

# PT Bank Rakyat Indonesia (Persero) Tbk.



## *FY 2012 Financial Update Presentation*

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*– Building a solid base for sustainable and better quality growth*



*Jakarta, 31 January 2013*

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## ***Macro Economy***

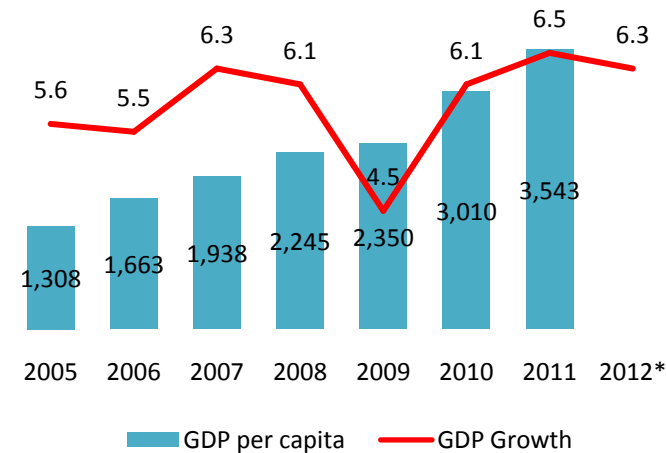
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## Indonesia Economy - *relatively in a good shape...*

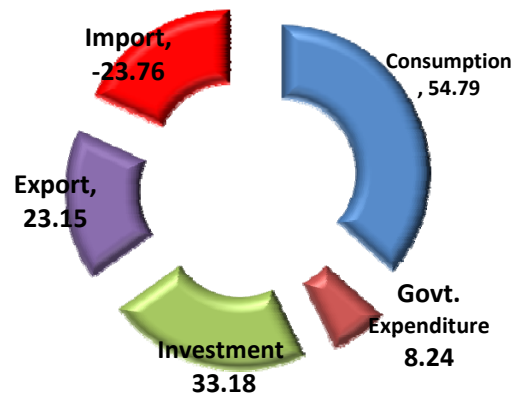
- *Indonesia economy continue to grow, supported by strong and conducive domestic economy*
- *Fiscal and monetary policy allow Indonesia macro economy to better absorb any uncertainties in global economic fluctuation*

# Indonesia Macro Economy

## GDP Growth & GDP per capita

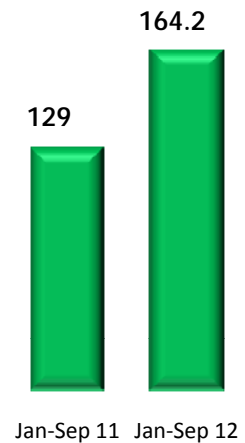


## GDP Composition (as % to GDP)

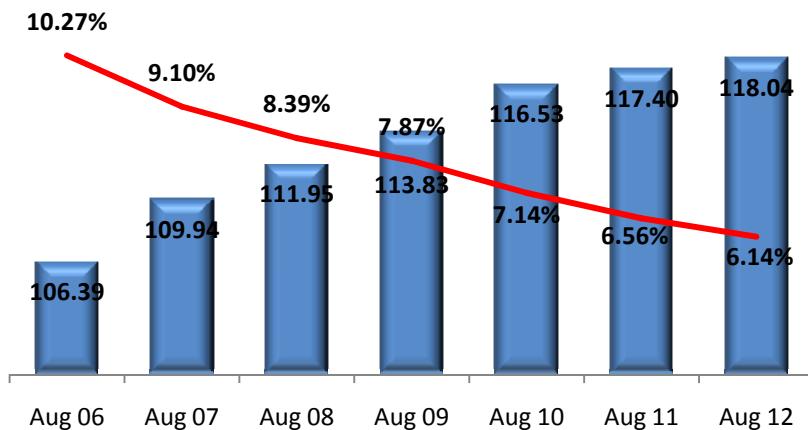


As of Q3-2012

## FDI (IDR trillion)



## Work Force and Unemployment

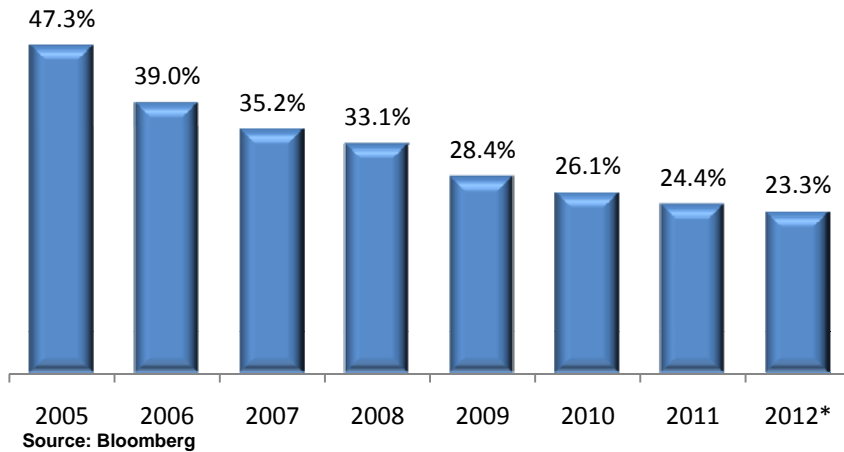


- In the middle of global economic slowdown, GDP growth still projected 6.3% for FY 2012 supported by strong domestic consumption & investment
- Domestic market will likely can support Indonesia economic growth: given that: purchasing power of the Indonesian people keep increasing as mirrored by increasing GDP per capita, increasing work force and declining unemployment rate
- Strong FDI growth provides more job opportunity.

