

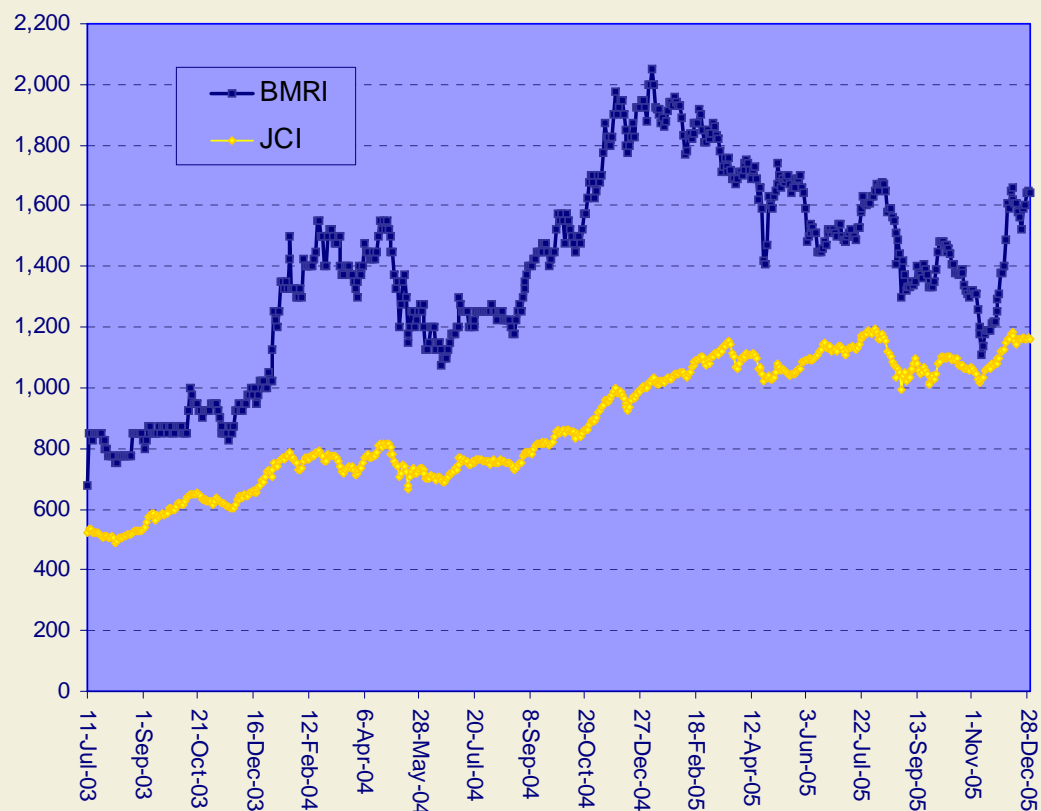
**Passion to Serve, Passion to Perform**

**PT Bank Mandiri (Persero) Tbk  
Full Year 2005 Results Presentation**

Bank Mandiri



# Shareholding Information



△ from:	IPO	Jan 1 2005
<b>BMRI</b>	<b>+142.96%</b>	<b>-14.81%</b>
<b>JCI</b>	<b>+121.59%</b>	<b>+16.24%</b>

Description	Shareholders as of 31 December 2005		
	Investors	Shares	%
<b>DOMESTIC</b>			
1. Government	1	14,000,000,000	69.1%
2. Retail	8,722	355,712,500	1.8%
3. Employees	12,559	132,814,864	0.7%
4. Pension Funds	107	65,561,000	0.3%
5. Assurance/Banks	31	99,252,500	0.5%
6. Institutional	156	165,518,817	0.8%
7. Mutual Funds	34	92,581,000	0.5%
<b>Total</b>	<b>21,610</b>	<b>14,911,440,681</b>	<b>73.6%</b>
<b>INTERNATIONAL</b>			
1. Retail	60	4,522,000	0.0%
2. Institutional	310	5,339,754,683	26.4%
<b>Total</b>	<b>370</b>	<b>5,344,276,683</b>	<b>26.4%</b>
<b>TOTAL</b>	<b>21,980</b>	<b>20,255,717,364</b>	<b>100.00%</b>

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# Bank Mandiri Operating Highlights

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**Q4 2005**

# Key Quarterly Balance Sheet Items & Financial Ratios

<i>IDR billion / %</i>	FY 2004	9-Mo. 2005	FY 2005	YoY Change (%)
<b>Gross Loans</b>	94,403	106,683	<b>106,853</b>	<b>13.2</b>
<b>Government Bonds</b>	93,081	92,267	<b>92,056</b>	<b>(1.1)</b>
<b>Total Assets</b>	248,156	250,341	<b>263,383</b>	<b>6.1</b>
<b>Customer Deposits</b>	175,838	186,448	<b>206,289</b>	<b>17.3</b>
<b>Total Equity</b>	24,935	23,563	<b>23,215</b>	<b>(6.9)</b>
<b>RoA - before tax (p.a.)</b>	3.1%	1.6%	<b>0.5%</b>	
<b>RoE – after tax (p.a.)</b>	22.8%	10.5%	<b>2.5%</b>	
<b>Cost to Income<sup>(1)</sup></b>	45.2%	48.2%	<b>56.6%</b>	
<b>NIM (quarterly)</b>	4.4%	3.8%	<b>4.0%</b>	
<b>LDR</b>	53.7%	57.2%	<b>51.8%</b>	
<b>Gross NPL / Total Loans</b>	7.1%	23.4%	<b>25.3%</b>	
<b>Provisions / NPLs</b>	128.8%	47.7%	<b>44.4%</b>	
<b>Tier 1 CAR<sup>(2)</sup></b>	18.6%	18.0%	<b>18.0%</b>	
<b>Total CAR<sup>(2)</sup></b>	25.3%	23.7%	<b>23.7%</b>	
<b>Total CAR incl. Market Risk</b>	24.5%	23.0%	<b>23.2%</b>	
<b>EPS (Rp)</b>	262	61	<b>30</b>	<b>(88.5)</b>
<b>Book Value/Share (Rp)</b>	1,233	1,163	<b>1,150</b>	<b>(6.7)</b>

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

(2) Bank only – Not including Market Risk

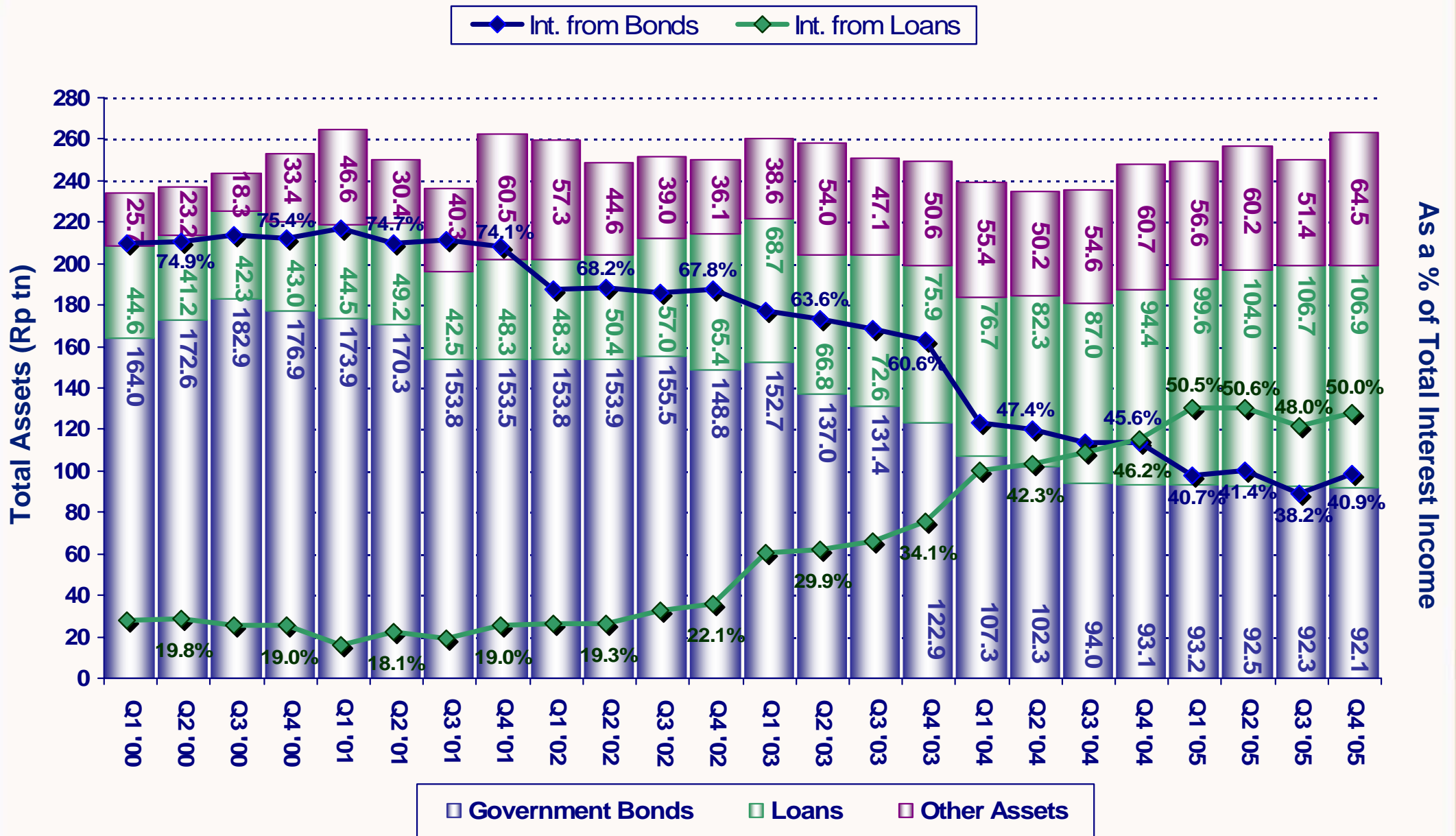
# Summary P&L Information – Full 2005 vs. Full 2004

	FY 2004		FY 2005		YoY Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
<b>Interest Income</b>	<b>19,145</b>	<b>10.7</b>	<b>20,798</b>	<b>8.2</b>	<b>8.6</b>
<b>Interest Expense</b>	<b>(9,679)</b>	<b>(5.4)</b>	<b>(12,044)</b>	<b>(4.7)</b>	<b>24.4</b>
<b>Net Interest Income</b>	<b>9,466</b>	<b>5.3</b>	<b>8,754</b>	<b>3.4</b>	<b>(7.5)</b>
<b>Other Operating Income</b>	<b>2,464</b>	<b>1.4</b>	<b>2,323</b>	<b>0.9</b>	<b>(5.8)</b>
<b>Gain from Increase in Value &amp; Sale of Bonds</b>	<b>1,651</b>	<b>0.9</b>	<b>367</b>	<b>0.1</b>	<b>(79.1)</b>
<b>Provisions, Net</b>	<b>(24)</b>	<b>0.0</b>	<b>(3,388)</b>	<b>(1.3)</b>	<b>14,016.7</b>
<b>Personnel Expenses</b>	<b>(2,402)</b>	<b>(1.3)</b>	<b>(3,187)</b>	<b>(1.2)</b>	<b>32.7</b>
<b>G &amp; A Expenses</b>	<b>(2,989)</b>	<b>(1.7)</b>	<b>(3,080)</b>	<b>(1.2)</b>	<b>3.1</b>
<b>Other Operating Expenses**</b>	<b>(645)</b>	<b>(0.4)</b>	<b>(601)</b>	<b>(0.2)</b>	<b>(6.8)</b>
<b>Profit from Operations</b>	<b>7,521</b>	<b>4.2</b>	<b>1,188</b>	<b>0.5</b>	<b>(84.2)</b>
<b>Non Operating Income</b>	<b>4</b>	<b>0.0</b>	<b>45</b>	<b>0.0</b>	<b>1,025.0</b>
<b>Net Income Before Tax</b>	<b>7,525</b>	<b>4.2</b>	<b>1,233</b>	<b>0.5</b>	<b>(83.6)</b>
<b>Net Income After Tax</b>	<b>5,256</b>	<b>2.9</b>	<b>604</b>	<b>0.2</b>	<b>(88.5)</b>

\* % of Average Assets on an annualized basis

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

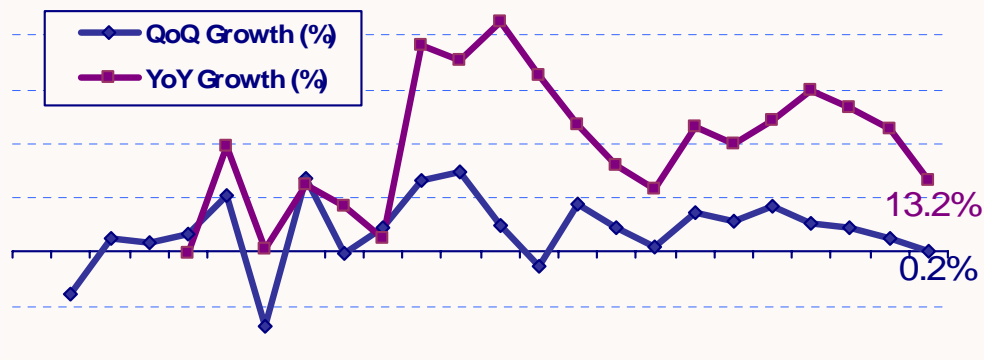
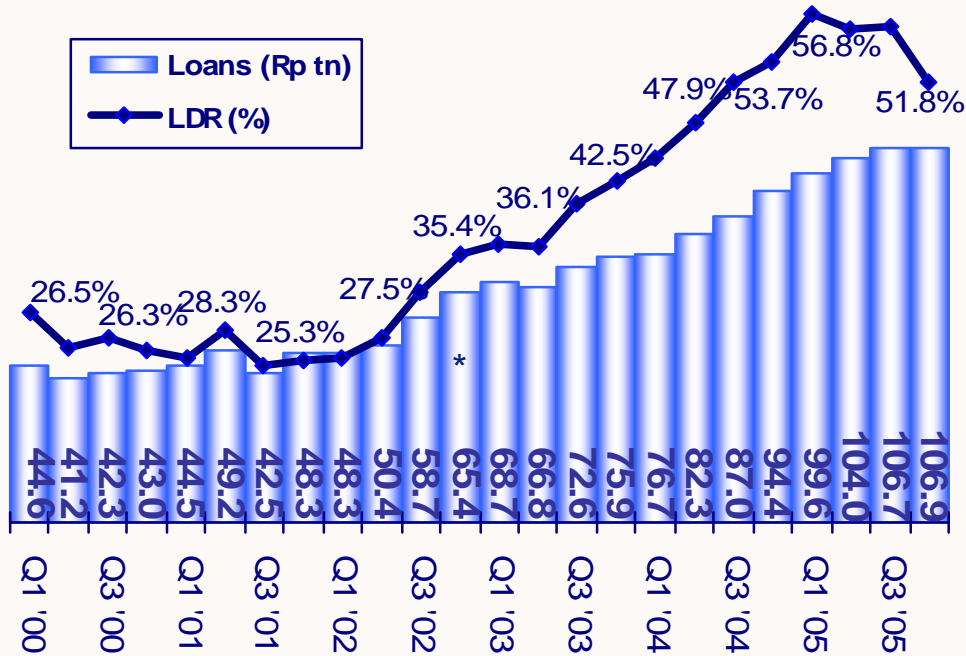
# Total assets grew by 6.1% Y-o-Y – Consolidated





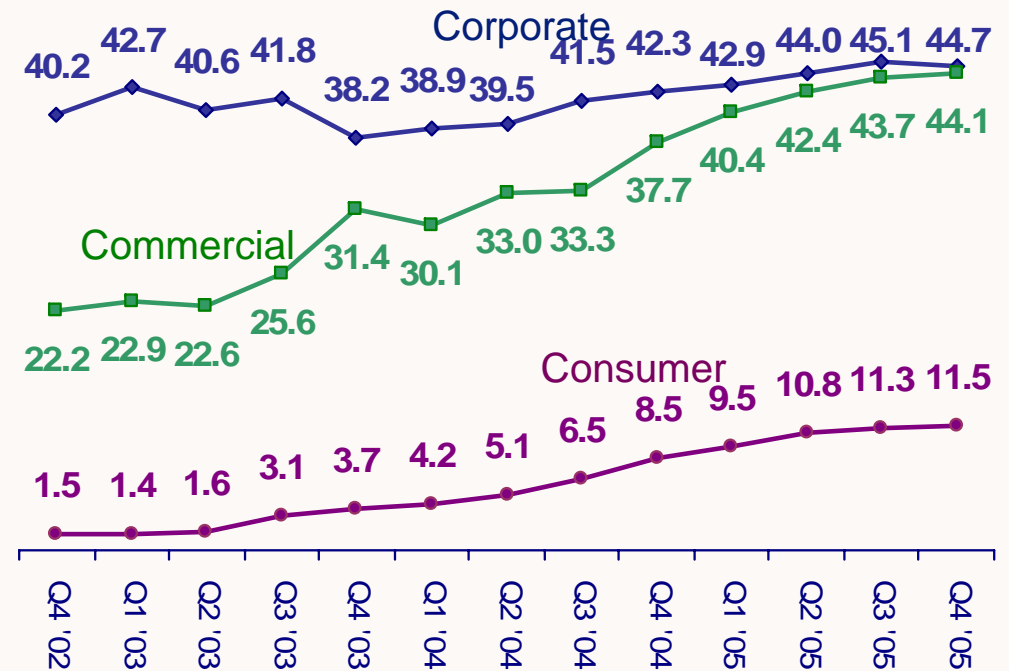
# Loan growth was restrained across all segments

## Quarterly Loan Data – Consolidated



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

## Quarterly Loan Segment Details – Bank Only



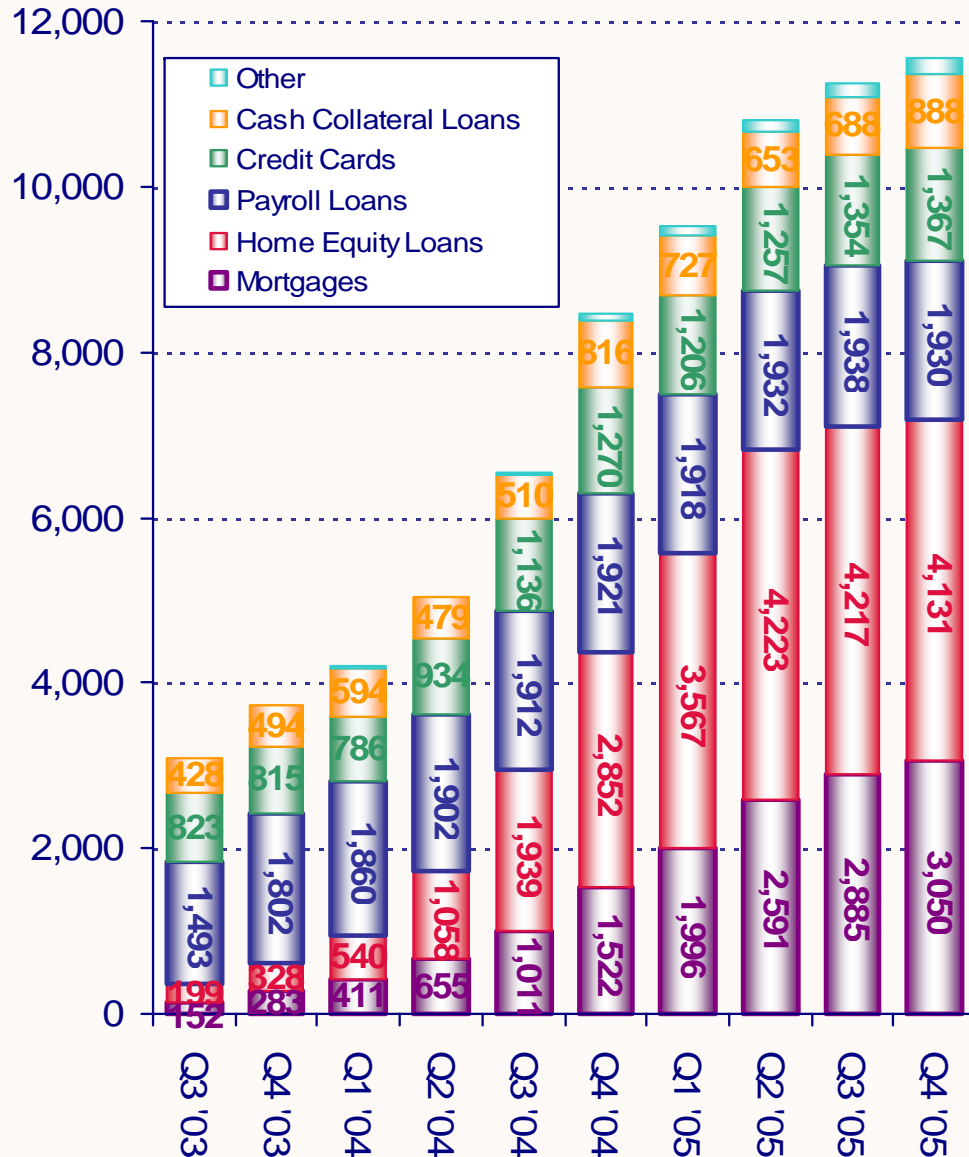
By Segment (Bank only)	Loans (Rp tn)	Y-O-Y Growth (%)	% of Portfolio
Corporate	44.73	5.6%	44.6%
Commercial	44.05	16.7%	43.9%
Consumer	11.55	36.6%	11.5%
<b>Total</b>	<b>100.33</b>	<b>13.3%</b>	<b>100%</b>

As of December 2005; Non-consolidated numbers



# Consumer lending growth slows on tighter credit criteria

## Quarterly Consumer Loan Balances by Type



## Consumer Loan Growth by Type

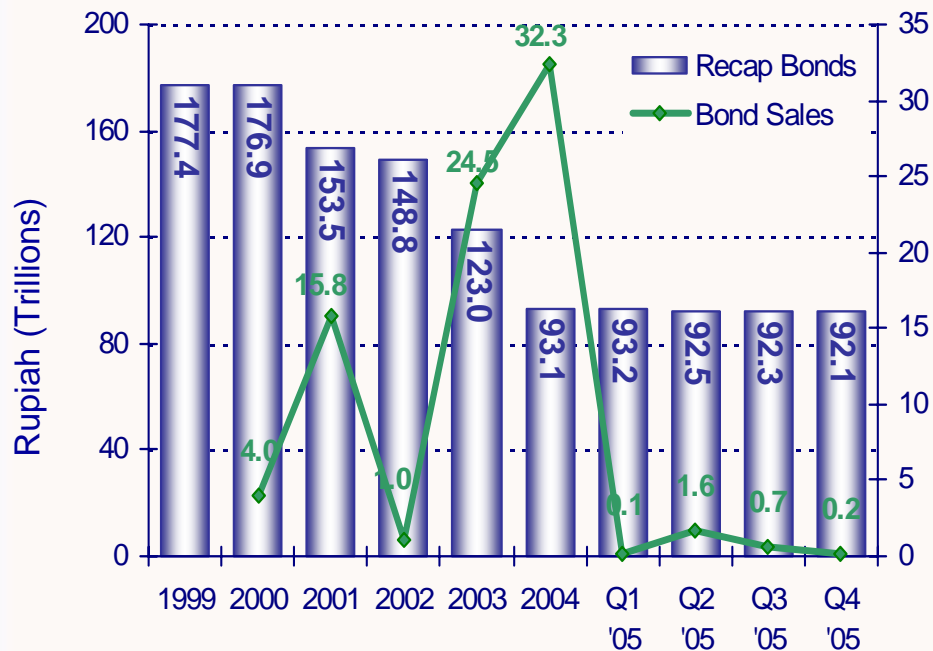
Loan Type	Growth (%)	
	Y-o-Y	Q-o-Q
Other	148.08%	6.85%
Cash Collateral Loans	8.80%	29.04%
Credit Cards	7.65%	1.02%
Payroll Loans	0.50%	-0.41%
Home Equity Loans	44.84%	-2.04%
Mortgages	100.44%	5.72%
<b>Total Consumer</b>	<b>36.59%</b>	<b>2.63%</b>

\*Auto & Motorcycle Loans channeled or executed through finance companies = Rp 3.48 tn in our Commercial Loan Portfolio

# Sales of Rp2.54 trillion from the Recap Bond Portfolio in 2005

At Fair Value, Dec 2005 (Rp tn)	Trading (Mark to Market*)	AFS (Mark to Market#)	HTM (Nominal Value)	Total	% of Total
Fixed Rate	0.6	1.9	1.4	3.8	4.1%
Variable Rate	1.6	26.9	59.7	88.2	95.9%
Hedge Bonds	-	-	-	-	-
<b>Total</b>	<b>2.1</b>	<b>28.8</b>	<b>61.1</b>	<b>92.1</b>	
<b>% of Total</b>	<b>2.3%</b>	<b>31.3%</b>	<b>66.4%</b>		

## Bond Portfolio Movement (Fair Value), 1999 – Q4 '05



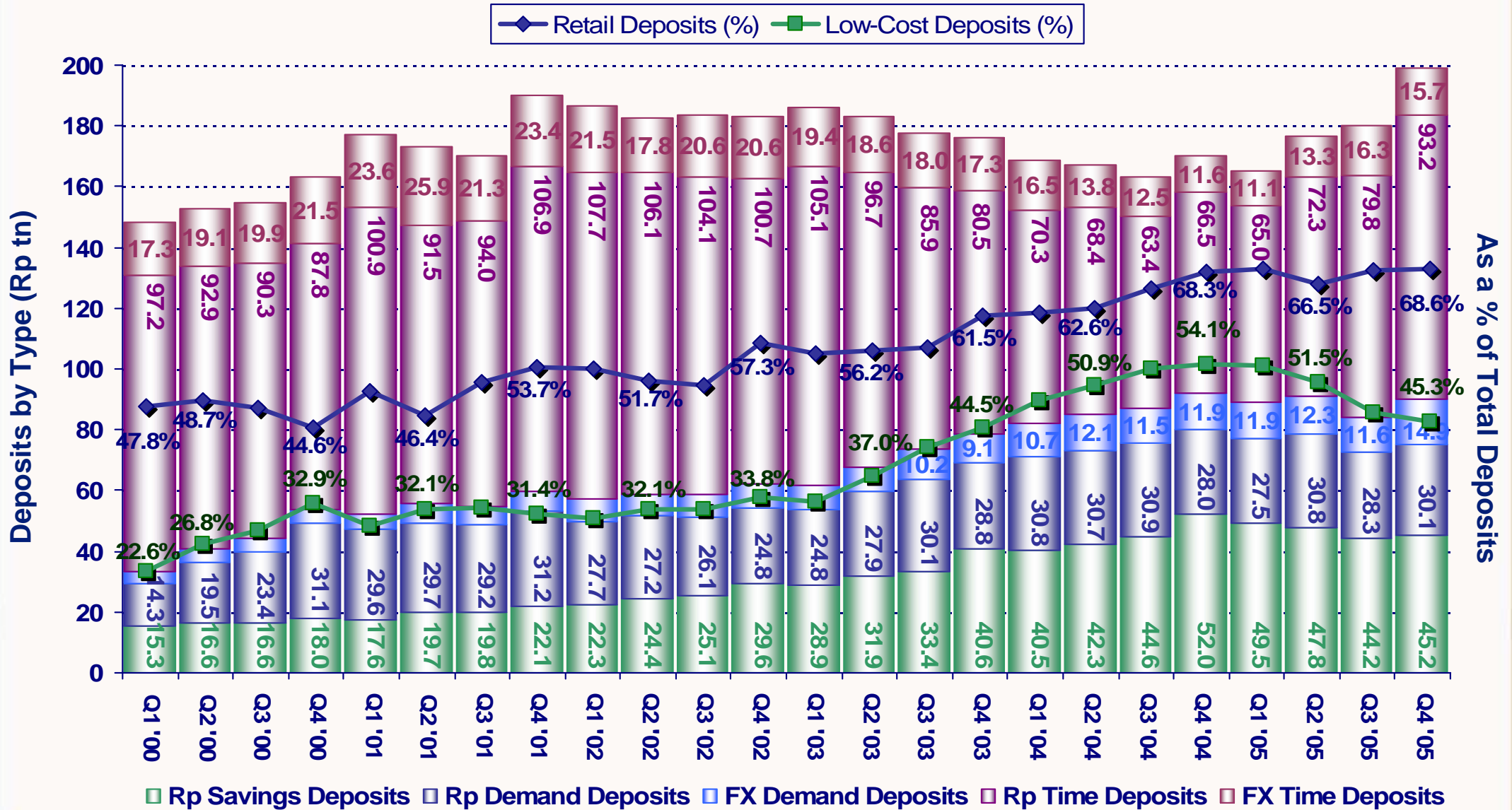
## Portfolio Sales as of December 2005 (Rp bn)

IDR bn	2003	2004	Q4 '05	2005
Bonds Sold	24,505	32,334	171	2,544
Realized Profit	1,868	1,365	(7)	257
Unrealized Profit	(52)	66	(60)	(66)

\* Mark to Market impacts Profit  
# Mark to Market impacts Equity

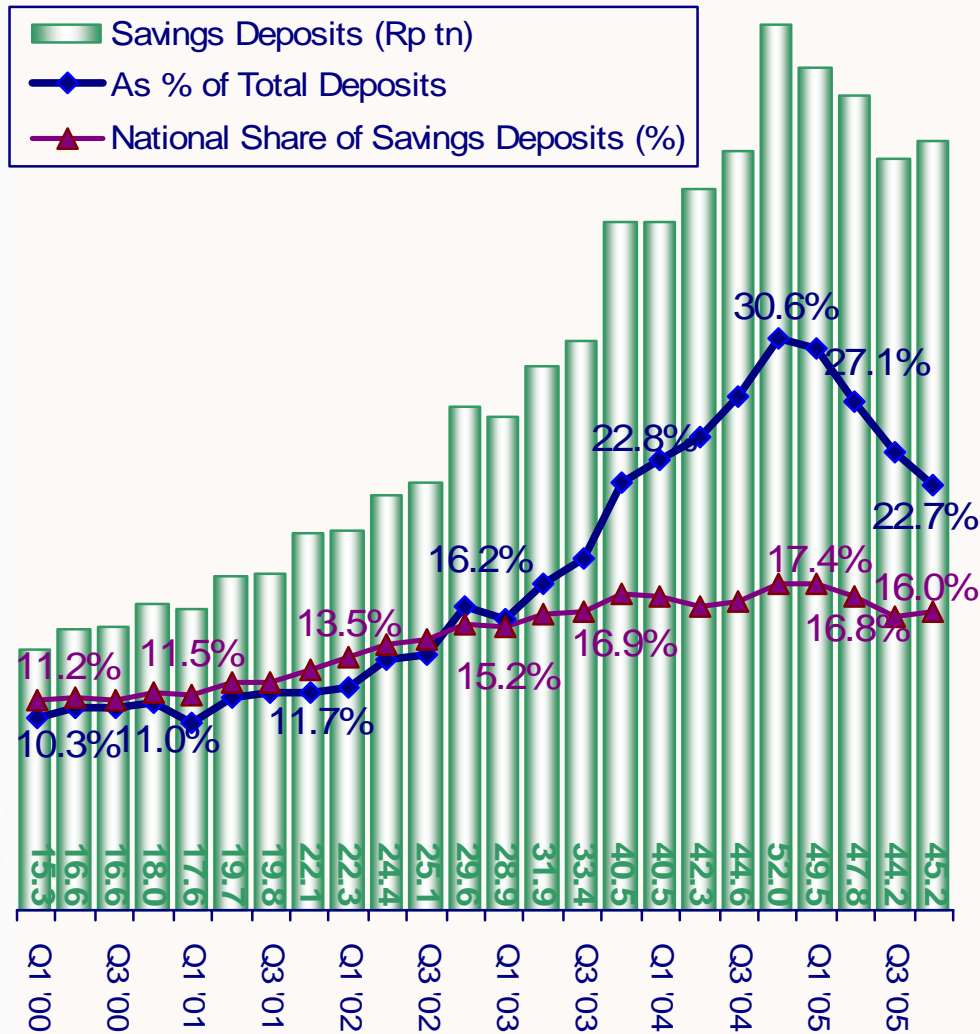
# Funding growth of 17.1% in 2005 driven by Rp Time Deposits

## Deposit Analysis – Bank Only

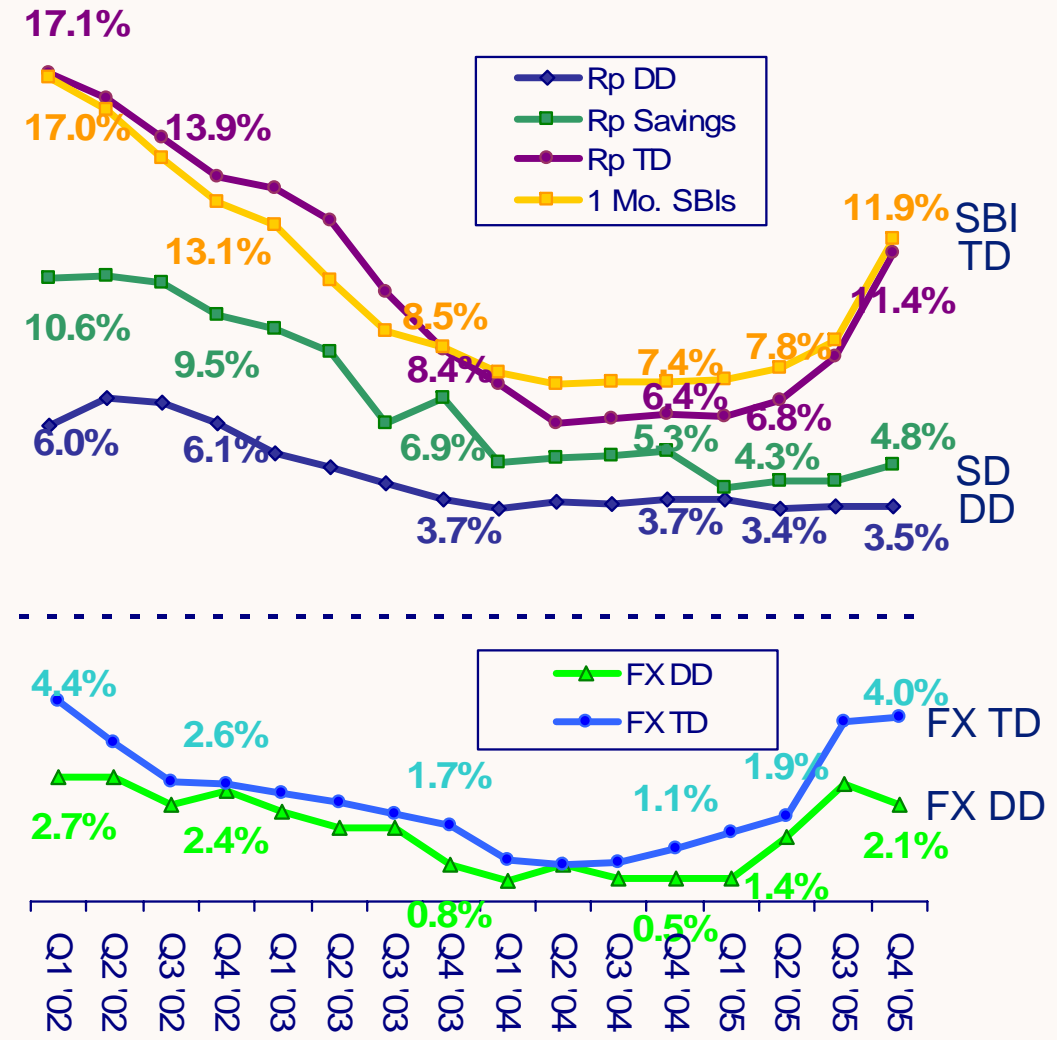


# Savings deposit volume begins to recover

## Savings Deposit Growth

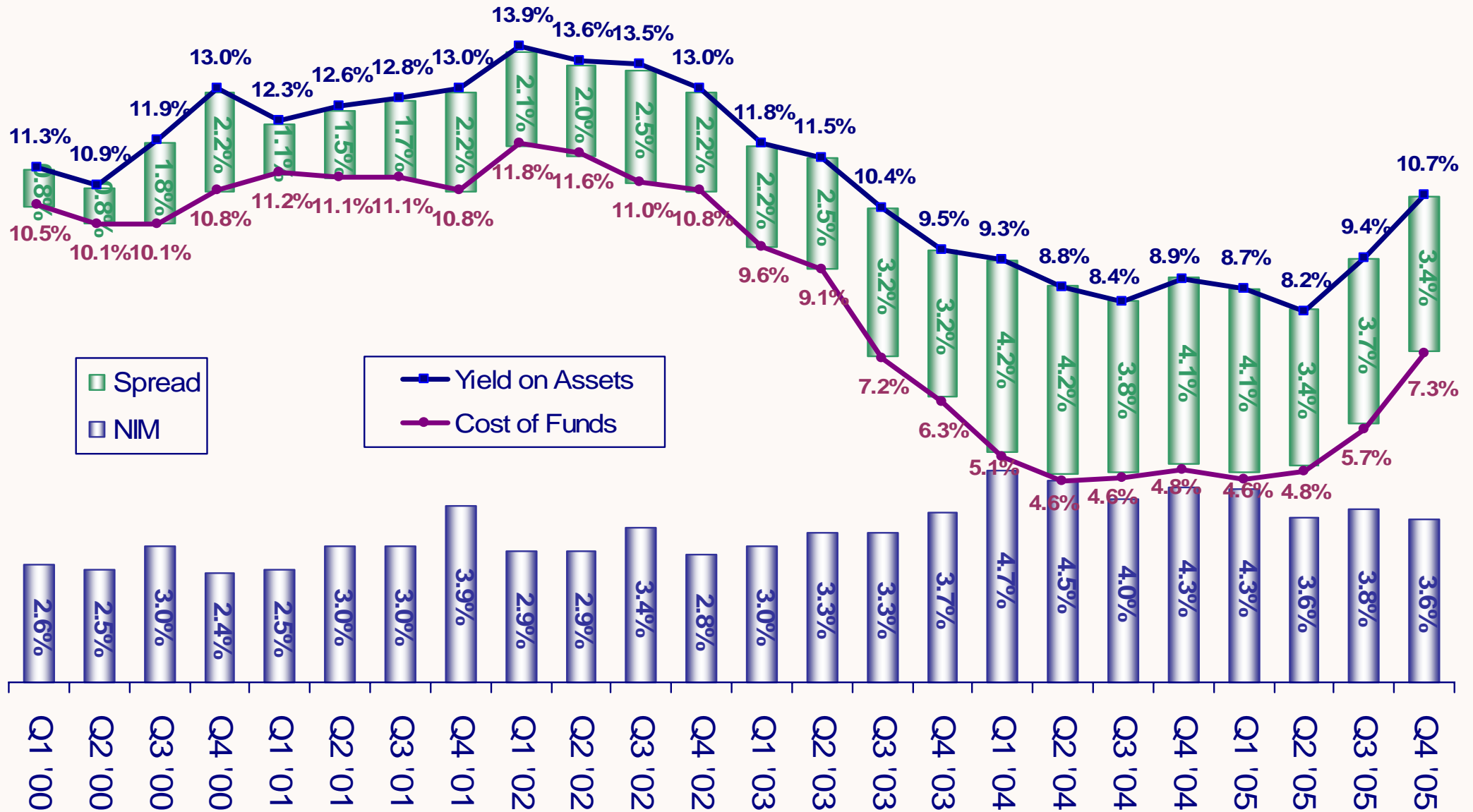


## Average Quarterly Deposit Costs (%)



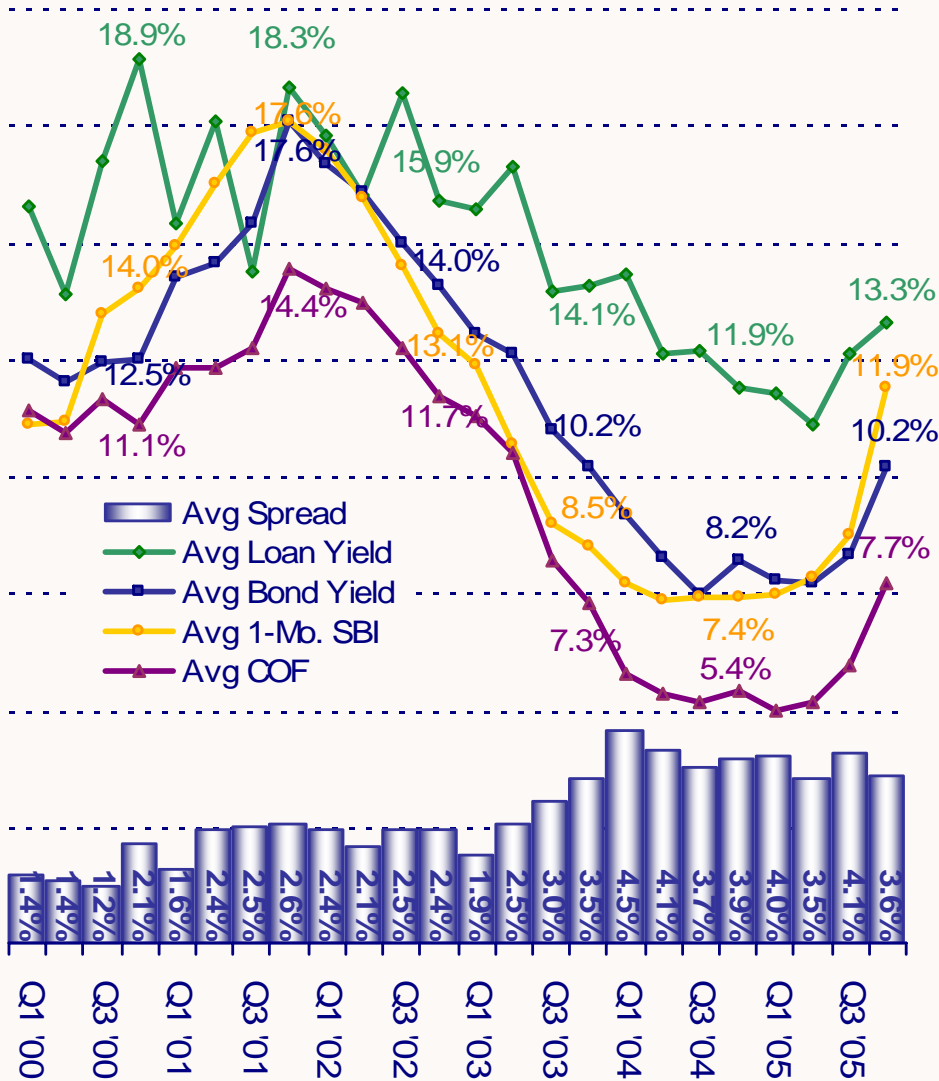
# Margins contracted as funding needs rapidly drove up costs

