

ONE HEART.  
ONE NATION.  
**ONE BANK.**

2004

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**Bank Mandiri**  
2004 Annual Report

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## **ONE HEART.**

Each person has different needs, but we all share one common goal: a better life.

## **ONE NATION.**

Indonesia's incredible diversity uniquely colors our experience, binding us together.

## **ONE BANK.**

Our commitment is to continuously strive to satisfy your diverse financial needs, to become your only bank.

- Chairman of PT Bank Mandiri (Persero) Tbk (June 1999–present)
- Member of the National Committee on Governance Policy (2004–present)
- President Commissioner, Bank Syariah Mandiri (1999–2002)
- President Director, Niaga Management Company (1994–1999)
- Non-Executive Director, Niaga Finance Company in Hong Kong (1996–1999)
- President Commissioner, Bank Ficorinvest (1983–1993)
- Managing Director (member of the Board of Directors), Bank Indonesia (1983–1993)
- A career banker with Bank Indonesia commencing in 1957



**Binhadi** –Chairman

# Message from the Chairman

Dear Shareholders,

Indonesia peacefully conducted three nation-wide direct elections in 2004, within a broadly encouraging macroeconomic environment. One of the most encouraging macroeconomic indicators was the sustained single-digit inflation rate of 6.4%.

As a result, the SBI rate at the end of 2004 remained steady at 7.43%. These two factors contributed to lower overall interest rates within the banking sector. Time deposit rates declined from an average of 10.59% in 2003 to 6.71% in 2004. Interest rates on loans declined from an average of 16.94% in 2003 to 13.41% in December 2004. At the same time, the Rupiah depreciated by roughly 4% from around Rp8,577/US\$ in 2003 to an average of Rp8,936/US\$ in 2004.

Lower inflation and interest rates combined to create an environment conducive to economic growth. The economy grew by 5.14% in 2004, the highest growth rate since the 1997/98 financial crisis, and was higher than the government's and most analysts' expectations. Although growth in 2004 was dominated by domestic consumption, figures for the last two quarters of the year showed emerging signs of a pick-up in investment. It is worth noting that this 5.14% growth rate took place in the midst of significant political uncertainty.

Toward the end of 2004, Indonesia was confronted with the massive natural disaster in the form of the earthquake and tsunami affecting Aceh and North Sumatra. Along with so many others, Bank Mandiri's staff and their families were among the casualties. All of us at Bank Mandiri express our condolences to those families. As part of our response to this tragedy, Bank Mandiri has been actively involved in assisting victims of the disaster. While this event did not have a significant impact on the Indonesian economy, the extent of the damage in Aceh and North Sumatra should serve to refocus attention on the condition of Indonesia's infrastructure after a lengthy period of neglect.

In line with improvements in the macro economy, Bank Mandiri delivered encouraging results in 2004. Despite a slight decline in total assets and deposits, by 2.2% and 3.5% respectively, net profit increased by 14.6% to Rp5.3 trillion. At the same time, the mix of both our assets and liabilities improved. Total loans disbursed accounted for 29.8% of total assets in 2003, and by the end of 2004 this ratio had increased to 36.8%. Our LDR increased to 51.8% from 41.5%, while the government bond component of total assets declined to 38.6% from 49.9%. At the same time, the proportion of time deposits to total deposits declined to 45.9% from 55.5%, with retail third-party funds increasing to 73.2% of the total from 67.0% in 2003.

In 2004, Bank Mandiri also completed several infrastructure expansion initiatives that will enable the bank to provide high quality services to our customers as an integral component of our future business development programs. Given the bank's improved financial structure and enhanced infrastructure, we are optimistic as we enter 2005 that the transformation of Bank Mandiri into a Regional Champion Bank in the years to come has a sound foundation, and that eventually we will achieve International Bank status in accordance with the Indonesian Banking Architecture.

We are also optimistic regarding the macroeconomic environment in 2005. Inflation, which will certainly increase as a result of higher fuel prices, is expected to remain in the single digits at around 8%. Bank Indonesia, on the other hand, is expected to target inflation rates of 4% over the next 5-6 years. The current interest rate environment remains conducive to maintaining economic growth, despite higher inflation and SBI rates. The economy is expected to grow between 5% and 6% in 2005. Even more encouraging, an increasing share of this growth should come from investment by domestic and foreign private firms, especially in the area of infrastructure. Any such significant inflow of investment should lead to a stronger Rupiah.

During 2004, Bank Mandiri received a number of awards from domestic and international institutions for its performance. The Board of Commissioners would like to congratulate the Board of Directors for the many achievements acknowledged by these various awards. I would also like to thank the staff of Bank Mandiri for their tireless efforts and support during the year.

In conclusion, the Board of Commissioners wishes to thank everyone who has contributed to the progress of the Bank, and provided the support for Bank Mandiri to continue to improve our service quality in a manner consistent with becoming your trusted and preferred Bank.



Binhadi  
Chairman

## Board of Commissioners

1. **Binhadi**  
Chairman
2. **Markus Parmadi**  
Deputy Chairman and Independent  
Commissioner
3. **Fransiska Oei**  
Commissioner
4. **Darmin Nasution**  
Commissioner
5. **A. Tony Prasetiantono**  
Independent Commissioner
6. **Riswinandi**  
Independent Commissioner
7. **Arie Soelendro**  
Commissioner





Board of Commissioners



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## Board of Commissioners

<b>Markus Parmadi</b> Deputy Chairman and Independent Commissioner	<b>Darmin Nasution</b> Commissioner	<b>A. Tony Prasetyantono</b> Independent Commissioner	
<ul style="list-style-type: none"> <li>• Deputy Chairman and Independent Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003–present).</li> <li>• Commissioner of PT Bank Mandiri (Persero) Tbk (December 1998–September 2003) and appointed as Chairman of the Audit Committee, PT Bank Mandiri (Persero) Tbk (November 2003–present).</li> <li>• Independent Commissioner, PT Citra Marga Nusaphala Persada Tbk (June 1999–December 2000, June 2001–present).</li> <li>• Commissioner, PT Indosat Tbk (April 1998–April 2000).</li> <li>• Assistant Minister/Deputy for Financial and Other Services, Ministry of State Owned Enterprises (December 1998–January 2000).</li> <li>• President Commissioner, PT Jamsostek (Persero) (May 1998–February 1999).</li> </ul>	<ul style="list-style-type: none"> <li>• Assistant Minister/Deputy for Human Resources and Public Services, Ministry of State-Owned Enterprises (April–December 1998).</li> <li>• President Commissioner (1994–1998), Commissioner (1990–1994), Lippo Securities.</li> <li>• President Director (1990–1998), Commissioner (1989), PT Bank Lippo Tbk.</li> <li>• Career with PT Bank Central Asia (1983–1990), concluding as Executive Director.</li> <li>• Career with Citibank, N.A (1971–1983), concluding as a Vice President.</li> </ul>	<ul style="list-style-type: none"> <li>• Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003–present).</li> <li>• Director General, Financial Institutions, Ministry of Finance (January 2000–present).</li> <li>• Commissioner, PT Tugu Pratama Indonesia (September 2002–present).</li> <li>• Lecturer, Economic Faculty, University of Indonesia (1976–present).</li> <li>• Commissioner, PT Bank Danamon Tbk (Agustus 2002–June 2003).</li> <li>• President Commissioner, PT Bank Tabungan Negara (Persero) (May 2000–April 2001).</li> <li>• Commissioner, PT Inalum (1998–2002).</li> <li>• Commissioner, PT Pelindo I (1998–2002).</li> <li>• Commissioner, PT Asuransi Kerugian Jasa Raharja (Persero) (July 1995–May 2000).</li> <li>• Commissioner, Reasuransi Umum Indonesia (May 1989–July 1995).</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003–present).</li> <li>• Lecturer, Faculty of Economics, Gadjah Mada University (1986–present).</li> <li>• Lecturer, Master Program in Economics, Gadjah Mada University (1997–present).</li> <li>• Lecturer, Master Program in Management, Gadjah Mada University (1992–present).</li> <li>• Lecturer, Master Program in Development Economics, Gadjah Mada University (1997–2000).</li> <li>• Lecturer, Master Program in Public Administration, Gadjah Mada University (1997–2000).</li> <li>• Head of Macroeconomics Division, Center for Economics and Public Policy Studies, Gadjah Mada University (1992–2000).</li> <li>• Lecturer, Master Program in Management, Atma Jaya University, Yogyakarta (1997–2000).</li> <li>• Lecturer, Master Program in Management, Udayana University, Denpasar (1998–2000).</li> <li>• Lecturer, Master Program in Management, University of Surabaya (1997–2000).</li> </ul>



## Board of Commissioners

### **Riswinandi** Independent Commissioner

- Independent Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003-present).
- Audit Committee Member of PT Bank Mandiri (Persero) Tbk (September 2004-present).
- Commissioner, PT Asuransi Ekspor Indonesia (October 2004-present).
- Director, PT Bank Danamon Tbk (2002-June 2003).
- Executive Vice President—Corporate Lending Division, PT Bank Danamon Tbk (2001-2002).
- Senior Vice President—Loan Work Out & Collection Division Head, IBRA (2000-2001).
- Commissioner, PT Bank Prima Express (2000-2001).
- Vice President—Risk Management Credit Review, IBRA (1999-2000).
- Career with PT Bank Niaga Tbk (1986-1999), concluding as Vice President—Human Resources Group Head.
- Senior Assistant, SGV Utomo (1984-1986).

### **Arie Soelendro** Commissioner

- Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003-present).
- Head of the State Financial and Development Supervisory Board (BPKP), (1999-present).
- Commissioner, PT Semen Tonasa.
- Lecturer, Graduate Degree Program, University of Indonesia.
- Head of Finance Training, The Ministry of Finance (1998-1999).
- Expert staff to Minister of State-Owned Enterprises (1998).
- Expert staff to Minister of Finance (1997-1998).
- Joined Directorate General of Taxation in 1972. Final position as Head of Region VI Jakarta Raya.

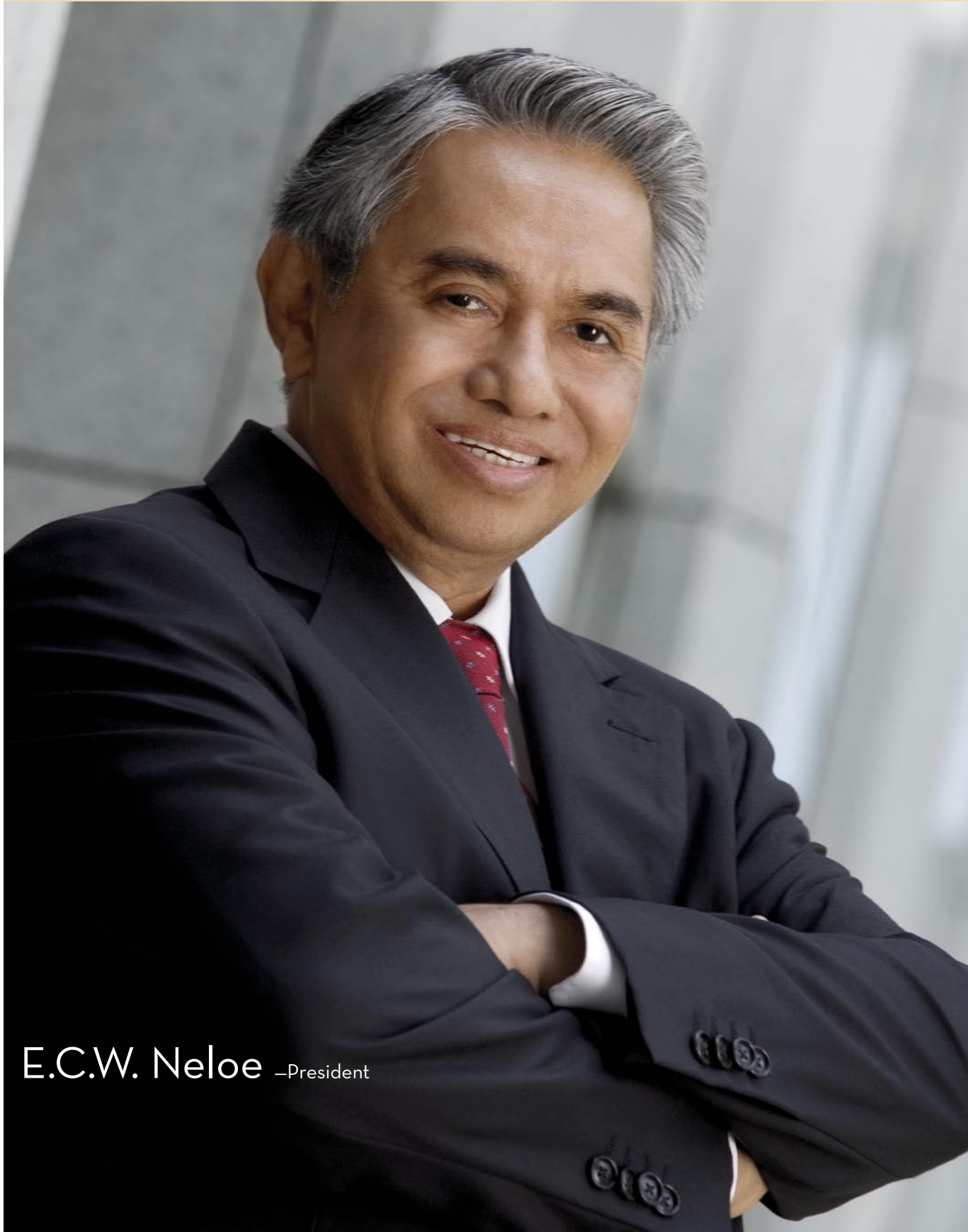
### **Fransiska Oei** Commissioner

- Commissioner of PT Bank Mandiri (Persero) Tbk (April 2004-present).
- Audit Committee Member of PT Bank Mandiri (Persero) Tbk (September 2004-present).
- Legal & Compliance Advisor, Bank International Indonesia (2004-present).
- Founder & Senior Partner LBAF Law Firm (2002-2004).
- Managing Director, Bank International Indonesia (2000-2001).
- Compliance Director, Chief of Legal Staffs, Citibank N.A. (1998-2000).
- Director, Legal, Human Resources & General Services, PT Suryamas Duta Makmur (1997-1998).
- Legal Head, Citibank N.A. (1984-1997).
- Legal Head, PT Ficorinvest (1982-1984).

- President & CEO, Bank Mandiri since May 2000
- President Director, PT Chandra Asri Petrochemical Centre (1999-2000).
- Managing Director, Bank Dagang Negara (1991-1998).

- President Commissioner, BDN Bank AG in Düsseldorf (1994-1999).
- Managing Director, Bank Duta (1990),
- Chief Representative for the Representative Office, Bank Dagang Negara, Hong Kong.

- Director, Staco International Finance Limited, Hong Kong (1987-1990).



**E.C.W. Neloe** –President

# Message from the President

Dear Shareholders,

I would like to take this opportunity to elaborate upon our vision of Bank Mandiri - to be a Regional Champion Bank, in accordance with Bank Indonesia's long-term plan for the Indonesian Banking Architecture. In order to achieve this, Bank Mandiri has planned for three stages of transformation: Phase I (2000-2004) to become a Universal Bank; Phase II (2005-2009) to become a Dominant Domestic Bank; and Phase III (2010 onwards) to become a Regional Champion Bank. This past year marked the completion of the first phase of Bank Mandiri's journey of transformation, which established the foundations for future growth and development. By the end of Phase II (2009), we have targeted an increase in the value of the company to achieve a market capitalization of Rp100 trillion.

I would now like to highlight several major milestones achieved during the recent post-merger and consolidation phases of Bank Mandiri.

- In 2000 we consolidated and rationalized our branch network and staffing, established Good Corporate Governance and Risk Management procedures, and implemented a hub & spoke IT system.
- In 2001 we completed the integration of MASTER (Mandiri Integrated System), reorganized our business units, developed our corporate plan, launched our Visa credit card and Mandiri Prioritas products, introduced the "3 No's" policy, and issued a US\$125 million FRN that signaled Indonesia's return to international capital markets following the economic crisis.
- In 2002 we aligned job grading across the organization, launched the Officer Development Project (ODP), established our Call Center & SMS Banking, opened Commercial Banking Centers (CBCs), introduced Credit Scoring & Rating Systems, and issued US\$125 million in subordinated debt.
- In 2003, we implemented eMAS (Enterprise Mandiri Advanced System), launched internet banking, adopted a Balanced Scorecard, conducted a quasi reorganization, issued a US\$300 million MTN, and launched our Initial Public Offering (IPO).

Let me now describe several more recent achievements that are central to the on-going development and future growth of Bank Mandiri:

## 1. Universal Banking

In 2004, Bank Mandiri achieved its goal of becoming a

universal bank, capable of serving all customer segments. For the first time, the bank's loan portfolio was evenly balanced between corporate and non-corporate (commercial and consumer) lending, where previously the corporate segment dominated as a result of the extensive legacy of Bank Mandiri in corporate banking. In order to increase the bank's competitive strengths in the non-corporate segments, Bank Mandiri has launched several initiatives in product development, distribution network expansion and customer service enhancement to expand both commercial and consumer banking.

## 2. Additional Divestment

Following the success of our Initial Public Offering (IPO) on 14 July 2003, the Government of Indonesia continued its divestment program for Bank Mandiri through the sale of two billion Series B shares, representing 10% of paid-in capital of PT Bank Mandiri (Persero) Tbk, at Rp1,450 per share on 11 March 2004. The sale price reflected a 1.1% discount to the weighted average price of the previous trading day (10 March 2004) of Rp1,466 per share or a 3.3% discount to the previous day's closing price of Rp1,500 per share. Proceeds from this divestment totaled Rp2.9 trillion or USD336 million.

The divestment was done through a private placement after an accelerated overnight book building. Investors' response to the private placement was quite positive, despite the general decline of the Jakarta Stock Exchange Composite Index at that time. Top tier domestic and international investors (North America, Europe and Asia) accounted for 30% and 70% of the private placement, respectively. The divestment resulted in a broader investor base for Bank Mandiri's shares and contributed significantly to the Government's privatization target for 2004.

## 3. Distribution Network Expansion

As part of the drive to increase coverage area and market share for funding and loans, Bank Mandiri aggressively expanded several distribution channels in 2004. Fifty-nine new branch offices bring the total branch network to 789. Our ATM network grew to 2,470 units with the addition of 473 new ATMs. Bank Mandiri also continues to support the commercial banking business, opening five new Commercial Banking Centers (CBCs) during the year and bringing the total to thirteen.

Finally, to enhance customer service quality - particularly for high net worth customers - the Bank opened six new Priority Banking outlets, for a total of 22, by the end of 2004.

“With improving financial performance and the success of our several business transformation initiatives over the past few years, Bank Mandiri is now ready to move into Phase II.”

#### **4. Human Capital Revitalization**

In order to support the second phase transformation, Bank Mandiri has repositioned human capital management from a primarily administrative role and operational function to a strategic development function in order to optimize human capital support for the Bank's on-going business development and increase shareholder value. The primary aim in human capital revitalization is as follows:

- Reinventing, repositioning, and revitalizing the role of human capital management by repositioning the Bank's human capital as strategic assets and strategic partners.
- Establishing an integrated and comprehensive Competency-Based Human Resource system, changing the Bank's human capital management from job-description-based to competency-based, and focusing on the individual's role and achievements.

#### **5. Malcolm Baldrige Performance Excellence Assessment**

Bank Mandiri conducted an internal assessment of our current management systems and performance through an appraisal process based upon Malcolm Baldrige Criteria.

The Malcolm Baldrige Criteria were developed as a corporate appraisal methodology to measure performance excellence. First introduced in the US, the methodology has become the worldwide standard for assessing performance excellence.

The assessment covers seven criteria including leadership; strategic planning; customer & market focus; measurement, analysis & knowledge management; human resources focus; process management; and business results.

Based on this initial assessment, Bank Mandiri scored band/level 3 high, out of 6 bands/levels, which is considered very encouraging for a first-time user company.

#### **6. Focus on Strategic & Operational Excellence**

In order to achieve the Bank's vision of becoming a Regional Champion Bank, Bank Mandiri has implemented strategic excellence as a means of ensuring the sustainability of our long-term growth and profitability. This sustainability can be achieved by implementing effective strategies within a conducive and adaptive organization culture. Implementation relies on three critical fundamentals: quality, cost effectiveness and speed. Each of Bank Mandiri's products and services must engender superior quality, cost effectiveness and reasonable speed, with the individual variables adjusted to achieve lasting customer satisfaction.

### Financial Performance

I would also like to briefly highlight our encouraging 2004 financial performance:

- A 14.6% increase in profit after tax to Rp5,256 billion from Rp4,586 billion in 2003.
- Return on Assets (ROA) improved to 3.1% compared to 2.8% in 2003, largely due to the higher average growth rate of profit before tax compared to growth in total assets.
- Return on Equity (ROE) declined to 22.8% compared to 23.6% in 2003 as a result of a lower average growth rate in profit after tax compared to equity.
- Capital Adequacy Ratio (CAR) declined to 25.3% compared to 27.7% in 2003, as the significant expansion in Risk-Weighted Assets out-stripped capital growth. CAR still far exceeded the minimum BI requirement of 8%.
- Earnings per Share (EPS) increased to Rp262 compared to Rp229 in 2003, while Book Value Per Share (BVPS) increased to Rp1,244 compared to Rp1,020 in 2003.

### Tragic End to 2004

In the final weeks of 2004, Indonesia and its neighboring countries were confronted with a massive natural disaster. On December 26 2004, Indonesia suffered a massive earthquake centered on the west coast of the province of Nanggroe Aceh Darussalam (NAD), followed by a tsunami. The damage caused by this natural disaster exceeded anything the world has seen for the past 40 years: more than 250,000 people were killed in Indonesia, India, Sri Lanka, Thailand, Malaysia, the Maldives, and as far away as Somalia.

Indonesia suffered the highest casualty rate, and saw the total destruction of the west coast of NAD province along with significant damage to the capital city of Banda Aceh. Bank Mandiri employees in Banda Aceh were tragically affected by the tsunami: two of our employees were killed and 7 were missing as the result of this tragedy.

We at Bank Mandiri express our sincerest condolences to the families of our affected staff and to all victims of this terrible tragedy. Bank Mandiri has undertaken and will continue to support emergency and reconstruction relief efforts in coordination with the government of Indonesia and local and international relief agencies. Just as important, we intend to work with the people of Aceh and North Sumatra to rebuild the affected areas, with particular attention to the reconstruction of facilities focused on the provision of health, education, infrastructure, and small and micro business development services.

### Future Challenges

Following the improved financial performance and achievements in several transformation programs over the past few years, Bank Mandiri is ready to enter Phase II. The future challenges for Bank Mandiri are many:

#### a. Competitive forces will pressure margins

Competition in the consumer and commercial segments in the years ahead is likely to be intense, largely due to the entry of foreign banks into the local market targeting the attractive Indonesian consumer segment. The foreign banks' loan market share between 1999 and 2004 increased from 22% to 27%. Intense competition could put pressure on margins, especially if the trend of increasing interest rates continues. This decline in margins must be anticipated by increasing business volume and developing new businesses-primarily from micro banking and consumer banking, creating additional product features, diversifying transaction services, improving service quality, and developing strategic alliances.

#### b. Yield management optimization

During the past year, Bank Mandiri has successfully brought down its cost of funds to a more competitive level primarily through a decline in high-cost corporate funds. In terms of asset productivity, however, Bank Mandiri still lagged behind its competitors. Following the significant decrease of the recap bond portfolio in 2004, Bank Mandiri needs to develop a higher-yielding asset portfolio in 2005, with a focus on increasing loans to micro banking and consumer segments. In addition, the Bank needs to move from a strategy of price-based competition toward a strategy focused on excellent service as measured by speed and service quality, accessibility, full-featured products and convenience.

#### c. Growth in total deposits

In 2004, Bank Mandiri's deposits declined significantly, primarily due to a strategy to release high-cost corporate funds. In 2005, driven by the Bank's more competitive technology, distribution network, and products and services arising from our consumer banking initiatives, the decline of high-cost funds should be compensated by aggressive growth in transactional deposits. Successful deposit growth will determine Bank Mandiri's loan growth in 2005, and should allow the Bank to recapture the market share in deposits that was lost in 2004.

#### d. Strengthen income structure

Optimizing fee-based income is necessary in order to

**Transformation Phases to achieve the vision of becoming a Regional Champion Bank**



strengthen the Bank’s income structure. This has been a significant challenge for Bank Mandiri over the past few years as the Bank has completed preparations in our technology platforms, products, alliances and networks to optimize cross selling and provide a variety of financial and banking services and features. The Bank needs to derive maximize value from this infrastructure capability to generate higher fee-based income.

**e. Anticipate the Indonesian Banking Architecture Plan**

In 2004, Bank Indonesia launched a blueprint for national banking development called the Indonesian Banking Architecture (Arsitektur Perbankan Indonesia or API). In line with the API, Bank Mandiri will need to prepare and develop several strategic initiatives in order to achieve its vision as the domestic bank with the highest potential to become an international bank. The Bank has prepared a detailed strategic plan to achieve this vision within the next five years.

**f. Non-organic growth initiatives**

In order to realize our aspiration to become a Regional Champion Bank, Bank Mandiri cannot rely solely on organic growth, but would need to undertake a quantum leap. Our vision anticipates that the Bank will develop our various businesses through both organic and non-organic (mergers & acquisitions) means, especially in strengthening the consumer and commercial banking franchises.

**g. Risk management preparations for Basel II implementation**

Following the completion of the various basic foundations for risk management, including organization aspects, methods, and tools, Bank Mandiri is committed to being the national leader in the implementation Basel II in the coming years. This commitment was initiated by conducting a gap analysis between the requirements of Bank Indonesia (BI) and Basel II accord, followed by the development and implementation of an action plan to bridge the gaps.

**h. Implementation of a performance-based culture**

Having completed the consolidation phase, Bank Mandiri expects to enter a growth period in the coming years. During this period, a performance monitoring function is a fundamental building block from which to establish effective and efficient business management and optimize resource allocation. The urgency in establishing a performance-based culture is primarily due to the Bank’s large scale, diverse business activities, and complex operating environment.



Without a strong performance-based culture, the business could lose focus, misallocate resources, and fail to increase shareholder value.

**i. Establishment of a sales and service culture**

As Bank Mandiri has transformed from a corporate bank to a universal bank, this paradigm shift necessitated drastic change in the business infrastructure (distribution channels, technology, products, organization structure, business processing, etc) and has also compelled the Bank to rapidly establish a new sales and service culture. This is especially critical in light of the high level of competition, especially in the consumer and commercial segments. As our competitors maximize their sales efforts, our customers' service expectations continuously increase. Only with a strong sales and service culture can our existing infrastructure generate optimum value-added.

I remain convinced that with our capabilities and the commitment of all of the management and staff at Bank Mandiri, along with the continuing support of our many stakeholders, we can overcome these challenges and achieve our vision of being the trusted and preferred bank.

On behalf of the Board of Directors I would like to thank the staff of Bank Mandiri for their unceasing efforts in building the bank we have today. I would also like to thank the Board of Commissioners and Audit Committee for their invaluable contributions in guiding us throughout the year.

Finally, I would like to thank our many stakeholders and customers. We appreciate your support.

PT Bank Mandiri (Persero) Tbk.



**E.C.W. Neloe**  
President

## Directors and Senior Executive Vice Presidents

1. **E.C.W. Neloe**  
President & CEO
2. **I Wayan Pugeg**  
Deputy President Director & COO
3. **I Wayan Agus Mertayasa**  
Managing Director & SEVP  
Risk Management
4. **M. Sholeh Tasripan**  
Managing Director & SEVP  
Corporate Banking
5. **Omar Sjawaldy Anwar**  
Managing Director & SEVP  
Consumer Banking
6. **Ventje Rahardjo**  
Managing Director & SEVP  
Commercial Banking
7. **Nimrod Sitorus**  
Managing Director & SEVP  
Corporate Secretary,  
HR & Compliance
8. **Johanes Bambang Kendarto**  
Managing Director & SEVP  
Treasury & International
9. **Zulkifli Zaini**  
Managing Director & SEVP  
Distribution Network
10. **Lee Kuan Keat**  
CFO & SEVP Finance & Strategy
11. **Andreas E. Susetyo**  
CTO & SEVP  
Information Technology





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# Audit Committee

1. **Markus Parmadi**  
Chairman

3. **Riswinandi**  
Member

5. **Zulkifli Djaelani**  
Member

2. **Imam Sukarno**  
Member

4. **Fransiska Oei**  
Member



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# Report by the Audit Committee

Bank Mandiri's Audit Committee was established on August 19, 1999 based upon Commissioners' Decree PT Bank Mandiri (Persero) Tbk No. 013/KEP/KOM/1999 and was renewed by Commissioners' Decree PT Bank Mandiri (Persero) Tbk No. 002/KEP/KOM/2003 on November 1, 2003, with the objective to assist and facilitate the Commissioners' activities and supervisory functions with respect to financial information, internal control systems, the effectiveness of internal and external audit procedures, the effectiveness of risk management implementation, and compliance with relevant laws and regulations.

As detailed in the annual report submitted to the Board of Commissioners, in 2004 the Audit Committee completed the following tasks:

- Reviewed the Company's 2004 Working Plan and Budget, 2004 Working Plan and Budget Realization Report, quarterly financial reports and audited consolidated financial report.
- Reviewed Regular Audit Reports of the Internal Audit Task Force related to policy implementation, systems and procedures, internal control implementation, compliance toward internal and external regulations, and fraud.
- Reviewed and negotiated the audit fees proposed by the audit firm for the 2004 financial report audit.
- Communicated and met regularly with external auditors to discuss the 2004 audit effectiveness, progress, significant findings, adjustments and audit problems.
- Met regularly with the Internal Audit Task Force to discuss 2004 internal audit effectiveness including scope, focus and audit program, enhancement of risk-based audit, improvement of valuation/ performance measurement methods, improvements in the information technology audit system and quality, and audit findings requiring follow-up.
- Held meetings with working units, among others the Accounting Group, Human Resources Group, Credit Recovery Group, Compliance Group and Corporate Relationship Group to discuss and clarify findings from internal and external audits.
- Reviewed tasks as requested by Commissioners including reviews of Internal Audit Reports, Commissioners' reports on Implementation of Working Plans and conducted specific investigations through the Internal Audit Task Force related to third party information for Commissioners.

Based upon the review and discussion above, the Audit Committee determined that:

- Published financial reports have met disclosure principles.
- The Bank has established satisfactory internal control systems.
- The Bank has adopted sufficient control over compliance toward laws and regulations.

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

Audit Committee



**Markus Parmadi**  
Chairman

## Audit Committee

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### Markus Parmadi Chairman

- Deputy Chairman and Independent Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003–present).
- Commissioner of PT Bank Mandiri (Persero) Tbk (December 1998–September 2003) and appointed as Chairman of the Audit Committee, PT Bank Mandiri (Persero) Tbk (November 2003–present).
- Independent Commissioner, PT Citra Marga Nusaphala Persada Tbk (June 1999–December 2000, June 2001–present).
- Commissioner, PT Indosat Tbk (April 1998–April 2000).
- Assistant Minister/Deputy for Financial and Other Services, Ministry of State Owned Enterprises (December 1998–January 2000).
- President Commissioner, PT Jamsostek (Persero) (May 1998–February 1999).

### Zulkifli Djaelani Member

- Assistant Minister/Deputy for Human Resources and Public Services, Ministry of State-Owned Enterprises (April–December 1998).
- President Commissioner (1994–1998), Commissioner (1990–1994), Lippo Securities.
- President Director (1990–1998), Commissioner (1989), PT Bank Lippo Tbk.
- Career with PT Bank Central Asia (1983–1990), concluding as Executive Director.
- Career with Citibank, N.A (1971–1983), concluding as a Vice President.

- Re-appointed as Audit Committee Member of PT Bank Mandiri (Persero) Tbk (November 2003–present).
- 22-year career with Bank Niaga in the positions of:
- Director of Operations and Human Resources (1994–1999).
- Regional Head for Jakarta (1991–1994), for Central Java (1988–1991), and Branch Head for Jakarta (1986–1987) and Solo (1984–1986).
- Head of the Credit and Marketing Division, Jakarta Head Office (1981–1984).
- Staff of Credit and Marketing Division, Jakarta Head Office (1980–1981).
- Head of Credit and Marketing Division, Semarang (1979–1980).

### Imam Sukarno Member

- Audit Committee of PT Bank Mandiri (Persero) Tbk (November 2003–present).
- Career with Bank Indonesia since 1975 in the positions of:
- Director of Licensed and Banking Information Directorate (2000–May 2002).
- Supervisory Team of Bank Universal (2002).
- Director of Rural Bank Supervision (Bank Perkreditan Rakyat) (1998–2000).
- Director of Procurement Directorate (1996–1998).
- Deputy Division Head of Human Resources Directorate (1993–1996).









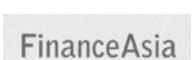



### **Riswinandi** Member

- Independent Commissioner of PT Bank Mandiri (Persero) Tbk (September 2003-present).
- Audit Committee of PT Bank Mandiri (Persero) Tbk (September 2003-present)
- Commissioner, PT Asuransi Ekspor Indonesia (October 2004-present).
- Director, PT Bank Danamon Tbk (2002-June 2003).
- Executive Vice President—Corporate Lending Division, PT Bank Danamon Tbk (2001-2002).
- Senior Vice President—Loan Work Out & Collection Division Head, IBRA (2000-2001).
- Commissioner, PT Bank Prima Express (2000-2001).
- Vice President—Risk Management Credit Review, IBRA (1999-2000).
- Career with PT Bank Niaga Tbk from 1986-1999. Final position as Vice President, Human Resources Group Head.
- Senior Assistant, SGV Utomo (1984-1986).

### **Fransiska Oei** Member

- Commissioner of PT Bank Mandiri (Persero) Tbk (April 2004-present).
- Audit Committee of PT Bank Mandiri (Persero) Tbk (September 2003-present)
- Legal & Compliance Advisor, Bank International Indonesia (2004-present).
- Founder & Senior Partner, LBAF Law Firm (2002-2004).
- Managing Director, Bank International Indonesia (2000-2001).
- Compliance Director, Chief of Legal Staffs, Citibank N.A. (1998-2000).
- Director, Legal, Human Resources & General Services, PT Suryamas Duta Makmur (1997-1998).
- Legal Head, Citibank N.A. (1984-1997).
- Legal Head, PT Ficorinvest (1982-1984).

# Awards

	<p>Best Domestic Commercial Bank 2004 Best Electronic Delivery Channels/Online Platforms</p>
	<p>Category: Fund Sourcing Product or Program Project: IPO Retail Marketing Program</p>
	<p>Best Domestic Bank 2004, 2003, 2002</p>
	<p>Bank Of The Year Indonesia 2004, 2003, 2002, 2001</p>
	<p>Best Trade Finance Bank Southeast Asia 2004</p>
	<p>Best Domestic Bank 2004, 2003</p>
	<p>Best Local Bank 2004, 2003, 2002, 2001</p>
	<p>ICS Award (Indonesian Customer Satisfaction) for Deposit Accounts and Mutual Funds</p>
	<p>Best Trade Finance Bank 2004, 2003, 2002, 2001 Best Indonesian Bank 2003, 2002, 2001</p>
	<p>MIS Innovation Award 2004 category: IT Governance</p>

# 2004 Macroeconomic Development

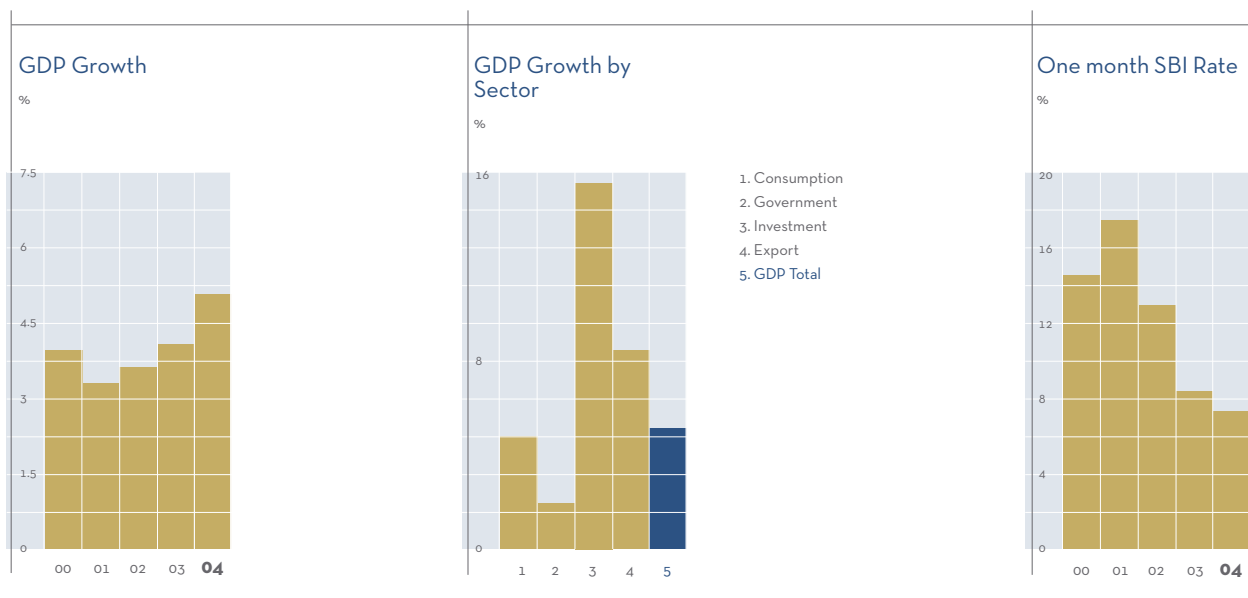
Following from a 5.06% rate of inflation in 2003, Indonesian inflation remained in the single digits at 6.4% in 2004. In spite of an increase of more than 30% in fuel prices, we expect inflation to remain in the single digits at 8% for 2005.

In line with lower inflation, SBI rates also remained in the single digits at 7.43% in 2004. This contributed to the declining trend of interest rates within the banking sector. Interest rates for time deposits stood at 6.71%, while interest rates for working capital loans declined to 13.41% in 2004. Despite the expected spike in inflation in 2005, Bank Indonesia is likely to maintain a target rate of inflation of 4% over the ensuing 5-6 years. The current interest rate environment, which is conducive to maintaining the current level of economic growth, is expected to remain stable in 2005 regardless of higher inflation and SBI rates.

On the other hand, there was a weakening trend in the Rupiah, by as much as 5%, from an average of Rp8,577/US\$ in 2003 to Rp8,936/US\$ in 2004. This took place despite the global trend of weakening of the US dollar.

Lower inflation and interest rates have contributed to create a favorable environment for economic growth. Despite the three direct elections in 2004, the macroeconomic environment remained encouraging, leading to a 5.14% growth in GDP that was the highest level achieved since the 1997/98 financial crisis.

Looking ahead, there is significant optimism that growth in 2005 will be higher at between 5% and 6%. The sources of this growth will come not only from domestic consumption, but also from investment by domestic and foreign private firms, especially in the area of infrastructure. Any such inflow of investment should lead to a stronger Rupiah, at a level of Rp9,000/US\$.



# Financial Highlights

	2000	2001	2002	2003	2004	2004
	Rp billion Audited	Rp billion Audited	Rp billion Audited	Rp billion Audited	Rp billion Audited	USD million
<b>Income Statement</b>						
Net Interest Income	6,404	7,109	6,862	8,007	9,466	1,019
Non Interest Income (1)	3,942	1,456	3,633	3,746	4,115	443
Operating Income (2)	10,346	8,565	10,495	11,753	13,581	1,463
Overhead Expenses (3)	3,213	3,417	3,626	3,915	5,391	581
Provision/(Reversal) for Possible Losses on Earning Assets and Commitments & Contingencies	(4,815)	4,791	1,226	538	333	36
Provision/(Reversal) for Possible Losses on Other Assets	6,017	(2,334)	231	(321)	(309)	(33)
Profit (Loss) Before Provision for Income Tax and Minority Interest	2,023	3,850	5,811	7,032	7,525	810
Net Profit (Loss)	1,181	2,746	3,586	4,586	5,256	566
<b>Balance Sheets</b>						
Total Assets	253,355	262,291	250,395	249,436	248,156	26,727
Earning Assets (Gross)	238,589	246,550	237,668	230,170	225,156	24,249
Earning Assets (Net)	222,852	236,408	226,433	218,807	214,214	23,071
Loans	43,023	48,339	65,417	75,943	94,403	10,167
Allowance for Possible Loan Losses (4)	(12,500)	(6,100)	(9,071)	(9,100)	(8,636)	(930)
Total Deposits	163,375	190,446	184,114	178,811	175,838	18,938
Total Liabilities	239,089	251,511	235,957	229,037	223,218	24,041
Total Shareholders' Equity	14,262	10,777	14,435	20,395	24,935	2,686
<b>Financial Ratios</b>						
Return On Assets (ROA)—Before Tax (5)	0.8%	1.5%	2.3%	2.8%	3.1%	
Return On Equity (ROE)—After Tax (6)	8.1%	21.5%	26.2%	23.6%	22.8%	
Net Interest Margin	2.7%	3.0%	2.9%	3.4%	4.4%	
Non Interest Income to Operating Income	38.1%	17.0%	34.6%	31.9%	30.3%	
Overhead Expenses to Operating Income (7)	31.1%	39.9%	42.8%	40.4%	45.2%	
Overhead Expenses to Total Assets	1.3%	1.3%	1.4%	1.6%	2.2%	
Non Performing Loan (NPL)—Gross	19.8%	9.7%	7.3%	8.6%	7.1%	
Non Performing Loan (NPL)—Net	6.6%	2.7%	1.6%	1.8%	1.6%	
Provision to NPL Exposure	146.7%	129.5%	190.4%	139.1%	128.8%	
Loan to Deposit Ratio—Non Bank	26.3%	25.3%	35.5%	42.5%	53.7%	
Tier-1 Capital Ratio (8)	16.7%	15.2%	15.2%	19.4%	18.6%	
Capital Adequacy Ratio (CAR) (9)	31.3%	26.4%	23.4%	27.7%	25.3%	

Notes

- (1) Including gains from increase in value of and sale of securities and government bonds.
- (2) Net Interest Income + Non Interest Income.
- (3) General and Administrative Expenses + Salaries & Employee Benefit Expenses.
- (4) Including Deferred Income arising from Loans Purchased from IBRA.
- (5) Profit before Provision for Income Tax & Minority Interest divided by the average of the quarterly balances of Total Assets for the year.
- (6) Net Profit divided by the average of the quarterly balances of Total Shareholders' Equity for the year.
- (7) Overhead Expenses/Operating Income (excludes gain from increase in value of and sale of securities and government bonds)
- (8) Tier-1 Capital and Capital Adequacy Ratios are calculated based on bank only numbers.
- (9) The 2004, 2003, 2002, 2001 and 2000 financial highlights shown herein are calculated/

derived from the consolidated financial statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries as of and for the year ended December 31, 2004, for the eight month period ended December 31, 2003, for the four month period ended April 30, 2003 (after quasi reorganization) and for the year ended December 31, 2002 that have been audited by independent auditors Prasetyo, Sarwoko & Sandjaja, member of Ernst & Young Global, and for the year ended December 31, 2001 and December 31, 2000 (restated) that have been audited by independent auditors Hanadi, Sarwoko & Sandjaja, member of Ernst & Young Global, and therefore are not a complete presentation. Some financial highlights for the year 2000, 2001, 2002 and 2003 have been reclassified for comparison purpose to year 2004 financial highlights.



as of December 31

“We are committed to continuously develop Bank Mandiri’s operational foundation and augment its long-term value. The target of our short-term program is to strengthen the Bank’s position within Indonesia, with a long term aspiration to become an international bank.”



**I Wayan Pugeg**  
Deputy President Director

- Deputy President Director of Bank Mandiri since September 2003.
- COO of Bank Mandiri since April 2003.
- Managing Director, Bank Mandiri (October 1998–September 2003).
- Senior Executive Vice President, Distribution Network, Bank Mandiri (April 2003–September 2003).
- Senior Executive Vice President, Risk Management, Bank Mandiri (August 2000–April 2003).
- Director of Compliance, Bank Mandiri (July 1999–November 2001).
- Managing Director, Bank Dagang Negara (1992–1997).
- Chairman, Koexim BDN Finance, Commissioner, Bank Indovest, Salindo Perdana Finance and Bina Usaha Indonesia.
- General Manager, Bank Dagang Negara, New York Agency (1988),
- Citibank N.A., Jakarta, 1972.



# Management's Discussion And Analysis Of Financial Statements And Operating Results

## Discussion and Analysis of Bank Mandiri's Financial Statements and Operating Results

25

The discussion of Bank Mandiri's operating results for the year ended December 31, 2004 and 2003 respectively should be read in conjunction with the audited financial statements, including the auditor's notes, contained elsewhere in this Annual Report.

The following discussion has been prepared based upon Bank Mandiri's Consolidated Financial Statement, which has been prepared in accordance to Indonesian GAAP (PSAK) for the year ended December 31, 2004. Our independent auditors, Ernst & Young Prasetio, Sarwoko & Sandjaja, have audited that financial statement. The 2004 financial data are also presented in US Dollars based upon the exchange rate of Rp9,285 per USD as of December 31, 2004.

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

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

### Analysis of Financial Performance and Condition

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

### Operating Results

This section will examine the Bank's financial operating results based on an analysis of the Profit and Loss statement for the years ended December 31, 2004 and 2003.

### Financial Statement Analysis

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

## Analysis of Financial Performance and Condition

### Notes

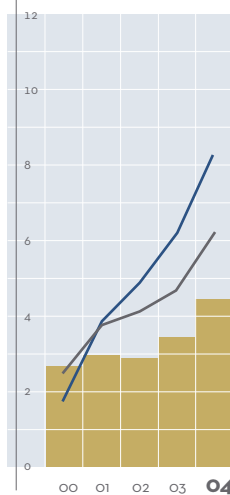
- (1) Data for state-owned banks represent average data from Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI) and Bank Tabungan Negara (BTN). The data on private banks are averaged from the financial statements of Bank Central Asia (BCA), Bank Danamon, Bank International Indonesia (BII), Bank Lippo and Bank Niaga, Indonesia's five largest private banks based on total assets, for which data is available since 2000.
- (2) Cost to Income Ratio = overhead expenses / operating income (excluding gains from increase in value of and sale of securities and government bonds).

## Overview of Bank Mandiri's Performance and Financial Conditions <sup>(1)</sup>

### Net Interest Margin

in percentage

Bank Mandiri (4.4%)  
State-owned Banks (8.3%)  
Private Banks (6.2%)



#### Bank Mandiri

- NIM rose by 29.4% in 2004 compared with the previous year's increase of 17.2%.
- An improved liability mix and a decline in time deposit rates resulted in a higher NIM.

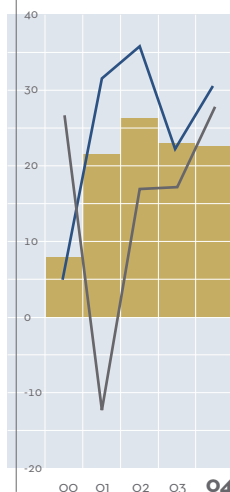
#### Other Banks

- Despite improvements in Bank Mandiri's NIM, it remains lower than the average NIMs for state-owned banks (8.3%) and private banks (6.2%)

### Return on Equity (ROE)

in percentage

Bank Mandiri (22.8%)  
State-owned Banks (30.8%)  
Private Banks (28.3%)



#### Bank Mandiri

- In 2004, ROE declined by 3.4% compared to previous year.
- The decline was primarily due to an increase in average equity.

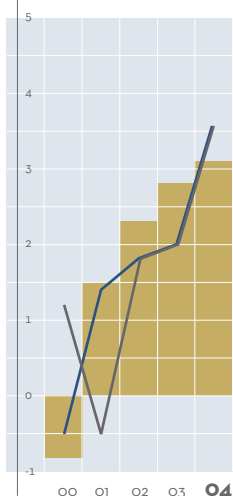
#### Other Banks

- Growth in 2004 net profit drove an increase in ROE for most major banks.
- Bank Mandiri's ROE remained below the average of other state-owned banks (30.8%) and private banks (28.3%)

### Return on Assets (ROA)

in percentage

Bank Mandiri (3.1%)  
 State-owned Banks (3.6%)  
 Private Banks (3.6%)



#### Bank Mandiri

- ROA has improved steadily since 2000.
- ROA for 2004 was 3.1%.

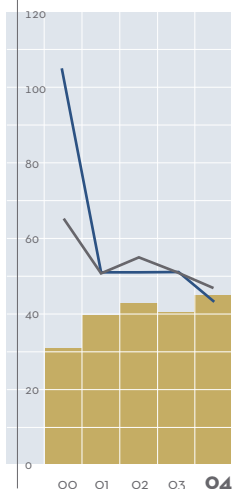
#### Other Banks

- Growth in 2004 net profit led to higher ROA for most major banks.
- Average ROA for banks was 3.4%, the highest in Asia, indicating strong profitability and a healthy banking sector.

### Cost to Income Ratio<sup>(2)</sup>

in percentage

Bank Mandiri (45.2%)  
 State-owned Banks (43.6%)  
 Private Banks (46.6%)



#### Bank Mandiri

- Cost to income ratio increased somewhat, reflecting the continued development of the distribution network and retail banking franchise (45.2%).

#### Other Banks

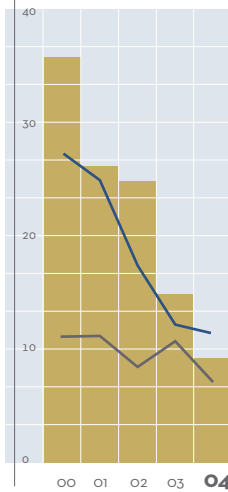
- Bank Mandiri's cost to income ratio was better than the average for private banks (46.6%) but higher than other state-owned banks (43.6%).

Overview of Bank Mandiri's Performance and Financial Conditions <sup>(1)</sup>(continued)

Ratio of Category 2 Loans to Total Loans

in percentage

Bank Mandiri (9.1%)  
State-owned Banks (11.4%)  
Private Banks (6.9%)



**Bank Mandiri**

- Category 2 loans declined significantly in 2004 from 14.8% in 2003 to 9.1%.

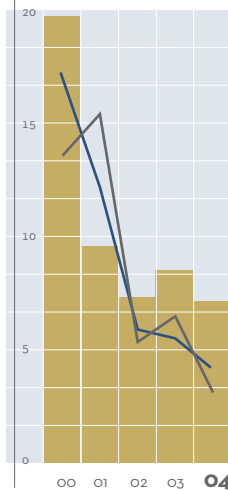
**Other Banks**

- The general decline in the ratio of Category 2 loans across the industry affirmed a healthier banking system.
- Bank Mandiri's ratio of Category 2 loan was above the average for private banks (6.9%) but lower than the average for other state-owned banks (11.4%).

Non Performing Loan (NPL)—Gross

in percentage

Bank Mandiri (7.1%)  
State-owned Banks (4.21%)  
Private Banks (3.05%)



**Bank Mandiri**

- Gross NPLs dropped significantly to 7.1% at the end of 2004, from 8.6% a year earlier.
- The net NPL ratio (Gross NPLs—Provisions for NPLs) for Bank Mandiri at the end of 2004 stood at 1.6%.

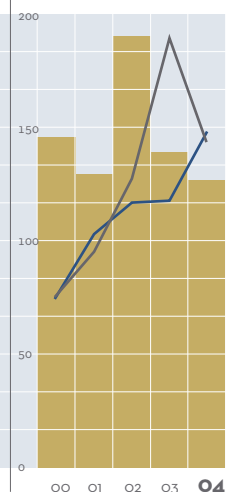
**Other Banks**

- Bank Mandiri's gross NPL ratio remained higher than the average for state-owned and private banks at 4.2% and 3.0% respectively, but the decline was more significant compared to others (17.5%).

Provision to NPL Exposure Level

in percentage

Bank Mandiri (128.8%)  
State-owned Banks (149%)  
Private Banks (142%)



Bank Mandiri

- The ratio of provisions to NPL exposure in 2004 declined slightly, but still remained well above 100%.

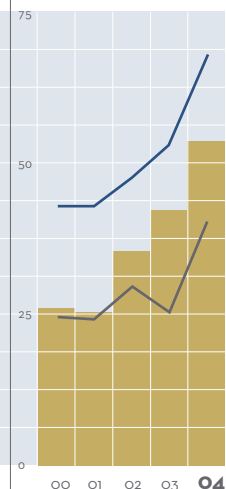
Other Banks

- Bank Mandiri's provision to NPL exposure ratio (128.8%) was lower than that of other state-owned banks (149%) and the private banks' average of 142%.

Loan to Deposit Ratio (LDR)– Non Bank

in percentage

Bank Mandiri (53.7%)  
State-owned Banks (68.6%)  
Private Banks (40.1%)



Bank Mandiri

- LDR–non bank in 2004 increased by 26.4% from a year earlier
- Bank Mandiri's remains committed to playing an active intermediary role.

Other Banks

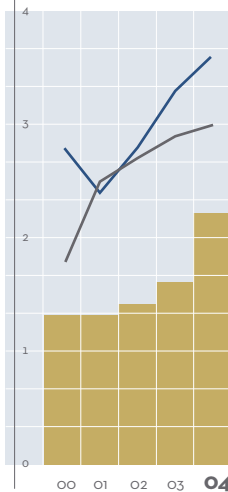
- Bank Mandiri's LDR (53.7%) remained lower than other state-owned banks, indicating future growth potential
- Bank Mandiri's LDR far exceeded the average for private banks (40.1%).

Overview of Bank Mandiri's Performance and Financial Conditions <sup>(1)</sup>(continued)

Ratio of Overhead Expenses to Total Assets

in percentage

Bank Mandiri (2.2%)  
State-owned Banks (3.6%)  
Private Banks (3.0%)



Bank Mandiri

- Despite a step-up in overhead expenses due to an expanded retail franchise, the ratio of overhead expenses to total assets remained at a relatively low 2.2%.

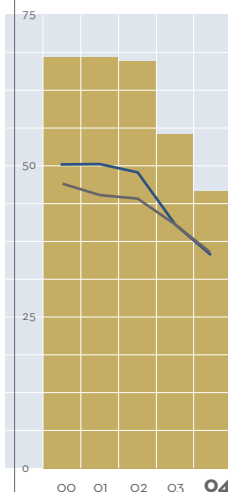
Other Banks

- As the largest bank in Indonesia, Bank Mandiri demonstrates advantages of operational scale and efficiency compared to other banks
- Bank Mandiri's overhead to total assets (2.2%) was significantly lower than that of state-owned banks (3.6%) and private banks (3.0%).

Ratio of High Cost of Funds

in percentage

Bank Mandiri (46.2%)  
State-owned Banks (35.4%)  
Private Banks (36.6%)



Bank Mandiri

- Our ratio of high-cost funds to total funds continued to improve significantly, to 46.2% in 2004.
- While the proportion of time deposits continued to decline, savings and demand deposit volumes increased by 29.6% and 7.5% respectively.

Other Banks

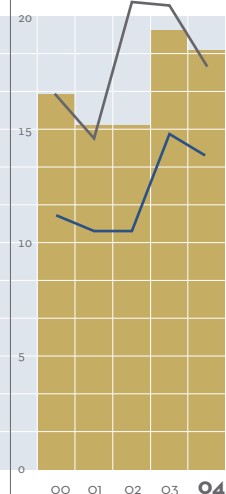
- In general, the high-cost fund component declined due to lower spreads among funding types.
- The proportion of high-cost funds at Bank Mandiri remained higher than the average of state-owned banks (35.4%) and private banks (36.6%).



### Tier 1 Capital Adequacy Ratio (Tier 1 CAR)

in percentage

Bank Mandiri (18.6%)  
State-owned Banks (13.9%)  
Private Banks (17.9%)



#### Bank Mandiri

- Bank Mandiri's Tier I CAR declined from 19.4% in 2003 to 18.6% in 2004.
- This decline was due to the increase in Risk Weighted Assets.

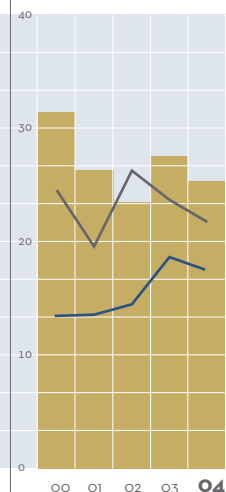
#### Other Banks

- Bank Mandiri's Tier I CAR in 2004 exceeded the average of other state-owned banks (13.9%) and the average of private banks (17.9%).
- The banking system is well positioned to fund anticipated demand for loan growth, given its substantial capital base.

### Capital Adequacy Ratio (CAR)

in percentage

Bank Mandiri (25.3%)  
State-owned Banks (17.43%)  
Private Banks (21.89%)



#### Bank Mandiri

- Bank Mandiri's CAR fell to 25.3% in 2004 from 27.7% in 2003.

#### Other Banks

- Bank Mandiri's CAR (25.3%) was higher than the average for other state-owned banks.
- Indonesian banks have shown improvement in terms of capital far exceeding the minimum standard set by Bank Indonesia (8%).

## Analysis of Financial Performance and Condition

### Operating Results

- Earning Per Share (EPS) improved by 14.4%
- Net profit increased by Rp670 billion, or 14.6%
- Other fees and commission incomes grew by Rp436 billion, or 47.2%
- Operating income rose by Rp1, 828 billion, or 15.6%

### Summary of Statements of Profit and Loss for the years ended December 31, 2003 and 2004

	2003	2004	2004	Change
	Rp billion	Rp billion	USD million	%
Interest Income	25,557	19,145	2,062	(25.1)
Interest Expenses	(17,550)	(9,679)	(1,042)	(44.8)
Net Interest Income	8,007	9,466	1,020	18.2
Other Fees and Commissions	924	1,360	146	47.2
Income from Foreign exchange transactions	114	402	43	252.6
Gain from Sale of Securities & Government Bonds	2,123	1,585	171	(25.3)
Gain (Loss) from Increase (Decrease) in Value of Securities & Government Bonds	(51)	66	7	229.4
Other Income	636	702	76	10.4
Operating Income	11,753	13,581	1,463	15.6
Provision for Possible Losses on Earning Assets, Commitments and Contingencies and Other Assets—Net	(217)	(24)	(3)	(88.9)
General and Administrative Expenses	(2,250)	(2,989)	(322)	32.8
Salary and Employee Benefits	(1,665)	(2,402)	(259)	44.3
Other Operating Expense—Others	(807)	(645)	(69)	(20.1)
Profit from Operations	6,814	7,521	810	10.4
Non Operating Income—Net	218	4	-	(98.2)
Profit before Tax	7,032	7,525	810	7.0
Net Profit	4,586	5,256	566	14.6

### Net Interest Income

Net interest income grew by 18.2% in 2004 to Rp9,466 billion from Rp8,007 billion in 2003. This increase was mainly due to a decline in interest expenses by 44.8% from Rp17,550 billion

in 2003 to Rp9,679 billion in 2004, and a more moderate drop in interest income of 25.1% from Rp25,557 billion in 2003 to Rp19,145 billion in 2004.

The following table provides an analysis of net interest income during 2003 and 2004.

Rp Billion

	2003			2004		
<b>Assets</b>	Average	Income	%	Average	Income	%
a. Loans						
Rupiah	42,993	6,427	14.95	53,001	6,757	12.75
Forex	26,884	1,948	7.25	30,256	2,052	6.78
b. Placements						
Rupiah	4,310	307	7.12	6,520	441	6.76
Forex	6,063	57	0.94	5,830	78	1.34
c. Securities						
Rupiah	11,533	728	6.31	11,966	850	7.10
Forex	3,567	140	3.92	3,887	103	2.65
d. Government Bonds	138,581	15,390	11.11	103,907	8,182	7.87
e. Others		560			682	
Sub Total (1)	233,931	25,557	10.93	215,367	19,145	8.89
<b>Liabilities</b>	Average	Expense	%	Average	Expense	%
a. Demand Deposits						
Rupiah	27,857	1,162	4.17	30,887	1,085	3.51
Forex	8,691	132	1.52	11,316	46	0.41
b. Savings Deposits	33,428	2,324	6.95	45,233	2,112	4.67
c. Time Deposits						
Rupiah	105,831	12,111	11.44	77,996	4,981	6.39
Forex	19,373	413	2.13	15,517	166	1.07
d. Securities Issued	3,054	265	8.68	4,636	362	7.82
e. Acceptance Payable						
Rupiah	3,241	327	10.09	2,864	189	6.59
Forex	7,178	206	2.87	5,041	161	3.19
f. Subordinated Loans	5,719	383	6.70	5,432	310	5.71
g. Loan Capital	2,914	28	0.96	2,614	35	1.35
h. Others		199			231	
Sub Total (2)	217,286	17,550	8.08	201,526	9,679	4.80
Net (1-2)	16,645	8,007	2.85	13,841	9,466	4.09

## Analysis of Financial Performance and Condition

### Interest Income

Rp billion

	2003	%	2004	%
Government Bonds	15,390	60,2	8,182	42,7
Loans	8,375	32,8	8,809	46,0
Securities	868	3,4	953	5,0
Placements with Bank Indonesia and Other Banks	364	1,4	519	2,7
Fees and Commissions from Loan Facilities	495	1,9	507	2,7
Others	65	0,3	175	0,9
<b>Total Interest Income</b>	<b>25,557</b>	<b>100%</b>	<b>19,145</b>	<b>100%</b>

Interest income from government bonds comprised 42.7% of total interest income in 2004, representing a decrease of 17.5% from the level of 60.2% a year earlier. Interest income from loans accounted for 46.0% of total interest income in 2004, an improvement of 13.2% from the level of 32.8% in 2003.

Interest income from government bonds fell 46.8% from Rp15,390 billion in 2003 to Rp8,182 billion in 2004. This decline was primarily due to a decrease in the average volume of the government bond portfolio, as well as a reduction in

interest rates paid on the variable rate component of that portfolio. The average volume of government bonds fell from Rp138,581 billion in 2003 to Rp103,907 billion in 2004. This decline was a largely due to the sale of Rp32,334 billion (nominal value) in government bonds during 2004.

Interest income attributable to loans increased by 5.2% from Rp8,375 billion in 2003 to Rp8,809 billion in 2004, primarily due to a higher average volume of loans. The average loan volume rose by 19.1% from Rp69,877 billion in 2003 to Rp83,257 billion in 2004.

### Interest Expense

Rp billion

	2003	%	2004	%
Demand Deposits	1,294	7.4	1,131	11.7
Saving Deposits	2,324	13.2	2,112	21.8
Time Deposits (1)	12,524	71.4	5,147	53.2
<b>Total Interest on Deposits</b>	<b>16,142</b>	<b>92.0</b>	<b>8,390</b>	<b>86.7</b>
Fund Borrowings (2)	533	3.0	350	3.6
Subordinated Loans	383	2.2	310	3.2
Securities Issued	265	1.5	362	3.7
Loan Capital (3)	28	0.2	35	0.4
Other Financing Expenses (4)	113	0.6	157	1.6
Others	86	0.5	75	0.8
<b>Total Interest Expense</b>	<b>17,550</b>	<b>100</b>	<b>9,679</b>	<b>100</b>

**Notes**

- (1) Includes Certificates of Deposit
- (2) Includes loans from the Indonesian Government and private entities
- (3) Interest expense of FRN previously issued by Bank Dagang Negara
- (4) Includes promotional expenses in consumer banking

Interest expenses declined by 44.8% from Rp17,550 billion in 2003 to Rp9,679 billion in 2004. Interest on deposits expenses comprised 86.7% of total interest expenses, falling by 5.3% from the previous level of 92.0%, while interest on securities issued expenses accounted for 3.7% of total interest expenses, up 2.2% from 1.5% in 2003.

Average deposits fell by 7.3% from Rp195,180 billion to Rp180,939 billion in 2004. Average Rupiah-denominated deposits declined from Rp167,116 billion in 2003 to Rp154,106 billion in 2004. Average foreign currency-denominated deposits fell from Rp28,064 billion in 2003 to Rp26,833 billion in 2004.

Interest on borrowed funds declined by 34.3% from Rp533 billion in 2003 to Rp350 billion in 2004. The average volume of borrowed funds dropped from Rp10,419 billion in 2003 to Rp7,905 billion in 2004.

In 2004, interest on securities issued increased by 36.6% from Rp265 billion in 2003 to Rp362 billion. The average volume of securities issued increased from Rp3,054 billion in 2003 to Rp4,636 billion in 2004.

Interest on subordinated loans fell by 19.1% to Rp310 billion in 2004 from Rp383 billion a year earlier. The average outstanding subordinated loans declined to Rp5,432 billion from Rp5,719 billion in 2003.

**Pre-Provision Operating Profit**

Rp billion

	2000	2001	2002	2003	<b>2004</b>
Core Earnings (*)	3,357	4,154	4,034	4,845	5,492
Profit (Loss) from Foreign Exchange Transactions	1,454	260	(25)	114	402
Gain from Increase in Value of and Sale of Securities and Government Bonds	0	0	2,021	2,072	1,651
<b>Pre-Provision Operating Profit</b>	<b>4,811</b>	<b>4,414</b>	<b>6,030</b>	<b>7,031</b>	<b>7,545</b>

**Notes**

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

Pre-provision operating income continued to improve in 2004, rising by 7.3% to Rp7,545 billion from Rp7,031 billion in the previous year.

## Analysis of Financial Performance and Condition

### Other Operating Income

Rp billion

	2003	2004
Net Gain on Foreign Exchange Transactions	114	402
Other Fees and Commissions (1)	924	1,360
Others	636	702
<b>Other Operating Income</b>	<b>1,674</b>	<b>2,464</b>

### Notes

(1) Other fees and commissions are derived from trade finance services, consumer banking services (such as credit cards), cash management services, treasury services and capital market.

Other operating income increased by 47.2% from Rp1,674 billion in 2003 to Rp2,464 billion in 2004.

Net foreign exchange gains increased from Rp114 billion in 2003 to Rp402 billion in 2004. This increase was primarily due to foreign exchange trading and revaluation.

Income from other fees and commissions increased by 47.2% from Rp924 billion in 2003 to Rp1,360 billion in 2004. Other income increased by 10.4% from Rp636 billion in 2003 to Rp702 billion in 2004. Other income mainly comprises administrative fees charged to customers and an increase in the value of guarantees for, as well as an effective decrease in the principal value of, SUFRNs.

### (Provision)/Reversal of Provision

Bank Mandiri's policy for provisioning for possible losses on loans is as follows:

Collectibility	1	2	3	4	5
Bank Indonesia	1%	5%	15%	50%	100%
Bank Mandiri	2%	15%	50%	100%	100%

For group debtors, Bank Mandiri establishes the provision level based upon the lowest collectibility classification within the group.

Provision for possible losses on earning assets, commitments and contingencies, and other provisions as of December 31, 2003 and December 31, 2004 are as follows:

	2003	2004
Provisions for Possible Losses on Earning Assets	(1,179)	(371)
Reversal of Provisions for Possible Losses on Commitments and Contingencies	641	38
Net Provision for Possible Losses on Earning Assets and Commitments and Contingencies	(538)	(333)
Reversal for Other Provisions	321	309
<b>Net Provisions</b>	<b>(217)</b>	<b>(24)</b>

Rp billion



Total net provisions for possible losses declined by 88.9% from Rp217 billion in 2003 to Rp24 billion in 2004. For 2004, provision for possible losses on earning assets totaled Rp371 billion, primarily due to additional provisions for possible losses on loans of Rp276 billion, and for securities, trade documents and other facilities of Rp72 billion.

The additional provision for possible losses of Rp276 billion was primarily due to an increase in loan disbursements in 2004.

Additional provisions for securities and trade documents and other facilities of Rp72 billion was primarily due to an increase in the volume of trade documents and other facilities.

#### Gains/(Losses) from Sale of Securities and Government Bonds

Gains from the sale of securities and government bonds in 2004 declined to Rp1,585 billion compared to Rp2,123 billion in 2003. Government bond sales increased to Rp32,334 billion (nominal value) during 2004 from Rp24,505 billion in 2003. The resulting gains of Rp1,365 billion were lower than

the previous year as the bonds sold were primarily held in the Trading portfolio on which mark-to-market gains had previously been booked.

#### Unrealized Gains/(Losses) from Changes in Value of Securities and Government Bonds

Gains due to an increase in the value of securities and government bonds reached Rp66 billion in 2004, an increase of 229.4% from Rp51 billion losses in 2003. This increase was mainly due to higher mark-to-market of the government bond portfolio at the end of 2004 compared with the end of 2003.

#### Other Operating Expenses

Rp billion

	2003	2004
General and Administrative Expenses	2,250	2,989
Salaries and Employee Benefits	1,665	2,402
Others—Net (1)	807	645
<b>Other Operating Expenses</b>	<b>4,722</b>	<b>6,036</b>

#### Notes

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

Other operating expenses increased by 27.8% from Rp4,722 billion in 2003 to Rp6,036 billion in 2004. This increase was mainly due to an increase in general and administrative expenses by 32.8% from Rp2,250 billion in 2003 to Rp2,989 billion in 2004 and an increase in salaries and employee benefits by 44.3% from Rp1,665 billion in 2003 to Rp2,402 billion in 2004.

These increased overheads (general and administrative expenses and salaries and employee benefits) in 2004 were a result of growth in staffing levels, adjustments in compensation to reflect market conditions, and continuing infrastructure development to support business growth.

## Analysis of Financial Performance and Condition

### Net Non-Operating Income

Net non-operating income declined by 98.2% from Rp218 billion in 2003 to Rp4 billion in 2004. In 2003, revenue was derived from a reversal of provisions due to the closing down of the ex legacy New York branch.

### Provision for Income Tax

Provision for income tax declined by 7.2% from Rp2,446 billion in 2003 to Rp2,269 billion in 2004.

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

Items that can be categorized as temporary differences include:

- Depreciation of fixed assets
- Provision for personnel expenses
- Provision for possible losses on earning assets and commitments and contingencies
- Provision for possible losses in legal cases
- Gains (losses) on value increase (decrease) of securities and government bonds

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

Deferred tax assets—net as of December 31, 2004 were Rp2,252 billion, compared to Rp2,338 billion as of December 31, 2003.

### Earnings and Book Value per Share

Rp

	2003	2004
Earnings Per Share	229	262
Book Value Per Share	1.020	1.244

Earnings per share (EPS) are calculated as net profit divided by the weighted average number of shares outstanding for the year. For 2004, the weighted average number of shares outstanding is 20,047,890,270, while that for 2003 is 20,000,000,000 shares. EPS for 2004 was Rp262, compared to Rp229 in 2003 as net profit improved by 14.6% to Rp5,256 billion from Rp4,586 billion in 2003.

Net profit improved in 2004 as a result of net interest income growth to Rp9,466 billion from Rp8,007 billion in 2003, operating income reaching Rp13,581 billion from Rp11,753 billion in 2003, and a decline in provisions for possible losses on earning assets, commitments and contingencies, and other provisions from Rp217 billion in 2003 to Rp25 billion in 2004.

Bank Mandiri's book value per share (BVPS) increased by 22.0% to Rp1,244 as of December 31, 2004 from Rp1,020 at the end of 2003.

## Financial Condition

## Summary of Balance Sheet as of December 31, 2003 and 2004

	2003		2004		% Change
	Rp billion	USD million	Rp billion	USD million	
<b>Total Assets</b>	249,436	29,607	248,156	26,727	(0.5)
Cash and Placements with Bank Indonesia	27,089	3,215	32,380	3,487	19.5
Demand Deposits and Placements with Other Banks—Net	6,972	828	8,834	951	26.7
Securities—Net	3,809	452	4,548	490	19.4
Government Bonds	122,907	14,588	93,081	10,025	(24.3)
Trading	1,389	165	1,580	170	13.8
Available for Sale	51,437	6,105	27,584	2,971	(46.4)
Held to Maturity	70,081	8,318	63,917	6,884	(8.8)
Loans	75,943	9,014	94,403	10,167	24.3
Performing	69,401	8,238	87,699	9,445	26.4
Non Performing	6,542	776	6,704	722	2.5
Provision for Possible Loan Losses	(9,100)	(1,080)	(8,636)	(930)	(5.1)
Loans—Net	66,843	7,934	85,767	9,237	28.3
Total Deposits—Non Bank	178,811	21,224	175,838	18,938	(1.7)
Demand Deposits	38,232	4,538	41,083	4,425	7.5
Savings	41,307	4,903	53,533	5,765	29.6
Time Deposits and Certificates of Deposit	99,272	11,783	81,222	8,748	(18.2)
<b>Equity</b>	20,395	2,421	24,935	2,686	22.3

Total assets declined by 0.5% from Rp249,436 billion as of December 31, 2003 to Rp248,156 billion as of December 31, 2004.

**Cash and Placements with Bank Indonesia**

Cash and placements with Bank Indonesia increased by 19.5% from Rp27,089 billion as of December 31, 2003 to Rp32,380 billion as of December 31, 2004.

Placements with Bank Indonesia increased from Rp24,860 billion as of December 31, 2003 to Rp29,940 billion as of December 31, 2004 as current accounts with Bank Indonesia rose from RpRp12,157 billion to Rp15,986 in order to meet the minimum legal Rupiah reserve requirements of Bank Indonesia of 5% and 8% for 2003 and 2004 respectively.

**Demand Deposits and Placements with Other Banks**

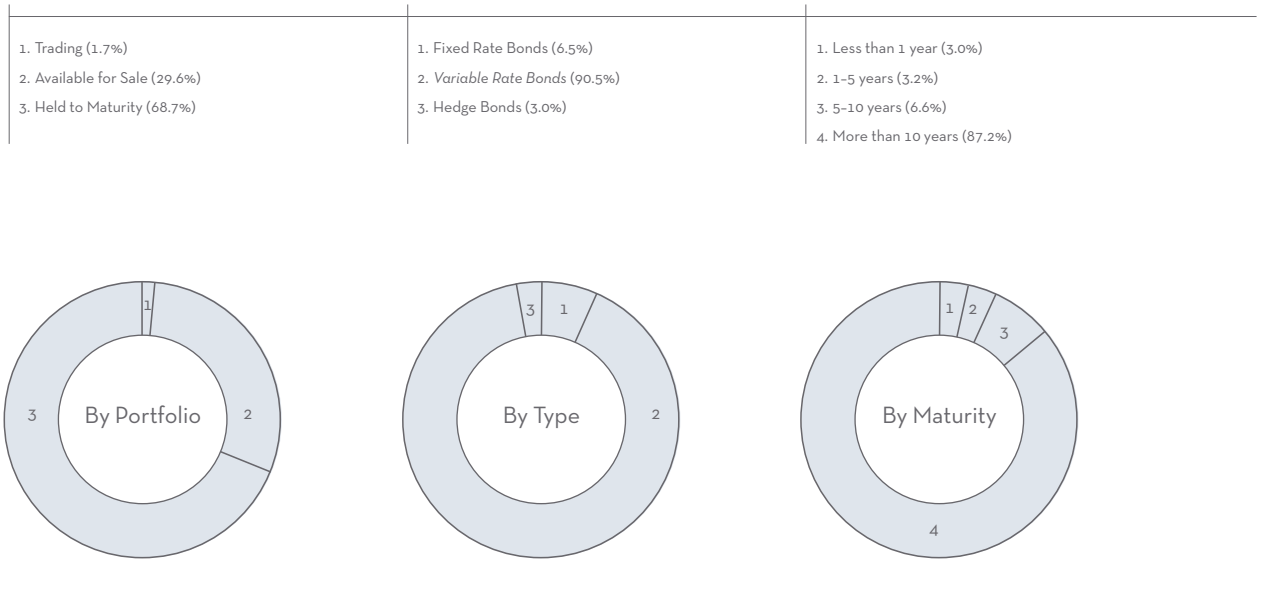
Demand Deposits and placements with other banks increased by 26.7% from Rp6,972 billion as of December 31, 2003 to Rp8,834 billion as of December 31, 2004, primarily due to an increase in placements with other banks from Rp6,707 billion as of December 31, 2003 to Rp8,275 billion as of December 31, 2004.

**Securities**

Securities - net rose by 19.4% from Rp3,809 billion as of December 31, 2003 to Rp4,548 billion as of December 31, 2004, particularly due to an increase in Rupiah denominated securities - available for sale from Rp1,035 billion as of December 31, 2003 to Rp1,831 billion as of December 31, 2004 and securities purchased with agreement to resell as of December 31, 2004 of Rp708 billion.

**Analysis of Financial Performance and Condition**

**Government Bonds**



As of December 2004, Bank Mandiri held Rp93,081 billion of government bonds, accounting for 37.4% of the Bank's total assets. These bonds consist of Fixed Rate Bonds, Variable Rate Bonds and Hedge Bonds. The interest rates for Fixed Rate Bonds ranged from 12.25% to 15.58% per annum. For Variable Rate Bonds, the rates are equal to the rates for 3-months SBIs. The Hedge Bond rate stands at SIBOR +2.0% and the principal is indexed to the Rupiah/US Dollar exchange rate quoted on Reuters. The index value on issuance date, or as of 28 December 1999, was Rp7,200, which was then revised by Bank Indonesia on March 6, 2000 to Rp7,008. The index value of Hedge Bonds as of December 31, 2003 and 2004 was Rp8,425 and Rp9,285 respectively. The index value posted in the balance sheet is reset every year-end. As of December 31, 2004, government bond holdings comprised 90.5% Variable Rate Bonds, 3.0% Hedge Bonds and 6.5% Fixed Rate Bonds.

Bank Mandiri sold Rp32,334 billion (nominal value) of government bonds in 2004 and recognized a gain of Rp1,365 billion.

For 2004, the unrealized losses on securities and government bonds declined by 78.3%, from Rp1,861 billion in 2003 to Rp404 billion in 2004.

In accordance with Indonesian GAAP, the unsold portion of government bond – Trading and Available for Sale should be valued based on market value at the end of each month, while the government bond–Held to Maturity should be recorded at its acquisition cost.

**Corporate Loan**

**Loan Growth**

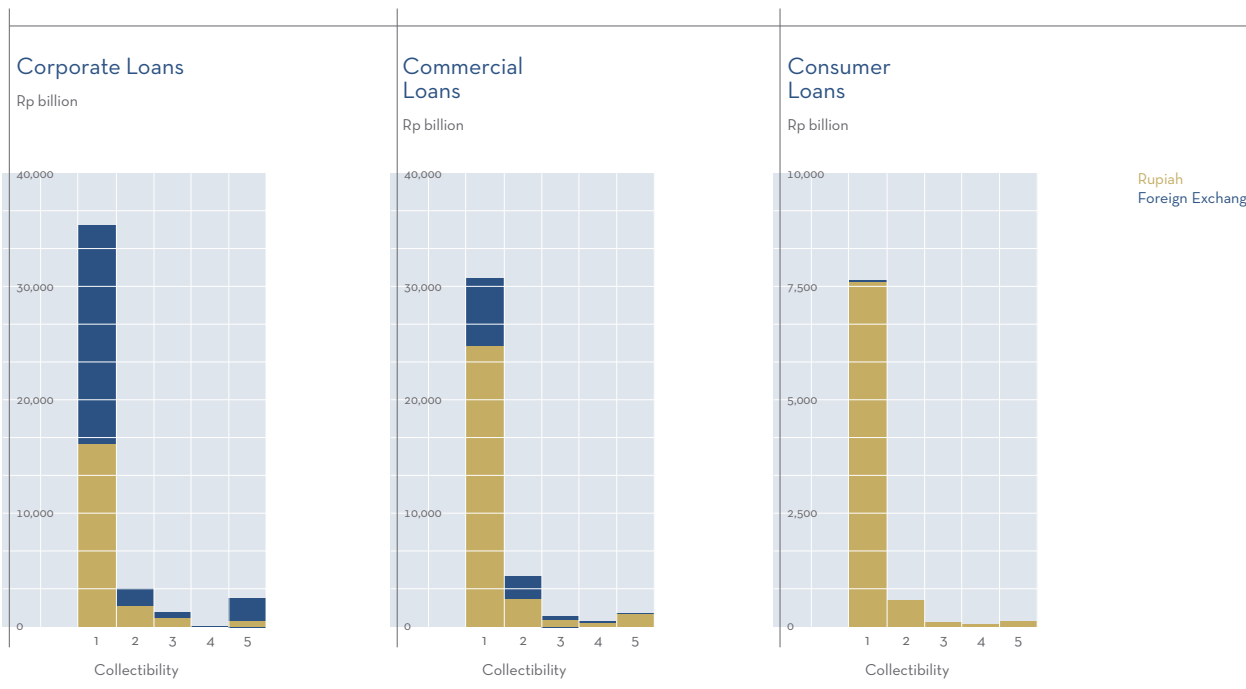
	2003	2004
Loan to Total Asset Ratio	30.5 %	38.0%
Ratio of Loan Interest Income to Total Interest Income	32.8%	47.6%

Total loans (gross and consolidated) as of December 31, 2004 stood at Rp9,440,3 billion and accounted for 38.0% of Bank Mandiri's total assets.

Loan growth during 2004 (net and bank only) amounted to Rp15,234 billion, consisting of new loan - net Rp15,052 billion, foreign exchange impacts Rp2,769 billion, deductions due to restructured loan payments of Rp813 billion, and write-offs for the year of Rp1,774 billion.

**Loan Segmentation Details**

The table below provides loan segmentation details (bank only) as of December 31, 2004:



## Analysis of Financial Performance and Condition

The following table details the composition of the loan portfolio (based upon the Bank's numbers) as of December 31, 2004:

Size of Loan	Number of Accounts	Percentage of Accounts	Balance	Percentage of Total Loans
Rpbillion			Rpbillion	
Less than 35	189,083	99.8%	37,362	42.2%
35 to less than 75	251	0.1%	12,632	14.3%
75 to less than 200	156	0.1%	19,007	21.5%
200 to less than 700	36	-	11,693	13.2%
700 or greater	8	-	7,851	8.8%
<b>Total</b>	<b>189,534</b>	<b>100.0%</b>	<b>88,545</b>	<b>100.0%</b>

### Restructured Loans

As of December 31, 2004, 22.3% of total loans, or Rp21,045 billion, were restructured loans. Comparable figures for December 31, 2003 were 31.6% of total loans and Rp23,988 billion.

The table below details the movement of restructured loans throughout 2004:

Rp billion

	2004
Balance at the Beginning of Year	23,988
Additional Restructurings	391
Loan Repayments	(3,675)
Loans Written-off	(673)
Others (1)	1,014
<b>Balance at End of Year</b>	<b>21,045</b>

### Note

(1) Included partial payments, foreign currency translation effects and fluctuation in working capital facilities.

Restructured loans by type of restructuring scheme and amount are as follows:

Rp billion

	2003	2004
Long-term Loans with Option to Convert Debt to Equity	2,145	1,941
Additional Loan Facilities	381	415
Extension of Loan Maturity Dates	13,161	11,200
Extension of Loan Maturity Dates and Reduction of Interest Rates	2,342	1,989
Extension of Loan Maturity Dates and other Restructuring Schemes (1)	5,959	5,500
<b>Total</b>	<b>23,988</b>	<b>21,045</b>

### Note

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



### Written-Off Loans

In 2004, Bank Mandiri wrote-off loans totaling Rp1,774 billion and recovered Rp1,076 billion (USD115.9 million) from loans previously written-off during and before 2004. As of December 31, 2004, the balance of loans previously written-off totaled Rp21,527 billion. These written-off loans were not recorded in the financial statements.

The table below shows the impact of the movement in written-off loans for 2003 and 2004 (Bank only):

	Rp billion	
	2003	<b>2004</b>
Balance at Beginning of Year	20,588	20,471
Write-offs	2,159	1,774
Recoveries	(1,240)	(1,076)
Others (1)	(1,036)	358
<b>Balance at End of Year</b>	<b>20,471</b>	<b>21,527</b>

### Note

(1) Included foreign currency translation effects.

### Loans purchased from IBRA

Loans purchased from IBRA, which were included in the year-end balance of total loans, stood at Rp5,075 billion as of December 31, 2004. Bank Mandiri has established provisions of Rp2,262 billion against these loans acquired from IBRA.

At the end of December 2004, Bank Mandiri, PT. Kiani Kertas and its main investor, Nusantara Energy, had signed a loan restructuring agreement. This agreement would be effective upon approval by the Committee for Financial Sector Policy (KKSK). Prior to any approval, this loan, totaling Rp1.7 trillion, was categorized as loss, with a 100% provision.

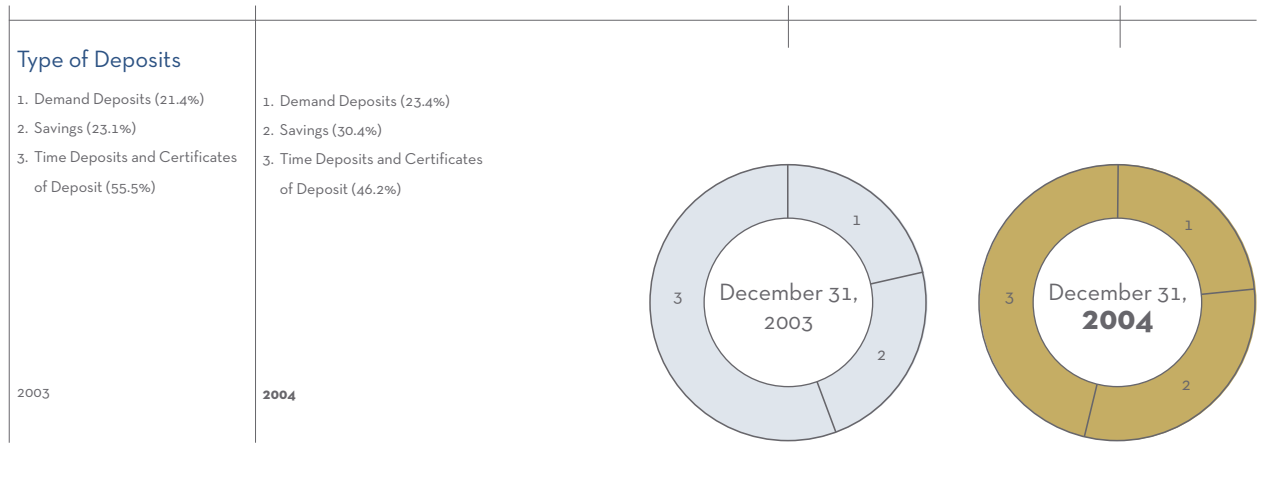
Bank Mandiri records differences between the face value and acquisition cost of these loans as a provision for possible losses on earning assets or as deferred income, depending on the availability of new loan agreements. Deferred income as of December 31, 2004 amounted to Rp165 billion. By December 31, 2004, Bank Mandiri had signed new loan agreements on the total amount of loans purchased from IBRA. Total additional loans provided to ex-IBRA debtors in 2004 were Rp334 billion, while total payment of loan principal reached Rp464 billion. For 2004, the total interest income and other income from loans purchased from IBRA reached Rp343 billion.

### Deposits

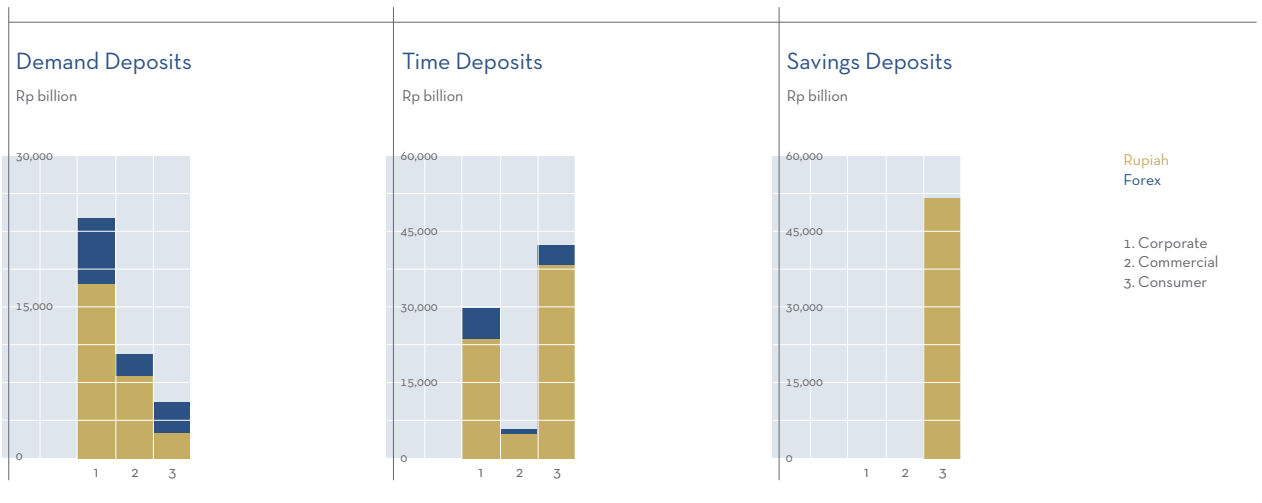
Total deposits declined by 1.7% from Rp178,811 billion as of December 31, 2003 to Rp175,838 billion as of December 31, 2004, primarily due to a reduction in time deposits from Rp99,272 billion as of December 31, 2003 to Rp81,222 billion as of December 31, 2004. Savings and demand deposits increased from Rp79,539 billion as of December 31, 2003 to Rp94,616 billion as of December 31, 2004. For the year, demand deposits rose by 2.0%, savings deposits grew by 7.3% and time deposits fell by 9.3%.

## Analysis of Financial Performance and Condition

The table below shows the deposit composition by account type as of December 31, 2003 and 2004:



The table below shows the deposit composition (bank only) by customer segment as of December 31, 2004:



### Equity

Total equity increased by 22.3% from Rp20,395 billion as of December 31, 2003 to Rp24,935 billion as of December 31, 2004. This increase was largely due to an increase of retained earnings from Rp3,229 billion as of December 31, 2003 to Rp6,161 billion as of December 31, 2004, and a decline in unrealized losses from the Available for Sale portfolio of government bonds and securities from Rp1,861 billion as of

December 31, 2003 to Rp404 billion as of December 31, 2004. This decline in unrealized losses was due to the increase in market value of the fixed rate component of the portfolio as SBI rates declined.

On 30 December 2004, Bank Mandiri paid an interim dividend of Rp60.0 per share, or a total of Rp1,208 billion, which was booked as a pre-payment of dividends.

### Liquidity and Capital Resources

The liquidity position of Bank Mandiri as of December 31, 2003 and 2004 is as follows:

	2003	2004
Liquid Assets (1)	35,884	43,917
Government Recapitalization Bonds Held for Trading and Available for Sale	52,826	29,164
Loan to Deposit Ratio (2)	42.5%	53.7%
Liquid Assets to Total Assets	14.4%	17.7%
Liquid Assets to Deposits (2)	20.1%	25.0%

Rp billion

#### Notes

- (1) Liquid assets consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia, other banks and financial institutions, and securities (excluding government recapitalizations bonds) held in trading and available for sale portfolios.
- (2) Excluding deposits from other banks.

Bank Mandiri's activities for 2004 were funded primarily through a combination of interest income, sale of government bonds, and an increase in demand and saving deposits. In addition, Bank Mandiri also earned income from money market transactions and repurchases of bonds and securities. Bank Mandiri maintained its liquidity reserve position, which is usually larger than the Minimum Reserve Requirement of Bank Indonesia, to anticipate any increase in deposit withdrawals.

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

Bank Mandiri utilized the government bond portfolio to support liquidity and improve earnings assets through collateral fund borrowing, bond selling with agreement to repurchase and outright sales. Bank Mandiri sold a significant amount of government bonds in 2004 through outright selling of Rp32,334 billion and selling with agreement to repurchase of a nominal value Rp2,914 billion on June 6, 2005, October 25, 2006 and November 3 and 4, 2009.

Cash flows from third party funds significantly affected the bank's liquidity. In 2004, Bank Mandiri had a positive cash flow generated from the increase in demand and saving deposits, despite the outflow from time deposits. In line with Bank

Mandiri's strategy to lower its excess-liquidity and enhance the funding mix, in the second semester of 2004 Bank Mandiri lowered its time deposit interest rates. As a result, the volume of time deposits declined toward the end of 2004.

#### Cash Flow from Operating Activities

Net cash inflows from operating activities in 2004 were recorded at Rp13,517 billion, derived primarily from interest income of Rp19,127 billion, of which interest from loans contributed Rp8,809 billion. Net cash inflow was also affected by selling of government bond of Rp32,227 billion, an increase in demand and saving deposits amounting to Rp14,505 billion, and partially offset by cash outflows due to interest expenses of Rp9,380 billion, additional loans of Rp17,648 billion and a decline in time deposits of Rp20,750 billion.

Cash inflows from operating activities in 2003 reached Rp16,592 billion, generated from interest income totaling Rp25,530 billion, of which interest on government bonds accounted for Rp15,390 billion. Net cash inflows were also bolstered by the decline in placements with Bank Indonesia and other banks amounting to Rp4,691 billion and an increase in saving and demand deposits totaling Rp17,051 billion, and were partially offset by cash outflows for interest expenses of Rp17,824 billion, loans of Rp14,089 billions, and a decline in time deposits of Rp23,718 billion.

## Analysis of Financial Performance and Condition

### Cash Flow from Investing Activities

For 2004, cash outflows from investing activities amounted to Rp2,148 billion, primarily due to an increase in Securities –Held to Maturity amounting to Rp929 billion.

Cash outflows from investing activities in 2003 reached Rp9,956 billion, in line with the increase in Securities – Held to Maturity (especially SBLs) amounting to Rp8,780 billion.

The Statement of Cash Flows has also reflected cash inflows from the government in payment for government hedge bonds as those bonds have matured.

### Cash Flow from Funding Activities

During 2004, cash outflows from funding activities reached Rp7,004 billion, of which a portion was used to repay borrowed funds of Rp2,019 billion, repurchase of securities sold with agreement to repurchase of Rp1,492 billion, and payment for dividends and tantiem of Rp2,323 billion.

Cash outflows from funding activities in 2003 totaled Rp4,005 billion, comprising the repayment of fund borrowings and subordinated loans of Rp5,437 billion, a return of excess paid-up capital during recapitalization totaling Rp1,412 billion, and payment for dividends and PUKK of Rp2,930 billion.

### Capital Expenditure

Consolidated capital expenditures for the past two years were as follows:

	Rp billion	
	2003	<b>2004</b>
Land and Buildings	29	38
Office Equipment, Hardware and Software	913	650
Vehicles	14	21
<b>Total</b>	<b>956</b>	<b>709</b>

Bank Mandiri has budgeted Rp930 billion in 2005 for capital expenditures, consisting of Rp175 billion for network expansion and renovation, Rp630 billion for IT (including ATMs) and Rp125 billion for other items such as office equipment and inventories.

### Commitments and Contingencies

The table below shows credit risk bearing commitments and contingencies as of December 31, 2003 and 2004:

	Rp billion	
	2003	<b>2004</b>
<b>Rupiah</b>		
Outstanding Irrevocable Letters of Credit	960	369
Bank Guarantees Issued	2,508	3,186
Standby letters of credit	30	30
<b>Subtotal (1)</b>	<b>3,498</b>	<b>3,585</b>
<b>Forex</b>		
Outstanding Irrevocable Letters of Credit	4,213	6,117
Bank Guarantees Issued	2,656	4,308
Standby letters of credit	2,733	2,943
<b>Subtotal (2)</b>	<b>9,602</b>	<b>13,368</b>
<b>Total (1+2)</b>	<b>13,100</b>	<b>16,953</b>

**Commitments and contingencies collectibility as of December 31, 2003 and 2004 is as follows:**

Rp billion

	2003	2004
Performing	12,994	16,944
Non Performing	106	9

Total credit risk bearing commitments and contingencies as of December 31, 2004 increased by 29.4% compared to 2003. This increase was due to a greater issuance of Letters of Credit and Bank Guarantees.

Allowances for possible losses on commitments and contingencies as of December 31, 2004 and December 31, 2003 were Rp566 billion and Rp572 billion respectively.

**Other Financial Ratios (Bank Only)**

The following table provides other financial ratios, in accordance with Bank Indonesia's regulations:

Ratio	2003	2004
Fixed Assets to Capital	20.6%	19.2%
Non-Performing Earning Assets	3.5%	3.7%
Allowance for Possible Losses on Earning Assets to Earning Assets	4.9%	4.9%
Provision for Possible Losses on Earning Assets	141.1%	132.8%
Operating Expenses to Operating Income (1)	76.4%	66.6%
Percentage of Lending in Excess of Legal Lending Limit		
· Related Party	0.0%	0.0%
· Third Party	0.0%	0.0%
Percentage of Violation of Legal Lending Limit		
· Related Party	0.0%	0.0%
· Third Party	0.0%	0.0%
Rupiah Minimum Reserve Requirement	6.7%	9.1%

**Note**

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

“Bank Mandiri in 2004 has become a universal bank, catering to all customer segments. This provides a strong foundation for our next phase transformation into a Dominant Domestic Bank and eventually a Regional Champion Bank.”



**Lee Kuan Keat**  
CFO & SEVP

- CFO & SEVP, Finance & Strategy, Bank Mandiri since September 2003.
- CFO & SEVP, Financial & Information, Bank Mandiri (January 2001–September 2003).
- Chairman, Bank Mandiri (Europe) Ltd. London since November 2002.
- CFO & EVP Coordinator, Information & Financial, Bank Mandiri (August 2001–December 2002).
- CFO & Executive Vice President, Financial Control, Bank Mandiri (September 1999–July 2001).
- Project Advisor, Andersen Consulting, Jakarta 1999.
- CFO, Esanda Finance Limited / Group Senior Finance Manager, ANZ Banking Group, Australia (1988–1998).
- Director / Senior Manager, Victorian Auditor General, Australia (1984–1988).
- Consultant, Arthur Andersen, Australia (1979–1984).