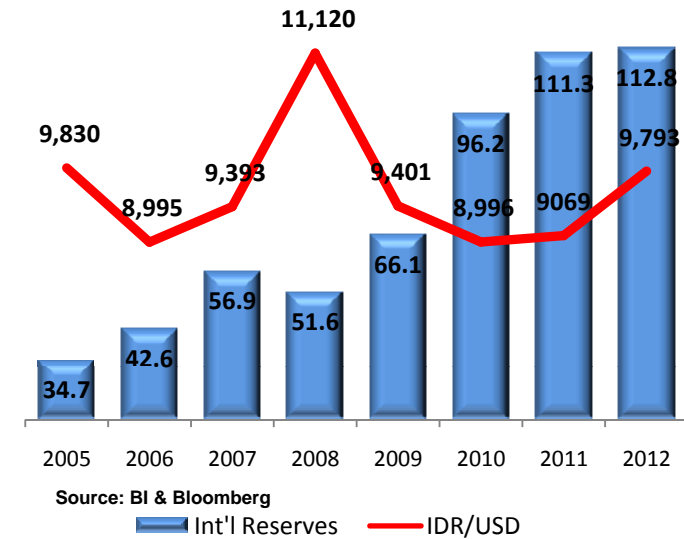
# Prudent Fiscal & Monetary Policy

*Relatively in a good shape...*

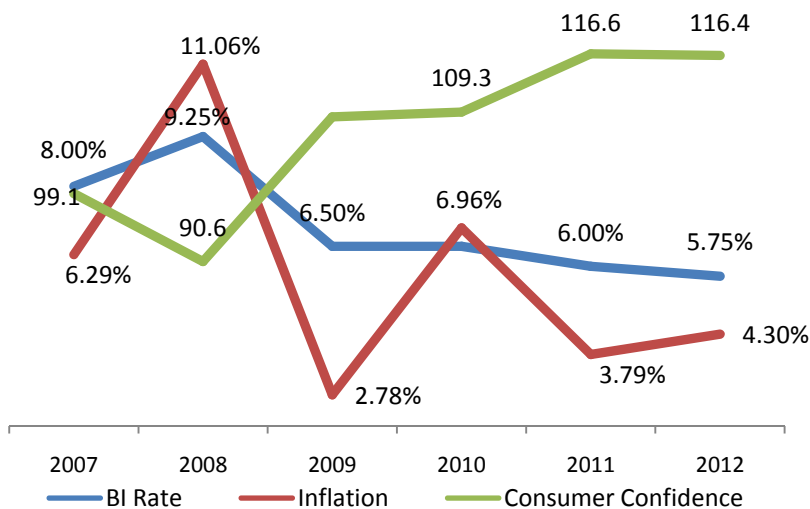
## Debt to GDP



## Int'l Reserves & Exchange Rate

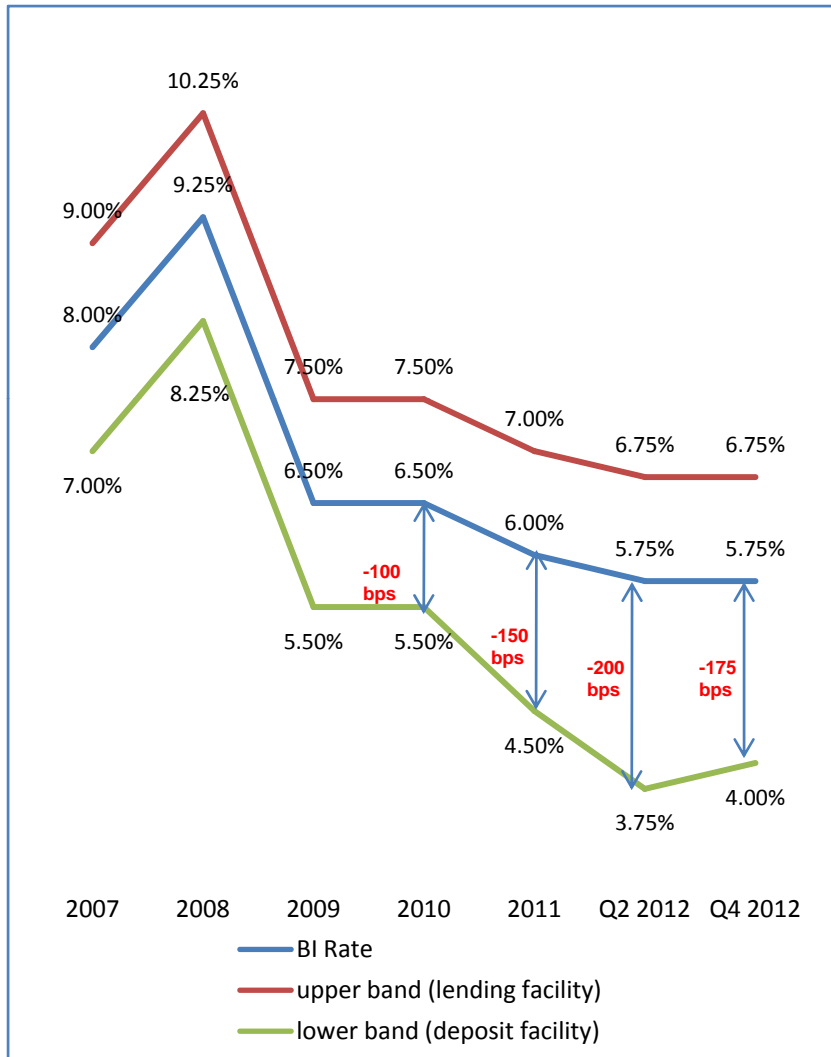


## BI Rate, Inflation & Consumer Confidence

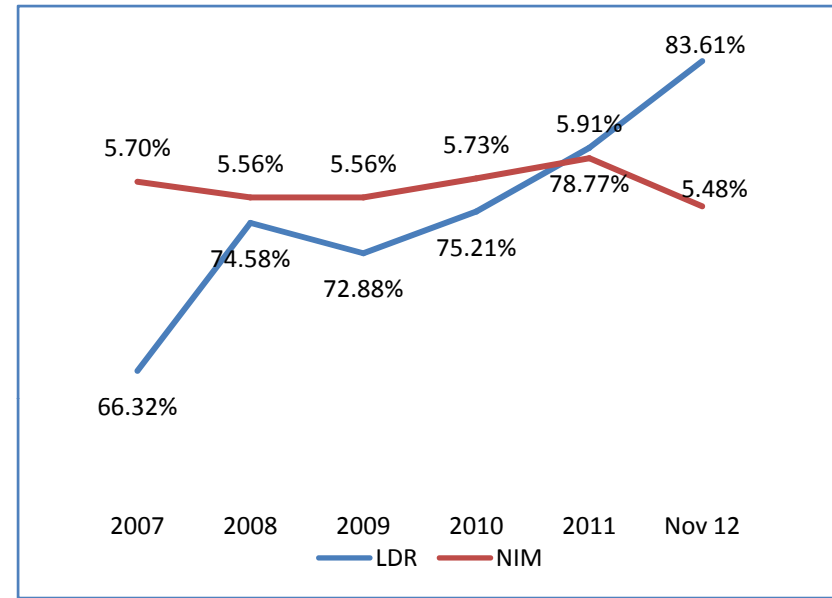


- Government fiscal condition is solid, reflected in low and decreasing trend of debt to GDP as well as low budget deficit of 1.77% in 2012 .
- BI rate unchanged as inflation is well maintain at 4.30% in Dec 2012. Although inflations pressure slightly increase due to plan to increase electricity tariff, inflation projected at 4.5% +/- 1 % in 2013.
- International Reserves is building up, reach USD112.8 billion in Dec 2012 and FDI grew strongly 27.3% yoy.

