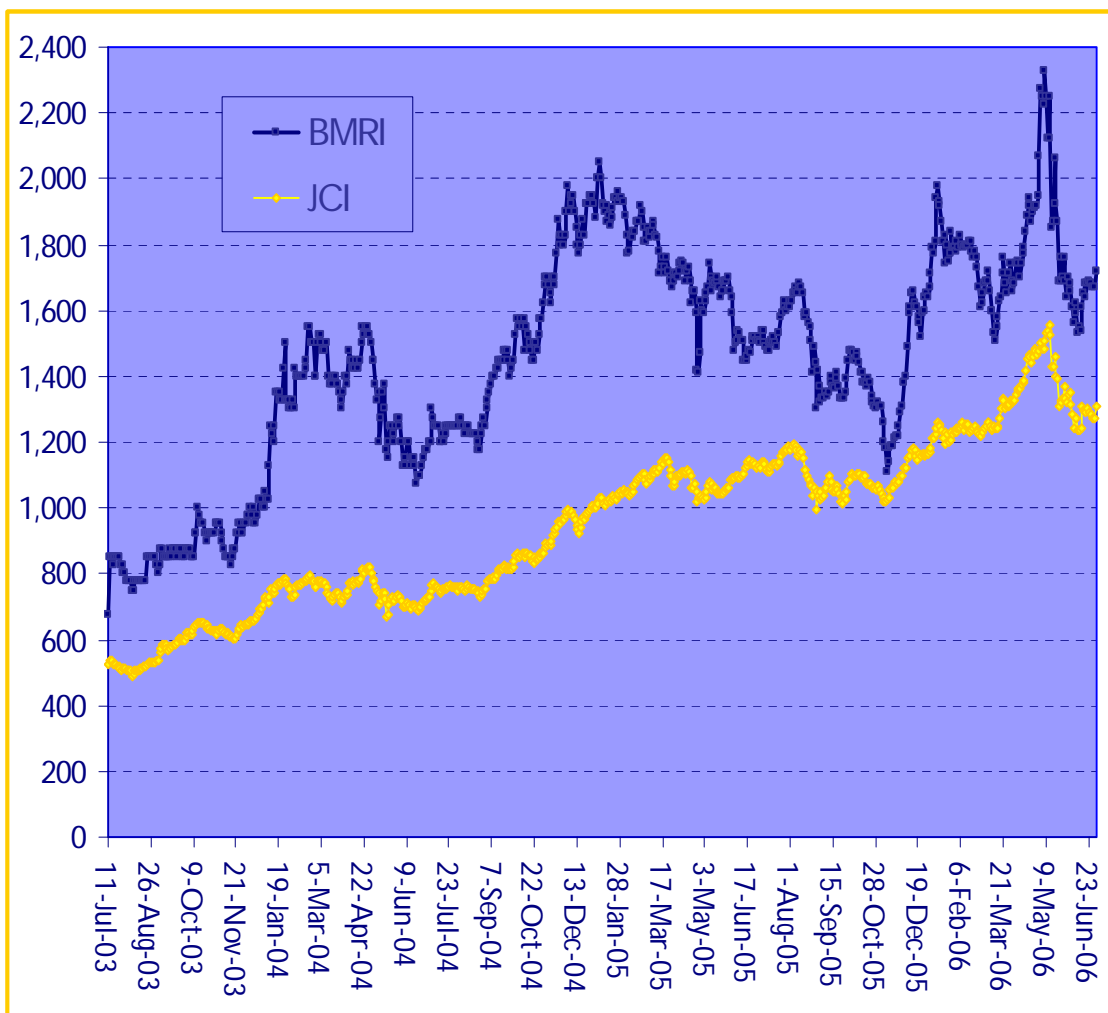


PT Bank Mandiri (Persero) Tbk

Q2 2006 Results Presentation

Passion to Serve, Passion to Perform

Share Information



△ from:	IPO	Jan 1 2006
BMRI	+154.82%	+4.88%
JCI	+149.72%	+12.70%

Description	Shareholders as of 30 June 2006		
	Investors	Shares	%
DOMESTIC			
1. Government	1	14,000,000,000	68.9%
2. Retail	9,697	689,959,500	3.4%
3. Employees	8,776	74,265,402	0.4%
4. Pension Funds	98	83,902,500	0.4%
5. Assurance/Banks	31	90,588,000	0.4%
6. Institutional	181	437,231,684	2.2%
7. Mutual Funds	65	131,859,500	0.6%
Total	18,849	15,507,806,586	76.3%
INTERNATIONAL			
1. Retail	59	10,553,000	0.1%
2. Institutional	322	4,793,217,816	23.6%
Total	381	4,803,770,816	23.7%
TOTAL	19,230	20,311,577,402	100.0%

Bank Mandiri Presentation Contents

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Key Half Year Balance Sheet Items & Financial Ratios

<i>IDR billion / %</i>	H1 2005	FY 2005	H1 2006	YoY Change (%)
Gross Loans	103,905	106,853	107,828	3.6
Government Bonds	92,536	92,056	92,338	(0.2)
Total Assets	256,784	263,383	255,278	(0.6)
Customer Deposits	183,185	206,289	197,027	7.6
Total Equity	22,787	23,215	23,856	4.7
RoA - before tax (p.a.)	0.8%	0.5%	0.9%	
RoE - after tax (p.a.)	5.1%	2.5%	6.9%	
Cost to Income ⁽¹⁾	48.3%	56.6%	47.3%	
NIM (quarterly)	4.2%	4.0%	4.3%	
LDR	56.7%	51.8%	54.7%	
Gross NPL / Total Loans	24.5%	25.3%	24.9%	
Provisions / NPLs	42.4%	44.4%	49.1%	
Tier 1 CAR ⁽²⁾	17.8%	18.0%	19.4%	
Total CAR ⁽²⁾	23.7%	23.7%	25.1%	
Total CAR incl. Market Risk	23.2%	23.2%	24.6%	
EPS (Rp)	31	30	40	29.0
Book Value/Share (Rp)	1,132	1,150	1,175	3.8

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

(2) Bank only - Not including Market Risk

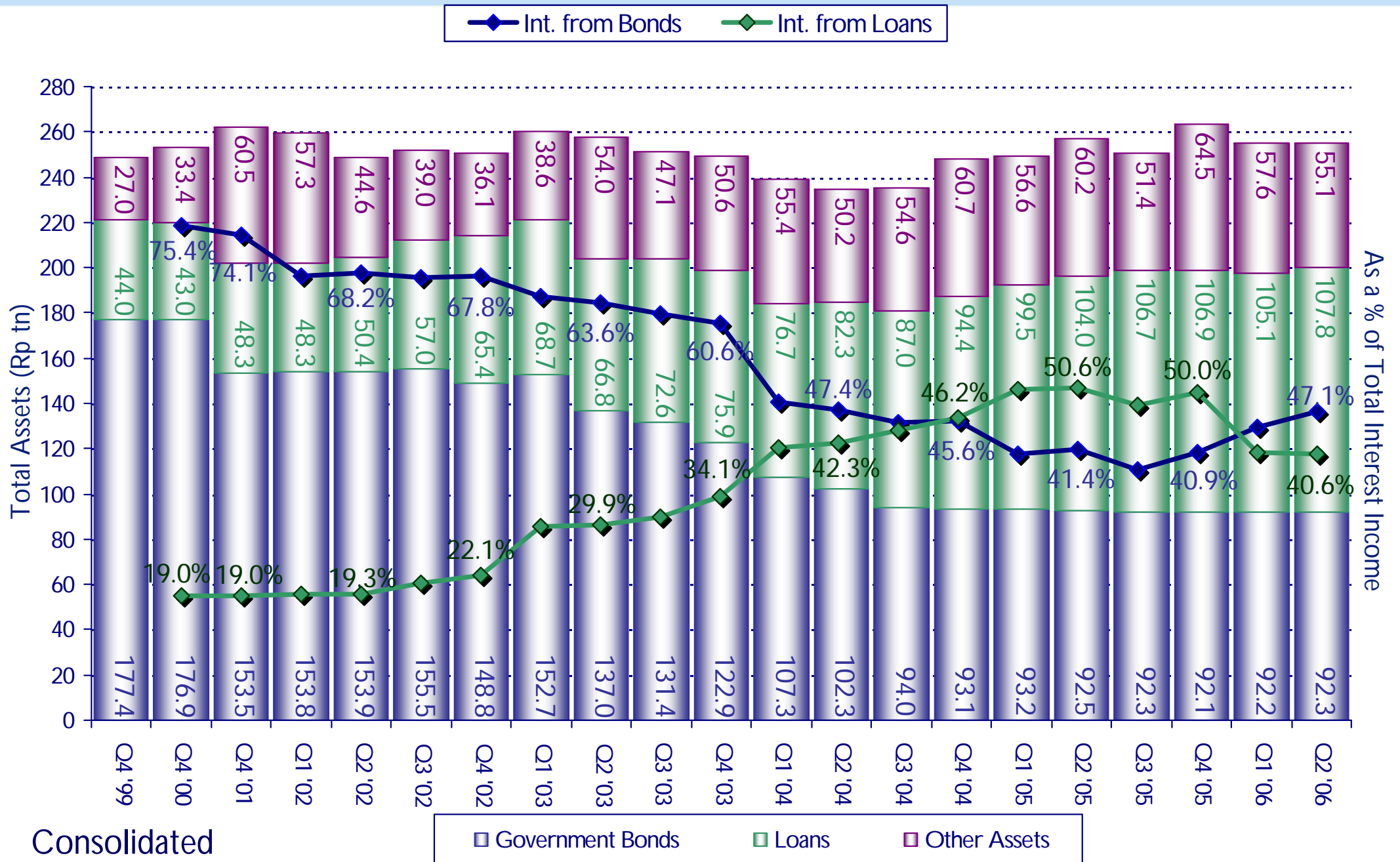
Summary P&L Information – H1 2005 vs. H1 2006

	H1 2005		H1 2006		YoY Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	9,556	7.6	13,266	10.2	38.8
Interest Expense	(5,001)	(4.0)	(8,416)	(6.5)	68.3
Net Interest Income	4,555	3.6	4,850	3.7	6.5
Other Operating Income	1,145	0.9	1,201	0.9	4.9
Gain from Increase in Value & Sale of Bonds	282	0.2	96	0.1	(66.0)
Provisions, Net	(1,883)	(1.5)	(1,826)	(1.4)	(3.0)
Personnel Expenses	(1,281)	(1.0)	(1,439)	(1.1)	12.3
G & A Expenses	(1,472)	(1.2)	(1,425)	(1.1)	(3.2)
Other Operating Expenses**	(346)	(0.3)	(281)	(0.2)	(18.8)
Profit from Operations	1,000	0.8	1,176	0.9	17.6
Non Operating Income	(35)	0.0	2	0.0	(105.7)
Net Income Before Tax	965	0.8	1,178	0.9	22.1
Net Income After Tax	616	0.5	815	0.6	32.3

* % of Average Assets on an annualized basis

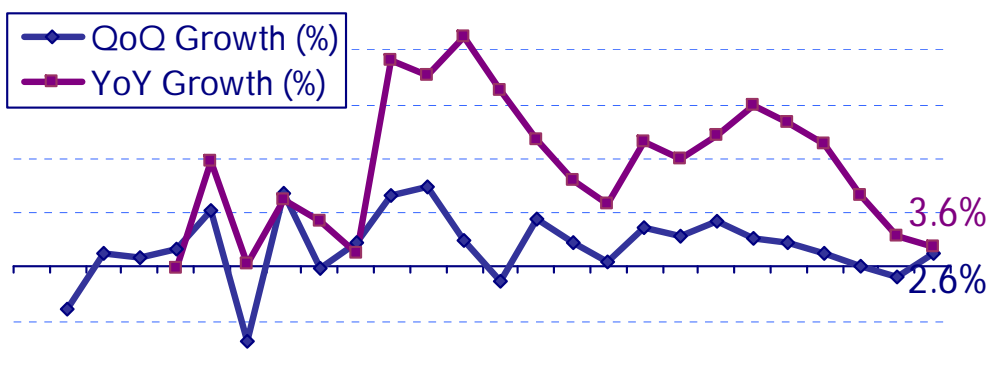
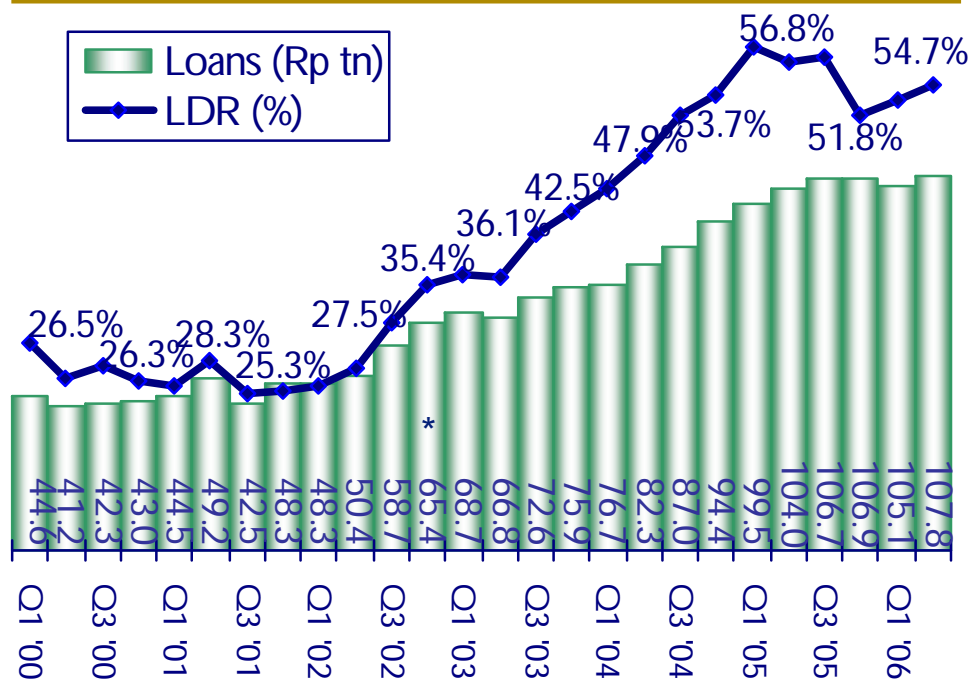
** primarily premiums paid under the blanket guarantee scheme

Total assets fell by 0.5% Y-o-Y but rose 0.2% Q-o-Q



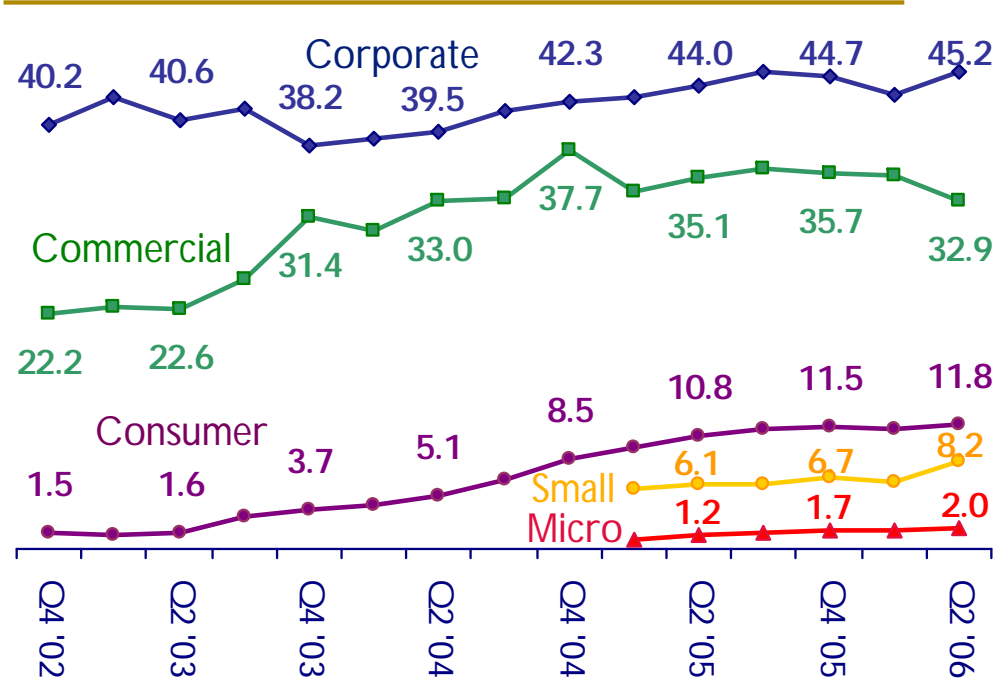
Loan volume grew Q-o-Q across all segments but Commercial

Quarterly Loan Data – Consolidated



* Note: Includes IBRA loan purchases of Rp 5 tr

Quarterly Loan Segment Details – Bank Only

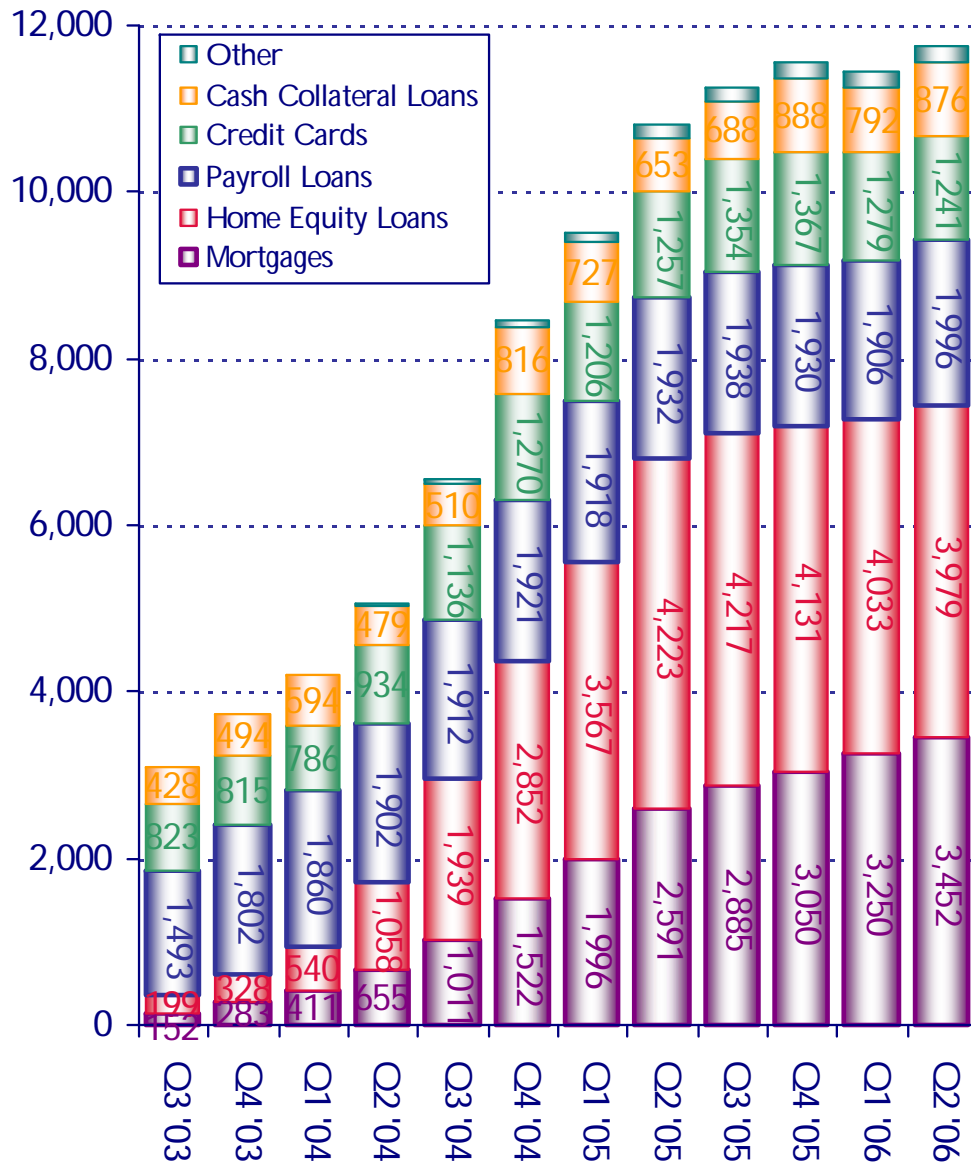


By Segment (Bank only)	Loans (Rp tn)	Y-O-Y Growth (%)	% of Portfolio
Corporate	45.178	2.8%	45.1%
Commercial	32.925	(6.2%)	32.9%
Small	8.234	35.6%	8.2%
Micro	1.990	63.0%	2.0%
Consumer	11.755	8.8%	11.7%
Total	100.082	3.0%	100.0%

As of June 2006; Non-consolidated numbers

Consumer lending rose 8.8% Y-o-Y on Mortgage growth

Quarterly Consumer Loan Balances by Type



Consumer Loan Growth by Type

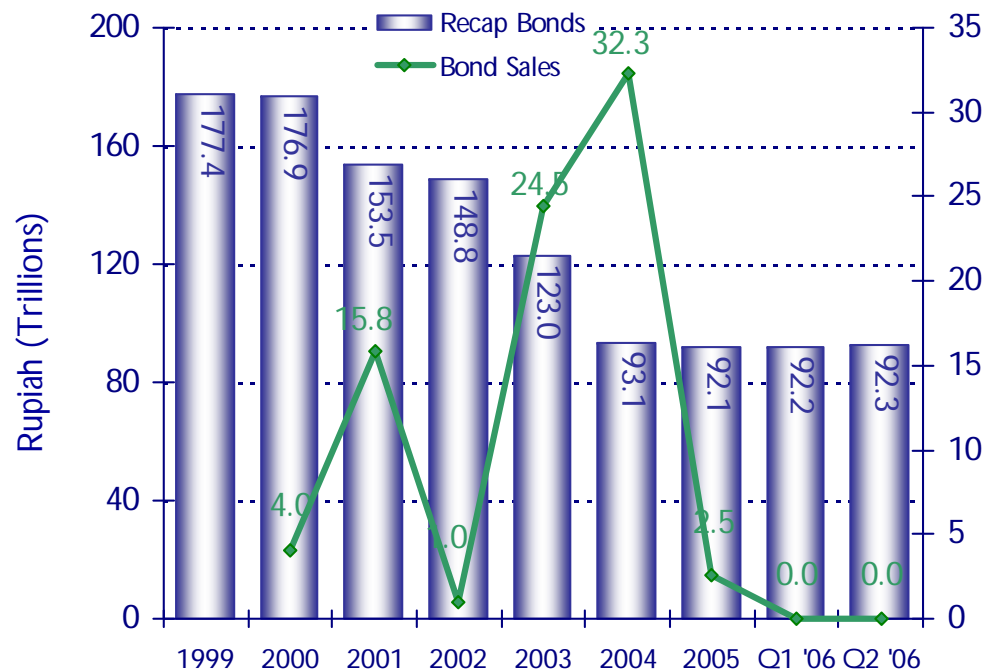
Loan Type	Growth (%)	
	Y-o-Y	Q-o-Q
Other	44.56%	7.62%
Cash Collateral Loans	34.16%	10.57%
Credit Cards	(1.27%)	(3.02%)
Payroll Loans	3.33%	4.73%
Home Equity Loans	(5.77%)	(1.33%)
Mortgages	33.23%	6.20%
Total Consumer	8.83%	2.60%

*Auto & Motorcycle Loans channeled or executed through finance companies = Rp 3.25 tn in our Commercial Loan Portfolio

Recap Bond Portfolio stable at Rp92.3 tn in Q2 '06

<i>At Fair Value, June 2006 (Rp tn)</i>	Trading (Mark to Market*)	AFS (Mark to Market#)	HTM (Nominal Value)	Total	% of Total
Fixed Rate	0.6	1.9	1.4	3.9	4.2%
Variable Rate	1.7	27.0	59.7	88.4	95.8%
Hedge Bonds	-	-	-	-	-
Total	2.3	28.9	61.1	92.3	
% of Total	2.5%	31.3%	66.2%		

Bond Portfolio Movement (Fair Value) 1999 – Q2 '06



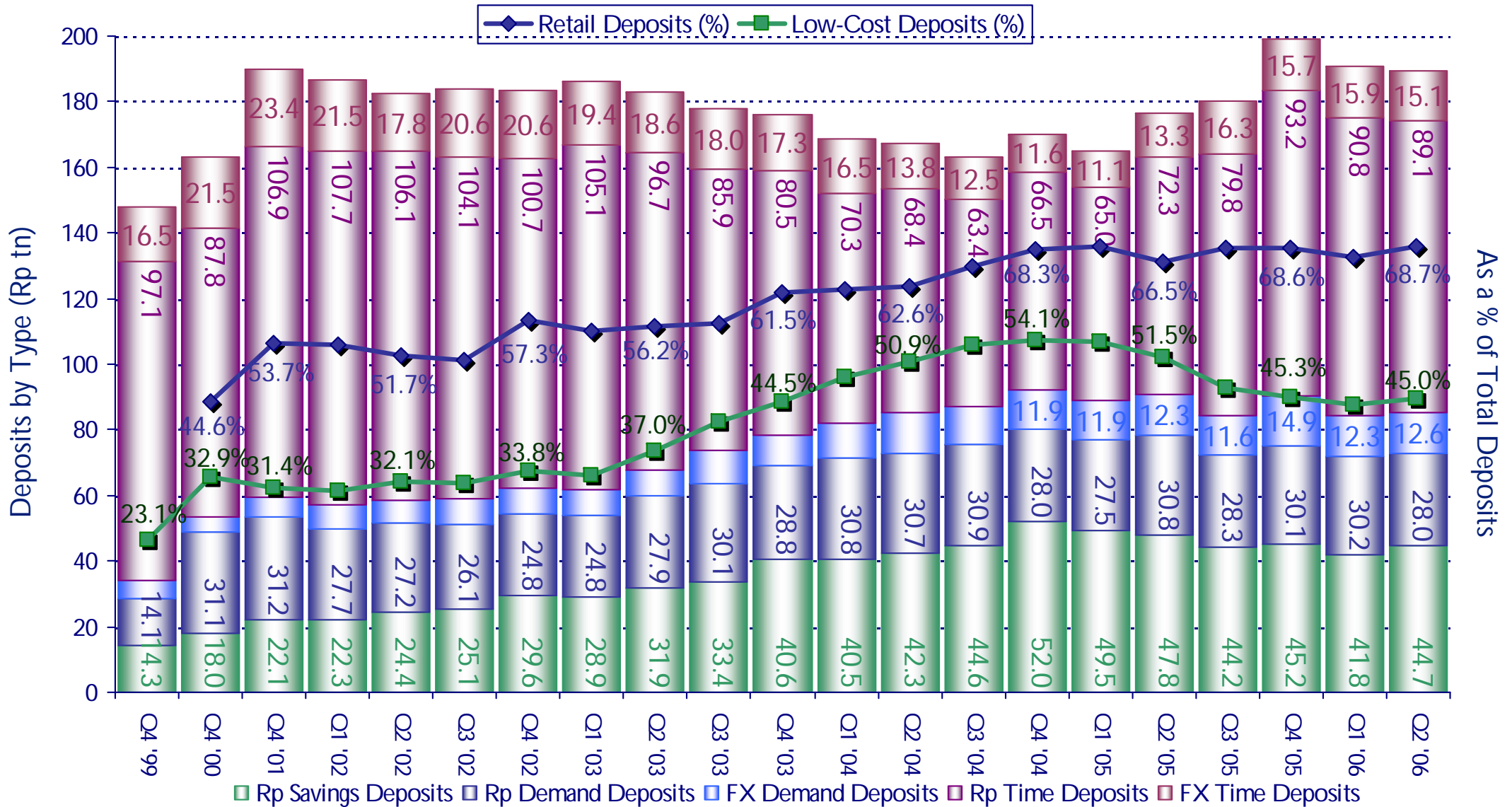
Portfolio Sales as of June 2006 (Rp bn)

IDR bn	2003	2004	2005	Q1 '06	Q2 '06
Bonds Sold	24,505	32,334	2,544	20	0
Realized Profit	1,868	1,365	257	5	0
Unrealized Profit	(52)	66	(66)	48	17

* Mark to Market impacts Profit
Mark to Market impacts Equity

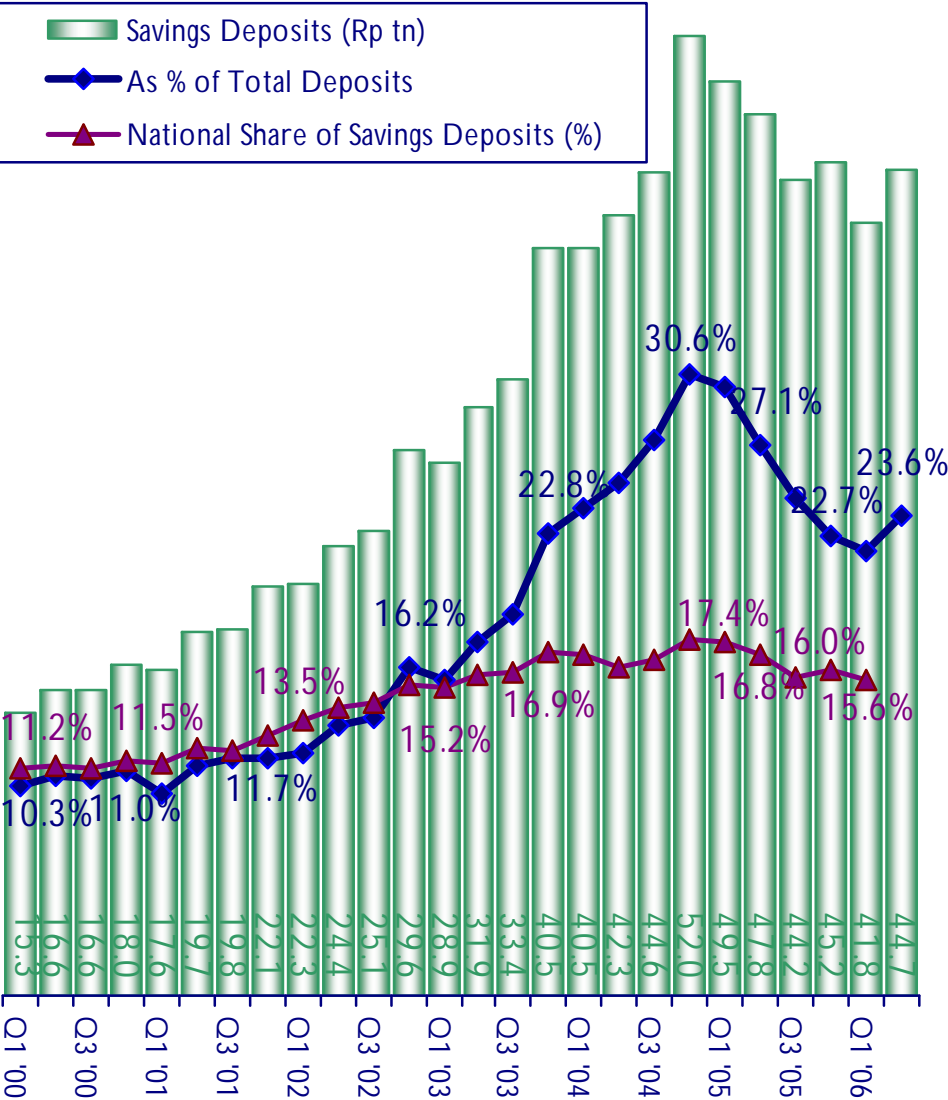
Rp Savings up 7.1% in Q2 while Rp & FX Time accounts drop

Deposit Analysis – Bank Only

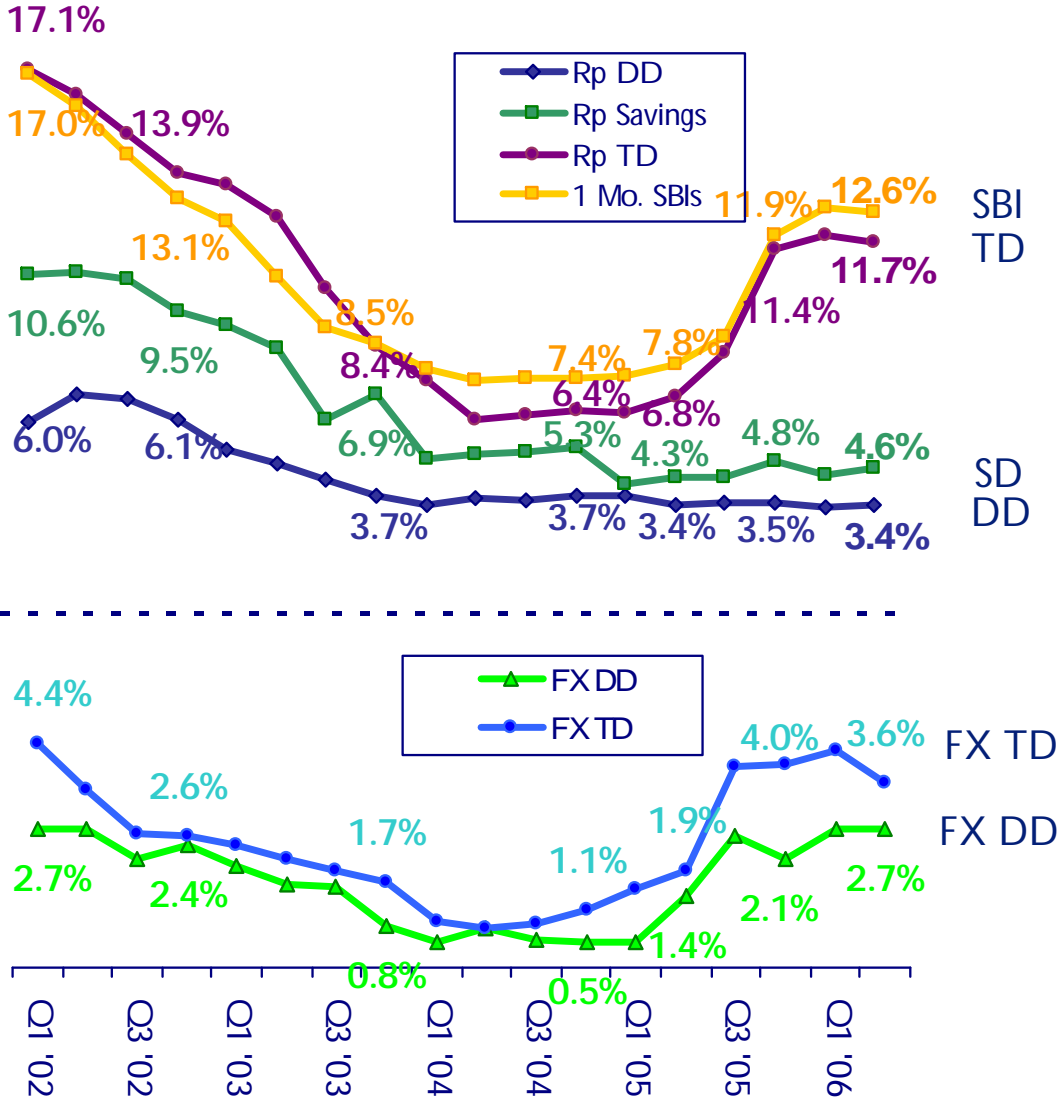


Savings deposit volume rebounds to 23.6% of total in Q2

Savings Deposit Growth

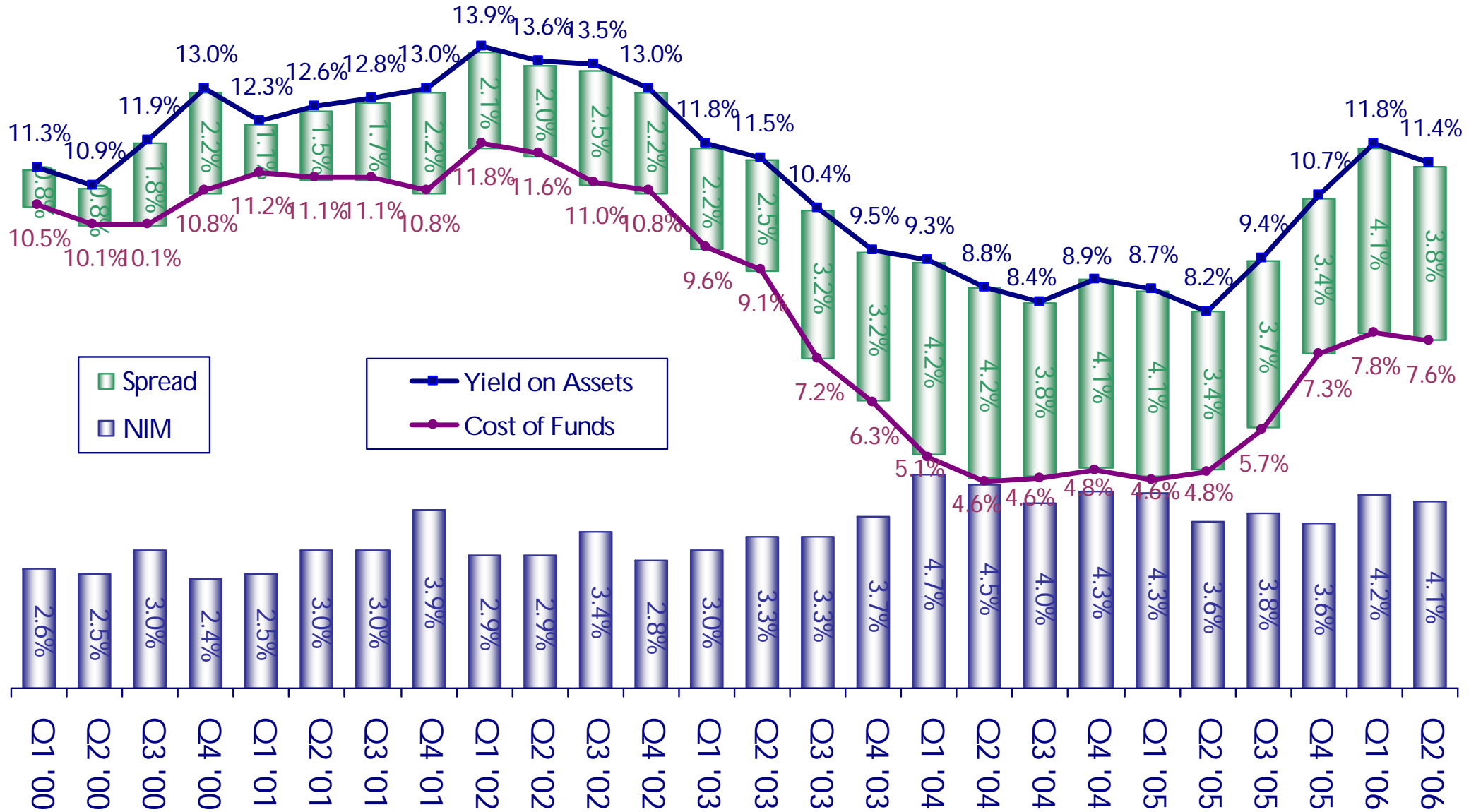


Average Quarterly Deposit Costs (%)