# Management Strategy

In order to achieve our aspiration to become a Regional Champion Bank, Bank Mandiri needs to build upon several inter-connected strategies:

## 1. Retaining a leading position in Corporate Banking

The four legacy banks that were merged to form Bank Mandiri were each focused primarily on corporate banking. From the outset, therefore, Bank Mandiri has been positioned as the clear market leader in the corporate banking segment. This strength has been bolstered by the completion of extensive loan restructuring and subsequent improvements in the quality of the corporate loan portfolio.

As the economic recovery continues over the next few years, Indonesia will enter a new investment cycle that is expected to create significant opportunities, particularly within the infrastructure sector. As a prominent intermediary in the national economy and the market leader in corporate banking, Bank Mandiri expects to selectively participate in these opportunities to optimize our loan exposure while strictly adhering to prudential banking principles.

In order to maintain competitiveness, Bank Mandiri needs to continue to diversify its corporate banking business through improvements in the productivity and quality of the loan portfolio as well as by exploring opportunities to generate fee-based income, especially in conjunction with Mandiri Sekuritas.

## 2. Increasing market share in Commercial & Consumer Banking

The Bank's market shares in the commercial and consumer banking segments are much smaller compared to corporate banking. These segments, however, offer prospects for significant growth given the increasingly important role of small and medium enterprises (SME) within Indonesia's post-crisis economy, and Bank Mandiri's relatively low market penetration in the highly fragmented consumer banking segment.

The Bank's strategy is to increase market share in the commercial and consumer banking segments through aggressive business development, including organic growth, mergers & acquisitions, the ongoing expansion of our distribution networks, and sustainable product development.

These consumer and commercial banking development initiatives are integral elements of Bank Mandiri's positioning as a Universal Bank that is capable of serving all customer segments. The early results of this strategy are implied by our

achieving a loan portfolio balance between corporate and non-corporate of 48% to 52% at end of 2004.

## 3. Expanding the utilization of Information Technology

To optimize and support Bank Mandiri's long-term plan, the Bank has developed a Strategic Plan for Information Systems Development 2000-2007 as a master plan and road map for IT development through the next several years. This strategic plan follows on from the previous three-year strategic plan during which Bank Mandiri invested USD176 million to replace inherited IT infrastructure with more reliable and sophisticated hardware and software.

## 4. Fortifying Risk Management

Bank Mandiri will continue to build organization-wide risk management capabilities and optimize the risk management and monitoring unit to identify and mitigate credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk. This program includes the continuous development and implementation of specialized tools, methodologies and analyses for risk management. This expansion of the Bank's risk management capability will ably prepare the Bank for Basel II implementation.

## 5. Enhancing Human Capital Management

In line with Bank Mandiri's Phase II transformation (2005-2009) focusing on growth, the function of human resource development will be repositioned from a largely administrative and operational function to a more strategic development role. Through this repositioning, human resource development is expected to provide greater support for the business development that will ultimately generate superior value-added for the Bank. The development of the Human Capital Management Strategic Plan has formalized a new vision, mission, working values and new paradigms to prepare the organization for Competency Based Human Resources Management.

## 6. Garnering competitive advantage through Mergers & Acquisitions

To support the medium-term objective of becoming a Dominant Domestic Bank, Bank Mandiri will continue to seek out non-organic growth opportunities through mergers and acquisitions (M&A). The Bank's anticipated M&A initiatives can be divided into two primary categories: acquisition of scale and acquisition of capability. Acquisition of scale will focus on both exponentially expanding Bank Mandiri's market share and customer base and increasing operational scale to take advantage of greater cost efficiencies. Acquisition of



capability will aim to acquiring specific products, organizational capabilities or market segments that would be difficult to build or penetrate through organic growth alone. Potential targets for such acquisition could include multifinance companies or banks with a specialized business. Should such an acquisition take place, the target company would remain as an independent business with a mandate to optimize cross-selling opportunities and strategic alliances with the Bank's other businesses.

**Integrating a Performance-Based Culture and Tools into the Strategic Management Process**

Bank Mandiri's development into a world-class company, effectively applying Active Value Management, will require a comprehensive and integrated set of strategic management

tools for business planning, performance measurement, goal-setting and decision-making, as well as for undertaking corrective actions.

The formulation of a Bank-wide strategy provides a road map for the achievement of shareholders' vision and aspiration as declared in corporate business plan. This is a critical process that must be managed effectively and efficiently and subsequently translates into derivative strategies and action plans for each business and working unit which can be measured, monitored and controlled. The result should be the optimum alignment of and synergy among the Bank's many working units.

**Performance Management Development in supporting Performance Based Culture**

Years/Period	1999	2000	2001	2002	2003	2004 >
Corporate Strategy	Restructuring, recapitalization and integration phase		Consolidation and business infrastructure preparation phase		Growth and market development phase	
Performance Control Tools	Investment Management Performance Agreement (IMPA)		<ul style="list-style-type: none"> <li>• KPI summarized from an Annual Plan</li> <li>• Performance Measurement System (PMS) development started</li> </ul>		<ul style="list-style-type: none"> <li>• KPI formulation using Balanced Scorecard and PMS approaches</li> </ul>	
Measurement System	Monitoring Team Unit Ministry of Finance measured IMPA target achievement		<ul style="list-style-type: none"> <li>• Self assessed KPI measurement</li> <li>• Decentralized formulation and measurement</li> </ul>		<ul style="list-style-type: none"> <li>• Centralized monitoring and control in Strategy and Performance unit</li> </ul>	
KPI	Focused on restructuring indicators, such as NPL, LLL, NOP, Loan concentration		Focused on profitability (earnings, ROE, ROA) and business volume		Four perspectives (Financial, customer, process and human resources) Financial aspect including profitability per business unit	

Bank Mandiri has been actively developing and refining an array of performance management tools in the past few years, and has now successfully implemented the Balanced Scorecard Method and a Performance Measurement System (PMS) to assess each working unit's performance, and to provide data-driven analysis from which to develop their respective businesses.

The Balanced Scorecard requires that every area within the Bank adopt a set of key performance indicators that incorporate and achieve a balance between the financial, customer, internal business and people development perspectives. The process for formulating, calibrating and evaluating these key performance indicators is integrated within the annual planning process, and makes the Balanced Scorecard an effective tool for communication and negotiation in integrating each working unit's action plan and strategic goals within the overall goals of the Bank. These key performance indicators (KPIs) become, in turn, a formal commitment from each working unit to a specific, measurable performance benchmark contributing to bank-wide strategic goals. This approach guides each unit to contribute optimally to the sustained value-creation of the company.

The Performance Measurement System (PMS) is a set of tools that provide data for examining detailed Unit Profitability Analysis (UPA), Product Profitability Analysis (PPA) and Customer Profitability Analysis (CPA) within a Risk Adjusted Performance Measurement (RAPM) approach.

Analyses resulting from the Performance Measurement System (PMS) have broken down bank-wide performance into detailed multi-dimensional variables, providing more specific information for the strategy formulation process. Segregation at the levels of segments, customers and products enables each business unit to analyze its financial strengths and weaknesses, and identify new opportunities.

Over the long term, the Performance Measurement System application will be integrated with risk management applications in managing the business in accordance to Basel II. The more measured capital allocation process should, therefore, improve risk adjusted returns (RAROC) and optimize shareholder value added (SVA).

# Corporate Governance

Bank Mandiri's strategic and consistent approach to corporate value creation has contributed to improve the image of and confidence in the Bank among both the domestic and international communities. While Bank Mandiri has received numerous awards from domestic and international institutions for its efforts, management views the continued emphasis on and enhancement of good corporate governance practices at Bank Mandiri as requisite in order to build shareholder value, protect the institution's reputation and trust, and oversee stakeholders' interests.

At the same time, the Bank's mission is to be market-oriented, maximizing returns to our shareholders while demonstrating sensitivity and concern for the community, the environment, and the many constituencies that comprise our stakeholders.

We adhere to the high standard of TARIF, i.e. Transparency, Accountability, Responsibility, Independence and Fairness in all aspects of our business activities, and we continuously communicate these values to our staff through various programs.

These values are also embedded in many of the Bank's policies, including through:

- Maintaining strong capital by meeting or exceeding the requirement for Capital Adequacy Ratio (CAR) set by Bank Indonesia;
- Developing business processes with optimal use of advanced information technology in order to deliver products and services demanded by our customers, increase operational efficiency and establish built-in control systems;
- Implementing comprehensive risk management and good corporate governance practices at all levels of the Bank's organizational and operational structure based on international best practices, including complying with the minimum reserve requirement set by Bank Indonesia;
- Developing comprehensive and competitive human capital management.

## Information Disclosure

Bank Mandiri reliably reports to Bank Indonesia, Indonesian Capital Markets Supervisory Agency (BAPEPAM), Jakarta Stock Exchange (JSX) and Surabaya Stock Exchange (SSX), and publicly announces all events and material information which could impact the share price or investors' decisions on a timely and objective basis and based upon existing rules and regulations.

This information included resolutions of the Annual General Meeting on May 5, 2004 which approved the utilization of profit for the fiscal year 2003 following the quasi reorganization (May to December 2003 period) in the amount of Rp3.2 trillion, the appointment of a public accounting firm for fiscal year 2004, established the remuneration/salary and allowance for members of the Board of Directors and Board of Commissioners and announced the payment schedule of interim dividends for fiscal year 2004, which were paid on November 24, 2004.

In line with Bank Indonesia's regulations, Bank Mandiri announces its financial results (profit & loss and balance sheet) on a quarterly basis and publishes these in at least two newspapers. In addition, the information is posted on the Bank's website as well as that of Bank Indonesia, which also includes the Bank's monthly reports to Bank Indonesia.

This level of transparency demonstrates Bank Mandiri's commitment to comply with good corporate governance practices at the standard of international banks.

## Compliance towards Good Corporate Governance Principles

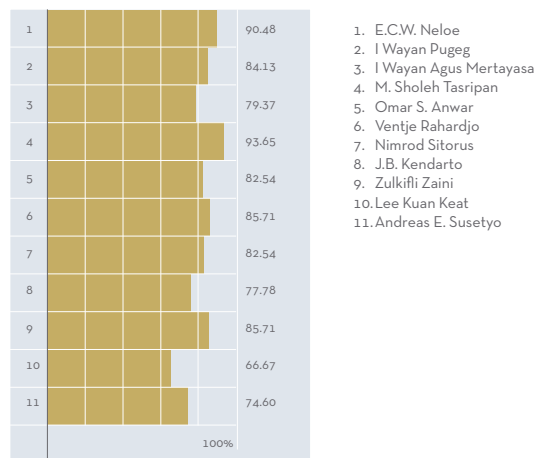
Our principles for good corporate governance are stipulated in the Bank's mission and vision, Code of Conduct, Code of Information Transparency, the Board of Commissioners Manual, Annual Disclosure and the 'Three No's' policy, all of which have been implemented for some time.

The Three No's policy (No Errors, No Delays and No Special Payments) has been stipulated in all operational activities. The prohibition of No Special Payments has been communicated through the media and through written notices to all suppliers and vendors banning all gifts/ payments to staff at Bank Mandiri. Should there be evidence of any violations of this policy, the Bank will reconsider its relationship with the suppliers and sanction the employee.

## Commissioners, Independent Commissioners and

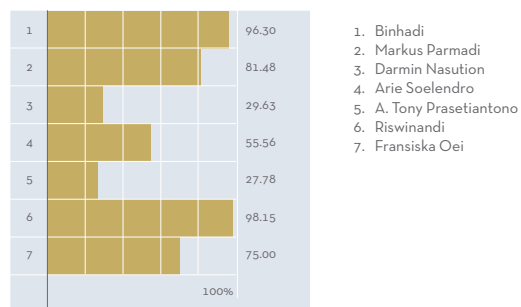
### Board of Directors Meetings 2004

% Attendance



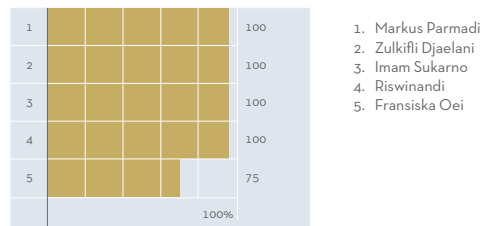
### Board of Commissioners Meetings 2004

% Attendance



### Audit Committee Meetings 2004

% Attendance

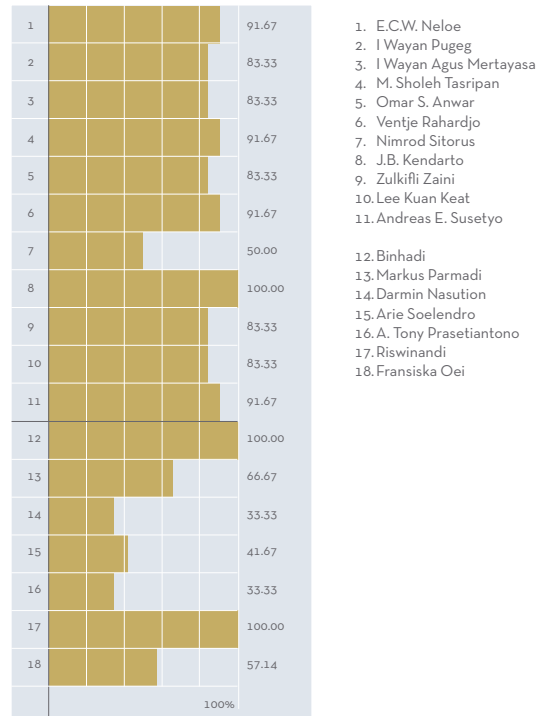


### Notes

Absences are due to sick leave and/or business trips.

### Joint Meetings 2004

% Attendance



#### Notes

Absences are due to sick leave and/or business trips

**Directors**

Commissioners and Directors in Bank Mandiri have separate tasks and functions. The Commissioners' main responsibilities are to monitor and supervise the activities and operations of the company by the Board of Directors. The Board of Directors, on the other hand, is responsible for managing the company in order to accomplish the mission and goals of the company, as well providing leadership for those tasks. The Board of Directors has the right to represent the company in and out of court as well as enter into binding agreements with external parties.

Commissioners and Directors are appointed and replaced by, and held accountable to, shareholders during the Bank's Annual General Meeting (AGM). During the Extraordinary General Meeting of Shareholders (EGM) on September 29, 2003, shareholders appointed seven Commissioners (three of them are Independent Commissioners) and nine Directors.

**Commissioners and Directors Meetings**

In 2004, the Board of Commissioners and Board of Directors held 54 and 63 meetings respectively. There were also 12 joint meetings between the Boards of Commissioners and Directors.

Meetings of Commissioners/Directors can be held at any time if requested by one or more members of the Board, or by written request by Directors/Commissioners or one or more shareholders representing 1/10th of total outstanding shares.

**Corporate Secretary**

To facilitate effective communication and availability of information to various stakeholders, Bank Mandiri has designated one Director to be the company's Corporate Secretary.

**Senior Executive Vice President (SEVP)**

There are 2 SEVPs at Bank Mandiri, accountable to the Board of Directors. They are the Chief Financial Officer (CFO) and Chief Technology Officer (CTO).

**Committees Reporting to the Commissioners and Directors**

Bank Mandiri places great importance on the integrity and independence of the Bank's audit process. An Audit Committee has been established since August 1999 and has assumed the audit responsibility assigned by the Board of Commissioners. In addition to the Audit Committee, at the end of 2003 the Board of Commissioners established three committees - Nomination and Compensation Committee, Risk Policy Committee and Research & Secretariat Committee, and designated the Deputy Chairman and Independent Commissioner as the Chairman of the Audit Committee.

The Board of Directors has established three committees to assist the Board: Risk and Capital Committee (RCC), Information Technology Committee (ITC) and Personnel Policy Committee (PPC).

RCC is responsible for setting guidelines for risk management, consisting of market risk, credit risk, portfolio risk and operational risk, and aims to maximize benefits in line with the bank's overall strategy and prudent banking practices as outlined in the risk manual and delimited by the bank's risk appetite. RCC also monitors compliance with internal and external guidelines as set by Bank Indonesia.

ITC's main task is to ensure consistent implementation of our IT strategic plan to be in line with the overall strategy of the bank. ITC also monitors various IT projects to ensure they are consistent with the Project Charter. This committee is also expected to provide strategic guidance with regard to the development and enhancement of IT resources, as well as plan for critical projects to avoid disruption in IT services.

PPC has the authority to establish human resource development policies in line with the Bank's business

strategy, and the responsibility to ensure the implementation of PPC's resolutions.

**Remuneration Policy**

Commissioners and Directors receive salary/bonus and other allowances as stipulated in the AGM resolutions. The May 5, 2004 AGM approved the amount of salary/bonus and remuneration package for Directors/ Commissioners and Commissioners' Secretary, as follows:

a. President Director's salary to be increased by Rp25 million or 33.3% per month from the annual salary for the year 2003, beginning on January 1, 2004.

b. Salary for Deputy President Director, Directors, Chairman, Deputy Chairman, Commissioners and Commissioners' Secretary would be 95%, 90%, 40%, 38%, 36% and 15% respectively from the President Director's salary, commencing on January 1, 2004.

c. Facilities and allowances stipulated by AGM resolution for FY 2001, effective since June 14, 2002.

d. Pension package in line with AGM resolution dated January 22, 2003.

In 2004, total compensation/salaries, facilities, allowances and pension packages paid for Commissioners, Directors, Audit Committee, SEVPs, Group Heads and BOD Advisors was Rp96.2 billion, as follows:

	Member	Salary	Benefit	Bonus	Total
Board of Commissioners	7	4,436	2,663	7,302	14,401
Board of Directors	9	14,919	7,752	20,750	43,421
Audit Committee	3	636	123	272	1,031
SEVPs, Group Heads and BOD Advisors	37	21,333	4,903	11,079	37,315
<b>Total</b>	<b>56</b>	<b>41,324</b>	<b>15,441</b>	<b>39,403</b>	<b>96,168</b>

Rp billion

**Anti Money Laundering (AML) and Know Your Customer (KYC) Principles**

Bank Mandiri implements all AML and KYC principles in line with the regulations of Bank Indonesia. The Bank makes every effort to ensure that each unit implements both principles consistently.

The effectiveness of this implementation is monitored by a special task-force (department-level) within the Compliance Group. This unit reports to the Compliance Group Head—a special officer assigned by Directors according to Bank Indonesia’s regulation, and the Group Head reporting to Compliance Directors.

The Bank has undertaken an on-desk review and an on-site review to ensure the implementation of KYC/AML principles. The on-desk review is a monitoring process based on reports from all units, which are followed up and reported to the authorities. On-site review is a monitoring process based on “unit’s risk factor” and/or “unit’s personnel understanding.”

A unit’s risk factor is usually related to a high transaction volume, which can occasionally impair the supervision of front-liners and subsequently adversely impact the implementation of KYC/AML principles. If it is revealed during on-desk review that there is insufficient level of understanding of the KYC/AML principles, in addition to an on-site review, the Bank will also conduct additional training for front-liners.

The implementation of KYC/AML principles is also subject of audit by the Internal Audit Group. Results of any internal audit will be reported to the Compliance Director and Compliance Group for follow-up of the findings through corrective action to the specified unit.

Bank Indonesia has determined that the Bank’s implementation of the KYC/AML principles is sufficient and sound. Nevertheless, the Bank will continue to improve its Customer Information File (CIF) and automatic information system to monitor unusual monetary transactions. The automatic information system will provide timely and accurate reports in line with Bank Indonesia’s regulations.

### Communicating with Stakeholders

As required by the law, Bank Mandiri discloses information related to its performance, financial condition and corporate developments to all stakeholders through the Jakarta Stock Exchange, Bank Mandiri’s website ([www.bankmandiri.co.id](http://www.bankmandiri.co.id)), Bank Indonesia ([www.bi.go.id](http://www.bi.go.id)) and State Ministry of State Owned Enterprises of the Republic of Indonesia ([www.bumn-ri.com](http://www.bumn-ri.com)).

### Commissioners, Board of Directors, SEVPs and Audit Committee Ownership of Stock and Stock Option as of December 31, 2004

in shares

Names	Shares	Option (1)
<b>Commissioners</b>		
Binhadi	922,219	-
Markus Parmadi	80,000	-
Darmin Nasution	-	-
Arie Soelendro	-	-
Fransiska Oei	-	-
A. Tony Prasentiantono	-	-
Riswinandi	-	-
Sub-Total	1,002,219	-
<b>Directors</b>		
E.C.W. Neloe	2,305,554	11,088,011
I Wayan Pugeg	2,075,000	8,316,008
I Wayan Agus Mertayasa	200,000	8,316,008
M. Sholeh Tasripan	2,075,000	8,316,008
Omar Sjawaldy Anwar	200,000	8,316,008
Ventje Rahardjo	2,075,000	8,316,008
Nimrod Sitorus	4,358,004	4,158,004
JB Kendarto	2,075,000	8,316,008
Zulkifli Zaini	160,038	998,562
Sub-Total	15,523,596	66,140,625
<b>SEVPs</b>		
Lee Kuan Keat	2,305,554	9,240,009
Andreas E. Susetyo	861,868	603,385
Sub-Total	3,167,422	9,843,394
<b>Audit Committee</b>		
Markus Parmadi (2)	-	-
Zulkifli Djaelani	59,444	-
Imam Sukarno	-	-
Sub-Total	59,444	-
<b>TOTAL</b>	<b>19,752,681</b>	<b>75,984,019</b>

### Notes

(1) Valid for a five-year period (through July 14, 2008)

- Vesting 1, 50% as of July 14, 2004
- Vesting 2, 50% as of July 14, 2005
- Strike Price: Rp742.50 (110% of IPO price)

(2) Also as Deputy Chairman



“...Bank Mandiri has realized the need for fundamental change in the implementation of prudent banking practices, through integrated risk management and an optimized control function. This fundamental change has created a healthier and more controlled credit culture within the Bank.”



**I Wayan Agus Mertayasa**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since August 2002.
- SEVP, Corporate Secretary & Compliance, Bank Mandiri (August 2001–July 2002).
- EVP, Risk Management, Bank Mandiri (July 1999–July 2001).
- Director, Bank Pembangunan Indonesia (1994–1999).
- General Manager, Bank Bumi Daya New York (1993–1994).
- Chief Representative, Bank Bumi Daya Representative Office Hong Kong and Chief Executive, Bumi Daya International Finance, Hong Kong (1992–1993).
- General Manager, Bank Bumi Daya, Los Angeles (1991–1992).
- Credit Analyst, Bank Bumi Daya, and Deputy Branch Manager and Branch Manager at various branches (1973–1992).
- Member of Board of Commissioners of several Bank Mandiri-affiliated companies in Indonesia.

# Risk Management

The difficult lessons of the financial crisis created awareness at Bank Mandiri of the critical need to implement prudent banking practices based upon integrated risk management. During the merger process itself, risk management, especially credit risk management, was a priority for the Bank's management given the fundamental role of risk management in the "four-eye principle" (the separation of lending decisions from credit risk decisions). This fundamental change has created a healthier and more controlled credit culture in the Bank.

In addition, in line with the commitment of the Bank's management (President Director & CEO, Board of Directors, and Board of Commissioners) and in order to improve the function of risk management as a whole, the Bank has formed a risk management unit, with responsibility for managing and mitigating credit risk, market risk and operational risk.

Several initiatives have been adopted by the Bank to optimize the risk management function, including the formation of the 'Risk and Capital Committee' (RCC), which is responsible for overall risk management implementation in Bank Mandiri. The Committee's members comprise the Bank's senior executives, led by the President Director & CEO. Other initiatives include the development of tools for the identification, measurement, and control of credit, market, and operational risks in order to support the development of the Bank. These initiatives are in keeping with Bank Indonesia's guidelines, which are derived from a risk-based supervision approach and the Basel Accord.

We continue to enhance our risk management systems in accordance with the Basel Accord as well as Bank Indonesia's guidelines, in order to comply with international standards and practice for risk management implementation.

One of the key milestones in 2004 was the introduction of risk management implementation referencing Basel II. This was a continuation and amplification of earlier risk management initiatives within the Bank. In fulfilling its intermediary function, Bank Mandiri must also ensure adherence to prudent banking through an integrated, measured, and controlled risk management platform. We have, therefore, formed a Basel II Compliance Committee as the first step toward full compliance with the Basel II Accord (the new Basel Capital Accord), which is in line with Bank Indonesia's plan for implementation of Basel II in Indonesia.

## A. Long Term Benefits Of Adopting Basel II

Basel II requires an international-scale financial institution to improve and enhance its risk management. Implementing Basel II principles as a whole is expected to engender the creation of a healthy and well-managed banking system.

Bank Mandiri will strive to implement Basel II principles that reflect prudential banking practices and support long-term sustainable growth. The Bank is committed to establishing risk management as one of its core competences in order to assure all stakeholders that Bank Mandiri's growth will be prudent.

Implementation of Basel II will be done in stages, beginning with the Standard Model and followed by the Internal Model. The preparation for Basel II covers effective practice of risk management, competent human resources, capable information technology and data, and other supporting elements such as IFRS-based accounting standards.

## B. Implementation of Basel II

Bank Mandiri has identified eight risk types - market, credit, liquidity, operational, strategic, compliance, legal, and reputation - to address through its risk management procedures. Based upon a diagnostic review, in 2004 the Bank delineated an action plan consisting of several initiatives to close the gap between current risk management implementation and future requirements.

In line with Bank Indonesia mandates, Bank Mandiri has initiated the implementation of three (3) pillars of Basel II; CAR (Capital Adequacy Ratio) calculation, enhancement of risk management process as required by the regulator, and implementation of transparency principles as required by the market. All of these strategic initiatives were conducted through the formation of the Basel II Committee.

## C. Credit Risk

### Loan Origination System

In order to strengthen the Bank's competitiveness in originating loans, Bank Mandiri has launched a web-based Loan Origination System (LOS) for Small & Medium Enterprises/Commercial as a tool to standardize and shorten loan processing time. Our SME Scoring System (SMES) and Bank Mandiri Rating System (BMRS) serve to more comprehensively evaluate credit risk levels.

The LOS SME/Commercial processes loan applications from small businesses and middle commercial customers. The system spans the entire process from loan application to account recording, and includes facilities for keying in the required data for scoring and rating. The LOS also provides the capacity to track the progress of loan applications.

By monitoring all loan applications through the LOS implementation, the Bank can more efficiently ensure that our service commitments are met. In addition, the loan application database is more accurate and avoids duplicate entries.

### **Scoring and Rating System**

Bank Mandiri calculates credit risk using several parameters including probability of default, loss given default, exposure at default and maturity via scoring and rating systems for Consumer, Small Business, Middle Commercial and Corporate segments. These systems help to quantify the risk level for individual debtors and to determine the appropriate interest rate (risk-based pricing).

Implementation of the scoring system in the Consumer segment enabled the Bank to record significant consumer loan growth in the past year, accompanied by a relatively low level of non-performing loans (NPLs).

### **Portfolio Analysis and Guidelines**

The quality of earning assets over the past year has improved through the application of a comprehensive risk management system. The level of NPLs in 2004 has shown an encouraging downward trend.

One factor in controlling NPLs has been continued business expansion through a focus only on prospective sectors. Each sector is analyzed from a portfolio view, taking into account leading, coincidence and lagging indicators to determine the risk and return prospects for each economic sector. This analysis serves as a guideline for each business unit to plan for further expansion. This guideline model can then be reflected in a Portfolio Guideline, which highlights three categories of risk: Green (high expected return, low risk), Yellow (average expected return, average risk) and Red (low expected return, high risk).

Portfolio Guidelines also serve to control credit exposure for certain segments or sectors. With the guidelines, the Bank expects to expand within any prospective sectors and to control exposures in any non-prospective sectors.

The Bank regularly issues portfolio reports (Portfolio Cockpit, Portfolio Monthly Report & Portfolio Quarterly Report), which examines the portfolio performance for the past, current and future periods. These reports can be used as references to calculate Risk Adjusted Return on Capital (RAROC) and Economic Value Added (EVA), which will eventually be implemented as the basis for lending.

Portfolio analysis provides input for the Risk & Capital Committee in setting the Bank's strategy for loan expansion. Any resulting expansion will be more focused on specified sectors in order to obtain maximum diversification of the loan profile.

Sector	Dec, 2003		Dec, 2004		Growth (YoY)	
	Rp billion	%	Rp billion	%	Rp billion	%
Agriculture	8,992	12.27	8,317	9.39	(675)	(7.51)
Mining	2,499	3.41	3,743	4.23	1,245	49.82
Food, Beverage & Tobacco	5,331	7.27	7,800	8.81	2,469	46.31
Textile & Leather Manufacturing	5,203	7.10	5,243	5.92	41	0.78
Wood Manufacturing	2,748	3.75	3,304	3.73	556	20.23
Pulp & Paper Industry	3,761	5.13	4,047	4.57	286	7.60
Chemical, Oil Refinery, Coal, Rubber & Plastic	7,636	10.42	7,680	8.67	44	0.58
Non-metal Manufacturing	2,916	3.98	2,468	2.79	(447)	(15.34)
Other Manufacturing	4,521	6.17	6,622	7.48	2,101	46.47
Electricity, Oil & Water	1,428	1.95	1,657	1.87	229	16.00
Construction	3,864	5.27	6,030	6.81	2,166	56.06
Trading, Restaurants & Hotels	9,791	13.35	11,567	13.06	1,776	18.14
Transportation, Warehousing & Communication	4,323	5.90	3,923	4.43	(400)	(9.25)
Services	4,896	6.68	6,141	6.94	1,245	25.43
Others	5,403	7.37	10,002	11.30	4,598	85.10
<b>Total</b>	<b>73,311</b>	<b>100.00</b>	<b>88,545</b>	<b>100.00</b>	<b>15,234</b>	<b>20.78</b>

#### Credit Policy

Credit risk management on a transactional level is regulated through the Bank's credit policy and strengthened by the Four Eye principle, and has laid the foundation for a healthy credit culture with greater objectivity and quality in decision-making. In addition, Bank Mandiri sees the importance of monitoring and controlling credit risks after the loan has been disbursed until its final payment.

#### D. Market Risk

##### Interest Rate Risk

Interest rate risk management is applied to both the banking book and trading book portfolios. The portion of the banking book portfolio which is interest rate sensitive includes loans, government bonds, third party funding (demand deposits, savings deposits, and time deposits), and fund borrowings. Interest rate gaps between assets and liabilities in this portfolio can impact the profits and equity of the Bank.

The trading book portfolio is interest rate sensitive due to changes in mark-to-market value and includes assets held as 'available for sale'.

A re-pricing gap analysis is used to measure the impact of interest rate changes on the Bank's profitability. We use duration gap analysis to measure the impact of interest rate changes on the Bank's equity value (economic value of equity or EVE). In addition, to measure trading activity risk, the Bank adopts Bank Indonesia's standard procedures and internal approach simultaneously.

Interest rate risk is managed and mitigated through credit limits that are reviewed by the market risk management unit and approved by the Risk & Capital Committee. Limits for the banking book portfolio include a re-pricing gap limit and an equity value sensitivity to interest rate change limit (i.e. 100 bps). For the trading portfolio, including derivatives,

we use VaR as the limit, which will be reflected in trading limits such as maximum open position for each dealer, maximum loss limits and counter-party limits.

In order to comply with risk-based minimum capital requirements, we have begun calculating capital reserves to cover the interest rate risk on the trading book (Tier 1) and banking book (Tier 2).

### Foreign Exchange Risk Management

Foreign exchange transaction activities are centralized and managed on a daily basis by the fund management unit. The market risk management unit monitors foreign exchange risk and uses an integrated system of front office (fund management unit), back office (operational management unit), and middle office (market risk management unit).

Bank Indonesia sets the daily net reserves at a maximum of 20% of total capital. The Bank, however, prudently sets a lower internal limit of 5% of total capital.

### E. Liquidity Risk

Liquidity risks that the Bank may face arise primarily from third party funding positions, asset liquidity, and liabilities to counter-parties. Meanwhile, the most significant off-balance sheet component of the Bank's liquidity and funding is credit commitments to the Bank's customers.

The liquidity level of the Bank is measured through primary reserve and secondary reserve levels, among other liquidity ratios. The Bank maintains primary reserves in terms of the Minimum Reserve Requirement at Bank Indonesia, and cash in various branches.

The Bank's liquidity risk is measured by the liquidity gap, which is derived from projected needs or liquidity surpluses according to asset and liability maturity period as well as the future business strategy. Based on the Bank's 2005 plan, liquidity is projected to be in a surplus position for the next 12 months.

In general, the market and liquidity risk profile throughout 2004 was within the established limits.

## F. Operational Risk

### Operational Risk Management Tools

Bank Mandiri has instituted a systematic and measured operational risk management program including the development of risk governance, Operational Risk Management Policy, risk management information systems and Operational Risk Management (ORM) tools.

Our calculation methodology for operational risk capital charges is based on the Basic Indicator approach, which will be continuously enhanced to higher levels, i.e. the Advanced Measurement Approach (AMA).

Bank Mandiri also seeks to build a risk culture, focusing on the implementation of integrated operational risk management in line with the development of operational risk management procedures by adopting the following principals:

1. To establish a conducive operational risk management environment and an efficient and effective risk management platform;
2. Every group unit has the responsibility to understand and implement operational risk management processes in a measured, proactive yet efficient manner;
3. Management of the bank is conducted in a transparent manner and should demonstrate the Bank's ability to implement sound operational risk management to all stakeholders.

The implementation of operational risk management will improve Bank Mandiri's operations, while reinforcing the accountability for operational risk management. Every group head will be equipped with operational risk management tools to identify, appraise, monitor and mitigate their respective risks effectively.

In 2004, Bank Mandiri began to develop a Pro-active Risk Management mechanism, which enabled identification of the operational risks faced by each unit independently, using the Risk Self Assessment (RSA). This bottom-up process involves the staff directly responsible for

the transactions, to ensure the primacy and relevance of the identified risks. The Bank has also developed a risk assessment and identification process for new products and services prior to their launch, in order to enhance its control function. The control function on risk identification finding must be based on minimum control standards required by each group within the Bank and will subsequently become the Key Operational Risk Controls (KORC).

Risk management for the additional four classes of risk - legal, reputation, strategic and compliance - is coordinated by the Risk Management Task Force through the implementation of rules, regulations and control systems, whereas operational management remains the responsibility of the business and task units in charge of legal, reputation, strategy and compliance functions.

### G. The Road Ahead

According to Bank Indonesia's timeline, all banks in Indonesia should implement Basel II by adopting the Standard Model by the beginning of 2008, with the Internal Model to follow in 2010. In anticipation of this timeline, Bank Mandiri will continue to build upon the above risk management initiatives to enhance the credit risk, market risk, and operational risk management systems according to Basel II. Bank Mandiri will continue to seek guidance from international banks that have successfully implemented Basel II and from competent international consulting firms.

### Bank Mandiri's Risk Profile

In order to provide a comprehensive risk profile of the Bank based on a bank-wide or business unit perspective, Bank Mandiri is in the process of preparing a Risk Profile Report that describes the risk type at each business unit and the control systems for 8 classes of risk: market risk, liquidity risk, credit risk, operational risk, legal risk, strategic risk, reputation risk and compliance risk. The Bank will then be able to identify the composite risk level (low, moderate or high) based on those two factors. This risk profile will also inform the conduct of other business activity such as investments in other companies or foreign financing activity.

### Mandiri Operational Risk Information System [MORIS]

By adopting the Mandiri Operational Risk Information System (MORIS), Bank Mandiri will continue to learn from its experience with losses in a transparent manner. MORIS will be an information system examining operating losses, and used as a learning tool for operating risk events and mitigating factors. Data on such losses is expected to be an important source of information for strategic decision-making processes based on a comprehensive database of operating losses.

### Enterprise Risk Management [ERM]

To support the establishment of an enterprise risk management system, Bank Mandiri will begin collecting historical data sets for each risk class. The creation of this database will be conducted by integrating the banking book and trading book so that the calculation of capital charges and bank-wide risk analysis can be done by using the same source data. From the credit and operational risk perspectives, several enterprise-wide initiatives will be implemented through 2008, including a Central Liability System (CLS) to provide a limit-monitoring system especially in managing credit risk.

“Winning the 2004 MIS Asia Innovation Award for IT Governance positions Bank Mandiri as the organization which best ensures that IT is aligned with the business objectives and delivers value.”



**Andreas E. Susetyo**  
CTO & SEVP

- Chief Information and Technology Officer & Senior Executive Vice President, Information & Technology, Bank Mandiri, since October 2003.
- Executive Vice President, Information & Technology, Bank Mandiri (August 2001–October 2003).
- Senior Vice President, Head of Information Technology, Bank Mandiri (2000–August 2001).
- Director, Bank Niaga (1999–2000).
- Senior Vice President & Group Head, Information & Technology, Bank Niaga (1995–1999).
- Director, Mitra Info Konsultasi Jakarta (1991–1995).
- Vice President, Technology Planning, Swadharma Duta Data (1987–1990).
- Account Manager, Daeng Brothers (1984–1986).



# Information Technology

## IT Governance

Concern for corporate governance, which is gaining prominence on the agenda of Boards across Asia including Bank Mandiri's, has cascaded down to governance activities of IT within Bank Mandiri. Bank Mandiri's IT governance has been recognized in the 2004 MIS Asia Innovation Awards for IT transformation through the Enterprise Mandiri Advanced System (eMAS) program.

Our eMAS implementation provided Bank Mandiri with a robust information technology infrastructure and application systems for our universal banking business in accordance with the 2001 - 2003 IT Strategic Plan. It established Application, Infrastructure and Information architectures as the strategic enablers to support current business needs and future business growth through the development of new products and services, channel expansion, features enrichment and mergers & acquisition. The immediate post-merger focus of IT was to achieve a level playing field through integrated transaction processing, enhanced and expanded delivery channels and MIS support. This has now shifted to systems for productivity, risk management and information and knowledge management in the 2004 - 2007 IT Strategic Plan, through the following programs:

- Leverage and optimize eMAS for creating business value to compete,
- Customer Relationship Management and Business Intelligence for better customer and business knowledge,
- Integrating systems with process flow capabilities for efficient processes,
- Basel II Compliant Risk Management systems for prudential banking,
- Payment Systems with Host-to-Host capabilities for delivering market distinctive services to extended enterprises.

## Consolidating IT Infrastructure

Bank Mandiri's data center, disaster recovery center, server farm, networks, help desk infrastructure and transaction processing applications have been consolidated to achieve lower unit costs.

Infrastructure initiatives implemented in 2004 to attain higher availability and effective service levels include a fully resilient Disaster Recovery Center (DRC) with mirroring technology to replicate data for all business applications. An intelligent integrated network with IP technology has been implemented. This high availability communications network allows for an effective and efficient branch and ATM network,

electronic banking, call center, centralized back office processing and workflow automation with imaging.

The convergence of voice, data and image, high band-width usage for multiple applications, reduced price per unit of bandwidth and utilizing band width to up-load and down-load high volumes of data during off peak hours has resulted in higher business value and lower costs for transaction processing.

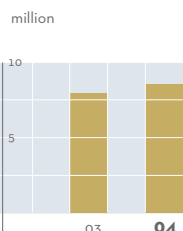
Keeping pace with technology developments, high resilience blade servers have been installed and applications migrated to a common technology platform - .NET.

## Leveraging IT Solutions across all business units

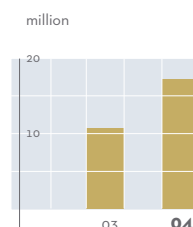
New products and features were offered to our customers through all of our delivery channels by building on the eMAS infrastructure. This expansion continues with the implementation of Point of Sales, Commercial Purchase Cards, Consumer Debit Cards and Syariah Mandiri synergy. Purchase and payment relationships with 3rd party payee corporations have been added to cover all utilities. Additional purchase and payment relationships can be incorporated at will.

On-line transactions processed by these systems increased from 19 million in the month of Dec 2003 to 25 million in Dec 2004 - an increase of over 35%. Much of the transaction increase has been in electronic delivery channels, which recorded a 55% increase, while branch transactions grew by only 9% compared to the same period last year. Today, transactions done through electronic channels stand at almost double that of branch transactions.

On-Line Transactions (Branch)



On-Line Transactions (Electronic)





The established architectures have allowed us to add functionalities to our ATM, electronic banking, call center, and branch networks at nominal cost. Our existing application portfolio and policies on expansions and enhancements maximizes the utilization of installed infrastructure and optimizes the communications network, thereby reducing transaction processing costs and leveraging our IT investments.

Maintaining a close relationship with our customers also plays an important role in sustaining and growing the business. Essential Customer Relationship Management (CRM) capabilities, such as cross-selling and single-customer-view, have been established prior to a full implementation of CRM.

A common view of information on current products and management information across the organization is essential in order to make appropriate business decisions and to ensure that consistent reporting is provided through the enterprise-wide data warehouse. Our recently implemented business intelligence for Consumer Banking and enhanced MIS systems allows the Bank to access near-real-time information from the operational level to the Board of Directors in order to better inform decision-making.

The successful implementation of our Loan Origination System for Consumer Loans has resulted in reduced loan approval cycle times. As a result, we have extended its implementation to Credit Cards and Small & Medium Enterprises as well.

Solutions already implemented for one business unit can be further leveraged by extending the usage to other business units in the coming year, including support for the new business segment of micro banking. Extending business intelligence and collections solutions to appropriate business units is also planned.

### **BASEL II and Risk Management**

An enterprise-wide data warehouse has been established to be the common source for data. This integrates data for decision-making, regulatory reporting and risk management analytics, and eliminates silo implementations. This, combined with the completion of credit scoring for consumer and commercial loans and other significant initiatives in market risk and credit risk, lays a solid foundation for Basel II compliance and prudent banking

practices. This is further complemented by ongoing initiatives in the areas of operational & compliance risk. Additional initiatives for Enterprise Risk Management will be pursued to ensure compliance with Basel II.

With the implementation of our operationally resilient disaster recovery center, continuity of operations with full services is ensured and operational risks relating to the data center activities have been mitigated.

### **Business Process Standardization**

The key driver behind our ERP initiative was to increase internal efficiency and effectiveness through systematically analyzing and streamlining our internal business and support processes. The immediate objective was to lower material and procurement costs, with longer-range goals of capitalizing on exploiting synergies across related organizational units and branches for human resources planning, performance management and budgeting.

A payment gateway with host-to-host capabilities will soon be initiated with a secure, timely and rule-managed nationwide electronic payment and transaction acquiring network for integrated credit and debit payments to consumers, merchants, corporates and other banks.

### **Leveraging Procurement**

The established architectures, governance processes and structures set strict standards for technology, platforms, applications and communications sourcing. Through this, Bank Mandiri has been able to pool and negotiate bank-wide purchasing agreements while standardization has optimized our skill sets and future modernization and upgrade efforts.

The just implemented e-Procurement purchasing platform ensures a uniform procurement process and keeps material and procurement costs down. This will be extended to all branches in the coming year.

“The branches function as our primary Point of Service and Sales, and we are continuously enhancing our level of service quality and coverage area through opening new branches and optimizing existing ones. We have centralized the processing functions for all branches using Straight-Through Processing. In addition, we also manage our equity investments in financial subsidiaries.”



**Zulkifli Zaini**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since September 2003.
- SEVP, Distribution Network, Bank Mandiri since September 2003.
- SVP, Retail Risk Management Group, Bank Mandiri (January 2003–September 2003).
- Vice President and Division Head, Government Relationship Management, Bank Mandiri (September 1999–January 2003).
- Senior Manager, Team Leader, Credit Risk Management, Bank Mandiri (May–September 1999).
- Branch Manager, Bapindo Jambi Branch (1998–1999).
- Deputy Branch Manager, Bapindo Bandung Branch (1996–1998).
- Started career with Bank Pembangunan Indonesia in 1988.
- Project Engineer, Civil & Structural Supervisor, Wahana Muda Indonesia (1983–1988).
- Civil & Structural Engineer, Wiratman and Associates (1980–1983).

# Distribution Networks, Operations & Subsidiaries

In order to enhance service quality, Bank Mandiri has received ISO 9001-2000 certification in:

- Incoming/outgoing transfer, RTGS, transfer investigations, tele-transmission and other services.
- Clearing Processing in Jakarta City Operations (JCO).
- Provision of Security Services in Bank Mandiri Head Office.
- Document Management (files and expedition).

## 2004 Performance

The strategies adopted by the Distribution Network Directorate in 2004 had positive impact on the growth of Bank Mandiri's businesses. Management targets achieved include the following:

### 1. Local Branch Network

We continued to expand the branch network, opening fifty new offices consisting of nineteen sub-branches and thirty-one cash outlets. We also set up an additional nineteen service delivery points consisting of nine mobile cash outlets and ten payment points.

Existing branches were optimized through the upgrading of eighteen branches (nine cash outlets, three mobile cash outlets and one payment point were elevated to supporting branches; two mobile cash outlets and three payment points were converted to cash outlets) and downgrading two branch offices to sub-branches. In addition, six new outlets for Priority Banking were opened. For ex-Jakarta regions, we also developed twenty-three new community branches.

Outlet	2002	2003	2004
Branch	241	129	127
Supporting Branch Office	247	382	416
Cash Outlets	196	219	246
<b>Total</b>	<b>687</b>	<b>730</b>	<b>789</b>

By end of December 2004, Bank Mandiri's branch network comprised a total of 789 outlets. In addition, the Bank maintained 84 mobile cash outlets and 228 payment points.

### 2. Operations

The branches function as our primary Point of Service and Sales. Following from the centralization of all processing functions at the City Operations level—including trade services processing—each outlet has been enabled to provide services to all customers (corporate, commercial, and consumer).

The centralization of trade services (LC) processing (export, import and SKBDN) in eleven Bill Processing Centers (BPCs) has been followed by the implementation of Straight-Through Processing (STP) for Trade Services and Bank Guarantees. This system of centralized administration supports more accurate reporting and facilitates more comprehensive risk management.

In addition to the trade services systems, in 2004 Bank Mandiri implemented a new treasury transaction system named OPICS which can support dealing, settlement and treasury transaction analysis using STP in order to accelerate verification, authorization, risk analysis and liquidity analysis.

We implemented STP and arranged for exceptional collaboration with several Correspondent Banks to accelerate incoming/outgoing payments. As a result, we can execute all foreign exchange incoming transfers within certain nominal values and unlimited nominal amounts for US dollars only from several banks to our customers on the same day.

To support this approach, we introduced a "Service Excellence" program with the objective to motivate our staff to deliver consistently excellent service to customers, build a new service culture within Bank Mandiri and monitor service quality at the branch level in collaboration with an independent third party. Through this program, the Bank was awarded third place in the Customer Service Championship by the State Ministry for State-Owned Enterprises (MSOE) during National Customer Day in 2004.

In order to maintain our service quality, in December 2004 Bank Mandiri was awarded the ISO 9001-2000 certification for Quality Management in Domestic and International Payment (including Incoming/Outgoing Transfer, Real Time Gross Settlement (RTGS), Transfer Investigation, Tele-transmission

and Other Services) and Clearing Processing in Jakarta City Operation (JCO).

In order to sustain our operations for the above services, Bank Mandiri has set up a Disaster Recovery Center (DRC) to provide operational backup in the event of a disaster at the head offices. During 2004, we continued to improve our operational backup system to ensure business continuity in the case of a disaster.

### **3. Procurement and Fixed Assets**

- In order to improve efficiency, effectiveness, transparency and planning functions as well as procurement control, we have adopted an e-procurement system for self service procurement since August 2004, and developed an operational manual for inventory, procurement and fixed assets recording, standard operating procedures and manuals (SOP/SOM) for procurement. We also developed a supplier review system including continuous review of price lists for goods.
- To maximize benefits from our unused assets, we conducted a Current Assets Auction, which was held in July and August 2004, that generated Rp 5.1 billion in proceeds.
- As part of our efforts to provide comfort and service to users and third parties, there was on-going maintenance and improvements to the head office, archive center, training center, dormitory, operational vehicles, and improved security functions including enhancing service levels for payment.
- In order to maintain quality standard of the PFA Group's activities, in 2004 we successfully maintained ISO 9001:2000 Certification for Documentation Management (filing and expedition), and were awarded new ISO 9001:2000 Certification for the Provision of Security Services in Bank Mandiri Head Office.
- We also opened the Bank Mandiri Museum as part of our efforts to maintain the historical value of the various goods and antiques owned by the Bank, which included collections from NHM, NHB, Ned. Indische Maatschaf and Bank Industri Negara as well as the four legacy banks (BBD, BDN, BankExim, Bapindo). This Museum is open to the public.

### 4. Assets Management

Bank Mandiri continued to consolidate extraneous assets and assets (e.g. offices and outlets) located in non-strategic locations by selling them or managing them in collaboration with third parties. Bank Mandiri has developed a Master Plan for Property as a guideline for asset disposal and management.

Bank Mandiri also constructed and renovated new offices to increase our coverage area and support the activities of our business units. For existing offices, we continued to maintain, rehabilitate and renovate in order to ensure those offices' condition to present an appropriate corporate image.

### Focus For 2005

#### 1. Domestic Branch Network

- Further optimize the distribution network by opening and/or relocating branches at several strategic locations to support efforts to achieve business targets, increase coverage area, funding, asset product and fee based income/profitability, as well as maintain cost efficiency.
- Increase level of service through branches and electronic channels.

#### 2. Operations

- Develop additional systems to manage transactions based on Straight-Through Processing to improve customer service and satisfaction .
- Continue to implement service-oriented programs and introduce new initiatives such as a recognition program to give appreciation to branches that demonstrate improvements in service quality.
- Implement Continuous Improvement for Bank Mandiri's operational backup system.

#### 3. Procurement and Fixed Assets

- Provide support for the transfer of several groups from head office to BBD Plaza and Rp Soeroso in an efficient and effective manner.
- Provide support for several groups' plan to move from head office to an integrated operation center outside of the Central Business District (CBD).
- Develop the second phase of the electronic Procurement (e-Proc) system, which will be implemented in branches outside of Jakarta, and streamline finance process through e-Proc (eliminate interfacing to JDE).
- Develop Management Information Systems (MIS) to include correspondence, supplier management accreditation

systems, Bank Mandiri's pricing forecasts as well as improve the internal control function to achieve better efficiency, work effectiveness and transparency in procurement processes.

- Expand the role of the Bank Mandiri Museum as an internal and external communications channel.

### 4. Assets Management

- Conduct additional Equity and Property divestments.
- Increase non-operating income contribution through the sale and rental of property assets.
- Support various business units with the opening of new branches.
- Renovate, recondition and rehabilitate official houses and offices on a periodic basis.

“Our initiatives to increase the level of staff productivity were largely a continuation of the human resource development strategy from the previous year, which was to position our employees as Strategic Assets and Strategic Partners through programs based on Management, Leadership, Development and Tracking, and retaining employees in order to achieve maximum performance.”



**Nimrod Sitorus**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since April 2003
- SEVP, HR & Compliance, Bank Mandiri since April 2003
- Corporate Secretary, Bank Mandiri since September 2003
- SEVP & Group Head, Strategy & Performance Management Group, Bank Mandiri (January 2003–March 2003)
- Group Head, Strategy & Performance Management Group, Bank Mandiri (September 1999–December 2002),
- Division Head, Planning and Budgeting, Bank Pembangunan Indonesia (1997–1999).

# Human Capital

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In addition, management continues to create a better working environment that enables all employees to work and contribute at an optimal level.

Several strategic initiatives to support this program include: Employees' Soft Skills enhancement through:

1. Leadership development program
  - a. Bank Mandiri, in collaboration with INSEAD, organized a leadership development program for Managers and the promising candidates from the Senior Manager's level, Middle Managers and Junior Managers. By the end of 2004, 359 participants had attended the program. Bank Mandiri will continue to enroll its staff selectively in the Public Leadership Course to provide them with new perspectives and as part of the benchmarking process.
  - b. Bank Mandiri has also conducted an in-house training program called "Transformational Leadership From Within" (TLFW) from the Board of Directors level to first line management at the business units. 110 staff participated in the program in 2004.
2. Conducted a Behavioral Assessment for managers selectively starting from the Senior Manager Level, Middle Manager and down to first line management. The main objective is for competency development purposes and determining compatibility between the position and person being assigned. There were 371 staff participants in this Assessment Program.
3. Implemented a skill development coaching program for managers in collaboration with Daya Dimensi Indonesia, which will later be conducted independently by Bank Mandiri through cascading the process to the rest of managers in the main office and branches.

In addition to skills improvement efforts, the Bank has also enhanced the policy infrastructure and supporting systems including:

1. Organizational realignment to enhance and improve organizational structure through the realignment of the Consumer, Commercial, Corporate, Micro Banking and Treasury units, focusing on enhancing services to customers and increasing market share within each market segment.
2. Job grading system enhancement aligned with the responsibilities arising from the new organizational structure.
3. Development of Competency Profiling and Growth (Career) Plans to provide clear guidelines on an individual's career path.
4. Adoption of the Competency Based Performance Management System (CBPMS) in an incremental manner

in specific Directorates, as well as preparing Individual Development Plans (IDP).

5. Improvement of the competence-based reward system to include reward & recognition systems in the form of bonuses, Best Employee Awards and Best Group Awards.
6. Implementation of the Employee Engagement Survey (EES) in order to monitor employee's involvement and satisfaction and gain feedback to help management in improving the effectiveness of the Compensation & Benefit system.

## **Integrated Management Information System Program for Human Resources based on SAP-HR**

The implementation of programs related to human capital development requires the support of suitable information technology systems which can accommodate both the business and operational requirements. Bank Mandiri is currently in the process of developing an information system for its Human Capital unit using the SAP-HR system. This system consists of 8 modules covering the business model of human capital - Personnel Administration, Organization Management, Career Planning, Recruitment, Performance Management, Payroll & Compensation Benefits, Training & Event Management and Travel Management.

The implementation of SAP-HR is expected to reduce the administrative activities of the Human Capital Group, and allow a greater focus on employee competency development programs to engender skilled and competitive human resources throughout the Bank.



**Composition of Human Capital**

Detailed breakdown on staff composition from 1999 through 2004 is as follows:

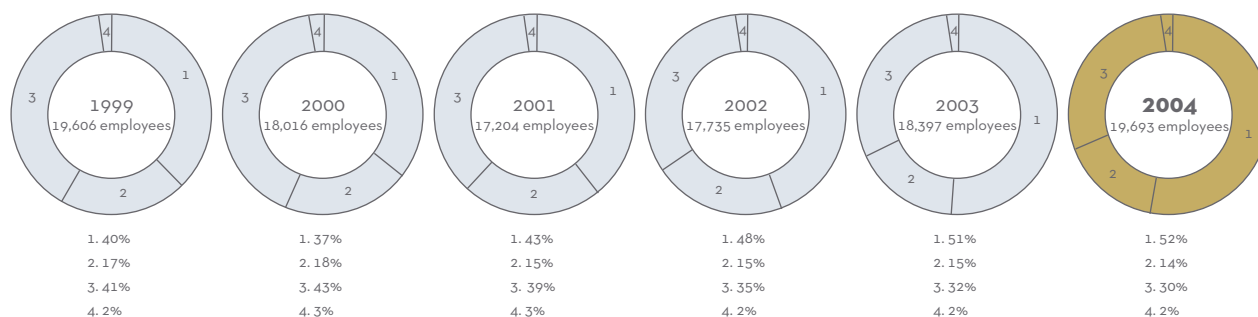
Level	1999	2000	2001	2002	2003	2004
BOD & SEVP	19	20	8	8	11	11
Group Head (1)	76	85	30	30	27	33
Deputy Group Head (2)	-	-	3	3	3	3
Department Head (3)	330	437	134	134	190	198
Senior Officer (4)	1,206	1,693	2,063	2,063	2,635	2,868
Officer	2,753	2,771	2,936	2,936	2,560	3,153
Clerk	7,293	9,972	8,649	8,649	11,947	12,619
Non Clerk	2,012	2,604	3,910	3,910	1,006	790
Miscellaneous (5)	1	1	2	5	18	18
<b>Bank Mandiri's total employees</b>	<b>13,690</b>	<b>17,583</b>	<b>17,204</b>	<b>17,735</b>	<b>18,397</b>	<b>19,693</b>
Selection process	5,916	433	-	-	-	-
<b>Total employees</b>	<b>19,606</b>	<b>18,016</b>	<b>17,204</b>	<b>17,735</b>	<b>18,397</b>	<b>19,693</b>

**Notes**

- (1) Group Head was previously designated as Division Head in 1999 & 2000.
- (2) Deputy HR, Deputy IT, JCO.
- (3) Department Head was previously designated as Group Head + AVP & VP in 1999 & 2000.
- (4) Including the instructor, inspector, Regional Manager and Hub Manager.
- (5) Commissioner, Advisor, Audit Committee .

**Staff Composition Breakdown by Level of Education**

As of December 31



1. University/ Advanced Degree (S1=Bachelors degree, S2=Masters degree, S3=Doctorate degree) 2. Academy Diploma 3. Upper Secondary 4. Lower Secondary/Elementary



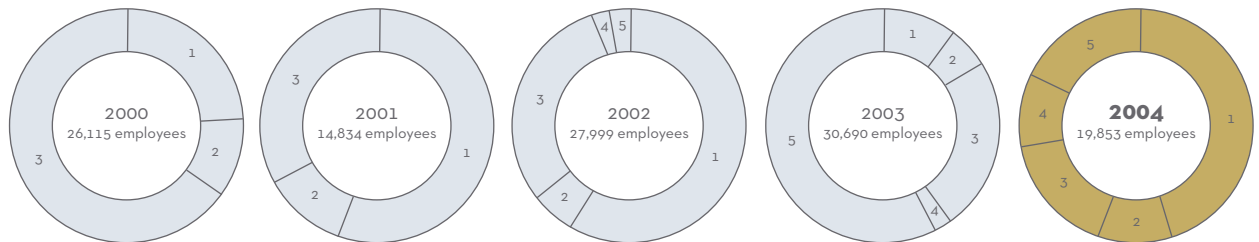
**Human Capital**

**Employees' Training and Development Programs**

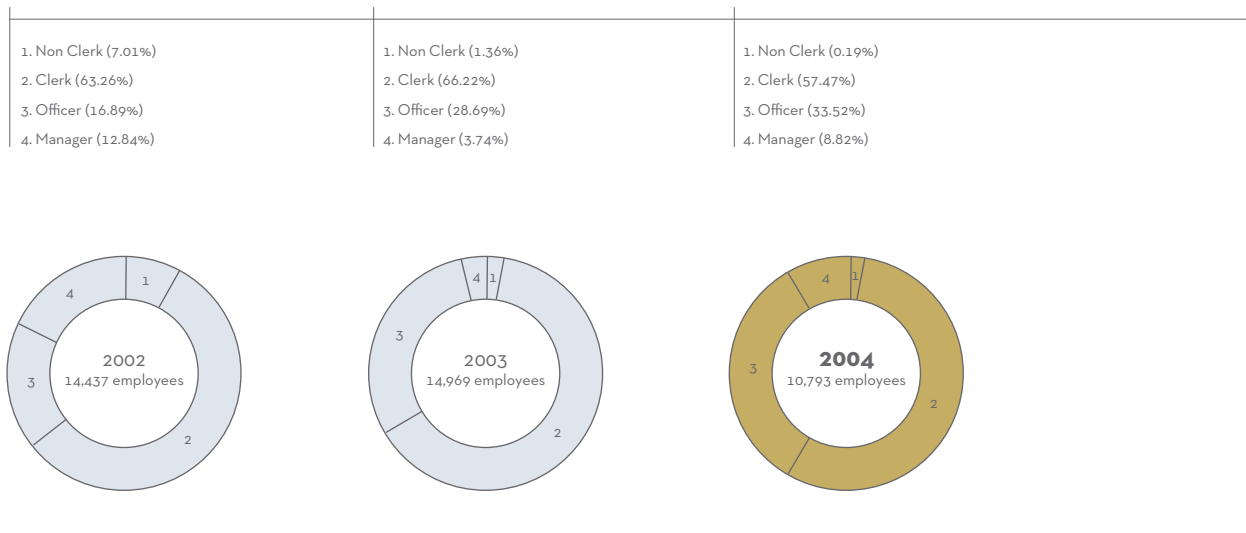
The following training activities and programs were conducted in 2004:

1. Training sessions for 19,853 participants included in-house training, public classes, special projects, the Officer Development Program, Staff Development Program, Post-Graduate Program and Executive Development Program.
2. E-learning training programs, covering 67 modules, were attended by 36,777 participants.
3. Learning Management System (LMS) was developed and implemented to support external and in-house training programs.
4. Bank Mandiri's 2005 Training Plan was prepared based on a Training Needs Assessment (TNA) and the Corporate Plan through a comprehensive and integrated Training Assessment System.
5. Transformed the organization of the Training Group into the Learning Center Group.

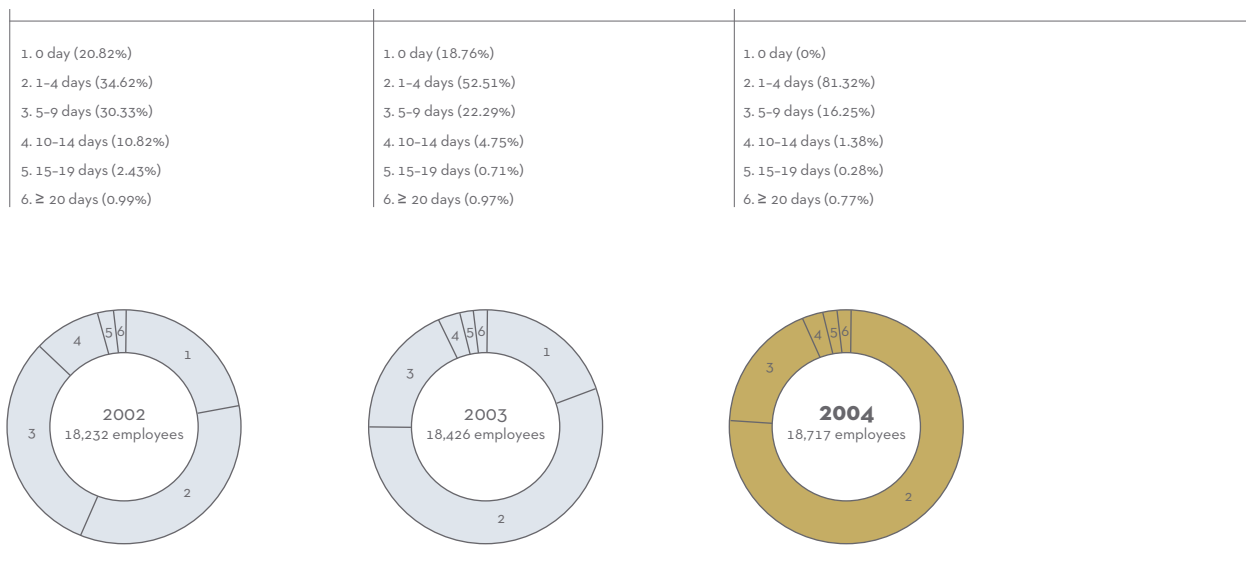
1. In-house Training (24.37%) 2. External Training (9.33%) 3. Socialization (66.31%)	1. In-house Training (56.22%) 2. External Training (10.49%) 3. Socialization (33.30%)	1. In-house Training (59.58%) 2. External Training (6.01%) 3. Socialization (30.77%) 4. Special Projects (Master Degree, ODP, SDP, e-Learning, etc) (0.35%) 5. E-mas Training (3.28%)	1. Inhouse Training (13.58%) 2. External Training (7.85%) 3. Socialization (21.20%) 4. Special Projects (Master Degree, ODP, SDP, e-Learning, etc) (1.77%) 5. E-mas Training (55.60%)	1. Inhouse Training (42.62%) 2. External Training (10.59%) 3. Socialization (19.59%) 4. Special Projects (Master Degree, ODP, SDP, e-Learning, etc) (8.81%) 5. E-mas Training (18.39%)
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Profile of training participants by organization level in 2002, 2003 and 2004



Composition of training programs by length of program in 2002, 2003 and 2004



## Human Capital

### Notes:

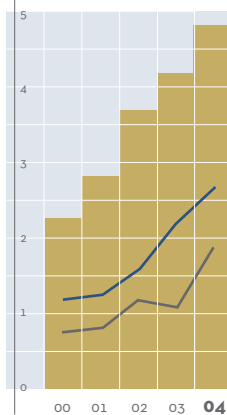
- \*) Data for state-owned banks represent average data from Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI) and Bank Tabungan Negara (BTN). The data on private banks are averaged from the financial statements of Bank Central Asia (BCA), Bank Danamon, Bank International Indonesia (BII), Bank Lippo and Bank Niaga, Indonesia's five largest private banks based on total assets, for which data is available since 2000.
- \*\*\*) Other operating income exclude gains from increase in value and sale of securities and government bonds.

## Employee Productivity \*)

### Loans per employee

Rp million

Bank Mandiri (4,793.7)  
State-owned Banks (2,730.5)  
Private Banks (1,913.2)



### Bank Mandiri

- Bank Mandiri's staff productivity in extending loans continues to increase in line with increased levels of loan disbursements
- Loans/employee productivity continued to increase despite an 7.1% increase of total staff
- Loans per employee as of December 31, 2004 increased by 16.1% to Rp 4,793.7 million from Rp 4,128.0 million as of December 31, 2003

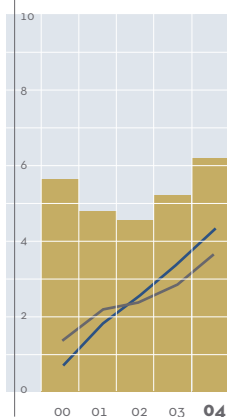
### Other Banks

- Bank Mandiri's loans per employee in 2004 exceeded both other state-owned banks (Rp2,730.5 million) and private banks (Rp1,913.2 million)
- Bank Mandiri's employee productivity in generating loans is higher, on average, than peer banks due advantages of operational scale as well as business mix.

### Net Interest Income and other operating income per employee\*\*)

Rp million

Bank Mandiri (605.8)  
State-owned Banks (429.09)  
Private Banks (366.59)



### Bank Mandiri

- Net interest income and other operating revenues per employee in 2004 increased by 15.1% to Rp605.8 million, from Rp526.2 million in 2003 due to an increase in net interest income and other operating income.

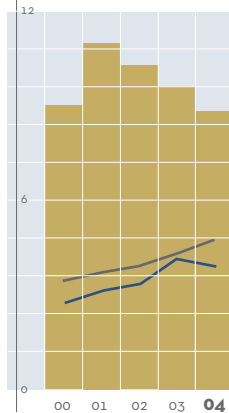
### Other Banks

- Net interest income and other operating income per employee at state-owned banks continue to improve since 2000, reflecting results of the restructuring process. On the other hand, there was 5.4% decline in net interest income and operating income per employee among private banks.
- Bank Mandiri's employee profitability is among the highest of the leading banks in Indonesia.

Deposits per employee

Rp million

Bank Mandiri (8,929.0)  
 State-owned Banks (3,978.84)  
 Private Banks (4,776.58)



Bank Mandiri

- Average deposits per employee declined by 8.1% to Rp 8,929.0 million as of December 31, 2004 from Rp9,719.6 million as of December 31, 2003
- This is particularly Bank Mandiri's strategy to increase demand and savings deposits in its deposit composition and lower down time deposits at the same time as well as liquidate its government bonds.

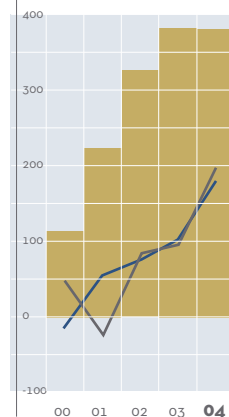
Other Banks

- Bank Mandiri's employee productivity in generating deposits far exceeds that state-owned banks (Rp3.9 billion) and private banks (Rp4.8 billion).

Pre-tax Income per employee

Rp million

Bank Mandiri (382.12)  
 State-owned Banks\* (180.64)  
 Private Banks (197.45)



Bank Mandiri

- From 2000 through 2003, pre-tax income per employee increased strongly, and was relatively stable in 2004 despite the hiring of additional staff in anticipation of future business development.
- Pre-tax income per employee in 2004 was Rp382.12 million.
- Pre-tax income per employee remained far higher than the average of state-owned banks or private banks.

Other Banks

- Average pre-tax income per employee in the banking sector continues to improve since 2000 despite the significant average decline among private banks following the extensive losses suffered by one major private bank in 2001.

“Corporate lending will focus on prospective and potential sectors including agro-industry, mining, infrastructure, food & beverage and increasing fee-based income through leveraging value chain linkages and product bundling.”



**M. Sholeh Tasripan**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since April 2003.
- SEVP, Corporate and Government, Bank Mandiri since August 2001.
- SVP, Corporate Banking, Bank Mandiri (August 1999–August 2001).
- Managing Director, Bank Ekspor Impor Indonesia (August 1997–August 1999).
- Began his career at Bank Ekspor Impor Indonesia in 1978.

# Corporate Banking

## Financial Performance for year ended December 31, 2004

Rp billion

Earning Assets (Average Balance)	31,325
Deposits & Borrowings (Average Balance)	62,421
Interest Income Margin on Assets	1,614
Interest Income Margin on Liabilities	1,976
Total Interest Income Margin	3,590
Other Operating Income	137
Provision for Possible Losses on Earning Assets	(320)
Other Operating Expenses	(723)
<b>Profit from Operations</b>	<b>2,684</b>
% Of Total Operating Profit	36.1%

### 2004 Performance

As the economy improved in 2004, Corporate Banking extended new loans of Rp3.2 trillion, a 9.8% increase for a total of Rp36 trillion. Corporate lending focused on prospective and potential sectors including agro-industry, mining, telecommunications and trading sectors.

Corporate loan growth was somewhat slower than the Bank's overall loan growth of Rp12.7 trillion, in line with the Bank's strategy to reduce corporate lending to less than 50% of total loans. As of December 31, 2004, Bank Mandiri's loan book comprised 48% corporate and 52% non-corporate loans.

Total third party deposits attributed to corporate clients as of December 31, 2004 reached Rp50.7 trillion, or 30% of total third party deposits at the Bank. The funding mix for Corporate Banking improved from 38%:62% for demand and time deposits in 2003 to 46%:54% in 2004.

Fee-based income for the year reached Rp338.5 billion or 99.5% of the target of Rp340 billion. Most of the fee-based income was generated from trade finance

(51%), investments in Mandiri Sekuritas (20%), fees from channeling loans (13%) and cash management and syndication (4%).

In an effort to improve loan channeling and product development, Corporate Banking has undertaken the following initiatives:

1. Rescheduled the loan payment date from the end of month to the 23rd of each month, allowing one week's leeway for customers to settle their obligations prior to month-end in order to maintain the current classification status of the loans.
2. Maintained customers with investment-grade ratings (customers with ratings AAA-B according to Bank Mandiri's internal rating system) and worked closely with lower rated borrowers in order to improve their potential for rating upgrades. In 2004, customers with investment-grade ratings increased to 148 from 144 in 2003.

The borrower composition at Bank Mandiri based upon the internal rating system at the end of 2004 is as follows:

2003			2004		
Rating	Borrowers	Percentage	Rating	Borrowers	Percentage
AAA-B	144	44.58 %	AAA-B	148	45.40 %
C-G	79	24.46 %	C-G	68	20.86 %
NR (1)	100	30.96 %	NR (1)	110	33.74 %

**Notes**

(1) Non-rated—borrowers that did not receive nor need ratings through the internal rating system (i.e. financial companies, state enterprises/government institutions).

3. Implemented risk-based pricing by adjusting interest rates for loans according to the credit risk rating of the customer. While customers with better ratings will receive lower interest rates, riskier borrowers can still be accommodated at appropriately higher rates.
4. Achieved an average product-holding of three, meaning that Corporate Banking clients tended to utilize at least three distinct products from Bank Mandiri (e.g. loans, deposits, cash management, trade finance, or trade services). This was achieved through cross-selling along with the customers' loan facilities.
5. Achieved customer satisfaction index of 7.48 (2nd rank overall), with 1st rank in risk mitigation and cost efficiency, according to a survey by MarkPlus examining customer satisfaction in trade finance and services.
6. Improved synergy with Mandiri Sekuritas in servicing Corporate Banking customers intending to go public or issue bonds. In 2004, ten Corporate Banking customers accessed Mandiri Sekuritas services, as either Joint Lead Bond Underwriter or Sole Arranger for MTN.

- industries and agro-based commodity trading;
  - Consumer Related Industries: food and beverage, cigarettes, textiles, automotive, electronics, pharmaceuticals, paper and packaging, transportation, media, and retail trading;
  - Strategic Industries: mining, energy, telecommunications and high technology, oil and gas, infrastructure operations (toll road operator) and infrastructure-related services;
  - Multi Industries: government/department institutions, property, financial institutions, cement and steel, chemicals, fertilizer, leisure and tourism.
- b. Appoint professional consultants to assist Corporate Banking in addressing the needs of the agribusiness and infrastructure sectors.
  - c. Co-operate with banks or non-bank financial institutions experienced in infrastructure financing.

**Focus in 2005**

The areas of focus for Corporate Banking in 2005 will include:

**1. Building a proactive customer-focused relationship**

To specialize and become competitive within the agribusiness and infrastructure sectors, Corporate Banking will:

- a. Re-align the organization into four business units:
  - Agro Based Industries: plantations, agriculture, fisheries, farming, forestry, downstream agro

**2. Leveraging value chain linkages**

Corporate Banking will leverage market leadership within the corporate segment to maximize the potential for business development throughout the related value chains for Commercial, Micro and Consumer Banking, and improve synergies with Mandiri Sekuritas, AXA Mandiri and Bank Syariah Mandiri.

**3. Product bundling**

Corporate Banking will develop and offer competitively priced suites of products to efficiently address the full range of customer requirements.

**4. Increasing fee-based income**

- a. A total service approach should encourage customers to direct the totality of their transactions through Bank Mandiri. A new Loan Follows Fee policy will link the extension of credit to the extent of fee-based transactions that have been and will be conducted through Bank Mandiri.
- b. Actively marketing a revitalized business process and strategic cash management blueprint to become the leader in cash management services in Indonesia.
- c. Enhancing and actively selling trade finance & service capabilities to become the market leader in the trade finance & service business.

**5. Implementing Macstools, Syndication Information System and Loan Origination System (LOS).**

- a. Macstools is a sales application for Relationship Managers,
- b. Syndication Information System supports syndicated loan administration,
- c. Loan Origination System (LOS) is used to monitor and analyze the loan approval process, starting from the receipt of the loan application letter to the approval (monitored based on end-to-end process).



**Products and Services**

**Loans**

- Investment Loans
- Working Capital Loans (WCL)
  - General WCL
  - Aflopend WCL
  - Revolving WCL
  - Export-Import WCL
  - WCL for special transaction

**Trade Services**

- Export (Pre-Export Financing, Forfaiting)
- Import (Usance Payable at Sight/ UPAS)
- Domestic Trade (SKBDN)

**Bank Guarantee & Standby L/C**

- Bid Bond, Advance Payment Bond
- Performance Bond, Retention Bond
- BG for Shipping Companies
- BG for Tobacco Duty
- BG for trade
- BG for Deferral of Duty
- Standby LC

**Structured Trade Finance–Export Finance Facilities**

- Banker’s Acceptance
- Refinancing facilities for:
  - Working Capital Loans
  - Export Bills (with Recourse)
  - SKBDN
  - Export Financing Scheme from IDB

**Structured Trade Finance–Import Finance Facilities**

- Import LC Refinancing
- Import LC Guarantee by BM’s Correspondent Banks
- Sight LC Refinancing
- Usance LC Refinancing
- Buyer’s Credit Facilities
- IMFAS for US Agricultural Products Specified in the GSM 102 Programs
- IMFAS for the Import of Cotton from Australia
- Line of import Trade Finance Operation (ITFO) Fas from IDB

**Cash Management Services**

- Cash Management System
- Mass Transaction System
- Account Pooling
- Immediate Cash
- Customized Cash Management
- Electronic Fund Transfer
- Electronic Payment Order
- Inquiry Cash Management

**Syndication**

- Arranger
- Facility Agent
- Security Agent
- Escrow Agent

**Treasury & Liabilities**

- Cash Transaction/Foreign Currency Trading
- Derivative Transactions
  - Foreign Exchange transaction Services (Forward, Swap, Option)
  - Interest Rate Transaction (Interest Rate Swap, Interest Rate Floor, Interest Rate Cap)
- Mutual Funds “Korporasi Mandiri”
- Foundation Savings

**Securities and Related Services**

- Custodial Services
  - Sub Custody Euroclear
  - Administration of Mutual Funds
  - Overseas Securities Sub Custody Services
  - Local Custodial Services for ADR/GDR
  - Sub-registry Services for Government Bonds and SBI
  - General Custody Services
- Trust Services Mandiri

## PT Mandiri Sekuritas

The rise of Mandiri Sekuritas to local prominence is due in large part to the strategic decision of Bank Mandiri to establish capital market and investment banking services as one of its three main business pillars. Mandiri Sekuritas has responded positively to its re-capitalization by Bank Mandiri, climbing the league tables in both the bond and equity markets while consolidating its market leadership in the fund management segment.

### Solid Performance Throughout

Mandiri Sekuritas had strong performance in all three businesses areas: Investment Banking, Debt and Equity Capital Markets, and Investment Management.

**Investment Banking.** Investment Banking had an active year in 2004, with the firm involved in underwriting bond issuances and medium term notes (MTN) totaling Rp2.72 trillion, or 14% of the total value of notes issued in 2004. This was an improvement from 2003 where the firm underwrote a total of Rp1.39 trillion in bonds and notes. Mandiri Sekuritas climbed to third place based on the volume of bonds underwritten during the year. 2004 also marked the return of Mandiri Sekuritas to the Initial Public Offering (IPO) market, raising Rp238 billion after an inactive 2003.

This strong showing in bond underwriting came on the heels of equally robust activities in mergers and acquisitions, structured financing and debt restructuring. Synergies from investment banking activities gave Mandiri Sekuritas an edge in corporate bond underwriting. In 2004, Mandiri Sekuritas secured mandates for many of the year's largest and most prestigious deals, including bond issuances of Rp1.0 trillion or more from HM Sampoerna, Medco Energi and Bank Jabar, among other issuers.

**Debt and Equity Capital Markets.** In 2003 and 2004, Mandiri Sekuritas has also shown healthy performance in secondary trading for both bonds and equities. It was the second largest trader of government bonds in 2004, generating deals totaling Rp48.2 trillion and accounting for 21% of all secondary trading in the government bond market during the year.

Mandiri Sekuritas was ranked 5th and 14th in terms of trading for corporate bonds and shares in the amounts of Rp1.2 trillion and Rp11.1 trillion, respectively. These rankings were significantly better than those of the previous year. In 2003, Mandiri Sekuritas was acknowledged by the Surabaya Stock Exchange (Bursa Efek Surabaya) as the most active trader for government bonds (Surat Utang Negara or SUN).

Mandiri Sekuritas' success in facilitating trades in the capital market contributed to many prestigious accolades received during the year, including the IFR Asia Awards 2004 for the Indonesian Bond House of the Year and second-place for the Best Local Brokerage by Asia Money. Mandiri Sekuritas was also awarded Rising Bond House in 2004 by The Asset, for the second time in a row. This recognition comes at a time when the bond market is playing an increasingly important role in providing liquidity to accelerate the economic recovery in Indonesia, and reinforces Mandiri Sekuritas' commitment to be the leading liquidity provider in the secondary market for government and corporate bonds.

**Investment Management.** Mandiri Sekuritas' mutual fund activities grew in line with the Indonesian market in 2004. Total assets under management increased almost five-fold in 2004 from Rp4.01 trillion in the beginning of 2004 to Rp19.2 trillion by year-end, representing 17% of total assets under management in the mutual fund industry. As the winner of the "Fastest Growing Mutual Fund Award 2003", Mandiri Sekuritas in 2004 became the largest investment fund manager in Indonesia, offering a variety of mutual fund products including fixed income funds, money market funds, equity funds and mixed funds.

In an on-going effort to enhance business development, Mandiri Sekuritas has formed a wholly owned subsidiary, PT Mandiri Manajemen Investasi, to provide investment management services exclusively for investment banking and capital market services commencing in 2005.



“We have concentrated on a systematic and focused business development strategy to become the market leader in the commercial business segment through continuous improvement in service delivery quality.”



**Ventje Rahardjo**

Managing Director & SEVP

- Managing Director of Bank Mandiri since April 2003.
- SEVP, Commercial Banking, Bank Mandiri since January 2003.
- SVP, Assistant to President Director, Bank Mandiri (July 2002-January 2003).
- Branch Manager, Bank Pembangunan Indonesia (1997-1999).
- General Manager, Treasury and Banking Services, Bank Pembangunan Indonesia (1996-1997).
- General Manager, Hong Kong Branch, Bank Pembangunan Indonesia (1992-1994).
- Started career at Bank Pembangunan Indonesia in 1981.

# Commercial Banking

## Financial Performance for year ended December 31, 2004

Rp billion

Earning Assets (Average Balance)	21,690
Deposits & Borrowings (Average Balance)	17,588
Interest Margin on Assets	1,421
Interest Margin on Liabilities	563
Total Interest Margin	1,984
Other Operating Income	30
Provision for Possible Losses on Earning Assets	(331)
Other Operating Expenses	(815)
<b>Profit from Operations</b>	<b>869</b>
% of Total Operating Profit	11.7%

Commercial Banking launched several initiatives to improve service delivery in 2004 including:

- Development of the Loan Origination System (LOS).
- Roll-out of a Rating & Scoring System.
- Installing a specialist team within the Commercial Banking Centers.
- Establishing a Relationship Manager for Funding & Trade Service Marketing.

Looking ahead, business development activities will focus on economic sectors with good growth potential and the prospect of higher yields. Our coverage area will continue to expand, especially into regions with strong business potential.

### 2004 Performance

In 2004, Commercial Banking established five new CBCs (Jakarta-Plaza Mandiri, Palembang, Semarang, Denpasar and Banjarmasin) to expand the Bank's loan delivery channels for commercial customers, as well as 95 community branches throughout Indonesia. By the end of 2004, the Bank operated thirteen CBCs consisting of four within Jakarta (Kota, Thamrin, Sudirman and Plaza Mandiri) and nine outside of Jakarta (Bandung, Semarang, Surabaya, Denpasar, Medan, Pekanbaru, Makassar, Palembang and Banjarmasin). Of the 95 community branches, 85 branches have the decision-making authority and supporting infrastructure for loan disbursement. The remaining ten community branches will be granted similar authority once they have achieved adequate staffing and infrastructure. This expansion of the distribution network should facilitate the channeling of commercial loans and move the Bank

closer to its customers. This larger network contributed to an increase in the number of Middle Commercial customers from 1,434 at the end of 2003 to 1,855 at the end of 2004, and to the acquisition of 22,993 new Small Business customers. For the year, total loan growth stood at Rp 6,950 billion and Rp 1,812 billion for Middle Commercial and Small Business customers respectively following the expansion of product and service offerings.

### Focus for 2005

Following the implementation of the "Breakthrough Commercial Banking" program, the Commercial Banking directorate, which is comprised of Middle Commercial and Small Business Groups, will be reorganized into Jakarta Commercial Sales, Regional Commercial Sales and Commercial Business Development & Strategy. The Small Business Group will be expanded into the Small Business and Micro Banking Directorate.

### Commercial Banking

In 2005, Commercial Banking will focus on growth within eight industry sub-sectors: retail trade; multi finance; distribution; business services; food, beverages & tobacco; energy; construction; and plantations. The directorate will also expand its distribution network through setting up four additional CBCs in Kelapa Gading (Jakarta), Bekasi, Balikpapan and Banten.

Several application systems will be expanded to improve overall performance including Customer Relationship Management to strengthen the quality of information and expand opportunities for cross-selling, Loan Review for maintaining credit quality and Collections to facilitate loan monitoring and the repayment process.

### Small Business

In 2005, the Small Business Group will focus on sectors with strong growth potential, including the retail trade for food, clothing, furniture or household goods and the plantation sector.

- The Small Business Group will establish a new distribution network to facilitate loan disbursement to Small Business customers. The network will consist of: Twelve Small Business District Centers (SBDCs) independent of the existing CBCs to ensure effective communication and better control between the Small Business Sales Group and its customers;
- 122 branches within the Small Business distribution network consisting of the current 85 community branches with the authority to disburse loans and 37 new branches.

Sales functions will be separated into officers targeting new customers (Sales Managers) and officers maintaining existing customers (Account Managers). In order to more effectively manage borrowers, the Bank will expand its Loan Review Model and Collection System with the aim of maintaining credit quality and facilitating loan repayment.

### Separating Micro Credit from Small Business

The Micro Credit Group will be separated from the Small Business Group in order to focus on and secure a significant share of the expected potential market for micro-credit loans of Rp 125 trillion by 2010. This market segment holds out the promise of net interest income and NPL levels similar to those of credit cards. Our market entry strategy for the micro-banking segment is a hybrid strategy consisting of two approaches:

- **Linkages with Rural Development Banks (BPRs):** Establishing linkage programs with BPRs for executing, channeling and sharing of financing. Through this approach, the BPRs will channel micro credit and also act as agents for development.
- **In-House Micro Units** A measured expansion of a Mandiri-branded distribution network will provide greater control over loan disbursement and provide a positive impact on the business performance and the company's image.

### Establishing an Alliance Management Unit

An Alliance Management Unit will be established in 2005 for the following purposes:

- As an effective way to acquire new customers
- To facilitate expansion within captive markets
- As a mechanism for selecting quality customers

Products and Services

Middle Commercial

- Asset & Liability Products
- Export Development Support for Small & Medium Enterprises
- Mining Loans
- E-Biz Card Mandiri Working Capital Loan
- Loans for Contractors in the Telecommunications Sector
- Bridging Loan for Special Hajj Program
- Trade Service Products
- Domestic LCs
- Shipping Guarantees

Small Business

- Cash Loans
- Small Commercial Loans
  - Investment Loans
  - Working Capital Loans
  - Small-Scale Business Loans
  - Loans for Rural Credit Banks
  - Fishery Loans
  - Non-Collateralized Micro-Finance Loans
  - Multi-Purpose Loans
  - E-Biz Card Mandiri Working Capital Loan
  - Cash Collateral Loans
  - Agricultural Loans
- Loan Programs
  - Food Sufficiency Loans
  - SUP Government Bond Loans
  - Partnership Program for Cooperative & Rural Community Development (PUKK & Bina Lingkungan)
- Non Cash Loan
- Bank Guarantees
- Import LCs
- Domestic LCs
- Standby LCs
- Forex Lines

## PT Bank Syariah Mandiri

PT Bank Syariah Mandiri, established on November 1, 1999, is one of three syariah banks in Indonesia offering deposit and lending products based on Islamic syariah principles. The focus of its lending is in the following sectors: wholesale trade, agriculture, industry, retail trade, housing, and public infrastructure including telecommunications. The bank's deposit products consist of time, demand and savings deposits, as well as hajj savings. By the end of 2004, Bank Syariah Mandiri had roughly 22,564 individual and institutional customers for financing facilities, with 356,746 individual and institutional customers maintaining deposit accounts. Bank Syariah Mandiri has 134 branch outlets in 20 provinces in Indonesia. Its customers can access 33 proprietary ATMs and 2,470 ATMs within the network of Bank Mandiri.

As of December 31, 2004, total financing extended reached Rp5.28 trillion, or 5.6% of total loans outstanding at Bank Mandiri. Third party funds reached Rp5.73 trillion or 3.3% of total third party funds at Bank Mandiri. The syariah banking business generated an operating income of Rp695 billion in 2004. In the course of 2004, the Bank received several acknowledgments from the public, including "Healthy Bank"

status by Bank Indonesia, "Very Good Bank" by Infobank since 2001, "Best Syariah Bank" by the Indonesian Council of Ulemmas (Majelis Ulama Indonesia or MUI), "Best Syariah Bank Category" by Investor magazine, "The Best Service Quality" and "The Most Comfortable Musholla" by Karim Business Consulting in collaboration with Modal weekly, and ISO 9001:2000 Certification for Provision of Internal Audit, Provision of Loan Management and Provision of Service Quality from Lloyd's Register Quality Assurance (LRQA).



“Consumer Banking introduced several initiatives to support business development and operational efficiency, with the objective of adding to the range of products offered for existing and potential customers of the Bank in order to provide one-stop financial services...”



**Omar Sjawaldy Anwar**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since April 2003.
- SEVP, Consumer Banking, Bank Mandiri since January 2003
- SEVP, Retail Banking, Bank Mandiri (August 2001-January 2003)
- SVP, Business and Products Development, Bank Mandiri (July 1999-July 2001),
- Vice President, ABN AMRO Bank, Jakarta (1998-1999)
- Deputy Director, Bimantara Citra, Jakarta (1997-1998)
- Vice President, Citibank N.A., Jakarta (1989-1997)
- Field Accounting Coordinator, Huffco, Indonesia (1983-1989).



# Consumer Banking

## Financial Performance for year ended December 31, 2004

Rp billion

Earning Assets (Average Balance)	5,328
Deposits & Borrowings (Average Balance)	91,255
Interest Income Margin on Assets	436
Interest Income Margin on Liabilities	2,321
Total Interest Income Margin	2,756
Other Operating Income	825
Provision for Possible Losses on Earning Assets	(191)
Other Operating Expenses	(2,313)
<b>Profit from Operations</b>	<b>1,077</b>
% Of Total Operating Profit	14.5%

The competitive landscape in the consumer/retail banking segment changed in 2004 as the result of consolidation and acquisitions. The Consumer Banking directorate, therefore, focused its efforts on strategic initiatives to increase market share, improve operational efficiency and realign internal structures to ensure a high level of competitiveness and support the Bank's strategic development in the coming years.

The business units within Consumer Banking introduced several initiatives to support business development and operational efficiency, with the objective of adding to the range of products offered for existing and potential customers of the Bank in order to provide one-stop financial services, improve the level of customer satisfaction from services provided by the Bank, increase the level of awareness and brand recognition of Bank Mandiri, realign various processes and internal structures and intensify marketing efforts to capture market share.

In 2005, Consumer Banking will focus on additional activities to support business growth in line with Bank Mandiri's strategic development goals. Consumer Banking will continue to seek ways to improve operational efficiency to reduce operational costs and increase income potential, align business units and process within the directorate to provide better focus and improve customer service levels, develop products targeting specific customer segments and conduct

focused and well-planned marketing campaign.

### Consumer Liabilities & Wealth Management

Through December 31, 2004, Bank Mandiri continued to attract low cost funds from the consumer segment, with total deposits of Rp100,082 billion (up 7.6% compared to Rp93 trillion in 2003) comprising demand deposits (Rp5,696 billion), savings deposits (Rp51,997 billion) and time deposits (Rp42,389 billion).

Innovative marketing campaigns contributed to the success of these fund-raising efforts throughout 2004, including Mandiri Fiesta (a marketing campaign for the Mandiri Savings program with 600 Toyota Avanza cars as prizes), Easy Reward Program for time deposit products, Remittance Reward Program and We Get Customer (WGC) Program.

In addition to third party fund raising activities, the Group focused on increasing the Bank's fee-based income. In the course of 2004, Bank Mandiri opened several money changer outlets, provided utility payment facilities (Bill Payment Program) as well as transfer facilities through Western Union (WUMT), conducted programs to promote mutual fund products and highlighted various delivery channels (Priority Banking, call center, internet banking, ATM, phone banking and SMS banking) with the ultimate goal of increasing fee-based income through customers' transactions. Those initiatives contributed to fee-based income of Rp835 billion primarily

through deposit administrative fees (Rp24.3 billion), mutual funds (Rp54 billion) and bancassurance (Rp4.4 billion). The bancassurance business, conducted through PT AXA Mandiri Financial Services (AMFS), generated Annual First Year Premiums (AFYP) of Rp88.7 billion from 16,422 policyholders. In its first year of operation, AMFS placed 5th in terms of New Business according to a report by the Indonesia Insurance Council as of the first nine months of 2004.

Mandiri Prioritas (Priority Banking) undertook several initiatives in 2004 to support its business growth, including implementing a Member-Get-Member program for existing Prioritas members, communicating to customers through periodic brochures, magazines and news bulletins, and conducting recurrent customer satisfaction surveys to ensure the competitiveness of Mandiri Prioritas' products. In 2004, the customer base for Mandiri Prioritas grew by 137.6% from 2003, with total deposits of Rp27.8 trillion against a target of Rp23.5 trillion (118.44% achievement).

Another critical element that directly affects consumer perceptions of service levels, operational efficiency and the Bank's competitiveness is the availability of ATM & e-Banking facilities to serve customers 24 hours a day. During 2004, the Bank increased the operational flow and security of the ATM network, built awareness and increased usage of the facilities through advertisements in print and electronic media, added and enhanced ATM features, expanded the network and relocated older ATMs to more strategic locations.

E-Banking channels also experienced a significant increase in transactions, with 497,400 users of SMS Banking (205% over target), 165,845 users of Internet Banking (276% over target), 165,062 users of Call Mandiri (1,111% over target) and the issuance of 2.6 million Visa Electron cards. For this performance in debit cards, Visa International Asia Pacific awarded first place to Bank Mandiri for card issuance and second place for transaction volume by debit cards in 2004.

For Wealth Management and Investment Products, in 2004 Bank Mandiri introduced the Funds Supermarket, Funds Awards and Funds Rating services, which were all part of the most comprehensive mutual fund service offering in the market. As of December 31, 2004, Wealth Management and Investment Products contributed Rp54 billion of fee-based income (an increase of 400% compared to 2003) with total Assets Under Management of Rp9.2 trillion (an increase of 383% compared to 2003).

To date, Bank Mandiri offers 31 mutual fund products covering various asset classes and managed by seven investment managers. To ensure its competitiveness in the future, the Bank will continue to expand these offerings to include a diversity of investment products including structured-financed products, brokerage services, retail treasury services and even FX-based products to address the investment needs of our customers

### **Consumer Cards**

2004 marked the first full year for Mandiri Visa's management and operational activities, following the acquisition of the portfolio from PT GE Finance Indonesia in mid-August 2003.

Since that acquisition, Bank Mandiri has added 388,000 new cardholders bringing total cards issued to 650,000 as of December 31, 2004. In addition, the Bank introduced new features and launched market-leading products, as well as implemented risk management measures to significantly reduce the level of risk within the card portfolio.

Several domestic and international institutions acknowledged the credibility, service quality and innovative products introduced by Mandiri Visa. A survey conducted by SWA and InfoBank publications in 2004 placed Mandiri Visa products in the top two based on service quality and customer satisfaction. Visa International also gave an award for Mandiri Visa's customer loyalty and usage program, which was launched in 2004.

The new credit card products at Bank Mandiri have proven to be strong contributors to fee-based income. As of December 31, 2004, the Consumer Cards group booked outstanding receivables of Rp1,270 billion from 650,000 cardholders, interest income of Rp405 billion and fee-based income of Rp204 billion-representing the largest single fee-based income component of the Bank.

The card business in 2005 will continue to focus on new customer acquisition through an integrated marketing program geared to our existing customer database, capitalize on strong relationships with corporate customers and improve the perception of our products' value-added through the introduction of new features and products in line with customers' needs.

## Consumer Banking

### Consumer Loans

In 2004, Bank Mandiri extended Rp4.2 trillion in new consumer loans, or 3 times the total loan expansion in 2003, to a total of 113,300 customers. Mortgages (Graha Mandiri) and Home Equity Loans (Multiguna Mandiri) remain the key consumer loan products, contributing more than 50% of the total, with Payroll Loans (Mitrakarya Mandiri), Cash Collateral Loans, Unsecured Loans and Automobile/Motorcycle Loans (KPM Kendara Mandiri) comprising the remainder.

This strong loan growth was enabled by the roll-out of a new credit scoring system, part of the Loan Origination System (LOS) installed in all branches, the establishment of Consumer Loan Processing Centers (CLPCs) in seven main areas, as well as the restructuring of processes through the CLPCs and branches to accelerate the loan approval process.

Bank Mandiri has also augmented collaborative efforts with property developers, real estate brokers and dealers/showrooms in selected cities in order to channel housing and auto loans, targeted marketing programs for mortgage re-financing and increased public awareness of consumer loan products with competitive features and interest rates.

In 2005, the Consumer Loan group will continue to focus on product development and promotions based on customers' needs, with target marketing driven by the current Bank Mandiri database of potential customers and increase the scale and scope of relationships with property developers, real estate brokers, dealers and auto showrooms. In addition, Bank Mandiri will continue to aggressively re-structure the loan application process to reduce approval periods in order to maintain competitive service quality.

### Electronic Banking

Electronic Banking serves as the backbone for service quality to Consumer Banking clients. During 2004, total ATM transactions reached 158.9 million, or an average of 7,438 transactions per ATM/month. From December 2003 to December 2004, there was a two-fold increase from 8.7 million to 18.2 million transactions. In anticipation of continuing increases in transaction volumes and to ensure a high level of service quality, Bank Mandiri implemented the following initiatives in 2004:

- Expanded the ATM network to a total of 2,495 installed ATMs
- Improved ATM network uptime from 97.5% at the end of

2003 to 98.36% by end of 2004

- Expanded payment services and purchasing features through ATM, SMS and Internet Banking channels, and added service provision features for all VISA cards at Mandiri's ATMs. Mandiri ATMs currently offer a total of 39 features to address customers' needs.
- Increased the usage of e-Channel transactions at branches from 36.45% to 47.89%, reducing the burden on front-line staff in order to take advantage of cross-selling efforts for customer at the branches.
- Implemented ATM Cash Management System to increase the efficiency for cash deposits in the ATM network and to reduce the amount of unproductive idle funds within the network.

Electronic Banking will continue to focus on improving customer satisfaction in 2005 through the following activities:

- Adding new features in all electronic channels, improving the quality of Customer Information Files (CIFs) and increase the usage of electronic channels to support the Consumer Bank’s business development strategy to increase fee-based income and implement cross selling at branches.
- Ensuring a high standard of performance, availability and reliability of the electronic banking network.
- Adding new ATMs, relocating existing ATMs to more strategic locations, and expanding Single Access Number Call Mandiri to make it easier for customers to conduct transactions.

