15-Nov-10	15.58%		32,947		104.42		33,743	
FR0016	15-Aug-11	13.45%	10,000			95.78	9,578		
FR0017	15-Jan-12	13.11%	30,000			93.06	27,919		
FR0019	15-Jun-13	14.25%		1,206,133		96.94		1,169,237	
FR0020	15-Dec-13	14.28%	518,538	542,991		96.75	501,701	525,360	
Sub-Total		13.83%	623,606	1,782,071	1,350,000		603,749	1,728,341	1,350,000
Variable Rate									
VR0008	25-Nov-05	8.54%	181,899	34,000		100.00	181,899	34,000	
VR0009	25-Mar-06	8.54%	40,000	20,000		99.21	39,555	19,841	
VR0010	25-Oct-06	8.54%	1,332,361			99.87	1,330,669		
VR0012	25-Sep-07	9.25%		180,000		98.99		178,175	
VR0013	25-Jan-08	8.54%	85,000	1,198,384		99.66	84,714	1,194,345	
VR0014	25-Aug-08	8.54%	50,000			99.59	49,797		
VR0016	25-Jul-09	8.45%	20,000			99.44	19,889		
VR0017	25-Jun-11	9.25%	30,000	328,270		98.67	29,602	323,911	
VR0019	25-Dec-14	9.25%		5,050,000	1,114,300	98.25		4,961,676	1,114,300
VR0020	25-Apr-15	9.99%		4,100,000	391,029	98.98		4,058,262	391,029
VR0021	25-Nov-15	8.54%		2,400,000	690	98.66		2,367,936	690
VR0022	25-Mar-16	9.25%		692,844	6,796,813	98.19		680,290	6,796,813
VR0023	25-Oct-16	8.54%		659,738	4,086,068	98.93		652,672	4,086,068
VR0024	25-Feb-17	8.54%			8,210,550	99.99			8,210,550
VR0025	25-Sep-17	9.25%			5,210,550	99.95			5,210,550
VR0026	25-Jan-18	8.54%			3,475,267	99.97			3,475,267
VR0027	25-Jul-18	8.45%			3,475,267	99.97			3,475,267
VR0028	25-Aug-18	8.54%		1,696,428	3,475,267	98.54		1,671,592	3,475,267
VR0029	25-Aug-19	8.54%		5,344,421	3,475,267	98.54		5,266,179	3,475,267
VR0030	25-Dec-19	9.25%			8,016,765	99.95			8,016,765
VR0031	25-Jul-20	8.45%		5,597,343	12,016,765	98.82		5,531,182	12,016,765
Sub-Total		8.81%	1,739,260	27,301,428	59,744,598		1,736,124	26,940,061	59,744,598
Grand Total			2,362,866	29,083,499	61,094,598		2,339,873	28,668,402	61,094,598
(Stated in Rp Millions)			2.55%	31.43%	66.02%		2.54%	31.13%	66.33%
			Total Nominal Value				Total Fair Value		
			92,540,963				92,102,872		

Bank Mandiri's Credit Ratings

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

Reconciliation to IFRS

	FY '03	H1 '04	FY '04	H1 '05
	Rp (Billions)	Rp (Billions)	Rp (Billions)	Rp (Billions)
Net profit under Indonesian GAAP	4,586	3,073	5,256	616
IFRS Adjustments				
Allow. for possible losses on earning assets	(662)	112	(309)	(160)
Allow. for possible losses on commitments & contingencies	104	117	70	(78)
Change in fair value of derivatives	52	-	-	-
Employee benefits	(21)	-	25	-
Accretion on deferred inc. arising from loan purchase from IBRA	55	(2)	10	6
De-recognition of revaluation of premises & equipment	199	28	75	13
De-recognition of allowances	-	-	-	-
Securities & Gov. Bond (trading portfolio)	-	-	-	-
Deferred income taxes	82	(77)	38	66
Net Adjustment	(191)	179	(90)	(154)
Net profit in accordance with IFRS	4,395	3,251	5,166	462

IFRS = International Financial Reporting Standards

Bank Mandiri Additional Loan Analysis & Portfolio Detail

Changes in BI Regulations for Earning Asset Classification (PBI No. 7/2/PBI/2005)

<p>Classification by Aging of Interest Payments[#]</p>	<table border="1"> <thead> <tr> <th><i>Classification by Payment History</i></th> <th><i>Previously</i></th> <th><i>Current</i></th> <th>No change to BI Prov. Req.</th> </tr> </thead> <tbody> <tr> <td>Category 1 - Current</td> <td>Current</td> <td>Current</td> <td>1%</td> </tr> <tr> <td>Category 2 – Special Mention</td> <td>1 – 90 days</td> <td>1 – 90 days</td> <td>5%</td> </tr> <tr> <td>Category 3 – Sub-Standard</td> <td>91 – 180 days</td> <td>91 – 120 days</td> <td>15%</td> </tr> <tr> <td>Category 4 - Doubtful</td> <td>181 – 270 days</td> <td>121 – 180 days</td> <td>50%</td> </tr> <tr> <td>Category 5 - Loss</td> <td>271+ days</td> <td>181+ days</td> <td>100%</td> </tr> </tbody> </table>				<i>Classification by Payment History</i>	<i>Previously</i>	<i>Current</i>	No change to BI Prov. Req.	Category 1 - Current	Current	Current	1%	Category 2 – Special Mention	1 – 90 days	1 – 90 days	5%	Category 3 – Sub-Standard	91 – 180 days	91 – 120 days	15%	Category 4 - Doubtful	181 – 270 days	121 – 180 days	50%	Category 5 - Loss	271+ days	181+ days	100%
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<p>Detailed Classification Guidance[#]</p>	<table border="1"> <thead> <tr> <th><i>Business Outlook</i></th> <th><i>Financial Condition</i></th> <th><i>Payment Ability</i></th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> ➤ Business growth potential ➤ Market condition & debtor position in the market ➤ Management quality ➤ Group support ➤ Environmental factors </td> <td> <ul style="list-style-type: none"> ➤ Profitability ➤ Capital structure ➤ Cash flow ➤ Sensitivity to market risk </td> <td> <ul style="list-style-type: none"> ➤ On time payment ➤ Availability of debtor's financial information ➤ Completeness of credit documentation ➤ Compliance toward credit agreement ➤ Nature of payment source ➤ Appropriateness of funds usage </td> </tr> </tbody> </table>				<i>Business Outlook</i>	<i>Financial Condition</i>	<i>Payment Ability</i>	<ul style="list-style-type: none"> ➤ Business growth potential ➤ Market condition & debtor position in the market ➤ Management quality ➤ Group support ➤ Environmental factors 	<ul style="list-style-type: none"> ➤ Profitability ➤ Capital structure ➤ Cash flow ➤ Sensitivity to market risk 	<ul style="list-style-type: none"> ➤ On time payment ➤ Availability of debtor's financial information ➤ Completeness of credit documentation ➤ Compliance toward credit agreement ➤ Nature of payment source ➤ Appropriateness of funds usage 																		
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<p>BI Collectibility takes precedence[#]</p>	<p>In instances where there is disagreement in the determination of earning asset collectibility between the bank, its external auditors and BI, the bank must adopt BI's determination</p>																											
<p>One Debtor, One Project Concept[*]</p>	<ul style="list-style-type: none"> ➤ The Bank must classify all of its earning assets to a single debtor at the level of the lowest quality asset ➤ For debtors with exposures to more than one bank, all banks must adopt the lowest classification applied by any one bank to the debtor. ➤ All earning assets related to a particular project must be classified at the same level 																											
<p>Completeness of Financial Report[*]</p>	<ul style="list-style-type: none"> ➤ Banks must require debtors to submit current financial statements ➤ Failure to submit financial statements must result in an automatic downgrade of collectibility by one level, or to a maximum classification of sub-standard 																											

[#] Implemented in Q1 2005

^{*} Implemented in Q2 2005

Accounting for Interest, Provisions and Collateral

Recognition of Interest Income	Classification	Regular Loans	Restructured Loans	IBRA Loans
	Cat. 1 - Current	Accrual Basis	Accrual Basis	Cash Basis
	Cat. 2 – Special Mention	Accrual Basis	Cash Basis	Cash Basis
	Cat. 3 – Sub-Standard	Cash Basis	Cash Basis	Cash Basis
	Cat. 4 - Doubtful	Cash Basis	Cash Basis	Cash Basis
	Cat. 5 - Loss	Cash Basis	Cash Basis	Cash Basis
Booking of Payments from Borrowers	Classification	Regular Loans	Restructured Loans	IBRA Loans (w/o new agreement)
	Cat. 1 - Current	Interest	Interest	Principal
	Cat. 2 – Special Mention	Interest	Interest	Principal
	Cat. 3 – Sub-Standard	Interest	Interest	Principal
	Cat. 4 - Doubtful	Principal	Principal	Principal
	Cat. 5 - Loss	Principal	Principal	Principal
Provisioning	Classification	Regular Loans	Restructured Loans	IBRA Loans
	Cat. 1 - Current	1%	As per BI regulations, except: – Not reversed by upgrading – Reversed by principal repayment – Beginning provisions determined at 31 Dec. 2004 – Based on net book value after restructuring loss	As per BI regulations, except: – Difference between principal and purchased value book as – Provisions, or – Deferred income if a new agreement has been made
	Cat. 2 – Special Mention	5%		
	Cat. 3 – Sub-Standard	15%		
	Cat. 4 - Doubtful	50%		
	Cat. 5 - Loss	100%		
Valuation of Collateral & Provisioning	Classification	Collateral	All Loans	
	Cat. 1 - Current	Not valued	Collateral valuation for provisioning is determined by the aging of the most recent independent appraisal (for assets over Rp 5bn): –70% of appraised value within the initial 12 months –50% of appraised value within 12 to 18 months –30% of appraised value within 18 to 24 months –No value after 24 months from appraisal	
	Cat. 2 – Special Mention	–Can be credited against cash provisions for Cat. 2-5		
	Cat. 3 – Sub-Standard			
	Cat. 4 - Doubtful			
	Cat. 5 - Loss			

Quarterly Analysis of NPL and PL changes

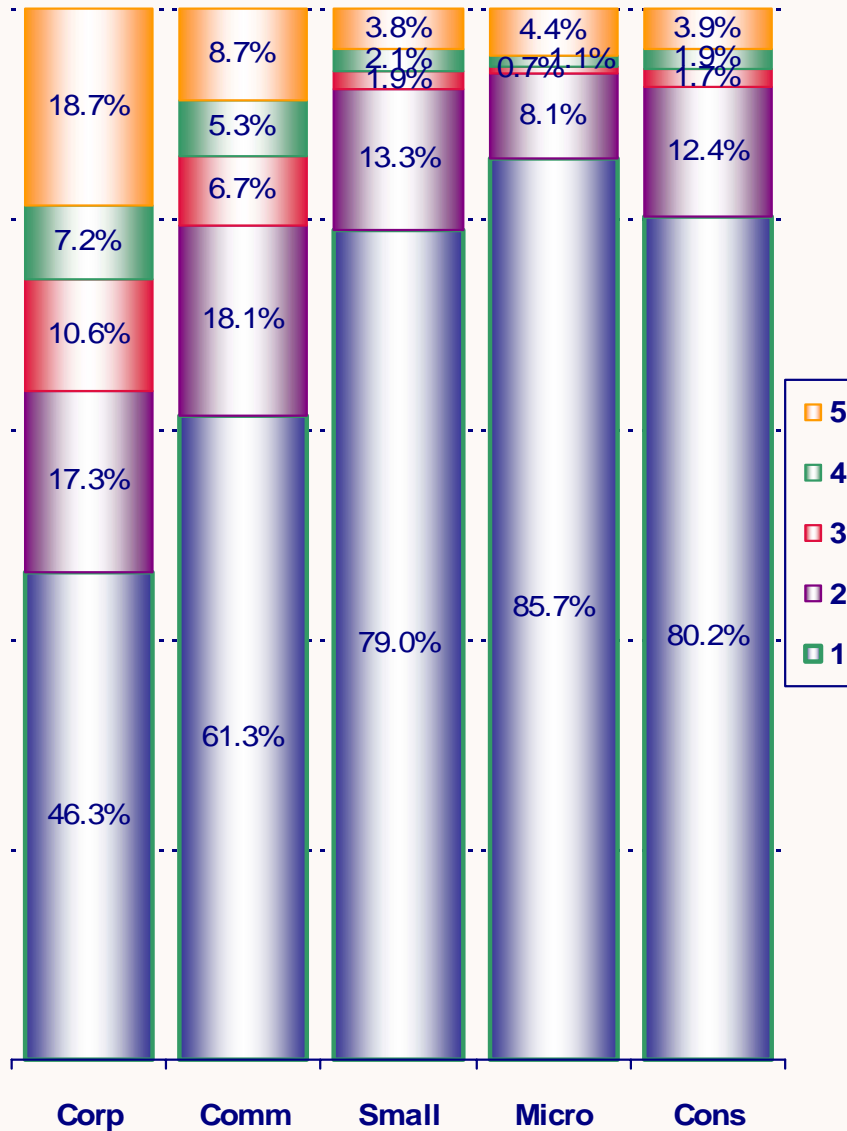
Loan Background	Q4 2004#	Q1 2005#	Q2 2005#	Q3 2005#			
	Net	Net	Net	Value (Rp bn)	DG to NPL	UG to PL	Net
Corporate Loans							
Restructured	0.1%	42.6%	6.1%	14,536	0.3%	6.0%	5.7%
IBRA	11.2%	18.2%	3.5%	4,186	0.9%	-	0.9%
Pre-Merger	-	-	0.2%	192	-	-	-
Post-Merger	0.1%	8.3%	12.0%	24,024	0.1%	7.0%	6.9%
Overseas	-	40.1%	1.4%	2,210	0.1%	1.0%	0.8%
Total	1.1%	22.1%	8.7%	45,148	0.3%	5.7%	5.5%
Commercial & Small Business Loans							
Restructured	6.9%	5.9%	17.9%	7,010	1.8%	3.7%	1.9%
IBRA	0.9%	0.2%	3.0%	723	0.2%	1.8%	1.7%
Pre-Merger	0.1%	2.5%	0.1%	265	0.2%	0.0%	0.2%
Post-Merger	1.1%	3.6%	5.4%	33,987	2.7%	0.2%	2.5%
Overseas	-	-	-	112	9.2%	-	9.2%
Total	0.4%	3.9%	7.3%	42,098	2.5%	0.8%	1.7%
Total Loans							
Restructured	2.2%	30.7%	10.0%	21,546	0.8%	5.3%	4.5%
IBRA	9.1%	15.0%	3.4%	4,909	0.8%	0.3%	0.5%
Pre-Merger	0.1%	1.9%	0.1%	458	0.1%	0.0%	0.1%
Post-Merger	0.7%	5.5%	8.2%	58,011	1.6%	3.0%	1.4%
Overseas	-	38.6%	1.8%	2,322	0.6%	0.9%	0.4%
Total	0.4%	13.3%	8.0%	87,246	1.3%	3.3%	2.0%

% downgrades and upgrades are quarterly figures

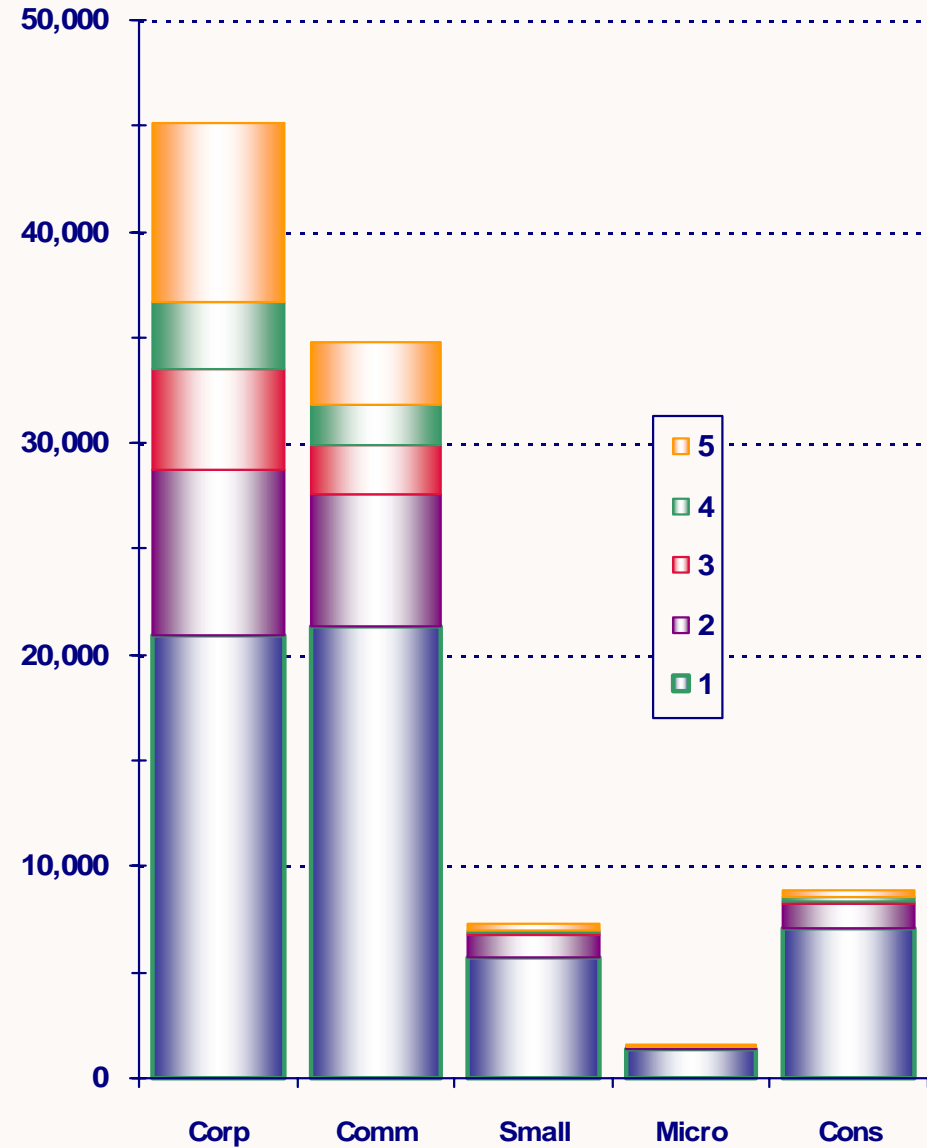
* Corporate, Commercial & Small Business Loans Only