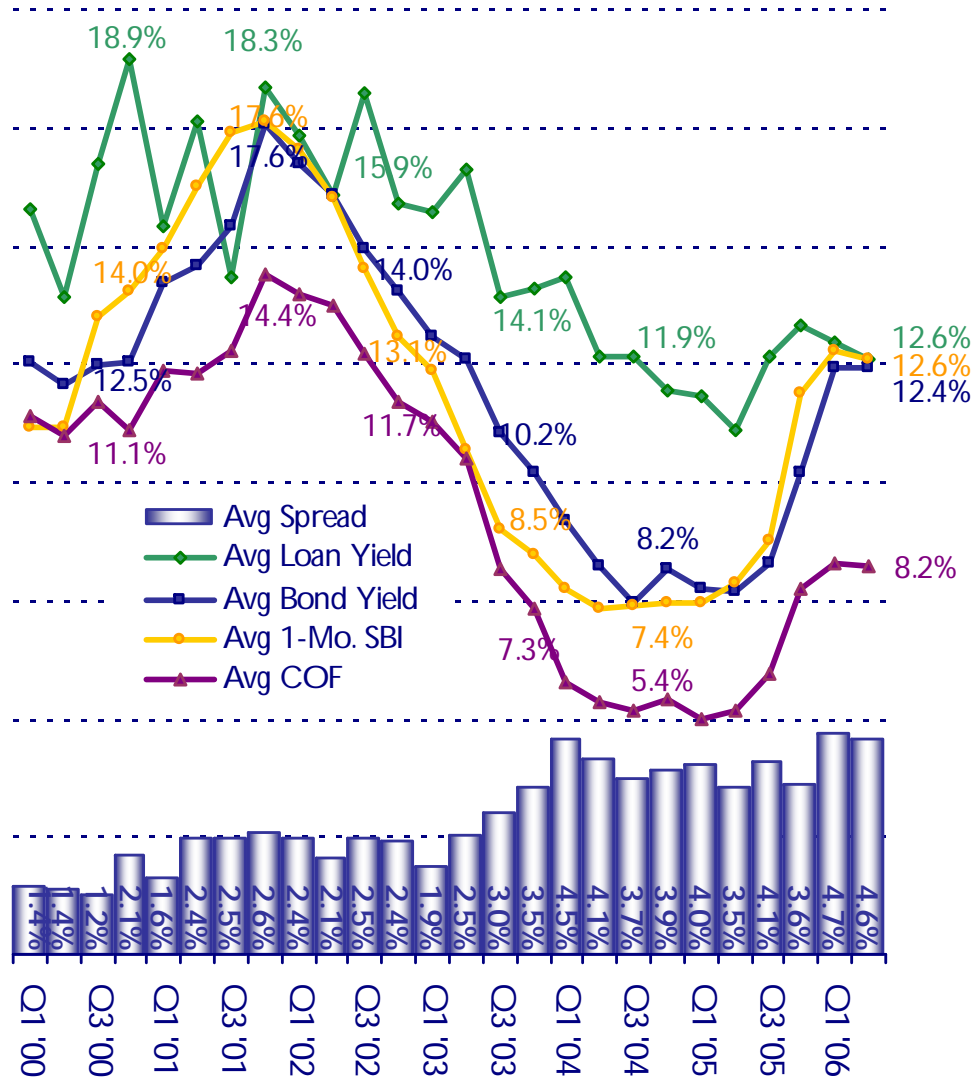
Margins drop slightly from a revised Q1 level of 4.2%

All figures - Bank Only

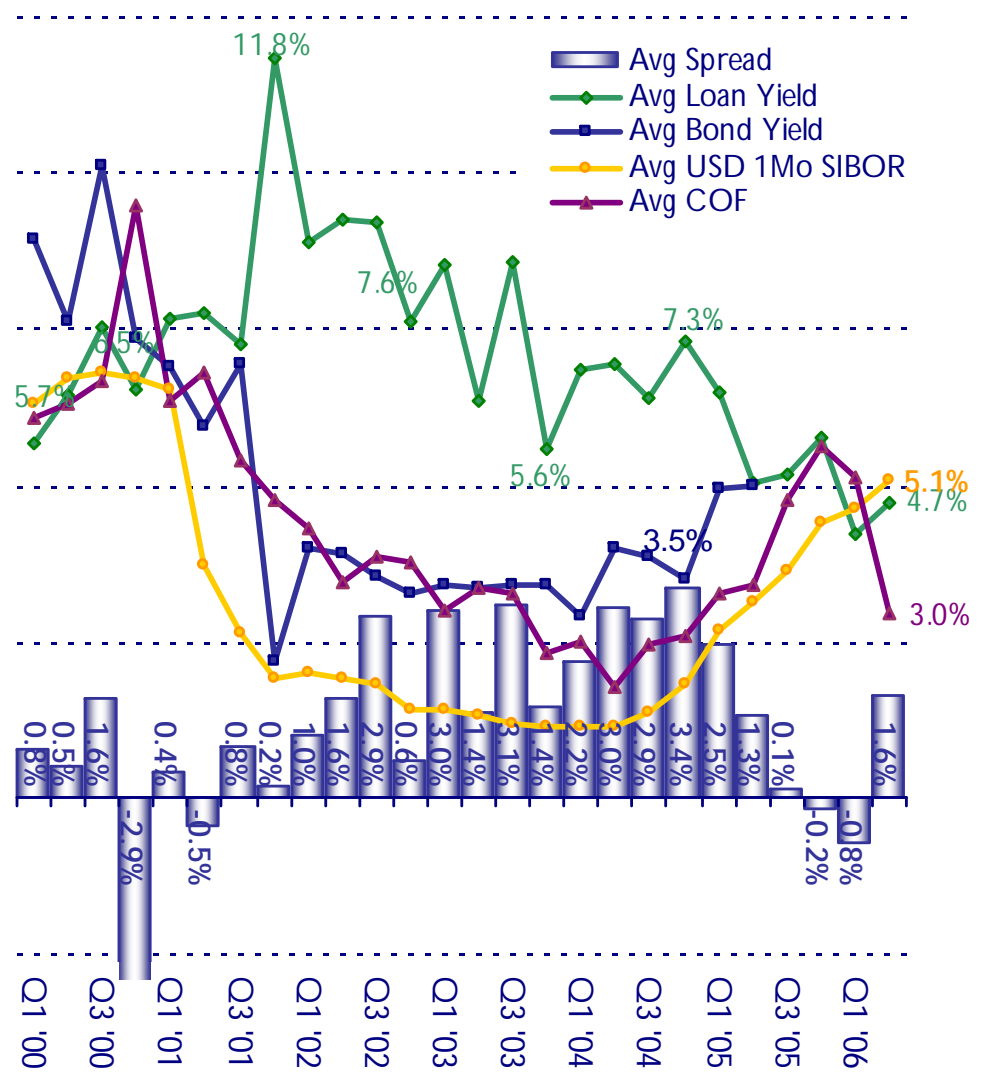


Quarterly Margin Analysis by Currency

Quarterly Rupiah Margins

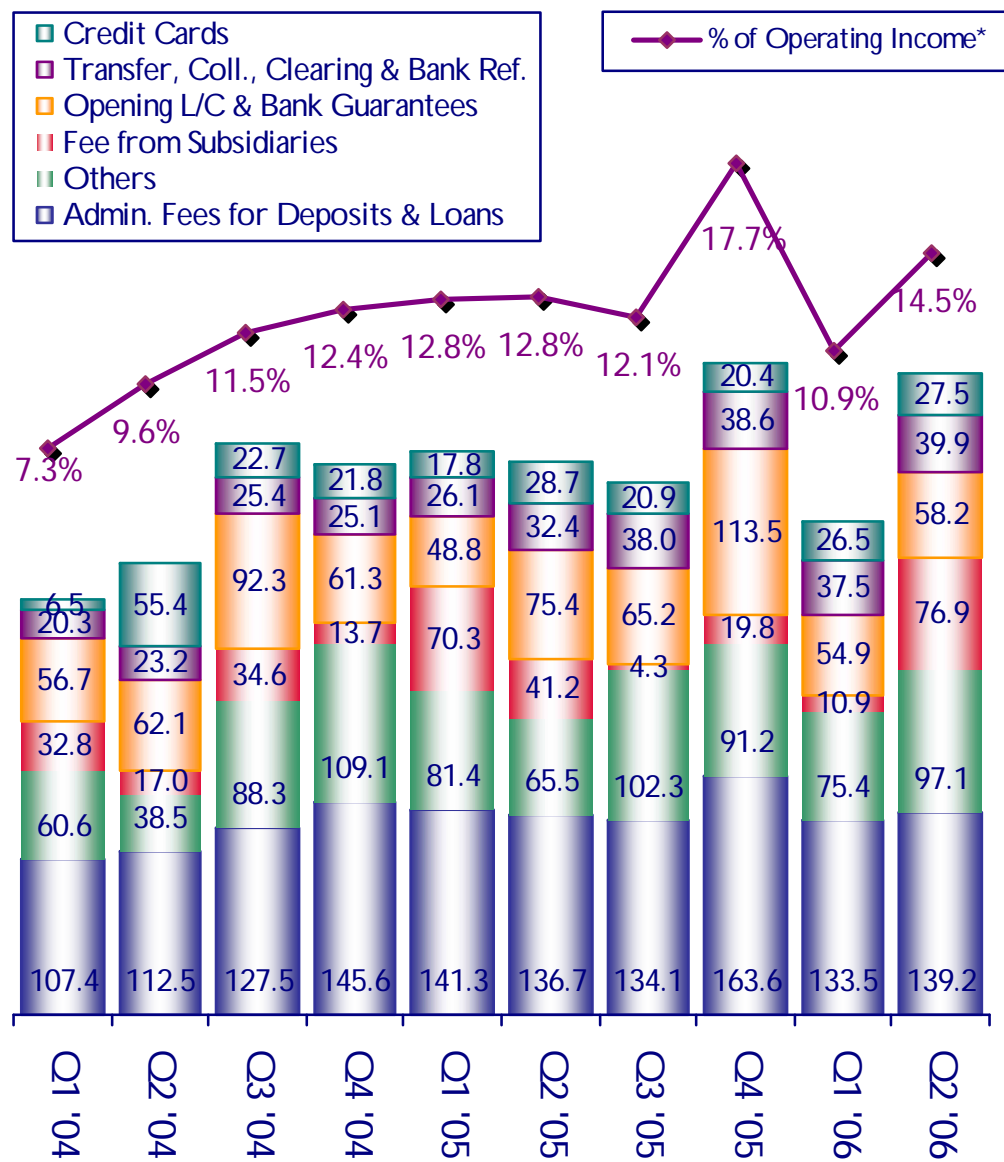


Quarterly Foreign Currency Margins



Non-loan Related Fees & Commissions jump on Subsidiaries

Non-loan related fees & commissions



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

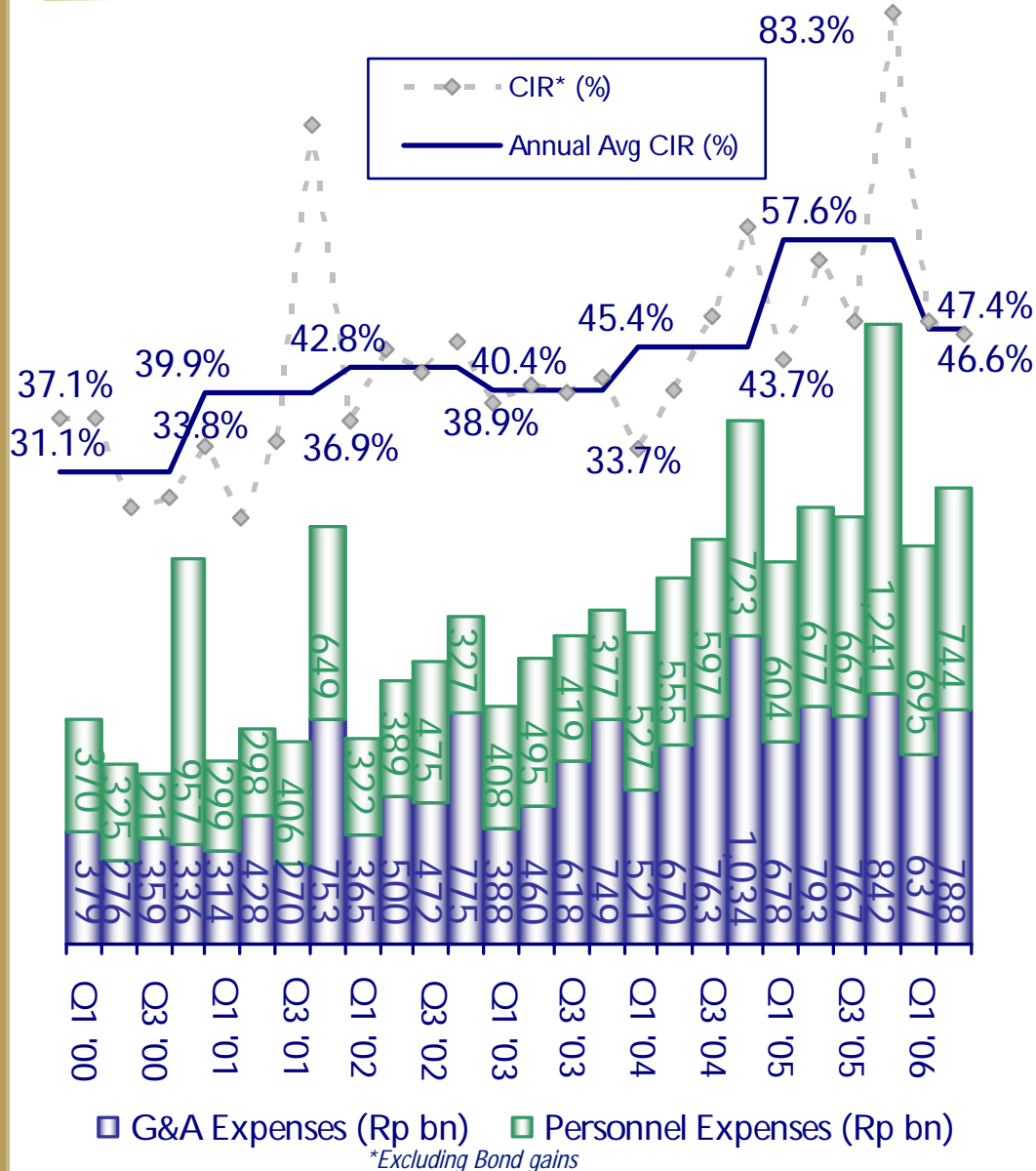
Details of Q2 2005 & 2006

Non-Loan Related Fees & Commissions (Rp billion)	Q2 2005	Q2 2006	Y-o-Y Δ (%)
Admin. Fees	136.66	139.18	1.8%
Others*	65.50	97.13	48.3%
Subsidiaries	41.17	76.87	86.7%
L/C & Guarantees	75.36	58.17	(22.8%)
Transfers, Collections..	32.38	39.86	23.1%
Credit Cards	28.72	27.50	(4.2%)
Total	379.78	438.70	15.5%

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

Cost to Income Ratio remains below 50% with restrained G&A

Quarterly Consolidated Operating Expenses & CIR

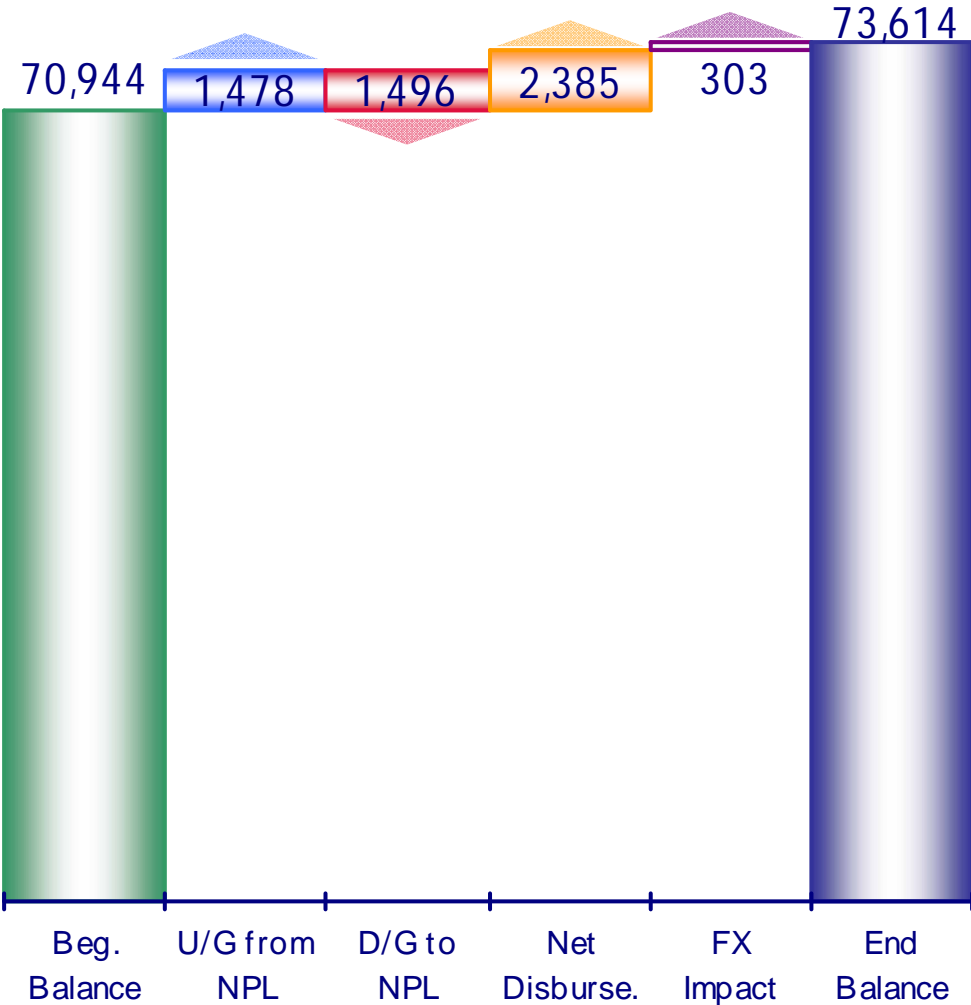


Breakdown of Q2 2005 & 2006 Operating Expenses

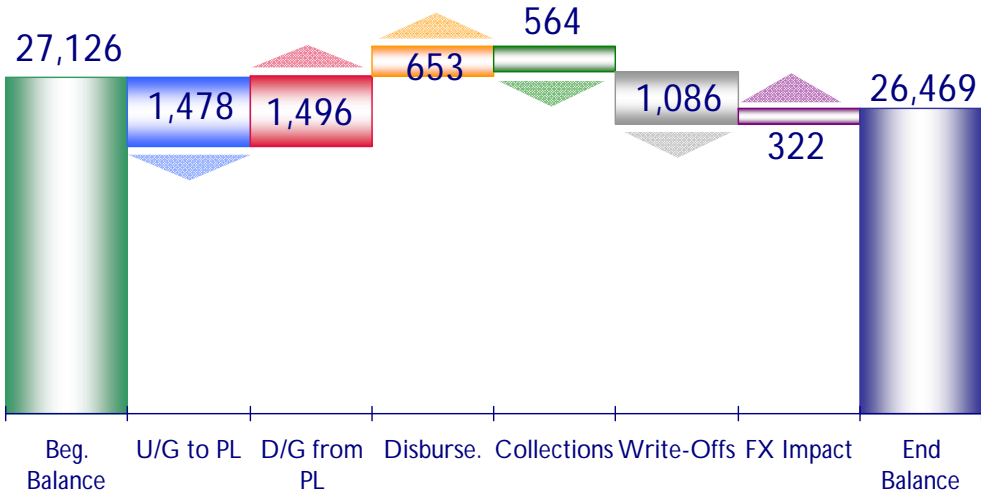
	Q2 '05	Q2 '06	Change (Y-o-Y)
Personnel Expenses			
Base Salary	254,537	244,849	(3.8%)
Other Allowances	313,182	336,079	7.3%
Post Employment Benefits	14,414	63,872	343.1%
Training	33,369	26,281	(21.2%)
Subsidiaries	60,968	72,556	19.0%
Total Personnel Expenses	676,470	743,637	9.9%
G & A Expenses			
IT & Telecommunication	200,800	235,238	17.2%
Occupancy Related	223,853	222,007	(0.8%)
Promotion & Sponsorship	96,179	75,624	(21.4%)
Transportation & Traveling	63,806	60,349	(5.4%)
Professional Services	101,948	64,613	(36.6%)
Employee Related	66,943	49,711	(25.7%)
Subsidiaries	40,398	80,515	99.3%
Total G & A Expenses	793,927	788,057	(0.7%)

Q2 2006 Loan Movement, PL & NPL

Performing Loan Movements (Rp bn) - Bank Only

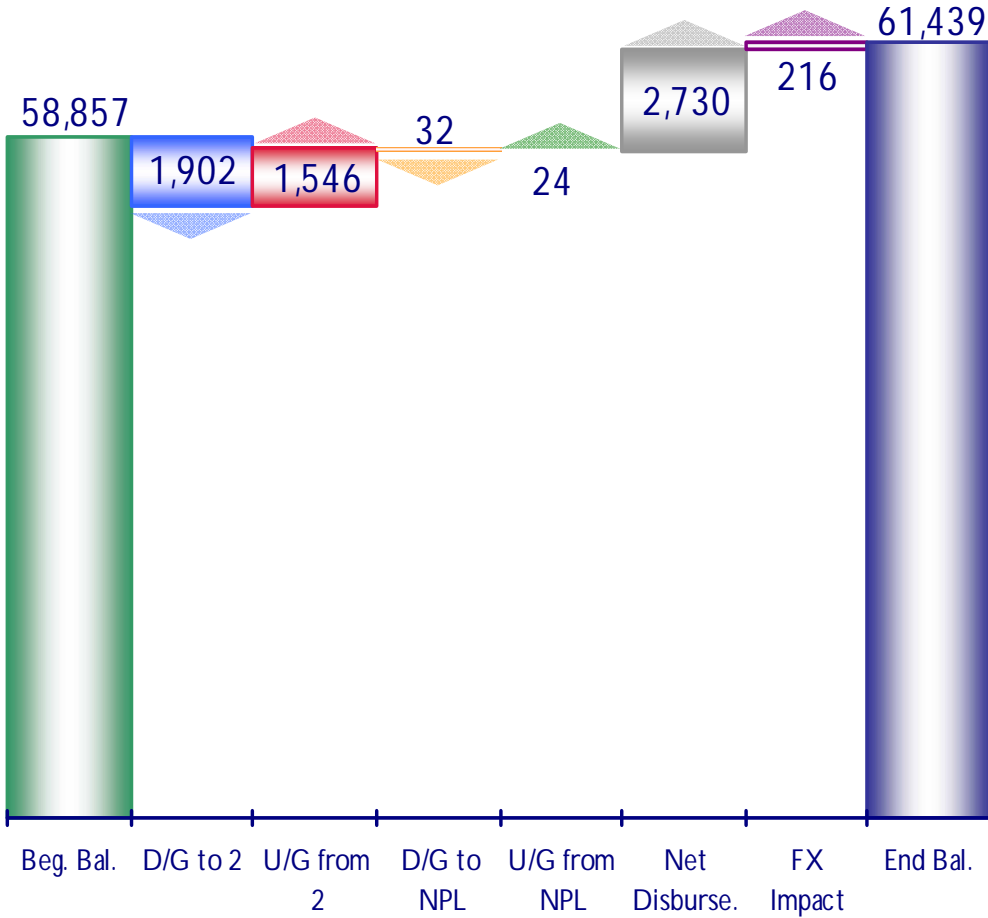


Non-Performing Loan Movements (Rp bn) - Bank Only

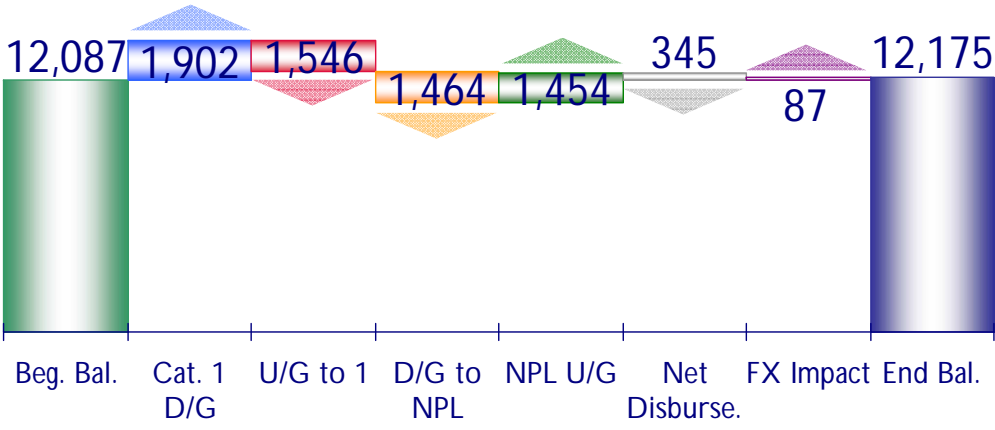


Q2 2006 Movement in Category 1 and 2 Loans

Category 1 Loan Movements (Rp bn) – Bank Only

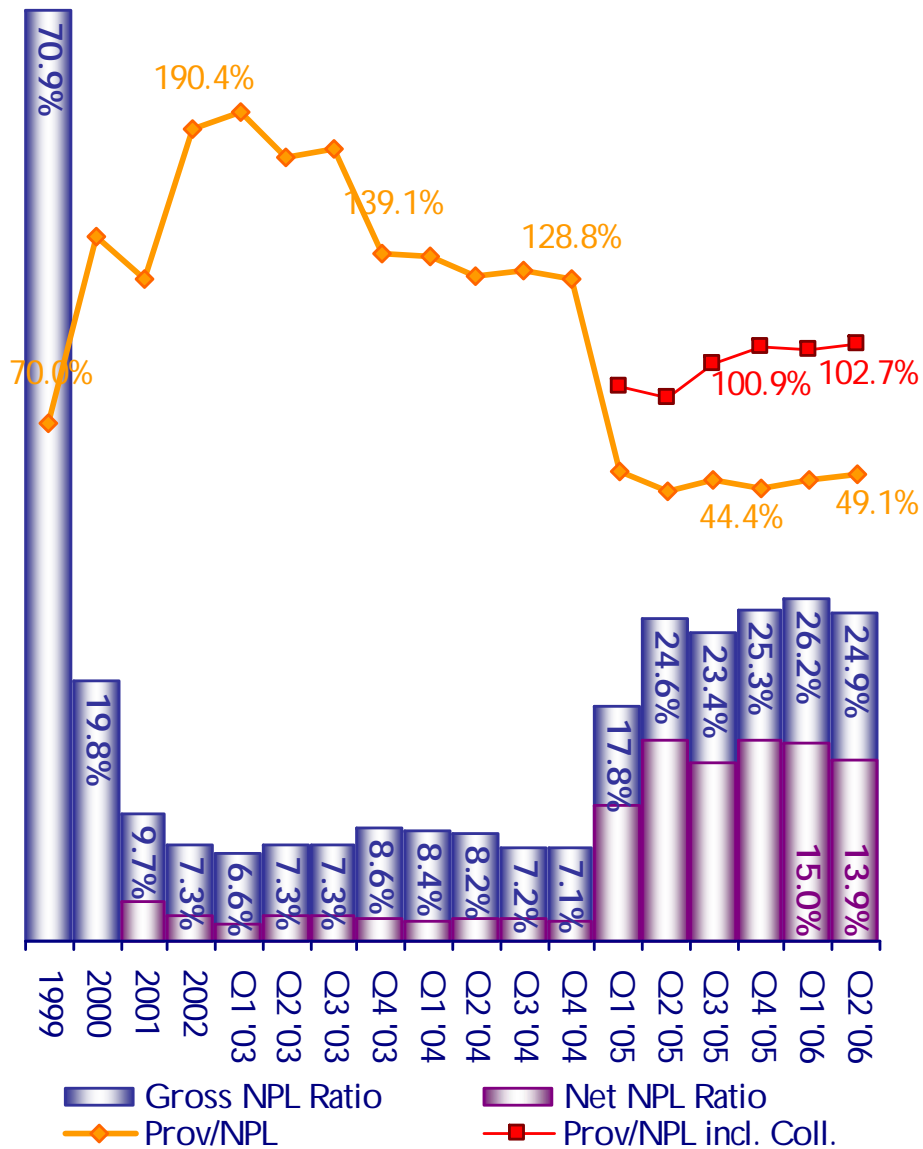


Category 2 Loan Movements (Rp bn) – Bank Only

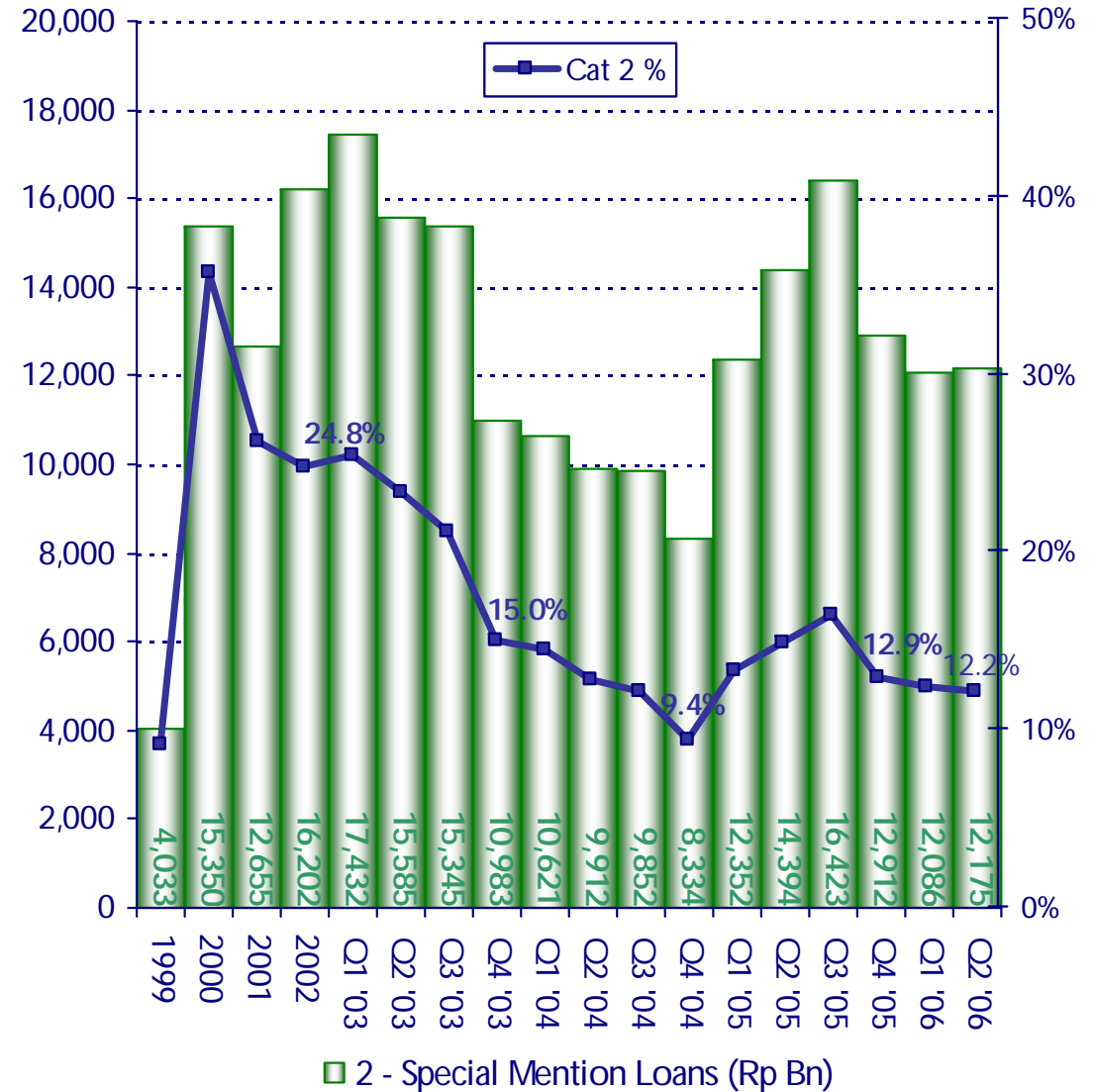


Provisioning coverage reflects BI requirements

NPL Movement - Consolidated



Category 2 Loans – Bank Only



NPL, Provisioning & Collateral Details – Bank Only

Non-Performing Loans by Segment

	NPLs (Rp tn)	Q2Δ (Rp tn)	NPLs (%)
Corporate	16.11	(0.61)	35.66%
Commercial	8.61	(0.91)	26.16%
Small	0.94	0.73	11.43%
Micro	0.22	0.07	11.26%
Consumer	0.58	0.06	4.93%
Total	26.47	(0.66)	26.45%

- Bank Mandiri's current provisioning policy adheres to BI requirements
- As of 30 June '06, loan loss provisions excess to BI requirements = Rp202.1 bn

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

Collateral Valuation Details

Collectibility	1	2	3	4	5
Total Cash Prov. (Rp bn)	617	607	395	1,940	9,385
% Cash Provisions	1.0%	5.0%	12.4%	31.7%	54.7%
Collateral Prov. (Rp bn)		2,501	1,150	2,763	7,984
# of Accounts		12	18	25	71

Collateral has been valued for 126 accounts and collateral provisions of Rp 14,398bn have been credited against loan balances of Rp 18,592bn

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

Quarterly Analysis of Upgrades and Downgrades*

Total Corporate, Commercial & Small Business Loans

Loan Background	Q2 '06 Balance (Rp bn)	Net Upgrades/Downgrades#				Q2 2006 Details	
		Q3 2005	Q4 2005	Q1 2006	Q2 2006	DG to NPL	UG to PL
Restructured	18,444.8	4.5%	2.9%	0.8%	0.4%	1.7%	1.3%
IBRA	4,070.4	0.5%	4.8%	0.3%	3.2%	-	3.2%
Pre-Merger	922.3	0.1%	1.2%	0.2%	0.2%	0.2%	-
Post-Merger	55,041.1	1.4%	5.1%	2.3%	1.1%	1.7%	0.5%
Overseas	1,947.7	0.4%	3.6%	0.2%	36.3%	0.2%	36.5%
Total	82,426.3	2.0%	4.5%	1.8%	0.1%	1.6%	1.7%

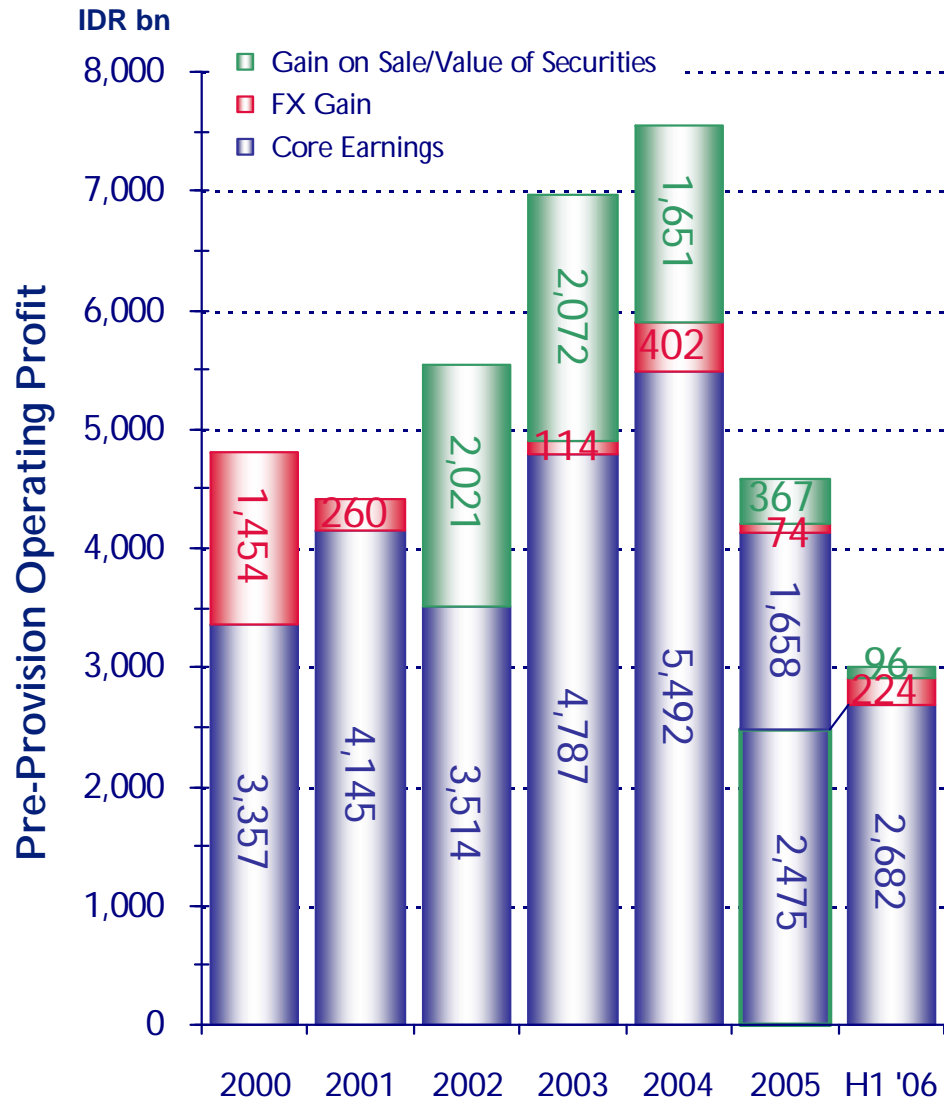
% downgrades and upgrades are quarterly figures

* Excluding Micro & Consumer Banking

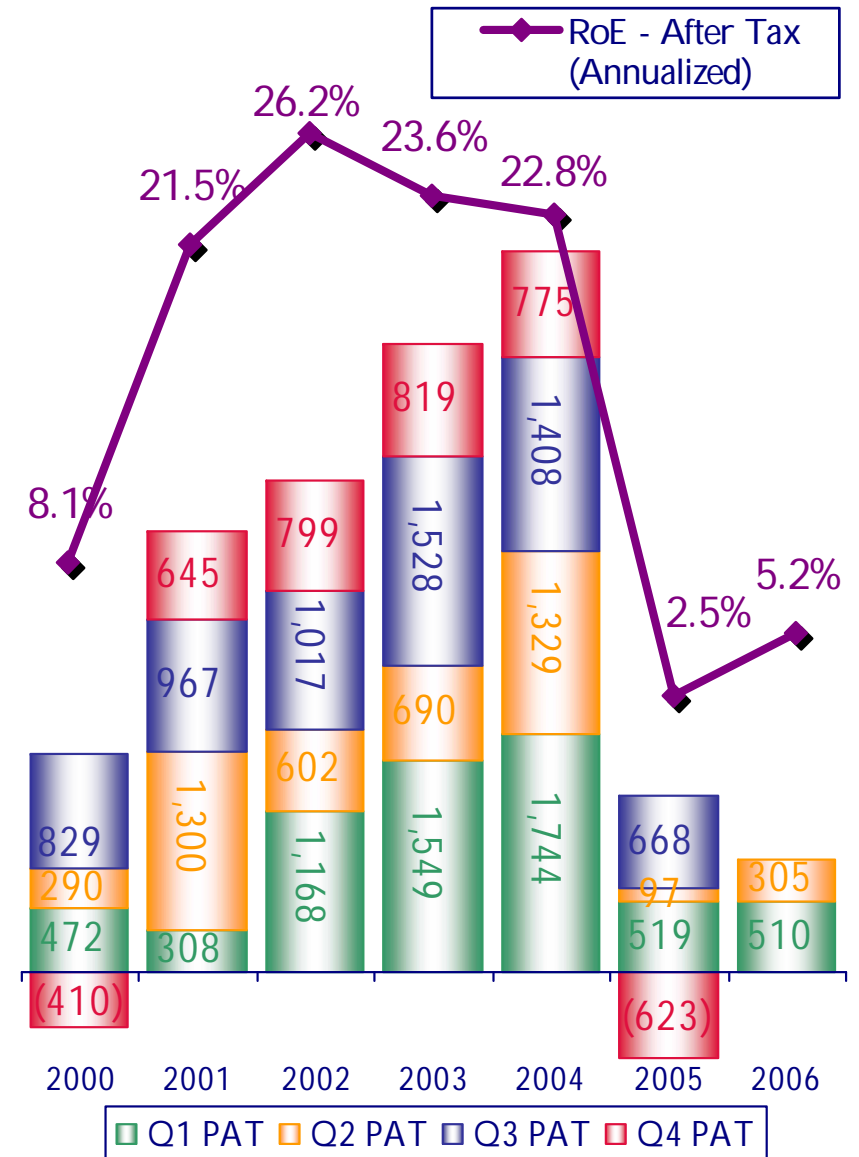
Note: For a breakdown of Corporate and Commercial loans, please refer to the detail slide in the appendix.