**Products and Services**

<p>Loans</p> <ul style="list-style-type: none"> <li>• Graha Mandiri Housing Loans</li> <li>• Mandiri Multi Purpose Loans</li> <li>• Mitrakarya Mandiri (Payroll) Loans</li> <li>• Cash Collateral Loans</li> <li>• Unsecured Loans</li> <li>• Kendara Mandiri (Motorcycle) Loans</li> </ul>	<p>Treasury Services</p> <ul style="list-style-type: none"> <li>• Banknotes Sale/Purchase</li> <li>• Currency Options</li> <li>• Spot, Today, Tomorrow for IDR/USD and major currencies</li> <li>• Dual Currency Deposits</li> <li>• Deposito Swap</li> </ul>	<p>Mandiri Prioritas (Priority Banking)</p> <ul style="list-style-type: none"> <li>• Dedicated Personal Bankers</li> <li>• Upscale Premises</li> <li>• Airport Executive Lounge</li> <li>• Exclusive Loyalty Programs</li> <li>• Airport Handling Services</li> <li>• Flexible ATM Limit</li> <li>• Safe Deposit Box Facility</li> <li>• Travel Related Services</li> </ul>
<p>Deposits</p> <ul style="list-style-type: none"> <li>• Demand Deposits (Rupiah &amp; USD)</li> <li>• Deposit on Call (Rupiah &amp; USD)</li> <li>• Hajj Savings Account</li> <li>• Negotiable Certificate of Deposit</li> <li>• Savings Deposits</li> <li>• Time Deposits (Rupiah &amp; USD)</li> </ul>	<p>Credit Card</p> <ul style="list-style-type: none"> <li>• Mandiri Visa</li> <li>• Merchant Acquiring Business (EDC)</li> </ul> <p>Electronic Banking</p> <ul style="list-style-type: none"> <li>• Call Center</li> <li>• ATMs</li> <li>• SMS Banking</li> <li>• Internet Banking</li> </ul>	<p>Other Services</p> <ul style="list-style-type: none"> <li>• Bank Reference</li> <li>• Bill Payment</li> <li>• Clearing</li> <li>• Collection</li> <li>• Mandiri Travellers Cheque</li> <li>• Money Changer</li> <li>• Payroll Package</li> <li>• Remittance</li> <li>• Safe Deposit Box</li> </ul>

## PT AXA Mandiri Financial Services

Commencing operations in December 2003, PT AXA Mandiri Financial Services (AXA Mandiri), a joint venture between PT Bank Mandiri (Persero) Tbk (49%) and AXA (51%), was active in more than 420 Bank Mandiri branches by the end of 2004. With more than 520 Financial Advisors (FA) in place, AXA Mandiri offers financial planning and wealth management services through value-added insurance and investment products to customers of Bank Mandiri.

For the retail business, AXA Mandiri offers pure insurance products known as traditional products, as well as combined insurance and investment products known as unit-linked/ investment-linked. The unit-linked product has a variety of flexible options with a relatively high rate of return for different needs such as retirement, educational or holiday funds. AXA Mandiri also offers the option for additional coverage that can extend the benefits of these products, namely health and accident insurance and premium payments. In addition, for groups, AXA Mandiri also offers insurance coverage for Mandiri's credit cardholders (Mandiri Protection), Hajj Savings and Bank Mandiri's consumer loans.

During 2004, AXA Mandiri generated premium income of Rp477 billion, which consisted of premiums from unit-linked products of Rp443 billion (93%) and premiums from traditional products of Rp33.7 billion (7%). The traditional product premium income consisted primarily of group premiums in the amount of Rp33.6 billion, with the remainder generated from individual clients in the amount

of Rp95 million.

As of December 31, 2004 total assets for AXA Mandiri stood at Rp458 billion, with a risk based capital (RBC) of 803%. RBC is one of the parameters used to evaluate the health of an insurance company and AXA Mandiri's ratio was well above the minimum requirement of 120% set by the Ministry of Finance in 2004.

Based on data from the Indonesian Insurance Council (Dewan Asuransi Indonesia or DAI) on individual new business premiums for Q3 2004, AXA Mandiri was ranked 5th among all life insurance companies in Indonesia. With new individual premiums of Rp224 billion and a market share of 5%, AXA Mandiri is the fastest growing bancassurance company in the market.

AXA Mandiri has set a target to operate in more than 600 Bank Mandiri branches by mid-2005. In addition, AXA Mandiri plans to expand its activities to develop innovative new products, as well as penetrate further into new market segments in order to increase its services to customers of Bank Mandiri.

“Bank Mandiri will continue to optimize its domestic and international networks to provide foreign exchange and securities transaction services and improve the quality of service through implementation of new systems...”



**J.B. Kendaro**  
Managing Director & SEVP

- Managing Director of Bank Mandiri since April 2003.
- SEVP, Treasury & International, Bank Mandiri since April 2003.
- Executive Vice President, Financial Institutions and Overseas Network, Bank Mandiri (August 2001–April 2003).
- Head, Treasury and Global Markets, Bank Mandiri (June 1999–August 2001).
- Managing Director, Bank Ekspor Impor Indonesia (1998–1999).
- Head, Treasury Bureau, Bank Ekspor Impor Indonesia (1998).
- Chief Executive & Managing Director, BELL (DTC) Ltd., Hong Kong (1985–1997).
- Began his career at Bank Ekspor Impor Indonesia in 1980 at various branches within and outside of Indonesia, including as officer in Bank Ekspor Impor Indonesia, London (1987–1989) and Paris (1991–1994).

# Treasury & International

## Financial Performance for year ended December 31, 2004

Rp billion

Earning Assets (Average Balance)	24,326
Deposits & Borrowings (Average Balance)	20,809
Interest Income Margin on Assets	(540)
Interest Income Margin on Liabilities	523
Total Interest Income Margin	(17)
Other Operating Income	504
Provision for Possible Losses on Earning Assets	(87)
Other Operating Expenses	(126)
<b>Profit from Operations</b>	<b>273</b>
% Of Total Operating Profit	3.7%

Bank Mandiri will continue to optimize its domestic and international networks to provide foreign exchange and securities transaction services and improve the quality of service through implementation of new systems, as well as increase market share in foreign exchange transactions through the opening of Regional Treasury Marketing. In addition, our branches will begin offering trading services in Government Bonds to retail customers to provide them with alternative investments.

The Bank will also continue its strong commitment to improving custodian services for clients actively investing in securities in domestic and international capital and money markets through setting up online reporting systems for key customers to support their investment decision-making processes.

### 2004 Performance

In 2004, Bank Mandiri satisfied new regulations by the monetary authority regarding Net Open Position (NOP) and reserve requirements. The Bank's Rupiah reserves (GWM) reached an average of 5.08% between January 1 and June 30, 2004 and 8.12% between July 1 and December 31,

2004, while the average foreign exchange GWM was maintained at 3.01%. The average Net Reserve Position in 2004 was long at 2.44%.

We remain consistently one of the leading foreign transaction players in the inter bank market and directly with customers as well. For direct transactions with customers, our market share increased from 15.18% to 17.51%. The increase of market share was achieved through aggressive market penetration and the addition of new dealers.

In order to provide alternative financing products to our customers, we entered a new phase in Treasury product development through the introduction of yield-enhanced structured products, which received a very positive response from the retail segment where we see strong potential for further growth. This was proved by the significant level of demand, despite the short offering period, for products such as Dual Currency Deposit, FX Range Deposit and other structured products.

Fixed income securities transactions in 2004 concentrated on optimizing income through reducing the volume of Recap Bonds held by the Bank in favor of loans and corporate

bonds, as well as increasing of the volume of bond trading in the secondary market. This was done to enhance yield from securities, meet liquidity requirements and lock in capital gains.

The impact was to reduce the component of Recap Bonds to 37.5% of total assets in 2004 from 49.3% in 2003, with a total of Rp32,334 billion in Recap Bonds sold. The Bank purchased Rp1.57 trillion in corporate bonds in 2004 for secondary reserves, and traded a total volume of bonds (excluding Recap Bonds) of Rp55.17 trillion. The average yield for fixed- and variable-rate Government Bonds was 12.52% and 8.25% respectively, while the average yield for Rupiah and USD corporate bonds was 12.47% and 7.05% respectively. Bank Mandiri was acknowledged by the Surabaya Stock Exchange as “the most active Bank in Government Bonds Trading” for 2004.

Bank Mandiri set up two new dealing rooms for treasury transaction services in Surabaya and Medan, known as Regional Treasury Marketing (RTM), in order to extend our market penetration, support the treasury business and serve customers more efficiently. These offices offer foreign exchange transaction services and other related products at the same price and service level as provided by head office.

Bank Mandiri's expansion in the markets for foreign exchange, fixed income and derivatives has been reinforced through the adoption of New Treasury Solution infrastructure through the OPICS system to integrate the middle and back office functions. The new system consolidates recording, reporting, and control for treasury transactions.

Bank Mandiri maintains a correspondence network with 1,275 correspondence banks around the globe to support international business transactions. In 2004, Bank Mandiri established 42 new collaborations with correspondence banks for various products including Trade Services, Trade Finance, Remittances, and Collections.

Bank Mandiri has also assigned a liaison officer at Al Rajhi BIC in Riyadh to facilitate increased levels of remittances by Indonesian workers in Saudi Arabia.

For capital market services, Bank Mandiri completed the expansion of the Receiving Bank product & service, implemented Technical Support Sub Custody in the Kemayoran Branch and developed Mutual Fund Administration System and Disaster Recovery Plan for Custodian Systems. As of December 31, 2004, Bank Mandiri was managing Rp51,351 billion and USD 221.4 million through custodian services, with trustee services accounting for Rp9,703.5 billion and USD100 million.

#### Focus for 2005

Bank Mandiri will continue to aggressively expand in 2005, offering a wider array of Treasury products and broadening the scope of the market through the retail and corporate sectors in which we have long experience. This will depend on strengthening the existing supporting systems to accommodate the full range of product features. In fulfilling a wider variety of customer needs, we expect to deepen customer relationships over the long term.

Bank Mandiri will be more aggressive in executing trading for fixed income securities, both government and corporate bonds, by tapping into Consumer Banking customers and institutional investors willing to trade with a minimum amount of Rp250 million. As Bank Mandiri is one of the pioneers of the Indonesian General Master Repo Agreement, which will be implemented in February 2005, we expect as well to be more active in Repo transactions.

To strengthen the Bank's funding structure, especially for foreign exchange and to refinance foreign debt maturing in 2005, Bank Mandiri plans to issue 5- to 10-year Senior Debt in the international market. The 10-year alternative, in addition to anticipating and managing the maturity profile of the Bank's loans, is expected to be a landmark for 10-year bonds issued by Indonesian corporates.

The Bank will introduce Consumer Banking Treasury (CBT) in 2005 to provide better facilities for treasury transactions for retail customers. The Dealing Room CBT will directly service retail transactions in a focused manner, supported by experienced dealers.



Bank Mandiri will also set up an additional Regional Treasury Marketing office in Bandung to expand and enhance service provision in a city with significant potential for foreign exchange transactions.

In 2004, Bank Mandiri instituted a program to standardize the foreign branches' banking systems, which will be implemented through 2006. The objective is to increase transaction flows between the Bank's foreign branches. In 2005, the new system is expected to be installed in the Singapore, Bank Mandiri Europe, London and Dili branches. The new system is expected to enhance the service quality provided by the bank's foreign branches in line with international standards of service.

The directorate will also implement Central Liabilities System (CLS) to monitor the exposure to correspondence banks and provide reciprocity management reports in a timely manner. With CLS, Bank Mandiri will be able to monitor limit usage to customers and correspondent banks through consolidation of accurate data from each business unit on the levels of limit utilization.

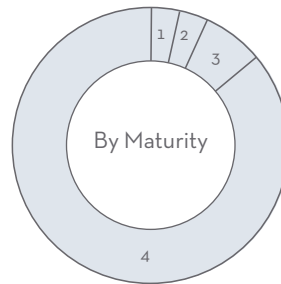
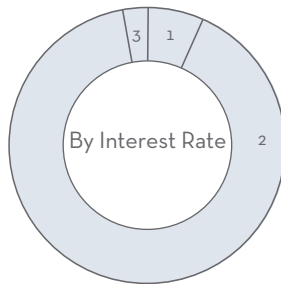
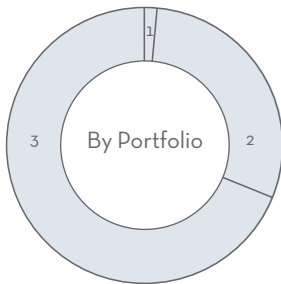
To enhance competitiveness in capital market services, Bank Mandiri will complete its Custodian System Enhancement Project to provide online reporting services to customers.

In 2005 Bank Mandiri will also seek the approval of Bank Indonesia and the China Banking Regulatory Commission (CBRC) to upgrade the status of its Shanghai representative office to a Branch office, to take advantage of the increase in business opportunities between Indonesia and China.

The Bank will retain its status as a custodian bank for the Jakarta Central Custodian Exchange (KSEI) at the Jakarta Stock Exchange (BEJ) for the period 2005 - 2009 in order to maintain third-party funds in the Indonesian capital market.

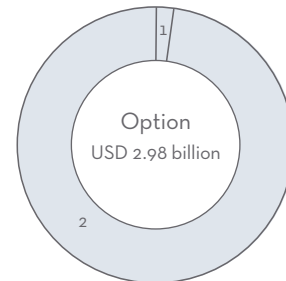
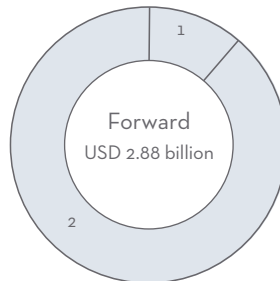
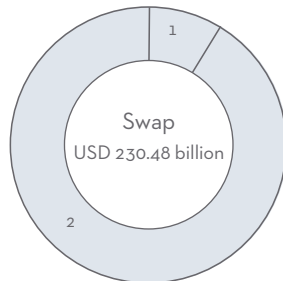
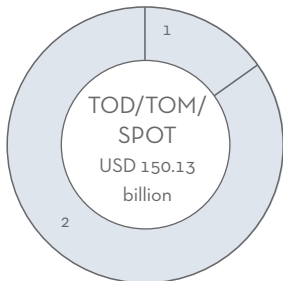
Government Bonds

<ul style="list-style-type: none"> <li>1. Trading (1.7%)</li> <li>2. Available for Sale (29.6%)</li> <li>3. Held to Maturity (68.7%)</li> </ul>	<ul style="list-style-type: none"> <li>1. Fixed Rate (6.5%)</li> <li>2. Variable Rate (90.5%)</li> <li>3. Hedge Bonds (3.0%)</li> </ul>	<ul style="list-style-type: none"> <li>1. Less Than One Year (3.0%)</li> <li>2. 1-5 Years (3.2%)</li> <li>3. 5-10 Years (6.6%)</li> <li>4. More than 10 Years (87.2%)</li> </ul>
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Bank Mandiri Share in Treasury Transactions in 2004

<p><b>1. Foreign Exchange</b></p> <ul style="list-style-type: none"> <li>1. Bank Mandiri Market Share (14.78%)</li> <li>2. Other Banks (85.22%)</li> </ul>	<ul style="list-style-type: none"> <li>1. Bank Mandiri Market Share (6.96%)</li> <li>2. Other Banks (93.04%)</li> </ul>	<ul style="list-style-type: none"> <li>1. Bank Mandiri Market Share (11.3%)</li> <li>2. Other Banks (88.7%)</li> </ul>	<ul style="list-style-type: none"> <li>1. Bank Mandiri Market Share (0.94%)</li> <li>2. Other Banks (99.06%)</li> </ul>
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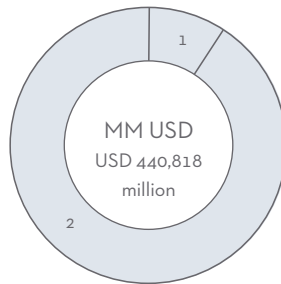
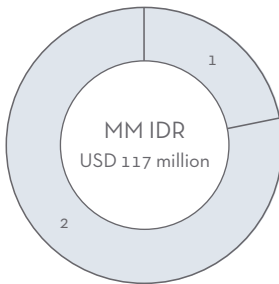


\*) Source: Bank Mandiri and Money Market Information Center (PIPU)

**2. Money Market**

- 1. Bank Mandiri Market Share (19.39%)
- 2. Other Banks (80.61%)

- 1. Bank Mandiri Market Share (9.98%)
- 2. Other Banks (90.2%)

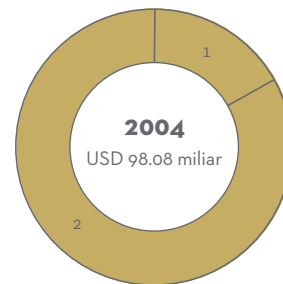
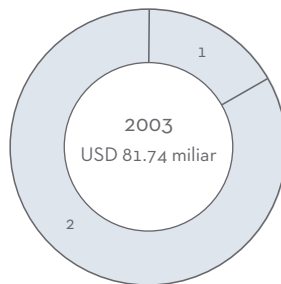
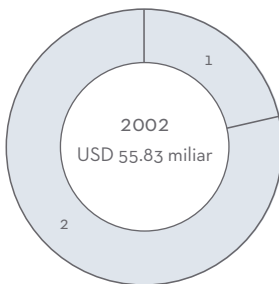


**3. Volume & Market Share for Customer FX Transactions\*)**

- 1. Bank Mandiri Market Share (20.38%)
- 2. Other Banks (79.62%)

- 1. Bank Mandiri Market Share (15.18%)
- 2. Other Banks (84.82%)

- 1. Bank Mandiri Market Share (17.51%)
- 2. Other Banks (82.49%)



\*) Source: Bank Mandiri and Money Market Information Center (PIPU)

**Products and Services**

<p><b>FX transaction</b></p> <ul style="list-style-type: none"> <li>• Banknotes Sale/Purchase</li> <li>• Currency Forwards</li> <li>• Currency Options</li> <li>• Currency Swaps</li> <li>• Spot, Today, Tomorrow for IDR/USD and major currencies</li> <li>• Dual Currency Deposits</li> <li>• Deposito Swaps</li> <li>• FX Range Deposits</li> </ul>	<p><b>Trade Finance</b></p> <ul style="list-style-type: none"> <li>• Usance Payable At Sight (UPAS)</li> <li>• Export Usance Bills Discounting</li> <li>• Forfeiting</li> <li>• Trust Receipt</li> <li>• Buyer's Credit</li> <li>• Refinancing L/C</li> <li>• Islamic Trade Finance</li> </ul>	<p><b>Custodian Services</b></p> <ul style="list-style-type: none"> <li>• General Custody</li> <li>• Sub Registry Government Bond &amp; SBI</li> <li>• Sub Custody Euroclear</li> <li>• Local Custody for ADR/GDR</li> <li>• Mutual Fund Administration</li> <li>• Overseas Sub Custody</li> </ul>
	<p><b>Trade Services</b></p> <ul style="list-style-type: none"> <li>• Issuance L/C and Amendment</li> <li>• Advising L/C</li> <li>• Confirming L/C</li> <li>• Negotiating L/C</li> <li>• Export Bills Collections</li> <li>• Documentary Collections</li> </ul>	<p><b>Trustee Services</b></p> <ul style="list-style-type: none"> <li>• Trustee</li> <li>• Payment Agent</li> <li>• Facility/Collateral Agent</li> <li>• Escrow Agent</li> <li>• Receiving Bank</li> </ul>
<p><b>Securities</b></p> <ul style="list-style-type: none"> <li>• Asset Swaps</li> <li>• Bonds Outright Sale/Purchase</li> <li>• Collateralized Fund Facility</li> <li>• Repo &amp; Reverse Repo</li> <li>• Exchangeable Deposits</li> </ul>	<p><b>Assets Products</b></p> <ul style="list-style-type: none"> <li>• Call Loan</li> <li>• Syndicated Loan</li> <li>• Investment Loan</li> <li>• Working Capital Loan</li> <li>• Two-Step Loans</li> <li>• Ship Scraping Business</li> <li>• Bill Acceptance Financing</li> <li>• Renegotiating Export Drafts</li> <li>• GSM 102 Program</li> </ul>	<p><b>Other Services</b></p> <ul style="list-style-type: none"> <li>• Bank Guarantee</li> <li>• International Remittance</li> <li>• International Collection</li> <li>• Vostro Account</li> <li>• Interbank Risk Participation</li> <li>• Mandiri Transfer Indonesia</li> <li>• Financial Advisory</li> <li>• Bank Reference</li> <li>• Payment Bank KSEI</li> <li>• Intra day Facilities</li> </ul>
<p><b>Money Market</b></p> <ul style="list-style-type: none"> <li>• Interest Rate Swaps</li> <li>• SBI Auctions &amp; Repo</li> </ul>	<p><b>Liabilities Products</b></p> <ul style="list-style-type: none"> <li>• Demand Deposits</li> <li>• Time Deposits</li> <li>• Certificates of Deposit</li> </ul>	

# Credit Recovery

The Credit Recovery Group at Bank Mandiri undertakes credit restructuring of non-performing loans to minimize potential losses and maximize potential recoveries. These restructuring efforts are based upon careful analysis and supported by a timely decision-making process to improve the collectibility of these non-performing loans. In addition, the Credit Recovery Group recovers funds from previously written-off loans.

In order to achieve these objectives, we focused on the following activities in 2004:

1. Accelerating the restructuring process for non-performing loans based upon appropriate restructuring schemes
2. Monitoring, collections from and assistance for borrowers post-restructuring
3. Intensive recovery efforts for previously written-off loans
4. Recovery of Rp 1,076 billion from previously written-off loans
5. Write-off of a total of Rp 1,774 billion of loans

Thus the breakdown of non-performing loans as at the end of 2004 was as follows:

Corporate banking:	Rp 3,781 billion
Commercial banking:	Rp 2,552 billion
Consumer banking:	Rp 242 billion

## Focus 2005

In 2005, Credit Recovery will focus not strictly on the stock of NPLs, but will also initiate an early detection program for identifying potential problem loans. The objective of this strategy is for credit restructuring to take place before problems become structural issues. In doing so, we should be able to minimize future losses by the Bank in an effective manner.

Bank Mandiri has already implemented an Early Warning System (EWS) through which we are able to detect and address problems faced by borrowers earlier and facilitate the restructuring program before the credit facility becomes non-performing.

To improve the group performance, the focus in 2005 will be:

1. Manage Category 2 loans ("Special Mention") through the further implementation of the Early Warning System in collaboration with the business units.
2. Accelerate credit restructuring for Category 3 loans, emphasizing the appropriate restructuring schemes.
3. Continue sustained monitoring efforts for borrowers that have gone through the restructuring process
4. Further enhance recoveries from previously written-off loans in a pro-active manner.

# Shareholder Information

## Annual General Meeting of Shareholders in 2004

Wednesday, May 5, 2004, with the following agenda:

1. To approve the company's annual financial report as of December 31, 2003.
2. To approve the usage of the company's net profit for the year ended on December 31, 2003.
3. To appoint a public accounting firm to audit the company's financial report for the year ended on December 31, 2004.
4. To determine salary, bonus, facilities and other allowances for members of the Boards of Directors and Commissioners.
5. To approve the resignation of Mr. Mohammad Syahril as a member of the Board of Commissioners and the appointment of his replacement.
6. Others:
  - a) To report on the progress of collections of previously written-off loans as stipulated during the September 29, 2003 EGM.
  - b) To report on the membership of the Audit Committee.

## Dividend Payment

Based on the decision of the Board of Directors' meeting on November 1, 2004 and the approval of the Task Force on Government Guarantee Program (Unit Pelaksana Penjaminan Pemerintah or UP3) of the Ministry of Finance dated November 12, 2004, Bank Mandiri paid an interim dividend of Rp60/share for the fiscal year of 2004 with the following timetable:

### Cum dividend

- Regular and Negotiation Market : December 16, 2004
- Cash Market : December 21, 2004

### Ex-dividend

- Regular and Negotiation Market : December 17, 2004
- Cash Market : December 22, 2004

Dates for Shareholders Eligible for Interim Dividend:

Recording date : December 21, 2004

Payment date of Interim Cash

Dividends FY 2004 : December 30, 2004

## Agenda for the Annual General Meeting of Shareholders 2005

- a. To approve the company's annual financial report as of December 31, 2004 and annual report of Partnership Program for Cooperative & Rural Community Development for the year ended December 31, 2004.
- b. To approve the usage of the company's net profit for the year ended December 31, 2004.
- c. To appoint a public accounting firm to audit the company's financial report for the year ended December 31, 2005 and annual report of Partnership Program for Cooperative & Rural Community Development for the year ended December 31, 2005.
- d. To determine salary, bonus, facilities and other allowances for members of the Board of Directors and Commissioners.
- e. To decide implementation on Employee Stock Option Plan (ESOP) and Management Stock Option Plan (MSOP) Phase II and III
- f. To add/change members of the Board of Directors and Commissioners.

## Background on Listing and Additional Shares

During the government's divestment through an Initial Public Offering (IPO) on July 14, 2003, the total shares issued by Bank Mandiri were 20,000,000 shares, of which 19,800,000,000 shares were listed on the Jakarta Stock Exchange (JSX) and Surabaya Stock Exchange (SSX).

With the implementation of the Management Stock Ownership Plan (MSOP), conducted through the issuance of new shares as agreed during May 29, 2003 EGM, Bank Mandiri had pre-listed 1,000,000,000 stock options as approved by JSX based on its decree No.S-1065/BEJ.PSJJ/P/07-2004 dated July 13, 2004 and SSX based on its decree No.JKT-023/LIST-EMITEN/BES/VII/2004 dated July 13, 2004.

As of December 31, 2004, a total of 132,854,872 shares new shares had been converted from stock options, raising the total shares issued by the Company to 20,132,854,872 shares.

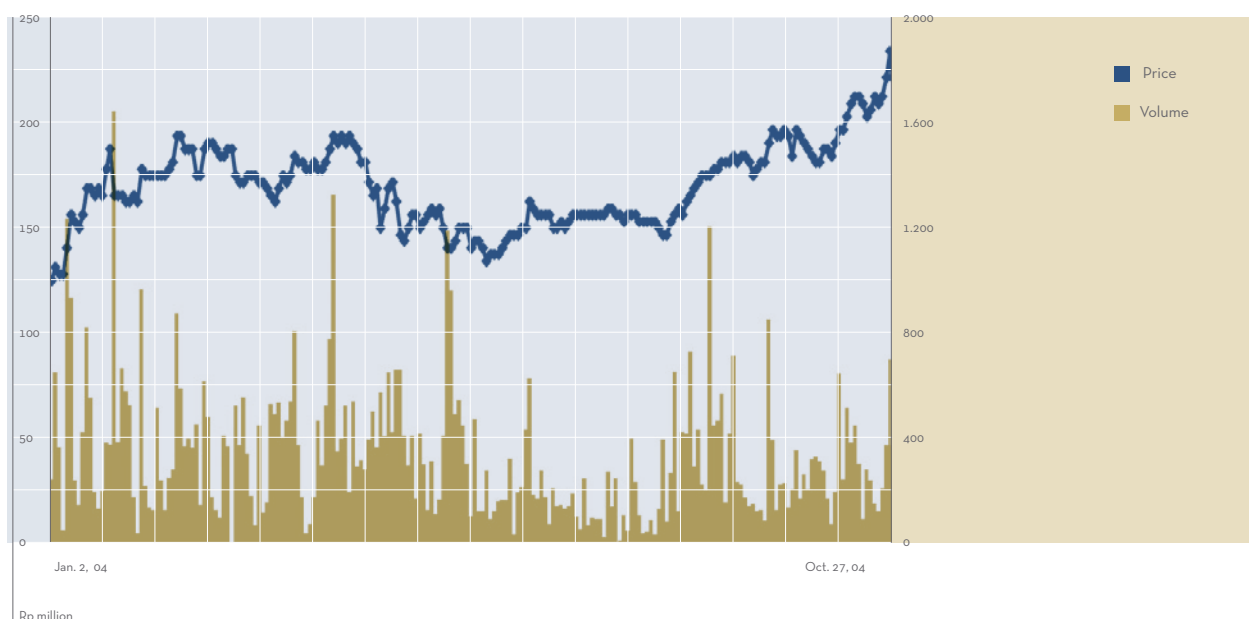
## Shareholder Information

### List of Shareholders as of December 31, 2004

Name	Shareholders	Number of Shares (units)	%
<b>Domestic Investors</b>			
1. Government of the Republic of Indonesia	1	14,000,000,000	69.5%
2. Retail Investors	8,056	284,069,000	1.4%
3. Employees	17,406	223,179,872	1.1%
4. Pension Funds	61	32,874,500	0.2%
5. Insurance Companies	17	35,432,000	0.2%
6. Corporations	147	148,648,146	0.7%
7. Mutual Funds	30	39,192,500	0.2%
<b>Total</b>	<b>25,718</b>	<b>14,763,396,018</b>	<b>73.3%</b>
<b>Foreign Investors</b>			
1. Individuals	48	5,660,500	0.0%
2. Institutions	385	5,363,798,354	26.6%
<b>Total</b>	<b>433</b>	<b>5,369,458,854</b>	<b>26.7%</b>
<b>Total</b>	<b>26,151</b>	<b>20,132,854,872</b>	<b>100.00%</b>

### Monthly Share Price in 2004

Period	Highest	Lowest	Closing	Volume
January	1,500	975	1,300	1,262,761,000
February	1,575	1,225	1,400	817,949,000
March	1,550	1,250	1,400	876,835,000
April	1,550	1,325	1,450	1,066,318,500
May	1,450	1,125	1,250	918,519,500
June	1,275	1,050	1,175	842,276,000
July	1,300	1,150	1,250	466,896,000
August	1,300	1,150	1,250	466,537,500
September	1,475	1,250	1,450	915,455,500
October	1,600	1,425	1,575	709,922,000
November	1,950	1,575	1,825	771,296,500
December	2,000	1,750	1,925	853,312,000



**Information on Share Listing and Trading**

**Jakarta Stock Exchange**

Gedung Bursa Efek  
 Jakarta, Lt.4  
 Jl. Jend. Sudirman  
 Kav. 52-53  
 Jakarta 12190, Indonesia  
 Tel. 62.21.515 0515  
 Fax. 62.21.515 0550  
 www.jsx.co.id

**Surabaya Stock Exchange  
 Head Office:**

Gedung Medan Pemuda, Lt. 5  
 Jl. Pemuda No. 27-31  
 Surabaya 60271, Indonesia  
 Tel. 62.31.534 0888  
 Fax. 62.31.534 2888

**Operations Office:**  
 Plaza Bapindo Building,  
 Mandiri Tower 20<sup>th</sup> & 23<sup>rd</sup> Fl.,  
 Jl. Jend. Sudirman Kav. 54-55  
 Jakarta 12190, Indonesia  
 Tel. 62.21.52 66210  
 Fax. 62.21.526 6219  
 www.bes.co.id

**Share Registrar**  
 Datindo Entrycom  
 Wisma Diners Club Annex  
 Jl. Jend. Sudirman Kav. 34-35  
 Jakarta 10220, Indonesia  
 Telephone 61.21.570 9009  
 Facsimile 62.21.526 6702  
 www.datindo.com

**Registered Public  
 Accountant**  
**Ernst & Young, Prasetyo,  
 Sarwoko & Sandjaja**  
 Menara I Gedung Bursa  
 Efek Jakarta, Lt. 13  
 Jl. Jend. Sudirman Kav. 52-53  
 Jakarta 12190, Indonesia  
 Tel. 62.21.5289 5000  
 Fax. 62.21.5289 5555  
 www.ey.com

**Investor Information  
 Corporate Secretary:**  
 Nimrod Sitorus  
 Director and SEVP  
 Tel. 62.21.524 5649  
 Fax. 62.21.526 8229

**Investor Relations:**  
 Jonathan Zax  
 Group Head  
 Investor Relations  
 Tel. 62.21.526 3817  
 Fax. 62.21.5290 4249  
 ir@bankmandiri.co.id



# A Rich Heritage

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

Bank Dagang Negara was one of the oldest banks in Indonesia. It was originally known as Nederlandsch Indische Escompto Maatschappij in 1857, when it was founded in Batavia, now known as Jakarta. In 1949 the name was changed to Escomptobank NV. In 1960 Escomptobank was nationalized and had its name changed again, to Bank Dagang Negara, a state-owned bank that focused on the industry and mining sectors.

Bank Bumi Daya was established as a result of a series of events starting in 1959 with the nationalization of a Dutch company, De Nationale Handelsbank NV, which operated under the name of Bank Umum Negara. In 1964, Chartered Bank (formerly a British Bank) was also nationalized, and Bank Umum Negara was given the right to continue its banking business. In 1965, Bank Umum Negara was brought under the umbrella of Bank Negara Indonesia and became known as Bank Negara Indonesia Unit IV. In 1968, BNI Unit IV was spun off from Bank Negara Indonesia as Bank Bumi Daya, an independent state-owned bank.

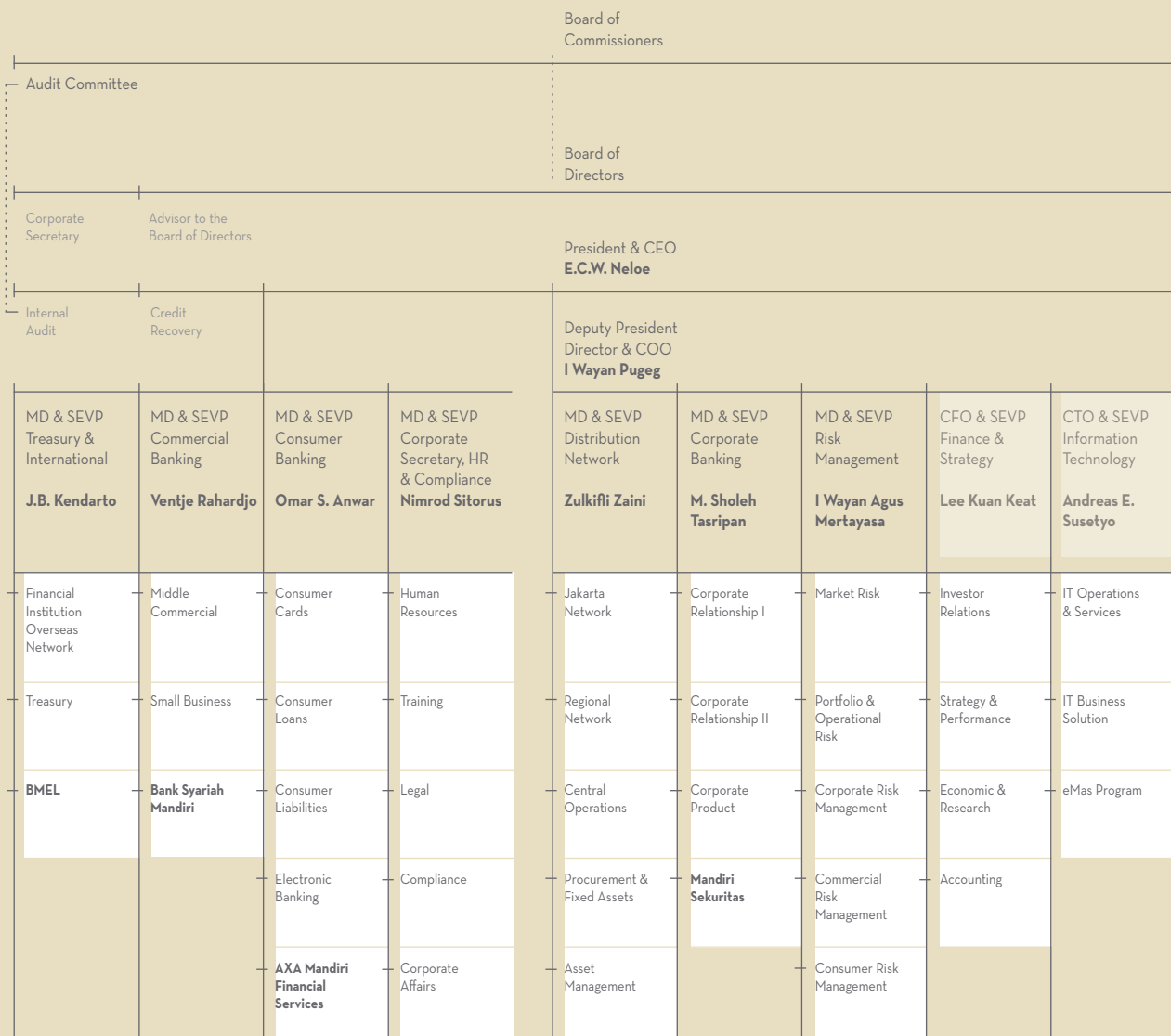
Bank Ekspor Impor Indonesia's (BankExim) roots can be traced back to Dutch trading company N.V. Nederlandsche Handels Maatschappij, which was established in 1824, and expanded its business into the banking sector in 1870. The Government of Indonesia nationalized this company in 1960, and in 1965 it was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

Bank Pembangunan Indonesia's (Bapindo) predecessor Bank Industri Negara (BIN) was established in 1951. Bank Industri Negara's mission was to support the development of specific economic sectors, particularly plantations, industry and

mining. Bapindo was established as a state-owned bank in 1960 and BIN was then merged into it. In 1970 Bapindo was assigned by the government to support national development through offering medium and long-term financing to the manufacturing, transportation and tourism sectors.

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

# Organizational Structure



Risk and Capital Committee

Information Technology Committee

Personnel Policy Committee

# Corporate Social Responsibility

Bank Mandiri strives to contribute toward community welfare and empowerment through a variety of Corporate Social Responsibility programs including:

- Mandiri Peduli Pendidikan (Mandiri Cares for Education)
- Mandiri Peduli Olah Raga (Mandiri Cares for Sports)
- Mandiri Peduli Kesehatan (Mandiri Cares for Public Health)
- Mandiri Peduli Lingkungan (Mandiri Cares for the Environment)
- Mandiri Peduli Budaya (Mandiri Cares for Culture)
- Mandiri Peduli Usaha Kecil (Mandiri Cares for Small Business)

## Mandiri Cares for Education

### Scholarships

- Awarded one-year public school scholarships (Elementary, Junior and Senior High School) to 2,300 students in 102 schools nationwide, consisting of 39 schools in Jakarta and 63 in areas outside of Jakarta. The program was launched in May 2004 by the Minister of Education, Republic of Indonesia.
- Awarded one-year scholarships to 96 high-performing students with demonstrated concern for social well-being and the environment in 12 locations: Banjarmasin, Mataram, Ambon, Manado, Medan, Ternate, Kupang, Banda Aceh, Makasar, Palu, Palembang and Jakarta (in collaboration with Yayasan Nurani Dunia).
- Provided scholarship to students under the KPD Program of Banten Province.
- Provided scholarships to 30 ITB students.
- Provided scholarships to 90 children from Yayasan Nurul Iman.

### Science

- Provided introductory courses on banking and personal finance taught by the Bank's staff in the 102 schools receiving the Bank's scholarships.
- Through Program Anak Mandiri (Mandiri Childrens Program), we shared life skill knowledge through edutainment workshops on the multimedia world, entertainment and entrepreneurship to senior high schools and universities in 20 schools in Jakarta and 15 schools in Yogyakarta. The main event was held on October 9 and 10 at Klub Rasuna Jakarta and December 19 in Yogyakarta.
- Admitted 495 interns from university and high schools in the head office and branches.

## School Equipment

- Provided 102 computers to the 102 schools receiving the Bank's scholarships.
- Provided AS/400 Main Frame ex legacy to 6 universities: UI, ITB, ITS, UGM, USU, Unhas.
- Distributed notebooks to support an anti-drug campaign, which were sent to the 102 schools receiving scholarships.
- Provided tables, chairs and sports equipments to schools in Purwakarta, Bekasi, Depok, Sukabumi, and others.

## Renovated damaged schools including:

Name of Schools	Branch
SMP 1, Serang	Serang
SD Negeri Cisarua IV, Purwakarta	Purwakarta
SD Negeri 02 Tonjong, Bogor	Bogor
SD Sumberbening V, Malang	Malang
SD Pringgodani V, Malang	Malang
SDN Inpres 4 Tolli Banggai, Luwuk Sulawesi Tengah	Luwuk
YP3TN-YP-AI Muawanah, Bogor	Bogor Juanda
TPA Syubanul Jombang	Surabaya
MI dan MTS di Panti Asuhan Albarkah Dumai	Dumai
SD Thomas Aquinos Mando	Menado
TK Al Barokah Depok	Depok
SLTP Darma Asih Cikarang	Bekasi
SDN Polisi 1 Kota Bogor	Bogor Juanda
SDN Pamaruyun 1 Sukabumi	Sukabumi
SDN Kayuringin Jaya V, Bekasi	Bekasi
SDN 408 Genengwaru, Pasuruan	Pasuruan
SDN Bantur Malang	Malang
SD No. 174559 Porsea	Pematang Siantar
SD No. 173633 Porsea	Pematang Siantar
Madrasah Nurul Falah	Bogor

### Mandiri Cares for Sports

- Liga Bank Mandiri (Bank Mandiri's League)—sponsored the Indonesian national soccer league—one of the most popular national sports. Each league season lasts for 8 months.
- Sponsored a chess competition called Gelegar Catur.
- Thomas Uber Cup—sponsored the Thomas Uber Cup, a major International Badminton championship.
- Established Jawa-Bali Athletics Competition in collaboration with the Indonesian Athletic Union (Persatuan Atletik Seluruh Indonesia or PASI) to recruit future athletes.
- Sponsored the 2004 National Sports Week or Pekan Olahraga Nasional (PON XVI) in Palembang.
- Supported the Indonesian Fencing Association, or IKASI, in Sumatera by providing fencing equipment.
- Sponsored the Central Java IKASI team for a tournament in Thailand.

### Mandiri Cares for Health

- Donated one Mobile Unit for Mammography Screening (pre-detection device for breast cancer) to the Jakarta Breast Cancer Foundation.
- Donated an ambulance to Islam Hospital in Klaten.
- Built 3 supporting public health centers in Makasar.
- Provided free medication for poor families in collaboration with local NGOs.
- Conducted a mass cataract surgery for the underprivileged community in collaboration with Perdami at RSCM on September 18 2004.
- Promoted TBC eradication in collaboration with PPTI.
- Provided medical support for the underprivileged community to continue their hospital stays.

### Mandiri Cares for the Environment

Provided assistance to victims of natural disasters including:

- Natural disaster in Lawang Mountain—Sumatera Utara
- Earthquake—Padang
- Dengue victims, by donating bed sheets and pillows to two hospitals in Jakarta
- Landslide in Gunung Bawakaraeng - Makasar
- Forest Fire in Pasar Pariaman - Padang
- Fire in Tambora sub-district
- Landslide in Ciwalahir - Bandung
- Donation for Gunung Awu's refugees
- Forest fire in Simaresmi village - Sukabumi
- Flood and Malaria in Riau
- Natural disaster in Alor, East Nusa Tenggara

- Natural disaster in Nabire, Papua
- Earthquake and Tsunami in Aceh and North Sumatra

Supported security and environmental development

- Donated a Patrol Ship to secure Semangka Strait—Lampung
- Assisted a reforestation campaign in Yogyakarta (Mount Merapi, Kulon Progo, Gunung Kidul).

Supported renovations for the places of worship:

- Nurul Falah Mosque at Dermaga, Pasar Bogor
- Muslimah Center Yayasan Daarut Tauhid—Bandung
- At Tauhid Mosque—Demangan—Yogyakarta
- Donated 10,000 basic food packages nationwide during Idul Fitri 1425 H.

### Mandiri Cares for Culture

- Sponsored the Y2K to join the 3rd Choir Olympics in Germany and earned second place.
- Jaya Suprana's solo concert
- Historical Museum of Jakarta Batavia
- Auction and exhibition of Bung Karno's (first president) paintings
- Asia Pacific Children Theater Festival
- Yayasan Harumanada's Painting Exhibition
- Siti Nurhaliza's concert

### Mandiri Cares for Small Business

- Invited SME customers to a series of domestic trade & craft exhibitions such as PPEI, Inacraft etc.
- Invited SME customers to trade shows in Singapore and Malaysia.
- Training/Education at LPB Yogyakarta.
- TV program on "Our house: from nothing to something".
- Training for the Cooperative Unit of the Jakarta government.
- Training and education on entrepreneurships for the visually impaired community.
- Training for BMT (Baitul Maal wat Tamwil), a distributor for Bank Mandiri's small business partnership program.
- Provided financial assistance to potential pioneers in micro, small and medium-scale entrepreneurs.

# Management

## Board of Commissioners

Binhadi	Chairman
Markus Parmadi	Deputy Chairman & Independent Commissioner
Darmin Nasution	Commissioner
Arie Soelendro	Commissioner
Fransiska Oei	Commissioner
A. Tony Prasetyantono	Independent Commissioner
Riswinandi	Independent Commissioner

## Board of Directors

E. C. W. Neloe	President Director & CEO
I Wayan Pugeg	Deputy President Director & COO
I Wayan Agus Mertayasa	Managing Director & SEVP, Risk Management
M. Sholeh Tasripan	Managing Director & SEVP, Corporate Banking
Omar Sjawaldy Anwar	Managing Director & SEVP, Consumer Banking
Ventje Rahardjo	Managing Director & SEVP, Commercial Banking
Nimrod Sitorus	Managing Director & SEVP, Corporate Secretary, HR & Compliance
Johanes Bambang Kendarto	Managing Director & SEVP, Treasury & International
Zulkifli Zaini	Managing Director & SEVP, Distribution Network

## SEVPs

Lee Kuan Keat	CFO & SEVP Finance & Strategy
Andreas E. Susetyo	CTO & SEVP Information Technology

## Committees under the Board of Commissioners

### Nomination and Corporate Governance Committee

Binhadi  
Darmin Nasution  
Arie Soelendro

### Audit Committee

Markus Parmadi  
Zulkifli Djaelani  
Imam Sukarno  
Fransiska Oei  
Riswinandi

### Remuneration Committee

Darmin Nasution  
Markus Parmadi  
Fransiska Oei  
Nimrod Sitorus (*Non Voting Member*)  
Kustiawan (*Non Voting Member*)

### Risk Policy Committee

Riswinandi  
Fransiska Oei  
A. Tony Prasetyantono  
Arie Soelendro

### Secretariat & Research

A. Tony Prasetyantono  
Imam Sukarno  
Antonius  
Andus Winarno

### Advisors to the Board of Directors

Nopirin  
Clemente Escano <sup>(1)</sup>  
Martin Panggabean

### Committees under the Board of Directors

Risk and Capital Committee  
Information Technology Committee  
Personnel Policy Committee

### Group Heads

Roy A. Ilham	Internal Audit
Bambang Ari Prasodjo	Financial Institution & Overseas Network
C. Paul Tehusijarana	Treasury
Tofani Kadir	Corporate Relationship I
Abdul Rachman	Corporate Relationship II
Herry D. Pohan	Corporate Product
A. Kaduhu Sasrayuda	Middle Commercial
Sri Haryanto	Small Business
Kemal I. Santoso	Consumer Cards
Sarastri Baskoro	Consumer Loans
Kostaman Thayib	Consumer Liabilities <sup>(2)</sup>
Widhayati Darmawan	Electronic Banking
Pardi Sudradjat	Market Risk
Arry Basuseno	Portfolio & Operational Risk
Fachruddin Yasin	Corporate Risk Management
Sudirman Suwin	Commercial Risk Management
Sentot A. Sentausa	Consumer Risk Management
Alexander F.H. Roemokoy	Credit Recovery
Sasmita	Jakarta Network
Maryono	Regional Network
Honggo Widjojo	Central Operations
Marcus Soeroto Rahardjo	Deputy Central Operations
Marwan Budiarsyah	Procurement & Fixed Assets
Mudjadi	Asset Management
Kustiawan	Human Resources
I Nengah Rentaya	Deputy Human Resources
Riyani T. Bondan	Training
M. Isa	Legal
Bambang Setiawan	Compliance <sup>(3)</sup>
Koen Sardjono S.	Corporate Affairs
Raizal Munir	IT Operations & Services
Suresh Gummalam	IT Business Solutions
Mohammad Guntur	eMAS Program
Jonathan Zax	Investor Relations
Budi Sulistio	Strategy & Performance
Pahala N. Mansury	Economic & Financial Research
Hartati	Accounting

(1) Resigned in 2004

(2) Resigned in 2004 and became director in Bank Mega

(3) Promoted to PPAK in 2004

# Bank Mandiri Domestic Branch Network

No.	Office	Address	Municipal	Post Code	Phone	Fax
<b>Region I/Medan</b>		Jl. Imam Bonjol No. 7	Medan	20112	(061) 4153396, 4150600, 567985	4153273
<b>Hub Medan Imam Bonjol</b>						
1	1	KC Medan Imam Bonjol	Jl. Imam Bonjol No. 7	Medan	20112	(061) 4150600 4527365, 4155385
2	2	KCP Medan Taman Setiabudi	Ira Building, Jl. Cactus Raya No. 1	Medan	20122	(061) 800122 800121
3	3	KCP Medan Gatot Subroto	Jl. Jend. Gatot Subroto No. 139	Medan	20112	(061) 4551162 4566626
4	4	KCP Medan Tiara	Jl. Imam Bonjol No. 28-30	Medan	20152	(061) 4519666, 4518477 4538471
5	5	KCP Medan Zainul Arifin	Jl. Imam Bonjol No. 16 D	Medan	20112	(061) 4538555 45338383
6	6	KCP Medan Kirana	Jl. Kirana Raya No. 40-42	Medan	20112	(061) 4157555 4155269
7	7	KCP Kabanjahe	Jl. Veteran No.23, Kabanjahe	Tanah Karo	20303	(0628) 323977 20087
8	8	KK Medan Dharma Agung	Jl. Batam No. 21	Medan	20153	(061) 4529059 4526613
9	9	KK Medan PLN Region II	Jl. Yos Sudarso No. 284	Medan	20112	(061) 6617848 6613930
10	10	KK Medan Pertamina	Jl. Kl. Yos Sudarso No. 8-10	Medan	20112	(061) 4552406 4552406
11	11	KC Pangkalan Brandan	Komplek Pertamina Sumbagut	Pangkalan Brandan	20857	(0620) 21000, 21490 20190
12	12	KK Stabat	Jl. Kh Zainul Arifin No. 32, Stabat	Langkat	20811	(061) 8910691, 8912239 8912240
13	13	KC Banda Aceh	Jl. Teuku H. Daud Beureuh No. 15 H	Banda Aceh	23123	(0651) 23981 25455
14	14	KK Banda Aceh Unsyiah Darussalam	Gedung Aac Prof. Dr. Dayan Dawood, Universitas Syah Kuala, Jl. Teuku Nyak Arief Kampus Unsyiah Darussalam	Banda Aceh	23111	(0651) 51809 51809
15	15	KK Banda Aceh Cut Meutia	Jl. Cut Meutia No. 2	Banda Aceh	23242	(0651) 23370, 23381, 23686 23575
16	16	KC Lhokseumawe Merdeka	Jl. Merdeka No. 135 C	Lhokseumawe	24301	(0645)40082 42922
17	17	KCP Lhokseumawe Pendopo	Jl. Merdeka No. 1	Lhokseumawe	24315	(0645) 43702 43062
18	18	KK Blang Lancang	Main Office Bld. PT Arun NGL Co	Blang Lancang	24352	(0645) 654252 652711
19	19	KK Batuphat	Komplek PT Arun NGL Co.	Batuphat	24352	(0645) 653157, 653158 653971
20	20	KK Lhoksukon	Kompleks Mobil Oil Inc., Point A Landing	Lhoksukon	24381	(0645) 393119, 393120 393177
21	21	KC Langsa	Jl. Jend. Ahmad Yani No. 20	Langsa	24416	(0641) 21023 21212
22	22	KCP Kuala Simpang	Jl. Cut Nyak Dhien No. 21 A, Kuala Simpang	Aceh Tamiang	24475	(0641) 31000, 333155 333499
<b>Hub Medan Balaikota</b>						
23	1	KC Medan Balaikota	Jl. Balaikota No. 8-10	Medan	20111	(061) 4524900 41552209, 4577691
24	2	KCP Medan Gunung Krakatau	Jl. Gunung Krakatau No. 7 G-H	Medan	20239	(061) 6619000, 6629000 6619540
25	3	KCP Medan Asia	Jl. Asia No. 97 C-D	Medan	20214	(061) 7368798 7361897
26	4	KCP Medan Willem Iskandar	Jl. Willem Iskandar No. 120-121	Medan	20222	(061) 7359125, 7359925 7358219
27	5	KCP Medan Lapangan Merdeka	Jl. Balaikota No. 12-14	Medan	20111	(061) 4538122 45385666
28	6	KCP Medan Pusat Pasar	Jl. Pusat Pasar No. 94-95	Medan	20212	(061) 4531164 4517644
29	7	KCP Medan Ahmad Yani	Jl. Jend. Ahmad Yani No. 109	Medan	20111	(061) 4536800 4512459
30	8	KCP Medan Belawan	Jl. Pelabuhan II Kotak Pos 15	Belawan	20411	(061) 6941152 6941733
31	9	KCP Medan Pulo Brayon	Jl. Yos Sudarso Blok A No.1a, Pulo Brayon	Medan	20116	(061) 6610033 611100
32	10	KCP Medan Kim	Wisma Kawasan Industri Medan, Jl. Pulau Batam No. 1	Medan	20242	(061) 6871050, 6871030 6871049
33	11	KCP Binjai	Jl. Jend. Sudirman No. 397	Binjai	20711	(061) 8826000 8828064
34	12	KCP Medan Jalan Cirebon	Jl. Cirebon No. 97-99	Medan	20212	(061) 4567162, 4157547 4157246
35	13	KK Medan Universitas Sumatera Utara	Jl. Universitas, Gelanggang Mahasiswa USU, Kampus USU	Medan	20155	(061) 8200361, 8210548 8210548
36	14	KK Medan M. Yamin	Jl. Prof. H.M. Yamin, SH No.17 G, H, I	Medan	20234	(061) 4532609, 4532111, 4532262 4537282
37	15	KC Tebing Tinggi	Jl. Dr. Sutomo No. 17	Tebing Tinggi	20633	(0621) 21723 21093
<b>Hub Pematangsiantar</b>						
38	1	KC Pematangsiantar Sudirman	Jl. Jend. Sudirman No. 14	Pematangsiantar	21117	(0622) 22035 23211
39	2	KCP Pematangsiantar Sutomo	Jl. Sutomo No. 16	Pematangsiantar	21115	(0622) 21540, 21211 23446
40	3	KK Bah Jambi	Mess Kecil Komplek Kantor Direksi PTPN IV, Bah Jambi	Simalungun	21182	(0622) 563110 563143
41	4	KK Balige	Jl. Patuan Nagari No.10	Balige	22313	(0632) 322431 322432

## Bank Mandiri Domestic Branch Network

No.	Office	Address	Municipal	Post Code	Phone	Fax
42	5 KC	Padang Sidempuan	Jl. Sudirman No. 30-32	Padang Sidempuan	22718	(0634) 21032 21238
43	6 KK	Panyabungan	Jl. Willem Iskandar No. 105, Panyabungan	Mandailing Natal	22913	(0636) 20925 20926
44	7 KC	Sibolga	Jl. Brigjend. Katamso No. 43	Sibolga	22522	(0631) 21376, 21591 22313
45	8 KC	Rantau Prapat Ahmad Yani	Jl. Jend. Ahmad Yani No. 2	Rantau Prapat	21415	(0624) 21434 21091
46	9 KCP	Rantau Prapat M. Lubis	Jl. Letkol. Martinus Lubis 11	Rantau Prapat	21412	(0624) 21712 21713
47	10 KK	Kota Pinang	Jl. Bukit No.6, Kota Pinang	Rantau Prapat	21464	(0624) 496351 496431
48	11 KC	Kisaran	Jl. Cokroaminoto No. 65	Kisaran	21215	(0623) 41855, 41375 41857
49	12 KCP	Tanjung Balai	Jl. Teuku Umar No. 48-54	Tanjung Balai	21312	(0623) 93137 597142
<b>Hub Pekanbaru</b>						
50	1 KC	Pekanbaru Sudirman Bawah	Jl. Jend. Sudirman No. 140	Pekanbaru	28113	(0761) 31786, 32881, 32403, 32223 28683, 33500, 46920
51	2 KCP	Pekanbaru Nangka	Jl. Tuanku Tambusai No. 301	Pekanbaru	28282	(0761) 571610, 572517 572623, 572618
52	3 KCP	Pekanbaru Ahmad Yani	Jl. Jend. Ahmad Yani No. 85	Pekanbaru	28115	(0761) 24888 38003
53	4 KCP	Ujungbatu	Jl. Jend. Sudirman No.15	Ujungbatu	28454	(0762) 61147, 61636, 61620 61148
54	5 KCP	Pekanbaru Sudirman Atas	Jl. Jend. Sudirman No. 452	Pekanbaru	28115	(0761) 31021-5, 21464 36383
55	6 KCP	Siak Perawang	Jl. Raya Perawang Kilometer 5	Siak	28772	(0761) 693426 693468
56	7 KCP	Pangkalan Kerinci	Jl. Raya Lintas Timur	Pangkalan Kerinci	28381	(0761) 493696, 493906 493719
57	8 KCP	Pekanbaru Jalan Riau	Jl. Riau No. 12 D-E	Pekanbaru	28292	(0761) 859381, 859580, 859581 47764
58	9 KK	Pekanbaru Rumbai	Kompleks PT Caltex Pasific Indonesia, Rumbai, Pekanbaru	Pekanbaru	28271	(0761) 592190 594398
59	10 KK	Pekanbaru Minas	Main Office PT Caltex Pasific Indonesia, Minas, Pekanbaru	Pekanbaru	28885	(0761) 993894, 993895 43177
60	11 KC	Dumai Sudirman	Jl. Jend. Sudirman No. 133 A	Dumai	28812	(0765) 31088 31097
61	12 KCP	Dumai Syarif Kasim	Jl. Sultan Syarif Kasim No. 99	Dumai	28812	(0765) 32203-4 32302
62	13 KCP	Baganbatu	Jl. Jend. Sudirman No. 219, Bagan Sinembah	Bengkalis	28992	(0765) 51093, 51091 51092
63	14 KCP	Bengkalis	Jl. Ahmad Yani	Bengkalis	28712	(0766) 22771-2 22773
64	15 KK	Pertamina Sungai Pakning	Kompleks Pertamina, Sungai Pakning, Jl. Cendana, Sungai Pakning	Dumai	28700	(0766) 91220 - 22 Ext. 4269 391777
65	16 KC	Duri	Jl. Hangtuah No.289-292	Duri	28884	(0765) 91170 91137
66	17 KK	Caltex Duri	Kompleks PT Caltex Pasific Indonesia, Duri	Duri	28884	(0765) 996156 995500
67	18 KK	Duri Sudirman	Jl. Jend. Sudirman Kav. 109	Duri	28884	(0765) 598795, 598791 598796
68	19 KC	Rengat	Jl. Jend. M.t. Haryono No. 11	Rengat	29319	(0769) 21383 21382
69	20 KCP	Air Molek	Jl. Jend. Sudirman No. 190-192	Air Molek	29352	(0769) 41075 41074
<b>Hub Batam</b>						
70	1 KC	Batam Imam Bonjol	Jl. Imam Bonjol No. 90	Batam	29432	(0778) 454444, 458137, 458280 452606, 452607, 431740
71	2 KCP	Batam Lubuk Baja	Jl. Imam Bonjol, Lubuk Baja	Batam	29432	(0778) 458159 457830
72	3 KCP	Batam Sekupang Martadinata	Jl. R.E. Martadinata, Komp. Harapan Business Center Blok I No.1	Batam	29422	(0778) 322126 322474
73	4 KCP	Batam Nagoya	Jl. Imam Bonjol, Komp. Bumi Ayu Lestari Blok D/25-27, Nagoya	Batam	29432	(0778) 456717 457988
74	5 KCP	Batam Industrial Park	Batam Industrial Park, Jl. Rasamala No. 1	Batam	29434	(0778) 611666, 611444 611333
75	6 KCP	Batam Panbil	Kawasan Industri Panbil, Jl. Ahmad Yani	Batam	29433	(0778) 371283, 371284 371281
76	7 KK	Batam Bandara Hang Nadim	Bandara Hang Nadim	Batam	29431	(0778) 761318 761317
77	8 KK	Batam Center	Gedung Otorita Batam, Batam Center	Batam	29432	(0778) 462048, 462264 462216
78	9 KK	Batam Batuaji	Komplek Saguling Mas Indah Blok A No. 3, Batuaji	Batam	29422	(0778) 392040, 322047 322765
79	10 KK	Batam Pulau Sambu	Jl. Pasar	Pukau Sambu	29411	(0778) 310059, 310053 310053
80	11 KK	Batam Tiban	Jl. Tiban Raya, Komplek Tiban Garden Blok C No. 20	Batam	29421	(0778) 327177, 326877 323264



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No.	Office	Address	Municipal	Post Code	Phone	Fax
81	12	KC Tanjungpinang	Jl. Teuku Umar No. 23	Tanjungpinang	29111	(0771) 22437, 21805 28047
82	13	KCP Tanjung Uban	Jl. Permaisuri No. 3	Tanjung Uban	29152	(0771) 81007, 81006 81008
<b>Region II/ Palembang</b>			Jl. Kapten a. Rivai no. 1008	Palembang	30135	(0711) 364008 - 012, 364013 310992, 3120417, 374279
<b>Hub jambi</b>						
83	1	KC Jambi Gatot Subroto	Jl. Jend. Gatot Soebroto No. 60 A	Jambi	36138	(0741) 31581-2, 21412 20066
84	2	KCP Jambi Telanaipura	Jl. Prof. Dr. Sri S.M. Sofwan, SH No. 27, Telanaipura	Jambi	36122	(0741) 62184, 63267 62292
85	3	KCP Jambi Sam Ratulangi	Jl. Dr. Sam Ratulangi No. 20	Jambi	36113	(0741) 22202, 31089 22202
86	4	KCP Jambi Dr. Sutomo	Jl. Dr. Sutomo, P.O.Box 14	Jambi	36113	(0741) 34374, 22864 34185
87	5	KK Bajubang	Jl. Pramuka No. 1, Bajubang	Bajubang	21366	(0743) 21366 20066
88	6	KK Sengeti	Jalan Lintas Timur Km.35, Desa Sengeti, Muaro Jambi	Jambi	36381	(0741) 51900 51900
89	7	KC Muara Bungo	Jl. Lintas Sumatra Km. 1	Muara Bungo	37212	(0747) 21188, 21138 21137
90	8	KCP Bangko	Jl. Jend. Sudirman, Pematang Kandis	Bangko	37314	(0746) 323224 323225
<b>Hub Padang</b>						
91	1	KC Padang Lapangan Imam Bonjol	Jl. Bagindo Aziz Chan No. 12	Padang	31505	(0751) 31501-2 31505, 36726
92	2	KCP Padang Indarung	Social Center PT Semen Padang	Padang	25237	(0751) 777618, 777619, 72333 777620
93	3	KCP Sawahlunto	Jl. Jend. Ahmad Yani No. 40	Sawahlunto	27411	(0754) 61144 61422
94	4	KCP Padang Sudirman	Jl. Sudirman No. 2a	Padang	25001	(0751) 26940, 28940, 33840 31571
95	5	KCP Padang Bagindo Aziz Chan	Jl. Bagindo Aziz Chan No. 21	Padang	25211	(0751) 33331 28332
96	6	KCP Padang Muara	Jl. Batang Arau No. 42	Padang	25215	(0751) 34872 34036
97	7	KK Padang Veteran	Jl. Veteran No. 62 J	Padang	22115	(0751) 32726, 32748 32749
98	8	KC Bukittinggi	Jl. Jend. Sudirman No. 22	Bukittinggi	26138	(0752) 626401 626406
99	9	KK Bukittinggi Aur Kuning	Jl. Raya By Pass No.42, Aur Kuning	Bukittinggi	26131	(0752) 627880, 627881 627879
100	10	KC Solok	Jl. K.H. Akhmad Dahlan	Solok	27322	(0755) 21123 20169
101	11	KK Sungai Rumbai	Jl. Lintas Sumatera No. 2, Sungai Rumbai	Sawahlunto	27584	(0754) 583393, 583394 583395
<b>Hub Palembang Sudirman</b>						
102	1	KC Palembang Sudirman	Jl. Jend. Sudirman No. 419	Palembang	30134	(0711) 311177, 358325 310393
103	2	KCP Palembang Pusat Dagang	Jl. T.p. Rustam Effendi No. 550	Palembang	30125	(0711) 313767, 356436 310873
104	3	KCP Lubuk Linggau	Jl. Garuda No. 8-9	Lubuk Linggau	31616	(0733) 325350, 321925 325680
105	4	KCP Palembang Atmo	Jl. Kolonel Atmo No.118	Palembang	30125	(0711) 354144, 354245 313655
106	5	KCP Palembang Pusri	Jl. Mayor Zen No. 9, Gedung YDPK	Palembang	30118	(0711) 711023, 711023 710994
107	6	KCP Palembang R.S.U	Jl. Jend. Sudirman Km. 3,5	Palembang	30126	(0711) 313498, 364020 313977
108	7	KK Palembang Sako Kenten	Terminal Sako Kenten, Ruko K3 No.1, Sako Kenten	Palembang	30762	(0711) 810771 810772
109	8	KC Tanjungenim	Jl. Jend. A. Yani No.8	Tanjungenim	31711	(0734) 451033-35 451036
110	9	KCP Lahat	Jl. Mayor Ruslan Blok A No. 7-8	Lahat	31411	(0731) 323700, 321012, 321013, 322381, 322383 323600
111	10	KK Muara Enim	Jl. Jenderal Sudirman No. 44	Muara Enim	31315	(0734) 424148, 421363 423338
112	11	KC Baturaja	Jl. Serma Zakaria No. 35-37	Baturaja	32116	(0735) 20688, 20687 23576
113	12	KC Pangkalpinang	Jl. Jend. Sudirman No. 7	Pangkalpinang	33128	(0717) 432385 432623
114	13	KCP Sungailiat	Jl. Sudirman No. 18	Sungailiat	32111	(0717) 92233, 92416 92233
115	14	KCP Mentok	Jl. Yos Sudarso No. 1 / 78	Mentok	33311	(0717) 21194, 31942 21194
116	15	KC Tanjungpandan	Jl. Merdeka No. 6	Tanjungpandan	33411	(0719) 21011, 21012 21600
<b>Hub Palembang Arief</b>						
117	1	KC Palembang Arief	Jl. Kapten A. Rivai No. 27	Palembang	30129	(0711) 310952, 352346, 373271 313379, 313627
118	2	KCP Palembang Plaju	Pertamina UEP III, Jl. Kurnia	Plaju	20368	(0711) 352432 352432
119	3	KCP Palembang A. Rivai	Jl. Kapten A. Rivai No. 39	Palembang	30135	(0711) 313455, 311556 312016
120	4	KCP Palembang Pasar 16 Ilir	Jl. Pasar 16 Ilir No. 165-167	Palembang	30122	(0711) 318511, 322226 311481
121	5	KCP Prabumulih Sudirman	Jl. Sudirman No. 117	Prabumulih	31121	(0713) 326000, 326093, 326094 326095
122	6	KK Sekayu	Petro Muba Building Jl. Merdeka Lk I, Sekayu	Musi Banyuasin	30711	(0714) 322900-2 322904
123	7	KK Palembang Bandara Sultan Badaruddin	Bandara Sultan Mahmud Badaruddin II	Palembang	30152	(0711) 410150 420183
124	8	KK Palembang Uniba	Jl. Mayor Ruslan	Palembang	30113	(0711) 364025 372233
125	9	KK Palembang Gedung Kanwil	Jl. Kapten A. Rivai No. 1008	Palembang	30137	(0711) 364013, 322131 312477
126	10	KK Palembang R. Sukamto	Jl. R. Soekamto No.79, Simpang Patal	Palembang	30114	(0711) 360808 357670
127	11	KK Palembang Veteran	Jl. Veteran No. A-8	Palembang	30113	(0711) 374004, 357472, 357496 350013

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No.	Office	Address	Municipal	Post Code	Phone	Fax	
128	12 KK	Pendopo Komplek Pertamina II, Jl. Cemara 18	Pendopo	31211	(0711) 90204	90808	
129	13 KK	Prabumulih Pertamina Uep II, Jl. Pramuka	Prabumulih	31122	(0713) 20868	21515	
130	14 KC	Bengkulu S. Parman Jl. Letjend. S. Parman No. 183	Bengkulu	38223	(0736) 20016, 22138, 21244	21361, 20464	
131	15 KCP	Bengkulu Ahmad Yani Jl. Jend. Ahmad Yani No. 60	Bengkulu	38115	(0736) 22881, 22916	22882	
132	16 KK	Bengkulu Panorama Jl. Salak Raya No. 297 B, Bengkulu	Bengkulu	38226	(0736) 346890	346891	
<b>Hub Bandar Lampung</b>							
133	1 KC	Bandarlampung Malahayati Jl. Laksamana Malahayati No. 3	Bandarlampung	35221	(0721) 481222, 486146, 481431	489064, 473752	
134	2 KCP	Bandarlampung Cut Meutia Jl. Cut Meutiah No. 46	Bandarlampung	35214	(0721) 486087	483849	
135	3 KCP	Tanjungkarang Bambu Kuning Jl. Bukit Tinggi No. 21 D	Tanjungkarang	35114	(0721) 255167	268602	
136	4 KCP	Bandarlampung Telukbetung Jl. Laksamana Malahayati No. 30	Bandarlampung	34223	(0721) 481945	486847	
137	5 KCP	Bandarlampung Supratman Jl. W.r. Supratman No. 70	Bandarlampung	35111	(0721) 486942-3	485684	
138	6 KCP	Tanjungkarang Kartini Jl. Kartini No. 79	Tanjungkarang	35111	(0721) 251414	252796	
139	7 KCP	Metro Jl. Jend. Sudirman No. 39 A	Metro	34111	(0725) 41363	41860	
140	8 KCP	Pringsewu Jl. Ahmad Yani No. 9, Pringsewu	Tanggamus	35373	(0729) 24452, 24453	21472	
141	9 KK	Tanjungkarang Plaza Jl. Kartini No. 21	Bandarlampung	35117	(0721) 267497	263230	
142	10 KK	Bandarlampung Antasari Jl. Pangeran Antasari No. 149 A	Bandarlampung	35133	(0721) 782555	782333	
143	11 KK	Bandar Jaya Jl. Proklamator No. 33 A, Bandar Jaya	Lampung Tengah	34163	(0725) 529999	529127	
144	12 KK	Bandarlampung Raden Intan Jl. Raden Intan No. 132	Bandarlampung	35118	(0721) 251312, 251510	51510	
145	13 KC	Kotabumi Jl. Raden Intan No. 11-15	Kotabumi	34519	(0724) 25038	21975	
<b>Region III/ Jakarta Kota</b>			Jl. Lapangan Stasiun No. 2	Jakarta Barat	11110	(021) 6922004, 2600500	6922006
<b>Hub Jakarta Kota</b>							
146	1 KC	Jakarta Kota Jl. Lapangan Stasiun No. 2	Jakarta Barat	11110	(021) 2600500, 2600506	2600505, 2600508	
147	2 KCP	Jakarta Mitra Bahari Komplek Pertokoan Mitra Bahari Blok E No.7-8, Jl. Pasar Ikan	Jakarta Utara	14440	(021) 6625325-8, 6627901	6625327	
148	3 KCP	Jakarta Glodok Plaza Ruko Glodok Plaza Blok H No.45-46, Jl. Pinangsia Raya	Jakarta Barat	11180	(021) 6291486, 6281936	6281937	
149	4 KCP	Jakarta Mangga Dua Arkade Dusit Mangga Dua No. 5, Jl. Arteri Mangga Dua Raya	Jakarta Pusat	10730	(021) 6127623-4	6127624	
150	5 KCP	Jakarta Bandengan Komplek Puri Deltamas Blok J 1-2 Jl. Bandengan Selatan No.43	Jakarta Utara	14450	(021) 6603086, 6603087	66603981, 6690602	
151	6 KCP	Jakarta Pluit Selatan Jl. Raya Pluit Selatan No. 31-35	Jakarta Utara	14450	(021) 6670909, 6670101	6697201	
152	7 KCP	Jakarta Pangeran Jayakarta Jl. Pangeran Jayakarta No. 73	Jakarta Pusat	10730	(021) 6299030, 6264215	6399070	
153	8 KCP	Jakarta Mega Mal Pluit Ruko Mega Mal Pluit No. Mg 46-47	Jakarta Utara	14450	(021) 6670926, 6683566	6683565	
154	9 KCP	Jakarta Muara Karang Dalam Jl. Muara Karang Blok O / VIII Timur No. 69-70	Jakarta Utara	14440	(021) 6685553, 6628061	6678048	
155	10 KCP	Jakarta Muara Karang Raya Jl. Muara Karang Raya No. 93-95	Jakarta Utara	14450	(021) 6603482, 6603884	6630936	
156	11 KCP	Jakarta Pluit Kencana Jl. Raya Pluit Kencana No. 51-53	Jakarta Utara	14450	(021) 6601602/5, 6601609	6601608	
157	12 KCP	Jakarta Ketapang Indah Komplek Ketapang Indah, Jl. K.H. Zainal Arifin Blok A1	Jakarta Barat	11140	(021) 6336461, 6336601	6349340, 6340164	
158	13 KCP	Jakarta Mangga Besar Jl. Mangga Besar Raya No. 73-75	Jakarta Barat	11170	(021) 2600044	6391113	
159	14 KCP	Jakarta Glodok Sky Pasar Glodok Lt. 2 A.102 Bks039,	Jakarta Barat	11120	(021) 6336120, 6336320	6336440	
160	15 KK	Jakarta Pasar Pagi Mangga Dua Gedung Pusat Perdagangan Grosir Mangga Dua Blok Ka No.12a-14, Jl. Mangga	Jakarta Utara	14430	(021) 6019948	6019257	
161	16 KK	Jakarta ITC Mangga Dua ITC Mangga Dua Lt. I Blok B/13-14, Jl. Mangga Dua Raya	Jakarta Utara	14430	(021) 62300268, 62300269	62300267	
162	17 KK	Jakarta Harco Mangga Dua Gedung Pusat Elektronika Harco Mangga Dua, Lt.dasar Blok B No. 62	Jakarta Utara	10730	(021) 6123135	6121827	
163	18 KK	Jakarta WTC Mangga Dua Wtc Mangga Dua Lantai 5 Blok D No. 27, Jl. Mangga Dua Raya No. 8	Jakarta Utara	14430	(021) 30012229, 30012234, 30012235	30012227	
164	19 KK	Jakarta Mangga Dua Square Mangga Dua Square Blok B No.9, Jl. Gunung Sahari Raya 1	Jakarta Utara	14430	(021) 62312970	62312971	
165	20 KK	Jakarta Pasar Pagi Lama Jl. Pintu Kecil III No. 54, Pasar Pagi	Jakarta Barat	11230	(021) 6916434, 6926655	6909647	
<b>Hub Jakarta S. Parman</b>							
166	1 KC	Jakarta S. Parman Wisma Barito Pacific, Jl. S. Parman Kav. 62-63, Slipi	Jakarta Barat	11410	(021) 5346627, 5483595	5347012	
167	2 KCP	Jakarta Bandara Soekarno-Hatta Terminal D Bandara Soekarno-Hatta, Terminal D & E Departures	Jakarta Barat	19100	(021) 5506744, 5507283	5501383	
168	3 KCP	Jakarta R.S. Pelni Jl. Aipda KS Tubun 92-94, Petamburan	Jakarta Barat	11410	(021) 5306783-4	5480027	
169	4 KCP	Jakarta Tanjung Duren Jl. Tanjung Duren Raya No. 56 A-B	Jakarta Barat	11470	(021) 5666503, 5669125	5666552	
170	5 KCP	Jakarta Kepa Duri Jl. Mangga Raya Blok Y No. 20	Jakarta Barat	11510	(021) 5656646-7	5656645	
171	6 KCP	Jakarta Gedung Pusri Jl. Taman Anggrek-Kemanggis Jaya	Jakarta Barat	11480	(021) 53672756, 53672801	5482003	
172	7 KCP	Jakarta Bandara Soekarno-Hatta Cargo Bandara Soekarno-Hatta, Cargo Area Gedung 501	Jakarta Barat	19101	(021) 5501260, 5507172	5501289	

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No.	Office	Address	Municipal	Post Code	Phone	Fax	
173	8	KK Jakarta R.S. Harapan Kita	Jl. S. Parman Kav. 87	Jakarta Barat	11420	(021) 5681153	56963325
174	9	KK Jakarta Garuda Sentra Operasi	Bandara Soekarno-Hatta, Cengkareng	Jakarta Barat	19110	(021) 5590369, 5590370	5590369
175	10	KK Jakarta Slipi Jaya	Jl. Letjend. S. Parman Kav. 17-18, Gedung Slipi Jaya	Jakarta Barat	11480	(021) 5356830, 5356802	5356917
176	11	KK Jakarta Bandara Soekarno-Hatta Gedung Angkasa Pura	Bandara Soekarno-Hatta, Gedung 601	Jakarta Barat	19120	(021) 5501240/1378/2426	5502427
177	12	KK Jakarta R.S. Kanker Dharmais	Jl. Letjend. S. Parman Kav. 84-88, Slipi	Jakarta Barat	11420	(021) 5681573	56943406
178	13	KK Tangerang Taman Niaga Soewarno	Taman Niaga Soewarno Lantai Dasar Blok B Lot 1-5, Bandara International Soekarno Hatta	Tangerang		(021) 55911440, 55911242	55911441
179	14	KC Serang	Jl. Diponegoro No. 8	Serang	42111	(0254) 201260	217723
180	15	KK Serang Pasar Lama	Jl. Maulana Hasanuddin No. 57 B	Serang	42112	(0254-220404-6	201224
181	16	KK Serang Cikande	Kawasan Industri Modern Cikande, Komplek Ruko Modern Cikande Blok B No. 1, Jl. Raya Cikande,	Serang	42186	(0254) 404102-4	400439
182	17	KC Cilegon Anyer	Jl. Raya Anyer No. 2	Cilegon	42431	(0254) 391515, 931234	391396
183	18	KCP Cilegon Merak	Jl. Raya Merak No. 3	Cilegon	42431	(0254) 391577, 391133	391606
184	19	KK Cilegon Krakatau Steel	Kawasan Industri Berat Cilegon, Gedung Adb Krakatau Steel	Cilegon	42431	(0254) 372124	391396
185	20	KK Cilegon Pasar Anyar	Jl. Raya Anyer No. 103, Anyer	Serang	42166	(0254) 603515	603516
<b>Hub Jakarta Kyai Tapa</b>							
186	1	KC Jakarta Kyai Tapa	Jl. Kyai Tapa No. 99	Jakarta Barat	11440	(021) 5634614	5634613
187	2	KCP Jakarta Puri Indah	Jl. Puri Indah Raya Ruko Blok I / 1	Jakarta Barat	11610	(021) 5824408-9	5824410
188	3	KCP Jakarta Kebon Jeruk Perjuangan	Jl. Perjuangan No. 9 B, Kebon Jeruk	Jakarta Barat	11520	(021) 5360735-7	5348757
189	4	KCP Jakarta Kedoya	Rukan Golden Green No. 21, Jl. Arteri Kedoya	Jakarta Barat	11520	(021) 5824804	5824806
190	5	KCP Jakarta Design Center	Jl. Jend. Gatot Subroto Kav. 53-54	Jakarta Pusat	10260	(021) 5495136-8, 5495144	5495139
191	6	KCP Jakarta Jelambar	Jl. Pangeran Tubagus Angke No. 10	Jakarta Barat	11460	(021) 5647439, 5665804	5675890
192	7	KCP Jakarta Roxy Mas	Jl. K.H. Hasyim Ashari No. 125	Jakarta Pusat	10150	(021) 6329512	6329487
193	8	KCP Jakarta Taman Kebon Jeruk	Jl. Meruya Ilir Blok A No. 19	Jakarta Barat	11650	(021) 5304300, 5868489	5304127
194	9	KCP Jakarta Jembatan Lima	Jl. K.H. Moch. Mansyur No. 18	Jakarta Barat	11210	(021) 6306118, 6310068	6306112
195	10	KK Jakarta Taman Kedoya Baru	Ruko Agave Blok B1/12a, Jl. Agave Kedoya	Jakarta Barat		(021) 5822882	5823111
196	11	KK Jakarta Universitas Trisakti	Kampus A Universitas Trisakti, Jl. Kyai Tapa No. 1, Grogol	Jakarta Barat	11440	(021) 5636771	5636527
197	12	KK Jakarta Mal Taman Anggrek	Mal Taman Anggrek Ground Level C 13a&c 13z Jl. Letjend. S. Parman Kav.21	Jakarta Barat	11470	(021) 56998570-8572	56998574
198	13	KK Jakarta Mal Puri Indah	Komplek Mal Puri Indah, Lantai Dasar Unit 70 C, Jl. Puri Agung, Puri Indah	Jakarta Barat	11610	(021) 5822723, 5822778	5822302
<b>Hub Jakarta Daan Mogot</b>							
199	1	KC Jakarta Daan Mogot	Jl. Daan Mogot	Jakarta Barat	11460	(021) 5606248, 5674668-9	5606252
200	2	KCP Tangerang Merdeka	Jl. Merdeka No. 197 D	Tangerang	15133	(021) 5517019, 5516959	5523718
201	3	KCP Jakarta Kalideres	Jl. Peta Selatan No. 6a-6b, Kalideres	Jakarta Barat	11840	(021) 54391549, 5450258-9	5450257
202	4	KCP Tangerang Bumi Serpong Damai	Jl. Gunung Rinjani No.13 Blok R-g, Sektor IV Bumi Serpong Damai	Tangerang	15311	(021) 5376767/68	5376769
203	5	KCP Tangerang Daan Mogot	Jl. Daan Mogot No. 32	Tangerang	15111	(021) 5521050/58, 5510120	5521047
204	6	KCP Tangerang Cikokol	Mahkota Mas Blok C / 14-15, Cikokol	Tangerang	15117	(021) 5543218	5543048
205	7	KCP Tangerang Ahmad Yani	Jl. Jend. Ahmad Yani No. 9	Tangerang	15111	(021) 5522206, 5524965	5525004
206	8	KCP Tangerang Ciledug	Jl. Ciledug Raya No. 77, Kav. 1-2, Ciledug	Tangerang	42431	(021) 7325200, 5847825	5847827
207	9	KCP Jakarta Grenvil	Grenvil Real Estate Blok Bg 31-36	Jakarta Barat	11510	(021) 5689044/47	5689048
208	10	KCP Tangerang Ki Samaun	Jl. Ki Samaun No. 214	Tangerang	15118	(021) 5523618, 5521818	5525344
209	11	KK Jakarta Taman Palem Lestari	Jl. Boulevar Taman Palem Lestari Blok D1 No. 19	Jakarta Barat	11730	(021) 55955409	55955410
210	12	KK Tangerang Pinangsia Karawaci	Ruko Pinangsia Blok A-39, Lippo Karawaci	Tangerang	15139	(021) 5516058, 5515745	5588869
211	13	KK Tangerang Kota Modern	Perumahan Modernland Blok Br No.19, Jl. Jendral Sudirman.	Tangerang	15117	(021) 55749147-8	55749149
212	14	KK Jakarta Taman Semanan Indah	Komplek Perumahan Taman Semanan Indah, Jl. Dharma Kencana Blok D No. 6	Jakarta Barat	11750	(021) 5407035-6	5445098
213	15	KK Jakarta Daan Mogot Baru	Pertokoan Daan Mogot Baru, Jl. Jimbaran Blok 7 B No. 14	Jakarta Barat	11840	(021) 54381659, 5459397	5459827
214	16	KK Tangerang Cikupa	Pertokoan Cikupa Blok B No.3 Jl. Raya Serang Km 14,8	Tangerang	15710	(021) 5960561, 5963003	5961708
215	17	KK Tangerang Gading Serpong	Ruko Gading Serpong Blok Aa4 No 38,,jl. Boulevard	Tangerang	15333	(021) 5462297, 5462330	5462220

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No.	Office	Address	Municipal	Post Code	Phone	Fax	
216	18 KK	Tangerang Alam Sutera	Ruko Sutera Niaga I No. 71, Jl. Raya Serpong	Tangerang	15325	(021) 53124348, 53124349	5398754
<b>Hub Jakarta Gambir</b>							
217	1 KC	Jakarta Gambir	Jl. Ir. H. Juanda No. 18	Jakarta Pusat	10120	(021) 3808367-9, 3842654	3808357
218	2 KCP	Jakarta Gunung Sahari	Jl. Industri No. 1	Jakarta Pusat	10720	(021) 2600025, 2600170	2600236
219	3 KCP	Jakarta Krekot	Jl. H. Samanhuri No. 2 Ab	Jakarta Pusat	10710	(021) 2311508, 2310593	2310314
220	4 KCP	Jakarta Ancol	Jl. Parang Tritis No. 4	Jakarta Utara	14430	(021) 6909447-9	6927821
221	5 KCP	Jakarta Tomang	Jl. Tomang Raya No. 32	Jakarta Barat	11430	(021) 56968006, 56968281	56968284
222	6 KCP	Jakarta Juanda	Jl. Ir. H. Juanda No. 25	Jakarta Pusat	10110	(021) 2310203, 2310455	2310311
223	7 KCP	Jakarta Angkasa	Kantor Pusat PT MNA, Jl. Angkasa Blok B-15 Kav. 2-3	Jakarta Pusat	10720	(021) 6540703, 6544906	6540705
224	8 KCP	Jakarta KP Pertamina	Jl. Perwira No. 2	Jakarta Pusat	10110	(021) 2310380, 3815339	2310509
225	9 KCP	Jakarta Pasar Baru	Jl. H. Samanhuri No. 46	Jakarta Pusat	10710	(021) 2311443, 2310277	2310318
226	10 KK	Jakarta Pasar Seni Ancol	Jl. Lodan Timur, Blok F	Jakarta Utara	14420	(021) 6413614, 6408862	682210
227	11 KK	Jakarta Departemen Hankam	Jl. Merdeka Barat No. 13-14	Jakarta Pusat	10110	(021) 3828403/05, 34830689	3840918
228	12 KK	Jakarta KPKN II	Jl. Dr. Wahidin II No. 3	Jakarta Pusat	10710	(021) 3850160	3850159
229	13 KK	Jakarta Karang Anyar	Ruko Karang Anyar Blok C / 26	Jakarta Pusat	10740	(021) 6247383-4	6249405
230	14 KK	Jakarta Plumpang	Jl. Yos Sudarso, Depot Pertamina Uppdn III Plumpang	Jakarta Utara	14230	(021) 43906859/61	43906860
231	15 KK	Jakarta Departemen Keuangan	Gedung 16 Lantai Departemen Keuangan, Jl. Lapangan Banteng Timur No. 2-4	Jakarta Pusat	10710	(021) 3522074	3522072
232	16 KK	Jakarta Pertamina UPMS III	Jl. Kramat Raya No. 59	Jakarta Pusat	10450	(021) 3100242 - 3925876-77	3925876
233	17 KK	Jakarta Taspem	Jl. Letjend. Suprpto, Cempaka Putih	Jakarta Pusat	10510	(021) 4256546	4256537
<b>Hub Jakarta Tanjungpriok</b>							
234	1 KC	Jakarta Tanjung Priok Enggano	Jl. Enggano No. 42	Jakarta Utara	14310	(021) 4351168-9, 498274	493637
235	2 KCP	Jakarta Cempaka Mas	Kompleks Pertokoan Graha Cempaka Mas Blok A 24-25, Jl. Letjend. Suprpto	Jakarta Pusat	10640	(021) 42800153-4, 4263947	4263946
236	3 KCP	Jakarta Universitas Yarsi	Jl. Letjend. Soeprpto, Cempaka Putih	Jakarta Pusat	10510	(021) 4262540, 4259277/85	4259339
237	4 KCP	Jakarta Cakung	Komplek PT KBN, Jl. Raya Cakung, Cilincing	Jakarta Utara	14410	(021) 44820957, 4416566	44820937
238	5 KCP	Jakarta Sunter Permai	Jl. Sunter Permai Raya No. 1-4	Jakarta Utara	14350	(021) 6408751, 6408766	6408763
239	6 KCP	Jakarta Tanjung Priok Yos Sudarso	Jl. Yos Sudarso No. 750	Jakarta Utara	14210	(021) 4371946, 490617	490980
240	7 KCP	Jakarta Cempaka Putih Permai	Cempaka Putih Permai Blok A No. 20-21, Jl. Letjend. Suprpto	Jakarta Pusat	10510	(021) 4203363-4	4205880
241	8 KCP	Jakarta Sunter Paradise	Jl. Sunter Paradise Blok F20 No. 45-a/b, Sunter	Jakarta Utara	14350	(021) 6459934, 6503701	686453
242	9 KCP	Jakarta Tanjung Priok Tawes	Jl. Tawes No. 23, Tanjung Priok	Jakarta Utara	14310	(021) 4300138, 492500	4300182
243	10 KCP	Jakarta Ahmad Yani	Jl. Jend. Ahmad Yani No. 2	Jakarta Pusat	10510	(021) 4211167, 44820942	4249658
244	11 KCP	Jakarta Perumpul Tanjung Priok	Gedung Pulau Laut, Jl. Banda No. 1, Tanjung Priok	Jakarta Utara	14310	(021) 4304953, 4304944, 43930230, 43904547	4304952
245	12 KCP	Jakarta Pulomas	Komplek Artamas, Jl. Jend. Ahmad Yani No. 2	Jakarta Timur	13210	(021) 4714814-5, 47865223	47868923
246	13 KK	Jakarta Rawasari	Jl. Rawasari Selatan No. 9	Jakarta Pusat	10570	(021) 42802853-4	42802852
247	14 KK	Jakarta Tanjung Priok Bea & Cukai	Kantor Pelayanan Bea & Cukai Tipe A Tanjung Priok I & III Ja\l. Pabean No. 1	Jakarta Utara	14310	(021) 43903235, 43903236	43903237
248	15 KK	Jakarta R.S. Islam Jakarta	Jl. Cempaka Putih Tengah 1	Jakarta Pusat	10510	(021) 4250451 Ext. 368	4206683
249	16 KK	Jakarta Pertamina DPKK	Jl. Yos Sudarso No. 32-34	Jakarta Utara	14320	(021) 43904578	497827
250	17 KK	Jakarta ITC Cempaka Mas	ITC Cempaka Mas Mega Grosir Lg No. 155-156, Jl. Letjend. Suprpto	Jakarta Pusat	10640	(021) 42874324, 42876943, 42874774	42873090
251	18 KK	Jakarta Tanjungpriok Departemen Agama	Kantor Departemen Agama Kota Jakarta Utara, Jl. Plumpang Raya Semper No.52	Jakarta Utara	14210	(021) 4300489, 4304572, 4308769, 4300821	4300733
<b>Region IV/ Jakarta Thamrin</b>			Jl. M.H. Thamrin No. 5	Jakarta Pusat	10340	(021) 39832922, 2300412	39832917-8, 39832923
<b>Hub Jakarta Kebon Sirih</b>							
252	1 KC	Jakarta Kebon Sirih	Jl. Tanah Abang Timur No. 1-2	Jakarta Pusat	10110	(021) 2311800,108, 628	2310604, 2310216
253	2 KCP	Jakarta Pasar Tanah Abang	Pasar Tanah Abang Blok D / 1 Los H 27	Jakarta Pusat	10250	(021) 2300977	2300749
254	3 KCP	Jakarta Cideng	Jl. Cideng Barat No. 87	Jakarta Pusat	10150	(021) 3850658, 3446955	3857935

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No.	Office	Address	Municipal	Post Code	Phone	Fax	
255	4	KCP Jakarta Duta Merlin	Komplek Pertokoan Duta Merlin, Blok A/26-28, Jl. Gajah Mada No. 3-5	Jakarta Pusat	10130	(021) 2311525	6342220
256	5	KCP Jakarta Kebon Jati	Jl. Kebon Jati No.18, Komplek Ruko No.116-117	Jakarta Pusat	10250	(021) 3914859, 3914860	2303146
257	6	KCP Jakarta Suryopranoto	Jl. Suryopranoto No. 48 C-d	Jakarta Pusat	10130	(021) 6304431-2, 6307747	6307748
258	7	KCP Jakarta Fakhrudin	Jl. K.H. Fakhrudin No.15, Tanah Abang	Jakarta Pusat	10250	(021) 2311079, 2301488	2301338
259	8	KCP Jakarta Gedung Pelni	Jl. Gajah Mada No. 14	Jakarta Pusat	10130	(021) 6335770, 5510	63857742
260	9	KK Jakarta Tanah Abang Bukit	Pasar Tanah Abang Bukit Blok B No.3, Jl. Fachrudin No. 36	Jakarta Pusat	10250	(021) 3456372, 31908817	3456373
261	10	KK Jakarta KP BPKP	KP BPKP, Jl. Hayam Wuruk	Jakarta Pusat	10120	(021) 3866724	3866724
<b>Hub Jakarta Thamrin</b>							
262	1	KC Jakarta Thamrin	Jl. Kebon Sirih No. 83	Jakarta Pusat	10340	(021) 2302411	2303744, 2302567
263	2	KCP Jakarta Menteng	Jl. Gereja Theresia No. 45	Jakarta Pusat	10350	(021) 3928625	3143413
264	3	KCP Jakarta Jalan Sunda	Jl. Sunda No. 7	Jakarta Pusat	10350	(021) 2300469	2301077
265	4	KCP Jakarta Menara Thamrin	Jl. M.H. Thamrin Kav. 3	Jakarta Pusat	10340	(021) 2303860	2302841
266	5	KCP Jakarta Gedung Jaya	Jl. M.H. Thamrin No. 12	Jakarta Pusat	10250	(021) 2300272, 821, 629	2300316
267	6	KCP Jakarta Wisma Nusantara	Jl. M.H. Thamrin No. 59	Jakarta Pusat	10310	(021) 39000909	334947
268	7	KCP Jakarta Sabang	Jl. Kebon Sirih No. 73	Jakarta Pusat	10340	(021) 3919931, 3919736	325285
269	8	KCP Jakarta Plaza Indonesia	Jl. M.H. Thamrin Kav. 28-30	Jakarta Pusat	10350	(021) 2300766	2300320
270	9	KCP Jakarta Sarinah	Jl. M.H. Thamrin No. 11	Jakarta Pusat	10340	(021) 2300644	2300720
271	10	KK Jakarta Gedung Indosat	Jl. Medan Merdeka Barat No. 21	Jakarta Pusat	10110	(021) 3802614	2310141
272	11	KK Jakarta Gedung Depparpostel	Jl. Merdeka Barat No. 17	Jakarta Pusat	10110	(021) 3867496	3520678
273	12	KK Jakarta Caltex Pacific Indonesia	Gedung Sarana Jaya, Jl. Budi Kemuliaan	Jakarta Pusat	10110	(021) 3512124	3512122
<b>Hub Jakarta Imam Bonjol</b>							
274	1	KC Jakarta Imam Bonjol	Jl. Imam Bonjol No. 61	Jakarta Pusat	10310	(021) 2300300, 2301555	2300433, 2300927
275	2	KCP Jakarta R.S.C.M	Jl. Diponegoro No. 71	Jakarta Pusat	10430	(021) 3908574, 3909217	3100145
276	3	KCP R.S. Jakarta	Jl. Jend. Sudirman Kav. 49	Jakarta Selatan	12930	(021) 5732241-43	5710329
277	4	KCP Jakarta Bendungan Hilir	Jl. Bendungan Hilir No. 94 A	Jakarta Pusat	10210	(021) 5711658	5711671
278	5	KCP Jakarta Cik Ditiro	Jl. Ki S. Mangunsarkoro No. 49	Jakarta Pusat	10310	(021) 2300955, 956	2300837, 2300291
279	6	KCP Jakarta Wisma Indosemen	Jl. Jend. Sudirman Kav. 70-71	Jakarta Selatan	12910	(021) 2510381	2510380
280	7	KCP Jakarta Berdharma	Jl. Jend. Sudirman Kav. 32-33	Jakarta Pusat	10220	(021) 5701916	5706563
281	8	KCP Jakarta Mid Plaza	Jl. Jend. Sudirman Kav. 10-11	Jakarta Pusat	10220	(021) 5704560, 5720710	5746474
282	9	KCP Jakarta Kebun Melati	Jl. M.H. Thamrin No. 8 A-b	Jakarta Pusat	10230	(021) 3907390	3907384, 3907278
283	10	KCP Jakarta Wisma Metropolitan	Jl. Jend. Sudirman Kav. 29	Jakarta Selatan	12920	(021) 5253208, 5705386	5701647, 5712288
284	11	KK Jakarta Gedung Pelita Air Service	Jl. Abdul Muis No.52-56	Jakarta Pusat	10160	(021) 3450750	3450750
285	12	KK Jakarta Plaza Dua Mutiara	Plaza Mutiara Jl. Jend. Sudirman Kav. 25	Jakarta Selatan	12920	(021) 5208915/7	5208913
<b>Hub Jakarta Cikini</b>							
286	1	KC Jakarta Cikini	Jl. Cikini Raya No. 56	Jakarta Pusat	10330	(021) 31931732	327002
287	2	KCP Jakarta Salemba Raya	Jl. Salemba Tengah No. 4 B	Jakarta Pusat	10440	(021) 3907605	3913331
288	3	KCP Jakarta Pasar Rumpit	Jl. Sultan Agung No. 59 D	Jakarta Selatan	12970	(021) 8294959	8315687
289	4	KCP Jakarta PLN Gambir	Jl. M. Ikhwan Ridwan Rais No. 1	Jakarta Pusat	10110	(021) 3454001, 3510691	3453880
290	5	KCP Jakarta Prapatan	Jl. Prapatan No. 30	Jakarta Pusat	10410	(021) 34831074, 3847101	3847110
291	6	KCP Jakarta Atrium Senen	Ruko Segitiga Senen Blok E-21/22, Jl. Senen Raya No. 135	Jakarta Pusat	10410	(021) 3852370	3852369
292	7	KCP Jakarta Pasar Senen	Proyek Pasar Senen Blok III Lantai I-II No. 1-4	Jakarta Pusat	10410	(021) 4210035, 4210451	4211153
293	8	KCP Jakarta Taman Ismail Marzuki	Jl. Cikini Raya No. 34-36	Jakarta Pusat	10330	(021) 2300361	2301511
294	9	KCP Jakarta Kramat Raya	Jl. Kramat Raya No. 94-96	Jakarta Pusat	10450	(021) 3161941, 3161938	3161946
295	10	KCP Jakarta Wisma Alia	Jl. M. Ikhwan Ridwan Rais No. 10-18	Jakarta Pusat	10110	(021) 2311533, 2312029	2310175
296	11	KCP Jakarta Cut Meutia	Jl. Cut Meutiah No. 16	Jakarta Pusat	10340	(021) 3927781-3	2301586
297	12	KCP Jakarta Gedung Bimantara	Gedung Bimantara, Jl. Kebon Sirih 17-19	Jakarta Pusat	10340	(021) 3920105	3920017
298	13	KK Jakarta Departemen Agama	Jl. Lapangan Banteng No. 3-4	Jakarta Pusat	10710	(021) 3504143-153-156	3504132
299	14	KK Jakarta Pasar Mobil Kemayoran	Pasar Mobil Kemayoran Blok C No.s-044a,	Jakarta Pusat	10260	(021) 6540806	6543016
300	15	KK Jakarta Gedung Askrindo	Jl. Angkasa Blok B-9 Kav.8	Jakarta Pusat	10610	(021) 6546550	6546550
301	16	KK Jakarta Percetakan Negara	Departemen Kesehatan Direktorat Jenderal Ppm & Pl Jl. Percetakan Negara No.29	Jakarta Pusat	10560	(021) 42802567	42802567
302	17	KK Jakarta Salemba Jamsostek	Gedung Jamsostek, Jl. Salemba Raya No. 65	Jakarta Pusat	10440	(021) 42802567	42802567
303	18	KK Jakarta Kenari Mas	Gedung Kenari Mas Lantai 2 Blok G-5, Jl. Kramat Raya No. 101	Jakarta Pusat	10440	(021) 39842765	39840413