Q3 2005 Loan Detail*: Collectibility by Business Unit

Loan Profile: Q3 Collectibility (%) by BU - Bank Only

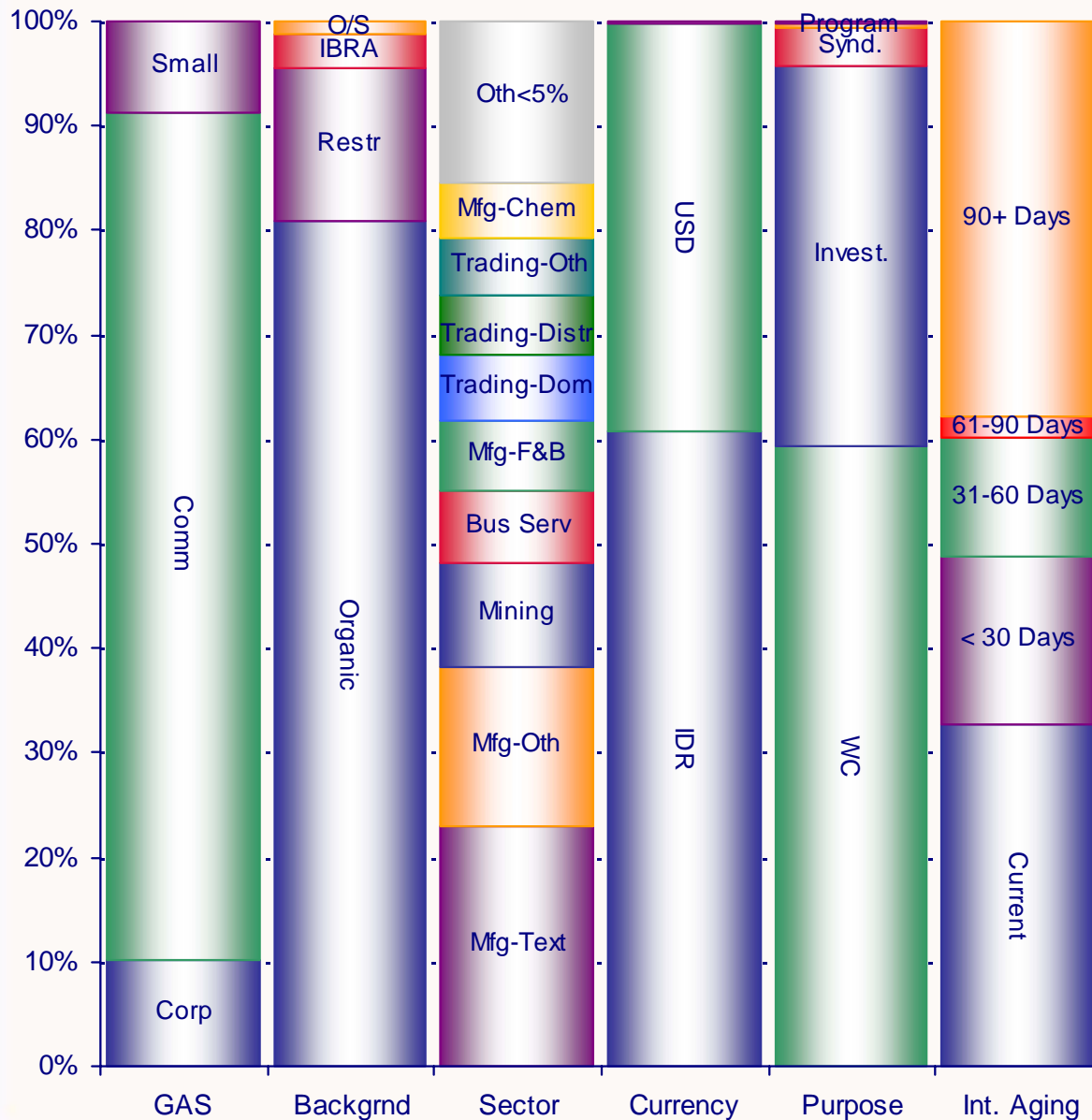


Loan Profile: Q3 Collectibility (Rp bn) by BU - Bank Only



Q3 2005 Loan Detail*: Downgrades to NPL

Loan Profile: Q3 Downgrades to NPL (Rp 1,177 bn) - Bank Only



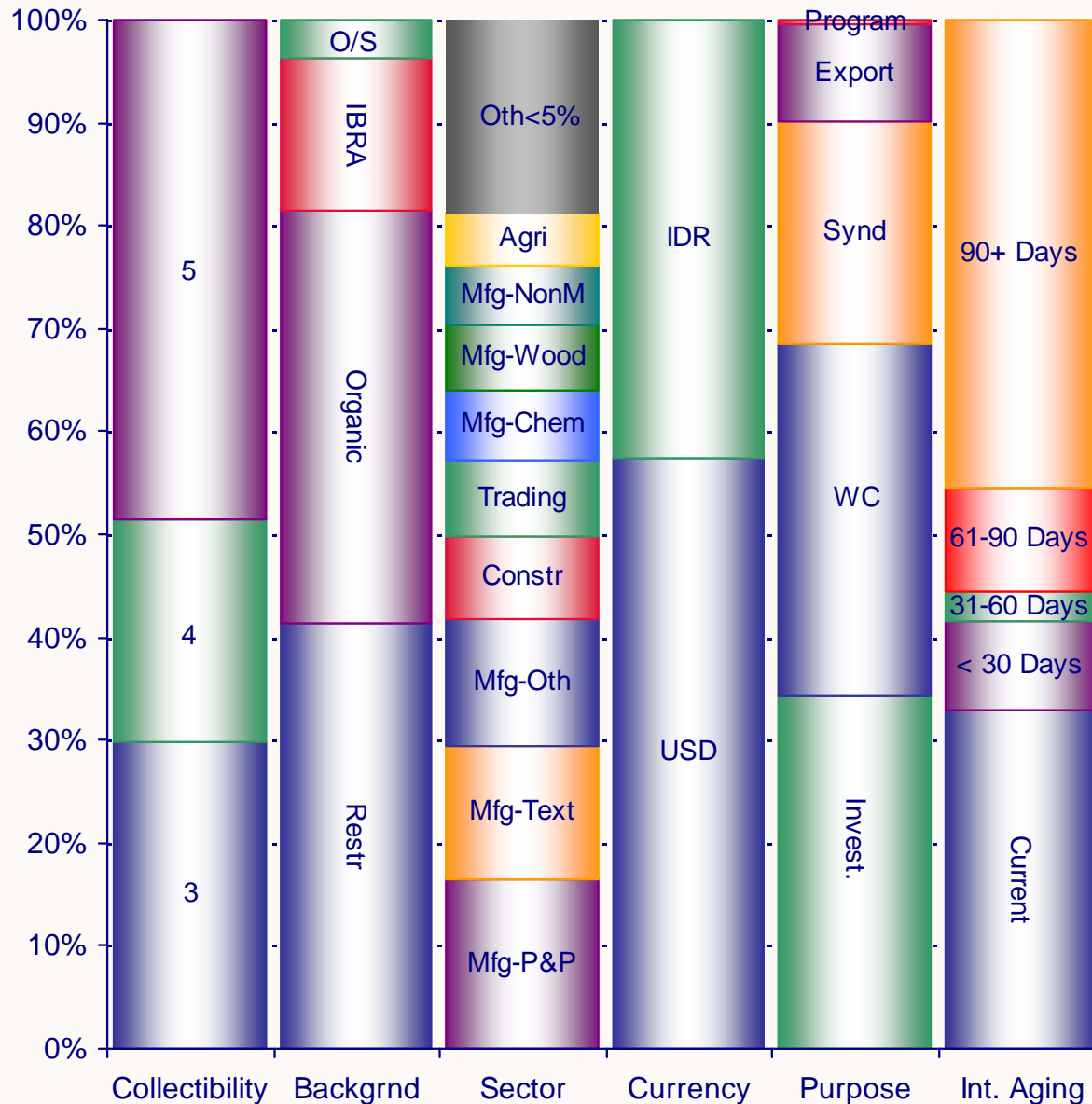
Corporate, Commercial & Small Business loans downgraded to NPL in Q3 totaled Rp 1,177 billion (1.0% of total loans). Of these loans:

- **32.8% were still current on interest payments with a further 15.9% less than 30 days overdue**
- **81.1% were Corporate borrowers**
- **14.6% were loans previously restructured**
- **3.3% were loans purchased from IBRA**
- **Largest downgrades by sector:**
 - **Textile Manufacturing**
 - **Mining**
 - **Business Services**
- **60.9% were Rupiah loans**
- **59.3% were Investment loans**
- **1st time downgrades from Textile Manufacturing, Mining & Business Services**

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: Non-Performing Loans

Loan Profile: Q3 NPLs (Rp 24,193 bn) Bank Only



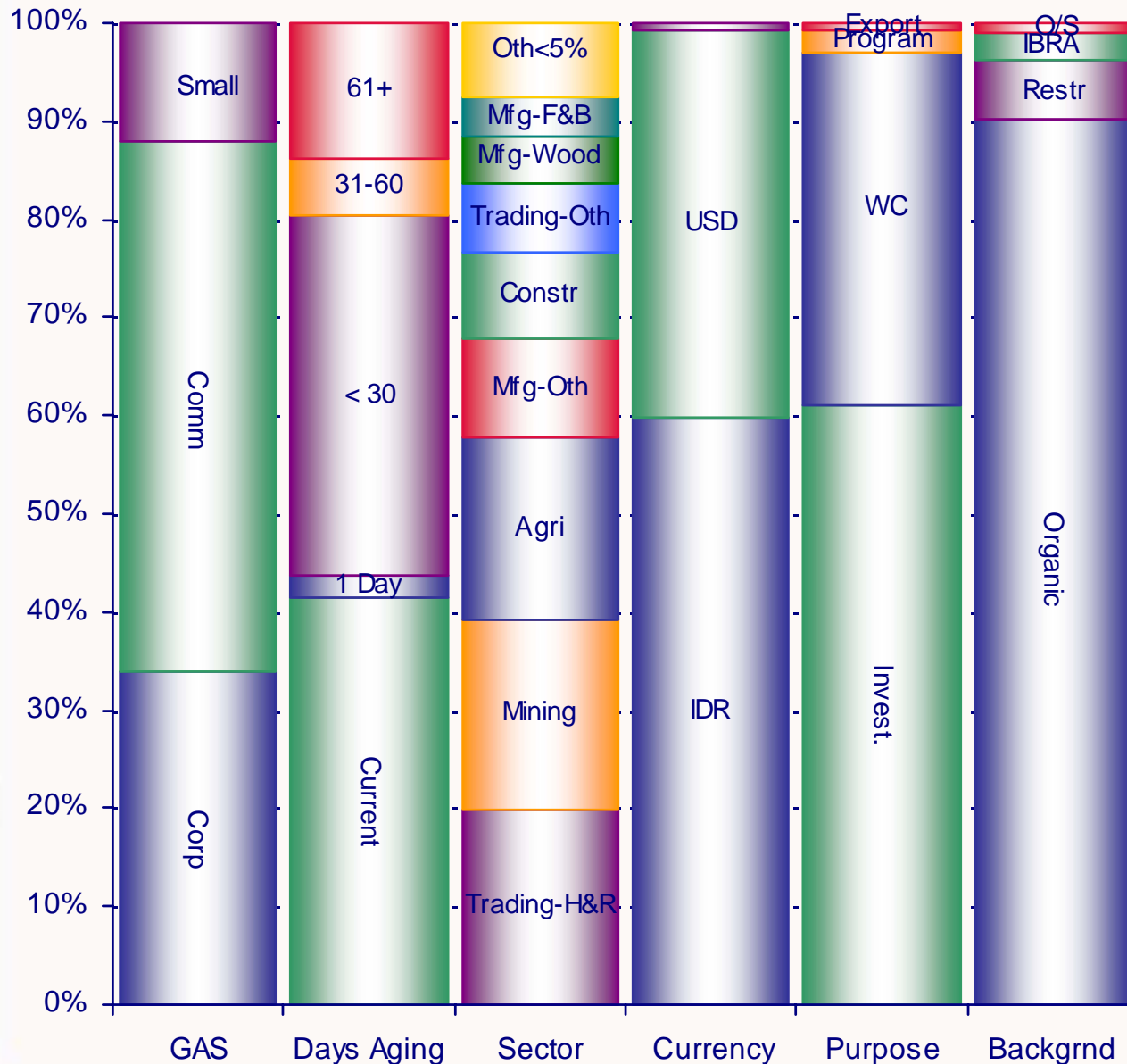
Corporate, Commercial & Small Business NPLs totaled Rp24,193 billion in Q3, or 24.2% of total loans. Of these NPLs in Q3:

- 33.0% remain current on interest payments & 21.6% are less than 90 days overdue
- 67.9% are to Corporate customers
- 34.4% are Investment loans
- Primary sectors are:
 - Manufacturing
 - Pulp & Paper
 - Textiles
 - Construction
 - Trading
- 57.5% are US Dollar loans
- 41.4% were previously restructured
- 14.8% were loans purchased from IBRA
- 29.9% are Cat. 3 & 21.5% are Cat. 4

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: New Downgrades to Category 2

Loan Profile: Q3 Downgrades to Cat. 2 loans (Rp 3,216 bn) - Bank Only



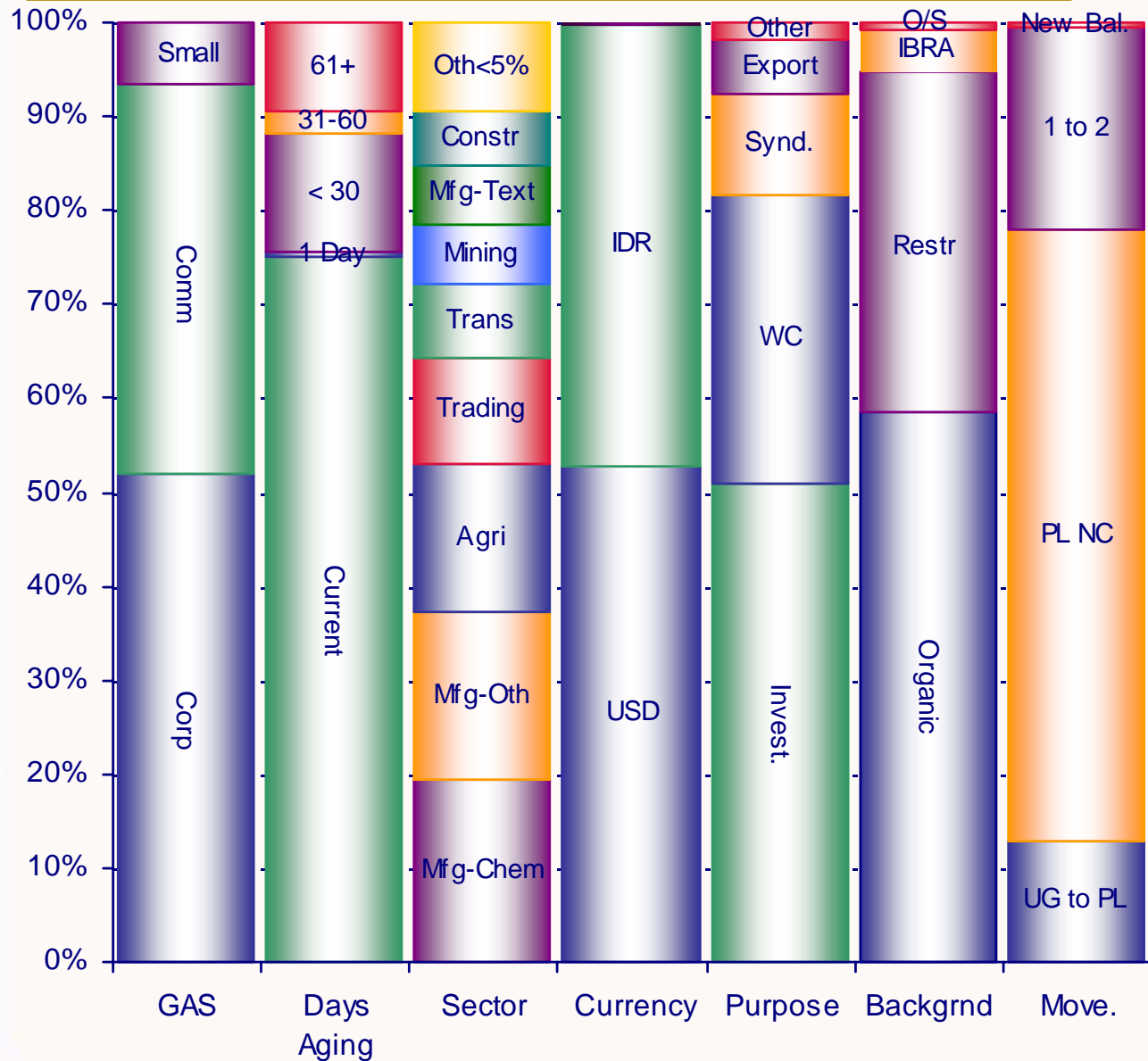
Rp 3,216 billion (3.2% of total loans) in Corporate, Commercial & Small Business loans were downgraded to Category 2 in Q3. Of the downgraded Special Mention Loans in Q3:

- **54.0% are for Commercial & 3.0% are for Corporate customers**
- **41.5% are current & 2.1% are 1 day overdue**
- **Primary sectors downgraded are:**
 - **Hotels & Restaurants**
 - **Mining**
 - **Agriculture**
 - **Construction**
- **59.7% are Rupiah loans**
- **61.1% are Working Capital loans**
- **5.9% are Restructured loans**
- **2.9% were purchased from IBRA**