H1 2006 core earnings up 8.4% from H1 2005

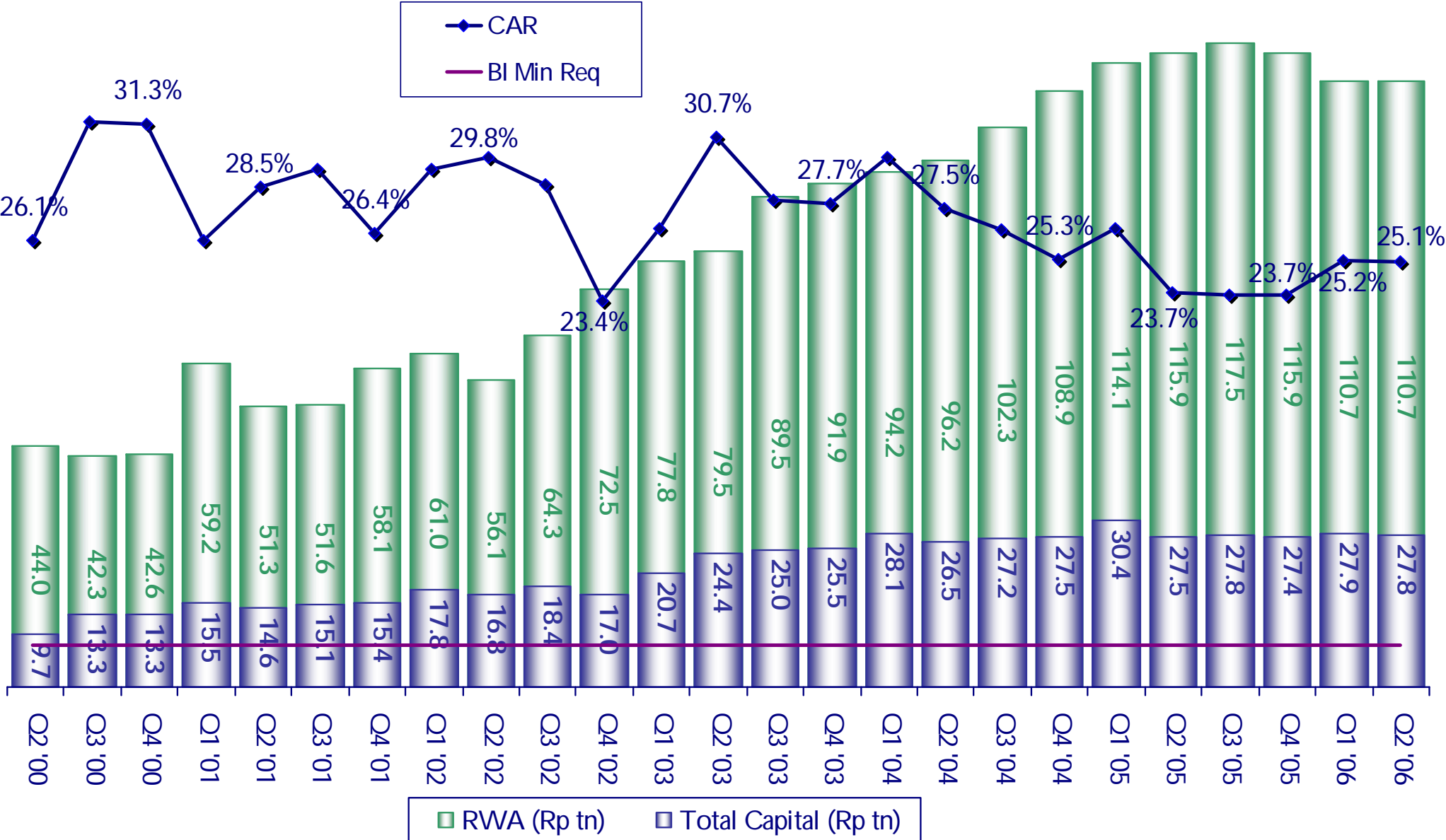
Core Earnings



Profit After Tax & ROE



Strong CAR maintained at 25.1%



Additional Factors

Written-off Loans

- Aggregate of IDR 24.68 tn (US\$ 2.66 bn) in written-off loans as of end-June 2006, 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
 - 2005: IDR 0.818 tn (US\$ 83.2 mn)
 - Q1 '06: IDR 0.204 tn (US\$ 22.5 mn)
 - Q2 '06: IDR 0.200 tn (US\$ 21.6 mn)

Loan Collateral Undervalued

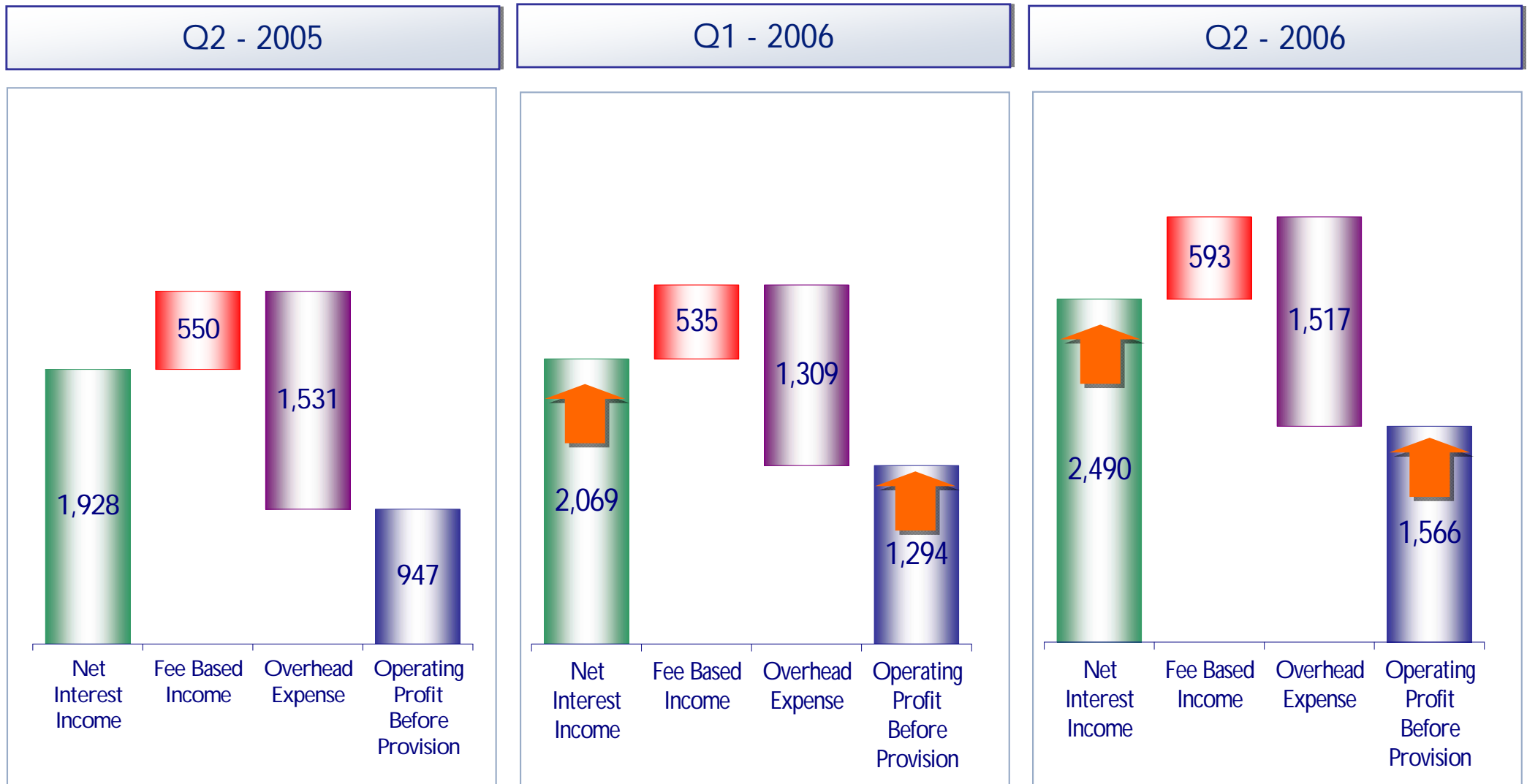
- Collateral values included for provisioning purposes on only 126 accounts. This will rise as current valuations are completed

Corporate Actions

Dividend Payment

- Dividend Payment of Rp14.853 per share
- Schedule :
 - a. Cum Date : June 14, 2006
 - b. Ex Date : June 15, 2006
 - c. Payment Date : June 30, 2006
- Total Dividend payments for 2005 = Rp301,684,655,575.70

Operating revenues have significantly improved



Notes :

1. Bank Only
2. Fee based income excludes Gain or Losses from changes in value and sale of securities
3. Overhead cost exclude provision

Balanced Operating Profit from key Business Units

Business Unit Performance (Rp bn)	Corp.	Comm.	Cons. Finance	Micro & Retail	Treasury*	CRG
Earning Assets (Avg. Bal.)	25,786	22,534	11,507	7,929	105,966	24,782
Deposits & Borrowings (Avg. Bal.)	58,428	23,426	0	110,146	7,235	0
Interest Margin on Assets	337	370	368	32	238	(302)
Interest Margin on Liabilities	774	513	6	1,598	(3)	2
Total Interest Margin	1,111	883	374	1,631	235	(300)
Other Operating Income	80	46	61	554	404	27
Other Operating Expenses**	(145)	(193)	(187)	(1,592)	(50)	(43)
Pre-Provision Operating Profit	1,045	736	247	592	589	(316)
Operating Profit (Incl. Provision)	559	(515)	147	399	647	(625)
% of Pre-Prov. Operating Profit***	35.4%	24.9%	8.4%	20.0%	19.9%	(10.7%)
% of Operating Profit (Incl. Prov.)	49.4%	(45.6%)	13.0%	35.3%	55.3%	(55.3%)

Excludes Overseas

* Includes Government Bonds

** Includes Allocated Cost

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

Key business initiatives drive operating profit growth

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

Selected Key Business Initiatives through Q2 2006



Corporate

- Form Client Service Teams (CST) and initiate strategic alliance programs with Pertamina
- Establish Corporate Floor in strategic cities



Commercial

- Establish Automotive CBC in Jakarta
- Set CBC Team in 5 big cities
- Form alliances with several national companies
- Offer cash management services to optimize cross selling



Consumer & Retail

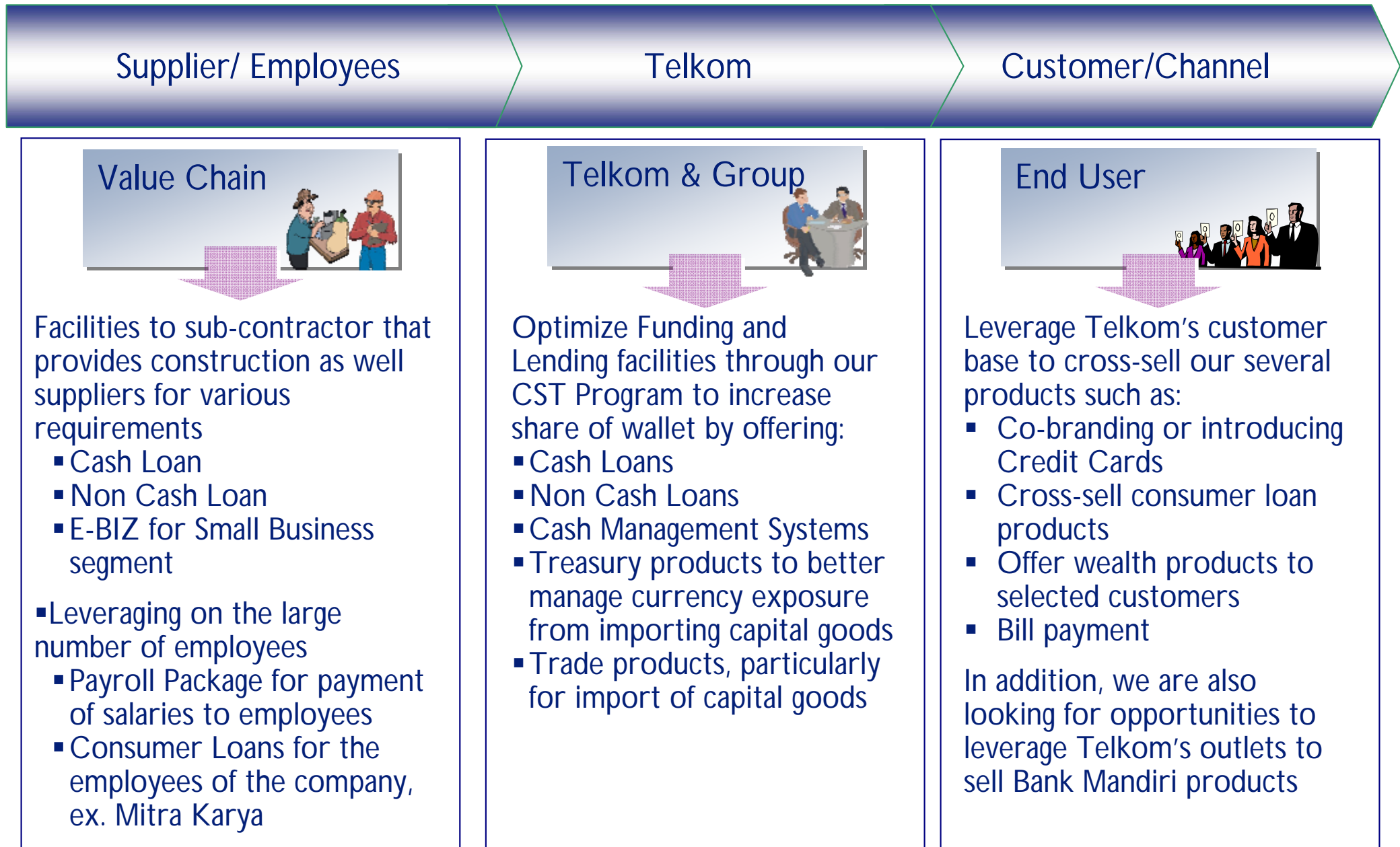
- Strategic partnership with Master Card International
- Consumer loan financing in alliance with Pertamina and Chevron
- Expand with 12 new branches
- Launch Mandiri Fiesta 3000 Program and Regional Based Promo



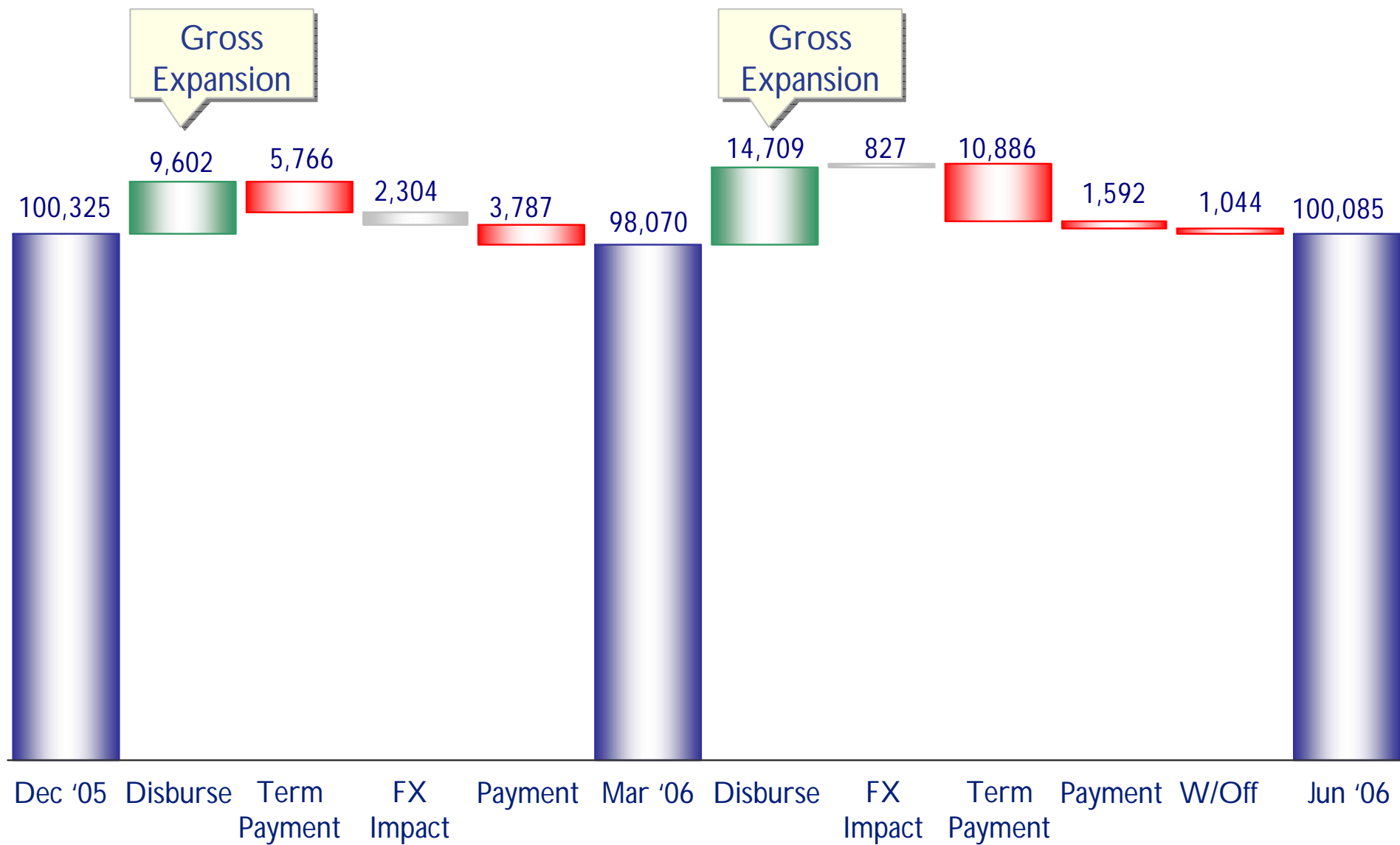
Treasury & FION

- New agreement with 15 correspondent banks; Deutsche Bank, ABN Amro, BONY, Bank Shinta, etc.
- Launch 6 new FX products.
- Acquire new customers
- Implement sophisticated *money market* business support system

Example of CST & Alliance Program in PT Telkom



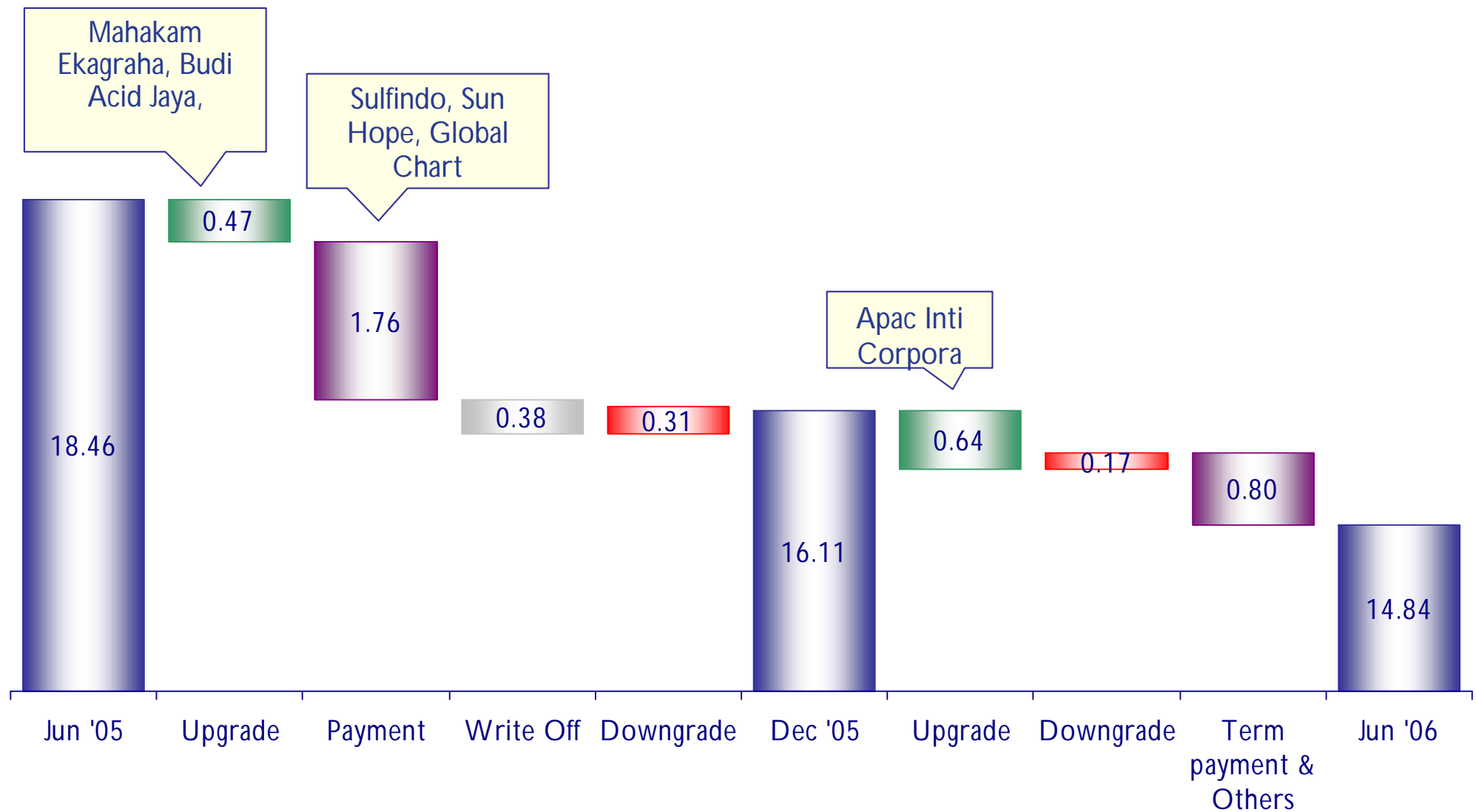
Gross loan expansion shows active underwriting, but repayments reduce reported net growth



Bank Only

Significant decline in NPLs attributed to top 30 debtors

Rp tn Bank Only



Status of selected large debtors

Raja Garuda
Mas

- Bank Mandiri and other syndication members require RGM to increase installment amount to improve loan quality and ensure final settlement by June 2010

Kiani Kertas

- Debtor has defaulted on the loan restructuring agreement and Bank Mandiri requires debtor to settle its default loans and expedite its negotiation with potential investor

Argo Pantes

- Bank Mandiri and debtor have agreed to restructure the loans including by disposing of non-core assets as sources of payment

Garuda
Indonesia

- Government guarantee on MCB of Rp 1,018 billion has expired, thus the loan is categorized as non performing and Bank Mandiri must make provisions. Bank Mandiri requires that Garuda provide sufficient collateral.
- Bank Mandiri continues to seek concrete plans from debtor and cannot accept MCB to equity swap alternative to resolve the debt.

Djajanti
Group

- As the companies are no longer in operation, Controlling shareholder and Bank Mandiri have agreed that the Bank will recover loans through asset disposals.
- Mandiri expects full commitment from the controlling shareholders

Status of selected large debtors

A. Latief Group

- Funds from strategic investors interested in PT Lativi Media Karya have been deposited in Bank Mandiri
- Loans to PT Pasaraya Tosersa Jaya & PT A. Latief Nusa Karya have been handed over to DJPLN (State Collection Agency)

Suba Indah

- Controlling shareholder proposes to surrender non-core assets of land and stocks in a mining company for disposal to reduce loan exposure. Bank Mandiri still requires the debtor/owner to make an initial payment to achieve a sustainable loan exposure

Anugrah Lingkar Selatan

- Debtor is still in negotiation with potential investors to take over the project. Currently Bank Mandiri oversees the operating activities of the company including the use of cash flow

Batavindo

- The companies are not in operation due to shortage of working capital. Bank Mandiri will not extend additional working capital loans. Instead the Bank requires debtor to inject additional capital or seek strategic investors to resolve its loans

Great River

- Controlling shareholder did not meet the call from creditors and Bapepam. He is already in police's watch list
- Still waiting for 2004 and 2005 financial audits in order to settle restructuring scheme

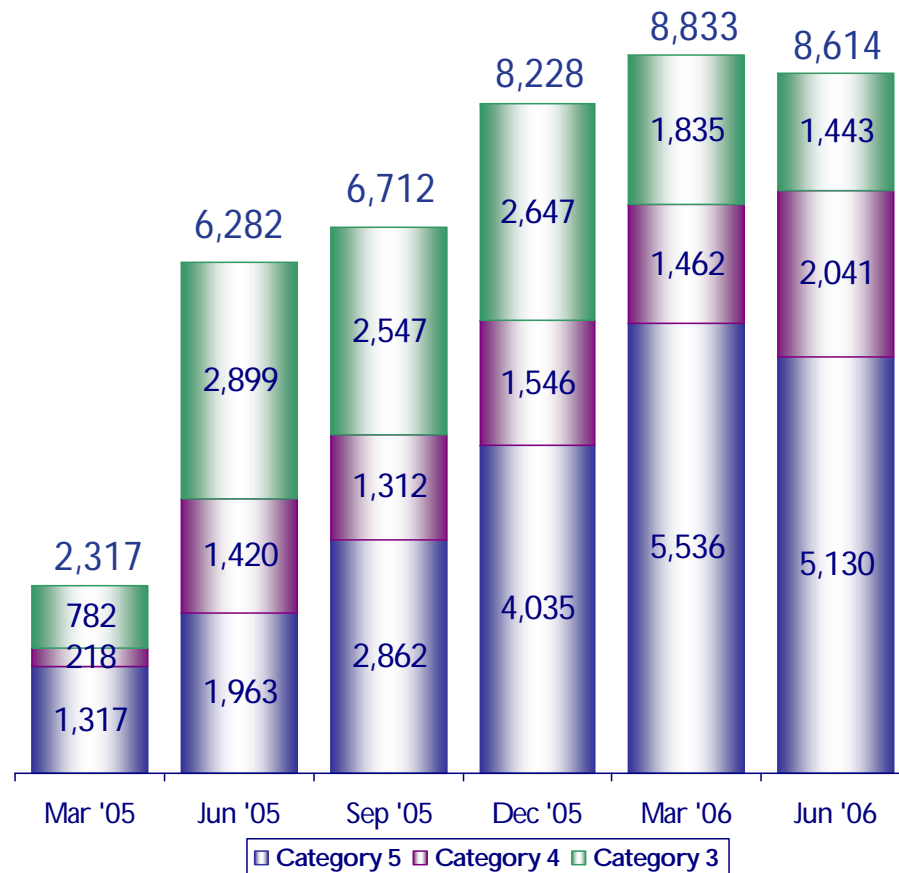
Commercial segment has, however, significantly deteriorated

Bank Only

NPL increasing in the Commercial Segment

NPL (%)

6.89	17.97	19.31	23.38	26.05	26.16
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Restructuring and Consolidation Program

- Strengthen portfolio management by setting up account strategy and tight monitoring of implementation
- Strengthen and intensify cooperation with Risk Management to anticipate and minimize downgrades and accelerate restructuring process
- Continuous improvement for human resources
- More focused target markets to promote healthy business growth
- Enhance credit tools, procedures and policies for commercial segment

Financial Sector Policy Package announced

The recently announced Financial Sector Policy Package confirms the Government's commitment to revise the Regulations relevant to NPL resolution amongst State-owned banks.