## BI rate, its upper & lower band



## LDR & NIM



In 2012, LDR increase steadily to 83.61% in Nov 2012 from around 79% at the end of 2011.

BI increase the lower band in August 2012 from -200bps to -175bps below the BI rate

Those trend resulted in higher competition which bring the banking industry's NIM lower.

## ***Financial Updates***

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# Financial Highlights

	2011	2012	Δ yoy
<b>Asset/Liabilities</b>			
Total Assets (IDR Billion)	456,531	<b>535,209</b>	17.23%
Total Loans (Gross) (IDR Billion)	283,583	<b>348,227</b>	22.80%
Total Deposits (IDR Billion)	372,148	<b>436,098</b>	17.18%
<b>Asset Quality</b>			
NPL (gross)	2.30%	<b>1.78%</b>	
NPL (nett)	0.42%	<b>0.34%</b>	
<b>Liquidity</b>			
LDR	76.20%	<b>79.85%</b>	
Reserve Requirement - IDR	9.33%	<b>10.64%</b>	
Reserve Requirement - FX	8.00%	<b>8.17%</b>	
<b>Profitability</b>			
Net Profit (IDR Billion)	15,083	<b>18,521</b>	22.79%
NIM	9.58%	<b>8.42%</b>	
ROE	42.49%	<b>38.66%</b>	
ROA before tax	4.93%	<b>5.15%</b>	
Cost of Fund (CoF)	4.70%	<b>3.68%</b>	
Cost Efficiency Ratio (CER)	41.17%	<b>43.11%</b>	
Operating Expense to Operating Income	66.69%	<b>59.93%</b>	
<b>Capital</b>			
Tier1 CAR	13.67%	<b>15.86%</b>	
Total CAR	14.96%	<b>16.95%</b>	

Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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## Balance Sheet – *a Strong Balance Sheet Structure*

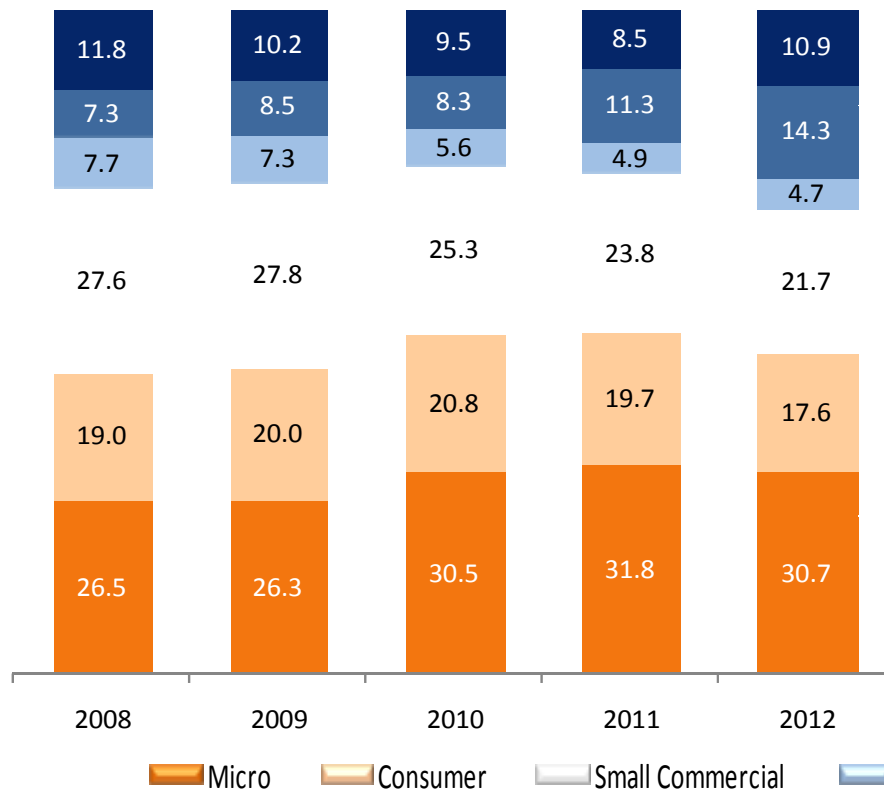
(IDR Billion)

Description	2008	2009	2010	2011	2012	Growth (YoY)
<b>Total Assets</b>	<b>246,026</b>	<b>314,746</b>	<b>398,393</b>	<b>456,531</b>	<b>535,209</b>	<b>17.2%</b>
- Gross Loans	161,061	205,522	246,964	283,583	348,227	22.8%
- Government Bonds (Recap)	16,352	15,027	13,626	8,996	4,316	-52.0%
- Other Earnings Assets	51,393	76,487	113,669	127,774	131,547	3.0%
Total Earning Assets	228,807	297,037	374,259	420,353	484,089	15.2%
Earning Assets Provision	(8,813)	(11,576)	(14,007)	(15,869)	(14,584)	-8.1%
Total Earning Assets (net)	219,994	285,461	360,252	404,484	469,505	16.1%
Total Non Earning Assets	26,032	29,285	38,141	52,047	65,704	26.2%
<b>Total Liabilities &amp; S.E</b>	<b>246,026</b>	<b>314,746</b>	<b>398,393</b>	<b>456,531</b>	<b>535,209</b>	<b>17.2%</b>
Total Customer Deposits	201,495	254,118	328,556	372,148	436,098	17.2%
- Demand Deposits	39,912	49,965	77,049	75,579	79,105	4.7%
- Saving Deposits	88,063	104,119	125,198	152,474	182,291	19.6%
- Time Deposits	73,520	100,034	126,310	144,095	174,702	21.2%
Other Interest Bearing Liabilities	7,599	20,941	16,595	18,413	14,466	-21.4%
Non Interest Bearing Liabilities	14,575	12,429	16,569	16,195	20,008	23.5%
Tier I Capital	17,796	20,846	27,673	38,215	51,593	35.0%
Total Shareholder's Equity	22,357	27,257	36,673	49,775	64,637	29.9%

Total assets grew 17.2% yoy, driven by quality growth of loan. Supporting this growth, we maintained an adequate liquidity sourcing from low cost fund