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: Category 2 Loans

Loan Profile: Q3 Category 2 Loans (Rp 15,065 bn) Bank Only



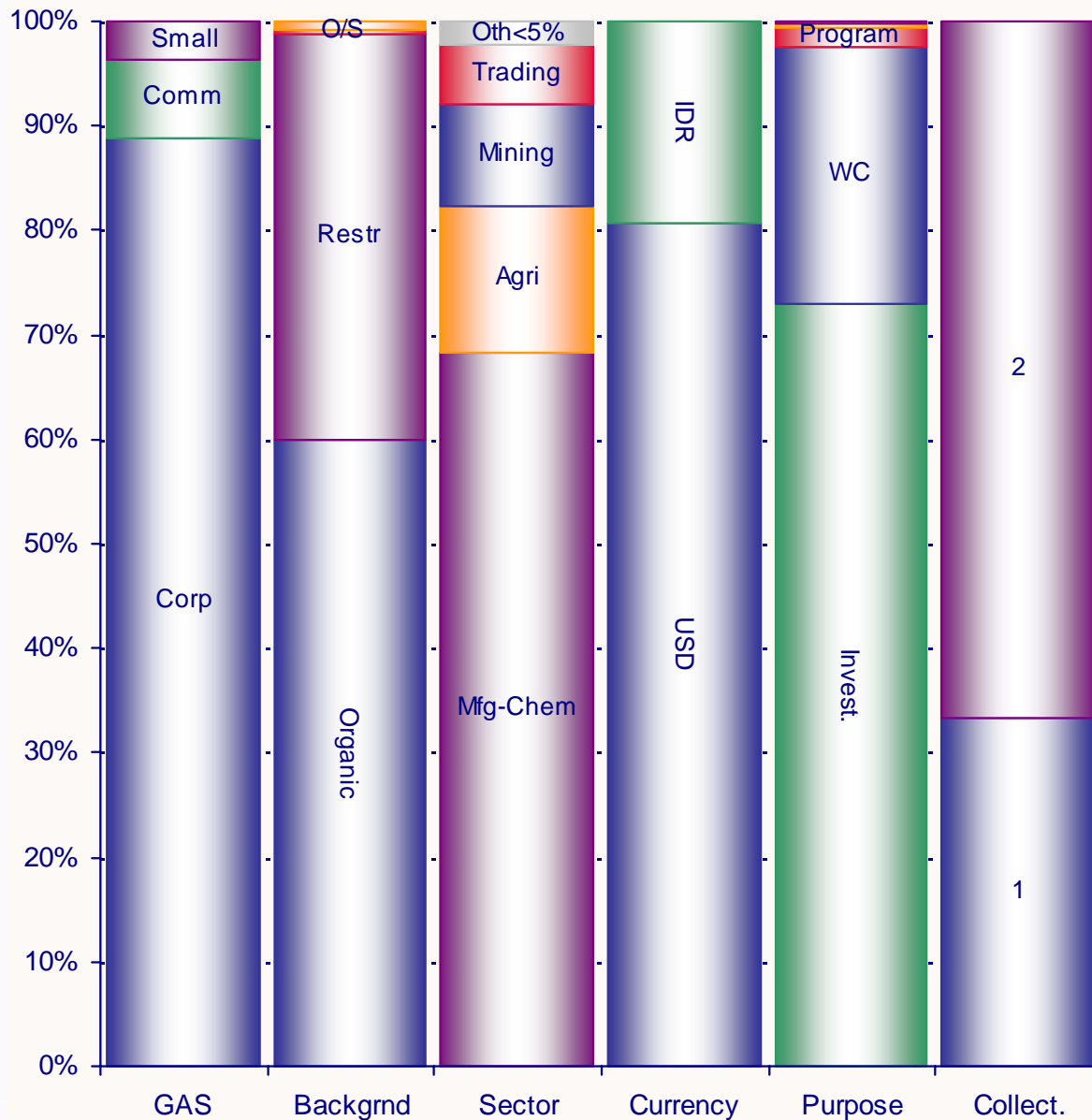
Rp 15,065 billion (15.1% of total loans) in Corporate, Commercial & Small Business loans were in Category 2 in Q3. Of these Special Mention loans in Q3:

- 51.9% are to Corporate customers
- 75.7% are current or 1 day overdue
- Primary sectors in Category 2 are:
 - Chemical Manufacturing
 - Agriculture
 - Trading, Hotels & Restaurants
 - Transportation
- 52.8% are US Dollar loans
- 50.8% are Investment loans
- 36.1% are Restructured loans
- 4.7% were purchased from IBRA
- 65.1% saw no change in collectibility

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: Upgrades to PL

Loan Profile: Q3 Upgrades to PL (Rp 2,913 bn) - Bank Only



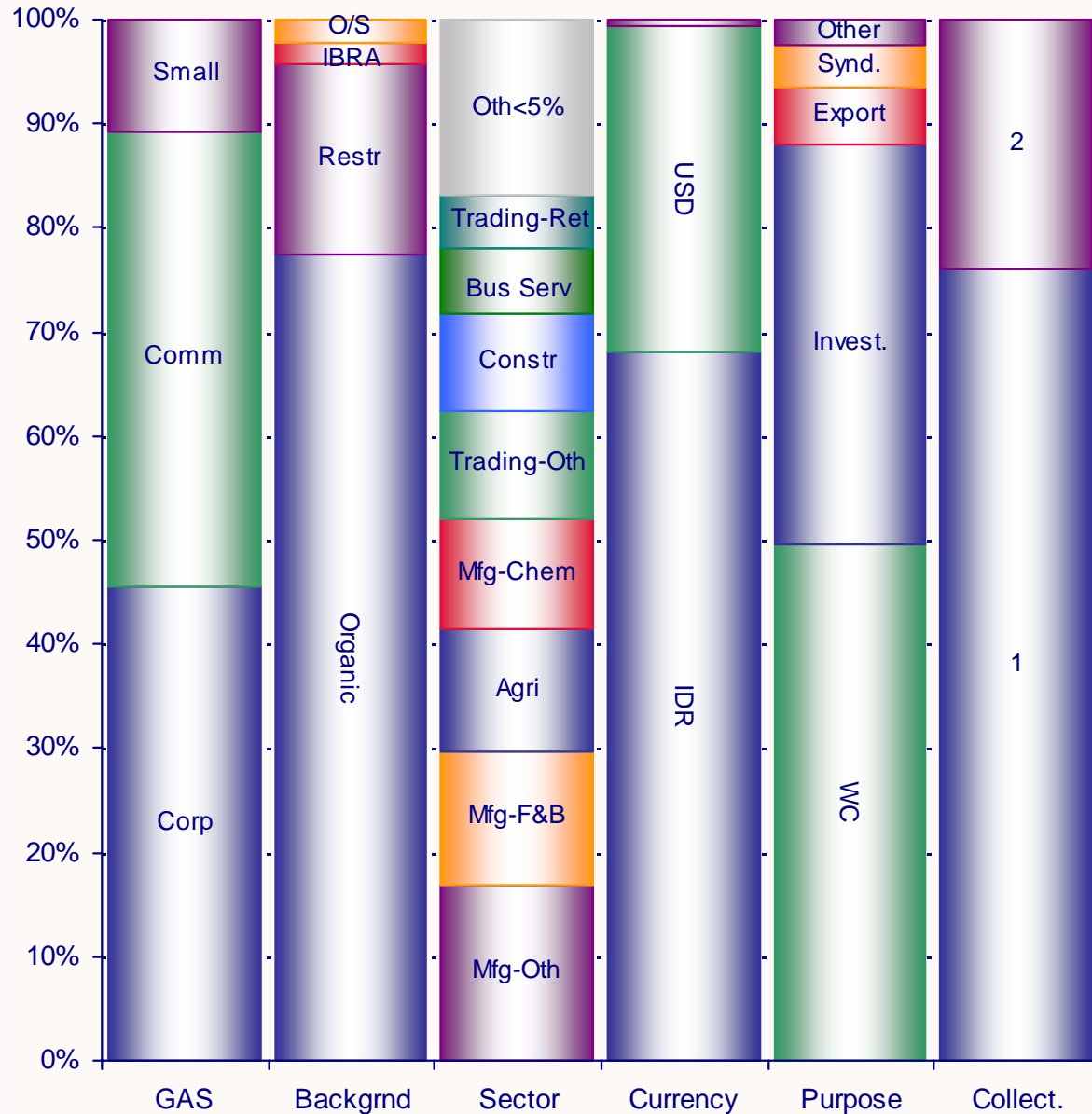
Corporate, Commercial & Small Business loans upgraded to PL in Q3 totaled Rp 2,913 billion (2.9% of total loans). Of these loans:

- **88.7% were to Corporate borrowers**
- **60.0% were loans with no previous restructuring history**
- **38.8% were loans previously restructured**
- **Largest upgrades by sector:**
 - **Chemical Manufacturing**
 - **Agriculture**
 - **Mining**
- **80.7% were US Dollar loans**
- **72.9% were Investment loans**
- **60.6% of upgrades to PL were Category 3 loans moving to Category 2**
- **33.3% of upgrades to PL were Category 3 loans moving to Category 1**

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: Performing Loans

Loan Profile: Q3 Performing Loans (Rp 63,053 bn) Bank Only



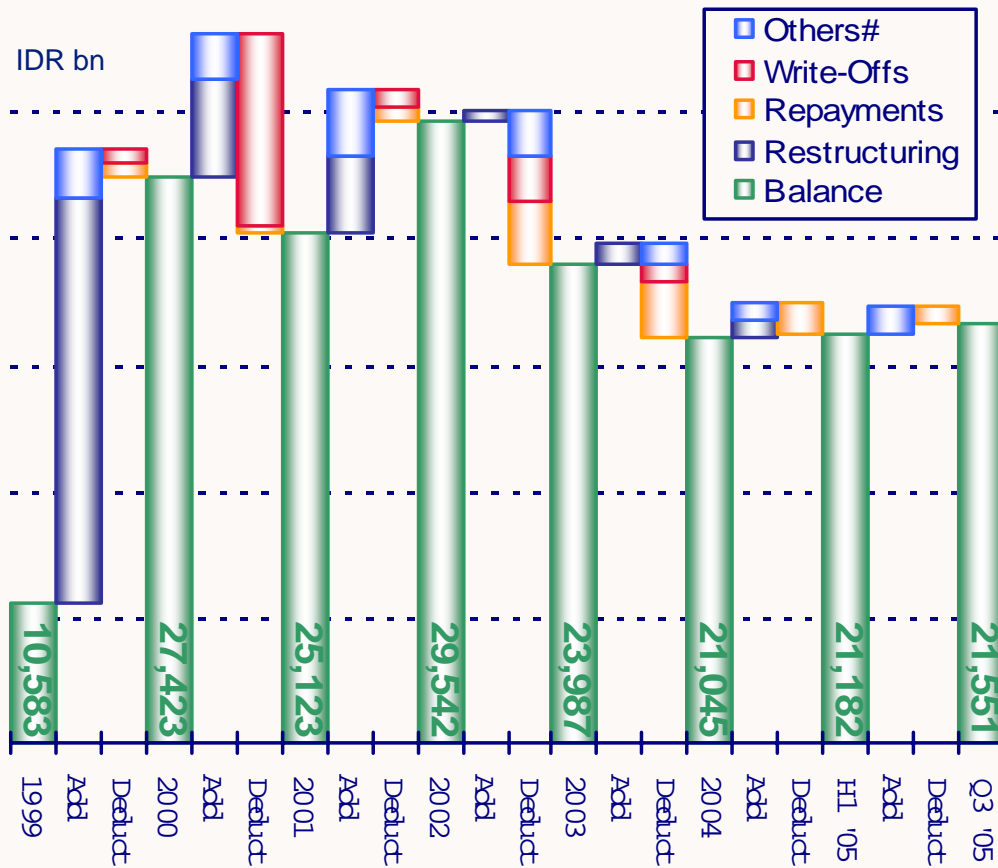
Rp 63,053 billion (63.0% of total loans) in Corporate, Commercial & Small Business loans were performing in Q3. Of these performing loans in Q3:

- 45.5% are to Corporate customers & 43.8% are to Commercial customers
- 77.4% have no restructuring history
- 18.3% are Restructured loans
- 2.1% were purchased from IBRA
- Primary sectors in Category 2 are:
 - F&B Manufacturing
 - Agriculture
 - Chemical manufacturing
 - Trading
- 68.1% are Rupiah loans
- 49.5% are Working Capital loans
- 87.1% saw no change in collectibility
- 4.6% were upgraded from NPL

* Excluding Micro & Consumer Loans Only

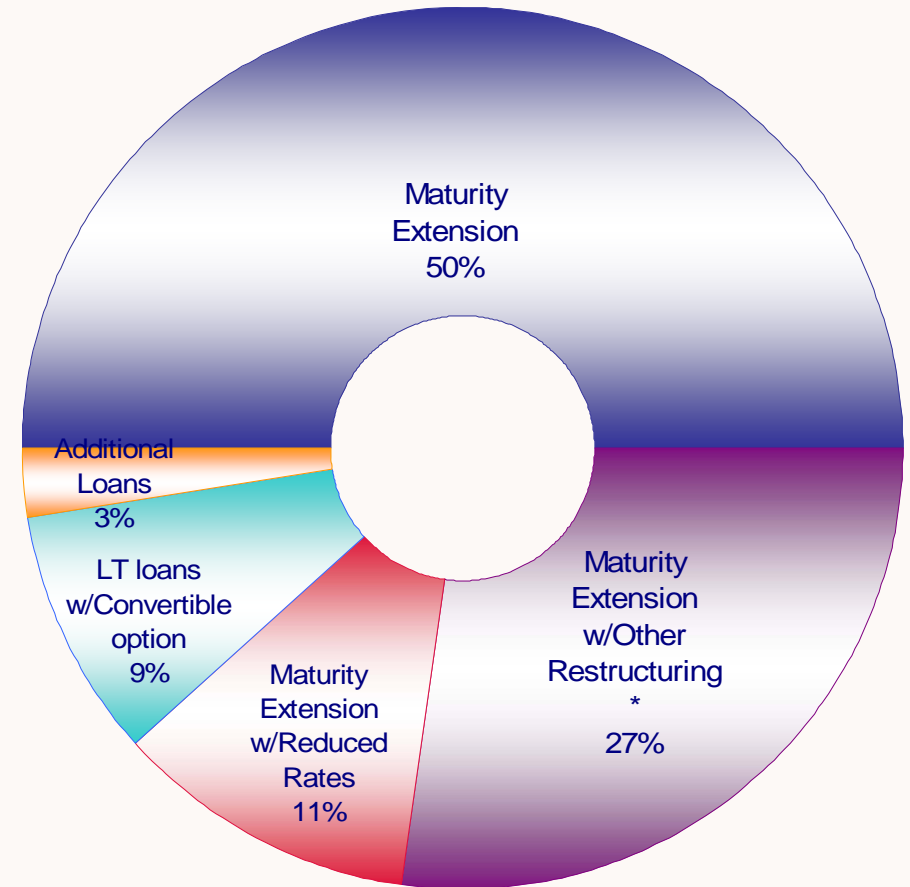
Limited Restructured Loan Activity in Q3

Restructured Loan Movement 1999 - Q3 '05



(Rp billions)	FY '04	H1 '05	Q3 '05
Loans Restructured	391	689	21
NPL Collections	813	413	221

Loans by Restructuring Type in Q3 2005

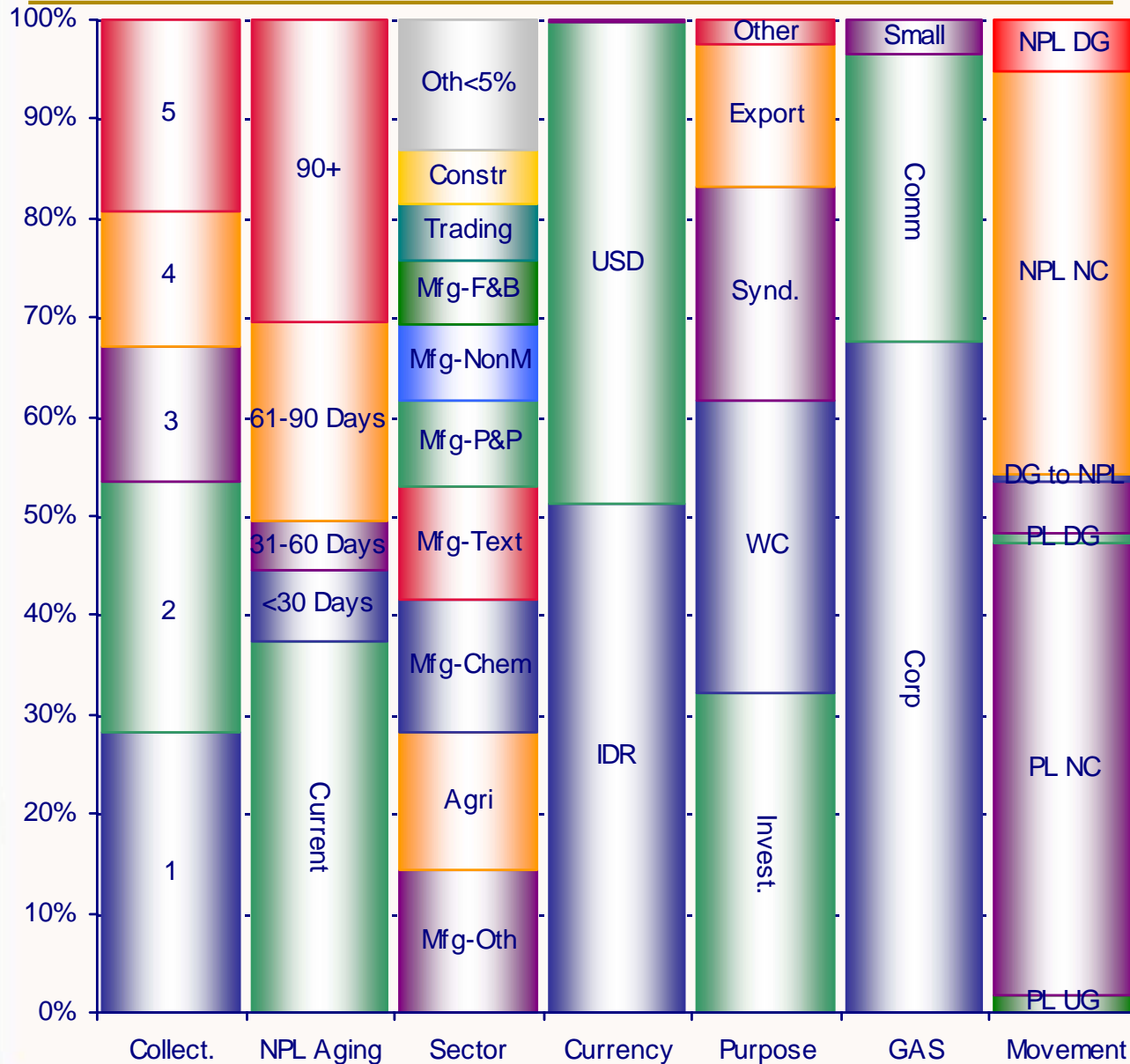


*Other Restructuring includes reduction of interest rates, rescheduling of unpaid interest & extension of repayment period for unpaid interest