Financial Sector Policy Package: Banking Institutions

Policy Aim	Improving the performance of State-owned banks			
Program	Resolving the State-owned banks' non-performing loans problem			
Actions	Amendment to Government Regulation no.142005 on the Procedure for writing off the State/Regional Governments' receivables	Amendment to Finance Minister Decree no.31/PMK.07/2005 on procedures of proposal submission, evaluation & determination of write-off of State/Regional Governments' receivables	Special supervision of the state-owned banks as a measure to improve performance and corporate governance	Ensure the State-owned banks' management commitment to corrective measures in governance, risk management and resolving problem loans
Outputs	Government Regulation	Decree of the Minister of Finance	Joint Decree between the Finance Minister and the State Ministry for State-Owned Enterprises on the Oversight Committee	Management contracts with State-owned banks' Boards of Directors on improvement of governance and risk management and the resolution of problem loans
Timing	July 2006	July 2006	August 2006	August 2006

Summary Balance Sheet: June 2005, March & June 2006

	Q2'05	Q1'06	Q2 '06		Y-o-Y
	Rp (trillions)	Rp (trillions)	Rp (trillions)	USD (billions)#	Rp % Change
Total Assets	256.8	254.9	255.3	27.6	(0.6)
<i>Cash</i>	2.3	3.3	3.0	0.3	30.4
<i>Current Account w/BI</i>	15.9	22.2	20.2	2.2	27.0
<i>Certificates of BI</i>	5.4	7.3	10.3	1.1	90.7
<i>Other Placements w/BI</i>	4.1	0.0	0.0	0.0	(100.0)
<i>Current Accounts & Placements w/Other Banks</i>	13.5	16.3	12.6	1.4	(6.7)
<i>Securities - Net</i>	4.7	3.5	3.8	0.4	(19.1)
Government Bonds	92.5	92.2	92.3	10.0	(0.2)
<i>Trading</i>	2.4	2.2	2.3	0.2	(4.2)
<i>AFS</i>	29.0	28.9	28.9	3.1	(0.3)
<i>HTM</i>	61.1	61.1	61.1	6.6	0.0
Loans	103.9	105.1	107.8	11.6	3.8
<i>Performing Loans</i>	78.5	77.6	81.0	8.7	3.2
<i>Non-Performing Loans</i>	25.4	27.5	26.8	2.9	5.5
<i>Allowances</i>	(10.8)	(12.9)	(13.2)	(1.4)	22.2
Loans – Net	93.1	92.2	94.7	10.2	1.7
Total Deposits – Non-Bank	183.2	198.1	197.0	21.3	7.5
<i>Demand Deposits</i>	44.4	44.1	42.3	4.6	(4.7)
<i>Savings Deposits</i>	49.5	43.8	47.0	5.1	(5.1)
<i>Certificate & Time Deposits</i>	89.2	110.1	107.7	11.6	20.7
Shareholders' Equity	22.8	23.9	23.9	2.6	4.8

Summary Quarterly Balance Sheet: Q3 '05 – Q2 '06

	Q3 '05	Q4 '05	Q1 '06	Q2 '06		Q-o-Q
	Rp (tn)	Rp (tn)	Rp (tn)	Rp (tn)	US\$ (bn)#	Rp % Change
Total Assets	250.3	263.4	254.9	255.3	27.6	0.2
<i>Cash</i>	2.6	2.5	3.3	3.0	0.3	(8.3)
<i>Current Accounts w/BI</i>	18.8	20.3	22.2	20.2	2.2	(9.0)
<i>Certificates of BI</i>	0.1	6.5	7.3	10.3	1.1	40.4
<i>Other Placements w/BI</i>	2.4	8.3	0.0	0.0	0.0	-
<i>Current Accounts & Placements w/Other Banks</i>	12.6	16.1	16.3	12.6	1.4	(22.6)
<i>Securities - Net</i>	4.2	4.0	3.5	3.8	0.4	7.6
Government Bonds	92.3	92.1	92.2	92.3	10.0	0.1
<i>Trading</i>	2.3	2.1	2.2	2.3	0.2	4.0
<i>AFS</i>	28.8	28.8	28.9	28.9	3.1	(0.1)
<i>HTM</i>	61.1	61.1	61.1	61.1	6.6	0.0
Loans	106.7	106.9	105.1	107.8	11.6	2.6
<i>Performing Loans</i>	81.7	79.8	77.6	81.0	8.7	4.4
<i>Non-Performing Loans</i>	25.0	27.0	27.5	26.8	2.9	(2.5)
<i>Allowances</i>	(11.9)	-12.0	(12.9)	(13.2)	(1.4)	2.3
Loans – Net	94.7	97.9	92.2	94.7	10.2	2.7
Total Deposits – Non-Bank	186.4	206.3	198.1	197.0	21.3	(0.5)
<i>Demand Deposits</i>	41.1	46.4	44.1	42.3	4.6	(4.2)
<i>Savings Deposits</i>	46.0	47.2	43.8	47.0	5.1	7.2
<i>Certificate & Time Deposits</i>	99.4	112.7	110.1	107.7	11.6	(2.2)
Shareholders' Equity	23.6	23.2	23.9	23.9	2.6	0.0

Summary P&L Information – Q2 2006

	Q2 2005		Q1 2005		Q2 2006		Q-o-Q Change
	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets*	Rp (Billions)	% of Av.Assets	(%)
Interest Income	4,680	7.4	6,507	10.0	6,759	10.6	3.9
Interest Expense	(2,594)	(4.1)	(4,297)	(6.6)	(4,119)	(6.5)	(4.1)
Net Interest Income	2,086	3.3	2,210	3.4	2,640	4.1	19.5
Other Operating Income	579	0.9	554	0.9	647	1.0	16.8
Gain from Increase in Value & Sale of Bonds	302	0.5	354	0.5	(258)	(0.4)	(172.9)
Provisions, Net	(1,120)	(1.8)	(873)	(1.3)	(953)	(1.5)	9.2
Personnel Expenses	(677)	(1.1)	(695)	(1.1)	(744)	(1.2)	7.1
G & A Expenses	(793)	(1.3)	(636)	(1.0)	(789)	(1.2)	24.1
Other Operating Expenses**	(191)	(0.3)	(133)	(0.2)	(148)	(0.2)	11.3
Profit from Operations	186	0.3	781	1.2	395	0.6	(49.4)
Non Operating Income	(22)	0.0	6	0.0	(4)	0.0	(166.7)
Net Income Before Tax	164	0.3	787	1.2	391	0.6	(50.3)
Net Income After Tax	97	0.2	510	0.8	305	0.5	(40.2)

* % of Average Assets on an annualized basis

** primarily premiums paid under the blanket guarantee scheme

Recap Bond Portfolio Details, 30 June 2006 – Bank Only

Series	Maturity Date	Interest Rate (%)	Nominal			Mark To Market	Fair Value		
			Trading	AFS	HTM		Trading	AFS	HTM
Fixed Rate									
FR0002	15-Jun-09	14.00%	68			104.52	71		
FR0005	15-Jul-07	12.25%	65,500			100.19	65,621		
FR0010	15-Mar-10	13.15%			1,350,000	102.64			1,350,000
FR0014	15-Nov-10	15.58%		2,947		111.12	3,275		
FR0017	15-Jan-12	13.15%		20,000		103.21	20,643		
FR0019	15-Jun-13	14.25%		1,101,133		108.40	1,193,584		
FR0020	15-Dec-13	14.28%	518,538	538,491		108.78	564,081	585,787	
Sub Total			584,106	1,662,571	1,350,000		629,773	1,803,288	1,350,000
Variable Rate									
VR0010	25-Oct-06	12.65%	1,407,361			99.95	1,406,685		
VR0011	25-Feb-07	12.16%	15,000			99.94	14,991		
VR0012	25-Sep-07	12.16%	44,000	190,000		99.93	43,969	189,867	
VR0013	25-Jan-08	12.65%	115,000	1,198,384		100.00	114,997	1,198,348	
VR0014	25-Aug-08	12.16%	80,000			99.94	79,950		
VR0016	25-Jul-09	12.65%	20,000			99.61	19,922		
VR0017	25-Jun-11	12.16%	30,000	328,270		99.08	29,725	325,256	
VR0019	25-Dec-14	12.16%		5,050,000	1,114,300	99.03		5,001,116	1,114,300
VR0020	25-Apr-15	12.65%		4,100,000	391,029	99.10		4,063,141	391,029
VR0021	25-Nov-15	12.16%		2,400,000	690	99.05		2,377,272	690
VR0022	25-Mar-16	12.16%		692,844	6,796,813	99.02		686,082	6,796,813
VR0023	25-Oct-16	12.65%		659,738	4,086,068	98.94		652,738	4,086,068
VR0024	25-Feb-17	12.16%			8,210,550	99.99			8,210,550
VR0025	25-Sep-17	12.16%			5,210,550	99.95			5,210,550
VR0026	25-Jan-18	12.65%			3,475,267	99.97			3,475,267
VR0027	25-Jul-18	12.65%			3,475,267	99.97			3,475,267
VR0028	25-Aug-18	12.16%		1,696,428	3,475,267	98.85		1,676,851	3,475,267
VR0029	25-Aug-19	12.16%		5,344,421	3,475,267	98.82		5,281,196	3,475,267
VR0030	25-Dec-19	12.16%			8,016,765	99.95			8,016,765
VR0031	25-Jul-20	12.65%		5,597,343	12,016,765	98.68		5,523,458	12,016,765
Sub Total			1,711,361	27,257,428	59,744,598		1,710,238	26,975,326	59,744,598
Grand Total			2,295,467	28,919,999	61,094,598		2,340,012	28,778,615	61,094,598
			2.49%	31.33%	66.18%		2.54%	31.21%	66.25%
(Stated in Rp Millions)			Total Nominal Value				Total Fair Value		
					92,310,064				92,213,224

Bank Mandiri 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

S&P

Positive

B+

B

BB

B

Moody's

Positive

B3

B2

NP

B2

Fitch

Stable

BB-

NR

NR

Pefindo

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

National Rating

Stable

BB-

B

Stable

BB-

B

B

Positive

B3

WR

E+

Stable

BB-

B

B+

BB-

idnAA

idA+

Reconciliation to IFRS

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

IFRS = International Financial Reporting Standards

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"

Vision of Bank Mandiri Implementation Roadmap

	~12 months	~12-24 months	~12-24 months
	Horizon 1: Fix the leaks and lay foundations	Horizon 2: Consolidate and build momentum	Horizon 3: Accelerate and grow
	“Back on Track”	“Outperform the Market”	“Shaping the End Game”
Build winning organization & performance culture	<ul style="list-style-type: none"> ▪ New BU structure and Performance Management System in place to drive performance culture ▪ Higher professional standards embedded 	<ul style="list-style-type: none"> ▪ Among most desired employers in Indonesia due to best people development program 	
Deliver tailored proposition for priority segments	<ul style="list-style-type: none"> ▪ Piloted and implementing CST model for large corporates ▪ New commercial business model in place for medium and small commercial 	<ul style="list-style-type: none"> ▪ Dominant corporate bank built on CST model ▪ Among top commercial players with strong penetration in target segments ▪ Completed acquisition of specialized bank and multifinance company ▪ Market-leading position for affluent and lower affluent banking ▪ Most convenient and service-oriented retail bank 	<ul style="list-style-type: none"> ▪ Completed acquisition and integration of major domestic bank
Revamp alliance program		<ul style="list-style-type: none"> ▪ Top 3 alliance program up and running, creating synergies across segments 	<ul style="list-style-type: none"> ▪ Alliance program up and running, creating synergies across segments
Strengthen risk management & operations	<ul style="list-style-type: none"> ▪ “Bad Bank” up and running to resolve NPL issues ▪ Key operational improvements well-underway 	<ul style="list-style-type: none"> ▪ NPLs down to 5% gross 	<ul style="list-style-type: none"> ▪ NPLs fully resolved and Bad Bank dissolved
Overall Bank	<ul style="list-style-type: none"> ▪ C/I ratio of ~76% with ~15% market share 	<ul style="list-style-type: none"> ▪ C/I ratio of ~59% with ~16-17% market share 	<ul style="list-style-type: none"> ▪ C/I ratio of ~54-55% with ~20-30% market share ▪ P/B ratio 2.2 ▪ Exploring regional expansion options

Regulations on Asset Classification: PBI No. 7/2/PBI/2005)

<p>Classification by Aging of Interest Payments[#]</p>	<table border="1"> <thead> <tr> <th><i>Classification by Payment History</i></th> <th><i>Previously</i></th> <th><i>Current</i></th> <th>No change to BI Prov. Req.</th> </tr> </thead> <tbody> <tr> <td>Category 1 - Current</td> <td>Current</td> <td>Current</td> <td>1%</td> </tr> <tr> <td>Category 2 – Special Mention</td> <td>1 – 90 days</td> <td>1 – 90 days</td> <td>5%</td> </tr> <tr> <td>Category 3 – Sub-Standard</td> <td>91 – 180 days</td> <td>91 – 120 days</td> <td>15%</td> </tr> <tr> <td>Category 4 - Doubtful</td> <td>181 – 270 days</td> <td>121 – 180 days</td> <td>50%</td> </tr> <tr> <td>Category 5 - Loss</td> <td>271+ days</td> <td>181+ days</td> <td>100%</td> </tr> </tbody> </table>				<i>Classification by Payment History</i>	<i>Previously</i>	<i>Current</i>	No change to BI Prov. Req.	Category 1 - Current	Current	Current	1%	Category 2 – Special Mention	1 – 90 days	1 – 90 days	5%	Category 3 – Sub-Standard	91 – 180 days	91 – 120 days	15%	Category 4 - Doubtful	181 – 270 days	121 – 180 days	50%	Category 5 - Loss	271+ days	181+ days	100%
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<p>BI Collectibility takes precedence[#]</p>	<p>In instances where there is disagreement in the determination of earning asset collectibility between the bank, its external auditors and BI, the bank must adopt BI's determination</p>																											
<p>One Debtor, One Project Concept[*]</p>	<ul style="list-style-type: none"> ➤ The Bank must classify all of its earning assets to a single debtor at the level of the lowest quality asset ➤ For debtors with exposures to more than one bank, all banks must adopt the lowest classification applied by any one bank to the debtor. ➤ All earning assets related to a particular project must be classified at the same level 																											
<p>Completeness of Financial Report[*]</p>	<ul style="list-style-type: none"> ➤ Banks must require debtors to submit current financial statements ➤ Failure to submit financial statements must result in an automatic downgrade of collectibility by one level, or to a maximum classification of sub-standard 																											

Accounting for Interest, Provisions and Collateral

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

Quarterly Analysis of NPL and PL changes

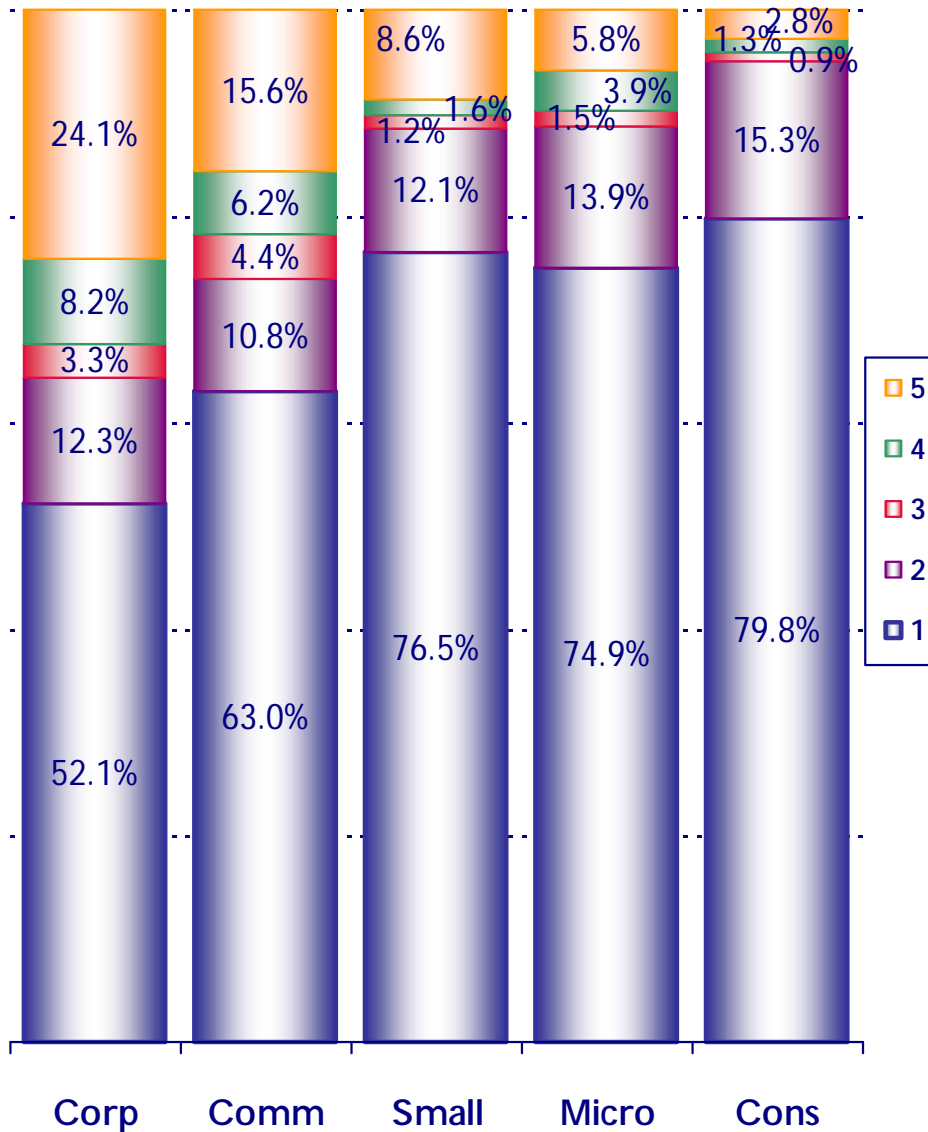
Loan Background	Q3 2005#	Q4 2005#	Q1 2006#	Q2 2006#			
	Net	Net	Net	Value (Rp bn)	DG to NPL	UG to PL	Net
Corporate Loans							
Restructured	5.7%	1.1%	0.8%	12,759	1.3%	1.7%	0.4%
IBRA	0.9%	5.2%	-	3,474	-	3.8%	3.8%
Pre-Merger	-	6.1%	-	294	-	-	-
Post-Merger	6.9%	3.3%	2.1%	24,337	1.0%	1.2%	0.2%
Overseas	0.8%	3.6%	0.0%	1,934	0.2%	36.8%	36.6%
Total	5.5%	2.9%	1.4%	42,797	0.9%	3.2%	2.2%
Commercial & Small Business Loans							
Restructured	1.9%	6.6%	0.7%	5,686	2.7%	0.3%	2.4%
IBRA	1.7%	2.7%	1.8%	596	-	-	-
Pre-Merger	0.2%	0.1%	0.3%	628	0.3%	-	0.3%
Post-Merger	2.5%	6.5%	2.4%	32,705	2.2%	0.1%	2.2%
Overseas	9.2%	3.3%	4.3%	14	-	-	-
Total	1.7%	6.3%	2.1%	39,629	2.2%	0.1%	2.2%
Total Loans							
Restructured	4.5%	2.9%	0.8%	18,445	1.7%	1.3%	0.4%
IBRA	0.5%	4.8%	0.3%	4,070	-	3.2%	3.2%
Pre-Merger	0.1%	1.2%	0.2%	922	0.2%	-	0.2%
Post-Merger	1.4%	5.1%	2.3%	57,041	1.7%	0.5%	1.1%
Overseas	0.4%	3.6%	0.2%	1,948	0.2%	36.5%	36.3%
Total	2.0%	4.5%	1.8%	82,426	1.6%	1.7%	0.1%

% downgrades and upgrades are quarterly figures

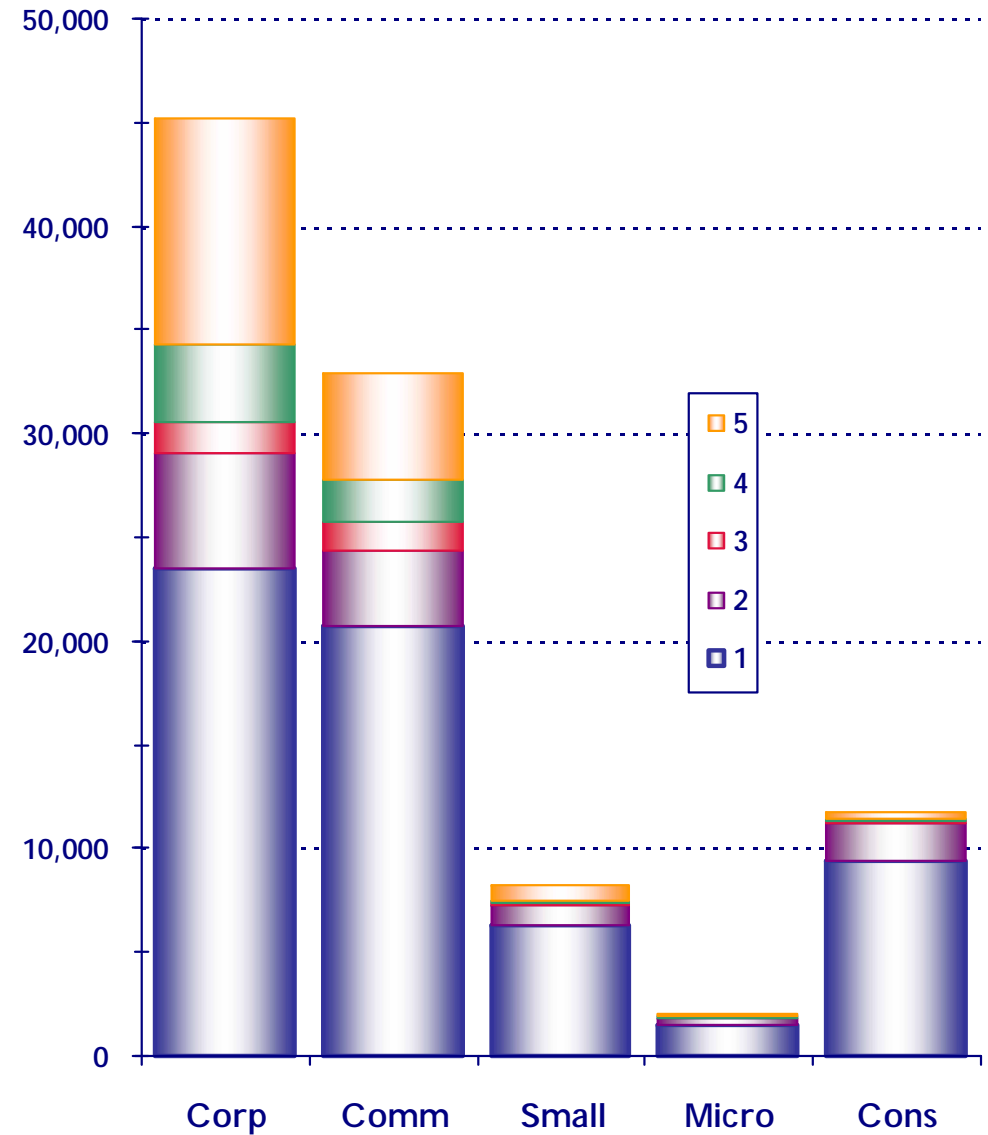
* Corporate, Commercial & Small Business Loans Only

Q2 2006 Loan Detail: Collectibility by Business Unit

Loan Profile: Q2 Collectibility (%) by BU - Bank Only

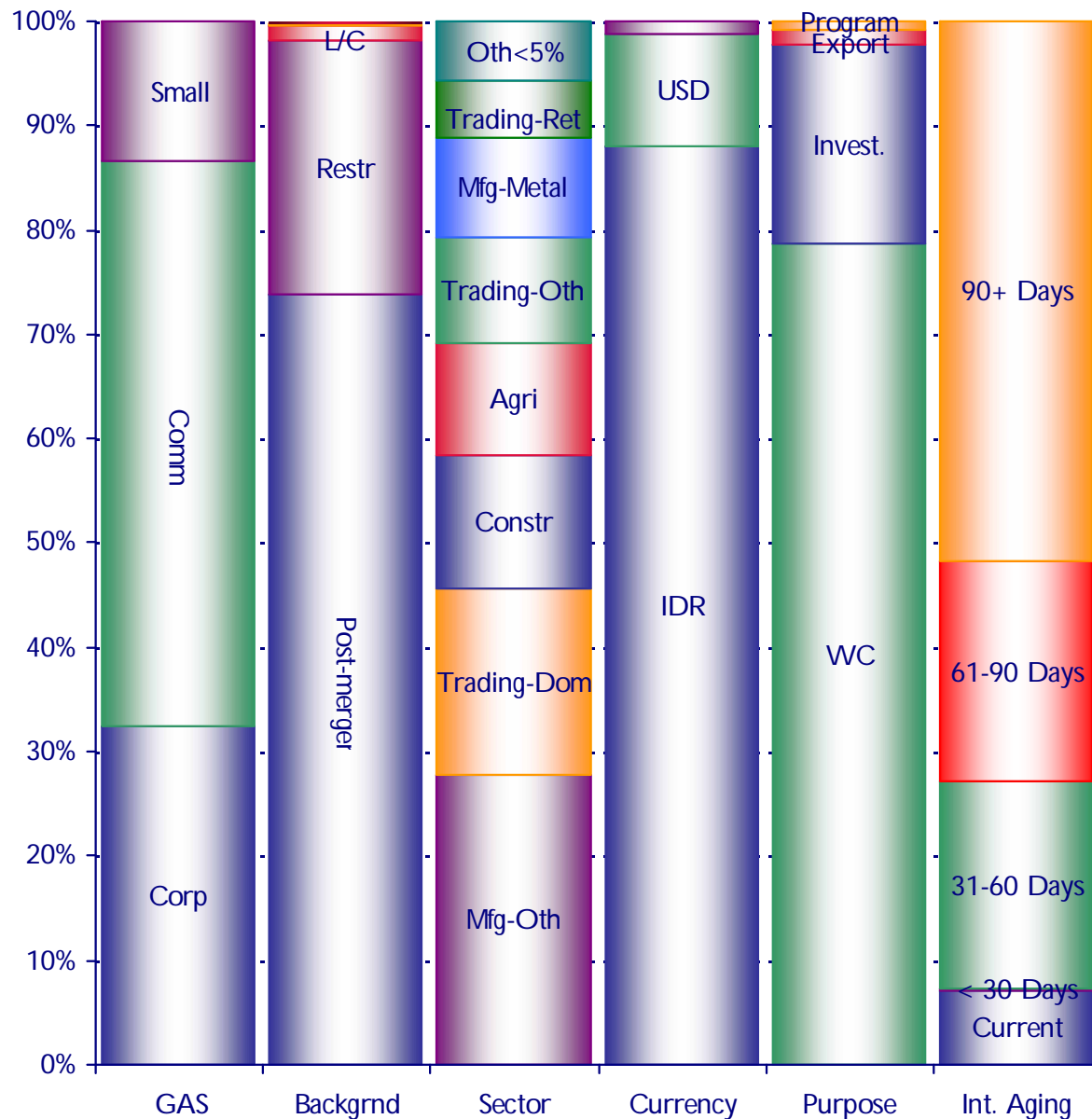


Loan Profile: Q2 Collectibility (Rp bn) by BU - Bank Only



Q2 2006 Loan Detail*: Downgrades to NPL

Loan Profile: Q2 Downgrades to NPL (Rp 1,304 bn) - Bank Only



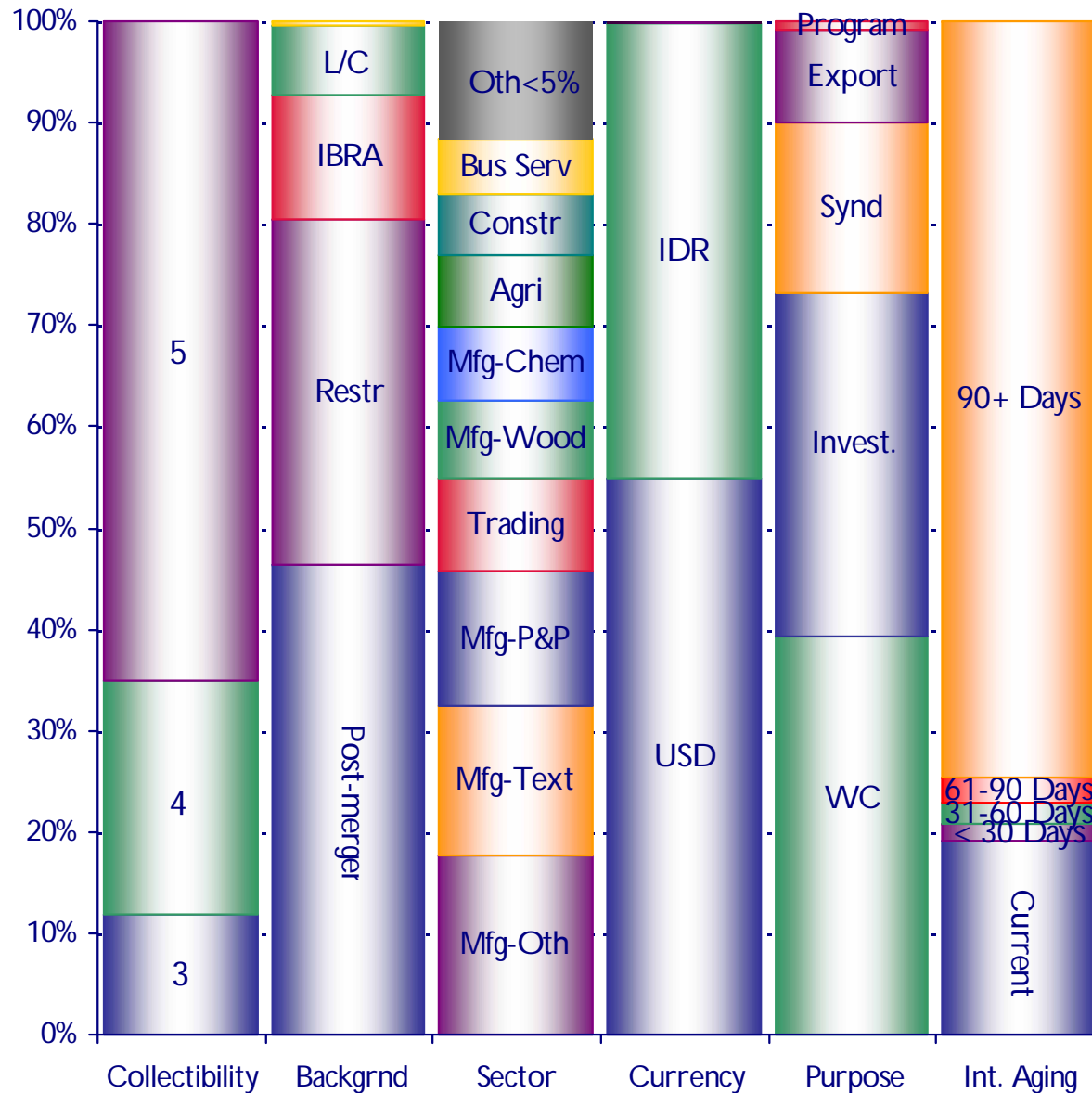
Corporate, Commercial & Small Business loans downgraded to NPL in Q2 totaled Rp 1,304 billion (1.3% of total loans). Of these loans:

- 7.1% were still current on interest payments while only 0.3% were less than 30 days overdue
- 54.2% were Commercial borrowers
- 24.2% were loans previously restructured
- Largest downgrades by sector:
 - Other Manufacturing
 - Domestic Trading
 - Construction
 - Agriculture
- 88.1% were Rupiah loans
- 78.7% were Working Capital loans
- 1st time downgrades from Domestic Trading, Housing Construction and Other Manufacturing

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: Non-Performing Loans

Loan Profile: Q2 NPLs (Rp 25,665 bn) Bank Only



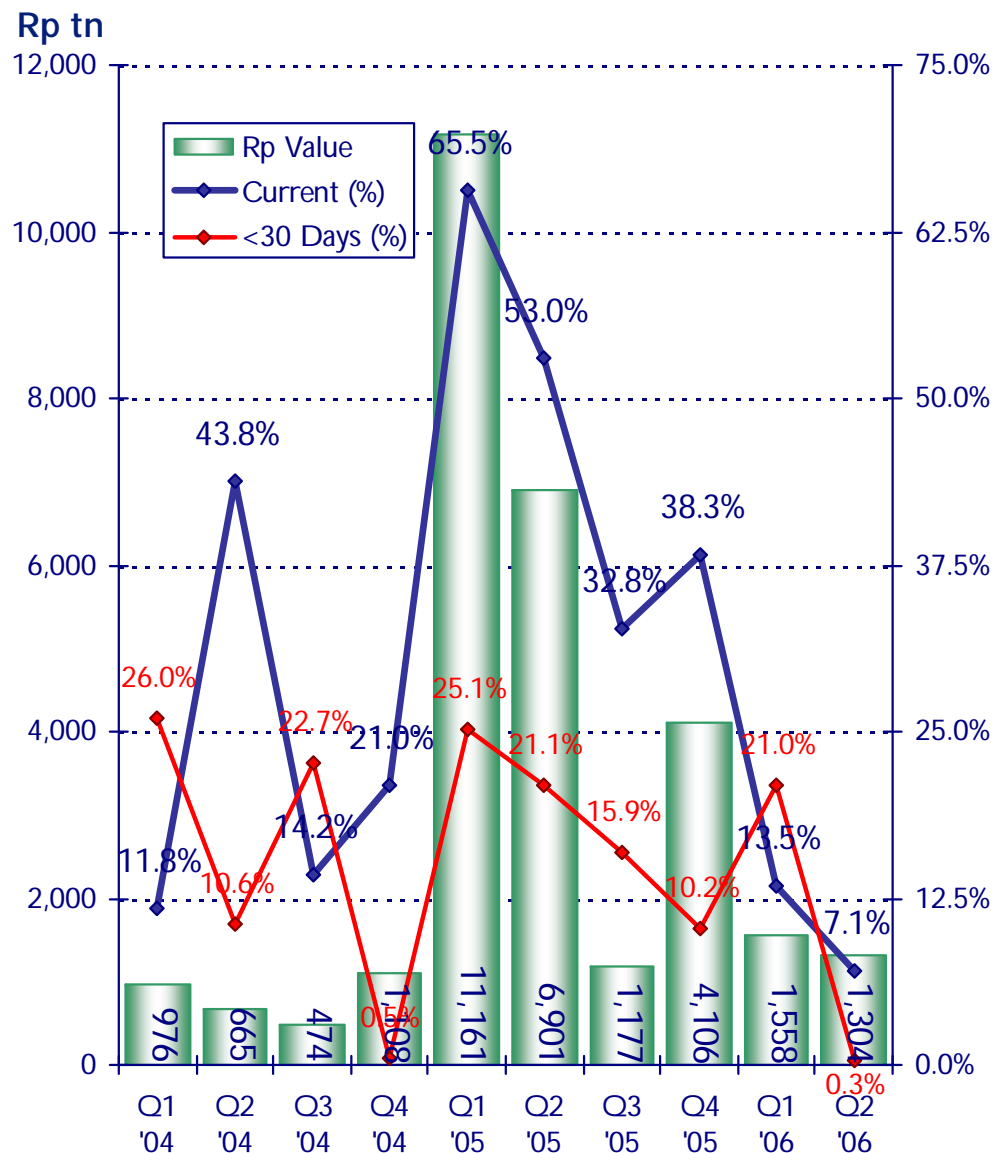
Corporate, Commercial & Small Business NPLs totaled Rp25,665 billion in Q2, or 25.6% of total loans. Of these NPLs in Q2:

- 19.0% remain current on interest payments and 6.3% are less than 90 days overdue
- 62.8% are to Corporate customers
- 39.2% are Working Capital loans and 34% are Investment loans
- Primary sectors are:
 - Manufacturing
 - Textiles
 - Pulp & Paper
 - Wood
 - Trading
- 54.8% are US Dollar loans
- 34.2% were previously restructured
- 12.1% were loans purchased from IBRA
- 11.9% are Cat. 3 & 23.0% are Cat. 4