All figures - Bank Only

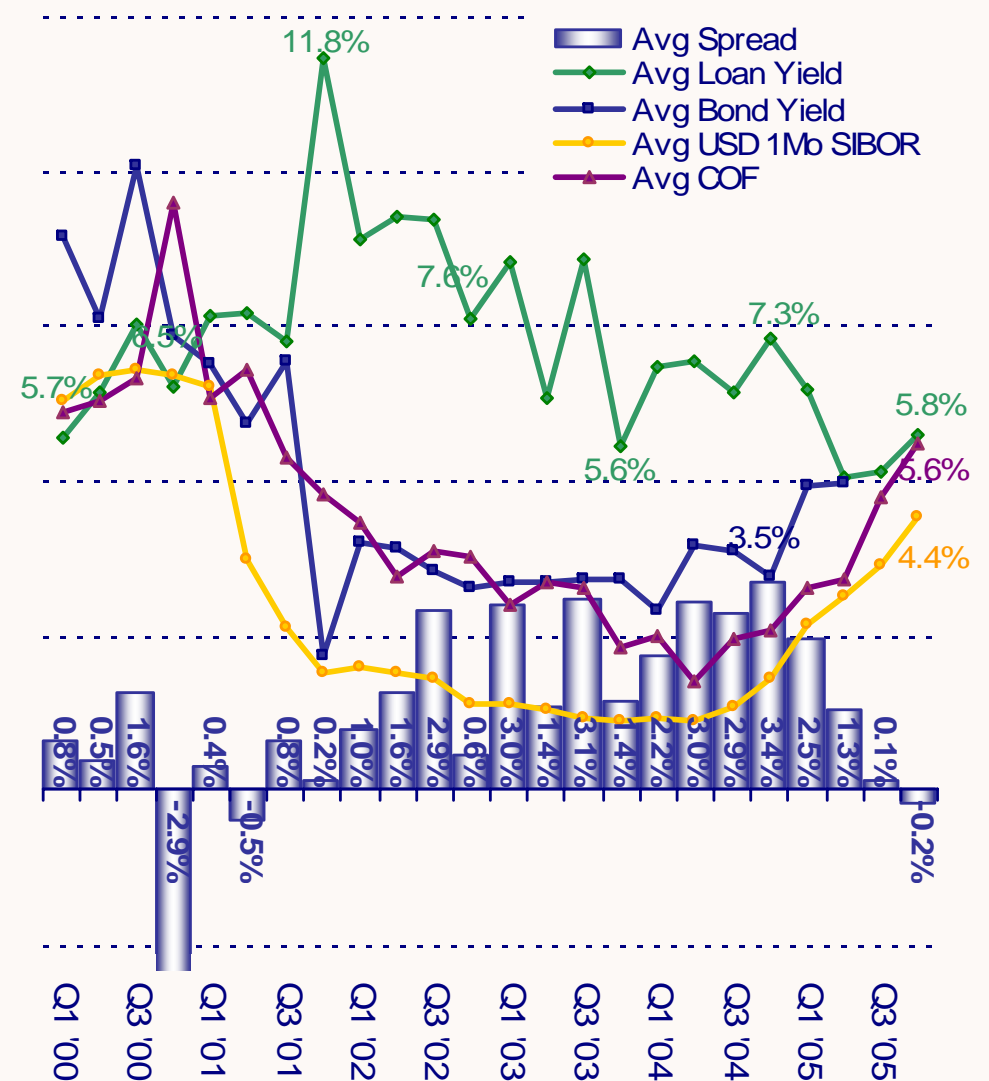


# Quarterly Margin Analysis by Currency

## Quarterly Rupiah Margins

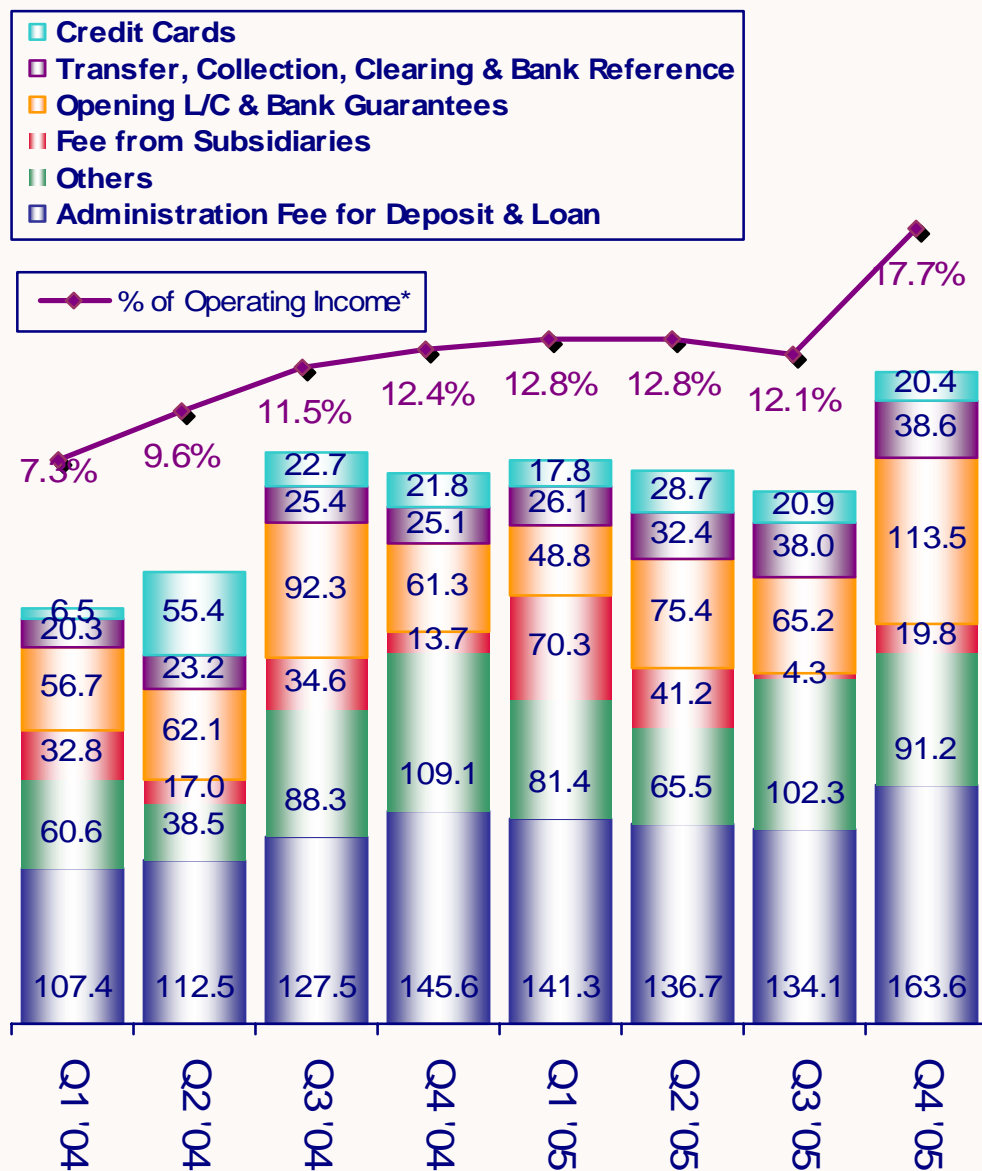


## Quarterly Foreign Currency Margins



# Non-loan Related Fees & Commissions rebound

## Non-loan related fees & commissions



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

## Details of Q4 2004 & 2005

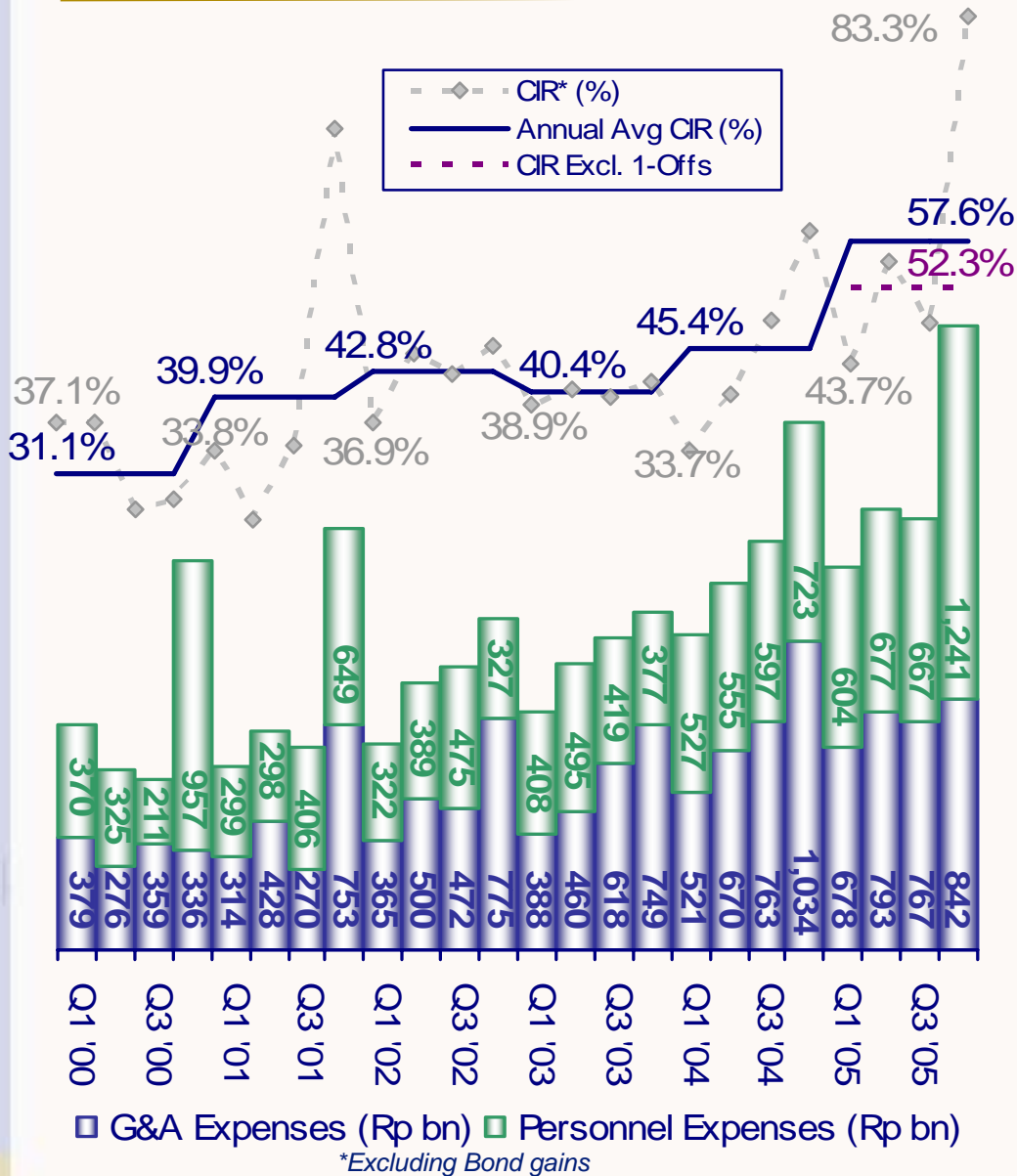
Non-Loan Related Fees & Commissions (Rp billion)	Q4 2004	Q4 2005	Y-o-Y $\Delta$ (%)
Administration Fees	145.56	163.55	12.4
Others*	109.05	91.24	(16.3)
Subsidiaries	13.7	19.77	(44.3)
L/C & Guarantees	61.27	113.52	85.3
Transfers, Collections..	25.06	38.55	53.8
Credit Cards	21.75	20.35	(6.4)
<b>Total</b>	<b>376.40</b>	<b>446.98</b>	<b>18.8</b>

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



# Cost to Income Ratio rocketed on one-offs in Q4

## Quarterly Operating Expenses & CIR



## Breakdown of Q4 2004 & 2005 Operating Expenses

	Q4 '04	Q4 '05	Change (Y-o-Y)
<b>Personnel Expenses</b>			
Other Allowances	340,163	463,916	36.4%
Post Employment Benefits	42,258	409,354	868.7%
Base Salary	236,395	260,771	10.3%
Subsidiaries	52,244	82,488	57.9%
Training	51,790	24,396	(52.9%)
<b>Total Personnel Expenses</b>	<b>722,850</b>	<b>1,240,925</b>	<b>71.7%</b>
<b>G &amp; A Expenses</b>			
Occupancy Related	276,862	242,361	(12.5%)
IT & Telecommunication	222,840	190,327	(14.6%)
Promotion & Sponsorship	194,965	140,562	(27.9%)
Subsidiaries	68,402	90,117	31.7%
Transportation & Traveling	82,708	72,804	(12.0%)
Professional Services	134,974	52,950	(60.8%)
Employee Related	53,403	52,834	(1.1%)
<b>Total G &amp; A Expenses</b>	<b>1,034,154</b>	<b>841,955</b>	<b>(18.6%)</b>

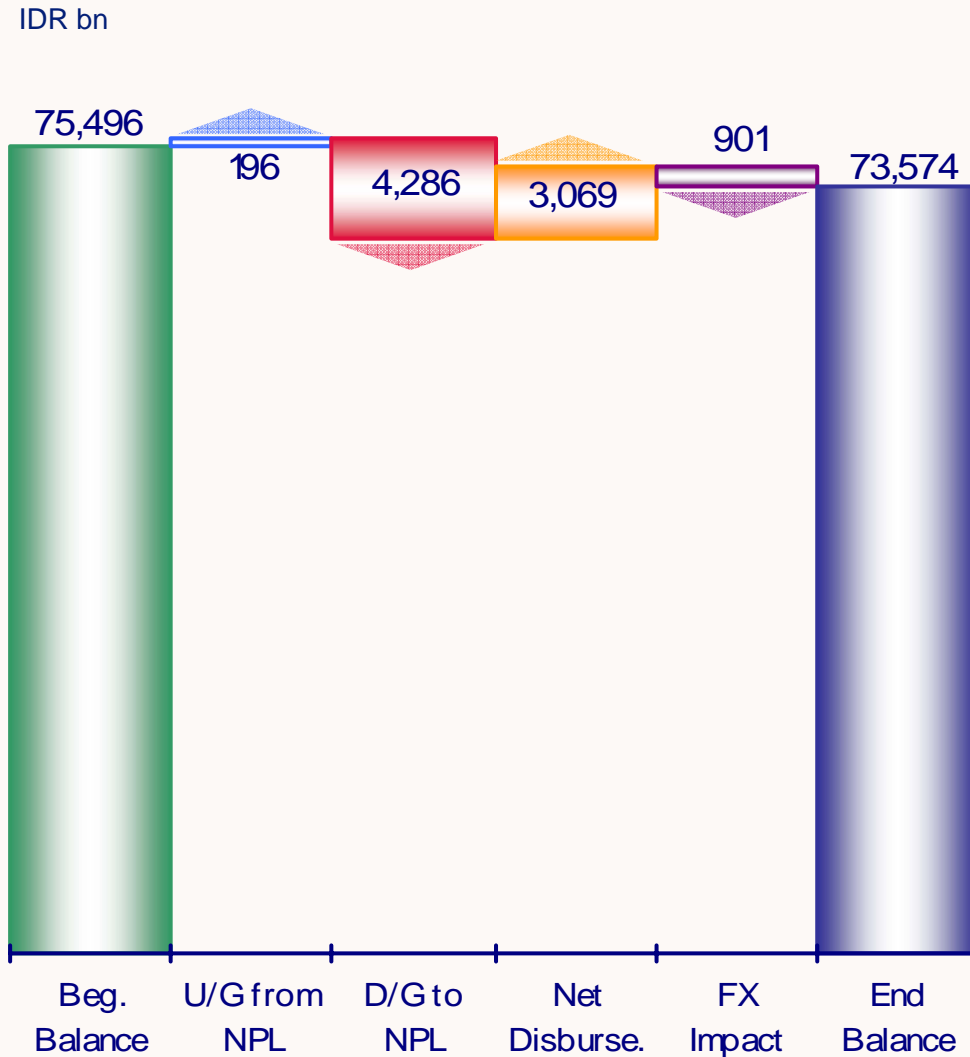
# Bank Mandiri Loan Portfolio Analysis

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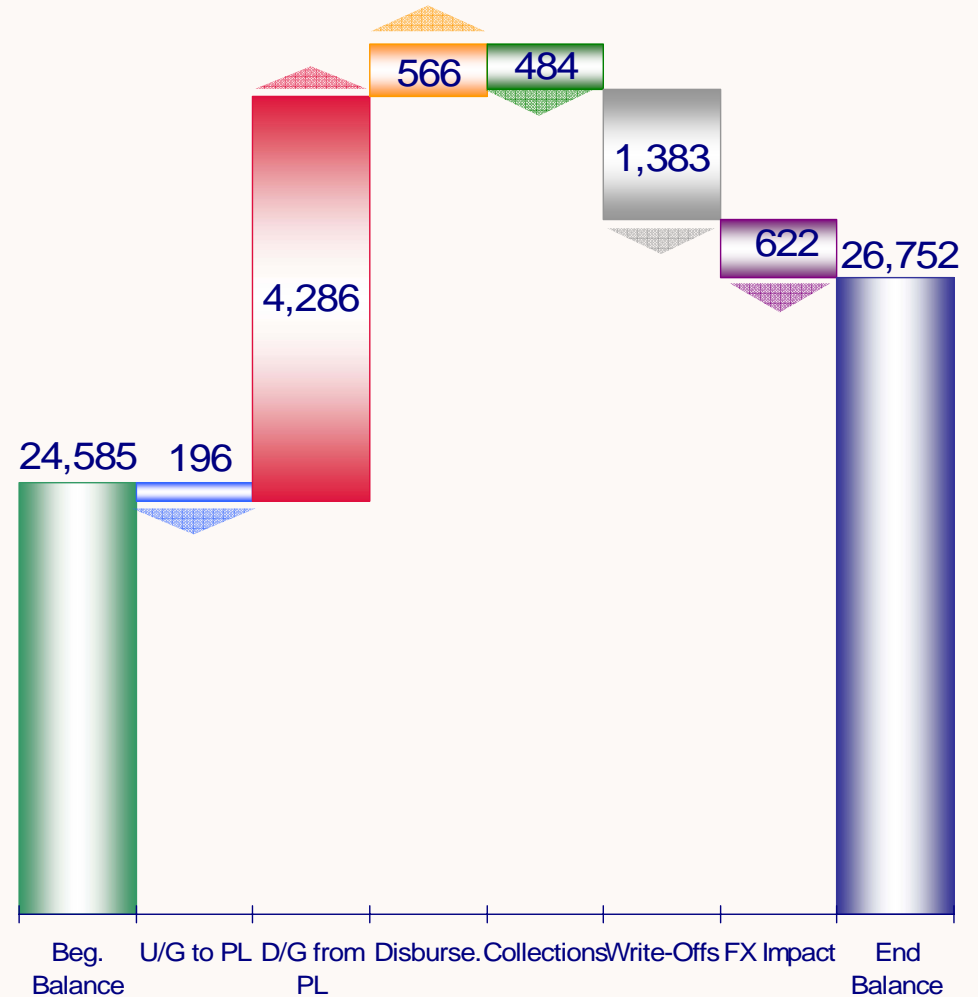
**Q4 2005**

# Q4 2005 Loan Movement, Performing & Non-Performing Loans

## Performing Loan Movements - Bank Only

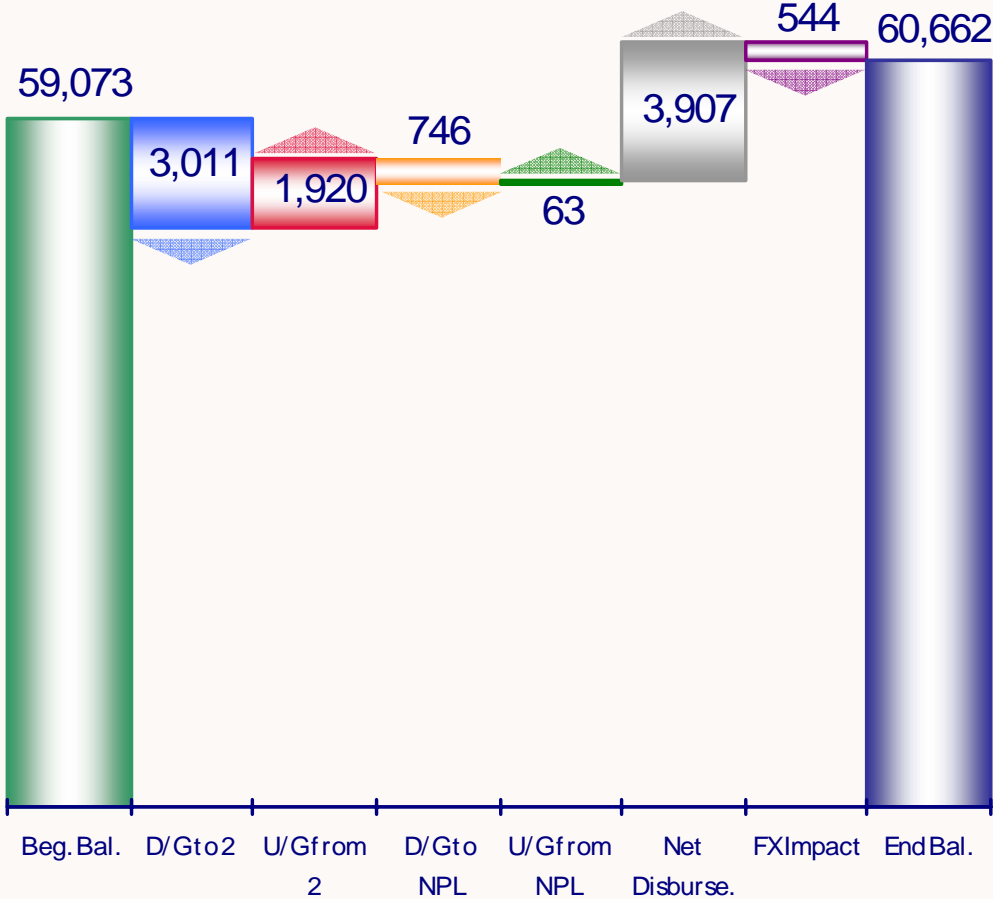


## Non-Performing Loan Movements - Bank Only

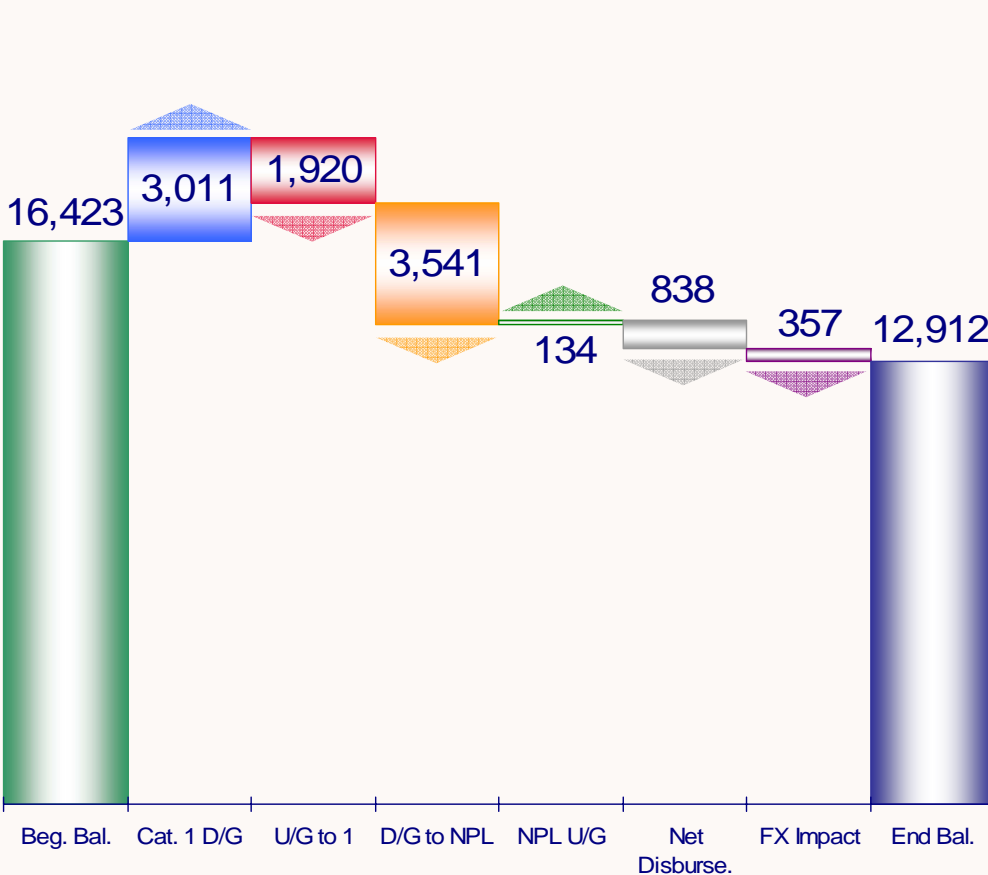


# Q4 2005 Movement in Category 1 and 2 Loans

Category 1 Loan Movements (Rp bn) – Bank Only

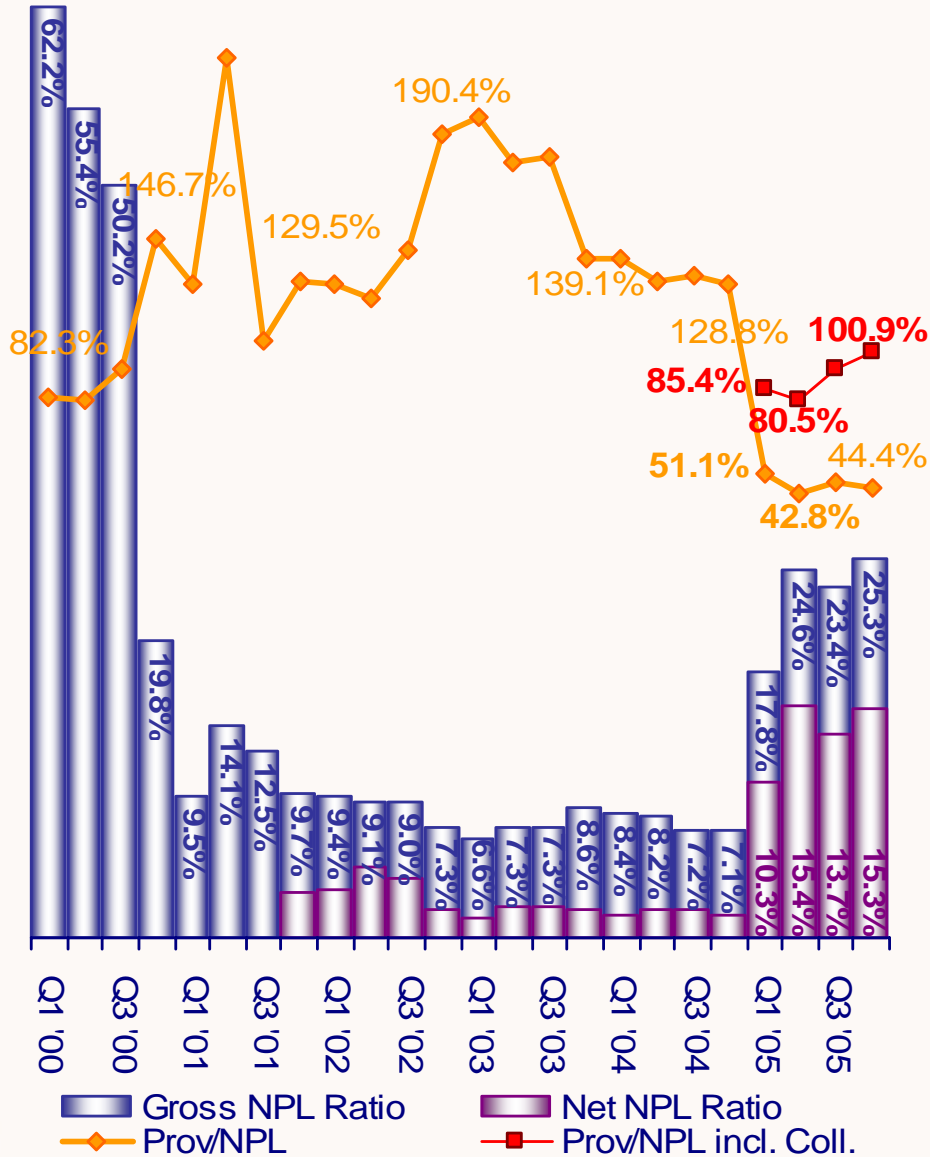


Category 2 Loan Movements (Rp bn) – Bank Only

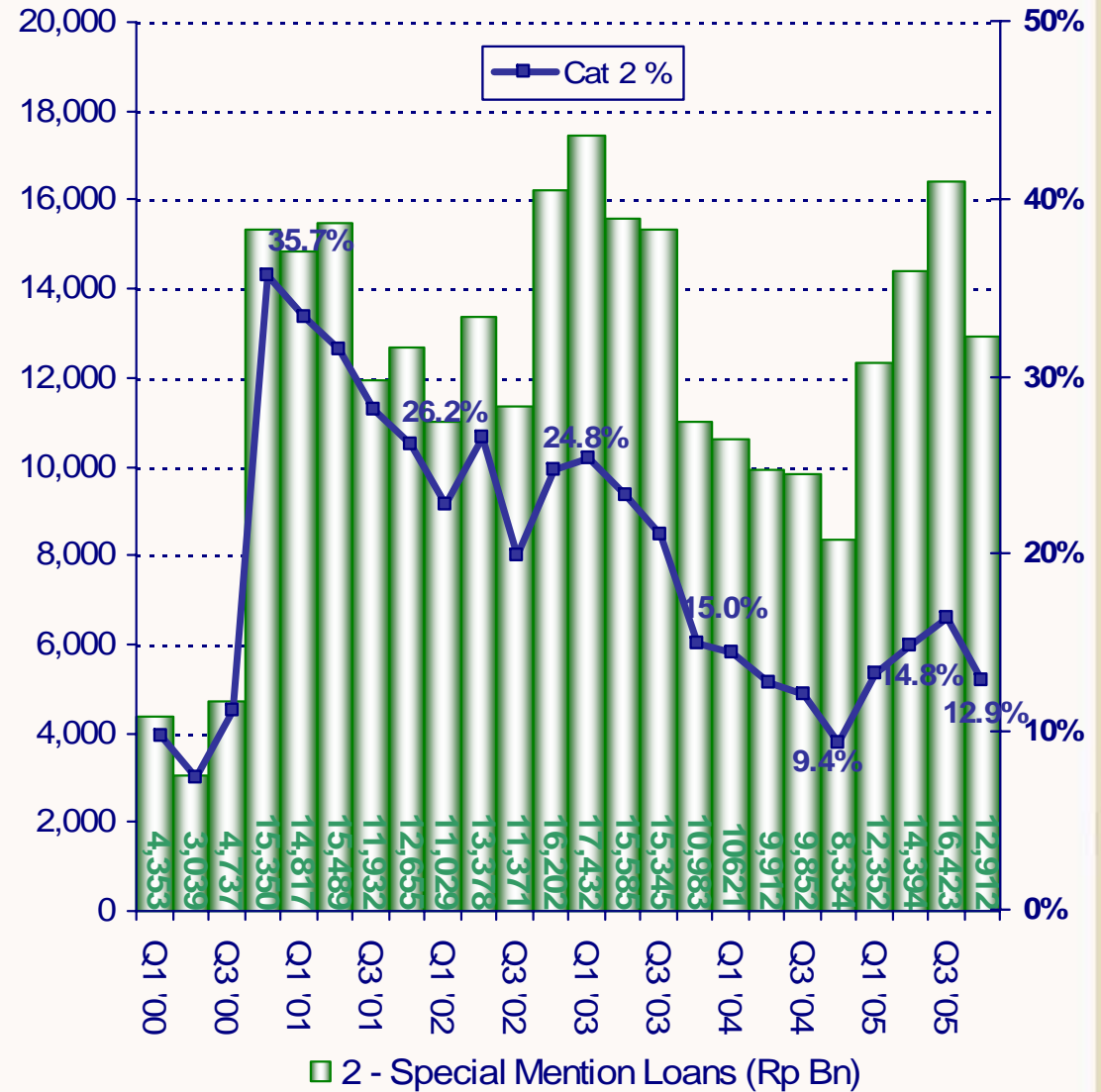


# Provisioning coverage reflects BI requirements

## NPL Movement - Consolidated



## Category 2 Loans – Bank Only



# NPL, Provisioning & Collateral Details – Bank Only

## Non-Performing Loans by Segment

	NPLs (Rp tn)	Q4△ (Rp tn)	NPLs (%)
Corporate	16.70	0.27	37.35%
Commercial	9.71	1.85	22.03%
Consumer	0.34	0.05	2.96%
<b>Total</b>	<b>26.75</b>	<b>2.16</b>	<b>26.67%</b>

- Bank Mandiri's current provisioning policy adheres to BI requirements
- As of 31 December '05, provisions excess to BI requirements = Rp 866 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%
<b>BMRI Policy</b>	1%	5%	<b>15%</b>	<b>50%</b>	<b>100%</b>
<b>BMRI pre-2005</b>	2%	<b>15%</b>	<b>50%</b>	<b>100%</b>	<b>100%</b>

## 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 164 accounts and collateral provisions of Rp 15,286bn have been credited against loan balances of Rp 21,430bn

Collectibility	1	2	3	4	5
Total Cash Prov. (Rp bn)	632	620	747	1,758	8,052
% Cash Provisions	1.0%	4.80%	13.3%	33.0%	50.9%
Collateral Prov. (Rp bn)		2,474	2,472	2,315	8,026
# of Accounts	16	27	33	21	67

# Quarterly Analysis of Upgrades and Downgrades\*

## Total Corporate, Commercial & Small Business Loans

Loan Background	Q4'05 Balance (Rp bn)	Net Upgrades/Downgrades#				Q4 2005 Details	
		Q1 2005	Q2 2005	Q3 2005	Q4 2005	DG to NPL	UG to PL
Restructured	19,218.3	30.7%	10.0%	4.5%	2.9%	3.0%	0.2%
IBRA	4,771.4	15.0%	3.4%	0.5%	4.8%	4.8%	-
Pre-Merger	845.3	1.9%	0.1%	0.1%	1.2%	1.2%	-
Post-Merger	60,744.2	5.5%	8.2%	1.4%	5.1%	5.3%	0.2%
Overseas	1,440.8	38.6%	1.8%	0.4%	3.6%	3.7%	0.1%
<b>Total</b>	<b>87,019.9</b>	<b>13.3%</b>	<b>8.0%</b>	<b>2.0%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>0.2%</b>

# % 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.

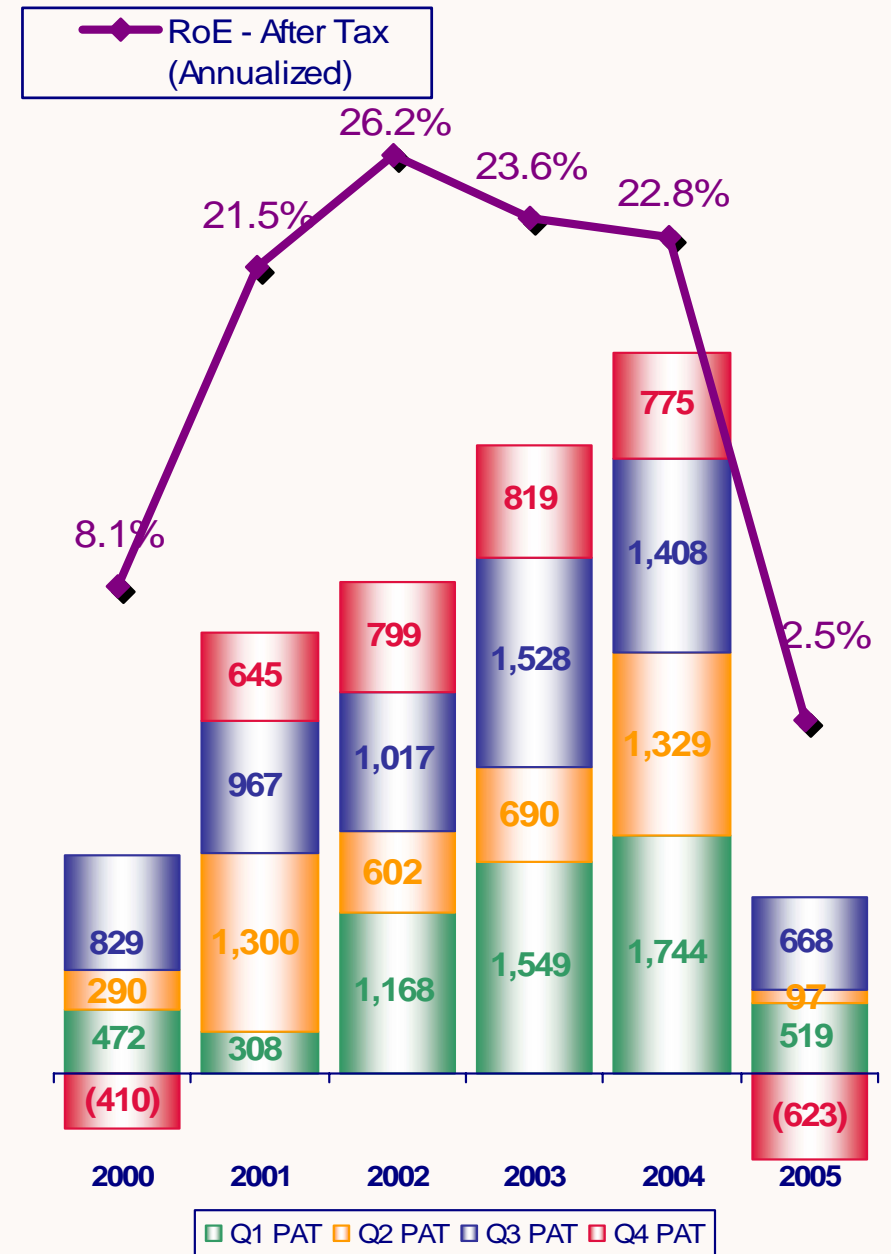
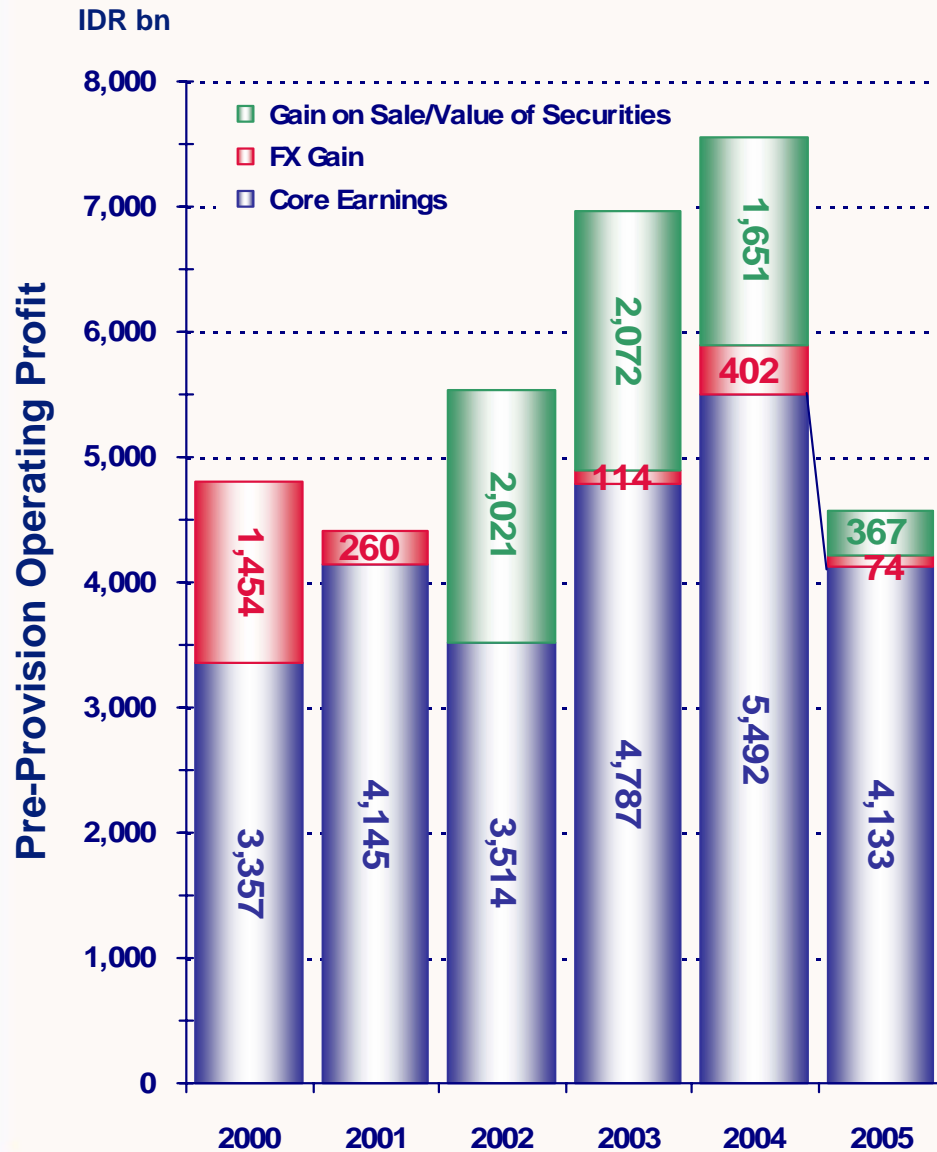