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

Q3 2005 Loan Detail*: Restructured Loans

Loan Profile: Q3 Restructured Loans (Rp 21,546 bn) Bank Only

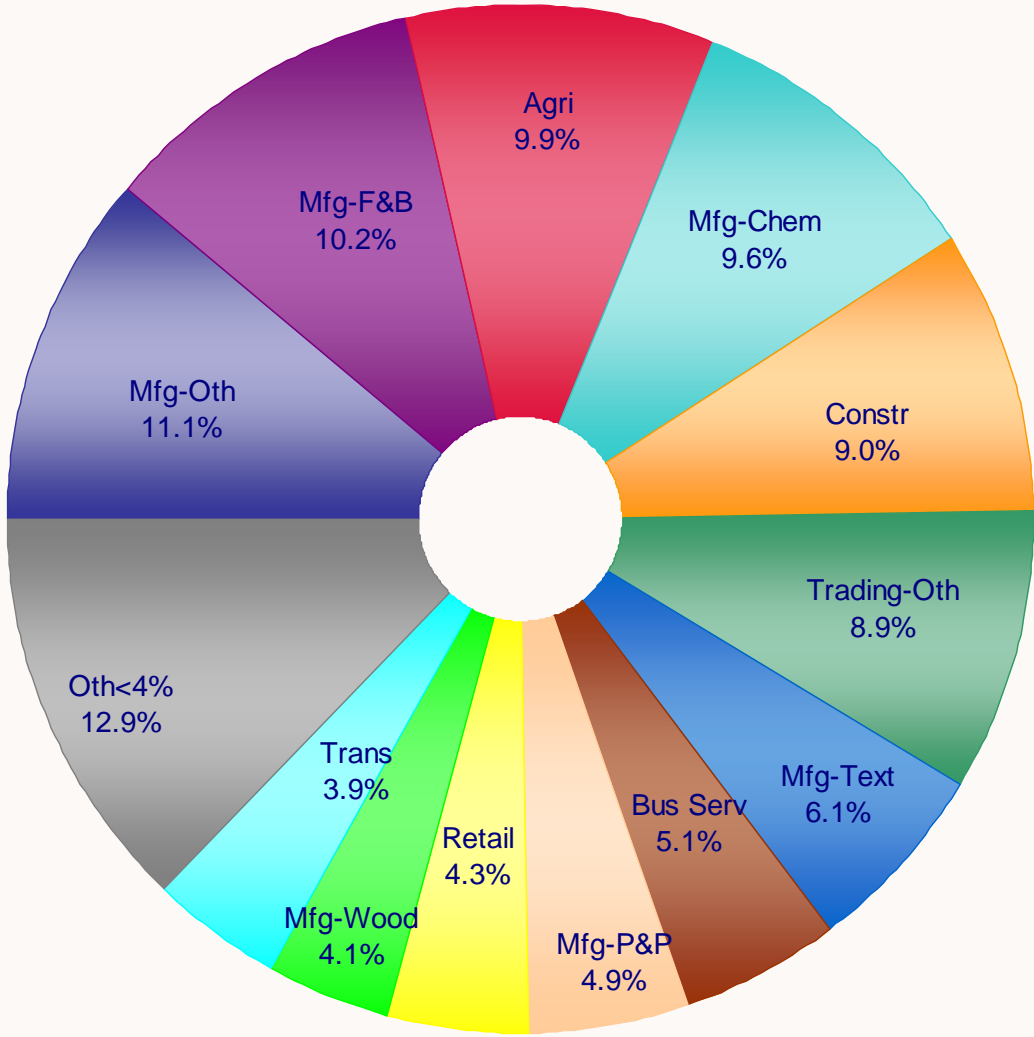
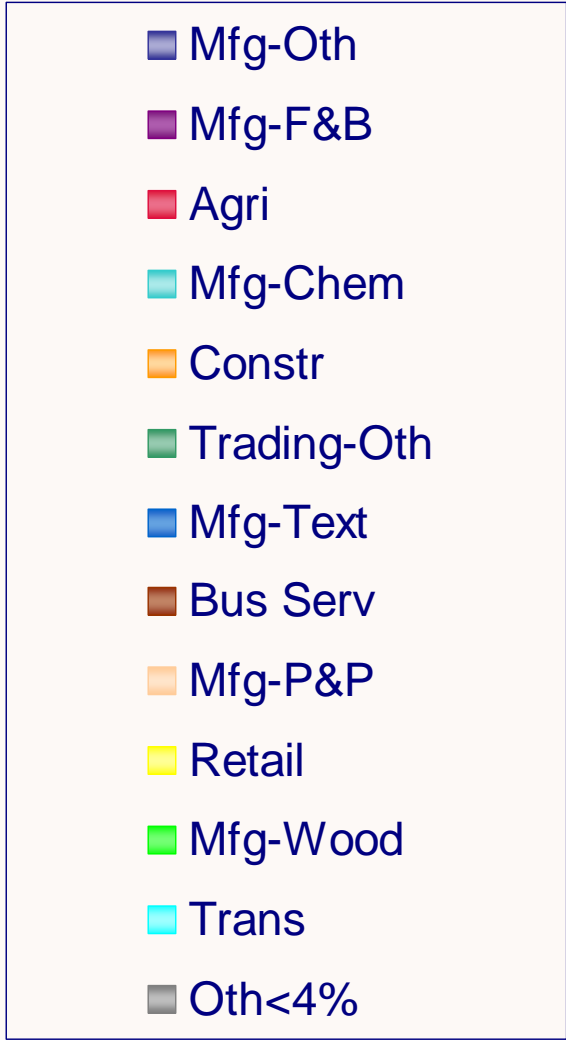


Of the remaining Rp 21,546 billion in restructured Corporate, Commercial & Small Business loans in Q3, or 21.5% of total loans:

- 53.5% are performing
- 79.1% of loans in Category 2 are current in interest payments
- Of the 46.5% which are in NPL, 37.5% are current in interest payments
- Primary sectors are:
 - Agriculture
 - Manufacturing
 - Chemicals
 - Textiles
 - Pulp & Paper
 - Non-Metal Mining
- 51.2% are Rupiah loans
- 32.2% are Investment loans
- 67.5% are to Corporate customers
- 6.9% deteriorated in collectibility

* Excluding Micro & Consumer Loans Only

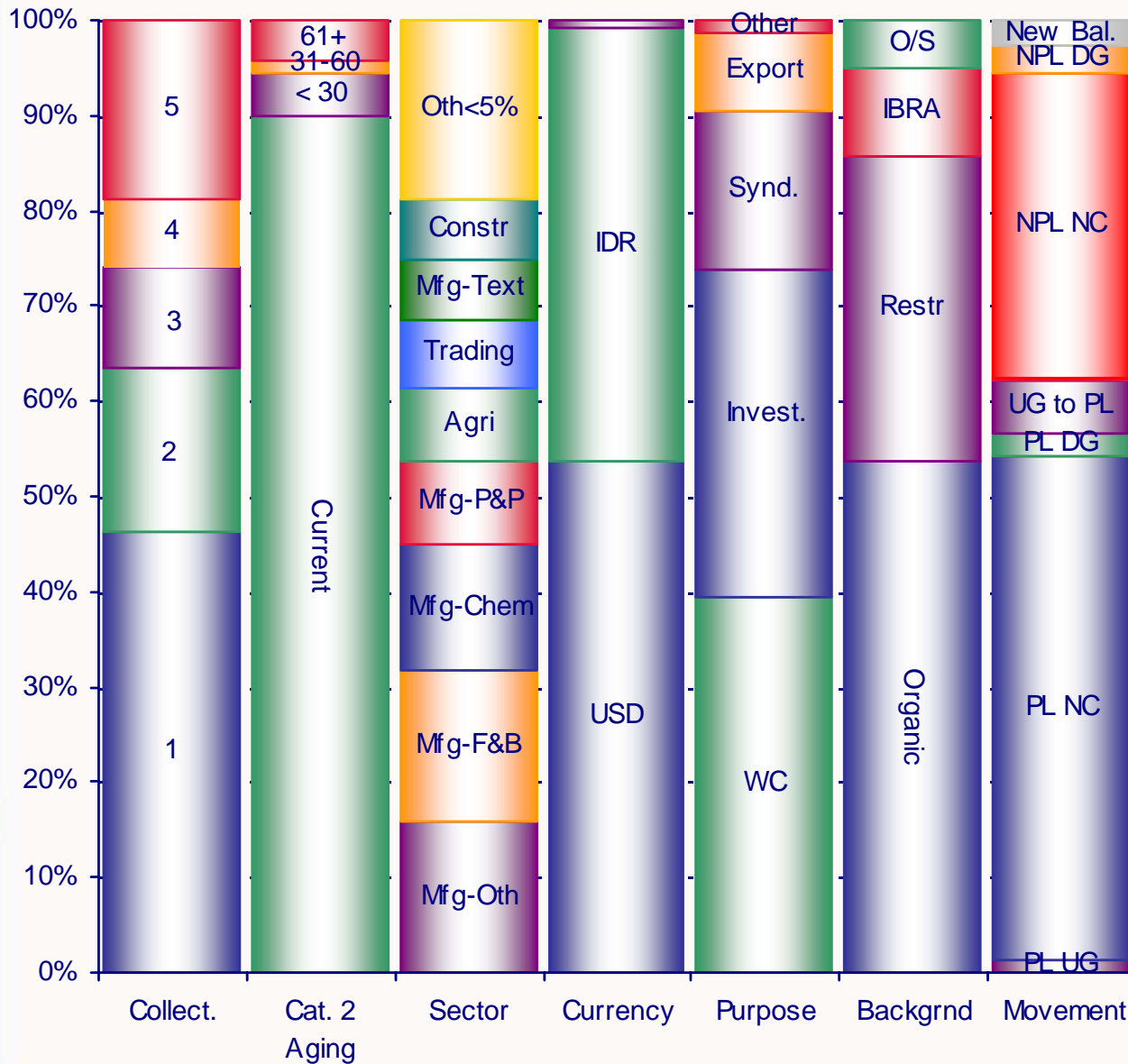
Loan Portfolio Sector Analysis, Q3 2005



(1) * Non-consolidated numbers
Each sector < 4%

Q3 2005 Loan Detail: Corporate Loans

Loan Profile: Q3 Corporate Loans Only (Rp 45,148 bn) Bank Only

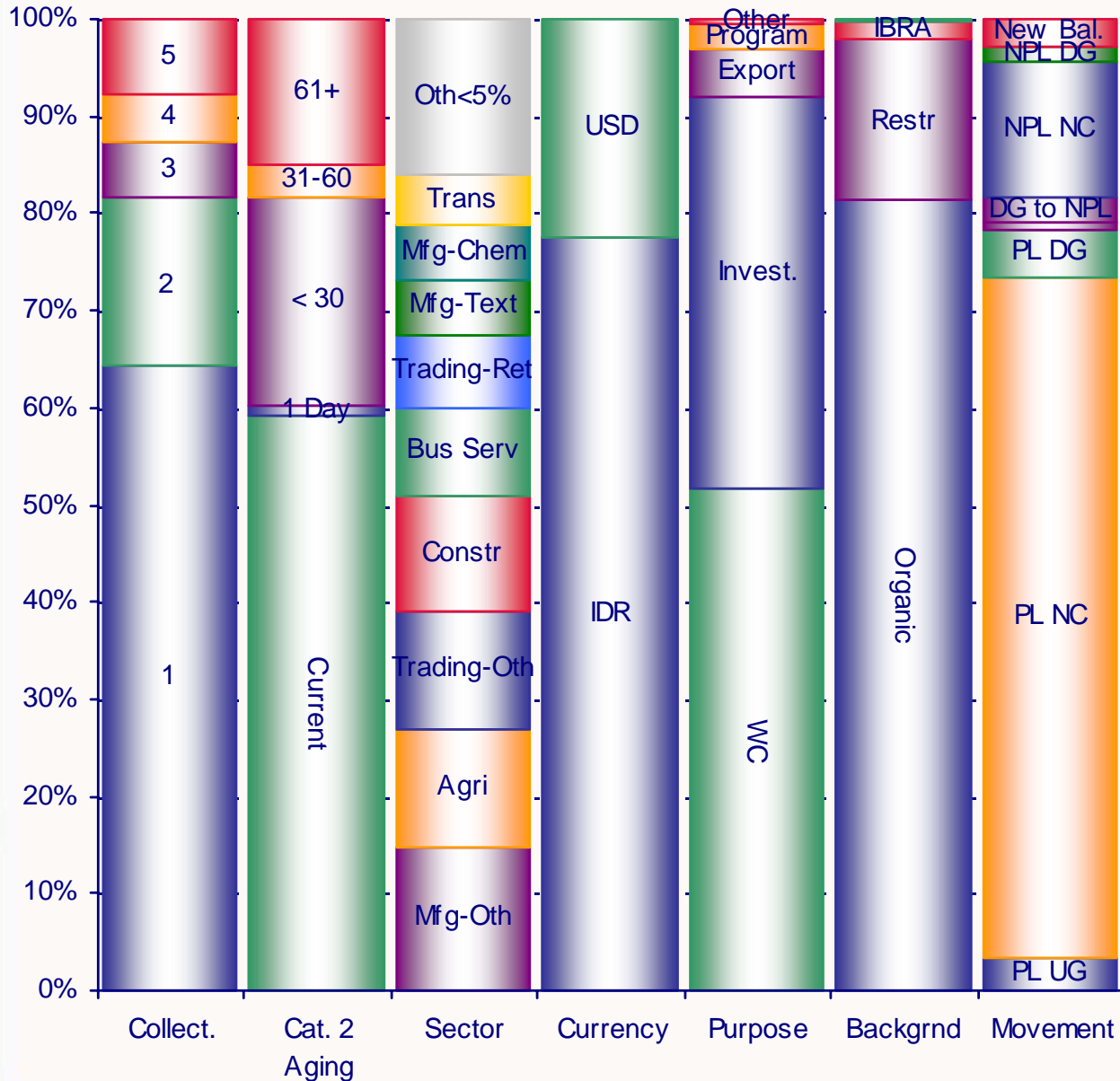


Rp 45,148 billion in loans were in the Corporate portfolio in Q3, or 45.1% of total loans. Of the Corporate Loans in Q3:

- 63.6% are performing loans, with 17.3% in Category 2
- 90.0% of Category 2 loans are current in interest payments
- 35.7% of NPLs are current in interest payments, with another 9.8% less than 30 days overdue
- Primary sectors in Corporate are:
 - Food & Beverage Mfg
 - Chemical Mfg
 - Pulp & Paper Mfg
 - Agriculture
- 53.6% are US Dollar loans
- 39.3% are Working Capital loans
- 32.2% are Restructured loans
- 9.3% were purchased from IBRA

Q3 2005 Loan Detail: Commercial & Small Business Loans*

Loan Profile: Q3 Commercial & Small Loans* Only (Rp 42,098 bn) Bank Only



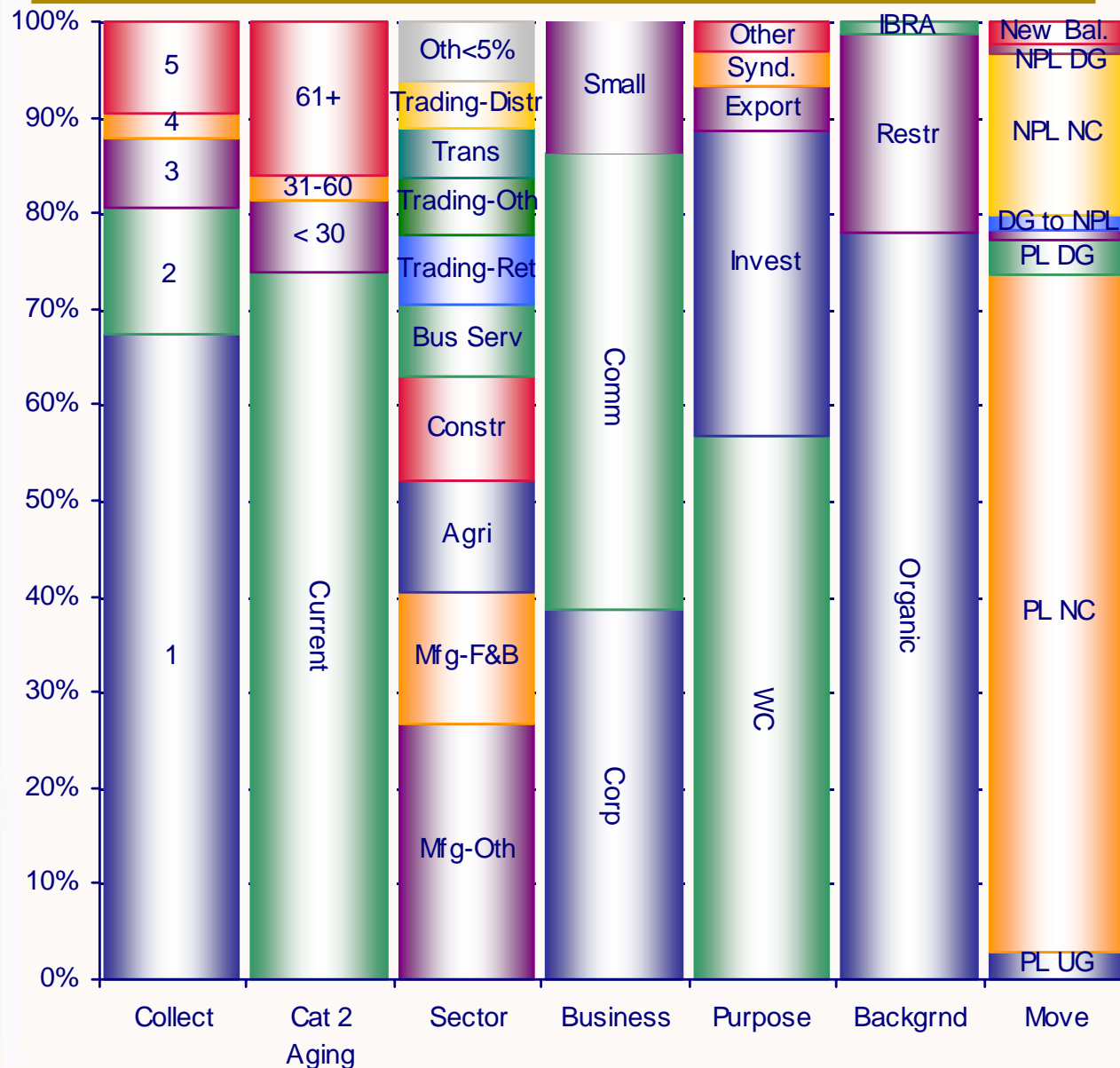
Rp 42,098 billion in loans were in the Commercial portfolio in Q3, or 42.1% of total loans. Of the Commercial & Small Business Loans* in Q3:

- 81.6% are performing, with 17.2% in Category 2
- 60.2% in Category 2 are current or 1 day overdue in interest payments
- 27.1% of NPLs are current in interest payments & 5.8% are less than 30 days overdue
- Primary sectors in Commercial are:
 - Trading & Retail
 - Agriculture
 - Construction
 - Business Services
- 77.4% are Rupiah loans
- 51.7% are Working Capital loans
- 16.7% are Restructured loans
- 1.7% were purchased from IBRA

* Excluding Micro Loans

Q3 2005 Loan Detail*: Rupiah Loans

Loan Profile: Q3 Loans (Rp 53,193 bn) Bank Only



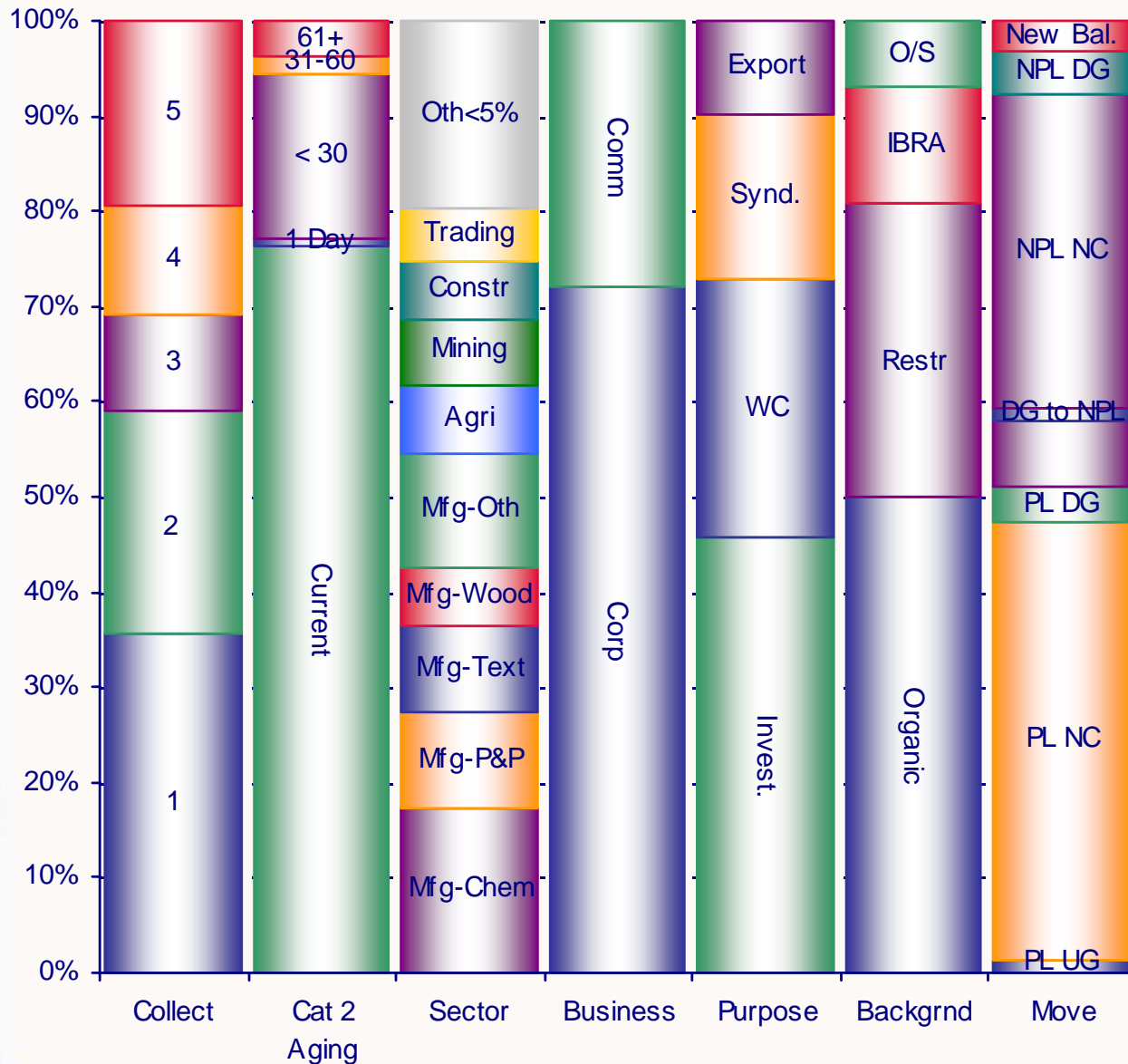
Rp 53,192 billion in loans were Rupiah denominated in Q3, or 53.1% of total loans. Of the Rupiah Loans in Q3:

- 80.7% are performing loans with 13.3% in Category 2
- 73.9% of Category 2 loans are current in interest payments
- 18.4% of NPLs are current in interest payments
- Primary sectors in Corporate are:
 - Business Services
 - Food & Beverage Mfg
 - Agriculture
 - Construction
- 47.6% are Commercial loans
- 56.9% are Working Capital loans
- 20.7% are Restructured loans
- 1.3% were purchased from IBRA

* Excluding Micro & Consumer Loans Only

Q3 2005 Loan Detail*: Foreign Currency Loans

Loan Profile: Q3 FX Loans (Rp 34,055 bn) Bank Only



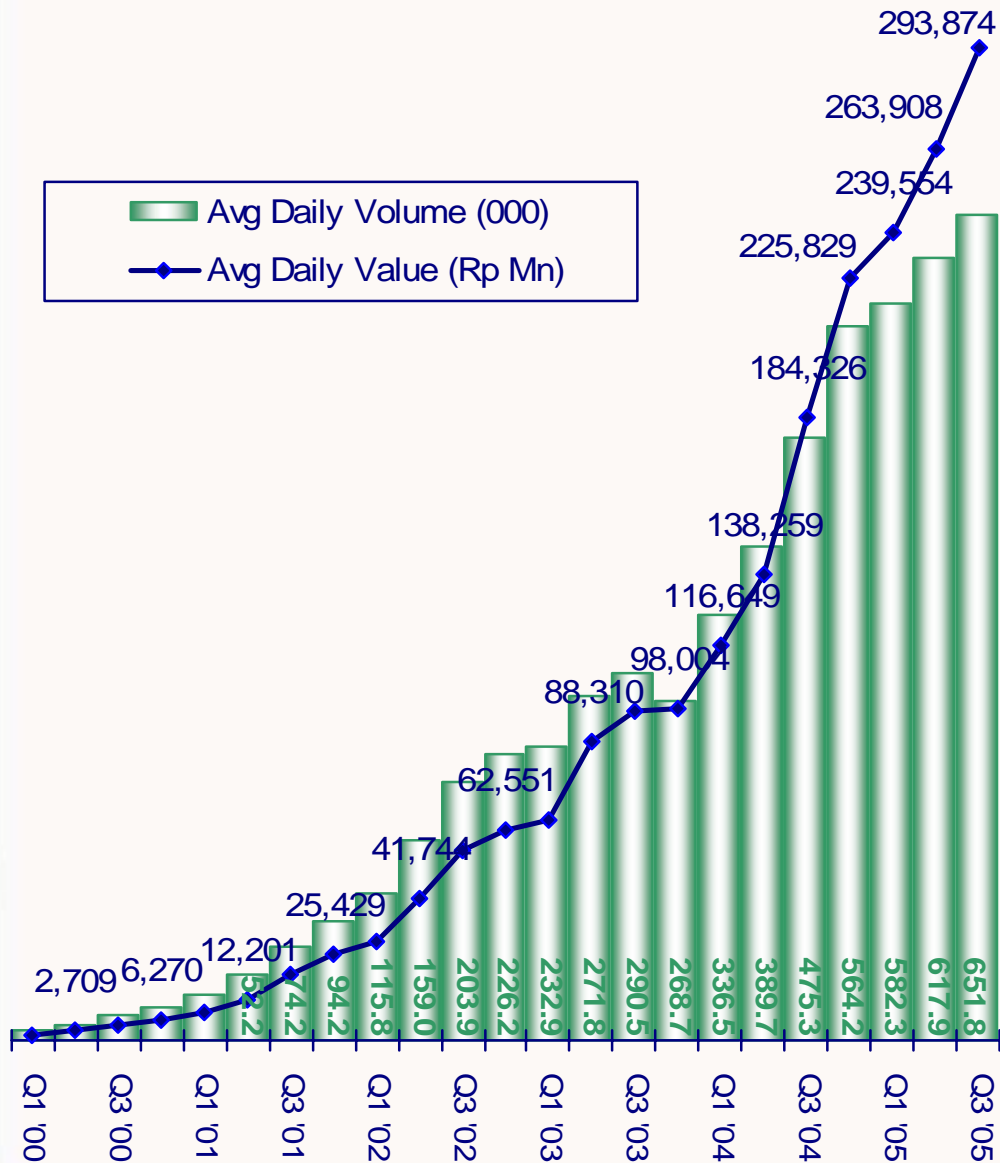
Rp 34,055 billion in loans were foreign currency denominated in Q3, or 34.0% of total loans. Of the FX Loans in Q3:

- 59.1% are performing loans with 23.4% in Category 2
- 76.3% of Category 2 loans are current in interest payments
- 43.7% of NPLs are current in interest payments
- Primary sectors in Corporate are:
 - Manufacturing of
 - Chemicals
 - Textiles & Leather
 - Pulp & Paper
 - Mining
 - Agriculture
- 72.1% are Corporate loans
- 45.7% are Investment loans
- 30.9% are Restructured loans
- 12.4% were purchased from IBRA