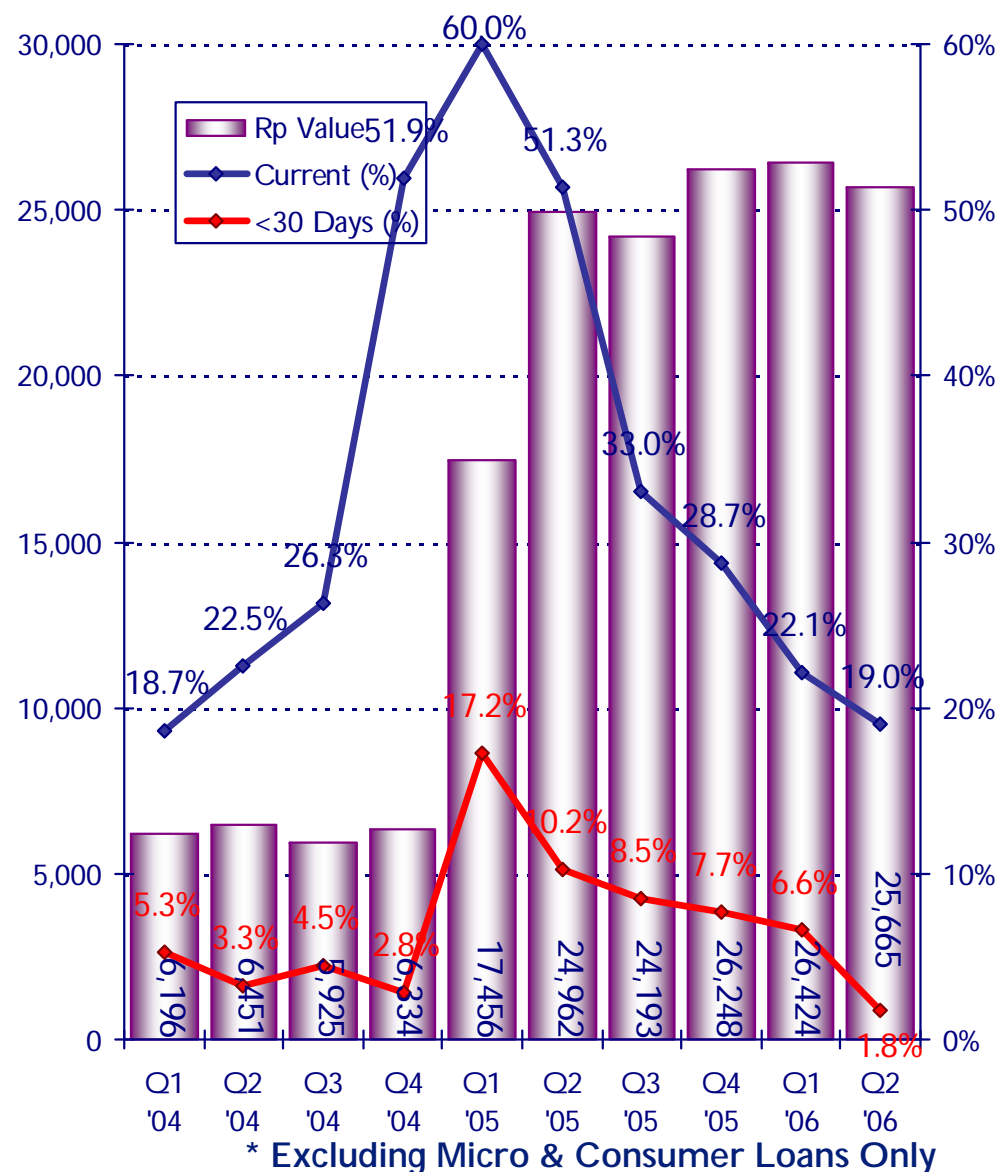
* Excluding Micro & Consumer Loans Only

NPL Loan Detail*: Quarterly by Interest Days Past Due

Quarterly Downgrades to NPL & Interest DPD - Bank Only

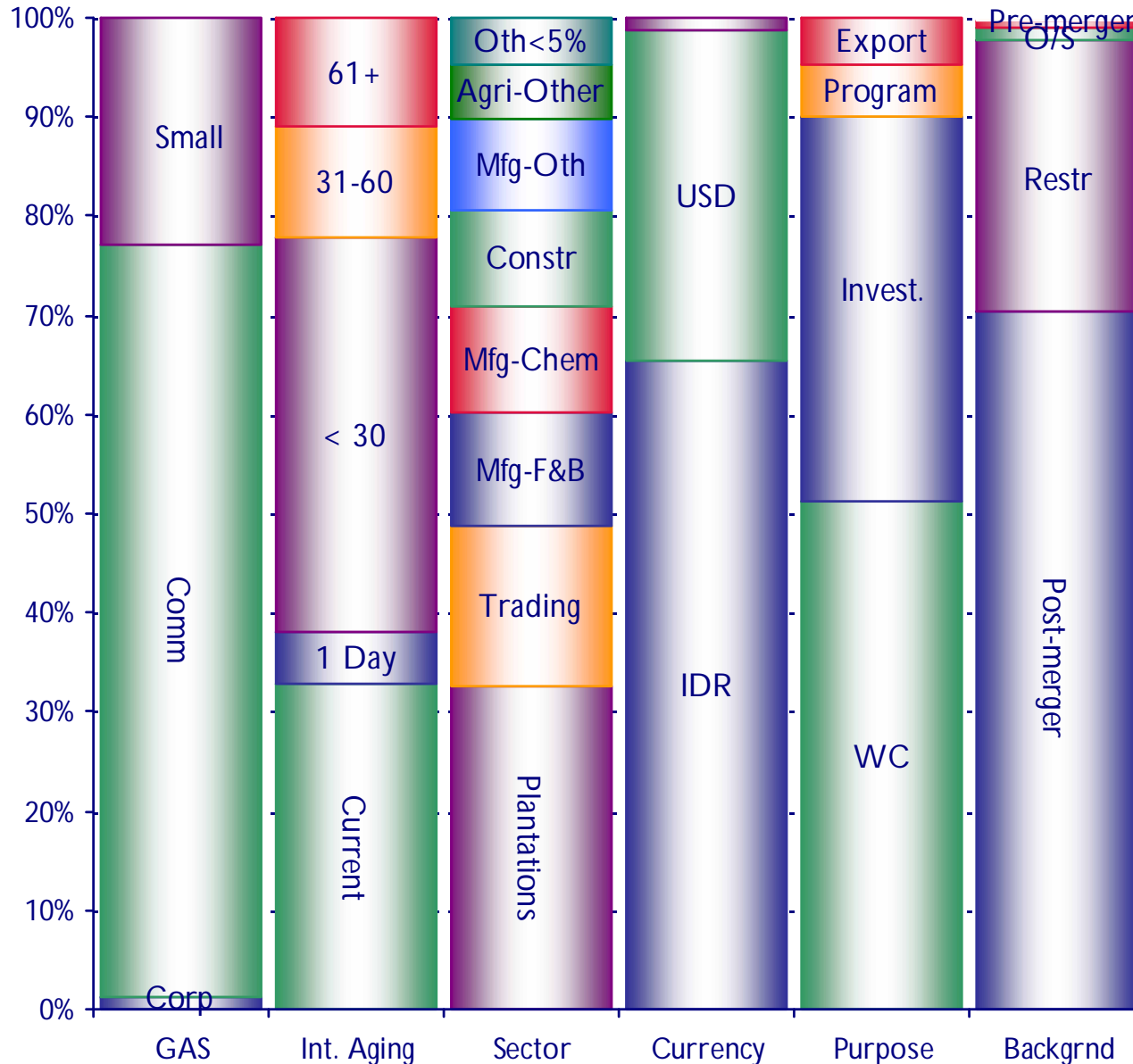


Quarterly NPL Stock & Interest DPD - Bank Only



Q2 2006 Loan Detail*: New Downgrades to Category 2

Loan Profile: Q2 Downgrades to Cat. 2 loans (Rp 1,304 bn) - Bank Only



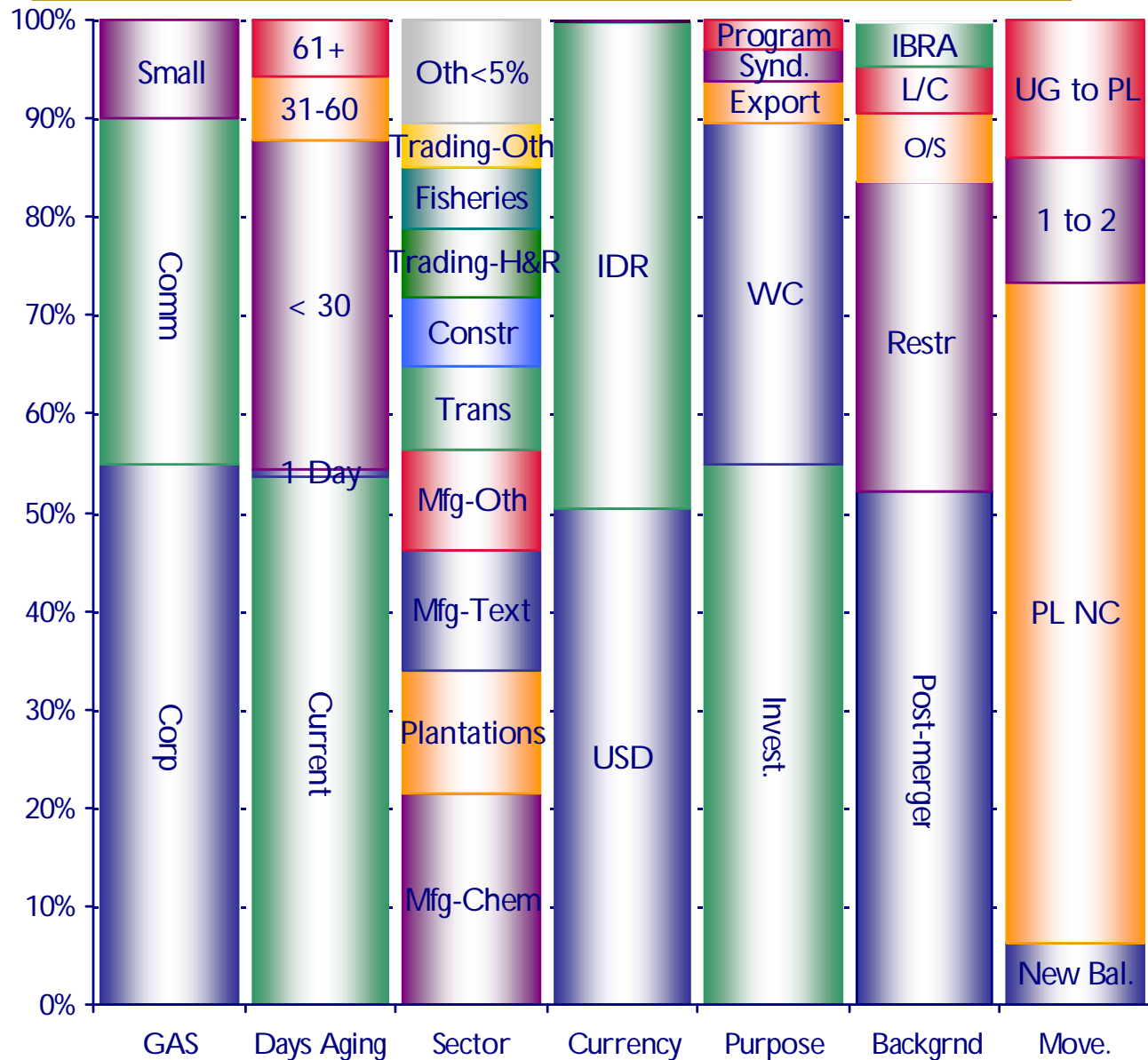
Rp 1,304 billion (1.3% of total loans) in Corporate, Commercial & Small Business loans were downgraded to Category 2 in Q2. Of the downgraded Special Mention Loans in Q2:

- 75.8% are for Commercial & 22.9% are for Small Business customers
- 32.7% are current & 5.3% are 1 day overdue
- Primary sectors downgraded are:
 - Plantations
 - Trading
 - F&B Manufacturing
 - Chemical Manufacturing
- 65.4% are Rupiah loans
- 51.2% are Working Capital loans
- 27.3% are Restructured loans
- 0.1% were purchased from IBRA

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: Category 2 Loans

Loan Profile: Q2 Category 2 Loans (Rp 10,101 bn) Bank Only



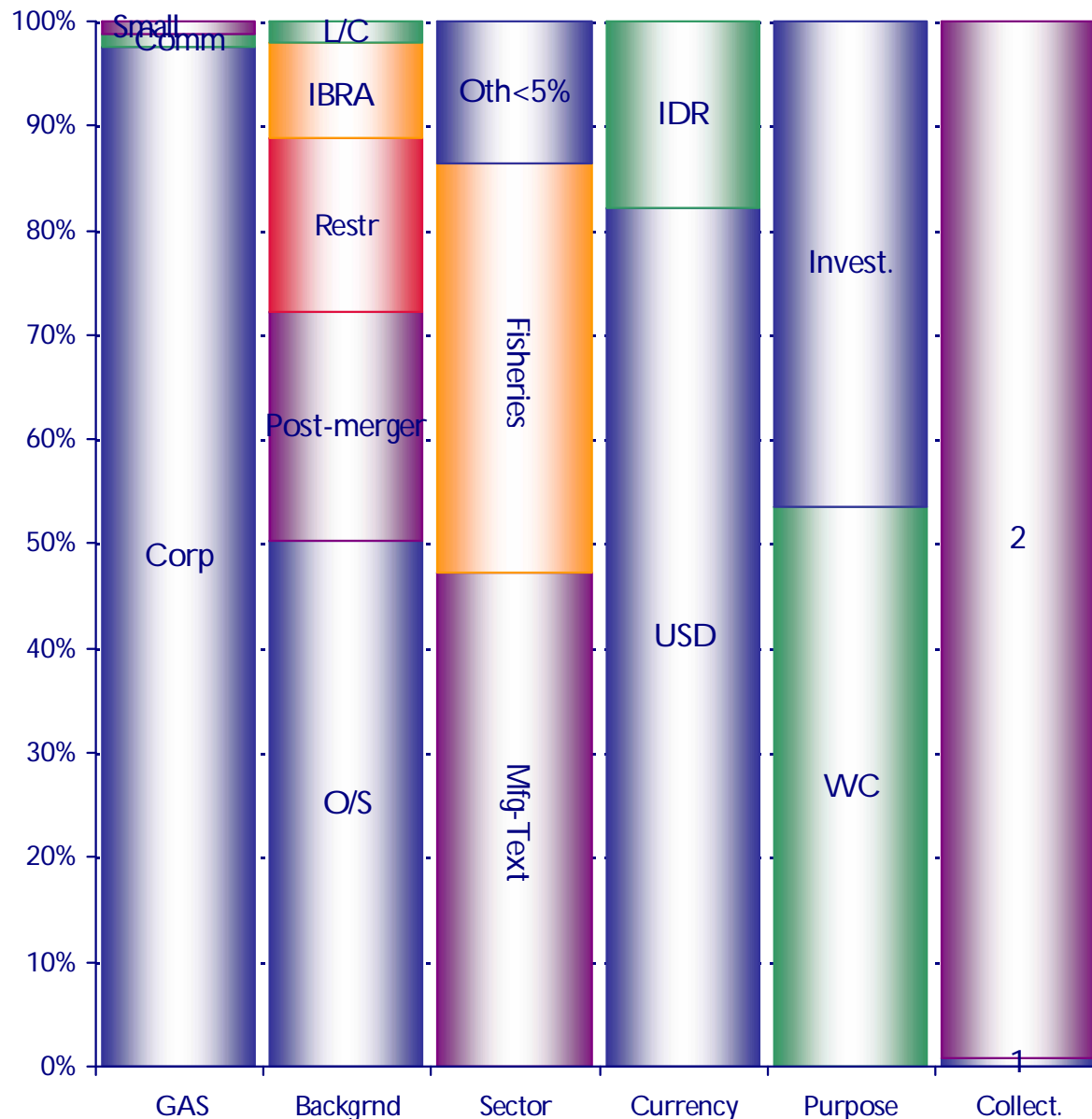
Rp 10,101 billion (10.1% of total loans) in Corporate, Commercial & Small Business loans were in Category 2 in Q2. Of these Special Mention loans in Q2:

- 54.8% are to Corporate customers
- 54.4% are current or 1 day overdue
- Primary sectors in Category 2 are:
 - Chemical Manufacturing
 - Plantations
 - Textile Manufacturing
 - Transportation
- 50.3% are USD loans
- 54.9% are Investment loans
- 31.4% are Restructured loans
- 4.4% were purchased from IBRA
- 66.8% saw no change in collectibility

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: Upgrades to PL

Loan Profile: Q2 Upgrades to PL (Rp 1,414 bn) - Bank Only



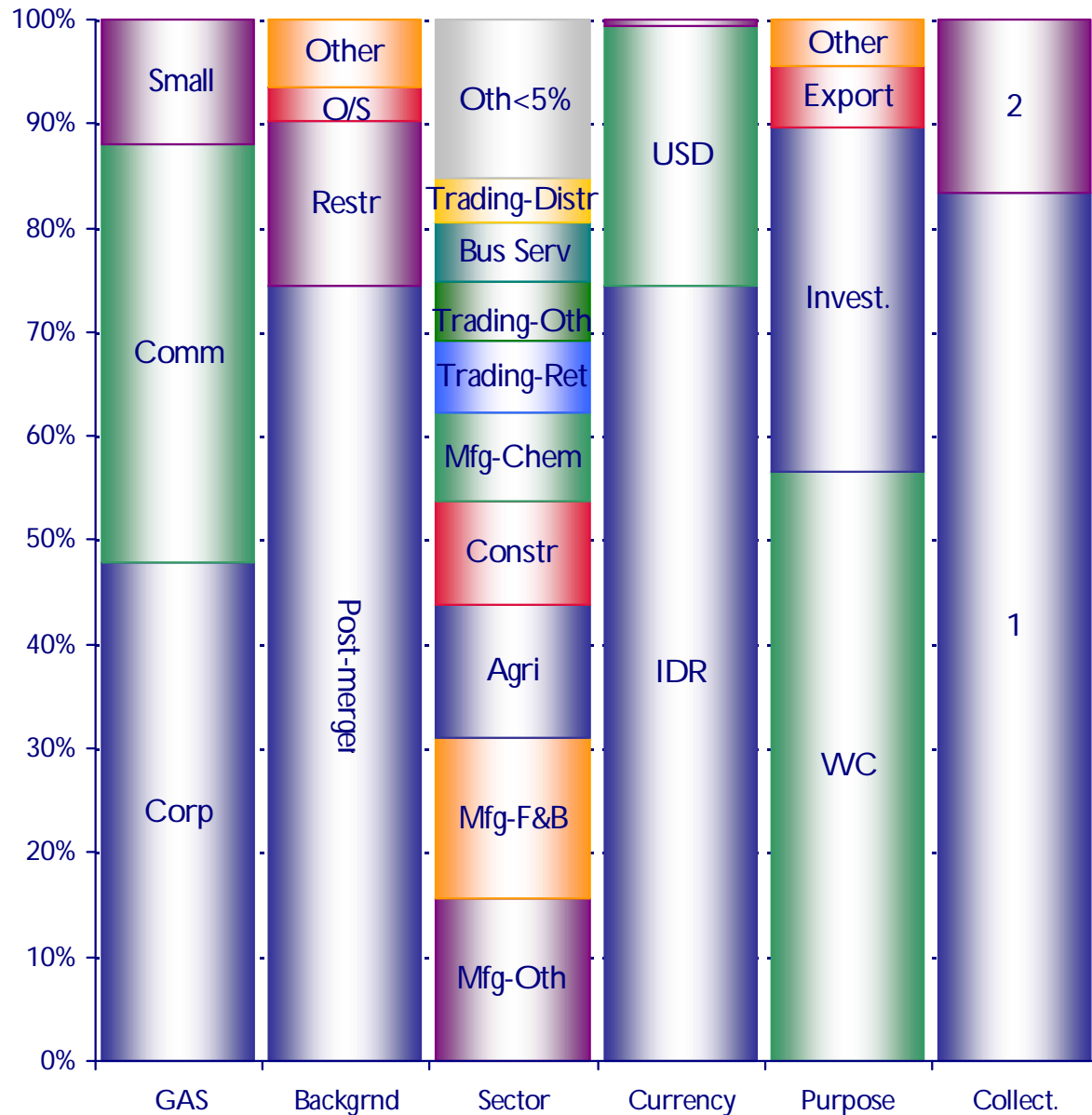
Corporate, Commercial & Small Business loans upgraded to PL in Q2 totaled Rp 1,414 billion (1.4% of total loans). Of these loans:

- 97.5% were to Corporate borrowers
- 74.1% were loans with no previous restructuring history
- 16.6% were loans previously restructured
- Largest upgrades by sector:
 - Textile Manufacturing
 - Fisheries
- 82.1% were USD loans
- 53.6% were Working Capital loans
- 99.2% of upgrades to PL were NPLs moving to Category 2

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: Performing Loans

Loan Profile: Q2 Performing Loans (Rp 60,672 bn) Bank Only



Rp 60,672 billion (60.6% of total loans) in Corporate, Commercial & Small Business loans were performing in Q2.

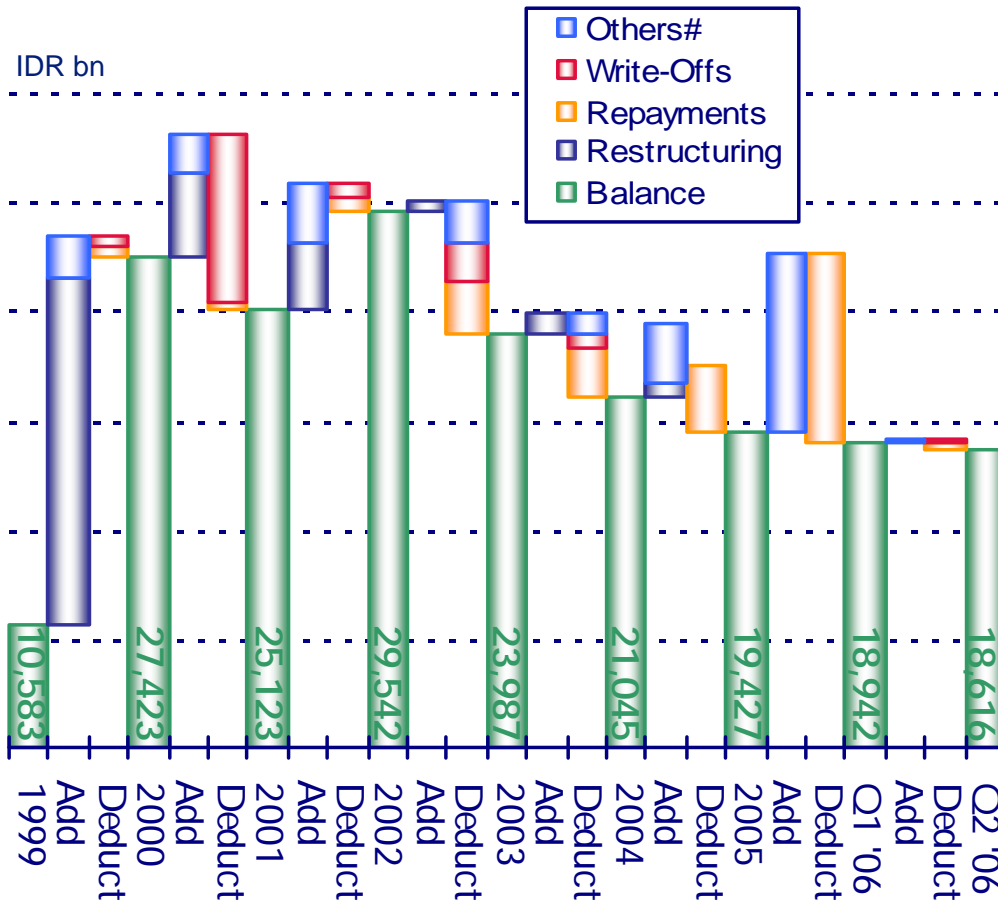
Of these performing loans in Q2:

- 47.9% are to Corporate customers & 40.1% are to Commercial customers
- 84.1% have no restructuring history
- 15.9% are Restructured loans
- 1.6% were purchased from IBRA
- Primary sectors are:
 - F&B Manufacturing
 - Agriculture
 - Construction
 - Chemical manufacturing
- 74.5% are Rupiah loans
- 56.5% are Working Capital loans
- 88.2% saw no change in collectibility
- 2.3% were upgraded from NPL

* Excluding Micro & Consumer Loans Only

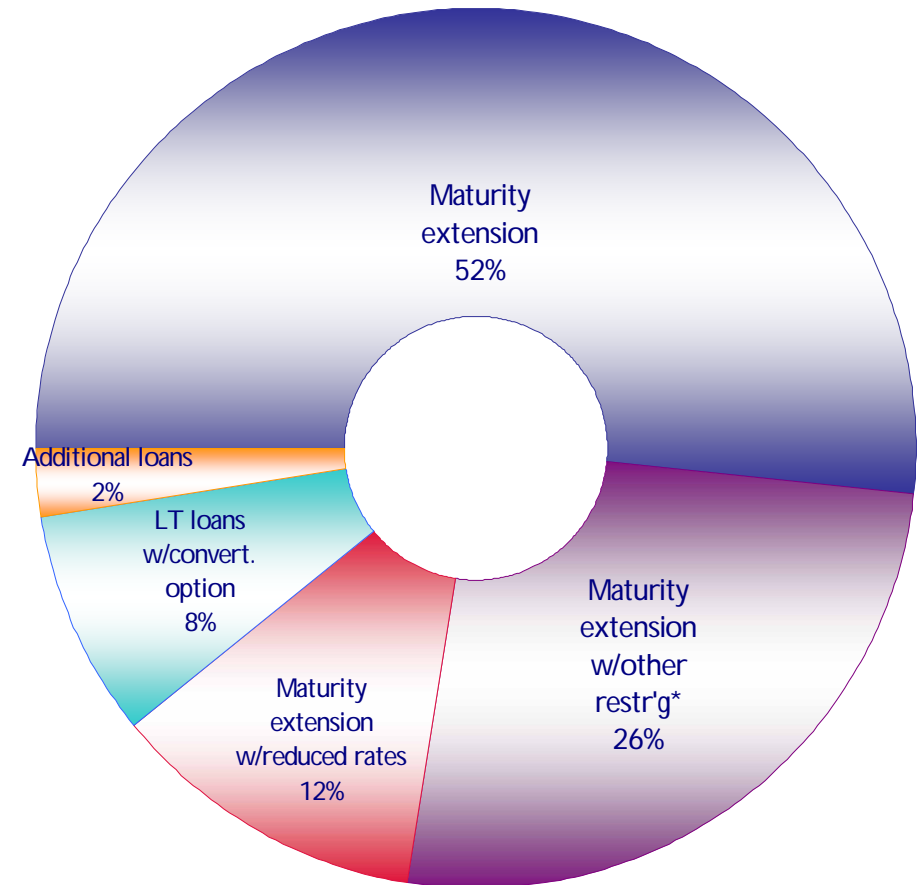
Limited Restructured Loan Activity in Q2 '06

Restructured Loan Movement 1999 - Q2 '06



(Rp billions)	FY '04	FY '05	Q1 '06	Q2 '06
Loans Restructured	391	718	19	1
NPL Collections	813	1,118	228	564

Loans by Restructuring Type in Q2 2006

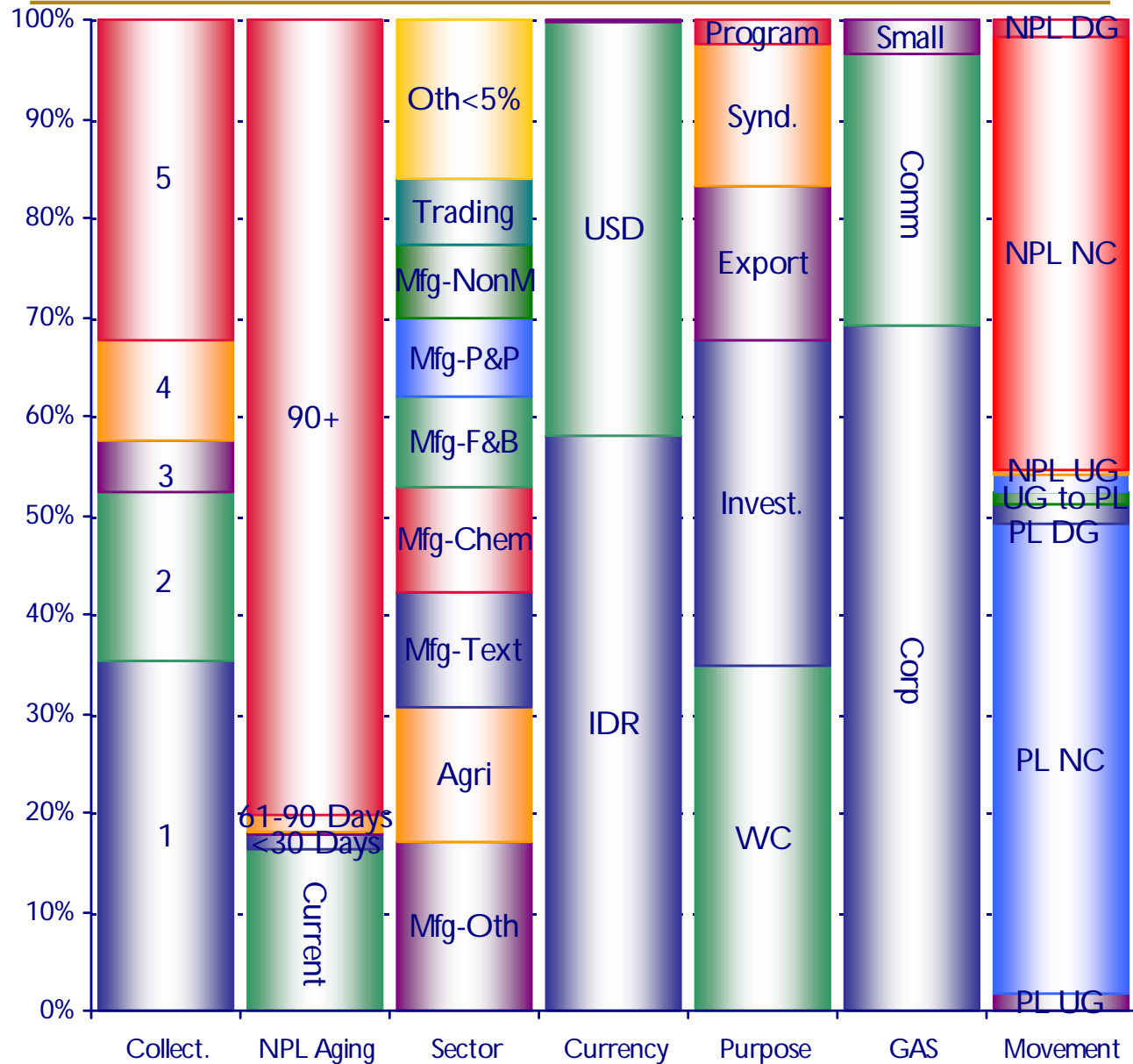


*Other Restructuring includes reduction of interest rates, rescheduling of unpaid interest & extension of repayment period for unpaid interest

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

Q2 2006 Loan Detail*: Restructured Loans

Loan Profile: Q2 Restructured Loans (Rp 18,611 bn) Bank Only



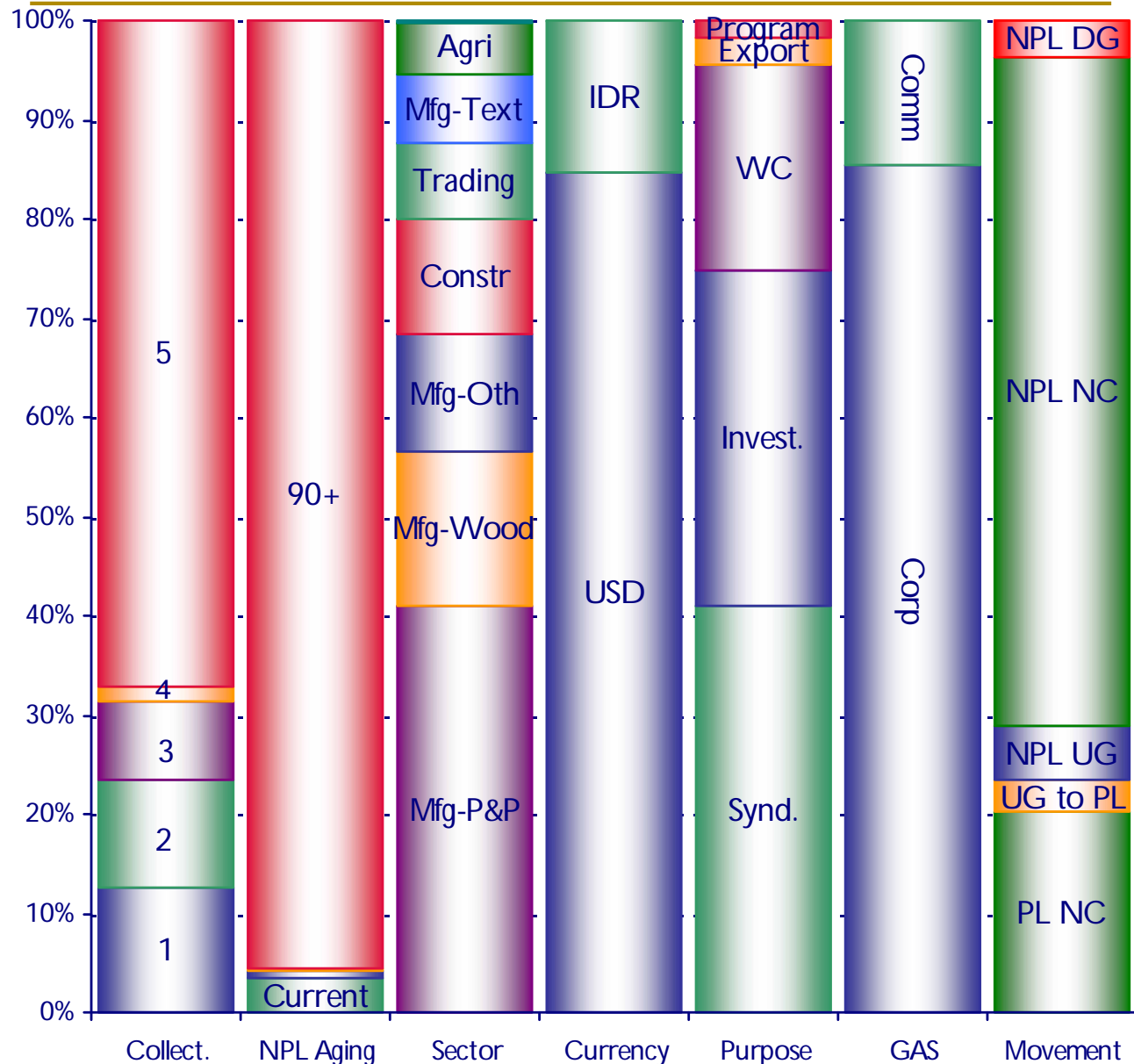
Of the remaining Rp 18,611 billion in restructured Corporate, Commercial & Small Business loans in Q2, or 18.6% of total loans:

- 52.4% are performing
- 43.6% of loans in Category 2 are current in interest payments
- Of the 47.6% which are in NPL, 7.8% are current in interest payments
- Primary sectors are:
 - Agriculture
 - Manufacturing
 - Chemicals
 - Textiles
 - F & B
- 57.9% are Rupiah loans
- 34.7% are Working Capital loans
- 69.0% are to Corporate customers
- 5.4% deteriorated in collectibility
- 3.6% showed improved collectibility

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: IBRA Loans

Loan Profile: Q2 IBRA Loans (Rp 4,070 bn) Bank Only

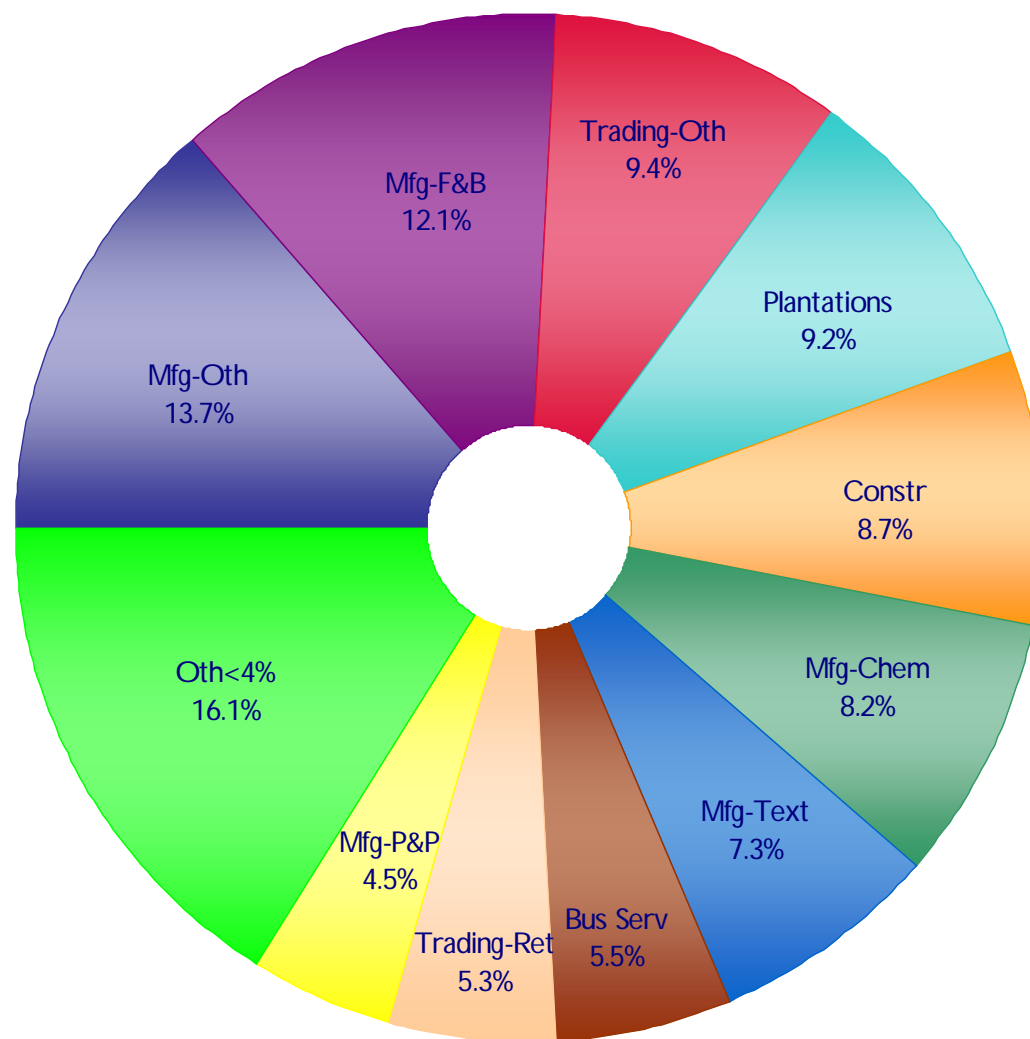


Rp 4,070 billion in loans purchased from IBRA remain on the books as of Q2, accounting for 4.1% of total loans:

- 23.5% are performing
- 85.1% of loans in Category 2 are current in interest payments
- Of the 76.5% which are in NPL, 2.6% are current in interest payments
- Primary sectors are:
 - Manufacturing
 - Pulp & Paper
 - Wood
 - Textiles
 - Construction
- 84.7% are US Dollar loans
- 41.0% are Syndicated loans, with another 33.9% Investment loans
- 85.4% are to Corporate customers
- 3.7% deteriorated in collectibility during the quarter