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No.	Office	Address	Municipal	Post Code	Phone	Fax
<b>Hub Jakarta Casablanca</b>						
304	1	KC Jakarta Casablanca	Jl. Casablanca Kav. 18	Jakarta Selatan	12870	(021) 8317028-29-32 8317011
305	2	KCP Jakarta Gedung Tira	Jl. H.R. Rasuna Said Kav. B-3	Jakarta Selatan	12920	(021) 5209343-5 5209325
306	3	KCP Jakarta Tebet Barat	Jl. Tebet Barat Ix No. 36 B, Tebet	Jakarta Selatan	12810	(021) 83700179, 83795438 83700178, 8295960
307	4	KCP Jakarta Tebet Supomo	Jl. Prof. Dr. Supomo, SH No. 43, Tebet	Jakarta Selatan	12180	(021) 8301180-81 8291001
308	5	KCP Jakarta Kuningan	Jl. H.R. Rasuna Said Kav. B-9, Gedung Menara Duta	Jakarta Selatan	12920	(021) 5207075, 5207887 5200301
309	6	KCP Jakarta Rasuna Said	Jl. H.R. Rasuna Said Kav. C-5, Gedung Enterprise	Jakarta Selatan	12920	(021) 2501256, 1240 2501249, 2501250
310	7	KCP Jakarta Graha Irama	Jl. H.r. Rasuna Said Kav. X-1, No. 1-2, Graha Irama Lantai Dasar	Jakarta Selatan	12950	(021) 52964180, 52964282 52964179
311	8	KCP Jakarta Asem Baris	Jl. Kh. Abdullah Syafie No.45e, Tebet	Jakarta Selatan	12840	(021) 8308035, 8308065 8318593
312	9	KCP Jakarta Mega Kuningan	Jl. Denpasar Kav. D III, Gedung RNI	Jakarta Selatan	12950	(021) 2522852/55 2522853
313	10	KCP Jakarta Saharjo	Unit J Komp. Gajah, Jl. Dr. Saharjo No. 111	Jakarta Selatan	12810	(021) 8293567-8 8319768
314	11	KK Jakarta Ambassador	Mall Ambassador, Jl. Prof. Dr. Satrio	Jakarta Selatan	12940	(021) 57930970, 57930971-72 57930973
315	12	KK Jakarta Wisma Tugu	Jl. H.r. Rasuna Said Kav. C 8/9	Jakarta Selatan	12940	(021) 5208814 8298464
316	13	KK Jakarta Tebet Timur	Jl. Tebet Timur Dalam Raya No. 115	Jakarta Selatan	12820	(021) 8290675, 8290521, 8290721 8291788
<b>Hub Jakarta Jatinegara</b>						
317	1	KC Jakarta Jatinegara Timur	Jl. Jatinegara Timur No. 58	Jakarta Timur	13310	(021) 2800033 2800056-57
318	2	KCP Jakarta Plaza Kramatjati Indah	Jl. Raya Bogor, Pertokoan Ramayana Blok A No.11-12	Jakarta Timur	13510	(021) 8090364 8090324
319	3	KCP Jakarta Jatiwaringin	Jl. Raya Jatiwaringin No. 263, Pondok Gede	Bekasi	17411	(021) 84972840, 8465362 8473566
320	4	KCP Jakarta Kalimalang	Jl. Raya Tarum Barat Blok M I No. 2, Kav. Billy Moon, Kalimalang	Jakarta Timur	13450	(021) 8645943-4 8656511
321	5	KCP Jakarta Pahlawan Revolusi	Jl. Pahlawan Revolusi No. 57, Pondok Bambu	Jakarta Timur	13470	(021) 8623403 8625120
322	6	KCP Jakarta Dewi Sartika	Jl. Dewi Sartika No.184 A, Cawang	Jakarta Timur	13630	(021) 8094755 8094754
323	7	KCP Jakarta Puri Sentra Niaga	Jl. Seulawah Raya, Puri Sentra Niaga Blok C-50, Jatiwaringin	Jakarta Timur	13620	(021) 86600854-5 8604829
324	8	KCP Jakarta Rawamangun Pemuda	Jl. Pemuda No. 73	Jakarta Timur	13220	(021) 4757445-50 4705267
325	9	KCP Jakarta Pondok Bambu	Jl. Pahlawan Revolusi No. 125 F/G, Pondok Bambu	Jakarta Timur	13430	(021) 8610456-67 8612422
326	10	KCP Jakarta Rawamangun Pegambiran	Jl. Pegambiran No. 4, Rawamangun	Jakarta Timur	13220	(021) 4702841 4750071
327	11	KCP Jakarta D.I. Panjaitan	Jl. D.I. Panjaitan Kav. 9, Gedung Wika	Jakarta Timur	13340	(021) 8192808 8195074
328	12	KCP Jakarta Matraman	Jl. Matraman Raya No. 31	Jakarta Timur	13150	(021) 8503181, 8503183 8502389
329	13	KCP Jakarta Jatinegara Barat	Jl. Jatinegara Barat No. 142 Ab	Jakarta Timur	13320	(021) 8199747, 8508805 8508807
330	14	KCP Jakarta Pondok Kelapa	Jl. Tarum Barat Km. 4,5, Kalimalang	Jakarta Timur	13450	(021) 8645173 8655418
331	15	KK Jakarta Pasar Jatinegara	Jl. Matraman Raya No. 242	Jakarta Timur	13310	(021) 2800064 2800072
332	16	KK Bekasi Jatibening	Rukan Villa Jatibening Toll Kaveling No.A-05, Jl. Caman Raya, Jatibening, P. Gede	Bekasi	17412	(021) 84978016 84993901
333	17	KK Jakarta Waskita Karya	Jl. Biru Laut X Kav. 10, Cawang	Jakarta Timur	13340	(021) 8564421 8564422
334	18	KK Jakarta Klender	Kompleks Ruko Blok B1 No.6, Jl. I Gusti Ngurah Rai	Jakarta Timur	13470	(021) 86612125-7 86612129
335	19	KK Jakarta Pramuka	Gedung IS Plaza, Jl. Pramuka Raya Kav.151	Jakarta Timur	13120	(021) 8199377, 8564666 8199341
336	20	KK Jakarta Halim Perdanakusuma	Bandara Halim Perdanakusuma No. 21/HT	Jakarta Timur	13610	(021) 80889951 80889950
337	21	KK Jakarta Otto Iskandardinata	Gedung Graha Marba, Lantai 1, Jl. Otto Iskandardinata No. 64	Jakarta Timur	13450	(021) 85904114, 85903837 85903966
<b>Hub Jakarta Pulogadung</b>						
338	1	KC Jakarta Pulogadung	Jl. Raya Bekasi Km. 21, Pulogadung	Jakarta Utara	14250	(021) 4602877 4602875, 4602879
339	2	KCP Jakarta Kawasan Industri Pulogadung	Jl. Pulobuaran No. 2, Pulogadung	Jakarta Timur	13930	(021) 46826936, 4600081 46825364
340	3	KCP Jakarta Kelapa Gading Bolevar	Jl. Bolevar Raya Blok L No. 8, Kelapa Gading	Jakarta Utara	14240	(021) 4520245, 4520474 4520203
341	4	KCP Jakarta Perumnas Klender	Jl. Raya Teratai Putih Blok 19 No.5 C-D, Klender	Jakarta Timur	13460	(021) 86601823-4 86601828
342	5	KCP Bekasi Ahmad Yani	Jl. Jend. Ahmad Yani, Pusat Perdagangan Kalimalang Blok A VIII No.17-18	Bekasi	17141	(021) 8848683 8846716
343	6	KCP Jakarta Kelapa Gading Barat	Jl. Bolevar Barat Raya Blok LC-7 No. 22-23, Kelapa Gading	Jakarta Utara	14240	(021) 45841815-6 4504788
344	7	KCP Bekasi Juanda	Jl. Ir. H. Juanda No. 155	Bekasi	17112	(021) 8803023 8800881
345	8	KCP Bekasi Cikarang	Ruko Union Blok E No.1, Jl. M.H. Thamrin, Lippo Cikarang	Bekasi	17550	(021) 89909420-1 89909422
346	9	KCP Bekasi Kemang Pratama	Ruko Kemang Pratama, Jl. Kemang Pratama Raya Blok MM-02	Bekasi	17114	(021) 8271328 8271326
347	10	KCP Jakarta Kelapa Gading	Jl. Kelapa Gading Bolevar Blok TB2 No. 6-8, Kelapa Gading	Jakarta Utara	14240	(021) 4509076-7 4520566
348	11	KCP Bekasi Sentra Niaga Kalimalang	Jl. Jend. Ahmad Yani, Sentra Niaga Kalimalang Blok A3 No. 6-7	Bekasi	17141	(021) 8853507 8862613

## Bank Mandiri Domestic Branch Network

No.	Office	Address	Municipal	Post Code	Phone	Fax
349	12	KK Jakarta Mal Kelapa Gading	Mal Kelapa Gading 3, Unit LG 47, Jl. Bulevar Raya Blok M, Kelapa Gading Permai	Jakarta Utara	14240	(021) 45853740-2 45853745
350	13	KK Cikarang Jababeka	Kawasan Industri Cikarang, Ruko Commercial Blok A, No. 25-26	Cikarang	17550	(021) 89832280-81 89832282
351	14	KK Bekasi Pondok Ungu	Pertokoan Naga Swalayan Blok A 17, Jl. Sultan Agung	Bekasi	17132	(021) 88852531-32 88852533
352	15	KK Bekasi Taman Galaxi	Komplek Pertokoan Taman Galaxi, Jl. Galaxi Raya Blok G No. 1	Bekasi	17147	(021) 82424918, 82424919 8205212
353	16	KK Bekasi Grand Mal	Komplek Ruko Grand Mal Bekasi Kaveling B No. 7, Jl. Raya Sudirman	Bekasi	17135	(021) 88854988-9 88854987
354	17	KK Cikarang Ruko Sentra	Ruko Sentra Cikarang Blok C No. 2, Jl. Raya Cikarang-Cibarusah	Bekasi	17550	(021) 89902333, 89903742 89901502
355	18	KK Jakarta Artha Gading	Rukan Artha Gading Niaga Blok A.17, Jl. Raya Boulevard Artha Gading	Jakarta Utara	14240	(021) 45847771-2 45847773
356	19	KK Bekasi Cibitung	Kawasan Industri Mm 2100, Cibitung, Bekasi Fajar	Bekasi	17520	(021) 8981217 8980344
357	20	KK Bekasi Harapan Indah	Ruko Sentra Niaga Blok Sn 07, Jl. Boulevard Hijau, Kompleks Perumahan Harapan Indah	Bekasi	17131	(021) 88872211, 88872244, 88872266 88875533
358	21	KK Bekasi Kalimas	Ruko Kalimas, Jl. Chairil Anwar Blok C No. 3 A	Bekasi	17113	(021) 88353687, 88355577 8810011
<b>Region V/ Jakarta Sudirman</b>			Jl. Jend. Sudirman Kav. 54-55	Jakarta Selatan	12190	(021) 5266566 Ext.8710-15 5267371, 5267365
<b>Hub Jakarta Plaza Mandiri</b>						
359	1	KC Jakarta Plaza Mandiri	Jl. Jend. Gatot Subroto Kav. 36-38	Jakarta Selatan	12190	(021) 5263553 5263656, 5263756
360	2	KCP Jakarta Mampang	Jl. Mampang Prapatan No. 61	Jakarta Selatan	12790	(021) 7995559, 7980695 7989909
361	3	KCP Jakarta Wisma Argo Manunggal	Jl. Jend. Gatot Subroto Kav. 22	Jakarta Selatan	12930	(021) 2520051-3 2520054
362	4	KCP Jakarta Gedung Bidakara	Jl. Jend. Gatot Subroto Kav. 71-73	Jakarta Selatan	12870	(021) 83793115-9 83793120
363	5	KCP Jakarta Wisma Baja	Jl. Jend. Gatot Subroto Kav. 54	Jakarta Selatan	12170	(021) 5200683, 5221261-2 5204338, 5207277
364	6	KCP Jakarta Pancoran	Jl. Raya Pasar Minggu No.17 A	Jakarta Selatan	12780	(021) 7983377 7983422
365	7	KCP Jakarta Gatot Subroto	Ged. Menara Jamsostek Jl. Jend. Gatot Subroto Kav. 38	Jakarta Selatan	12710	(021) 52961514, 52962256-7 52961513
366	8	KCP Jakarta Gedung Jamsostek	Jl. Jend. Gatot Subroto No. 79	Jakarta Selatan	12930	(021) 5201885, 5255155 5221632
367	9	KCP Jakarta M.T. Haryono	Jl. Letjend. M.T. Haryono Kav. 17	Jakarta Selatan	12810	(021) 83792003, 8291043-4 8297223
368	10	KCP Jakarta Gedung Patrajasa	Gedung Patrajasa, Jl. Jend. Gatot Subroto Kav. 32-34	Jakarta Selatan	12950	(021) 5227994 5227993, 5252265
369	11	KCP Jakarta Grha Citra Caraka	Grha Citra Caraka/witel IV, Jl. Jend. Gatot Subroto No. 52	Jakarta Selatan	12710	(021) 5222185-6 5203868
370	12	KK Jakarta Nindya Karya	Jl. Letjend. M.T. Haryono No. 3-7	Jakarta Timur	13630	(021) 8096961 8096961
371	13	KK Jakarta BKPM	Gedung BKPM, Jl. Jend. Gatot Subroto Kav. 44	Jakarta Selatan	12190	(021) 5225828-9 5225828
372	14	KK Jakarta Wisma IKPT	Wisma IKPT Jl. M.t. Haryono Kav.4-5	Jakarta Selatan	12820	(021) 8294717 8353987
<b>Hub Jakarta Sudirman</b>						
373	1	KC Jakarta Sudirman	Plaza Bapindo, Jl. Jend. Sudirman Kav. 54-55	Jakarta Selatan	12190	(021) 5266527 5266528-29
374	2	KCP Jakarta Mayestik	Jl. Kyai Maja No. 6 A1-2, Kebayoran Baru	Jakarta Selatan	12120	(021) 7233486, 7233487 7233715
375	3	KCP Jakarta Ratu Plaza	Perkantoran Ratu Plaza Unit Gb 2A & 2B, Jl. Jend. Sudirman No. 9	Jakarta Pusat	10270	(021) 2700851, 2700853 2700854
376	4	KCP Jakarta DPR RI	Gedung MPR/DPR RI Senayan, Jl. Jend. Gatot Subroto	Jakarta Pusat	10270	(021) 5701274, 5715400 5701275
377	5	KCP Jakarta Bursa Efek	Gedung Bursa Efek Jakarta, Jl. Jend. Sudirman Kav. 52-53	Jakarta Selatan	12190	(021) 5153003-4 5153012, 5154165
378	6	KCP Jakarta Simprug	Jl. Kramat No. 5 A-c, Arteri Simprug, Kebayoran Lama	Jakarta Selatan	12240	(021) 7231355, 7253780 7253787, 7231358
379	7	KCP Jakarta Gedung Pusat Kehutanan	Jl. Jend. Gatot Subroto, Mangala Wanabakti	Jakarta Pusat	10270	(021) 5703265, 5703246 5732972, 5711204
380	8	KCP Jakarta Puncak Emas	Jl. Jend. Sudirman Kav. 61-62	Jakarta Selatan	12190	(021) 5200208, 5200234 5202462, 5202464
381	9	KK Jakarta Palmerah	Jl. Palmerah Barat No.39	Jakarta Pusat	10270	(021) 5308376 5308376
382	10	KK Jakarta Gedung Aka	Gedung Aka Lantai Dasar, Jl. Bangka Raya No. 2	Jakarta Selatan	12730	(021) 71790829 7198430
383	11	KK Jakarta Permata Hijau	Pertokoan Permata Hijau Blok Dc No. 25	Jakarta Selatan	12210	(021) 5346918, 5346981 5485627
384	12	KK Jakarta Mabes Polri	Jl. Trunojoyo No. 3, Kebayoran Baru	Jakarta Selatan	12110	(021) 7255467, 2700299 2700300
385	13	KK Jakarta Pakubuwono	Jl. Pakubuwono VI No. 39a, Kebayoran Baru	Jakarta Selatan	12120	(021) 7223462-63 72790837
386	14	KK Jakarta Pos Pengumben	Kompleks Intercon Megah Blok W.3 No. 20	Jakarta Barat	11640	(021) 5864931, 5864951, 5865075 5864448
<b>Hub Jakarta Falatehan</b>						
387	1	KC Jakarta Falatehan	Jl. Falatehan I No.44	Jakarta Selatan	12160	(021) 2700501-3 2700516, 2700202
388	2	KCP Jakarta Panglima Polim	Jl. Panglima Polim Raya No. 192 Blok A, Kebayoran Baru	Jakarta Selatan	12000	(021) 2700106, 2700119 2700122
389	3	KCP Jakarta Kalibata	Jl. Raya Pasar Minggu Km. 17 No.8	Jakarta Selatan	12740	(021) 7945427-8 7945429



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No.	Office	Address	Municipal	Post Code	Phone	Fax	
390	4	KCP Jakarta Pasar Minggu	Jl. Raya Pasar Minggu No. 89 J, Pejaten	Jakarta Selatan	12510	(021) 79190338-9	79190337
391	5	KCP Jakarta Wolter Monginsidi	Jl. Wolter Monginsidi No. 57, Kebayoran Baru	Jakarta Selatan	12180	(021) 2702861-3	2702864
392	6	KCP Jakarta Departemen PU	Jl. Patimura No. 20, Kebayoran Baru	Jakarta Selatan	12110	(021) 2700017, 72796883	2700018
393	7	KCP Jakarta PLN Pusat	Jl. Trunojoyo M 1 No. 135, Kebayoran Baru	Jakarta Selatan	12160	(021) 72794359, 7251091	2700019
394	8	KCP Jakarta Grand Wijaya	Jl. Wijaya II, Komp. Wijaya Grand Center Blok B 1-3	Jakarta Selatan	12160	(021) 2700107	2700938
395	9	KCP Jakarta Kemang Raya	Jl. Kemang Raya No. 18 A	Jakarta Selatan	12370	(021) 7199123-7	7190448
396	10	KCP Jakarta Iskandarsyah	Graha Iskandarsyah, Jl. Iskandarsyah Raya No. 66	Jakarta Selatan	12160	(021) 2702711-3	2702716, 2700016
397	11	KCP Jakarta Melawai	Jl. Melawai Raya No. 12-14, Kebayoran Baru	Jakarta Selatan	12160	(021) 2700346	2700352, 2700324
398	12	KK Jakarta R.S. Pusat Pertamina	Jl. Kyai Maja No. 43, Kebayoran Baru	Jakarta Selatan	12120	(021) 2700347, 7219288	2700347
399	13	KK Jakarta Jatipadang	Jl. Raya Ragunan No. 8 D	Jakarta Selatan	12520	(021) 7890989	78845753
400	14	KK Jakarta Kemang Plaza	Kemang Plaza, Jl. Kemang Raya No. 15c	Jakarta Selatan	12790	(021) 71794582, 71794583, 71794585	71790789
<b>Hub Jakarta Pondok Indah</b>							
401	1	KC Jakarta Pondok Indah	Jl. Metro Pondok Indah Kav.II UA No. 48-50	Jakarta Selatan	12310	(021) 7507208-9, 7505045	7694850, 7698778
402	2	KCP Jakarta Gandaria	Jl. Gandaria Tengah III No. 21, Kebayoran Baru	Jakarta Selatan	12130	(021) 2702865-7	2702867
403	3	KCP Jakarta Cirendeudeu	Jl. Cirendeudeu Raya, Pertokoan Prima Indah No. 10	Tangerang	15419	(021) 7444809-810	7444812
404	4	KCP Jakarta Radio Dalam	Jl. Radio Dalam Raya No.11-11a	Jakarta Selatan	12140	(021) 2700439-626- 440	2700627
405	5	KCP Jakarta Mal Pondok Indah	Jl. Metro Pondok Indah, Pondok Indah Mal Blok B/2	Jakarta Selatan	12310	(021) 7506717-9, 7506793	7506721
406	6	KCP Jakarta Aminta Plaza	Gedung Aminta Plaza, Jl. Letjend. T.B. Simatupang Kav. X	Jakarta Selatan	12310	(021) 7512062-67	7512061, 7512071
407	7	KCP Jakarta Plaza Pondok Indah	Jl. Taman Duta Kav. II Ua 36-37, Pondok Indah	Jakarta Selatan	12310	(021) 7507213-4	7507213
408	8	KCP Jakarta Lebak Bulus	Jl. Karang Tengah, Bona Indah Blok A2/B7, Lebak Bulus	Jakarta Selatan	12440	(021) 7692733-34, 7692063	7691845
409	9	KCP Jakarta Pondok Pinang Center	Pertokoan Pondok Pinang Center Blok A 36/38/40, Jl. Ciputat Raya	Jakarta Selatan	12310	(021) 7507366-7	7507365
410	10	KCP Cinere	Jl. Cinere Raya Kav. 32-33	Depok	16514	(021) 7541916, 7543844	7533985, 7547565
411	11	KK Jakarta Pondok Indah Metro	Jl. Metro Pondok Indah Kav.II UA No. 24-27, Pondok Indah	Jakarta Selatan	12310	(021) 7503057	7653061
412	12	KK Tangerang Serpong	Simpang Tiga Puspittek Serpong	Tangerang	15310	(021) 7560948-9	7560950
413	13	KK Jakarta Arteri Pondok Indah	Jl. Sultan Iskandar Muda No. 8A, Kebayoran Lama Selatan	Jakarta Selatan	12240	(021) 2701173-5	7396772
414	14	KK Cinere PLN Gandul	Kompk. Kantor Pln (Persero) UBS P3B, Jl. Garuda No. 15	Depok	16514	(021) 7542646	7533209
<b>Hub Jakarta Fatmawati</b>							
415	1	KC Jakarta Fatmawati	Jl. R.s. Fatmawati No. 8, Cilandak	Jakarta Selatan	12430	(021) 7504791, 7509191	7504326, 7692309
416	2	KCP Jakarta Cipete	Gedung Chase Worth, Jl. R.S. Fatmawati No. 75, Cipete	Jakarta Selatan	12410	(021) 7236142-5	7236141
417	3	KCP Jakarta Pejaten	Jl. Warung Jati Barat No. 15 A, Pejaten	Jakarta Selatan	12550	(021) 78831247, 78831086	78831127
418	4	KCP Jakarta Pondok Labu	Jl. R.S. Fatmawati No. 8, Pondok Labu	Jakarta Selatan	12430	(021) 75816903, 7692324	7699803
419	5	KCP Jakarta Simatupang	Gedung PT AAF, Jl. Letjend. T.B. Simatupang Kav. 18	Jakarta Selatan	12430	(021) 75816558-9	75816560
420	6	KCP Jakarta Ragunan	Jl. Harsono RM No.3, Gedung D, KP Departemen Pertanian	Jakarta Selatan	12550	(021) 7805441, 7805184	7805116
421	7	KCP Jakarta Kawasan Komersial Cilandak	Jl. Raya Cilandak KKO, Kawasan Komersial Cilandak Gedung III	Jakarta Selatan	12560	(021) 7801478, 7802464	7801479
422	8	KCP Jakarta Warung Buncit Raya	Jl. Warung Buncit Raya No. 6, Wisma Ritra	Jakarta Selatan	12740	(021) 7970906, 7980666	7980644
423	9	KK Jakarta Gedung Elnusa	Graha Elnusa, Jl. Letjend. T.B. Simatupang Kav. 1 B	Jakarta Selatan	12560	(021) 78831183-4	78831184
424	10	KK Jakarta Universitas Pancasila	Jl. Raya Lenteng Agung, Srenseng Sawah	Jakarta Selatan	12640	(021) 7270086 Ext.120	78880410
425	11	KK Jakarta ITC Fatmawati	Ruko ITC Fatmawati No.17 Jl. RS. Fatmawati	Jakarta Selatan	12150	(021) 7248700, 727988815	7392522
<b>Hub Jakarta Bintaro</b>							
426	1	KC Jakarta Bintaro Jaya	Jl. Bintaro Utama, Bintaro Jaya Sektor I	Jakarta Selatan	12330	(021) 7340924-8	7364068-9
427	2	KCP Jakarta Pamulang	Komplek Pertokoan Pamulang Permai	Tangerang	15417	(021) 7421007-8	7421009
428	3	KCP Tangerang Bintaro	Jl. Bintaro Utama 3 A Blok D No. 42-43 Sektor III, Bintaro Jaya	Tangerang	15225	(021) 7362419, 7362404	7375884
429	4	KCP Jakarta Bintaro Burung Gereja	Jl. Burung Gereja Blok B2 Hs 2 No.6, Sektor II, Bintaro Jaya	Jakarta Selatan	12330	(021) 7357272, 7357277	7357318
430	5	KCP Tangerang Graha Karnos	Jl. Ir. H. Juanda No. 39, Ciputat	Tangerang	15412	(021) 74701725, 74701726, 74701727	74705316
431	6	KCP Jakarta Ciputat Center	Pertokoan Ciputat Center, Jl. Ciputat Raya No. 75	Tangerang	15412	(021) 7493125	7491621
432	7	KCP Jakarta Kebayoran Lama	Jl. Raya Kebayoran Lama No. 222	Jakarta Selatan	12220	(021) 2700602-5	2700606, 2702690



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No.		Office	Address	Municipal	Post Code	Phone	Fax	
433	8	KK	Jakarta Gedung Lemigas	Kanpus. PPPTMGB Lemigas, Jl. Ciledug Raya	Jakarta Selatan	12230	(021) 2700298, 72795635	2700298
434	9	KK	Tangerang Pondok Cabe Mutiara	Komplek Pertokoan Pondok Cabe Mutiara Blok B-3A, Jl. Raya Parung	Tangerang	15418	(021) 7490389	7424976
435	10	KK	Tangerang Bintaro Sentra Menteng	Ruko Sentra Menteng, Bintaro Jaya Sektor VII Blok MN 29	Tangerang	15225	(021) 74864018-9	74863971
436	11	KK	Jakarta Bintaro Veteran	Jl. R.S. C. Veteran No. 23 Bintaro	Jakarta Selatan	12330	(021) 73889818, 7351265, 7374758	7351303
<b>Hub Jakarta Pasar Rebo</b>								
437	1	KC	Jakarta Pasar Rebo	Plaza PP, Jl. Letjend. T.B. Simatupang No. 57	Jakarta Timur	13760	(021) 8403957, 8408283	8403961, 8414446
438	2	KCP	Jakarta Gedung Aneka Tambang	Jl. Letjend. T.B. Simatupang, Tanjung Barat	Jakarta Selatan	12530	(021) 7892955-7, 7891226	7892953
439	3	KCP	Jakarta Cilangkap	Komplek Mabes ABRI Cilangkap	Jakarta Timur	13870	(021) 8441076, 8711748	8711447
440	4	KCP	Jakarta Cibubur	Jl. Lapangan Tembak, Pertokoan Cibubur Indah Blok. A-22-23	Jakarta Timur	13720	(021) 87704204-6	8703106
441	5	KCP	Jakarta Kramatjati	Kokan Angatra Pusdikkes No.PP8-A1 dan PP9-A1 Jl. Raya Bogor Km.18	Jakarta Timur	13510	(021) 8000455, 80882150	8000378, 80876863
442	6	KCP	Bekasi Plaza Pondok Gede	Jl. Raya Pondok Gede No. 50 B, Pondok Gede	Bekasi	17414	(021) 8485643, 8485645	8482936
443	7	KCP	Jakarta Cimanggis	Jl. Raya Jakarta Bogor Km. 28	Jakarta Timur	13710	(021) 8710013, 87100775	8710776
444	8	KCP	Depok	Jl. Margonda Raya No. 2	Depok	16432	(021) 7520569	7762684
445	9	KK	Jakarta Mal Cijantung	Mall Cijantung Lantai Dasar No. 33, Jl. Pendidikan I, Cijantung	Jakarta Timur	13770	(021) 87797855-6	87797857
446	10	KK	Depok Kelapa Dua	Jl. Raya Akses Ui No. 88 C, Kelapa Dua, Cimanggis	Depok	16951	(021) 87712226	87712226
447	11	KK	Depok Tengah	Komplek Ruko Sukmajaya No. 15, Jl. Tole Iskandar, Depok II Tengah	Depok	16411	(021) 7715427, 7715432	7715441
448	12	KK	Cibubur Citra Grand	Komplek Citra Grand Ruko 2 No. 15, Jl. Alternatif Km.4, Pondok Gede	Bekasi	17435	(021) 84596942, 84596941	84300086
449	13	KK	Jakarta Taman Mini Indonesia Indah	Komplek TmII, Gedung Sasana Kriya No. B 16	Jakarta Timur	13560	(021) 8403190	8714954
450	14	KK	Jakarta R.S. M.H. Thamrin	Jl. Raya Pondok Gede No. 23, Kramatjati	Jakarta Timur	13550	(021) 8096791	8008963
451	15	KK	Jakarta Pasar Induk Kramatjati	Pasar Induk Kramatjati, Jl. Raya Bogor	Jakarta Timur		(021) 8400248	8400879
452	16	KK	Depok Cisalak	Jl. Raya Bogor km 31 No. 8, Cisalak	Depok	16416	(021) 8734224, 8734117	8734220
453	17	KK	Depok I	Jl. Nusantara Raya No. 25 Ab	Depok	16432	(021) 77205078, 77205270	77205361
<b>Region VI/ Bandung</b>				Jl. Soekarno Hatta No. 486	Bandung	40266	(022) 7506242, 7511478	7505810, 7506632
<b>Hub Bandung Asia-afrika</b>								
454	1	KC	Bandung Asia Afrika Utara	Jl. Asia Afrika No. 107	Bandung	40112	(022) 4207026, 4203461, 4336693	4206998, 4233546
455	2	KCP	Bandung Kiaracondong	Jl. Kiara Condong No. 95	Bandung	40281	(022) 7273046	7205633
456	3	KCP	Bandung Buah Batu	Jl. Buah Batu No. 268	Bandung	40264	(022) 7320854-5	7300369
457	4	KCP	Bandung Binacitra	Jl. Soekarno Hatta No. 162	Bandung	40235	(022) 5422366, 5406674, 5406693	5411336, 5409846
458	5	KCP	Bandung Asia Afrika Selatan	Jl. Asia Afrika No. 118-120	Bandung	40261	(022) 4240282	4240281
459	6	KCP	Bandung Metro	Jl. Soekarno Hatta No. 638	Bandung	40286	(022) 7508202	7562091
460	7	KCP	Bandung Soekarno-Hatta	Jl. Soekarno Hatta No. 486	Bandung	40266	(022) 7562950	7562944
461	8	KCP	Bandung Siliwangi	Jl. Siliwangi No. 3	Bandung	40132	(022) 2506858, 2502549, 2531941, 2531942	2531940
462	9	KCP	Bandung Kopo	Jl. Raya Terusan Kopo 228 A	Bandung	40226	(022) 5425541-3	5410568
463	10	KCP	Bandung Alun-alun	Jl. Asia Afrika No. 51	Bandung	40001	(022) 4205555	4205312
464	11	KK	Bandung Jamika	Jl. Jamika No. 33 C	Bandung	40231	(022) 6403199	6403199
465	12	KK	Bandung Sumpersari	Jl. Soekarno Hatta No. 132-B	Bandung	40222	(022) 6046262	6046261
466	13	KK	Bandung Burangrang	Jl. Burangrang No. 35-D	Bandung	40262	(022) 7333999	7333995
<b>Hub Bandung Surapati</b>								
467	1	KC	Bandung Surapati	Jl. Surapati No. 2	Bandung	40115	(022) 4241411	4207552, 4241436
468	2	KCP	Bandung Ahmad Yani	Jl. Jend. Ahmad Yani No. 730, Gerbang Puri Tirta Kencana	Bandung	40282	(022) 7213707	7213708
469	3	KCP	Bandung Martadinata	Jl. R.E. Martadinata No.103	Bandung	40115	(022) 4209093	4204991
470	4	KCP	Bandung Ujungberung	Jl. Raya Ujungberung No.134	Bandung	40612	(022) 7800135	7815020
471	5	KCP	Bandung Kanpus Telkom	Gedung Kantor Pusat PT Telkom, Jl. Japati No. 1	Bandung	40133	(022) 706661	706562
472	6	KK	Bandung STT Telkom	Komplek STT Telkom, Jl. Japati No. 1	Bandung	40133	(022) 7512480	
473	7	KK	Bandung Rancaekek	Jl. Raya Dandeur No. 137, Rancaekek	Bandung	40394	(022) 7791010, 7791001	7791001
474	8	KK	Bandung Jamsostek	Jl. Cikutra No. 204 A	Bandung	40125	(022) 7207437	7207437
475	9	KK	Bandung Gatot Subroto	Jl. Jend Gatot Subroto No. 295 A	Bandung	40274	(022) 7320412	7313469
476	10	KC	Tasikmalaya Otto Iskandardinata	Jl. Otto Iskandardinata No. 26	Tasikmalaya	46113	(0265) 331821	331824
477	11	KCP	Tasikmalaya Mustofa	Jl. H.S. Mustofa No. 294	Tasikmalaya	46125	(0265) 333328	333336
478	12	KCP	Garut	Jl. Ahmad Yani No. 24	Garut	44115	(0262) 231698	232675

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No.	Office	Address	Municipal	Post Code	Phone	Fax
479	13	KCP Tasikmalaya Sutisna	Jl. Sutisna Senjaya No. 88	Tasikmalaya	46114	(0265) 323261 335059
480	14	KCP Ciamis	Jl. Ahmad Yani No. 21	Ciamis	46211	(0265) 771538 771384
481	15	KK Tasikmalaya Cihideung	Jl. Raya Cihideung No. 39	Tasikmalaya	46121	(0265) 311214 311212
482	16	KK Ciamis Banjar	Jl. Letjend. Suwarta No. 48	Ciamis	43622	(0265) 742466 744719
<b>Hub Bandung Braga</b>						
483	1	KC Bandung Braga	Jl. Braga No. 133	Bandung	40111	(022) 4236030 4204444, 4238129
484	2	KCP Bandung R.S. Hasan Sadikin	Jl. Pasteur No. 38	Bandung	40161	(022) 2034953-5 2031849, 2043311
485	3	KCP Cimahi	Jl. Raya Cimahi No. 612	Bandung	40525	(022) 6644628 6644628
486	4	KCP Bandung Pasteur	Jl. Dr. Junjuran No. 155 A	Bandung	40173	(022) 6020295-6 6020360
487	5	KCP Purwakarta	Jl. Sudirman No. 176	Purwakarta	41115	(0264) 201505 201507
488	6	KCP Bandung Pajajaran	Jl. Pajajaran No. 125	Bandung	40174	(022) 6018862, 6032301 6032296, 6002019
489	7	KCP Bandung Setiabudi	Jl. Setiabudi No. 170 F	Bandung	40141	(022) 2038481 234958
490	8	KCP Pamanukan	Jl. Ion Martasasmita No.35, Pamanukan	Subang	41254	(0260) 554555 551357
491	9	KK Baros Lewigajah	Ruko Taman Pondok Mas Indah No. 4, Jl. Baros	Cimahi	40532	(022) 6634666 6634659
492	10	KK Bandung Setrasari Plaza	Setrasari Plaza Blok A No.5 Jl. Suria Sumantri	Bandung	40146	(022) 2002465 2007496
493	11	KK Bandung Otista	Jl. Otto Iskandardinata No. 293	Bandung	40251	(022) 4237271 4204444
494	12	KC Karawang	Jl. Tuparev No. 44	Kerawang	41312	(0267) 402353 402853
495	13	KC Dawuan Cikampek	Jl. Jend. Ahmad Yani (Pupuk Kujang)	Cikampek	41373	(0264) 316140 316385
496	14	KK Cikampek GKB PT Pupuk Kujang	Kawasan PT Pupuk Kujang	Cikampek	41373	(0264) 316386 611623
<b>Hub Bogor</b>						
497	1	KC Bogor Juanda	Jl. Ir. H, Juanda No. 12	Bogor	16121	(0251) 313644, 320008, 324836 323967, 382401
498	2	KCP Bogor Suryakencana	Jl. Suryakencana No. 310	Bogor	16123	(0251) 381136, 329611 381134, 353104
499	3	KCP Bogor Kapten Muslihat	Jl. Kapten Muslihat No. 17	Bogor	16121	(0251) 311129 326852
500	4	KCP Cibinong	Jl. Raya Bogor Km. 47 Cibinong	Bogor	16916	(021) 87916724 87916724
501	5	KK Bogor Warung Jambu	Jl. Raya Pajajaran No. 1-b	Bogor	16153	(0251) 380733, 380763 390287
502	6	KK Bogor Tajur	Jl. Raya Tajur No. 130	Bogor	16720	(0251) 387356 319825
503	7	KC Sukabumi Sudirman	Jl. Jend. Sudirman No. 124	Sukabumi	43132	(0266) 221319 221236
504	8	KCP Sukabumi Ahmad Yani	Jl. Ahmad Yani No. 44	Sukabumi	43131	(0266) 222801 221116
505	9	KCP Cianjur	Jl. Suroso No. 51	Cianjur	43211	(0263) 268383 266078
506	10	KCP Cipanas	Jl. Raya Cipanas No. 43, Pacet	Cianjur	43553	(0263) 511037 511039
507	11	KCP Cicurug	Jl. Siliwangi No. 287 B, Cicurug	Sukabumi	43159	(0266) 732512 736364
<b>Hub Cirebon</b>						
508	1	KC Cirebon Yos Sudarso	Jl. Yos Sudarso No. 11	Cirebon	45111	(0231) 205506-7, 23450-1, 206204 203084
509	2	KCP Cirebon Jalan Kantor	Jl. Kantor No. 4	Cirebon	45112	(0231) 203025 201596
510	3	KCP Cirebon Siliwangi	Jl. Siliwangi No. 139	Cirebon	45124	(0231) 202125 207021
511	4	KCP Cirebon Tegalwangi	Jl. Raya Tegalwangi Km. 9 No. 58	Cirebon	45154	(0231) 321260, 321513 321026
512	5	KCP Indramayu Panjaitan	Jl. D.I. Panjaitan No. 8	Indramayu	45212	(0234) 22001 22901
513	6	KCP Kuningan	Pertokoan Siliwangi No.39-40 Jl. Siliwangi	Kuningan	45511	(0232) 876457, 876557 871742
514	7	KCP Majalengka Kadipaten	Jl. Raya Timur No. 124, Kadipaten	Majalengka	45453	(0233) 663007, 663008, 663010 662004
515	8	KK Jatibarang	Jl. Mayor Dasuki No.92	Jatibarang	45273	(0234) 351450, 351440 353569
516	9	KK Indramayu Balongan	Jl. Raya Balongan (Depo Pertamina)	Indramayu	45217	(0234) 28475 28722
<b>Region VII/ Semarang</b>			Jl. Pemuda No. 73	Semarang	50139	(024) 3520486, 3520487, 3517349 3520485
<b>Hub Semarang Pemuda</b>						
517	1	KC Semarang Pemuda	Jl. Pemuda No. 73	Semarang	50139	(024) 3514321, 3514327 3545365
518	2	KCP Semarang Kepodang	Jl. Kepodang No. 32-34	Semarang	50137	(024) 3544181 3544184
519	3	KCP Semarang R.S. Kariadi	Jl. Dr. Sutomo No. 16	Semarang	50231	(024) 8412503, 8413191, 8453529 8317546
520	4	KCP Salatiga	Jl. Diponegoro No. 41	Salatiga	50711	(0298) 321002, 324030, 323917 321331
521	5	KCP Semarang Pandanaran	Jl. Pandanaran No.104	Semarang	50134	(024) 8310325, 8310259, 8310719 8414125
522	6	KCP Semarang Bangkong Plaza	Jl. M.t. Haryono No. 864-866, Komp. Bangkong Plaza B 4-6	Semarang	50242	(024) 8312736, 8312807, 8414263 8414346
523	7	KCP Semarang Gedung Telkom	Gedung PT Telkom (Persero), Jl. Pahlawan No. 10	Semarang	50241	(024) 8442595, 8303005, 8445672 8445710
524	8	KCP Semarang Majapahit	Kompleks Ruko Majapahit, Jl. Majapahit No. 339	Semarang		
525	9	KK Semarang Patrajasa	Jl. Sisingamangaraja	Semarang	50232	(024) 8505673, 8314450, 8314441 Psw 8826 8505672
526	10	KK Semarang Srandol	Jl. Setiabudi No. G 62 E & F	Semarang	50263	(024) 7461192, 7461215, 7461216 7461191
527	11	KK Semarang Pelindo	Kompleks Pelabuhan Tanjung Emas, Jl. Coaster No. 10	Semarang	50174	(024) 3585382 3563450
528	12	KC Kudus	Jl. Jend. Sudirman No. 164	Kudus	59301	(0291) 432974, 438768 438769, 439278

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No.		Office		Address	Municipal	Post Code	Phone	Fax
529	13	KCP	Jepara	Jl. Hos Cokroaminoto No. 4	Jepara	59417	(0291) 591555	591666
530	14	KCP	Cepu	Kompleks Kantor Pos Jl. Rumah Sakit Umum No.37	Cepu	58312	(296) 424630, 424631, 424632	424625
531	15	KK	Pati	Pertokoan Plaza Puri Blok A No. 6-7	Pati	59112	(0295) 385909, 386067	385065
<b>Hub Semarang Pahlawan</b>								
532	1	KC	Semarang Pahlawan	Jl. Pahlawan No. 3	Semarang	50241	(024) 8415362	8311366
533	2	KCP	Semarang Sugiyopranoto	Jl. Mgr. Sugiyopranoto No. 36 A-B	Semarang	50246	(024) 3522790	3585084
534	3	KCP	Semarang Mpu Tantular	Jl. Mpu Tantular No. 19	Semarang	50010	(024) 3544031-3, 3542041-2	3517337
535	4	KCP	Semarang Candi Baru	Jl. S. Parman No. 55 K, Ruko Sultan Agung	Semarang	50232	(024) 8312141, 8442550	8505501
536	5	KCP	Ungaran	Jl. Jend. Gatot Subroto No. 671 E-F	Semarang	50511	(024) 6924296, 921989	6924295
537	6	KCP	Parakan	Jl. H. Saubari No.10, Parakan	Temanggung	56254	(0293) 596471-73	596239
538	7	KCP	Weleri	Jl. Utama Tengah No. 198	Weleri	51355	(0294) 644009, 642010, 642148	643460
539	8	KK	Semarang Kawasan Industri Candi	Kawasan Industri Candi Blok 10	Semarang	50181	(024) 7606303, 7604357	7604357
540	9	KC	Magelang	Jl. Sudirman No. 26, Komplek Pertokoan Rejotumoto	Magelang	56126	(0293) 364012, 364989, 366763	64282
541	10	KCP	Muntilan	Kompleks Ruko Muntilan Plaza, Jl. Pemuda	Muntilan	56414	(0293) 586066	586065
542	11	KCP	Wonosobo	Jl. Sumbing No. 18	Wonosobo	56311	(0286) 322474	322460
543	12	KCP	Kutoarjo	Jl. Pangeran Diponegoro No. 114	Kutoarjo	54212	(0275) 642000	642652
544	13	KK	Magelang A Yani	Jl. Ahmad Yani No. 203	Magelang	56115	(0293) 314503	314546
<b>Hub Yogyakarta</b>								
545	1	KC	Yogyakarta Sudirman	Jl. Jend. Sudirman No. 26	Yogyakarta	55232	(0274) 586425	561893, 586432
546	2	KCP	Yogyakarta Adisucipto	Jl. Laksda Adi Sucipto No. 168	Yogyakarta	55281	(0274) 489934 S.d. 489938	489252
547	3	KCP	Yogyakarta Gejayan	Jl. Gejayan No. 28, Condong Catur	Yogyakarta	55283	(0274) 584041, 584140	543029
548	4	KCP	Yogyakarta Diponegoro	Jl. Pangeran Diponegoro No. 107	Yogyakarta	55231	(0274) 584758, 562415	562878
549	5	KCP	Yogyakarta UGM	Jl. Kaliurang, Sekip Blok L-6	Yogyakarta	55281	(0274) 543032	543031, 551654
550	6	KCP	Yogyakarta Katamso	Jl. Brigjen. Katamso No. 69 B	Yogyakarta	55121	(0274) 415392, 415616, 415670, 415672	415388, 415389
551	7	KK	Yogyakarta Malioboro	Hotel Garuda, Jl. Malioboro No. 60	Yogyakarta	55213	(0274) 561556, 566353 Ext. 148	565475
552	8	KK	Bantul	Jl. Gajah Mada No. 14, Bantul	Bantul	55711	(0274) 368469, 368470	368470
553	9	KK	Yogyakarta Gedung Magister UGM	Lobby Gedung Magister UGM, Jl. Nusantara, Bulak Sumur	Yogyakarta	55281	(0274) 521412	548956
554	10	KK	Sleman	Jl. Raya Magelang Km. 10	Sleman	55511	(0274) 865123, 868405 Ex.285	865566
555	11	KK	Yogyakarta Ahmad Dahlan	Jl. K.H. Ahmad Dahlan No. 25	Yogyakarta	55121	(0274) 376428	376428
556	12	KK	Yogyakarta STIE YKPN	Kampus STIE YKPN, Jl. Seturan	Yogyakarta	55281	(0274) 486163	487657
557	13	KK	Yogyakarta Suryotomo	Hotel Limaran, Jl. Suryotomo No. 1	Yogyakarta	55121	(0274) 515621	515621
558	14	KK	Yogyakarta R.S. Sardjito	Jl. Kesehatan Sekip, Kotak Pos 21	Yogyakarta	55284	(0274) 518671	518671
<b>Hub Solo</b>								
559	1	KC	Solo Sriwedari	Jl. Brigjend. Slamet Riyadi No. 294	Solo	57141	(0271) 715455	711888
560	2	KCP	Solo Purwotomo	Jl. Brigjend. Slamet Riyadi No. 329	Solo	57142	(0271) 711161	713896
561	3	KCP	Solo Slamet Riyadi	Jl. Brigjend. Slamet Riyadi No. 16	Solo	57111	(0271) 644911	645500
562	4	KCP	Solo Pasar Klewer	Komplek Pasar Klewer Los E 27-29, Jl. Dr. Rajiman	Solo	57115	(0271) 642925	635018
563	5	KCP	Klaten	Jl. Pemuda Tengah No. 54	Klaten	57413	(0272) 327844, 327840, 327841	321277
564	6	KCP	Sragen	Plaza Atrium Blokc C-D, Jl. Raya Sukowati No. 302-304	Sragen	57211	(0271) 890585	894611
565	7	KK	Wonogiri	Jl. Jenderal Sudirman No. 132	Wonogiri	57611	(0273) 323656, 323657	323658
566	8	KK	Palur	Jl. Raya Palur No.32, Jaten	Karanganyar	57771	(0271) 827029	827589
567	9	KK	Kartosuro	Jl. Ahmad Yani No. 9	Kartosuro	57162	(0271) 780822	784240
<b>Hub Tegal</b>								
568	1	KC	Tegal Arif Rahman Hakim	Jl. Arief Rahman Hakim No. 19	Tegal	52123	(0283) 351181, 356211, 357411	353628
569	2	KCP	Pemalang	Jl. Sudirman No. 31	Pemalang	52313	(0284) 321647, 321980, 324880	321433
570	3	KCP	Tegal Sudirman	Jl. Jend. Sudirman No. 11	Tegal	52131	(0283) 351391, 351310, 358151, 342155, 342156	351309, 322194
571	4	KCP	Brebes	Jl. Jend Sudirman No. 109	Brebes	52212	(0283) 673535, 673536, 3304210	3308880

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No.	Office	Address	Municipal	Post Code	Phone	Fax
572	5 KCP	Gombong Jl Yos Sudarso No. 245	Gombong	54411	(0287) 473620, 473621, 473115	472695
573	6 KC	Purwokerto Jl. Jend. Sudirman No. 463	Purwokerto	53114	(0281) 632222 - 5	636687
574	7 KCP	Banjarnegara Jl. S. Parman No. 31	Banjarnegara	53411	(0286) 591333, 591999	591839
575	8 KK	Purbalingga Jl. Jenderal Sudirman No. 53	Purbalingga	53312	(0281) 895555	891977
576	9 KK	Purwokerto Unsoed Jl. Prof. Dr. Hr. Boenjamin No. 15	Purwokerto	53124	(0281) 642555, 642556	642557
577	10 KC	Cilacap Jl. Jend. Ahmad Yani No. 100	Cilacap	53212	(0282) 533193, 533806, 534826	535408
578	11 KCP	Kroya Jl. Jend. Ahmad Yani No. 10 A	Kroya	53282	(0282) 492086, 492105	492087
579	12 KK	Cilacap Maos Komplek Pertamina Depot Maos, Jl. Pertamina, Maos Kidul	Cilacap	57232	(0282) 695026	695009
580	13 KC	Pekalongan Imam Bonjol Jl. Imam Bonjol No. 34	Pekalongan	51111	(0285) 425131-33	425134
581	14 KCP	Pekalongan Hayam Wuruk Jl. Hayam Wuruk No. 5	Pekalongan	51119	(0285) 424671, 422550, 422085, 424670	421501
582	15 KK	Pekalongan Alun-alun Jl. Alun-alun No. 3	Pekalongan	51101	(0285) 421758, 422212, 425240, 423990	421780
<b>Region VIII/ Surabaya</b>		Jl. Basuki Rahmat No. 129-137	Surabaya	60271	(031) 5316760-66	5316776, 5320641, 5316597
<b>Hub Surabaya Niaga</b>						
583	1 KC	Surabaya Niaga Jl. Veteran No. 42-44	Surabaya	60175	(031) 3524223-6	3547571, 3533029
584	2 KCP	Surabaya Stasiun Kota Jl. Stasiun Kota No.60 C-D Kav. No.1 Dan 2	Surabaya	60160	(031) 3530293	3530951
585	3 KCP	Surabaya Pelabuhan Tanjungperak Jl. Perak Timur No. 512 Blok H3-H4	Surabaya	60165	(031) 3295924	3294234
586	4 KCP	Surabaya Tanjungperak Jl. Perak Timur No. 398	Surabaya	60164	(031) 3293568, 3293578	3293579
587	5 KCP	Surabaya Jembatan Merah Jl. Jembatan Merah No. 25-27	Surabaya	60175	(031) 3520091-99	3525779
588	6 KCP	Surabaya THR Mall Jl. Kusuma Bangsa No.116-118, Surabaya Mall Blok B/7	Surabaya	60135	(031) 5322108	5342230
589	7 KCP	Surabaya Baruna Jl. Perak Barat No. 217 A	Surabaya	60177	(031) 3298333, 3294481	3294675, 3292354
590	8 KCP	Surabaya Kembang Jepun Jl. Kembang Jepun No.168-170	Surabaya	60162	(031) 3550091	3550576
591	9 KCP	Surabaya Indrapura Jl. Indrapura No. 45	Surabaya	60176	(031) 3535715	3522653
592	10 KCP	Gresik Jl. R.a. Kartini No. 210	Gresik	61122	(031) 3981300	3981442
593	11 KCP	Tuban Jl. Basuki Rachmat No. 55	Tuban	62317	(0356) 320786, 331436, 331437	320787
594	12 KCP	Bojonegoro Jl. Panglima Sudirman No. 107-109	Bojonegoro	62113	(0353) 892110, 892113	892114
595	13 KCP	Lamongan Jl. Lamongrejo No. 120	Lamongan	62213	(0322) 318200, 318300, 318774	318773
596	14 KK	Surabaya Margorejo Jl. Raya Margorejo Indah Kav. A No.131-132	Surabaya	60238	(031) 8499502, 8499773	8499031
597	15 KK	Surabaya Pasar Turi Kompleks Pertokoan Dupak Megah Blok B-6, Jl. Dupak No. 3-9	Surabaya	60174	(031) 5345620	5345603
598	16 KK	Surabaya PT. Pal Kantor Pusat PT. Pal	Surabaya		(031) 3298482	329848
599	17 KK	Surabaya Pertamina Jagir Jl. Jagir, Wonokromo	Surabaya		(031) 8420753-54	840754
600	18 KK	Surabaya Kapasan Jl. Kapasan No. 159	Surabaya	60141	(031) 319944, 3717529	3719944
601	19 KK	Gedung Utama Semen Gresik Jl. Veteran	Gresik	61121	(031) 3978504, 3981745 Ext.2077	3984608
602	20 KK	Surabaya Armada Timur Markas Komando TNI AL, Gedung Panti Tjahaya Armada Basis TNI AL Ujung	Surabaya	60155	(031) 3281075	3292354
603	21 KK	Surabaya Unika Widya Mandala Jl. Dinoyo No. 42-44	Surabaya	60265	(031) 5624344	5623963
604	22 KCP	Surabaya Pahlawan Jl. Pahlawan No. 120	Surabaya	60174	(031) 3534072-74	3530561
<b>Hub Surabaya Gentengkali</b>						
605	1 KC	Surabaya Gentengkali Jl. Gentengkali No. 93-95	Surabaya	60275	(031) 5319511-15	5316716, 5478401
606	2 KCP	Surabaya Sungkono Jl. Mayjend. Sungkono No. 121 F	Surabaya	60225	(031) 5663045	5678075
607	3 KCP	Surabaya Mulyosari Jl. Raya Mulyosari, Pertokoan Sutorejo Prima I Blok PC-21	Surabaya	60113	(031) 5927468	5926432
608	4 KCP	Surabaya Rungkut Megah Raya Jl. Raya Rungkut, Komp. Ruko Rungkut Megah Raya Blok E-5-6	Surabaya	60293	(031) 8720705-6	8707941
609	5 KCP	Surabaya Darmo Park Jl. Mayjend. Sungkono, Ruko Darmo Park Blok III No. 2	Surabaya	60293	(031) 5661745-5	5672987
610	6 KCP	Surabaya Darmo Permai Jl. H.r. Muhammad 36, Ruko Permata Blok B-1	Surabaya	60226	(031) 7344473-4	7344472
611	7 KCP	Surabaya Rungkut Jl. Rungkut Industri Raya No. 10	Surabaya	60293	(031) 8439581	8410435
612	8 KCP	Sidoarjo Jl. Ahmad Yani No. 7	Sidoarjo	61219	(031) 8921327	8941577
613	9 KCP	Pamekasan Jl. Pangeran Diponegoro No.151	Pamekasan	69315	(0324) 331000, 330803, 330806	324302
614	10 KK	Sidoarjo Pahlawan Ruko Pondok Mutiara Indah Blok N-01 Jl. Pahlawan	Sidoarjo	61213	(031) 8922634	8922283
615	11 KK	Surabaya Pucang Anom Jl. Pucang Anom Timur No.28	Surabaya	60282	(031) 5020126, 5020701	5026330
616	12 KK	Surabaya Pasar Atom Pusat Perbelanjaan Pasar Atom, Lt.1 Stand No.1001t-1002t, Jl. Bunguran No.45	Surabaya	60161	(031) 3531820, 3531825	3531796

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No.		Office	Address	Municipal	Post Code	Phone	Fax	
617	13	KK	Sidoarjo Krian	Jl. Raya Krian No. 47, Krian	Sidoarjo	61262	(031) 8982375, 8982376, 8982377	8971304
618	14	KK	Surabaya Bandara Juanda	Bandara Juanda	Surabaya	61253	(031) 8667514-16	8667596
619	15	KK	Surabaya Darmo Indah	Kompleks Ruko Darmo Indah Timur, Jl. Darmo Indah Timur Blok SS No. 8	Surabaya	60187	(031) 7328524, 7317618	7328525
<b>Hub Surabaya Basuki Rahmat</b>								
620	1	KC	Surabaya Basuki Rahmat	Jl. Basuki Rahmat No. 129-137	Surabaya	60271	(031) 5316760-66	5316778, 5320631, 5316752
621	2	KCP	Surabaya Pondok Chandra	Jl. Palembang 1/12, Pondok Chandra Indah	Surabaya	61256	(031) 8663363	8673866
622	3	KCP	Surabaya PDAM	Jl. Prof. Dr. Moestopo No. 2	Surabaya	60131	(031) 5034988	5034988
623	4	KCP	Surabaya Diponegoro	Jl. Raya Diponegoro No. 153	Surabaya	60145	(031) 5674347	5674348
624	5	KCP	Surabaya Bratang Binangun	Jl. Ngagtek Jaya Selatan, Plaza Manyar Megah Indah Blok J 5-6	Surabaya	60284	(031) 5624701	5043702
625	6	KCP	Surabaya Gubeng	Jl. Kalimantan No.10	Surabaya	60281	(031) 5030765	5035346
626	7	KCP	Surabaya Kertajaya	Jl. Dharmahusada Indah No.130	Surabaya	32190	(031) 5999869, 5981670	5981622
627	8	KCP	Surabaya Sudirman	Jl. Panglima Sudirman No. 101-103	Surabaya	60271	(031) 5481601	5481602
628	9	KCP	Surabaya Swandayani	Menara Bbd, Jl. Basuki Rahmat No. 2-4	Surabaya	60261	(031) 5311303-4	5311305
629	10	KCP	Mojokerto	Jl. Mojopahit No. 375 A-B	Mojokerto	61321	(0321) 323086	323093
630	11	KCP	Surabaya Pemuda	Jl. Pemuda No. 27-31	Surabaya	60271	(031) 5340756	5311432
631	12	KCP	Jombang	Ruko Cempaka Mas Blok A 1-2, Jl. Soekarno Hatta No. 3	Jombang	61481	(0321) 875141, 875541	875542
632	13	KCP	Surabaya Wiyung	Jl. Raya Menganti No. 207, Wiyung	Surabaya	60222	(031) 7660056, 7664559	7668423
633	14	KK	Surabaya Telkom Ketintang	Jl. Ketintang No.156	Surabaya	60245	(031) 8292659, 8292314, 8285823	8285713
<b>Hub Jember</b>								
634	1	KC	Jember Alun-alun	Jl. Jend. Ahmad Yani No. 3	Jember	68118	(0331) 486671	485461, 487704
635	2	KCP	Jember Ahmad Yani	Jl. Jend. Ahmad Yani No. 6-8	Jember	68137	(0331) 484691	486094
636	3	KCP	Jember Wijaya Kusuma	Jl. Wijaya Kusuma No. 1	Jember	68118	(0331) 486096-8, 422687	484370
637	4	KK	Bondowoso	Jl. R.E. Martadinata No. 39, Bondowoso	Bondowoso	68211	(0332) 420800, 420844	428888
638	5	KK	Jember Ambulu	Jl. Manggar No. 23, Ambulu	Jember	68172	(0336) 88117, 881118	882549
639	6	KC	Probolinggo	Jl. Suroyo No. 23	Probolinggo	67211	(0335) 421205	422303
640	7	KCP	Lumajang	Jl. Panglima Sudirman No. 33	Lumajang	67311	(0334) 886866	882151
641	8	KC	Situbondo	Jl. Jend. Ahmad Yani No. 102	Situbondo	68311	(0338) 671853	671854
642	9	KC	Banyuwangi	Jl. Dr. Wahidin Sudiro Husodo No. 2	Banyuwangi	68411	(0333) 424674, 424815	423257
643	10	KCP	Genteng	Jl. Gajah Mada No. 253, Genteng	Banyuwangi	68465	(0333) 845375	845827
<b>Hub Malang</b>								
644	1	KC	Malang Wahid Hasyim	Jl. K.H. Wahid Hasyim No. 5-7	Malang	65119	(0341) 364961-2	364977, 342102
645	2	KCP	Pasuruan	Jl. Soekarno Hatta Kotak Pos 27	Pasuruan	67112	(0343) 420221	426875
646	3	KCP	Malang Merdeka	Jl. Merdeka Barat No. 1	Malang	65119	(0341) 325658	366959
647	4	KCP	Malang Suprpto	Jl. Jaks Agung Suprpto 65	Malang	65112	(0341) 368691	364665
648	5	KCP	Batu	Jl. Dewi Sartika No. 45, Batu	Malang	65315	(0341) 592998, 596534, 512334	512335
649	6	KK	Pandaan	Kompleks Pandaan Delta Permai A 18-19	Pandaan	67156	(0343) 638444, 638585	639493
650	7	KK	Kepanjen	Jl. Ahmad Yani No. 62 A, Kepanjen	Malang	65163	(0341) 399858	399855
651	8	KK	Lawang	Jl. MH Thamrin No. 8, Lawang	Malang	65211	(0341) 422999	422998
652	9	KK	Malang Griya Shanta	Ruko Griya Shanta Blok MP-53, Jl. Soekarno-Hatta	Malang	65142	(0341) 404300	404301
653	10	KC	Kediri	Jl. Diponegoro No. 17	Kediri	64123	(0354) 681396, 681480	681629
654	11	KK	Pare	Jl. Argopuro No. 20, Kecamatan Pare	Kediri	64211	(0354) 398400	395489
655	12	KC	Madiun	Jl. Pahlawan No. 29	Madiun	63116	(0351) 462557, 451598	463482
656	13	KCP	Ponorogo	Jl. Urip Sumoharjo No. 102	Ponorogo	63411	(0352) 488909, 488910	484207
657	14	KC	Tulungagung	Jl. Sudirman No. 55	Tulungagung	66219	(0355) 326543-44	322571
658	15	KCP	Blitar	Jl. Merdeka No. 30	Blitar	66112	(0342) 813546, 813547	813548
<b>Hub Denpasar</b>								
659	1	KC	Denpasar Veteran	Jl. Veteran No. 1	Denpasar	80111	(0361) 226761-3	224077
660	2	KCP	Kuta Setiabudi	Jl. Setiabudi No. 3	Kuta	80361	(0361) 752060	752221
661	3	KCP	Denpasar Teuku Umar	Rukan Denpasar Business Center Blok C, No.3 & 5 Jl. Teuku Umar No.1	Denpasar	80114	(0361) 257566	257567
662	4	KCP	Denpasar Gajah Mada	Jl. Gajah Mada No. 3	Denpasar	80112	(0361) 224705	234646
663	5	KCP	Nusa Dua	Pertokoan Niaga Nusa Dua No. 2-4, Jl. By Pass I Gusti Ngurah Rai, Nusa Dua	Badung	80362	(0361) 772095, 772096, 778052	772097
664	6	KCP	Denpasar Udayana	Jl. Udayana No. 11	Denpasar	80112	(0361) 223511	231277
665	7	KCP	Pelabuhan Benoa	Jl. Raya Pelabuhan Benoa	Denpasar	80222	(0361) 723551	723552
666	8	KCP	Singaraja	Jl. Jend. Ahmad Yani No. 60	Singaraja	81116	(0362) 25222	24543
667	9	KCP	Tabanan	Jl. Jend. Ahmad Yani No. 11, Kediri	Tabanan	82122	(0361) 815362, 815363	815364
668	10	KK	Kuta Hotel Bintang Bali	Jl. Kartika Plaza	Kuta	80361	(0361) 753292, 753416	753417

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No.	Office	Address	Municipal	Post Code	Phone	Fax
669	11 KK Ubud	Jl. Raya Ubud No. 14, Ubud	Gianyar	80561	(0361) 977022, 975946	975889
670	12 KCP Legian	Jl. Raya Legian No. 494 E, Legian-Badung	Badung	80361	(0361) 762589, 7762586, 763412	751894
671	13 KK Denpasar Sanur	Jl. Danau Tamblingan No. 27	Denpasar	80228	(0361) 282663	
672	14 KK Denpasar Gatot Subroto	Jl. Gatot Subroto No. 180 X	Denpasar	80116	(0361) 418807, 418133	418133
673	15 KK Gianyar	Jl. Raya Sukawati	Gianyar	80582	(0361) 294810, 294991	294729
674	16 KK Denpasar Nitimandala	Gedung Keuangan Nitimandala, Jl. Dr. Kusumaatmaja, Renon	Denpasar	80226	(0361) 263451	255715
675	17 KK Denpasar Pasar Kumbasari	Jl. Gajah Mada No. 15	Denpasar	80118	(0361) 434812	261453
676	18 KK Denpasar Bandara Ngurah Rai	Wisti Sabha Building Lantai 1 / 6	Denpasar	80031	(0361) 756497	756497
677	19 KC Mataram Cakranegara	Jl. Pejanggih No. 20-22, Cakranegara	Mataram	83231	(0370) 631813, 636071	631810
678	20 KCP Mataram Aa Gde Ngurah	Jl. Aa Gde Ngurah No. 48 A-B	Mataram	83231	(0370) 21481	37118
679	21 KC Kupang Urip Sumoharjo	Jl. Urip Sumoharjo No. 16	Kupang	85229	(0380) 833216	833818
680	22 KCP Kupang M. Hatta	Jl. Muhammad Hatta No. 54 A	Kupang	85112	(0380) 832459	832460
<b>Region IX/ Banjarmasin</b>		Jl. Lambung Mangkurat No. 3	Banjarmasin	70111	(0511) 51405, 51403, 365767/69/70/71	52249, 66719
<b>Hub Pontianak</b>						
681	1 KC Pontianak Diponegoro	Jl. Diponegoro No. 17	Pontianak	78123	(0561) 769769, 736390	733767, 768330
682	2 KCP Pontianak Ngurah Rai	Jl. I Gusti Ngurah Rai No. 2, Humaera B	Pontianak	78117	(0561) 734247, 736943, 737053, 734153	734147
683	3 KCP Pontianak Tanjungpura	Jl. Tanjungpura No. 110	Pontianak	78117	(0561) 734464, 732886	734752, 736522
684	4 KCP Pontianak Sidas	Jl. Sidas No. 2	Pontianak	78111	(0561) 734670, 747495	733672
685	5 KCP Ketapang	Jl. Letjen. R. Suprpto No. 1-2	Pontianak	78812	(0534) 35822, 35833, 35844	35755
686	6 KK Pontianak Rs Santo Antonius	Jl. K.H. Wahid Hasyim	Pontianak	78115	(0561) 737454	737454
687	7 KK Pontianak Bandara Supadio	Komp. Bandara Supadio/term.penumpang, Desa Arang Lingsung	Pontianak	78391	(0561) 743883	722859
688	8 KC Sambas	Jl. Kramat No. 78-79	Sambas	79162	(0562) 391208, 391138, 392567	391294
689	9 KC Singkawang	Jl. Merdeka No. 20	Singkawang	79122	(0561) 631335, 631389, 637546, 631735	631151, 631190
<b>Hub Banjarmasin</b>						
690	1 KC Banjarmasin Lambung Mangkurat	Jl. Lambung Mangkurat No. 3	Banjarmasin	70111	(0511) 68475, 67812, 365831, 53553	67856, 52510, 366051
691	2 KCP Banjarmasin A. Yani	Jl. Achmad Yani No. 13-17	Banjarmasin	70233	(0511) 264261, 263333, 262690-92	257278, 257281
692	3 KCP Banjarmasin Pangeran Samudera	Jl. Lambung Mangkurat No. 4	Banjarmasin	70111	(0511) 54339, 66303, 66636, 66316, 54298	50928
693	4 KCP Banjarmasin Mitra Plaza	Jl. Pangeran Antasari, Mitra Plaza Blok B-1 No.37-38	Banjarmasin	70234	(0511) 267748, 267749	267751
694	5 KCP Banjarbaru	Jl. A. Yani Km.34 No.31d Rt.04/01 Loktabat	Banjarbaru	70713	(0511) 777058, 780926, 773002	780777
695	6 KCP Batulicin	Jl. Raya Btulicin, Kabupaten Kota Baru	Kota Baru	72171	(0518) 71480 - 83	71484
696	7 KK Banjarmasin Bandara Syamsuddin Noor	Bandara Syamsuddin Noor, Jl. Landasan Ulin	Banjarmasin		(0511) 705277 Ext.296, 705203	705203
697	8 KK Banjarmasin Pelindo III/ Trisakti	Pelabuhan Trisakti, Jl. Barito Hilir No. 6	Banjarmasin	70119	(0511) 364965, 366354	366345
698	9 KK Banjarmasin Sentra Antasari	Pusat Perbelanjaan Sentra Antasari Blok Dt.001 Ltantai 2, Jl. Pangeran Antasari	Banjarmasin	70234	(0511) 360900, 361948	361949
699	10 KC Tanjung	Jl. Pangeran Antasari No. 43	Tanjung	71513	(0526) 21575, 21898, 21079, 23473	21739
700	11 KCP Barabai	Pusat Perbelanjaan Murakata Blok D1, Site 1 Lantai 2, Jl. P.H.M. Noor	Barabai	71311	(0517) 43702, 44240, 44250	43701
701	12 KC Palangkaraya	Jl. Jend. Ahmad Yani No. 70	Palangkaraya	73111	(0536) 21378, 21969, 22961, 22702	21781
702	13 KC Sampit	Jl. M.T. Haryono No. 81 A	Sampit	74322	(0531) 21035, 21322, 30850, 21098	21632, 22622
703	14 KCP Pangkalan Bun	Jl. Pangeran Antasari No. 41	Pangkalan Bun	74113	(0532) 24255, 22779	22710
704	15 KC Kuala Kapuas	Jl. Jend. Sudirman No. 32	Kuala Kapuas	73513	(0513) 21132, 21695, 22727	21028
<b>Hub Samarinda</b>						
705	1 KC Samarinda Mulawarman	Jl. Mulawarman No. 23	Samarinda	75112	(0541) 742097, 741464, 741462	742855, 205720
706	2 KCP Samarinda Sudirman	Jl. Jend. Sudirman No. 9	Samarinda	75111	(0541) 200836-7, 731531, 731529, 743402	731530
707	3 KCP Samarinda Kesuma Bangsa	Jl. Kesuma Bangsa No. 76	Samarinda	75121	(0541) 742549, 743915, 743049, 745095-96	743777, 749075

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No.	Office	Address	Municipal	Post Code	Phone	Fax
708	4	KCP Tanjungredeb	Jl. Jend. Sudirman No. 747	Tanjungredeb	77312	(0554) 26031, 26032, 26030 26033
709	5	KCP Tenggarong	Jl. K.H. Akhmad Muksin No. 36	Tenggarong	75512	(0541) 662150, 661945
710	6	KCP Samarinda Irian	Jl. Irian No. 16 C	Samarinda	75111	(0541) 742066, 67731696, 742102, 743455
711	7	KCP Samarinda A Yani	Jl. Hasan Basri Blok A No.1	Samarinda	75117	(0541) 736514, 736587
712	8	KK Sangatta	Jl. Yos Sudarso II No. 2, Sangatta	Kutai Timur	75611	(0549) 25084, 25085
713	9	KC Tarakan Yos Sudarso	Jl. Yos Sudarso No. 80	Tarakan	77113	(0551) 25960-63, 51141, 51444
714	10	KK Tarakan Simpang Tiga	Jl. Yos Sudarso No. 25	Tarakan	71112	(0551) 21933, 21700, 21358, 25936
715	11	KK Pulau Bunyu	Jl. Pangkalan, Rt 01, Pulau Bunyu	Tarakan	77181	(0551) 24318, 25001 24318 Ext. 2544, 2343
716	12	KC Bontang	Jl. Angkasa No. 1, Airport Road, Komp. PT Badak	Bontang	75324	(0548) 21490, 21492, 21489 26309
717	13	KCP Lhoktuan	Wisma Kie PT Pupuk Kaltim, Lhoktuan, Jl. Pakuaji Kav. 79	Bontang Utara	75313	(0548) 41558, 41559, 41219, 41535 41410, 41217
<b>Hub Balikpapan</b>						
718	1	KC Balikpapan Ahmad Yani	Jl. Jend. Ahmad Yani No. 15	Balikpapan	76113	(0542) 422882, 424994
719	2	KCP Balikpapan Sudirman	Jl. Jend. Sudirman No. 379	Balikpapan	76114	(0542) 731257, 733860
720	3	KCP Balikpapan Klandasan	Jl. Jend. Sudirman No. 71	Balikpapan	76112	(0542) 422821, 422900, 422822
721	4	KCP Balikpapan Suprpto	Jl. Letjend. Suprpto No. 1	Balikpapan	76131	(0542) 427000, 422840, 422842, 424511
722	5	KK Balikpapan Muara Rapak	Jl. Jend. Ahmad Yani, Komp. Pertokoan Muara Rapak D-04	Balikpapan	76125	(0542) 421559
723	6	KK Balikpapan Kandatel	Jl. Jend. Ahmad Yani No. 418, Kantor Kandatel	Balikpapan		(0541) 415803
724	7	KK Balikpapan Telkom DIVRE VI	Gedung Telkom, Jl. MT. Haryono No. 169 - Ring Road	Balikpapan	76114	(0542) 872588
725	8	KK Balikpapan Baru	Kompleks Ruko Balikpapan Baru Blok D.6 No. 2	Balikpapan	76114	(0542) 871584, 876614
<b>Region X/ Makassar</b>			Jl. R.a. Kartini No. 12-14	Makassar	90111	(0411) 329097, 323547
<b>Hub Manado</b>						
726	1	KC Manado Datu Lolong Lasut	Jl. Dotulolong Lasut No. 15	Manado	95122	(0431) 866228, 863477
727	2	KCP Manado Sam Ratulangi	Jl. Sam Ratulangi No. 331	Manado	95117	(0431) 866047
728	3	KCP Manado Toar	Jl. Toar No. 4-6	Manado	95112	(0431) 863079, 866950
729	4	KCP Manado Sudirman	Jl. Jend. Sudirman No. 47	Manado	95122	(0431) 824312, 860570
730	5	KCP Tomohon	Kompleks Rs Bethesda, Jl. Raya Tomohon	Tomohon	95362	(0431) 354951
731	6	KK Manado Boulevard	Komplek Megamas, Blom 1 A No.23 Jl. Pierre Tendean, Boulevard	Manado	95111	(0431) 858407
732	7	KC Kotamobagu	Jl. Kartini No. 22	Kotamobagu	95715	(0434) 215851
733	8	KC Bitung	Jl. Dr. Sam Ratulangi No. 51	Bitung	95521	(0438) 21022
734	9	KC Gorontalo	Jl. Jend. Ahmad Yani No. 28	Gorontalo	96112	(0435) 823551, 824131
735	10	KCP Marisa	Jl. Trans Sulawesi No.29, Marisa	Pohuwato	96266	(0443) 210071, 210371
736	11	KCP Limboto	Jl. Jend. Sudirman No. 35, Limboto	Gorontalo	96211	(0435) 880512, 880653
737	12	KC Tahuna	Jl. Dr. Sutomo No. 1	Tahuna	95813	(0432) 21051
738	13	KC Ternate	Jl. Nukila No. 51	Ternate	97721	(0921) 22778
739	14	KK Ternate Mononutu	Jl. A. Mononutu No. 91	Ternate	97712	(0921) 327304, 327358, 24604
<b>Hub Palu</b>						
740	1	KC Palu Sam Ratulangi	Jl. Dr. Sam Ratulangi No. 60	Palu	94111	(0451) 424971, 423975, 423942
741	2	KCP Poso	Jl. Hasanuddin No. 13, Poso	Poso	94616	(0452) 21367, 21467, 21567, 21704
742	3	KCP Palu Imam Bonjol	Jl. Imam Bonjol No. 88	Palu	94223	(0451) 421480-2
743	4	KCP Palu Hasanudin	Jl. Sultan Hasanuddin No. 35	Palu	94112	(0451) 4215880
744	5	KCP Donggala	Jl. Moro No. 78	Donggala	94351	(0457) 71175
745	6	KCP Parigi	Jl. Trans Sulawesi No. 117	Parigi	94371	(0450) 22244 - 47
746	7	KC Luwuk	Jl. Jend. Ahmad Yani No. 132	Luwuk	94711	(0461) 21143
747	8	KC Toli Toli	Jl. W.R. Supratman No. 1	Toli Toli	94514	(0453) 21360
<b>Hub Makassar</b>						
748	1	KC Makassar Kartini	Jl. R.A. Kartini No. 12-14	Makassar	90111	(0411) 319443, 324095
749	2	KCP Makassar Slamet Riyadi	Jl. Brigjend. Slamet Riyadi No. 8	Makassar	90111	(0411) 319963-4



## Bank Mandiri Domestic Branch Network

No.	Office	Address	Municipal	Post Code	Phone	Fax	
750	3 KCP	Makassar Sulawesi	Jl. Sulawesi No. 81	Makassar	90174	(0411) 317378, 317388	320629, 320473
751	4 KCP	Makassar Cokroaminoto	Jl. Hos Cokroaminoto No. 3	Makassar	90174	(0411) 323809, 317545	316488
752	5 KCP	Sungguminasa	Kompleks Graha Satelit Blok 12 A, Jl. Sultan Hasanuddin	Gowa	92111	(0411) 840133	840134
753	6 KCP	Makassar Cenderawasih	Jl. Cenderawasih No. 185	Makassar	90133	(0411) 837609	837609
754	7 KCP	Makassar Tanjung Bunga	Mall Gtc Tanjung Bunga No. 22	Makassar	90134	(0411) 838841	838842
755	8 KCP	Makassar Panakkukang	Jl. Bolevar 89 F	Makassar	90231	(0411) 425290, 441605	443777
756	9 KK	Makassar Kampus IKIP	Kampus IKIP Gedung 4c, Jl. Bontolangkasa, Gunungsari Baru	Makassar	90221	(0411) 874744	874747
757	10 KK	Makassar Andalas	Jl. Andalas No. 116 F	Makassar	90155	(0411) 334023, 310164	310372
758	11 KK	Makassar Veteran	Jl. Veteran Utara No. 220	Makassar	90145	(0411) 319981, 332354	332354
759	12 KK	Makassar Daya	Kompleks Bukit Khatulistiwa Blok B/9, Jl. Perintis Kemerdekaan Km. 13	Makassar	90241	(0411) 591255, 591256	591257
760	13 KK	Semen Tonasa	Komplek PT Semen Tonasa I, Kotak Pos 114	Tonasa	90662	(0411) 320672	311973
761	14 KC	Watampone	Jl. M.H. Thamrin No. 10	Watampone	92713	(0481) 21330, 21227	21938
762	15 KCP	Sengkang	Jl. Bau Mahmud No. 1	Sengkang	90913	(0485) 324333, 324222	324111
763	16 KC	Pare Pare	Jl. Andi Isa No. 5	Pare Pare	91114	(0421) 21046, 24339, 25339, 25439, 21339	21416
764	17 KC	Palopo	Jl. Jend. Sudirman No. 123	Palopo	91921	(0471) 21313, 23672, 23673, 23674, 326270, 326271	23671
765	18 KC	Soroako	Jl. Gamalama Kav. 2	Soroako	91984	(0475) 321045, 321043, (021) 5249860-2	32144, (021) 5249584
766	19 KC	Kendari Mesjid Agung	Jl. H. Abdullah Silondae 45, Mondonga	Kendari	93111	(0401) 327708	322386
767	20 KK	Kendari Soekarno	Jl. Soekarno No. 37	Kendari	93127	(0401) 331211, 321477	331210
768	21 KC	Pomalaa	Komplek Aneka Tambang, Jl. Ahmad Yani	Pomalaa	93562	(0405) 310572	310562
769	22 KK	Kolaka	Jl. Repelita No. 1	Kolaka	93560	(0405) 22225, 22226	
770	23 KC	Ambon Pantai Mardika	Jl. Pantai Mardika	Ambon	97123	(0911) 354572-5	354578
771	24 KC	Ambon Pattimura	Jl. Raya Pattimura No. Sk.2 / 1	Ambon	90172	(0911) 345587, 353122	352208
<b>Hub Jayapura</b>							
772	1 KC	Jayapura Ahmad Yani	Jl. Jend. Ahmad Yani No. 35	Jayapura	99111	(0967) 531028, 534186/9, 533919	534494, 531836
773	2 KK	Jayapura Sentani	Jl. Raya Kemiri, Sentani	Jayapura	99352	(0967) 91668	91668
774	3 KK	Jayapura Waena	Pertokoan Topaz, Jl. Raya Waena Sentani No. 231	Jayapura	99351	(0967) 572813, 572816	572817
775	4 KCP	Jayapura Abepura	Jl. Raya Abepura, Abepura	Jayapura	99351	(0967) 581397, 587183	587182
776	5 KK	Jayapura Sentra Bisnis Pasifik	Kompleks Ruko Pasifik Permai Blok D No.5 Jl. Reklamasi Pantai Apo	Jayapura	99112	(0967) 535166, 535177	535178
777	6 KC	Manokwari	Jl. Yos Sudarso No. 61	Manokwari	98311	(0986) 213567	211222
778	7 KC	Merauke	Jl. Raya Mandala No. 1	Merauke	99613	(0971) 321333	322094
779	8 KC	Nabire	Jl. Pepera No. 19	Nabire	98801	(0984) 21145	31683
780	9 KC	Serui	Jl. Diponegoro	Serui	98212	(0963) 31535-7	31636
781	10 KC	Fak Fak	Jl. Izak Telussa No. 26	Fak-fak	98601	(0956) 22120-4	22636
782	11 KC	Biak	Jl. Jend. Ahmad Yani No. 2	Biak	98112	(0981) 21527	21557
783	12 KC	Sorong Ahmad Yani	Jl. Jend. Ahmad Yani No. 99	Sorong	98414	(0951) 23146/48	323400
784	13 KK	Sorong Basuki Rahmat	Jl. Basuki Rahmat No. 22	Sorong	98401	(0951) 21440	21113
785	14 KC	Timika	Jl. Yos Sudarso No. 30	Timika	98663	(0901) 321727, 321145, 321045	321515
786	15 KCP	Tembagapura	Jl. Numfor	Tembagapura	98100	(0901) 351125, 361027	351155
787	16 KCP	Kuala Kencana	Jl. Mandala Raya Selatan	Kuala Kencana	99920	(0901) 302265, 302266	302264
788	17 KK	Tembagapura Shopping Centre	Family Shopping Center Tembagapura	Tembagapura	98100	(0901) 351125	407625
789	18 KC	Wamena	Jl. Trikora No. 92	Wamena	99511	(0969) 31033, 31010	32520



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Consolidated Financial Statements With  
Independent Auditors' Report  
December 31, 2004 and 2003, and April 30, 2003  
(Indonesian Currency)

**PT Bank Mandiri (Persero) Tbk. and Subsidiaries**

*This report is originally issued in the Indonesian language.*

Independent Auditors' Report

Report No. RPC-3347

**The Shareholders and the Boards of Commissioners and Directors  
PT Bank Mandiri (Persero) Tbk.**

We have audited the consolidated balance sheets of PT Bank Mandiri (Persero) Tbk. (herein referred to as "Bank Mandiri") and Subsidiaries as of December 31, 2004 and 2003, and April 30, 2003 (after quasi-reorganization), and the related consolidated statements of profit and loss, changes in shareholders' equity and cash flows for the year ended December 31, 2004, the eight-month period ended December 31, 2003 and the four-month period ended April 30, 2003. These consolidated financial statements are the responsibility of Bank Mandiri's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the local subsidiaries of Bank Mandiri as of and for the year ended December 31, 2004, whose statements reflect total assets of 3.46% of consolidated total assets as of December 31, 2004 and total revenues of 3.33% of consolidated revenues for the year then ended. Those statements were audited by other independent auditors whose reports expressed unqualified opinions and have been furnished to us, and our opinion, insofar as it relates to amounts included for such local subsidiaries, is based solely on the report of the other independent auditors.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bank Mandiri and Subsidiaries as of December 31, 2004 and 2003, and April 30, 2003 (after quasi-reorganization) and the consolidated results of their operations and their cash flows for the periods then ended in conformity with generally accepted accounting principles in Indonesia.

As discussed in Note 61 to the consolidated financial statements, accounting principles generally accepted in Indonesia vary in certain significant respects from International Financial Reporting Standards. Application of International Financial Reporting Standards would have affected the consolidated shareholders' equity of Bank Mandiri and Subsidiaries as of December 31, 2004 and 2003, and the consolidated results of their operations for the years then ended to the extent summarized in Note 62 to the consolidated financial statements.

This report is originally issued in the Indonesian language.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information listed in the Index to Additional Information is presented for the purpose of additional analysis of the consolidated financial statements, and is not a required part of the basic consolidated financial statements. The Additional Information is the responsibility of Bank Mandiri's management. Such information has been subjected to auditing procedures applied in our audits of the basic consolidated financial statements, and in our opinion, such information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

**Prasetio, Sarwoko & Sandjaja**



**Drs. Sandjaja**  
Public Accountant License No. 98.1.0357

February 18, 2005

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2004	December 31, 2003	April 30, 2003
				After Quasi- Reorganization
<b>ASSETS</b>				
Cash	2e	2,439,465	2,228,671	1,846,539
Current Accounts with Bank Indonesia	2e, 3	15,986,630	12,157,316	9,643,221
Current Accounts with Other Banks - net of allowance for possible losses of Rp6,557, Rp3,203 and Rp3,594 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2e, 2o, 4	650,631	328,855	412,651
Placements with Bank Indonesia and Other Banks - net of allowance for possible losses of Rp91,258, Rp64,849 and Rp70,339 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2f, 2o, 5	14,180,058	10,141,761	7,019,538
Securities	2g, 2o, 6, 48			
Related parties		399,084	420,549	260,421
Third parties		13,956,550	14,452,138	15,777,986
		14,355,634	14,872,687	16,038,407
Less: Unamortized interest, unrealized gain from increase in value of securities and allowance for possible losses		(1,850,905)	(1,860,559)	(1,904,968)
Net		12,504,729	13,012,128	14,133,439
Government Recapitalization Bonds	2h, 2o, 7, 48	93,081,021	122,906,853	150,332,380
Other Receivables - Trade Transactions - net of allowance for possible losses of Rp124,472, Rp85,309 and Rp40,802 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2i, 2o, 8	1,939,179	1,406,422	573,185
Securities Purchased with Agreements to Resell - net of allowance for possible losses of Rp4,800 as of December 31, 2004	2j, 2o, 9	703,334	-	-
Derivative Receivables - net of allowance for possible losses of Rp2,881, Rp10,343 and Rp4,198 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2k, 2o, 10	285,256	1,039,791	417,761
Loans	2l, 2o, 11, 48			
Related parties		952,277	1,019,902	1,018,631
Third parties		93,450,288	74,922,718	68,385,282
		94,402,565	75,942,620	69,403,913
Less: Allowance for possible losses		(8,470,700)	(8,890,383)	(9,879,080)
Deferred income		(164,964)	(209,573)	(203,946)
Net		85,766,901	66,842,664	59,320,887

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (continued)**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2004	December 31, 2003	April 30, 2003
				After Quasi- Reorganization
<b>ASSETS (continued)</b>				
Acceptances Receivable - net of allowance for possible losses of Rp147,286, Rp148,762 and Rp103,404 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2m, 2o, 12	5,094,102	3,116,110	2,688,233
Investments in Shares of Stock - net of allowance for possible losses of Rp78,145, Rp89,693 and Rp27,633 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2n, 2o, 13	8,849	12,722	122,271
Premises and Equipment - net of accumulated depreciation and amortization of Rp2,341,950, Rp1,861,272 and Rp1,642,699 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2p, 14	5,483,628	5,384,372	2,043,088
Deferred Tax Assets - net	2v, 27e	2,252,144	2,338,107	2,923,968
Other Assets	2q, 2r, 15, 48			
Receivables		3,256,714	2,819,848	2,810,862
Accrued income		1,145,139	1,634,516	3,232,512
Others - net		3,378,047	4,065,418	3,765,374
Total Other Assets		7,779,900	8,519,782	9,808,748
<b>TOTAL ASSETS</b>		<b>248,155,827</b>	<b>249,435,554</b>	<b>261,285,909</b>

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (continued)**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2004	December 31, 2003	April 30, 2003
				After Quasi- Reorganization
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Liabilities Immediately Payable		546,277	889,710	443,908
Deposits from Customers				
Demand deposits	2s, 16, 48	62,412	11,854	27,545
Related parties		41,020,918	38,219,802	33,440,174
Third parties		41,083,330	38,231,656	33,467,719
Savings deposits	2s, 17, 48	15,467	8,769	2,406
Related parties		53,517,935	41,298,664	30,127,930
Third parties		53,533,402	41,307,433	30,130,336
Time deposits	2s, 18, 48	35,997	354,490	1,813,676
Related parties		81,185,617	98,917,175	121,812,667
Third parties		81,221,614	99,271,665	123,626,343
Certificates of deposit – net of unamortized interest of RpNil, Rp7 and Rp20 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2s	25	36	119
Total Deposits from Customers		175,838,371	178,810,790	187,224,517
Deposits from Other Banks				
Demand deposits	2t, 19	970,816	611,864	285,423
Inter-bank call money	2t, 20	1,964,360	1,022,441	1,574,947
Time deposits	2t, 21	9,104,019	10,042,215	11,930,461
Total Deposits from Other Banks		12,039,195	11,676,520	13,790,831
Securities Sold with Agreements to Repurchase	2j, 10, 22	2,913,632	4,405,677	735,000
Derivative Payables	2k, 10, 22	66,968	23,777	13,128
Acceptances Payable	2m, 23	5,241,388	3,264,872	2,791,637
Securities Issued - net of unamortized discount of Rp11,136, Rp11,609 and Rp15,428 as of December 31, 2004 and 2003, and April 30, 2003, respectively	2u, 24	3,993,980	4,312,612	4,053,877
Fund Borrowings	25	7,066,493	8,535,169	12,658,279
Estimated Losses on Commitments and Contingencies	2o, 26, 46	565,898	572,267	1,488,315
Accrued Expenses		729,753	517,338	974,474
Taxes Payable	2v, 27a	496,124	601,304	1,091,009
Other Liabilities	2n, 2y, 28	5,649,817	7,415,961	9,906,046
Subordinated Loans	2r, 29	6,816,206	5,118,484	5,901,077
Loan Capital	2r, 30	1,253,475	2,892,375	2,926,193
<b>TOTAL LIABILITIES</b>		<b>223,217,577</b>	<b>229,036,856</b>	<b>243,998,291</b>

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (continued)**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2004	December 31, 2003	April 30, 2003
				After Quasi- Reorganization
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (continued)</b>				
Minority Interests in Net Assets of Consolidated Subsidiaries	31	3,543	3,473	3,238
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital - Rp500 (full amount) par value per share (April 30, 2003: Rp1,000,000 (full amount) par value per share); Authorized capital - 1 share Dwiwarna Series A and 31,999,999,999 common shares Series B (April 30, 2003: 16,000,000 shares); Issued and fully paid-up capital - 1 share Dwiwarna Series A and 20,132,854,872 common shares Series B (December 31, 2003: 1 share Dwiwarna Series A and 19,999,999,999 common shares Series B and April 30, 2003: 4,251,000 shares)	32a	10,066,427	10,000,000	4,251,000
Additional Paid-in Capital/Agio	2ad, 32b, 60	5,967,897	5,926,418	10,675,418
Differences Arising from Translation of Foreign Currency Financial Statements	2b	72,554	34,462	48,498
Unrealized (Losses)/Gains on Available-for-Sale Securities and Government Recapitalization Bonds	2g, 2h	(404,001)	(1,860,850)	1,299,676
Premises and Equipment Revaluation Increment	2p, 14, 32c	3,056,724	3,056,724	9,788
Share Options	2z, 33	13,831	9,897	-
Retained Earnings - (Accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganization as of April 30, 2003)				
Appropriated	32d	747,000	-	1,000,000
Unappropriated	2ad, 32d, 60	5,414,275	3,228,574	-
Total Retained Earnings		6,161,275	3,228,574	1,000,000
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>24,934,707</b>	<b>20,395,225</b>	<b>17,284,380</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>248,155,827</b>	<b>249,435,554</b>	<b>261,285,909</b>

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>Year Ended December 31, 2004</u>	<u>Year Ended December 31, 2003</u>	<u>Eight-Month Period Ended December 31, 2003</u>	<u>Four-Month Period Ended April 30, 2003</u>
<b>INCOME AND EXPENSES FROM OPERATIONS</b>					
Interest Income	2l, 34				
Interest income	2w	18,637,776	25,061,995	15,720,201	9,341,794
Fees and commissions on loan facilities	2x	507,394	495,060	317,582	177,478
Total Interest Income		19,145,170	25,557,055	16,037,783	9,519,272
Interest Expense					
Interest expense	2w, 35	(9,522,533)	(17,437,715)	(10,358,128)	(7,079,587)
Other financing expenses		(156,869)	(112,533)	(81,198)	(31,335)
Total Interest Expense		(9,679,402)	(17,550,248)	(10,439,326)	(7,110,922)
<b>NET INTEREST INCOME</b>		<b>9,465,768</b>	<b>8,006,807</b>	<b>5,598,457</b>	<b>2,408,350</b>
Other Operating Income					
Foreign exchange gains - net	2c, 2h	402,038	113,750	33,206	80,544
Other fees and commissions	2x	1,360,382	923,891	727,121	196,770
Others	36	702,317	635,952	465,530	170,422
Total Other Operating Income		2,464,737	1,673,593	1,225,857	447,736
Provision for Possible Losses on Earning Assets	2o, 37	(371,517)	(1,179,414)	(645,063)	(534,351)
Reversal of/(Addition to) Estimated Losses on Commitments and Contingencies	2o, 26c	37,923	641,113	846,430	(205,317)
Reversal of Allowance for Possible Losses - Others	15, 38	309,172	320,737	203,375	117,362
Gains/(Losses) from Increase/(Decrease) in Value of Securities and Government Recapitalization Bonds - net	2g, 2h, 39	66,272	(50,942)	(768,240)	717,298
Gains from Sale of Securities and Government Recapitalization Bonds	2g, 2h, 40	1,584,235	2,123,438	1,799,016	324,422
Other Operating Expenses					
General and administrative expenses	2p, 2ae, 41	(2,988,672)	(2,249,542)	(1,706,621)	(542,921)
Salaries and employee benefits	2y, 2z, 2ae,	(2,401,757)	(1,664,950)	(1,052,113)	(612,837)
Others - net	33, 42, 43, 48 44	(645,562)	(807,278)	(502,483)	(304,795)
Total Other Operating Expenses		(6,035,991)	(4,721,770)	(3,261,217)	(1,460,553)
<b>PROFIT FROM OPERATIONS</b>		<b>7,520,599</b>	<b>6,813,562</b>	<b>4,998,615</b>	<b>1,814,947</b>
<b>Non-operating Income - net</b>	45	<b>4,403</b>	<b>217,962</b>	<b>135,992</b>	<b>81,970</b>

The accompanying notes form an integral part of these consolidated financial statements.