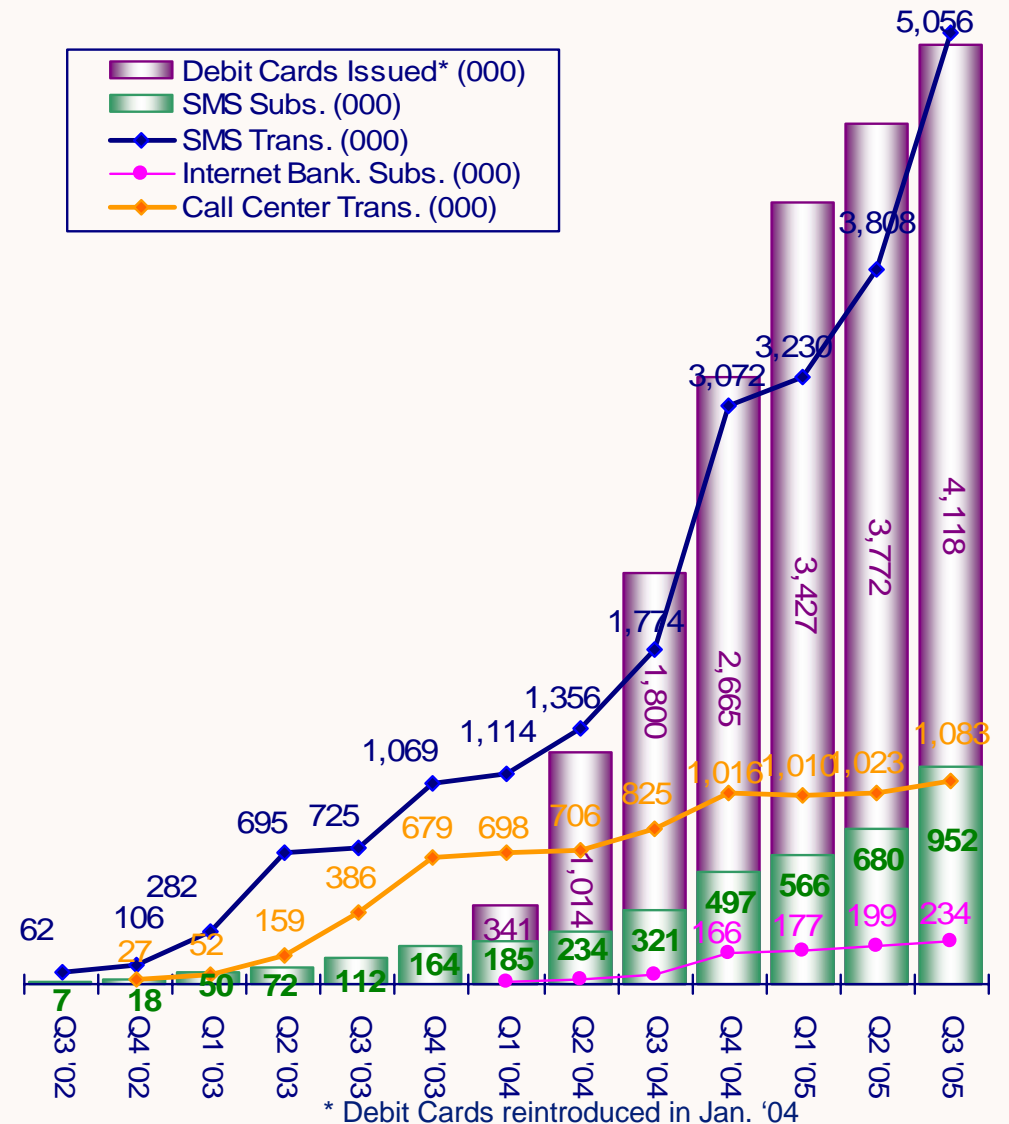
* Excluding Micro & Consumer Loans Only

Electronic banking channels rapidly expanding

ATM Average Daily Transaction Volume and Value

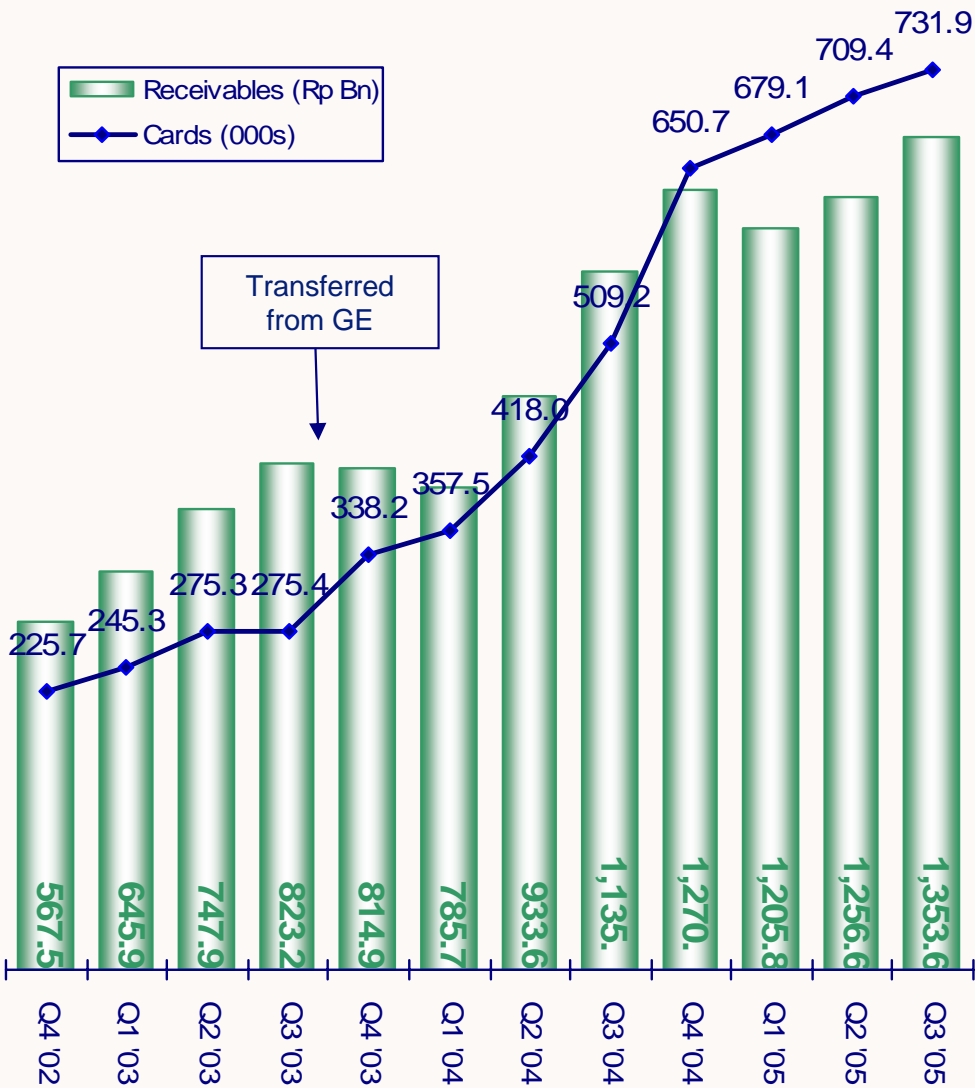


Other Transaction Services

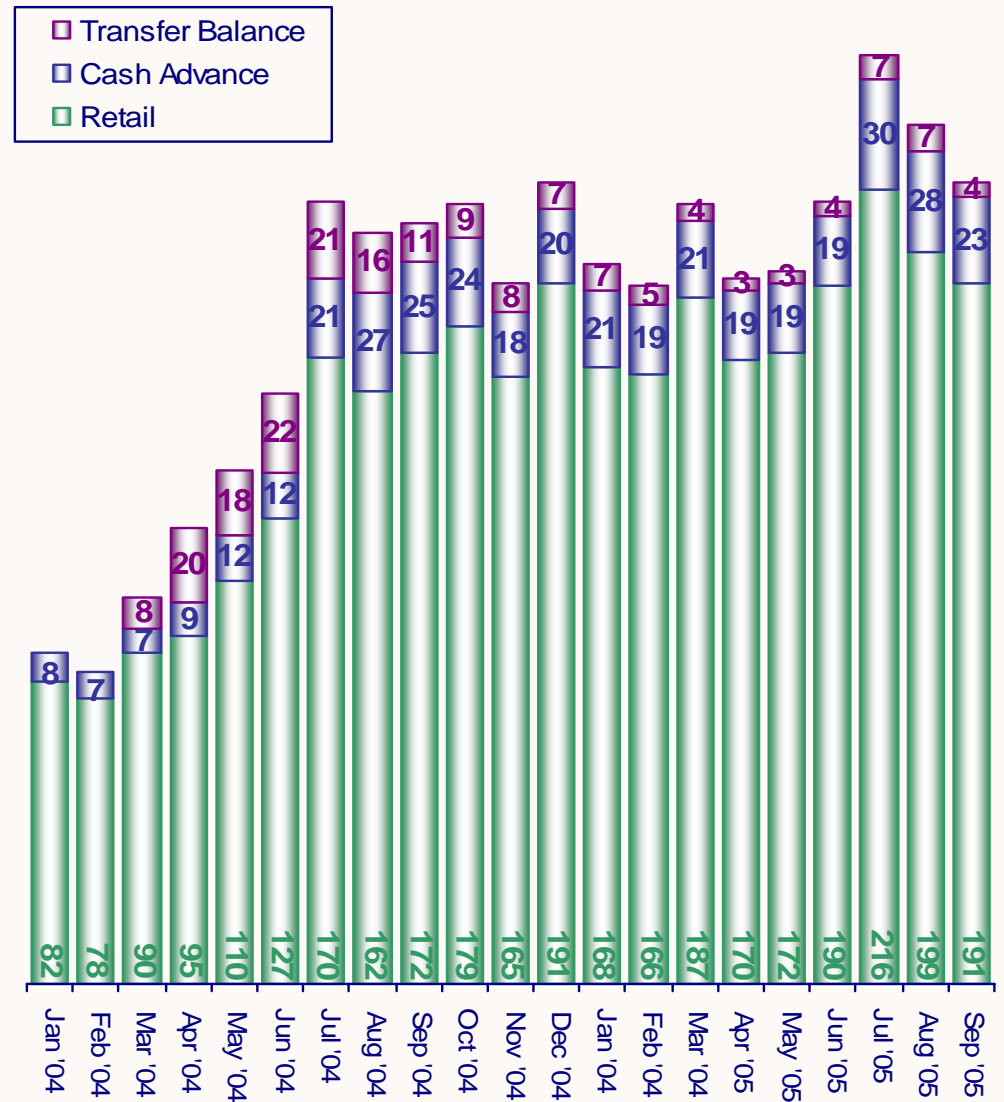


Credit Card business growth has resumed

Mandiri Visa Card Holders and EOQ Receivables

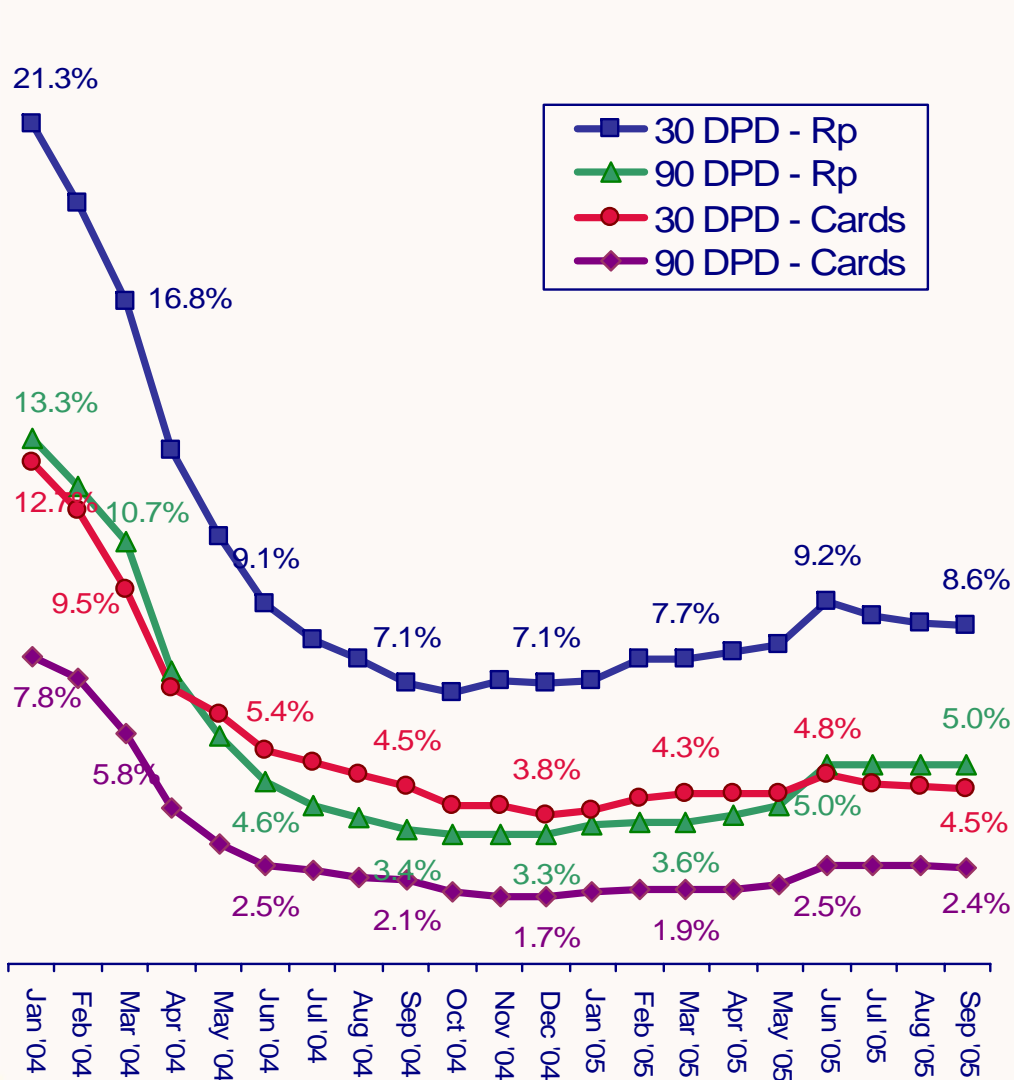


Visa Card Monthly Sales by Type of Transaction (Rp Billion)

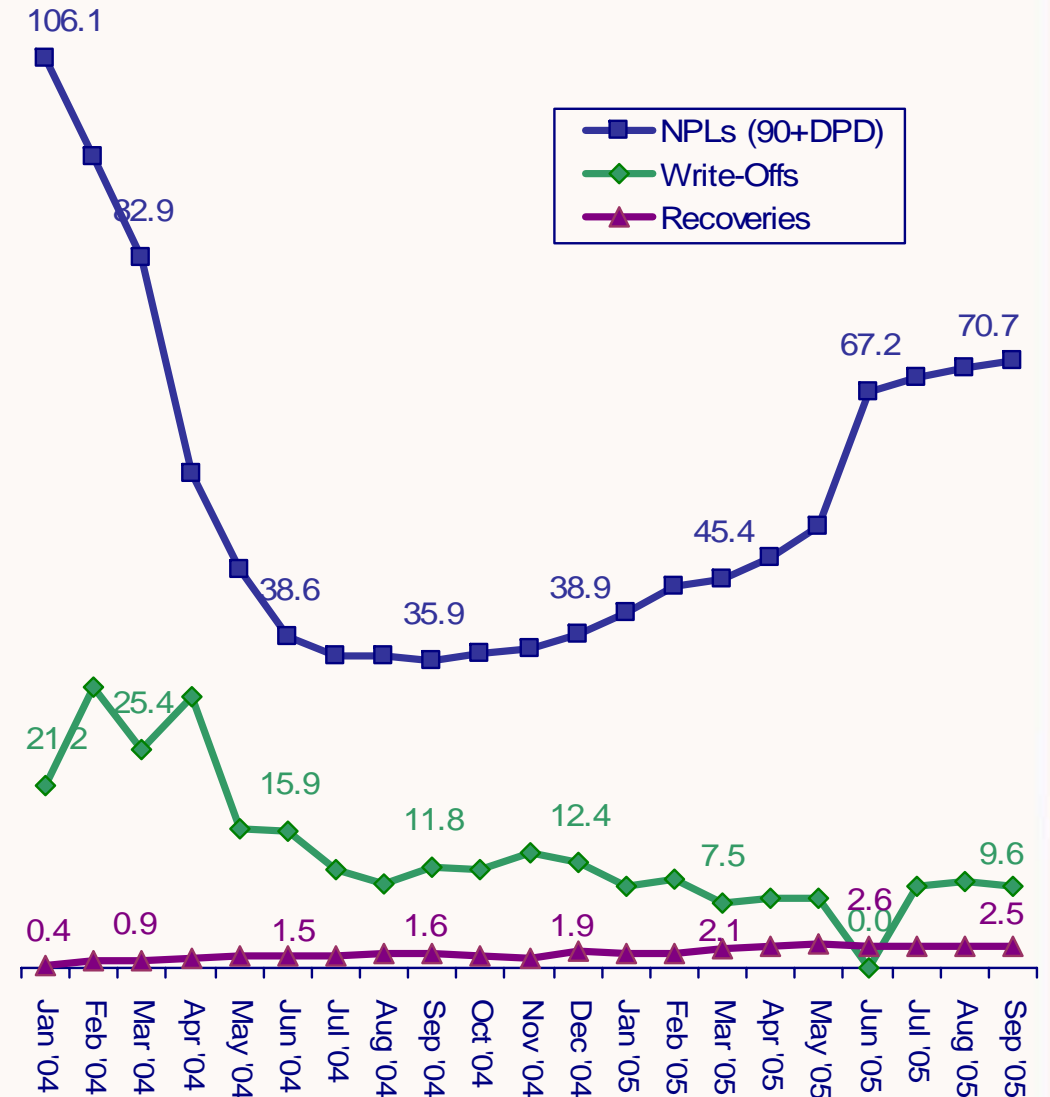


Credit Card portfolio stable throughout in Q3

Mandiri Visa Card Delinquency Rates (%)



Monthly Charge-offs, NPLs & Recoveries (Rp Billion)

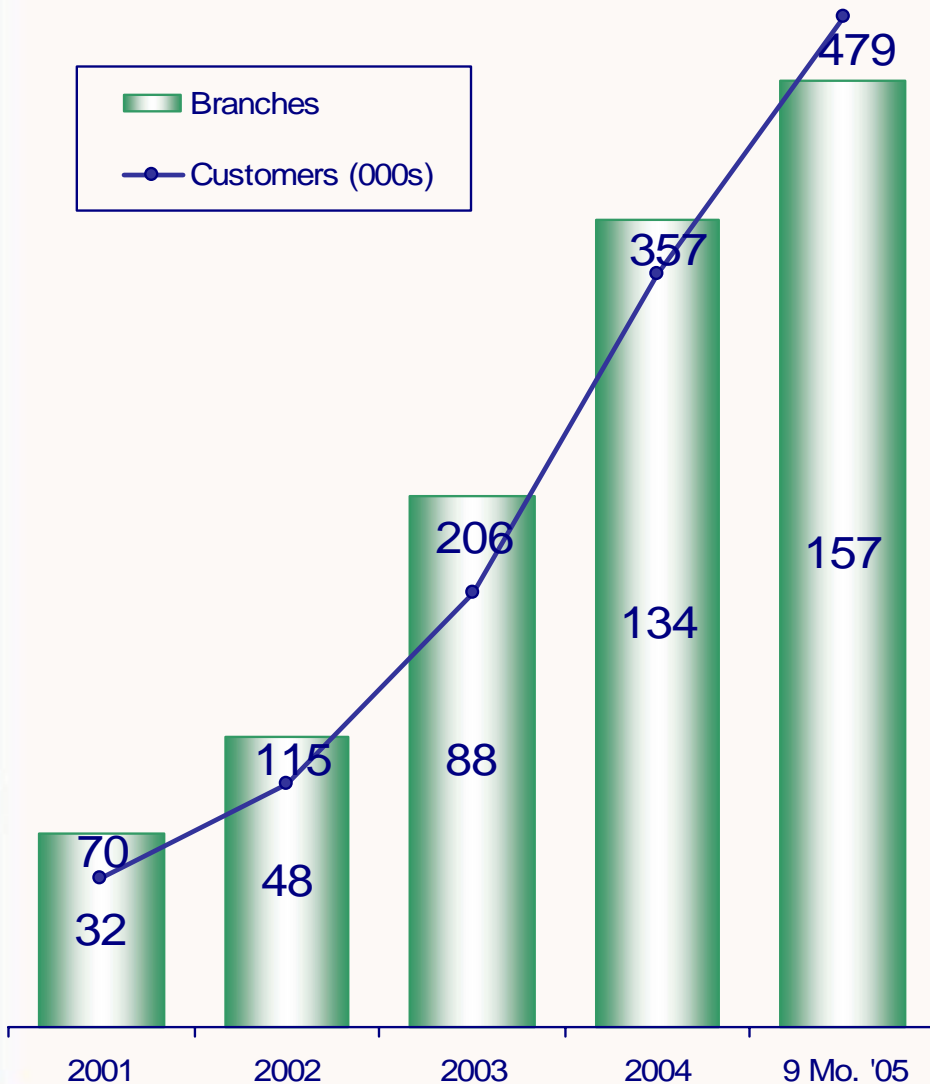


Summary of Principal Subsidiaries

Bank Syariah Mandiri	Mandiri Sekuritas	AXA Mandiri
<ul style="list-style-type: none"> • Equity Investment of Rp632.5 billion • Total Assets Rp7,321billion, with total financing extended amount to Rp5,846 billion and total funds Rp5,938 billion • Operating Income amount to Rp650.3 billion and Profit After Tax of Rp92.6 billion • Market share against Syariah Banking: 39.55% in assets, 41.54% in financing extended and 44.62% in deposits • CAR=10.80% • ROA=2.71% • ROE=21.58% • 157 outlets, consisting of 105 branches and 52 cash outlets, along with 49 branded ATMs 	<ul style="list-style-type: none"> • Equity Investment of Rp707.8 billion • Total Assets Rp 1.790 billion, total liabilities Rp1,117 billion and Equity Rp673 billion • Operating Income amount to Rp31.25 billion, and PAT Rp10.2 billion • Underwrote Rp 2.01 trillion of bonds; and Rp 121.27 billion worth of equity issues as of Sept 2005 (YTD) • Equity transactions in BEJ of Rp16.68 trillion • Bond transactions (SUN & Corporate) through BES and HIMDASUN of Rp35.63 trillion • Assets Under Management totaling Rp326 billion (marked to market as of August 2005) 	<ul style="list-style-type: none"> • Equity Investment of Rp29.1 billion • Total Assets Rp 1,090 billion and Annual First Year Premium (AFYP) Rp221 billion • Total Gross Written Premium (GWP) amounted to Rp 871 billion, consisting of unit-linked premiums of Rp 776 billion (89%) and traditional product premiums of Rp 95 billion (11%). Group business accounted for Rp 27 billion, with the remainder of Rp 844 billion from individual premiums • Embedded value of Rp202 billion (before expense overruns) and appraisal value of Rp1.375 billion • Operating since December 2003, has a presence in 571 Bank Mandiri branches with a team consisting of 630 Financial Advisors (FAs) • As of Q2 2005, AXA Mandiri was number 1 out of all life insurance companies in Indonesia, with new business of 19% market share

Bank Syariah Mandiri

Branch Network & Customer Growth



Summary Balance Sheet (Rp Billions)

Rp Bn	2003	2004	9 Mo. '05
Total Assets	3,422	6,870	7,321
Cash & placement w/ BI	1,023	796	551
Current Accounts & Placements w/Other Banks	36	235	212
Securities - Net	76	427	435
Total Financing	2,162	5,267	6,008
Allowances	(42)	(86)	(162)
Total Financing - Net	2,119	5,181	5,846
Third Party Funds	2,629	5,882	5,938
Demand Deposits	298	981	921
Savings Deposits	753	1,567	1,759
Time Deposits	1,578	3,334	3,258
Shareholders Equity	450	549	641

Bank Syariah Mandiri



Summary P&L (Rp billions)

	2002	2003	2004	9 Mo. '05
Total Operating Income	162.7	279.4	584.2	650.3
3rd Party Share on Returns	71.5	148.4	269.2	275.4
Bank's Share in Operating Income	91.3	131.1	315.0	374.8
Other Operating income	35.5	51.9	102.0	71.5
Operating Expenses	84.4	159.9	276.4	237.5
Income from Operations	42.3	23.0	140.6	132.5
Net Income before tax	43.4	24.5	150.4	132.3
Net Income after tax	30.1	15.8	103.4	92.6

Selected Financial Ratios

LDR	74.6%	66.1%	83.3%	90.3%
CAR	39.3%	20.9%	10.6%	10.8%
ROA	3.6%	1.0%	2.9%	2.7%
ROE	7.4%	3.6%	22.3%	21.6%

Mandiri Sekuritas

Summary Balance Sheet

Rp Bn	2003	2004	9 Mo. '05
Total Assets	1,079.7	1,435.7	1,790.0
Cash & equivalent	82.9	117.4	83.1
Time deposit	50.0	50.0	-
Marketable Securities	794.0	538.8	742.1
Receivables	123.0	478.6	748.5
Property & Equipment-net	8.0	11.8	10.4
Total Liabilities	380.8	699.3	1,117.2
Payable to Clearing & Guarantee body	79.3	39.1	34.3
Payable to customers	61.7	420.3	677.8
Repo	67.0	2.0	88.9
Bank Loans	150.0	190.0	270.0
Shareholders Equity	698.9	736.4	672.8