# Bank Mandiri Financial Performance

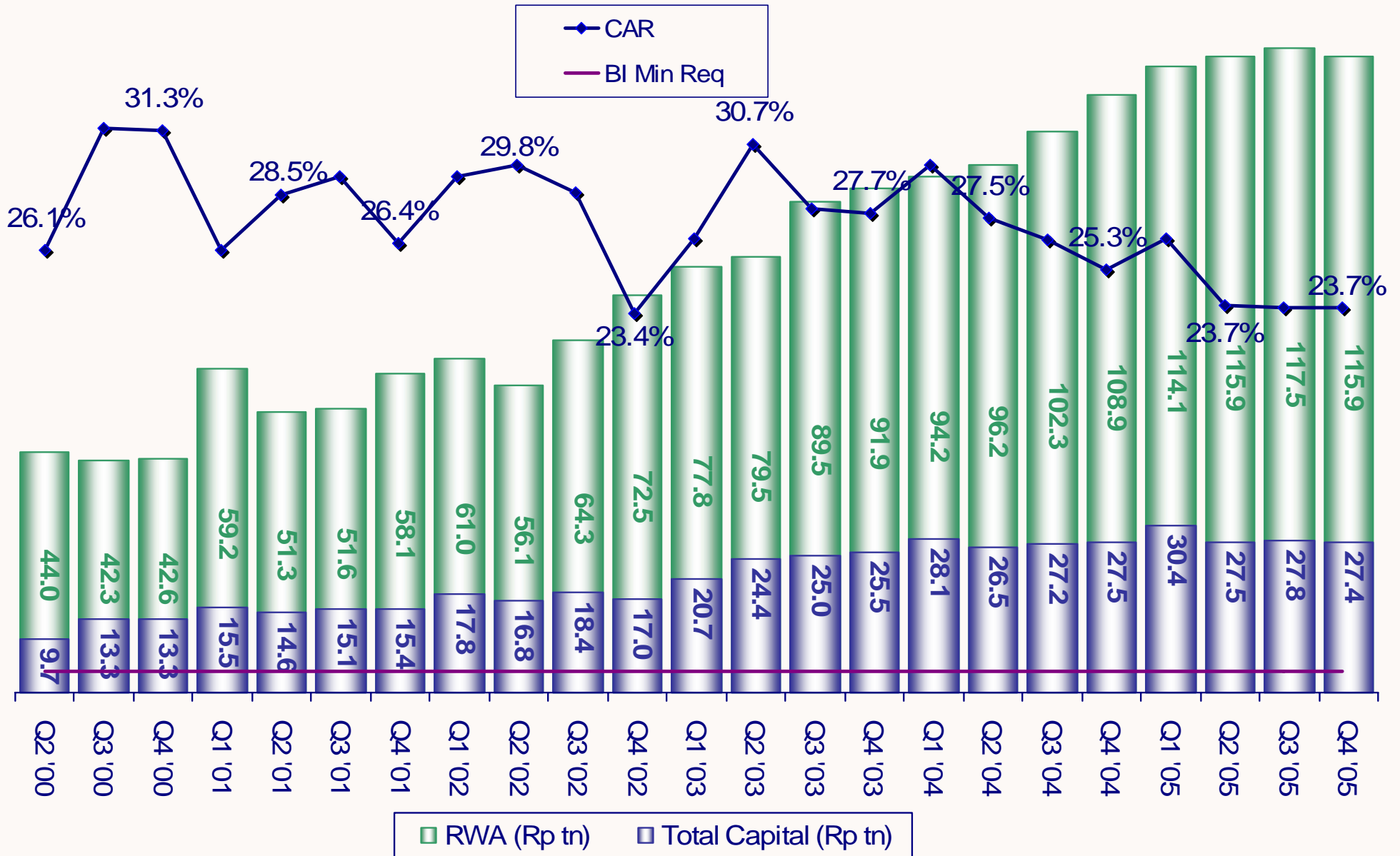
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**Q4 2005**

# Full Year 2005 core earnings decline 24.8% from FY 2004



# High CAR maintained at 23.7%



# Additional Factors

## Written-off Loans

- Aggregate of IDR 22.62 tn (US\$ 2.30 bn) in written-off loans as of end-December 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
  - Q4 '05 : IDR 0.234 tn (US\$ 23.8 mn)
  - **FY '05 : IDR 0.818 tn (US\$ 83.2 mn)**

## Loan Collateral Undervalued

- Collateral values included for provisioning purposes on only 148 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

## Summary of EGM results on 21 December

- Articles of Association were changed to authorize management to write-off (hapus buku) non-performing loans and to eradicate (hapus tagih) receivables via principal forgiveness
- Limits were established for the eradication of principal receivables that have previously been written-off
- Ability to the eradicate of receivables arising from unpaid Interest, Penalties and Fees (Bunga, Denda, Ongkos - "BDO") subsequent to the public listing of the Company was approved

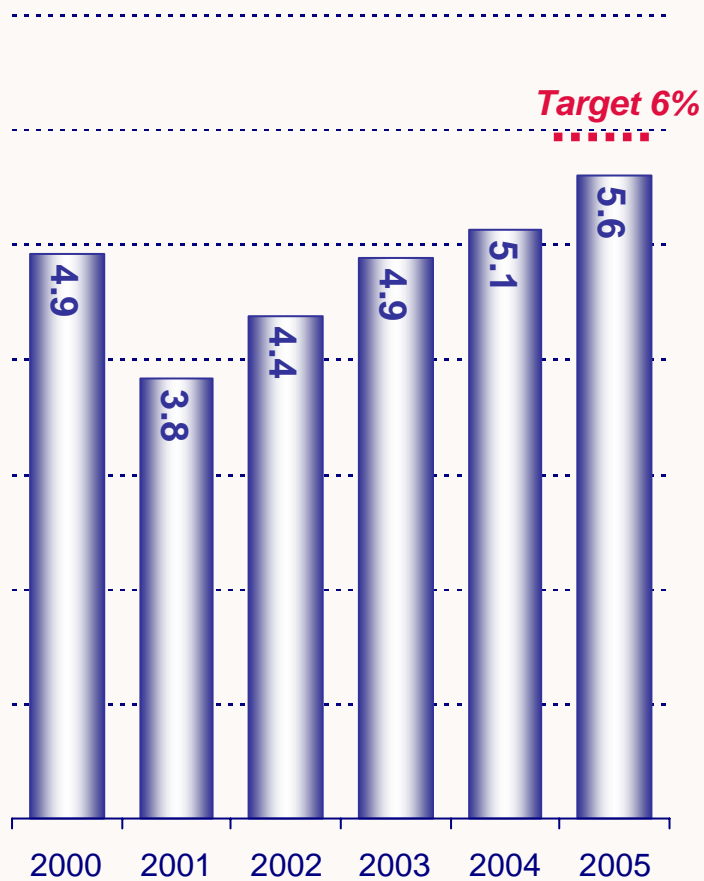
# Economic Overview, NPL Resolution Progress & Operating Highlights

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# Macro-economic environment was unfavorable in 2005

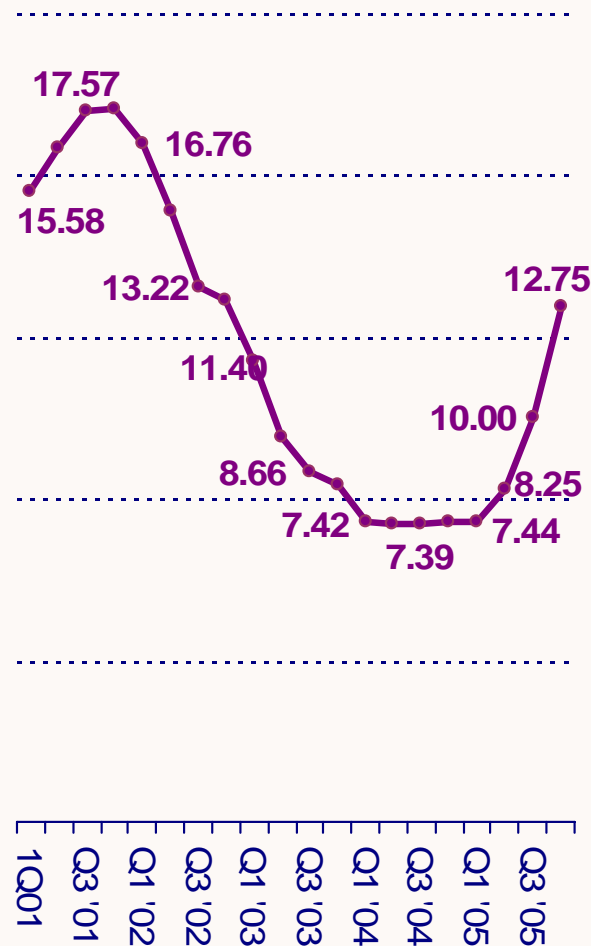
Economic growth increased, but was below initial expectations...

GDP Growth (%)



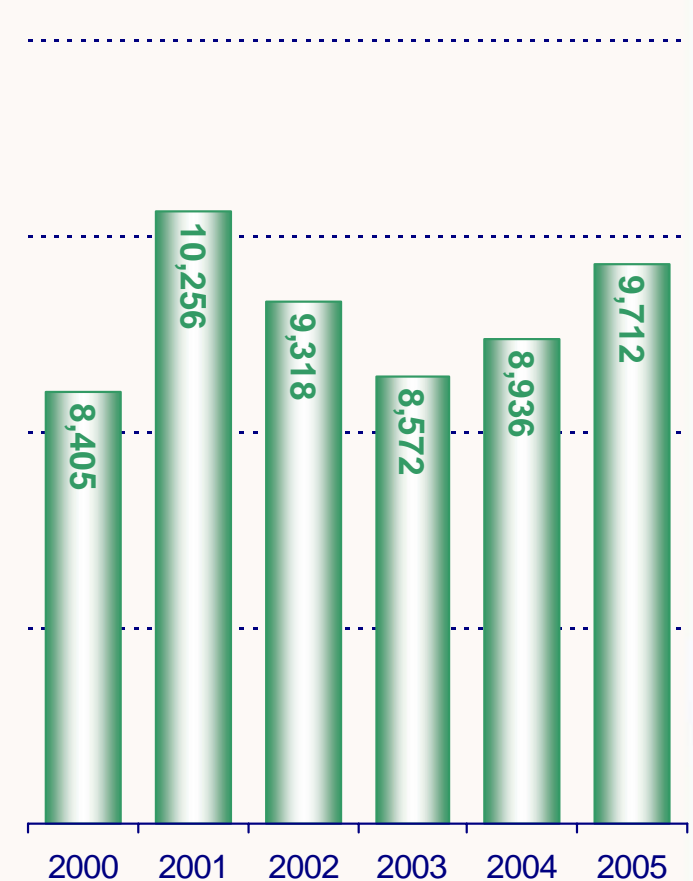
...due, in part, to interest rates reaching 12.75% by end '05 ...

1-Month SBI Rate (%)



... and depreciation (on average) in the Rupiah exchange rate

Rupiah Exchange Rate (Avg)  
Rp/USD



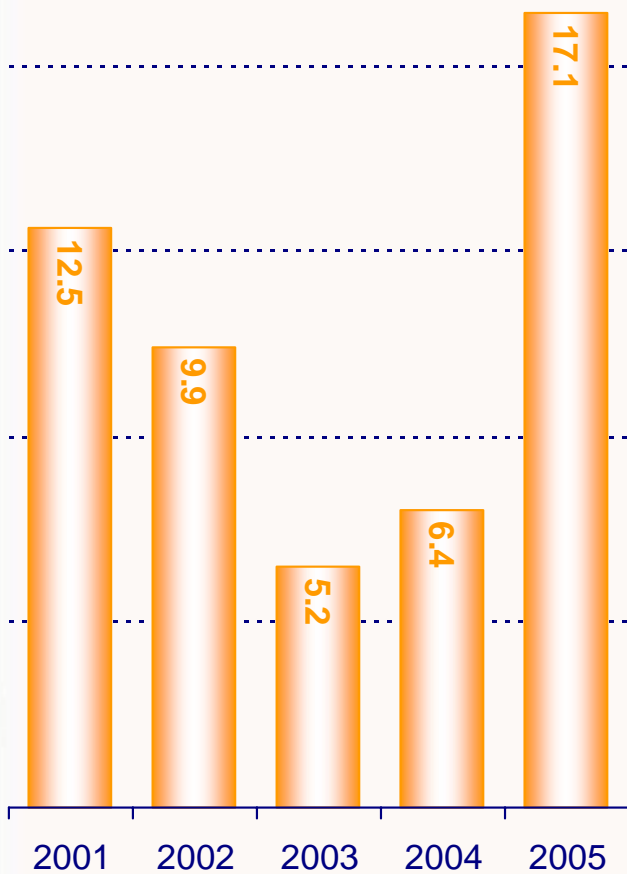
Sources: BPS, World Bank



# Driven by inflationary pressure & decreasing purchasing power

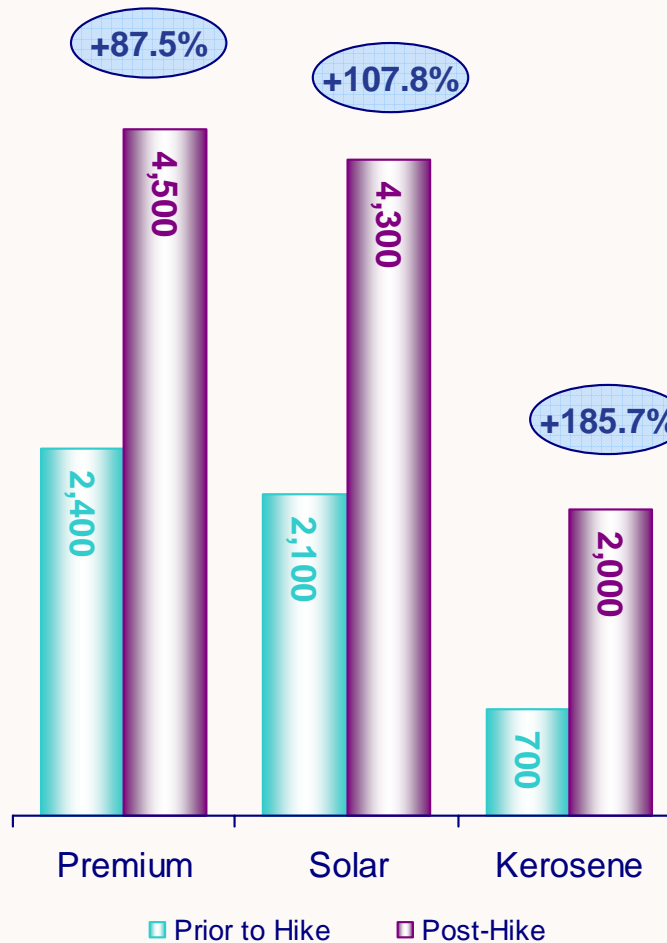
## Higher inflation rate ...

**Headline Inflation (%)**



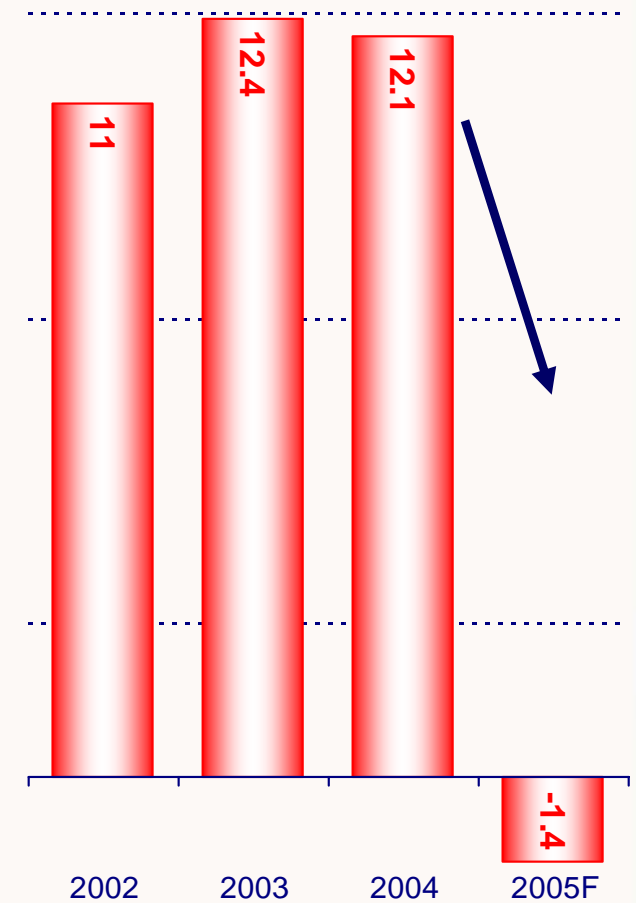
## ...caused by BBM price increase...

**Domestic Price for Fuel Products (Rp/Ltr)**



## ... impacted purchasing power

**Growth in Real Disposable Income (%)**



Sources: BPS, CIC

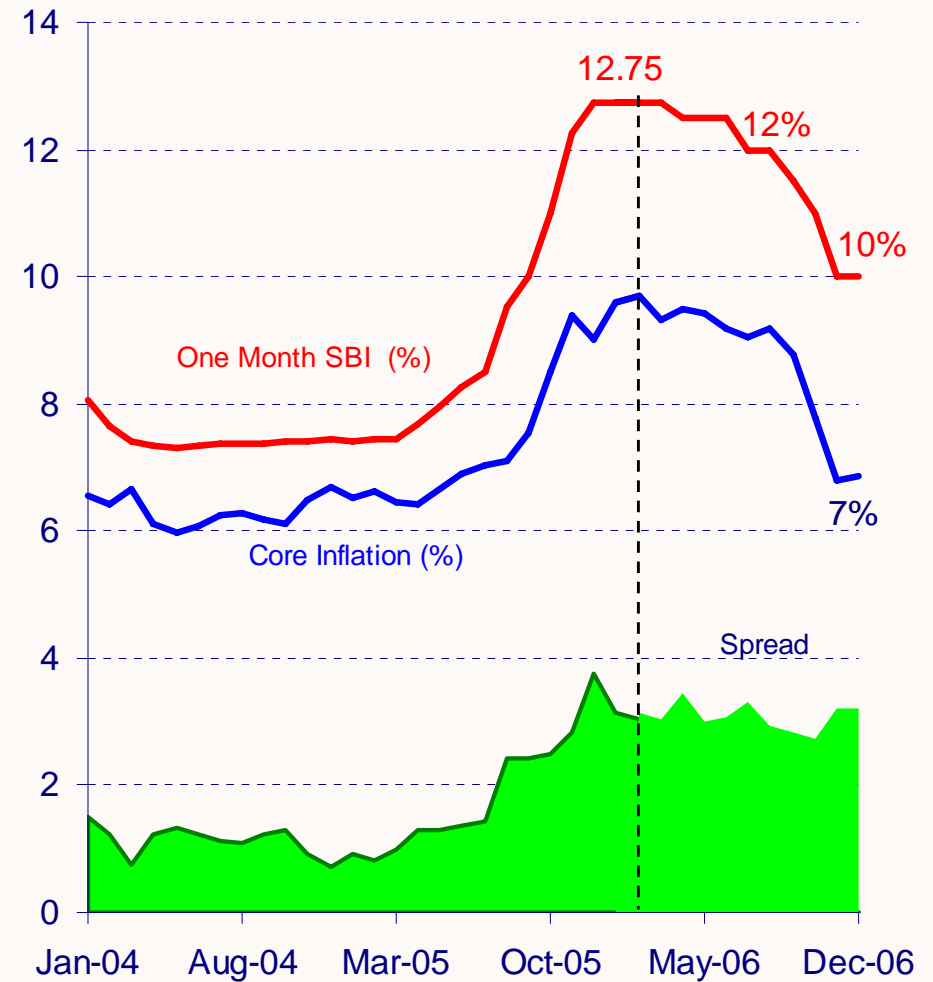
# Improvement expected in H1 '06: FX rate already strengthened, with interest rates expected to stabilize

## Trend in the Rupiah Exchange Rates



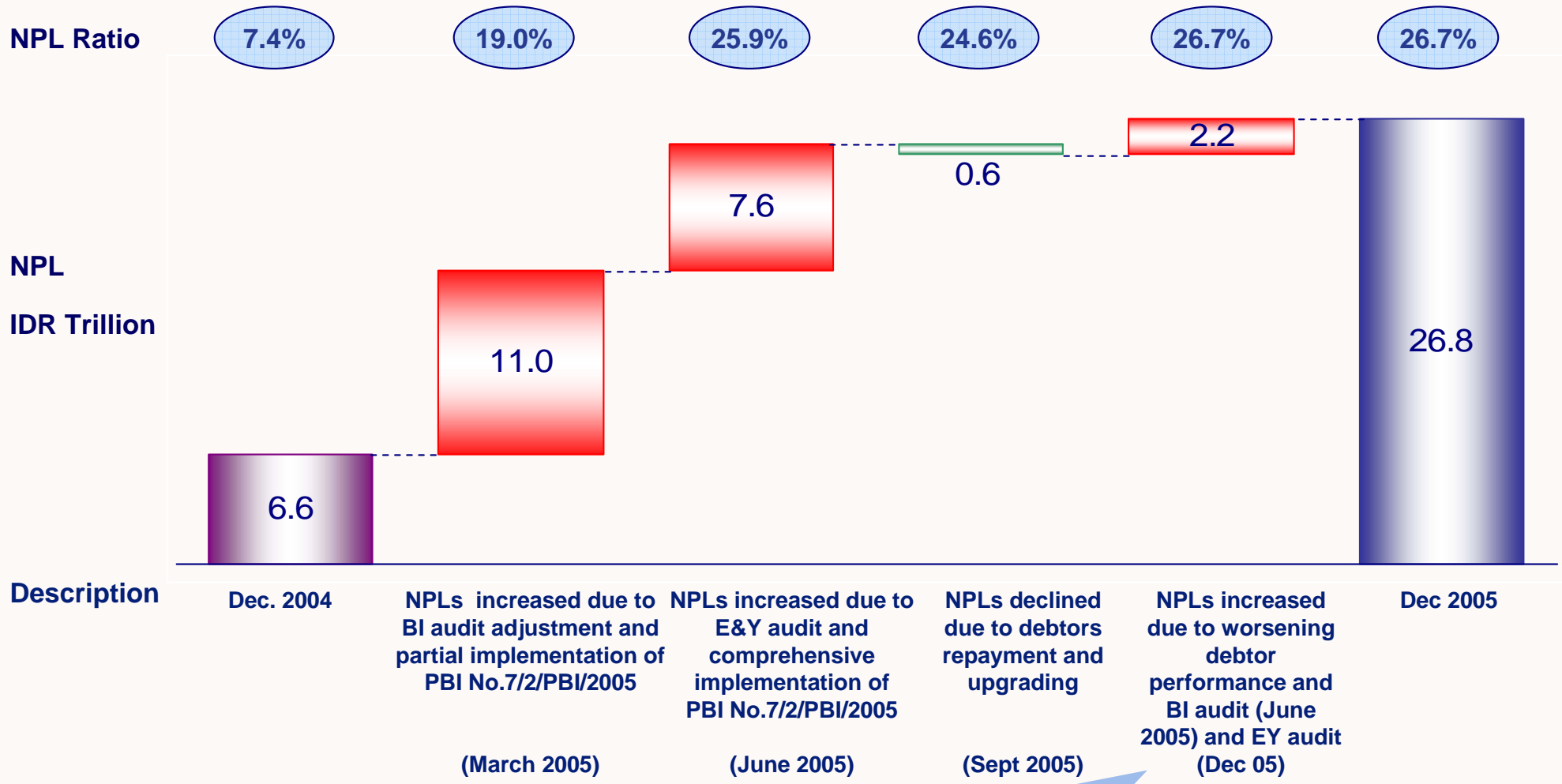
Source: Chief Economist

## Core Inflation Projection



# Bank Mandiri's NPL worsened in Q4 due largely to Macroeconomic pressure and, in small part, to results of BI Audit from June '05

## Bank Only



**BI audit on June 2005 Bank Mandiri loan book determined additional NPLs partially reflected in December 2005 results**

# Developments within the top 30 NPLs

## Domba Mas

Total outstanding loans amounting to Rp1.7 tn. By October 2005, had paid off loans equivalent to Rp900 bn (Oleo). In Q1/2006, payments amounting to Rp148 bn are planned (Refinery, KCP), with the remainder of the loans to the oleo-chemical businesses to be paid off gradually through 2007.

## Sulfindo

PT Sulfindo has fully paid its loans amounting to Rp824 bn. As of December 2005, it is no longer a top obligor.

## Pupuk Iskandar Muda

Newcomer to our Top 30 NPLs. Total facility amounted to Rp399 bn. Downgraded due to financial problems as a result of a production halt triggered by lack of gas supply.

## Garuda Indonesia

- Preparing to reschedule payment of syndicated loan principal and waiting for Government to extend the guarantee on Garuda's loan in order to upgrade Garuda's loan collectibility. This is according to KKSK meeting dated 19 Oct 2005.
- The Government has already stated its commitment to guarantee Garuda's facility during a Hearing with DPR on March 14, 2006.

## Kiani Kertas

- Sampoerna Group has discontinued discussions to take over PT Kiani Kertas (both shares and loan facilities). Bank Mandiri will continue to seek potential investors.
- PT Kiani Kertas has not yet obtained the approval of KKSK on the loan restructuring agreement dated on December 2004 (agreed in KKSK meeting dated on October 19, 2005)

# Collateral execution has not yet appreciably boosted collections

## Implementation of DJPLN Auction Program

- Auction program was intended to provide shock therapy for debtors to encourage settlement of their exposure with the bank
- The first stage included 140 debtors with 380 certificates of collateral
- Rp10.7 billion was collected from the following sources:
  - Auction proceeds of Rp2.9 billion from 5 debtors with 8 certificates covering collateralized value of Rp4.9 billion (recovery rate of 59%)
  - Rp7.8 billion from debtors cash deposits as settlements to withdraw their collateral certificates from ongoing auction
- 5 additional debtors (not on the current program) paid up cash settlements of Rp1.8 billion in order to be excluded from subsequent auction programs

## Obstacles

- Internally established floor price has been higher than the perceived market value, resulting in most bids failing to exceed the minimum required level
- Investors could not participate on several auctions, as auctions in several regions were held on the same day
- Auction guarantee fee was relatively high

# Principal haircut program requires fine tuning

## Haircut Program Execution

- Through December 2005, 126 debtors with loan principal of Rp61.8 billion had registered for the haircut program
- A total of Rp29.8 billion in principal haircuts were offered, for an expected recovery rate of 51.7%
- 73 of the 126 debtors with principal of Rp32.0 billion and haircuts of Rp16.5 billion (expected recovery rate 45.2%) had confirmed participation in the program by letter. 67 of these debtors with principal amounting to Rp22.5 billion had already been submitted to DJPLN/PUPN
- Debtors who had agreed to the terms of the program were required to deposit cash not more than 90 days following their submission of confirmation letters
- However, by end of December 2005, only 61 debtors had deposited cash and 12 debtors are still confirmed but have not yet made a deposit

## Obstacles

- Stringent minimum recovery and deposit requirements (minimum 50% cash in advance)
- Debtors expected that the proceeds from the sale of foreclosed assets would provide funds for repayment, while haircut program requires a cash settlement not more than 90 days following confirmation and prior to any asset sales
- 67 debtors need to be reclaimed from DJPLN/PUPN

# Road blocks to setting up the SPV

## Separation of State Assets from State Owned Company Assets

Currently, there is a common (mis) interpretation that State-Owned Enterprise (SOE) assets are considered as equivalent to state assets:

- If SOE assets are considered to be state assets, then the mechanism for disposal and resolution needs to follow the resolution of state assets
- On the other hand, based on SOE Legislation no. 19 2003, it is clear that the government assets in SOEs are only the equity invested, not the SOE assets as a whole

## Flexibility in Resolution of NPLs

Due to the former interpretation, there are limitations on the possible resolutions of NPLs:

- Government needs to approve resolution of NPLs at values below the principal amount (including providing haircuts and disposals at discount)
- It is not yet clear if NPL disposal can be considered as one of the possible resolutions, although in the legislation on State Receivables (Law 49 of 1960), the receivable (credit) originator should find the best resolution for NPLs before being transferred to the state receivable agency

## Establishment of SPV as the entity to take over the NPLs

Indonesian rules and legislation have yet to recognize a special purpose vehicle (SPV) as the owner of NPLs (assets):

- There is no securitization act yet in Indonesia
- It is still unclear which supervisory body would oversee the activity of any Special Purpose Vehicle



# Key initiatives to boost 2006 collection efforts

## Auction Program

- Define the floor price as the liquidation value determined by independent appraisal
- Execute auction phase II sequentially, with a minimum 3 days off, thereby giving investors time to participate in several auctions at different locations
- Use Private Auction Houses as pre-auction executors to open market access and adopt commonly practiced terms & conditions

## Hair-cut Program

- Accelerate reclamation processes for the 67 debtors from DJPLN/PUPN that had signed confirmation letters
- Discuss with regulator the possibility to fix the 50% minimum recovery rate for debtors with collateral and 15% for debtors with no collateral as a final rate
- Review cash settlement deadlines

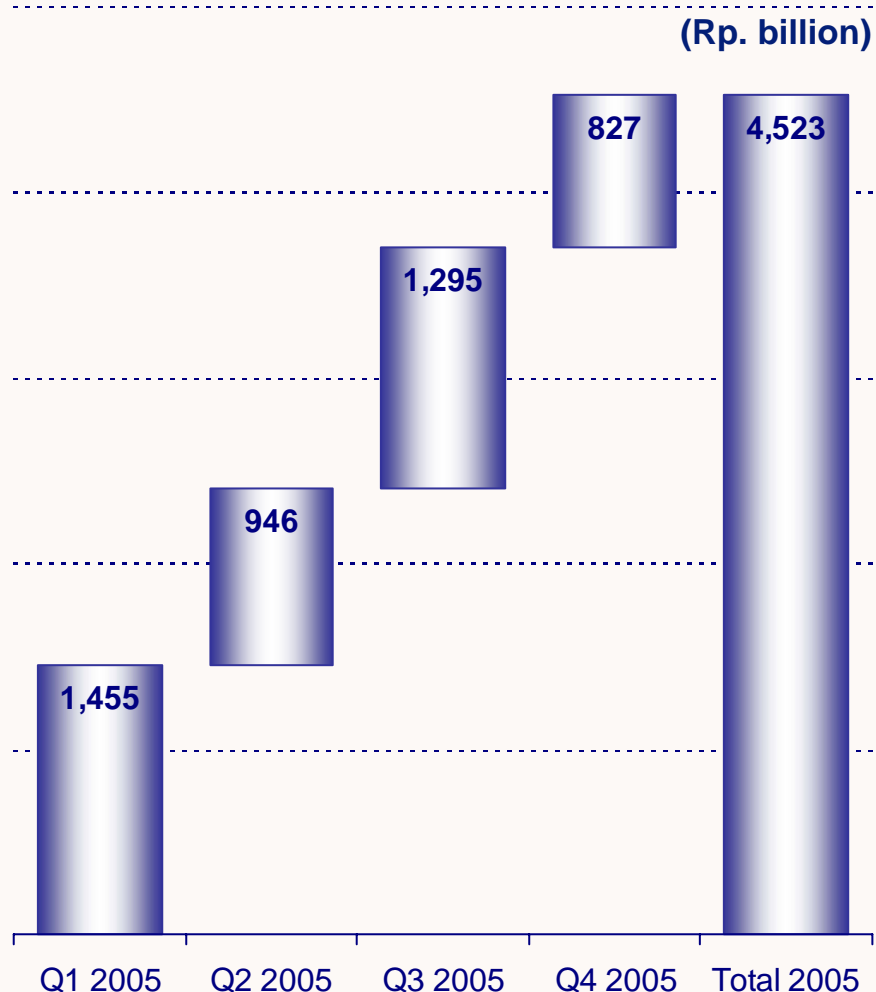
## Establishing SPV

- Discuss with regulators possible modifications to current rules, laws and regulations to separate the treatment of state assets from SOE assets
- Initiate centralized database of extracomptable loans including compiling credit files
- Continue segmenting the customers and develop possible tranches for disposal
- We have received many expressions of interest from potential investors to participate in the SPV and continue to maintain contact with these investors

Write-Off capacity in 2006 depend on successful collections of written-off loans and provisioning

# Operating profit before provisions remains strong, driven by growth in Consumer

## Operating Profit \* - Bank Mandiri



\*) Profit Before Tax excluding Provisions and Gain/Loss from mark to market and sale of securities and excludes one-time provisions for employee costs totaling Rp542 bn

## Operating Profit \* - By Segment

Business Unit Performance (Rp bn)	Corp.	Comm.	Cons.	Small & Micro	CRG	Treasury*
Earning Assets (Avg. Bal.)	27,502	23,221	10,436	6,899	24,360	100,770
Deposits & Borrowings (Avg. Bal.)	52,924	20,968	100,960	1,206	0	10,233
Interest Margin on Assets	711	991	672	312	(605)	(1,743)
Interest Margin on Liabilities	2,024	839	3,150	52	0	318
Total Interest Margin	2,735	1,829	3,822	364	(605)	(1,425)
Other Operating Income	300	74	1,054	138	60	899
Other Operating Expenses**	(343)	(429)	(2,546)	(219)	(95)	(96)
Pre-Provision Opr. Profit	2,692	1,475	2,331	282	(641)	(621)
Operating Profit (Incl. Provision)	2,595	1,236	2,180	172	(4,831)	(647)
% of Pre-Provision Operating Profit	57.9%	31.7%	50.1%	6.1%	(13.8%)	(13.4%)
% of Operating Profit (Incl. Prov.)	187.8%	89.4%	157.8%	12.5%	(349.5%)	(46.8%)

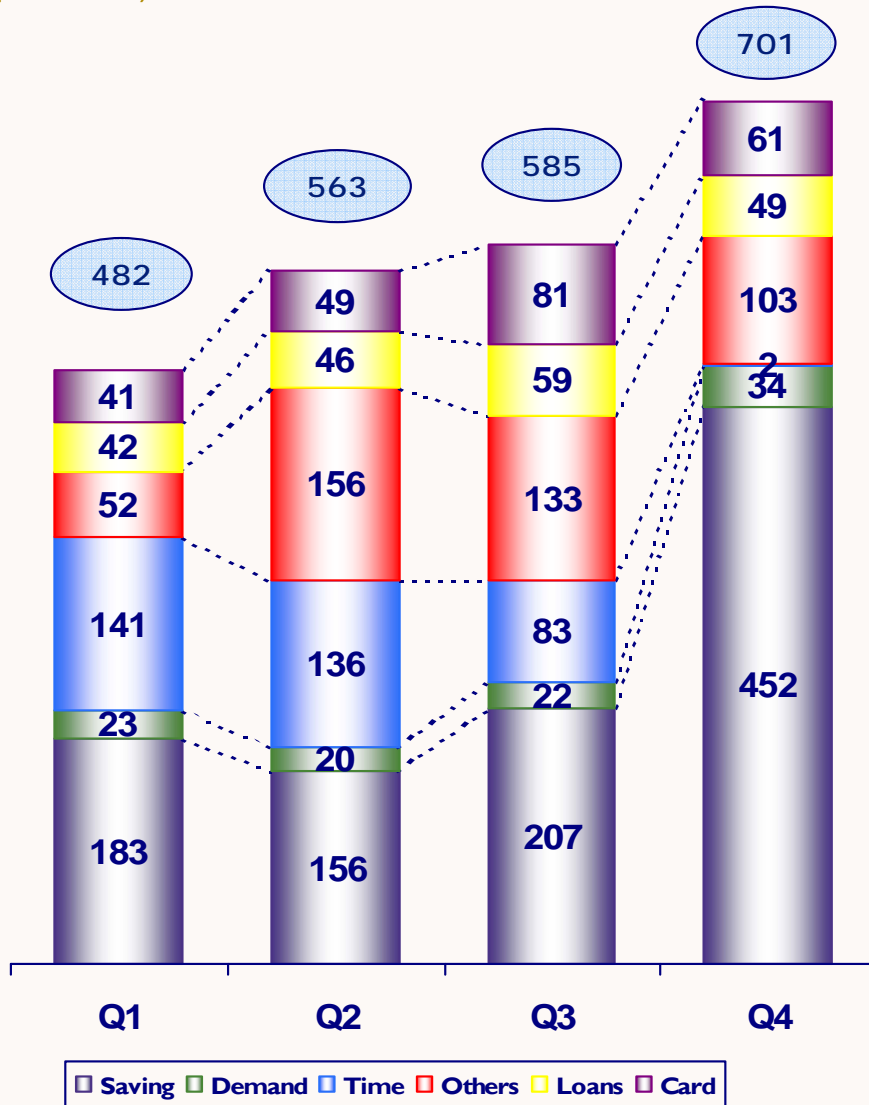
\* Excludes Overseas but includes Government Bonds

\*\* Includes Allocated Cost

# Key consumer products' operating profit

## Operating Profit per Product (Pre-Provision)

(Rp. billions)



Others include payment products, debit cards, bancassurance, merchants, etc

## Key Initiatives in 2005

### Consumer Loans

- Launched new product: "Graha Mandiri Angsuran Berjenjang"
- Set up 3 Sales Centers (Jakarta, Medan, Makassar)
- Established strategic alliances with 53 developers and 75 dealers/showrooms

### Consumer Cards

- Set-up Regional Processing Centers (Medan, Balikpapan, Makasar & Palembang)
- Issued 2 Co-Branded products (Mak Tour & Golf Card)
- Launched Affinity card with Bethany
- Developed Bill Payment Telco's features (Power Bill Program)

### Savings

- Launched Mandiri Call 14000
- Fiesta Hati 2005 Program, Mandiri Western Union & Mandiri Bill Payment prize
- Set-up 6 (six) cities as intercity pilot connectivity EDC

### Wealth Management

- Launched Premium Mandiri Deposit and swap transaction product (tenor 1-week, 1-month, 3-months)
- New customer acquisition (13,719 Priority Banking and 863 Consumer Banking Treasury)

# Major enhancements in infrastructure

## Outlets

- Additional 120 branches
- Reconfigured 29 outlets
- Added 3 Priority Banking outlets



## Electronic Channels

- Installed 5 Drive-Thru ATMs
- Distributed 10,497 EDC terminals



## Electronic Channel Features



- Implemented interbank SKN and RTGS transfers, as well as between Bank Mandiri accounts with written messages through SMS and Internet Banking
- Phone, electricity, Kompas newspaper subscription, cellular phone billings, etc
- Credit card payment e.g. Citibank, Standard Chartered, ABN Amro, ANZ Panin and HSBC

- TV cable and internet provider payments e.g. Indovision, Digital 1, Directvision, Indosatnet, and CBNnet
- Purchase of cellular refill voucher and Garuda Airlines & Air Efata ticket & travel agents



# Key business initiatives to drive operating performance in 2006

## Implementation of *Client Service Team (CST)*

Implement an integrated marketing model through Client Service Teams (CST), including capital market services through Mandiri Sekuritas, which focus on our top 20 customers

## Alliance Program

Execute Alliance Programs with 16 Corporate and 3 Commercial customers with extensive business networks and large potential value chain financing

## Improvement Process

Improve processes through various new initiatives such as end to end cash management, implementation of imaging & workflow technology for centralization of Bills Processing Centers, optimization of electronic channels for loan payment points, development of Enterprise Risk Management System etc

## New Product Launch

Launch new consumer segment products ie. Top-up Mortgages, Flexible Payment Mortgages, Mortgage-Saving Bundling, Card-Mortgage Bundling, and additional card products ie. MasterCard, Co-branded Cards.