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**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS (continued)**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	<u>Notes</u>	<u>Year Ended December 31, 2004</u>	<u>Year Ended December 31, 2003</u>	<u>Eight-Month Period Ended December 31, 2003</u>	<u>Four-Month Period Ended April 30, 2003</u>
			For Comparative Purposes		
<b>PROFIT BEFORE CORPORATE INCOME TAX EXPENSE AND MINORITY INTERESTS</b>		7,525,002	7,031,524	5,134,607	1,896,917
CORPORATE INCOME TAX (EXPENSE)/BENEFIT					
Current	2v, 27b, 27c	(2,181,011)	(2,188,877)	(1,319,937)	(868,940)
Deferred	2v, 27b, 27d	(88,290)	(256,581)	(585,861)	329,280
<b>PROFIT BEFORE MINORITY INTERESTS</b>		<b>5,255,701</b>	<b>4,586,066</b>	<b>3,228,809</b>	<b>1,357,257</b>
<b>MINORITY INTERESTS IN NET (PROFIT)/LOSS OF CONSOLIDATED SUBSIDIARIES</b>		<b>(70)</b>	<b>23</b>	<b>(235)</b>	<b>258</b>
<b>NET PROFIT</b>		<b>5,255,631</b>	<b>4,586,089</b>	<b>3,228,574</b>	<b>1,357,515</b>
<b>EARNINGS PER SHARE</b>	2aa				
Basic (full amount)		262.15	229.30	161.43	67.88
Diluted (full amount)		259.82	228.64	160.96	67.68

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

Notes	Issued and Fully Paid-up Capital	Additional Paid-in Capital /Agio *)	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized (Losses)/ Gains on Available-for-Sale Securities and Government Recapitalization Bonds	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings/(Accumulated Losses)			Total Shareholders' Equity
							Appropriated	Unappropriated	Total	
<b>Balance as of January 1, 2003</b>	<b>4,251,000</b>	<b>173,550,319</b>	<b>64,164</b>	<b>(2,138,186)</b>	<b>9,788</b>	-	<b>2,099,638</b>	<b>(163,402,213)</b>	<b>(161,302,575)</b>	<b>14,434,510</b>
General and specific reserves allocated from 2002 net profit	32d	-	-	-	-	-	1,055,748	(1,055,748)	-	-
Dividends allocated from 2002 net profit	32d	-	-	-	-	-	-	(1,792,794)	(1,792,794)	(1,792,794)
Allocation for small industry and cooperative development fund ("PUKK"), environmental development fund, directors' and commissioners' bonuses (tantiem) and incentive bonuses from 2002 net profit	32d	-	-	-	-	-	-	(137,047)	(137,047)	(137,047)
Reduction in differences arising from the translation of foreign currency financial statements	2b	-	(15,666)	-	-	-	-	-	-	(15,666)
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds	2g, 2h	-	-	3,437,862	-	-	-	-	-	3,437,862
Net profit for the four-month period ended April 30, 2003		-	-	-	-	-	-	1,357,515	1,357,515	1,357,515
<b>Balance as of April 30, 2003 before quasi-reorganization</b>		<b>4,251,000</b>	<b>173,550,319</b>	<b>48,498</b>	<b>1,299,676</b>	<b>9,788</b>	<b>3,155,386</b>	<b>(165,030,287)</b>	<b>(161,874,901)</b>	<b>17,284,380</b>
Elimination of accumulated losses against additional paid-in capital/ agio due to quasi-reorganization	2ad, 32b, 60	-	(162,874,901)	-	-	-	(2,155,386)	165,030,287	162,874,901	-
<b>Balance as of April 30, 2003 after quasi-reorganization</b>		<b>4,251,000</b>	<b>10,675,418</b>	<b>48,498</b>	<b>1,299,676</b>	<b>9,788</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>17,284,380</b>

\*) Agio represents paid-up capital in excess of par value.

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

Notes	Issued and Fully Paid-up Capital	Additional Paid-in Capital /Agio *)	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized (Losses)/ Gains on Available-for-Sale Securities and Government Recapitalization Bonds	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings			Total Shareholders' Equity
							Appropriated	Unappropriated	Total	
<b>Balance as of April 30, 2003 after quasi-reorganization</b>	<b>4,251,000</b>	<b>10,675,418</b>	<b>48,498</b>	<b>1,299,676</b>	<b>9,788</b>	-	<b>1,000,000</b>	-	<b>1,000,000</b>	<b>17,284,380</b>
Conversion of issued and fully paid-up capital to additional paid-in capital	32a	(251,000)	251,000	-	-	-	-	-	-	-
Conversion of appropriated retained earnings to issued and fully paid-up capital	32a	1,000,000	-	-	-	-	(1,000,000)	-	(1,000,000)	-
Conversion of additional paid-in capital/agio to issued and fully paid-up capital	32a	5,000,000	(5,000,000)	-	-	-	-	-	-	-
Additional premises and equipment revaluation increment	2p, 14a, 32c	-	-	-	3,046,936	-	-	-	-	3,046,936
Reduction in differences arising from translation of foreign currency financial statements	2b	-	-	(14,036)	-	-	-	-	-	(14,036)
Unrealized losses on available-for-sale securities and Government Recapitalization Bonds	2g, 2h	-	-	-	(3,160,526)	-	-	-	-	(3,160,526)
Recognition of share options arising from the Management Stock Option Plan	2z, 33	-	-	-	-	9,897	-	-	-	9,897
Net profit for the eight-month period ended December 31, 2003		-	-	-	-	-	-	3,228,574	3,228,574	3,228,574
<b>Balance as of December 31, 2003</b>		<b>10,000,000</b>	<b>5,926,418</b>	<b>34,462</b>	<b>(1,860,850)</b>	<b>3,056,724</b>	<b>9,897</b>	-	<b>3,228,574</b>	<b>20,395,225</b>

\*) Agio represents paid-up capital in excess of par value.

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Issued and Fully Paid-up Capital	Additional Paid-in Capital /Agio *)	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized (Losses)/ Gains on Available-for-Sale Securities and Government Recapitalization Bonds	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings			Total Shareholders' Equity
								Appropriated	Unappropriated	Total	
<b>Balance as of December 31, 2003</b>		<b>10,000,000</b>	<b>5,926,418</b>	<b>34,462</b>	<b>(1,860,850)</b>	<b>3,056,724</b>	<b>9,897</b>	-	<b>3,228,574</b>	<b>3,228,574</b>	<b>20,395,225</b>
Additional share capital issued and fully paid-up arising from the exercise of certain options under the Management Stock Option Plan (MSOP)	32a	66,427	-	-	-	-	-	-	-	-	66,427
Additional paid-in capital/agio arising from the exercise of certain options under the Management Stock Option Plan (MSOP)	32b	-	41,479	-	-	-	-	-	-	-	41,479
General and specific reserves allocated from 2003 profit	32d	-	-	-	-	-	-	747,000	(747,000)	-	-
Dividends allocated from 2003 net profit	32d	-	-	-	-	-	-	-	(2,300,000)	(2,300,000)	(2,300,000)
Directors' and commissioners' bonuses (tantem) from 2003 net profit	32d	-	-	-	-	-	-	-	(22,930)	(22,930)	(22,930)
Addition to differences arising from translation of foreign currency financial statements	2b	-	-	38,092	-	-	-	-	-	-	38,092
Unrealized gains on available-for-sale securities and recapitalization Government Bonds	2g, 2h	-	-	-	1,456,849	-	-	-	-	-	1,456,849
Recognition of share options arising from the Management Stock Option Plan (MSOP)	2z, 33	-	-	-	-	-	3,934	-	-	-	3,934
Net profit for the year		-	-	-	-	-	-	-	5,255,631	5,255,631	5,255,631
<b>Balance as of December 31, 2004</b>		<b>10,066,427</b>	<b>5,967,897</b>	<b>72,554</b>	<b>(404,001)</b>	<b>3,056,724</b>	<b>13,831</b>	<b>747,000</b>	<b>5,414,275</b>	<b>6,161,275</b>	<b>24,934,707</b>

\*) Agio represents paid-up capital in excess of par value.

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
		For Comparative Purposes		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interest income	19,127,153	25,529,682	17,318,196	8,211,486
Receipts from fees and commissions	1,867,776	1,418,951	1,044,703	374,248
Payments of interest expense	(9,379,776)	(17,823,621)	(10,815,264)	(7,008,357)
Payments of other financing expenses	(87,211)	(112,533)	(81,198)	(31,335)
Gains from sale of securities and Government Recapitalization Bonds	1,584,235	2,123,438	1,799,016	324,422
Foreign exchange gains - net	1,341,409	732,063	59,362	672,701
Operating income - others	524,185	557,873	363,084	194,789
Operating expenses - others	(929,865)	(426,165)	(143,401)	(282,764)
Salaries and employee benefits	(1,849,968)	(1,459,469)	(940,043)	(519,426)
General and administrative expenses	(2,379,406)	(1,781,336)	(1,329,285)	(452,051)
Non-operating income/(expense) - others	(374,300)	182,169	95,134	87,035
<b>Profit before changes in operating activities</b>	<b>9,444,232</b>	<b>8,941,052</b>	<b>7,370,304</b>	<b>1,570,748</b>
(Increase)/decrease in operating assets:				
Placements with Bank Indonesia and other banks	(4,062,802)	4,691,360	(3,116,900)	7,808,260
Securities - trading portfolio	1,399,944	(1,408,760)	(1,203,102)	(205,658)
Sale of Government Recapitalization Bonds - trading portfolio	32,227,128	26,162,064	26,080,865	81,199
Other receivables - trade transactions	(571,920)	(767,456)	(877,744)	110,288
Loans	(17,648,296)	(14,088,922)	(9,502,049)	(4,586,873)
Proceeds from collection of earning assets already written-off	1,104,990	1,240,118	902,200	337,918
Other assets	702,714	(738,452)	369,766	(1,108,218)
Increase/(decrease) in operating liabilities:				
Demand deposits	2,279,396	5,670,166	5,090,378	579,788
Savings deposits	12,225,969	11,381,243	11,177,097	204,146
Time deposits	(20,750,172)	(23,717,888)	(26,242,924)	2,525,036
Certificates of deposit	(11)	(78,877)	(83)	(78,794)
Inter-bank call money	941,919	225,886	(552,506)	778,392
Liabilities immediately payable	(378,180)	819,162	445,802	373,360
Taxes payable	(2,291,304)	(1,883,523)	(1,809,643)	(73,880)
Other liabilities	(1,106,639)	815,540	(771,337)	1,586,877
Estimated losses on commitments and contingencies	(37,923)	(641,113)	(846,341)	205,228
Differences arising from translation of foreign currency financial statements	38,092	(29,702)	(14,036)	(15,666)
<b>Net cash provided by operating activities</b>	<b>13,517,137</b>	<b>16,591,898</b>	<b>6,499,747</b>	<b>10,092,151</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease/(Increase) in securities - held-to-maturity portfolio	(928,921)	(8,780,375)	1,457,692	(10,238,067)
Redemption of matured Government recapitalization bonds	6,843,983	6,414,666	5,010,603	1,404,063
Additions to Government recapitalization bonds	(6,843,983)	(6,414,666)	(5,010,603)	(1,404,063)
Purchase of Government recapitalization bonds	(286,700)	(465,354)	(465,354)	-
Purchase of securities with agreements to resell	(708,134)	-	-	-
Decrease in investments in shares of stock	36,036	36,132	36,132	-
Proceeds from sale of premises and equipment	447,915	210,268	210,268	-
Acquisition of premises and equipment	(708,521)	(956,458)	(773,922)	(182,536)
<b>Net cash used in investing activities</b>	<b>(2,148,325)</b>	<b>(9,955,787)</b>	<b>464,816</b>	<b>(10,420,603)</b>

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**  
**For the Years Ended December 31, 2004 and**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
		For Comparative Purposes		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase/(decrease) in minority interests in net assets of consolidated subsidiaries	70	(23)	235	(258)
(Decrease)/increase in securities issued	(752,210)	2,838,371	258,735	2,579,636
Decrease in fund borrowings	(2,018,893)	(4,382,083)	(3,719,606)	(662,477)
Decrease in subordinated loans (Repurchase)/sales of securities sold with agreements to repurchase	(1,492,045)	2,935,677	2,935,677	-
Payments of dividends, PUKK, environmental development fund and tantiem	(2,322,930)	(2,929,841)	(2,929,841)	-
Return of additional paid-in capital to the Government based on 2002 approval	-	(1,412,000)	-	(1,412,000)
Net cash (used in)/provided by financing activities	(7,003,574)	(4,005,327)	(4,152,523)	147,196
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,365,238</b>	<b>2,630,784</b>	<b>2,812,040</b>	<b>(181,256)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>14,718,045</b>	<b>12,087,261</b>	<b>11,906,005</b>	<b>12,087,261</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>19,083,283</b>	<b>14,718,045</b>	<b>14,718,045</b>	<b>11,906,005</b>
<b>Cash and cash equivalents at end of period consists of:</b>				
Cash (Note 2e)	2,439,465	2,228,671	2,228,671	1,846,539
Current accounts with Bank Indonesia (Notes 2e and 3)	15,986,630	12,157,316	12,157,316	9,643,221
Current accounts with other banks (Notes 2e and 4)	657,188	332,058	332,058	416,245
<b>Total Cash and Cash Equivalents</b>	<b>19,083,283</b>	<b>14,718,045</b>	<b>14,718,045</b>	<b>11,906,005</b>
<b>SUPPLEMENTAL NON-CASH FLOW INFORMATION:</b>				
Activities not affecting cash flows:				
Elimination of accumulated losses against additional paid-up capital/agio as a result of quasi-reorganization	-	-	-	162,874,901
Unrealized gains/(losses) on available-for-sale securities and Government Recapitalization Bonds	1,368,289	226,394	(3,928,766)	4,155,160
Reprofiling of Government Recapitalization Bonds	-	16,783,377	-	16,783,377
Reserve for dividends, PUKK, environmental development fund, tantiem and incentive bonuses from 2002 net profit	-	(1,929,841)	-	(1,929,841)
Reclassification of loan capital to subordinated loans	1,755,000	-	-	-

The accompanying notes form an integral part of these consolidated financial statements.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

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**1. GENERAL**

*a. Establishment*

PT Bank Mandiri (Persero) Tbk. (hereinafter referred to as "Bank Mandiri" or the "Bank") was established in the Republic of Indonesia on October 2, 1998 under Government Regulation No. 75 of 1998 dated October 1, 1998 and based on notarial deed No. 10 of Sutjipto, S.H. dated October 2, 1998. The deed of establishment was approved by the Minister of Justice in decision letter No. C2-16561.HT.01.01.TH.98 dated October 2, 1998 and was published in Supplement No. 6859 of State Gazette No. 97 dated December 4, 1998. Bank Mandiri was established through the merger of the former PT Bank Bumi Daya (Persero) (BBD), former PT Bank Dagang Negara (Persero) (BDN), former PT Bank Ekspor Impor Indonesia (Persero) (BankExim) and former PT Bank Pembangunan Indonesia (Persero) (Bapindo) (hereinafter collectively referred to as the "Merged Banks").

Based on Article 3 of the Bank's Articles of Association, Bank Mandiri is engaged in banking activities in accordance with prevailing laws and regulations. The Bank commenced operations on August 1, 1999.

Bank Mandiri's Articles of Association have been amended several times. The most recent change is by notarial deed No. 43 of Sutjipto, S.H. dated November 10, 2004 which was approved by the Minister of Justice and Human Rights per decision letter No. C-29749.HT.01.04.TH.2004 dated December 8, 2004. The amendment is in respect of the increase in issued and fully paid-up capital by Rp47,065 and additional agio of Rp22,826 arising from the exercise of 94,129,009 stock options under the Management Stock Option Plan (MSOP) program as of September 30, 2004. The increase of agio represents the difference between the fair and market values of MSOP shares and nominal value per share. This change is still in process of being published in a Supplement of the State Gazette.

On January 26, 2005, the Bank's Articles of Association was amended per Notarial Deed No. 108 of Sutjipto, S.H. and approved by the Minister of Justice and Human Rights No. C-03680.HT.01.04.TH.2005. The amendment was in respect of the implementation of the MSOP based on the exercise of 38,725,863 stock options during period October 1, 2004 through December 31, 2004 which resulted to the increase in issued and fully paid-up capital, and agio by Rp28,754 and Rp19,363, respectively. Therefore the total stock options exercise during the year ended December 31, 2004 was 132,854,872 stock options (Note 33) which resulted to the increase in issued and fully paid-up capital by Rp66,427, and additional agio of Rp41,479. The increase in agio represents the difference between the fair and market values of MSOP shares and nominal value per share (Notes 32a and b).

*b. Merger*

At the end of February 1998, the Government announced its plan to restructure the Merged Banks.

In connection with such restructuring plan, the Government established Bank Mandiri in October 1998 through the payment of cash and the acquisition of the Government of the Republic of Indonesia's shares of stock in the Merged Banks (Note 32). Due to the impracticability of measurement, the difference between the transfer price and the book value of the shares of stock at the time of the acquisition was not determined. All losses incurred during the year of acquisition were taken into account in the Recapitalization Program.

The above-mentioned restructuring plan provided for the merger of the Merged Banks into Bank Mandiri in July 1999 and the recapitalization of Bank Mandiri. The restructuring of the Merged Banks and Bank Mandiri also covered the following:

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

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**1. GENERAL (continued)**

*b. Merger (continued)*

- Restructuring of loans.
- Restructuring of non-loan assets.
- Rationalization of domestic and overseas offices.
- Rationalization of human resources.

Based on the Merger Deed No. 100 of Sutjipto, S.H. dated July 24, 1999 the Merged Banks were legally merged into Bank Mandiri. The merger deed was legalized by the Minister of Justice in its decision letter No. C-13.781.HT.01.04.TH.99 dated July 29, 1999 and approved by the Governor of Bank Indonesia in his decision letter No. 1/9/KEP.GBI/1999 dated July 29, 1999. The merger was declared effective by the Chief of the South Jakarta Office of the Minister of Industry and Trade in his decision letter No. 09031827089 dated July 31, 1999.

Effective from the date of the merger:

- All of the assets and liabilities of the Merged Banks were transferred to Bank Mandiri, the surviving bank.
- All operations and business activities of the Merged Banks were transferred to and continued by Bank Mandiri.
- Bank Mandiri received additional paid-in capital amounting to Rp1,000,000 (one million Rupiah) (full amount) or equivalent to one share for each Merged Bank representing the remaining shares of the Government in the Merged Banks (Note 32).

Effective on the same date, the Merged Banks were legally dissolved without the process of liquidation and Bank Mandiri, as the surviving bank, received the rights and obligations of the Merged Banks.

*c. Recapitalization*

In response to the effects of the adverse economic conditions in Indonesia on the banking sector (Note 58), on December 31, 1998, the Government issued Regulation No. 84 of 1998 concerning its Recapitalization Program for Commercial Banks, which was designed to increase the paid-up capital of commercial banks to enable them to meet the minimum required capital adequacy ratio (CAR). The eligibility of commercial banks for inclusion in the Recapitalization Program is based on requirements and procedures set forth in the Joint Decrees No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated February 8, 1999 of the Minister of Finance and the Governor of Bank Indonesia. Under the Joint Decrees, the Government, among others, shall implement the Recapitalization Program for Commercial Banks with respect to all State-Owned Banks, Regional Development Banks and Commercial Banks that have been taken over by the Indonesian Bank Restructuring Agency (IBRA).

On May 28, 1999 the Government issued Government Regulation (PP) No. 52/1999 that provided for the increase in the Government of the Republic of Indonesia's capital participation in Bank Mandiri through Government Recapitalization Bonds to be issued by the Minister of Finance with a value of up to Rp137,800,000. The implementation of PP No. 52/1999 is set forth in Joint Decrees No. 389/KMK.017/1999 and No. 1/10/KEP/GBI dated July 29, 1999 of the Minister of Finance and the Governor of Bank Indonesia.

During the period the above-mentioned bonds were not yet issued, Bank Mandiri accounted for such bonds as "Due from the Government" in the amount of Rp137,800,000 in accordance with the Government's commitment through the Minister of Finance's letter No. S-360/MK.017/1999 dated September 29, 1999 and the approval of the Minister of State-Owned Enterprises in letter No. S-510/M-PBUMN/1999 dated September 29, 1999.



**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
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**1. GENERAL (continued)**

*c. Recapitalization (continued)*

Based on Bank Indonesia Letter No. 1/1/GBI/DPIP dated October 11, 1999, concerning the issuance of Government Bonds/Debentures in connection with the Government of the Republic of Indonesia's investment in Bank Mandiri, Bank Indonesia agreed that the above receivable be included in Bank Mandiri's core capital ("Tier 1") for purposes of calculating its capital adequacy ratio (CAR) as of July 31, 1999 through September 30, 1999, subject to the condition that not later than October 15, 1999 the Government Bonds/Debentures should have been received by Bank Indonesia.

Based on Government Regulation No. 97 of 1999 dated December 24, 1999 concerning the increase in capital of the Government of the Republic of Indonesia in Bank Mandiri within the framework of the Recapitalization Program, the Government of the Republic of Indonesia increased its investment to a maximum of Rp42,200,000, such that the total maximum investment would amount to Rp180,000,000.

In connection with the implementation of the above Government Regulations No. 52 and No. 97 of 1999, in accordance with the Interim Recapitalization Agreement between the Government and Bank Mandiri and its amendment, the Government issued Government Recapitalization Bonds ("Recap Bonds") in two tranches of Rp103,000,000 on October 13, 1999 and Rp75,000,000 on December 28, 1999 so that as of December 31, 1999 the total Recapitalization Bonds issued in accordance with the aforementioned Agreements amounted to Rp178,000,000 (Note 7).

Based on the Management Contract dated April 8, 2000, between Bank Mandiri and the Government, the total amount of recapitalization required by Bank Mandiri was Rp173,931,000, or less than the amount of the Recapitalization Bonds. Of such excess, Rp1,412,000 is to be retained as additional paid-in capital, and the balance of Rp2,657,000 was returned to the Government on July 7, 2000 in the form of Recapitalization Bonds equivalent to 2,657,000 (two million six hundred and fifty seven thousand) units.

Based on the decision letter of the Minister of Finance No. S-174/MK.01/2003 dated April 24, 2003 regarding the return of the excess Government Recapitalization Bonds, which was previously retained as additional paid-in capital, Government Recapitalization Bonds amounting to Rp1,412,000 were returned to the Government on April 25, 2003 (Note 32).

On May 23, 2003, the Minister of Finance issued decrees (KMK-RI) No. 227/KMK.02/2003 and No. 420/KMK-02/2003 dated September 30, 2003 confirming among others the final amount of the Government's participation in Bank Mandiri in the amount of Rp173,801,315 (Note 32).

*d. Initial Public Offering of the Bank's Shares*

Bank Mandiri submitted its registration for an Initial Public Offering (IPO) to the Capital Market Supervisory Board (Bapepam) on June 2, 2003. The Registration Statement became effective based on the decision letter of the Chairman of Bapepam No. S-1551/PM/2003 dated June 27, 2003.

On July 14, 2003, Bank Mandiri made an IPO of its 4,000,000,000 shares, with a nominal value of Rp500 (full amount) per share with an initial selling price of Rp675 (full amount) per share. The offering of 4,000,000,000 shares of the Bank represents a divestment of 20% of the ownership of the Government of the Republic of Indonesia in Bank Mandiri (Note 32a).

On July 14, 2003, 19,800,000,000 of Bank Mandiri's shares were listed on the Jakarta Stock Exchange and Surabaya Stock Exchange based on Jakarta Stock Exchange's Approval Letter No. S-1187/BEJ.PSJ/07-2003 dated July 8, 2003 and Bursa Efek Surabaya's Approval Letter No. JKT-028/LIST/BES/VII/2003 dated July 10, 2003.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
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**1. GENERAL (continued)**

*d. Initial Public Offering of the Bank's Shares (continued)*

Based on an amendment to the Articles of Association approved by the Minister of Justice and Human Rights in his decision letter No. C-12783.HT.01.04.TH.2003 dated June 6, 2003 that was published in Supplement No. 6590 of State Gazette No. 63 dated August 8, 2003, the Bank's name was changed from PT Bank Mandiri (Persero) to PT Bank Mandiri (Persero) Tbk.

*e. Quasi-Reorganization*

In order for Bank Mandiri to eliminate the negative consequences of being burdened by accumulated losses, the Bank undertook a quasi-reorganization as approved in the Shareholder's Extraordinary General Meeting (RUPSLB) on May 29, 2003.

The quasi-reorganization adjustments resulted in the accumulated losses of Rp162,874,901 as at April 30, 2003 being eliminated against additional paid-in capital/agio.

Bank Mandiri's Articles of Association were amended to reflect the change in additional paid-up capital as a result of quasi-reorganization, by notarial deed No. 130 of Sutjipto, S.H. dated September 29, 2003 which was approved by the Minister of Justice and Human Rights in his decision letter No. C-25309.HT.01.04.TH.2003 dated October 23, 2003 and was published in Supplement No. 93 of State Gazette No. 910 dated October 23, 2003.

On October 30, 2003, an Extraordinary Shareholders' General Meeting (RUPSLB) approved the Quasi-Reorganization as at April 30, 2003. The minutes of the RUPSLB were notarized by Notary Sutjipto S.H. in notarial deed No. 165 dated October 30, 2003.

See Note 60 for details of the implementation of the quasi-reorganization.

*f. Divestment of Government Share Ownership*

On March 11, 2004, the Government divested a further 10% shareholding involving 2,000,000,000 of its shares in Bank Mandiri through private placements (Note 32).

*g. Structure and Management*

Bank Mandiri's head office is located in Jakarta, Indonesia. As of December 31, 2004 and 2003, and April 30, 2003, Bank Mandiri had the following domestic and offshore structure:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Domestic Regional Branches	10	10	10
Domestic Branches:			
Hubs	54	54	54
Community Branches	95	72	-
Spokes	336	350	421
Cash Outlets	304	254	216
	<u>789</u>	<u>730</u>	<u>691</u>
Offshore Branches	4	4	3
Representative Office	1	1	-

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
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**1. GENERAL (continued)**

*g. Structure and Management (continued)*

As of April 30, 2003, Bank Mandiri had offshore branches located in Grand Cayman, Singapore and Hong Kong. The Bank further opened an offshore branch in Timor Leste and a representative office in Shanghai, China as of December 31, 2004 and 2003.

The members of the Boards of Commissioners and Directors of Bank Mandiri as of December 31, 2004 and 2003, and April 30, 2003 are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
<u>Board of Commissioners</u>			
Chairman	: Binhadi	Binhadi	Binhadi
Deputy Chairman	: Markus Parmadi **)	Markus Parmadi **)	-
Commissioner	: Darmin Nasution	Darmin Nasution	Soedarjono
Commissioner	: Arie Soelendro	Arie Soelendro	Markus Parmadi
Commissioner	: Fransiska Oei	Mohammad Syahril	Sabana Kartasasmita
Independent Commissioner	: A. Tony Prasetyantono	A. Tony Prasetyantono	-
Independent Commissioner	: Riswinandi	Riswinandi	-
<u>Board of Directors</u>			
President Director	: E.C.W. Neloe	E.C.W. Neloe	E.C.W. Neloe
Deputy President Director	: I Wayan Pugeg	I Wayan Pugeg	-
Director	: I Wayan Agus Mertayasa	I Wayan Agus Mertayasa	I Wayan Pugeg
Director	: M. Sholeh Tasripan	M. Sholeh Tasripan	I Wayan Agus Mertayasa
Director	: Omar Sjawaldy Anwar	Omar Sjawaldy Anwar	M. Sholeh Tasripan
Director	: Ventje Rahardjo	Ventje Rahardjo	Omar Sjawaldy Anwar
Director	: Nimrod Sitorus*)	Nimrod Sitorus*)	Nimrod Sitorus*)
Director	: Johannes Bambang Kendarto	Johanes Bambang Kendarto	Ventje Rahardjo
Director	: Zulkifli Zaini	Zulkifli Zaini	Johanes Bambang Kendarto

\*) also appointed as Compliance Director and Corporate Secretary.

\*\*) also appointed as Independent Commissioner.

Bank Mandiri's Audit Committee as of December 31, 2004 and 2003, and April 30, 2003 is comprised of the following members:

	December 31, 2004	December 31, 2003	April 30, 2003
Chairman	: Markus Parmadi	Markus Parmadi	Soedarjono
Member	: Zulkifli Djaelani	Zulkifli Djaelani	Soejatna Soenoesebrata
Member	: Imam Sukarno	Imam Sukarno	Zulkifli Djaelani
Member	: Fransiska Oei		
Member	: Riswinandi		

As of December 31, 2004 and 2003, and April 30, 2003 Bank Mandiri has a total of 19,693, 18,397 and 17,780 employees (unaudited), respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of the Consolidated Financial Statements**

The consolidated financial statements of Bank Mandiri and Subsidiaries have been prepared in conformity with the Statement of Financial Accounting Standards (SFAS) No. 31 (Revised 2000), "Accounting for the Banking Industry" and other generally accepted accounting principles established by the Indonesian Institute of Accountants and, where applicable, with prevailing banking industry practices and accounting and reporting guidelines prescribed by the Indonesian banking regulatory authority and the Capital Market Supervisory Board.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

a. Basis of Preparation of the Consolidated Financial Statements (continued)

The consolidated financial statements have been prepared on the historical cost and accrual basis of accounting, except for trading and available-for-sale securities and Government Recapitalization Bonds and derivative receivables and payables which are stated at fair value, hedge bonds which are stated at indexed value, certain investments in shares of stock which are accounted for under the equity method, and certain premises and equipment which have been revalued.

The consolidated statements of cash flows are presented under the direct method which classifies cash receipts and payments on the basis of operating, investing and financing activities. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, current accounts with Bank Indonesia and current accounts with other banks.

b. Principles of Consolidation

The consolidated financial statements include the financial statements of Bank Mandiri and its majority-owned or controlled Subsidiaries. Control is presumed to exist where more than 50% of a Subsidiary's voting power is controlled by Bank Mandiri, or Bank Mandiri is able to govern the financial and operating policies of a Subsidiary, or control the removal or appointment of the majority of a Subsidiary's board of directors. Significant inter-company balances and transactions have been eliminated.

Subsidiaries included in the consolidated financial statements as of December 31, 2004 and 2003, and April 30, 2003 are as follows:

Name of Subsidiary	Nature of Business	Domicile	Percentage of Ownership		
			December 31, 2004	December 31, 2003	April 30, 2003
Bank Mandiri (Europe) Limited	Commercial Banking	London	100.00	100.00	100.00
PT Bank Syariah Mandiri (BSM)	Syariah Banking	Jakarta	99.99	99.99	99.99
PT Usaha Gedung Bank Dagang Negara	Property Management	Jakarta	99.00	99.00	99.00
PT Mandiri Sekuritas	Securities	Jakarta	95.68	95.68	95.68
PT Bumi Daya Plaza	Property Management	Jakarta	93.33	93.33	93.33
PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri)	Insurance	Jakarta	49.00*	49.00*	100.00

\*) 51% ownership interest was sold to National Mutual Fund International Pty. Ltd., a member of the AXA Group effective November 5, 2003, therefore, the financial statements of PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri) as of December 31, 2004 and 2003 were not consolidated.

Bank Mandiri Europe Limited (BMEL) was incorporated on June 22, 1999 under the Companies Act 1985 of the United Kingdom. It was established from the conversion of Bank Exim London Branch to a subsidiary effective July 31, 1999. BMEL was mandated to act as a commercial bank to represent the interests of Bank Mandiri. The registered office of BMEL is in London, United Kingdom.

PT Bank Syariah Mandiri (BSM) was established in the Republic of Indonesia on August 10, 1973 under the name of PT Bank Susila Bhakti, a subsidiary of BDN, based on notarial deed No. 146 of R. Soeratman. The Company's name changed several times, the latest of these changes was based on notarial deed No. 23 of Sutjipto, S.H. dated September 8, 1999, whereby its name was changed to PT Bank Syariah Mandiri. The Company is engaged in banking activities in accordance with "Syariah" banking principles.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

b. Principles of Consolidation (continued)

PT Usaha Gedung Bank Dagang Negara was established in the Republic of Indonesia on October 29, 1971 based on notarial deed No. 104 of Abdul Latief, S.H. dated October 29, 1971. The Company is engaged in property management and office rental activities, which involve the Company's and its Subsidiaries' offices, and other offices. It owns 75% of the share capital of PT Pengelola Harta Tetap Mandiri (PHTM), a company primarily established to manage and sell the non-core fixed assets of Bank Mandiri, and 25% of the share capital of PT Pengelola Investama Mandiri (PIM), a company primarily established to manage the investments in shares of stock of Bank Mandiri.

PT Mandiri Sekuritas was established in the Republic of Indonesia on July 31, 2000 based on notarial deed No. 116 of Ny. Vita Buena, S.H. replacing Sutjipto, S.H. It was established through the merger of PT Bumi Daya Sekuritas, PT Exim Sekuritas and PT Merincorp Securindo. The merger was approved by the Minister of Laws and Regulations of the Republic of Indonesia on August 25, 2000 based on decision letter No. C-18762.HT.01.01-TH.2000. PT Mandiri Sekuritas owns 99.9% of the share capital of PT Mandiri Manajemen Investasi, a subsidiary established on October 26, 2004 engaged in investment management and advisory activities.

PT Bumi Daya Plaza was established in the Republic of Indonesia based on notarial deed No. 33 of Ny. Subagyo Reksodipuro, S.H. dated December 22, 1978. The Company is engaged in property management and rental activities. It owns 75% of the share capital of PIM and 25% of the share capital of PHTM.

PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri) was established in the Republic of Indonesia on September 30, 1991 based on notarial deed No. 179 of Muhani Salim, S.H. dated September 30, 1991 with the name of PT Asuransi Jiwa Staco Raharja. Based on the Extraordinary General Shareholders' Meeting held on January 31, 2002, the name of the Company was changed from PT Asuransi Jiwa Staco Raharja to PT Asuransi Jiwa Mandiri. In accordance with Article 3 of the Company's Articles of Association, the Company is engaged in life insurance activities. In order to strengthen the Company's capital structure prior to the joint venture with National Mutual Fund International Pty. Ltd., a member of the AXA Group, on September 20, 2002 and October 24, 2003, PT Asuransi Jiwa Mandiri's paid-up capital was increased by Rp10,000 and Rp28,600, respectively, as a result of the Bank's increased investment in the Company. On November 5, 2003, National Mutual Fund International Pty. Ltd. acquired 51% of the share ownership in the Company from Bank Mandiri. On the same date, Bank Mandiri and National Mutual Fund International Pty. Ltd. increased the paid-up capital of PT Asuransi Jiwa Mandiri in the amount of Rp7,777 and Rp8,095, respectively, and the Company's name was changed from PT Asuransi Jiwa Mandiri to PT AXA Mandiri Financial Services.

The total assets of the subsidiaries as of December 31, 2004 and 2003, and April 30, 2003 (prior to elimination) amounted to Rp10,197,836, Rp6,069,839 and Rp4,254,717 or 4.11%, 2.43% and 1.61% of the total consolidated assets, respectively.

For consolidation purposes, the financial statements of the overseas branches and overseas subsidiary of Bank Mandiri denominated in foreign currency are translated into Rupiah based on the following basis:

- (1) Assets, liabilities, commitments and contingencies - using the middle rates as published by Bank Indonesia at the balance sheet date.
- (2) Revenues, expenses, gains and losses - using the average middle rates during each month in the financial reporting period.
- (3) Shareholders' equity accounts - using historical rates.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

b. Principles of Consolidation (continued)

- (4) Statements of cash flows - using the middle rates as published by Bank Indonesia at the balance sheet date, except for profit and loss statement balances which are translated using the average middle rates and shareholders' equity balances which are translated using historical rates.

The resulting net translation adjustment is presented as "Differences Arising from Translation of Foreign Currency Financial Statements" under the Shareholders' Equity section of the consolidated balance sheets.

As of December 31, 2004 and 2003, the financial statements of PT AXA Mandiri Financial Services were not consolidated as the Bank's ownership as of December 31, 2004 and 2003 was below 50% and the Bank does not exercise control over the entity at those dates.

If the change in ownership interests in PT AXA Mandiri Financial Services was applied as of April 30, 2003, the consolidated assets and liabilities and the consolidated net profit and shareholders' equity would be as follows:

	<b>April 30, 2003</b>	
	As Reported (Audited)	Without PT AXA Mandiri Financial Services
Consolidated assets	261,285,909	261,267,164
Consolidated liabilities	243,998,291	243,982,783
<b>As of and for the Four-month Period Ended April 30, 2003</b>		
	As Reported (Audited)	Without PT AXA Mandiri Financial Services
Consolidated net profit	1,357,515	1,357,257
Consolidated shareholders' equity	17,284,380	17,284,380

c. Foreign Currency Transactions and Balances

Bank Mandiri maintains its accounting records in Indonesian Rupiah. Transactions in currencies other than Rupiah are recorded at the prevailing rates of exchange in effect on the date of the transactions. At the balance sheet date, all foreign currency monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) on December 31, 2004 and 2003, and April 30, 2003. The resulting gains or losses are credited or charged to the current period's profit and loss.

The exchange rates used against the Rupiah were as follows (amounts in full Rupiah):

	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>April 30, 2003</b>
US Dollar 1/Rp	9,285	8,425	8,675
British Pound Sterling 1/Rp	17,908	15,057	13,836
Japanese Yen 100/Rp	9,059	7,893	7,263
Euro 1/Rp	12,660	10,649	9,657

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

d. Transactions with Related Parties

Bank Mandiri and Subsidiaries enter into transactions with related parties as defined in SFAS No. 7 - "Related Party Disclosures".

All significant transactions with related parties, whether or not conducted under normal terms and conditions as those with third parties, are disclosed in Note 48. Transactions of Bank Mandiri with state- and regionally-owned/controlled entities including the Indonesian Bank Restructuring Agency ("IBRA") and *Unit Pelaksanaan Penjaminan Pemerintah* (a new institution that replaced IBRA) are not considered as transactions with related parties.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks.

f. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia and other banks represent placements in the form of call money, "fixed-term" placements, time deposits and others.

Placements with Bank Indonesia are stated at the outstanding balances, net of the unamortized interest. Placements with other banks are stated at the outstanding balances, net of allowance for possible losses.

g. Securities

Securities consist of securities traded in the money market such as mutual fund units, Certificates of Bank Indonesia, negotiable certificates of deposit, commercial papers, money market securities, export bills and securities traded on the stock exchanges such as shares of stocks and bonds.

Securities include bonds issued by the Government, that are not related to the recapitalization program such as treasury bonds and foreign currency bonds. These bonds or notes are issued by the Government for the purpose of managing the Government's funding requirements, and are obtained through both primary and secondary markets.

Investments in mutual fund units are stated at market value, which is the net value of assets of the mutual funds at the balance sheet date. Any unrealized gains or losses at the balance sheet date are reflected in the current period's profit or loss.

The value of securities is stated based on the classification of the securities, as follows:

- (1) Trading securities are stated at fair value. The unrealized gains/losses resulting from the increase/decrease in fair value are recognized in the current period's profit and loss. Upon the sale of securities in a trading portfolio, the difference between selling price and fair value per books is recognized as a realized gain or loss on sale.
- (2) Available-for-sale securities are stated at fair value. Unrealized gains/losses resulting from the increase/decrease in fair value are not recognized in the current period's profit and loss but are presented as a separate component of shareholders' equity. Gains/losses are recognized in profit and loss upon realization.
- (3) Held-to-maturity securities are stated at cost adjusted for unamortized discounts or premiums.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

g. Securities (continued)

For securities which are actively traded in organized financial markets, fair value is generally determined by reference to quoted market bid prices by the stock exchanges at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the assets. For securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of securities. Any permanent decline in the fair value of securities held-to-maturity and available-for-sale is charged to profit and loss in the period incurred.

Securities are stated net of allowance for possible losses and unamortized interest/premium or discount. Premiums and discounts are amortized using the straight-line method.

h. Government Recapitalization Bonds

Government Recapitalization Bonds represent bonds issued by the Government in connection with the recapitalization of commercial banks. Government Recapitalization Bonds are stated based on the classification of the bonds, which accounting treatment is similar to those of securities as described in Note 2g above, except for hedge bonds which are stated at values determined by the exchange rate of the Rupiah against the US Dollar, as published by Reuters on the balance sheet date. The exchange gain or loss arising from the indexation of hedge bonds is charged to the current period's profit and loss.

For Government Recapitalization Bonds which are traded, fair value is generally determined by reference to quoted market bid prices by the stock exchanges at the close of business on the balance sheet date. For Government Recapitalization Bonds where there are no quoted market prices, a reasonable estimate of the fair value is calculated using the yield-to-maturity approach.

i. Other Receivables - Trade Transactions

Other receivables - trade transactions represent receivables resulting from contracts for trade-related facilities given to customers, which are collectible when due.

Other receivables - trade transactions are presented at their outstanding balances, net of allowance for possible losses.

j. Securities Purchased/Sold with Agreements to Resell/Repurchase

Securities purchased with agreements to resell are presented as assets in the consolidated balance sheet at their resell price less unamortized interest. The difference between the purchase price and the selling price is treated as unrealized (unamortized) interest income and is recognized as income during the period from the purchase of securities to the date of resale.

Securities sold with agreements to repurchase are presented as liabilities in the consolidated balance sheet at the repurchase price less unamortized interest. The difference between the selling price and the repurchase price is treated as a prepaid expense and is recognized as expense during the period from the sale of securities to the date of repurchase.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

k. Derivative Receivables and Derivative Payables

All derivative instruments (including foreign currency transactions for funding and trading) are recognized in the consolidated balance sheet at their fair values. Fair value is determined based on market value, Reuters spot rate at reporting date, pricing models or quoted prices of other instruments with similar characteristics. Derivative assets and liabilities are presented at the amount of unrealized gains or losses on derivative contracts.

Gains or losses on derivative contracts are accounted for based on the purpose the Bank has designated upon acquisition as (1) fair value hedge, (2) cash flow hedge, (3) a hedge of a net investment in a foreign operation, and (4) trading instruments, as follows:

1. Gain or loss on a derivative contract designated and qualifying as a fair value hedging instrument, and the gain or loss on the revaluation of hedged assets or liabilities is recognized currently in profit and loss in the same accounting period. Gains or losses arising from such revaluations may be offset. Any difference that arises representing the effect of hedge ineffectiveness is recognized currently in profit and loss;
2. The effective portion of the gain or loss on a derivative contract designated and qualifying as a cash flow hedging instrument is reported as a component of other comprehensive income under shareholders' equity. The effect of the hedge ineffectiveness is recognized currently in profit and loss;
3. Gain or loss on a hedging derivative instrument in a hedge of a net investment in a foreign operation is reported in other comprehensive income as part of the cumulative translation adjustment under shareholders' equity to the extent it is effective as a hedge; and
4. Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized currently in profit and loss.

l. Loans

Loans represent receivables under contracts with borrowers, where borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.

Loans are stated at their outstanding balance less an allowance for possible loan losses.

Syndicated and channeling loans are stated at their balances in proportion to the risks borne by the Bank and its Subsidiaries.

Included in loans are *syariah* financing which consists of *syariah* receivables, other receivables and *musyarakah* financing.

*Syariah* receivables result from lease transactions based on *murabahah*, *istishna*, *ijarah*, *hiwalah*, *rahn* and *qardh* agreements.

*Musyarakah* financing is an agreement between the investors (*mitra musyarakah*) to have a joint-venture in a partnership with profit and loss sharing based on an agreement and capital contribution proportion. *Musyarakah* financing is presented at the outstanding balance, net of allowance for possible losses.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

I. Loans (continued)

Loans Purchased from IBRA

Bank Indonesia issued Regulation No. 4/7/PBI/2002 regarding "Prudential Principles for Credits Purchased by Banks from IBRA" dated September 27, 2002, which applies for all loans purchased from IBRA starting January 1, 2002.

The difference between the outstanding loan principal and purchase price is booked as deferred income if the Bank enters into a new credit agreement with the borrower, and as an allowance for possible losses if the Bank does not enter into a new credit agreement with the borrower. The allowance for loan losses or deferred income is only adjusted once the Bank has recovered the original purchase price.

Income arising from the loans purchased from IBRA is recognized on a cash basis. If the Bank enters into a new credit agreement with the borrower, any receipts from a borrower are recognized as a deduction of the outstanding principal and/or as interest income following the terms or conditions as set out in the new credit agreement. If the Bank does not enter into a new credit agreement with the borrower, any receipts from a borrower must be recognized firstly as a deduction of outstanding principal. The excess of receipts over the outstanding principal balance shall be recognized as interest income.

Bank Indonesia allows the Bank to classify all the loans purchased from IBRA as Category 1 (Current) for a period of one year from the date of booking. Thereafter, the loans are classified based on the normal loan rating guidelines of Bank Indonesia.

BI requires banks to fully recover the purchase price of the loans within five years from the date of booking. Any unpaid amount after five years should be written off by the banks.

Loan Restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into equity or other financial instruments and/or a combination of both.

Losses on loan restructurings in respect of modification of the terms of the loans are recognized only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the recorded loans before restructuring.

For loan restructurings which involve a conversion of loans into equity or other financial instruments in partial satisfaction of loans, a loss on loan restructuring is recognized only if the fair value of the equity or financial instruments received, reduced by estimated expenses to sell the equity or other financial instruments, is less than the designated loan's value.

Deferred interest, which is capitalized to receivables under new restructuring agreements, is recorded as deferred interest income and is amortized proportionately based on the amount of capitalized interest relative to the loan principal upon loan collections.

m. Acceptances Receivable and Payable

Acceptances receivable and payable are stated at the value of the letters of credit or realizable value of the letters of credit accepted by the Bank. Acceptances receivable are presented net of allowance for possible losses.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

n. Investments in Shares of Stock

Investments in shares of stock represent long-term investments in non-publicly-listed companies and temporary investments in debtor companies arising from conversion of loans to equity.

Investments in shares representing ownership interests of 20% to 50%, except for investments in companies arising from conversion of loans to equity, are accounted for under the equity method. Under this method, investments are stated at cost and adjusted for the Bank's proportionate share in the net equity of the investees and reduced by dividends earned since the acquisition date.

Temporary investments in debtor companies arising from the conversion of loans to equity are accounted for under the cost method regardless of the percentage of ownership, less an allowance for possible losses.

All other investments are carried at cost reduced by an allowance for possible losses.

Any permanent decline in the fair value of investments is deducted from the carrying value of the investments and charged to the current period's profit and loss. The Bank provides a provision for possible losses arising from obligations from investments in shares of stock. Such provision is presented under other liabilities.

o. Allowance for Possible Losses on Earning Assets and Estimated Losses on Commitments and Contingencies

Earning assets consist of current accounts with other banks, placements with Bank Indonesia and other banks, securities, Government Recapitalization Bonds, other receivables - trade transactions, securities purchased with agreements to resell, derivative receivables, loans, acceptances receivable, investments in shares of stock, and commitments and contingencies with credit-related risk.

Commitments and contingencies with credit-related risk consist of outstanding irrevocable letters of credit, outstanding letters of credit under Bank Indonesia's guarantee program, guarantees issued in the form of standby letters of credit, bank guarantees and risk sharing.

In accordance with Bank Indonesia (BI) regulations, the Bank classifies earning assets into one of five categories. Performing assets are categorized as current and special mention. Non-performing assets are divided into three categories: sub-standard, doubtful and loss.

The classification of earning assets into current, special mention, sub-standard, doubtful and loss is determined based on the evaluation of the Management of Bank Mandiri and Subsidiaries of each borrower's repayment performance, business prospects, financial condition and ability to repay, and consideration of the guidelines prescribed by Bank Indonesia regarding the quality of earning assets.

The determination of the minimum allowance for possible losses on earning assets and commitments and contingencies takes into consideration the guidelines prescribed by Bank Indonesia regarding Allowances for Possible Losses on Earning Assets, which prescribe minimum rates of allowance for possible losses on earning assets and commitments and contingencies with credit-related risk. The following table shows Bank Indonesia's minimum allowance requirements:

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- o. Allowance for Possible Losses on Earning Assets and Estimated Losses on Commitments and Contingencies (continued)

<u>Classification</u>	<u>Rate</u>
Current *)	1%
Special mention	5%
Sub-standard	15%
Doubtful	50%
Loss	100%

\*) Excluding Bank Indonesia Certificates of Indebtedness (SBIs), placements with Bank Indonesia, Government Recapitalization Bonds and other Government bonds.

The Bank maintains allowances that in most cases exceed Bank Indonesia's minimum allowance requirements. Also, for group borrowers, the Bank provides allowances generally based on the lowest rating within a group. The above rates of allowances for possible losses are applied as a minimum, to the outstanding balances of earning assets and commitments and contingencies with credit-related risk, net of the value of cash and certain non-cash collateral, except for earning assets classified as current and special mention for which the rate is applied to the outstanding balance.

The estimated losses on commitments and contingencies with credit-related risk is presented in the liabilities section of the consolidated balance sheets.

The outstanding balances of earning assets are written off against the respective allowance for possible losses when the management of Bank Mandiri and Subsidiaries believes that the earning assets are uncollectible. Recoveries of earning assets previously written off are recorded as an addition to the allowance for possible losses during the period. If the recovery exceeds the principal amount, the excess will be recognized as interest income.

- p. Premises and Equipment

Premises and equipment are stated at cost, except for certain premises and equipment used in operations that were revalued in 1979, 1987 and 2003 in accordance with Government regulations, less accumulated depreciation and amortization. The corresponding revaluation increments were credited to "Premises and Equipment Revaluation Increment" under the shareholders' equity in the balance sheet.

Premises and equipment, except land, are depreciated and amortized using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	20
Furniture, fixtures, office equipment and computer equipment/software	5
Vehicles	5

Construction in progress is stated at cost and is presented as part of premises and equipment. Accumulated costs are reclassified to the appropriate premises and equipment account when the assets are substantially complete and are ready for their intended use.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

p. Premises and Equipment (continued)

The cost of repairs and maintenance is expensed as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are reflected in the current period's profit and loss.

The carrying amounts of fixed assets are reviewed as of each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and, when carrying value exceeds this estimated recoverable amount, assets are written down to their recoverable amount.

q. Repossessed Assets

Repossessed assets represent loan collateral that has been acquired in settlement of loans and is included in "Other Assets". Repossessed assets are presented at their net realizable value. Realizable value is the fair value of the repossessed assets less estimated costs of liquidating the assets. Any excess of the loan balance over the value of the repossessed assets, which is not recoverable from the borrower, is charged to the allowance for possible losses. Differences between the estimated realizable value and the proceeds from sale of the repossessed assets are recognized in profit and loss at the time of sale.

Expenses for maintaining repossessed assets are recognized in the current period's profit and loss. The carrying amount of the repossessed assets is written down to recognize a permanent decline in value of the repossessed asset. Any such write down is recognized to the current period's profit and loss.

r. Other Assets

Other assets include accrued income for interest, fees and commissions, receivables, advances for purchases of loans from IBRA, prepaid taxes, prepaid expenses, repossessed assets and others.

Receivables (Note 15) arise from the recognition of the accretion in the realizable value of zero-coupon instruments and deposits placed with highly rated foreign institutions which are attached as security to the Subordinated Undated Floating Rate Notes (SUFRNs) issued by certain legacy banks, and the effective reduction of the principal liability related to another legacy bank's SUFRN. Due to the contracts governing the SUFRNs, Bank Mandiri continues to recognize the original fair value of the SUFRNs as a liability of the Bank (Notes 29 and 30).

Prepaid expenses are amortized over periods during which benefits are realized using the straight-line method.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

s. Deposits from Customers

Demand deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may be used as instruments of payment, and which may be withdrawn at any time by cheque, automated teller machine card or other orders of payment or transfers. These are stated at nominal value.

Savings deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments. These are stated at nominal value.

Time deposits represent deposits of customers with Bank Mandiri and banking subsidiaries that may only be withdrawn after a certain time in accordance with the agreement between the depositor and Bank Mandiri and banking subsidiaries. These are stated at the nominal amount set forth in the certificates between Bank Mandiri and banking subsidiaries and holders of time deposits.

Included in the deposits are *Syariah* deposits and unrestricted investments consisting of the following:

- a. *Wadiah* is a *wadiah yad-adhamanah* deposit in which the depositor is entitled to receive bonus income.
- b. Unrestricted investments in the form of *mudharabah* savings which entitle the depositor to receive a share of BSM's income in return for the usage of the funds in accordance with the defined terms (*nisbah*).
- c. Unrestricted investments in the form of *mudharabah* time deposits are fund deposits which entitle the depositor to receive a share of BSM's income for the usage of the funds in accordance with the defined terms (*nisbah*).

t. Deposits from Other Banks

Deposits from other banks represent liabilities to local and overseas banks, in the form of demand deposits, inter-bank call money with original maturities of 90 days or less, time deposits and certificates of deposit. These are stated at the amount due to the other banks.

Deposits from other banks include *syariah* deposits in the form of *wadiah* deposits and unrestricted investments which comprise time deposits.

u. Securities Issued

Securities issued by the Bank which include floating rate notes, medium term notes and travelers' cheques, are recorded at their nominal value. Under BI requirements deposits from other banks with periods of more than 90 days are also presented as securities issued. Premiums or discounts arising from issuance of floating rate notes and medium term notes are recognized as deferred expense/income and amortized over the period of the securities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

v. Income Tax

The Bank and Subsidiaries apply the liability method to determine income tax expense. Under the liability method, deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. This method also requires the recognition of future tax benefits, such as the carry-forward of unused tax losses, to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined.

The corporate income tax of Bank Mandiri and its Subsidiaries is computed for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities are not offset in the consolidated financial statements. Deferred tax assets are presented net of deferred tax liabilities in the consolidated balance sheets.

w. Interest Income and Interest Expense

Interest income and interest expense are recognized on an accrual basis. Interest income on non-performing earning assets is not recognized, except to the extent of cash collections received. When a loan is classified as non-performing, interest income previously recognized but not yet collected is reversed against interest income. The reversed interest income is recognized as a contingent receivable.

All receipts from credits classified as doubtful or loss must be recognized firstly as a deduction of the outstanding principal balance. The excess of receipts over the outstanding principal balance shall be recognized as interest income.

Interest receivable on non-performing assets of Bank Mandiri and its Subsidiaries is treated as off-balance sheet and is disclosed in the notes to the consolidated financial statements.

Interest income and expense include *syariah* income and expense. *Syariah* income is earned from *murabahah*, *istishna* and *ijarah* transactions and from *mudharabah* and *musyakarah* financing profit sharing income. Income from *murabahah* and *ijarah* is recognized using the accrual basis while income from *istishna* transactions and *mudharabah* and *musyakarah* financing profit sharing is recognized when cash is received as a payment of an installment. *Syariah* expense consists of expenses from *mudharabah* profit sharing and *wadiah* bonuses.

x. Fees and Commissions

Significant fees and commissions that are directly related to lending activities and/or involving specific time periods are deferred and amortized using the straight-line method over those periods. The balances of unamortized fees and commissions relating to loans settled prior to maturity are recognized in the current period's profit and loss upon settlement. Other fees and commissions are recognized as income at the transaction date.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

y. Post-Employment Benefits

Bank Mandiri established a defined contribution pension plan covering substantially all of its eligible employees from August 1, 1999. It also supports defined benefit pension plans which were derived from each of the Merged Banks' pension plans.

Bank Mandiri recognizes a provision for post-employment benefits under the Labor Law No. 13/2003 dated March 25, 2003 regarding the settlement of labor dismissal and the stipulation of severance pay, gratuity and compensation in companies. This Law supersedes the Minister of Manpower's Decree No. Kep-150/Men/2000 dated June 20, 2000. The provision has been calculated by comparing the benefit that will be received by an employee at normal pension age from the Pension Plans with the benefit as stipulated under the Labor Law No. 13/2003 after deduction of accumulation of employee contributions and the results of its investments. If the pension benefit from the Pension Plans is less than the benefit as required by the Labor Law, the Bank will have to pay such shortage. Provision for employee service entitlements is accrued based on the results of an actuarial valuation.

z. Share Options

The Bank has granted stock options to the Directors and Senior Management at certain levels and based on certain criteria under the Management Stock Option Plan (MSOP). Stock compensation cost is calculated at the grant date using the fair value of the stock options and is recognized as part of salaries and employee benefits expense, over the vesting period of the stock options based on graded vesting. The accumulated stock compensation costs are recognized as 'Share Options' in the equity section.

The fair value of the stock options granted is based on an actuary's valuation report calculated using the Black-Scholes option pricing model.

aa. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss with the weighted average number of shares issued and fully paid-up during the related period.

Net profit used in calculating the basic earnings per share was Rp5,255,631, Rp4,586,089, Rp3,228,574 and Rp1,357,515, for the years ended December 31, 2004 and 2003, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively. The weighted-average number of outstanding shares used in computing the basic earnings per share as of December 31, 2004 and 2003, and April 30, 2003 was 20,047,890,270, 20,000,000,000 and 20,000,000,000 shares, respectively. The weighted-average number of outstanding shares used in computing the basic earnings per share as of April 30, 2003 has been adjusted to reflect the changes in issued shares as a result of the conversion of additional paid-in capital and appropriated retained earnings to issued and fully paid-up capital, and the effect of the stock split (Note 32).

The weighted-average number of outstanding shares used in computing the diluted earnings per share as of December 31, 2004 and 2003, and April 30, 2003 was 20,227,794,595, 20,058,309,357 and 20,165,217,422 shares. The weighted-average number of outstanding shares used in computing diluted earnings per share as of April 30, 2003 have been adjusted to reflect the changes in issued shares as a result of the conversion of additional paid-in capital and appropriated retained earnings to issued and fully paid-up capital, the stock split, and the issuance of share options (Notes 32 and 33).



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

aa. Earnings Per Share (continued)

The weighted-average number of outstanding shares used in computing diluted earnings per share as of December 31, 2004 and 2003, have been adjusted to reflect the changes in issued shares as a result of the issuance of share options (Notes 32 and 33).

ab. Segment Information

Bank Mandiri and its Subsidiaries has presented financial information by nature of business (primary segment) and by geographical area (secondary segment). The primary segment is divided into banking, *syariah* banking, securities, insurance and others, while the secondary segment is divided into Indonesia (domestic), Asia, Europe and others.

ac. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimations and assumptions that affect the amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates.

ad. Quasi-Reorganization

Based on SFAS No. 51 - "Accounting for Quasi-Reorganization", quasi-reorganization is an accounting procedure which enables a company to restructure its equity by eliminating any accumulated losses and reappraising all of its assets and liabilities without going through a legal reorganization. The quasi-reorganization applied by Bank Mandiri was performed using the accounting reorganization method in accordance with SFAS No. 21 - "Accounting for Equity", SFAS No. 51 (Prior to the 2003 Revision) - "Accounting for Quasi-Reorganization", and letter from Capital Market Supervisory Agency (Bapepam) No: S-2231/PM/2003 dated September 10, 2003 in respect of Bank Mandiri's quasi-reorganization plan.

The fair value of all assets and liabilities is determined at the quasi-reorganization date. If the fair market value is unavailable or there is no representative fair market value, the estimated fair value of an asset or liability is determined based on the fair value of other instruments which are substantially similar, estimated present value, or discounted cash flows. For certain assets and liabilities, the valuation is performed in accordance with related SFAS. Such accounts include assets and liabilities which have maturities of less than one year.

If the net assets after fair value adjustments are higher than the historical net book value at the date of the quasi-reorganization, the accumulated losses are directly eliminated against additional paid-in capital without adjusting the asset and liability accounts to their fair values. However, if the net assets after fair value adjustments are lower than the historical net book value at the date of the quasi-reorganization, the differences are booked against accumulated losses and the accumulated losses are then eliminated against additional paid-in capital. Each asset and liability account in that event is adjusted to reflect its fair value.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

ae. Reclassification of Accounts

Certain accounts in the December 31, 2003 and April 30, 2003 consolidated financial statements have been reclassified to conform to the presentation of accounts in the December 31, 2004 consolidated financial statements as follows:

December 31, 2003

Account Description	As Previously Reported (For the eight-month period ended December 31, 2003)	Reclassification	As Currently Reported (For the eight-month period ended December 31, 2003)
General and administrative expenses	1,607,596	99,025	1,706,621
Salaries and employee benefits	1,151,138	(99,025)	1,052,113

Account Description	As Previously Reported December 31, 2003	Reclassification	As Currently Reported December 31, 2003
Other receivables - trade transactions	-	1,406,422	1,406,422
Securities	11,545,152	1,466,976	13,012,128
Trade documents and other facilities	2,837,398	(2,873,398)	-
Allowance for possible losses - Other receivables - trade transactions	-	(85,309)	(85,309)
Allowance for possible losses - securities	(1,146,546)	(714,013)	(1,860,559)
Allowance for possible losses - Trade documents and other facilities	(799,322)	799,322	-

April 30, 2003

Account Description	As Previously Reported April 30, 2003	Reclassification	As Currently Reported April 30, 2003
Other receivables - trade transactions	-	573,185	573,185
Securities	12,734,855	1,398,584	14,133,439
Trade documents and other facilities	1,971,769	(1,971,769)	-
Allowance for possible losses - Other receivables - trade transactions	-	(40,802)	(40,802)
Allowance for possible losses - securities	(1,176,272)	(728,696)	(1,904,968)
Allowance for possible losses - Trade documents and other facilities	(769,498)	769,498	-

**3. CURRENT ACCOUNTS WITH BANK INDONESIA**

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	14,528,041	10,798,718	8,176,159
United States Dollar	1,458,589	1,358,598	1,467,062
	<b>15,986,630</b>	<b>12,157,316</b>	<b>9,643,221</b>

The current accounts with Bank Indonesia are primarily maintained to meet the minimum reserve requirements of Bank Indonesia of 8% (2003: 5%) and 3% of Rupiah and US Dollar deposits, respectively.

The reserve requirement ratio of the Bank for its Rupiah and US Dollar accounts as of December 31, 2004 and 2003, and April 30, 2003 is as follows (unaudited):

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	9.08%	6.65%	5.07%
United States Dollar	3.01%	3.01%	3.01%

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**4. CURRENT ACCOUNTS WITH OTHER BANKS**

a. By Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	14,547	7,753	3,882
Foreign Currency	642,641	324,305	412,363
<b>Total</b>	<b>657,188</b>	<b>332,058</b>	<b>416,245</b>
Less: Allowance for possible losses	(6,557)	(3,203)	(3,594)
	<b>650,631</b>	<b>328,855</b>	<b>412,651</b>

b. By Collectibility:

As of December 31, 2004 and 2003, and April 30, 2003, all current accounts with other banks are classified as current.

c. By Related Party and Third Party:

As of December 31, 2004 and 2003, and April 30, 2003, there were no current accounts with related party banks.

d. Average Interest Rate per Annum:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	0.40%	0.58%	1.05%
Foreign Currency	0.44%	0.34%	0.52%

e. Movements of allowance for possible losses on current accounts with other banks:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	3,203	3,726	3,594	3,726
Provision for the period	2,112	(331)	(438)	107
Others *)	1,242	(192)	47	(239)
<b>Balance at end of period</b>	<b>6,557</b>	<b>3,203</b>	<b>3,203</b>	<b>3,594</b>

(\*) Includes foreign currency translation effect.

Management believes that the allowance for possible losses on current accounts with other banks is adequate.

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**5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS**

a. By Type, Currency and Collectibility:

<b>December 31, 2004</b>				
	<b>Maturity</b>	<b>Current</b>	<b>Loss</b>	<b>Total</b>
Rupiah:				
Bank Indonesia	< 1 month	5,996,699	-	5,996,699
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	3,092,362	13,671	3,106,033
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
“Fixed-term” Placements	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	359,666	-	359,666
	> 6 months < 12 months	-	-	-
Time Deposits	< 1 month	45,100	-	45,100
	1 – 3 months	12,500	-	12,500
	> 3 months < 6 months	50,000	-	50,000
	> 6 months < 12 months	-	-	-
Total Rupiah		<u>9,556,327</u>	<u>13,671</u>	<u>9,569,998</u>
Foreign Currency:				
Bank Indonesia	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	2,745,106	-	2,745,106
	1 – 3 months	46,425	-	46,425
	> 3 months < 6 months	46,425	-	46,425
	> 6 months < 12 months	-	-	-
“Fixed-term” Placements	< 1 month	557,100	-	557,100
	1 – 3 months	-	-	-
	> 3 months < 6 months	268,337	-	268,337
	> 6 months < 12 months	-	-	-
Time Deposits	< 1 month	1,037,656	-	1,037,656
	1 – 3 months	269	-	269
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Total Foreign Currency		<u>4,701,318</u>	<u>-</u>	<u>4,701,318</u>
Total		14,257,645	13,671	14,271,316
Less: Allowance for possible losses		(77,587)	(13,671)	(91,258)
		<u><b>14,180,058</b></u>	<u><b>-</b></u>	<u><b>14,180,058</b></u>

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**5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

a. By Type, Currency and Collectibility: (continued)

<b>December 31, 2003</b>				
	<b>Maturity</b>	<b>Current</b>	<b>Loss</b>	<b>Total</b>
Rupiah:				
Bank Indonesia	< 1 month	3,499,223	-	3,499,223
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	240,000	-	240,000
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
“Fixed-term” Placements	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Time Deposits	< 1 month	61,700	-	61,700
	1 – 3 months	50,000	-	50,000
	> 3 months < 6 months	-	169	169
	> 6 months < 12 months	-	-	-
<b>Total Rupiah</b>		<b>3,850,923</b>	<b>169</b>	<b>3,851,092</b>
Foreign Currency:				
Bank Indonesia	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	1,942,750	-	1,942,750
	1 – 3 months	3,197,288	-	3,197,288
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
“Fixed-term” Placements	< 1 month	197,795	-	197,795
	1 – 3 months	421,250	-	421,250
	> 3 months < 6 months	123,473	-	123,473
	> 6 months < 12 months	-	-	-
Time Deposits	< 1 month	472,717	-	472,717
	1 – 3 months	245	-	245
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
<b>Total Foreign Currency</b>		<b>6,355,518</b>	<b>-</b>	<b>6,355,518</b>
<b>Total</b>		<b>10,206,441</b>	<b>169</b>	<b>10,206,610</b>
Less: Allowance for possible losses		(64,680)	(169)	(64,849)
		<b>10,141,761</b>	<b>-</b>	<b>10,141,761</b>

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**5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

a. By Type, Currency and Collectibility: (continued)

April 30, 2003				
	Maturity	Current	Loss	Total
Rupiah:				
Bank Indonesia	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	272,000	-	272,000
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
“Fixed-term” Placements	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	168	168
Time Deposits	< 1 month	183,415	-	183,415
	1 – 3 months	70	-	70
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Total Rupiah		455,485	168	455,653
Foreign Currency:				
Bank Indonesia	< 1 month	-	-	-
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Call Money	< 1 month	5,940,245	-	5,940,245
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	251	-	251
“Fixed-term” Placements	< 1 month	54,530	-	54,530
	1 – 3 months	36,003	-	36,003
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	127,144	-	127,144
Time Deposits	< 1 month	476,051	-	476,051
	1 – 3 months	-	-	-
	> 3 months < 6 months	-	-	-
	> 6 months < 12 months	-	-	-
Total Foreign Currency		6,634,224	-	6,634,224
Total		7,089,709	168	7,089,877
Less: Allowance for possible losses		(70,171)	(168)	(70,339)
		<b>7,019,538</b>	<b>-</b>	<b>7,019,538</b>

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**5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)**

b. Bank Mandiri has no placements with related party banks.

c. Average Interest Rate per Annum:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	7.29%	5.69%	11.28%
Foreign Currency	2.28%	1.17%	1.06%

d. The placements with Bank Indonesia and other banks are for the periods ranging from 3 to 172 days, 1 to 366 days and 1 to 366 days for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively.

e. A placement amounting to Rp123,468 and Rp127,144 as of December 31, 2003 and April 30, 2003, respectively, is pledged as cash collateral for a bank guarantee in favor of a borrower of Bank Mandiri.

f. Movements of allowance for possible losses on placements with other banks:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	64,849	51,317	70,339	51,317
Provision/(reversal) for the period	19,428	19,522	(3,389)	22,911
Write-offs	-	(168)	(168)	-
Others *)	6,981	(5,822)	(1,933)	(3,889)
Balance at end of period	<b>91,258</b>	<b>64,849</b>	<b>64,849</b>	<b>70,339</b>

(\*) Includes foreign currency translation effect.

Management believes that the allowance for possible losses on placements with other banks is adequate.

**6. SECURITIES**

a. By Purpose and Related and Third Parties:

	December 31, 2004	December 31, 2003	April 30, 2003
Related parties			
Held-to-maturity	272,114	143,654	145,703
Trading	78,013	76,895	27,718
Available-for-sale	48,957	200,000	87,000
	399,084	420,549	260,421
Third parties			
Held-to-maturity	11,556,984	11,523,650	14,601,400
Trading	351,195	1,752,257	598,332
Available-for-sale	2,048,371	1,176,231	578,254
	13,956,550	14,452,138	15,777,986
Total	14,355,634	14,872,687	16,038,407

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**6. SECURITIES (continued)**

a. By Purpose and Related and Third Parties: (continued)

	December 31, 2004	December 31, 2003	April 30, 2003
Less:			
Unamortized interest	(26,139)	(60,981)	(83,565)
Unrealized gains from increase in value of securities	79,311	3,803	13,121
Allowance for possible losses	(1,904,077)	(1,803,381)	(1,834,524)
	<b>12,504,729</b>	<b>13,012,128</b>	<b>14,133,439</b>

b. By Type, Currency and Collectibility:

**December 31, 2004**

	Cost	Unamortized interest	Unrealized gains/ (losses)	Fair Value		
				Current	Loss	Total
<b>Rupiah:</b>						
<b>Held-to-maturity</b>						
Certificates of Bank Indonesia	7,655,636	(23,757)	-	7,631,879	-	7,631,879
Mandatory convertible bonds	1,018,809	-	-	-	1,018,809	1,018,809
Bonds	38,000	-	-	2,000	36,000	38,000
Wadiah Certificates of Bank Indonesia	325,000	-	-	325,000	-	325,000
Investments in mutual fund units	42,000	-	-	42,000	-	42,000
Medium term notes	5,000	-	-	5,000	-	5,000
Export bills	178,525	-	-	32,581	145,944	178,525
	9,262,970	(23,757)	-	8,038,460	1,200,753	9,239,213
<b>Trading</b>						
Bonds	118,977	-	948	118,937	988	119,925
Medium term notes	81,000	-	(105)	80,895	-	80,895
Others	47,955	-	806	48,761	-	48,761
	247,932	-	1,649	248,593	988	249,581
<b>Available-for-sale</b>						
Bonds	1,127,586	-	32,112	1,110,698	49,000	1,159,698
Syariah Mudharabah bonds	411,454	-	4,193	415,647	-	415,647
Investments in mutual fund units	223,064	-	32,467	255,531	-	255,531
	1,762,104	-	68,772	1,781,876	49,000	1,830,876
<b>Total Rupiah</b>	<b>11,273,006</b>	<b>(23,757)</b>	<b>70,421</b>	<b>10,068,929</b>	<b>1,250,741</b>	<b>11,319,670</b>
<b>Foreign Currency:</b>						
<b>Held-to-maturity</b>						
Bonds	276,248	(298)	-	275,950	-	275,950
Floating rate notes	161,050	(77)	-	155,381	5,592	160,973
Credit linked notes receivable	40,371	(2,007)	-	38,364	-	38,364
Export bills	2,073,841	-	-	1,459,374	614,467	2,073,841
Others	14,618	-	-	9,738	4,880	14,618
	2,566,128	(2,382)	-	1,938,807	624,939	2,563,746
<b>Trading</b>						
Bonds	181,276	-	(1,257)	180,019	-	180,019
	181,276	-	(1,257)	180,019	-	180,019
<b>Available-for-sale</b>						
Bonds	259,799	-	8,198	267,997	-	267,997
Promissory notes	75,425	-	1,949	77,374	-	77,374
	335,224	-	10,147	345,371	-	345,371
<b>Total Foreign Currency</b>	<b>3,082,628</b>	<b>(2,382)</b>	<b>8,890</b>	<b>2,464,197</b>	<b>624,939</b>	<b>3,089,136</b>
<b>Total</b>	<b>14,355,634</b>	<b>(26,139)</b>	<b>79,311</b>	<b>12,533,126</b>	<b>1,875,680</b>	<b>14,408,806</b>
Less: Allowance for possible losses				(28,397)	(1,875,680)	(1,904,077)
				<b>12,504,729</b>	<b>-</b>	<b>12,504,729</b>



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**6. SECURITIES (continued)**

b. By Type and Currency and Collectibility: (continued)

	<b>December 31, 2003</b>					
	Cost	Unamortized interest	Unrealized gains/ (losses)	Fair Value		
				Current	Loss	Total
<b>Rupiah:</b>						
<b>Held-to-maturity</b>						
Certificates of Bank Indonesia	7,000,000	(44,706)	-	6,955,294	-	6,955,294
Mandatory convertible bonds	1,018,809	-	-	-	1,018,809	1,018,809
Bonds	38,000	-	-	2,000	36,000	38,000
Investments in mutual fund units	22,537	-	-	22,537	-	22,537
<i>Wadiah</i> Certificates of Bank Indonesia	795,000	-	-	795,000	-	795,000
Export bills	196,162	-	-	50,218	145,944	196,162
	9,070,508	(44,706)	-	7,825,049	1,200,753	9,025,802
<b>Trading</b>						
Certificates of Bank Indonesia	1,453,260	-	-	1,453,260	-	1,453,260
Bonds	171,288	-	2,098	173,386	-	173,386
<i>Syariah Mudharabah</i> bonds	88,360	-	(1,360)	87,000	-	87,000
Others	65,824	-	(1,326)	64,498	-	64,498
	1,778,732	-	(588)	1,778,144	-	1,778,144
<b>Available-for-sale</b>						
Bonds	568,830	-	(13,810)	555,020	-	555,020
Investments in mutual fund units	225,448	-	11,420	236,868	-	236,868
SUFRNs	50,000	-	(500)	49,500	-	49,500
Medium term notes	175,000	-	-	175,000	-	175,000
Others	18,770	-	4	18,774	-	18,774
	1,038,048	-	(2,886)	1,035,162	-	1,035,162
<b>Total Rupiah</b>	<b>11,887,288</b>	<b>(44,706)</b>	<b>(3,474)</b>	<b>10,638,355</b>	<b>1,200,753</b>	<b>11,839,108</b>
<b>Foreign Currency:</b>						
<b>Held-to-maturity</b>						
Bonds	191,119	(16,164)	-	158,105	16,850	174,955
Floating rate notes	171,421	(96)	-	164,192	7,133	171,325
Money market securities	139,376	-	-	139,376	-	139,376
Credit linked notes receivable	20,570	-	-	20,570	-	20,570
Export bills	1,984,827	-	-	1,428,032	556,795	1,984,827
Others	89,483	(15)	-	89,468	-	89,468
	2,596,796	(16,275)	-	1,999,743	580,778	2,580,521
<b>Trading</b>						
Bonds	50,420	-	116	50,536	-	50,536
	50,420	-	116	50,536	-	50,536
<b>Available-for-sale</b>						
Bonds	168,142	-	317	168,459	-	168,459
Floating rate notes	118,815	-	2,643	121,458	-	121,458
Money market securities	43,943	-	4,201	48,144	-	48,144
Others	7,283	-	-	-	7,283	7,283
	338,183	-	7,161	338,061	7,283	345,344
<b>Total Foreign Currency</b>	<b>2,985,399</b>	<b>(16,275)</b>	<b>7,277</b>	<b>2,388,340</b>	<b>588,061</b>	<b>2,976,401</b>
<b>Total</b>	<b>14,872,687</b>	<b>(60,981)</b>	<b>3,803</b>	<b>13,026,695</b>	<b>1,788,814</b>	<b>14,815,509</b>
Less: Allowance for possible losses				(14,567)	(1,788,814)	(1,803,381)
				13,012,128	-	<b>13,012,128</b>

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**6. SECURITIES (continued)**

b. By Type and Currency and Collectibility: (continued)

	<b>April 30, 2003</b>					
	Cost	Unamortized interest	Unrealized gains/ (losses)	Fair Value		
				Current	Loss	Total
<b>Rupiah:</b>						
<b>Held-to-maturity</b>						
Certificates of Bank Indonesia	10,765,511	(58,791)	-	10,706,720	-	10,706,720
Mandatory convertible bonds	1,018,809	-	-	-	1,018,809	1,018,809
Bonds	60,203	(496)	-	23,707	36,000	59,707
Investments in mutual fund units	9,467	-	-	9,467	-	9,467
Wadiah Certificates of Bank Indonesia	312,500	-	-	312,500	-	312,500
Export bills	220,967	-	-	75,023	145,944	220,967
Others	1,441	(266)	-	1,175	-	1,175
	<b>12,388,898</b>	<b>(59,553)</b>	<b>-</b>	<b>11,128,592</b>	<b>1,200,753</b>	<b>12,329,345</b>
<b>Trading</b>						
Certificates of Bank Indonesia	471,092	-	-	471,092	-	471,092
Others	4,238	-	-	4,238	-	4,238
	<b>475,330</b>	<b>-</b>	<b>-</b>	<b>475,330</b>	<b>-</b>	<b>475,330</b>
<b>Available-for-sale</b>						
Bonds	136,178	-	104	136,282	-	136,282
Syariah Mudharabah bonds	30,000	-	-	30,000	-	30,000
Investments in mutual fund units	53,095	-	-	53,095	-	53,095
	<b>219,273</b>	<b>-</b>	<b>104</b>	<b>219,377</b>	<b>-</b>	<b>219,377</b>
<b>Total Rupiah</b>	<b>13,083,501</b>	<b>(59,553)</b>	<b>104</b>	<b>11,823,299</b>	<b>1,200,753</b>	<b>13,024,052</b>
<b>Foreign Currency:</b>						
<b>Held-to-maturity</b>						
Bonds	192,679	(12,814)	-	162,514	17,351	179,865
Floating rate notes	81,550	(27)	-	73,717	7,806	81,523
Money market securities	25,421	-	-	25,421	-	25,421
Credit linked notes receivable	45,225	(261)	-	27,880	17,084	44,964
Export bills	1,906,313	-	-	1,332,963	573,350	1,906,313
Others	107,017	(10,910)	-	87,432	8,675	96,107
	<b>2,358,205</b>	<b>(24,012)</b>	<b>-</b>	<b>1,709,927</b>	<b>624,266</b>	<b>2,334,193</b>
<b>Trading</b>						
Bonds	70,584	-	618	71,202	-	71,202
Floating rate notes	28,203	-	(225)	27,978	-	27,978
Money market securities	51,933	-	(108)	51,825	-	51,825
	<b>150,720</b>	<b>-</b>	<b>285</b>	<b>151,005</b>	<b>-</b>	<b>151,005</b>
<b>Available-for-sale</b>						
Floating rate notes	376,320	-	12,732	389,052	-	389,052
Money market securities	69,661	-	-	69,661	-	69,661
	<b>445,981</b>	<b>-</b>	<b>12,732</b>	<b>458,713</b>	<b>-</b>	<b>458,713</b>
<b>Total Foreign Currency</b>	<b>2,954,906</b>	<b>(24,012)</b>	<b>13,017</b>	<b>2,319,645</b>	<b>624,266</b>	<b>2,943,911</b>
<b>Total</b>	<b>16,038,407</b>	<b>(83,565)</b>	<b>13,121</b>	<b>14,142,944</b>	<b>1,825,019</b>	<b>15,967,963</b>
Less: Allowance for possible losses				(9,505)	(1,825,019)	(1,834,524)
				<b>14,133,439</b>	<b>-</b>	<b>14,133,439</b>

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**6. SECURITIES (continued)**

c. By Maturity:

	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>April 30, 2003</b>
Rupiah:			
Less than 1 year	8,148,941	9,539,028	11,624,961
1 - 5 years	2,443,604	1,555,633	1,121,222
5 - 10 years	108,498	285,505	191,374
Over 10 years	571,963	507,122	145,944
	<u>11,273,006</u>	<u>11,887,288</u>	<u>13,083,501</u>
Foreign Currency:			
Less than 1 year	1,619,749	1,675,343	1,423,532
1 - 5 years	563,633	408,645	489,391
5 - 10 years	270,161	327,766	295,123
Over 10 years	629,085	573,645	746,860
	<u>3,082,628</u>	<u>2,985,399</u>	<u>2,954,906</u>
	<u>14,355,634</u>	<u>14,872,687</u>	<u>16,038,407</u>
Add/(less):			
Unamortized discounts	(26,139)	(60,981)	(83,565)
Unrealized gains from increase in value of securities	79,311	3,803	13,121
Allowance for possible losses	(1,904,077)	(1,803,381)	(1,834,524)
	<u><b>12,504,729</b></u>	<u><b>13,012,128</b></u>	<u><b>14,133,439</b></u>

d. By Type of Issuer:

	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>April 30, 2003</b>
Government	395,067	446,362	242,164
Banks	10,418,901	11,857,809	13,909,327
Other companies	3,541,666	2,568,516	1,886,916
	<u>14,355,634</u>	<u>14,872,687</u>	<u>16,038,407</u>
Add/(less):			
Unamortized discounts	(26,139)	(60,981)	(83,565)
Unrealized gains from increase in value of securities	79,311	3,803	13,121
Allowance for possible losses	(1,904,077)	(1,803,381)	(1,834,524)
	<u><b>12,504,729</b></u>	<u><b>13,012,128</b></u>	<u><b>14,133,439</b></u>

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**6. SECURITIES (continued)**

e. Detail of Bonds by Rating:

	Rating			Fair value		
	December 31, 2004	December 31, 2003	April 30, 2003	December 31, 2004	December 31, 2003	April 30, 2003
<b>Rupiah:</b>						
<b>Held-to-maturity</b>						
Mandatory convertible bonds - PT Garuda Indonesia	-	-	-	1,018,809	1,018,809	1,018,809
Bonds	Various	Various	Various	38,000	38,000	59,707
				1,056,809	1,056,809	1,078,516
<b>Trading</b>						
Bonds	Various	Various	-	119,925	173,386	-
Syariah Mudharabah bonds	-	Various	-	-	87,000	-
				119,925	260,386	-
<b>Available-for-sale</b>						
<b>Bonds</b>						
PT Ciliandra Perkasa	idBBB	idBBB	-	142,100	170,000	-
PT Indofood Sukses Makmur Tbk.	id AA	id AA+	-	211,500	38,380	-
PT Telekomunikasi Indonesia Tbk.	id A+	-	-	180,000	-	-
PT Tunas Baru Lampung Tbk.	idBBB	-	-	123,750	-	-
PT Medco Energi International Tbk.	id AA-	-	-	319,500	-	-
Others	Various	Various	Various	182,848	346,640	136,282
				1,159,698	555,020	136,282
Syariah Mudharabah bonds	Various	-	-	415,647	-	30,000
Total Rupiah				2,752,079	1,872,215	1,244,798
<b>Foreign Currency:</b>						
<b>Held-to-maturity</b>						
<b>Bonds</b>						
Republic of Indonesia	B	B2/B	-	237,101	140,403	141,479
Others	Various	Various	Various	38,849	34,552	38,386
				275,950	174,955	179,865
<b>Trading</b>						
Bonds	Various	Various	Various	180,019	50,536	71,202
<b>Available-for-sale</b>						
Bonds	Various	Various	-	267,997	168,459	-
Total Foreign Currency				723,966	393,950	251,067

f. Average Interest Rates per Annum:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	6.48%	7.84%	12.34%
Foreign Currency	3.40%	4.07%	6.01%

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**6. SECURITIES (continued)**

g. Movements of Allowance for Possible Losses on Securities:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	1,803,381	1,847,699	1,834,524	1,847,699
Provision during the period	45,622	(10,251)	22,551	(32,802)
Recoveries	22,527	36,000	-	36,000
Write-offs	(17,102)	-	-	-
Others *)	49,649	(70,067)	(53,694)	(16,373)
Balance at end of period	<b>1,904,077</b>	<b>1,803,381</b>	<b>1,803,381</b>	<b>1,834,524</b>

(\*) Includes foreign exchange translation effect.

Management believes that the allowance for possible losses on securities is adequate.

Bank Mandiri invested Rp200,000 as seed capital in Dana Korporasi Mandiri (DKM), a mutual fund, on March 19, 2003. In accordance with Bapepam regulations, the seed capital should be placed in a mutual fund for a period of at least one year.

The gain from the sale of securities amounted to Rp218,892, Rp254,884 and Rp12,670 for the years ended December 31, 2004 and 2003, and the four-month period ended April 30, 2003, respectively.

**7. GOVERNMENT RECAPITALIZATION BONDS**

Government Recapitalization Bonds consist of bonds issued by the Government in connection with its Recapitalization Program in 1999, acquired from primary and secondary markets with details as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Held-to-maturity, at cost	63,917,150	70,081,054	105,393,520
Available-for-sale, fair value	27,584,037	51,437,351	35,625,964
Trading, fair value	1,579,834	1,388,448	9,312,896
	<b>93,081,021</b>	<b>122,906,853</b>	<b>150,332,380</b>

In the context of the Recapitalization Program as discussed in Note 1c to the consolidated financial statements, the Minister of Finance subscribed to additional paid-in capital in Bank Mandiri. The subscription was paid by crediting Bank Mandiri's account in Bank Indonesia, which was simultaneously used to purchase Government Recapitalization Bonds issued by the Government. This recapitalization was carried out in two tranches, on October 13, 1999 for Rp103,000,000 and on December 28, 1999 for Rp75,000,000.

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**7. GOVERNMENT RECAPITALIZATION BONDS (continued)**

Based on maturities, the Government Recapitalization Bonds are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Held-to-maturity:			
Less than 1 year	2,822,552	6,425,336	8,472,511
1 - 5 years	-	2,561,120	7,740,329
5 - 10 years	1,350,000	1,350,000	15,082,392
More than 10 years	59,744,598	59,744,598	74,098,288
	<u>63,917,150</u>	<u>70,081,054</u>	<u>105,393,520</u>
Available-for-sale:			
1 - 5 years	1,543,673	8,825,736	5,302,675
5 - 10 years	4,581,286	28,606,196	24,742,078
More than 10 years	21,459,078	14,005,419	5,581,211
	<u>27,584,037</u>	<u>51,437,351</u>	<u>35,625,964</u>
Trading:			
Less than 1 year	1,891	989	-
1 - 5 years	1,406,695	1,298,167	4,932,011
5 - 10 years	171,248	89,292	4,380,885
	<u>1,579,834</u>	<u>1,388,448</u>	<u>9,312,896</u>
	<b><u>93,081,021</u></b>	<b><u>122,906,853</u></b>	<b><u>150,332,380</u></b>

The details of Government Recapitalization Bonds are as follows:

**December 31, 2004**

**Held-to-maturity**

	Series	Nominal	Interest Rates per Annum	Maturity Dates	Frequency of Interest Payment
Fixed rate bonds	FR0010	1,350,000	13.15%	03/15/2010	6 months
Variable rate bonds	VR0019 - VR0031	59,744,598	SBI 3 months	12/25/2014 - 07/25/2020	3 months
Hedge bonds at nominal value	HB0077 - HB0082	2,711,595	SIBOR + 2%	01/25/2004 - 06/25/2005	3 months
Add: Increase in value of indexation of hedge bonds		<u>110,957</u>			
Hedge bonds after indexation		<u>2,822,552</u>			
		<b><u>63,917,150</u></b>			

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**7. GOVERNMENT RECAPITALIZATION BONDS (continued)**

**December 31, 2004 (continued)**

**Available-for-sale**

	<b>Series</b>	<b>Nominal</b>	<b>Interest Rates Per Annum</b>	<b>Fair Value</b>	<b>Maturity Dates</b>	<b>Frequency of Interest Payment</b>
Fixed rate bonds	FR0002 - FR0020	3,643,366	12.25% -15.58%	4,455,242	07/15/2007 - 12/15/2013	6 months
Variable rate bonds	VR0012 - VR0031	24,387,072	SBI 3 months	23,128,795	09/25/2007 - 07/25/2020	3 months
		<u>28,030,438</u>		<u>27,584,037</u>		

**Trading**

	<b>Series</b>	<b>Nominal</b>	<b>Interest Rates per Annum</b>	<b>Fair Value</b>	<b>Maturity Dates</b>	<b>Frequency of Interest Payment</b>
Fixed rate bonds	FR0002 - FR020	208,068	13.15% - 15.43%	243,636	06/15/2009 - 12/15/2013	6 months
Variable rate bonds	VR0008 - VR0020	1,344,260	SBI 3 months	1,336,198	11/25/2005 - 10/25/2006	3 months
		<u>1,552,328</u>		<u>1,579,834</u>		

**December 31, 2003**

**Held-to-maturity**

	<b>Series</b>	<b>Nominal</b>	<b>Interest Rates per Annum</b>	<b>Maturity Dates</b>	<b>Frequency of Interest Payment</b>
Fixed rate bonds	FR0010	1,350,000	13.15%	03/15/2010	6 months
Variable rate bonds	VR0019 - VR0031	59,744,598	SBI 3 months	12/25/2014 - 07/25/2020	3 months
Hedge bonds at nominal value	HB0065 - HB0082	9,514,444	SIBOR + 2%	10/25/2004 06/25/2005	3 months
Less: Decrease in value of indexation of hedge bonds		(527,988)			
Hedge bonds after indexation		8,986,456			
		<u>70,081,054</u>			

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**7. GOVERNMENT RECAPITALIZATION BONDS (continued)**

**December 31, 2003 (continued)**

**Available-for-sale**

	<b>Frequency of Series</b>	<b>Nominal</b>	<b>Interest Rates per Annum</b>	<b>Fair Value</b>	<b>Maturity Dates</b>	<b>Interest Payment</b>
Fixed rate bonds	FR0002 - FR0020	26,241,366	12.25% - 15.58%	27,306,751	06/15/2009 -12/15/2013	6 months
Variable rate bonds	VR0012 - VR0029	27,118,089	SBI 3 months	24,130,600	09/25/2007 - 08/25/2019	3 months
		<u>53,359,455</u>		<u>51,437,351</u>		

**Trading**

	<b>Frequency of Series</b>	<b>Nominal</b>	<b>Interest Rates per Annum</b>	<b>Fair Value</b>	<b>Maturity Dates</b>	<b>Interest Payment</b>
Fixed rate bonds	FR0002 - FR005	129,068	12.00% -12.25%	134,496	02/15//2006 06/15//2009	6 months
Variable rate bonds	VR0005 - VR0010	1,326,259	SBI 3 months	1,253,952	05/25/2004 - 10/25/2006	3 months
		<u>1,455,327</u>		<u>1,388,448</u>		

**April 30, 2003**

**Held-to-maturity**

	<b>Series</b>	<b>Nominal</b>	<b>Interest Rates per Annum</b>	<b>Maturity Dates</b>	<b>Frequency Interest Payment</b>
Fixed rate bonds	FR0005 -FR0020	23,900,996	12.25% - 14.28%	07/15/2007 -12/15/2003	6 months
Variable rate bonds	VR0019 - VR0031	67,230,497	SBI 3 months	12/25/2014 07/25/2020	3 months
Hedge bonds at nominal value	HB0057 - HB0082	14,663,975	SIBOR + 2%	05/25/2003 - 06/25/2005	3 months
Less: Decrease in value of indexation of hedge bonds		(401,948)			
Hedge bonds after indexation		<u>14,262,027</u>			
		<u>105,393,520</u>			



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**7. GOVERNMENT RECAPITALIZATION BONDS (continued)**

**April 30, 2003 (continued)**

**Available-for-sale**

	Frequency of Series	Nominal	Interest Rates per Annum	Fair Value	Maturity Dates	Interest Payment
Fixed rate bonds	FR0002 - FR0020	16,703,548	12.25% - 15.58%	18,271,069	07/15/2007 - 12/15/2013	6 months
Variable rate bonds	VR0012 - VR0022	17,686,427	SBI 3 months	17,354,895	09/25/2007 -03/25/2016	3 months
		34,389,975		35,625,964		

**Trading**

	Frequency of Series	Nominal	Interest rates per Annum	Fair Value	Maturity Dates	Interest Payment
Fixed rate bonds	FR0002 - FR0021	4,514,255	12.13% - 14.50%	4,784,268	05/15/2005 12/15/2010	6 months
Variable rate bonds	VR0005 - VR0013	4,538,643	SBI 3 months	4,528,628	05/25/2004 - 01/25/2008	3 months
		9,052,898		9,312,896		

Significant information relating to Government Recapitalization Bonds is as follows:

**2004**

As of December 31, 2004, Government Recapitalization Bonds with a total nominal amount of Rp2,870,748 had been sold to counterparties with agreements to repurchase (Note 22).

All maturing hedge bonds in 2004 were replaced by variable rate bonds with serial numbers VR0028, VR0029 and VR0031, with an aggregate nominal value of Rp6,843,983.

**2003**

As of December 31, 2003, Government Recapitalization Bonds with an aggregate nominal value of Rp4,800,821 have been sold to other parties with agreements to repurchase (Note 22).

The Government rescheduled all of the hedge bonds held by Bank Mandiri by redeeming the old bonds and issuing new bonds with longer maturities, based on the Minister of Finance Decree No. S-71/MK.01/2003 dated February 25, 2003. Hedge bonds with a total nominal value of Rp16,783,376 were redeemed, and Rp16,076,909 of hedge bonds and Rp706,467 of variable bonds were issued.

Based on the Minister of Finance Decree No. S-174/MK.01/2003 dated April 24, 2003, Bank Mandiri returned the excess Government Recapitalization amount of Rp1,412,000. This was accomplished by returning Government Recapitalization Bonds with serial numbers FR0007, FR0009 and VR0019 with nominal amounts of Rp870,315, Rp34,523 and Rp507,162, respectively, to the Government on April 25, 2003 (Note 32).

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**8. OTHER RECEIVABLES - TRADE TRANSACTIONS**

a. By Type and Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Usance payable at sight	167,583	52,118	55,126
Others	1,063	11,792	-
	<u>168,646</u>	<u>63,910</u>	<u>55,126</u>
Foreign Currency:			
Usance payable at sight	1,683,547	863,567	558,861
Others	211,458	564,254	-
	<u>1,895,005</u>	<u>1,427,821</u>	<u>558,861</u>
Total	2,063,651	1,491,731	613,987
Less: Allowance for possible losses	(124,472)	(85,309)	(40,802)
	<u><b>1,939,179</b></u>	<u><b>1,406,422</b></u>	<u><b>573,185</b></u>

b. By Collectibility:

	December 31, 2004	December 31, 2003	April 30, 2003
Current	1,523,007	1,491,731	613,987
Special mention	498,789	-	-
Sub-standard	41,855	-	-
Doubtful	-	-	-
Loss	-	-	-
	<u>2,063,651</u>	<u>1,491,731</u>	<u>613,987</u>
Total	2,063,651	1,491,731	613,987
Less: Allowance for possible losses	(124,472)	(85,309)	(40,802)
	<u><b>1,939,179</b></u>	<u><b>1,406,422</b></u>	<u><b>573,185</b></u>

c. By Maturity:

	December 31, 2004	December 31, 2003	April 30, 2003
Less than 1 month	397,735	923,542	243,624
1 - 3 months	788,473	329,902	132,190
Over 3 months	877,443	238,287	238,173
	<u>2,063,651</u>	<u>1,491,731</u>	<u>613,987</u>
Total	2,063,651	1,491,731	613,987
Less: Allowance for possible losses	(124,472)	(85,309)	(40,802)
	<u><b>1,939,179</b></u>	<u><b>1,406,422</b></u>	<u><b>573,185</b></u>

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**8. OTHER RECEIVABLES - TRADE TRANSACTIONS (continued)**

d. Movements of Allowance for Possible Losses on Other Receivables - Trade Transactions:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	85,309	46,287	40,802	46,287
Addition to/(reversal of) provision during the period	26,651	41,863	46,130	(4,267)
Others *)	12,512	(2,841)	(1,623)	(1,218)
Balance at end of period	<b>124,472</b>	<b>85,309</b>	<b>85,309</b>	<b>40,802</b>

(\*) Includes foreign exchange translation effect.

The minimum allowance for possible losses on other receivables - trade transactions, under the guidelines prescribed by Bank Indonesia, as of December 31, 2004 and 2003, and April 30, 2003 was Rp46,448, Rp14,917 and Rp6,140, respectively.

Management believes that the allowance for possible losses on other receivables - trade transactions is adequate.

**9. SECURITIES PURCHASED WITH AGREEMENTS TO RESELL**

A summary of securities purchased with agreements to resell as of December 31, 2004 follows:

Counterparty	Commencement Date	Maturity Date	Resell Value	Type of Securities
PT Bank Mega	12/24/2004	01/24/2005	480,000	Bonds
PT Satya Mulia Gemilang	11/30/2004	05/30/2005	125,056	Shares
PT Agung Ometraco Muda	10/20/2004 and 10/21/2004	04//20/2005 and 04/21/2005	103,078	Shares
Total			708,134	
Less: Allowance for possible losses			(4,800)	
			<b>703,334</b>	

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**10. DERIVATIVE RECEIVABLES AND PAYABLES**

As of December 31, 2004, a summary of derivative transactions is as follows:

Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
<i>Third parties</i>				
Cross Currency:				
1. Forward - buy				
US Dollar	623,717	625,424	3,424	1,717
Others	114,801	120,566	5,765	-
2. Forward - sell				
US Dollar	171,520	173,681	240	2,401
Others	103,076	108,747	-	5,671
3. Swap-buy				
US Dollar	2,184,989	2,205,520	23,593	3,062
Others	253,335	253,696	361	-
4. Swap - sell				
US Dollar	4,897,836	4,698,206	229,195	29,565
5. Option				
Option - buy				
US Dollar	-	-	6	127
Others	-	-	273	-
Option - sell				
US Dollar	-	-	-	210
Others	-	-	229	-
<i>Others</i>				
<i>Interest rate swaps</i>				
US Dollar			25,051	24,215
Total			288,137	66,968
Less: Allowance for possible losses			(2,881)	-
			<b>285,256</b>	<b>66,968</b>

*Interest Rate Swaps*

On April 17, 2003 Bank Mandiri entered into interest rate swap agreements with Standard Chartered Bank, London and ABN Amro Bank, London with nominal values amounting to US\$125 million (full amount) and US\$175 million (full amount), respectively. The underlying transaction is the Bank's US\$300 million (full amount) fixed interest rate Medium-Term Note (MTN) issued in April 2003 (Note 24). Under this transaction, the Bank receives semi-annual fixed interest at the rate of 7.00% per annum and pays semi-annual floating interest at the rate of Libor 6 months + 3.37% per annum until the maturity of the Note on April 22, 2008. The Libor 6 months interest is stated in arrears. These transactions qualify as hedging for accounting purposes.

The background and purpose of the issuance of the hedging instruments are related to interest rate risk management, whereby the Bank's positive foreign currency interest rate gap position is exposed to downward trends in interest rates in the following five years. The Bank decided to convert its MTN's fixed interest rate into floating interest rates in order to mitigate the risks of a decrease in net interest margin. The Bank uses the Discounted Cash Flows approach to calculate the fair value of the hedging instruments, while the short-cut method is used to determine their hedging effectiveness. As of December 31, 2004 and 2003, and April 30, 2003, (losses)/gains amounting to (Rp24,215), (Rp4,538) and Rp25,970 as a result of the hedging fair value calculation has been offset against the gains/(losses) from (decrease)/increase of the MTNs, a hedged item, based on the fair value calculation (Note 24).