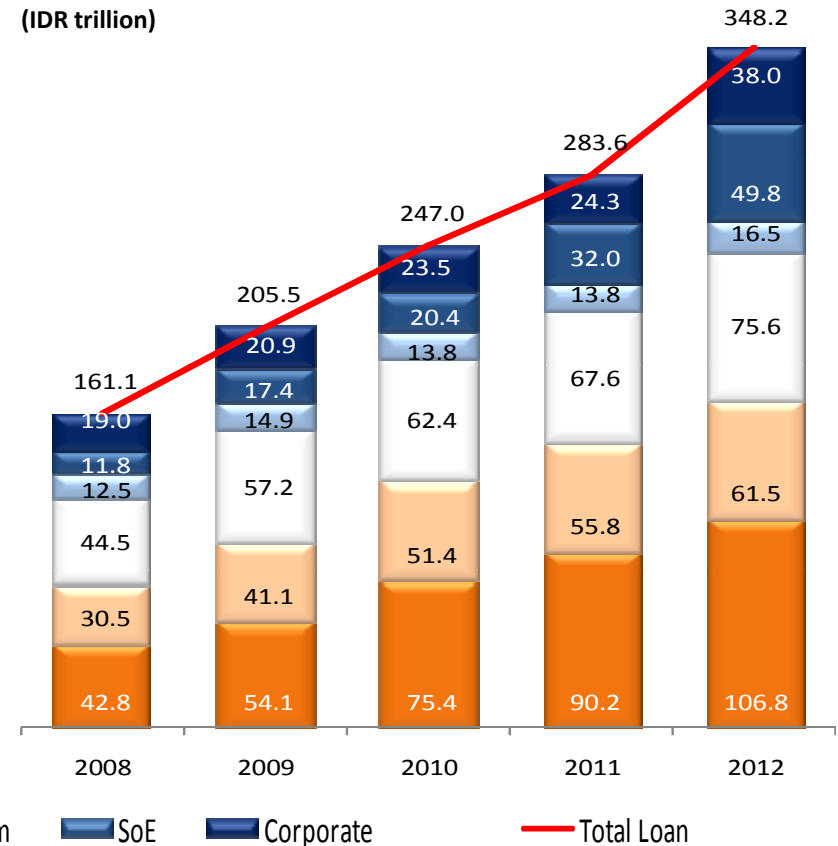
# Loan – *Loan Mix is consistent toward resilience segments of MSMEs*

**Composition – by business segment (%)**



**Loans Outstanding – by business segment**

(IDR trillion)



As the most profitable segment in loan portfolio, micro loan is still the biggest loan segment with composition of around 31%. The high loan growth in the end of 2012 contributed by the growth recovery in Micro, Small Commercial and Medium in Q4-2012 as the result of revitalization & consolidation done in 2008-2012.

Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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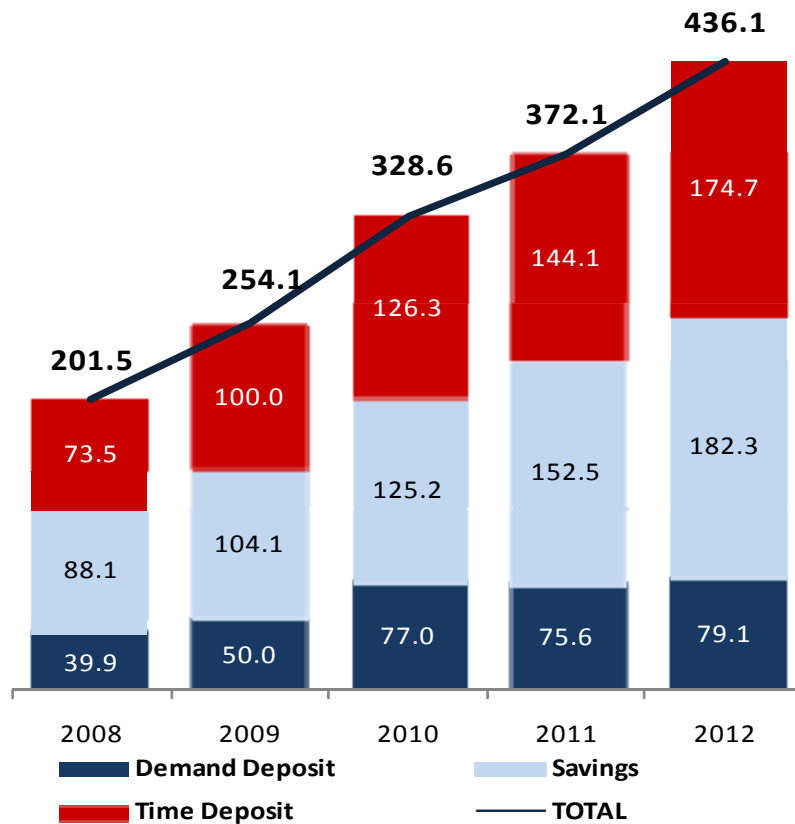
## Non Performing Loan - gross (%)

NPL BY SEGMENT (%)	2008	2009	2010	2011	2012
Micro	1.02	1.40	1.21	1.19	1.09
Consumer	1.08	1.35	1.40	1.53	1.60
Small Commercial	3.52	4.21	5.11	4.53	3.75
Medium	6.33	12.31	6.90	7.11	5.09
SoE	0.00	0.23	0.00	0.00	0.00
Corporate	7.33	7.83	4.64	2.24	1.00
<b>Total NPL</b>	<b>2.80</b>	<b>3.52</b>	<b>2.78</b>	<b>2.30</b>	<b>1.78</b>

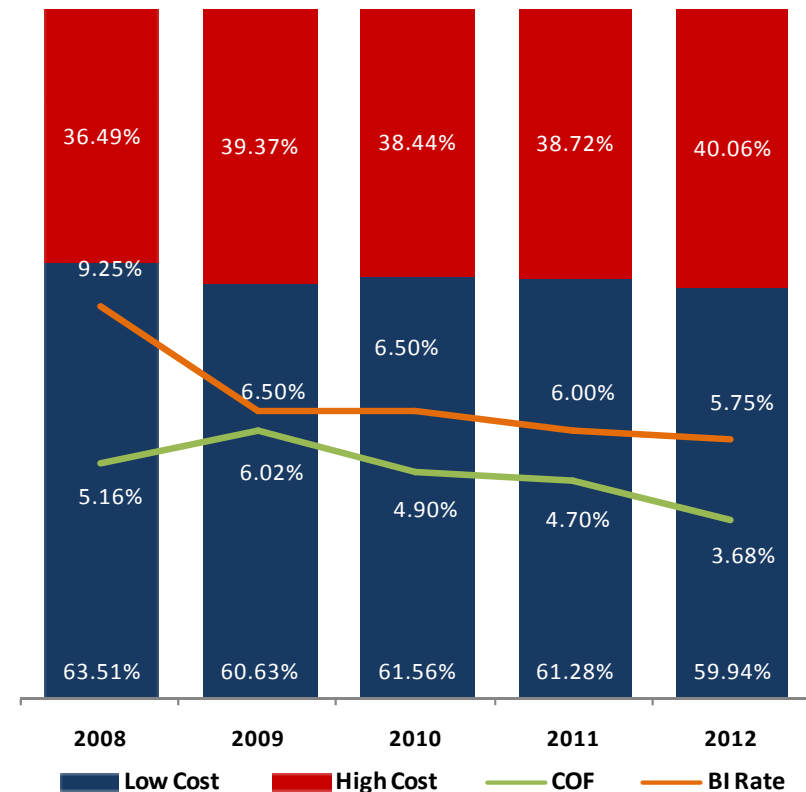
In all segment, loan quality have been improved that result in low NPL of 1.78%. Thus, indicating that the consolidation and restructuring processes that have been done in the past years are gaining good results