* Excluding Micro & Consumer Loans Only

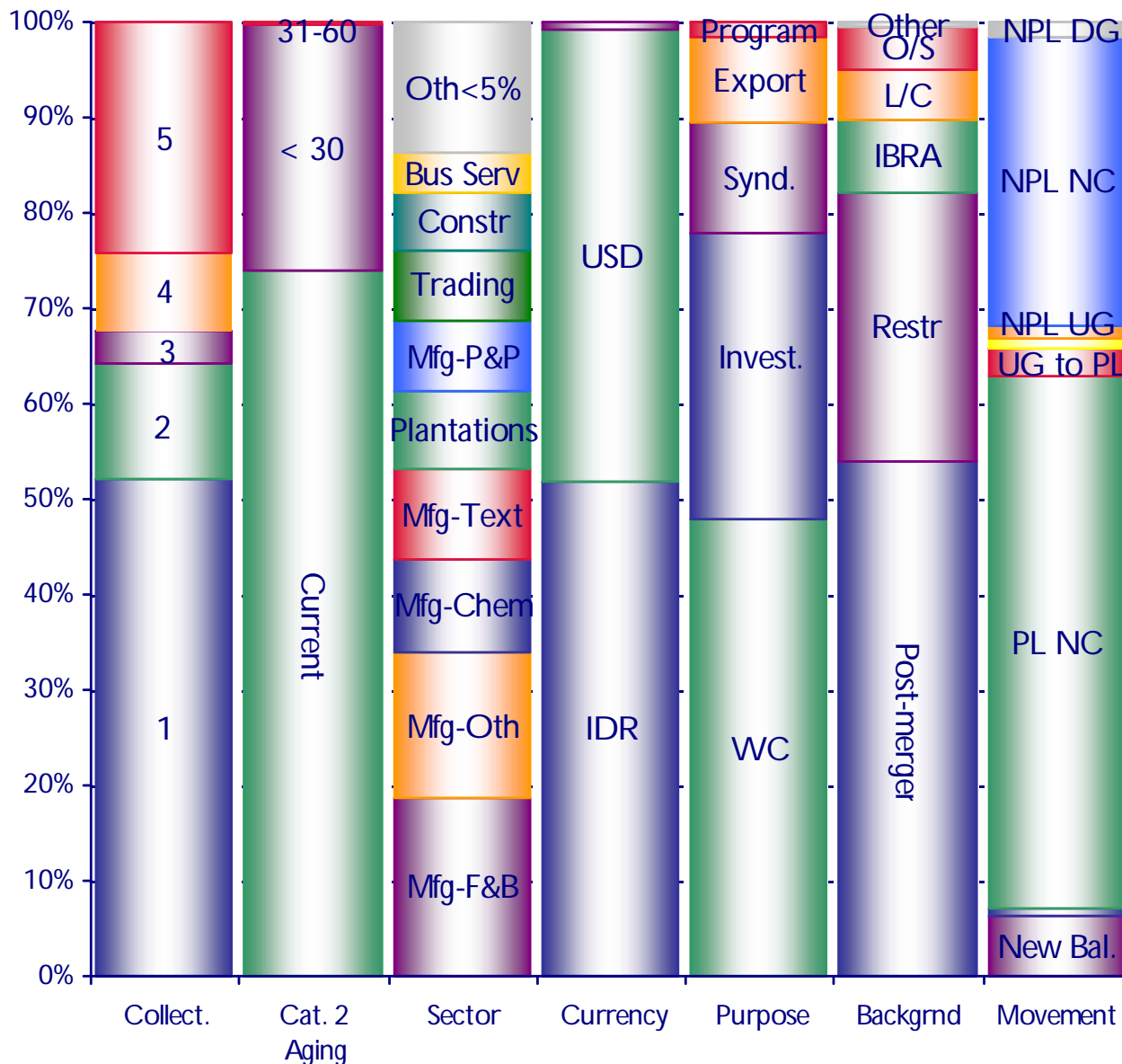
Loan Portfolio Sector Analysis, Q2 2006



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

Q2 2006 Loan Detail: Corporate Loans

Loan Profile: Q2 Corporate Loans Only (Rp 45,178 bn) Bank Only

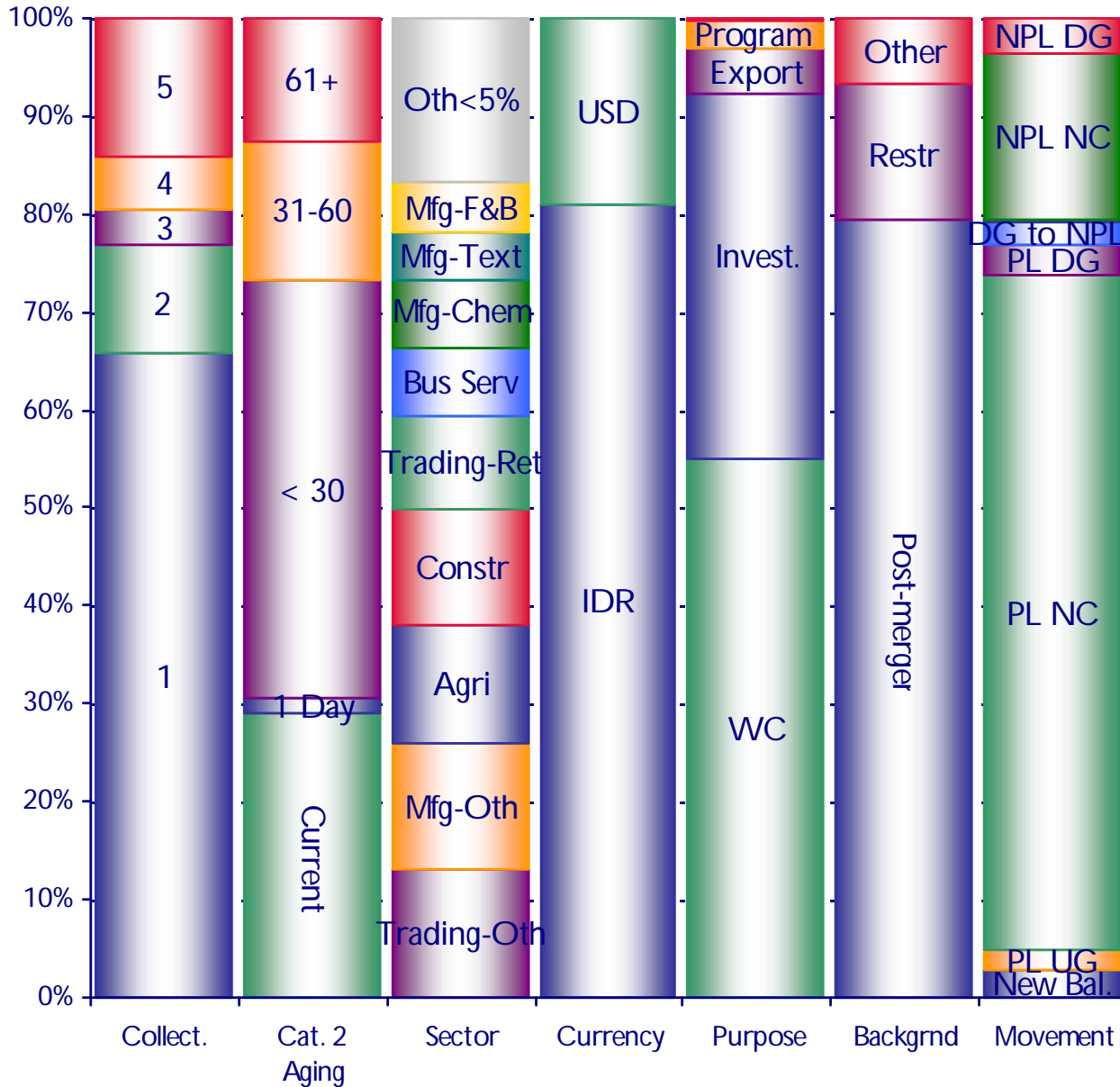


Rp 45,178 billion in loans were in the Corporate portfolio in Q2, or 45.1% of total loans. Of the Corporate Loans in Q2:

- 64.3% are performing loans, with 12.3% in Category 2
- 73.9% of Category 2 loans are current in interest payments
- 16.9% of NPLs are current in interest payments, with another 1.8% less than 30 days overdue
- Primary sectors in Corporate are:
 - Food & Beverage Mfg
 - Chemical Mfg
 - Textile Mfg
 - Plantations
- 51.8% are Rupiah loans
- 48.0% are Working Capital loans
- 28.2% are Restructured loans
- 7.7% were purchased from IBRA

Q2 2006 Loan Detail: Commercial & Small Business Loans*

Loan Profile: Q2 Commercial & Small Loans* Only (Rp 41,159 bn) Bank Only



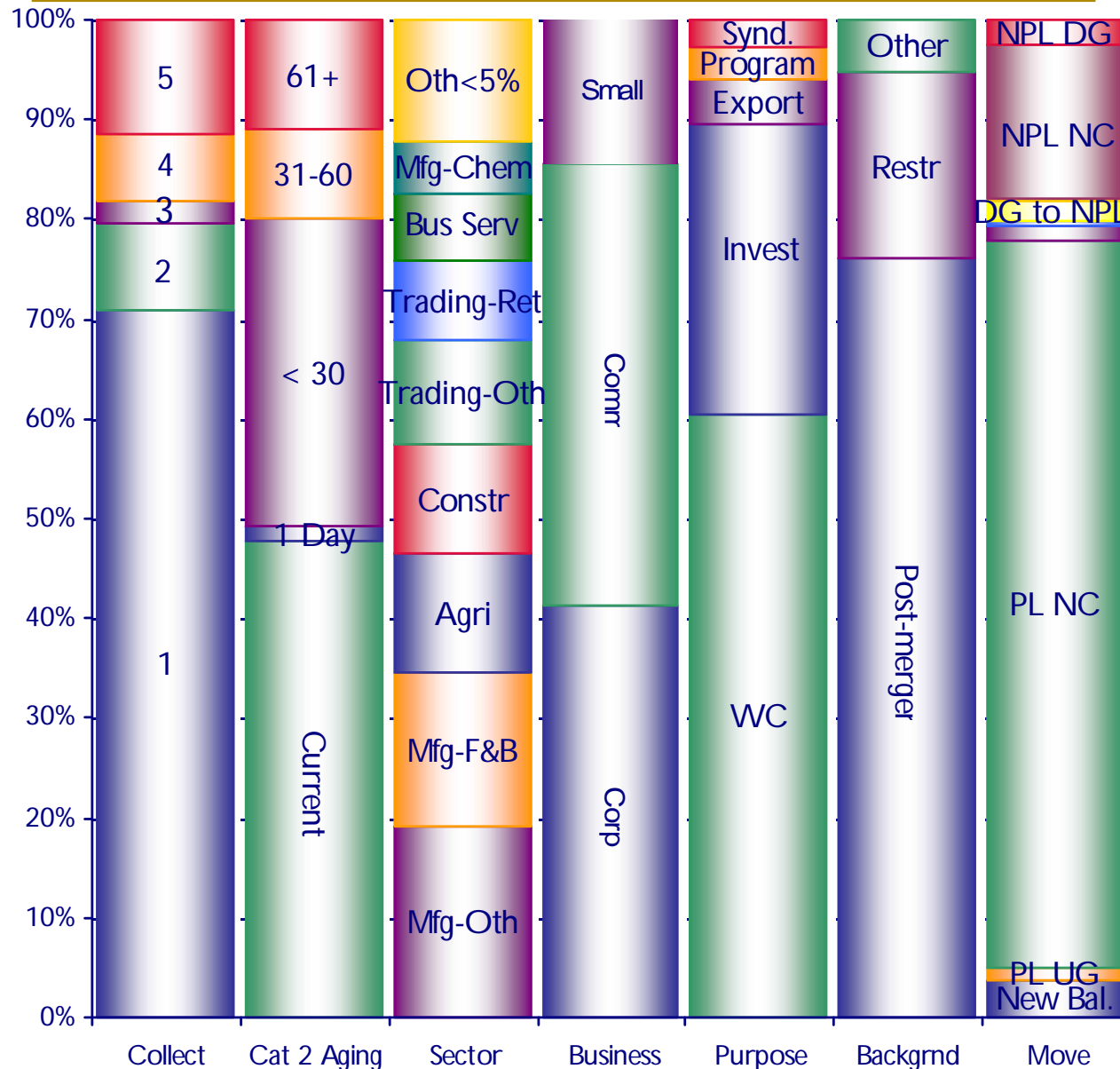
Rp 41,159 billion in loans were in the Commercial portfolio in Q2, or 41.1% of total loans. Of the Commercial & Small Business Loans* in Q2:

- 76.8% are performing, with 11.1% in Category 2
- 30.6% in Category 2 are current or 1 day overdue in interest payments
- 22.5% of NPLs are current in interest payments and 1.7% are less than 30 days overdue
- Primary sectors in Commercial are:
 - Trading
 - Agriculture
 - Construction
 - Retail
- 80.9% are Rupiah loans
- 55.1% are Working Capital loans
- 13.8% are Restructured loans
- 1.5% were purchased from IBRA

* Excluding Micro Loans

Q2 2006 Loan Detail*: Rupiah Loans

Loan Profile: Q2 Loans (Rp 56,698 bn) Bank Only



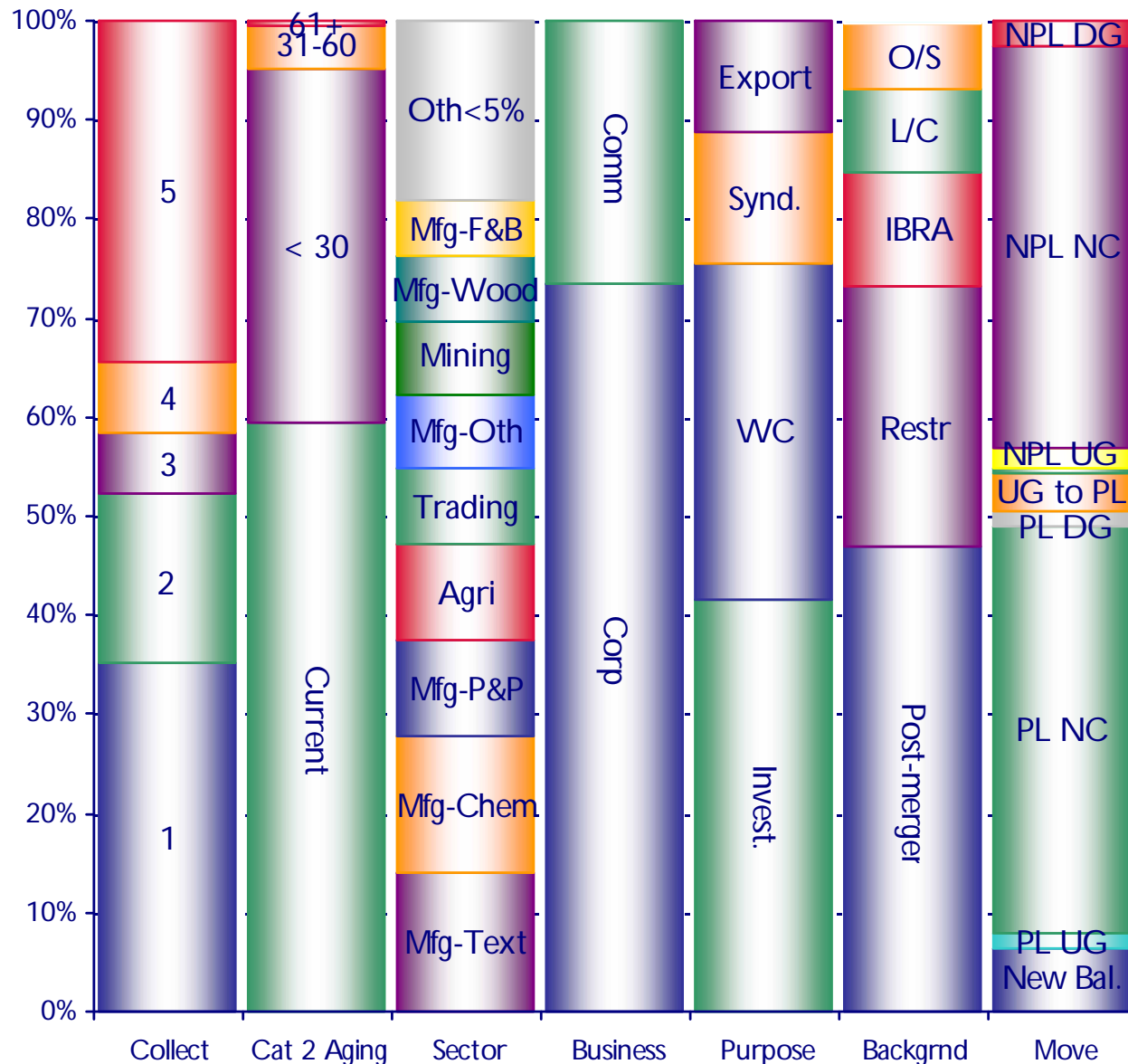
Rp 56,698 billion in loans were Rupiah denominated in Q2, or 56.7% of total loans. Of the Rupiah Loans in Q2:

- 79.7% are performing loans with 8.8% in Category 2
- 47.7% of Category 2 loans are current in interest payments
- 10.2% of NPLs are current in interest payments
- Primary sectors in Corporate are:
 - Food & Beverage Mfg
 - Agriculture
 - Construction
 - Trading
- 44.3% are Commercial loans
- 60.4% are Working Capital loans
- 18.8% are Restructured loans
- 1.1% were purchased from IBRA

* Excluding Micro & Consumer Loans Only

Q2 2006 Loan Detail*: Foreign Currency Loans

Loan Profile: Q2 FX Loans (Rp 29,639 bn) Bank Only



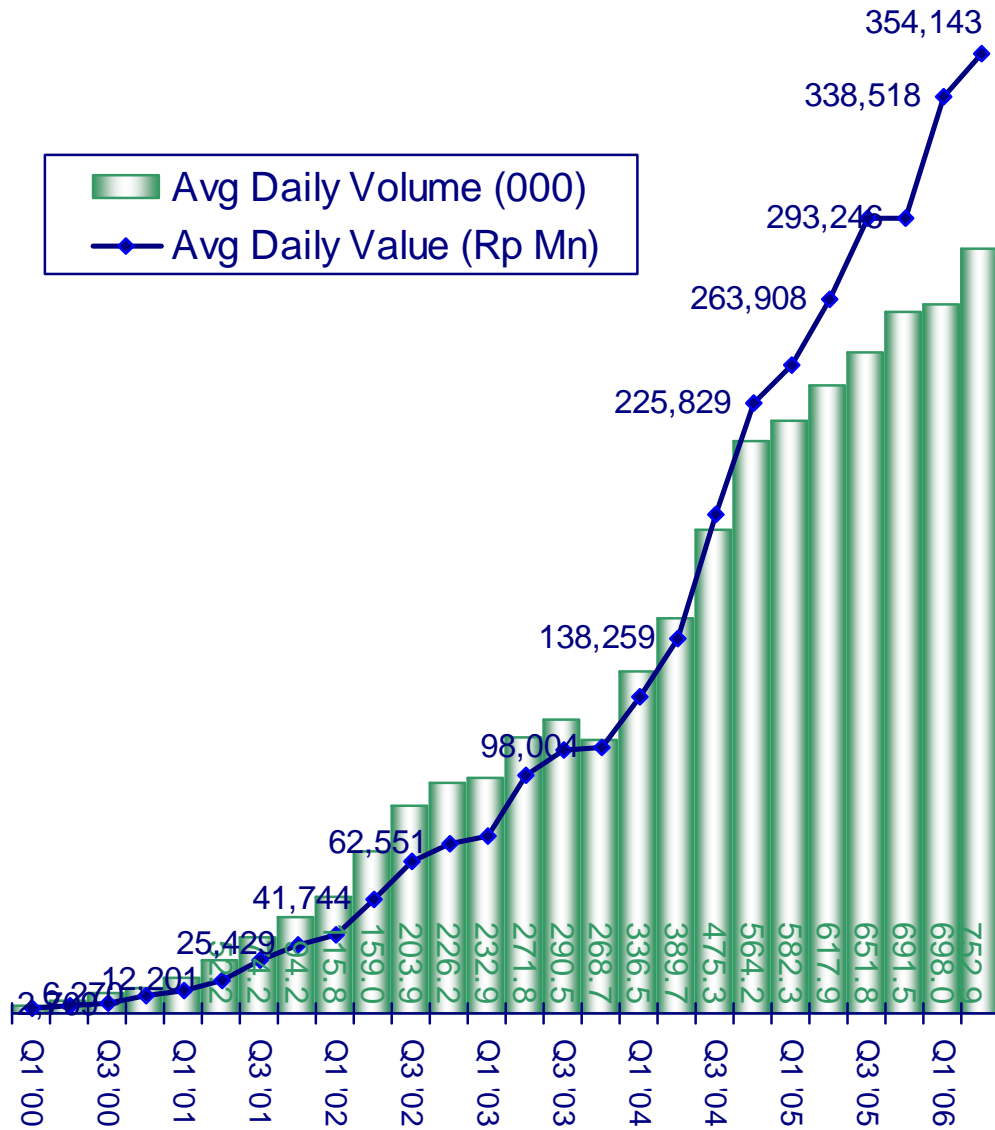
Rp 29,639 billion in loans were foreign currency denominated in Q2, or 29.6% of total loans. Of the FX Loans in Q2:

- 52.3% are performing loans with 17.2% in Category 2
- 59.5% of Category 2 loans are current in interest payments
- 26.3% of NPLs are current in interest payments
- Primary sectors in Corporate are:
 - Manufacturing of
 - Chemicals
 - Textiles & Leather
 - Pulp & Paper
 - Agriculture
 - Trading
- 73.5% are Corporate loans
- 41.5% are Investment loans
- 26.2% are Restructured loans
- 11.6% were purchased from IBRA

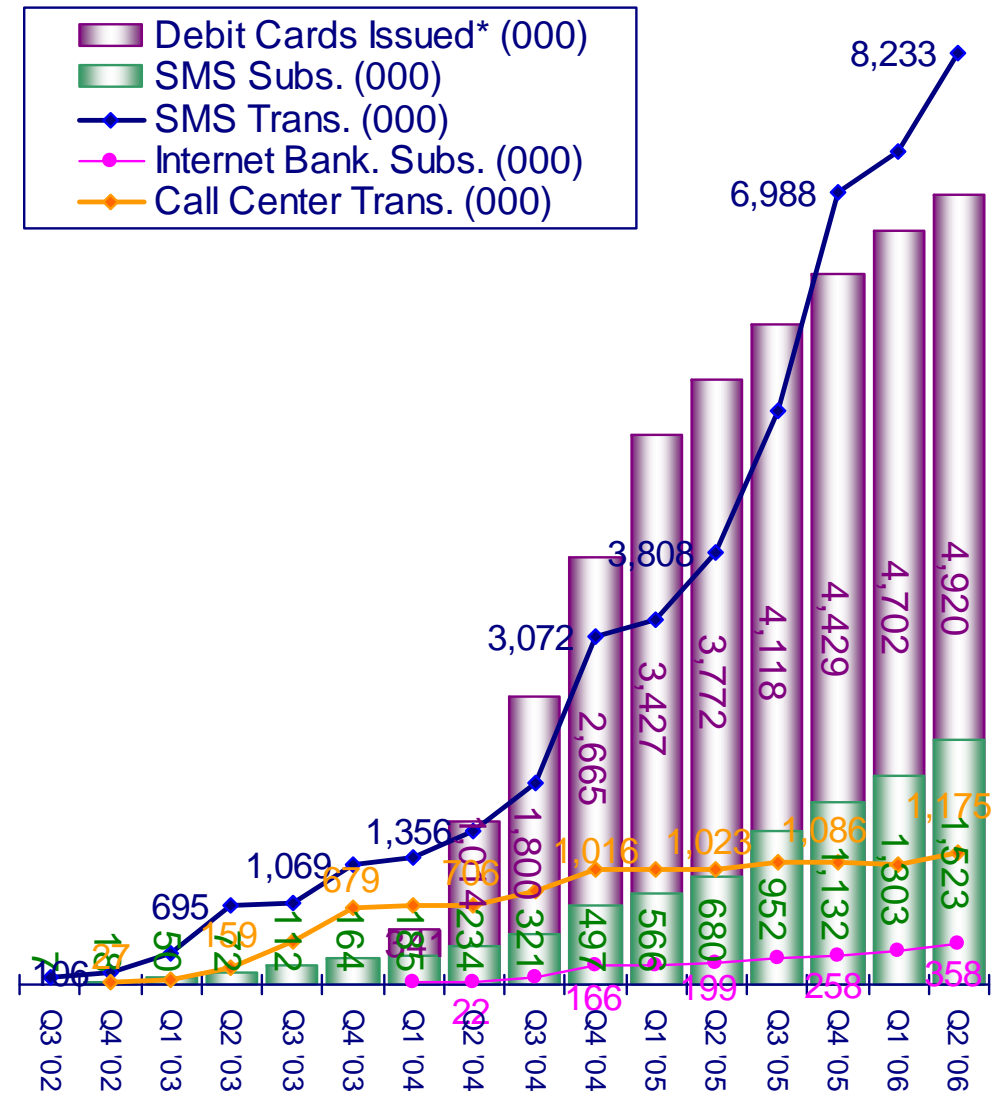
* Excluding Micro & Consumer Loans Only

Electronic banking channels rapidly expanding

ATM Average Daily Transaction Volume and Value



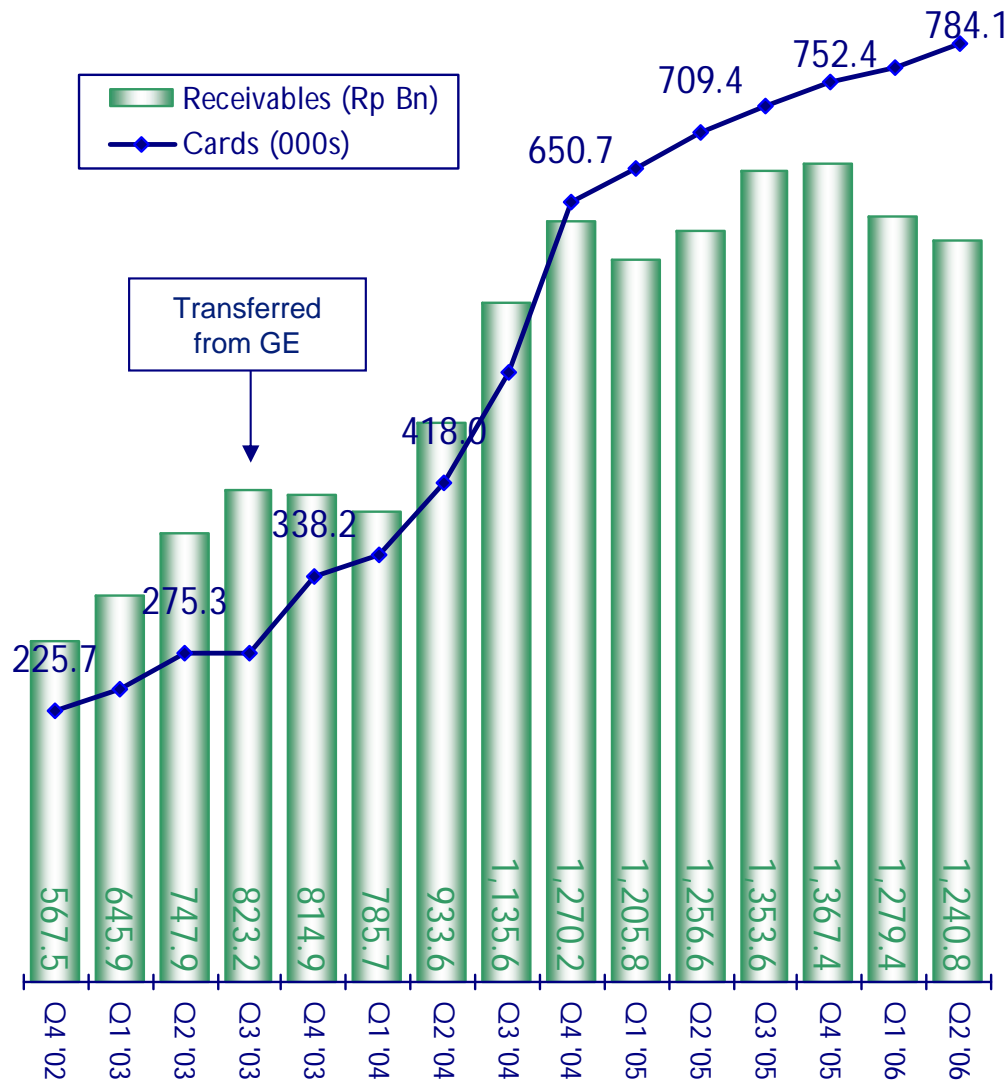
Other Transaction Services



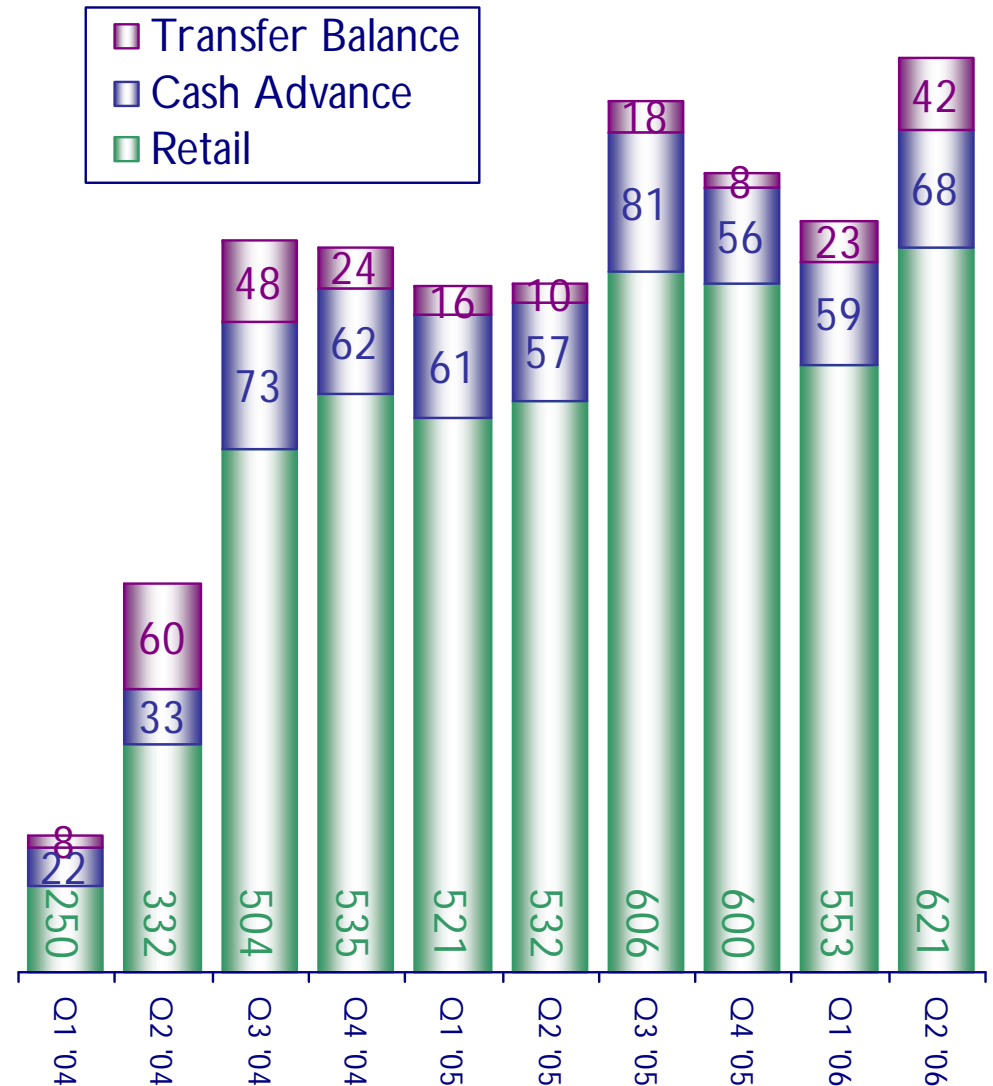
* Debit Cards reintroduced in Jan. '04

Credit Card business growth has resumed

Mandiri Visa Card Holders and EOQ Receivables

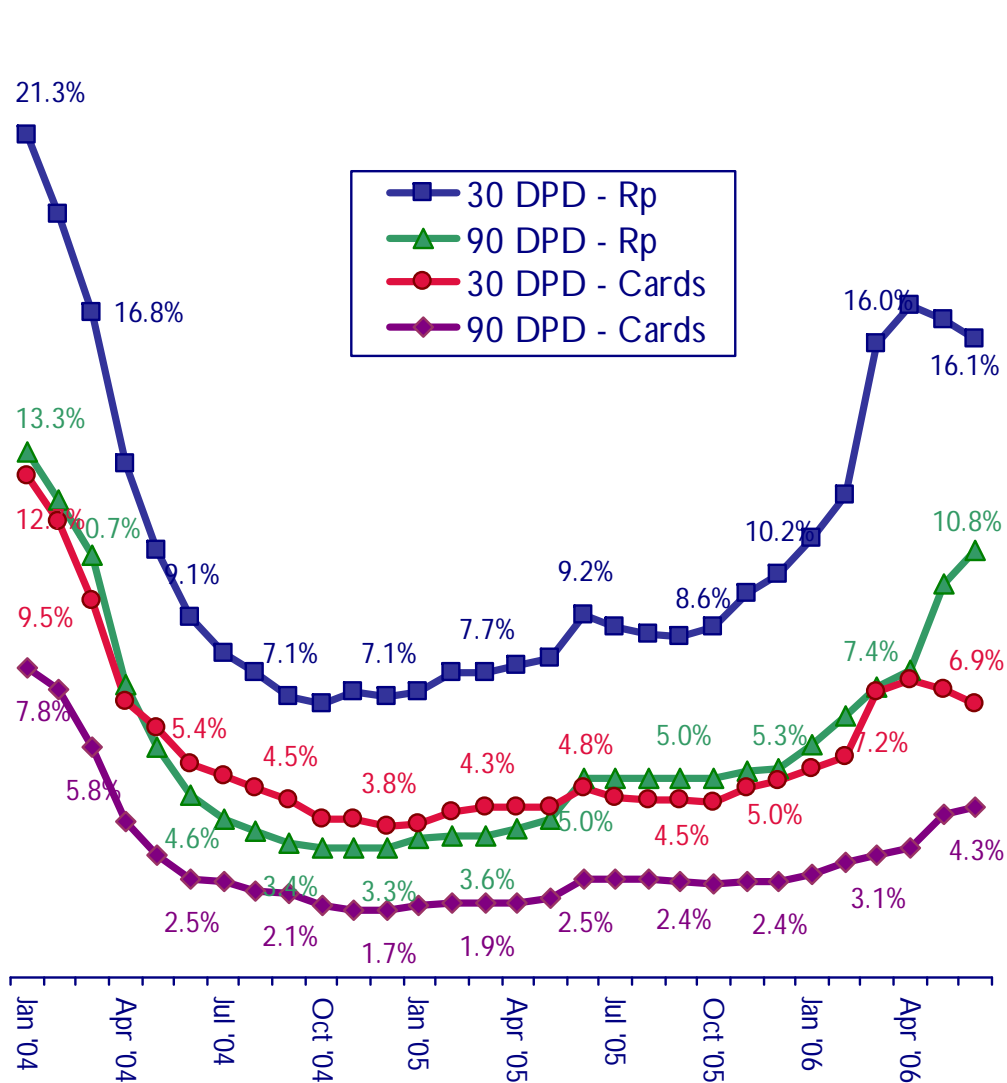


Visa Card Quarterly Sales by Type of Transaction (Rp Billion)

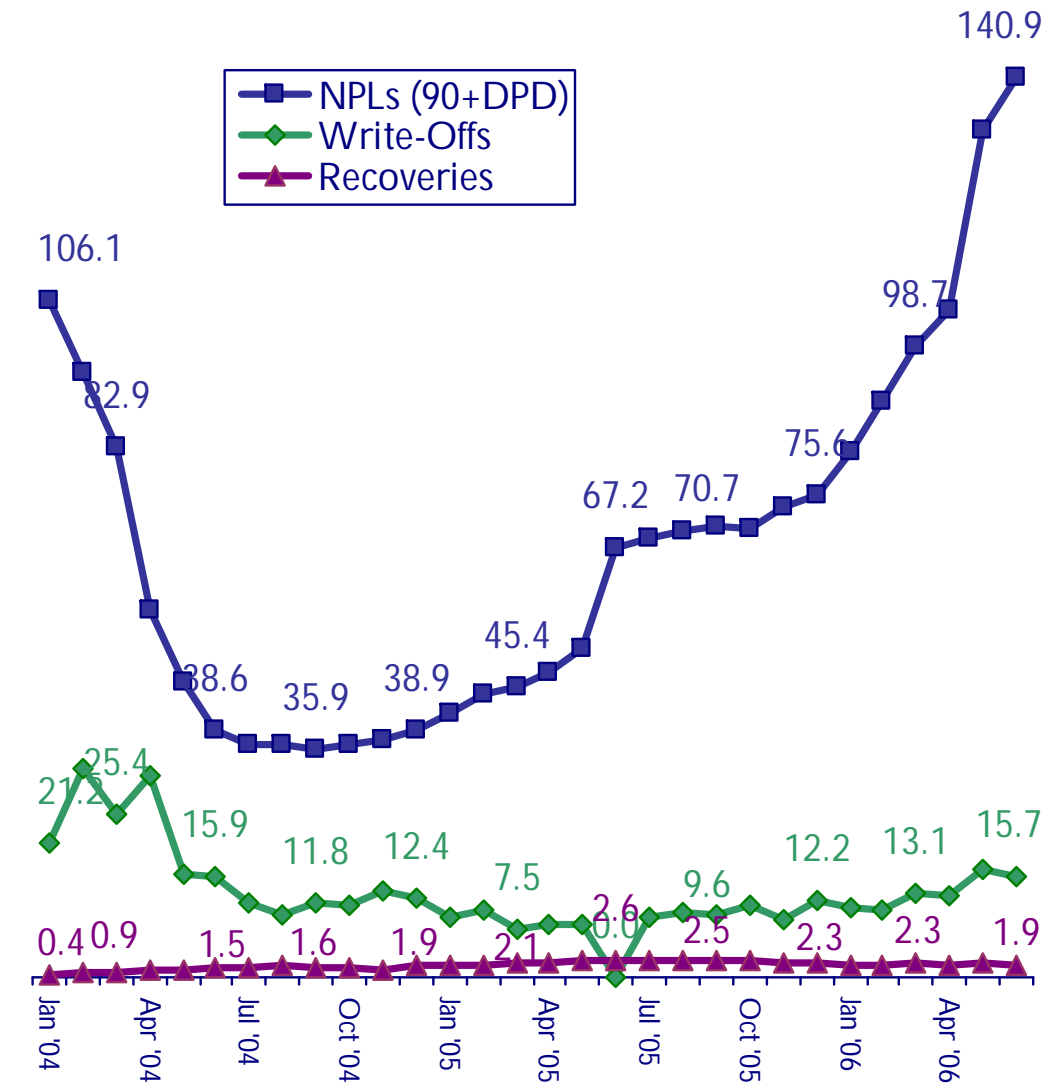


Credit Card portfolio stable throughout in Q2

Mandiri Visa Card Delinquency Rates (%)