## Expand Distribution Network

Expand distribution networks by opening 27 new branches, 2 priority banking outlets, 5 consumer loan processing outlets and 4 consumer loan processing centers, as well as electronic distribution channels including 130 ATMs, 5 Drive Thru ATMs and an additional 15,000 electronic data capture (EDC) terminals.

# Bank Mandiri Financial Summary

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**Q4 2005**

# Summary Balance Sheet: Dec 2004, Sept & Dec 2005

	FY'04	Q3'05	FY '05		Y-o-Y
	Rp (trillions)	Rp (trillions)	Rp (trillions)	USD (billions)#	Rp % Change
<b>Total Assets</b>	248.2	250.3	<b>263.4</b>	<b>26.8</b>	<b>6.1</b>
<b>Cash</b>	2.4	2.6	<b>2.5</b>	<b>0.3</b>	<b>3.4</b>
<b>Current Account w/BI</b>	16.0	18.8	<b>20.3</b>	<b>2.1</b>	<b>27.0</b>
<b>Certificates of BI</b>	8.0	0.1	<b>6.5</b>	<b>0.7</b>	<b>(18.6)</b>
<b>Other Placements w/BI</b>	6.0	2.4	<b>8.3</b>	<b>0.8</b>	<b>37.7</b>
<b>Current Accounts &amp; Placements w/Other Banks</b>	8.8	12.6	<b>16.1</b>	<b>1.6</b>	<b>81.7</b>
<b>Securities - Net</b>	4.5	4.2	<b>4.0</b>	<b>0.4</b>	<b>(11.5)</b>
<b>Government Bonds</b>	93.1	92.3	<b>92.1</b>	<b>9.4</b>	<b>(1.1)</b>
<b>Trading</b>	1.6	2.3	<b>2.1</b>	<b>0.2</b>	<b>35.7</b>
<b>AFS</b>	27.6	28.8	<b>28.8</b>	<b>2.9</b>	<b>4.5</b>
<b>HTM</b>	63.9	61.1	<b>61.1</b>	<b>6.2</b>	<b>(4.4)</b>
<b>Loans</b>	94.4	106.7	<b>106.9</b>	<b>10.9</b>	<b>13.2</b>
<b>Performing Loans</b>	87.7	81.7	<b>79.8</b>	<b>8.1</b>	<b>(9.0)</b>
<b>Non-Performing Loans</b>	6.7	25.0	<b>27.0</b>	<b>2.7</b>	<b>303.0</b>
<b>Allowances</b>	-8.6	-11.9	<b>-12.0</b>	<b>-1.2</b>	<b>38.8</b>
<b>Loans – Net</b>	85.8	94.7	<b>97.9</b>	<b>10.0</b>	<b>14.1</b>
<b>Total Deposits – Non-Bank</b>	175.8	186.4	<b>206.3</b>	<b>21.0</b>	<b>17.3</b>
<b>Demand Deposits</b>	41.1	41.1	<b>46.4</b>	<b>4.7</b>	<b>13.0</b>
<b>Savings Deposits</b>	53.5	46.0	<b>47.2</b>	<b>4.8</b>	<b>(11.9)</b>
<b>Certificate &amp; Time Deposits</b>	81.2	99.4	<b>112.7</b>	<b>11.5</b>	<b>38.8</b>
<b>Shareholders' Equity</b>	24.9	23.6	<b>23.2</b>	<b>2.4</b>	<b>(6.9)</b>



# Summary Quarterly Balance Sheet: Q1 '04 – Q4 '05

	Q1 '04	Q2 '05	Q3 '05	Q4 '05		Q-o-Q
	Rp (tn)	Rp (tn)	Rp (tn)	Rp (tn)	US\$ (bn)#	Rp % Change
<b>Total Assets</b>	249.4	256.8	250.3	<b>263.4</b>	26.8	<b>5.2</b>
<b>Cash</b>	2.4	2.3	2.6	<b>2.5</b>	0.3	<b>(2.8)</b>
<b>Current Accounts w/BI</b>	14.3	15.9	18.8	<b>20.3</b>	2.1	<b>7.8</b>
<b>Certificates of BI</b>	3.7	5.4	0.1	<b>6.5</b>	0.7	<b>7,096.7</b>
<b>Other Placements w/BI</b>	5.1	4.1	2.4	<b>8.3</b>	0.8	<b>243.0</b>
<b>Current Accounts &amp; Placements w/Other Banks</b>	8.2	13.4	12.6	<b>16.1</b>	1.6	<b>27.6</b>
<b>Securities - Net</b>	4.1	3.3	4.2	<b>4.0</b>	0.4	<b>(5.1)</b>
<b>Government Bonds</b>	93.2	92.5	92.3	<b>92.1</b>	9.4	<b>(0.2)</b>
<b>Trading</b>	1.7	2.4	2.3	<b>2.1</b>	0.2	<b>(8.4)</b>
<b>AFS</b>	29.0	29.0	28.8	<b>28.8</b>	2.9	<b>(0.1)</b>
<b>HTM</b>	62.5	61.1	61.1	<b>61.1</b>	6.2	<b>0.0</b>
<b>Loans</b>	99.6	104.0	106.7	<b>106.9</b>	10.9	<b>0.2</b>
<b>Performing Loans</b>	81.8	78.5	81.7	<b>79.8</b>	8.1	<b>(2.2)</b>
<b>Non-Performing Loans</b>	17.8	25.6	25.0	<b>27.0</b>	2.7	<b>8.0</b>
<b>Allowances</b>	(9.1)	(10.9)	(11.9)	<b>-12.0</b>	-1.2	<b>0.4</b>
<b>Loans – Net</b>	90.5	93.1	94.7	<b>97.9</b>	10.0	<b>3.3</b>
<b>Total Deposits – Non-Bank</b>	171.0	183.2	186.4	<b>206.3</b>	21.0	<b>10.6</b>
<b>Demand Deposits</b>	40.6	44.4	41.1	<b>46.4</b>	4.7	<b>13.0</b>
<b>Savings Deposits</b>	51.1	49.5	46.0	<b>47.2</b>	4.8	<b>2.6</b>
<b>Certificate &amp; Time Deposits</b>	79.3	89.2	99.4	<b>112.7</b>	11.5	<b>13.4</b>
<b>Shareholders' Equity</b>	25.4	22.8	23.6	<b>23.2</b>	2.4	<b>(1.5)</b>



## Summary P&L Information – Q4 2005

	Q4 2004		Q3 2005		Q4 2005		Q-o-Q Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	4,784	8.0	5,318	8.4	6,023	9.4	13.3
Interest Expense	(2,443)	(4.1)	(3,091)	(4.9)	(3,952)	(6.2)	27.9
Net Interest Income	2,341	3.9	2,227	3.5	2,071	3.2	(7.0)
Other Operating Income	644	1.1	746	1.2	432	0.7	(42.2)
Gain from Increase in Value & Sale of Bonds	54	0.1	37	0.1	(50)	(0.1)	(235.1)
Provisions, Net	146	0.2	(371)	(0.6)	(1,134)	(1.8)	205.7
Personnel Expenses	(723)	(1.2)	(665)	(1.1)	(1,241)	(1.9)	86.6
G & A Expenses	(1,034)	(1.7)	(767)	(1.2)	(842)	(1.3)	9.8
Other Operating Expenses**	(184)	(0.3)	(116)	(0.2)	(139)	(0.2)	19.8
Profit from Operations	1,244	2.1	987	1.6	(799)	(1.2)	(181.1)
Non Operating Income	(29)	0.0	17	0.0	63	0.1	270.6
Net Income Before Tax	1,215	2.0	1,004	1.6	(736)	(1.1)	(173.3)
Net Income After Tax	775	1.3	611	1.0	(623)	(1.0)	(202.0)

\* % of Average Assets on an annualized basis

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

# Recap Bond Portfolio Details, 31 December 2005 – Bank Only

Series	Maturity Date	Interest Rate (%)	Nominal			Mark To Market	Fair Value		
			Trading	AFS	HTM		Trading	AFS	HTM
<b>Fixed Rate</b>									
FR0002	15-Jun-09	14.00%	68			102.47	70		
FR0004	15-Feb-06	13.13%	2,700			99.91	2,698		
FR0005	15-Jul-07	12.25%	11,000			98.44	10,829		
FR0010	15-Mar-10	13.15%			1,350,000	99.57			1,350,000
FR0014	15-Nov-10	15.58%		2,947		107.85		3,178	
FR0015	15-Feb-11	13.40%	30,000			100.18	30,055		
FR0019	15-Jun-13	14.25%	10,000	1,101,133		103.61	10,361	1,140,906	
FR0020	15-Dec-13	14.28%	518,538	538,491		103.98	539,186	559,934	
<b>Sub Total</b>		<b>13.83%</b>	<b>572,306</b>	<b>1,642,571</b>	<b>1,350,000</b>		<b>593,198</b>	<b>1,704,018</b>	<b>1,350,000</b>
<b>Variable Rate</b>									
VR0009	25-Mar-06	12.09%	35,000	20,000		99.76	34,917	19,953	
VR0010	25-Oct-06	12.09%	1,342,361			99.27	1,332,602		
VR0012	25-Sep-07	12.83%		180,000		98.34		177,003	
VR0013	25-Jan-08	12.09%	85,000	1,198,384		99.00	84,150	1,186,400	
VR0014	25-Aug-08	12.69%	50,000			99.04	49,522		
VR0016	25-Jul-09	12.09%	20,000			99.03	19,807		
VR0017	25-Jun-11	12.83%	30,000	328,270		98.42	29,527	323,093	
VR0019	25-Dec-14	12.83%		5,050,000	1,114,300	98.76		4,987,128	1,114,300
VR0020	25-Apr-15	12.09%		4,100,000	391,029	99.01		4,059,287	391,029
VR0021	25-Nov-15	12.69%		2,400,000	690	99.05		2,377,128	690
VR0022	25-Mar-16	12.83%		692,844	6,796,813	98.93		685,403	6,796,813
VR0023	25-Oct-16	12.09%		659,738	4,086,068	98.83		652,032	4,086,068
VR0024	25-Feb-17	12.69%			8,210,550	99.99			8,210,550
VR0025	25-Sep-17	12.83%			5,210,550	99.95			5,210,550
VR0026	25-Jan-18	12.09%			3,475,267	99.97			3,475,267
VR0027	25-Jul-18	12.09%			3,475,267	99.97			3,475,267
VR0028	25-Aug-18	12.69%		1,696,428	3,475,267	98.85		1,676,953	3,475,267
VR0029	25-Aug-19	12.69%		5,344,421	3,475,267	98.78		5,279,112	3,475,267
VR0030	25-Dec-19	12.83%			8,016,765	99.95			8,016,765
VR0031	25-Jul-20	12.09%		5,597,343	12,016,765	98.59		5,518,476	12,016,765
<b>Sub Total</b>		<b>12.49%</b>	<b>1,562,361</b>	<b>27,267,428</b>	<b>59,744,598</b>		<b>1,550,525</b>	<b>26,941,968</b>	<b>59,744,598</b>
<b>Grand Total</b>			<b>2,134,667</b>	<b>28,909,999</b>	<b>61,094,598</b>		<b>2,143,723</b>	<b>28,645,986</b>	<b>61,094,598</b>
<b>(Stated in Rp Millions)</b>			<b>2.32%</b>	<b>31.38%</b>	<b>66.31%</b>		<b>2.33%</b>	<b>31.18%</b>	<b>66.49%</b>
			<b>Total Nominal Value</b>			<b>92,139,264</b>		<b>Total Fair Value</b>	

# Bank Mandiri's Credit Ratings

## Sovereign Ratings

Outlook

Long Term Bank Deposits

Long Term Foreign Currency Debt

Short Term Foreign Currency Debt

Long Term Local Currency Debt

Short Term Local Currency Debt

## Bank Mandiri Ratings

Long Term Foreign Currency Outlook

Long Term Bank Deposits

Long Term Foreign Currency Debt

Short Term Foreign Currency Debt

Subordinated Debt

Bank Financial Strength

Long Term Local Currency Outlook

Long Term Local Currency Debt

Short Term Local Currency Debt

	S&P	Moody's	Fitch	Pefindo
<b>Outlook</b>	<b>Positive</b>	<b>Positive</b>	<b>Stable</b>	
<b>Long Term Bank Deposits</b>		<b>B3</b>		
<b>Long Term Foreign Currency Debt</b>	<b>B+</b>	<b>B2</b>	<b>BB-</b>	
<b>Short Term Foreign Currency Debt</b>	<b>B</b>	<b>NP</b>	<b>NR</b>	
<b>Long Term Local Currency Debt</b>	<b>BB</b>	<b>B2</b>	<b>NR</b>	
<b>Short Term Local Currency Debt</b>	<b>B</b>			
<b>Long Term Foreign Currency Outlook</b>	<b>Stable</b>	<b>Positive</b>	<b>Stable</b>	
<b>Long Term Bank Deposits</b>		<b>B3</b>		
<b>Long Term Foreign Currency Debt</b>	<b>BB-</b>	<b>WR</b>	<b>BB-</b>	
<b>Short Term Foreign Currency Debt</b>	<b>B</b>		<b>B</b>	
<b>Subordinated Debt</b>			<b>B+</b>	
<b>Bank Financial Strength</b>		<b>E+</b>		
<b>Long Term Local Currency Outlook</b>	<b>Stable</b>			
<b>Long Term Local Currency Debt</b>	<b>BB-</b>		<b>BB-</b>	<b>idA+</b>
<b>Short Term Local Currency Debt</b>	<b>B</b>			

# Reconciliation to IFRS

	FY '02	FY '03	FY '04	FY '05
	Rp (Billions)	Rp (Billions)	Rp (Billions)	Rp (Billions)
<b>Net profit under Indonesian GAAP</b>	<b>2,746</b>	<b>4,586</b>	<b>5,256</b>	<b>603</b>
IFRS Adjustments				
Allow. for possible losses on earning assets	955	(662)	(309)	<b>(2,681)</b>
Allow. for possible losses on commitments & contingencies	351	104	70	<b>(223)</b>
Change in fair value of derivatives	-	52	-	-
Employee benefits	10	(21)	25	-
Accretion on deferred inc. arising from loan purchase from IBRA	-	55	10	<b>9</b>
De-recognition of revaluation of premises & equipment	-	199	75	<b>25</b>
De-recognition of allowances	(995)	-	-	-
Securities & Gov. Bond (trading portfolio)	293	-	-	-
Deferred income taxes	(184)	82	38	<b>861</b>
Net Adjustment	430	(191)	(90)	<b>(2,008)</b>
<b>Net profit in accordance with IFRS</b>	<b>3,176</b>	<b>4,395</b>	<b>5,166</b>	<b>(1,405)</b>

IFRS = International Financial Reporting Standards

# Bank Mandiri's Strategic Roadmap

# 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”

# Individual segment strategies

## Corporate Banking

- Maintaining our position as market leader and focusing our effort to shift into a more profitable product mix (e.g. fee-based products)
- Leveraging our strength in wholesale and investment banking through Mandiri Sekuritas
- Ensuring profitability of our loan book by fundamentally reworking risk management processes
- Exiting non profitable businesses by reducing our exposure to relationships and sectors which do not offer sufficient returns for the risk

## Commercial Banking

- Accessing and integrating the financial flows across the value chain to better understand the risks and price accordingly
- Providing innovative fee-based products around cash management and working capital arrangements to dominate fee businesses
- Focusing on mid-caps and larger small companies with transaction intensive businesses
- Capturing wealth management opportunities of operator-owner entities

## Consumer Banking

- Expand our engagement in the consumer segment
- Boost our efforts to build Mandiri Prioritas by building our sales capabilities, while refocusing our list of initiatives on acquisition and retention of the mass affluent segment
- Aspire to have the largest share in terms of primary banking relationships based on the largest branch and ATM network in the country and expansion of EDCs
- Play a major role in certain consumer finance segments eg. mortgage and cards
- Increase and optimize integration with Bank Syariah Mandiri and AXA Mandiri to provide complete solutions

## Micro Banking

- Focus of this year is to maintain our presence in this segment
- Leveraging our in-branch capacity to serve the customers
- Keep an option for possibility of further expansion later in 2006



# 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”**



# Transformational path towards Bank Mandiri's aspirations

## Horizon 1: Stabilize the platform

- Aggressively pursue NPL resolution
- Improve credit risk management processes and execution
- Boost current earnings
  - Cut unprofitable businesses and/or infrastructure
  - Increase performance of existing businesses and assets
- Reprioritize existing initiatives to focus on critical issues only
- Sharply upgrade corporate structure
  - Continue to build up leadership team
  - Fix performance management system

## Horizon 2: Re-organize for growth

- Refine existing business models to achieve top positions (e.g., in top 3) in call hosen segments
- Develop new business models to capture emerging opportunities (e.g., mass affluent)
- Transition organization to create full-fledged, stand-alone BUs by segment
- Accelerate skill development/infuse new talent through recruitments, JVs and selective acquisitions of portfolios

## Horizon 3: Consolidate for domestic leadership

- Scale up business models
- Participate in domestic consolidation

# Bank Mandiri Additional Loan Analysis & Portfolio Detail

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

<p>Classification by Aging of Interest Payments<sup>#</sup></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>BI Collectibility takes precedence<sup>#</sup></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 <b>must</b> adopt BI's determination</p>																											
<p>One Debtor, One Project Concept<sup>*</sup></p>	<ul style="list-style-type: none"> <li>➤ The Bank must classify all of its earning assets to a single debtor at the level of the lowest quality asset</li> <li>➤ For debtors with exposures to more than one bank, all banks must adopt the lowest classification applied by any one bank to the debtor.</li> <li>➤ All earning assets related to a particular project must be classified at the same level</li> </ul>																											
<p>Completeness of Financial Report<sup>*</sup></p>	<ul style="list-style-type: none"> <li>➤ Banks must require debtors to submit current financial statements</li> <li>➤ Failure to submit financial statements must result in an automatic downgrade of collectibility by one level, or to a maximum classification of sub-standard</li> </ul>																											

# Accounting for Interest, Provisions and Collateral

Recognition of Interest Income	<b>Classification</b>	<b>Regular Loans</b>	<b>Restructured Loans</b>	<b>IBRA Loans</b>
	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	<b>Classification</b>	<b>Regular Loans</b>	<b>Restructured Loans</b>	<b>IBRA Loans (w/o new agreement)</b>
	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	<b>Classification</b>	<b>Regular Loans</b>	<b>Restructured Loans</b>	<b>IBRA Loans</b>
	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	<b>Classification</b>	<b>Collateral</b>	<b>All Loans</b>	
	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

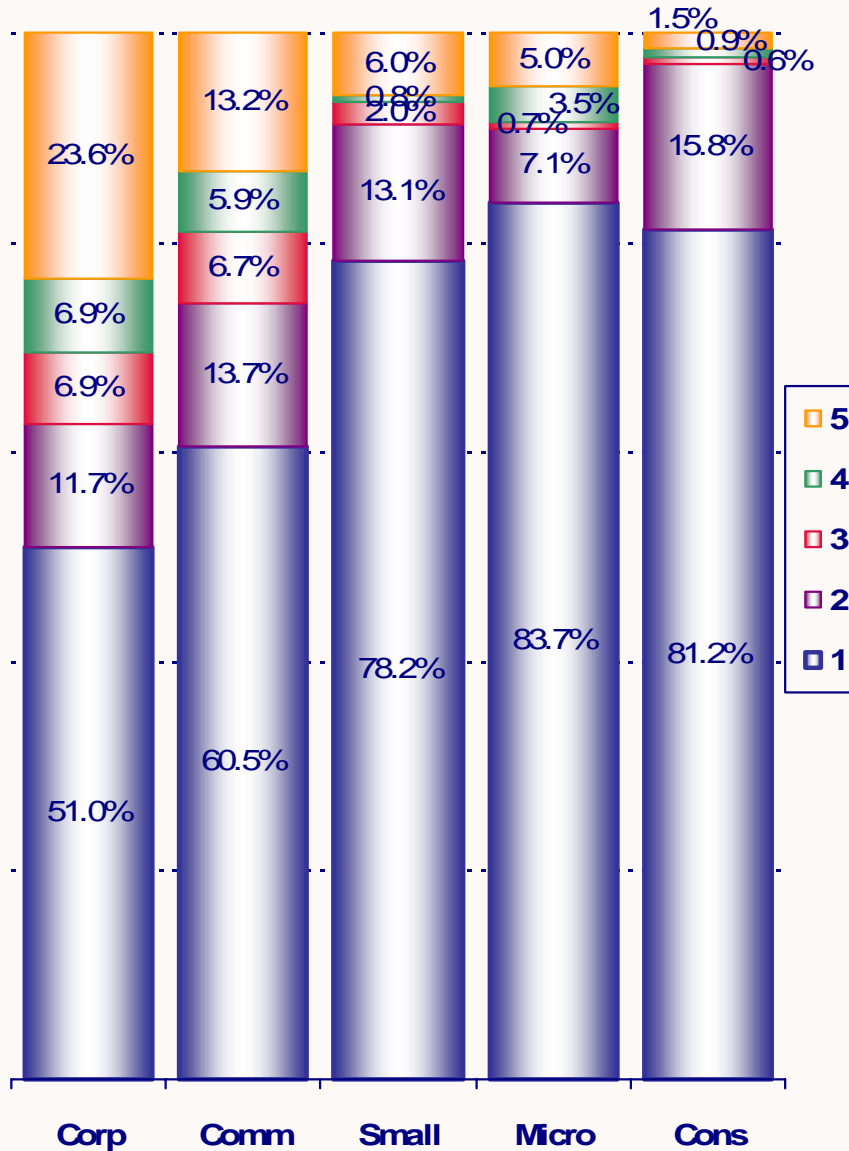
Loan Background	Q1 2005#	Q2 2005#	Q3 2005#	Q4 2005#			
	Net	Net	Net	Value (Rp bn)	DG to NPL	UG to PL	Net
<b>Corporate Loans</b>							
Restructured	42.6%	6.1%	5.7%	13,049	1.3%	0.2%	1.1%
IBRA	18.2%	3.5%	0.9%	3,994	5.2%	-	5.2%
Pre-Merger	-	0.2%	-	161	6.1%	-	6.1%
Post-Merger	8.3%	12.0%	6.9%	26,182	3.4%	0.0%	3.3%
Overseas	40.1%	1.4%	0.8%	1,339	3.8%	0.1%	3.6%
Total	22.1%	8.7%	5.5%	44,725	2.9%	0.1%	2.9%
<b>Commercial &amp; Small Business Loans</b>							
Restructured	5.9%	17.9%	1.9%	6,169	6.8%	0.2%	6.6%
IBRA	0.2%	3.0%	1.7%	778	2.7%	-	2.7%
Pre-Merger	2.5%	0.1%	0.2%	685	0.1%	-	0.1%
Post-Merger	3.6%	5.4%	2.5%	34,562	6.8%	0.3%	6.5%
Overseas	-	-	9.2%	102	3.3%	-	3.3%
Total	3.9%	7.3%	1.7%	42,295	6.6%	0.3%	6.3%
<b>Total Loans</b>							
Restructured	30.7%	10.0%	4.5%	19,218	3.0%	0.2%	2.9%
IBRA	15.0%	3.4%	0.5%	4,771	4.8%	-	4.8%
Pre-Merger	1.9%	0.1%	0.1%	845	1.2%	-	1.2%
Post-Merger	5.5%	8.2%	1.4%	60,744	5.3%	0.2%	5.1%
Overseas	38.6%	1.8%	0.4%	1,441	3.7%	0.1%	3.6%
Total	13.3%	8.0%	2.0%	87,020	4.7%	0.2%	4.5%

# % downgrades and upgrades are quarterly figures

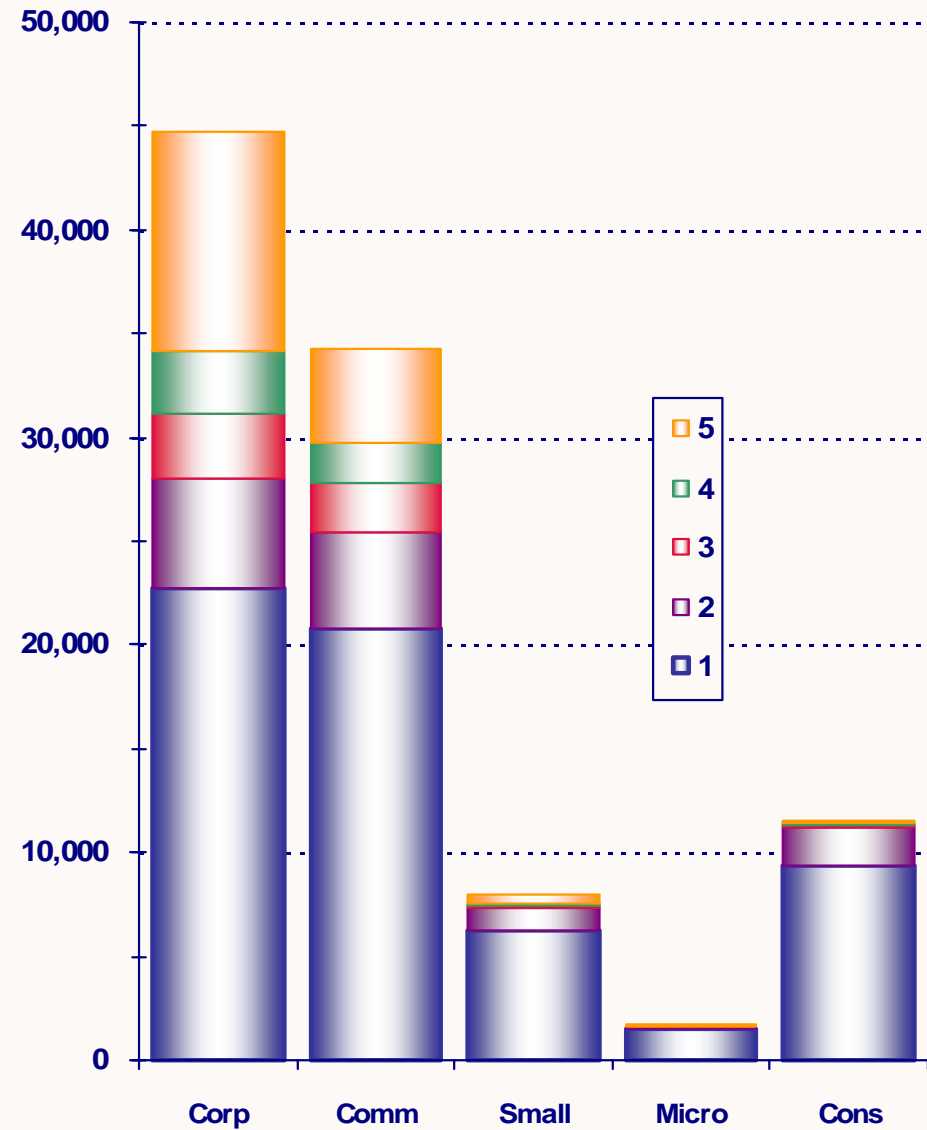
\* Corporate, Commercial & Small Business Loans Only

# Q4 2005 Loan Detail: Collectibility by Business Unit

Loan Profile: Q4 Collectibility (%) by BU - Bank Only

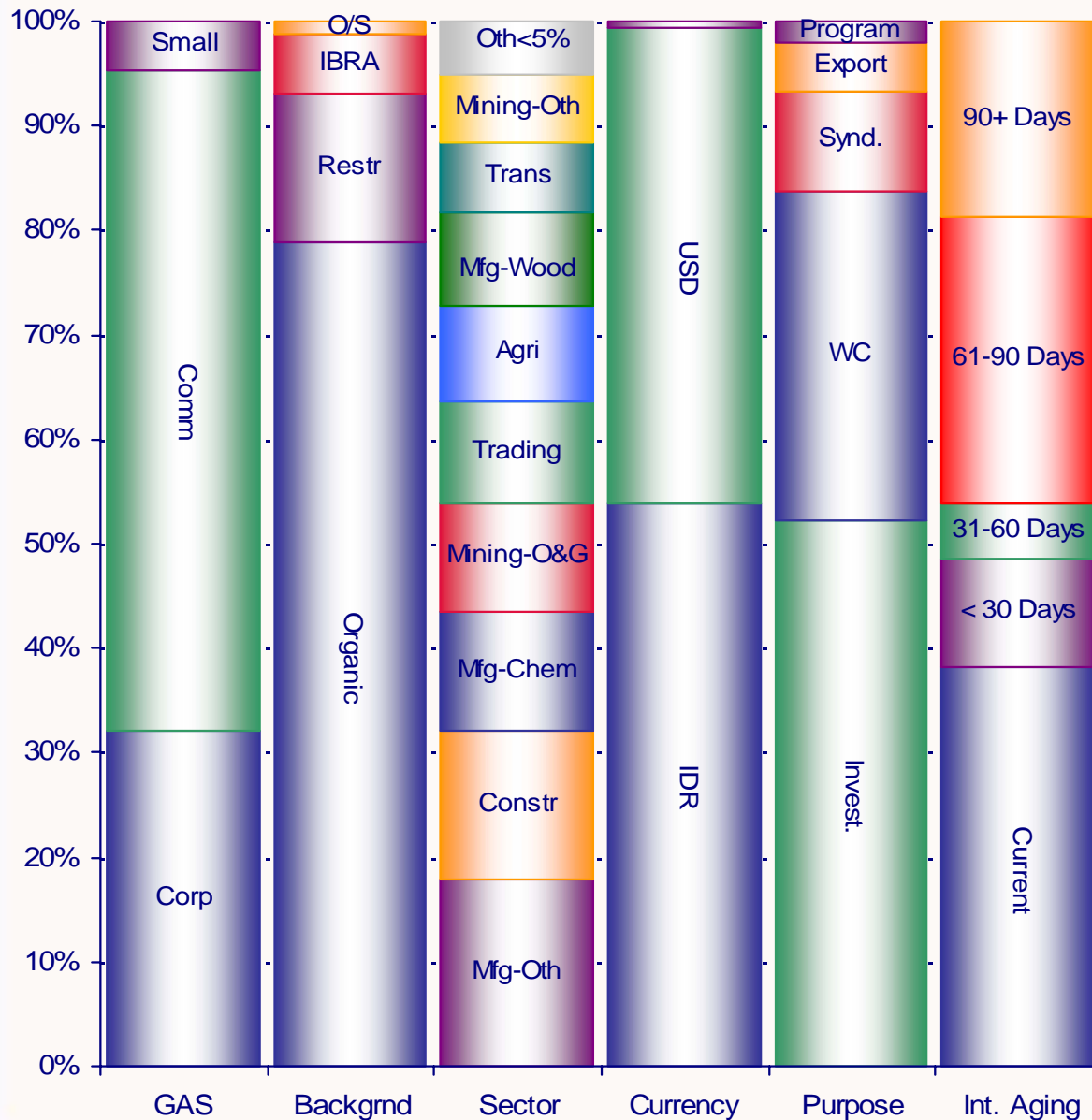


Loan Profile: Q4 Collectibility (Rp bn) by BU - Bank Only



# Q4 2005 Loan Detail\*: Downgrades to NPL

Loan Profile: Q4 Downgrades to NPL (Rp 4,106 bn) - Bank Only



Corporate, Commercial & Small Business loans downgraded to NPL in Q4 totaled Rp 4,106 billion (4.1% of total loans). Of these loans:

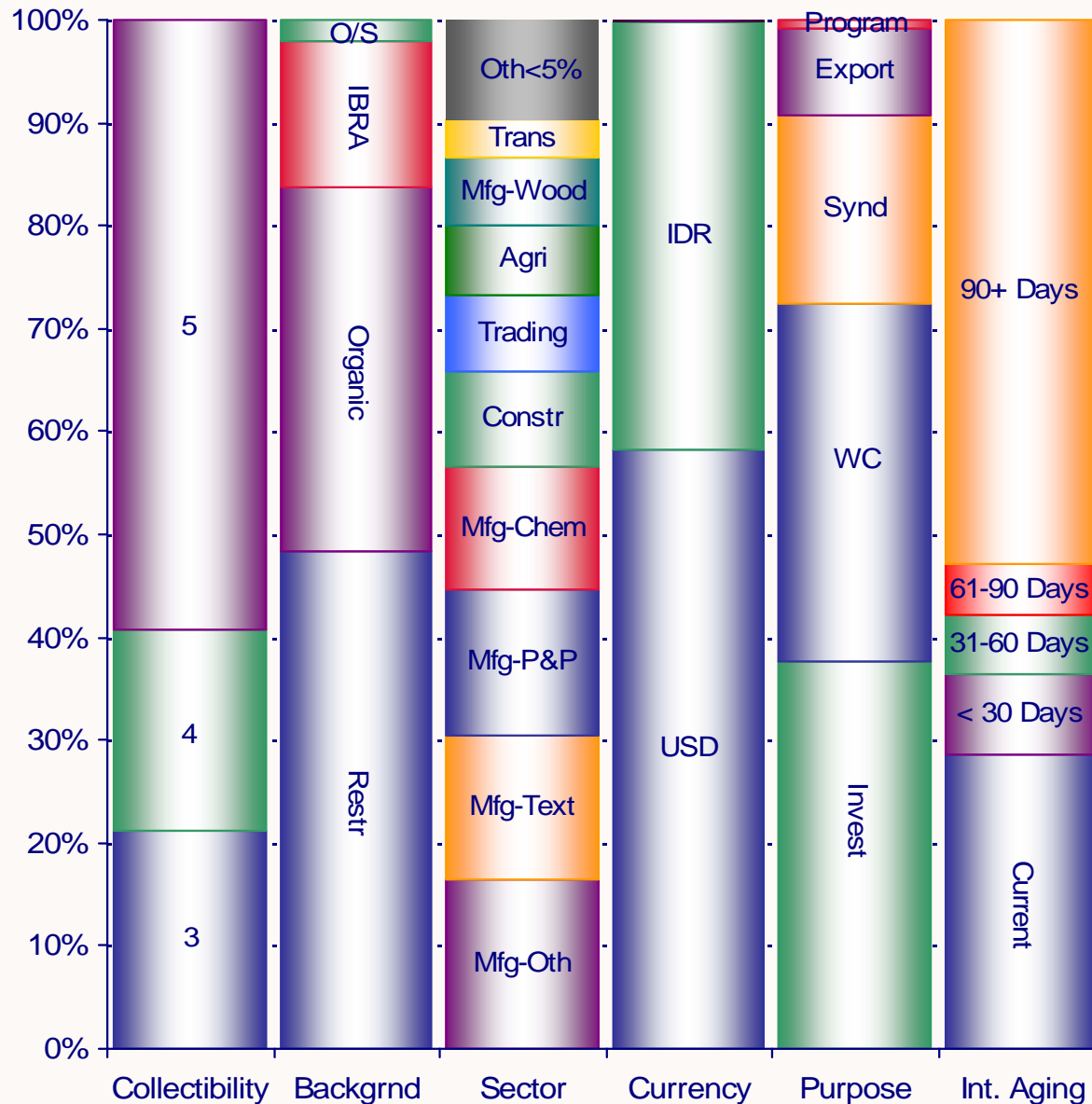
- 38.3% were still current on interest payments with a further 10.2% less than 30 days overdue
- 32.1% were Corporate borrowers
- 14.3% were loans previously restructured
- 5.6% were loans purchased from IBRA
- Largest downgrades by sector:
  - Construction
  - Chemical Manufacturing
  - Oil & Gas
- 53.9% were Rupiah loans
- 52.2% were Investment loans
- 1<sup>st</sup> time downgrades from Chemical and Wood Manufacturing, Oil & Gas & Coal Mining

\* Excluding Micro & Consumer Loans Only



# Q4 2005 Loan Detail\*: Non-Performing Loans

Loan Profile: Q4 NPLs (Rp 26,248 bn) Bank Only



**Corporate, Commercial & Small Business NPLs totaled Rp26,248 billion in Q4, or 26.2% of total loans. Of these NPLs in Q4:**

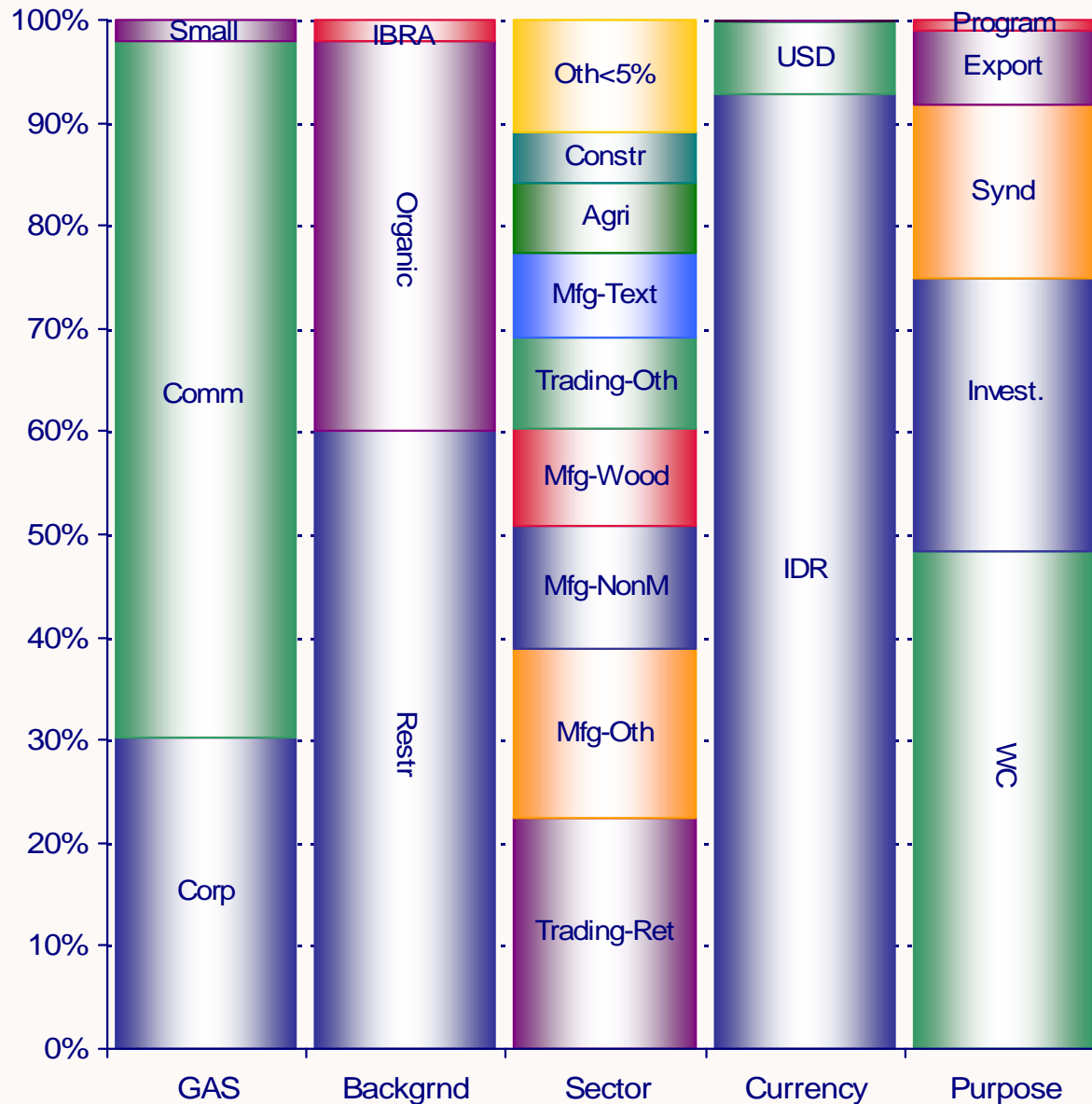
- 28.7% remain current on interest payments & 18.5% are less than 90 days overdue
- 63.6% are to Corporate customers
- 37.7% are Investment loans
- Primary sectors are:
  - Manufacturing
    - Pulp & Paper
    - Textiles
    - Chemicals
  - Construction
  - Trading
- 58.2% are US Dollar loans
- 35.9% were previously restructured
- 14.1% were loans purchased from IBRA
- 21.1% are Cat. 3 & 19.7% are Cat. 4