## Third Party Funds – *Low Cost Funds driven by Savings*

Deposits Growth: Trend (IDR trillion)



Deposit Composition, COF and BI Rate (%)



With growth rate of 19.6%, saving still become the source of BRI's liquidity. The declined in deposit rate combined with the growth in saving resulted in the decreasing trend of cost of fund .

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# Income Statement - Highlights

... The results of Revitalization and Consolidation are starting to pouring in...

(IDR Billion)

Description	2008	2009	2010	2011	2012	Growth (YoY)
Interest Income	28,076	35,071	43,971	46,949	47,922	2.1%
Interest Expense	(8,437)	(12,180)	(11,449)	(13,079)	(12,461)	-4.7%
Net Interest Income	19,639	22,891	32,523	33,870	35,461	4.7%
Fee & Other Opr. Income	2,492	3,257	5,458	5,524	8,166	47.8%
Gross Operating Income	22,131	26,148	37,980	39,394	43,627	10.7%
Other Operating Expenses	(10,971)	(11,773)	(15,648)	(16,288)	(18,602)	14.2%
Pre Provision Operating Profit	11,160	14,375	22,332	23,106	25,025	8.3%
Provision	(2,813)	(5,805)	(7,926)	(5,532)	(2,555)	-53.8%
Non Operating Profit/Loss	476	1,327	497	1,157	1,169	1.0%
Profit Before Tax n Minor. Int.	8,823	9,897	14,903	18,731	23,639	26.2%
Net Profit	<b>5,958</b>	<b>7,308</b>	<b>11,472</b>	<b>15,083</b>	<b>18,521</b>	<b>22.8%</b>
EPS	248.5	304.8	465.1	611.4	750.8	22.8%

- Net Interest Income growth of 4.7% mainly contributed by lower interest expense and higher growth of interest income in Q4-2012, as a result of stronger micro loan growth
- Even though there are significant increase of employee and network expansion, the operating expense can be maintained at a manageable level, mirroring the productivity of employees and networks
- Improvement in provision as loan quality is improving

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## ***Business Updates***

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# What we have done

... during consolidation and revitalization

## What we have done

### Micro Business

Increase capacity by expanding outlets

Increase capacity by hiring more micro loan officer

Expand Micro Business organization

### Small Commercial & Medium

Early Warning System

Strengthening loan origination and monitoring

Maintaining loan quality

### E-Banking

Optimizing the largest customer base of >40 million accounts

Largest ATM networks of >14,000 spread across Indonesia

E-banking feature development

Targeting funding as well as fee based income

### Deposit

Largest outlet for deposit taking of >9,000 outlets spread across Indonesia

Product feature development for saving products including e-banking services

Marketing program through "Untung Beliung Britama" and "Pesta Rakyat Simpedes"

## results

- Micro loan growth **ACCELERATED** since Q2 2012.
- Q4 2012 showed the **HIGHEST** growth of IDR5.73 Trillion.
- NPL maintained **LOW** (Dec '12 : 1.09%)

NPL **DOWN** (2009-12) :  
- Small comm. from 4.21% to 3.75%  
- Medium from 12.31% to 5.1%

- # of e-banking trx **INCREASED** (2009-12) :
  - ATM from 144.2 M to 789.2 M (5.5x)
  - SMS from 5.6 M to 46.6 M (8.3x)
  - Internet from 3.02 M to 14.7 M (4.6x)
- FBI to total income **INCREASED** (2009-12) from 5.3% to 6.9%

- **CASA MAINTAINED** around 60%
- Cost of fund **DECLINED** (2009-12) from 6.02% to 3.68%
- **STRONG** saving growth of 20.5% (CAGR 2009-12)



## ***Micro Banking***

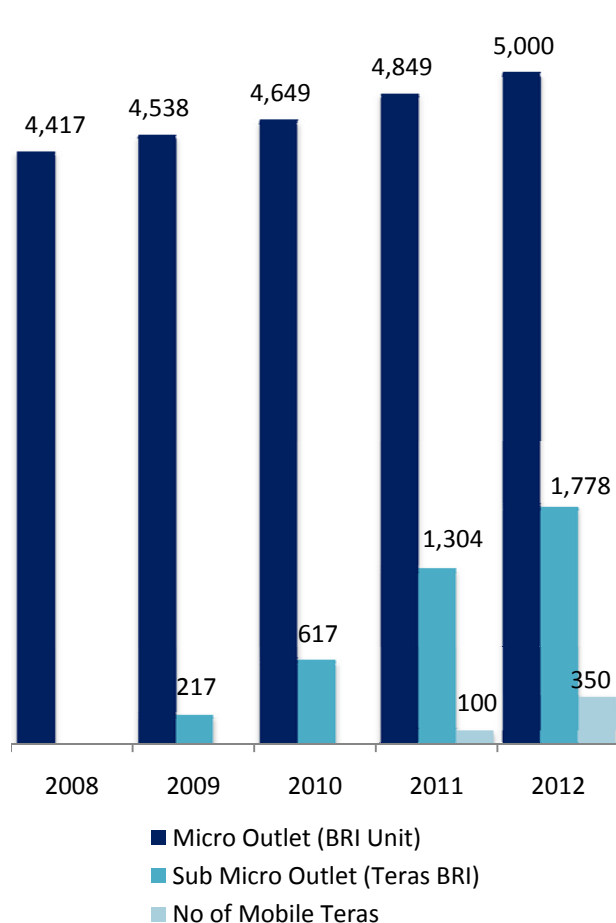
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***Increasing Capacity, Recovering Loan Growth***