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**10. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**

*Interest Rate Swaps (continued)*

Bank Mandiri entered into an interest rate swap agreement with a notional amount of US\$125 million with Standard Chartered Bank, Singapore in August 2002. The underlying transaction is the Bank's US\$125 million fixed interest rate Subordinated Note issued in 2002 (Note 29). Under the transaction, the Bank receives semi-annual fixed interest at the rate of 10.625% per annum and pays semi-annual floating interest at the rate of Libor 6 months + 6.19% per annum for a 5-year period. The Libor 6 months interest is stated in arrears. While the transaction is for the purpose of hedging the fixed rate coupon payments of the Subordinated Note with floating coupon payments, it does not qualify as a hedging transaction for accounting purposes.

*Cross Currency Swaps*

Bank Mandiri has entered into cross currency swap contracts, which are associated with the securities sale and repurchase agreements with several counterparty banks. The contract were initiated when Bank Mandiri sold its Government Recapitalization Bonds to the counterparty banks and received Rupiah funds. These funds were used to settle the spot leg of the cross currency swaps and Bank Mandiri will then receive US Dollar funds. On the settlement date, the Bank will receive Rupiah funds and pay US Dollar funds to the counterparty banks. Bank Mandiri is then obliged to use the Rupiah funds to repurchase the Government Recapitalization Bonds it previously sold to counterparty banks (Notes 7 and 22).

A summary of the cross currency swap contracts is as follows:

Bank counterpart	Effective Date	Maturity Date	Type of Transactions	Sale (full amount)	Buy (full amount)
Standard Chartered Bank, Jakarta	June 4, 2003	June 6, 2005	<i>Spot</i>	US\$100 million	Rp1,037,500 million
			<i>Forward</i>	Rp1,037,500 million	US\$100 million
HSBC Bank, Jakarta	Nov 3, 2004	Nov 3, 2009	<i>Spot</i>	US\$25 million	Rp285,060 million
			<i>Forward</i>	Rp285,060 million	US\$25 million
Standard Chartered Bank, Jakarta	Nov 4, 2004	Nov 4, 2009	<i>Spot</i>	US\$25 million	Rp284,062 million
			<i>Forward</i>	Rp284,062 million	US\$25 million

As of December 31, 2003 a summary of derivative transactions is as follows:

Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
<i>Third Parties</i>				
<i>Cross currency:</i>				
1. Forward - buy				
US Dollar	156,024	154,543	1	1,482
Others	170,500	178,074	8,178	604
2. Forward - sell				
US Dollar	45,149	44,561	589	1
Others	31,602	32,194	518	1,110
3. Swap - buy				
US Dollar	2,187,949	2,172,894	-	15,055
Others	52,125	51,952	-	173
4. Swap - sell				
US Dollar	4,879,016	3,888,550	990,466	-
Others	345,921	343,080	3,655	814
<i>Others</i>				
Interest rate swap				
US Dollar			46,727	4,538
Total			1,050,134	23,777
Less: Allowance for possible losses			(10,343)	-
			<b>1,039,791</b>	<b>23,777</b>

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**10. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**

As of April 30, 2003, a summary of derivative transactions is as follows:

Transactions	Notional Amount (Contract)	Fair Value (Note 2k)	Derivative Receivables	Derivative Payables
<i>Third parties</i>				
<i>Cross Currency:</i>				
1. Forward - buy US Dollar	343,035	331,759	-	11,276
2. Forward - sell US Dollar	329,358	318,265	11,093	-
3. Swap - buy US Dollar	303,926	302,193	55	1,788
4. Swap - sell US Dollar	1,694,471	1,372,302	322,233	64
<i>Others</i>				
Interest rate swap US Dollar			88,578	-
Total			421,959	13,128
Less: Allowance for possible losses			(4,198)	-
			<b>417,761</b>	<b>13,128</b>

Movements of allowance for possible losses on derivative receivables:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	10,343	3,626	4,198	3,626
(Reversal)/provision during the period	(7,462)	6,717	6,145	572
Balance at end of period	<b>2,881</b>	<b>10,343</b>	<b>10,343</b>	<b>4,198</b>

As of December 31, 2004 and 2003, and April 30, 2003, all derivatives were classified as Current.

Management believes that the allowance for possible losses on derivative receivables is adequate.

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**11. LOANS**

A. Details of loans:

a) By Currency and Related Parties and Third Parties:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Related parties	360,156	511,562	496,990
Third parties	61,265,753	47,681,608	41,245,530
	<u>61,625,909</u>	<u>48,193,170</u>	<u>41,742,520</u>
Foreign Currency:			
Related parties	592,121	508,340	521,641
Third parties	32,184,535	27,241,110	27,139,752
	<u>32,776,656</u>	<u>27,749,450</u>	<u>27,661,393</u>
Total	94,402,565	75,942,620	69,403,913
Less: Allowance for possible losses	(8,470,700)	(8,890,383)	(9,879,080)
Deferred income	(164,964)	(209,573)	(203,946)
	<u><u>85,766,901</u></u>	<u><u>66,842,664</u></u>	<u><u>59,320,887</u></u>

b) By Type and Rating:

	December 31, 2004					Total
	Current	Special Mention	Sub- standard	Doubtful	Loss	
Rupiah:						
Working capital	26,124,417	1,063,248	759,418	232,415	674,957	28,854,455
Investment	13,299,659	1,822,692	471,713	85,990	613,507	16,293,561
Consumer	7,995,317	620,126	125,994	49,072	124,157	8,914,666
Export	1,944,960	115,334	62,750	-	173,790	2,296,834
Syndicated	590,985	1,145,661	-	11,494	227,087	1,975,227
Government Program	1,331,340	208,148	105,014	2,923	6,922	1,654,347
Employees	1,396,330	35,213	877	567	7,189	1,440,176
Others	186,091	7,735	1,536	714	567	196,643
	<u>52,869,099</u>	<u>5,018,157</u>	<u>1,527,302</u>	<u>383,175</u>	<u>1,828,176</u>	<u>61,625,909</u>
Foreign Currency:						
Working capital	6,909,896	382,048	315,170	57,364	257,886	7,922,364
Investment	13,276,436	1,996,053	323,998	167	1,767,438	17,364,092
Consumer	280,903	14,200	-	-	-	295,103
Export	2,135,911	1,019,097	203,226	-	39,663	3,397,897
Syndicated	3,081,336	124,201	48	-	-	3,205,585
Government Program	110,390	-	-	-	-	110,390
Employees	765	-	-	-	-	765
Others	435,145	45,315	-	-	-	480,460
	<u>26,230,782</u>	<u>3,580,914</u>	<u>842,442</u>	<u>57,531</u>	<u>2,064,987</u>	<u>32,776,656</u>
Total	79,099,881	8,599,071	2,369,744	440,706	3,893,163	94,402,565
Less:						
Allowance for possible losses	(1,654,517)	(1,733,872)	(1,103,955)	(423,172)	(3,555,184)	(8,470,700)
Deferred income	(74,133)	(8,556)	(38,764)	(1,142)	(42,369)	(164,964)
	<u><u>77,371,231</u></u>	<u><u>6,856,643</u></u>	<u><u>1,227,025</u></u>	<u><u>16,392</u></u>	<u><u>295,610</u></u>	<u><u>85,766,901</u></u>

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**11. LOANS (continued)**

A. Details of loans: (continued)

b) By Type and Rating: (continued)

	<b>December 31, 2003</b>					
	<u>Current</u>	<u>Special Mention</u>	<u>Sub- standard</u>	<u>Doubtful</u>	<u>Loss</u>	<u>Total</u>
Rupiah:						
Working capital	20,103,397	1,573,851	603,486	115,018	679,659	23,075,411
Investment	10,180,087	2,198,478	479,286	457,718	552,018	13,867,587
Export	2,556,170	95,338	160,613	100,112	33,656	2,945,889
Consumer	2,365,603	265,744	49,043	44,581	81,822	2,806,793
Syndicated	937,435	1,279,933	-	227,086	35,901	2,480,355
Government Program	1,095,560	456,178	33,741	13,066	143,115	1,741,660
Employees	1,214,948	49,306	3,351	3,788	4,082	1,275,475
	<u>38,453,200</u>	<u>5,918,828</u>	<u>1,329,520</u>	<u>961,369</u>	<u>1,530,253</u>	<u>48,193,470</u>
Foreign Currency:						
Working capital	4,062,439	1,135,046	63,254	14,620	1,630,895	6,906,254
Investment	9,058,208	2,120,384	104,713	443,294	196,202	11,922,801
Export	1,738,852	964,259	176,969	17,693	29,677	2,927,450
Consumer	60,482	1,388	1,152	33	-	63,055
Syndicated	4,377,410	1,046,106	43	-	42,125	5,465,684
Government Program	101,547	-	-	-	-	101,547
Employees	258	7	-	-	-	265
Others	332,596	29,798	-	-	-	362,394
	<u>19,731,792</u>	<u>5,296,988</u>	<u>346,131</u>	<u>475,640</u>	<u>1,898,899</u>	<u>27,749,450</u>
<b>Total</b>	<b>58,184,992</b>	<b>11,215,816</b>	<b>1,675,651</b>	<b>1,437,009</b>	<b>3,429,152</b>	<b>75,942,620</b>
Less:						
Allowance for possible losses	(1,310,392)	(2,189,923)	(781,316)	(1,290,423)	(3,318,329)	(8,890,383)
Deferred income	(60,387)	(128,632)	(2,217)	(5,544)	(12,793)	(209,573)
	<u><b>56,814,213</b></u>	<u><b>8,897,261</b></u>	<u><b>892,118</b></u>	<u><b>141,042</b></u>	<u><b>98,030</b></u>	<u><b>66,842,664</b></u>



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**11. LOANS (continued)**

A. Details of loans: (continued)

b) By Type and Rating: (continued)

	<b>April 30, 2003</b>					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
<b>Rupiah:</b>						
Working capital	14,980,581	3,439,974	331,618	371,985	501,787	19,625,945
Investment	7,205,048	3,674,127	466,634	380,597	490,388	12,216,794
Export	2,361,616	122,168	63,947	66,815	224,238	2,838,784
Consumer	1,319,434	150,692	16,358	8,817	34,328	1,529,629
Syndicated	2,418,675	1,407,479	-	-	601	3,826,755
Government Program	545,677	473,944	203,417	80,669	93,564	1,397,271
Employees	173,648	114,771	819	806	2,298	292,342
Others	15,000	-	-	-	-	15,000
	<u>29,019,679</u>	<u>9,383,155</u>	<u>1,082,793</u>	<u>909,689</u>	<u>1,347,204</u>	<u>41,742,520</u>
<b>Foreign Currency:</b>						
Working capital	6,642,724	906,284	18,119	8,416	210,177	7,785,720
Investment	7,399,203	3,195,568	261,036	458,735	721,920	12,036,462
Export	1,871,129	603,739	53,686	18,219	982,447	3,529,220
Consumer	56,609	5,347	424	-	69	62,449
Syndicated	2,070,817	1,711,179	5,962	-	18,933	3,806,891
Government Program	103,028	-	-	-	-	103,028
Employees	660	-	-	-	-	660
Others	332,958	4,005	-	-	-	336,963
	<u>18,477,128</u>	<u>6,426,122</u>	<u>339,227</u>	<u>485,370</u>	<u>1,933,546</u>	<u>27,661,393</u>
<b>Total</b>	<u>47,496,807</u>	<u>15,809,277</u>	<u>1,422,020</u>	<u>1,395,059</u>	<u>3,280,750</u>	<u>69,403,913</u>
<b>Less:</b>						
Allowance for possible losses	(2,035,277)	(2,952,331)	(583,614)	(1,260,709)	(3,047,149)	(9,879,080)
Deferred income	(203,946)	-	-	-	-	(203,946)
	<u><b>45,257,584</b></u>	<u><b>12,856,946</b></u>	<u><b>838,406</b></u>	<u><b>134,350</b></u>	<u><b>233,601</b></u>	<u><b>59,320,887</b></u>

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**11. LOANS (continued)**

A. Details of loans: (continued)

c) By Economic Sector and Rating:

	<b>December 31, 2004</b>					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
<b>Rupiah:</b>						
Manufacturing	16,786,933	2,070,755	573,748	165,742	583,625	20,180,803
Agriculture	5,734,606	440,688	322,275	4,697	114,338	6,616,604
Trading, restaurant and hotel	8,739,612	431,447	146,435	70,740	455,320	9,843,554
Transportation, warehousing and communications	2,193,288	544,970	294,181	26,271	253,708	3,312,418
Business services	4,304,199	406,362	49,065	46,359	56,267	4,862,252
Construction	4,197,379	373,993	47,326	18,171	19,163	4,656,032
Social services	1,365,801	25,550	2,396	1,285	195,381	1,590,413
Mining	484,278	102,672	2,366	36	2,557	591,909
Electricity, gas and water	274,033	11,611	-	-	-	285,644
Others	8,788,970	610,109	89,510	49,874	147,817	9,686,280
	<u>52,869,099</u>	<u>5,018,157</u>	<u>1,527,302</u>	<u>383,175</u>	<u>1,828,176</u>	<u>61,625,909</u>
<b>Foreign Currency:</b>						
Manufacturing	12,414,430	2,470,546	745,292	45,922	1,890,586	17,566,776
Agriculture	2,150,793	20,481	30,512	-	137,732	2,339,518
Trading, restaurant and hotel	2,270,286	728,401	10,353	345	2,715	3,012,100
Transportation, warehousing and communications	869,258	91,266	33,050	-	-	993,574
Business services	893,981	196,735	23,235	11,264	-	1,125,215
Construction	2,110,234	47,652	-	-	16,097	2,173,983
Social services	237	-	-	-	-	237
Mining	3,257,623	12,272	-	-	17,184	3,287,079
Electricity, gas and water	1,374,902	-	-	-	-	1,374,902
Others	889,038	13,561	-	-	673	903,272
	<u>26,230,782</u>	<u>3,580,914</u>	<u>842,442</u>	<u>57,531</u>	<u>2,064,987</u>	<u>32,776,656</u>
<b>Total</b>	<b>79,099,881</b>	<b>8,599,071</b>	<b>2,369,744</b>	<b>440,706</b>	<b>3,893,163</b>	<b>94,402,565</b>
<b>Less:</b>						
Allowance for possible losses	(1,654,517)	(1,733,872)	(1,103,955)	(423,172)	(3,555,184)	(8,470,700)
Deferred income	(74,113)	(8,556)	(38,764)	(1,142)	(42,369)	(164,964)
	<u><b>77,371,231</b></u>	<u><b>6,856,643</b></u>	<u><b>1,227,025</b></u>	<u><b>16,392</b></u>	<u><b>295,610</b></u>	<u><b>85,766,901</b></u>

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**11. LOANS (continued)**

A. Details of loans: (continued)

c) By Economic Sector and Rating: (continued)

	<b>December 31, 2003</b>					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
<b>Rupiah:</b>						
Manufacturing	13,848,674	2,323,212	413,432	581,218	360,009	17,526,545
Agriculture	5,933,264	1,135,666	342,923	18,357	225,029	7,655,239
Trading, restaurant and hotel	6,066,185	866,168	132,756	266,886	264,596	7,596,591
Transportation, warehousing and communications	2,873,932	411,223	192,268	6,896	92,966	3,577,285
Business services	2,666,858	539,469	95,209	10,622	70,750	3,382,908
Construction	1,810,965	196,704	78,146	6,968	57,489	2,150,272
Social services	415,257	36,119	2,944	937	333,776	789,033
Mining	314,463	26,475	8,456	35	13,391	362,820
Electricity, gas and water	206,245	4,538	905	100	236	212,024
Others	4,317,357	379,254	62,481	69,350	112,011	4,940,453
	<u>38,453,200</u>	<u>5,918,828</u>	<u>1,329,520</u>	<u>961,369</u>	<u>1,530,253</u>	<u>48,193,170</u>
<b>Foreign Currency:</b>						
Manufacturing	9,084,847	3,548,133	201,819	216,545	1,829,114	14,880,458
Agriculture	1,010,452	410,347	69,886	-	-	1,490,685
Trading, restaurant and hotel	1,760,191	737,998	2,871	244,442	63,015	2,808,517
Transportation, warehousing and communications	852,044	149,453	43,681	-	-	1,045,178
Business services	973,549	313,930	11,132	14,620	667	1,313,898
Construction	1,822,206	80,209	-	-	-	1,902,415
Social services	-	-	-	-	-	-
Mining	2,080,014	56,482	15,590	-	4,570	2,156,656
Electricity, gas and water	1,224,071	-	-	-	-	1,224,071
Others	924,418	436	1,152	33	1,533	927,572
	<u>19,731,792</u>	<u>5,296,988</u>	<u>346,131</u>	<u>475,640</u>	<u>1,898,899</u>	<u>27,749,450</u>
<b>Total</b>	<u>58,184,992</u>	<u>11,215,816</u>	<u>1,675,651</u>	<u>1,437,009</u>	<u>3,429,152</u>	<u>75,942,620</u>
<b>Less:</b>						
Allowance for possible losses	(1,310,392)	(2,189,923)	(781,316)	(1,290,423)	(3,318,329)	(8,890,383)
Deferred income	(60,387)	(128,632)	(2,217)	(5,544)	(12,793)	(209,573)
	<u><b>56,814,213</b></u>	<u><b>8,897,261</b></u>	<u><b>892,118</b></u>	<u><b>141,042</b></u>	<u><b>98,030</b></u>	<u><b>66,842,664</b></u>

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**11. LOANS (continued)**

A. Details of loans: (continued)

c) By Economic Sector and Rating: (continued)

	<b>April 30, 2003</b>					
	Current	Special Mention	Sub- standard	Doubtful	Loss	Total
Rupiah:						
Manufacturing	12,677,780	3,604,325	321,520	43,990	571,594	17,219,209
Agriculture	3,700,433	1,872,285	443,176	351,367	165,040	6,532,301
Trading, restaurant and hotel	3,930,620	1,079,164	84,147	130,278	331,529	5,555,738
Transportation, warehousing and communications	2,867,663	880,136	39,258	5,378	39,783	3,832,218
Business services	2,280,829	660,345	58,707	28,591	109,671	3,138,143
Construction	995,501	899,910	92,409	4,247	78,730	2,070,797
Social services	224,965	28,990	2,853	328,419	4,268	589,495
Mining	148,003	73,961	8,874	5,097	1,002	236,937
Electricity, gas and water	130,323	1,975	9,500	195	241	142,234
Others	2,063,562	282,064	22,349	12,127	45,346	2,425,448
	<u>29,019,679</u>	<u>9,383,155</u>	<u>1,082,793</u>	<u>909,689</u>	<u>1,347,204</u>	<u>41,742,520</u>
Foreign Currency:						
Manufacturing	10,320,710	3,470,520	74,665	406,074	1,612,849	15,884,818
Agriculture	829,217	619,293	2,922	-	-	1,451,432
Trading, restaurant and hotel	1,335,393	465,565	252,850	-	249,123	2,302,931
Transportation, warehousing and communications	372,275	241,428	-	-	-	613,703
Business services	1,103,609	747,165	7,263	62,163	512	1,920,712
Construction	1,071,685	479,510	-	-	40,622	1,591,817
Social services	24,221	-	-	-	-	24,221
Mining	1,611,481	52,507	-	17,133	30,293	1,711,414
Electricity, gas and water	1,003,740	299,838	-	-	-	1,303,578
Others	804,797	50,296	1,527	-	147	856,767
	<u>18,477,128</u>	<u>6,426,122</u>	<u>339,227</u>	<u>485,370</u>	<u>1,933,546</u>	<u>27,661,393</u>
<b>Total</b>	<b>47,496,807</b>	<b>15,809,277</b>	<b>1,422,020</b>	<b>1,395,059</b>	<b>3,280,750</b>	<b>69,403,913</b>
Less:						
Allowance for possible losses	(2,035,277)	(2,952,331)	(583,614)	(1,260,709)	(3,047,149)	(9,879,080)
Deferred income	(203,946)	-	-	-	-	(203,946)
	<u><b>45,257,584</b></u>	<u><b>12,856,946</b></u>	<u><b>838,406</b></u>	<u><b>134,350</b></u>	<u><b>233,601</b></u>	<u><b>59,320,887</b></u>

The non-performing loans ratio (consolidated gross basis) as of December 31, 2004 and 2003, and April 30, 2003 was 7.10%, 8.61% and 8.79%, respectively (Bank Mandiri only - 7.43%, 8.84% and 8.95%) as of December 31, 2004 and 2003, and April 30, 2003, respectively.

The loans as of December 31, 2004 and 2003, and April 30, 2003 include the loans purchased from IBRA amounting to Rp5,075,309, Rp5,249,139 and Rp5,383,514, respectively, with an allowance for possible losses of Rp2,262,110, Rp2,091,445 and Rp1,136,736, respectively, and deferred income of Rp164,964, Rp209,573 and Rp203,946, respectively.

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**11. LOANS (continued)**

A. Details of loans: (continued)

d) By Period:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Less than 1 year	5,491,779	3,884,416	6,882,910
1 - 2 years	7,218,878	6,640,752	2,908,587
2 - 5 years	20,285,757	18,145,417	12,352,723
More than 5 years	28,629,495	19,522,585	19,598,300
	<u>61,625,909</u>	<u>48,193,170</u>	<u>41,742,520</u>
Foreign Currency:			
Less than 1 year	1,824,038	1,911,089	2,663,076
1 - 2 years	1,999,598	1,243,612	1,738,329
2 - 5 years	9,296,786	7,560,367	8,050,143
More than 5 years	19,656,234	17,034,382	15,209,845
	<u>32,776,656</u>	<u>27,749,450</u>	<u>27,661,393</u>
Total	94,402,565	75,942,620	69,403,913
Less: Allowance for possible losses	(8,470,700)	(8,890,383)	(9,879,080)
Deferred income	(164,964)	(209,573)	(203,946)
	<u><b>85,766,901</b></u>	<u><b>66,842,664</b></u>	<u><b>59,320,887</b></u>

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**11. LOANS (continued)**

B. Significant information related to loans:

- a. Included in loans are syariah finance receivables amounting to Rp5,266,893, Rp2,167,704 and Rp1,345,155 as of December 31, 2004 and 2003, and April 30, 2003, respectively:

	December 31, 2004	December 31, 2003	April 30, 2003
Receivables	4,143,861	1,829,524	1,242,787
<i>Musyarakah</i> finance receivables	767,144	283,381	84,039
Other <i>syariah</i> finance receivables	355,888	54,799	18,329
	5,266,893	2,167,704	1,345,155
Less: Allowance for possible losses	(85,899)	(42,413)	(48,584)
	<b>5,180,994</b>	<b>2,125,291</b>	<b>1,296,571</b>

- b. Average Interest Rates and Range of Profit Sharing Per Annum:

*Average interest rates per annum:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	12.98%	16.37%	17.72%
Foreign Currency	7.65%	9.13%	9.93%

*Range of profit sharing per annum:*

	December 31, 2004	December 31, 2003	April 30, 2003
Receivables	8.80% - 24.25%	16.33% - 20.48%	16.06% - 21.66%
<i>Musyarakah</i> finance receivables	0.00% - 15.74%	9.08% - 24.81%	14.57% - 24.80%
Other <i>syariah</i> finance receivables	22.12% - 22.33%	0.00% - 29.83%	1.13%

- c. Loan Collateral

Loans are generally collateralized by registered mortgages, powers of attorney to mortgage or sell pledged assets, time deposits or other guarantees acceptable to Bank Mandiri.

- d. Government Program Loans

Government program loans consist of investment loans, permanent working capital loans and working capital loans which can be fully funded by the Government.

- e. Syndicated Loans

Syndicated loans represent loans provided to customers under syndication agreements with other banks. Bank Mandiri's share as facility agent in syndicated loans ranged from 4.50% to 75.08%, 4.50% to 77.88% and 4.50% to 79.35% of the total syndicated loans as of December 31, 2004 and 2003, and April 30, 2003, respectively. Bank Mandiri's total participation in syndicated loans ranged from 0.03% to 75.00%, 0.07% to 60.00% and 0.10% to 58.13%, of the total syndicated loans as of December 31, 2004 and 2003 and April 30, 2003, respectively.

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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

f. Restructured Loans

Below is the type and amount of restructured loans as of December 31, 2004 and 2003, and April 30, 2003:

	December 31, 2004	December 31, 2003	April 30, 2003
Extension of loan maturity dates	11,199,799	13,160,740	15,826,455
Long-term loans with options to convert debt to equity	1,940,924	2,144,920	2,344,133
Additional loan facilities	415,326	381,227	278,365
Extension of loan maturity dates and reduction of interest rates	1,988,565	2,342,289	2,835,903
Extension of loan maturity dates and other restructuring schemes *)	5,500,340	5,958,373	7,138,343
	<b>21,044,954</b>	<b>23,987,549</b>	<b>28,423,199</b>

\*) Other restructuring schemes mainly involve one or more of the following: reduction of interest rates, rescheduling of unpaid interest and extension of repayment periods for unpaid interest.

Total restructured loans under non-performing loans (NPL) category as of December 31, 2004 and 2003, and April 30, 2003 amounted to Rp1,533,485, Rp2,398,390 and Rp4,007,665, respectively.

g. Loans to Related Parties

Loans to related parties amounted to Rp952,277, Rp1,019,902 and Rp1,018,631 as of December 31, 2004 and 2003, and April 30, 2003, respectively, or 0.38%, 0.41% and 0.39% of total assets as of December 31, 2004 and 2003, and April 30, 2003, respectively. Details of loans given to related parties are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Republic of Indonesia	591,899	402,381	412,532
PT Semen Kupang (Persero) *)	158,541	371,802	372,444
PT Stacomitra Sedaya Finance **)	98,050	137,989	68,222
PT Estika Sedaya Finance **)	59,211	67,358	63,333
PT Bayu Beringin Lestari *)	15,625	18,850	22,350
PT Estika Jasa Kelola **)	14,869	10,538	6,310
PT Kertas Padalarang *)	6,000	6,000	6,000
PT Staco Bosowa Finance **)	-	-	65,467
Employee loans	8,082	4,984	1,973
	<b>952,277</b>	<b>1,019,902</b>	<b>1,018,631</b>

\*) Originated from conversion of debt to equity.

\*\*) These are subsidiaries of the Bank's pension fund.

The loans to Bank Mandiri employees consist of interest-bearing loans at 6% per annum which are intended for the acquisition of vehicles, houses and other personal property, and are repayable within 1 to 20 years through monthly payroll deductions.

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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

h. Legal Lending Limit (LLL)

As of December 31, 2004 and 2003, and April 30, 2003, Bank Mandiri had not exceeded the Legal Lending Limit as per BI Regulations.

i. Bank Mandiri has several loan-channeling agreements in place with several international financial institutions (Note 55).

j. Movements of Allowance for Possible Losses on Loans:

The allowance for possible loan losses is comprised of:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Allowance for possible loan losses	8,470,700	8,703,411	9,684,686
Allowance for possible losses derived from the difference between purchase price and loan principal of loans purchased from IBRA (Note 11B.m)	-	186,972	194,394
	<u><b>8,470,700</b></u>	<u><b>8,890,383</b></u>	<u><b>9,879,080</b></u>

The movements of allowance for possible loan losses (excluding allowance for possible losses derived from the difference between the purchase price and loan principal on loans purchased from IBRA) are as follows:

	<u>Year Ended December 31, 2004</u>	<u>Year Ended December 31, 2003</u>	<u>Eight-Month Period Ended December 31, 2003</u>	<u>Four-Month Period Ended April 30, 2003</u>
Balance at beginning of period	8,703,411	8,617,748	9,684,686	8,617,748
Provision during the period	275,662	1,056,661	453,382	603,279
Loan recoveries	1,082,463	1,240,117	895,618	344,499
Write-offs	(1,789,353)	(2,159,136)	(2,159,136)	-
Others *)	198,517	(51,979)	(171,139)	119,160
Balance at end of period	<u><b>8,470,700</b></u>	<u><b>8,703,411</b></u>	<u><b>8,703,411</b></u>	<u><b>9,684,686</b></u>

\*) Includes foreign currency translation effect.

As explained in Note 2o, an allowance for possible losses is provided based on the review and evaluation of the collectibility and realizable value of the respective loan balances at the end of the period. In determining the minimum amount of allowance for possible loan losses, Bank Mandiri takes into account Bank Indonesia regulations on allowances for possible losses on earning assets.

The minimum allowance for possible losses on loans (including those for loans purchased from IBRA), under the guidelines prescribed by Bank Indonesia, as of December 31, 2004 and 2003, and April 30, 2003 is Rp6,151,232, Rp5,999,438 and Rp5,892,773, respectively. Management believes that the allowance for possible losses on loans is adequate.



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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

- k. A summary of non-performing loans based on economic sector and related minimum allowances for possible losses based on Bank Indonesia regulations, is as follows:

<u>December 31, 2004</u>	Non-performing Loans	Minimum Allowance for Possible Losses
Rupiah:		
Manufacturing	1,323,115	765,463
Trading, restaurant and hotel	672,495	223,032
Business services	151,691	84,670
Others	1,591,352	890,663
	<u>3,738,653</u>	<u>1,963,828</u>
Foreign Currency:		
Manufacturing	2,681,800	2,047,218
Trading, restaurant and hotel	13,413	4,440
Business services	34,499	9,117
Others	235,248	181,221
	<u>2,964,960</u>	<u>2,241,996</u>
	<b><u>6,703,613</u></b>	<b><u>4,205,824</u></b>
 <u>December 31, 2003</u>		
Rupiah:		
Manufacturing	1,354,659	698,758
Trading, restaurant and hotel	664,238	401,270
Business services	176,581	89,006
Others	1,625,664	987,025
	<u>3,821,142</u>	<u>2,176,059</u>
Foreign Currency:		
Manufacturing	2,247,478	1,799,276
Trading, restaurant and hotel	310,328	121,605
Business services	26,419	9,647
Others	136,445	25,666
	<u>2,720,670</u>	<u>1,956,194</u>
	<b><u>6,541,812</u></b>	<b><u>4,132,253</u></b>

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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

- k. A summary of non-performing loans based on economic sector and related minimum allowances for possible losses based on Bank Indonesia regulations, is as follows: (continued)

April 30, 2003

	Non-performing Loans	Minimum Allowance for Possible Losses
Rupiah:		
Manufacturing	937,104	574,973
Trading, restaurant and hotel	545,954	384,162
Business services	196,969	132,773
Others	1,659,659	768,600
	<u>3,339,686</u>	<u>1,860,508</u>
Foreign Currency:		
Manufacturing	2,093,588	1,721,949
Trading, restaurant and hotel	501,973	192,405
Business services	69,938	32,766
Others	92,644	80,502
	<u>2,758,143</u>	<u>2,027,622</u>
	<b><u>6,097,829</u></b>	<b><u>3,888,130</u></b>

- l. Bank Mandiri had *extra-komtabel* loans amounting to Rp21,527,023, Rp20,470,844 and Rp19,977,350 as of December 31, 2004 and 2003, and April 30, 2003, respectively. *Extra-komtabel* loans are loans which have been written-off by the Bank but which continue to be pursued for collection. These loans are not reflected in the balance sheet of the Bank, but are maintained as off-balance sheet in the Bank's ledger system. A summary of movements of *extra-komtabel* loans for the years ended December 31, 2004 and 2003, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003 is as follows (Bank Only):

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	20,470,844	20,587,640	19,977,350	20,587,640
Write-offs	1,774,024	2,159,136	2,159,136	-
Recoveries	(1,076,203)	(1,240,117)	(895,618)	(344,499)
Others *)	358,358	(1,035,815)	(770,024)	(265,791)
Balance at end of period	<b><u>21,527,023</u></b>	<b><u>20,470,844</u></b>	<b><u>20,470,844</u></b>	<b><u>19,977,350</u></b>

(\*) Includes foreign currency translation effect.

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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

m. Purchase of Loans from IBRA

Period from January 1, 2004 to December 31, 2004

In addition to deferred income, the Bank had provided an additional allowance for possible losses on IBRA loans amounting to Rp2,262,110 as of December 31, 2004.

Of the total outstanding principal balance of IBRA loans, Rp5,075,309 was covered by new credit agreements. Total additional facilities to debtors under loans purchased from IBRA for the year ended December 31, 2004 amounted to Rp333,755.

Total interest and other income (up-front fees, restructuring and provision fees) received related to loans purchased from IBRA for the year ended December 31, 2004 was Rp343,209.

Total loans purchased from IBRA recorded under "Other Assets" amounted to Rp2,188 as of December 31, 2004 (Note 15). The cessie agreements related to these loans are still in the process of finalization.

Period from May 1, 2003 to December 31, 2003

In addition to the allowance for possible loan losses and deferred income, the Bank had provided an additional allowance for possible losses on IBRA loans amounting to Rp1,904,473 as of December 31, 2003.

Of the total outstanding principal balance of Rp5,249,139 recorded under loans, Rp3,526,048 or 67.17% was covered by new credit agreements. Total additional facilities to debtors under loans purchased from IBRA for the eight-month period ended December 31, 2003 amounted to Rp316,706.

Total interest and other income (up-front fees, restructuring and provision fees) received related to loans purchased from IBRA for the eight-month period ended December 31, 2003 was Rp228,182 and Rp2,562, respectively.

Total loans purchased from IBRA recorded under "Other Assets" amounted to Rp2,031 as of December 31, 2003 (Note 15).

Period from January 1, 2003 to April 30, 2003

In addition to the allowance for possible loan losses and deferred income, the Bank had provided an additional allowance for possible losses on IBRA loans amounting to Rp942,342 as of April 30, 2003.

Of the total outstanding principal balance of Rp5,383,514 recorded under loans, Rp3,515,824 or 65.31% was covered by new credit agreements. Total additional facilities to debtors under loans purchased from IBRA for the four-month period ended April 30, 2003 amounted to Rp57,700.

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**11. LOANS (continued)**

B. Significant information related to loans: (continued)

m. Purchase of Loans from IBRA (continued)

Total interest and other income (up-front fees, restructuring and provision fees) received related to loans purchased from IBRA for the four-month period ended April 30, 2003 was Rp54,584 and Rp1,090, respectively.

Total loans purchased from IBRA recorded under "Other Assets" amounted to Rp165,916 as of April 30, 2003 (Note 15).

Below are the movements of loan principal, allowance for loan losses and deferred income on loans purchased from IBRA for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, which were recorded under loans account:

	<b>Year Ended December 31, 2004</b>	<b>Eight-Month Period Ended December 31, 2003</b>	<b>Four-Month Period Ended April 30, 2003</b>
<i>Principal</i>			
Balance at beginning of period	5,249,139	5,383,514	5,457,322
Purchased from IBRA during the period	-	351,014	47,822
Repayments during the period	(463,846)	(235,794)	(5,885)
Loan write-offs during the period	(86,305)	-	-
Adjustment on deferred income	(64,826)	-	-
Foreign currency translation effect	441,147	(249,595)	(115,745)
Balance at end of period	<b>5,075,309</b>	<b>5,249,139</b>	<b>5,383,514</b>
<i>Allowance for possible loan losses</i>			
Balance at beginning of period	186,972	194,394	288,797
Reversal of provision during the period	(8,915)	269	(84,847)
Adjustment on allowance for possible loan losses	(195,796)	-	-
Foreign currency translation effect	17,739	(7,691)	(9,556)
Balance at end of period	<b>-</b>	<b>186,972</b>	<b>194,394</b>
<i>Deferred Income</i>			
Balance at beginning of period	209,573	203,946	164,284
Additions during the period	-	10,311	42,111
Write-offs during the period	(22,106)	-	-
Adjustment on deferred income	(36,472)	-	-
Correction from repayment	(185)	-	-
Foreign currency translation effect	14,154	(4,684)	(2,449)
Balance at end of period	<b>164,964</b>	<b>209,573</b>	<b>203,946</b>

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**12. ACCEPTANCES RECEIVABLE**

a) By Currency and Related Parties and Third Parties:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Receivables from other banks			
Related parties	-	-	-
Third parties	3,289	-	-
Receivables from debtors			
Related parties	-	-	-
Third parties	136,480	50,407	77,142
Total Rupiah	139,769	50,407	77,142
Foreign Currency:			
Receivables from other banks			
Related parties	-	-	-
Third parties	20,660	14,230	25,518
Receivables from debtors			
Related parties	-	-	-
Third parties	5,080,959	3,200,235	2,688,977
Total Foreign Currency	5,101,619	3,214,465	2,714,495
Total	5,241,388	3,264,872	2,791,637
Less: Allowance for possible losses	(147,286)	(148,762)	(103,404)
	<b>5,094,102</b>	<b>3,116,110</b>	<b>2,688,233</b>

b) By Maturity:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Less than 1 month	32,183	12,196	77,142
1 - 3 months	67,331	10,172	-
3 - 6 months	40,255	28,039	-
6 - 12 months	-	-	-
More than 12 months	-	-	-
	139,769	50,407	77,142
Foreign Currency:			
Less than 1 month	1,245,286	1,038,533	695,459
1 - 3 months	2,107,345	1,115,246	854,167
3 - 6 months	1,221,510	773,329	774,564
6 - 12 months	521,920	287,357	390,305
More than 12 months	5,558	-	-
	5,101,619	3,214,465	2,714,495
Total	5,241,388	3,264,872	2,791,637
Less: Allowance for possible losses	(147,286)	(148,762)	(103,404)
	<b>5,094,102</b>	<b>3,116,110</b>	<b>2,688,233</b>

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**12. ACCEPTANCES RECEIVABLE (continued)**

c) By Collectibility:

	December 31, 2004	December 31, 2003	April 30, 2003
Current	4,920,860	2,889,789	2,437,697
Special mention	317,900	335,427	353,940
Sub-standard	2,628	-	-
Doubtful	-	39,656	-
Loss	-	-	-
Total	5,241,388	3,264,872	2,791,637
Less: Allowance for possible losses	(147,286)	(148,762)	(103,404)
	<b>5,094,102</b>	<b>3,116,110</b>	<b>2,688,233</b>

d) Movements of Allowance for Possible Losses on Acceptances Receivable:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	148,762	127,538	103,404	127,538
Provision/(reversal) during the period	6,626	29,607	49,859	(20,252)
Others *)	(8,102)	(8,383)	(4,501)	(3,882)
Balance at end of period	<b>147,286</b>	<b>148,762</b>	<b>148,762</b>	<b>103,404</b>

(\*) Includes foreign currency translation effect.

The minimum allowance for possible losses on acceptances receivable, under the guidelines prescribed by Bank Indonesia, as of December 31, 2004 and 2003, and April 30, 2003 was Rp65,433, Rp65,497 and Rp41,997, respectively.

Management believes that the allowance for possible losses on acceptances receivable is adequate.

**13. INVESTMENTS IN SHARES OF STOCK**

a. The details of investments in shares of stock are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Equity method of accounting	8,981	16,532	8,106
Cost method of accounting	78,013	85,883	141,798
Total	86,994	102,415	149,904
Less: Allowance for possible losses	(78,145)	(89,693)	(27,633)
	<b>8,849</b>	<b>12,722</b>	<b>122,271</b>

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**13. INVESTMENTS IN SHARES OF STOCK (continued)**

a. The details of investments in shares of stock are as follows: (continued)

The details of investments in shares of stock as of December 31, 2004 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Equity Method of Accounting:</i>					
PT Sarana Bersama Pembiayaan Indonesia	Holding company	34.00	2,278	2,881	5,159
PT AXA Mandiri Financial Services	Insurance	49.00	16,761	(12,939)	3,822
					<u>8,981</u>
<i>Cost Method of Accounting:</i>					
PT Semen Kupang <sup>a)</sup>	Manufacturing	59.73	45,023		45,023
PT Sri Thai <sup>a)</sup>	Manufacturing	21.60	23,055		23,055
Others	Various		9,935		9,935
					<u>78,013</u>
Total					86,994
Less: Allowance for possible losses					(78,145)
					<u><u>8,849</u></u>

a) These investments represent restructured loans through debt to equity participations (Note 11B.g). Such investments are temporary investments for up to a maximum of five (5) years based on Bank Indonesia regulations. Accordingly, such investments are accounted for using the cost method regardless of the percentage of ownership, effective January 1, 2001.

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**13. INVESTMENTS IN SHARES OF STOCK (continued)**

a. The details of investments in shares of stock are as follows: (continued)

The details of investments in shares of stock as of December 31, 2003 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Equity Method of Accounting:</i>					
PT Sarana Bersama Pembiayaan Indonesia	Holding company	34.00	2,278	2,881	5,159
PT AXA Mandiri Financial Services	Insurance	49.00	16,761	(7,343)	9,418
PT Bapindo Bumi Sekuritas	Securities trading	26.19	2,750	(795)	1,955
					<u>16,532</u>
<i>Cost Method of Accounting:</i>					
PT Semen Kupang <sup>a)</sup>	Manufacturing	59.70	45,023		45,023
PT Sri Thai <sup>a)</sup>	Manufacturing	21.60	23,055		23,055
PT Kertas Padalarang <sup>a)</sup>	Pulp and paper	51.50	9,530		9,530
Others	Various		10,075		8,275
					<u>85,883</u>
Total					102,415
Less: Allowance for possible losses					(89,693)
					<u><u>12,722</u></u>

a) These investments represent restructured loans through debt to equity participations (Note 11B.g). Such investments are temporary investments for up to a maximum of five (5) years based on Bank Indonesia regulations. Accordingly, such investments are accounted for using the cost method regardless of the percentage of ownership, effective January 1, 2001.



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**13. INVESTMENTS IN SHARES OF STOCK (continued)**

a. The details of investments in shares of stock are as follows: (continued)

The details of investments in shares of stock as of April 30, 2003 are as follows:

Investee Companies	Nature of Business	Percentage of Ownership	Cost	Accumulated Equity in Retained Earnings/ (Accumulated Losses)	Carrying Value
<i>Equity Method of Accounting:</i>					
PT Sarana Bersama Pembiayaan Indonesia	Holding company	34.00	2,278	2,881	5,159
PT Bapindo Bumi Sekuritas	Securities Trading	19.00	2,750	197	2,947
					<u>8,106</u>
<i>Cost Method of Accounting:</i>					
PT Bank Internasional Indonesia Tbk.	Bank	2.00	50,400		50,400
PT Semen Kupang <sup>a)</sup>	Manufacturing	59.70	45,023		45,023
PT Sri Thai <sup>a)</sup>	Manufacturing	21.60	23,055		23,055
PT Kertas Padalarang <sup>a)</sup>	Pulp and paper	51.50	9,530		9,530
Others	Various		13,790		13,790
					<u>141,798</u>
Total					149,904
Less: Allowance for possible losses					(27,633)
					<u><u>122,271</u></u>

a) These investments represent restructured loans through debt to equity participations (Note 11 B.g). Such investments are temporary investments for up to a maximum of five (5) years based on Bank Indonesia regulations. Accordingly, such investments are accounted for using the cost method regardless of the percentage of ownership, effective January 1, 2001.

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**13. INVESTMENTS IN SHARES OF STOCK (continued)**

b. By Collectibility:

	December 31, 2004	December 31, 2003	April 30, 2003
Current	4,922	12,851	129,042
Sub-standard	1,955	-	-
Loss	80,117	89,564	20,862
Total	86,994	102,415	149,904
Less: Allowance for possible losses	(78,145)	(89,693)	(27,633)
	<u><b>8,849</b></u>	<u><b>12,722</b></u>	<u><b>122,271</b></u>

c. Movements of allowance for possible losses on investments in shares of stocks:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	89,693	62,807	27,633	62,807
(Reversal)/provision during the period	(1,922)	35,626	70,823	(35,197)
Write-offs	(9,530)	-	-	-
Others	(96)	(8,740)	(8,763)	23
Balance at end of period	<u><b>78,145</b></u>	<u><b>89,693</b></u>	<u><b>89,693</b></u>	<u><b>27,633</b></u>

The minimum allowance for possible losses on investments in shares of stock, under the guidelines prescribed by Bank Indonesia, as of December 31, 2004 and 2003, and April 30, 2003 was Rp78,145, Rp89,693 and Rp27,633, respectively.

Management believes that the allowance for possible losses on investments in shares of stock is adequate.

**14. PREMISES AND EQUIPMENT**

	December 31, 2004	December 31, 2003	April 30, 2003
Cost/Valuation *)	7,825,578	7,245,644	3,685,787
Less: Accumulated depreciation and amortization	(2,341,950)	(1,861,272)	(1,642,699)
Net book value	<u><b>5,483,628</b></u>	<u><b>5,384,372</b></u>	<u><b>2,043,088</b></u>

\*) Certain premises and equipment were revalued in 1979, 1987 and 2003.

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**14. PREMISES AND EQUIPMENT (continued)**

Movements from Jan 1, 2004 to December 31, 2004	Beginning Balance	Additions	Deductions	Reclassifications	Ending Balance
<i>Cost or Valuation</i>					
Direct ownership					
Land **)	2,903,770	185	(74,342)	-	2,829,613
Buildings **)	1,391,505	28,226	(2,817)	43,257	1,460,171
Furniture, fixtures, office equipment and computer equipment/software	2,484,614	175,345	(45,761)	511,360	3,125,558
Vehicles	47,446	21,379	(5,668)	-	63,157
Construction in progress	380,759	439,409	-	(554,617)	265,551
Leased assets	37,550	43,978	-	-	81,528
<b>Total Cost or Valuation</b>	<b>7,245,644</b>	<b>708,522</b>	<b>(128,588)</b>	<b>-</b>	<b>7,825,578</b>
<i>Accumulated Depreciation and Amortization</i>					
Direct ownership					
Buildings	599,243	98,725	(2,624)	-	695,344
Furniture, fixtures, office equipment and/ computer equipment/software	1,226,794	399,499	(45,387)	-	1,580,906
Vehicles	25,222	12,611	(4,870)	-	32,963
Leased assets	10,013	22,724	-	-	32,737
<b>Total Accumulated Depreciation and Amortization</b>	<b>1,861,272</b>	<b>533,559</b>	<b>(52,881)</b>	<b>-</b>	<b>2,341,950</b>
<i>Net book value</i>					
Direct ownership					
Land					2,829,613
Buildings					764,827
Furniture, fixtures, office equipment and computer equipment/software					1,544,652
Vehicles					30,194
Construction in progress					5,169,286
Leased assets					265,551
					48,791
					<b>5,483,628</b>

\*\*\*) The amount includes an increment in value of premises and equipment based on revaluation of fixed assets of the merged banks performed by an Independent Appraiser, PT Vigers Hagai Sejahtera, using market values as of July 30, 1999. The revaluation increment was recorded prospectively on June 18, 2003 (Note 14a).

Construction in progress as of December 31, 2004 is comprised of:

Product and license - Core Banking System	146,960
Buildings	9,996
Others	108,595
	<b>265,551</b>

The construction in progress was approximately 92.79% complete as of December 31, 2004.

Certain premises and equipment of BSM, a subsidiary, with net book value as of December 31, 2004, have been pledged as collateral to Bank Indonesia in relation to BSM's proposal for the settlement of its Rp32,000 subordinated loan from BI (Note 29g).

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**14. PREMISES AND EQUIPMENT (continued)**

Movements from May 1, 2003 to December 31, 2003	Beginning Balance	Additions	Deductions	Reclassifications	Revaluation	Ending Balance
<i>Cost or Valuation</i>						
Direct ownership						
Land **)	345,517	9,243	(7,638)	-	2,556,648	2,903,770
Buildings **)	1,069,810	14,022	(3,908)	39,071	272,510	1,391,505
Furnitures, fixtures, office equipment and computer equipment/software	1,674,374	174,028	(27,288)	664,243	(743)	2,484,614
Vehicles	39,367	11,725	(3,646)	-	-	47,446
Construction in progress	556,719	527,354	-	(703,314)	-	380,759
Leased assets	-	37,550	-	-	-	37,550
<b>Total Cost/Valuation</b>	<b>3,685,787</b>	<b>773,922</b>	<b>(42,480)</b>	<b>-</b>	<b>2,828,415</b>	<b>7,245,644</b>
<i>Accumulated Depreciation and Amortization</i>						
Direct ownership						
Buildings	539,234	40,561	(4,541)	-	23,989	599,243
Furnitures, fixtures, office equipment and computer equipment/software	1,079,557	172,502	(25,265)	-	-	1,226,794
Vehicles	23,908	3,059	(1,745)	-	-	25,222
Leased assets	-	10,013	-	-	-	10,013
<b>Total Accumulated Depreciation and Amortization</b>	<b>1,642,699</b>	<b>226,135</b>	<b>(31,551)</b>	<b>-</b>	<b>23,989</b>	<b>1,861,272</b>
<i>Net book value</i>						
Direct ownership						
Land						2,903,770
Buildings						792,262
Furniture, fixtures, office equipment and computer equipment/software						1,257,820
Vehicles						22,224
						<u>4,976,076</u>
Construction in progress						380,759
Leased assets						27,537
						<u><b>5,384,372</b></u>

\*\*) The amount includes an increment in value of fixed assets based on revaluation of fixed assets of the merged banks performed by an Independent Appraiser, PT Vigers Hagai Sejahtera, using market values as of July 30, 1999. The revaluation increment was recorded prospectively on June 18, 2003 (Note 14a).

Construction in progress as of December 31, 2003 is comprised of:

Product and license - Core Banking System	103,411
Buildings	6,351
Others	270,997
	<u><b>380,759</b></u>

The construction in progress was approximately 84.17% complete as of December 31, 2003.

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**14. PREMISES AND EQUIPMENT (continued)**

Movements from Jan 1, 2003 to April 30, 2003	Beginning Balance	Additions	Deductions	Reclassifications	Ending Balance
<i>Cost or Valuation</i>					
Direct ownership					
Land	345,517	-	-	-	345,517
Buildings	1,063,216	5,864	-	730	1,069,810
Furnitures, fixtures, office equipment and computer equipment/software	1,632,417	48,501	(7,351)	807	1,674,374
Vehicles	36,656	2,711	-	-	39,367
Construction in progress	432,796	125,460	-	(1,537)	556,719
<b>Total Cost/Valuation</b>	<b>3,510,602</b>	<b>182,536</b>	<b>(7,351)</b>	<b>-</b>	<b>3,685,787</b>
<i>Accumulated Depreciation And Amortization</i>					
Direct ownership					
Buildings	523,683	15,551	-	-	539,234
Furnitures, fixtures, office equipment and computer equipment/software	1,005,966	73,581	10	-	1,079,557
Vehicles	22,171	1,737	-	-	23,908
<b>Total Accumulated Depreciation and Amortization</b>	<b>1,551,820</b>	<b>90,869</b>	<b>10</b>	<b>-</b>	<b>1,642,699</b>
<i>Net book value</i>					
Direct ownership					
Land					345,517
Buildings					530,576
Furniture, fixtures, office equipment and computer equipment/software					594,817
Vehicles					15,459
Construction in progress					1,486,369
					556,719
					<b><u>2,043,088</u></b>
Construction in progress as of April 30, 2003 is comprised of:					
Product and license - Core Banking System					488,671
Buildings					13,354
Others					54,694
					<b><u>556,719</u></b>

The construction in progress was approximately 66% complete as of April 30, 2003.

Management believes that there is no permanent impairment in the value of fixed assets as of December 31, 2004 and 2003, and April 30, 2003.

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**14. PREMISES AND EQUIPMENT (continued)**

- a. In accordance with the Decrees of the Minister of Finance (KMK) No. 211/KMK.03/2003 dated May 14, 2003 and No. S-206/MK.01/2003 dated May 21, 2003, Bank Mandiri engaged PT Vigers Hagai Sejahtera, a registered appraisal company, to revalue the premises and equipment of the merged banks, BBD, BDN, Bank Exim and Bapindo as of July 31, 1999, in relation to the transfer to Bank Mandiri of tax losses of these taxpayers which transferred assets to Bank Mandiri (Note 27c).

Based on PT Vigers Hagai Sejahtera's Valuation Report No. Ref-020-I/VHS/V/03 dated May 26, 2003, the value of premises and equipment of the Bank and the corresponding increment in value as of July 31, 1999 were as follows:

Fixed Assets	Market Value	Book Value	Increment in Value
Land and buildings	4,427,510	843,414	3,584,096
Furniture, fixtures and equipment	438,086	275,370	162,716
Vehicles	19,604	355	19,249
	<b>4,885,200</b>	<b>1,119,139</b>	<b>3,766,061</b>

PT Vigers Hagai Sejahtera's opinion of the market value was based on "Indonesian Appraisal Standards" issued by the Indonesian Appraisal Companies Association (GAPPI) and the Indonesian Society of Appraisers (MAPPI).

In arriving at the market values, PT Vigers Hagai Sejahtera has taken into consideration the market data approach and cost approach valuation methodologies.

The results of the revaluation have been approved by the Directorate General of Taxation through Kepala Kantor Pelayanan Pajak Perusahaan Negara and Daerah through its Decision Letter No. Kep-01/WPJ.07/KP.0105/2003 dated June 18, 2003.

Bank Mandiri has recorded the results of the revaluation on June 18, 2003, the date of approval from the Directorate General of Taxation, after deducting the relevant accumulated depreciation for the period from August 1, 1999 to June 18, 2003. The net increment of premises and equipment of Rp3,046,936, involved land and buildings.

The recognition of the premises and equipment revaluation increment did not impact the Bank's tax expense position, as the tax losses used to compensate the premises and equipment revaluation increment had not been recognized as deferred tax assets by the Bank.

- b. Bank Mandiri and Subsidiaries have insured their premises and equipment (excluding land) against physical loss/damage with PT Staco Jasapratama, PT Asuransi Raya and PT Asuransi Dharma Bangsa for total coverage amounts of Rp3,342,230, Rp3,947,268 and Rp3,930,253 as of December 31, 2004 and 2003, and April 30, 2003, respectively. Management believes that the insurance coverage is adequate to cover the possibility of losses arising in relation to premises and equipment.

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**15. OTHER ASSETS**

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Receivables	3,256,714	2,819,848	2,810,862
Accrued income	1,145,139	1,634,516	3,232,512
Others - net	3,378,047	4,065,418	3,765,374
	<u><b>7,779,900</b></u>	<u><b>8,519,782</b></u>	<u><b>9,808,748</b></u>

*Receivables*

Receivables from the accretion in realizable value of the zero coupon instruments and deposits placed with foreign institutions which serve as security for certain Subordinated Undated Floating Rate Notes (SUFRNs) which were issued by Bank Exim and BDN, and the effective reduction in the principal liability of the SUFRNs which were issued by Bapindo, are as follows:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
SUFRNs classified as subordinated loans (Note 29)			
Bank Exim SUFRNs	1,044,563	916,219	921,772
Bapindo SUFRNs	1,084,024	914,113	893,576
	2,128,587	1,830,332	1,815,348
SUFRNs classified as loan capital			
BDN SUFRNs (Note 30)	1,128,127	989,516	995,514
	<u><b>3,256,714</b></u>	<u><b>2,819,848</b></u>	<u><b>2,810,862</b></u>

*Accrued Income*

Accrued income primarily comprises accrued interest receivable from placements, securities, Government Recapitalization Bonds, loans, and accrued fees and commissions.

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**15. OTHER ASSETS (continued)**

*Others*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Prepaid dividends	1,207,926	1,000,000	-
Prepaid expenses	338,279	257,639	289,068
Assets not in use	255,738	219,802	172,813
Inter-branch accounts - net	216,145	1,270,518	-
Repossessed assets	200,040	195,271	76,174
Office supplies	53,741	55,632	64,524
Receivables from financial institutions	31,597	377,155	-
Deferred charges	12,544	10,435	26,734
Loans purchased from IBRA	2,188	2,031	165,916
Interest refundable by the Government	866	25,267	25,267
Prepaid taxes	63	16,559	366,724
Receivables from customer transactions	-	16,600	50,245
Deposit made to State Treasury (Note 48)	-	-	1,124,194
Others	2,392,562	2,134,337	1,086,123
<b>Total Rupiah</b>	<b>4,711,689</b>	<b>5,581,246</b>	<b>3,447,782</b>
Foreign Currency:			
Inter-branch accounts - net	258,433	-	1,764,152
Repossessed assets	-	1,267	1,305
Others	288,271	969,361	992,966
<b>Total Foreign Currency</b>	<b>546,704</b>	<b>970,628</b>	<b>2,758,423</b>
<b>Total</b>	<b>5,258,393</b>	<b>6,551,874</b>	<b>6,206,205</b>
Less: Allowance for possible losses	(1,880,346)	(2,486,456)	(2,440,831)
	<b>3,378,047</b>	<b>4,065,418</b>	<b>3,765,374</b>

Prepaid dividends amounting to Rp1,207,926 and Rp1,000,000 as of December 31, 2004 and 2003, represent payments of interim dividends for the years 2004 and 2003.

*Prepaid Expenses*

Prepaid expenses consist of payments made in advance mostly relating to rent and insurance.

Loans purchased from IBRA represent loans for which cessie agreements related to these loans are still in the process of finalization.

*Prepaid Taxes*

Prepaid taxes as of December 31, 2004 and 2003, and April 30, 2003 are primarily comprised of corporate income tax installments and others.

The allowance for possible losses amounting to Rp1,880,346, Rp2,486,456 and Rp2,440,831 as of December 31, 2004 and 2003, and April 30, 2003, respectively, was primarily to cover possible losses arising from inter-branch accounts and other assets. The inter-branch accounts consist of open items among branches and Head Office. Bank Mandiri's management is of the opinion that the provision is adequate to cover possible losses arising from inter-branch open items, and for other assets.



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**15. OTHER ASSETS (continued)**

Movements of allowance for possible losses on other assets are as follows:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	2,486,456	2,191,455	2,440,831	2,191,455
Provision during the period	-	166,192	165,094	1,098
Write-offs	(603,002)	-	-	-
Others	(3,108)	128,809	(119,469)	248,278
Balance at end of period	<b>1,880,346</b>	<b>2,486,456</b>	<b>2,486,456</b>	<b>2,440,831</b>

**16. DEPOSITS FROM CUSTOMERS - DEMAND DEPOSITS**

a. By Currency and Related Parties and Third Parties:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Related parties	38,477	2,380	26,914
Third parties	28,865,715	29,005,035	24,733,428
	28,904,192	29,007,415	24,760,342
Foreign Currency:			
Related parties	23,935	9,474	631
Third parties	12,155,203	9,214,767	8,706,746
	12,179,138	9,224,241	8,707,377
	<b>41,083,330</b>	<b>38,231,656</b>	<b>33,467,719</b>

Included in demand deposits are *wadiah* deposits amounting to Rp980,661, Rp297,796 and Rp150,344 as of December 31, 2004 and 2003, and April 30, 2003, respectively.

b. Average Interest Rates and Range of Bonuses per Annum:

*Average interest rates per annum:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	3.60%	3.20%	3.75%
Foreign Currency	0.50%	1.23%	1.88%

*Range of bonuses per annum on wadiah deposits:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	1.21% - 1.43%	1.67% - 2.83%	2.47% - 2.83%
Foreign Currency	0.24% - 0.70%	0.82% - 0.94%	0.82% - 0.94%

c. As of December 31, 2004 and 2003, and April 30, 2003, demand deposits pledged by borrowers as collateral for bank guarantees, loans and trade finance facilities amounted to Rp1,039,179, Rp1,078,941 and Rp1,524,344, respectively.

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**17. DEPOSITS FROM CUSTOMERS - SAVINGS DEPOSITS**

a. By Type and Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Mandiri Savings	51,751,525	40,322,521	29,315,521
Mudharabah Savings	1,536,277	752,698	388,958
Mandiri Haji Savings	245,600	138,321	349,215
Investa Savings	-	79,361	11,611
Others	-	14,532	65,031
	<b>53,533,402</b>	<b>41,307,433</b>	<b>30,130,336</b>

- b. As of December 31, 2004 and 2003, and April 30, 2003, Bank Mandiri had savings deposits from related parties amounting to Rp15,467, Rp8,769 and Rp2,406, respectively, or 0.03%, 0.02% and 0.01% of total savings deposits, respectively (Note 48).
- c. Annual average interest rates of savings deposits for the years ended December 31, 2004 and 2003, and the four-month period ended April 30, 2003 were 5.03%, 6.73% and 9.90%, respectively.
- d. Profit sharing for *mudharabah* savings ranged from 4.23% to 7.94%, 5.36% to 10.5%, and 5.36% to 10.50% for the years ended December 31, 2004 and 2003, and the four-month period ended April 30, 2003, respectively.

**18. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS**

a. By Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	68,885,972	81,747,939	104,637,454
Foreign Currency	12,335,642	17,523,726	18,988,889
	<b>81,221,614</b>	<b>99,271,665</b>	<b>123,626,343</b>

b. By Period:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
1 month	43,586,485	45,967,629	46,628,343
3 months	11,900,143	16,305,242	22,330,373
6 months	7,891,840	3,522,785	6,865,538
12 months	2,781,990	8,654,940	11,233,186
More than 12 months	2,725,514	7,297,343	17,580,014
	68,885,972	81,747,939	104,637,454
Foreign Currency:			
1 months	10,097,715	15,221,813	15,281,325
3 months	1,344,763	1,169,152	1,780,241
6 months	408,862	656,403	853,906
12 months	477,173	469,433	544,612
More than 12 months	7,129	6,925	528,805
	12,335,642	17,523,726	18,988,889
	<b>81,221,614</b>	<b>99,271,665</b>	<b>123,626,343</b>

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**18. DEPOSITS FROM CUSTOMERS - TIME DEPOSITS (continued)**

c. By Maturity:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
1 month	48,334,100	51,850,240	62,157,517
3 months	12,280,476	18,845,499	16,134,857
6 months	3,900,206	6,496,399	11,790,137
12 months	2,294,201	2,713,339	13,281,686
More than 12 months	2,076,989	1,842,462	1,273,257
	<u>68,885,972</u>	<u>81,747,939</u>	<u>104,637,454</u>
Foreign Currency:			
1 month	10,701,096	15,390,970	16,256,632
3 months	1,019,114	1,539,024	1,989,168
6 months	319,178	323,823	481,179
12 months	293,808	262,782	258,553
More than 12 months	2,446	7,127	3,357
	<u>12,335,642</u>	<u>17,523,726</u>	<u>18,988,889</u>
	<u><b>81,221,614</b></u>	<u><b>99,271,665</b></u>	<u><b>123,626,343</b></u>

d. Included in time deposits are unrestricted *mudharabah* investments amounting to Rp3,208,069, Rp1,578,393 and Rp842,531 as of December 31, 2004 and 2003, and April 30, 2003, respectively.

e. Average Interest Rates and Range of Profit Sharing per Annum:

<i>Average interest rates per annum:</i>	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	6.50%	8.57%	11.68%
Foreign Currency	0.93%	1.63%	2.41%

*Range of profit sharing per annum on mudharabah investments:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	6.61% - 9.01%	6.67% - 13.12%	10.18% - 13.12%
Foreign Currency	1.81% - 1.91%	1.70% - 3.21%	2.80% - 4.01%

f. As of December 31, 2004 and 2003, and April 30, 2003, time deposits from related parties amounted to Rp35,997, Rp354,490 and Rp1,813,676, respectively, or 0.04%, 0.36% and 1.47% of the total time deposits, respectively (Note 48).

g. As of December 31, 2004 and 2003, and April 30, 2003, time deposits which are frozen and blocked as collateral for bank guarantees, loans and trade finance facilities amounted to Rp4,511,787, Rp5,331,218 and Rp4,135,382, respectively. *Mudharabah* time deposits pledged as of December 31, 2004 and 2003, and April 30, 2003 for *mudharabah* receivables extended by a subsidiary amounted to Rp49,454, Rp9,500 and Rp14,030, respectively.

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**19. DEPOSITS FROM OTHER BANKS - DEMAND DEPOSITS**

a. By Currency:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	950,690	593,020	273,944
Foreign Currency	20,126	18,844	11,479
	<u><b>970,816</b></u>	<u><b>611,864</b></u>	<u><b>285,423</b></u>

Included in demand deposits are *wadiah* deposits amounting to Rp4,438, Rp182 and Rp2,488 as of December 31, 2004 and 2003, and April 30, 2003, respectively.

b. Average Interest Rates and Range of Bonuses Per Annum:

*Average interest rates per annum:*

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	3.60%	3.20%	3.75%
Foreign Currency	0.50%	1.23%	1.88%

*Range of bonuses per annum on wadiah deposits:*

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	1.21% - 1.43%	1.67% - 2.83%	2.47%-2.83%
Foreign Currency	0.24% - 0.70%	0.82% - 0.94%	0.82%-0.94%

c. As of December 31, 2004 and 2003, and April 30, 2003, the Bank had no demand deposits from related party banks.

d. As of December 31, 2004 and 2003, and April 30, 2003, demand deposits pledged by borrowers as loan collateral amounted to Rp4,983, Rp2,452 and Rp3,124, respectively.

**20. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY**

a. By Currency:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	330,200	845,516	579,000
Foreign Currency	1,634,160	176,925	995,947
	<u><b>1,964,360</b></u>	<u><b>1,022,441</b></u>	<u><b>1,574,947</b></u>

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**20. DEPOSITS FROM OTHER BANKS - INTER-BANK CALL MONEY (continued)**

b. By Maturity:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Less than 1 month	330,000	845,516	579,000
1 - 2 months	-	-	-
2 - 3 months	200	-	-
	<u>330,200</u>	<u>845,516</u>	<u>579,000</u>
Foreign Currency:			
Less than 1 month	1,634,160	176,925	995,947
1 - 2 months	-	-	-
2 - 3 months	-	-	-
	<u>1,634,160</u>	<u>176,925</u>	<u>995,947</u>
	<u><b>1,964,360</b></u>	<u><b>1,022,441</b></u>	<u><b>1,574,947</b></u>

c. Average Interest Rates Per Annum:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	6.39%	6.50%	9.45%
Foreign Currency	3.18%	1.20%	1.22%

d. As of December 31, 2004 and 2003, and April 30, 2003, the Bank has no inter-bank call money from related party banks.

**21. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS**

a. By Currency:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah	8,218,662	9,632,884	11,827,721
Foreign Currency	885,357	409,331	102,740
	<u><b>9,104,019</b></u>	<u><b>10,042,215</b></u>	<u><b>11,930,461</b></u>

b. By Period:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Less than 1 month	7,959,739	7,808,888	10,379,432
3 months	254,438	1,637,476	1,250,789
6 months	185	88,178	192,975
12 months	4,300	81,458	4,525
More than 12 months	-	16,884	-
	<u>8,218,662</u>	<u>9,632,884</u>	<u>11,827,721</u>

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**21. DEPOSITS FROM OTHER BANKS - TIME DEPOSITS (continued)**

b. By Period:

	December 31, 2004	December 31, 2003	April 30, 2003
Foreign Currency:			
Less than 1 month	623,183	179,757	53,345
3 months	112,913	27,695	17,351
6 months	108,131	144,589	32,044
12 months	17,093	57,290	-
More than 12 months	24,037	-	-
	885,357	409,331	102,740
	<b>9,104,019</b>	<b>10,042,215</b>	<b>11,930,461</b>

Included in time deposits from other bank are unrestricted investments - *mudharabah* time deposits amounting to Rp175,800, Rp38,223 and Rp9,670 as of December 31, 2004 and 2003, and April 30, 2003, respectively.

c. Average Interest Rates and Range of Profit Sharing Per Annum:

*Average interest rates per annum:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	6.50%	8.57%	11.68%
Foreign Currency	0.93%	1.63%	2.41%

*Range of profit sharing per annum on mudharabah time deposits:*

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah	6.61% - 9.01%	6.67% - 13.12%	10.18% - 13.12%
Foreign Currency	1.81% - 1.91%	1.70% - 3.21%	2.80% - 4.01%

d. As of December 31, 2004 and 2003, and April 30, 2003, the Bank has no time deposits from related party banks.

e. As of December 31, 2004 and 2003, and April 30, 2003, time deposits from other banks which are frozen and blocked as loans collateral amounted to Rp17,676, Rp33,591 and Rp36,446, respectively.

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**22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE**

December 31, 2004

Counter-party	Commencement Date	Maturity Date	Repurchase Amount	Serial Number
Deutsche Bank	05/09/2003	10/25/2006	1,305,000	GRB VR0010
Standard Chartered Bank	06/04/2003	06/06/2005	1,037,500	GRB VR0013
HSBC Bank	11/03/2004	11/03/2009	285,060	GRB FR0019
Standard Chartered Bank	11/04/2004	11/04/2009	284,062	GRB VR0017
PT Mega Finadana	12/22/2004	01/05/2005	1,003	Bonds
PT Mega Finadana	12/10/2004	01/10/2005	1,007	Bonds
			<b>2,913,632</b>	

The agreements to repurchase Government Recapitalization Bonds with Standard Chartered Bank (serial numbers VR0013 and VR0017) and HSBC Bank (serial number FR00019) are associated with cross currency swap transactions with the respective counterparties. There is no premium or discount on these contracts. On January 28, 2004, Bank Mandiri made an early termination of its securities sold with agreements to repurchase which were due to mature on September 11, 2005 and September 25, 2005 amounting to Rp2,000,000 with Bank Mega.

December 31, 2003

As of December 31, 2003, securities sold with agreements to repurchase were as follows:

Counter-party	Commencement Date	Maturity Date	Repurchase Amount	Serial Number
Deutsche Bank	05/09/2003	10/25/2006	1,305,000	GRB VR0010
Standard Chartered	06/04/2003	06/06/2005	1,037,500	GRB VR0013
Standard Chartered	11/17/2003	01/12/2004	32,603	GRB FR0002
Standard Chartered	11/17/2003	01/12/2004	9,000	GRB FR0005
Standard Chartered	11/17/2003	01/12/2004	4,500	GRB FR0004
Bank Mega	09/11/2003	09/11/2005	266,667	GRB VR0014
Bank Mega	09/11/2003	09/11/2005	266,667	GRB VR0015
Bank Mega	09/11/2003	09/11/2005	266,666	GRB VR0017
Bank Mega	09/25/2003	09/25/2005	400,000	GRB VR0014
Bank Mega	09/25/2003	09/25/2005	400,000	GRB VR0015
Bank Mega	09/25/2003	09/25/2005	400,000	GRB VR0017
Bank Bumiputera	12/23/2003	01/29/2004	17,074	FRN
			<b>4,405,677</b>	

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**22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE (continued)**

The agreements to repurchase Government Recapitalization Bonds with Deutsche Bank (series VR0010) and Standard Chartered Bank (series VR0013) are associated with cross currency swap transactions with the respective counterparties. The Bank will settle all the repurchase agreements at nominal values at maturity. There is no premium or discount on these contracts (Notes 7 and 10).

April 30, 2003

As of April 30, 2003, securities sold with agreements to repurchase were as follows:

Counter-party	Commencement Date	Maturity Date	Repurchase Amount	Serial Number
Deutsche Bank	01/31/2002	01/31/2004	<b>735,000</b>	GRB FR0002

The Bank sold Government recapitalization bond serial number FR0002 with an agreement to repurchase, and entered into a swap transaction with Deutsche Bank (Notes 7 and 10).

**23. ACCEPTANCES PAYABLE**

a. By Currency:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Payable to other banks			
Related parties	-	-	-
Third parties	136,480	50,407	77,142
Payable to debtors			
Related parties	-	-	-
Third parties	3,289	-	-
Total Rupiah	<u>139,769</u>	<u>50,407</u>	<u>77,142</u>
Foreign Currency:			
Payable to other banks			
Related parties	-	-	-
Third parties	5,080,959	3,200,235	2,688,977
Payable to debtors			
Related parties	-	-	-
Third parties	20,660	14,230	25,518
Total Foreign Currency	<u>5,101,619</u>	<u>3,214,465</u>	<u>2,714,495</u>
	<b><u>5,241,388</u></b>	<b><u>3,264,872</u></b>	<b><u>2,791,637</u></b>

b. By Maturity:

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Less than 1 month	32,183	12,196	77,142
1 - 3 months	67,331	10,172	-
3 - 6 months	40,255	28,039	-
6 - 12 months	-	-	-
More than 12 months	-	-	-
	<u>139,769</u>	<u>50,407</u>	<u>77,142</u>



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**23. ACCEPTANCES PAYABLE (continued)**

b. By Maturity: (continued)

	December 31, 2004	December 31, 2003	April 30, 2003
Foreign Currency:			
Less than 1 months	1,245,286	1,038,533	695,459
1 - 3 months	2,107,345	1,115,246	854,167
3 - 6 months	1,221,510	773,329	774,564
6 - 12 months	521,920	287,357	390,305
More than 12 months	5,558	-	-
	<u>5,101,619</u>	<u>3,214,465</u>	<u>2,714,495</u>
	<b><u>5,241,388</u></b>	<b><u>3,264,872</u></b>	<b><u>2,791,637</u></b>

**24. SECURITIES ISSUED**

a. By Type and Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah			
Mandiri travelers' cheques	906,572	488,613	263,244
Commercial papers	688	568	564
Syariah bonds	200,000	200,000	-
	<u>1,107,260</u>	<u>689,181</u>	<u>263,808</u>
Foreign Currency:			
Floating Rate Notes (FRN) and Medium Term Notes (MTN)	2,897,856	3,635,040	3,795,520
Inter-bank call money	-	-	9,977
	<u>2,897,856</u>	<u>3,635,040</u>	<u>3,805,497</u>
Total	4,005,116	4,324,221	4,069,305
Less: Unamortized discount	(11,136)	(11,609)	(15,428)
	<b><u>3,993,980</u></b>	<b><u>4,312,612</u></b>	<b><u>4,053,877</u></b>

Details of FRNs and MTN are as follows:

*December 31, 2004*

Type/ ISIN No	Arranger	Maturity Date	Tenor (months)	Interest Rate Per Annum	Nominal Amount	
					US\$ (full amount)	Equivalent Rupiah
FRN BDN (XS0061292263)	Merryll Lynch Securities, Hong Kong	Nov 10, 2005	120	2.32%	17,000,000	157,845
MTN (XS0167272375)	Credit Suisse First Boston (Europe) Ltd., London, UBS Hong Kong and PT Mandiri Sekuritas	Apr 22, 2008	60	7.00%	297,392,025	2,761,284
					<u>314,392,025</u>	<u>2,919,129</u>
					(2,291,134)	(21,273)
					<u>312,100,891</u>	<u>2,897,856</u>
					(1,199,354)	(11,136)
					<b><u>310,901,537</u></b>	<b><u>2,886,720</u></b>

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**24. SECURITIES ISSUED (continued)**

*December 31, 2003*

Type/ ISIN No	Arranger	Maturity Date	Tenor (months)	Interest Rate Per Annum	Nominal Amount	
					US\$ (full amount)	Equivalent Rupiah
FRN BDN (XS0061292263)	Merryll Lynch Securities, Hong Kong	Nov 10, 2005	120	2.05%	17,000,000	143,225
FRN (Eurobond) (XS0139834534)	Hong Kong and Shanghai Banking Corporation Ltd., Hong Kong	Dec 13, 2006 (Dec 13, 2004) (Callable Date)	60	6.97%	125,000,000	1,053,125
MTN (XS0167272375)	Credit Suisse First Boston (Europe) Ltd., London UBS Hong Kong and PT Mandiri Sekuritas	Apr 22, 2008	60	7.00%	299,461,390	2,522,962
					441,461,390	3,719,312
Less: Securities issued and held by Bank Mandiri and Subsidiaries					(10,002,611)	(84,272)
					431,458,779	3,635,040
Less: Unamortized discount					(1,377,925)	(11,609)
					<b>430,080,854</b>	<b>3,623,431</b>

*April 30, 2003*

Type/ ISIN No	Arranger	Maturity Date	Tenor (months)	Interest Rate Per Annum	Nominal Amount	
					US\$ (full amount)	Equivalent Rupiah
FRN BDN (XS0061292263)	Merryll Lynch Securities, Hong Kong	Nov 10, 2005	120	2.05%	17,000,000	147,483
FRN (Eurobond) (XS0139834534)	Hong Kong and Shanghai Banking Corporation Ltd., Hong Kong	Dec 13, 2006 (Dec 13, 2004) (Callable Date)	60	6.97%	125,000,000	1,084,438
MTN (XS0167272375)	Credit Suisse First Boston (Europe) Ltd., London, UBS Hong Kong and PT Mandiri Sekuritas	Apr 22, 2008	60	7.00%	302,993,466	2,628,620
					444,993,466	3,860,541
Less: Securities issued and held by Bank Mandiri and Subsidiaries					(7,494,763)	(65,021)
					437,498,703	3,795,520
Less: Unamortized discount					(1,778,369)	(15,428)
					<b>435,720,334</b>	<b>3,780,092</b>

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**24. SECURITIES ISSUED (continued)**

On October 31, 2003, Bank Syariah Mandiri, a subsidiary, issued five-year *Syariah* bonds amounting to Rp200,000 which mature on October 31, 2008. The profit sharing on such bonds is payable every 3 months with the first payment being made on January 30, 2004. The profit on sharing will be taken from the margin revenue of Bank *Syariah* Mandiri obtained from its quarterly *Murabahah* portfolio.

Bank Mandiri launched a Debt Issuance Program of Medium-Term Notes (MTNs) for an aggregate amount of US\$1,000,000,000 (full amount) on April 21, 2003, through its Cayman Islands branch. Under the program, subject to compliance with all relevant laws and regulations, the Bank is allowed to issue the MTNs from time to time. The aggregate amount of the outstanding MTNs issued is not allowed to exceed US\$1,000,000,000 (full amount) (or equivalent in other foreign currencies) at any one time. MTNs may be Senior Notes or Subordinated Notes and may mature on various tenors within one month to 30 years. The notes may be either bearer notes or registered notes and sold in minimum nominal amounts of US\$1,000 (full amount) and have registered serial numbers. The notes may be sold and offered on a discounted rate basis with zero-coupon bonds or fixed rate, floating rate, dual currency note provision or index-linked, depending on the series offered. The MTNs issued were not guaranteed through personal and corporate guarantees or assets guarantees provided by Bank Mandiri. The initial listing and trading of the notes was on the Singapore Stock Exchange.

During the first stage of the program, Bank Mandiri issued Senior Notes amounting to US\$300,000,000 (full amount) at 99.482% of nominal value with a coupon of 7.00% per annum and which mature on April 22, 2008. The US\$300 million MTNs are hedged with an interest rate swap instrument. The MTNs are recognized at their fair value as adjusted by the hedging transaction, which fair value adjustment as of December 31, 2004 and 2003, and April 30, 2003 decreased by US\$2,607,975 (full amount) or equivalent to Rp24,215, and US\$538,610 (full amount) or equivalent to Rp4,538 and increased by US\$2,993,466 (full amount) or equivalent to Rp25,970, respectively (Note 10).

On December 15, 2004, Bank Mandiri exercised the call option for its FRNs (Eurobond) amounting to \$125,000,000 (full amount).

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**25. FUND BORROWINGS**

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Bank Indonesia (a)	943,089	1,199,492	1,378,444
Bank Ekspor Indonesia (b)	313,528	908,929	1,706,449
PT Permodalan Nasional Madani (Persero) (d)	414,011	359,254	236,438
Others (f)	316,378	150,000	-
	<u>1,987,006</u>	<u>2,617,675</u>	<u>3,321,331</u>
Foreign Currency:			
Bank Ekspor Indonesia (b)	903,310	1,296,290	840,640
Exchange Offer Loans (c)	1,690,799	4,362,486	8,053,380
Direct Offshore Loans (e)	529,245	252,750	260,265
Others (f)	1,956,133	5,968	182,663
	<u>5,079,487</u>	<u>5,917,494</u>	<u>9,336,948</u>
	<u><b>7,066,493</b></u>	<u><b>8,535,169</b></u>	<u><b>12,658,279</b></u>

As of December 31, 2004 and 2003, and April 30, 2003, fund borrowings from related parties amounted to Rp126,378, RpNil and RpNil, respectively.

(a) Bank Indonesia

This account represents a credit liquidity facility obtained from Bank Indonesia (BI), which was re-loaned to Bank Mandiri customers under the Government Credit Program. The management and monitoring of the credit facility are performed by PT Permodalan Nasional Madani (Persero), a state-owned company, based on Law No. 23/1999 dated May 17, 1999 regarding BI, BI Regulation No. 2/3/PBI/2000 dated February 1, 2000 and BI Regulation No. 5/20/PBI/2003 dated September 17, 2003 regarding the Hand-over of Management of Credit Liquidity of Bank Indonesia Under Credit Program. This facility is subject to interest at rates ranging from 3% to 10% per annum and will mature on various dates through 2017. The details of this account are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Investment Loans (KI)	155,811	303,917	444,770
Small-Scale Working Capital Loans (KUK) - KKPA	520,650	514,679	525,871
Small-Scale Investment Loans (KIK)	266,628	380,846	407,753
Working Capital Loans (KMK)	-	50	50
	<u>943,089</u>	<u>1,199,492</u>	<u>1,378,444</u>

(b) Bank Ekspor Indonesia

This account represents credit facilities for export working capital obtained from Bank Ekspor Indonesia based on the facility agreement No. 064/PPF/12/2000 dated December 12, 2000 between PT Bank Ekspor Indonesia (Persero) and PT Bank Mandiri (Persero). The agreement was for the period from December 20, 2000 until December 19, 2001, and was extended with new agreement No. 062/PPF/12/2004 to December 16, 2005. The facilities were re-loaned to direct and indirect exporter customers of Bank Mandiri and bear interest at market rates.

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**25. FUND BORROWINGS (continued)**

(c) Exchange Offer Loans

In accordance with the Government's debt restructuring program for banks, Bank Mandiri exchanged certain non-Rupiah denominated obligations obtained from foreign banks for new borrowings with extended maturities, and guaranteed by Bank Indonesia pursuant to the exchange offer memorandum in the Master Loan Agreement as follows:

	December 31, 2004		December 31, 2003	
	US\$ (Full amount)	Rupiah Equivalent	US\$ (Full amount)	Equivalent Rupiah
<i>Exchange Offer Loan II</i>	<b>182,100,000</b>	<b>1,690,799</b>	<b>517,802,500</b>	<b>4,362,486</b>
	April 30, 2003			
	US\$ (Full amount)	Rupiah Equivalent		
<i>Exchange Offer Loan II</i>	<b>928,290,000</b>	<b>8,053,380</b>		

Exchange Offer Loan II (with original maturities before January 1, 2002) will mature in four tranches every June 1 from 2002 to 2005. These borrowings bear interest calculated every six months equal to six months LIBOR for the periods plus an applicable margin determined for each maturity period.

The Bank settled the Exchange Offer Loan II with a nominal value amounting to US\$335,702,500 (full amount) in May 2004, and early settled US\$49,152,500 (full amount) in November 2003.

(d) PT Permodalan Nasional Madani (Persero)

This account represents credit facilities obtained from PT Permodalan Nasional Madani (Persero), which borrowings were re-loaned by Bank Mandiri to the members of the Primary Cooperative (Kredit Koperasi Primer kepada Anggotanya [KKPAI]). These facilities are subject to interest at 9% per annum. The loan terms and installment payments schedule reflect the terms of the individual loan agreements.

(e) Direct Off-shore Loans

As of December 31, 2004 the direct off-shore loans represent borrowings from Bayerische Hypo- und Vereinsbank AG (BHV), Singapore branch, United Overseas Bank (UOB), Singapore branch and Sumitomo Mitsui Banking Corporation (SMBC), Singapore branch amounting to US\$15,000,000 (full amount), US\$12,000,000 (full amount) and US\$30,000,000 (full amount), respectively, and bear interest at six months LIBOR plus an applicable margin, six months SIBOR plus an applicable margin and three months SIBOR plus an applicable margin, respectively. As of December 31, 2003 and April 30, 2003, the direct off-shore loans represent borrowings from Sumitomo Mitsui Banking Corporation (SMBC) amounting to US\$30,000,000 (full amount), with interest at the rate of three months SIBOR plus a margin.

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**25. FUND BORROWINGS (continued)**

(f) Others

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Borrowing from the Government of the Republic of Indonesia	126,378	-	-
Bank Panin, Jakarta	50,000	100,000	-
HSBC, Jakarta	90,000	-	-
DBS, Jakarta	50,000	-	-
Bank Niaga, Jakarta	-	50,000	-
	<b>316,378</b>	<b>150,000</b>	<b>-</b>
Foreign Currency:			
HSBC, Jakarta	510,675	-	-
ABN Amro, Singapore	464,250	-	-
Bank of New York, Singapore	232,125	-	-
HSBC, Hong Kong	232,125	-	-
Indover Bank Limited, Hong Kong	278,668	-	-
ABN Amro, Jakarta	185,700	-	-
Indover Bank Limited, Germany	46,425	-	-
Others	6,165	5,968	182,663
	<b>1,956,133</b>	<b>5,968</b>	<b>182,663</b>

Other fund borrowings in foreign currency represent short-term borrowings with tenors of less than 180 days and bear interest at SIBOR plus an applicable margin for Singapore and Jakarta branches, and LIBOR plus an applicable margin for Hong Kong and German branches.

**26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES**

- a. Commitment and contingent transactions in the normal course of Bank Mandiri activities that have credit risk are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Outstanding irrevocable letters of credit (Note 46)	369,425	959,364	393,314
Bank guarantees issued (Note 46)	3,185,858	2,508,293	2,042,590
Standby letters of credit (Note 46)	30,000	30,000	30,000
Others	-	-	963
	3,585,283	3,497,657	2,466,867
Foreign Currency:			
Outstanding irrevocable letters of credit (Note 46)	6,117,130	4,213,145	4,849,354
Bank guarantees issued (Note 46)	4,307,596	2,655,835	2,647,886
Standby letters of credit (Note 46)	2,943,434	2,733,672	2,334,538
	13,368,160	9,602,652	9,831,778
	<b>16,953,443</b>	<b>13,100,309</b>	<b>12,298,645</b>

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**26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)**

b. By Collectibility:

	December 31, 2004	December 31, 2003	April 30, 2003
Current	16,628,425	12,619,060	11,003,957
Special mention	315,787	375,113	1,262,938
Sub-standard	9,231	50,008	-
Doubtful	-	25,391	1,150
Loss	-	30,737	30,600
<b>Total</b>	<b>16,953,443</b>	<b>13,100,309</b>	<b>12,298,645</b>
Less: Estimated losses on commitments and contingencies	(565,898)	(572,267)	(1,488,315)
<b>Net commitments and contingencies</b>	<b>16,387,545</b>	<b>12,528,042</b>	<b>10,810,330</b>

c. Movements of estimated losses on commitments and contingencies:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Balance at beginning of period	572,267	1,211,211	1,488,315	1,211,211
(Reversal of)/addition to provision during the period	(37,923)	(641,113)	(846,430)	205,317
Others *)	31,554	2,169	(69,618)	71,787
<b>Balance at end of period</b>	<b>565,898</b>	<b>572,267</b>	<b>572,267</b>	<b>1,488,315</b>

\*) includes foreign currency translation effect.

The minimum estimated losses on commitments and contingencies, under the guidelines prescribed by Bank Indonesia, as of December 31, 2004 and 2003, and April 30, 2003 were Rp371,470, Rp377,308 and Rp1,253,383, respectively.

Management believes that the estimated losses on commitments and contingencies provided for is adequate.

**27. TAXATION**

a. Taxes payable

	December 31, 2004	December 31, 2003	April 30, 2003
Bank Mandiri			
Income Taxes:			
Employee income tax - Article 21	35,065	43,844	37,281
Withholding tax - Articles 23/26	104,380	120,778	174,997
Corporate income tax - Articles 25/29	242,330	423,146	865,398
Land and building tax	1	1	123
Others	56,379	205	2,816
	438,155	587,974	1,080,615
Subsidiaries	57,969	13,330	10,394
	<b>496,124</b>	<b>601,304</b>	<b>1,091,009</b>

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**27. TAXATION (continued)**

b. Corporate income tax expense

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Months Period Ended December 31, 2003	Four-Months Period Ended April 30, 2003
Corporate income tax expense - current:				
Bank Mandiri only	2,085,997	2,179,540	1,314,142	865,398
Subsidiaries	95,014	9,337	5,795	3,542
	<b>2,181,011</b>	<b>2,188,877</b>	<b>1,319,937</b>	<b>868,940</b>
Corporate income tax expense (benefit) - deferred				
Bank Mandiri only	88,070	257,709	586,199	(328,490)
Subsidiaries	220	(1,128)	(338)	(790)
	<b>88,290</b>	<b>256,581</b>	<b>585,861</b>	<b>(329,280)</b>
	<b>2,269,301</b>	<b>2,445,458</b>	<b>1,905,798</b>	<b>539,660</b>

As discussed in Note 2v, corporate income tax for Bank Mandiri and its Subsidiaries is computed for each company as a separate legal entity (consolidation is not permitted for corporate income tax filing purposes).

c. Corporate income tax expense - current

The reconciliation between profit before corporate income tax as shown in the consolidated statements of profit and loss and estimated income tax computations, and the related current income tax expense for Bank Mandiri and its Subsidiaries is as follows:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Consolidated profit before corporate income tax expense and minority interests	7,525,002	7,031,524	5,134,607	1,896,917
Less: Profit before corporate income tax of Subsidiaries after elimination	(95,304)	(8,186)	(5,692)	(2,494)
Profit before corporate income tax expense and minority interests - Bank Mandiri only	7,429,698	7,023,338	5,128,915	1,894,423
Add/(deduct) permanent differences:				
(Non-taxable income)/non-deductible expenses	(388,673)	411,739	359,792	51,947
Non-deductible loan write-offs	-	996,939	996,939	-
Non-taxable adjustment of provision for losses on earning assets other than loans	-	(200,984)	(167,027)	(33,957)
Non-taxable adjustment of estimated losses on commitments and contingencies	-	(63,494)	38,589	(102,083)
Others	205,922	(11,911)	8,670	(20,581)
Add/(deduct) temporary differences:				
Allowable tax depreciation (over)/under financial statement depreciation	(49,616)	27,234	(414)	27,648
Financial statement provision for personnel expenses over/(under) allowable tax provision	160,715	(361,007)	(567,530)	206,523
Financial statement provision for losses on earning assets other than loans over/(under) allowable tax provision	158,347	61,868	121,881	(60,013)
Financial statement provision for loan losses (under)/over allowable tax provision	(265,862)	(829,568)	(870,251)	40,683



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**27. TAXATION (continued)**

c. Corporate income tax expense – current (continued)

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Financial statement estimated losses on commitments and contingencies (under)/over allowable tax provision	(9,620)	(639,594)	(916,804)	277,210
Financial statement provision for losses arising from legal cases (under)/over allowable tax provision	(228,783)	(611,028)	(448,268)	(162,760)
(Gains)/losses on increase in market value of securities and Government recapitalization bonds	(58,747)	1,493,066	727,386	765,680
Estimated taxable income	6,953,381	7,296,598	4,411,878	2,884,720
Less: Utilization of tax loss carried forward	-	(31,406)	(31,406)	-
Estimated taxable income after compensation with tax loss carried forward	6,953,381	7,265,192	4,380,472	2,884,720
Estimated corporate income tax expense - current				
Bank Mandiri only	2,085,997	2,179,540	1,314,142	865,398
Subsidiaries	95,014	9,337	5,795	3,542
<b>Estimated corporate income tax expense - current</b>	<b>2,181,011</b>	<b>2,188,877</b>	<b>1,319,937</b>	<b>868,940</b>

Under the Indonesian taxation laws, Bank Mandiri and its Subsidiaries submit tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within 10 years after the date of the tax filings.

*Tax Decisions and Tax Assessments*

On May 14, 2003, the Minister of Finance issued Decision Letter No. 211/KMK.03/2003 dated May 14, 2003 which stated that a taxpayer that undertakes an initial public offering that previously received assets transferred from legacy companies, and whose assets were valued at their historical net book value by the legacy companies, can, as a result of a merger or business combination, also carry forward the benefit of any net accumulated tax losses from the legacy companies for up to five years, provided that the taxpayer receives permission from the Minister of Finance to do so, and the taxpayer conducts a revaluation of all fixed assets using the market value of such fixed assets as of the date of the merger or business combination.

On May 21, 2003, the Minister of Finance, via letter No. S-206/MK.01/2003 dated May 21, 2003 addressed to Bank Mandiri's President Commissioner and President Director, approved the transfer and utilization of tax losses carried forward from the merged banks to the Bank subject to revaluation of all applicable fixed assets dated July 31, 1999.

Bank Mandiri engaged PT Vigers Hagai Sejahtera, an independent appraiser, to perform a revaluation of premises and equipment received from legacy banks. The results were submitted to and approved by the Directorate General of Taxation through the Decision Letter of the Head of State and Regional Offices of Corporate Tax Services No. KEP-01/WPJ.07/KP.0105/2003 dated June 18, 2003 (Note 14a).

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## 27. TAXATION (continued)

### *Tax Decisions and Tax Assessments (continued)*

Based on the approval from the Minister of Finance through Decision No. S-206/MK.01/2003 and the approval from the Directorate General of Taxation on the results of the fixed assets revaluation, Bank Mandiri is entitled to receive the transfer of tax losses from the merged banks and is able to utilize the tax losses as compensation against future taxable income. The amount of tax losses transferred to Bank Mandiri is Rp31,944,418. The transfer of tax losses has been taken into account by the Tax Office when re-assessing Bank Mandiri's tax liabilities from 1999 to 2002, and such losses have been utilized to compensate the tax due on the increment arising from the revaluation of premises and equipment of the merged banks.

On June 18, 2003, the Directorate General of Taxation issued Decision Letter No. KEP-093/WPJ.07/KP.0109/2003, which involved the official rectification of Decision Letter No. 00127/406/99/051/01 dated November 20, 2001 adjusting the amount of the tax loss carried forward that can be against future taxable income by Rp13,659,210. Consequently, the amount of tax losses that can be against future taxable income became Rp8,234,516 for the year ended December 31, 1999.

On June 20, 2003, the Directorate General of Taxation issued Decision Letter No. KEP-236/WPJ.07/BD.03/2003, which involves the "official rectification" of Decision Letter No. KEP-106/WPJ.07/BD.03/2003 dated March 14, 2003 regarding the taxpayer's objection in relation to corporate income tax assessment SKPKB No. 00028/206/00/051/02 dated July 5, 2002 for fiscal year 2000 which increased the taxable income for 2000 by Rp15,506,709 to become Rp28,236,332. Such taxable income had been compensated by the tax loss carried forward, therefore, the corporate income tax liability for the year 2000 was RpNil.

On June 23, 2003, the Directorate General of Taxation issued tax decision letter No. 00005/506/01/051/2003, increasing the taxable income for 2001 by Rp2,342,573 to become Rp6,746,964. The letter confirmed that Bank Mandiri has no corporate income tax liability for 2001 due to utilization of tax losses.

On June 23, 2003, the Directorate General of Taxation issued tax decision letter No. 00001/406/02/051/2003, adjusting the tax loss for 2002 by Rp7,659,860 to become taxable income for 2002 of Rp1,288,881. The letter confirmed that Bank Mandiri has no corporate income tax liability for 2002 due to utilization of tax losses.

On October 29, 2003, Bank Mandiri received tax assessment letters dated October 24, 2003 regarding BDN tax audits for the period of January 1, 1999 up to July 31, 1999. Based on the assessment letters, BDN had tax underpayments amounting to Rp717,229 which consisted of income tax article 21 of Rp172,378, income tax article 23 of Rp301, value added tax of Rp1,501, income tax article 4 (2) final of Rp542,846 and a value added tax collection letter for an amount of Rp203. On January 13, 2004, the Bank submitted an objection letter to the tax office regarding such tax assessment letters and the Director General of Taxation approved most of the Bank's objections by issuing tax decision letters as follows:

- i. Tax decision letter dated August 9, 2004 revised the income tax article 23 assessment from Rp301 to Rp2. The Bank agreed with such decision, and accordingly has paid such amount.
- ii. Tax decision letter dated August 24, 2004 revised the value added tax assessment from Rp1,501 to Rp1,062. The Bank filed an appeal against such decision to the tax court on November 11, 2004.

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**27. TAXATION (continued)**

*Tax Decisions and Tax Assessments (continued)*

- iii. Tax decision letter dated December 31, 2004 revised the income tax article 4 (2) final assessment from Rp542,846 to Rp40,594. The Bank will file an appeal against such decision to the tax court at the latest by March 30, 2005.
- iv. Tax decision letter dated December 31, 2004 revised the income tax article 21 assessment from Rp172,378 to Rp33,434. The Bank will file an appeal against such decision to the tax court at the latest by March 30, 2005.

In 2004, the Directorate General of Taxation conducted an audit on Bank Mandiri for the fiscal year 2003 for all taxes. On December 27, 2004, the Directorate General of Taxation issued tax assessments for underpayments of corporate income tax, income tax article 21, 22, 23, 4 (2) final, 26 and value added tax and related penalties amounting to Rp35,128, Rp7,308, Rp2,659, Rp741, Rp871, Rp55 and Rp57, respectively. The Bank has paid all of such tax and penalties amounts on December 30, 2004.