\* Excluding Micro & Consumer Loans Only



# Q4 2005 Loan Detail\*: Loans Written-Off in Q4

Loan Profile: Q4 NPLs (Rp 1,346 bn) Bank Only



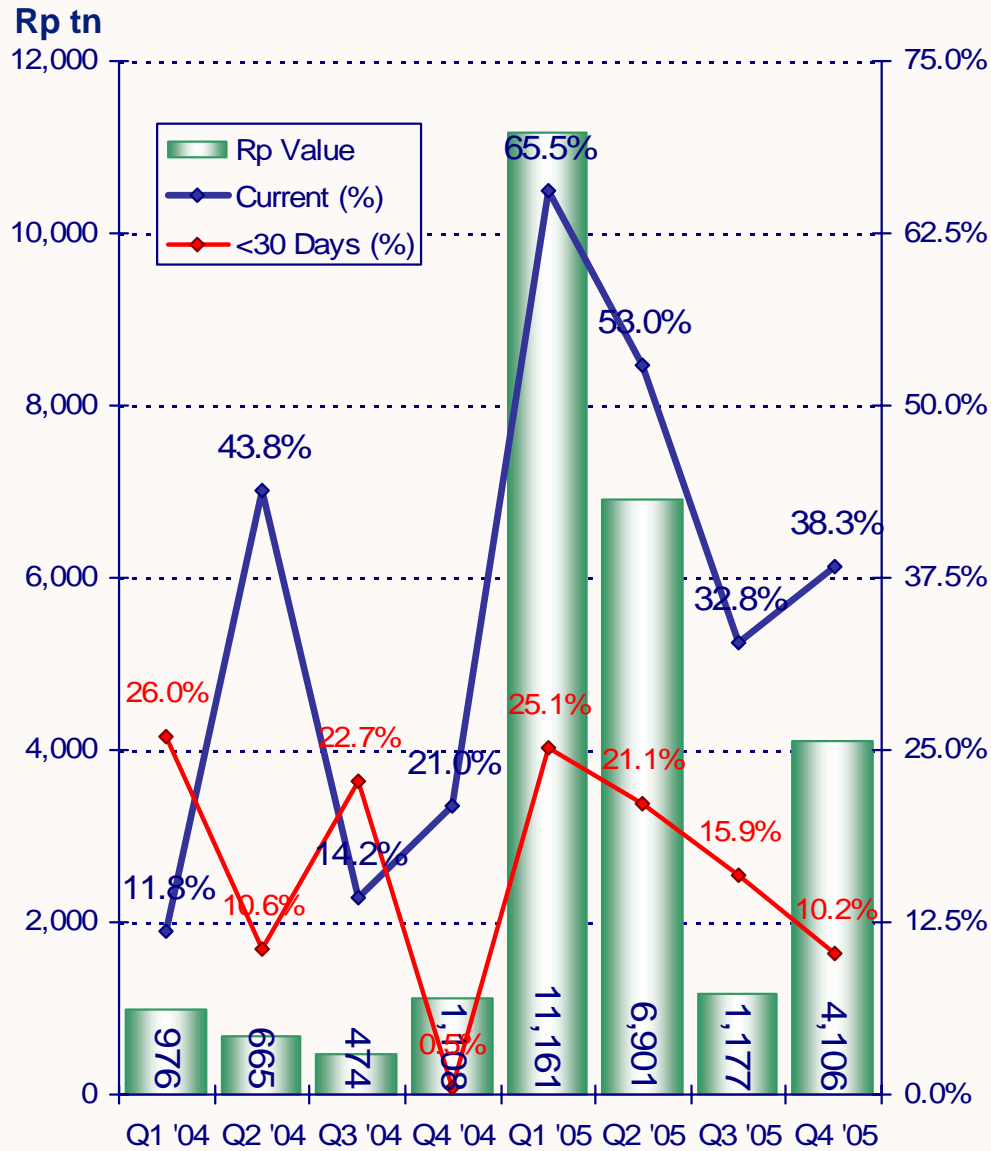
**Corporate, Commercial & Small Business loans written-off totaled Rp1,346 billion in Q4. Of these Written-off loans in Q4:**

- 67.7% are to Commercial customers
- 37.8% had previously been restructured, while 2% originated from IBRA
- Primary sectors are:
  - Trading - Retail
  - Manufacturing
    - Non-Metal
    - Textiles
    - Wood
  - Agriculture
- 92.7% are Rupiah loans
- 48.3% are Working Capital loans

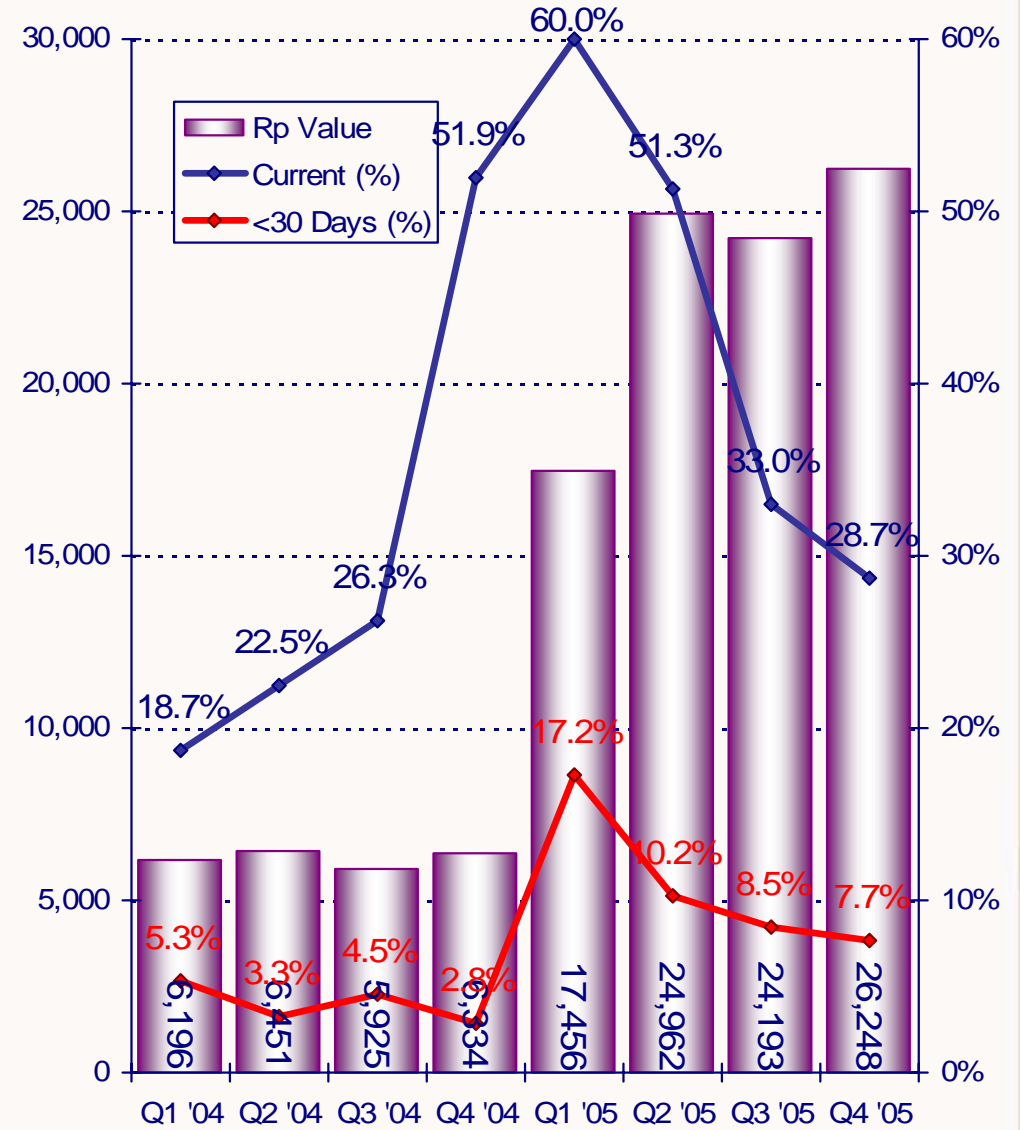
\* Excluding Micro & Consumer Loans Only

# NPL Loan Detail\*: Quarterly by Interest Days Past Due

## Quarterly Downgrades to NPL & Interest DPD - Bank Only



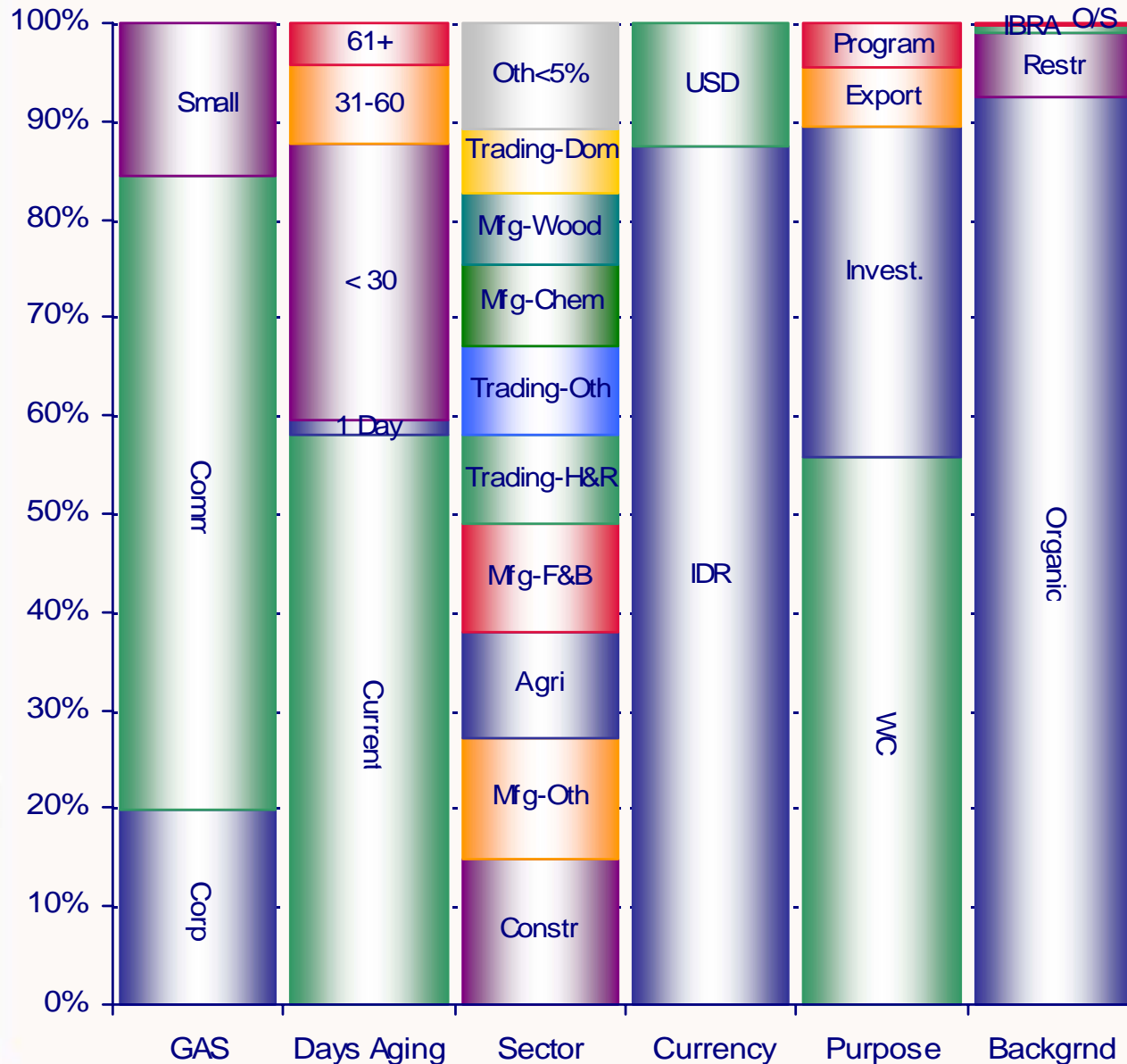
## Quarterly NPL Stock & Interest DPD - Bank Only



\* Excluding Micro & Consumer Loans Only

# Q4 2005 Loan Detail\*: New Downgrades to Category 2

Loan Profile: Q4 Downgrades to Cat. 2 loans (Rp 2,097 bn) - Bank Only



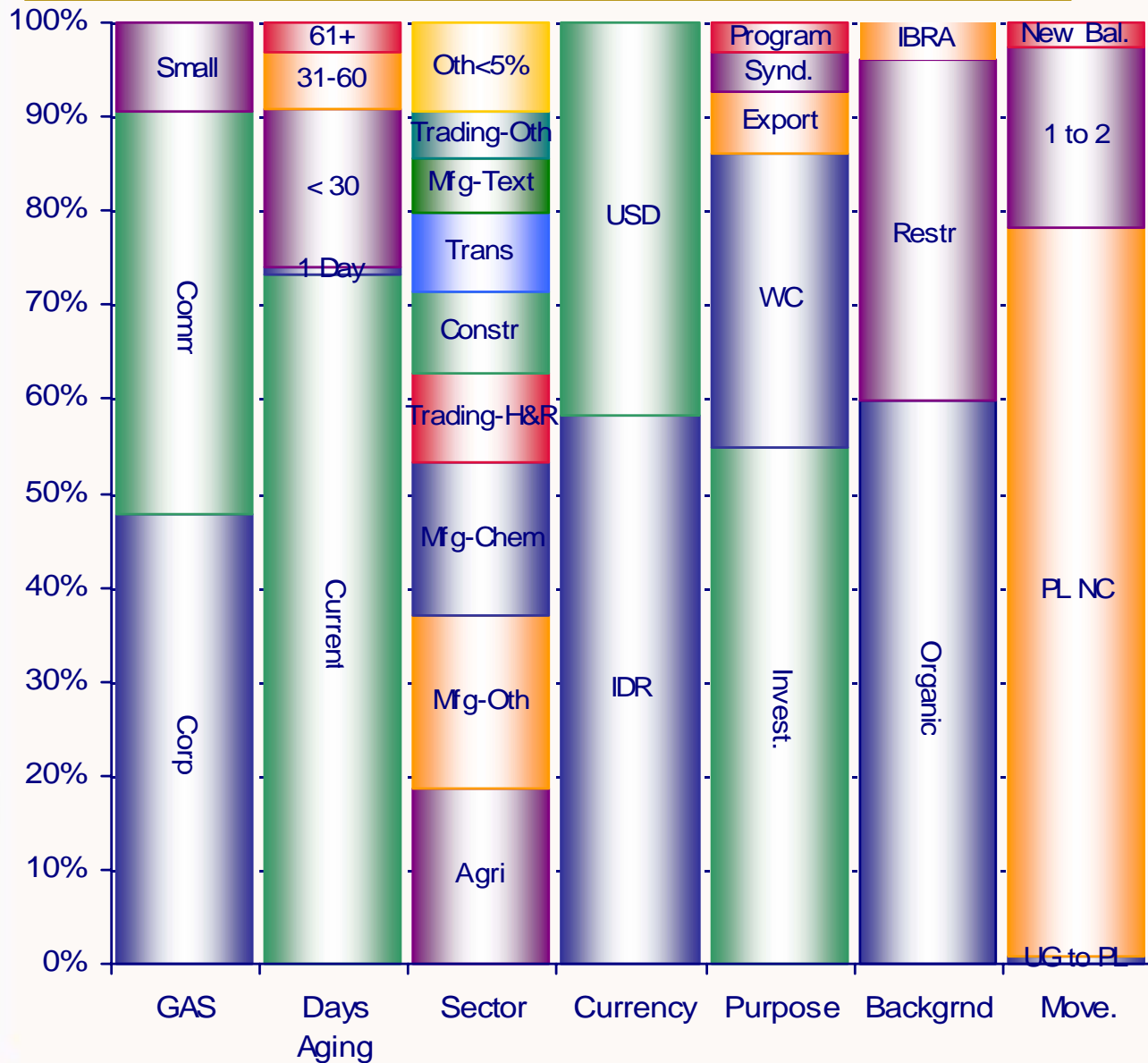
**Rp 2,097 billion (2.1% of total loans) in Corporate, Commercial & Small Business loans were downgraded to Category 2 in Q4. Of the downgraded Special Mention Loans in Q4:**

- **64.5% are for Commercial & 19.9% are for Corporate customers**
- **58.1% are current & 1.4% are 1 day overdue**
- **Primary sectors downgraded are:**
  - **Construction**
  - **Agriculture**
  - **F & B Manufacturing**
  - **Hotels & Restaurants**
- **87.4% are Rupiah loans**
- **55.8% are Working Capital loans**
- **6.6% are Restructured loans**
- **0.7% were purchased from IBRA**

\* Excluding Micro & Consumer Loans Only

# Q4 2005 Loan Detail\*: Category 2 Loans

Loan Profile: Q4 Category 2 Loans (Rp 10,962 bn) Bank Only



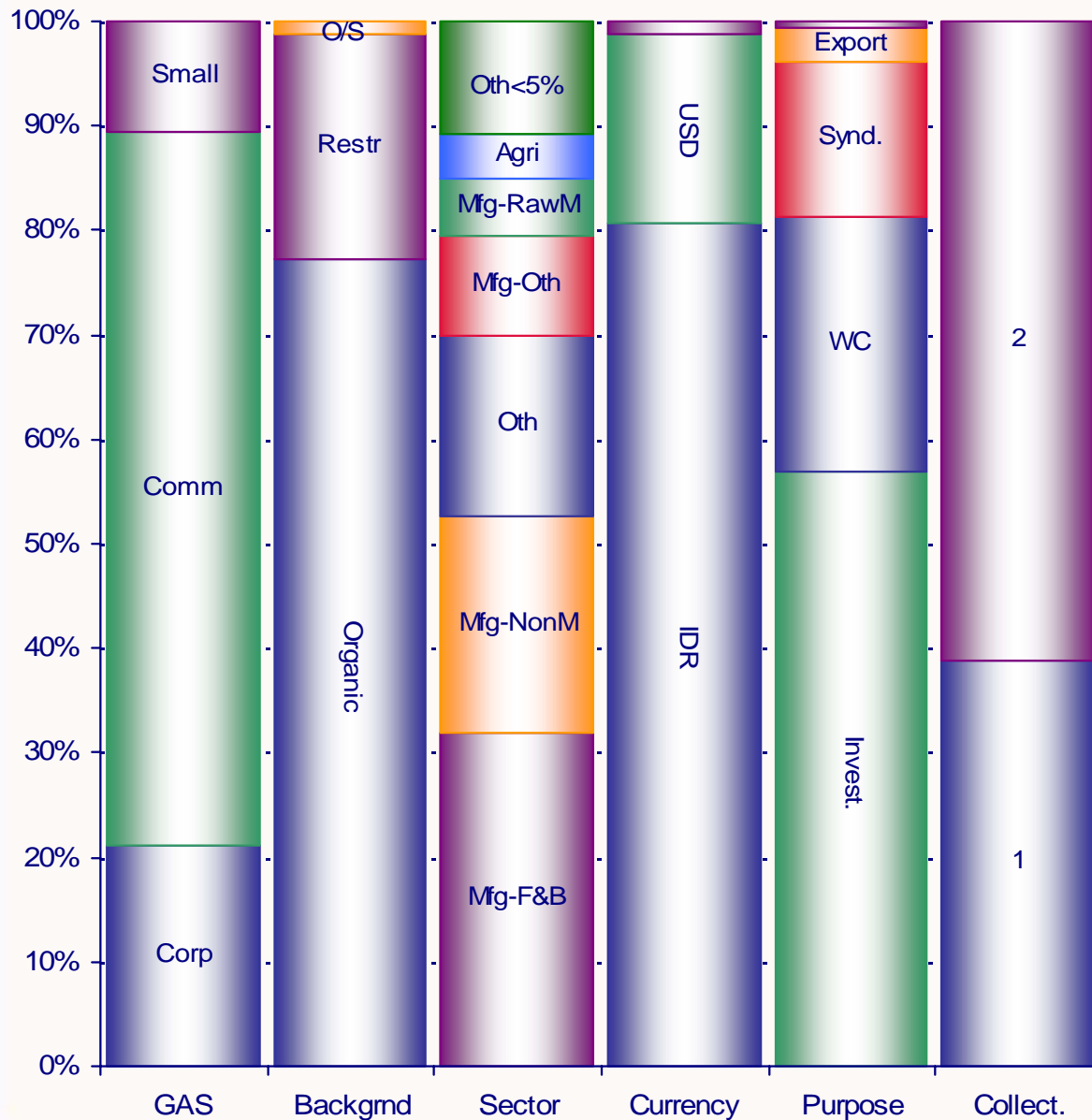
Rp 10,962 billion (10.9% of total loans) in Corporate, Commercial & Small Business loans were in Category 2 in Q4. Of these Special Mention loans in Q4:

- 47.7% are to Corporate customers
- 74.0% are current or 1 day overdue
- Primary sectors in Category 2 are:
  - Agriculture
  - Chemical Manufacturing
  - Trading, Hotels & Restaurants
  - Construction
- 58.3% are Rupiah loans
- 54.8% are Investment loans
- 36.2% are Restructured loans
- 4.0% were purchased from IBRA
- 77.3% saw no change in collectibility

\* Excluding Micro & Consumer Loans Only

# Q4 2005 Loan Detail\*: Upgrades to PL

Loan Profile: Q4 Upgrades to PL (Rp 148 bn) - Bank Only



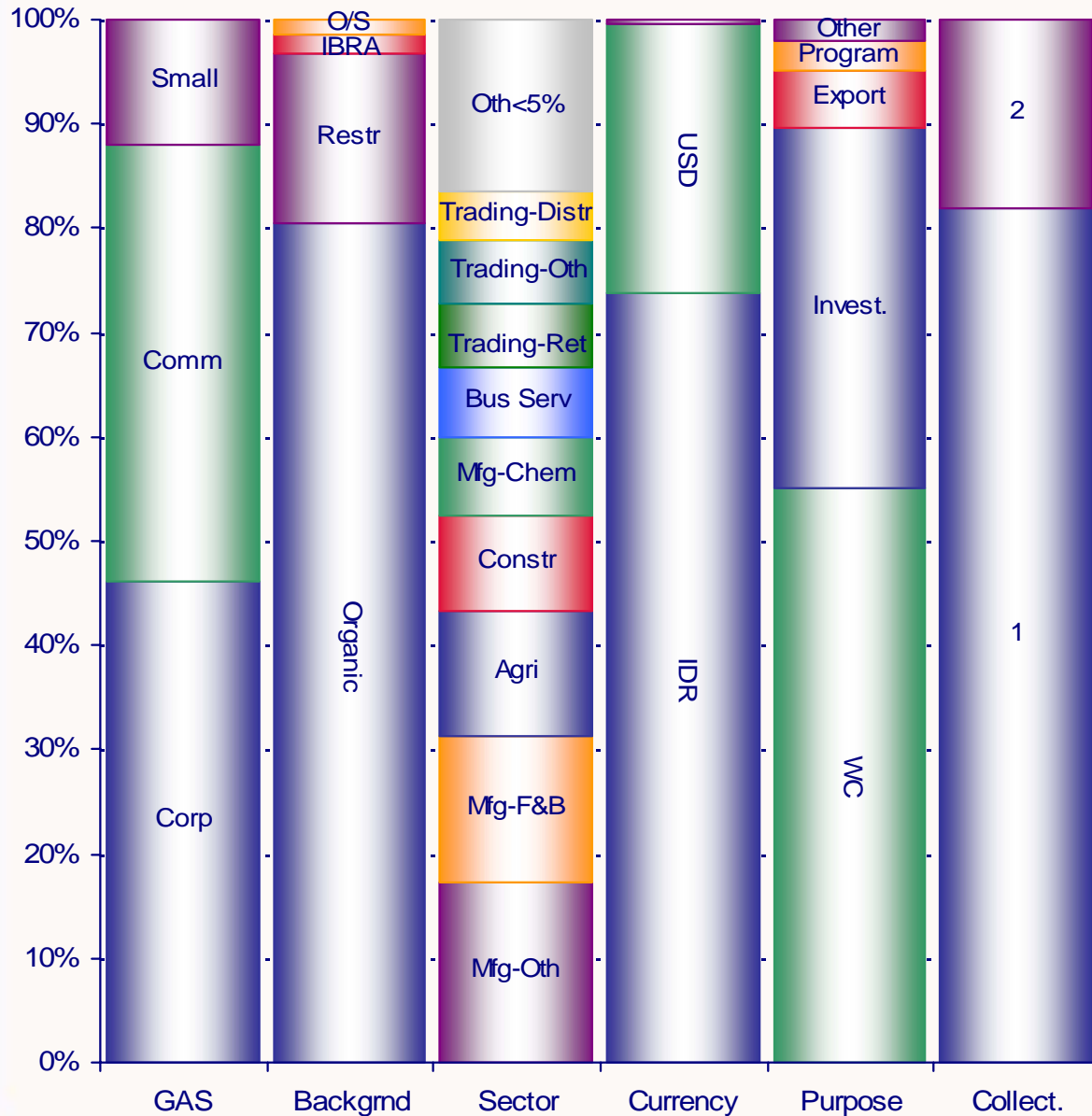
**Corporate, Commercial & Small Business loans upgraded to PL in Q4 totaled Rp 148 billion (0.1% of total loans). Of these loans:**

- 63.4% were to Commercial borrowers
- 78.5% were loans with no previous restructuring history
- 21.5% were loans previously restructured
- Largest upgrades by sector:
  - F & B Manufacturing
  - Non-Metal Manufacturing
  - Raw Material Manufacturing
- 80.6% were Rupiah loans
- 56.9% were Investment loans
- 61.2% of upgrades to PL were NPLs moving to Category 2
- 38.8% of upgrades to PL were NPLs moving to Category 1

\* Excluding Micro & Consumer Loans Only

# Q4 2005 Loan Detail\*: Performing Loans

Loan Profile: Q4 Performing Loans (Rp 60,772 bn) Bank Only



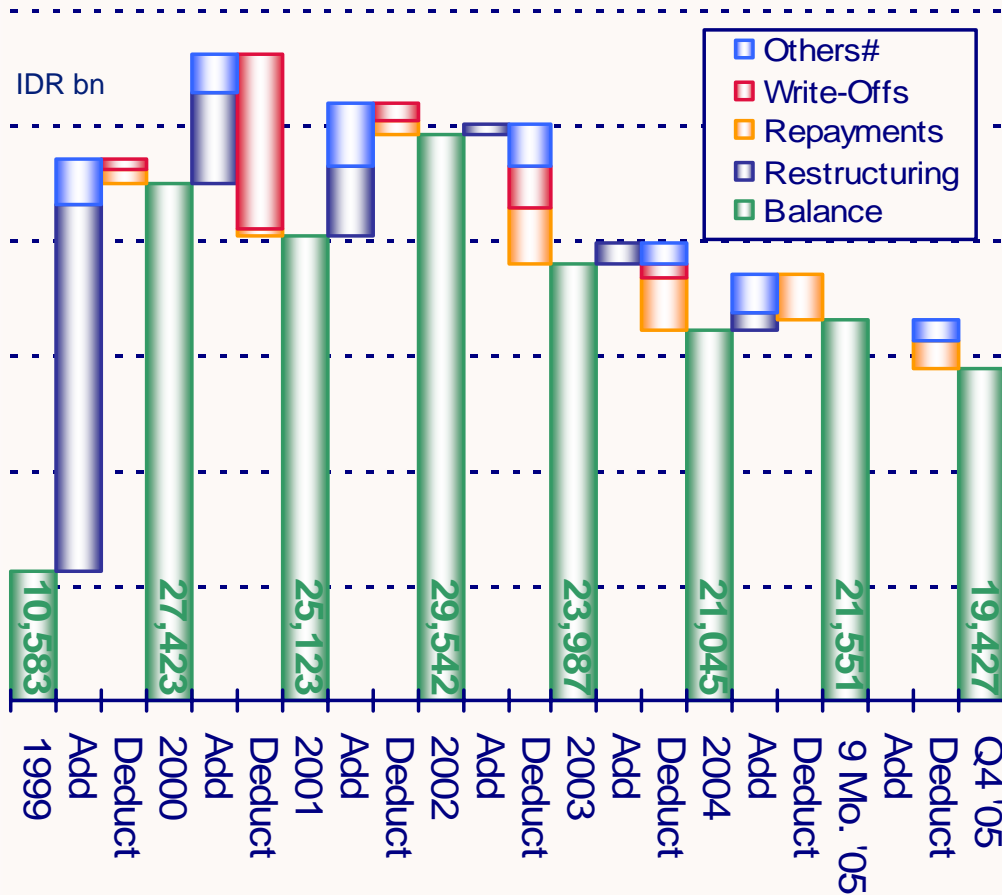
Rp 60,772 billion (60.6% of total loans) in Corporate, Commercial & Small Business loans were performing in Q4. Of these performing loans in Q4:

- 46.1% are to Corporate customers & 41.9% are to Commercial customers
- 81.9% have no restructuring history
- 16.5% are Restructured loans
- 0.2% were purchased from IBRA
- Primary sectors in Category 2 are:
  - F&B Manufacturing
  - Agriculture
  - Construction
  - Chemical manufacturing
- 73.7% are Rupiah loans
- 55.1% are Working Capital loans
- 85.8% saw no change in collectibility
- 0.2% were upgraded from NPL

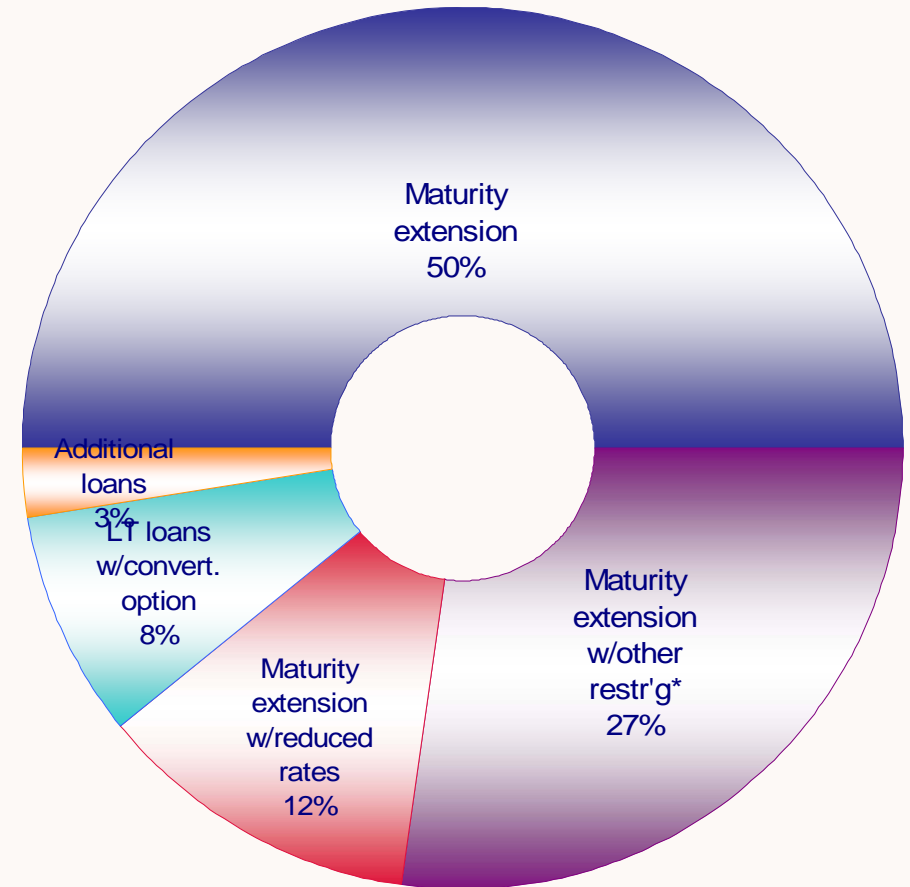
\* Excluding Micro & Consumer Loans Only

# Limited Restructured Loan Activity in Q4

## Restructured Loan Movement 1999 - Q4 '05



## Loans by Restructuring Type in Q4 2005



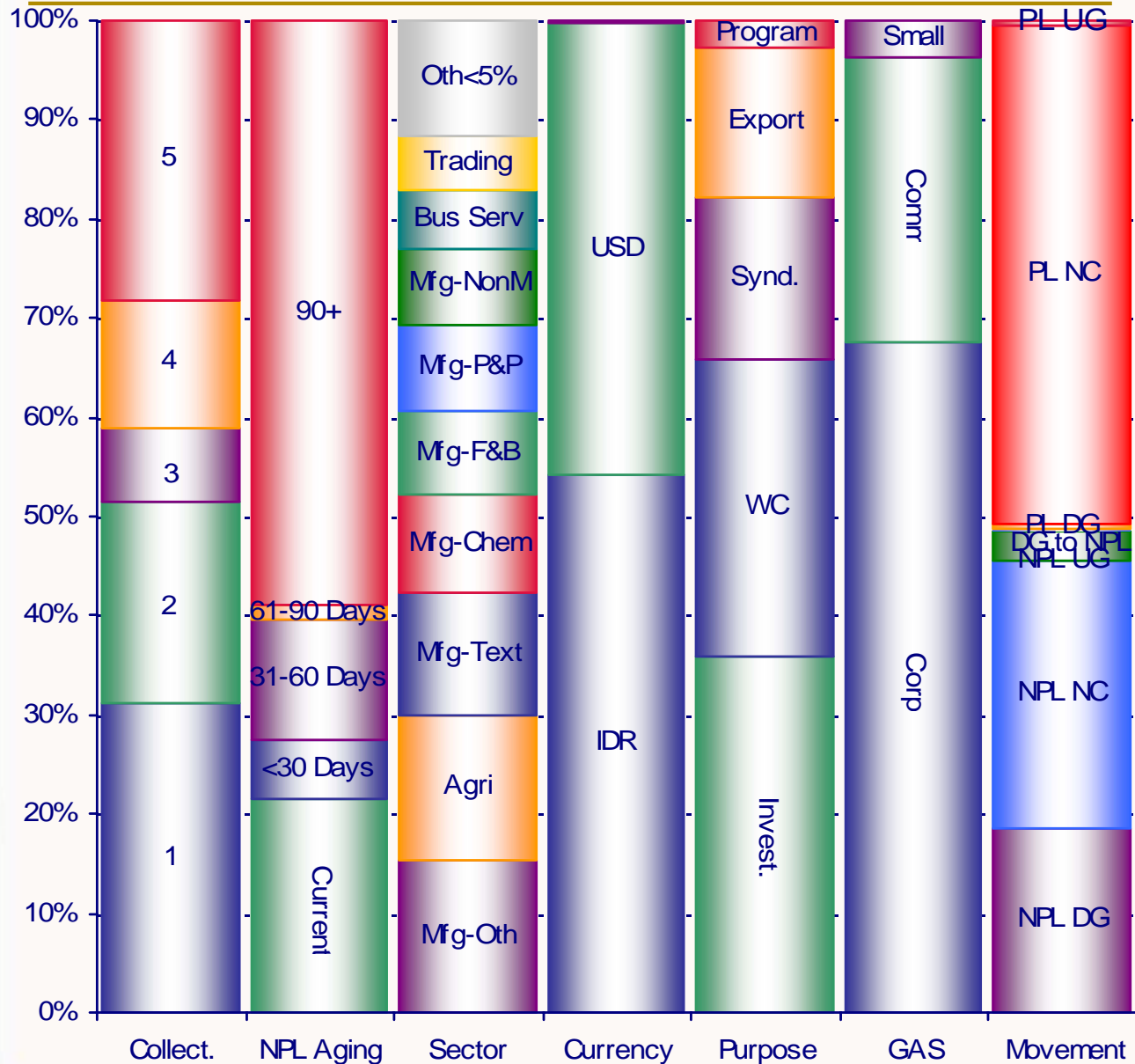
\*Other Restructuring includes reduction of interest rates, rescheduling of unpaid interest & extension of repayment period for unpaid interest

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

(Rp billions)	FY '04	9 Mo. '05	Q4 '05	FY '05
Loans Restructured	391	710	8	718
NPL Collections	813	634	484	1,118

# Q4 2005 Loan Detail\*: Restructured Loans

Loan Profile: Q4 Restructured Loans (Rp 19,421 bn) Bank Only



Of the remaining Rp 19,421 billion in restructured Corporate, Commercial & Small Business loans in Q4, or 19.4% of total loans:

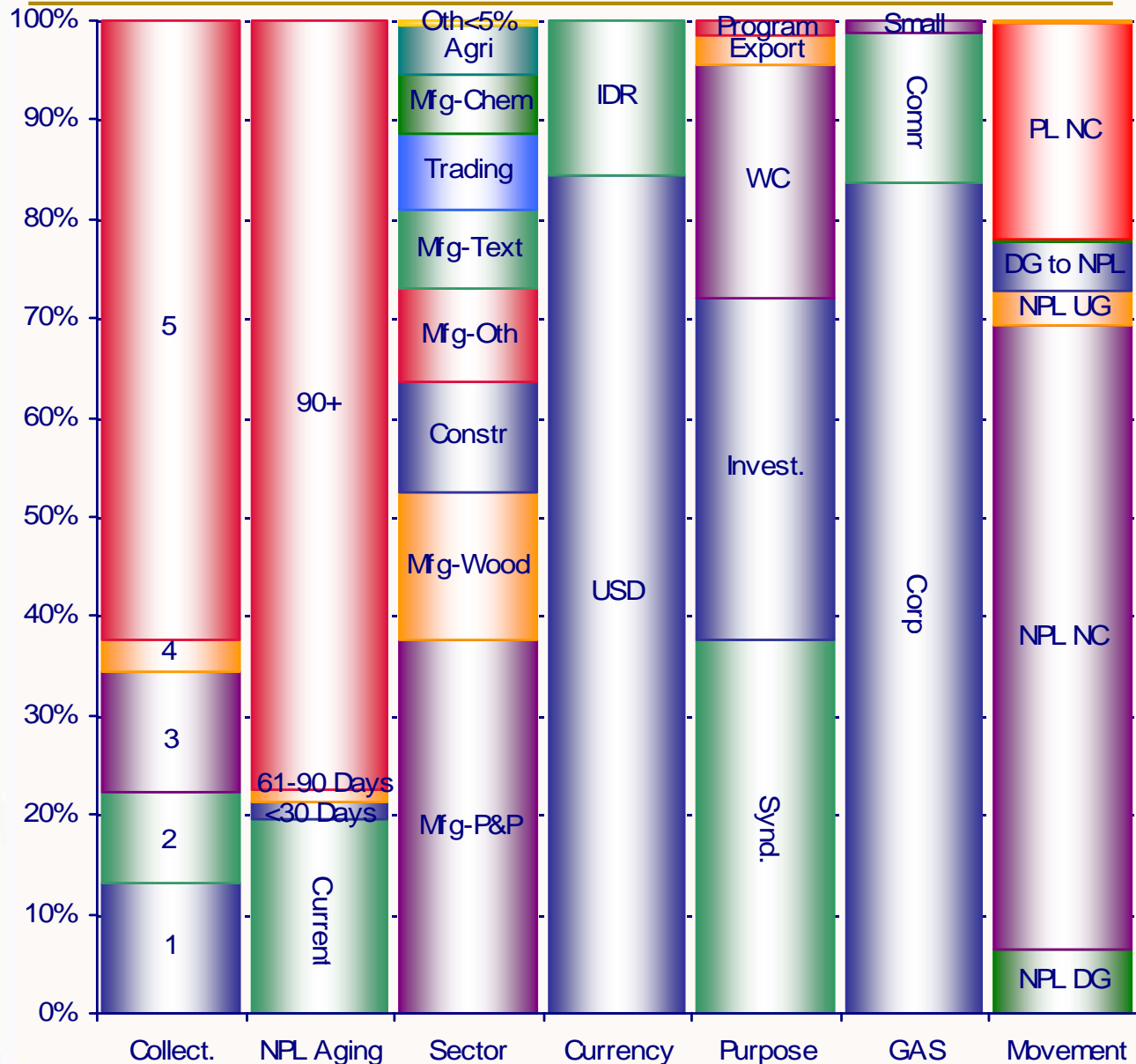
- 59.0% are performing
- 77.9% of loans in Category 2 are current in interest payments
- Of the 41.0% which are in NPL, 21.5% are current in interest payments
- Primary sectors are:
  - Agriculture
  - Manufacturing
    - Chemicals
    - Textiles
    - Pulp & Paper
    - F & B
- 54.3% are Rupiah loans
- 35.8% are Investment loans
- 67.6% are to Corporate customers
- 22.3% deteriorated in collectibility

\* Excluding Micro & Consumer Loans Only



# Q4 2005 Loan Detail\*: IBRA Loans

Loan Profile: Q4 Restructured Loans (Rp 4,771 bn) Bank Only

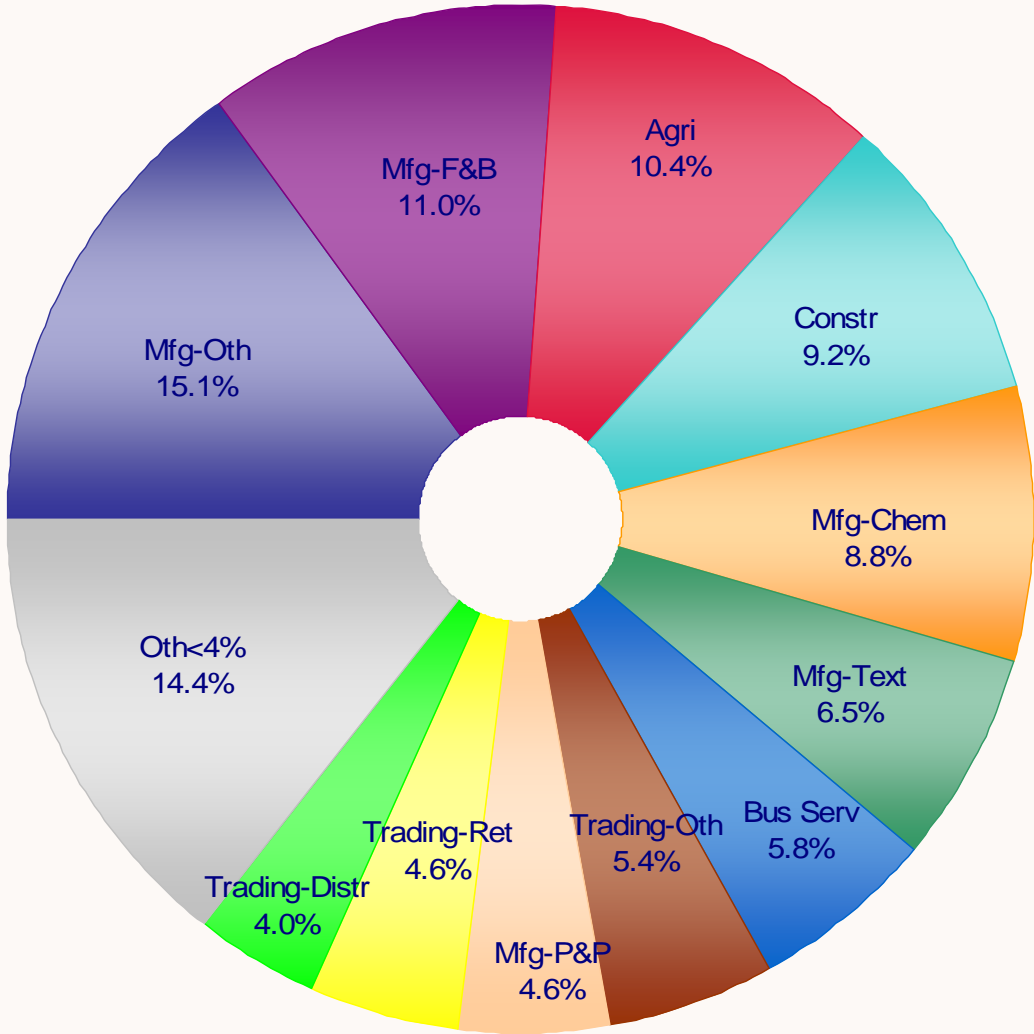


Rp 4,771 billion in loans purchased from IBRA remain on the books as of Q4, accounting for 4.8% of total loans:

- 22.4% are performing
- 95.0% of loans in Category 2 are current in interest payments
- Of the 77.6% which are in NPL, 19.5% are current in interest payments
- Primary sectors are:
  - Manufacturing
    - Pulp & Paper
    - Wood
    - Textiles
  - Construction
- 84.3% are US Dollar loans
- 37.7% are Syndicated loans, with another 34.3% Investment loans
- 83.7% are to Corporate customers
- 11.5% deteriorated in collectibility during the quarter

\* Excluding Micro & Consumer Loans Only

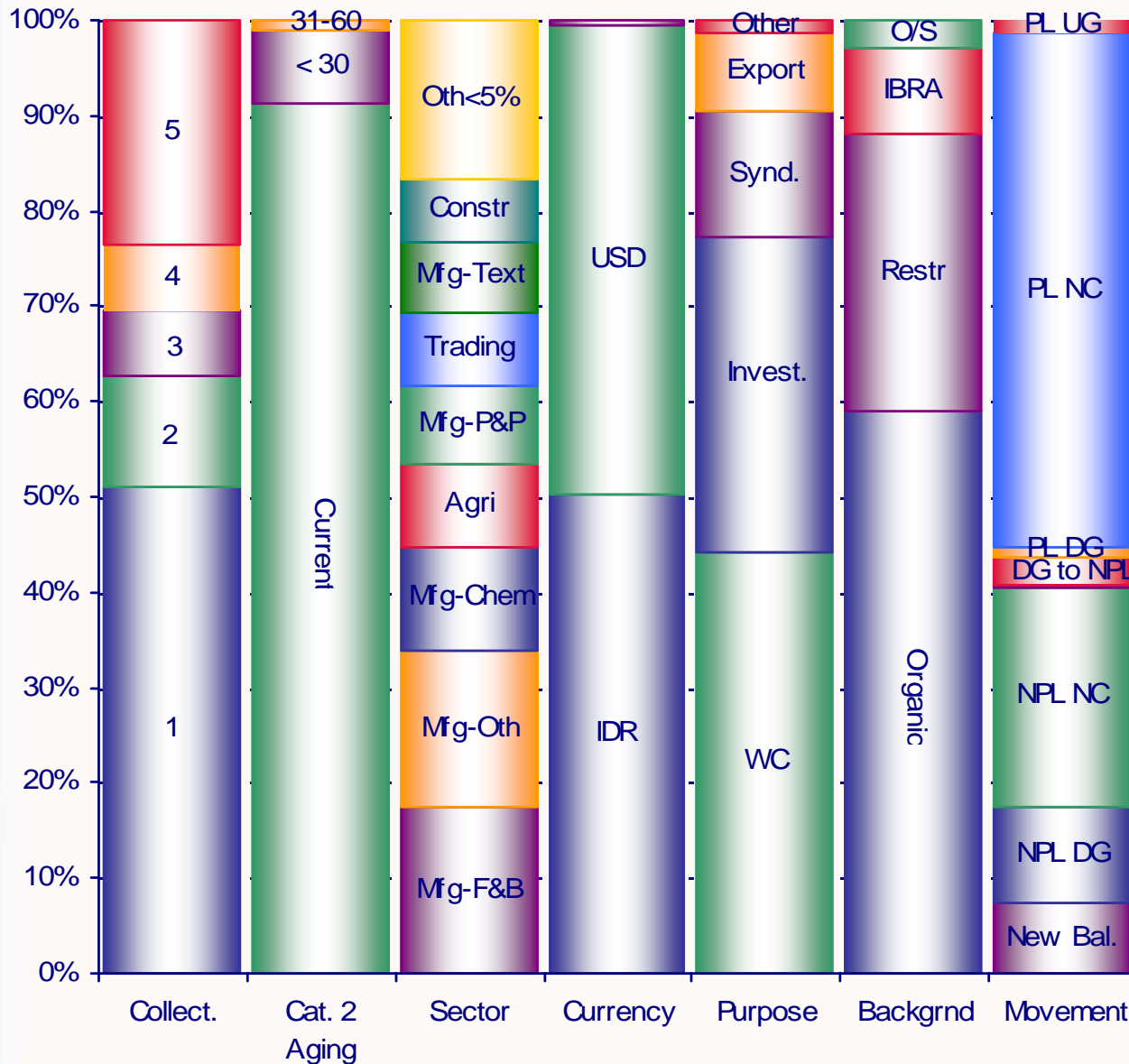
# Loan Portfolio Sector Analysis, Q4 2005



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

# Q4 2005 Loan Detail: Corporate Loans

Loan Profile: Q4 Corporate Loans Only (Rp 44,725 bn) Bank Only

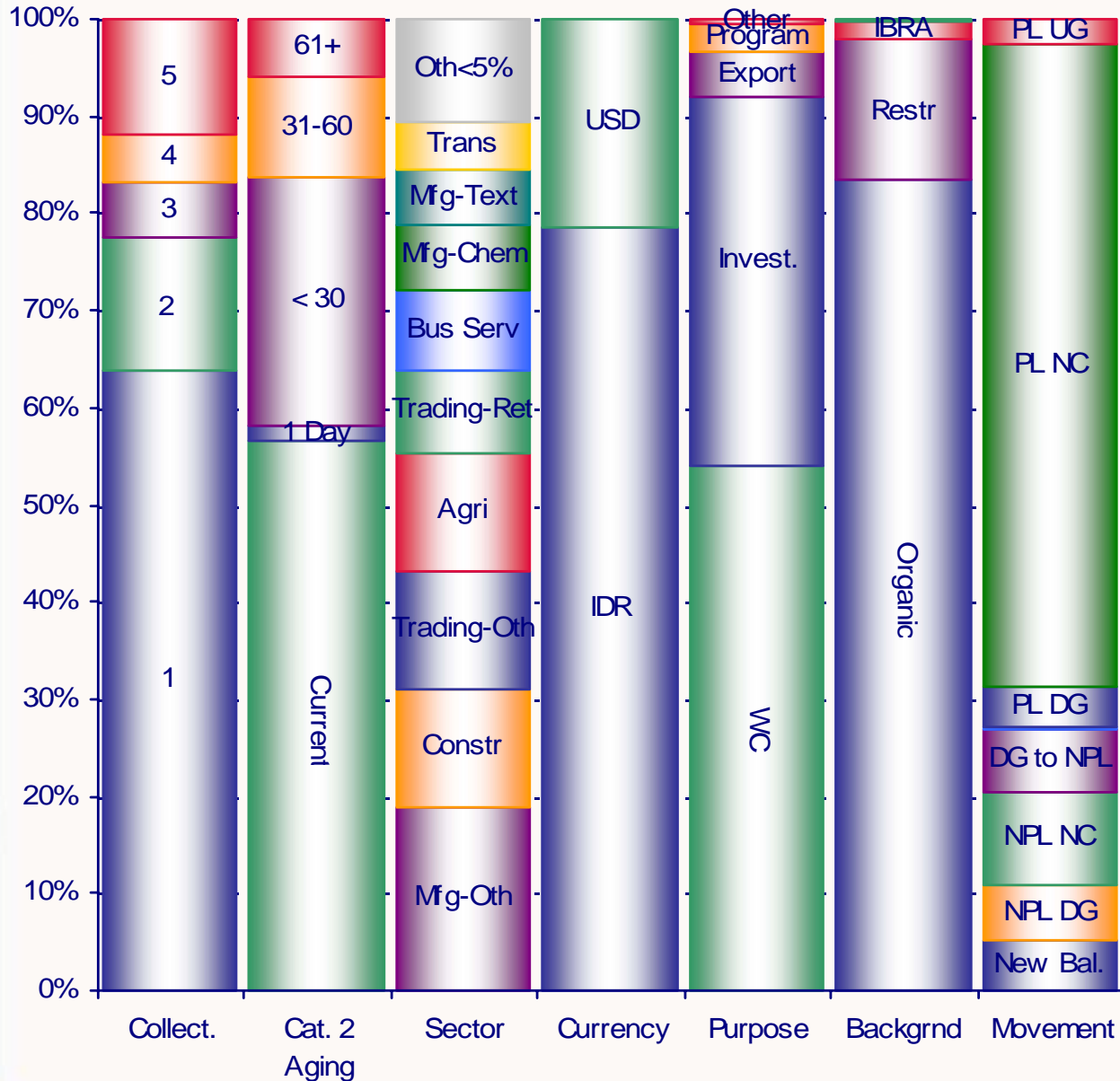


Rp 44,725 billion in loans were in the Corporate portfolio in Q4, or 44.6% of total loans. Of the Corporate Loans in Q4:

- 62.7% are performing loans, with 11.7% in Category 2
- 91.3% of Category 2 loans are current in interest payments
- 27.5% of NPLs are current in interest payments, with another 9.2% less than 30 days overdue
- Primary sectors in Corporate are:
  - Food & Beverage Mfg
  - Chemical Mfg
  - Pulp & Paper Mfg
  - Agriculture
- 50.2% are Rupiah loans
- 44.3% are Working Capital loans
- 29.3% are Restructured loans
- 8.9% were purchased from IBRA

# Q4 2005 Loan Detail: Commercial & Small Business Loans\*

**Loan Profile: Q4 Commercial & Small Loans\* Only (Rp 42,295 bn) Bank Only**



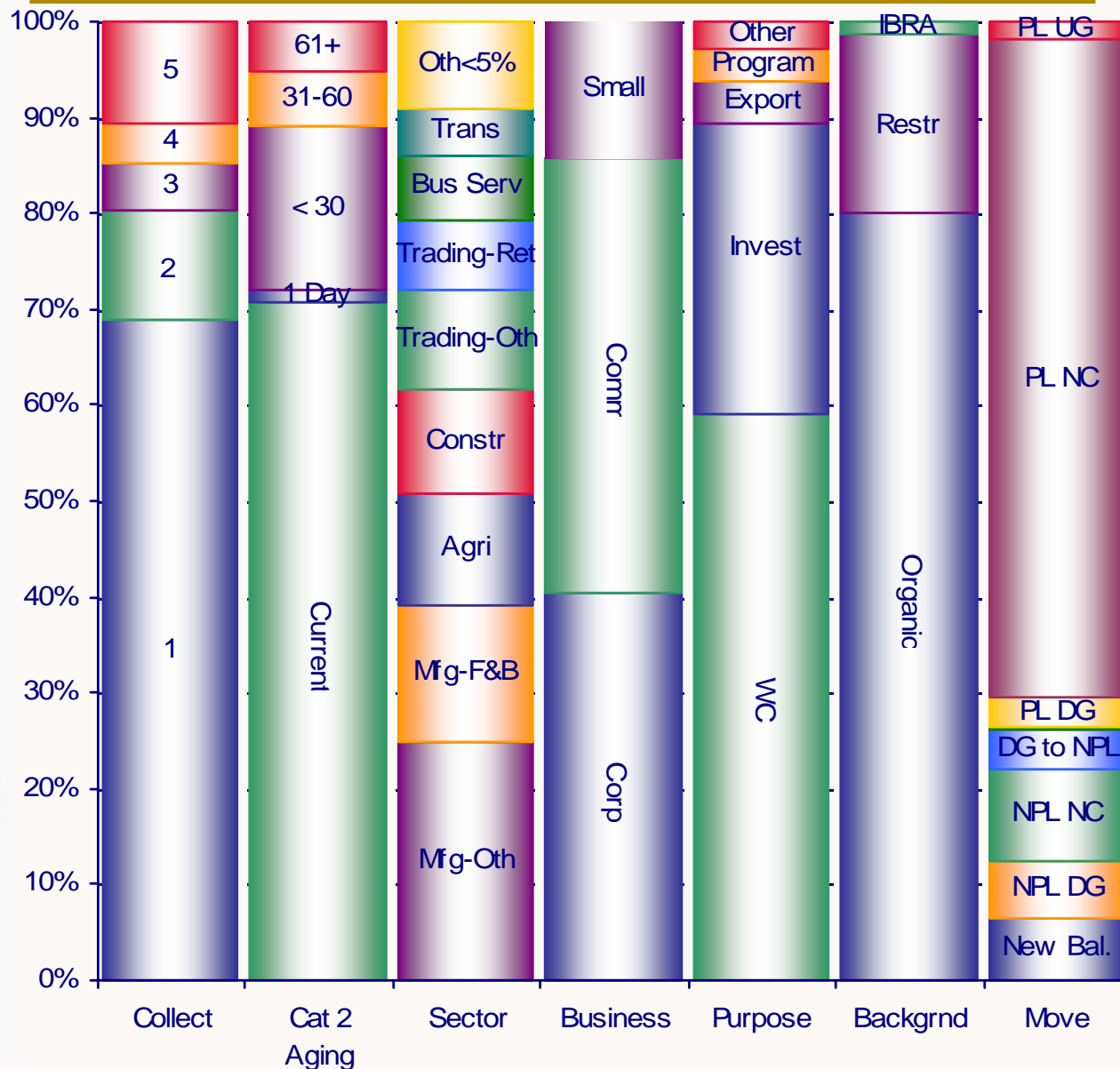
Rp 42,295 billion in loans were in the Commercial portfolio in Q3, or 42.2% of total loans. Of the Commercial & Small Business Loans\* in Q4:

- 77.4% are performing, with 13.6% in Category 2
- 58.2% in Category 2 are current or 1 day overdue in interest payments
- 30.8% of NPLs are current in interest payments and 5.2% are less than 30 days overdue
- Primary sectors in Commercial are:
  - Trading & Retail
  - Agriculture
  - Construction
  - Business Services
- 78.6% are Rupiah loans
- 53.9% are Working Capital loans
- 14.9% are Restructured loans
- 1.8% were purchased from IBRA

\* Excluding Micro Loans

# Q4 2005 Loan Detail\*: Rupiah Loans

Loan Profile: Q4 Loans (Rp 55,724 bn) Bank Only



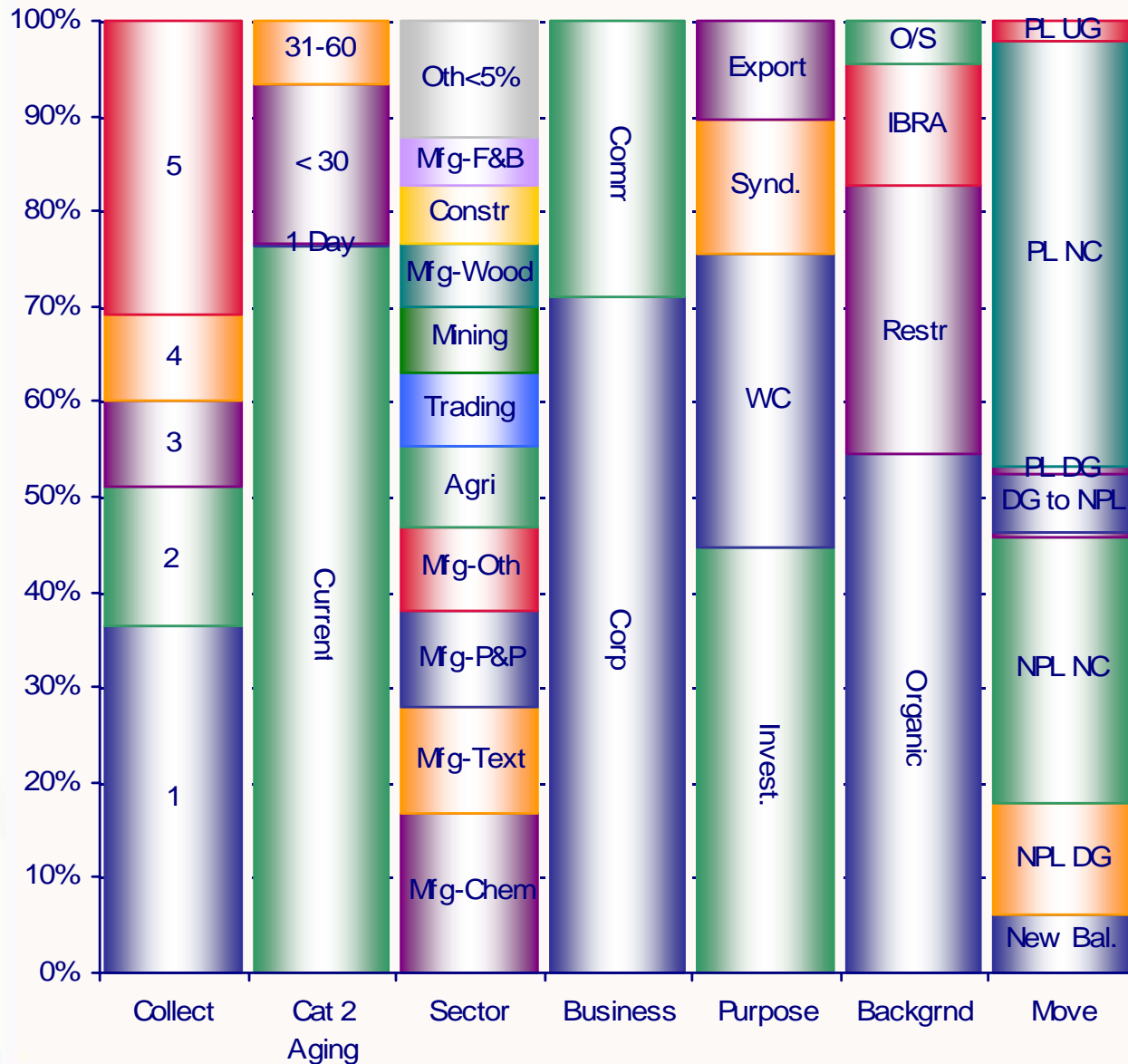
Rp 55,724 billion in loans were Rupiah denominated in Q4, or 55.5% of total loans. Of the Rupiah Loans in Q4:

- 80.4% are performing loans with 11.5% in Category 2
- 70.7% of Category 2 loans are current in interest payments
- 21.1% of NPLs are current in interest payments
- Primary sectors in Corporate are:
  - Food & Beverage Mfg
  - Agriculture
  - Construction
  - Trading
- 45.4% are Commercial loans
- 59.2% are Working Capital loans
- 18.9% are Restructured loans
- 1.3% were purchased from IBRA

\* Excluding Micro & Consumer Loans Only

# Q4 2005 Loan Detail\*: Foreign Currency Loans

Loan Profile: Q4 FX Loans (Rp 31,296 bn) Bank Only



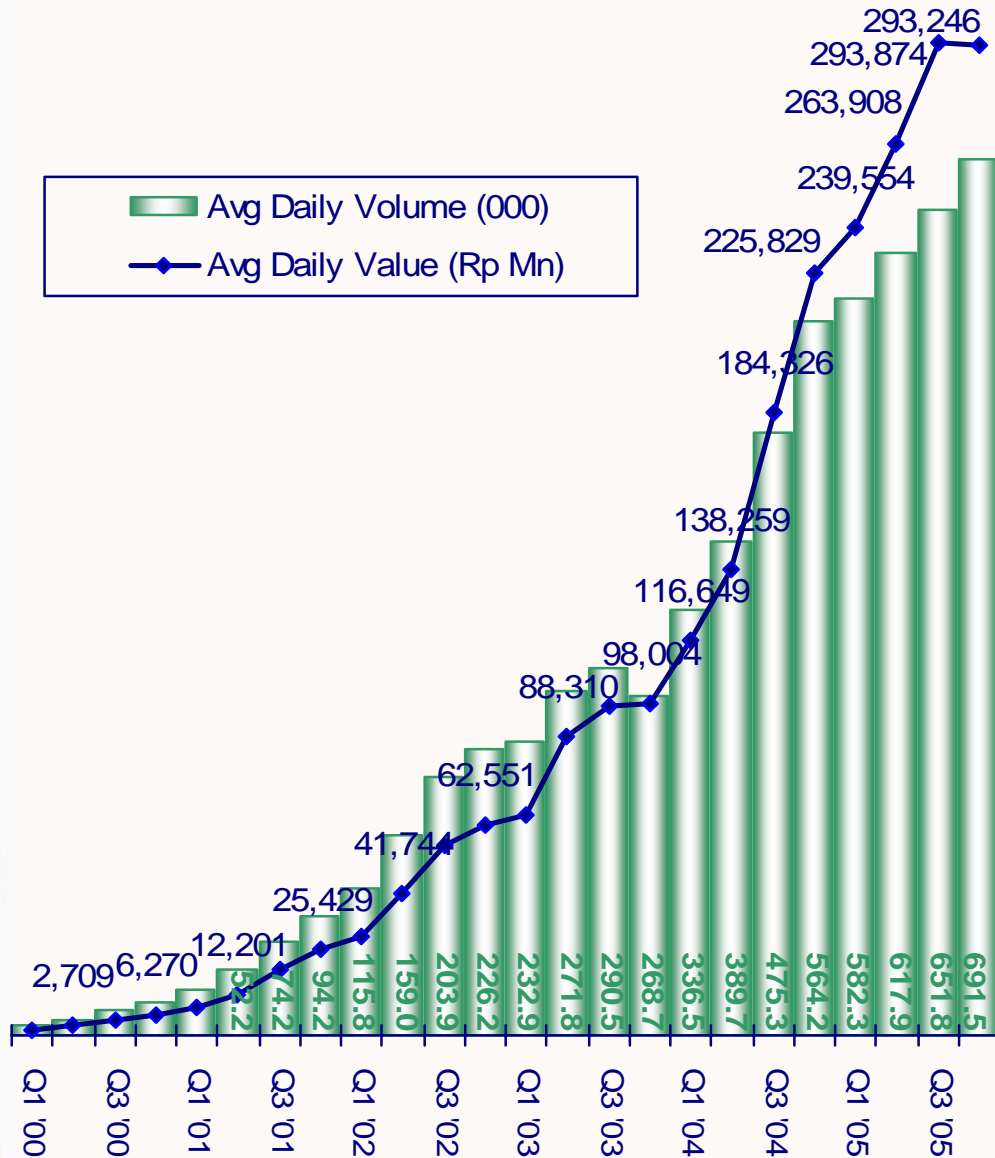
Rp 31,296 billion in loans were foreign currency denominated in Q4, or 31.2% of total loans. Of the FX Loans in Q4:

- 51.1% are performing loans with 14.6% in Category 2
- 76.4% of Category 2 loans are current in interest payments
- 34.1% of NPLs are current in interest payments
- Primary sectors in Corporate are:
  - Manufacturing of
    - Chemicals
    - Textiles & Leather
    - Pulp & Paper
  - Agriculture
  - Trading
- 71.1% are Corporate loans
- 44.7% are Investment loans
- 38.4% are Restructured loans
- 12.9% were purchased from IBRA

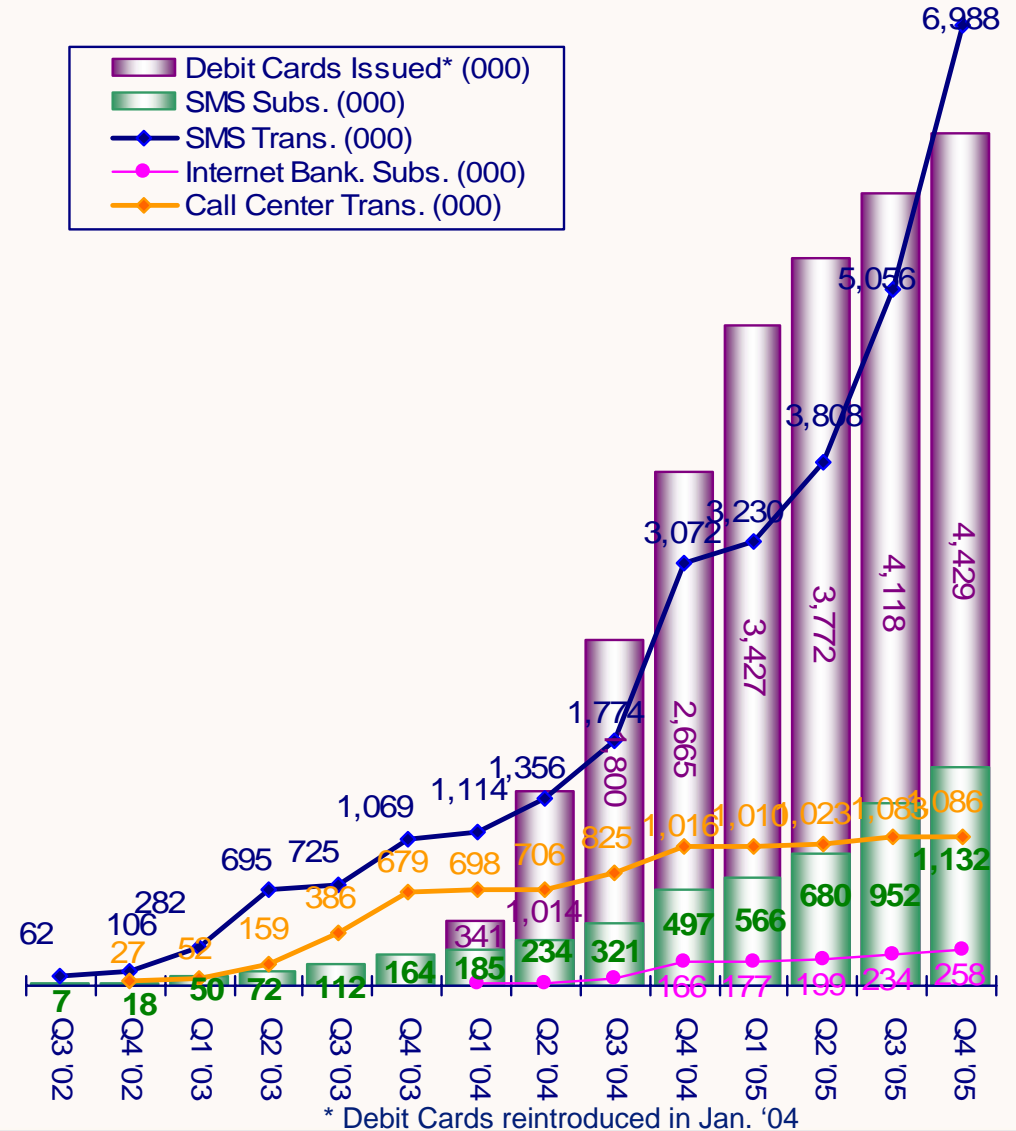
\* Excluding Micro & Consumer Loans Only

# Electronic banking channels rapidly expanding

## ATM Average Daily Transaction Volume and Value

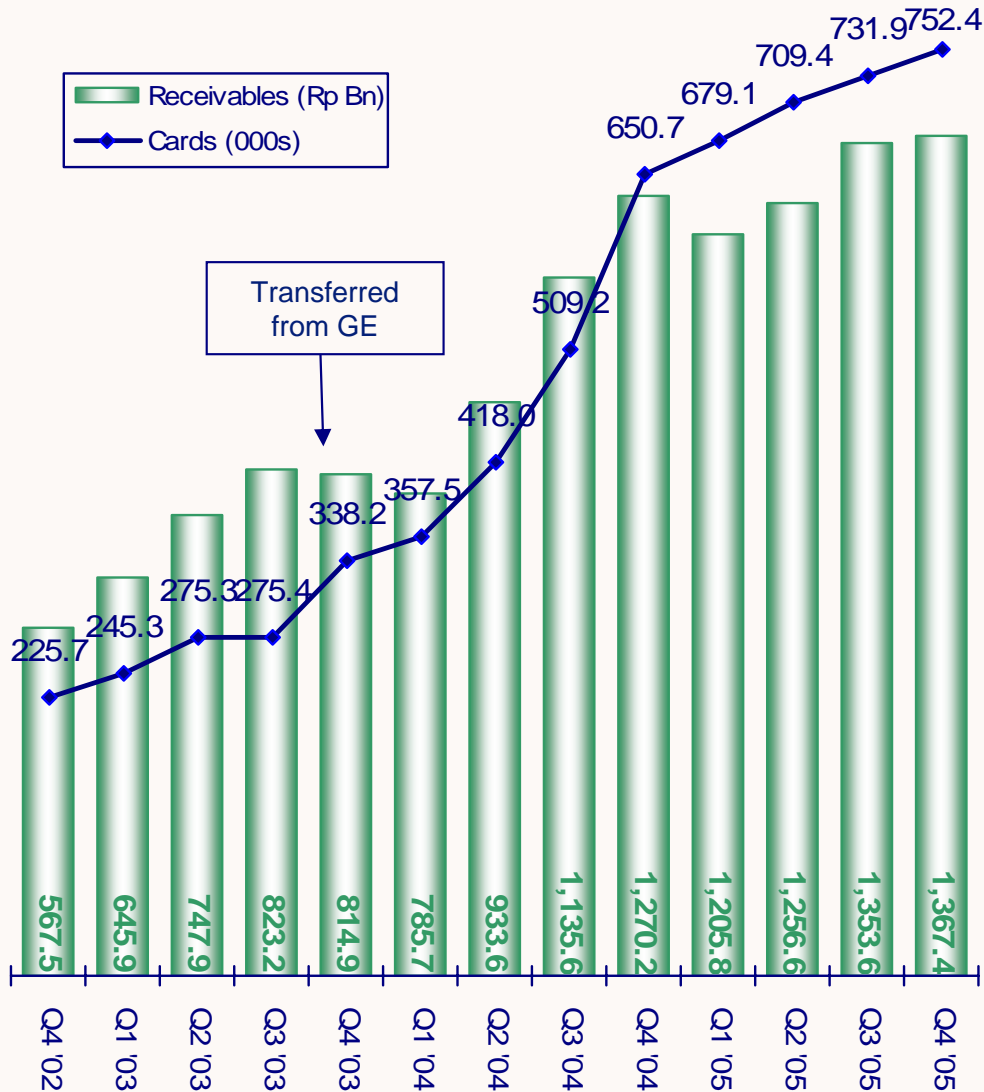


## Other Transaction Services

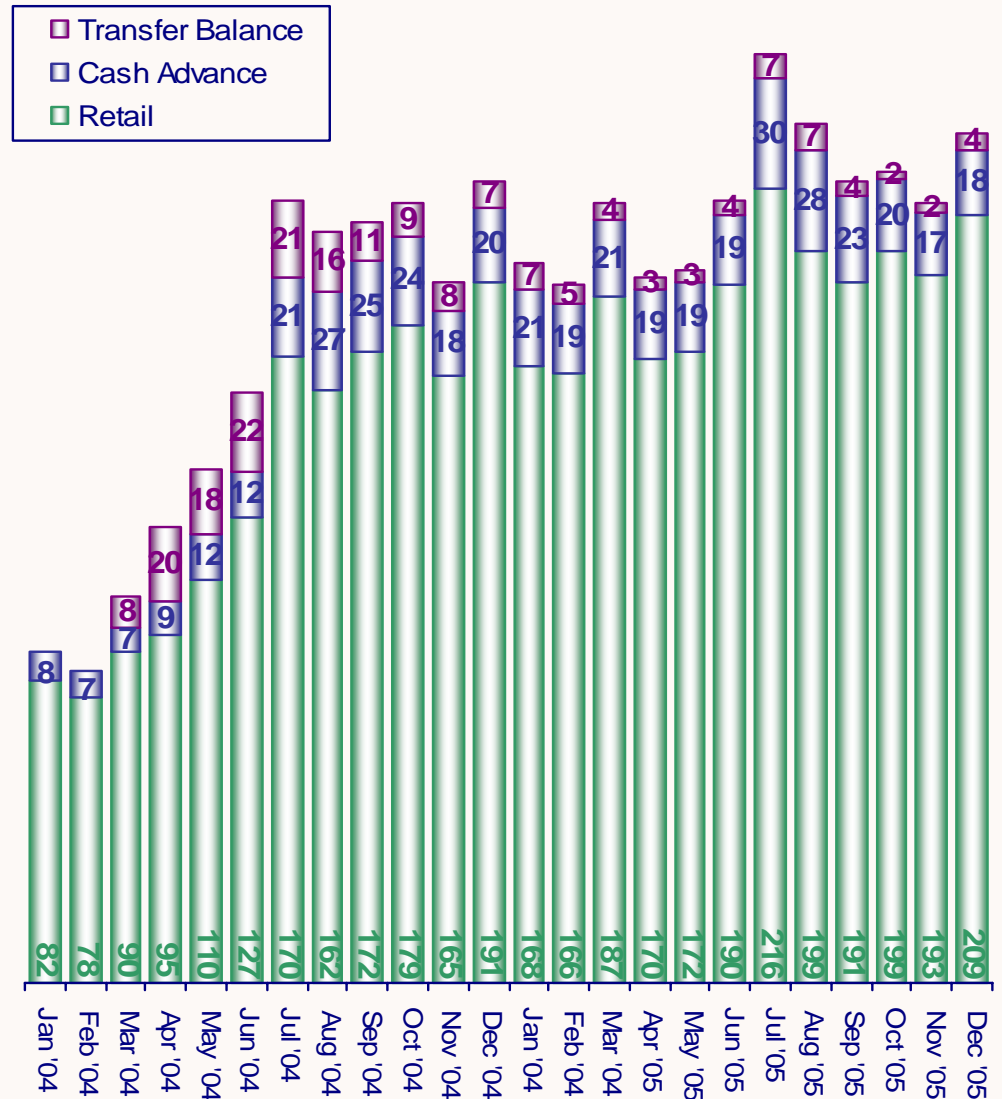


# Credit Card business growth has resumed

## Mandiri Visa Card Holders and EOQ Receivables



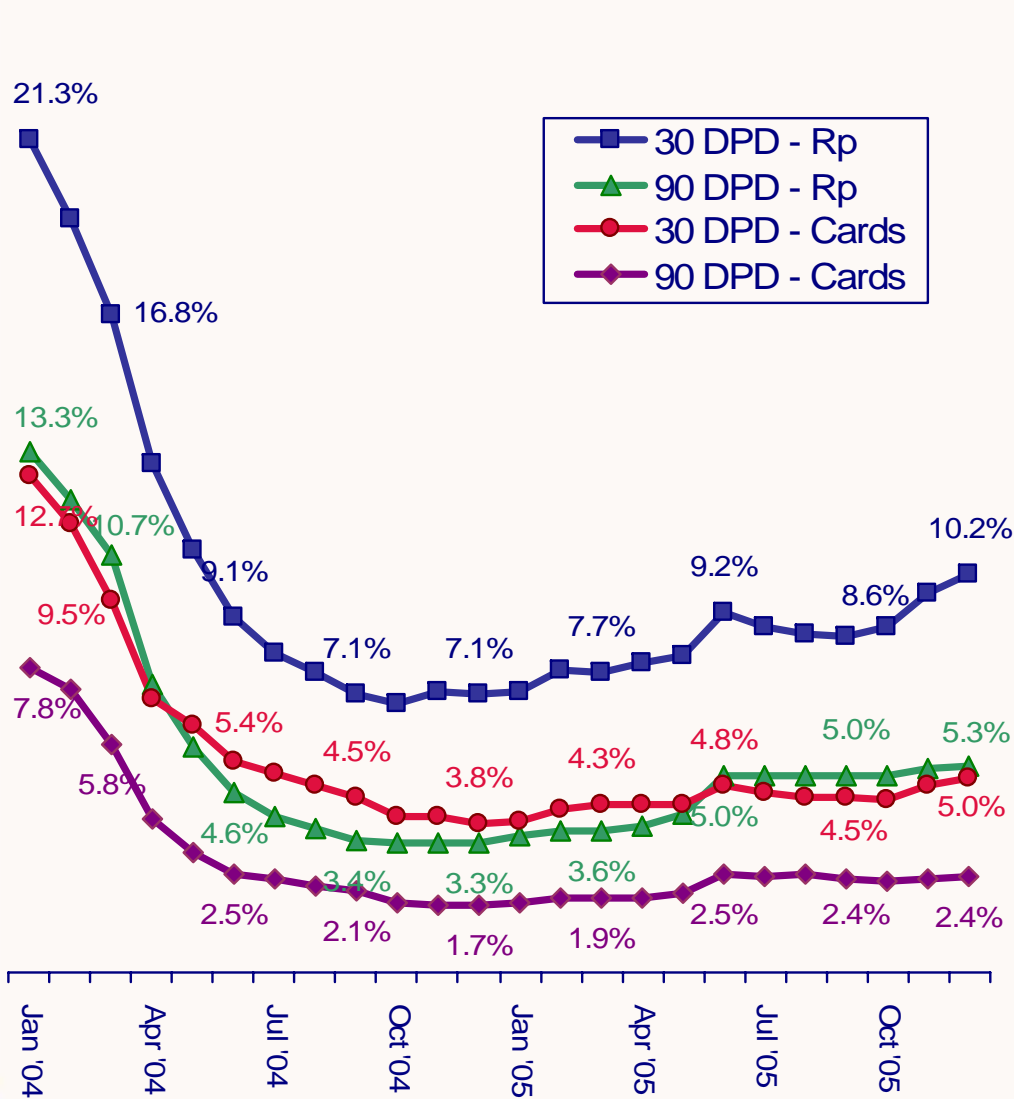
## Visa Card Monthly Sales by Type of Transaction (Rp Billion)