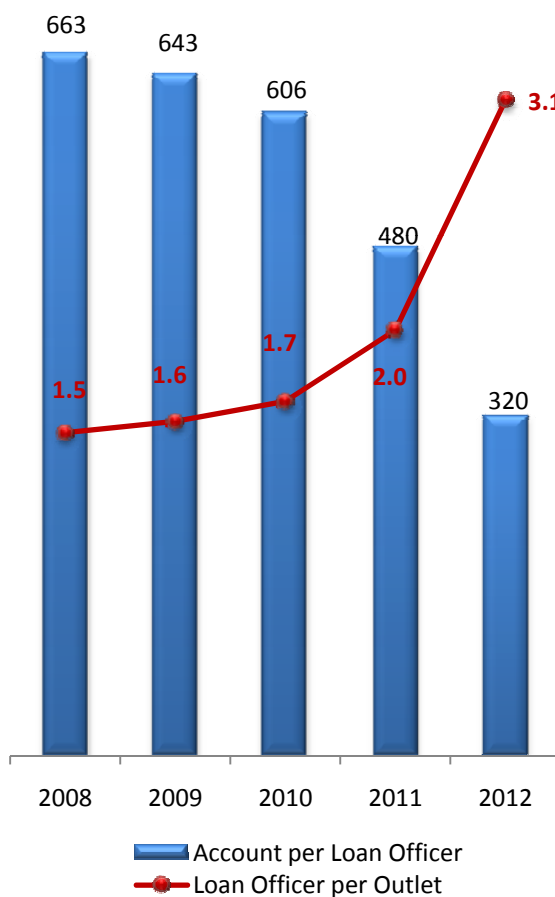
# Micro Business – *Maintaining Momentum of Growth*

## Outreach Expansion & Increasing Capacity

### Outlet Expansion



### Loan officer ratio - trend

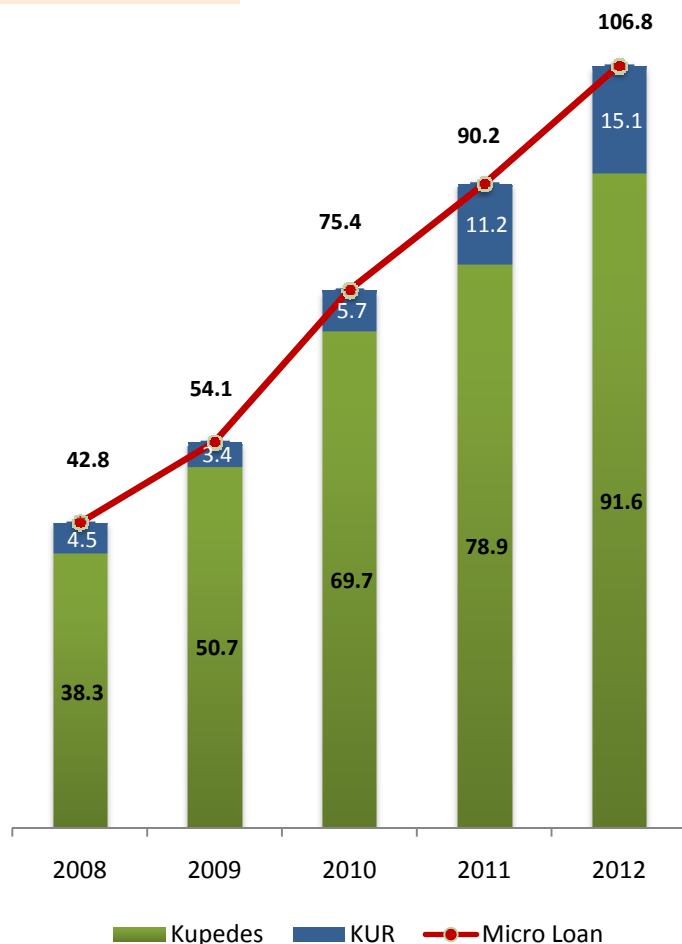


- To secure future micro loan growth, capacity improved by adding more outlets as well as hiring more loan officers
- Development of Teras BRI is one of the strategy to increase the capacity and BRI's existence in micro community
- Ratio of Loan officer per outlet improved from 2.0 in FY-2011 to 3.1 in December 2012, providing more room for expansion

## Loan

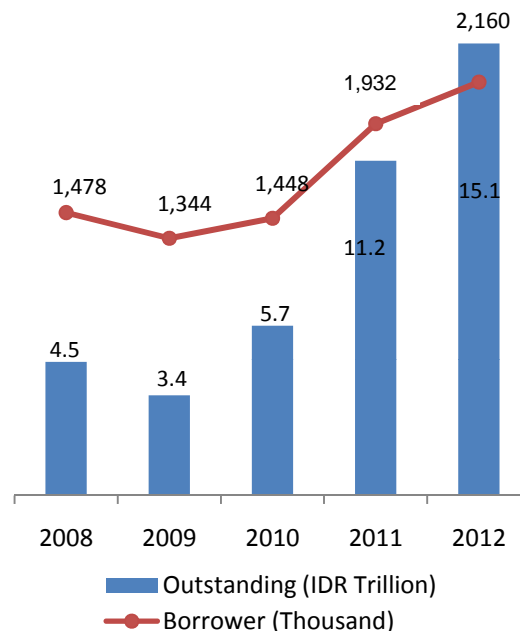
(IDR Trillion)

CAGR : 25.7%



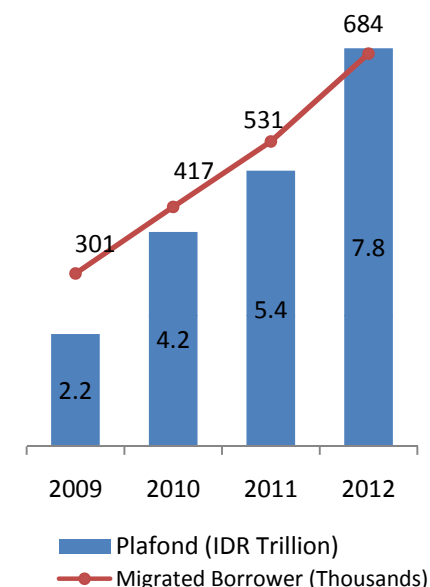
## Micro KUR Loan

### Performance



- As of Dec 2012, Micro KUR outstanding was IDR 15.1trillion, grew 35.0% (yoy) with more than 2 million borrowers, contributed 14.2% of total micro loan.
- NPL Micro KUR Loan maintained at low level of 1.65%