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

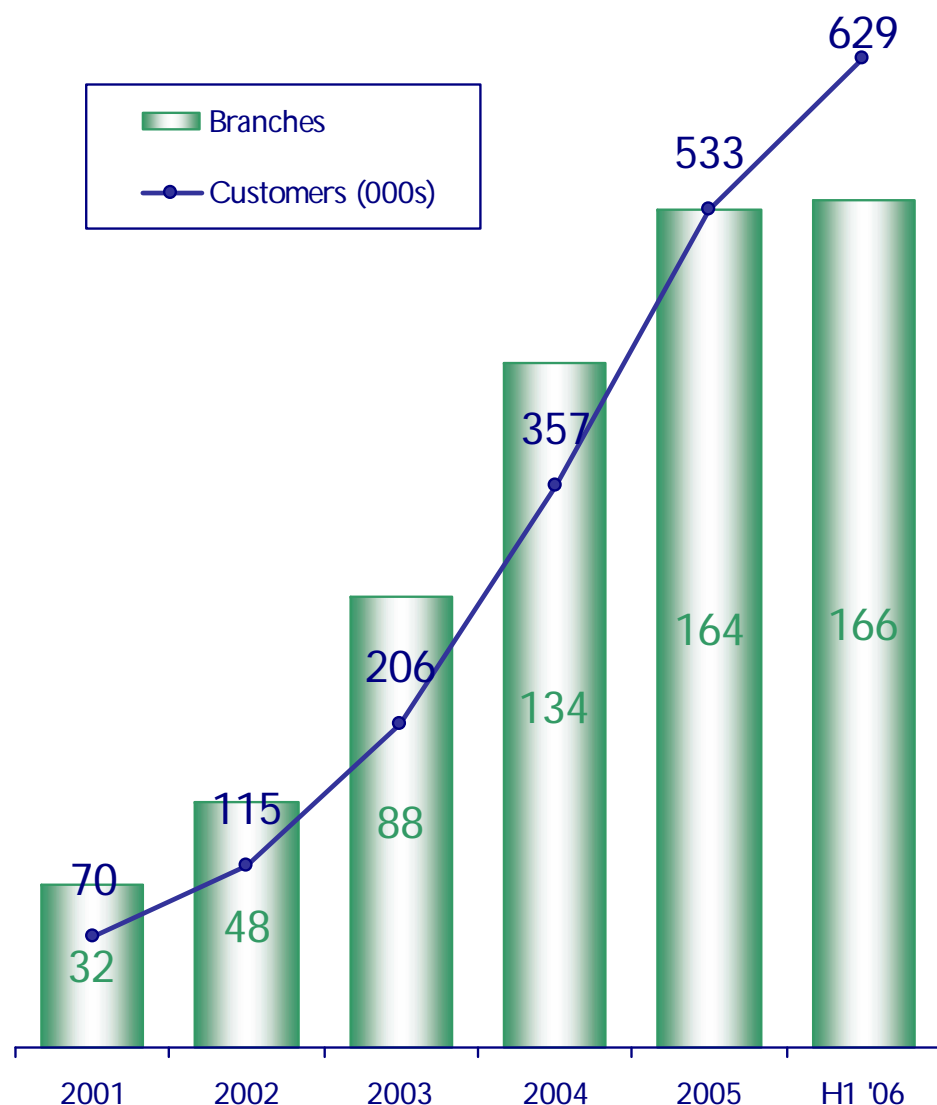


Summary of Principal Subsidiaries

Bank Syariah Mandiri	Mandiri Sekuritas	AXA Mandiri
<ul style="list-style-type: none"> • Equity Investment of Rp663.9 billion • Total Assets Rp8,724 billion, with total financing extended of Rp6,914 billion and total funds Rp7,397 billion • Operating Income of Rp435.7 billion and Profit After Tax of Rp31.3 billion • Market share against Syariah Banking: 39.02% in assets, 38.41% in financing extended and 46.03% in deposits. • CAR=11.51% • ROA=1.33% • ROE=9.85% • 166 outlets, consisting of 111 branches and 55 cash outlets, along with 52 branded ATMs 	<ul style="list-style-type: none"> • Equity Investment of Rp652.6 billion • Total Assets Rp1,297 billion, total liabilities Rp607.6 billion and Equity of Rp689.7 billion • Operating Income amount to Rp20.5 billion, and PAT Rp434 million • Equity transactions in BEJ of Rp10,119 billion • Bond transactions (SUN & Corporate) through BES and HIMDASUN of Rp5,964 billion • Largest local bond house : 64% of all secondary trading of Government bonds and 23% of all secondary trading of corporate bonds in the country. • Assets Under Management amounting to Rp1,717 billion on average. 	<ul style="list-style-type: none"> • Equity Investment of Rp70.9 billion • Total Assets of Rp1,157 billion and Annual First Year Premium (AFYP) of Rp142.4 billion • Total Gross Written Premium (GWP) amounted to Rp290.9 billion, consisting of unit-linked premiums of Rp19.3 billion (6%) and traditional product premiums of Rp271.6 billion (94%). Group business accounted for Rp22.1 billion, with the remainder of Rp268.8 billion from individual premiums • Embedded value of Rp278.5 billion (before expense overruns) and appraisal value of Rp1,019.9 billion • Operating since December 2003, has a presence in 638 Bank Mandiri branches with a team consisting of 717 Financial Advisors (FAs) • As of Q1 2006, AXA Mandiri's market share of new business for all life insurance companies in Indonesia was 2.7%

Bank Syariah Mandiri

Branch Network & Customer Growth



Summary Balance Sheet (Rp Billions)

Rp Bn	2003	2004	2005	H1 '06
Total Assets	3,422	6,870	8,273	8,724
Cash & placement w/ BI	1,023	796	1,689	1,037
Current Accounts & Placements w/Other Banks	36	235	168	191
Securities - Net	76	427	383	492
Total Financing	2,162	5,267	5,791	6,914
Allowances	(42)	(86)	(127)	(166)
Total Financing - Net	2,119	5,181	5,664	6,748
Third Party Funds	2,629	5,882	7,037	7,397
Demand Deposits	298	981	1,261	1,604
Savings Deposits	753	1,567	1,958	2,265
Time Deposits	1,578	3,334	3,818	3,528
Shareholders Equity	450	549	633	663

Bank Syariah Mandiri

Summary P&L (Rp billions)

	2002	2003	2004	2005	H1 '06
Total Operating Income	162.7	279.4	584.2	865.5	435.7
3rd Party Share on Returns	71.5	148.4	269.2	386.4	223.1
Bank's Share in Operating Income	91.3	131.1	315.0	479.1	212.6
Other Operating income	35.5	51.9	102.0	93.6	61.3
Operating Expenses	84.4	159.9	276.4	435.6	187.0
Income from Operations	42.3	23.0	140.6	137.2	52.5
Net Income before tax	43.4	24.5	150.4	136.7	46.1
Net Income after tax	30.1	15.8	103.4	83.8	31.3

Selected Financial Ratios

LDR	74.6%	66.1%	83.3%	75.6%	93.7%
CAR	39.3%	20.9%	10.6%	11.9%	11.5%
ROA	3.6%	1.0%	2.9%	1.8%	1.3%
ROE	7.4%	3.6%	22.3%	14.6%	9.9%

Mandiri Sekuritas

Summary Balance Sheet

Rp Bn	2003	2004	2005	H1 '06
Total Assets	1,079.7	1,435.7	1,258.7	1,297.4
Cash & Equivalent	82.9	117.4	51.8	60.7
Time deposit	50.0	50.0	-	-
Marketable Securities	794.0	538.8	746.5	571.7
Receivables	123.0	478.6	84.3	279.1
Property & Equipment-net	8.0	11.8	9.6	10.3
Total Liabilities	380.8	699.3	565.9	607.6
Payable to Clearing & Guarantee body	79.3	39.1	30.1	39.3
Payable to customers	61.7	420.3	52.7	222.2
Repo	67.0	2.0	137.1	91.5
Bank Loans	150.0	190.0	305.0	225.0
Shareholders Equity	698.9	736.4	692.8	689.7

Summary P&L

Rp Bn	2003	2004	2005	H1 '06
Operating Revenue	102.4	244.0	197.3	74.6
Brokerage Commissions	3.9	15.6	20.9	8.7
Investment Mgmt Fees	5.1	53.0	42.6	3.5
Advisory fees	6.1	10.4	6.0	2.9
Underwriting & Selling Fees	24.9	20.6	9.0	0.8
Gain on Trading of Marketable Securities	25.5	61.9	(13.1)	2.4
Interest & Dividends	33.5	82.7	131.8	56.2
Operating Expenses	54.1	134.6	114.5	54.2
G & A expenses	11.6	23.4	20.6	8.6
Salaries and allowances	29.8	53.7	48.4	29.1
Commissions	5.7	36.2	21.2	5.3
Profit from operations	48.4	109.4	82.8	20.5
Other income (charges) - net	24.0	(8.1)	(34.8)	(13.3)
Income before tax	72.4	101.3	48.0	7.2
Net Income after tax	52.7	63.0	18.4	0.4

New Management Team



Agus Martowardojo
President Director



I Wayan Agus Mertayasa
Deputy President Director



Omar S. Anwar
Director
Consumer Finance



Abdul Rachman
Director
Corporate Banking



Sasmita
Director
Technology &
Operations



Zulkifli Zaini
Director
Commercial Banking



Sentot A. Sentausa
Director
Risk Management



Bambang Setiawan
Director
Compliance &
Human Capital



Budi G. Sadikin
Director
Micro & Retail
Banking



Thomas Arifin
Director
Treasury

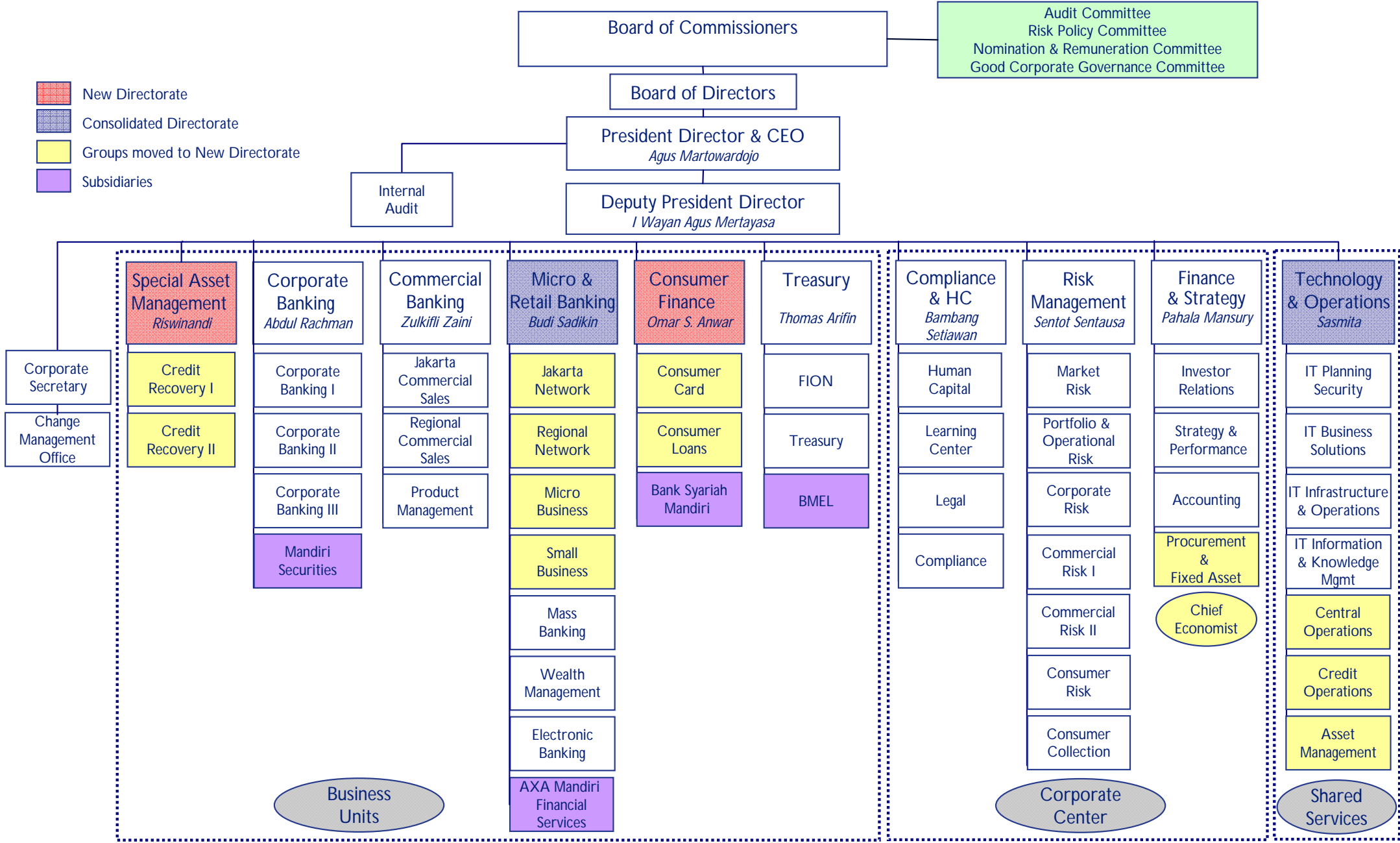


Riswinandi
Director
Special Asset
Management



Pahala Mansury
EVP Coordinator
Finance & Strategy
CFO

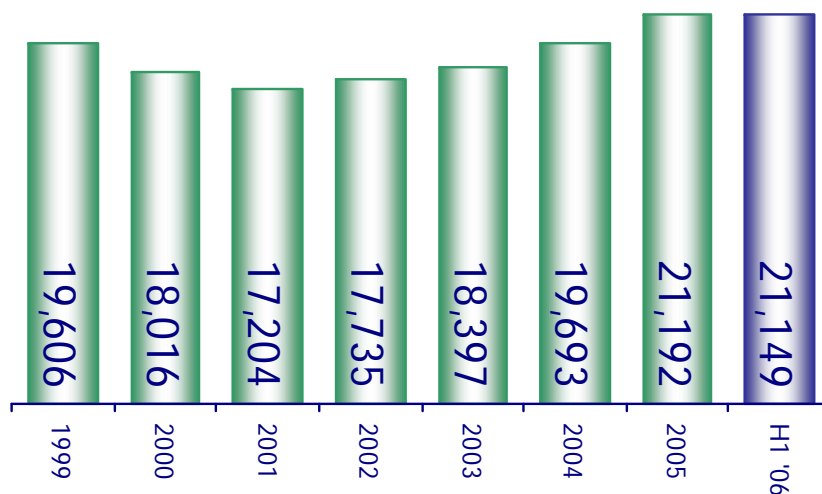
Organization Structure



Staffing and Distribution Network Growth

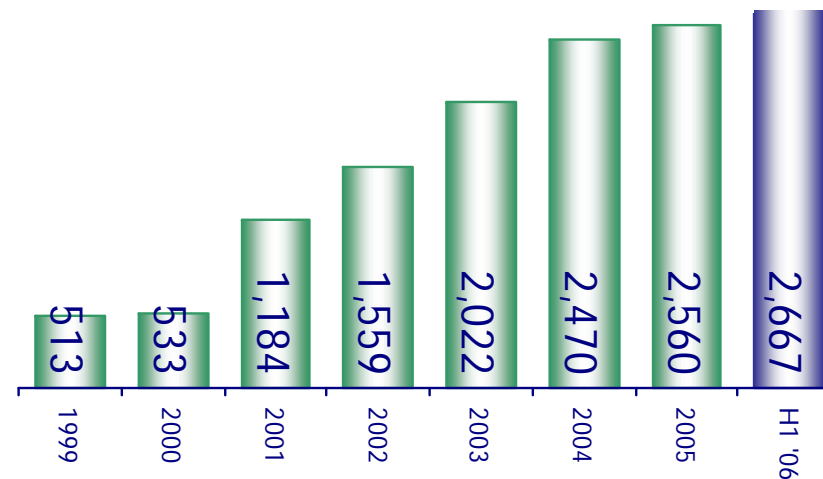
Employees

% Change	-8.1	-4.5	3.1	3.7	7.0	7.6	-0.2
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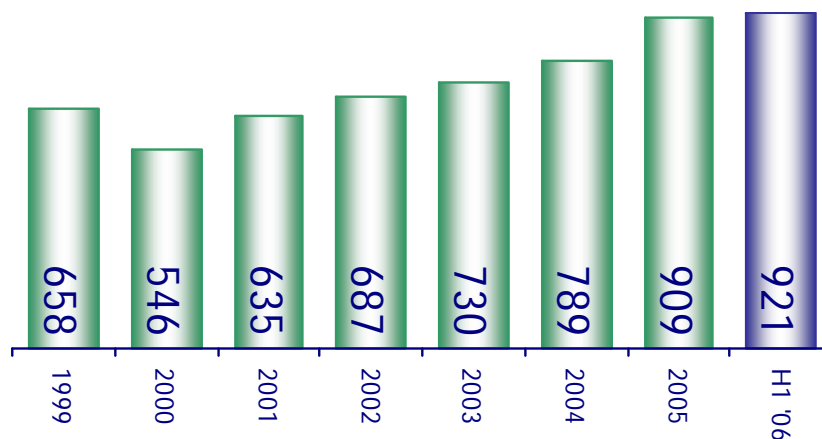
ATM Network

New ATMs	211	500	520	490	500	90	107
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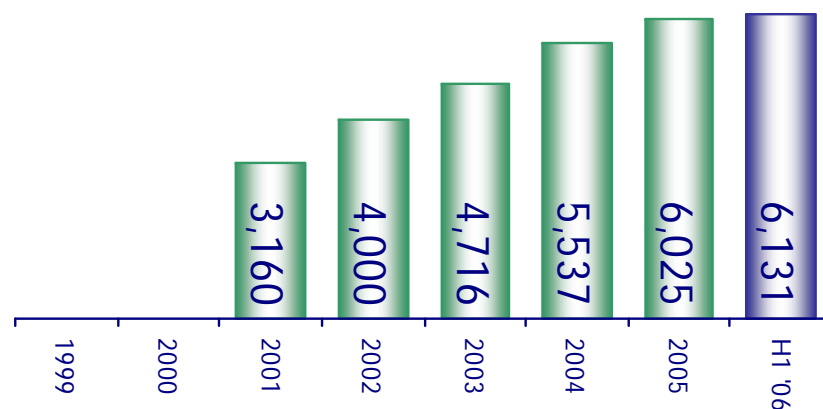


Domestic Branch Network

New Branches	-112	89	52	43	59	120	12
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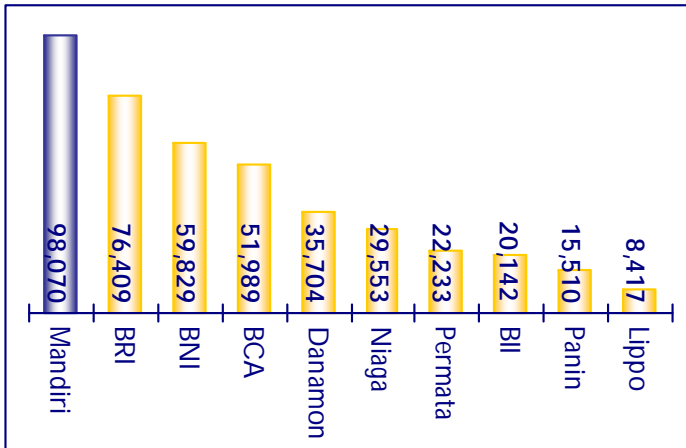
ATM-Link Network



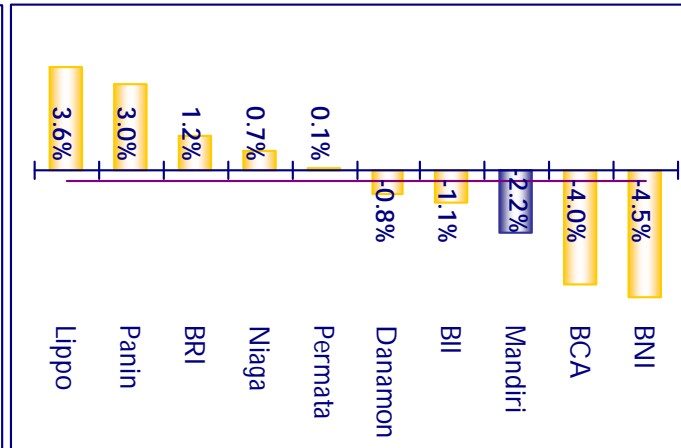
Loan growth, quality and provisioning relative to peers

Bank Only, As of March 2006

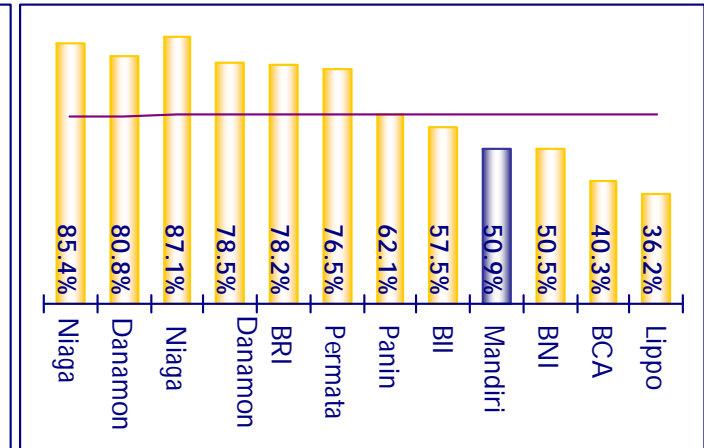
Total Loans
(Rp bn)



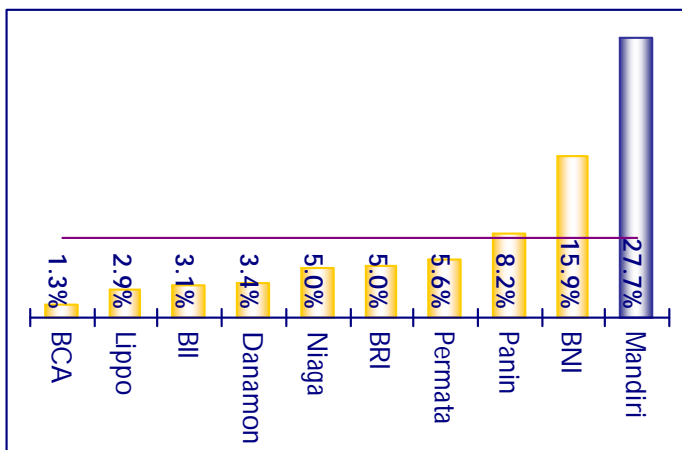
Loan Growth (YTD)
(%)



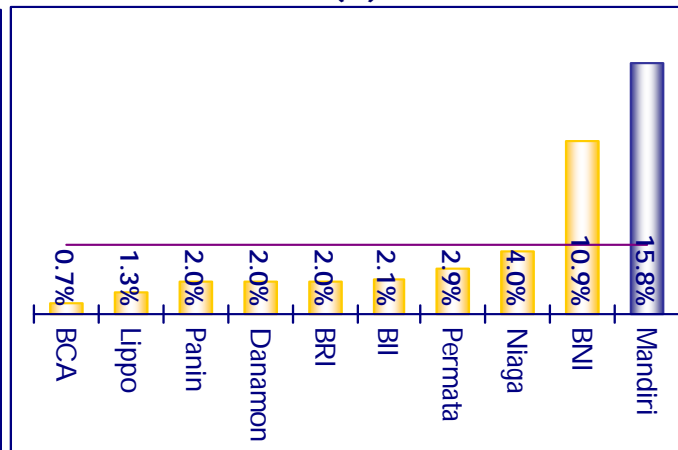
Loan to Deposit Ratio
(%)



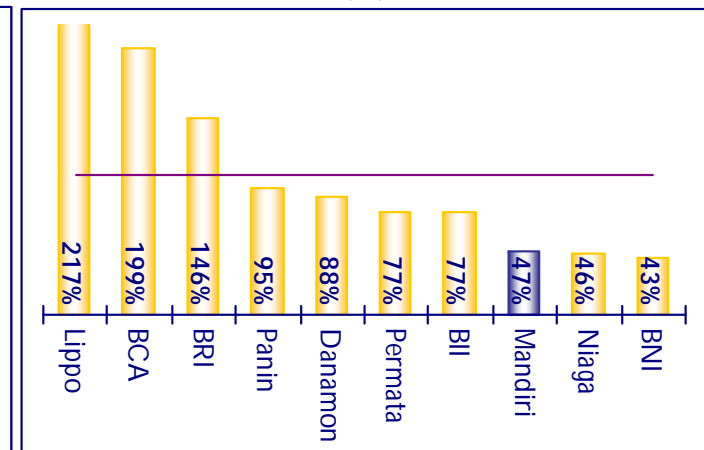
NPL Ratio (Gross)
(%)



NPL Ratio (Net)
(%)



Ratio of Provisions to NPL
(%)

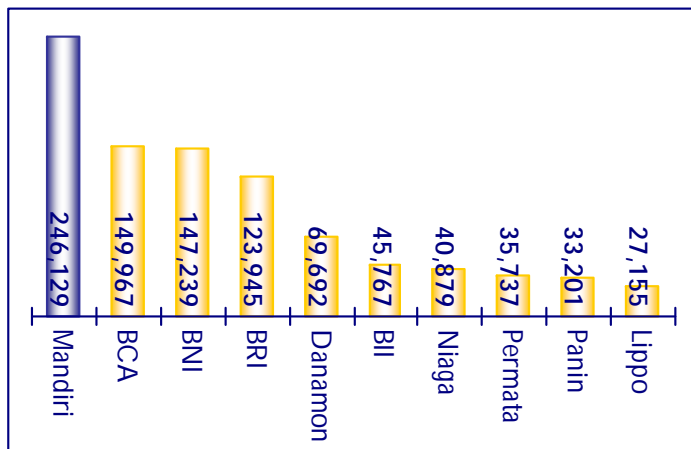


— Average

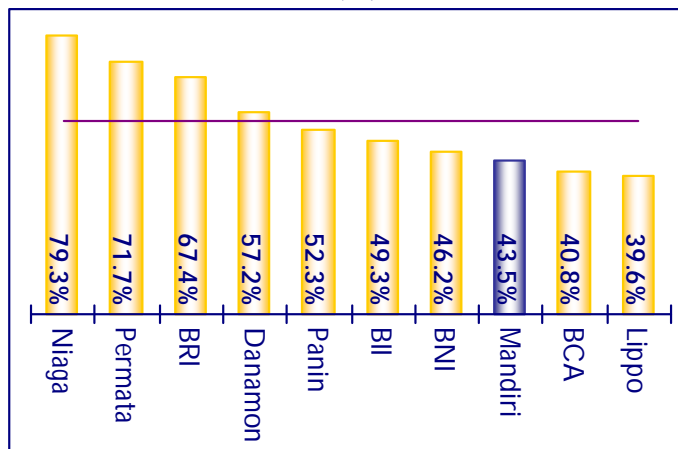
Asset and liability mix relative to peers

Bank Only, As of March 2006

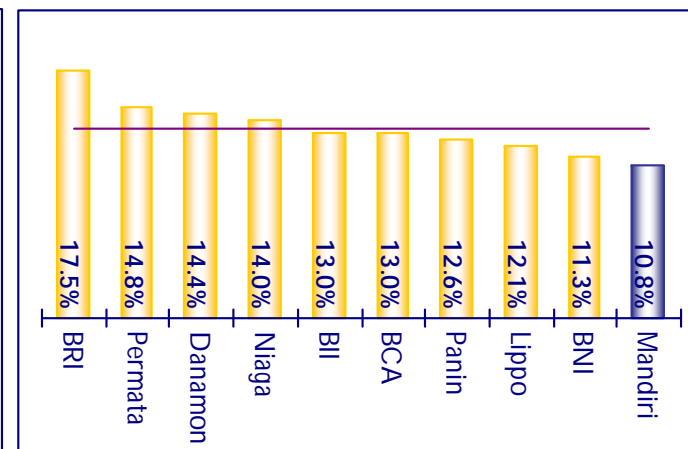
Total Assets
(Rp bn)



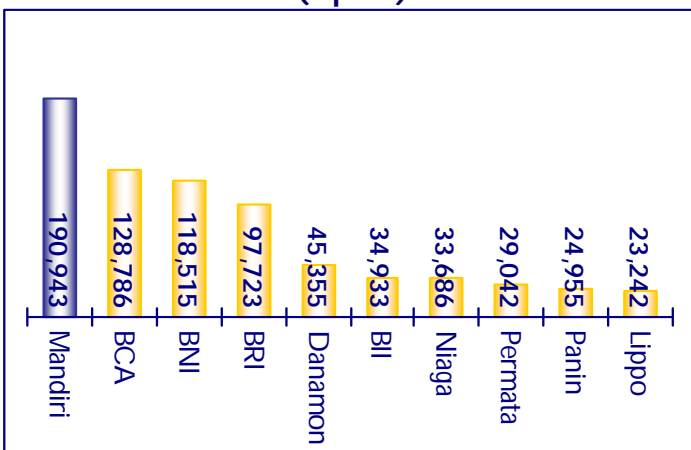
Loans to Total Earning Assets
(%)



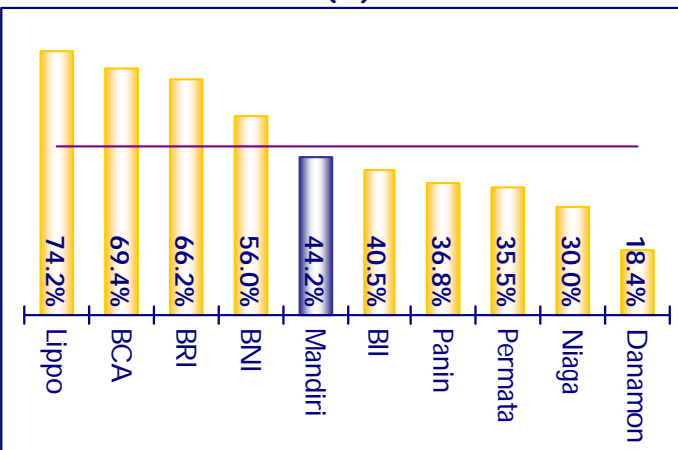
Yield on Assets (p.a.)
(%)



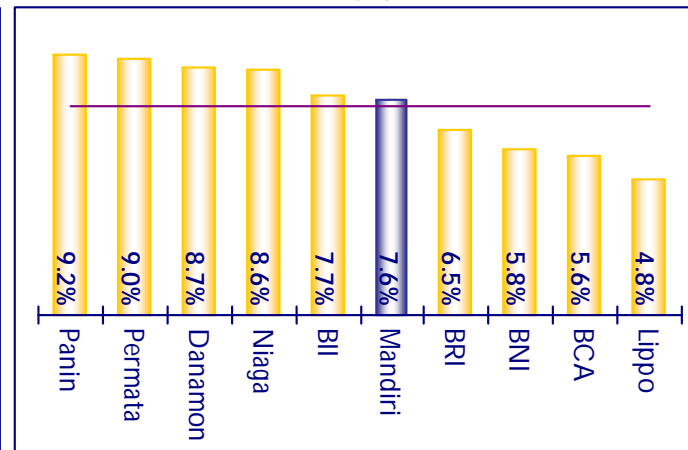
Total Deposits
(Rp tn)



Low Cost Deposit Ratio
(%)



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

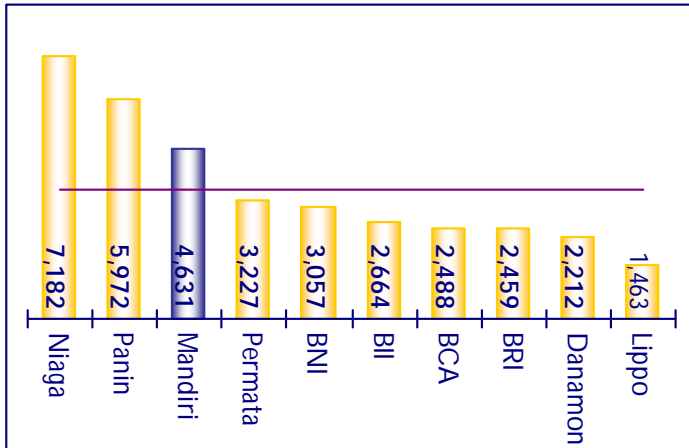


— Average

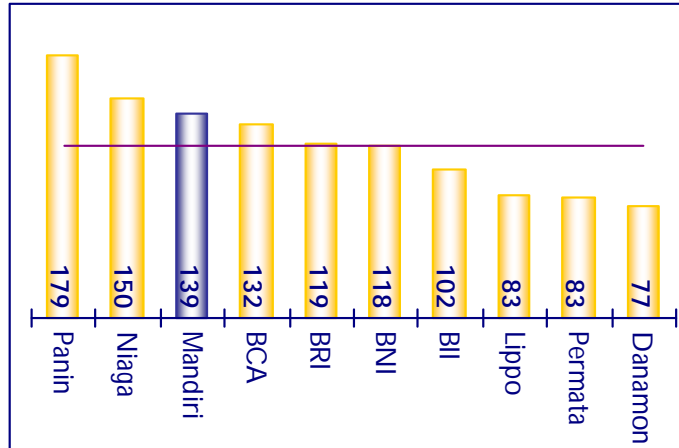
Efficiency measures relative to peers

Bank Only, As of March 2006

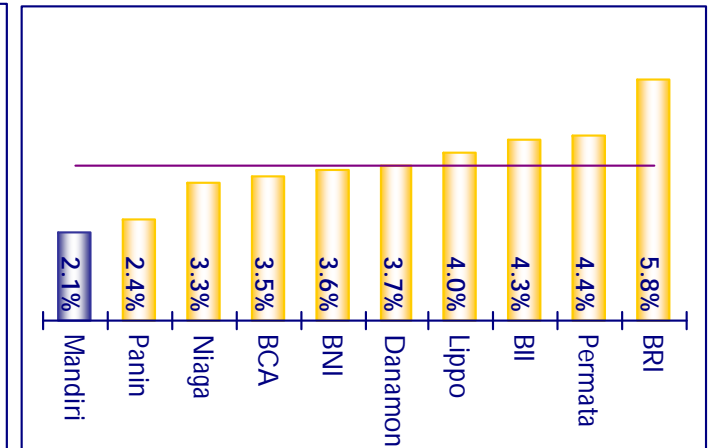
Loans/ Employee
(Rp Mn)



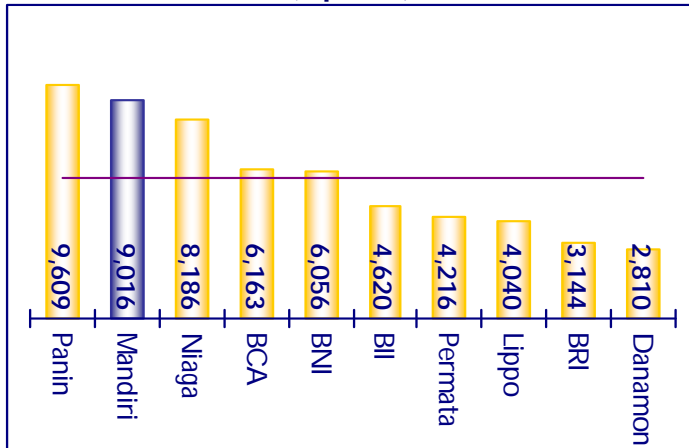
Revenue/ Employee
(Rp Mn)



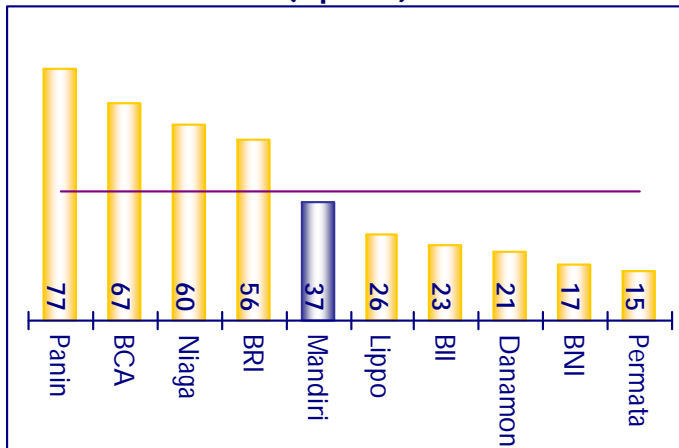
Cost/Assets
(%)*



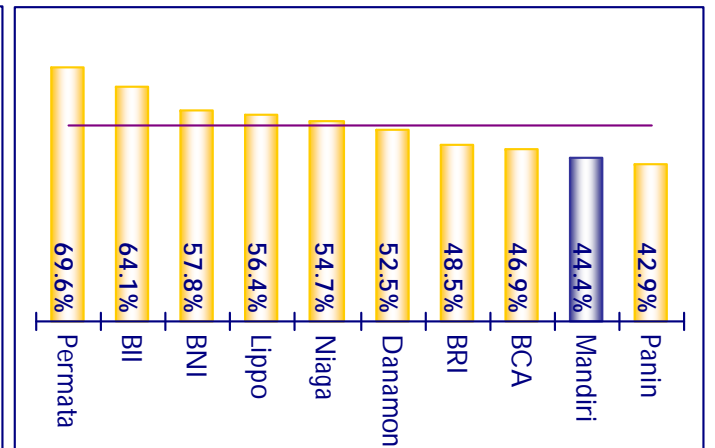
Deposits/ Employee
(Rp Mn)



Pre Tax Income/Employee
(Rp Mn)



Cost/ Income
(%)