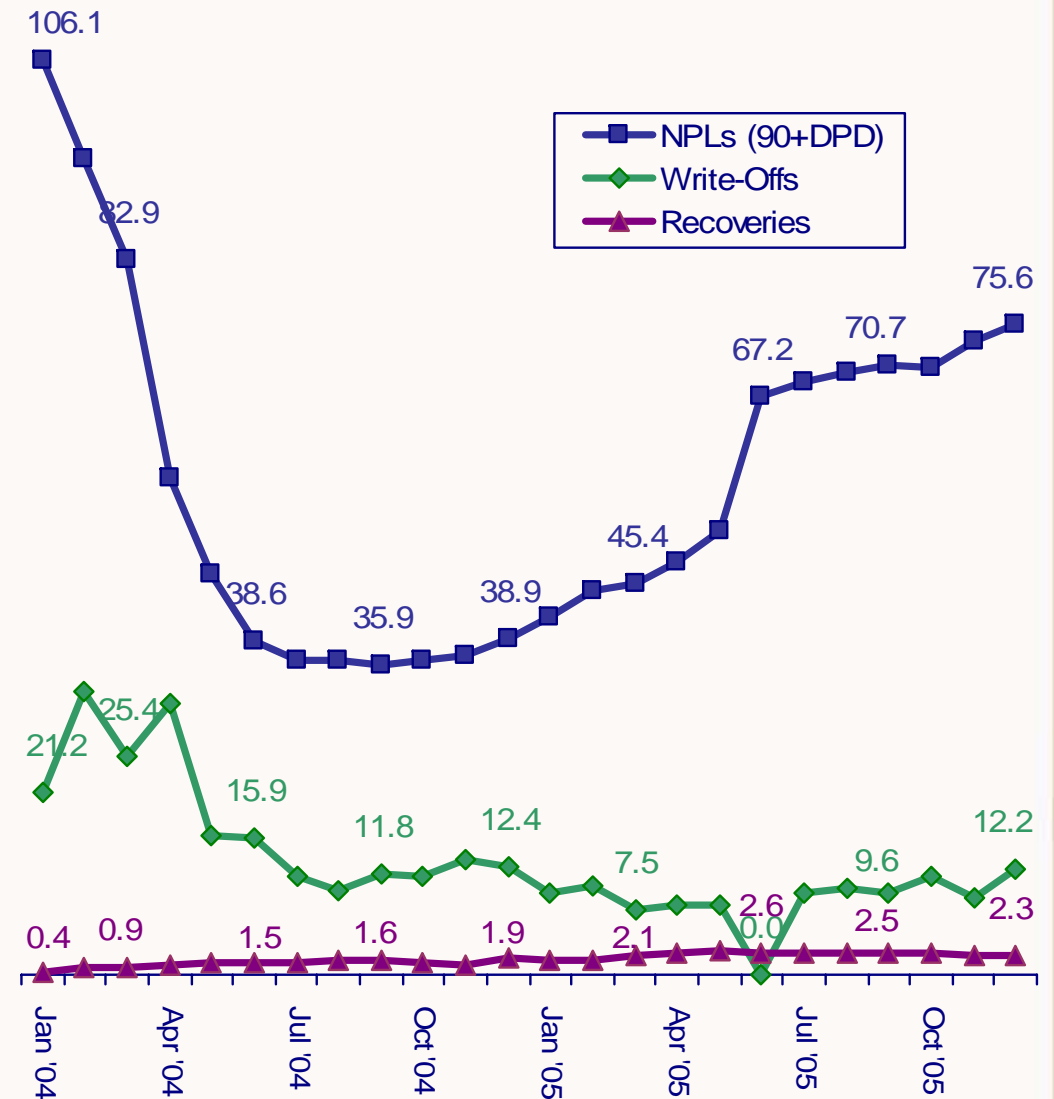


# Credit Card portfolio stable throughout in Q4

## Mandiri Visa Card Delinquency Rates (%)



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

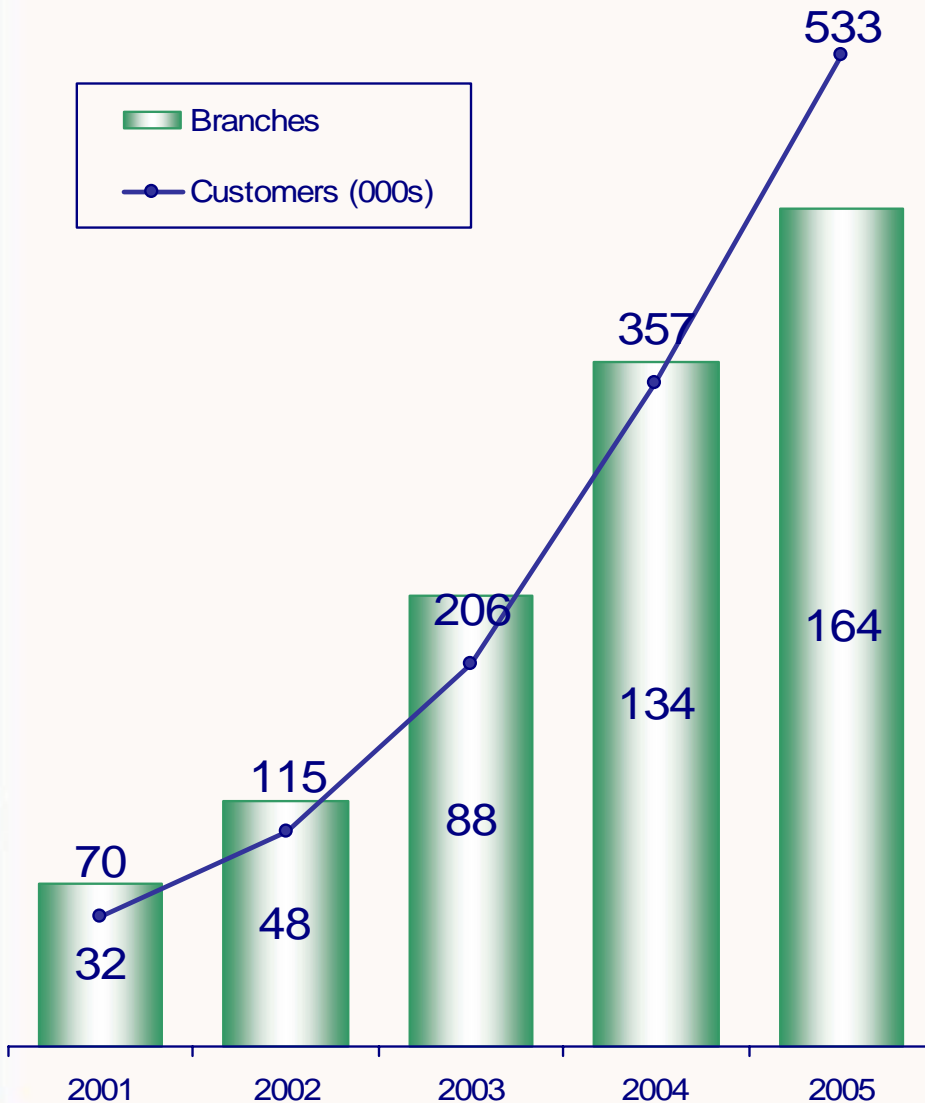


# Summary of Principal Subsidiaries

Bank Syariah Mandiri	Mandiri Sekuritas	AXA Mandiri
<ul style="list-style-type: none"> <li>• Equity Investment of Rp632.6 billion</li> <li>• Total Assets Rp8,273billion, with total financing extended of Rp5,791billion and total funds Rp7,037billion</li> <li>• Operating Income of Rp865.5 billion and Profit After Tax of Rp83.8 billion</li> <li>• Market share against Syariah Banking: 39.62% in assets, 38.40% in financing extended and 45.16%in deposits.</li> <li>• CAR=11.88%</li> <li>• ROA=1.83%</li> <li>• ROE=14.56%</li> <li>• 164 outlets, consisting of 110 branches and 54 cash outlets, along with 51 branded ATMs</li> </ul>	<ul style="list-style-type: none"> <li>• Equity Investment of Rp661.3 billion</li> <li>• Total Assets Rp1,259 billion, total liabilities Rp565.9 billion and Equity of Rp692 billion</li> <li>• Operating Income amount to Rp82.8 billion, and PAT Rp18.4 billion</li> <li>• Underwrote Rp2.01 trillion of bonds; and Rp 121billion worth of equity issues over 2005</li> <li>• Equity transactions in BEJ of Rp18.88 trillion</li> <li>• Bond transactions (SUN &amp; Corporate) through BES and HIMDASUN of Rp92.9 trillion</li> <li>• Assets Under Management amounting to Rp6.39 trillion on average.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity Investment of Rp62.4 billion</li> <li>• Total Assets of Rp1,125 billion and Annual First Year Premium (AFYP) of Rp269 billion</li> <li>• Total Gross Written Premium (GWP) amounted to Rp981 billion, consisting of unit-linked premiums of Rp866 billion (88%) and traditional product premiums of Rp115 billion (12%). Group business accounted for Rp44 billion, with the remainder of Rp937 billion from individual premiums</li> <li>• Embedded value of Rp227 billion (before expense overruns) and appraisal value of Rp1,080 billion</li> <li>• Operating since December 2003, has a presence in 584 Bank Mandiri branches with a team consisting of 641 Financial Advisors (FAs)</li> <li>• As of Q3 2005, AXA Mandiri was number 3 out of all life insurance companies in Indonesia, with a market share of new business of 9.6%</li> </ul>

# Bank Syariah Mandiri

## Branch Network & Customer Growth



## Summary Balance Sheet (Rp Billions)

Rp Bn	2003	2004	2005
Total Assets	3,422	6,870	8,273
Cash & placement w/ BI	1,023	796	1,689
Current Accounts & Placements w/Other Banks	36	235	168
Securities - Net	76	427	383
Total Financing	2,162	5,267	5,791
Allowances	(42)	(86)	(127)
Total Financing - Net	2,119	5,181	5,664
Third Party Funds	2,629	5,882	7,037
Demand Deposits	298	981	1,261
Savings Deposits	753	1,567	1,958
Time Deposits	1,578	3,334	3,818
Shareholders Equity	450	549	633

# Bank Syariah Mandiri



## Summary P&L (Rp billions)

	2002	2003	2004	2005
Total Operating Income	162.7	279.4	584.2	865.5
3rd Party Share on Returns	71.5	148.4	269.2	386.4
Bank's Share in Operating Income	91.3	131.1	315.0	479.1
Other Operating income	35.5	51.9	102.0	93.6
Operating Expenses	84.4	159.9	276.4	435.6
Income from Operations	42.3	23.0	140.6	137.2
Net Income before tax	43.4	24.5	150.4	136.7
Net Income after tax	30.1	15.8	103.4	83.8

## Selected Financial Ratios

LDR	74.6%	66.1%	83.3%	75.6%
CAR	39.3%	20.9%	10.6%	11.9%
ROA	3.6%	1.0%	2.9%	1.8%
ROE	7.4%	3.6%	22.3%	14.6%

# Mandiri Sekuritas

## Summary Balance Sheet

Rp Bn	2003	2004	2005
Total Assets	1,079.7	1,435.7	1,258.7
Cash & equivalent	82.9	117.4	51.8
Time deposit	50.0	50.0	-
Marketable Securities	794.0	538.8	746.5
Receivables	123.0	478.6	84.3
Property & Equipment-net	8.0	11.8	9.6
Total Liabilities	380.8	699.3	565.9
Payable to Clearing & Guarantee body	79.3	39.1	30.1
Payable to customers	61.7	420.3	52.7
Repo	67.0	2.0	137.1
Bank Loans	150.0	190.0	305.0
Shareholders Equity	698.9	736.4	692.8

## Summary P&L

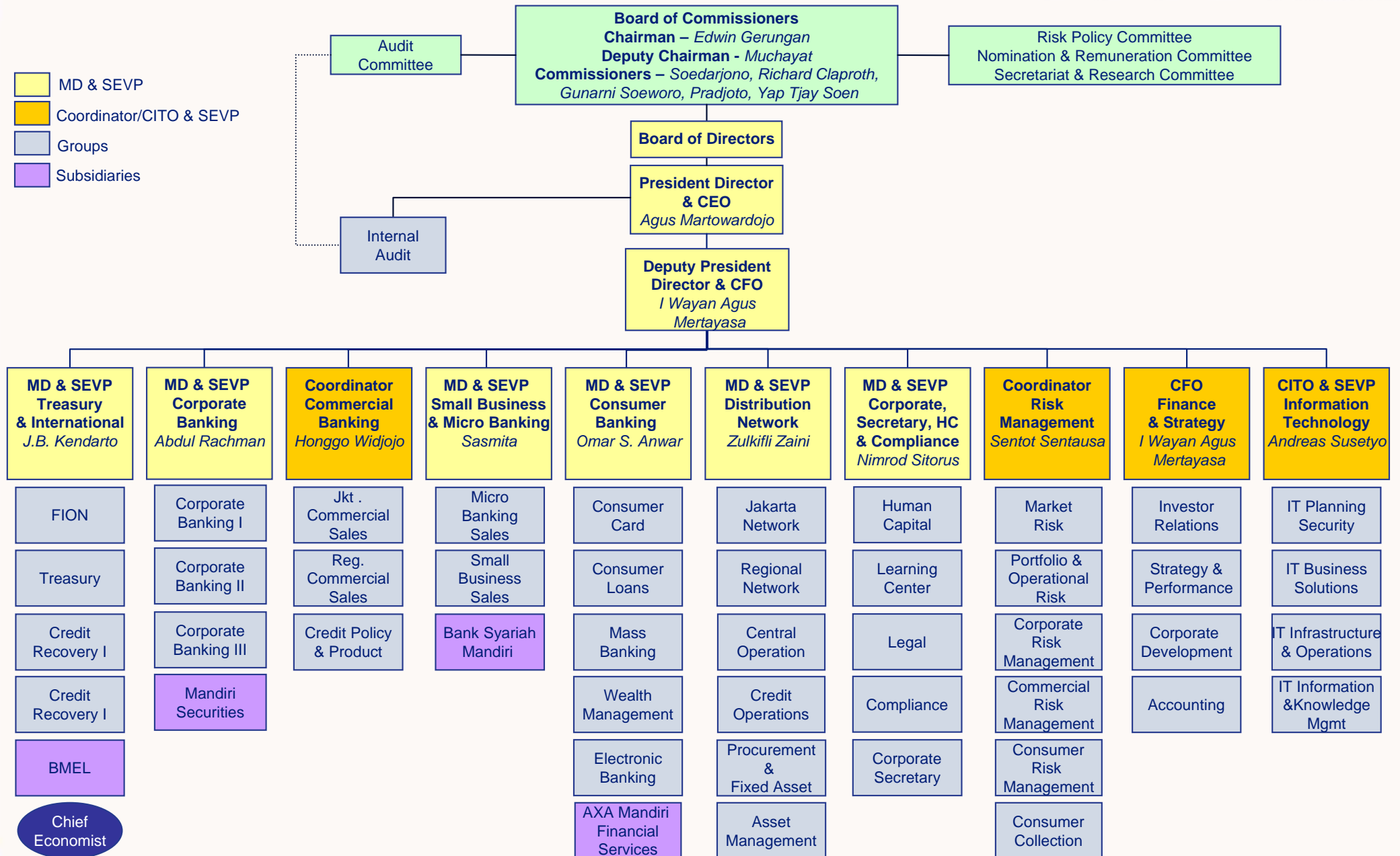
Rp Bn	2003	2004	2005
Operating Revenue	102.4	244.0	197.3
Brokerage Commissions	3.9	15.6	20.9
Investment Mgmt Fees	5.1	53.0	42.6
Advisory fees	6.1	10.4	6.0
Underwriting & Selling Fees	24.9	20.6	9.0
Gain on Trading of Marketable Securities	25.5	61.9	(13.1)
Interest & Dividends	33.5	82.7	131.8
Operating Expenses	54.1	134.6	114.5
G & A expenses	11.6	23.4	20.6
Salaries and allowances	29.8	53.7	48.4
Commissions	5.7	36.2	21.2
Profit from operations	48.4	109.4	82.8
Other income (charges) - net	24.0	(8.1)	(34.8)
Income before tax	72.4	101.3	48.0
Net Income after tax	52.7	63.0	18.4

# Bank Mandiri at a Glance

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# Organization Chart

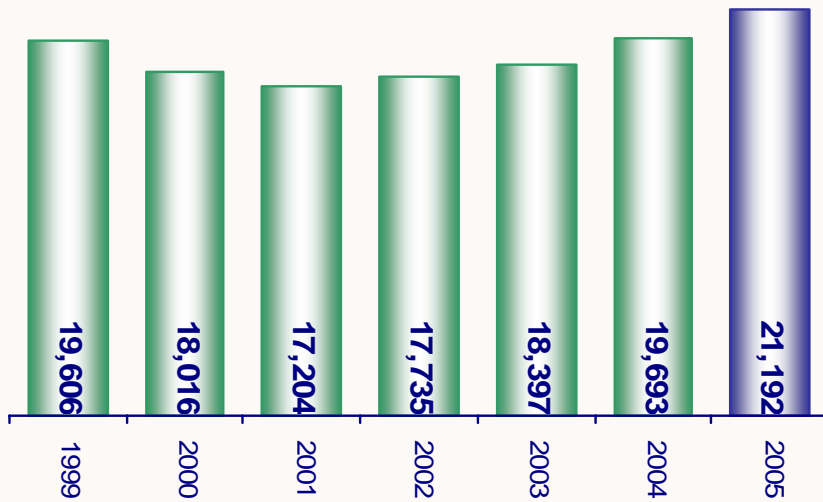
- MD & SEVP
- Coordinator/CITO & SEVP
- Groups
- Subsidiaries



# Staffing and Distribution Network Growth

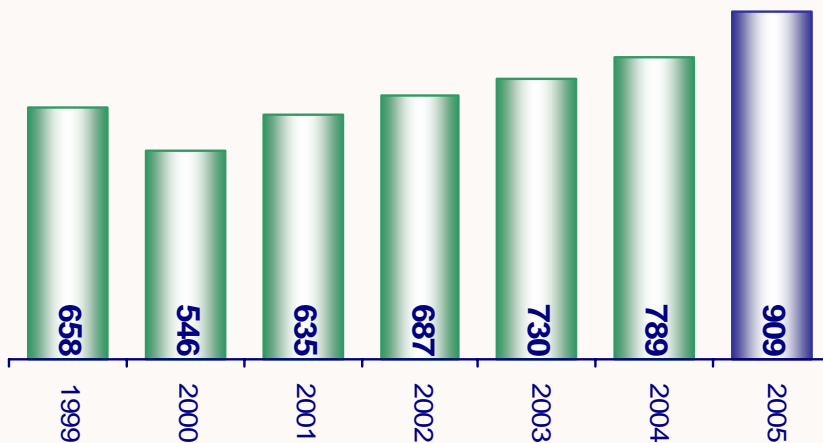
## Employees

% Change	(8.1)	(4.5)	3.1	3.7	7.0	7.6
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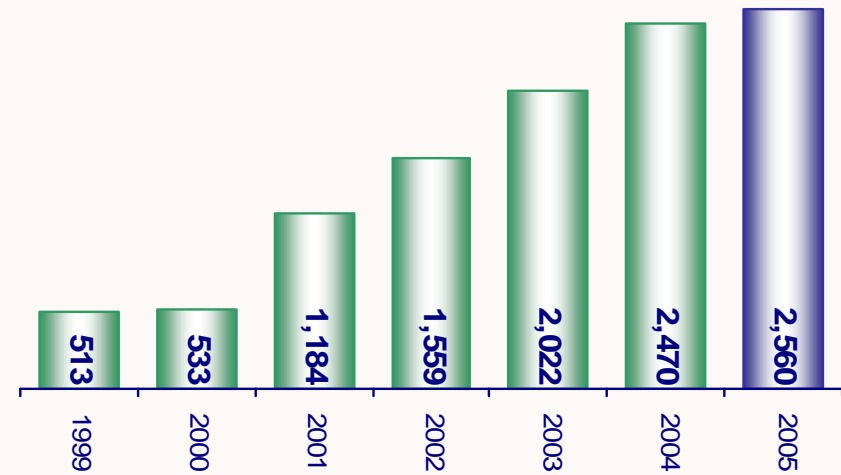
## Domestic Branch Network

New Branches	(112)	89	52	43	59	120
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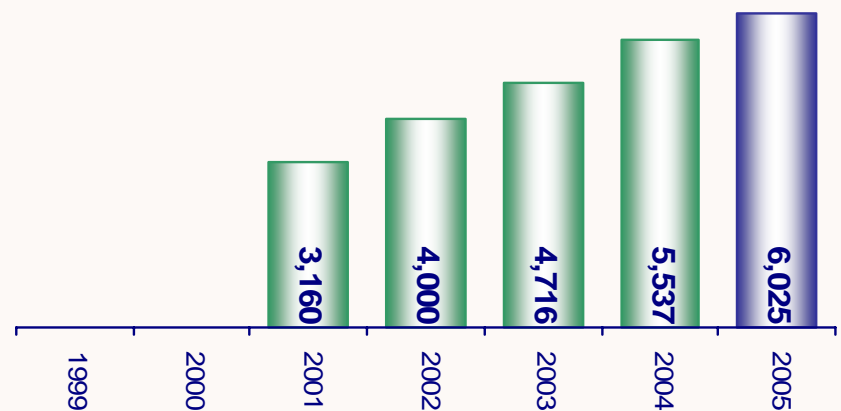


## ATM Network

New ATMs	211	500	520	490	500	90
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## ATM-Link Network

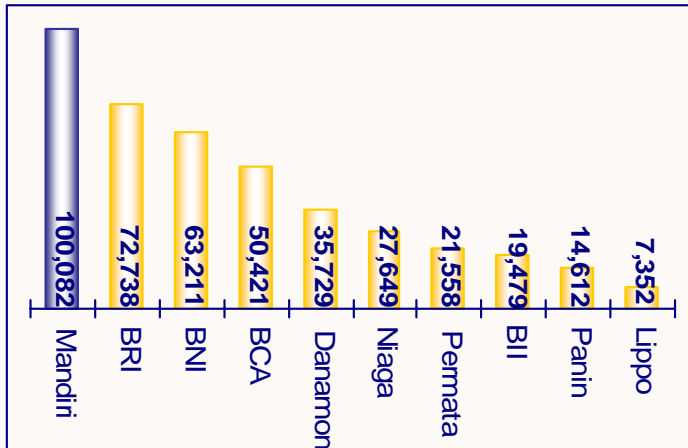




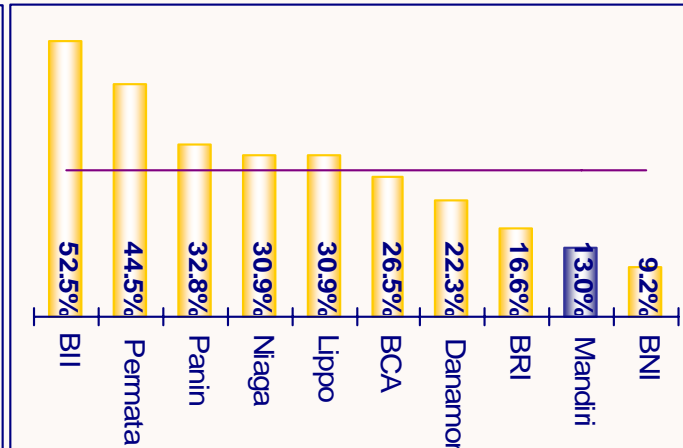
# Loan growth, quality and provisioning relative to peers

## Bank Only, As of September 2005

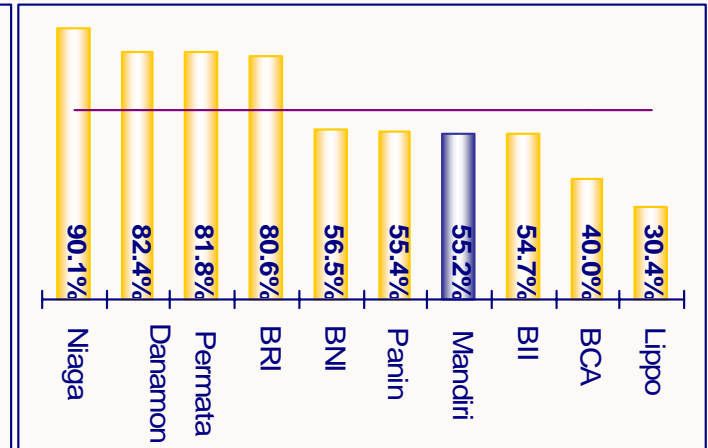
**Total Loans**  
(Rp bn)



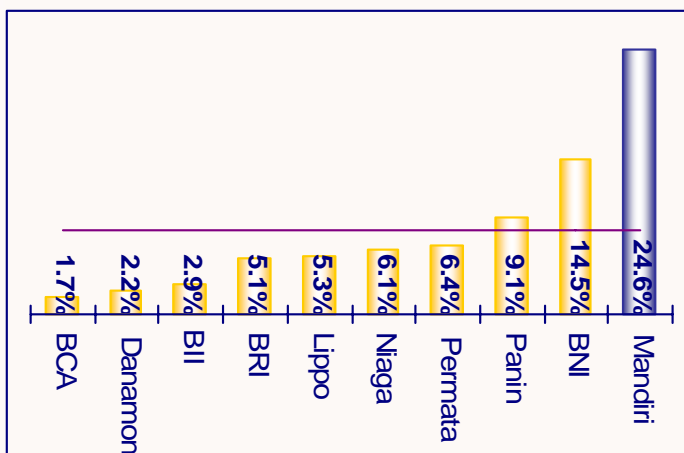
**Loan Growth (YTD)**  
(%)



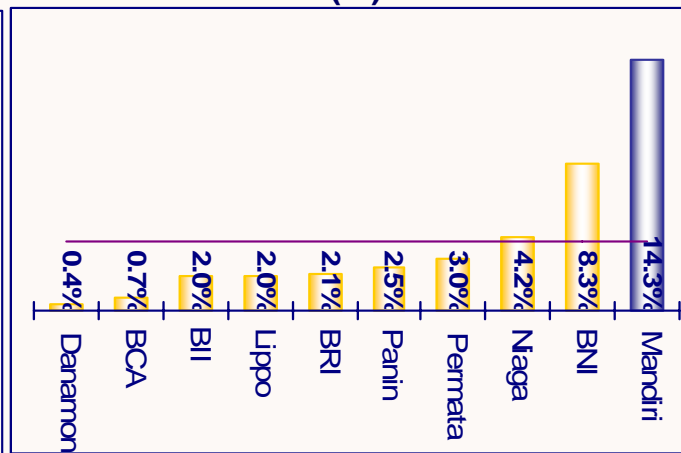
**Loan to Deposit Ratio**  
(%)



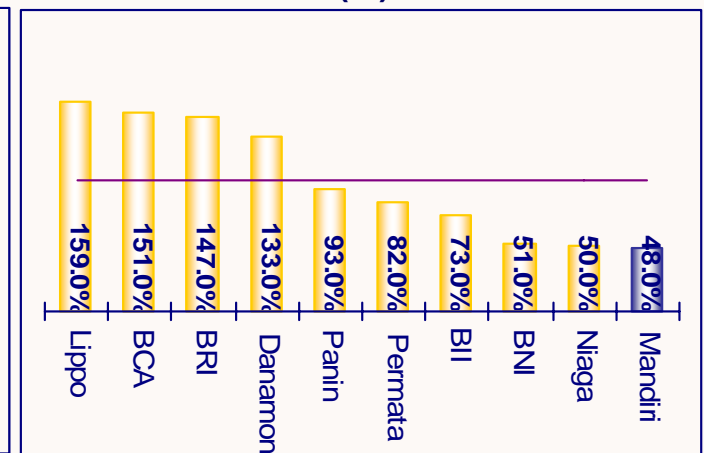
**NPL Ratio (Gross)**  
(%)



**NPL Ratio (Net)**  
(%)



**Ratio of Provisions to NPL**  
(%)

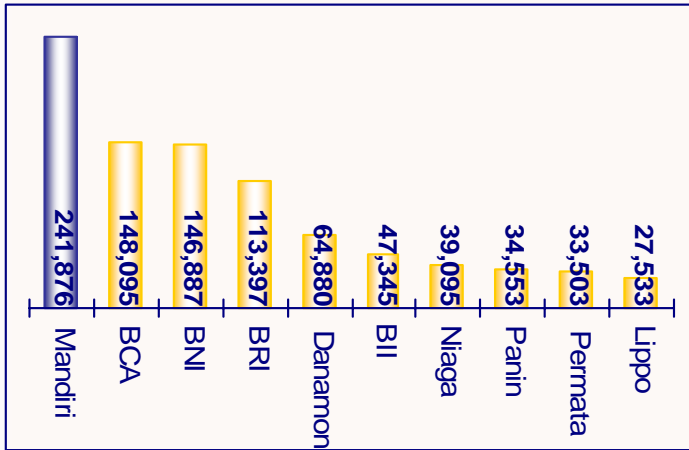


— Average

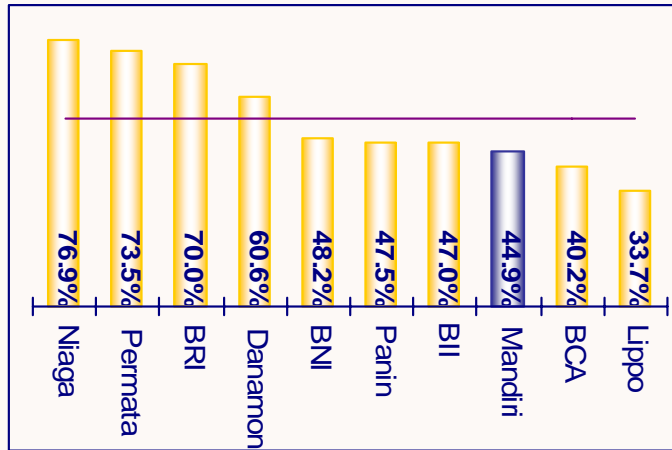
# Asset and liability mix relative to peers

Bank Only, As of September 2005

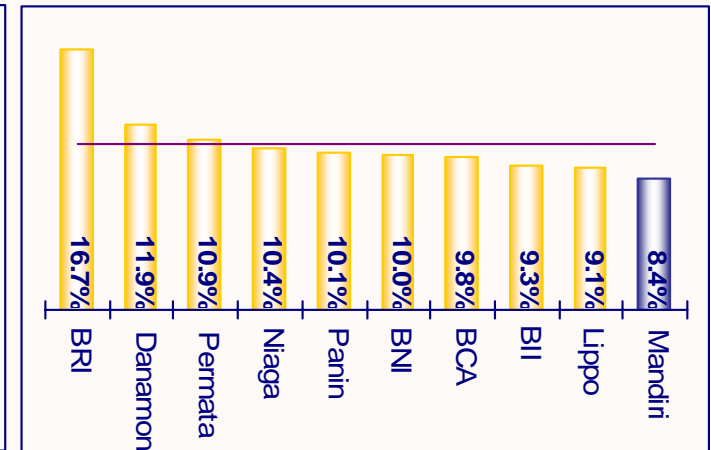
**Total Assets**  
(Rp bn)



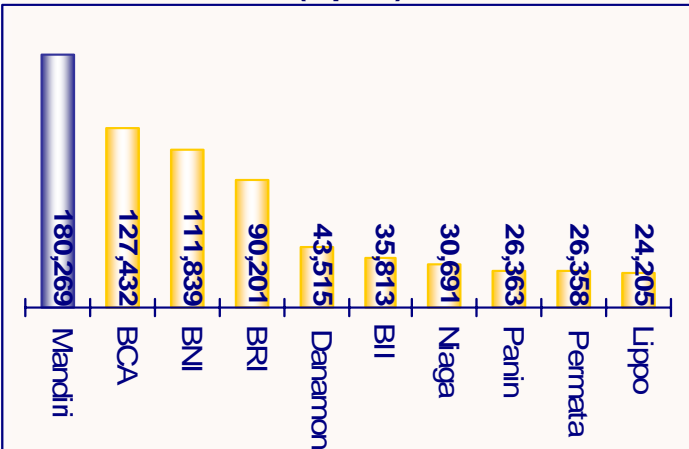
**Loans to Total Earning Assets**  
(%)



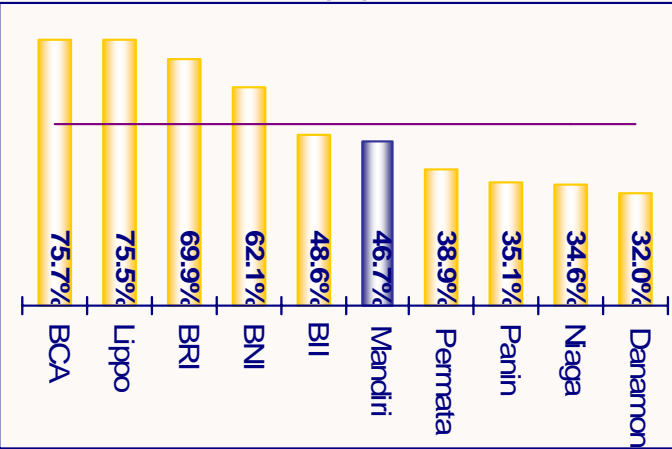
**Yield on Assets (p.a.)**  
(%)



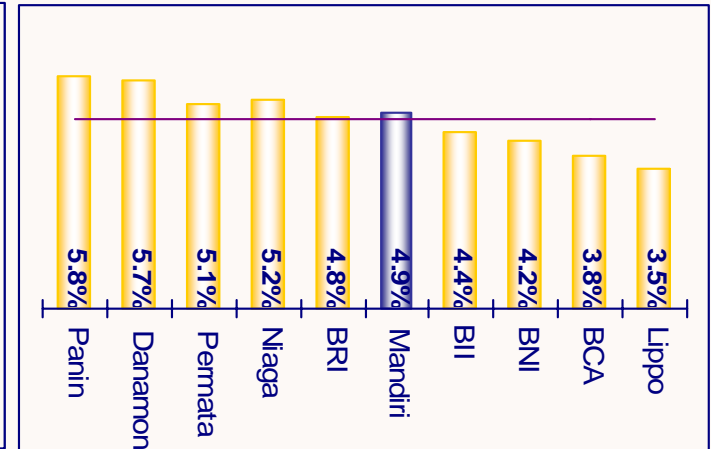
**Total Deposits**  
(Rp tn)



**Low Cost Deposit Ratio**  
(%)



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

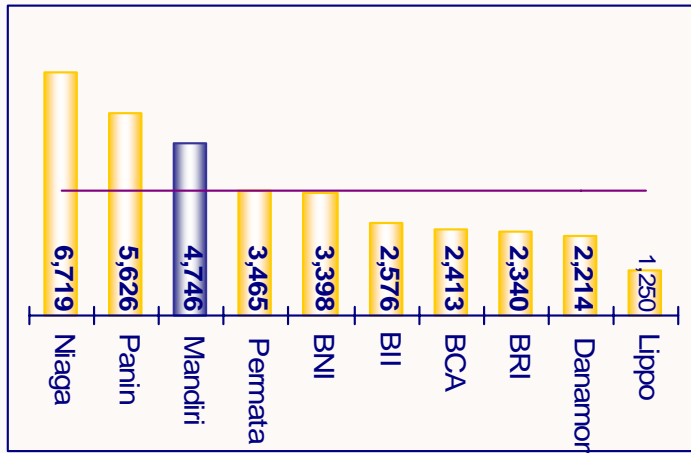


— Average

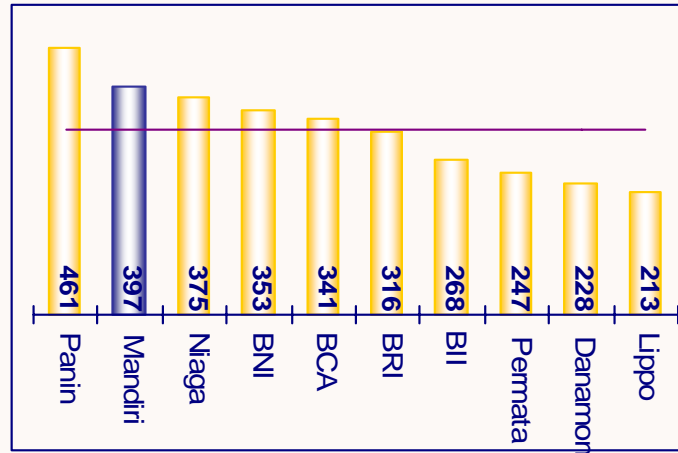
# Efficiency measures relative to peers

Bank Only, As of September 2005

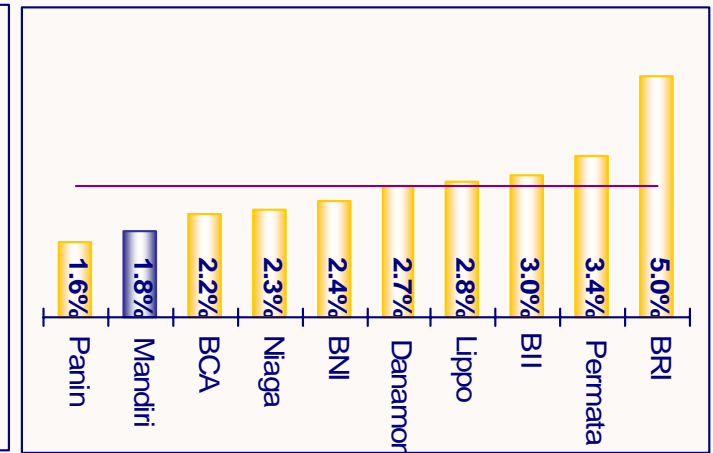
**Loans/ Employee**  
(Rp Mn)



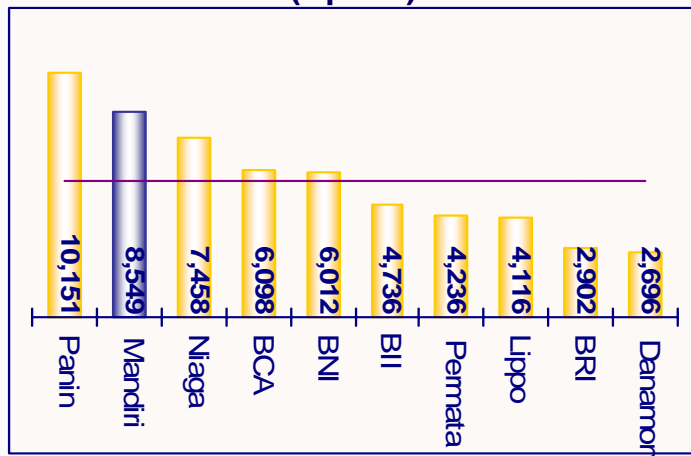
**Revenue/ Employee**  
(Rp Mn)



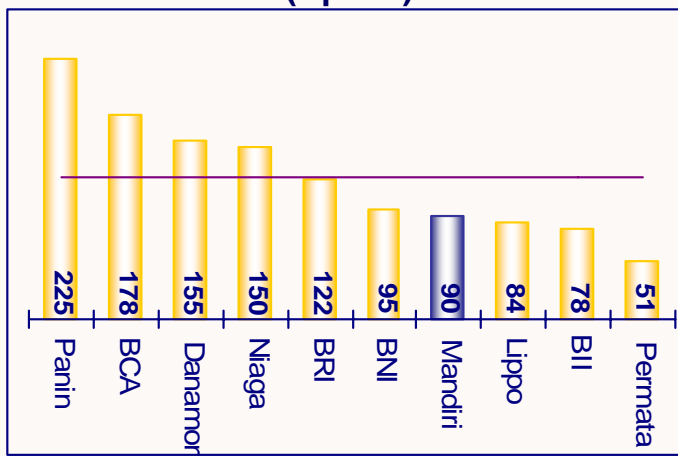
**Cost/Assets**  
(%)\*



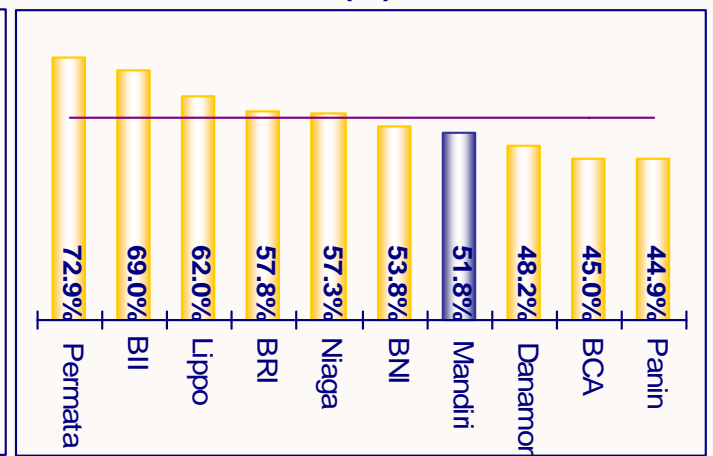
**Deposits/ Employee**  
(Rp Mn)



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



**Cost/ Income**  
(%)

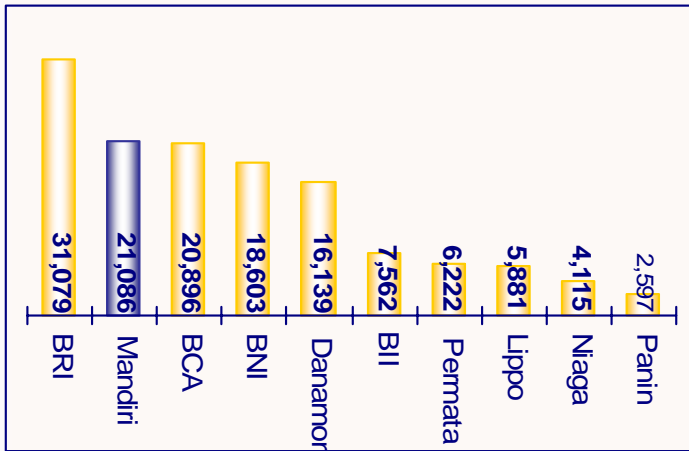


— Industry Average

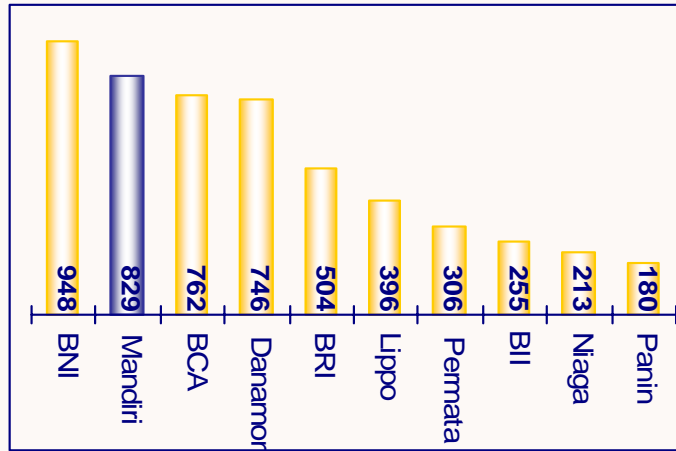
# Measures of scale and returns relative to peers