### Migration of Micro KUR Loan

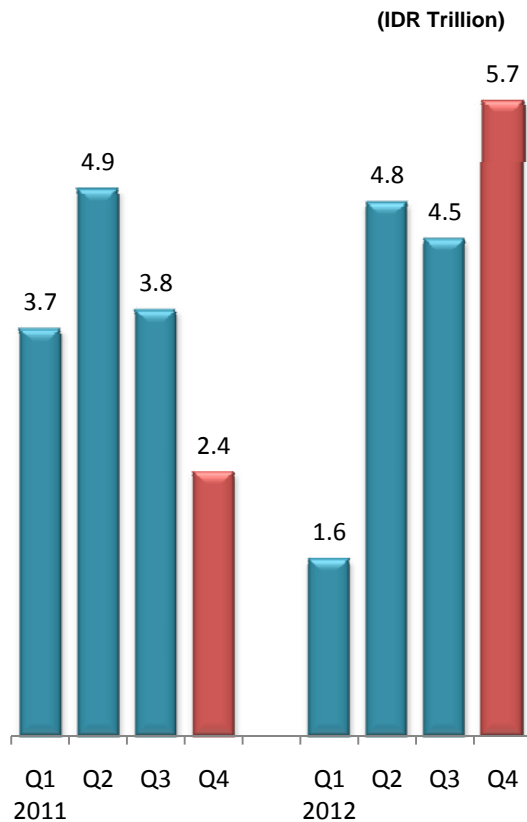


- Given its low risk weight as well as quite high return, KUR micro business gives relatively high return on risk weight asset.
- In 2012, 153 thousand KUR borrower have migrated to Kupedes, so accumulatively 684 thousand KUR borrowers have migrated to Kupedes since KUR inception

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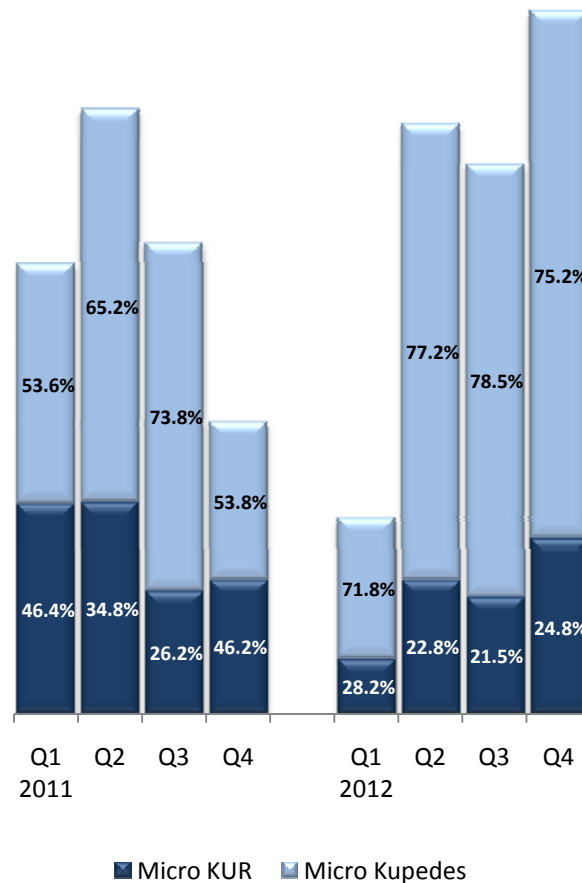
# Micro Banking - Quarterly Loan Growth Trend

## Quarterly Micro Loan Growth



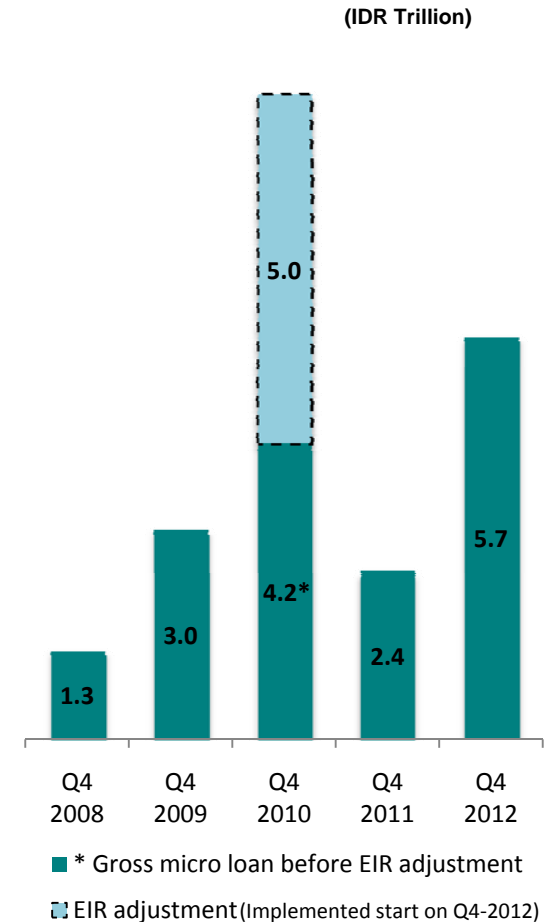
... The micro loan growth in Q4 2012 is reaching its highest in two years.

## Source of Growth



Growth of loans is coming both from KUPEDES and KUR

## Loan Growth in Q4s

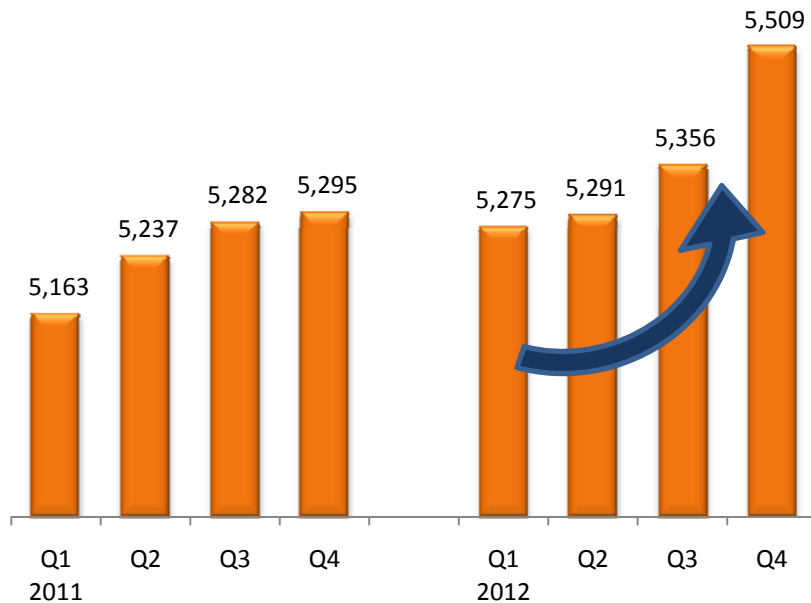


Compares to Q4 growth in previous years, Q4 2012 has the highest loan growth.