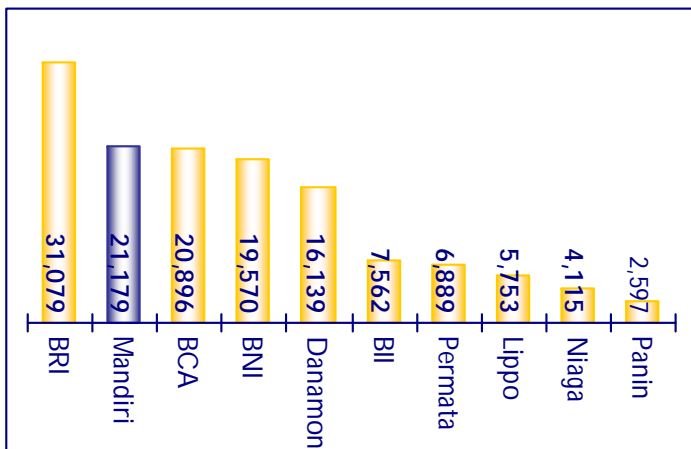


— Industry Average

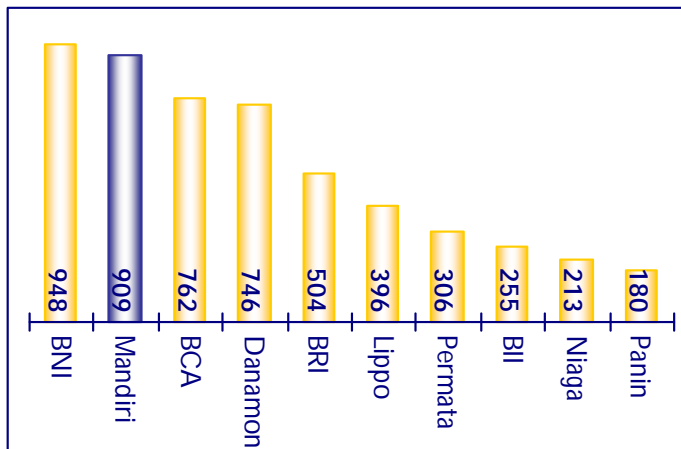
Measures of scale and returns relative to peers

Bank Only, As of March 2006

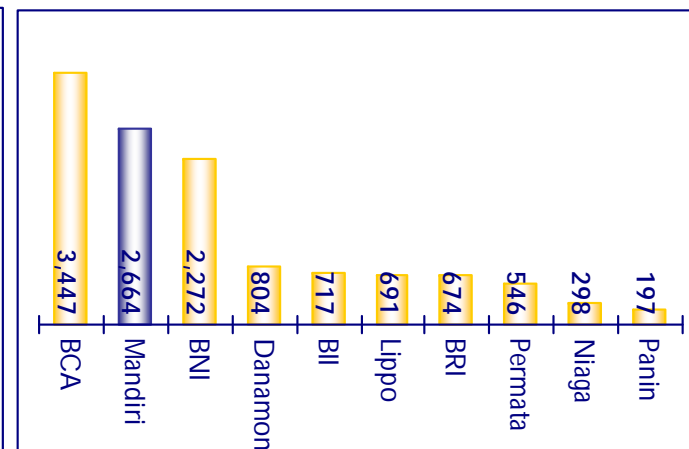
Employees



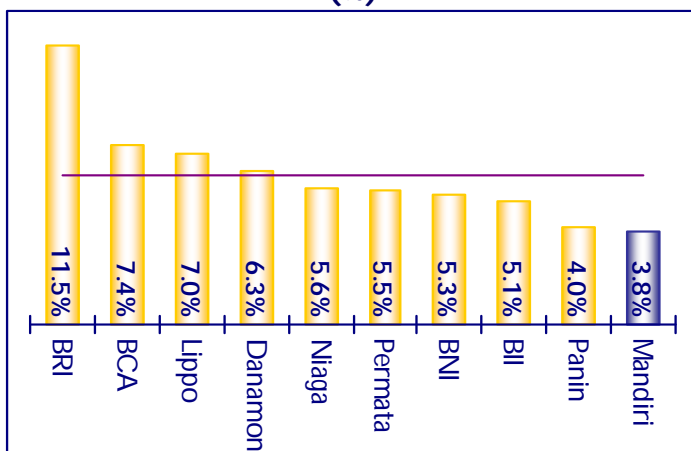
Branches



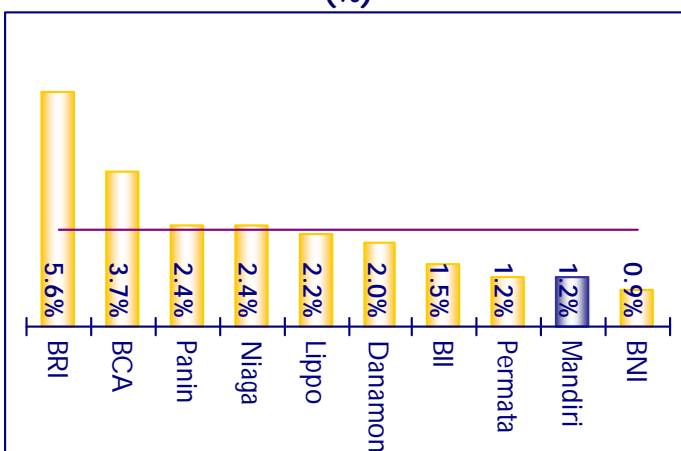
ATMs



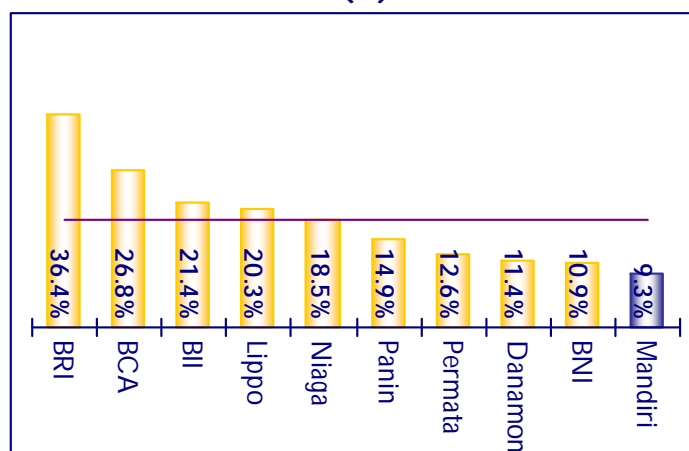
Net Interest Margins (%)



Return on Assets (Before Tax) (%)



Return on Equity (After Tax) (%)



— Industry Average

BALANCE SHEETS
As of June 30, 2006 and 2005
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
	ASSETS				
1.	Cash	2,932,671	2,264,891	3,031,655	2,348,426
2.	Placements with Bank Indonesia				
	a. Current accounts with Bank Indonesia	19,753,925	15,392,413	20,157,308	15,855,896
	b. Certificates of Bank Indonesia	9,754,066	5,392,738	10,289,064	5,432,737
	c. Others	-	4,095,958	-	4,095,958
3.	Current accounts with other banks				
	a. Rupiah	1,453	5,618	5,616	9,198
	b. Foreign currencies	654,385	1,151,287	671,213	1,119,092
4.	Placements with other banks				
	a. Rupiah	1,455,196	3,549,710	1,539,827	3,613,310
	Allowance for possible losses on placements with other banks - / -	(14,653)	(35,558)	(16,126)	(35,750)
	b. Foreign currencies	10,360,804	8,609,656	10,527,301	8,840,921
	Allowance for possible losses on placements with other banks - / -	(111,175)	(97,214)	(111,200)	(99,162)
5.	Securities				
	a. Rupiah				
	i. Trading	298,863	328,041	623,008	774,436
	ii. Available for sale	889,164	1,276,450	1,440,261	1,692,957
	iii. Held to maturity	1,026,004	1,080,266	1,026,004	1,138,219
	Allowance for possible losses on securities - / -	(1,076,712)	(1,126,652)	(1,081,661)	(1,130,734)
	b. Foreign currencies				
	i. Trading	82,394	39,612	140,980	98,014
	ii. Available for sale	114,205	117,372	382,457	582,586
	iii. Held to maturity	1,139,358	1,314,779	1,359,479	1,629,993
	Allowance for possible losses on securities - / -	(50,881)	(88,668)	(50,881)	(89,029)
6.	Securities sold with agreement to repurchase	-	-	-	-
7.	Government Recapitalization Bonds				
	a. Trading	2,340,010	2,248,358	2,340,011	2,435,779
	b. Available for sale	28,778,615	29,005,706	28,903,515	29,005,706
	c. Held to maturity	61,094,598	61,094,598	61,094,598	61,094,598
8.	Securities purchased with agreement to resell (reverse repo)				
	a. Rupiah	-	976,459	305,063	1,407,487
	Allowance for possible losses on securities purchased with agreement to resell - / -	-	(9,765)	-	(9,765)
	b. Foreign currencies	-	-	-	-
9.	Derivative receivables				
	Allowance for possible losses on securities purchased with agreement to resell - / -	400,970	314,676	404,154	315,604
	Allowance for possible losses on derivative receivables - / -	(4,079)	(3,217)	(4,079)	(3,217)
10.	Loans				
	a. Rupiah				
	- Related parties	351,860	762,363	357,855	764,865
	- Third parties	70,072,919	62,899,328	76,304,180	68,670,189
	Allowance for possible losses on loans - / -	(6,904,290)	(5,578,100)	(7,069,692)	(5,738,296)
	b. Foreign currencies				
	- Related parties	533,612	572,210	638,787	572,434
	- Third parties	29,124,568	32,790,897	30,526,677	33,897,066
	Allowance for possible losses on loans - / -	(6,038,896)	(5,012,980)	(6,088,274)	(5,030,881)
11.	Acceptances receivables	3,396,637	5,975,426	3,401,118	5,979,327
	Allowance for possible losses on acceptances receivables - / -	(128,039)	(572,149)	(128,039)	(572,149)
12.	Other receivables - Trade transactions	2,705,094	4,520,128	2,705,094	4,520,128
	Allowance for possible losses on other receivables - trade transactions - / -	(886,823)	(1,092,292)	(886,823)	(1,092,292)
13.	Investments in shares of stock	2,155,418	2,059,569	149,884	134,451
	Allowance for possible losses on investments in shares of stock - / -	(73,384)	(78,599)	(73,384)	(78,599)
14.	Accrued Income	1,815,241	1,201,672	1,854,067	1,219,078
15.	Prepaid expenses	345,643	339,252	404,357	400,081
16.	Prepaid tax	5,493	396,836	24,526	420,058
17.	Deferred tax assets	1,832,719	2,149,557	1,848,046	2,154,526
18.	Premises and equipment	7,506,289	7,494,618	7,942,142	7,888,523
	Accumulated depreciation - / -	(2,860,920)	(2,348,073)	(3,114,031)	(2,572,727)
19.	Abandoned properties	442,794	274,149	442,794	274,149
	Provision for possible losses on abandoned properties - / -	-	(274,149)	-	(274,149)
20.	Leased assets	-	-	-	-
	Accumulated depreciation for leased assets - / -	-	-	-	-
21.	Repossessed assets	158,922	169,373	188,383	199,500
	Provision for possible losses on repossessed assets - / -	-	(169,373)	-	(169,373)
22.	Other assets	2,400,215	4,426,625	2,873,227	5,094,693
	TOTAL ASSETS	245,774,253	247,803,802	255,278,451	256,783,842

BALANCE SHEETS
As of June 30, 2006 and 2005
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
LIABILITIES AND SHAREHOLDERS' EQUITY					
1	Demand deposits	28,017,570	30,768,551	29,448,010	31,712,896
	a. Rupiah	12,577,207	12,275,662	12,839,939	12,680,779
	b. Foreign currencies	814,184	824,075	823,949	864,800
2	Liabilities immediately payable	44,734,511	47,784,629	46,999,579	49,541,777
3	Savings deposits				
4	Time deposits				
	a. Rupiah	680,564	689,967	511,789	525,842
	- Related parties	88,406,518	71,631,694	91,582,933	74,764,176
	- Third parties				
	b. Foreign currencies	87,614	155,881	74,391	124,535
	- Related parties	14,991,706	13,175,557	15,569,944	13,834,352
	- Third parties				
5	Certificates of deposit				
	a. Rupiah	-	-	-	-
	b. Foreign currencies				
6	Deposits from other banks	8,646,875	10,435,464	9,194,225	10,828,664
7	Securities sold with repo agreements to repurchase	1,502,978	5,792,250	1,593,634	5,940,583
8	Derivative payable	50,787	99,814	50,968	99,823
9	Acceptances payable	3,396,637	5,975,426	3,401,118	5,979,327
10	Securities issued				
	a. Rupiah	854,828	820,105	1,054,828	1,020,105
	b. Foreign currencies	2,777,731	3,041,055	2,776,767	3,075,684
11	Fund borrowings				
	a. Funding facilities from Bank Indonesia	-	-	-	-
	b. Others				
	i. Rupiah	350,000	350,000	350,000	350,000
	- Related parties	1,204,232	1,356,711	1,429,232	1,706,711
	- Third parties				
	ii. Foreign currencies	-	-	-	-
	- Related parties	1,505,006	5,233,381	1,505,006	5,309,339
	- Third parties	505,369	662,446	510,581	669,710
12	Estimated losses on commitments and contingencies	-	785	-	785
13	Obligation under capital lease	622,931	491,337	681,987	529,582
14	Accrued expenses	1,085	-	24,908	29,116
15	Taxes payable	5,962,589	5,359,194	6,724,883	6,232,940
16	Deferred tax liabilities				
17	Other liabilities	4,237,582	6,882,646	4,269,582	6,914,646
18	Subordinated Loans				
	- Related parties	-	-	-	-
	- Third parties				
19	Loan Capital				
	- Related parties	-	-	-	-
	- Third parties		1,316,588	-	1,316,588
20	Minority Interests	-	-	4,661	3,782
21	Shareholders' Equity				
	a. Share capital	10,155,812	10,075,034	10,155,812	10,075,034
	b. Additional paid-in capital/agio	6,023,710	5,973,270	6,023,710	5,973,270
	c. Share options	171,115	15,930	171,115	15,930
	d. Funds for paid-up capital	-	-	-	-
	e. Differences arising from translation of foreign currency financial statements	101,854	9,733	101,854	106,364
	f. Premises and equipment revaluation increment	3,046,936	3,046,936	3,056,724	3,056,724
	g. Unrealized losses on available for sale securities and Government Recapitalization Bonds net of deferred tax	(136,907)	(484,473)	(136,907)	(484,176)
	h. Difference arising from equity transactions of subsidiaries	(23,532)	-	(23,532)	-
	i. Retained earnings *)	4,506,761	4,044,154	4,506,761	4,044,154
	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	245,774,253	247,803,802	255,278,451	256,783,842

*) 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 June 30, 2006 and 2005
(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
INCOME AND EXPENSES FROM OPERATIONS					
1. Interest Income					
1.1. Interest Income					
a. Rupiah					
	11,403,177	7,584,757	11,876,628	8,057,571	
b. Foreign currencies					
	1,020,988	1,141,269	1,095,384	1,200,384	
1.2. Fees and commissions on loan facilities					
a. Rupiah					
	246,430	246,611	246,431	246,611	
b. Foreign currencies					
	43,259	36,824	47,877	51,428	
	12,713,854	9,009,461	13,266,320	9,555,994	
TOTAL INTEREST INCOME					
2. Interest expenses					
2.1. Interest expense					
a. Rupiah					
	7,331,130	4,103,109	7,556,894	4,296,814	
b. Foreign currencies					
	823,609	664,006	859,514	686,695	
	-	628	-	17,376	
	8,154,739	4,767,743	8,416,408	5,000,885	
	4,559,115	4,241,718	4,849,912	4,555,109	
	NET INTEREST INCOME				
3. Other operating income					
3.1. Other fees and commissions					
	689,639	654,031	777,357	765,511	
3.2. Foreign exchange gain *)					
	223,186	125,922	224,058	126,303	
3.3. a. Gain from sale of securities and Government Recapitalization Bonds **)					
	14,692	267,766	30,272	277,703	
b. Gain from increase in value of securities and Government Recapitalization Bonds **)					
	78,966	4,137	65,831	4,137	
	215,781	314,624	199,887	252,933	
	1,222,264	1,366,480	1,297,405	1,426,587	
	TOTAL OTHER OPERATING INCOME				
4. Provision for possible losses on earning assets					
	1,864,056	2,342,077	1,897,992	2,411,333	
5. Addition (reversal) of estimated losses on commitments and contingencies					
	(28,078)	73,635	(41,517)	76,754	
	(30,427)	(605,077)	(30,427)	(605,077)	
6. Reversal for possible losses on others					
7. Other operating expenses					
7.1. General and administrative expenses					
	1,163,903	1,220,742	1,306,648	1,326,933	
7.2. Salaries and employee benefits					
	1,296,190	1,156,321	1,438,932	1,280,556	
7.3. a. Losses from sale of securities and Government Recapitalization Bonds **)					
	-	-	-	-	
b. Losses from decline in value of securities and Government Recapitalization Bonds **)					
	-	-	-	-	
7.4. Foreign exchange losses *)					
	-	-	-	-	
7.5. Promotion expenses					
	103,932	136,177	118,446	144,542	
	263,846	322,984	281,268	346,418	
	2,827,871	2,836,224	3,145,294	3,098,449	
	TOTAL OTHER OPERATING EXPENSES - -/ -				
PROFIT FROM OPERATIONS					
NON-OPERATING INCOME AND EXPENSES					
8. Non-operating income					
	27,418	12,667	26,241	13,953	
9. Non-operating expenses					
	20,879	51,524	24,123	48,761	
	6,539	(38,857)	2,118	(34,808)	
NON OPERATING INCOME (EXPENSES) - NET					
10. Extraordinary income / expenses					
	-	-	-	-	
11. PROFIT BEFORE INCOME TAX					
	1,154,496	922,482	1,178,093	965,429	
12. Estimated income tax expense - -/ -					
- Current					
	1,086	-	22,588	44,133	
- Deferred					
	338,333	306,675	340,065	305,250	
	815,077	615,807	815,440	616,046	
13. PROFIT BEFORE MINORITY INTERESTS					
14. Minority interests					
	-	-	(363)	(239)	
15. Retained earnings beginning of the year					
	4,005,436	6,161,275	4,005,436	6,161,275	
16. a. Dividend					
	(301,685)	(2,627,816)	(301,685)	(2,627,816)	
b. Others					
	(12,067)	(105,112)	(12,067)	(105,112)	
	4,506,761	4,044,154	4,506,761	4,044,154	
17. RETAINED EARNINGS ENDING OF THE YEAR					
18. EARNINGS PER SHARE (full amount)					
- Basic					
	-	-	40.16	30.58	
- Diluted					
	-	-	39.86	30.59	

*) 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 June 30, 2006 and 2005

(In Millions of Rupiah)

NO	DESCRIPTION	BANK		CONSOLIDATED	
		June 30,2006	June 30,2005	June 30,2006	June 30,2005
	COMMITMENTS				
	Commitment Receivables				
1.	Unused fund borrowings facilities				
	a. Rupiah	-	-	-	-
	b. Foreign currencies	-	-	-	-
2.	Others	-	-	-	-
	Total Commitment Receivables	-	-	-	-
	Commitment Payables				
1.	Unused loan facilities granted				
	a. Rupiah	16,314,701	18,076,402	16,416,404	18,095,546
	b. Foreign currencies	2,305,289	3,020,935	2,305,660	3,020,935
2.	Outstanding irrevocable letters of credit	3,304,489	5,320,384	3,622,749	5,541,197
3.	Others	-	-	-	-
	Total Commitment Payables	21,924,479	26,417,721	22,344,813	26,657,678
	COMMITMENTS - NET	(21,924,479)	(26,417,721)	(22,344,813)	(26,657,678)
	CONTINGENCIES				
	Contingent Receivables				
1.	Guarantees received				
	a. Rupiah	108,128	116,685	108,128	116,685
	b. Foreign currencies	2,103,021	2,104,563	2,103,021	2,104,563
2.	Unrecognized interest income				
	a. Rupiah	3,421,900	1,706,666	3,422,120	1,706,666
	b. Foreign currencies	2,160,847	866,448	2,160,852	866,448
3.	Others	32,747	32,964	32,747	32,964
	Total Contingent Receivables	7,826,643	4,827,326	7,826,868	4,827,326
	Contingent Payables				
1.	Guarantees issued				
	a. Bank guarantees				
	- Rupiah	3,264,902	3,262,861	3,350,376	3,409,867
	- Foreign currencies	7,658,875	7,508,252	7,721,123	7,548,760
	b. Others	-	-	-	-
2.	Outstanding revocable letters of credit	-	-	-	-
3.	Others	28,520	97,596	25,803	138,201
	Total Contingent Payables	10,952,297	10,868,709	11,097,302	11,096,828
	CONTINGENCIES - NET	(3,125,654)	(6,041,383)	(3,270,434)	(6,269,502)

MANAGEMENT OF THE BANK AS OF JUNE 30, 2006	SHAREHOLDER
Board of Commissioners - Chairman : Edwin Gerungan *) - Deputy Chairman : Muchayat - Commissioner : Soedarjono - Commissioner : Richard Claproth - Independent Commissioner : Pradjoto - Independent Commissioner : Gunarni Soeworo - Independent Commissioner : Yap Tjay Soen Board of Directors - President Director : Agus Martowardojo - Deputy President Director : Wayan Agus Mertayasa - Director : Omar Sjawaldy Anwar - Director : Zulkifli Zaini - Director : Abdul Rachman - Director : Sasmita - Director : Sentot A. Sentausa - Director : Bambang Setiawan **) - Director : Riswinandi - Director : Thomas Arifin - Director : Budi Gunardi Sadikin	Republic of Indonesia : 68.93% (Ultimate Shareholders') JP Morgan Chase Bank US Resident (Norbax Inc) : 7.16% Public : 23.91%

Jakarta, July 27, 2006

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

Agus Martowardojo

Wayan Agus Mertayasa

*) acting as independent commissioner

**) acting as compliance director

- 1) The above financial information as of and for the six months ended June 30, 2006 (unaudited) and 2005 (audited) is derived from the consolidated financial statements. 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.
- 2) The consolidated financial statements as of and for the six months period ended June 30, 2006 was not audited and the consolidated financial statements as of and for the six months period ended June 30, 2005 have been audited by public accounting firm Purwantono, Sarwoko & Sandjaja (Prasetio, Sarwoko & Sandjaja), a member of Ernst & Young Global (Partner In-charge is Drs. Soemarso SR ME) with unqualified opinion in their report dated August 19, 2005.
- 3) 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 amended by Bank Indonesia's Regulation No. 7/50/PBI/2005 dated November 29, 2005 regarding Transparency of Bank's Financial Condition.
 - b) Bank Indonesia's Circular Letter No. 7/10/DPNP dated March 31, 2005 regarding 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 Banks from the Indonesian Banks Restructuring Agency (IBRA).
 - d) Bank Indonesia's Letter No. 5/559/DPNP/IDPnP 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"
- 4) Bank assessed asset quality rating based on Bank Indonesia's Regulation No. 7/2/PBI/2005 dated January 20, 2005, as amended by Bank Indonesia's Regulation No. 8/2/PBI/2006 dated January 30, 2006 regarding change in PBI 7, 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 and other consideration such as classification determined by other commercial banks on the earning assets given by more than one bank and availability of audited financial statements.
- 5) For comparative purposes, certain accounts in the financial information as of and for the six months ended June 30, 2005 have been reclassified to conform with the presentation of accounts in the financial information as of and for the six months ended June 30, 2006.
- 6) Exchange rate of 1 US Dollar as of June 30, 2006 and 2005 was Rp 9,263 and Rp 9,752.5 respectively.
- 7) 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 June 30, 2006 and 2005
(In Millions of Rupiah)

No	DESCRIPTION	BANK											
		June 30, 2006					June 30, 2005						
		CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	CURRENT	SPECIAL MENTION	SUB STANDARD	DOUBTFUL	LOSS	TOTAL
I	Related Parties												
A	EARNING ASSETS												
1	Placement with other banks	129,682	-	-	-	-	129,682	295,924	-	-	-	-	295,924
2	Securities *)	92,995,269	-	-	-	10,000	93,005,269	92,839,738	-	-	-	10,000	92,849,738
3	Loan to related parties	675,810	-	6,000	-	203,662	885,472	950,044	34	-	-	384,494	1,334,572
a.	Small scale business credit (KUK)	-	-	-	-	-	-	-	-	-	-	-	-
b.	Property Loans	5,980	-	-	-	-	5,980	11,059	-	-	-	-	11,059
i.	Restructured	5,250	-	-	-	-	5,250	10,500	-	-	-	-	10,500
ii.	Unrestructured	730	-	-	-	-	730	559	-	-	-	-	559
c.	Other restructured loans	225,769	-	-	-	-	225,769	138,852	-	-	-	148,793	287,645
d.	Others	444,061	-	6,000	-	203,662	653,723	800,133	34	-	-	235,701	1,035,868
4	Investment in shares of stock to related parties	2,082,792	-	-	-	-	2,082,792	1,976,830	-	-	-	5,159	1,981,989
a.	In bank financial institutions	1,207,791	-	-	-	-	1,207,791	1,091,760	-	-	-	-	1,091,760
b.	In non bank financial institutions	875,001	-	-	-	-	875,001	702,095	-	-	-	5,159	707,254
c.	Due to loan restructuring	-	-	-	-	-	-	-	-	-	-	-	-
d.	Others	-	-	-	-	-	-	182,975	-	-	-	-	182,975
5	Other receivables to related parties	33,921	-	-	-	-	33,921	18,627	-	-	-	771	19,398
6	Commitments and contingencies to related parties	9,169	-	-	-	-	9,169	7,259	-	-	-	-	7,259
B	NON EARNING ASSETS												
1	Abandoned properties	-	-	-	-	-	-	-	-	-	-	-	-
2	Reposessed Assets	-	-	-	-	-	-	-	-	-	-	-	-
3	Interbranch and suspense account	-	-	-	-	-	-	-	-	-	-	-	-
II	Third Parties												
A	EARNING ASSETS												
1	Placement with other banks	12,342,156	-	-	-	-	12,342,156	17,116,305	-	-	-	-	17,116,305
2	Securities (issued by Bank Indonesia and third parties)	11,442,581	-	14,253	-	1,055,174	12,512,008	7,719,493	-	248,762	-	1,079,927	9,048,182
3	Loan to third parties	60,762,885	12,175,283	3,167,134	6,125,118	16,967,067	99,197,487	56,598,929	14,413,915	9,569,176	5,641,682	9,466,524	95,690,226
a.	Small scale business credit (KUK)	3,586,284	713,684	45,898	103,350	499,765	4,948,981	3,158,499	439,637	92,109	74,446	326,466	4,091,157
b.	Property Loans	6,507,418	1,925,155	294,792	1,083,478	964,282	10,775,125	1,651,119	847,125	888,935	1,159	157,911	3,546,249
i.	Restructured	149,975	160,072	61,767	14	173,946	545,774	189,709	330,628	209,351	-	-	729,688
ii.	Unrestructured	6,357,443	1,765,083	233,025	1,083,464	790,336	10,229,351	1,461,410	516,497	679,584	1,159	157,911	2,816,561
c.	Other restructured loans	5,908,892	2,789,063	903,406	1,862,262	5,797,463	17,261,086	5,078,343	4,104,196	4,025,352	3,050,905	3,257,195	19,515,991
d.	Others	44,760,291	6,747,381	1,923,038	3,076,028	9,705,557	66,212,295	46,710,968	9,022,957	4,562,780	2,515,172	5,724,952	68,536,829
4	Investment in shares of stock of third parties	-	-	-	-	72,626	72,626	4,955	-	-	-	72,625	77,580
a.	In bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
b.	In non bank financial institutions	-	-	-	-	1	1	-	-	-	-	-	-
c.	Due to loan restructuring	-	-	-	-	72,625	72,625	-	-	-	-	72,625	72,625
d.	Others	-	-	-	-	-	-	4,955	-	-	-	-	4,955
5	Other receivables from third parties	4,344,922	972,890	164,536	169,348	817,084	6,468,780	6,367,661	2,537,211	1,316,937	518,815	1,028,941	11,769,565
6	Commitments and contingencies to third parties	13,648,290	219,240	54,164	139,109	158,294	14,219,097	10,599,630	4,824,501	512,883	74,610	72,614	16,084,238
B	NON EARNING ASSETS												
1	Abandoned properties	-	-	-	-	-	442,794	-	-	-	-	-	274,149
2	Reposessed Assets	-	-	-	-	-	158,922	-	-	-	-	-	169,373
3	Interbranch and suspense account	-	-	-	-	-	1,522,397	-	-	-	-	-	1,954,374
	TOTAL	198,467,477	13,367,413	3,406,087	6,433,575	19,283,907	243,082,572	194,495,395	21,775,661	11,647,758	6,235,107	12,121,055	248,672,872
1	a. Required allowance for possible losses on earning assets	981,503	666,454	430,835	2,094,149	11,296,260	15,469,201	907,936	1,069,062	2,011,556	2,260,888	7,910,725	14,160,167
	b. Required allowance for possible losses on non earning assets	-	-	-	-	-	-	-	-	-	-	-	-
	Total required allowance for possible losses on assets **)	981,503	666,454	430,835	2,094,149	11,296,260	15,469,201	907,936	1,069,062	2,011,556	2,260,888	7,910,725	14,160,167
2	a. Established allowance for possible losses on earning assets	1,104,473	666,454	430,835	2,094,149	11,498,390	15,794,301	1,096,080	1,069,062	2,020,885	2,260,888	7,910,725	14,357,640
	b. Established allowance for possible losses on non earning assets	-	-	-	-	-	258,067	-	-	-	-	-	2,087,146
	Total established allowance for possible losses on assets	1,104,473	666,454	430,835	2,094,149	11,498,390	16,052,368	1,096,080	1,069,062	2,020,885	2,260,888	7,910,725	16,444,786
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						4.94%						4.21%
5	Percentage of small scale business credit debtors to total debtors						39.63%						29.49%
6	Percentage UMKM to total loans						11.74%						8.94%
7	Percentage of UMKM debtors to total debtors						42.68%						31.61%

*) 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 recapitalization bond.

FOREIGN EXCHANGE AND DERIVATIVES TRANSACTION

As of June 30, 2006

(In Millions of Rupiah)

NO	TRANSACTION	BANK				
		Contract Market Value		Derivative Receivable & Payable		Contract Value
		Hedging	Others	Receivable	Payable	Netting Agreement
A.	Exchange Rate Related					
1	Spot	-	446	-	-	-
2	Forward	-	897,527	5,793	9,935	-
3	Option					
	a. Purchased	-	-	112	17	-
	b. Written	-	-	42	76	-
4	Future	-	-	-	-	-
5	Swap	-	6,817,440	386,357	15,900	-
6	Other	-	-	-	-	-
B.	Interest Rate Related					
1	Forward	-	8,666	8,666	-	-
2	Option					
	a. Purchased	-	-	-	-	-
	b. Written	-	-	-	-	-
3	Future	-	-	-	-	-
4	Swap	-	24,859	-	24,859	-
5	Other	-	-	-	-	-
C.	Other	-	-	-	-	-
	TOTAL			400,970	50,787	

CALCULATION OF CAR
As of June 30, 2006 and 2005
(In Millions of Rupiah)

NO	DESCRIPTION	BANK	
		June 30, 2006	June 30, 2005
I. COMPONENTS			
A. CORE CAPITAL		21,521,868	20,636,697
1. Paid-Up Capital		10,155,812	10,075,034
2. Disclosed Reserves		6,023,710	5,973,270
a. Agio		-	-
b. Disagio (-/-)		171,115	15,930
c. Shares Option		-	-
d. Donated Capital / Additional Paid-In Capital		2,575,369	2,560,285
e. General and Appropriated Reserves		1,917,302	1,541,204
f. Previous years profit after tax		-	-
g. Previous years losses (-/-)		576,706	461,241
h. Current year profit after tax (50%)		-	-
i. Current year losses (-/-)		-	-
j. Differences Arising from Translation of Financial Statements in Foreign Currencies		101,854	9,733
1) Positive Adjustment		-	-
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. Goodwill (-/-)		-	-
4. Differences arising from assets and liabilities valuation due to Quasi Reorganization		-	-
B. Supplemental Capital (Max 100% of core capital)		8,388,991	8,830,618
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)		1,104,473	1,096,080
4. Loan Capital		-	105,327
5. Subordinated Loans (max 50% of core capital)		4,237,582	4,582,275
6. Increase in Value of Equity Participation in Available for Sale Portfolio (45%)		-	-
C. ADDITIONAL SUPPLEMENTAL CAPITAL FULFILLING REQUIREMENT		-	-
D. ADDITIONAL SUPPLEMENTAL CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK		-	-
II. TOTAL CORE CAPITAL AND SUPPLEMENTAL CAPITAL (A+B)		29,910,859	29,467,315
III. TOTAL CORE CAPITAL, SUPPLEMENTAL CAPITAL, AND ADDITIONAL SUPPLEMENTAL CAPITAL ALLOCATED TO ANTICIPATE MARKET RISK (A+B+D)		29,910,859	29,467,315
IV. INVESTMENTS IN SHARES OF STOCK (-/-)		29,910,859	29,467,315
		(2,082,793)	(1,981,491)
V. TOTAL CAPITAL FOR CREDIT RISK (II-IV)		27,828,066	27,485,824
VI. TOTAL CAPITAL FOR CREDIT AND MARKET RISK (III-IV)		27,828,066	27,485,824
VII. CREDIT RISK-WEIGHTED ASSETS		110,719,232	115,874,772
VIII. MARKET RISK-WEIGHTED ASSETS		2,499,157	2,427,897
IX. ESTABLISHED CAPITAL ADEQUACY RATIO FOR CREDIT RISK (V : VIII)		25.13%	23.72%
X. ESTABLISHED CAPITAL ADEQUACY RATIO FOR CREDIT AND MARKET RISK (VI:(VII+VIII))		24.58%	23.23%
XI. EXCESS ADDITIONAL SUPPLEMENTAL CAPITAL RATIO ((C-D):(VII+VIII))		0.00%	0.00%
XII. REQUIRED MINIMUM CAPITAL ADEQUACY RATIO		8%	8%

LOAN PURCHASED FROM IBRA
January 01, 2006 - June 30, 2006
(In millions of Rupiah)

NO	DESCRIPTION	Amount
1	Loan principal / outstanding balance as of June 30, 2006	4,214,979
2	Amount of loan purchased from January 1, 2006 - June 30, 2006	5,579,541
3	Total provision / deferred income	144,614
4	Allowance for possible loan losses as of June 30, 2006	864,623
5	Interest income from January 1, 2006 - June 30, 2006	69,402

LOAN PURCHASED FROM IBRA
January 1, 2006 to June 30, 2006
(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
1	Loan principal / outstanding balance as of June 30, 2006	4,214,979
2	Amount of loans purchased from January 1, 2002 - June 30, 2006	5,579,541
3	Total provision for loan losses and deferred income arising from the difference between outstanding loans and purchase price	144,614
4	Allowance for possible loan losses as of June 30, 2006	864,623
5	Interest income and other income related to loans purchased from IBRA from January 1, 2006 - June 30, 2006	69,402

b. Summary of movement of loans purchased from IBRA

NO	DESCRIPTION	Amount
1	Beginning Balance	4,771,405
2	Foreign currency translation	(232,036)
3	Additional loan purchased during the period	-
4	Repayment during the period	(324,390)
5	Loan written-off during the period	-
6	Ending Balance	4,214,979

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

NO	DESCRIPTION	Amount
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
1	Beginning Balance	159,858
2	Foreign currency translation	(5,974)
3	Additional deferred income of loan purchased from IBRA during the period	-
4	Deferred income for loans written-off	-
5	Reversal of deferred income due to excess of repayment over purchase price	(9,270)
6	Ending Balance	144,614

e. Loan covered by new credit agreements

4,214,979

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

4,953

FINANCIAL RATIOS
As of June 30, 2006 and 2005

NO	KEYS RATIOS	BANK	
		June 30, 2006	June 30, 2005
I.	Capital		
	1. CAR by considering credit risk	25.13%	23.72%
	2. CAR by considering credit risk and market risk	24.58%	23.23%
	3. Premises and Equipment to Capital	26.97%	27.27%
II.	Earning Assets		
	1. Non-performing earning assets	12.09%	12.18%
	2. Allowance for possible losses on earning assets	6.55%	5.83%
	3. Compliance for allowance for possible losses on earning assets	102.10%	101.39%
	4. Compliance for allowance for possible losses on non earning assets	-	-
	5. Gross NPL	26.45%	25.83%
	6. Net NPL	14.74%	16.24%
III.	Rentability		
	1. ROA	0.93%	0.76%
	2. ROE	7.49%	5.41%
	3. NIM	4.17%	4.03%
	4. Operating Expenses to Operating Income *)	91.76%	90.73%
IV.	Liquidity		
	LDR	52.36%	54.62%
V.	Compliance		
	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)	11.06%	9.24%
	3. Net Open Position **)	3.18%	1.46%
	4. Net Open Position on Balance Sheet ***)	11.44%	5.70%

*) 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 as of June 30, 2006 is in accordance with Bank Indonesia Regulation No. 7/37/PBI/2005 dated September 30, 2005 regarding "The Amendment of Bank Indonesia Regulation No. 5/13/PBI/2003 concerning Net Open Position For Commercial Banks", while as of June 30, 2005 is in accordance with Bank Indonesia Regulation No. 6/20/PBI/2004 dated July 15, 2004.

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The equity analysts listed above actively follow Bank Mandiri, but not all have issued research reports or formally instituted coverage.

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