*Tax Losses Carried Forward*

Under current Indonesian tax regulations, tax losses may be carried forward and utilized to offset taxable income for up to five years after the year in which the tax loss was incurred,

Movements of tax losses carried forward from January 1, 2000 to December 31, 2004 were as follows:

	Amount	Year of Expiry
Balance as of January 1, 2000 (tax loss in 1999)	26,991,916	2004
Correction of 1999 tax losses carried forward by the Tax Office	(5,098,190)	
Utilization of 1999 tax losses carried forward in 2000	(12,729,623)	
	9,164,103	2004
Balance as of December 31, 2000	9,164,103	
Utilization of tax losses carried forward in 2001	(4,404,391)	
	4,759,712	2004
Balance of tax losses carried forward as of December 31, 2001	4,759,712	
Additional tax losses carried forward in 2002	6,370,979	2007
	11,130,691	
Balance of tax losses carried forward as of December 31, 2002	11,130,691	
Balance of tax losses carried forward from the merged banks, transferred to Bank Mandiri	31,944,418	
Utilization of tax losses carried forward to offset premises and equipment revaluation increment	(3,875,351)	
Tax corrections in 2003:		
1999 tax losses	(13,659,210)	
2000 taxable income	(15,506,709)	
2001 taxable income	(2,342,573)	
2002 tax losses	(7,659,860)	
Utilization of tax losses carried forward in 2003	(31,406)	
	-	
Balance of tax losses carried forward as of December 31, 2004	-	

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**27. TAXATION (continued)**

d. Corporate income tax expense - deferred

The reconciliation between estimated income tax expense, calculated using applicable tax rates based on commercial profit before corporate income tax, and estimated income tax as reported in the statements of profit and loss for years ended December 31, 2004 and 2003, the eight-month period ended December 31, 2003 and the four-month period ended April 30, 2003 are as follows:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Consolidated profit before corporate income tax expense and minority interests	7,525,002	7,031,524	5,134,607	1,896,917
Less: Income before corporate income tax expense of Subsidiaries	(95,304)	(8,186)	(5,692)	(2,494)
<b>Profit before corporate income tax and minority interests - Bank Mandiri only</b>	<b>7,429,698</b>	<b>7,023,338</b>	<b>5,128,915</b>	<b>1,894,423</b>
Estimated income tax expense at standard statutory rates	2,228,892	2,106,984	1,538,657	568,327
Tax effect of permanent differences:				
(Non-taxable income)/non-deductible expenses	(116,602)	123,522	107,938	15,584
Non-deductible loan write-offs	-	299,082	299,082	-
Non-deductible provision/(non-taxable adjustment of provision) for losses on earning assets other than loans	-	(60,295)	(50,108)	(10,187)
Non-deductible provision/(non-taxable adjustment of provision) for losses on commitments and contingencies	-	(19,048)	11,577	(30,625)
Others	61,777	(3,574)	2,617	(6,191)
	<b>(54,825)</b>	<b>339,687</b>	<b>371,106</b>	<b>(31,419)</b>
Corporate income tax expense - Bank Mandiri only	2,174,067	2,446,671	1,909,763	536,908
Benefit of utilizing tax losses - Bank Mandiri only	-	(9,422)	(9,422)	-
Corporate income tax expense - Bank Mandiri only	2,174,067	2,437,249	1,900,341	536,908
Corporate income tax expense - Subsidiaries	95,234	8,209	5,457	2,752
<b>Corporate income tax expense - consolidated</b>	<b>2,269,301</b>	<b>2,445,458</b>	<b>1,905,798</b>	<b>539,660</b>
Less: Current corporate income tax expense - consolidated	(2,181,011)	(2,188,877)	(1,319,937)	(868,940)
<b>Deferred corporate income tax expense/(benefit) - consolidated</b>	<b>88,290</b>	<b>256,581</b>	<b>585,861</b>	<b>(329,280)</b>

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**27. TAXATION (continued)**

e. Deferred tax assets

The tax effects from significant temporary differences between commercial and tax bases are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
<b>Bank Mandiri</b>			
Deferred tax assets:			
Estimated losses on commitments and contingencies	168,562	171,447	446,489
Allowance for possible loan losses	926,337	1,006,096	1,267,171
Allowance for possible losses on earning assets other than loans	708,695	661,192	624,627
Allowance for possible losses arising from legal cases	225,512	294,147	428,627
Provision for personnel expenses	258,272	210,057	380,316
	<u>2,287,378</u>	<u>2,342,939</u>	<u>3,147,230</u>
Tax losses carried forward	-	3,339,207	3,339,207
Correction of tax losses carried forward as a result of a tax assessment in 2003	-	(3,339,207)	-
	<u>2,287,378</u>	<u>2,342,939</u>	<u>6,486,437</u>
Deferred tax assets	2,287,378	2,342,939	6,486,437
Valuation allowance	-	-	(3,339,207)
	<u>2,287,378</u>	<u>2,342,939</u>	<u>3,147,230</u>
Net deferred tax assets	2,287,378	2,342,939	3,147,230
Deferred tax liabilities:			
Net book value of premises and equipment	(39,173)	(24,288)	(24,164)
Mark to market of securities	395	18,019	(200,196)
	<u>2,248,600</u>	<u>2,336,670</u>	<u>2,922,870</u>
Net deferred tax assets - Bank Mandiri only	2,248,600	2,336,670	2,922,870
Net deferred tax assets - Subsidiaries	3,544	1,437	1,098
	<u>2,252,144</u>	<u>2,338,107</u>	<u>2,923,968</u>
<b>Total consolidated deferred tax assets - net</b>	<b><u>2,252,144</u></b>	<b><u>2,338,107</u></b>	<b><u>2,923,968</u></b>

Management believes that the valuation allowance relating to deferred tax assets as of April 30, 2003 is adequate.

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**28. OTHER LIABILITIES**

	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>April 30, 2003</u>
Rupiah:			
Provision for post-employment benefits (Note 43)	446,290	361,453	674,062
Provision for possible losses on legal cases	409,356	204,229	147,062
Accrued bonuses and employee incentives	364,592	304,506	489,963
Guarantee deposits	274,075	189,135	116,717
Unearned income	215,588	216,113	247,143
Accrued dividends, 'PUKK' fund, environmental-fund, directors' and commissioners' bonuses and incentive bonuses from distribution of net profit	-	-	1,929,841
Provision arising from obligations from investments in shares of stock	12,900	57,543	110,513
Inter-branch accounts - net	-	-	863,816
Accrued expenses for Government premium guarantees	-	-	135,554
Others	1,981,619	1,768,462	2,811,604
	<u>3,704,420</u>	<u>3,101,441</u>	<u>7,526,275</u>
Foreign Currency:			
Guarantee deposits	704,656	691,226	638,822
Provision for possible losses on legal cases	342,351	732,244	1,281,694
Unearned income	197,032	129,265	34,930
Inter-branch accounts - net	-	1,211,965	-
Others	701,358	1,549,820	424,325
	<u>1,945,397</u>	<u>4,314,520</u>	<u>2,379,771</u>
	<u><b>5,649,817</b></u>	<u><b>7,415,961</b></u>	<u><b>9,906,046</b></u>

Movements of certain provisions for the year ended December 31, 2004 were as follows:

	<u>Provision for Possible Losses on Legal Cases</u>	<u>Provision for Post-Employment Benefits</u>	<u>Provision Arising from Obligations from Investments in Shares of Stock</u>
Balance at beginning of year	936,473	361,453	57,543
(Reversal)/provision during the year	(259,172)	84,837	(44,643)
Utilization during the year	339	-	-
Others (*)	74,067	-	-
<b>Balance at end of year</b>	<u><b>751,707</b></u>	<u><b>446,290</b></u>	<u><b>12,900</b></u>

(\*) Includes foreign currency translation effect.

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**28. OTHER LIABILITIES (continued)**

Movements of certain provisions for the eight-month period ended December 31, 2003 were as follows:

	Provision for Possible Losses on Legal Cases	Provision for Post-Employment Benefits	Provision Arising from Obligations from Investments in Shares of Stock
Balance at beginning of period	1,428,756	674,062	110,513
Reversal during the period	(451,103)	(312,609)	(52,970)
Utilization during the period	(750)	-	-
Others (*)	(40,430)	-	-
<b>Balance at end of period</b>	<b>936,473</b>	<b>361,453</b>	<b>57,543</b>

(\*) Includes foreign currency translation effect.

Movements of certain provisions for the four-month period ended April 30, 2003 were as follows:

	Provision for Possible Losses on Legal Cases	Provision for Post-Employment Benefits	Provision Arising from Obligations from Investments in Shares of Stock
Balance at beginning of period	1,591,517	674,062	110,513
Reversal during the period	(118,460)	-	-
Others (*)	(44,301)	-	-
<b>Balance at end of period</b>	<b>1,428,756</b>	<b>674,062</b>	<b>110,513</b>

(\*) Includes foreign currency translation effect.

**29. SUBORDINATED LOANS**

a. By Currency:

	December 31, 2004	December 31, 2003	April 30, 2003
<i>Rupiah:</i>			
<i>Two-Step Loans (TSL)</i>			
(a) Nordic Investment Bank (NIB)	319,007	359,021	381,282
(b) Export-Import Bank of Japan (EBJ)	81,755	152,728	188,214
(c) Asian Development Bank (ADB)	10,674	25,573	33,022
(d) International Bank for Reconstruction and Development (IBRD)	27,896	37,508	46,577
(e) ASEAN Japan Development Fund Overseas Economic Cooperation Fund (AJDF-OECF)	105,410	118,439	124,673
(f) ASEAN Japan Development Fund-Export-Import Bank of Japan (AJDF-EBJ)	5,623	6,185	7,310
	550,365	699,454	781,078
Bank Indonesia	2,498,859	930,859	1,416,859
Investment Fund Account (RDI) ex-Two-Step Loans	-	277,252	415,878
	3,049,224	1,907,565	2,613,815
<i>Foreign Currency:</i>			
<i>Two-Step Loans - Asian Development Bank (ADB)</i>	217,993	-	-
<i>Two-Step Loans - Kreditanstalt für Wiederaufbau, Frankfurt (KfW)</i>	87,963	92,674	91,614
Others	3,461,026	3,118,245	3,195,648
	3,766,982	3,210,919	3,287,262
	<b>6,816,206</b>	<b>5,118,484</b>	<b>5,901,077</b>

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**29. SUBORDINATED LOANS (continued)**

b. By Type:

	December 31, 2004	December 31, 2003	April 30, 2003
<i>Two-Step Loans (TSL)</i>			
(a) Nordic Investment Bank (NIB)	319,007	359,021	381,282
(b) Export-Import Bank of Japan (EBJ)	81,755	152,728	188,214
(c) Asian Development Bank (ADB)	228,667	25,573	33,022
(d) International Bank for Reconstruction and Development (IBRD)	27,896	37,508	46,577
(e) ASEAN Japan Development Fund Overseas Economic Cooperation Fund (AJDF-OECF)	105,410	118,439	124,673
(f) ASEAN Japan Development Fund - Export- Import Bank of Japan (AJDF-EBJ)	5,623	6,185	7,310
(g) Kreditanstalt für Wiederaufbau, Frankfurt (KfW)	87,963	92,674	91,614
	856,321	792,128	872,692
Bank Indonesia	2,498,859	930,859	1,416,859
Investment Fund Account (RDI) ex-Two-Step Loans	-	277,252	415,878
Others	3,461,026	3,118,245	3,195,648
	<b>6,816,206</b>	<b>5,118,484</b>	<b>5,901,077</b>

*Two-Step Loans (TSL)*

(a) Nordic Investment Bank (NIB)

This account represents a credit facility obtained from NIB through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Nordic Investment Bank II	To promote and finance high priority investments in Indonesia, primarily in the private sector, or joint Indonesian and Nordic interests.	December 10, 1990 - July 15, 2005 with the 1 <sup>st</sup> installment on January 15, 1996.
Nordic Investment Bank III	To promote and finance high priority investments in Indonesia, primarily in the private sector, or joint Indonesian and Nordic interests.	August 4, 1993 - August 15, 2008 with the 1 <sup>st</sup> installment on February 15, 1999.
Nordic Investment Bank IV	To promote and finance high priority investments in Indonesia, primarily in the private sector, or joint Indonesian and Nordic interests.	April 15, 1997 - February 28, 2017 with the 1 <sup>st</sup> installment on August 31, 2002.



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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (TSL) (continued)*

(a) Nordic Investment Bank (NIB) (continued)

Details of outstanding credit facilities from Nordic Investment Bank are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
(a) Nordic Investment Bank II (NIB II)	7,379	14,759	18,448
(b) Nordic Investment Bank III (NIB III)	45,320	56,650	64,566
(c) Nordic Investment Bank IV (NIB IV)	266,308	287,612	298,268
	<b>319,007</b>	<b>359,021</b>	<b>381,282</b>

The interest rate on the NIB II facility is based on the past six months' average interest rate for three-month Certificates of Bank Indonesia which should:

- Not be higher than the average interest rate for three-month time deposits for the past six months in the five state-owned banks.
- Not be lower than the interbank interest rate to the Government of the Republic of Indonesia plus 1.75%.

The interest rate on the NIB III facility is based on a variable interest rate as determined by Bank Indonesia based on the prevailing average interest rates for the past six months for three-month Certificates of Bank Indonesia.

The interest rate on the NIB IV facility is based on a variable interest rate as determined by Bank Indonesia based on the prevailing average interest rates for the past six months for three-month Certificates of Bank Indonesia.

(b) Export-Import Bank of Japan (EBJ)

This account represents credit facilities obtained from the Export-Import Bank of Japan through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
EBJ-TSL I	To finance private sector projects included in Priority Scale List from or approved by the Investment Coordinating Board.	July 7, 1988 - January 15, 2005 with the 1 <sup>st</sup> installment on July 15, 1992.
EBJ-TSL II	To finance private and state-owned company projects in sectors prioritized by the Government and export-oriented.	October 14, 1989 - October 1, 2004 with the 1 <sup>st</sup> installment on April 1, 1993.
EBJ-TSL III	To finance private and state-owned company projects in sectors prioritized by the Government and export-oriented.	January 21, 1991 - July 15, 2005 with the 1 <sup>st</sup> installment on January 15, 1994.
EBJ-TSL IV	To finance projects which help to increase investments in the private sector and which are export-oriented.	January 28, 1992 - January 15, 2007 with the 1 <sup>st</sup> installment on July 15, 1995.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (TSL) (continued)*

(b) Export-Import Bank of Japan (EBJ) (continued)

Details of outstanding credit facilities from the Export-Import Bank of Japan (EBJ) are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
(a) Export-Import Bank of Japan I (EBJ-TSL I)	3,364	10,093	13,457
(b) Export-Import Bank of Japan II (EBJ-TSL II)	-	15,148	22,722
(c) Export-Import Bank of Japan III (EBJ-TSL III)	29,568	59,135	73,919
(d) Export-Import Bank of Japan IV (EBJ-TSL IV)	48,823	68,352	78,116
	<b>81,755</b>	<b>152,728</b>	<b>188,214</b>

The interest rate on the credit facilities from EBJ-TSL I and EBJ-TSL II is based on the weighted average interest rate for customers' deposits in the participating banks as determined by Bank Indonesia every six months, less 1%. EBJ-TSL II facility has been fully settled on October 2004.

The interest rate on the credit facilities from EBJ-TSL III and IV is based on the floating interest rate determined every six months based on the prevailing average interest rate for the past six months for three-month Certificates of Bank Indonesia, which should:

- Not be higher than the six-months' average interest rate for three-month time deposits in five state-owned banks and not be lower than the interest rate on EBJ loans plus 4% for EBJ-TSL III.
- Not be higher than the six-months' average interest rate for three-month time deposits in five state-owned banks for EBJ-TSL IV.

(c) Asian Development Bank (ADB)

This account represents credit facilities from the ADB through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
ADB Fishery II	Finance government projects in funding credit for fishery projects.	December 19, 1991 - September 15, 2006 with 1 <sup>st</sup> installment on March 15, 1995.
ADB Perkebunan Nusantara XII and Nescoco Inti	Finance government projects in funding credit for plantation projects.	February 15, 1989 - September 15, 2008 with 1 <sup>st</sup> installment on March 15, 1995.
Development Financing Loan Project	Finance industrial sector prioritizing manufacturing products for non-oil export, agro-based industry, employee-centred programs and earning foreign exchange.	January 10, 1990 - January 15, 2005 with 1 <sup>st</sup> installment on July 15, 1993.
ADB 1327-INO (SF)	Finance Micro Credit Projects	January 15, 2005 - July 15, 2029 with 1st installment on January 15, 2005.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (TSL) (continued)*

(c) Asian Development Bank (ADB) (continued)

The details of Asian Development Bank (ADB) loans are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
(a) Development Financing Loan Project	6,833	20,500	27,333
(b) ADB Perkebunan Nusantara XII and Nescoco Inti	2,755	3,444	3,789
(c) ADB Fishery II	1,086	1,629	1,900
(d) ADB Loan 1327 - INO	217,993	-	-
	<b>228,667</b>	<b>25,573</b>	<b>33,022</b>

The annual interest rates on the ADB Perkebunan Nusantara XII and ADB Nescoco Inti facilities are 9.50% and 10.00%, respectively.

The interest rate on the Development Financing Loan Project facility is based on the variable rate determined by Bank Indonesia every six months based on the weighted average interest rate for depositors in a foreign exchange bank but not lower than the interest rate charged by ADB plus 1.75% per annum.

The interest rate on the ADB Fishery II facility shall not be lower than the annual interest rate charged by the ADB to the Government of the Republic of Indonesia plus 4% per annum.

Drawdowns of the ADB Fishery II are repayable within fifteen years from the first drawdown (inclusive of a 3-year grace period) and are repayable in 24 semi-annual installments starting March 15, 1995.

The Ministry of Finance of the Republic of Indonesia has issued letter No. S-596/MK.6/2004 dated July 12, 2004, which approves the transfer of Micro Project Loan ADB No. 1327-INO (SF) from Bank Indonesia to Bank Mandiri. With the transfer approval, an amendment was made on channeling loan No. SLA-805/DP3/1995 dated April 27, 1995 which was revised by amendment No. AMA-287/SLA-805/DP3/2003 dated April 22, 2003, from the Republic of Indonesia and Bank Indonesia to the Republic of Indonesia and PT Bank Mandiri (Persero) Tbk., under No. AMA-298/SLA-805/DP3/2004 dated July 16, 2004.

The ADB Loan for Micro Projects was extended in SDR (Special Drawing Rights) for SDR15,872,600 (full amount) which is repayable by Bank Mandiri in SDR to the Government in fifty semi-annual equal installments every January 15 and July 15, with the first installment to be paid on January 15, 2005 and the last on July 15, 2029. The ADB loan is subject to a service charge of 1.50% per annum every January 15 and July 15 starting from the drawdown of the loan.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (TSL) (continued)*

(d) International Bank for Reconstruction and Development (IBRD)

This account represents credit facilities obtained from IBRD through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Industrial Restructuring Program (IRP)	Finance restructuring for investment projects for engineering, pulp, paper and textile sub-sector projects.	July 27, 1989 - October 1, 2003 with 1 <sup>st</sup> installment on April 1, 1992.
Small and Medium Industrial Program (SMIEP)	Finance manufacturing industrial projects, agro-based and the related industries (including transportation and cold storage).	July 27, 1989 - October 1, 2003 with 1 <sup>st</sup> installment on April 1, 1992.
Financial Sector Development Project (FSDP)	Finance Financial Sector Development Projects.	February 1, 1993 - September 15, 2007 with 1 <sup>st</sup> installment on March 15, 1998.
Agricultural Financing Project (AFP)	Finance production sector projects and agriculture, animal husbandry, fishery and forestry industries.	January 10, 1992 - December 1, 2006 with 1 <sup>st</sup> installment on June 1, 1995.
IBRD Loan No. 2277 V Project	Finance development projects (specific development projects).	September 29, 1983 - August 1, 2003 with 1 <sup>st</sup> installment on August 1, 1985.

Details of credit facilities from the International Bank for Reconstruction and Development (IBRD) are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
(a) Financial Sector Development Project (FSDP)	26,021	34,695	39,032
(b) Agricultural Financing Project (AFP)	1,875	2,813	3,751
(c) Industrial Restructuring Program (IRP)	-	-	2,838
(d) Small and Medium Industrial Program (SMIEP)	-	-	773
(e) IBRD Loan No. 2277 V Project	-	-	183
	<b>27,896</b>	<b>37,508</b>	<b>46,577</b>

The interest rate on the FSDP credit facility is 0% per annum. Installments for the FSDP credit facility are repayable on March 15 and September 15 of every year.

The interest rate on the AFP facility is computed based on a variable interest rate for a period of six months, at the lower of:

- Six-months' average interest rate for three-month Certificates of Bank Indonesia.
- Six-months' average interest rate for three-month time deposits in five state-owned banks.

The interest rate on the AFP facility shall not be lower than the interest rate charged by IBRD to the Government plus 2% per annum.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (TSL) (continued)*

(d) International Bank for Reconstruction and Development (IBRD) (continued)

For the IRP and SMIEP credit facilities, the principal amount is repayable to the Government of the Republic of Indonesia within fifteen years inclusive of a 3-year grace period from the time the agreement becomes effective. The interest rate on the IRP and SMIEP credit facilities is determined every six months by Bank Indonesia and should not be lower than the interest rate charged by IBRD to the Government plus 1.75% per annum. The IRP and SMIEP facilities were fully settled in October 2003.

The interest rate on the Loan No. 2277 V Project facility is based on the interest rate charged by IBRD to the Government of the Republic of Indonesia subject to a maximum of 11% per annum. This IBRD Loan No. 2277 V Project facility was fully repaid in August 2003.

(e) ASEAN Japan Development Fund - Overseas Economic Cooperation Fund (AJDF-OECF)

This account represents a credit facility obtained from AJDF-OECF through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facility	Purpose	Repayment Period
Pollution Abatement Equipment Program (PAE)	Purchase of equipment to prevent pollution	August 19, 1993 - August 19, 2013, with 1 <sup>st</sup> installment on August 15, 1998
Small Scale Industry (SSI)	To finance small-scale industry	August 19, 1993 - August 19, 2013, with 1 <sup>st</sup> installment on August 15, 1998

Details of outstanding credit facilities from the International ASEAN Japan Development Fund Overseas Economic Cooperation Fund (AJDF-OECF) are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
(a) Pollution Abatement Equipment Program (PAE)	102,436	114,487	120,513
(b) Small Scale Industry (SSI)	2,974	3,952	4,160
	<b>105,410</b>	<b>118,439</b>	<b>124,673</b>

The drawdowns on the above AJDF-OECF facilities are repayable within twenty years after the first drawdown (inclusive of a 5-year grace period), in thirty semi-annual installments starting August 15, 1998 and ending on February 15, 2013.

The PAE facility is subject to a variable interest rate determined every six months based on the prevailing average interest rate for the past six months of the three-month Certificates of Bank Indonesia, less 5% per annum.

The SSI facility is subject to a variable interest rate determined every six months based on the prevailing average interest rate for the six months of the three-month Certificates of Bank Indonesia, less 2.5% per annum.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (continued)*

(f) ASEAN Japan Development Fund - Export-Import Bank of Japan (AJDF-EBJ)

Total outstanding credit facilities from the International ASEAN Japan Development Fund - Export - Import Bank of Japan (AJDF-EBJ) as of December 31, 2004 and 2003, and April 30, 2003 were Rp5,623, Rp6,185 and Rp7,310, respectively.

This account represents a credit facility obtained from the AJDF-EBJ through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, which re-lent the proceeds to participating banks to finance investment projects and working capital requirements of small-scale industries. The credit facility, which amounts to Rp9,560, is repayable in 24 semi-annual installments within fifteen years after the date of the first drawdown (inclusive of a 3-year grace period), with the first installment starting on December 15, 1997.

The facility is subject to an interest rate determined every six months based on the prevailing average interest rate for the past six months for three-month Certificates of Bank Indonesia.

(g) Kreditanstalt fur Wiederaufbau (KfW)

This account represents a credit facility from KfW to the Government of the Republic of Indonesia through Bank Indonesia (BI) and is disbursed by Bank Mandiri to finance export contracts denominated in Deutsche Marks (DM) with a maximum of DM250,000,000 (full amount) for the supply of capital goods, investments in infrastructure projects such as transportation, energy or communications projects, and transfer of new technologies to be concluded between buyers domiciled in Indonesia and exporters domiciled in the Federal Republic of Germany.

Prior to importing supplies from Germany, the buyer shall sign an Individual Loan Agreement (ILA) with approval from BI, KfW and the Government of the Republic of Indonesia. The financing shall be limited to an amount of up to 85% of the total price in DM of each Export Contract. In the event that the total price shall be reduced during the period of disbursement, KfW shall reduce the individual loans proportionally.

The minimum order value of an Export Contract is DM353,000 (full amount) of which the resulting credit element would be DM300,000 (full amount).

The terms and conditions as set out in the subordinated loan agreement No. 31/1013/UK dated January 21, 1999, between Bank Indonesia and PT Bank Bumi Daya (a legacy bank) are as follows:

- The loan tenor shall be five years, exclusive of a six-month grace period, from the signing date of ILA, which can be renewed for up to eight or ten years depending upon each ILA.
- The loan principal repayment shall be made in ten equal installments on June 15 and December 15 annually starting six months after the grace period of each ILA.
- The interest rate is calculated at 2.5% per annum above the Commercial Interest Reference Rate starting from the date of withdrawal of loans, including Bank Indonesia fees of 0.15%, net of tax, which shall be payable semi-annually every June 15 and December 15.
- A commitment fee of 0.25% per annum is charged on the unused facility from the signing date of each ILA; and
- A penalty of 2% per annum above the interest rate as explained in point three in the event of late payment.

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**29. SUBORDINATED LOANS (continued)**

*Two-Step Loans (continued)*

(g) Kreditanstalt fur Wiederaufbau (KfW) (continued)

KfW advanced to the Government of Republic of Indonesia through BI and Bank Mandiri an amount of EUR11,777,361 (full amount), of which EUR11,133,645 had already been withdrawn by Bank Mandiri through payment of a letter of credit (L/C), in line with the import of equipment for the modernization of a Hot Strip Mill, Roughing Mill Motor and Stand F4 Rear Motor Drive System and related services from Siemens AG, Erlangen, Germany, to PT Krakatau Steel which has entered into two ILAs with BI and KfW, as follows (in full amount):

Loan No.	Facility (full amount)	Used Facility (full amount)	Unused Facility (full amount)	Repayment Period
F3137/1	EUR7,859,450	EUR7,215,734	EUR643,716	January 13, 2000 - December 15, 2006 with 1 <sup>st</sup> installment on August 30, 2002, which was extended to May 31, 2004. Repayments are due in ten equal installments.
F3137/2	EUR3,917,911	EUR3,917,911	EURNil	March 3, 2000 - June 15, 2006 with 1 <sup>st</sup> installment on December 31, 2001. Repayments are due in ten equal installments.

*Bank Indonesia*

This account represents loans arising from the conversion of Bank Indonesia liquidity used to improve the capital structure of BDN, Bapindo and PT Bank Syariah Mandiri (a subsidiary).

Bank Indonesia agreed to the restructuring of the subordinated loans of BDN amounting to Rp736,859 and Bapindo (previously recorded as Loan Capital) amounting to Rp1,755,000 (Note 30) as stated in Bank Indonesia Letter No. 6/360/BKR dated November 23, 2004 regarding the Restructuring of Subordinated Loans. Under the restructuring, the subordinated loans of both ex-legacies are combined into one amount of Rp2,491,859, with a repayment period of eleven years from 2004 until 2014. The restructured loan bears interest at the rate of 0.2% per annum. The restructuring of the subordinated loans was legalized in the notarial deed of Restructuring Agreement of Subordinated Loan No. 4 dated December 7, 2004 by notary Ratih Gondokusumo Siswono, S.H. in Jakarta.

As stated in the letter from Bank Indonesia No. 6/130i/DPbS dated November 26, 2004 regarding the settlement of the subordinated loan to BSM, Bank Indonesia agreed to the proposal from BSM to fully pay the subordinated loan amounting to Rp32,000 on November 30, 2008. For this purpose, BSM pledged premises and equipment as collateral. The loan bears interest at the rate of 6% per annum and is to be repaid in quarterly installments.

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES**  
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**29. SUBORDINATED LOANS (continued)**

*Bank Indonesia (continued)*

The details of this facility as of December 31, 2004 and 2003, and April 30, 2003 are as follows:

Bank	Term of Loan	December 31, 2004 Amount (Rupiah)	December 31, 2003 Amount (Rupiah)	April 30, 2003 Amount (Rupiah)	Interest Rate
Bapindo	March 31, 1995 - March 31, 2004 with 1 <sup>st</sup> installment on June 30, 2002. This loan was settled on March 31, 2004.	-	162,000	648,000	5% per annum
BDN	March 31, 1993 - March 31, 2014 with payment at maturity date.	-	736,859	736,859	Calculated quarterly as follows: <ul style="list-style-type: none"> <li>• the first 5 years at 1% per annum</li> <li>• the second 5 years at 3% per annum</li> <li>• the third 5 years at 6% per annum</li> <li>• the fourth 5 years at 14% per annum</li> </ul>
PT Bank Mandiri (Persero) Tbk.	November 30, 2004 - March 31, 2014 with first installment on November 30, 2004.	2,466,859	-	-	0.2% per annum
PT Bank Syariah Mandiri (BSM)	January 31, 1994 - November 30, 2008 with payment at maturity date	32,000	32,000	32,000	Paid quarterly at 6% per annum
		<b>2,498,859</b>	<b>930,859</b>	<b>1,416,859</b>	



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**29. SUBORDINATED LOANS (continued)**

*Investment Fund Account (RDI) ex-Two-Step Loans*

This account represents a credit facility from the Government of the Republic of Indonesia originating from the installment payments of Two-Step Loans, in relation to the restructuring of Bapindo's capital, on October 26, 1995, and former Bapindo facilities obtained from the Government of the Republic of Indonesia. One of the facilities is that Bapindo can convert certain Two-Step Loans into an Investment Fund Account when the Two-Step Loans mature. The amount withdrawn was limited to Rp991,000. The Bank can convert the above Two-Step Loans in full or in partial amount as long as it is related to the above eligible Two-Step Loans and it does not exceed the limit. The facility should be repaid during the period from April 15, 2002 to October 15, 2004. The Bank has fully settled this facility on schedule.

	December 31, 2004	December 31, 2003	April 30, 2003
(a) RDI Loan ex-Export -Import Bank of Japan (EBJ)	-	96,242	144,362
(b) RDI Loan ex-International Bank for Reconstruction and Development (IBRD)	-	77,637	116,456
(c) RDI Loan ex-Asian Development Bank (ADB)	-	73,886	110,829
(d) RDI Loan ex-ASEAN Japan Development Fund - Overseas Economic Cooperation Fund (AJDF-OECF)	-	7	11
(e) RDI Loan ex-Nordic Investment Bank (NIB)	-	29,480	44,220
	<u>-</u>	<u>277,252</u>	<u>415,878</u>

(a) RDI Loan ex-Export-Import Bank of Japan (EBJ)

The EBJ I and EBJ II facilities are charged with administration fees based on the weighted average interest rate for debtor deposits of the participating state banks determined by Bank Indonesia every six months, less 1% per annum.

The EBJ III, EBJ IV and EBJ V facilities are charged with administration fees based on a floating interest rate determined every six months based on the prevailing average interest rate for the past six months for three-month certificates of Bank Indonesia, which should:

- Not be higher than the six months' average interest rate for three-month time deposits in five state-owned banks and not be lower than the interest rate that Exim Bank of Japan charged the Government of the Republic of Indonesia, plus 4% per annum for the EBJ III facility.
- Not be higher than the six months' average interest rate for three-month time deposits in five state-owned banks for the EBJ IV facility.
- Be the lower of the interest rate for the past six months of three-month Certificates of Bank Indonesia and the six months' average interest rate for time deposits in five state-owned banks for the EBJ V facility.

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**29. SUBORDINATED LOANS (continued)**

*Investment Fund Account (RDI) ex-Two-Step Loans (continued)*

(b) RDI Loan ex-International Bank for Reconstruction and Development Bank (IBRD)

The AFP facility is charged with an administration fee based on a variable interest rate determined every six months based on the lower of the:

- Average interest rate for the past six months of three-month certificates of Bank Indonesia;
- Average interest rate for the past six months of three-month time deposits in five state-owned banks

The administration fee for the AFP facility should not be lower than the interest rate on loans charged by IBRD to the Government of the Republic of Indonesia plus 2% per annum.

The IRP and SMIEP facilities are charged with an administration fee based on the higher of the interest rate on:

- The interest rate on credits charged by the IBRD to the Government plus 1.75% per annum.
- Weighted average interest rate on time deposits of participant banks.

The Bapindo V Project facility is charged with an administration fee based on the interest rate charged by the IBRD to the Government of the Republic of Indonesia, subject to a maximum of 11% per annum.

(c) RDI Loan ex-Asian Development Bank (ADB)

The Second Bapindo Project (SBP) is charged with an administration fee of 1.75% per annum above the interest rate charged by the ADB to the Government of the Republic of Indonesia or interest charged on loans to customers less 5% per annum, whichever is higher.

The Development Finance Loan Project (DFLP) facility is charged with a variable administration fee determined by Bank Indonesia every six months based on the weighted average interest rate on customer deposits in a Foreign Exchange Bank and should not be lower than the interest rate of the ADB plus 1.75% per annum.

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**29. SUBORDINATED LOANS (continued)**

- (d) RDI Loan ex-ASEAN Japan Development Fund - Overseas Economic Cooperation Fund (AJDF-OECF)

This facility is charged with an administration fee based on the variable interest rate for the past six months for three-month Certificates of Bank Indonesia and is payable on April 15 and October 15 of every year starting from the date of withdrawals of loans, less 5% per annum.

- (e) RDI Loan ex-Nordic Investment Bank (NIB)

The NIB I facility is charged with an administration fee of 1.75% per annum above the interest rate charged by the NIB to the Government of the Republic of Indonesia or interest charged on loans to customers less 6% per annum whichever is higher, and is payable on April 15 and October 15 of every year starting from the date of withdrawal of loans.

The NIB II facility is charged with an administration fee based on the average interest rate on the three-month Certificates of Bank Indonesia for six months with the following conditions:

- Not higher than the average interest rate on three-month time deposits for six months in the five state-owned banks.
- Not lower than the interest rate charged by the NIB to the Government of the Republic of Indonesia based on the loan agreement No. PIL-12/1987 dated December 21, 1987 and Addendum No. I dated November 6, 1990, plus 1.75% per annum.

The NIB III facility is charged with an administration fee based on the average variable interest rate for the past six months on three-month Certificates of Bank Indonesia and is payable on April 15 and October 15 of every year starting from the date of withdrawal of loans.

*Others*

Subordinated Loans - Others are comprised of:

	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>April 30, 2003</b>
(a) <i>Subordinated Undated Floating Rate Notes (SURFNs)</i>	2,307,902	2,072,825	2,119,765
(b) <i>Subordinated Notes (SNs)</i>	1,153,124	1,045,420	1,075,883
	<b><u>3,461,026</u></b>	<b><u>3,118,245</u></b>	<b><u>3,195,648</u></b>

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**29. SUBORDINATED LOANS (continued)**

*Others (continued)*

*(a) Subordinated Undated Floating Rate Notes (SUFRNs)*

Details of SUFRNs are as follows:

Issuer	Subscriber	Term of Subscription	December 31, 2004		December 31, 2003	
			Original Amount (in full amount)	Equivalent Rupiah	Original Amount (in full amount)	Equivalent Rupiah
Bank Exim	Puri International Limited	July 24, 1990 - July 24, 2005	US\$125,000,000	1,160,625	US\$125,000,000	1,053,125
Bapindo	Mitra Sejati International	Dec 18, 1990 - Dec 25, 2005	US\$125,000,000	1,160,625	US\$125,000,000	1,053,125
			US\$250,000,000 (US\$1,437,664)	2,321,250 (13,348)	US\$250,000,000 (US\$3,967,399)	2,106,250 (33,425)
Less: Unamortized discount			<b>US\$248,562,336</b>	<b>2,307,902</b>	<b>US\$246,032,601</b>	<b>2,072,825</b>

Issuer	Subscriber	Term of Subscription	April 30, 2003	
			Original Amount (in full amount)	Equivalent Rupiah
Bank Exim	Puri International Limited	July 24, 1990 - July 24, 2005	US\$125,000,000	1,084,438
Bapindo	Mitra Sejati International	Dec 18, 1990 - Dec 25, 2005	US\$125,000,000	1,084,438
			US\$250,000,000 (US\$5,660,801)	2,168,876 (49,111)
Less: Unamortized discount			<b>US\$244,339,199</b>	<b>2,119,765</b>

*Bank Exim SUFRNs*

Under a Subscription Agreement dated July 24, 1990 and Trust Deed dated July 27, 1990, Bank Exim issued SUFRNs with an aggregate nominal value of US\$125,000,000 (full amount) through its Cayman Islands Branch to Puri International Limited. (PIL), a special purpose vehicle incorporated in the Cayman Islands, in exchange for cash of US\$90,255,000 (full amount).

The aggregate nominal value of the Bank Exim SUFRNs of US\$125,000,000 (full amount) and accrued interest thereon is recognized as a liability as of December 31, 2004 and 2003, and April 30, 2003 because Bank Mandiri assumed all of Bank Exim's assets and liabilities from the date of the merger (Note 1b). The Bank Exim SUFRNs are perpetual as they have no stated maturity date.

Interest on the Bank Exim SUFRNs is calculated based on their aggregate nominal value at 1.1% per annum above the six-month LIBOR interest rate through July 27, 2005, and following that date, interest is calculated based on their aggregate nominal value at 0.0001% per annum. While the Bank Exim SUFRNs remain outstanding, accrued interest is due and payable semi-annually in arrears at the end of each interest period in July and January.

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**29. SUBORDINATED LOANS (continued)**

*Others (continued)*

*(a) Subordinated Undated Floating Rate Notes (SUFRNs) (continued)*

*Bank Exim SUFRNs (continued)*

To fund its purchase of the Bank Exim SUFRNs, in July 1990 PIL entered into a Purchase Agreement and a Deferred Sale Agreement with investors represented by Japan Leasing (Hong Kong) Ltd. (now represented by STB Leasing Co., Ltd.) under which PIL sold and repurchased certain property on deferred payment terms, proceeds from which were used to fund the purchase of the Bank Exim SUFRNs amounting to US\$90,255,000 (full amount) and to make a deposit (the "Deposit") of US\$34,745,000 (full amount) with BNP Paribas (formerly Banque Nationale de Paris) (BNP). The terms of the Deposit are set out in a deposit agreement dated July 24, 1990 (the "Deposit Agreement"). The Deposit Agreement provides that on maturity of the Deposit in July 2005, BNP will repay PIL US\$125,000,000 (full amount) comprising the original US\$34,745,000 (full amount) plus accrued interest of US\$90,255,000 (full amount). The Deposit formed the collateral for the repurchase of the property by PIL under the Deferred Sale Agreement.

In September 1998, PIL entered into a Sale Agreement with ING Bank N.V., Tokyo Branch ("ING") under which PIL sold US\$13,000,000 (full amount) of Bank Exim SUFRNs to ING, and additionally and together with Bank Exim and Japan Leasing (Hong Kong) Ltd., agreements were amended to transfer US\$3,613,480 (full amount) of the Deposit that was placed on deposit in BNP to the account of ING with BNP (the "ING Deposit"). ING granted Bank Exim a first priority pledge over the ING Deposit

The terms and conditions of the Bank Exim SUFRNs provide for redemption of their aggregate nominal value upon the occurrence of several events including mandatory redemption if the Republic of Indonesia ceases to beneficially own at least 51% of the issued voting capital of Bank Mandiri.

If Bank Mandiri was required to redeem the Bank Exim SUFRNs prior to the interest payment date falling in July 2005 and made repayment in full then, subject to the prior discharge by PIL of its obligations under the Purchase Agreement, the Deferred Sale Agreement and other related agreements to STB Leasing Co., Ltd. and the investors (who hold a first priority interest in the Deposit), the Bank would become entitled to the Deposit pursuant to a Second Deposit Pledge Agreement dated July 24, 1990.

The accreted value of the Deposit and the ING Deposit is recognized by Bank Mandiri as an other asset (Note 15) on the basis that Bank Mandiri has been granted a second priority pledge in respect of the Deposit held on account of PIL and has been granted a first priority pledge in respect of the ING Deposit held on account of ING under the terms of a Collateral Agreement dated July 24, 1990 and a Supplemental Agreement to the Collateral Agreement dated September 24, 1998 (the "Collateral Agreement"), in respect of the Deposit held on account of PIL, and under the terms of a Deposit Pledge Agreement dated September 24, 1998 in respect of the ING Deposit held on account of ING, Bank Mandiri has an option to purchase the Bank Exim SUFRNs for a total consideration of US\$3,000 (full amount), subject to the following: Bank Mandiri's option under the Collateral Agreement is subject to the prior discharge in full by PIL of its obligations to STB Leasing Co., Ltd. and to the investors under the Purchase Agreement, the Deferred Sale Agreement and other related agreements.

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**29. SUBORDINATED LOANS (continued)**

*Others (continued)*

*(a) Subordinated Undated Floating Rate Notes (SUFRNs) (continued)*

*Bank Exim SUFRNs (continued)*

Bank Mandiri's option under the Deposit Pledge Agreement is subject to (i) the prior receipt by ING of an amount equal to the principal amount of the Bank Exim SUFRNs held by ING together with all accrued interest thereon, and (ii) discharge in full by Bank Exim of all costs and expenses reasonably incurred by ING in its performance of its obligations under the Deferred Pledge Agreement. As there is no legal right of offset until this option to purchase is exercised, Bank Mandiri has recognized the accreted value of the Deposit and the ING Deposit as an other asset instead of offsetting the asset against the aggregate nominal value of the Bank Exim SUFRNs.

The asset recognized by Bank Mandiri for the accreted value of the Deposit and ING Deposit amounted to Rp1,044,563, Rp916,219 and Rp921,772 as of December 31, 2004 and 2003, and April 30, 2003, respectively (Note 15).

*Bapindo SUFRNs*

Under a Subscription Agreement dated December 18, 1990 and a Trust Deed dated December 21, 1990, Bapindo issued SUFRNs with an aggregate nominal value of US\$125,000,000 (full amount) through its Cook Islands Branch to Mitra Sejati International Ltd. (MSI), a special purpose vehicle incorporated in the Cayman Islands, in exchange for cash of US\$87,500,000 (full amount). In 2002, the accounting for the transaction was transferred from the Cook Islands Branch to the Cayman Islands Branch.

The aggregate nominal value of the Bapindo SUFRNs of US\$125,000,000 (full amount) and accrued interest thereon are recognized as liabilities as of December 31, 2004 and 2003, and April 30, 2003, as Bank Mandiri assumed all of Bapindo's assets and liabilities from the date of the merger (Note 1b). The Bapindo SUFRNs are perpetual as they have no stated maturity date. Interest on the Bapindo SUFRNs is calculated based on their aggregate nominal value at the following rates:

- Through to the interest payment reference date (IPRD) falling in December 1995 - 1.1% per annum above the six-month LIBOR interest rate.
- From the IPRD falling in December 1995 through to the IPRD falling in December 2000 - 1.0% per annum above the six-month LIBOR interest rate.
- From the IPRD falling in December 2000 through to the IPRD falling in December 2005 - 5.2% per annum plus the six-month LIBOR interest rate times 23% to 19%.
- From the IPRD falling in December 2005 at 0.0001% per annum.

While the Bapindo SUFRNs remain outstanding, interest is due and payable semi-annually in arrears at the end of each interest period in June and December.

To fund its purchase of the Bapindo SUFRNs, in December 1990 MSI entered into a Purchase Agreement with investors represented by Japan Leasing (Hong Kong) Ltd. (now represented by STB Leasing Co., Ltd.) under which MSI transferred its rights to certain property to investors in exchange for US\$87,500,000 (full amount). Simultaneously, MSI entered into a Deferred Sale Agreement with the investors whereby MSI immediately repurchased the rights to that same property for US\$87,500,000 (full amount) to be repaid by MSI in 30 semi-annual principal installments, together with accrued interest.

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**29. SUBORDINATED LOANS (continued)**

*Others (continued)*

*(a) Subordinated Undated Floating Rate Notes (SUFRNs) (continued)*

*Bapindo SUFRNs (continued)*

The scheduled interest payments to MSI from Bank Mandiri on the Bapindo SUFRNs are to enable MSI to pay its principal and interest obligations due under the Deferred Sale Agreement. The principal payments from MSI to the investors and amortized discount on the Bapindo SUFRNs are recognized by Bank Mandiri as other assets (Note 15) on the basis that, under the terms of a Note Repurchase Letter dated December 18, 1990, Bank Mandiri has an option to purchase the Bapindo SUFRNs anytime after making all scheduled payments due to MSI in respect of the Bapindo SUFRNs through December 2005 for a total consideration of US\$3,000 (full amount) because repayments of principal by MSI to the investors under the Deferred Sale Agreement should have totaled US\$87,500,000 (in full amount). As there is no legal right of offset until this option to purchase is exercised, Bank Mandiri recognized the payments from MSI to investors as an other asset instead of offsetting the asset against the aggregate nominal value of the Bapindo SUFRNs.

The terms and conditions of the Bapindo SUFRNs provide for redemption of their aggregate nominal value upon the occurrence of several events including mandatory redemption if the Republic of Indonesia ceases directly to own at least 100% of the capital of Bank Mandiri or any law is enacted which provides for the Republic of Indonesia to cease to beneficially own 100% of the capital of Bank Mandiri. Based on a Supplemental Trust Deed dated May 8, 2002, such terms and conditions relating to the Republic of Indonesia ownership of the capital of Bank Mandiri have been amended to become an ownership interest of at least 51%.

If the Bapindo SUFRNs are redeemed before Bank Mandiri has the right to purchase the Bapindo SUFRNs, in accordance with the Note Repurchase Letter, MSI will be required to call the aggregate nominal value of the Bapindo SUFRNs of US\$125,000,000 (full amount) and accrued interest thereon. Should this occur, the asset recognized by Bank Mandiri for the principal payments from MSI to the investors and amortized discount on the Bapindo SUFRNs, amounting to Rp1,084,024, Rp914,113 and Rp893,576 as of December 31, 2004 and 2003, and April 30, 2003, respectively, may not be recoverable because there are no terms in the agreements requiring either MSI or the investors to repay these amounts to Bank Mandiri (Note 15).

*(b) Subordinated Notes (SNs)*

Details of *Subordinated Notes (SNs)* are as follows:

Issuer	Term of Subscription	December 31, 2004		December 31, 2003	
		Original Amount (in full amount)	Equivalent Rupiah	Original Amount (in full amount)	Equivalent Rupiah
Bank Mandiri	August 2, 2002 - 2012 with Call Option by August 2, 2007	US\$125,000,000	1,160,625	US\$125,000,000	1,053,125
		US\$125,000,000	1,160,625	US\$125,000,000	1,053,125
Less: Unamortized discount		(US\$807,861)	(7,501)	(US\$914,565)	(7,705)
		<b>US\$124,192,139</b>	<b>1,153,124</b>	<b>US\$124,085,435</b>	<b>1,045,420</b>

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**29. SUBORDINATED LOANS (continued)**

*Others (continued)*

*(b) Subordinated Notes (SNs) (continued)*

Issuer	Term of Subscription	April 30, 2003	
		Original Amount (in full amount)	Equivalent Rupiah
Bank Mandiri	August 2, 2002 - 2012 with Call Option by August 2, 2007	US\$125,000,000	1,084,438
		US\$125,000,000	1,084,438
Less: Unamortized discount		(US\$985,992)	(8,555)
		<b>US\$124,014,008</b>	<b>1,075,883</b>

For purposes of increasing the Bank's Tier II Capital, refinancing the Bank's maturing subordinated debt obligations and providing funds for new US Dollar loans, on August 2, 2002 the Bank issued US\$125,000,000 (full amount) 10.625% Subordinated Notes Due 2012 (the "Notes") through its Cayman Islands Branch. The Notes have been issued at 99.148% of their principal amount and are due on August 2, 2012. The Notes bear interest at the rate of 10.625% per annum from and including August 2, 2007 but excluding August 3, 2007 except that in 2007, interest will accrue from and including February 2, 2007 to but excluding August 3, 2007. Unless the Notes are previously redeemed, the interest rate from and including August 3, 2007 to but excluding August 2, 2012 will be reset at the US Treasury Rate plus 11.20% per annum. Interest will be paid semi-annually in arrears on February 2 and August 2, starting August 2, 2008.

The Notes are traded at the Singapore Stock Exchange in a minimum board lot size of US\$200,000 (full amount). The Notes are offered and sold outside of the United States to persons that are not U.S. persons (as defined in Regulation S under the Securities Act) in compliance with Regulation S (the "Unrestricted Notes"). The Notes are initially offered and sold in the United States to qualified institutional buyers (as defined in the Trust Deed) and will originally be represented by a restricted global note certificate in registered form (the "Restricted Global Notes Certificate" and, together with the Unrestricted Global Note Certificate, the "Global Note Certificates" and, either one of them, a "Global Note Certificate") which will be deposited with a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System (Euroclear) and Clearstream Banking, Société Anonyme, Luxembourg (Clearstream, Luxembourg).

The issuance and classification of the SNs as Subordinated Loans has been approved by Bank Indonesia (BI), through its letter No. 4/88/DPwB2/PwB23 dated July 12, 2002.



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**30. LOAN CAPITAL**

This account consists of the following:

	December 31, 2004	December 31, 2003	April 30, 2003
Rupiah:			
Conversion of Liquidity Credit from Bank Indonesia (KLBI)	-	1,755,000	1,755,000
Foreign Currency:			
Subordinated Undated Floating Rate Notes (SUFRNs) BDN	1,253,475	1,137,375	1,171,193
	<u>1,253,475</u>	<u>2,892,375</u>	<u>2,926,193</u>

The conversion of the liquidity credit from Bank Indonesia represents the conversion of Loan Capital from Bank Indonesia to former Bapindo with 0% interest based on the Subordinated Loan Agreement No. 28/549/UKU/PMK dated November 6, 1995 and letters from the Minister of Finance of the Republic of Indonesia No. S-618/MK.017/1995 dated October 26, 1995 and No. 28/547/UKU/PMK dated November 6, 1995. Based on Law ("Undang-undang") No. 23/1999 dated May 17, 1999 regarding Bank Indonesia (BI), BI is not allowed to provide loans to the Government; thus, requiring Bank Mandiri to pay back this subordinated loan on demand. Based on Bank Mandiri's Director's Letter No. DIR.FIF/114/2003 dated April 28, 2003, Bank Mandiri proposed to BI to repay the Subordinated Loans and Loan Capital in eleven years, from 2004 until 2014, with interest at the rate of 0.25% per annum and fixed annual installment payments of Rp285,440.

Bank Indonesia agreed to the Bank's proposal on the repayment of subordinated loan and loan capital which is stated in the Director Letter No. COO/SPM.192/2004 dated May 17, 2004 and No. COO/SPM.221/2004 dated June 30, 2004. The repayment schedule is for eleven years from 2004 until 2014 with interest at the rate of 0.2% per annum.

The final decision on the Restructuring of the Subordinated Loan and Loan Capital is stated in Bank Indonesia Letter No. 6/360/BKR dated November 23, 2004 regarding Restructuring of Subordinated Loans. In accordance with the restructuring, Bank reclassified the Loan Capital ex-Bapindo for amount of Rp1,755,000 from Loan Capital to a Subordinated Loan (Note 29).

*BDN SUFRNs*

Under a Subscription Agreement dated November 26, 1990 and a Trust Deed dated November 29, 1990, BDN issued SUFRNs with an aggregate nominal value of US\$135,000,000 (full amount) through its Cayman Islands Branch to Badaneg Ltd. ("Badaneg"), a special purpose vehicle incorporated in the Cayman Islands, in exchange for cash of US\$97,200,000 (full amount).

The aggregate nominal value of the BDN SUFRNs is recognized as loan capital as approved by Bank Indonesia in its letter No. 27/295/BPBI/AdBI dated November 7, 1994, and accrued interest thereon is recognized as a liability at December 31, 2004 and 2003, and April 30, 2003 because Bank Mandiri assumed all of BDN's assets and liabilities from the date of the merger (Note 1b). The BDN SUFRNs are perpetual as they have no stated maturity date.

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**30. LOAN CAPITAL (continued)**

*BDN SUFRNs (continued)*

Interest on the BDN SUFRNs is calculated based on their aggregate nominal value at 1.1% per annum above the six-month LIBOR interest rate through November 30, 2005, and following this date interest is calculated based on their aggregate nominal value at 0.001% per annum. While the BDN SUFRNs remain outstanding, accrued interest is due and payable semi-annually in arrears at the end of each interest period in May and November.

To fund its purchase of the BDN SUFRNs, in November 1990 Badaneg entered into a Purchase Agreement and a Deferred Sale Agreement with investors represented by Japan Leasing (Hong Kong) Ltd. (now represented by STB Leasing Co., Ltd.) under which Badaneg sold and repurchased certain property on deferred payment terms, proceeds from which were used to fund the purchase of the BDN SUFRNs for US\$97,200,000 (full amount) and the purchase of US\$135,000,000 (full amount) of zero coupon bonds issued by IMI Bank (International) unconditionally and irrevocably guaranteed as to payment of interest and principal by Istituto Mobiliare Italiano (the "Zero Coupon Bonds") in exchange for cash of US\$37,800,000 (full amount). The Zero Coupon Bonds formed the collateral for the repurchase of the property under the Deferred Sale Agreement.

The Zero Coupon Bonds bear compound interest such that, after 15 years, the maturity value of the Zero Coupon Bonds would amount to US\$135,000,000 (full amount) thereby enabling Badaneg to fulfill its obligations under the Deferred Sale Agreement.

The terms and conditions of the BDN SUFRNs provide for redemption of their aggregate nominal value upon the occurrence of several events including mandatory redemption if the Republic of Indonesia ceases directly to own at least 51% of the issued voting share capital of Bank Mandiri.

If Bank Mandiri was required to redeem the BDN SUFRNs prior to the interest payment date falling in November 2005 and to make repayment in full then, pursuant to the terms of a Collateral Agreement dated November 26, 1990 between BDN, acting through its Cayman Islands Branch, Badaneg and STL Investment (Panama) S.A., Badaneg is subject to the prior discharge by Badaneg of its obligations to STB Leasing Co., Ltd. and the investors under the Purchase Agreement, the Deferred Sale Agreement and other related agreements, obliged to transfer the Zero Coupon Bonds to the Bank for no consideration.

The accreted value of the Zero Coupon Bonds is recognized by Bank Mandiri as an other asset (Note 15) on the basis that Bank Mandiri has a right to the Zero Coupon Bonds and that under the terms of the Collateral Agreement, Bank Mandiri has an option, subject to the prior discharge by Badaneg of its obligations to STB Leasing Co., Ltd. and the investors under the Purchase Agreement, the Deferred Sale Agreement and other related agreements, to purchase the BDN SUFRNs for a total consideration of US\$3,000 (full amount). As there is no legal right of offset until this option to purchase is exercised, Bank Mandiri has recognized the accreted value of the zero coupon bonds as an other asset instead of offsetting the asset against the aggregate nominal value of the BDN SUFRNs.

The asset recognized by Bank Mandiri for the accreted value of Zero Coupon Bonds amounted to Rp1,128,127, Rp989,516 and Rp995,514 as of December 31, 2004 and 2003, and April 30, 2003, respectively (Note 15).

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**31. MINORITY INTERESTS IN NET ASSETS OF CONSOLIDATED SUBSIDIARIES**

This account represents minority interests in net assets of subsidiaries as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Yayasan Dana Pensiun Bank Dagang Negara	882	864	864
Dana Pensiun Bank Bumi Daya	2,621	2,609	2,374
Koperasi Karyawan - PT Bank Mandiri (Persero), Tbk.	40	-	-
	<b>3,543</b>	<b>3,473</b>	<b>3,238</b>

**32. SHAREHOLDERS' EQUITY**

*a. Authorized, Issued and Fully Paid-up Capital*

The Bank's authorized, issued and fully paid-up capital as of December 31, 2004 and 2003, and April 30, 2003 is as follows:

<b>December 31, 2004</b>				
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	Percentage of Ownership
<b>Authorized Capital</b>				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	31,999,999,999	500	15,999,999,999,500	100.00%
Total Authorized Capital	<b>32,000,000,000</b>	<b>500</b>	<b>16,000,000,000,000</b>	<b>100.00%</b>
<b>Issued and Fully Paid-up Capital</b>				
Republic of Indonesia				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	13,999,999,999	500	6,999,999,999,500	69.54%
Public				
- Common Shares B Series	6,132,854,872	500	3,066,427,436,000	30.46%
Total Issued and Fully Paid-up Capital	<b>20,132,854,872</b>	<b>500</b>	<b>10,066,427,436,000</b>	<b>100.00%</b>
<b>December 31, 2003</b>				
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	Percentage of Ownership
<b>Authorized Capital</b>				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	31,999,999,999	500	15,999,999,999,500	100.00%
Total Authorized Capital	<b>32,000,000,000</b>	<b>500</b>	<b>16,000,000,000,000</b>	<b>100.00%</b>
<b>Issued and Fully Paid-up Capital</b>				
Republic of Indonesia				
- Dwiwarna Share A Series	1	500	500	0.00%
- Common Shares B Series	15,999,999,999	500	7,999,999,999,500	80.00%
Public				
- Common Shares B Series	4,000,000,000	500	2,000,000,000,000	20.00%
Total Issued and Fully Paid-up Capital	<b>20,000,000,000</b>	<b>500</b>	<b>10,000,000,000,000</b>	<b>100.00%</b>

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**32. SHAREHOLDERS' EQUITY (continued)**

*a. Authorized, Issued and Fully Paid-up Capital (continued)*

	April 30, 2003			
	Number of Shares	Nominal Value Per Share (Full Amount)	Share Value (Full Amount)	Percentage of Ownership
<b>Authorized Capital</b>	<b>16,000,000</b>	<b>1,000,000</b>	<b>16,000,000,000,000</b>	<b>100.00%</b>
<b>Issued and Fully Paid-up Capital</b> Republic of Indonesia	<b>4,251,000</b>	<b>1,000,000</b>	<b>4,251,000,000,000</b>	<b>100.00%</b>

Based on notarial deed No. 10 of Sutjipto, S.H., dated October 2, 1998, the authorized capital of Bank Mandiri amounts to Rp16,000,000 with a par value of Rp1,000,000 (full amount) per share.

The establishment of issued and fully paid-up capital amounting to Rp4,000,000 by the Republic of Indonesia at the date of establishment of Bank Mandiri was carried out as follows:

- a. Cash payment through Bank Indonesia amounting to Rp1,600,004.
- b. Placements in shares of stocks recorded as investments in shares of the Merged Banks amounting to Rp599,999 each or totaling Rp2,399,996, through the transfer of shares of the Republic of Indonesia in each of the Merged Banks to Bank Mandiri, as resolved during the respective Extraordinary General Meetings of the Merged Banks. Based on the agreement ("*inbreng*") notarized by deed No. 9 of Sutjipto, S.H. dated October 2, 1998, Bank Mandiri and the Republic of Indonesia, agreed to transfer those shares (*inbreng*) as payment for new shares to be issued by Bank Mandiri.

Based on the amendments to the Articles of Association of Bank Mandiri covered by notarial deed No. 98 of Sutjipto, S.H. dated July 24, 1999, the shareholder resolved to increase the paid-up capital (share capital) of Bank Mandiri from Rp4,000,000 to Rp4,251,000 to be entirely paid for by the Republic of Indonesia. The increase of Rp251,000 was effected through the conversion of additional paid-in capital to share capital and resulted from the excess of recapitalization bonds under the 1<sup>st</sup> Recapitalization Program as per Government Regulation No. 52/1999.

Based on an Extraordinary General Shareholder's Meeting resolution dated May 29, 2003, which was amended by notarial deed No. 142 of Sutjipto, S.H., dated May 29, 2003, the shareholder agreed among others the following:

- (i) Initial Public Offering of Bank Mandiri
- (ii) Changes in Bank Mandiri's capital structure
- (iii) Changes in Bank Mandiri's Articles of Association

Following the shareholder decision to change the capital structure, Bank Mandiri increased its issued and fully paid-up capital to Rp10,000,000 and split the share price from Rp1,000,000 (full amount) per share to Rp500 (full amount) per share. Accordingly, the number of authorized shares increased from 16,000,000 (full amount) shares to 32,000,000,000 (full amount) shares, and the number of issued and fully paid-up shares increased from 10,000,000 shares with a nominal value of Rp1,000,000 (full amount) to 20,000,000,000 (full amount) shares with a nominal value of Rp500 (full amount). The issued and fully paid-up capital consists of 1 Dwiwarna A Series share and 19,999,999,999 Common B Series shares owned by the Republic of Indonesia.

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**32. SHAREHOLDERS' EQUITY (continued)**

*a. Authorized, Issued and Fully Paid-up Capital (continued)*

In relation to the change in capital structure, the Extraordinary Shareholder's Meeting also approved the amount of Rp168,801,314,557,901 (full amount) as Agio.

The above changes in capital structure became effective from May 23, 2003, with the requirement that the Bank should conduct a quasi-reorganization on or before the end of 2003 based on an approval of the Shareholder.

The Dwiwarna A Series share represents a share owned by the Republic of Indonesia, which is not transferable. It provides the Republic of Indonesia with the following privileges:

1. General Shareholders Meetings concerning increases in capital should be attended by and approved by the Dwiwarna A Series shareholder;
2. General Shareholders Meetings concerning changes in the composition of the Boards of Directors and Commissioners should be attended and approved by the Dwiwarna A Series shareholder;
3. General Shareholders Meetings concerning changes in the Articles of Association should be attended and approved by the Dwiwarna A Series shareholder;
4. General Shareholders Meetings concerning mergers, acquisitions and takeovers should be attended and approved by the Dwiwarna A Series shareholder;
5. General Shareholders Meetings concerning dissolution and liquidation should be attended and approved by the Dwiwarna A Series shareholder.

The changes in the capital structure are based on the Minutes of the Meeting regarding the amendment of the Articles of Association (Pernyataan Keputusan Rapat Perubahan Anggaran Dasar) of PT Bank Mandiri (Persero) as notarized by Sutjipto, S.H. No. 2 dated June 1, 2003. The amendment was approved by the Minister of Justice and Human Rights through decree No. C-12783 HT.01.04.TH.2003 dated June 6, 2003 and announced in Appendix No. 517 of State Gazette of the Republic of Indonesia No. 63 dated August 8, 2003 (Note 1d).

The increase in paid-up capital of Bank Mandiri from Rp4,251,000 to Rp10,000,000 was made through the following:

1. Return of paid-up capital of Rp251,000 to the Government as a part of the return of excess recapitalization of Rp1,412,000 which was retained by Bank Mandiri, and an increase in capital amounting to Rp1,000,000 from the capitalization of reserves, based on Government Regulation (PP) No. 26/2003 dated May 29, 2003, regarding the "Conversion of the Investment of the Republic of Indonesia into the Paid-in Capital of PT Bank Mandiri (Persero)", and Decree of the Minister of State-Owned Enterprises, as the Bank's shareholder, No. KEP-154/M-MBU/2002 dated October 29, 2002.
2. Increase in fully paid-up capital of Rp5,000,000 from the capitalization of additional paid-up capital based on the Decree of the Minister of Finance of the Republic of Indonesia ("KMK RI") No. 227/202.02/2003 dated May 23, 2003 regarding "The final amount and implementation of the Government's rights arising from the additional share participation of the Government of the Republic of Indonesia in Bank Mandiri in connection with the general banking recapitalization program".

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**32. SHAREHOLDERS' EQUITY (continued)**

*a. Authorized, Issued and Fully Paid-up Capital (continued)*

Based on the Extraordinary General Shareholders' Meeting held on May 29, 2003, which was notarized on the same date by Sutjipto, S.H., as per notarial deed No. 142 dated May 29, 2003, the shareholder agreed to among others, the introduction of an employee stock ownership plan through an *Employee Stock Allocation Program (ESA)* and a *Management Stock Option Plan (MSOP)*. The ESA consists of a *Bonus Share Plan* and a *Share Purchase at Discount* program. MSOP is directed to directors and senior management at certain levels and based on certain criteria. All costs and discounts related to the ESA program are recognized by Bank Mandiri through allocation of reserves. The management and execution of the ESA and MSOP programs is performed by the Board of Directors, while the supervision is performed by the Board of Commissioners (Note 33).

On July 14, 2003, the Government of the Republic of Indonesia divested 4,000,000,000 shares representing 20% of its shareholding in Bank Mandiri through an Initial Public Offering (IPO).

Following the Regulation of the Government of the Republic of Indonesia No. 27/2003 dated June 2, 2003 which approved the divestment of the Government ownership in Bank Mandiri of up to 30%, and based on a decision of Tim Kebijakan Privatisasi Badan Usaha Milik Negara No. Kep-05/TKP/01/2004 dated January 19, 2004, the Government of the Republic of Indonesia divested a 10% ownership interest in PT Bank Mandiri (Persero) Tbk. or 2,000,000,000 shares of Common Shares of Series B on March 11, 2004 through private placements.

On July 14, 2003, the date of the IPO, through MSOP program the Bank issued 378,583,785 share options with an exercise price of Rp742.5 (full amount) per share and a nominal value of Rp500 (full amount) per share. As at December 31, 2004, options exercised total 132,854,872 shares (Note 33), thereby increasing the total issued and fully paid-up capital by Rp66,427 and agio by Rp41,479.

As a result of the above changes in the capital structure, Bank Mandiri's Articles of Association have been amended based on notarial deed of Sutjipto, S.H. No. 108 dated January 26, 2005, and were approved by the Minister of Justice and Human Rights in his decision letter No. C-03680 HT-01.04.TH.2005 (Note 63b).

*b. Additional Paid-In Capital/Agio*

The additional paid-in capital/agio of Rp5,967,897, Rp5,926,418 and Rp10,675,418, as of December 31, 2004 and 2003, and April 30, 2003, respectively, represents additional paid-up capital arising from the Recapitalization Program (Note 1c).

The increase in agio amounting to Rp41,479 as of December 31, 2004 represents the excess of the exercise price over the nominal value of the exercised share options .

Based on the results of a due diligence review conducted on behalf of the Government dated December 31, 1999 and a Management Contract (IMPA) dated April 8, 2000, it was determined that there was an excess recapitalization amounting to Rp4,069,000. The Bank returned Rp2,657,000 of Government Recapitalization Bonds to the Government on July 7, 2000 pursuant to the Management Contract. The balance of Rp1,412,000 was returned to the Government on April 25, 2003 as approved by the Shareholder during its meeting on October 29, 2002 and the Minister of State-Owned Enterprises Decision Letter No. KEP-154/M-MBU/2002 dated October 29, 2002 (Note 7).

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**32. SHAREHOLDERS' EQUITY (continued)**

*b. Additional Paid-In Capital/Agio (continued)*

The return of the above excess recapitalization amounting to Rp1,412,000 includes issued and fully paid-up capital of Rp251,000.

On May 23, 2003, the Minister of Finance of the Republic of Indonesia issued decree ("KMK-RI") No. 227/KMK.02/2003 dated May 23, 2003, which was amended by KMK No. 420/KMK.02/2003 dated September 30, 2003, which provides further guidance on Government Regulations No. 52 and No. 97 year 1999 regarding the additional Government participation in Bank Mandiri's capital.

Matters decided under the KMK RI, among others, are as follows:

- a. The final Bank Mandiri recapitalization amount is Rp173,801,314,557,593 (full amount);
- b. Recapitalization of Rp5,000,000,000,000 (full amount) is converted into 5,000,000 (full amount) new shares issued by Bank Mandiri with a nominal value of Rp1,000,000 (full amount) per share;
- c. The remaining recapitalization amount of Rp168,801,314,557,593 (full amount) is recorded as agio.

Through quasi-reorganization (Notes 2ad and 60), the Bank's accumulated losses as of April 30, 2003 amounting to Rp162,874,901 were eliminated against additional paid-in capital/agio.

*c. Premises and Equipment Revaluation Increment*

The premises and equipment revaluation increment amounting to Rp3,056,724 as of December 31, 2004 and 2003 represents the revaluation increment of the premises and equipment of the Merged Banks based on an appraisal as of July 31, 1999. This was based on the Decision Letter of the Minister of Finance No. 211/KMK.03/2003 dated May 14, 2003, Bank Mandiri letter No. S.206/MK.01/2003 dated May 21, 2003 and approval of the Directorate General of Taxation, through the Head of State and Regional Offices of Corporate Tax Services Decision Letter No. KEP-01/WPJ.07/KP.0105/2003 dated June 18, 2003 (Note 27c).

The premises and equipment revaluation increment of Rp9,788 as of April 30, 2003 relates to the revaluation increment of premises and equipment of PT Usaha Gedung BDN and PT Bumi Daya Plaza, subsidiaries of Bank Mandiri. Premises and equipment of PT Usaha Gedung BDN, which were acquired prior to September 12, 1986 were revalued on January 1, 1987 based on Government Regulation No. 45 dated October 2, 1986, and the revaluation was approved by the Directorate General of Taxation through its Decision Letters No. KEP-238/WPJ.04/KP.07/1989 dated August 31, 1989 and No. KEP-628/WPJ.04/KP.07/1989 dated October 5, 1989.

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**32. SHAREHOLDERS' EQUITY (continued)**

*d. Distribution of Net Profit*

Based on the resolution of the shareholders during its general meetings held on May 5, 2004 and May 19, 2003, the shareholders approved the distribution of the 2003 and 2002 net profit as follows:

	<b>2003 net profit</b>	<b>2002 net profit</b>
Dividends	2,300,000	1,792,794
Directors' and commissioners' bonuses	22,930	4,923
Small industry and cooperative development fund (PUKK)	-	85,690
Environmental development fund	-	17,138
Incentive bonuses	-	29,296
	2,322,930	1,929,841
Appropriated retained earnings:		
General reserve	200,000	989,065
Specific reserve	547,000	666,683
Total	747,000	1,655,748
Retained earnings	158,644	-
	<b>3,228,574</b>	<b>3,585,589</b>

In relation to the quasi-reorganization of the Bank on April 30, 2003, the Bank distributed the 2002 net profit on April 30, 2003 by recognizing provisions for dividend payment, small industry and cooperative development fund (PUKK) contributions, environmental development fund contribution, directors' and commissioners' bonuses and incentive bonuses based on the decision of the General Shareholder's Meeting held on May 19, 2003, under "Other Liabilities". The Bank has also recognized general and special reserves allocations from the 2002 net profit.

The dividends and directors' and commissioners' bonuses (tantiem) from the 2003 and 2002 net profit were paid to the shareholder and directors and commissioners of the Bank on June 7, 2004 and June 30, 2004, respectively, for the 2003 net profit, and on June 18, 2003 and July 7, 2003, respectively, for the 2002 net profit. Incentive bonuses from the 2002 net profit were paid on July 4, 2003. The allocations for PUKK and the environmental development fund were paid on June 18, 2003 and July 18, 2002, respectively.

Of the reserve of Rp1,655,748 from the 2002 net profit, Rp600,000 represents the reserve from the net profit for the six-month period from January 1, 2002 to June 30, 2002 established based on an instruction of the Minister of State-Owned Enterprises through letter No. KEP-167/MBU/2002 dated December 19, 2002.

Tantiem amounts in relation to years through 2003, have been directly charged against retained earnings in the following year. In accordance with the revision of PSAK No. 24 in 2004 regarding Employee Benefits, the Bank has provided for estimated tantiem in the current year's profit and loss.

**33. MANAGEMENT STOCK OPTION PLAN**

Based on the Extraordinary General Shareholders' Meeting held on May 29, 2003, which was notarized on the same date by Sutjipto, S.H., as per notarial deed No. 142, the shareholder approved the adoption of the Management Stock Option Plan (MSOP).



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**33. MANAGEMENT STOCK OPTION PLAN (continued)**

The purpose of the MSOP program is to achieve long-term objective, of ensuring the continuity of the current or future performance of the Bank by aligning management and shareholders' objectives. The Bank implemented a MSOP program for directors to attract, retain and motivate senior management and other key employees. In accordance with Bapepam regulation No. IX.D.4, the total shares to be issued by the Bank under the MSOP program will be equal to 5% of the paid-up capital or 1 billion shares for the three-year period. The share option life is five years from the grant date. The number of stock options that can be exercised at the end of the first year from the grant date is a maximum of 50% of the total options granted, and the remaining 50% may be exercised at the end of the second year up through the end of the fifth year.

The options granted at Stage-1 which were approved during the Extraordinary General Shareholders' Meeting held on May 29, 2003, involved 2.18% of paid-up capital, with an exercise price of 110% of the offering price or equivalent to Rp742.5 per share, and with a vesting period of two years.

On July 14, 2003, the date of the Bank's IPO, the Bank granted 378,583,785 options with an exercise price of Rp742.5 (full amount) per share or 110% of the offering price.

A summary of the Management Stock Option Plan and the movements during the period follows (full amount):

	2004 Number of Options
Options outstanding at the beginning of period	378,583,785
Options granted during the period	-
Options exercised during the period	(132,854,872)
Options forfeited during the period	-
Options expiring during the period	-
Options that can be exercised at the end of the period	245,728,913

The fair value of stock options granted as of July 14, 2003 was Rp69.71 (full amount) based on a valuation report issued by PT Watson Wyatt Indonesia dated March 4, 2004.

The fair value of the options granted was estimated using the Black-Scholes option-pricing model with the following assumptions:

Risk free interest rate	8.46%
Expected period of option	3 years
Expected stock's volatility	24.53%
Expected dividend yield	7.63%
Employee turnover rate	1.00%

Share options amounted to Rp13,831 as of December 31, 2004 and MSOP expense which was recorded as salaries and employee benefits for the year ended December 31, 2004 was Rp24,942 (Note 42).

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**34. INTEREST INCOME**

Interest income was derived from the following:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Government Recapitalization Bonds	8,182,196	15,390,066	9,337,554	6,052,512
Loans	8,809,062	8,375,139	5,487,269	2,887,870
Securities	952,491	867,670	627,672	239,998
Placements with Bank Indonesia and other banks	519,438	363,720	246,798	116,922
Fees and commissions	507,394	495,060	317,582	177,478
Others	174,589	65,400	20,908	44,492
	<b>19,145,170</b>	<b>25,557,055</b>	<b>16,037,783</b>	<b>9,519,272</b>

Included in interest income from loans and others is *syariah* income for the years ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003 amounting to Rp511,061, Rp172,971 and Rp65,726, respectively, with details as follows:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
<i>Murabahah</i> income	400,111	205,655	146,384	59,271
<i>Musarakah</i> income	83,368	18,820	16,034	2,786
Others	27,582	14,222	10,553	3,669
	<b>511,061</b>	<b>238,697</b>	<b>172,971</b>	<b>65,726</b>

**35. INTEREST EXPENSE**

Interest expense was incurred on the following:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Time deposits	5,147,235	12,523,507	7,214,006	5,309,501
Savings deposits	2,112,420	2,323,917	1,445,616	878,301
Demand deposits	1,131,117	1,294,478	844,556	449,922
Fund borrowings	349,484	532,706	320,285	212,421
Securities issued	362,396	265,027	239,290	25,737
Subordinated loans	310,138	382,636	247,240	135,396
Loan capital	35,309	28,647	18,404	10,243
Others	74,434	86,797	28,731	58,066
	<b>9,522,533</b>	<b>17,437,715</b>	<b>10,358,128</b>	<b>7,079,587</b>

Included in interest expense from time and savings deposits is *syariah* expense for the years ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003 amounting to Rp242,675, Rp104,271 and Rp39,492, respectively.

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**36. OTHER OPERATING INCOME - OTHERS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Accretion in the realizable value of the security and effective reduction of principal related to SUFRNs (Notes 15, 29 and 30)	144,830	113,316	89,458	23,858
Others	557,487	522,636	376,072	146,564
	<b>702,317</b>	<b>635,952</b>	<b>465,530</b>	<b>170,422</b>

**37. PROVISION FOR POSSIBLE LOSSES ON EARNING ASSETS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Provision/(reversal of allowance) for possible losses on:				
Current accounts with other banks (Note 4e)	2,112	(331)	(438)	107
Placements with other banks (Note 5f)	19,428	19,522	(3,389)	22,911
Securities (Note 6g)	45,622	(10,251)	22,551	(32,802)
Other receivables - trade transactions (Note 8d)	26,651	41,863	46,130	(4,267)
Securities purchased with agreements to resell (Note 9)	4,800	-	-	-
Derivative receivables (Note 10)	(7,462)	6,717	6,145	572
Loans (Note 11B.j)	275,662	1,056,661	453,382	603,279
Acceptances receivable (Note 12d)	6,626	29,607	49,859	(20,252)
Investments in shares of stock (Note 13c)	(1,922)	35,626	70,823	(35,197)
	<b>371,517</b>	<b>1,179,414</b>	<b>645,063</b>	<b>534,351</b>

**38. REVERSAL OF ALLOWANCE FOR POSSIBLE LOSSES - OTHERS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Reversal of allowance/(provision) for:				
Possible losses on legal cases (Note 28)	259,172	569,563	451,103	118,460
Possible losses on other assets (Note 15)	-	(166,192)	(165,094)	(1,098)
Others	50,000	(82,634)	(82,634)	-
	<b>309,172</b>	<b>320,737</b>	<b>203,375</b>	<b>117,362</b>

**39. GAINS/(LOSSES) FROM INCREASE/(DECREASE) IN VALUE OF SECURITIES AND GOVERNMENT RECAPITALIZATION BONDS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Securities	71	(52,306)	(20,764)	(31,542)
Government Recapitalization Bonds	66,201	1,364	(747,476)	748,840
	<b>66,272</b>	<b>(50,942)</b>	<b>(768,240)</b>	<b>717,298</b>

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**40. GAINS FROM SALE OF SECURITIES AND GOVERNMENT RECAPITALIZATION BONDS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Securities	218,892	254,884	242,214	12,670
Government Recapitalization Bonds	1,365,343	1,868,554	1,556,802	311,752
	<b>1,584,235</b>	<b>2,123,438</b>	<b>1,799,016</b>	<b>324,422</b>

**41. GENERAL AND ADMINISTRATIVE EXPENSES**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Depreciation and amortization of premises and equipment	533,559	340,993	250,124	90,869
Rent	346,168	344,068	231,793	112,275
Promotions	321,910	255,305	199,222	56,083
Repairs and maintenance	313,723	225,111	178,704	46,407
Communications	301,263	226,736	166,907	59,829
Professional fees*)	256,084	203,132	190,090	13,042
Public relations	198,343	184,255	152,076	32,179
Electricity, water and gas	153,664	94,701	72,508	22,193
Office supplies	117,450	100,937	81,374	19,563
Transportation	51,671	32,848	24,022	8,826
Office equipment	20,889	16,860	13,064	3,796
Research and development	8,469	9,713	9,153	560
Others	365,479	214,883	137,584	77,299
	<b>2,988,672</b>	<b>2,249,542</b>	<b>1,706,621</b>	<b>542,921</b>

\*) Professional fees include audit and tax services amounting to Rp21,227, Rp16,437 and Rp1,630 for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively.

**42. SALARIES AND EMPLOYEE BENEFITS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Salaries, wages, pension and tax allowances (Note 43)	1,337,272	1,133,364	748,509	384,855
Holidays (THR), leave and related entitlements	302,524	256,798	183,030	73,768
Employee benefits in kind	148,397	128,716	100,474	28,242
Training and development	125,648	98,303	91,074	7,229
Provision/(reversal) for post-employment benefit expenses (Note 28)	84,837	(312,609)	(312,609)	-
Compensation expense on stock options (Note 33)	24,942	9,897	9,897	-
Bonuses and others	378,137	350,481	231,738	118,743
	<b>2,401,757</b>	<b>1,664,950</b>	<b>1,052,113</b>	<b>612,837</b>

In accordance with PSAK No. 24 (Revised 2004) regarding Employee Benefits, the Bank have accrued *tantiem* expense in 2004.

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**42. SALARIES AND EMPLOYEE BENEFITS (continued)**

Total gross salaries, allowances and bonuses of the Boards of Directors and Commissioners, and Executive Officers amounted to Rp96,168, Rp54,604 and Rp17,487, for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively.

Details for the year ended December 31, 2004 are as follows:

	Number of Members/ Officers	Salaries	Allowances	Bonuses	Total
Board of Commissioners	7	4,436	2,663	7,302	14,401
Board of Directors	9	14,919	7,752	20,750	43,421
Audit Committee	3	636	123	272	1,031
Senior Executive Vice Presidents, Group Heads and Advisors of Directors	37	21,333	4,903	11,079	37,315
	<b>56</b>	<b>41,324</b>	<b>15,441</b>	<b>39,403</b>	<b>96,168</b>

Details for the eight-month period ended December 31, 2003 are as follows:

	Number of Members/ Officers	Salaries	Allowances	Bonuses	Total
Board of Commissioners	7	1,792	1,973	1,912	5,677
Board of Directors	9	7,252	7,221	7,779	22,252
Audit Committee	3	306	92	175	573
Senior Executive Vice Presidents, Group Heads and Advisors of Directors	32	15,079	1,082	9,941	26,102
	<b>51</b>	<b>24,429</b>	<b>10,368</b>	<b>19,807</b>	<b>54,604</b>

Details for the four-month period ended April 30, 2003 are as follows:

	Number of Members/ Officers	Salaries	Allowances	Bonuses	Total
Board of Commissioners	4	614	110	-	724
Board of Directors	8	1,284	645	-	1,929
Audit Committee	3	153	-	-	153
Senior Executive Vice Presidents, Group Heads and Advisors of Directors	38	9,625	1,300	3,756	14,681
	<b>53</b>	<b>11,676</b>	<b>2,055</b>	<b>3,756</b>	<b>17,487</b>

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#### 43. PENSION AND SEVERANCE

Under the Bank's policy, in addition to salaries, the employees are entitled to allowances and benefits, such as: holiday allowance (THR), pre-retirement (MBT) allowance, medical reimbursements, death allowance, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on employee's and the Bank's performance, and post-employment benefits based on the prevailing Labor Law.

##### *Pension Plan*

Bank Mandiri has five pension plans in the form of Employer Pension Plans as follows:

- a. One defined contribution pension plan, *Dana Pensiun Pemberi Kerja-Program Pensiun Iuran Pasti* (DPPK-PPIP) or the Bank Mandiri Pension Plan (*Dana Pensiun Bank Mandiri* (DPBM)) established on August 1, 1999. The DPBM's regulations were legalized based on the decision letter of the Minister of Finance of the Republic of Indonesia No. KEP/300/KM.017/1999 dated July 14, 1999 and was included in the Addendum to the State Gazette of the Republic of Indonesia No. 62 dated August 3, 1999 and Bank Mandiri's Directors' Resolution No. 004/KEP.DIR/1999 dated April 26, 1999.

Bank Mandiri and the employees contribute 10% and 5% of the Base Pension Plan Employee Income, respectively.

The President Director and the members of the Supervisory Board of the DPBM are active employees of Bank Mandiri; therefore, in substance Bank Mandiri has control over the DPBM. As a consequence, transactions between the DPBM and Bank Mandiri are considered related party transactions. The DPBM invests a part of its financial resources in Bank Mandiri time deposits, which balances as of December 31, 2004 and 2003, and April 30, 2003 were Rp43,000, Rp2,900 and Rp101,100, respectively. The interest rates on these time deposits are at arms-length.

The Bank paid pension contributions totaling Rp87,974, Rp79,329 and Rp26,586, respectively, for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively.

- b. Four employer defined benefit pension plans, *Dana Pensiun Pemberi Kerja-Program Pensiun Manfaat Pasti* (DPPK-PPMP) are derived from the respective pension plans of the Merged Banks, namely *Dana Pensiun Bank Mandiri Satu* or DPBM I (BBD), DPBM II (BDN), DPBM III (Bank Exim) and DPBM IV (Bapindo). The regulations of the respective pension plans were legalized by the Minister of Finance of the Republic of Indonesia in decision letters No. KEP-394/KM.017/1999, No. KEP-395/KM.017/1999, No. KEP-396/KM.017/1999 and No. KEP-397/KM.017/1999 dated November 15, 1999. Based on the approval of shareholders No. S-923/M-MBU/2003 dated March 6, 2003, Bank Mandiri has adjusted pension benefits for each Pension Fund. Such approval has been incorporated in each of the Pension Fund's Regulations (*Peraturan Dana Pensiun* (PDP)) which have been approved by the Minister of Finance of the Republic of Indonesia based on decision letters No. KEP/115/KM.6/2003 of PDP DPBM I, No. KEP/116/KM.6/2003 of PDP DPBM II, No. KEP/117/KM.6/2003 of PDP DPBM III, and No. KEP/118/KM.6/2003 of PDP DPBM IV, all dated March 31, 2003.

The members of the defined benefit pension plans originated from legacy banks who have rendered three or more service years at the time of merger and are comprised of active employees of the Bank, deferred members (those whose employment has been terminated but for whom the beneficial rights were not transferred to other pension plans), and pensioners.

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**43. PENSION AND SEVERANCE (continued)**

*Pension Plan (continued)*

As of December 31, 2004, the calculation of the fair value of plan assets and projected benefit obligation is based on the actuarial report of PT Dayamandiri Dharmakonsilindo dated February 11, 2005. In its calculation, the actuary used the following assumptions:

	DPBM I	DPBM II	DPBM III	DPBM IV
Interest rate	9% per annum	9% per annum	9% per annum	9% per annum
Expected rate of return on plan assets	10% per annum	10% per annum	10% per annum	10% per annum
Working period used	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999
Pensionable salary used	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary
Expected rates of pensionable salary increase	Nil	Nil	Nil	Nil
Mortality rate table	CSO-1958	CSO-1958	CSO-1958	CSO-1958
Turnover rate	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter
Disability rate	10% of mortality rate	10% of mortality rate	10% of mortality rate	10% of mortality rate
Actuarial method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Normal pension age	56 years for all grades	56 years for all grades	56 years for all grades	56 years for all grades
Maximum defined benefit amount	80% of latest gross pensionable salary (PhDP)	80% of latest gross pensionable salary (PhDP)	62.5% of latest gross pensionable salary (PhDP)	75% of latest gross pensionable salary (PhDP)
Expected rate of pension benefit increase	Nil	Nil	Nil	4% every 2 years
Tax rates - average	15% of pension benefit	15% of pension benefit	15% of pension benefit	15% of pension benefit

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**43. PENSION AND SEVERANCE (continued)**

*Pension Plan (continued)*

As of December 31, 2003, the calculation of the fair value of plan assets and projected benefit obligation is based on the actuarial report of PT Dayamandiri Dharmakonsilindo dated March 8, 2004. In its calculation, the actuary used the following assumptions:

	<b>DPBM I</b>	<b>DPBM II</b>	<b>DPBM III</b>	<b>DPBM IV</b>
Interest rate	9% per annum	9% per annum	9% per annum	9% per annum
Expected rate of return on plan assets	10% per annum	10% per annum	10% per annum	10% per annum
Working period used	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999	As of July 31, 1999
Pensionable salary used	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary	As of January 1, 2003, adjusted amount over legacy banks' pensionable salary
Expected rates of pensionable salary increase	Nil	Nil	Nil	Nil
Mortality rate table	CSO-1958	CSO-1958	CSO-1958	CSO-1958
Turnover rate	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter	5% up to employees' age 25 and reducing linearly by 0.25% for each year up to 0% at age 45 and thereafter
Disability rate	10% of mortality rate	10% of mortality rate	10% of mortality rate	10% of mortality rate
Actuarial method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Normal pension age	56 years for all grades	56 years for all grades	56 years for all grades	56 years for all grades
Maximum defined benefit amount	80% of latest gross pensionable salary (PhDP)	80% of latest gross pensionable salary (PhDP)	62.5 % of latest gross pensionable salary (PhDP)	75% of latest gross pensionable salary (PhDP)
Expected rate of pension benefit increase	Nil	Nil	Nil	4% every 2 years
Tax rates - average	15% of pension benefit	15% of pension benefit	15% of pension benefit	15% of pension benefit



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**43. PENSION AND SEVERANCE (continued)**

*Pension Plan (continued)*

The projected benefit obligations and fair value of plan assets as of December 31, 2004 are as follows:

	<u>DPBM I</u>	<u>DPBM II</u>	<u>DPBM III</u>	<u>DPBM IV</u>
Projected Benefit Obligations	928,878	881,941	589,821	296,543
Fair Value of Plan Assets	<u>1,254,763</u>	<u>1,271,452</u>	<u>676,450</u>	<u>402,902</u>
<b>Surplus</b>	<b><u>325,885</u></b>	<b><u>389,511</u></b>	<b><u>86,629</u></b>	<b><u>106,359</u></b>

The projected benefit obligations and fair value of plan assets as of December 31, 2003 are as follows:

	<u>DPBM I</u>	<u>DPBM II</u>	<u>DPBM III</u>	<u>DPBM IV</u>
Projected Benefit Obligations	958,312	905,092	542,065	291,637
Fair Value of Plan Assets	<u>1,186,701</u>	<u>1,207,970</u>	<u>664,899</u>	<u>391,634</u>
<b>Surplus</b>	<b><u>228,389</u></b>	<b><u>302,878</u></b>	<b><u>122,834</u></b>	<b><u>99,997</u></b>

The projected benefit obligations and fair value of plan assets as of April 30, 2003 are as follows:

	<u>DPBM I</u>	<u>DPBM II</u>	<u>DPBM III</u>	<u>DPBM IV</u>
Projected Benefit Obligations	1,089,825	1,065,625	579,064	329,853
Fair Value of Plan Assets	<u>1,157,794</u>	<u>1,164,513</u>	<u>617,404</u>	<u>379,790</u>
<b>Surplus</b>	<b><u>67,969</u></b>	<b><u>98,888</u></b>	<b><u>38,340</u></b>	<b><u>49,937</u></b>

One defined contribution pension program (Program Pensiun Iuran Pasti) is for permanent employees of PT Bank Syariah Mandiri (BSM), a subsidiary. The members are employees under the age of 56 (fifty-six) years. The program, which commenced in March 2002, is managed by PT Asuransi Jiwa Manulife Indonesia (formerly PT Principal Indonesia Financial Institution Pension Fund ("*Dana Pensiun Lembaga Keuangan Principal Indonesia*", (DPLK-PI)). The employees' pension contribution is 5%, whilst the employer contributes 10% of the monthly employees' Gross Pension Salary (PhDP). The total cash contributions received by DPLK-PI amounted to Rp2,145, Rp767 and Rp680, for the year ended December 31, 2004, the eight-month period ended December 31, 2003, and the four-month period ended April 30, 2003, respectively.

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**43. PENSION AND SEVERANCE (continued)**

*Labor Law No. 13/2003*

On March 25, 2003, the House of Representatives of the Republic of Indonesia and the Government of the Republic of Indonesia approved Labor Law No.13 Year 2003 (UU No.13/2003), which regulates, among others, the calculation of post-employment benefits, compensation upon termination and gratuity.

Bank Mandiri has implemented an accounting policy for employment benefits (PSAK 24 - Revised 2004) to recognize provision for post-employment benefits. As of December 31, 2004 and 2003, the Bank recognized a provision for post-employment benefits in accordance with Labor Law No. 13/2003 amounting to Rp446.290 and Rp361.453, respectively, based on independent actuarial reports. As of April 2003, the Bank recognized a provision for post-employment benefits and service entitlements in accordance with the Decree of the Minister of Manpower No. Kep-150/Men/2000 (KepMen 150) dated June 20, 2000.

Provision for post-employment benefits as of December 31, 2004 and 2003 is based on independent actuarial reports of PT Dayamandiri Dharmakonsilindo dated February 11, 2005 and March 8, 2004, respectively. The assumptions used by the actuary were as follows:

- a. Discount rate is 10% per annum (December 31, 2003: 11% per annum).
- b. Expected rate of annual salary increase is 9% (December 31, 2003: 10% per annum).
- c. Mortality rate table is US 1980 Commissioners' Standard Ordinary Table of Mortality.
- d. Early retirement rate is 5% from age 25 decreasing linearly at 0.25% per year up to 0% at age 45.
- e. Actuarial method is projected unit credit method.
- f. Normal pension age is 56 years.
- g. Disability rate is 10% of mortality rate.

**44. OTHER OPERATING EXPENSES - OTHERS**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Insurance premiums on customer guarantees	529,209	575,754	376,441	199,313
Others	116,353	231,524	126,042	105,482
	<b>645,562</b>	<b>807,278</b>	<b>502,483</b>	<b>304,795</b>

**45. NON-OPERATING INCOME/(EXPENSE) - NET**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Gain on sale of premises and equipment	29,425	32,374	32,374	-
Reversal of provision for merger costs, obligation from investments in shares of stock, employee entitlements and medical benefits	-	52,971	52,971	-
Penalties	(48,735)	(9,276)	(2,008)	(7,268)
Others - net	23,713	141,893	52,655	89,238
	<b>4,403</b>	<b>217,962</b>	<b>135,992</b>	<b>81,970</b>

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**46. COMMITMENTS AND CONTINGENCIES**

	December 31, 2004	December 31, 2003	April 30, 2003
<b>COMMITMENTS</b>			
Commitment Receivables:			
Unrealized spot foreign currencies bought (Note 47)	131,889	323,042	312,667
Unused fund borrowing facilities	-	-	4,638
Others	-	34,399	28,688
Total Commitment Receivables	131,889	357,441	345,993
Commitment Payables:			
Unused loan facilities granted	19,857,035	17,025,825	10,247,192
Outstanding irrevocable letters of credit (Note 26)	6,486,555	5,172,509	5,242,668
Unrealized spot foreign currencies sold (Note 47)	93,611	585,998	379,739
Others	-	-	108,302
Total Commitment Payables	26,437,201	22,784,332	15,977,901
Commitment Payables - Net	(26,305,312)	(22,426,891)	(15,631,908)
<b>CONTINGENCIES</b>			
Contingent Receivables:			
Guarantees received from other banks	2,562,975	1,428,091	1,217,055
Interest receivable on non-performing assets	1,923,241	2,104,460	2,750,989
Others	32,970	37,430	29,910
Total Contingent Receivables	4,519,186	3,569,981	3,997,954
Contingent Payables:			
Guarantees issued in the form of:			
Bank guarantees issued (Note 26)	7,493,454	5,164,128	4,690,476
Standby letters of credit (Note 26)	2,973,434	2,763,672	2,364,538
Others	-	-	963
Outstanding revocable letters of credit	-	-	1,580
Others	85,640	57,498	163,219
Total Contingent Payables	10,552,528	7,985,298	7,220,776
Contingent Payables - Net	(6,033,342)	(4,415,317)	(3,222,822)
<b>COMMITMENTS AND CONTINGENCIES PAYABLE - NET</b>	<b>(32,338,654)</b>	<b>(26,842,208)</b>	<b>(18,854,730)</b>

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**47. FOREIGN CURRENCY TRANSACTIONS**

Forward and cross currency swap transactions are presented as derivative receivables/payables in the balance sheet (Note 10).

Details of outstanding spot foreign currency bought and sold transactions as of December 31, 2004 are as follows:

Original Currency	Spot-Bought		Spot-Sold	
	Foreign Currency (full amount)	Equivalent Rupiah	Foreign Currency (full amount)	Equivalent Rupiah
United States Dollars	11,340,333	105,295	9,500,333	88,211
Others	-	26,594	-	5,400
		<b>131,889</b>		<b>93,611</b>

Details of outstanding spot foreign currency bought and sold transactions as of December 31, 2003 are as follows:

Original Currency	Spot-Bought		Spot-Sold	
	Foreign Currency (full amount)	Equivalent Rupiah	Foreign Currency (full amount)	Equivalent Rupiah
United States Dollars	37,033,099	312,004	67,135,616	565,618
Others	-	11,038	-	20,380
		<b>323,042</b>		<b>585,998</b>

Details of outstanding spot foreign currency bought and sold transactions as of April 30, 2003 are as follows:

Original Currency	Spot-Bought		Spot-Sold	
	Foreign Currency (full amount)	Equivalent Rupiah	Foreign Currency (full amount)	Equivalent Rupiah
United States Dollars	25,924,155	224,905	35,647,844	309,263
Others	-	87,762	-	70,476
		<b>312,667</b>		<b>379,739</b>

**48. RELATED PARTY TRANSACTIONS**

a. Banking Activities in the Ordinary Course of Business

In the ordinary course of its business, Bank Mandiri engages in significant transactions with the following related parties:

Related by ownership:

The Government of the Republic of Indonesia

Related by ownership and/or management:

PT Semen Kupang (Persero), PT Estika Sedaya Finance, PT Stacomitra Sedaya Finance, PT Bayu Beringin Lestari, PT Estika Jaya Kelola and PT Staco Bosowa Finance.

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**48. RELATED PARTY TRANSACTIONS (continued)**

a. Banking Activities in the Ordinary Course of Business (continued)

Related by management and/or key personnel Bank Mandiri's employees:

	December 31, 2004	December 31, 2003	April 30, 2003
Securities (Note 6a)	399,084	420,549	260,421
Government Recapitalization Bonds (Note 7)	93,081,021	122,906,853	150,332,380
Loans (Note 11B.g)	952,277	1,019,902	1,018,631
Interest refundable by the Government (Note 15)	866	25,267	25,267
Deposit made to the State Treasury (Note 15)	-	-	1,124,194
<b>Total assets involving related parties</b>	<b>94,433,248</b>	<b>124,372,571</b>	<b>152,760,893</b>
<b>Total consolidated assets</b>	<b>248,155,827</b>	<b>249,435,554</b>	<b>261,285,909</b>
Percentage of assets involving related parties to total consolidated assets	38.05%	49.86%	58.47%

The percentages of securities, Government Recapitalization Bonds, Loans, and Deposits made to the State Treasury in relation to a tax appeal and interest receivable from the Government compared to the total consolidated assets are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Securities	0.16%	0.17%	0.10%
Government Recapitalization Bonds	37.50%	49.27%	57.54%
Loans	0.38%	0.41%	0.39%
Interest refundable by the Government	0.01%	0.01%	0.01%
Deposit made to the State Treasury	-	-	0.43%
	<b>38.05%</b>	<b>49.86%</b>	<b>58.47%</b>
Demand Deposits (Note 16a)	62,412	11,854	27,545
Savings Deposits (Note 17b)	15,467	8,769	2,406
Time Deposits (Note 18f)	35,997	354,490	1,813,676
<b>Total liabilities involving related parties</b>	<b>113,876</b>	<b>375,113</b>	<b>1,843,627</b>
<b>Total consolidated liabilities</b>	<b>223,217,577</b>	<b>229,036,856</b>	<b>243,998,291</b>
Percentage of liabilities involving related parties to total consolidated liabilities	0.05%	0.16%	0.76%

Percentages of current accounts, savings accounts, time deposits and liabilities to the Government arising from the return of additional paid-in capital compared to the total consolidated liabilities are as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Demand Deposits	0.03%	0.01%	0.01%
Savings Deposits	0.01%	-	0.01%
Time Deposits	0.01%	0.15%	0.74%
	<b>0.05%</b>	<b>0.16%</b>	<b>0.76%</b>

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**48. RELATED PARTY TRANSACTIONS (continued)**

a. Banking Activities in the Ordinary Course of Business (continued)

	Year Ended December 31, 2004	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
Salary, allowances and bonuses of the Boards of Directors and Commissioners and Executive Officers (Note 42)	96,168	54,604	17,487

b. Significant transactions with the Government of the Republic of Indonesia

- In May 1999, the Government implemented a recapitalization program for Bank Mandiri by issuing Government Recapitalization Bonds (Notes 1 and 7).
- In connection with the recapitalization, Bank Mandiri entered into a management contract with the Government in April 8, 2000 (Note 57a).
- The Committee on Financial Sector Policy (KKSK) and the Minister of Finance approved and guaranteed the issuance of standby letters of credit and conversion of loans of PT Garuda Indonesia to Mandatory Convertible Bonds.
- The Bank paid Rp1,124,194 to the State Treasury representing a 50% deposit in relation to an objection regarding the Bank's 2000 corporate income tax assessment (Note 15).
- The Bank returned additional paid-in capital of Rp1,412,000 representing a portion of the excess recapitalization (Note 32b).
- Based on the Minister of Finance's Decision Letter No. 227/KMK.02/2003 dated May 23, 2003, and Decree of the Minister of State-Owned Enterprises, as the Bank's shareholder, No. KEP-154/M-MBU/2002 dated October 29, 2002, the Government converted recapitalization funds amounting to Rp5,000,000 into 5,000,000 shares with a nominal value of Rp1,000,000 (full amount) per share, and the remaining recapitalization funds amounting to Rp168,801,315 were recorded as agio.
- Based on Government Regulation (PP) No. 26 dated May 29, 2003, the Government of the Republic of Indonesia converted Rp1,000,000 of appropriated retained earnings to issued and fully paid-up capital.