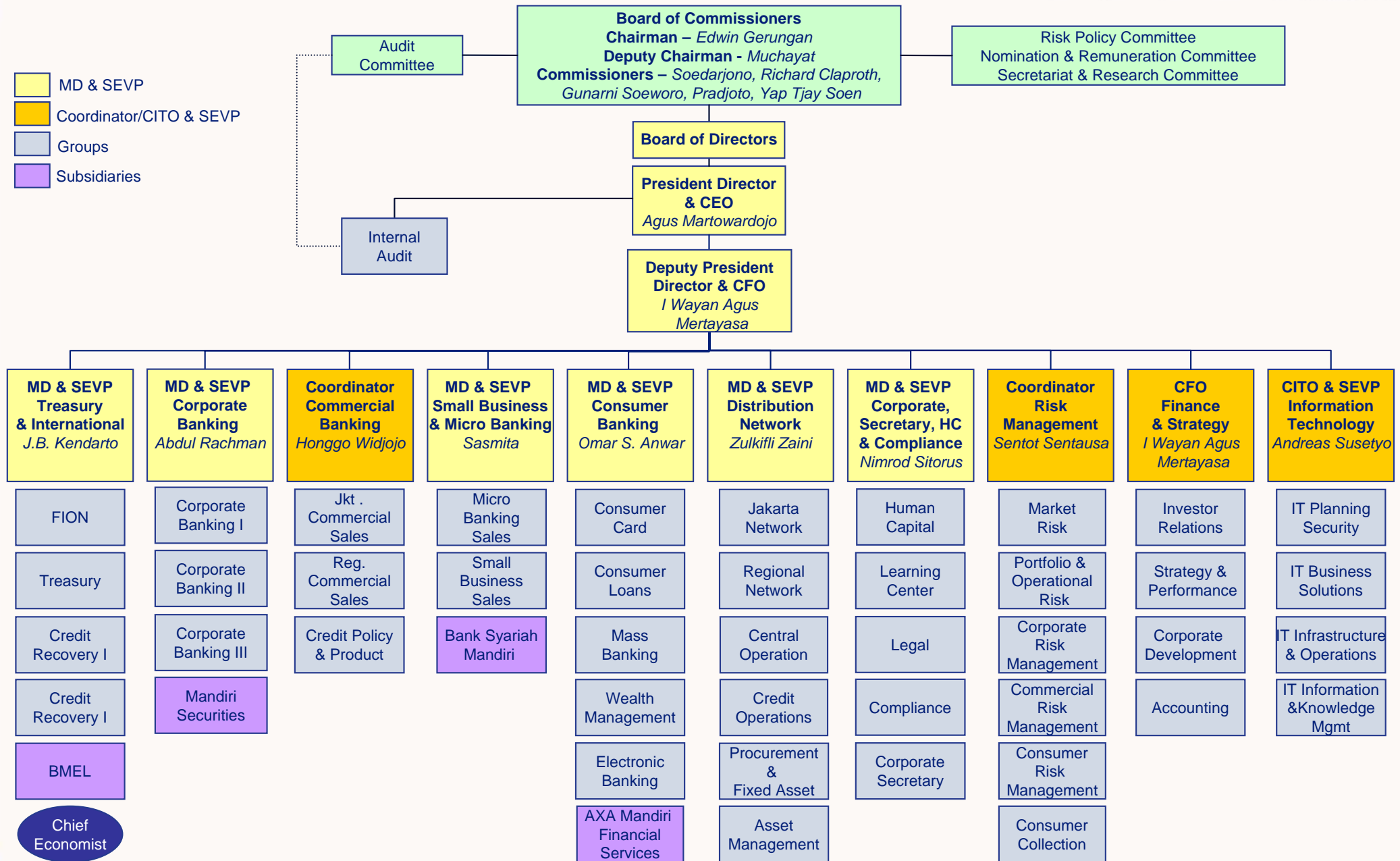
Summary P&L

Rp Bn	2003	2004	9 Mo. '05
Operating Revenue	102.4	244.0	152.3
Brokerage Commissions	3.9	15.6	18.9
Investment Mgmt Fees	5.1	53.0	41.9
Advisory fees	6.1	10.4	5.7
Underwriting & Selling Fees	24.9	20.6	8.4
Gain on Trading of Marketable Securities	25.5	61.9	(21.7)
Interest & Dividends	33.5	82.7	99.1
Operating Expenses	54.1	134.6	95.5
G & A expenses	11.6	23.4	15.2
Salaries and allowances	29.8	53.7	42.8
Commissions	5.7	36.2	20.0
Profit from operations	48.4	109.4	56.7
Other income (charges) - net	24.0	(8.1)	(25.5)
Income before tax	72.4	101.3	31.3
Net Income after tax	52.7	63.0	10.2

Bank Mandiri at a Glance

Organization Chart

- MD & SEVP
- Coordinator/CITO & SEVP
- Groups
- Subsidiaries



Agus Martowardojo, President Director



Agus Martowardojo graduated with a BA from the Economics Faculty of the University of Indonesia in 1984, and 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, Pak Agus was appointed President Director of PT. Bank Bumiputera, and he became President Director of PT. Bank Ekspor Impor Indonesia (Persero), one of the four legacy banks from which Bank Mandiri was established, in 1998.

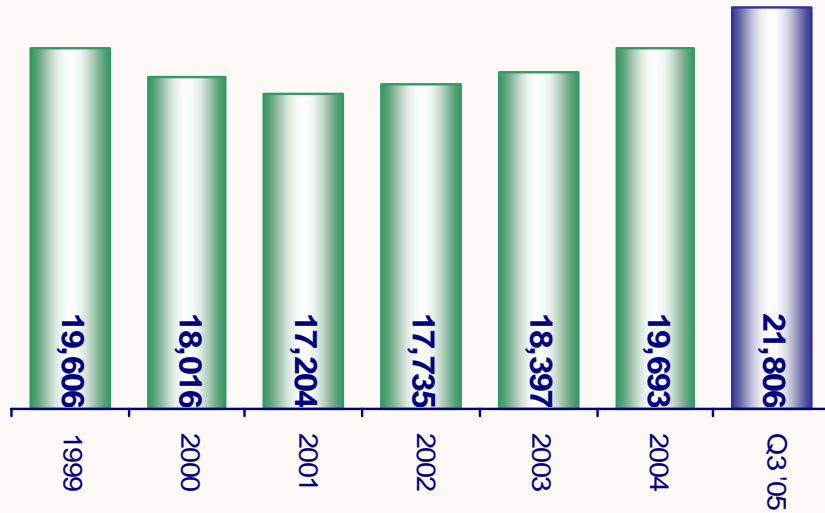
From 1999 through 2002, Pak Agus served as a Managing Director of Bank Mandiri with responsibility for Risk Management and Credit Restructuring, Retail Banking and Operations, and finally Human Resources and Support Services. In October of 2002, after briefly serving as Advisor to the Chairman of IBRA (Indonesian Banking Restructuring Agency), he was appointed as President Director of PT. Bank Permata Tbk. In May of 2005, he was appointed as the President Director of PT Bank Mandiri (Persero) Tbk.

Pak Agus was elected Chairman of the Indonesian Bankers Institute in 2004, and has been serving as Chairman of the Indonesian Banks Association (Perbanas) since 2003. Pak Agus was also the Chairman of the Bankers Club 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.

Staffing and Distribution Network Growth

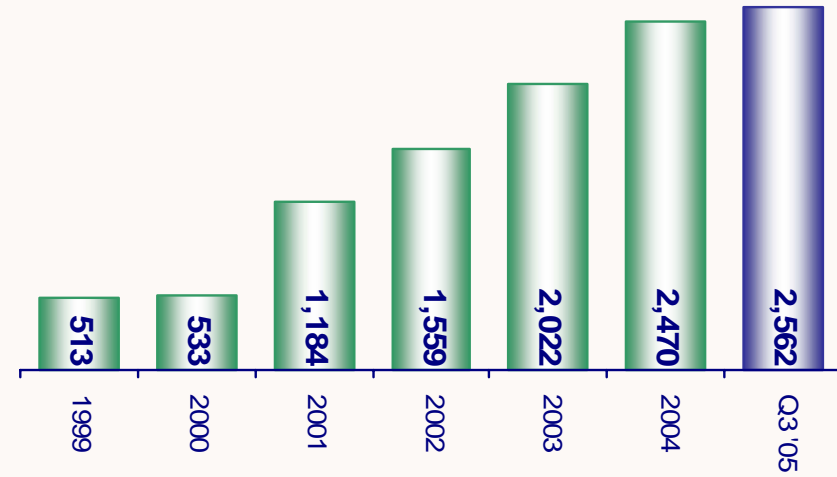
Employees

% Change	(8.1)	(4.5)	3.1	3.7	7.0	10.7
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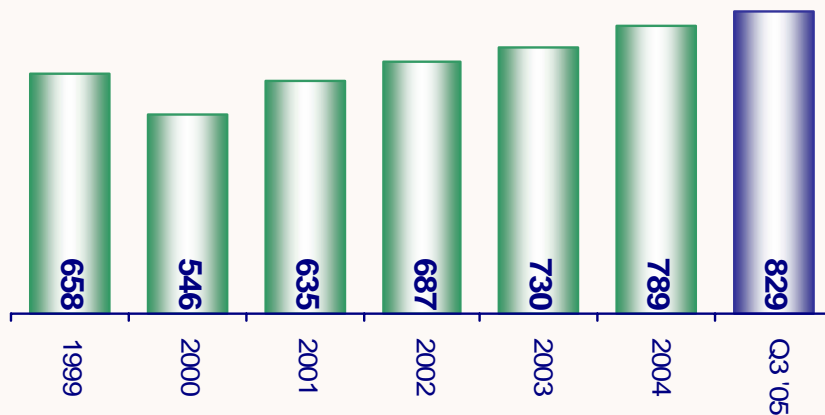
ATM Network

New ATMs	211	500	520	490	500	92
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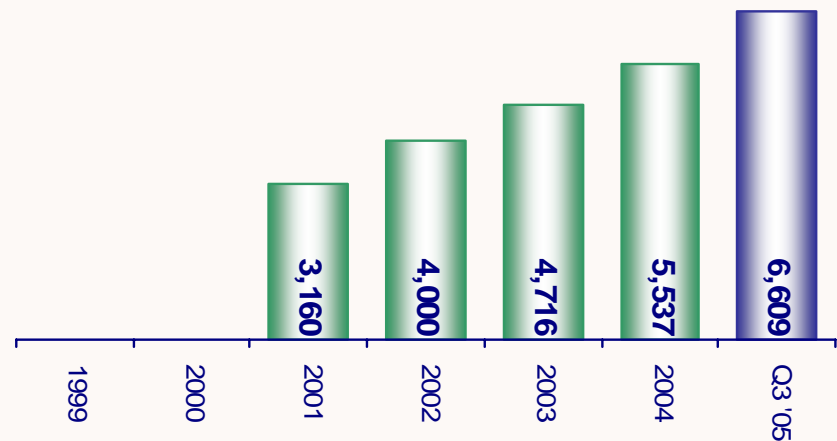


Domestic Branch Network

New Branches	(112)	89	52	43	59	40
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ATM-Link Network



Internationally Recognized as Indonesia's leading Bank



Best Domestic
Commercial Bank
2004



Best Domestic Bank
2003, 2004



Best Domestic
Commercial Bank
2002, 2003, 2004



Best Local Bank
2001, 2002, 2003, 2004



Bank of the Year,
Indonesia
2001, 2002, 2003,
2004



Best Indonesian Bank
2001, 2002, 2003



Best Trade Finance Bank
Southeast Asia
2004



Best Trade
Finance Bank
2001, 2002, 2003,
2004

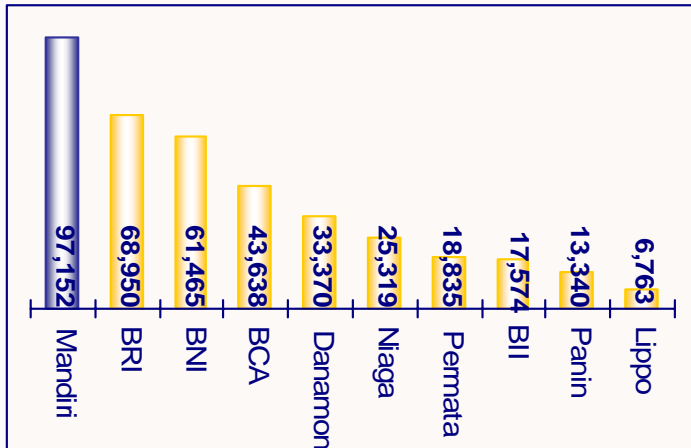


Indonesia Bond House
Mandiri Sekuritas
2004

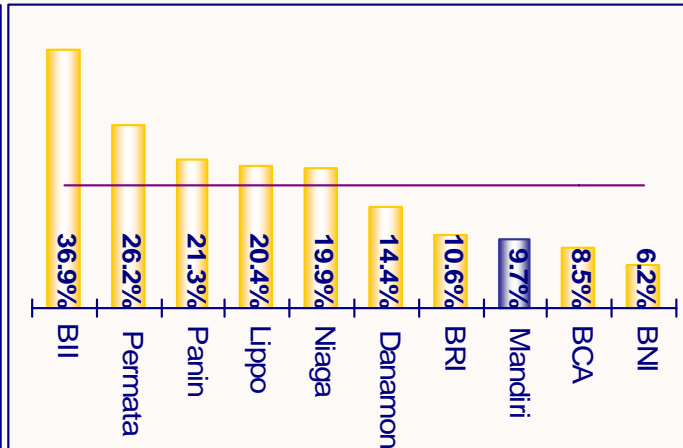
Loan growth, quality and provisioning relative to peers

Bank Only, As of June 2005

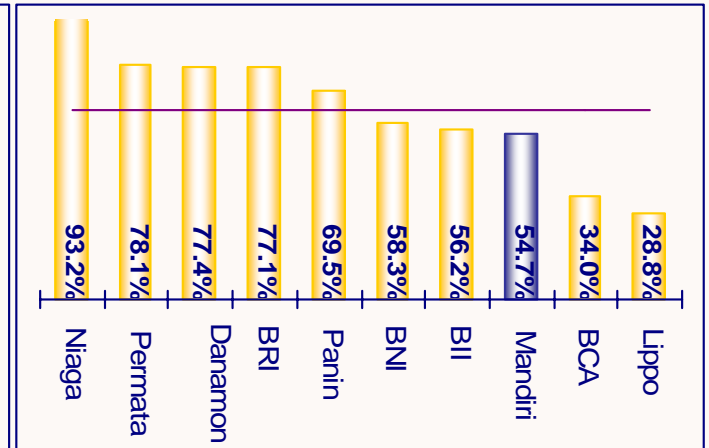
Total Loans
(Rp bn)



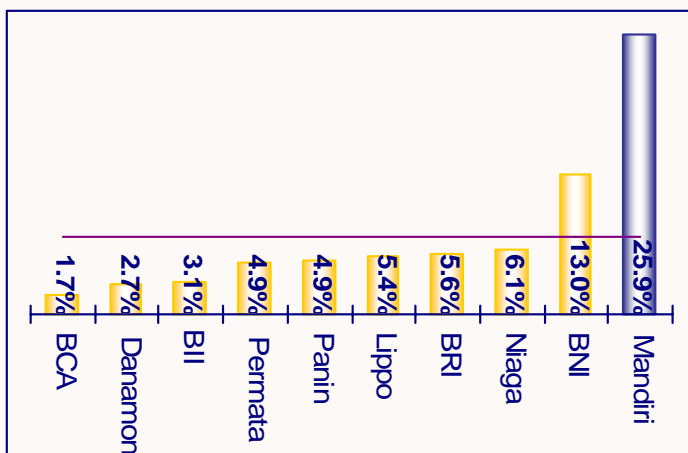
Loan Growth (YTD)
(%)



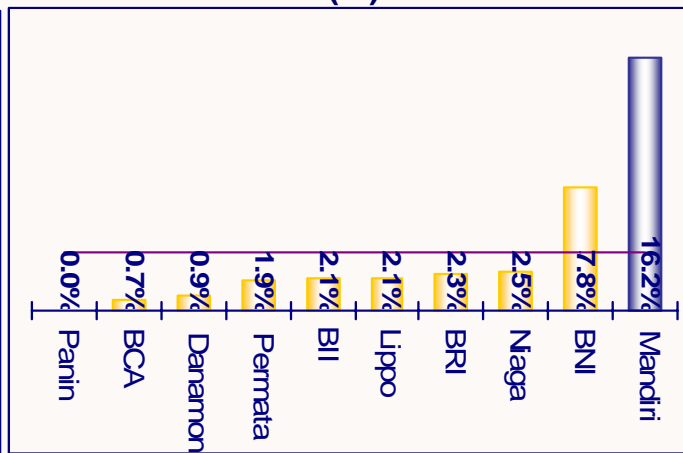
Loan to Deposit Ratio
(%)



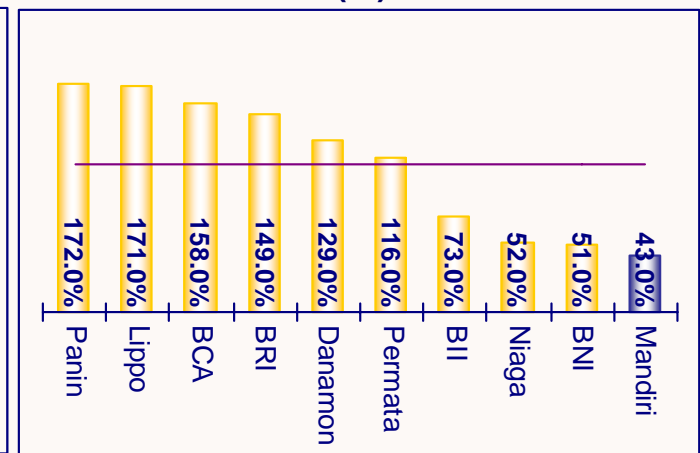
NPL Ratio (Gross)
(%)



NPL Ratio (Net)
(%)



Ratio of Provisions to NPL
(%)

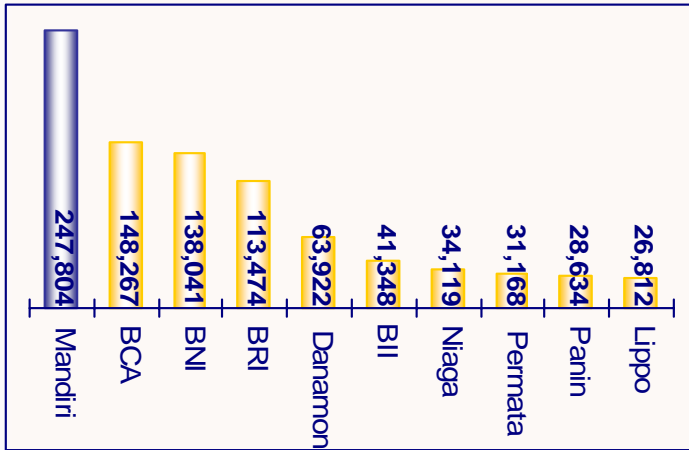


— Average

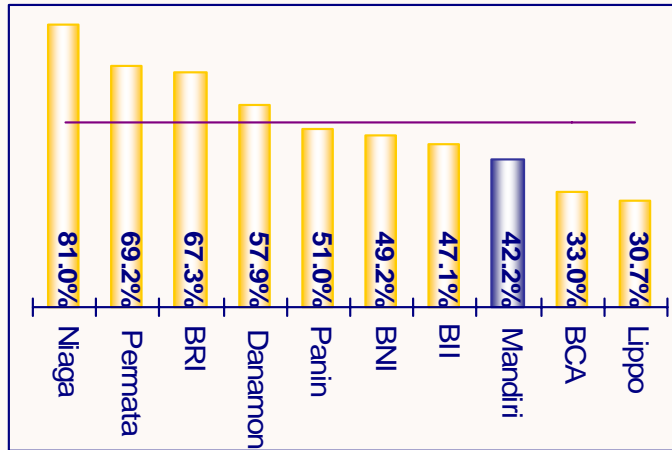
Asset and liability mix relative to peers