## Bank Only, As of September 2005

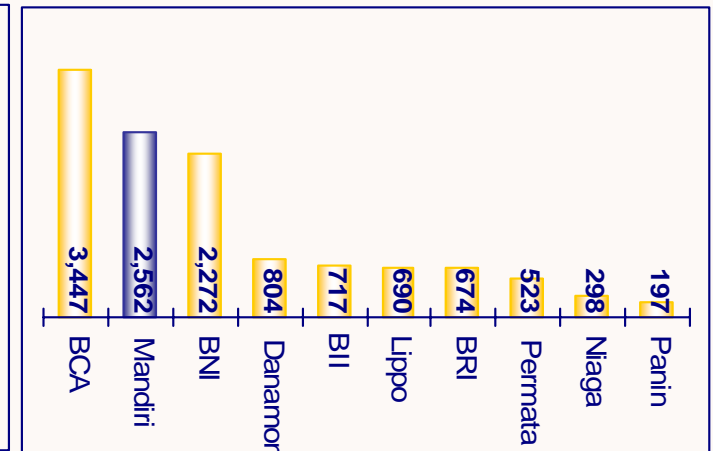
**Employees**



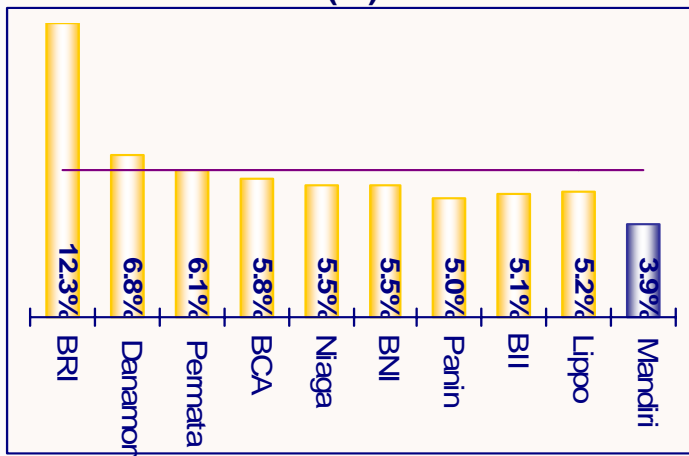
**Branches**



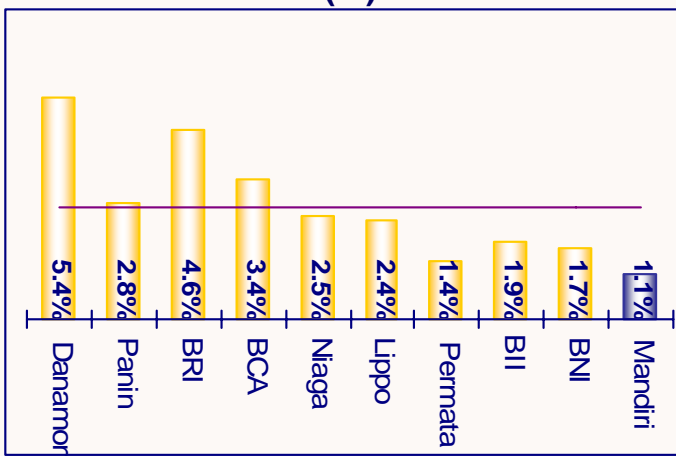
**ATMs**



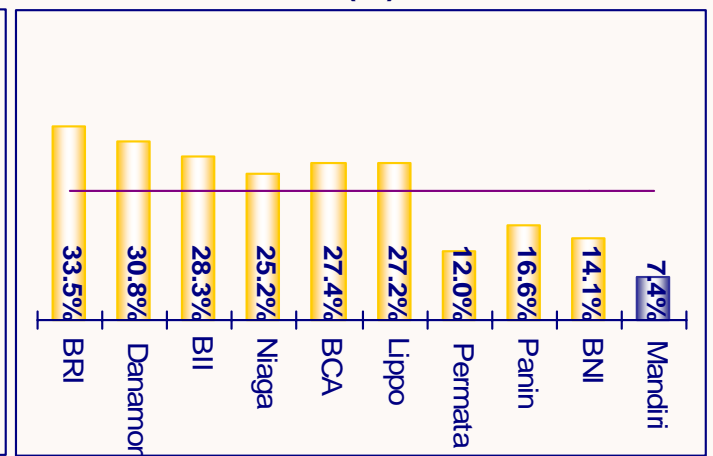
**Net Interest Margins (%)**



**Return on Assets (Before Tax) (%)**



**Return on Equity (After Tax) (%)**



— Industry Average

# Bank Mandiri Audited Financial Statements

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***Q4 2005***

**BALANCE SHEETS**  
As of December 31, 2005 and 2004  
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)	December 31, 2005 (Audited)	December 31, 2004 (Audited)
	<b>ASSETS</b>				
1.	Cash	2,428,499	2,369,196	2,522,764	2,439,465
2.	Placements with Bank Indonesia				
	a. Current Accounts with Bank Indonesia	19,988,680	15,585,302	20,304,705	15,986,630
	b. Certificates of Bank Indonesia	5,104,255	7,631,879	6,477,255	7,956,879
	c. Others	8,260,930	5,996,699	8,260,930	5,996,699
3.	Current Accounts with Other Banks				
	a. Rupiah	2,619	8,214	3,654	14,547
	b. Foreign currencies	630,555	582,061	701,674	642,641
4.	Placements with Other Banks				
	a. Rupiah	4,259,256	3,465,699	4,318,958	3,573,299
	Allowance for possible losses on placements with other banks - / -	(42,693)	(48,317)	(43,195)	(50,693)
	b. Foreign currencies	10,998,995	4,338,769	11,192,037	4,701,318
	Allowance for possible losses on placements with other banks - / -	(118,205)	(47,122)	(119,401)	(47,122)
5.	Securities				
	a. Rupiah				
	i. Trading	119,171	19,119	511,720	249,581
	ii. Available for sale	835,521	1,392,014	1,288,193	1,830,876
	iii. Held to maturity	1,083,208	1,089,390	1,093,208	1,136,390
	Allowance for possible losses on securities - / -	(1,078,288)	(1,117,585)	(1,082,157)	(1,121,896)
	b. Foreign currencies				
	i. Trading	39,522	131,879	51,042	180,019
	ii. Available for sale	130,855	345,371	489,142	646,680
	iii. Held to maturity	1,459,053	1,439,922	1,802,744	1,648,805
	Allowance for possible losses on securities - / -	(126,878)	(22,605)	(126,878)	(22,605)
6.	Securities Sold with Agreement to Repurchase	-	-	-	-
7.	Government Recapitalization Bonds				
	a. Trading	2,143,723	1,390,953	2,143,723	1,579,834
	b. Available for sale	28,645,986	27,584,037	28,817,643	27,584,037
	c. Held to maturity	61,094,598	63,917,150	61,094,598	63,917,150
8.	Securities Purchased with Agreement to Resell (reverse repo)				
	a. Rupiah	-	480,000	317,043	708,134
	Allowance for possible losses on securities purchased with agreement to resell - / -	-	(4,800)	-	(4,800)
	b. Foreign currencies	-	-	-	-
	Allowance for possible losses on securities purchased with agreement to resell - / -	-	-	-	-
9.	Derivative Receivables	317,741	288,124	318,686	288,137
	Allowance for possible losses on derivative receivables - / -	(3,443)	(2,881)	(3,443)	(2,881)
10.	Loans				
	a. Rupiah				
	- Related parties	565,631	357,497	568,970	360,156
	- Third parties	68,447,876	56,470,937	73,718,795	61,266,816
	Allowance for possible losses on loans - / -	(6,304,003)	(4,824,568)	(6,430,690)	(4,927,510)
	b. Foreign currencies				
	- Related parties	563,341	481,510	676,770	592,121
	- Third parties	30,748,903	31,266,833	31,888,411	32,215,646
	Allowance for possible losses on loans - / -	(5,505,659)	(3,708,797)	(5,552,782)	(3,708,797)
11.	Acceptances Receivables	4,315,956	5,234,859	4,319,102	5,241,388
	Allowance for possible losses on acceptances receivables - / -	(429,092)	(147,286)	(429,092)	(147,286)
12.	Other Receivables - Trade Transactions	3,826,144	2,791,053	3,826,144	2,791,053
	Allowance for possible losses on other receivables - trade transactions - / -	(1,101,415)	(883,405)	(1,101,415)	(883,405)
13.	Investments in Shares of Stock	2,109,642	2,014,163	141,364	86,994
	Allowance for possible losses on investments in shares of stock - / -	(73,298)	(78,145)	(73,298)	(78,145)
14.	Accrued Income	1,843,927	1,136,242	1,852,191	1,145,139
15.	Prepaid Expenses	368,963	304,760	414,097	338,279
16.	Prepaid Tax	217,154	43	217,292	63
17.	Deferred Tax Assets	2,216,075	2,248,600	2,231,402	2,252,144
18.	Premises and Equipment	7,732,414	7,377,299	8,142,270	7,744,050
	Accumulated depreciation - / -	(2,602,712)	(2,106,941)	(2,836,857)	(2,309,213)
19.	Assets not in Use	238,236	255,738	238,236	255,738
	Provision for possible losses on assets not in use - / -	-	-	-	-
20.	Leased Assets	-	37,550	-	81,528
	Accumulated depreciation for leased assets - / -	-	(17,524)	-	(32,737)
21.	Repossessed Assets	158,922	169,373	188,703	200,040
	Provision for possible losses on repossessed assets - / -	-	(51,200)	-	(51,200)
22.	Other Assets	778,614	5,364,161	1,049,090	5,891,841
	<b>TOTAL ASSETS</b>	<b>254,289,279</b>	<b>240,505,220</b>	<b>263,383,348</b>	<b>248,155,827</b>

**BALANCE SHEETS**  
As of December 31, 2005 and 2004  
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)	December 31, 2005 (Audited)	December 31, 2004 (Audited)
	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
1	Demand Deposits				
	a. Rupiah	30,124,035	28,022,552	31,228,043	28,904,192
	b. Foreign currencies	14,892,097	11,915,886	15,182,227	12,179,138
2	Liabilities Immediately Payable	799,711	712,534	926,656	742,102
3	Savings Deposits	45,164,702	51,997,125	47,153,178	53,533,402
4	Time Deposits				
	a. Rupiah				
	- Related parties	894,297	232,577	712,652	33,475
	- Third parties	92,309,804	66,219,377	95,752,096	68,852,497
	b. Foreign currencies				
	- Related parties	381,408	15,780	367,379	2,522
	- Third parties	15,270,729	11,591,066	15,894,052	12,333,120
5	Certificates of Deposit				
	a. Rupiah	25	25	25	25
	b. Foreign currencies	-	-	-	-
6	Deposits from Other Banks	6,164,610	11,467,217	6,798,989	12,039,195
7	Liabilities to repurchase securities sold with repo agreement	1,910,277	2,911,622	2,046,420	2,913,632
8	Derivative Payable	188,883	66,955	189,546	66,968
9	Acceptances Payable	4,315,956	5,234,859	4,319,102	5,241,388
10	Securities Issued				
	a. Rupiah	949,016	907,260	1,149,015	1,107,260
	b. Foreign currencies	2,860,206	2,907,994	2,834,454	2,886,720
11	Fund Borrowings				
	a. Funding Facilities from Bank Indonesia	-	-	-	-
	b. Others				
	i. Rupiah				
	- Related parties	350,000	126,378	350,000	126,378
	- Third parties	1,976,126	1,670,628	2,281,126	1,860,628
	ii. Foreign currencies				
	- Related parties	-	-	-	-
	- Third parties	1,648,505	5,033,062	1,648,505	5,079,487
12	Estimated Losses on Commitments and Contingencies	558,766	561,872	594,084	565,898
13	Obligation under Capital Lease	-	1,569	-	1,569
14	Accrued Expenses	676,241	681,942	693,956	729,753
15	Taxes Payable	-	242,330	20,730	300,299
16	Deferred Tax Liabilities	-	-	-	2,327
17	Other Liabilities	5,278,685	5,022,010	5,619,744	5,645,921
18	Subordinated Loans				
	- Related parties	-	-	-	-
	- Third parties	4,370,266	6,784,206	4,402,266	6,816,206
19	Loan Capital				
	- Related parties	-	-	-	-
	- Third parties	-	1,253,475	-	1,253,475
20	Minority Interests	-	-	4,381	3,543
21	<b>Shareholders' Equity</b>				
	a. Share Capital	10,127,859	10,066,427	10,127,859	10,066,427
	b. Additional Paid-in Capital/agio	6,006,255	5,967,897	6,006,255	5,967,897
	c. Share Options	175,012	13,831	175,012	13,831
	d. Funds for paid-up capital	-	-	-	-
	e. Differences Arising from Translation of Foreign Currency Financial Statements	108,923	72,554	108,923	72,554
	f. Premises and Equipment Revaluation Increment	3,046,936	3,046,936	3,056,724	3,056,724
	g. Unrealized (Losses) Gain from Securities and Government Recapitalization Bonds	(241,961)	(404,001)	(241,961)	(404,001)
	h. Difference arising from equity transactions of affiliates	(23,527)	-	(23,527)	-
	i. Retained Earnings *)	4,005,437	6,161,275	4,005,437	6,161,275
	<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>254,289,279</b>	<b>240,505,220</b>	<b>263,383,348</b>	<b>248,155,827</b>

\*) Accumulated Losses of Rp162,874,901 million has been eliminated against additional paid-in capital/agio due to quasi-reorganization as of April 30, 2003

**STATEMENTS OF PROFIT AND LOSS**  
**For the periods from January 1 to December 31, 2005 and 2004**  
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)	December 31, 2005 (Audited)	December 31, 2004 (Audited)
<b>INCOME AND EXPENSES FROM OPERATIONS</b>					
1.	Interest Income				
1.1.	Interest Income				
a.	Rupiah	16,723,489	15,681,025	17,678,591	16,347,197
b.	Foreign currencies	2,357,244	2,296,552	2,486,823	2,358,851
1.2.	Fees and Commissions on loan facilities				
a.	Rupiah	510,311	398,204	510,311	398,204
b.	Foreign currencies	91,979	79,455	122,464	109,190
	<b>TOTAL INTEREST INCOME</b>	<b>19,683,023</b>	<b>18,455,236</b>	<b>20,798,189</b>	<b>19,213,442</b>
2.	Interest Expenses				
2.1.	Interest Expense				
a.	Rupiah	9,985,740	8,629,420	10,420,831	8,922,258
b.	Foreign currencies	1,568,247	730,961	1,623,350	757,144
2.2.	Fees and Commissions	-	-	-	-
	<b>TOTAL INTEREST EXPENSE - / -</b>	<b>11,553,987</b>	<b>9,360,381</b>	<b>12,044,181</b>	<b>9,679,402</b>
	<b>NET INTEREST INCOME</b>	<b>8,129,036</b>	<b>9,094,855</b>	<b>8,754,008</b>	<b>9,534,040</b>
3.	Other Operating Income				
3.1.	Other Fees and Commissions	1,441,757	1,189,508	1,577,330	1,292,110
3.2.	Foreign Exchange Gain *)	61,918	398,363	74,079	402,038
3.3.	a. Gain from Sale of Securities and Government Recapitalization Bonds **)	443,952	1,522,367	456,494	1,584,235
	b. Gain from Increase in Value of Securities and Government Recapitalization Bonds **)	-	66,300	-	66,272
3.4.	Others	628,967	706,958	671,462	702,317
	<b>TOTAL OTHER OPERATING INCOME</b>	<b>2,576,594</b>	<b>3,883,496</b>	<b>2,779,365</b>	<b>4,046,972</b>
4.	Provision for Possible Losses on Earning Assets	4,337,583	309,473	4,445,226	371,517
5.	Addition (reversal) of Estimated Losses on Commitments and Contingencies	(30,850)	(41,170)	80	(37,923)
6.	Reversal for Possible Losses on Others	(1,056,645)	(309,172)	(1,056,645)	(309,172)
7.	Other Operating Expenses				
7.1.	General and Administrative Expenses	2,549,266	2,441,812	2,809,267	2,666,762
7.2.	Salaries and Employee Benefits	2,914,602	2,206,887	3,187,255	2,401,757
7.3.	a. Losses from Sale of Securities and Government Recapitalization Bonds **)	-	-	-	-
	b. Losses from Decline in Value of Securities and Government Recapitalization Bonds **)	66,214	-	89,144	-
7.4.	Foreign Exchange Loss *)	-	-	-	-
7.5.	Promotion Expenses	251,505	285,623	270,812	321,910
7.6.	Others	564,893	622,771	600,661	645,562
	<b>TOTAL OTHER OPERATING EXPENSES - / -</b>	<b>6,346,480</b>	<b>5,557,093</b>	<b>6,957,139</b>	<b>6,035,991</b>
	<b>PROFIT FROM OPERATIONS</b>	<b>1,109,062</b>	<b>7,462,127</b>	<b>1,187,573</b>	<b>7,520,599</b>
<b>NON-OPERATING INCOME AND EXPENSES</b>					
8.	Non-Operating Income	87,157	107,434	107,857	150,153
9.	Non-Operating Expenses -/-	53,383	139,863	62,877	145,750
	<b>NON OPERATING INCOME (EXPENSES) - NET</b>	<b>33,774</b>	<b>(32,429)</b>	<b>44,980</b>	<b>4,403</b>
10.	Extraordinary Income / Expenses	-	-	-	-
11.	<b>PROFIT BEFORE INCOME TAX</b>	<b>1,142,836</b>	<b>7,429,698</b>	<b>1,232,553</b>	<b>7,525,002</b>
12.	Estimated Income Tax Expense - / -				
-	Current	403,244	2,085,997	500,501	2,181,011
-	Deferred	136,223	88,070	127,845	88,290
	<b>13. PROFIT BEFORE MINORITY INTERESTS</b>	<b>603,369</b>	<b>5,255,631</b>	<b>604,207</b>	<b>5,255,701</b>
14.	Minority Interests - / -	-	-	(838)	(70)
15.	Accumulated Gains Beginning of the Year	6,161,275	3,228,574	6,161,275	3,228,574
16.	a. Dividend - / -	(2,627,816)	(2,300,000)	(2,627,816)	(2,300,000)
	b. Others - / -	(131,391)	(22,930)	(131,391)	(22,930)
17.	Accumulated Gains End of Year	<b>4,005,437</b>	<b>6,161,275</b>	<b>4,005,437</b>	<b>6,161,275</b>
18.	<b>EARNINGS PER SHARE (full amount)</b>				
-	Basic	-	-	<b>29.90</b>	<b>262.15</b>
-	Dilluted	-	-	<b>29.68</b>	<b>259.82</b>

\*) Presented as a net of gains (losses) from foreign exchange transactions.

\*\*\*) Presented as a net of gains (losses) from increase (decrease) in value of Securities and Government Bonds.



**STATEMENTS OF COMMITMENTS AND CONTINGENCIES**

As of December 31, 2005 and 2004

(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)	December 31, 2005 (Audited)	December 31, 2004 (Audited)
	<b>COMMITMENTS</b>				
	<b>COMMITMENT RECEIVABLES</b>				
1.	Unused fund borrowings facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
2.	Others	-	-	1,397	-
	<b>TOTAL COMMITMENT RECEIVABLES</b>	-	-	<b>1,397</b>	-
	<b>COMMITMENT PAYABLES</b>				
1.	Unused loan facilities granted				
	a. Rupiah	16,622,541	16,809,774	16,690,725	16,818,918
	b. Foreign currencies	2,836,148	3,038,117	2,836,148	3,038,117
2.	Outstanding irrevocable letters of credit	3,513,788	6,305,401	3,839,760	6,486,555
3.	Others	-	-	2,163	-
	<b>TOTAL COMMITMENT PAYABLES</b>	<b>22,972,477</b>	<b>26,153,292</b>	<b>23,368,796</b>	<b>26,343,590</b>
	<b>COMMITMENTS - NET</b>	<b>(22,972,477)</b>	<b>(26,153,292)</b>	<b>(23,367,399)</b>	<b>(26,343,590)</b>
	<b>CONTINGENCIES</b>				
	<b>CONTINGENT RECEIVABLES</b>				
1.	Guarantees received				
	a. Rupiah	183,901	156,492	183,901	156,492
	b. Foreign currencies	2,355,892	2,370,087	2,358,545	2,406,483
2.	Unrecognized interest income				
	a. Rupiah	2,703,583	1,278,205	2,703,765	1,278,205
	b. Foreign currencies	1,502,226	645,036	1,502,226	645,036
3.	Others	32,904	32,970	32,904	32,970
	<b>TOTAL CONTINGENT RECEIVABLES</b>	<b>6,778,506</b>	<b>4,482,790</b>	<b>6,781,341</b>	<b>4,519,186</b>
	<b>CONTINGENT PAYABLES</b>				
1.	Guarantees issued				
	a. Bank guarantees				
	- Rupiah	3,709,834	3,160,747	3,796,864	3,215,858
	- Foreign currencies	8,144,416	7,171,332	8,252,954	7,251,030
	b. Others	-	-	391	-
2.	Outstanding revocable letters of credit	-	-	-	-
3.	Others	105,957	83,597	106,227	85,640
	<b>TOTAL CONTINGENT PAYABLES</b>	<b>11,960,207</b>	<b>10,415,676</b>	<b>12,156,436</b>	<b>10,552,528</b>
	<b>CONTINGENCIES - NET</b>	<b>(5,181,701)</b>	<b>(5,932,886)</b>	<b>(5,375,095)</b>	<b>(6,033,342)</b>

MANAGEMENT OF THE BANK AS OF DECEMBER 31, 2005	SHAREHOLDER
<b>Board of Commissioners</b> - Chairman : Edwin Gerungan - Deputy Chairman : Muchayat - Commissioner : Soedarjono - Commissioner : Richard Claproth - Independent Commissioner : Pradjoto - Independent Commissioner : Gunarni Soeworo - Independent Commissioner : Yap Tjay Soen  <b>Board of Directors</b> - President Director : Agus Martowardojo - Deputy President Director : Wayan Agus Mertayasa - Director : Omar Sjawaldy Anwar - Director : Johanes Bambang Kendarto - Director : Zulkifli Zaini - Director : Abdul Rachman - Director : Sasmita *)	Republic of Indonesia : 69.11% (Ultimate Shareholders')  JP Morgan Chase Bank US Resident (Norbax Inc) = 9.65%  Public = 21.24%

Jakarta, 2006

S. E & O  
 Board of Directors  
**PT Bank Mandiri (Persero) Tbk.**

**Agus Martowardojo**

**Wayan Agus Mertayasa**

\*) Acting as Director of Compliance Temporarily

- 1) The above financial information as of and for the one year periods ended December 31, 2005 and 2004 is derived from the consolidated financial statements that have been audited by public accounting firm Prasetio, Sarwoko & Sandjaja, a member of Ernst & Young Global (Partner In-charge is Drs. Soemarso S. Rahardjo ME (2004 : Drs. Sandjaja )) with unqualified opinion in their reports dated 9 March, 2006 and 18 Februari, 2005, respectively, as the financial information is derived from the consolidated financial statements it does not provide a complete presentation of all disclosures that are included in the consolidated financial statements.presentation of the Consolidated Financial Statements.
- 2) The above financial information is presented in accordance with the following stipulations :
  - a) Bank Indonesia's Regulation No. 3/22/PBI/2001 dated December 13, 2001 as it change to 7/50/PBI/2005 dated November 29, 2005 regarding Transparency of Bank's Financial Condition.
  - b) Bank Indonesia's Circular Letter No. 7/10/DPNP dated March 31, 2005 regarding the amendment of Bank Indonesia's Circular Letter No. 3/30/DPNP dated December 14, 2001 concerning Presentation of Quarterly and Monthly Published Financial Statements of Commercial Banks and Certain Report Submitted to Bank Indonesia.
  - c) Bank Indonesia's Regulation No. 4/7/PBI/2002 dated September 27, 2002 regarding Prudential Principles for Purchase of Credit by Commercial Bank from the Indonesian Banks Restructuring Agency (IBRA).
  - d) Bank Indonesia's Letter No. 5/559/DPNP/DPnP dated December 24, 2003 regarding Bank's Published Financial Statements.
  - e) Rule X.K.2, Decision of Chairman of the Capital Market Supervisory Agency (Bapepam), Attachment No. Kep-36/PM/2003 dated September 30,2003 regarding "Obligation to Submit Periodic Financial Statements"
- 3) As of December 31, 2005, Bank assessed asset quality rating based on Bank Indonesia's Regulation No. 7/2/PBI/2005 dated January 20, 2005; which among others required the Bank to apply the asset quality designated by Bank Indonesia, in the event of difference in assesment of asset quality between Bank and Bank Indonesia, BI checking and avaiability of audited financial statements.
- 4) For comparative purposes, certain accounts in the financial information as of and for the one year periods ended December 31, 2004 have been reclassified to conform with the presentation of accounts in the financial information as of and for the one year periods ended December 31, 2005.
- 5) Exchange rate of 1 US Dollar as of December 31, 2005 and 2004 was Rp 9,830 and Rp 9,285 respectively.
- 6) Basic and diluted earnings per share are calculated by dividing the net profit with the weighted average number of shares issued and fully paid during the period, after considering the effects of stock options.

**EARNING ASSETS AND OTHER INFORMATION**

As of December 31, 2005 and 2004

(In Millions of Rupiah)

No	ACCOUNT	BANK											
		December 31, 2005 (Audited)					December 31, 2004 (Audited)						
		CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL
<b>I</b>	<b>Related Parties</b>												
<b>A</b>	<b>EARNING ASSETS</b>												
1	Placement with other banks	206,761	-	-	-	-	206,761	229,703	-	-	-	-	229,703
2	Securities *)	92,320,016	-	-	-	-	92,320,016	93,204,383	-	-	-	-	93,204,383
3	Loan to related parties	913,194	31	6,000	-	209,747	1,128,972	680,343	123	158,541	-	-	839,007
	a. Small scale business credit (KUK)	-	-	-	-	-	-	-	-	-	-	-	-
	b. Property Loans	11,014	-	-	-	-	11,014	31,351	28	-	-	-	31,379
	i. Restructured	10,500	-	-	-	-	10,500	15,625	-	-	-	-	15,625
	ii. Unrestructured	514	-	-	-	-	514	15,726	28	-	-	-	15,754
	c. Other restructured loans	110,992	-	-	-	-	110,992	157,261	-	148,793	-	-	306,054
	d. Others	791,188	31	6,000	-	209,747	1,006,966	491,731	95	9,748	-	-	501,574
4	Investment in shares of stock of related parties	2,032,062	-	-	-	-	2,032,062	1,931,424	-	-	-	5,159	1,936,583
	a. In bank financial institutions	1,167,731	-	-	-	-	1,167,731	1,098,182	-	-	-	-	1,098,182
	b. In non bank financial institutions	723,626	-	-	-	-	723,626	709,258	-	-	-	5,159	714,417
	c. Due to loan restructuring	-	-	-	-	-	-	-	-	-	-	-	-
	d. Others	140,705	-	-	-	-	140,705	123,984	-	-	-	-	123,984
5	Other receivables from related parties	54,531	552	-	-	-	55,083	-	-	-	-	-	-
6	Commitments and contingencies to related parties	18,172	-	-	-	-	18,172	-	-	-	-	-	-
<b>B</b>	<b>NON EARNING ASSETS</b>												
1	Assets not in Use	-	-	-	-	-	-	-	-	-	-	-	-
2	Reposessed Assets	-	-	-	-	-	-	-	-	-	-	-	-
3	Interbranch and suspense account	-	-	-	-	-	-	-	-	-	-	-	-
<b>II</b>	<b>Third Parties</b>												
<b>A</b>	<b>EARNING ASSETS</b>												
1	Placement with other banks	23,945,594	-	-	-	-	23,945,594	14,148,068	-	-	-	13,671	14,161,739
2	Securities (issued by Bank Indonesia and third parties)	7,040,858	-	205,272	-	1,089,746	8,335,876	10,627,094	-	-	-	1,110,237	11,737,331
3	Loan to third parties	59,749,204	12,911,782	5,611,681	5,322,437	15,601,675	99,196,779	72,986,940	8,333,778	2,141,959	417,511	3,857,582	87,737,770
	a. Small scale business credit (KUK)	3,751,797	581,821	91,285	79,328	361,136	4,865,367	3,227,794	367,749	106,783	44,553	169,326	3,916,205
	b. Property Loans	1,958,965	965,059	1,025,979	197,637	316,095	4,463,735	2,347,261	886,323	2,209	276	83,552	3,319,621
	i. Restructured	81,369	240,125	76,412	189,258	-	587,164	256,781	681,422	-	-	-	938,203
	ii. Unrestructured	1,877,596	724,934	949,567	8,379	316,095	3,876,571	2,090,480	204,901	2,209	276	83,552	2,381,418
	c. Other restructured loans	5,542,379	3,487,042	1,303,274	2,284,314	5,496,175	18,113,184	13,563,956	4,257,951	839,774	47,529	491,080	19,200,290
	d. Others	48,496,063	7,877,860	3,191,143	2,761,158	9,428,269	71,754,493	53,847,929	2,821,755	1,193,193	325,153	3,113,624	61,301,654
4	Investment in shares of stock of third parties	4,955	-	-	-	72,625	77,580	3,000	-	1,955	-	72,625	77,580
	a. In bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
	b. In non bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
	c. Due to loan restructuring	-	-	-	-	72,625	72,625	-	-	-	-	72,625	72,625
	d. Others	4,955	-	-	-	-	4,955	3,000	-	1,955	-	-	4,955
5	Other receivables from third parties	4,617,799	1,563,224	803,685	260,224	1,159,826	8,404,758	7,173,288	816,689	44,483	-	759,576	8,794,036
6	Commitments and contingencies to third parties	13,939,899	831,260	329,674	68,243	180,790	15,349,866	16,354,264	273,984	9,232	-	-	16,637,480
<b>B</b>	<b>NON EARNING ASSETS</b>												
1	Assets not in Use	-	-	-	-	-	238,236	-	-	-	-	-	255,738
2	Reposessed Assets	-	-	-	-	-	158,922	-	-	-	-	-	169,373
3	Interbranch and suspense account	-	-	-	-	-	1,205,839	-	-	-	-	-	2,056,247
	<b>TOTAL</b>	<b>204,843,045</b>	<b>15,306,849</b>	<b>6,956,312</b>	<b>5,650,904</b>	<b>18,314,409</b>	<b>252,674,516</b>	<b>217,338,507</b>	<b>9,424,574</b>	<b>2,356,170</b>	<b>417,511</b>	<b>5,818,850</b>	<b>237,836,970</b>
1	a. Required allowance for possible losses on earning assets	1,002,592	737,477	962,672	1,922,564	10,277,878	14,903,183	1,463,396	1,003,252	392,984	209,326	5,548,315	8,617,273
	b. Required allowance for possible losses on non earning assets	-	-	-	-	-	-	-	-	-	-	-	-
	c.Total required allowance for possible losses on assets **)	1,002,592	737,477	962,672	1,922,564	10,277,878	14,903,183	1,463,396	1,003,252	392,984	209,326	5,548,315	8,617,273
2	a. Established allowance for possible losses on earning assets	1,174,223	737,477	962,672	1,922,564	10,544,804	15,341,740	2,431,259	1,887,936	1,162,362	417,510	5,548,315	11,447,382
	b. Established allowance for possible losses on non earning assets	-	-	-	-	-	427,225	-	-	-	-	-	1,880,346
	c.Total established allowance for possible losses on assets	1,174,223	737,477	962,672	1,922,564	10,544,804	15,768,965	2,431,259	1,887,936	1,162,362	417,510	5,548,315	13,327,728
3	Value of bank's assets pledge as collateral :												
	a. To Bank Indonesia	-	-	-	-	-	-	-	-	-	-	-	-
	b. To others	-	-	-	-	-	-	-	-	-	-	-	-
4	Percentage of small scale business credit to total loans						4.85%						4.42%
5	Percentage of small scale business credit debtors to total debtors						37.26%						35.53%
6	Percentage UMKM to total loans						11.56%						9.10%
7	Percentage of UMKM debtors to total debtors						43.18%						31.70%

\*) Include Government Recapitalization Bonds

\*\*) The Calculation of allowance for possible losses on earning assets should be provided on the principal after deducting by collaterals.

No allowance for possible losses is required for certificates of Bank Indonesia, placements with Bank Indonesia and government bond.

**FOREIGN EXCHANGE TRANSACTION AND DERIVATIVES**  
**As of December 31, 2005**  
(In Millions of Rupiah)

NO	TRANSACTION	BANK (Audited)				
		Contract Market Value		Derivative Receivable & Payable		Contract Value
		Hedging	Others	Receivable	Payable	Netting Agreement
<b>A. Exchange Rate Related</b>						
1	Spot	-	458	-	-	-
2	Forward	-	1,119,331	3,084	18,650	-
3	Option					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
4	Future	-	-	-	-	-
5	Swap	-	7,309,893	313,215	69,626	-
6	Other	-	-	-	-	-
<b>B Interest Rate Related</b>						
1	Forward	-	334	-	334	-
2	Option					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3	Future	-	-	-	-	-
4	Swap	86,039	15,676	1,442	100,273	-
5	Other	-	-	-	-	-
<b>C Other</b>						
		-	-	-	-	-
<b>TOTAL</b>				317,741	188,883	

**CALCULATION OF CAR**  
As of December 31, 2005 and 2004  
(In Millions of Rupiah)

NO	DESCRIPTION	BANK	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)
<b>I. COMPONENTS</b>			
<b>A. Core Capital</b>			
1.	<b>Paid-Up Capital</b>	<b>20,858,866</b>	<b>20,283,275</b>
2.	<b>Disclosed Reserves</b>	10,127,859	10,066,427
a.	Agio	6,006,255	5,967,897
b.	Disagio (-/-)	-	-
c.	Shares Option	175,012	13,831
d.	Donated Capital / Additional Paid-In Capital	-	-
e.	General and Appropriated Reserves	2,560,285	747,000
f.	Previous Years Profit After Tax	1,514,925	743,715
g.	Previous Years Losses (-/-)	-	-
h.	Current Year Profit After Tax (50%)	365,607	2,671,851
i.	Current Year Losses (-/-)	-	-
j.	Differences Arising from Translation of Financial Statements in Foreign Currencies	-	-
	1) Positive Adjustment	108,923	72,554
	2) Negative Adjustment (-/-)	-	-
k.	Funds for Paid-Up Capital	-	-
l.	Decline in Value of Equity Participation in Available for Sale Portfolio (-/-)	-	-
m.	Differences Arising from Restructuring of Transaction among Entities under Common Control	-	-
3.	<b>Goodwill (-/-)</b>	-	-
4.	<b>Differences Arising from Assets and Liabilities Valuation due to Quasi Reorganization</b>	-	-
<b>B. Supplemental Capital (Max 100% of core capital)</b>		<b>8,591,425</b>	<b>9,189,588</b>
1.	Reserve for Premises and Equipment Revaluation	3,046,936	3,046,936
2.	Differences Arising from Assets and Liabilities Valuation due to Quasi Reorganization	-	-
3.	General Reserves of Allowance for Possible Losses on Earning Assets (max 1.25% of risk weighted assets)	1,174,223	1,361,685
4.	Loan Capital	-	125,347
5.	Subordinated Loans (max 50% of core capital)	4,370,266	4,655,620
6.	Increase in Value of Equity Participation in Available for Sale Portfolio (45%)	-	-
<b>C. ADDITIONAL SUPPLEMENTAL CAPITAL FULFILLING REQUIREMENT MARKET RISK</b>		-	-
<b>D. ADDITIONAL SUPPLEMENTAL CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK</b>		-	-
<b>II. TOTAL CORE CAPITAL AND SUPPLEMENTAL CAPITAL (A+B)</b>		<b>29,450,291</b>	<b>29,472,863</b>
<b>III. TOTAL CORE CAPITAL, SUPPLEMENTAL CAPITAL, AND ADDITIONAL SUPPLEMENTAL CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A+B+D)</b>		<b>29,450,291</b>	<b>29,472,863</b>
<b>IV. INVESTMENTS IN SHARES OF STOCK (-/-)</b>		<b>29,450,291</b>	<b>29,472,863</b>
	(2,036,344)	(1,936,018)	
<b>V. TOTAL CAPITAL FOR CREDIT RISK (II-IV)</b>		<b>27,413,947</b>	<b>27,536,845</b>
<b>VI. TOTAL CAPITAL FOR CREDIT AND MARKET RISK (III-IV)</b>		<b>27,413,947</b>	<b>27,536,845</b>
<b>VII. CREDIT RISK-WEIGHTED ASSETS</b>		<b>115,908,987</b>	<b>108,934,763</b>
<b>VIII. MARKET RISK-WEIGHTED ASSETS</b>		<b>2,204,133</b>	<b>3,554,156</b>
<b>IX. ESTABLISHED CAPITAL ADEQUACY RATIO FOR CREDIT RISK (V : VII)</b>		<b>23.65%</b>	<b>25.28%</b>
<b>X. ESTABLISHED CAPITAL ADEQUACY RATIO FOR CREDIT AND MARKET RISK (VI:(VII+VIII))</b>		<b>23.21%</b>	<b>24.48%</b>
<b>XI. EXCESS ADDITIONAL SUPPLEMENTAL CAPITAL RATIO ((C-D):(VII+VIII))</b>		<b>0.00%</b>	<b>0.00%</b>
<b>XII. REQUIRED MINIMUM CAPITAL ADEQUACY RATIO</b>		<b>8%</b>	<b>8%</b>

**LOAN PURCHASED FROM IBRA**  
**January 1, 2005 to December 31, 2005**  
(In millions of Rupiah)

(Based on Bank Indonesia's Regulation No. 4/7/PBI/2002 dated September 27, 2002 Chapter VI section 24)

**a. Summary of loan purchased from IBRA**

NO	DESCRIPTION	Amount (Audited)
1	Loan principal / outstanding balance as of December 31, 2005	4,771,405
2	Amount of loans purchased from January 1, 2002 - December 31, 2005	-
3	Total provision for loan losses and deferred income arising from the difference between outstanding loans and purchase price	159,858
4	Allowance for possible loan losses as of December 31, 2005	807,109
5	Interest income and other income related to loans purchased from IBRA from January 1, 2005 - December 31, 2005	209,066

**b. Summary of movement of loans purchased from IBRA**

NO	DESCRIPTION	Amount (Audited)
1	Beginning Balance	5,075,309
2	Foreign currency translation	237,566
3	Additional loan purchased during the period	-
4	Repayment during the period	(514,537)
5	Loan written-off during the period	(26,933)
6	Ending Balance	4,771,405

**c. Summary of movement of allowance for possible loan losses derived from the difference between loan principal and purchase price**

NO	DESCRIPTION	Amount (Audited)
1	Beginning Balance	-
2	Foreign currency translation	-
3	Additional allowance for possible losses on loan purchased from IBRA during the period	-
4	Allowance for possible losses for loan written-off	-
5	Reversal of allowance for possible losses due to excess of repayment over purchase price	-
6	Ending Balance	-

**d. Summary of movement of deferred income derived from the difference between loan principal and purchase price**

NO	DESCRIPTION	Amount (Audited)
1	Beginning Balance	164,964
2	Foreign currency translation	6,137
3	Additional deferred income of loan purchased from IBRA during the period	-
4	Deferred income for loans written-off	(4,155)
5	Reversal of deferred income due to excess of repayment over purchase price	(7,088)
6	Ending Balance	159,858

**e. Loan covered by new credit agreements**

4,771,405

**f. Additional facility extended to debtors under loan purchased from IBRA**

12,035

**FINANCIAL RATIOS**  
As of December 31, 2005 and 2004

NO	KEYS RATIOS	BANK	
		December 31, 2005 (Audited)	December 31, 2004 (Audited)
<b>I.</b>	<b>Capital</b>		
	1. CAR by considering credit risk	23.65%	25.28%
	2. CAR by considering credit risk and market risk	23.21%	24.48%
	3. Premises and Equipment to Capital	28.21%	26.93%
<b>II.</b>	<b>Earning Assets</b>		
	1. Non-Performing Earning Assets	12.32%	3.65%
	2. Allowance for Possible Losses on Earning Assets	6.11%	4.86%
	3. Compliance for Allowance for Possible Losses on Earning Assets	102.94%	132.84%
	4. Compliance for Allowance for Possible Losses on non Earning Assets	-	-
	5. Gross NPL	26.66%	7.42%
	6. Net NPL	16.14%	1.62%
<b>III.</b>	<b>Rentability</b>		
	1. ROA	0.47%	3.19%
	2. ROE	2.76%	26.41%
	3. NIM	3.81%	4.41%
	4. Operating Expenses to Operating Income *)	95.02%	66.60%
<b>IV.</b>	<b>Liquidity</b>		
	LDR	49.97%	51.86%
<b>V.</b>	<b>Compliance</b>		
	1. a. Percentage Violation of Legal Lending Limit		
	a.1. Related Parties	-	-
	a.2. Third Parties	-	-
	b. Percentage of Lending in Excess of the Legal Lending Limit		
	a.1. Related Parties	-	-
	a.2. Third Parties	-	-
	2. Reserve Requirement (Rupiah)	11.30%	9.08%
	3. Net Open Position **)	2.58%	3.32%
	4. Net Open Position on Balance Sheet ***)	10.41%	2.01%

\*) Operating expenses include interest expense, provision for possible losses on assets, and provision for possible losses on others divided by operational income including interest income.

\*\*) Net Open Position calculation includes balance sheet and off-balance sheet accounts.

\*\*\*) Net Open Position is calculated with balance sheet accounts only since 2004 in accordance with Bank Indonesia Regulation No. 6/20/PBI/2004 dated July 15, 2004 regarding "The Amendment of Bank Indonesia Regulation No. 5/13/PBI/2003 concerning Net Open Position For Commercial Banks".

**LOAN PURCHASED FROM IBRA**  
**January 01, 2005 - December 31, 2005**  
(In millions of Rupiah)

<b>NO</b>	<b>DESCRIPTION</b>	<b>Amount</b>
1	Loan principal / outstanding balance as of December 31, 2005	4,771,405
2	Amount of loan purchased from January 1, 2005 - December 31, 2005	-
3	Total provision / deferred income	159,858
4	Allowance for possible loan losses as of December 31, 2005	807,109
5	Interest income from January 1, 2005 - December 31, 2005	209,066





# Notes

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