**49. MATURITY PROFILE**

The maturity profile of the Bank's assets and liabilities is as follows:

This profile as of December 31, 2004 and 2003, and April 30, 2003 is based on contractual terms. Historically, a significant proportion of deposits are rolled-over on maturity. Also, Government recapitalization bonds (trading and available-for-sale) could be liquidated through sale or used as collateral in the inter-bank market should the need for liquidity arise. The Bank's policy with regards to the maturity gap between the monetary assets and liabilities is to determine a gap limit which is adjusted to the Bank's ability to obtain immediate liquidity.

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**49. MATURITY PROFILE (continued)**

The maturity profile of the Bank's assets and liabilities is as follows (continued):

December 31, 2004

Description	Total	No Maturity Contract	< 1 mth	1 mth - 3 mth	>3 mth < 6 mth	>6 mth < 12 mth	>12 mth
<b>Assets</b>							
Cash	2,439,465	-	2,439,465	-	-	-	-
Current accounts with Bank Indonesia	15,986,630	-	15,986,630	-	-	-	-
Current accounts with other banks - net	650,631	-	650,631	-	-	-	-
Placements with Bank Indonesia and other banks - net	14,180,058	-	13,403,697	58,677	717,684	-	-
Securities - net	12,504,729	-	9,149,299	206,490	228,344	139,015	2,781,581
Government Recapitalization Bonds	93,081,021	-	470,472	940,943	1,411,137	1,891	90,256,578
Other receivables - trade transactions - net	1,939,179	-	361,548	744,759	824,913	7,843	116
Securities bought with agreements to resell	703,334	-	475,200	-	-	228,134	-
Derivative receivables - net	285,256	-	17,398	31,306	107,925	-	128,627
Loans - net	85,766,901	-	4,771,966	9,656,276	5,906,408	10,230,606	55,201,645
Acceptances receivable - net	5,094,102	-	1,241,876	2,113,459	1,222,348	510,913	5,506
Investments in shares of stock - net	8,849	8,849	-	-	-	-	-
Premises and equipment - net	5,483,628	5,483,628	-	-	-	-	-
Deferred tax assets - net	2,252,144	2,252,144	-	-	-	-	-
Accrued income	1,145,139	-	1,145,139	-	-	-	-
Receivables	3,256,714	-	-	-	-	3,256,714	-
Others - net	3,378,047	1,800,182	31,597	-	1,207,926	338,342	-
<b>Total Assets</b>	<b>248,155,827</b>	<b>9,544,803</b>	<b>50,144,918</b>	<b>13,751,910</b>	<b>11,626,685</b>	<b>14,713,458</b>	<b>148,374,053</b>
<b>Liabilities</b>							
Liabilities immediately payable	546,277	-	546,277	-	-	-	-
Demand deposits	41,083,330	-	41,083,330	-	-	-	-
Savings deposits	53,533,402	-	53,533,402	-	-	-	-
Time deposits	81,221,614	-	59,035,196	13,299,590	4,219,384	2,588,009	2,079,435
Certificates of deposit	25	-	25	-	-	-	-
Deposits from other banks	970,816	-	970,816	-	-	-	-
- Demand deposits	970,816	-	970,816	-	-	-	-
- Inter-bank call money	1,964,360	-	1,964,360	-	-	-	-
- Time deposits	9,104,019	-	8,879,559	179,666	745	20,809	23,240
Securities sold with agreements to repurchase	2,913,632	-	2,010	-	1,037,500	-	1,874,122
Derivative payables	66,968	-	22,092	20,650	11	-	24,215
Acceptances payable	5,241,388	-	1,277,471	2,174,675	1,261,764	521,920	5,558
Securities issued	3,993,980	-	906,572	83,003	-	157,845	2,846,560
Fund borrowings	7,066,493	-	1,059,858	853,716	3,511,081	314,167	1,327,671
Estimated losses on commitments and contingencies	565,898	565,898	-	-	-	-	-
Accrued expenses	729,753	-	729,753	-	-	-	-
Taxes payable	496,124	-	160,760	335,364	-	-	-
Other liabilities	5,649,817	5,156,708	-	-	-	493,109	-
Subordinated loans	6,816,206	-	10,197	-	14,096	2,383,944	4,407,969
Loan capital	1,253,475	-	-	-	-	1,253,475	-
<b>Total Liabilities</b>	<b>223,217,577</b>	<b>5,722,606</b>	<b>170,181,678</b>	<b>16,946,664</b>	<b>10,044,581</b>	<b>7,733,278</b>	<b>12,588,770</b>
<b>Net Assets/(Liabilities)</b>	<b>24,938,250</b>	<b>3,822,197</b>	<b>(120,036,760)</b>	<b>(3,194,754)</b>	<b>1,582,104</b>	<b>6,980,180</b>	<b>135,785,283</b>

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**49. MATURITY PROFILE (continued)**

The maturity profile of the Bank's assets and liabilities is as follows: (continued)

December 31, 2003

Description	Total	No Maturity Contract	< 1 mth	1 mth - 3 mth	>3 mth < 6 mth	>6 mth < 12 mth	>12 mth
<b>Assets</b>							
Cash	2,228,671	-	2,228,671	-	-	-	-
Current accounts with Bank Indonesia	12,157,316	-	12,157,316	-	-	-	-
Current accounts with other banks - net	328,855	-	328,855	-	-	-	-
Placements with Bank Indonesia and other banks - net	10,141,761	-	10,141,761	-	-	-	-
Securities - net	13,012,128	-	10,236,538	297,156	320,023	308,128	1,850,283
Government Recapitalization Bonds	122,906,853	-	560,685	1,121,369	1,683,043	3,061,228	116,480,528
Other receivables - trade transactions - net	1,406,422	-	878,556	309,099	218,185	582	-
Derivative receivables - net	1,039,791	-	23,039	313,902	2,443	3,223	697,184
Loans - net	66,842,664	-	3,055,219	6,921,077	6,014,507	8,581,204	42,270,657
Acceptances receivable - net	3,116,110	-	1,010,779	1,076,952	747,911	280,468	-
Investments in shares of stock - net	12,722	12,722	-	-	-	-	-
Premises and equipment - net	5,384,372	5,384,372	-	-	-	-	-
Deferred tax assets - net	2,338,107	2,338,107	-	-	-	-	-
Accrued income	1,634,516	-	1,634,516	-	-	-	-
Receivables	2,819,848	-	-	-	-	-	2,819,848
Others - net	4,065,418	2,414,065	377,155	-	1,000,000	274,198	-
<b>Total Assets</b>	<b>249,435,554</b>	<b>10,149,266</b>	<b>42,633,090</b>	<b>10,039,555</b>	<b>9,986,112</b>	<b>12,509,031</b>	<b>164,118,500</b>
<b>Liabilities</b>							
Liabilities immediately payable	889,710	-	889,710	-	-	-	-
Demand deposits	38,231,656	-	38,231,656	-	-	-	-
Savings deposits	41,307,433	-	41,307,433	-	-	-	-
Time deposits	99,271,665	-	67,241,210	20,384,523	6,820,222	2,976,121	1,849,589
Certificates of deposit	36	-	36	-	-	-	-
Deposits from other banks		-					
- Demand deposits	611,864	-	611,864	-	-	-	-
- Inter-bank call money	1,022,441	-	1,022,441	-	-	-	-
- Time deposits	10,042,215	-	7,988,645	1,665,170	232,768	138,748	16,884
Securities sold with agreements to repurchase	4,405,677	-	63,177	-	-	-	4,342,500
Derivative payables	23,777	-	18,606	345	287	-	4,539
Acceptances payable	3,264,872	-	1,050,729	1,125,418	801,368	287,357	-
Securities issued	4,312,612	-	489,180	-	-	-	3,823,432
Fund borrowings	8,535,169	-	106,910	491,781	4,513,121	368,377	3,054,980
Estimated losses on commitments and contingencies	572,267	572,267	-	-	-	-	-
Accrued expenses	517,338	-	517,338	-	-	-	-
Taxes payable	601,304	-	120,984	480,320	-	-	-
Other liabilities	7,415,961	7,030,052	-	-	-	304,506	81,403
Subordinated loans	5,118,484	-	15,148	-	300,626	875,485	3,927,225
Loan capital	2,892,375	-	-	-	-	-	2,892,375
<b>Total Liabilities</b>	<b>229,036,856</b>	<b>7,602,319</b>	<b>159,675,067</b>	<b>24,147,557</b>	<b>12,668,392</b>	<b>4,950,594</b>	<b>19,992,927</b>
<b>Net Assets/(Liabilities)</b>	<b>20,398,698</b>	<b>2,546,947</b>	<b>(117,041,977)</b>	<b>(14,108,002)</b>	<b>(2,682,280)</b>	<b>7,558,437</b>	<b>144,125,573</b>



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**49. MATURITY PROFILE (continued)**

The maturity profile of the Bank's assets and liabilities is as follows: (continued)

April 30, 2003 (after quasi-reorganization)

Description	Total	No Maturity Contract	< 1 mth	1 mth - 3 mth	>3 mth < 6 mth	>6 mth < 12 mth	>12 mth
<b>Assets</b>							
Cash	1,846,539	-	1,846,539	-	-	-	-
Current accounts with Bank Indonesia	9,643,221	-	9,643,221	-	-	-	-
Current accounts with other banks - net	412,651	-	412,651	-	-	-	-
Placements with Bank Indonesia and other banks - net	7,019,538	-	6,857,704	35,713	-	126,121	-
Securities - net	14,133,439	-	12,566,519	322,178	42,242	7,883	1,194,617
Government Recapitalization Bonds	150,332,380	-	2,029,644	1,227,148	1,751,586	3,464,133	141,859,869
Other receivables - trade transactions - net	573,185	-	241,951	108,618	200,513	22,103	-
Derivative receivables - net	417,761	-	1,448	21,619	7,148	821	386,725
Loans - net	59,320,887	-	4,527,521	6,509,196	5,301,057	7,461,067	35,522,046
Acceptances receivable - net	2,688,233	-	754,740	819,611	730,242	383,640	-
Investments in shares of stock - net	122,271	122,271	-	-	-	-	-
Premises and equipment - net	2,043,088	2,043,088	-	-	-	-	-
Deferred tax assets - net	2,923,968	2,923,968	-	-	-	-	-
Accrued income	3,232,512	-	3,232,512	-	-	-	-
Receivables	2,810,862	-	-	-	-	-	2,810,862
Others - net	3,765,374	3,109,582	-	-	-	655,792	-
<b>Total Assets</b>	<b>261,285,909</b>	<b>8,198,909</b>	<b>42,114,450</b>	<b>9,044,083</b>	<b>8,032,788</b>	<b>12,121,560</b>	<b>181,774,119</b>
<b>Liabilities</b>							
Liabilities immediately payable	443,908	-	443,908	-	-	-	-
Demand deposits	33,467,719	-	33,467,719	-	-	-	-
Savings deposits	30,130,336	-	30,130,336	-	-	-	-
Time deposits	123,626,343	-	78,414,149	18,124,025	12,271,316	13,540,239	1,276,614
Certificates of deposit	119	-	119	-	-	-	-
Deposits from other banks	-	-	-	-	-	-	-
- Demand deposits	285,423	-	285,423	-	-	-	-
- Inter-bank call money	1,574,947	-	1,574,947	-	-	-	-
- Time deposits	11,930,461	-	10,726,549	993,644	205,993	4,275	-
Securities sold with agreements to repurchase	735,000	-	-	-	-	735,000	-
Derivative payables	13,128	-	1,158	5,294	4,779	1,165	732
Acceptances payable	2,791,637	-	772,601	854,167	774,564	390,305	-
Securities issued	4,053,877	-	263,808	9,977	-	-	3,780,092
Fund borrowings	12,658,279	-	1,211,549	3,628,476	325,688	1,207,756	6,284,810
Estimated losses on commitments and contingencies	1,488,315	1,488,315	-	-	-	-	-
Accrued expenses	974,474	-	974,474	-	-	-	-
Taxes payable	1,091,009	-	177,936	913,073	-	-	-
Other liabilities	9,906,046	7,297,497	-	2,555,358	-	-	53,191
Subordinated loans	5,901,077	-	184	162,000	304,237	1,222,207	4,212,449
Loan capital	2,926,193	-	-	-	-	-	2,926,193
<b>Total Liabilities</b>	<b>243,998,291</b>	<b>8,785,812</b>	<b>158,444,860</b>	<b>27,246,014</b>	<b>13,886,577</b>	<b>17,100,947</b>	<b>18,534,081</b>
<b>Net Assets/(Liabilities)</b>	<b>17,287,618</b>	<b>(586,903)</b>	<b>(116,330,410)</b>	<b>(18,201,931)</b>	<b>(5,853,789)</b>	<b>(4,979,387)</b>	<b>163,240,038</b>

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**50. SEGMENT INFORMATION**

The Bank considers the nature of business as the primary segment, and geographical areas as the secondary segment. The business activities of the Bank and its Subsidiaries and its geographical locations are as follows:

Name of Company	Nature of Business	Location
PT Bank Mandiri (Persero) Tbk. (Parent)	Commercial Banking	Indonesia, Singapore, Hong Kong, Grand Cayman and Timor Leste
PT Bank Syariah Mandiri (Subsidiary)	Syariah Banking	Indonesia
Bank Mandiri (Europe) Limited (Subsidiary)	Commercial Banking	United Kingdom
PT Mandiri Sekuritas (Subsidiary)	Securities	Indonesia
PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri) (Subsidiary) (Note 2b)	Insurance	Indonesia
Others		
PT Bumi Daya Plaza (Subsidiary) and its subsidiaries	Property management	Indonesia
PT Usaha Gedung Bank Dagang Negara (Subsidiary) and its subsidiaries	Property management	Indonesia

Inter-segment transactions are made under the same terms and conditions as with other parties.

*Primary Segment Information for the year ended December 31, 2004 \*)*

	Banking	'Syariah' Banking	Securities	Insurance	Others	Elimination	Consolidated
Operating income	22,243,815	695,387	250,533	-	70,679	-	23,260,414
Inter-segment operating income	189,123	-	5,282	-	-	(194,405)	-
Operating income including inter-segment operating income	22,432,938	695,387	255,815	-	70,679	(194,405)	23,260,414
Operating expenses	14,951,923	554,745	163,462	-	69,685	-	15,739,815
Inter-segment operating expenses	5,282	-	-	-	-	(5,282)	-
Operating expenses including inter-segment operating expenses	14,957,205	554,745	163,462	-	69,685	(5,282)	15,739,815
Profit from operations	7,475,733	140,642	92,353	-	994	(189,123)	7,520,599
Net profit	5,255,561	103,447	62,988	-	22,758	(189,123)	5,255,631
Total assets	240,436,505	6,869,949	1,435,684	-	1,892,203	(2,478,514)	248,155,827
Total assets (as a percentage of total consolidated assets prior to elimination)	95.93%	2.74%	0.57%	0.00%	0.76%		

\*) Excludes PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri) (not consolidated) as 51% of the ownership previously held by Bank Mandiri has been sold to National Mutual International Pty. Ltd., member of AXA Group, on November 5, 2003 (Note 2b),

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**50. SEGMENT INFORMATION (continued)**

*Secondary Segment Information for the year ended December 31, 2004 \*)*

	Indonesia (Domestic)	Asia	Europe	Others	Elimination	Consolidated
Operating income	22,833,298	241,968	94,207	90,941	-	23,260,414
Inter-segment operating income	194,405	-	-	-	(194,405)	-
Operating income including inter-segment operating income	23,027,703	241,968	94,207	90,941	(194,405)	23,260,414
Operating expenses	14,905,210	104,849	80,601	649,155	-	15,739,815
Inter-segment operating expenses	5,282	-	-	-	(5,282)	-
Operating expenses including inter-segment operating expenses	14,910,492	104,849	80,601	649,155	(5,282)	15,739,815
Profit from operations	8,117,211	137,119	13,606	(558,214)	(189,123)	7,520,599
Net profit	5,226,014	107,449	13,448	97,843	(189,123)	5,255,631
Total assets	236,144,152	2,933,885	1,617,573	9,938,731	(2,478,514)	248,155,827
Total assets (as a percentage of total consolidated assets prior to elimination)	94.22%	1.17%	0.64%	3.97%		

\*) Excludes PT AXA Mandiri Financial Services (formerly PT Asuransi Jiwa Mandiri) (not consolidated) as 51% of the ownership previously held by Bank Mandiri has been sold to National Mutual International Pty. Ltd., member of AXA Group, on November 5, 2003 (Note 2b),

*Primary Segment Information for the eight-month period ended December 31, 2003*

	Banking	'Syariah' Banking	Securities	Insurance	Others	Elimination	Consolidated
Operating income	17,891,000	242,674	118,066	-	42,677	-	18,294,417
Inter-segment operating income	103,516	-	-	-	-	(103,516)	-
Operating income including inter-segment operating income	17,994,516	242,674	118,066	-	42,677	(103,516)	18,294,417
Operating expenses	12,964,767	229,592	54,064	-	47,379	-	13,295,802
Inter-segment operating expense	10,718	-	-	-	-	(10,718)	-
Operating expense including inter-segment operating expenses	12,975,485	229,592	54,064	-	47,379	(10,718)	13,295,802
Profit from operations	5,019,031	13,082	64,002	-	(4,702)	(92,798)	4,998,615
Net profit	3,238,604	12,471	57,280	-	13,017	(92,798)	3,228,574
Total assets	247,098,477	3,422,769	1,082,925	-	288,793	(2,457,410)	249,435,554
Total assets (as a percentage of total consolidated assets prior to elimination)	98.10%	1.36%	0.43%	0.00%	0.11%		

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**50. SEGMENT INFORMATION (continued)**

*Secondary Segment Information for the eight-month period ended December 31, 2003*

	Indonesia (Domestic)	Asia	Europe	Others	Elimination	Consolidated
Operating income	17,538,883	168,055	53,590	533,889	-	18,294,417
Inter-segment operating Income	103,516	-	-	-	(103,516)	-
Operating income including inter-segment operating income	17,642,399	168,055	53,590	533,889	(103,516)	18,294,417
Operating expenses	12,688,727	93,723	43,499	469,853	-	13,295,802
Inter-segment operating expenses	10,718	-	-	-	(10,718)	-
Operating expenses including inter-segment operating expense	12,699,445	93,723	43,499	469,853	(10,718)	13,295,802
Profit from operations	4,942,954	74,332	10,091	64,036	(92,798)	4,998,615
Net profit	3,143,826	103,153	10,357	64,036	(92,798)	3,228,574
Total assets	230,417,927	3,566,625	1,286,741	16,621,671	(2,457,410)	249,435,554
Total assets (as a percentage of total consolidated assets prior to elimination)	91.47%	1.42%	0.51%	6.60%		

*Primary Segment Information for the four-month period ended April 30, 2003*

	Banking	'Syariah' Banking	Securities	Insurance	Others	Elimination	Consolidated
Operating income	10,877,483	91,963	6,131	6,155	26,996	-	11,008,728
Inter-segment operating income	45,751	-	-	-	-	(45,751)	-
Operating income including inter-segment operating income	10,923,234	91,963	6,131	6,155	26,996	(45,751)	11,008,728
Operating expenses	9,080,615	81,242	7,183	5,742	18,999	-	9,193,781
Inter-segment operating expenses	15,839	-	-	-	-	(15,839)	-
Operating expenses including inter-segment operating expenses	9,096,454	81,242	7,183	5,742	18,999	(15,839)	9,193,781
Profit from operations	1,826,780	10,721	(1,052)	413	7,997	(29,912)	1,814,947
Net profit	1,362,651	5,197	8,882	348	10,349	(29,912)	1,357,515
Total assets	261,056,979	1,965,513	729,870	12,245	277,800	(2,756,498)	261,285,909
Total assets (as a percentage of total consolidated assets prior to elimination)	98.87%	0.74%	0.28%	0.00%	0.11%		

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**50. SEGMENT INFORMATION (continued)**

*Secondary Segment Information for the four-month period ended April 30, 2003*

	Indonesia (Domestic)	Asia	Europe	Others	Elimination	Consolidated
Operating income	10,661,690	75,655	26,091	245,292	-	11,008,728
Inter-segment operating Income	45,751	-	-	-	(45,751)	-
Operating income including inter-segment operating income	10,707,441	75,655	26,091	245,292	(45,751)	11,008,728
Operating expenses	8,910,832	64,592	20,955	197,402	-	9,193,781
Inter-segment operating expenses	15,839	-	-	-	(15,839)	-
Operating expenses including inter-segment operating expenses	8,926,671	64,592	20,955	197,402	(15,839)	9,193,781
Profit from operations	1,780,770	11,063	5,136	47,890	(29,912)	1,814,947
Net profit	1,320,233	14,169	5,135	47,890	(29,912)	1,357,515
Total assets	238,452,542	4,776,480	1,269,289	19,544,096	(2,756,498)	261,285,909
Total assets (as a percentage of total consolidated assets prior to elimination)	90.31%	1.81%	0.48%	7.40%		

**51. CAPITAL ADEQUACY RATIO**

The Capital Adequacy Ratio (CAR) is the ratio of the Bank's capital over its Risk-Weighted Assets (RWA). Under Bank Indonesia regulations, total capital includes core (Tier I) capital and supplementary (Tier II) capital less investments in subsidiaries. The CAR of Bank Mandiri (Bank Mandiri only) as of December 31, 2004 and 2003, and April 30, 2003 was 25.28%, 27.72% and 27.05%, respectively, and calculated as follows:

	December 31, 2004	December 31, 2003	April 30, 2003
Capital:			
Tier I *)	20,214,560	17,859,230	15,942,685
Tier II	9,189,588	9,342,931	6,964,107
Less:			
Investments in subsidiaries	(1,867,664)	(1,738,445)	(1,704,746)
Total capital	27,536,483	25,463,716	21,202,046
Total Risk-Weighted Assets	108,934,763	91,855,132	78,375,774
<b>CAR</b>	<b>25.28%</b>	<b>27.72%</b>	<b>27.05%</b>
Minimum CAR	8%	8%	8%

\*) Excludes the impact of deferred tax assets of Rp673,141, Rp585,071 and RpNil as of December 31, 2004 and 2003, and April 30, 2003, and unrealized losses on available-for-sale securities and Government Recapitalization Bonds of Rp404,001 and Rp1,861,316 as of December 31, 2004 and 2003, and unrealized gains on available-for-sale securities and Government Recapitalization Bonds of Rp1,299,210 as of April 30, 2003.

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**51. CAPITAL ADEQUACY RATIO (continued)**

In accordance with BI regulations, the Bank has considered market risk in preparing its Capital Adequacy Ratio (CAR) calculation. The minimum capital adequacy required which has considered market risk as of December 31, 2004 was Rp412,874 (unaudited), therefore the CAR which has considered market risk and credit risk is 24.48% (unaudited).

**52. NET OPEN POSITION**

The Net Open Position (NOP) ratio of Bank Mandiri (Bank Mandiri only) was 3.32%, 2.85% and 2.67% as of December 31, 2004 and 2003, and April 30, 2003, respectively. Based on Bank Indonesia's Decision Letter No. 5/13/PBI/2003 dated July 17, 2003, which has been amended by Bank Indonesia's Decision Letter No. 6/20/PBI/2004 effective August 2, 2004, banks are required to maintain a net open position of a maximum of 20% of the sum of Core Capital (Tier I) and Supplementary Capital (Tier II) in the middle and end of business day. In accordance with Bank Indonesia guidelines, the aggregate net open position ratio is the sum of the absolute values of the net difference between the net assets and liabilities denominated in each foreign currency and the net difference of the receivables and payables of both commitments and contingencies recorded in the administrative accounts denominated in each currency, which are stated in Rupiah. The Net Open Position for balance sheets is the sum of the absolute values of the net difference between the net assets and liabilities in the balance sheets denominated in each currency which are stated in Rupiah.

The NOP by currency of Bank Mandiri (Bank Mandiri only) as of December 31, 2004 was as follows:

Currency	Assets	Liabilities	Absolute Open Position
<b>ON-BALANCE SHEET</b>			
United States Dollar	45,304,043	45,270,883	33,160
Singapore Dollar	1,644,486	1,531,252	113,234
Euro	351,764	592,691	240,927
Japanese Yen	260,764	253,688	7,076
Hong Kong Dollar	207,031	103,945	103,086
British Pound Sterling	32,569	37,136	4,567
Australian Dollar	44,520	14,877	29,643
Others	22,959	45,242	22,283
<b>Total</b>			<b>553,976</b>
<b>OFF-BALANCE SHEET</b>			
United States Dollar	5,423,879*)	4,823,758	600,121
Euro	319,089	-	319,089
British Pound Sterling	118,822	100,913	17,909
Singapore Dollar	16,320	99,572	83,252
Japanese Yen	1,411	5,400	3,989
<b>Total</b>			<b>1,024,360</b>
<b>Total Absolute Open Position</b>			<b>912,869</b>
<b>Total Tier I and II Capital</b>			
less investments in subsidiaries (Note 51)			27,531,325
<b>NOP Ratio (On-Balance Sheet)</b>			<b>2.01%</b>
<b>NOP Ratio (Off-Balance Sheet)</b>			<b>3.72%</b>
<b>NOP ratio</b>			<b>3.32%</b>

\*) include hedge bonds of Rp2,822,552 (Note 7).

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**52. NET OPEN POSITION (Continued)**

The Net Open Position by currency of Bank Mandiri (Bank only) as of December 31, 2003 is as follows:

Currency	Assets	Liabilities	Absolute Open Position
United States Dollar	66,453,280*)	67,030,133	576,853
Euro	444,648	425,908	18,740
Singapore Dollar	121,430	164,209	42,779
Japanese Yen	99,790	114,213	14,423
British Pound Sterling	33,830	35,299	1,469
Australian Dollar	24,640	30,205	5,565
New Zealand Dollar	11,546	-	11,546
Hong Kong Dollar	10,286	4,721	5,565
Malaysian Ringgit	-	32,313	32,313
Others	31,249	14,501	16,748
Total Absolute Open Position			<u>726,001</u>
Total Tier I and II Capital less investments in subsidiaries (Note 51)			<u>25,463,716</u>
<b>NOP Ratio</b>			<b><u>2.85%</u></b>

\*) include hedge bonds of Rp8,986,456 (Note 7).

The Net Open Position by currency of Bank Mandiri (Bank Mandiri only) as of April 30, 2003 was as follows:

Currency	Assets	Liabilities	Absolute Open Position
United States Dollar	68,073,824*)	67,911,758	162,066
Singapore Dollar	1,960,613	1,678,808	281,805
Japanese Yen	1,295,915	1,317,574	21,659
Euro	500,543	493,212	7,331
Australian Dollar	20,455	18,638	1,817
British Pound Sterling	34,897	23,162	11,735
Malaysian Ringgit	-	32,993	32,993
Hong Kong Dollar	34,156	279	33,877
Others	23,420	10,595	12,825
Total Absolute Open Position			<u>566,108</u>
Total Tier I and II Capital less investments in subsidiaries (Note 51)			<u>21,202,046</u>
<b>NOP Ratio</b>			<b><u>2.67%</u></b>

\*) include hedge bonds of Rp14,262,027 (Note 7).

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**53. NON-PERFORMING EARNING ASSETS RATIO, TOTAL ALLOWANCE FOR POSSIBLE LOSSES ON EARNING ASSETS RATIO AND SMALL-SCALE LOANS RATIO**

Non-performing earning assets to total earning assets were 3.61%, 3.52% and 3.07% (Bank Mandiri only: 3.65%, 3.54% and 3.09%) as of December 31, 2004 and 2003, and April 30, 2003, respectively. The Non-Performing Loans (NPL) ratio (Bank Mandiri only) before being deducted by the allowance for possible losses (gross basis) is 7.43%, 8.84% and 8.95% as of December 31, 2004 and 2003, and April 30, 2003, respectively (Note 11A.c).

The total allowance for possible losses on earning assets provided by Bank Mandiri (Bank Mandiri only) compared to the minimum allowance for possible losses on earning assets under the guidelines prescribed by Bank Indonesia were 133%, 141% and 149% as of December 31, 2004 and 2003, and April 30, 2003, respectively.

The small-scale loans to total loans ratio (Bank Mandiri only) was 4.42%, 4.40% and 4.07% as of December 31, 2004 and 2003, and April 30, 2003, respectively.

**54. CUSTODIAL AND TRUST OPERATIONS**

*Custodial Operations*

Bank Mandiri started rendering custodial services in 1995. The operating license for custodial services was renewed and re-issued based on Bapepam Decision Letter No. KEP.01/PM/Kstd/1999 dated October 4, 1999. On December 20, 2001, Bank Mandiri Custodial Services has received Quality Certification ISO 9001:2000. The Custodial Services Business (CSB), which is part of the Securities Services Department (SSD) of Bank Mandiri, provides a full range of custodial services such as:

- a. Settlement and handling services for scrip and scripless trading transactions.
- b. Registration of securities with Biro Administrasi Efek, and splitting and merging of securities.
- c. Safekeeping and administration of securities and other valuable assets.
- d. Corporate action services related to the rights on the securities.
- e. Proxy services for its customers' shareholders' meetings and obligation holders' meetings.
- f. International services i.e. American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), which are required by entities listed on the domestic and overseas exchanges (dual listing).
- g. Sub-registry services for settlement of transactions of Indonesian recapitalization bonds ("Government Recapitalization Bonds") as well as SBIs.
- h. Escrow agent.
- i. As sub-custody agent for Euroclear transactions.

Bank Mandiri has 304, 266 and 269 custodial customers as of December 31, 2004 and 2003, and April 30, 2003, respectively. The customers are primarily pension funds, insurance companies, banks, securities companies, mutual funds and other private companies with a total portfolio value as of December 31, 2004 of Rp51,350,943 and US\$221,426,459 (full amount).

Bank Mandiri carries insurance on custodial services against safekeeping and transit loss under blanket policies amounting to approximately Rp205,000. Management is of the opinion that the insurance coverage is adequate to cover possible losses from safekeeping and transit risks.



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**54. CUSTODIAL AND TRUST OPERATIONS (continued)**

*Trust Operations*

Bank Mandiri had been rendering trustee services since 1983 (legacy banks: Bank Exim, BDN, BBD and Bapindo). The operating license for trustee services was renewed and re-registered with Bapepam as stipulated in Decision Letter No. 17/STTD-WA/PM/1999 dated October 27, 1999. The Trustee Services Business (TSB), which is part of the Securities Services Department (SSD) of Bank Mandiri, provides a full range of the following services:

- a. Preparing documentation support to bond issuers in complying with required documents for issuance.
- b. Signing trustee agreements and other relevant documents together with bond issuers and other related institutions.
- c. Monitoring performance of issuers and compliance against required documentation as stipulated in trustee agreements on behalf of bondholders.
- d. Facilitating bondholder meetings and following up and executing the results of bondholder meetings, as required.
- e. Providing information on issuers' performance as requested by Bapepam or bondholders.
- f. Managing the sinking fund and other collateral as required by a bond's issuance and terms and conditions.
- g. Paying agent for bonds issue, shares, MTN and others.
- h. Escrow agent and security agent.

Bank Mandiri had 34, 27 and 22 trustee customers as of December 31, 2004 and 2003, and April 30, 2003, respectively. The total value of bonds issued amounted to Rp9,703,487 and US\$100,000,000 (full amount), while the sinking funds managed on behalf of bond issuers as of December 31, 2004 amounted to Rp19,000 and the escrow account amounted to Rp1,363,225 on behalf of seven customers.

**55. CHANNELING LOANS**

Channeling loans based on sources of funds and economic sectors are as follows:

	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>April 30, 2003</b>
Government:			
Electricity, gas and water	9,414,882	9,722,709	9,564,015
Transportation and communications	5,335,880	6,604,057	7,089,813
Agriculture	1,737,072	1,694,085	1,692,122
Manufacturing	839,980	854,454	630,553
Mining	99,738	101,812	118,731
Construction	17,015	18,489	20,307
Others	122,847	128,342	138,378
	<b>17,567,414</b>	<b>19,123,948</b>	<b>19,253,919</b>

Bank Mandiri has been appointed to administer channeling loans in various foreign currencies received by the Government of Indonesia from various bilateral and multilateral financing institutions, such as, The Export Import Bank of Japan, ASEAN Japan Development Fund, Overseas Economic Cooperation Fund, International Bank for Reconstruction and Development, Nordiska Investeringbanken, Kreditanstalt Fur Wiederaufbau, Sumitomo, US AID, Barclays Bank, Bank of China, CN Lyonnais, Unibank, Bank of Austria, Ryobhin Hong Kong, Export Finance and Insurance Cooperation - Australia, Mitsubishi Corporation, Chartered West LB, Banque Indosuez, Hitachi Zosen, NEC Corporation, Banque Francais du Comm, US Exim Bank, and Banque Paribas, for financing projects in Indonesia.

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**55. CHANNELING LOANS (continued)**

Channeling loans are not recognized in the consolidated balance sheets as the credit risk is not borne by the Bank or its Subsidiaries. Bank Mandiri's responsibilities under the above arrangements include, among others, collections from borrowers and payments to the Government of principal, interest and other charges and the maintenance of loan documentation. As compensation, Bank Mandiri receives an annual administration fee which varies from 0.15% - 0.4% of the loan balances.

**56. RISK MANAGEMENT**

The Bank has implemented new risk management procedures and has issued risk management guidance and policies. These policies are in process of revision to comply with Bank Indonesia's Regulations regarding the Implementation of Risk Management for Commercial Banking No. 5/8/PBI/2003 dated May 19, 2003 as well as Circular Letter No. 5/21/DPNP dated September 29, 2003 regarding Implementation of Risk Management for Banks. Implementation of risk management is not only required for credit risk, market risk and operational risk, but also liquidity risk, legal risk, reputation risk, strategic risk and compliance risk.

The Bank has a risk management organizational structure which is centralized and independent with the establishment of the Risk Management Directorate on August 1, 2001, and the Risk and Capital Committee on October 10, 2001. The Risk and Capital Committee performs the functions of the Risk Management Committee and the Asset Liability Committee (ALCO). Based on Board of Directors' decision letter dated December 12, 2003, the Bank has re-organized the structure of the organization, duties, responsibilities and regulations and membership of the Risk and Capital Committee.

The Risk Management Directorate performs the functions of identifying, assessing, monitoring and managing all principal risks in accordance with defined policies and procedures. The Risk Management Directorate is divided into 2 main functions: 1) Credit approval as a part of the four-eye principle, and 2) Independent Risk Management as an independent function of credit and portfolio risk, operational risk and market risk management. This directorate is managed by a director of the Bank in charge for risk management, who is also a voting member of the Risk and Capital Committee.

The Risk and Capital Committee is a committee that is made up of members of the Board of Directors and Group Heads from various units. The Risk and Capital Committee is led by the President Director and supported by permanent and contributing members who are responsible for establishing Bank-wide risk management policies, such as reviewing internal limits, establishing credit policies and policies related to the determination of interest rates for funding and credit, monitoring the implementation of credit policies and procedures and establishing the criteria for risk identification, measurement and mitigation.

*Credit Risk*

The Bank has written credit policies and guidelines on loan administration, which includes the Bank Mandiri Loan Policy Manual, Loan Administration Guidelines, and various circular letters that constitute a more detailed administration manual. The purpose of the guidelines is to provide a comprehensive formal loan management manual relating to application, approval, recording, monitoring and restructuring processes, including risk analysis and assessment. Bank Mandiri expects to optimize the quality of loan management through appropriate processes that comply with the Basel II New Accord, competitive risk-based price determination, portfolio diversification, collateral adequacy and risk-based determination of performance measurement.

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**56. RISK MANAGEMENT (continued)**

*Market Risk*

Market risk consists of interest rate risk, trading risk, foreign currency exchange risk, derivative instrument risk and liquidity risk.

In managing liquidity risk, the Bank uses an indicator which is known as *liquidity red flags* that consist of several liquidity ratios such as primary reserves, secondary reserves, loans to deposits ratio, concentration of fund sources, inter-bank call money, diversification of fund sources and primary reserves consists of minimum reserves and cash. Bank Indonesia requires banks to maintain a minimum reserve of 8% of third party funds (excluding loans from other banks), and a minimum reserve of 3% out of foreign currency third party funds (including loans from other banks).

The primary method in managing interest rate risk is repricing gap analysis and duration gap. In addition, Bank Mandiri also monitors other indicators to measure interest rate risk based on statistical conditions referred to as Interest Rate Risk Red Flags.

In monitoring treasury trading activities, the Bank has established trading risk limits in the form of Value at Risk (VaR) and dealer limits, and supported by performing Stress Testing, and Back Testing periodically.

The Bank has centralized the operational management of the foreign exchange position within the Treasury Group, which is required to comply with the policies and procedures approved by the Risk and Capital Committee, and also the overall net open position limit set by Bank Indonesia regulations. The Bank has also set an internal Net Open Position (NOP) limit of 5% of core and supplemental capital. The internal policy on NOP limit is determined by the Risk and Capital Committee (RCC) taking into account the volatility of foreign exchange movements.

The Bank also calculates the minimum capital requirement to cover market risk by using the prescribed standard method of Bank Indonesia. In addition, for internal use purposes the Bank also calculates the capital requirement by using an internal model.

*Operational Risk*

The main principle in operational risk management is that risk management is the responsibility of all levels of management, as reflected in their daily activities through risk culture, risk awareness and management style.

Operational Risk Management (ORM) goals are to effectively improve the quality of the activities of the working units in supporting the Bank's goals and targets, in order for the Bank to achieve long term targets and be able to allocate economic capital to each business activity. The operational risk management initiative in Bank Mandiri consists of three major components:

- ORM policies,
- ORM tools, and
- Implementation, including ORM training for all Bank Mandiri employees.

Management of other risks such as legal risk, reputation risk, strategic risk and compliance risk, are coordinated by a risk management unit through the development of policies and risk mitigation procedures. However, operational activities are still under the responsibility of the unit which managed the legal, reputation, strategic and compliance activities.

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**56. RISK MANAGEMENT (continued)**

*Operational Risk (continued)*

Consistent with the above measures, Bank Mandiri is continuing to enhance its risk management by using the *Enterprise Wide-Risk Management* concept which consists of 7 (seven) main components: corporate governance, line management, portfolio management, risk transfer, risk analytics, integrated data source and technology and stakeholders management. These enhancements are in line with the efforts of the Bank to comply with the 3 Pillars - capital requirements, supervisory review process and market discipline of the Basel II New Accord, as well as Bank Indonesia regulations on risk management.

**57. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES**

a. Management Contract

On April 8, 2000, a Management Contract was signed between the Government and Bank Mandiri in connection with the recapitalization of Bank Mandiri as described in Note 1c. The Management Contract provides several requirements and milestones to be fulfilled by Bank Mandiri in accordance with its Business Plan through the end of 2001. The Management Contract (LOI) was ended in 2001 or upon the completion of the Bank's IPO. The Bank's IPO was effective on June 27, 2003.

As of December 31, 2004, Bank Mandiri and the Monitoring Team on the Recapitalization of the Finance Department are in process of amending the LOI.

b. Integrated Banking System Agreement with PT Silverlake Informatikama and Silverlake Corporation

On July 20, 2001, Bank Mandiri entered into an agreement with PT Silverlake Informatikama for the procurement of software and installation services for a total integrated banking system which is called e-MAS, for a total contract value of US\$43,213,657 (full amount). Additional projects have been contracted involving a value of US\$18,606,562 (full amount) on April 23, 2002, of US\$420,000 (full amount) on August 28, 2003 and US\$922,131 (full amount) on April 12, 2004; these projects will be completed in 2005. As of December 31, 2004, the implementation of e-MAS had been completed as planned and US\$59,503,476 (full amount) had been recognized as premises and equipment.

c. Agreements on Procurement and Installation of Automatic Teller Machines (ATMs)

From May 2003 to December 2004, Bank Mandiri has entered into various agreements with PT Multipolar Corporation Tbk., PT NCR Indonesia, PT Mitra Integrasi Komputido, PT Diebold Indonesia and PT Wincor Nixdorf for the procurement and installation of 1,080 ATM units for a total contract value of US\$17,409,839 (full amount) and Rp6,864. As of December 31, 2004, 95 ATM units are still in the process of installation.

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**57. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES**

d. Agreement on Development and Operation of a National Development Information System (SIPNAS)

On December 24, 2002, Bank Mandiri entered into an agreement with the Indonesian State Secretariat, to develop and operate a national development information system (SIPNAS) for an initial period of one year. SIPNAS is a system developed by the Indonesian Government to collect data and information for the Government's decisions for integrated planning and national development.

Based on the agreement, the State Secretariat will utilize the existing Bank's communication network to develop and operate SIPNAS. Bank Mandiri has the potential benefit under this arrangement of being well placed to receive placements of funds from the Government (Dana Alokasi Umum). Currently, a pilot project of the SIPNAS system has been implemented.

e. Agreement with PT Sunprima Nusantara (SNP)

On December 16, 2004, Bank Mandiri has entered into a joint financing agreement with SNP, a multi-finance company. Based on such agreement Bank Mandiri and/or its affiliated companies have an option to become shareholders of SNP if Bank Mandiri disbursed a financing facility to SNP and/or its consumers, either directly or indirectly, of up to Rp1,000,000 or effective 1 (one) year after the signing date of such agreement, whichever is earlier.

The agreement was notarized under deed No. 37 by N.M. Dipo Nusantara Pua Upa, S.H., dated December 16, 2004.

f. Agreement on Implementation of e-Learning

In order to support Bank Mandiri's plan to focus on strategic excellence and operational excellence, the training infrastructure for an e-Learning program was established by the Bank. Bank Mandiri signed a three-year contract (agreement) with PT Mitra Integrasi Komputindo as a representative of Intralearn Asia Pte. Ltd. Singapore involving a total contract value of US\$7,213,200 (full amount) as stipulated in contract letter No. CHC.TRN/TPD.PK.0028/2003 dated July 30, 2003.

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**57. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)**

- g. Commitment Liabilities under Presidential Instruction (*Inpres*) No. 5/2003 Regarding Economic Policy Package Prior and Post Cooperation Agreement with IMF

In relation to *Inpres* No. 5/2003 regarding *Economic Policy Package Prior and Post Cooperation Agreement with the International Monetary Fund (IMF)*, the Government has set up programs in order to optimize domestic economic resources, to maintain and improve the sustainability of the Indonesian economy and especially to strengthen and improve corporate governance in state-owned banks, and requested Bank Mandiri to perform the following steps:

1. Appoint an Independent Commissioner who has capital market expertise;
2. Perform a Quasi-reorganization;
3. Complete the roll-out of new information technology;
4. Set-up a master plan for divestment of subsidiaries, affiliated companies and unproductive assets;
5. Improve internal quality control and internal audit;
6. Improve credit policy;
7. Improve risk management and market risk;
8. Improve funding mix through lower cost funding (savings and demand deposits);
9. Improve recovery of credit write-offs.

Out of the 9 (nine) commitments listed above, items 1 (one) to 7 (seven) have been completed as scheduled while items 8 (eight) and 9 (nine) have been conducted continuously. The completion to the above commitments have been reported to the Government.

- h. Additional Prudential Supervision Requirements from Bank Indonesia

Following meetings between Bank Mandiri and Bank Indonesia on May 23, 2003 and a follow up meeting in August 25, 2003, Bank Indonesia through letter No. 5/8/DGS/DPWB2 dated November 17, 2003 required Bank Mandiri to meet the following conditions before expanding its corporate credit portfolio:

- a. Secondary reserve (liquid assets/total assets)  $\geq$  12% \*)
- b. Cost of funds to total assets ratio  $\leq$  7.5%
- c. Core earning to total assets ratio  $\geq$  1.5%

\*) *Liquid assets are comprised of Current accounts with Other Banks, Placements with Bank Indonesia and Other Banks and Trading and Available-for-Sale Securities, excluding Government recapitalization bonds Government Recapitalization Bonds.*

Based on letter No. 5/87/DPwB2/PwB21 dated December 3, 2003, Bank Indonesia also required Bank Mandiri to achieve a maximum ratio of corporate credit to total credit of 50% by 2004.

Bank Mandiri has demonstrated its efforts to comply with the ratios as required by Bank Indonesia and accordingly had a meeting with Bank Indonesia on December 24, 2004 to discuss the development of Corporate Banking Credit. Based on the result of the meeting the Bank is not required to comply with the ratios if the composition of corporate and non-corporate loans achieve 50%:50% or lower. The Bank has sent a letter to Bank Indonesia No. DIR.CBG/483/2004 dated December 20, 2004 to confirm the meeting result.

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**57. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)**

As at December 31, 2004, the various ratios under the additional prudential supervision requirements were as follows:

Ratios	Actual	Bank Indonesia's Minimum Requirement
a. Secondary reserve	9.95%	≥12%
b. Cost of funds to total assets ratio	4.00%	≤7.5%
c. Core earnings to total assets ratio	2.26%	≥1.5%
d. Corporate credit to total credit ratio	47.82%	50% by 2004

i. Legal Matters

In the ordinary course of business, the Bank is a defendant in various litigation actions and claims with respect to matters such as contractual compliance, government regulations and taxes. Although there can be no assurances, Bank Mandiri believes that based on information currently available, the ultimate resolution of current legal proceedings will not likely have a material adverse effect on the results of its operations, financial position or liquidity. The Bank's total potential exposure arising from outstanding lawsuits as of December 31, 2004 and 2003, and April 30, 2003 amounts to Rp2,822,761, Rp2,014,659 and Rp2,185,124, respectively. As of December 31, 2004 and 2003, and April 30, 2003, Bank Mandiri has provided a provision (included in "Other Liabilities") for a number of lawsuits involving Bank Mandiri amounting to Rp751,707, Rp936,473 and Rp1,428,756, respectively (Note 28). Management believes that the provision is adequate to cover possible losses arising from pending litigation, or litigation cases currently in progress.

j. Contingent Liability to Repurchase Government Recapitalization Bonds Sold to Deutsche Bank

In October 2004, the Bank has sold (outright) Government Recapitalization Bonds Series FR0019 with a nominal value of Rp1,000,000. Following this outright sale, Bank Mandiri entered into a callable zero coupon deposit agreement (the "Agreement") with Deutsche Bank AG, Jakarta Branch whereby the Bank placed a portion of the proceeds as a zero coupon deposit with Deutsche Bank AG, Jakarta Branch with the following terms and conditions:

Deposit amount	: Rp359,666
Effective date	: July 29, 2004
Termination date	: June 15, 2013
Repayment amount	
at termination date	: Rp1,000,000
Early termination option	: Deutsche Bank AG, Jakarta Branch has an early termination option which could be exercised annually at various dates as specified in the Agreement.
Trigger events	: The Government of the Republic of Indonesia, as an issuer of Government Recapitalization Bonds Series FR0019, taking action under the following conditions: <ul style="list-style-type: none"> <li>• Default or late payment of interest</li> <li>• Reduction of interest payment</li> <li>• Reduction of principal payment</li> <li>• Changes of payment priority such as becoming a subordinated debt</li> <li>• Changes in payment currency</li> </ul>

Upon occurrence of a trigger event, Deutsche Bank AG, Jakarta Branch may opt to deliver to Bank Mandiri, Government Recapitalization Bonds Series FR0019 with an outstanding principal balance equal to the value of the deposit at the delivery date.

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**58. ECONOMIC CONDITIONS**

The operations of the Bank have been affected, and may continue to be affected for the foreseeable future by the economic conditions in Indonesia. Despite the recent improvement in the key economic indicators, Indonesian banks have engaged in limited lending activities. Any worsening of the economic conditions, including a significant depreciation of the Rupiah or increase in interest rates, could adversely affect the ability of the Bank's customers (including borrowers and other contractual counterparties) to fulfill their obligations when they mature, and consequently negatively impact the Bank's profitability and its capital adequacy. Economic improvements and sustained recovery are dependent upon several factors such as the fiscal and monetary action being undertaken by the Government and others, actions that are beyond the control of the Bank.

The accompanying consolidated financial statements include the effects of the adverse economic conditions to the extent they can be determined and estimated. It is not possible to determine the future effects a continuation of the adverse economic conditions may have on Bank Mandiri's and its Subsidiaries' liquidity, earnings and realization of their earning assets, including the effects from their customers, creditors, shareholders and other stakeholders. The ultimate effect of these uncertainties on the stated amounts of assets and liabilities at the balance sheet date cannot presently be determined. Related effects will be reported in the consolidated financial statements as they become known and can be estimated.

**59. GOVERNMENT GUARANTEE OF OBLIGATIONS OF LOCALLY INCORPORATED BANKS**

Based on the Decree of the Minister of Finance of Republic Indonesia No. 26/KMK.017/1998 dated January 28, 1998, which was replaced by the Decree of the Minister of Finance No. 179/KMK.017/2000 dated May 26, 2000, the Government of the Republic of Indonesia is guaranteeing certain obligations of locally incorporated banks namely demand deposits, savings, time deposits and deposits on call, bonds, marketable securities, inter-bank placements, fund borrowings, currency swaps and contingent liabilities such as bank guarantees, standby letters of credit and other liabilities, excluding subordinated loans and amounts due to directors, commissioners and related parties.

Based on Joint Decrees of the Directors of Bank Indonesia and Head of IBRA No. 32/46/KEP/DIR and No. 181/BPPN/0599 dated May 14, 1999, the guarantee period is automatically extended, unless otherwise i.e. that within six months from the maturity of this guarantee, IBRA decides not to extend its maturity. In 2001, the Joint Decrees of the Directors of Bank Indonesia and the Head of IBRA were replaced by BI regulation No. 3/7/PBI/2001 and the Decree of the Head of IBRA No. 1035/BPPN/0401.

The Head of IBRA issued Decree No. SK-1036/BPPN/0401 in 2001 that provides for specific operational guidance in respect of the Government of the Republic of Indonesia's Guarantee of obligations of locally incorporated banks.

The Government charges a premium in respect of its guarantee program in accordance with prevailing regulations (Note 44).

Based on Presidential Decree No. 15/2004 dated February 27, 2004 in relation to the termination of IBRA's duties and its dissolution, and Decree of the Minister of Finance No. 84/KMK.06/2004 dated February 27, 2004, the Government of the Republic of Indonesia established Unit Pelaksana Penjaminan Pemerintah, a new institution replacing IBRA, to continue the Government guarantee program for obligations of locally incorporated banks.



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**60. IMPLEMENTATION OF QUASI-REORGANIZATION**

For three consecutive years from 2000 to 2002, Bank Mandiri reported accumulated net profits of Rp7,512,786. However, the Bank still had significant accumulated losses amounting to Rp161,874,901 as of April 30, 2003 (before quasi-reorganization). To eliminate the negative consequences of being burdened by its accumulated losses, the shareholder approved a quasi-reorganization as of May 29, 2003.

In relation to the quasi-reorganization, the Bank determined that the fair value of all assets and liabilities was higher than the historical net book value as at April 30, 2003, the date of the quasi-reorganization. Therefore, the Bank eliminated the accumulated losses against the additional paid-in capital/agio without adjusting the asset and liability accounts to their fair values. Moreover, the net profit during the four-month period ended April 30, 2003 had been included in the accumulated losses account prior to the elimination against additional paid-in capital/agio. The quasi-reorganization adjustments resulted in the elimination of accumulated losses of Rp162,874,901 as of April 30, 2003 against additional paid-in capital/agio.

The Consolidated Balance Sheets as of April 30, 2003, before and after quasi-reorganization, are as follows:

	<b>Before Quasi- Reorganization</b>	<b>After Quasi- Reorganization</b>
<b>ASSETS</b>		
Cash	1,846,539	1,846,539
Current accounts with Bank Indonesia	9,643,221	9,643,221
Current accounts with other banks - net	412,651	412,651
Placements with Bank Indonesia and other banks - net	7,019,538	7,019,538
Securities - net	12,734,855	12,734,855
Government Recapitalization Bonds	150,332,380	150,332,380
Trade documents and other facilities - net	1,971,769	1,971,769
Derivative receivables - net	417,761	417,761
Loans - net	59,320,887	59,320,887
Acceptances receivables - net	2,688,233	2,688,233
Investments in shares of stock - net	122,271	122,271
Premises and equipment - net	2,043,088	2,043,088
Deferred tax assets - net	2,923,968	2,923,968
Other assets - net	9,808,748	9,808,748
<b>TOTAL ASSETS</b>	<b>261,285,909</b>	<b>261,285,909</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Liabilities immediately payable	443,908	443,908
Deposits from customers	187,224,517	187,224,517
Deposits from other banks	13,790,831	13,790,831
Securities sold with agreements to repurchase	735,000	735,000
Derivative payables	13,128	13,128
Acceptances payable	2,791,637	2,791,637
Securities issued	4,053,877	4,053,877
Fund borrowings	12,658,279	12,658,279
Estimated losses on commitments and contingencies	1,488,315	1,488,315
Accrued expenses	974,474	974,474
Taxes payable	1,091,009	1,091,009
Other liabilities	9,906,046	9,906,046
Subordinated loans	5,901,077	5,901,077
Loan capital	2,926,193	2,926,193
<b>TOTAL LIABILITIES</b>	<b>243,998,291</b>	<b>243,998,291</b>
Minority interests in net assets of consolidated subsidiaries	3,238	3,238

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**60. IMPLEMENTATION OF QUASI-REORGANIZATION (continued)**

	Before Quasi- Reorganization	After Quasi- Reorganization
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	4,251,000	4,251,000
Additional paid-in capital/agio	173,550,319	10,675,418
Differences arising from translation of foreign currency financial statements	48,498	48,498
Unrealized gains on available-for-sale securities and Government Recapitalization Bonds	1,299,676	1,299,676
Premises and equipment revaluation increment	9,788	9,788
Retained earnings/(accumulated losses):		
Appropriated	3,155,386	1,000,000
Unappropriated	(165,030,287)	-
	<u>(161,874,901)</u>	<u>1,000,000</u>
Total Shareholder's Equity	<u><b>17,284,380</b></u>	<u><b>17,284,380</b></u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<u><b>261,285,909</b></u>	<u><b>261,285,909</b></u>

At the date of the quasi-reorganization, the Bank did not eliminate appropriated retained earnings amounting to Rp1,000,000 because the Minister of State-Owned Enterprises, as the Bank's shareholder, through Decision Letter No. Kep-154/M-MBU/2002 dated October 29, 2002 approved an increase in the Bank's issued and fully paid-up capital of Rp1,000,000. This increase would be effected through the conversion of the balance of appropriated retained earnings to issued and fully paid-up capital. In addition, based on deed No. 2 of the Shareholder's Meeting regarding Changes in the Articles of Association dated June 1, 2003, prepared in front of Aulia Taufani, SH, as a replacement of Sutjipto, S.H., notary in Jakarta, and Government Regulation No. 26 year 2003 dated May 29, 2003 which included the approval for the increase of the said issued and fully paid-up capital, Bank Mandiri has recorded the transfer of the balance of appropriated retained earnings of Rp1,000,000 to issued and fully paid-up capital.

**61. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK ("INDONESIAN GAAP") AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

The accompanying consolidated financial statements have been prepared in accordance with Indonesian GAAP, which varies in certain significant respects from IFRS. The significant differences relate to the items in the following paragraphs:

a. Allowance for Possible Losses on Earning Assets

Under Indonesian GAAP, the Bank records allowances for possible losses on earning assets using general and specific allowances based on management's estimates and using the guidelines prescribed by Bank Indonesia (BI).

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**61. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK (“INDONESIAN GAAP”) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)**

a. Allowance for Possible Losses on Earning Assets (continued)

Under IAS No. 39 - “Financial Instruments: Recognition and Measurement”, the Bank calculates allowances for possible losses on earning assets based on the difference between the carrying amount of an impaired earning asset and the present value of expected future cash flows discounted at the earning asset’s original effective interest rate. An earning asset is considered impaired when it becomes probable that the Bank will be unable to collect all amounts due according to contractual terms. In addition, the Bank also recognizes allowance for possible losses on unimpaired loans in accordance with BI guidelines on minimum provisions.

b. Estimated Losses on Commitments and Contingencies

Under Indonesian GAAP, the Bank records estimated losses on commitments and contingencies using general and specific allowances based on management’s estimates and using the guidelines prescribed by BI.

Under IFRS, the Bank does not recognize certain of the estimated losses on commitments and contingencies in accordance with the provisions of IAS No. 37 - “Estimated Liabilities, Contingent Liabilities and Contingent Assets”.

c. Derivative Instruments

Under Indonesian GAAP, the Bank applies SFAS (Statements of Financial Accounting Standard) No. 55 - “Accounting for Derivative Instruments and Hedging Activities” which requires that derivative instruments be measured and recognized at their fair values. Prior to October 23, 2003, the fair value of the foreign currency forward transactions has been determined based on Reuters spot rates at the reporting dates in accordance with the reporting guidelines prescribed by Bank Indonesia. On October 23, 2003, Bank Indonesia issued a letter to amend the guidelines and waived the requirement to use spot rates of exchange to revalue foreign currency forward transactions.

Under IAS No. 39 - “Financial Instruments: Recognition and Measurement”, the Bank calculates the fair values of foreign currency forward derivative instruments based on forward rates of exchange at the balance sheet date.

The Bank classifies Government Bonds (Note 7) as originated loans under IFRS and therefore no separate measurement and recognition is required for indexation derivatives that are embedded in the hedge bonds. Originated loans are characterized by assets for which the Bank provided the original funding and are not determined by the form of the instrument that results from the loan origination.

d. Employee Benefits

Under Indonesian GAAP, prior to December 31, 2004, the Bank recognized a provision for employee entitlements under Labor Law No. 13/2003 equal to the present value of the obligation as determined by actuarial reports in accordance with SFAS No. 57 - “Estimated Liabilities, Contingent Liabilities and Contingent Assets”. In October 2004, the Indonesian Institute of Accountants (IAI) published revised SFAS No 24 - “Employee Benefits” which aligned the accounting treatment for employee benefits with IAS No. 19 - “Employee Benefits”. Therefore, upon the adoption of this revised standard on December 31, 2004, the accounting treatment for employee benefits is the same under IFRS and Indonesian GAAP.

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**61. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES FOLLOWED BY THE BANK (“INDONESIAN GAAP”) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)**

d. Employee Benefits (continued)

Under IFRS, Labor Law No. 13/2003, entitlements are accounted for as a defined benefit plan and as such it requires the actuary to use the projected unit credit method of actuarial valuation as mandated by IAS No 19 - “Employee Benefits”. Further, under IFRS, past service cost is recognized on a straight-line basis over the average period until the benefits become vested and any actuarial gain/loss resulting from differences between actuarial assumptions and what has actually occurred and changes in actuarial assumptions does not require amortization unless the change is more than a 10% corridor range of variation, in which event such excess is amortized over the remaining working lives of the employees.

e. Loans Purchased from IBRA

Under Indonesian GAAP, the difference between the outstanding loan principal and purchase price is booked as deferred income if the Bank enters into a new credit agreement with the borrower, and as an allowance for possible losses if the Bank does not enter into a new credit agreement with the borrower. The allowance for loan losses or deferred income is only adjusted once the Bank has recovered the original purchase price.

Under IFRS, the difference between outstanding loan principal and purchase price is booked as deferred income for all loans purchased from IBRA. For performing loans, the deferred income is accreted into income over the life of the loan using the effective interest rate method in accordance with IAS No. 39 - “Financial Instruments: Recognition and Measurement”. For non-performing loans, the deferred income is only adjusted into income once the Bank has recovered the original purchase price.

f. Premises and Equipment

Under Indonesian GAAP, premises and equipment are stated at cost, except for certain premises and equipment used in operations that were revalued in 1979, 1987 and 2003 in accordance with Government regulations, less accumulated depreciation and amortization.

Under IFRS, in accordance with IAS No. 16 - “Property, Plant and Equipment”, premises and equipment continues to be carried at its cost less any accumulated depreciation, rather than at its revalued amount, due to the requirement under IAS 16 to perform such revaluations with “sufficient regularity”.

g. Deferred Income Taxes

The impact on deferred income taxes of the IFRS adjustments has been recognized in accordance with IAS No. 12 - “Income Taxes”. An effective tax rate of 30% has been applied.

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**62. RECONCILIATION OF CONSOLIDATED SHAREHOLDERS' EQUITY AND NET INCOME TO THE AMOUNTS DETERMINED UNDER IFRS**

The following is a summary of the adjustments to the consolidated shareholders' equity as of December 31, 2004 and 2003 and the consolidated net profit for the years then ended, which would be required if IFRS had been applied by the Bank instead of Indonesian GAAP in the preparation of its consolidated financial statements.

	<b>December 31, 2004</b>	<b>December 31, 2003</b>
Shareholders' equity as reported in the consolidated financial statements prepared under Indonesian GAAP	24,934,707	20,395,225
IFRS adjustments - increase/(decrease) due to:		
Allowance for possible losses on earning assets	1,509,761	1,818,761
Estimated losses on commitments and contingencies	561,282	491,135
Employee benefits	-	(25,185)
Accretion of deferred income arising from the purchase of loans from IBRA	65,143	54,777
De-recognition of revaluation of premises and equipment	(2,772,609)	(2,847,910)
Deferred income taxes	190,927	152,527
Net decrease in reported shareholders' equity	(445,496)	(355,895)
<b>Shareholders' equity in accordance with IFRS</b>	<b>24,489,211</b>	<b>20,039,330</b>
	<b>Year Ended December 31, 2004</b>	<b>Year Ended December 31, 2003</b>
Net profit as reported in the consolidated financial statements prepared under Indonesian GAAP	5,255,631	4,586,089
IFRS adjustments - increase/(decrease) due to:		
Allowance for possible losses on earning assets	(309,000)	(662,223)
Estimated losses on commitments and contingencies	70,147	103,960
Change in fair value of derivatives	-	52,333
Employee benefits	25,185	(21,230)
Accretion of deferred income arising from the purchase of loans from IBRA	10,366	54,777
De-recognition of revaluation of premises and equipment	75,301	199,026
Deferred income taxes	38,400	82,007
Net decrease in reported net profit	(89,601)	(191,350)
<b>Net profit in accordance with IFRS</b>	<b>5,166,030</b>	<b>4,394,739</b>
<b>Net earnings per share</b>		
Basic (full amount)	257.68	219.74
Diluted (full amount)	255.39	219.10

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES  
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**63. SUBSEQUENT EVENTS**

Following are the significant events which occurred after the balance sheet date:

a. Bank Indonesia Regulations Issued in January 2005

In January 2005, Bank Indonesia issued various regulations in respect to, among others, Legal Lending Limit, offshore Borrowings, and Assessment of the Quality of Earning Assets. The Bank's management is in the process of evaluating the impact of these regulations to the consolidated financial statements.

b. Amendment to the Bank's Articles of Association

On January 26, 2005, the Bank's Articles of Association have been amended by notarial deed No. 108 of Sutjipto, S.H. which was approved by the Minister of Justice and Human Rights under approval No. C/03680 HT. 01.04.TH.2005, to reflect the exercise of share options under the MSOP (Notes 1a and 32a).

**64. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The management of the Bank is responsible for the preparation of these consolidated financial statements which were completed on February 18, 2005.

*These financial statements are originally issued in the Indonesian language.*

**PT BANK MANDIRI (PERSERO) TBK. AND SUBSIDIARIES  
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**PT BANK MANDIRI (PERSERO) TBK.  
BALANCE SHEETS - PARENT COMPANY ONLY  
DECEMBER 31, 2004 AND 2003, AND APRIL 30, 2003  
(Expressed in millions of Rupiah, unless otherwise stated)**

	December 31, 2004	December 31, 2003	April 30, 2003
			After Quasi- Reorganization
<b>ASSETS</b>			
Cash	2,369,196	2,177,056	1,816,952
Current Accounts with Bank Indonesia	15,585,302	11,980,680	9,573,319
Current Accounts with Other Banks - net of allowance for possible losses of Rp5,902, Rp3,118 and Rp3,286 as of December 31, 2004 and 2003, and April 30, 2003, respectively	584,373	315,258	341,883
Placements with Bank Indonesia and Other Banks - net of allowance for possible losses of Rp89,537, Rp64,144 and Rp69,578 as of December 31, 2004 and 2003, and April 30, 2003, respectively	13,711,630	10,203,669	6,871,598
Securities			
Related parties	306,520	403,654	260,420
Third parties	12,453,730	12,466,123	15,012,132
	12,760,250	12,869,777	15,272,552
Less: Unamortized interest, unrealized gains from increase in value of securities and allowance for possible losses	(1,850,866)	(1,852,853)	(1,891,931)
Net	10,909,384	11,016,924	13,380,621
Government Recapitalization Bonds	92,892,140	122,781,134	150,332,380
Other Receivables - Trade Transactions - net of allowance for possible losses of Rp124,472, Rp85,309 and Rp40,802 as of December 31, 2004 and 2003, and April 30, 2003, respectively	1,939,179	1,406,422	573,185
Securities Purchased with Agreements to Resell - net of allowance for possible losses of Rp4,800, RpNil and RpNil as of December 31, 2004 and 2003, and April 30, 2003, respectively	475,200	-	-
Derivative Receivables - net of allowance for possible losses of Rp2,881, Rp10,343 and Rp4,198 as of December 31, 2004 and 2003, and April 30, 2003, respectively	285,243	1,023,947	415,643
Loans			
Related parties	839,007	916,926	915,264
Third parties	87,705,596	72,393,792	66,703,238
	88,544,603	73,310,718	67,618,502
Less: Allowance for possible losses	(8,367,758)	(8,836,394)	(9,821,174)
Deferred income	(164,964)	(209,574)	(203,946)
Net	80,011,881	64,264,750	57,593,382



**PT BANK MANDIRI (PERSERO) TBK.**  
**BALANCE SHEETS - PARENT COMPANY ONLY (Continued)**  
**DECEMBER 31, 2004 AND 2003, AND APRIL 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	December 31, 2004	December 31, 2003	April 30, 2003
			After Quasi- Reorganization
<b>ASSETS (Continued)</b>			
Acceptances Receivable - net of allowance for possible losses of Rp147,286, Rp148,762 and Rp103,404 as of December 31, 2004 and 2003, and April 30, 2003, respectively	5,087,573	3,116,110	2,680,494
Investments in Shares of Stock - net of allowance for possible losses of Rp78,145, Rp89,693 and Rp27,633 as of December 31, 2004 and 2003, and April 30, 2003, respectively	1,867,303	1,731,202	1,760,660
Premises and Equipment - net of accumulated depreciation and amortization of Rp2,124,921, Rp1,694,789 and Rp1,488,487 as of December 31, 2004 and 2003, and April 30, 2003, respectively	5,290,384	5,249,055	1,921,827
Deferred Tax Assets - net	2,248,600	2,336,670	2,922,870
Other Assets			
Accrued Income	1,136,242	1,630,037	3,219,538
Receivables	3,256,714	2,819,848	2,810,862
Others - net	2,786,161	3,758,975	3,572,476
Total Other Assets	7,179,117	8,208,860	9,602,876
<b>TOTAL ASSETS</b>	<b>240,436,505</b>	<b>245,811,737</b>	<b>259,787,690</b>

**PT BANK MANDIRI (PERSERO) TBK.**  
**BALANCE SHEETS - PARENT COMPANY ONLY (Continued)**  
**DECEMBER 31, 2004 AND 2003, AND APRIL 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	December 31, 2004	December 31, 2003	April 30, 2003
			After Quasi- Reorganization
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Liabilities Immediately Payable	516,709	868,125	404,506
Deposits from Customers:			
Demand deposits			
Related parties	88,067	63,534	50,117
Third parties	39,850,371	37,827,891	33,187,988
	39,938,438	37,891,425	33,238,105
Savings deposits			
Related parties	15,467	8,769	2,406
Third parties	51,981,658	40,545,966	29,678,878
	51,997,125	40,554,735	29,681,284
Time deposits			
Related parties	248,357	529,598	2,397,187
Third parties	77,810,443	97,182,435	120,822,638
	78,058,800	97,712,033	123,219,825
Certificates of deposit - net of unamortized interest of RpNil, Rp7 and Rp20 as of December 31, 2004 and 2003, and April 30, 2003, respectively	25	36	119
Total Deposits from Customers	169,994,388	176,158,229	186,139,333
Deposits from Other Banks:			
Demand deposits	974,451	588,573	291,083
Inter-bank call money	1,964,360	1,022,441	1,574,947
Time deposits	8,528,406	9,900,271	11,875,734
Total Deposits from other banks	11,467,217	11,511,285	13,741,764
Securities Sold with Agreements to Repurchase	2,911,622	4,342,500	735,000
Derivative Payables	66,955	22,312	10,621
Acceptances Payable	5,234,859	3,264,872	2,783,898
Securities Issued - net of unamortized discount of Rp11,136, Rp11,609 and Rp15,428 as of December 31, 2004 and 2003, and April 30, 2003, respectively	3,815,254	4,196,883	4,118,898
Fund Borrowings	6,830,068	8,385,169	12,658,279
Estimated Losses on Commitments and Contingencies	561,872	571,492	1,488,299
Accrued Expenses	681,942	484,216	953,623
Taxes Payable	438,155	587,974	1,080,615
Other Liabilities	5,023,579	7,073,220	9,635,689
Subordinated Loans	6,784,206	5,086,484	5,869,077
Loan Capital	1,253,475	2,892,375	2,926,193
<b>TOTAL LIABILITIES</b>	<b>215,580,301</b>	<b>225,445,136</b>	<b>242,545,795</b>

**PT BANK MANDIRI (PERSERO) TBK.  
BALANCE SHEETS - PARENT COMPANY ONLY (Continued)  
DECEMBER 31, 2004 AND 2003, AND APRIL 30, 2003  
(Expressed in millions of Rupiah, unless otherwise stated)**

	December 31, 2004	December 31, 2003	April 30, 2003
			After Quasi- Reorganization
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (continued)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital - Rp500 (full amount) par value per share (April 30, 2003: Rp1,000,000 (full amount) par value per share); Authorized capital - 1 share Dwiwarna Series A and 31,999,999,999 common shares Series B (April 30, 2003: 16,000,000 shares); Issued and fully paid-up capital - 1 share Dwiwarna Series A and 20,132,854,872 common shares Series B (December 31, 2003: 1 share Dwiwarna Series A and 19,999,999,999 common shares Series B, and April 30, 2003: 4,251,000 shares)	10,066,427	10,000,000	4,251,000
Additional Paid-in Capital/Agio	5,967,897	5,926,418	10,675,418
Differences Arising from Translation of Foreign Currency Financial Statements	3,839	16,092	16,267
Unrealized (Losses)/Gains on Available-for-Sale Securities and Government Recapitalization Bonds	(404,001)	(1,861,316)	1,299,210
Premises and Equipment Revaluation Increment	3,046,936	3,046,936	-
Share Options	13,831	9,897	-
Retained Earnings - (Accumulated losses of Rp162,874,901 were eliminated against additional paid-in capital/agio as a result of quasi-reorganization as of April 30, 2003)			
Appropriated	747,000	-	1,000,000
Unappropriated	5,414,275	3,228,574	-
Total Retained Earnings	6,161,275	3,228,574	1,000,000
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>24,856,204</b>	<b>20,366,601</b>	<b>17,241,895</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>240,436,505</b>	<b>245,811,737</b>	<b>259,787,690</b>

**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF PROFIT AND LOSS - PARENT COMPANY ONLY**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
		<b>For Comparative Purposes</b>		
<b>INCOME AND EXPENSES FROM OPERATIONS</b>				
Interest Income				
Interest income	17,909,305	24,696,316	15,426,254	9,270,062
Fees and commissions on loan facilities	477,659	470,481	312,009	158,472
Total Interest Income	18,386,964	25,166,797	15,738,263	9,428,534
Interest Expense				
Interest expense	(9,203,512)	(17,289,183)	(10,238,572)	(7,050,611)
Other financing expenses	(156,869)	(112,532)	(81,198)	(31,334)
Total Interest Expense	(9,360,381)	(17,401,715)	(10,319,770)	(7,081,945)
<b>NET INTEREST INCOME</b>	<b>9,026,583</b>	<b>7,765,082</b>	<b>5,418,493</b>	<b>2,346,589</b>
Other Operating Income				
Foreign exchange gains - net	398,363	110,178	30,297	79,881
Other fees and commissions	1,257,780	830,081	637,181	192,900
Others	706,958	664,672	510,566	154,106
Total Other Operating Income	2,363,101	1,604,931	1,178,044	426,887
Provision for Possible Losses on Earning Assets	(309,473)	(1,164,124)	(629,773)	(534,351)
Reversal of/(Addition to) Estimated Losses on Commitments and Contingencies	41,170	641,780	847,097	(205,317)
Reversal of Allowance for Possible Losses - Others	309,172	320,737	203,375	117,362
Gains/(Losses) from Increase/(Decrease) in Value of Securities and Government Recapitalization Bonds - net	66,300	(50,942)	(768,240)	717,298
Gains from Sale of Securities and Government Recapitalization Bonds	1,522,367	2,123,438	1,799,016	324,422
Other Operating Expenses				
General and administrative expenses	(2,727,435)	(2,080,767)	(1,581,434)	(499,333)
Salaries and employee benefits	(2,206,887)	(1,532,053)	(956,736)	(575,317)
Others - net	(622,771)	(797,083)	(500,487)	(296,596)
Total Other Operating Expenses	(5,557,093)	(4,409,903)	(3,038,657)	(1,371,246)
<b>PROFIT FROM OPERATIONS</b>	<b>7,462,127</b>	<b>6,830,999</b>	<b>5,009,355</b>	<b>1,821,644</b>
Non-operating (Expense)/Income - Net	(32,429)	192,339	119,560	72,779
<b>PROFIT BEFORE CORPORATE INCOME TAX EXPENSE</b>	<b>7,429,698</b>	<b>7,023,338</b>	<b>5,128,915</b>	<b>1,894,423</b>
Corporate Income Tax (Expense)/Benefit				
Current	(2,085,997)	(2,179,540)	(1,314,142)	(865,398)
Deferred	(88,070)	(257,709)	(586,199)	328,490
<b>NET PROFIT</b>	<b>5,255,631</b>	<b>4,586,089</b>	<b>3,228,574</b>	<b>1,357,515</b>

These financial statements are originally issued in the Indonesian language.

APPENDIX 3

**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY ONLY**  
**For the Year Ended December 31, 2004, the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and Fully Paid-Up Capital	Additional Paid-in-Capital Agio*)	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized (Losses)/ Gains on Available-for-Sale Securities and Government Recapitalization Bonds	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings/(Accumulated Losses)			Total Shareholders' Equity
							Appropriated	Unappropriated	Total	
<b>Balance as of January 1, 2003</b>	<b>4,251,000</b>	<b>173,550,319</b>	<b>16,498</b>	<b>(2,139,573)</b>	-	-	<b>2,099,638</b>	<b>(163,402,213)</b>	<b>(161,302,575)</b>	<b>14,375,669</b>
General and specific reserves allocated from 2002 net profit	-	-	-	-	-	-	1,055,748	(1,055,748)	-	-
Dividends allocated from 2002 net profit	-	-	-	-	-	-	-	(1,792,794)	(1,792,794)	(1,792,794)
Allocation for small industry and cooperative development fund ("PUKK"), environmental development fund and directors' and commissioners' bonuses (tantiem) from 2002 net profit	-	-	-	-	-	-	-	(137,047)	(137,047)	(137,047)
Reduction in differences arising from the translation of foreign currency financial statements	-	-	(231)	-	-	-	-	-	-	(231)
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds	-	-	-	3,438,783	-	-	-	-	-	3,438,783
Net profit for the four-month period ended April 30, 2003	-	-	-	-	-	-	-	1,357,515	1,357,515	1,357,515
<b>Balance as of April 30, 2003 before Quasi-reorganization</b>	<b>4,251,000</b>	<b>173,550,319</b>	<b>16,267</b>	<b>1,299,210</b>	-	-	<b>3,155,386</b>	<b>(165,030,287)</b>	<b>(161,874,901)</b>	<b>17,241,895</b>
Elimination of accumulated losses against additional paid-in capital/ agio due to quasi-reorganization	-	(162,874,901)	-	-	-	-	(2,155,386)	165,030,287	162,874,901	-
<b>Balance as of April 30, 2003 after Quasi-reorganization</b>	<b>4,251,000</b>	<b>10,675,418</b>	<b>16,267</b>	<b>1,299,210</b>	-	-	<b>1,000,000</b>	-	<b>1,000,000</b>	<b>17,241,895</b>

\*) Agio represents paid-up capital in excess of par value.

These financial statements are originally issued in the Indonesian language.

APPENDIX 3

**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY ONLY (continued)**  
**For the Year Ended December 31, 2004, the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and Fully Paid-Up Capital	Additional Paid-in-Capital Agio*)	Differences Arising from Translation of Foreign Currency Financial Statements	Unrealized (Losses)/ Gains on Available-for-Sale Securities Recapitalization Government Recapitalization Bonds	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings			Total Shareholders' Equity
							Appropriated	Unappropriated	Total	
<b>Balance as of April 30, 2003 after Quasi-reorganization</b>	<b>4,251,000</b>	<b>10,675,418</b>	<b>16,267</b>	<b>1,299,210</b>	-	-	<b>1,000,000</b>	-	<b>1,000,000</b>	<b>17,241,895</b>
Conversion of issued and fully paid-up capital to additional paid-in capital	(251,000)	251,000	-	-	-	-	-	-	-	-
Conversion of appropriated retained earnings to issued and fully paid-up capital	1,000,000	-	-	-	-	-	(1,000,000)	-	(1,000,000)	-
Conversion of additional paid-in capital/agio to issued and fully paid-up capital	5,000,000	(5,000,000)	-	-	-	-	-	-	-	-
Additional premises and equipment revaluation increment	-	-	-	-	3,046,936	-	-	-	-	3,046,936
Reduction in differences arising from the translation of foreign currency financial statements	-	-	(175)	-	-	-	-	-	-	(175)
Unrealized losses on available-for-sale securities and Government Recapitalization Bonds	-	-	-	(3,160,526)	-	-	-	-	-	(3,160,526)
Recognition of share options	-	-	-	-	-	9,897	-	-	-	9,897
Net profit for the eight-month period ended December 31, 2003	-	-	-	-	-	-	-	3,228,574	3,228,574	3,228,574
<b>Balance as of December 31, 2003</b>	<b>10,000,000</b>	<b>5,926,418</b>	<b>16,092</b>	<b>(1,861,316)</b>	<b>3,046,936</b>	<b>9,897</b>	-	<b>3,228,574</b>	<b>3,228,574</b>	<b>20,366,601</b>

\*) Agio represents paid-up capital in excess of par value.

These financial statements are originally issued in the Indonesian language.

APPENDIX 3

**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - PARENT COMPANY ONLY (continued)**  
**For the Year Ended December 31, 2004, the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Issued and Fully Paid-Up Capital	Additional Paid-in-Capital Agio*)	Differences Arising from Translation of Foreign Currency Financial Statement	Unrealized (Losses)/ Gains on Securities and Government Recapitalization Bonds Available for Sale	Premises and Equipment Revaluation Increment	Share Options	Retained Earnings			Total Shareholders' Equity
							Appropriated	Unappropriated	Total	
<b>Balance as of December 31, 2003</b>	<b>10,000,000</b>	<b>5,926,418</b>	<b>16,092</b>	<b>(1,861,316)</b>	<b>3,046,936</b>	<b>9,897</b>	-	<b>3,228,574</b>	<b>3,228,574</b>	<b>20,366,601</b>
Dividends allocated from 2003 net profit	-	-	-	-	-	-	-	(2,300,000)	(2,300,000)	(2,300,000)
Additional share capital issued and fully paid	66,427	-	-	-	-	-	-	-	-	66,427
Additional agio	-	41,479	-	-	-	-	-	-	-	41,479
General and specific reserve allocated from 2003 net profit	-	-	-	-	-	-	747,000	(747,000)	-	-
Directors and commissioners tantiem allocated from 2003 net profit	-	-	-	-	-	-	-	(22,930)	(22,930)	(22,930)
Addition in differences arising from translation of foreign currency financial statements	-	-	(12,253)	-	-	-	-	-	-	(12,253)
Unrealized gains on available-for-sale securities and Government Recapitalization Bonds	-	-	-	1,457,315	-	-	-	-	-	1,457,315
Recognition of share options	-	-	-	-	-	3,934	-	-	-	3,934
Net profit for the year ended December 31, 2004	-	-	-	-	-	-	-	5,255,631	5,255,631	5,255,631
<b>Balance as of December 31, 2004</b>	<b>10,066,427</b>	<b>5,967,897</b>	<b>3,839</b>	<b>(404,001)</b>	<b>3,046,936</b>	<b>13,831</b>	<b>747,000</b>	<b>5,414,275</b>	<b>6,161,275</b>	<b>24,856,204</b>

\*) Agio represents paid-up capital in excess of par value.

**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF CASH FLOWS - PARENT COMPANY ONLY**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
		<b>For Comparative Purposes</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interest income	18,403,100	25,166,145	17,015,755	8,150,390
Receipts from fees and commissions	1,735,439	1,300,562	949,189	351,373
Payments of interest expense	(9,122,741)	(17,687,939)	(10,707,980)	(6,979,959)
Payments of other financing expenses	(39,914)	(112,533)	(81,198)	(31,335)
Gains from sale of securities and Government recapitalization bonds	1,522,367	2,123,438	1,797,839	325,599
Foreign exchange (losses)/gains - net	1,346,026	596,059	(63,899)	659,958
Operating income - others	453,550	699,508	521,545	177,963
Operating expenses - others	(903,833)	(399,813)	(126,929)	(272,884)
Salaries and employee benefits	(1,655,098)	(1,326,573)	(833,216)	(493,357)
General and administrative expenses	(2,174,350)	(1,654,782)	(1,239,904)	(414,878)
Non-operating income/(expenses) - others	(34,404)	156,548	85,855	70,693
<b>Profit before changes in operating activities</b>	<b>9,530,142</b>	<b>8,860,620</b>	<b>7,317,057</b>	<b>1,543,563</b>
(Increase)/decrease in operating assets:				
Placements with Bank Indonesia and other banks	(3,530,901)	4,612,066	(3,326,806)	7,938,872
Securities - trading portfolio	1,677,683	(1,408,289)	(1,206,583)	(201,706)
Sale of Government Recapitalization Bonds - trading portfolio	32,290,290	26,287,783	26,206,584	81,199
Other receivables - trade transactions	(571,920)	(767,456)	(877,744)	110,288
Loans	(14,469,778)	(12,896,962)	(8,630,408)	(4,266,554)
Proceeds from collection of earning assets already written-off	1,098,730	1,240,118	902,200	337,918
Other assets	988,156	(586,404)	483,314	(1,069,718)
Increase/(decrease) in operating liabilities:				
Demand deposits	1,501,661	5,478,817	4,950,811	528,006
Savings deposits	11,442,390	10,964,992	10,873,450	91,542
Time deposits	(22,787,024)	(25,048,981)	(27,483,255)	2,434,274
Certificates of deposit	(11)	(78,877)	(83)	(78,794)
Inter-bank call money	941,919	225,886	(552,506)	778,392
Liabilities immediately payable	(386,163)	836,068	463,620	372,448
Taxes payable	(2,235,816)	(1,878,318)	(1,806,782)	(71,536)
Other liabilities	(1,390,134)	302,770	(923,910)	1,226,680
Estimated losses on commitments and contingencies	(41,170)	(641,780)	(847,097)	205,317
Differences arising from translation of foreign currency financial statements	(12,253)	(406)	(175)	(231)
<b>Net cash provided by operating activities</b>	<b>14,045,801</b>	<b>15,501,647</b>	<b>5,541,687</b>	<b>9,959,960</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in securities - held-to-maturity portfolio	(1,602,477)	(7,511,968)	2,704,178	(10,216,146)
Redemption of matured Government Recapitalization Bonds	6,843,983	6,414,666	5,010,603	1,404,063
Replacement of matured Government Recapitalization Bonds	(6,843,983)	(6,414,666)	(5,010,603)	(1,404,063)
Purchase of securities with agreements to resell	(480,000)	-	-	-
Increase in Government Recapitalization Bonds	(286,700)	(465,354)	(465,354)	-
Decrease in investments in shares of stock	36,037	36,131	36,131	-
Proceeds from sale of premises and equipment	48,317	210,268	210,268	-
Acquisition of premises and equipment	(594,415)	(909,975)	(739,553)	(170,422)
<b>Net cash (used in)/provided by investing activities</b>	<b>(2,879,238)</b>	<b>(8,640,898)</b>	<b>1,745,670</b>	<b>(10,386,568)</b>



**PT BANK MANDIRI (PERSERO) TBK.**  
**STATEMENTS OF CASH FLOWS - PARENT COMPANY ONLY (Continued)**  
**For the Year Ended December 31, 2004,**  
**the Eight-Month Period Ended December 31, 2003**  
**and the Four-Month Period Ended April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

	Year Ended December 31, 2004	Year Ended December 31, 2003	Eight-Month Period Ended December 31, 2003	Four-Month Period Ended April 30, 2003
		For Comparative Purposes		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(Decrease)/increase in securities issued	(815,208)	2,677,894	77,986	2,599,908
Decrease in fund borrowings	(2,105,318)	(4,532,083)	(3,869,606)	(662,477)
Decrease in subordinated loans	(423,568)	(1,055,428)	(697,724)	(357,704)
(Repurchase)/sale of securities sold with agreements to repurchase	(1,430,878)	2,872,500	2,872,500	-
Payments of dividends, PUKK, environmental development fund and tantiem	(2,322,930)	(2,929,841)	(2,929,841)	-
Return of additional paid-in capital to the Government	-	(1,412,000)	-	(1,412,000)
Net cash (used in)/provided by financing activities	(7,097,902)	(4,378,958)	(4,546,685)	167,727
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,068,661	2,481,791	2,740,672	(258,881)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	14,476,112	11,994,321	11,735,440	11,994,321
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>18,544,773</b>	<b>14,476,112</b>	<b>14,476,112</b>	<b>11,735,440</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:</b>				
Cash	2,369,196	2,177,056	2,177,056	1,816,952
Current accounts with Bank Indonesia	15,585,302	11,980,680	11,980,680	9,573,319
Current accounts with other banks	590,275	318,376	318,376	345,169
<b>Total Cash and Cash Equivalents</b>	<b>18,544,773</b>	<b>14,476,112</b>	<b>14,476,112</b>	<b>11,735,440</b>
<b>SUPPLEMENTAL NON-CASH FLOW INFORMATION:</b>				
Activities not affecting cash flows:				
Elimination of accumulated losses against additional paid-up capital/agio as a result of quasi-reorganization	-	162,874,901	-	162,874,901
Unrealized gains/(losses) on available-for-sale securities and Government Recapitalization Bonds	1,368,289	227,315	(3,928,766)	4,156,081
Reprofiling of Government Recapitalization Bonds	-	16,783,377	-	16,783,377
Reserve for dividends, PUKK, environmental development fund, tantiem and incentive bonuses from 2002 net profit	-	(1,929,841)	-	(1,929,841)
Reclassification of loan capital to subordinated loans	1,755,000	-	-	-

**PT BANK MANDIRI (PERSERO) TBK. - PARENT COMPANY ONLY**  
**QUALITY OF EARNING ASSETS \*)**

**As of December 31, 2004 and 2003, and April 30, 2003**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

No.	Earning Assets	December 31, 2004					December 31, 2003					April 30, 2003							
		Current	Special Mention	Sub-Standard	Doubtful	Loss	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss	Total
<b>A</b>	<b>Related Parties</b>																		
1	Current Accounts and Placements with Other Banks	229,703	-	-	-	-	229,703	377,303	-	-	-	-	377,303	381,722	-	-	-	-	381,722
2	Securities**)	93,204,383	-	-	-	-	93,204,383	123,169,307	-	-	-	-	123,169,307	150,588,425	-	-	-	-	150,588,425
3	Loans	680,343	123	158,541	-	-	839,007	544,877	236	-	371,802	11	916,926	476,974	372,823	-	-	65,467	915,264
a.	Small scale business credit (Kredit Usaha Kecil ("KUK"))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b.	Property Loans	31,351	28	-	-	-	31,379	30,102	134	-	-	11	30,247	28,876	278	-	-	-	29,154
i.	Restructured	15,625	-	-	-	-	15,625	18,850	-	-	-	-	18,850	22,350	-	-	-	-	22,350
ii.	Unrestructured	15,726	28	-	-	-	15,754	11,252	134	-	-	11	11,397	6,526	278	-	-	-	6,804
c.	Other restructured loans	157,261	-	148,793	-	-	306,054	205,347	-	-	371,802	-	577,149	131,555	372,444	-	-	65,467	569,466
d.	Others	491,731	95	9,748	-	-	501,574	309,428	102	-	-	-	309,530	316,543	101	-	-	-	316,644
4	Investments in Shares of Stock	1,862,709	-	-	-	5,159	1,867,868	1,728,331	-	-	-	7,114	1,735,445	1,638,822	-	-	-	8,106	1,646,928
a.	In bank financial institutions	1,029,467	-	-	-	-	1,029,467	915,346	-	-	-	-	915,346	900,524	-	-	-	-	900,524
b.	In non-bank financial institutions	709,258	-	-	-	5,159	714,417	690,916	-	-	-	7,114	698,030	619,526	-	-	-	8,106	627,632
c.	Due to loan restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d.	Others	123,984	-	-	-	-	123,984	122,069	-	-	-	-	122,069	118,772	-	-	-	-	118,772
5	Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Commitments and Contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>B</b>	<b>Third Parties</b>																		
1	Current Accounts and Placements with Other Banks	14,148,068	-	-	-	13,671	14,161,739	10,208,718	-	-	-	168	10,208,886	6,904,455	-	-	-	168	6,904,623
2	Securities	10,627,093	-	-	-	1,869,813	12,496,906	10,649,821	-	-	-	1,781,533	12,431,354	13,141,419	-	-	-	1,816,345	14,957,764
3	Loans	72,954,766	8,333,778	2,141,959	417,511	3,857,582	87,705,596	55,304,129	10,982,322	1,635,096	1,060,835	3,411,410	72,393,792	45,405,944	15,311,618	1,407,059	1,390,632	3,187,985	66,703,238
a.	Small scale business credit (Kredit Usaha Kecil ("KUK"))	3,227,794	367,749	106,783	44,553	169,326	3,916,205	2,326,000	376,435	137,449	45,358	338,590	3,223,832	1,901,628	476,108	49,245	104,514	223,766	2,755,261
b.	Property loans	2,347,261	886,323	2,209	276	83,552	3,319,621	1,496,492	1,077,893	5,945	3,138	160,915	2,744,383	1,311,110	1,069,267	44,173	93,664	293,266	2,811,480
i.	Restructured	256,781	681,422	-	-	-	938,203	329,734	807,584	297	-	51,179	1,188,794	209,432	776,003	15	66,267	245,029	1,296,746
ii.	Unrestructured	2,090,480	204,901	2,209	276	83,552	2,381,418	1,166,758	270,309	5,648	3,138	109,736	1,555,589	1,101,678	293,264	44,158	27,397	48,237	1,514,734
c.	Other restructured loans	13,563,956	4,257,951	839,774	47,529	491,080	19,200,290	13,834,921	5,921,135	1,001,039	739,197	112,635	21,608,927	12,721,112	9,836,321	809,615	635,621	2,062,677	26,065,346
d.	Others	53,815,755	2,821,755	1,193,193	325,153	3,113,624	61,269,480	37,646,716	3,606,859	490,663	273,142	2,799,270	44,816,650	29,472,094	3,929,922	504,026	556,833	608,276	35,071,151
4	Investments in Shares of Stock	3,000	-	1,955	-	72,625	77,580	3,000	-	-	-	82,450	85,450	128,609	-	-	-	12,756	141,365
a.	In bank financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	50,400	-	-	-	-	50,400
b.	In non-bank financial institutions	-	-	-	-	-	-	3,000	-	-	-	-	3,000	-	-	-	-	-	-
c.	Due to loan restructuring	-	-	-	-	72,625	72,625	-	-	-	-	82,450	82,450	72,920	-	-	-	9,530	82,450
d.	Others	3,000	-	1,955	-	4,955	-	-	-	-	-	-	-	5,289	-	-	-	3,226	8,515
5	Other Receivables	7,207,650	816,689	44,483	-	-	8,068,822	5,415,810	335,427	-	39,656	-	5,790,893	3,629,702	353,940	-	-	-	3,983,642
6	Commitments and Contingencies	16,354,264	273,984	9,232	-	-	16,637,480	12,336,076	375,113	50,008	25,391	30,737	12,817,325	10,816,072	1,262,938	-	1,150	30,600	12,110,760
	<b>TOTAL</b>	<b>217,271,979</b>	<b>9,424,574</b>	<b>2,356,170</b>	<b>417,511</b>	<b>5,818,850</b>	<b>235,289,084</b>	<b>219,737,372</b>	<b>11,693,098</b>	<b>1,685,104</b>	<b>1,497,684</b>	<b>5,313,423</b>	<b>239,926,681</b>	<b>233,112,144</b>	<b>17,301,319</b>	<b>1,407,059</b>	<b>1,391,782</b>	<b>5,121,427</b>	<b>258,333,731</b>
7	Required Minimum Provision for Possible Losses on Earning Assets ***)	1,463,396	1,003,252	392,984	209,326	5,548,315	8,617,273	1,136,983	1,181,463	256,903	764,697	5,039,343	8,379,389	1,742,577	1,609,150	173,859	659,595	4,891,351	9,076,532
8	Established Provision for Possible Losses on Earning Assets	2,431,259	1,887,936	1,162,362	417,510	5,548,315	11,447,382	2,360,935	2,274,412	801,009	1,345,732	5,039,343	11,821,431	3,673,729	3,188,032	582,243	1,260,152	4,891,351	13,595,507

\*) This information has been prepared based on Bank Indonesia's Circular Letter No. 3/22/PBI dated December 13, 2001 regarding "Transparency of Bank's Financial Condition", Bank Indonesia's Circular Letter No. 3/30/DPNP dated December 14, 2001 regarding "Presentation of Quarterly and Monthly Published Financial Statements of Commercial Banks and Certain Reports Submitted to Bank Indonesia" and Bank Indonesia Letter No. 5/559/DPNP/IDPnP dated December 24, 2003 regarding "Bank's Published Financial Statements".

\*\*) Include Government Recapitalization Bonds.

\*\*\*) The calculation of allowance for possible losses on earning assets should be provided on the principal balance after deduction of collateral. No allowance for possible losses is required for Certificates of Bank Indonesia, placements with Bank Indonesia (Bank Indonesia intervention) and Government Bonds.

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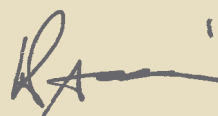
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This Annual Report and the financial statements and related financial information contained here are the responsibility of the management of PT Bank Mandiri (Persero) Tbk and have been approved by the members of the Boards of Commissioners and Directors and SEVPs below.

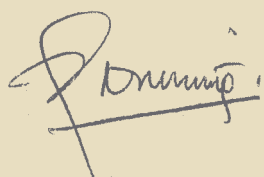
## Board of Commissioners



**Binhadi**  
Chairman



**Markus Parmadi**  
Deputy Chairman & Independent  
Commissioner



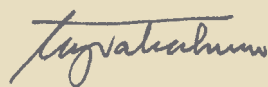
**Darmin Nasution**  
Commissioner



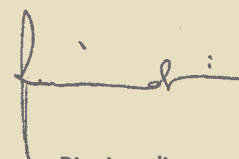
**Arie Soelendro**  
Commissioner



**Fransiska Oei**  
Commissioner



**A. Tony Prasetiantono**  
Independent Commissioner



**Riswinandi**  
Independent Commissioner


## Board of Directors and SEVPs



**E.C.W. Neloe**  
President Director & CEO



**I Wayan Pugeg**  
Deputy President Director & COO



**I Wayan Agus Mertayasa**  
Managing Director & SEVP,  
Risk Management



**M. Sholeh Tasripan**  
Managing Director & SEVP,  
Corporate Banking



**J.B. Kendarto**  
Managing Director & SEVP,  
Treasury & International



**Nimrod Sitorus**  
Managing Director & SEVP,  
Corporate Secretary,  
HR & Compliance



**Ventje Rahardjo**  
Managing Director & SEVP,  
Commercial Banking



**Omar S. Anwar**  
Managing Director & SEVP,  
Consumer Banking



**Zulkifli Zaini**  
Managing Director & SEVP,  
Distribution Network



**Lee, Kuan Keat**  
CFO & SEVP Finance & Strategy



**Andreas E. Susetyo**  
CTO & SEVP Information Technology

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BANK MANDIRI



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