Bank Only, As of June 2005

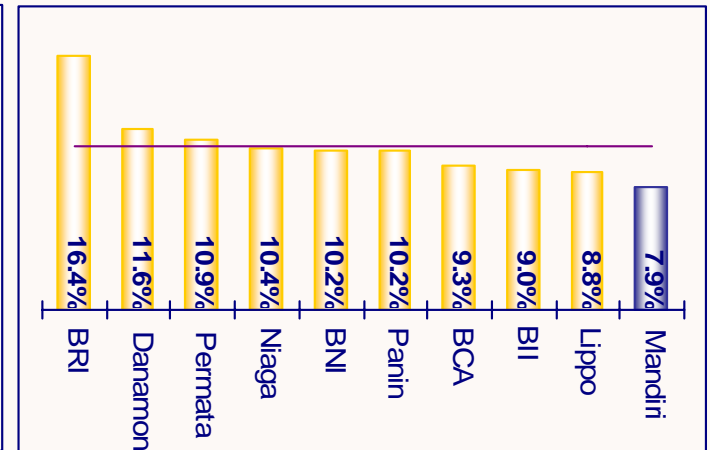
Total Assets
(Rp bn)



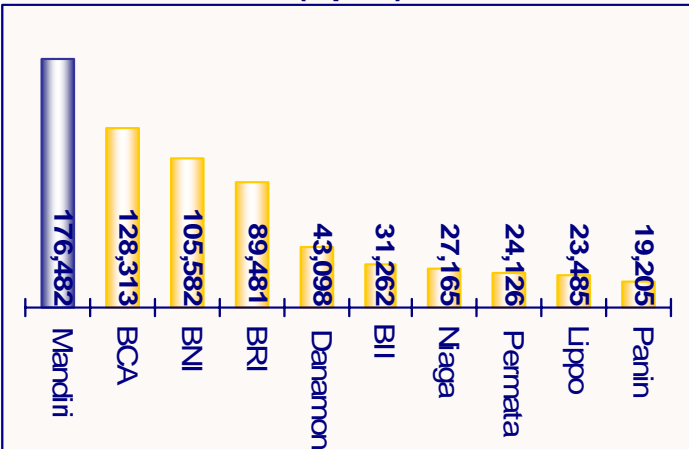
Loans to Total Earning Assets
(%)



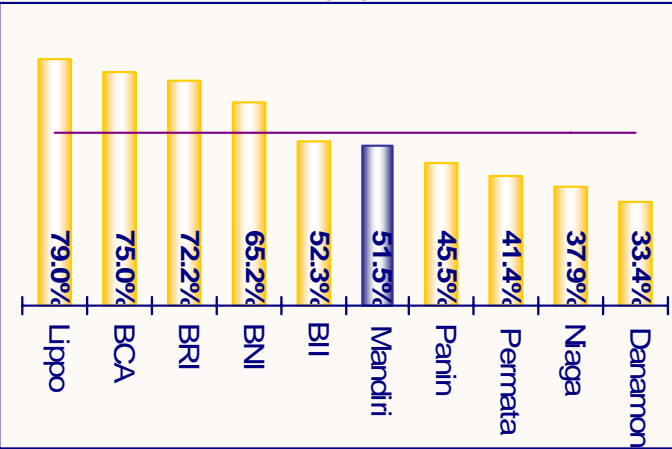
Yield on Assets (p.a.)
(%)



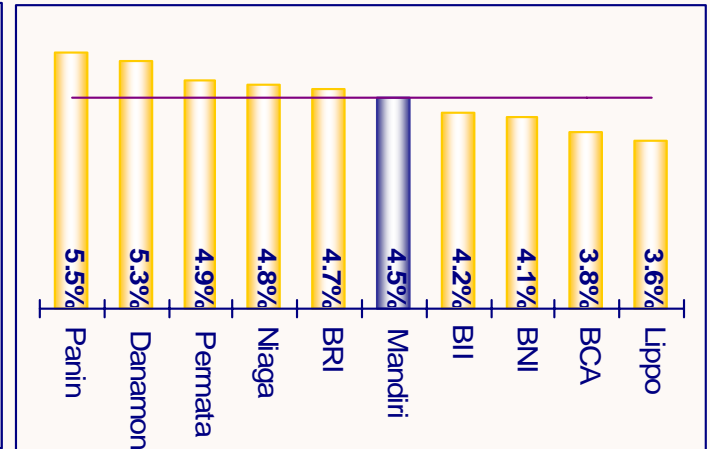
Total Deposits
(Rp tn)



Low Cost Deposit Ratio
(%)



Cost of Funds (p.a.)
(%)

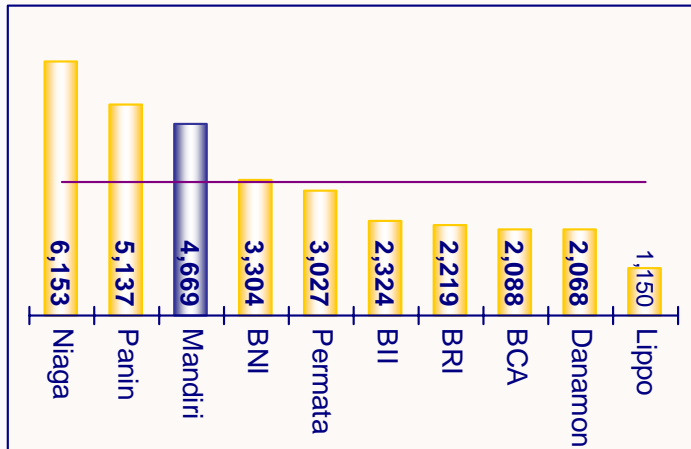


— Average

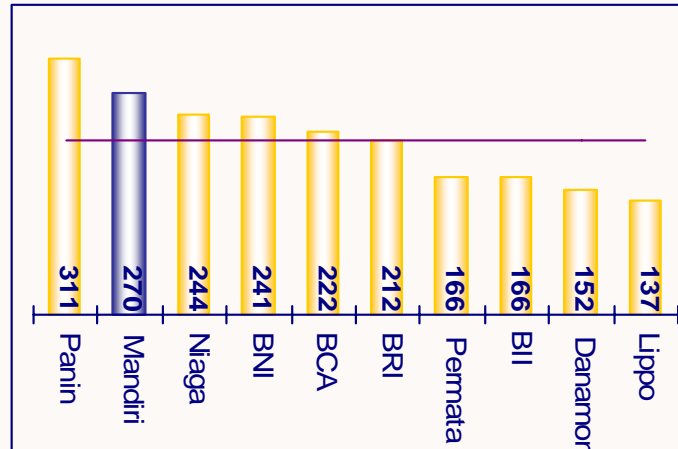
Efficiency measures relative to peers

Bank Only, As of June 2005

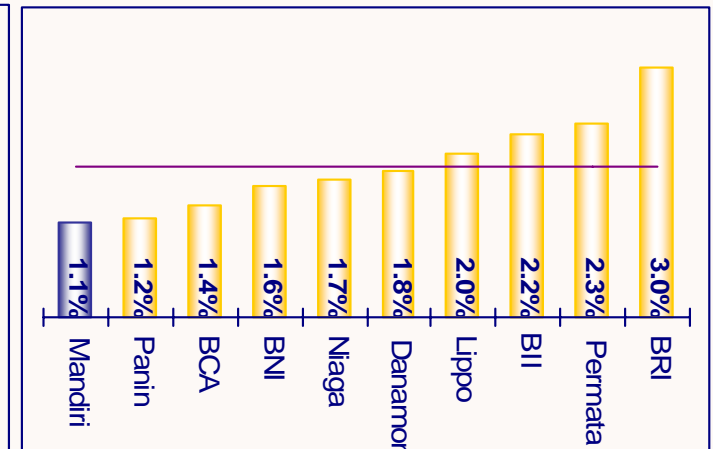
Loans/ Employee
(Rp Mn)



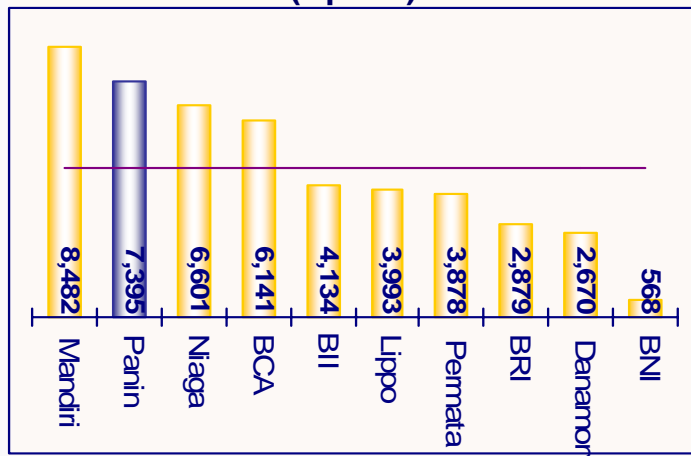
Revenue/ Employee
(Rp Mn)



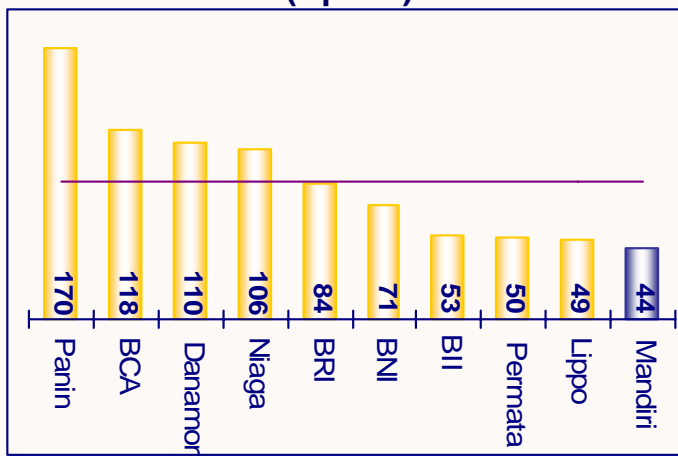
Cost/Assets
(%)*



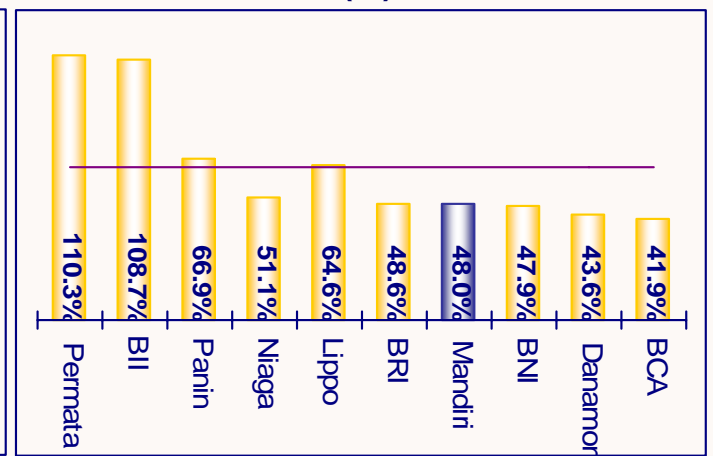
Deposits/ Employee
(Rp Mn)



Pre Tax Income/Employee
(Rp Mn)



Cost/ Income
(%)

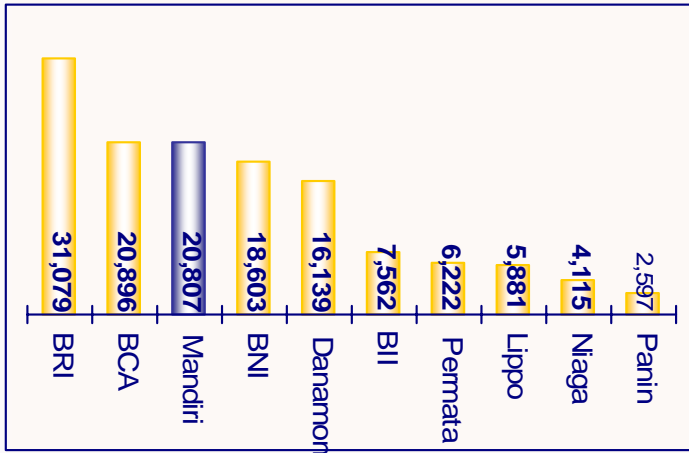


— Industry Average

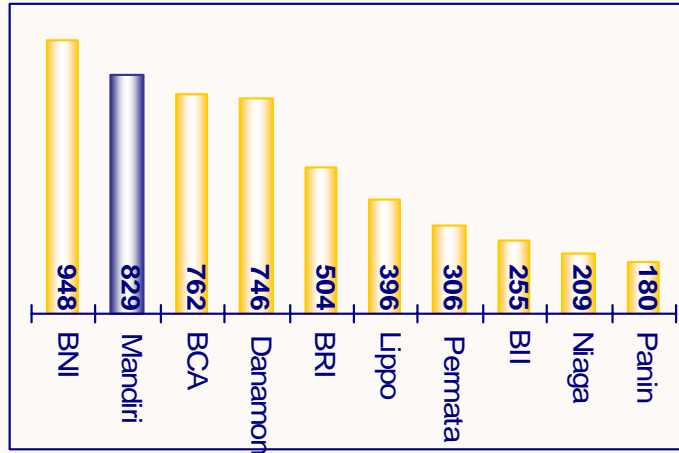
Measures of scale and returns relative to peers

Bank Only, As of June 2005

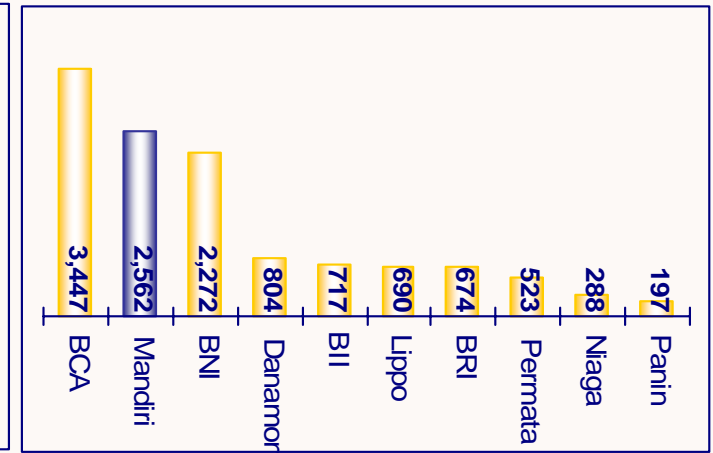
Employees



Branches

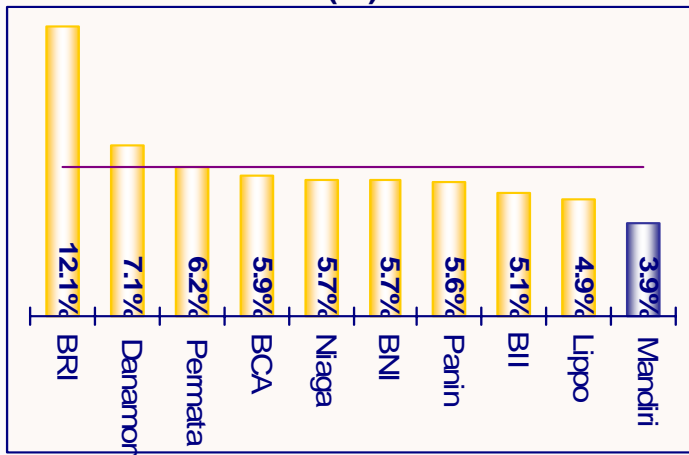


ATMs



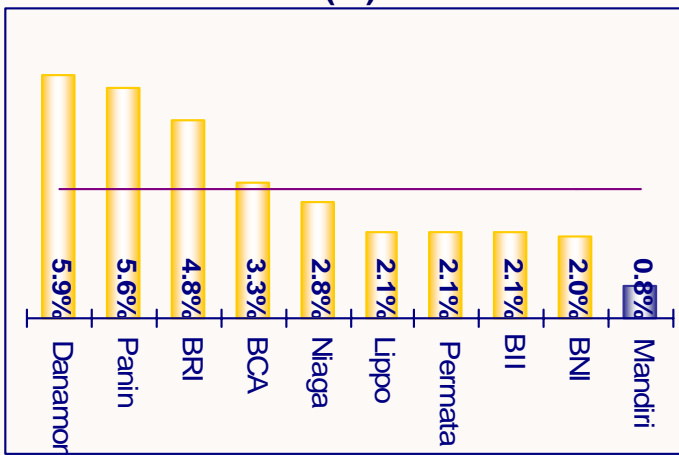
Net Interest Margins

(%)



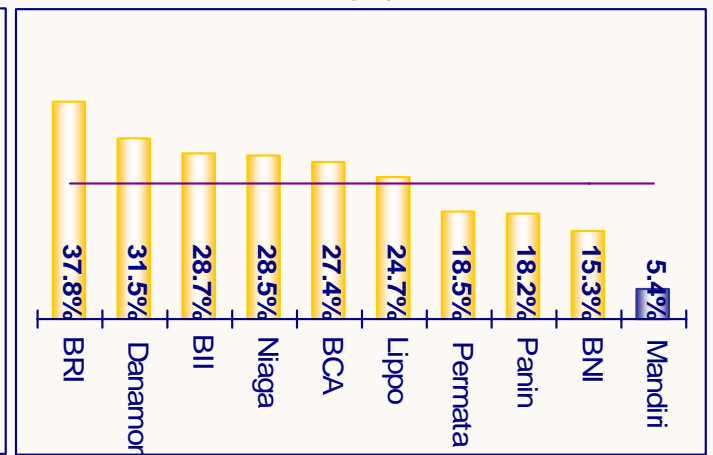
Return on Assets (Before Tax)

(%)



Return on Equity (After Tax)

(%)



— Industry Average

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