# Micro Banking – *the number of new borrowers continuous to expand*

## Numbers of Micro Borrowers

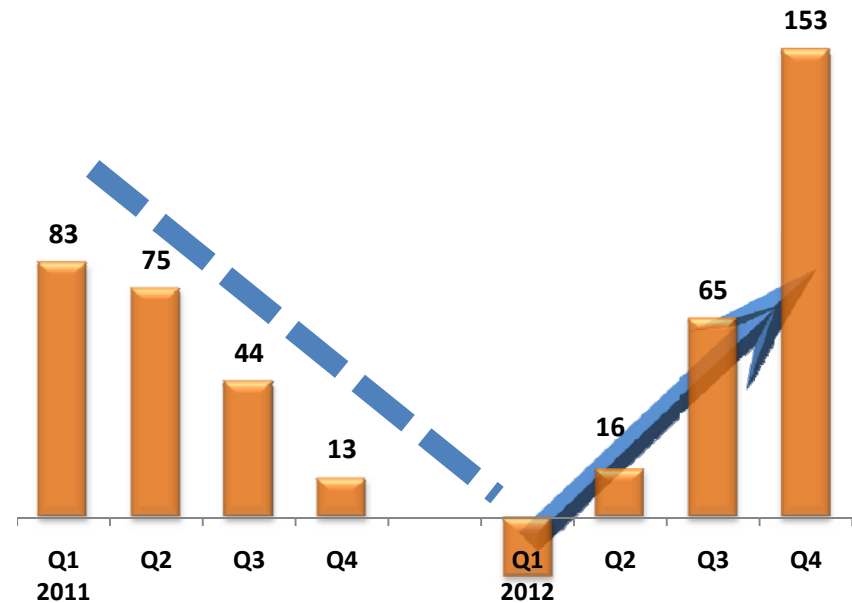
(in Thousands)



...Micro loan expansion is in line with increasing number of borrowers in Q4 2012.

## Quarterly Growth of Numbers of Borrower's

(in Thousands)

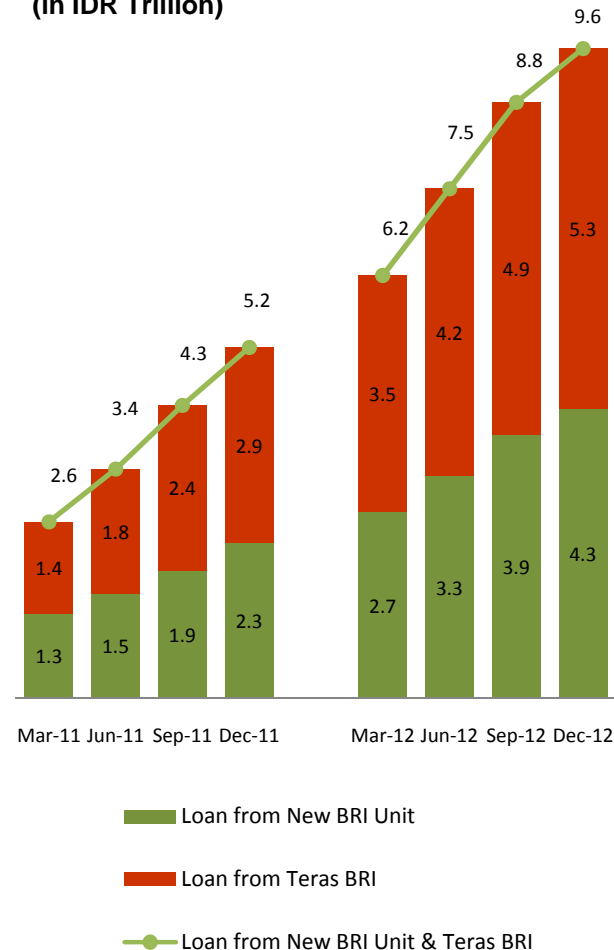


The number of new borrowers is accelerating in 2012, after slowing growth in previous period

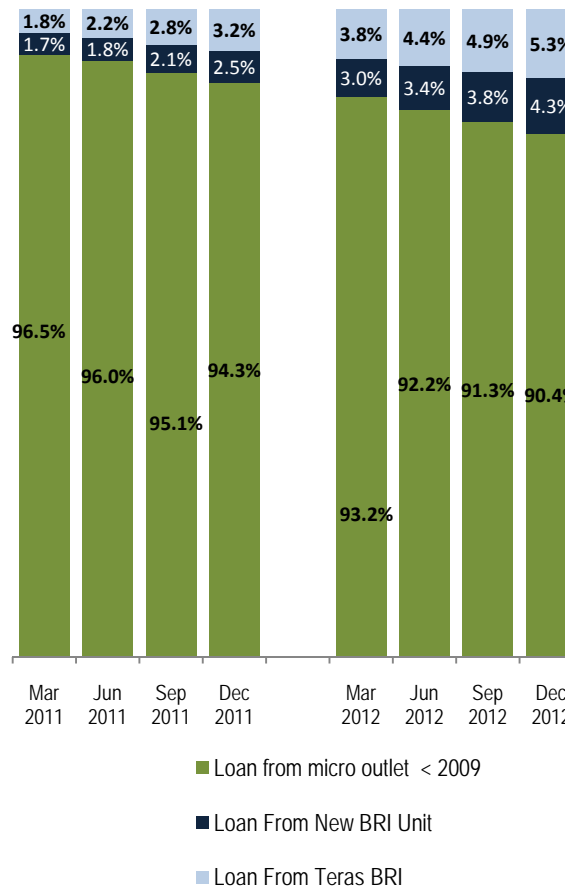
## Micro Loans – Contribution of New Outlets to the Growth

### Trend - Micro Loan Outstanding from New Outlets \*)

(in IDR Trillion)



### Contribution - Micro Loan from New Outlets\*) to Total Micro Loan



- The contribution of new outlet to total loan kept increasing thus indicating that the expansion is on the right track toward potential and growing area.
- The increased number of “small but many” new loans by sub- micro outlet “Teras BRI” showed that BRI had secure future and sustainable growth.

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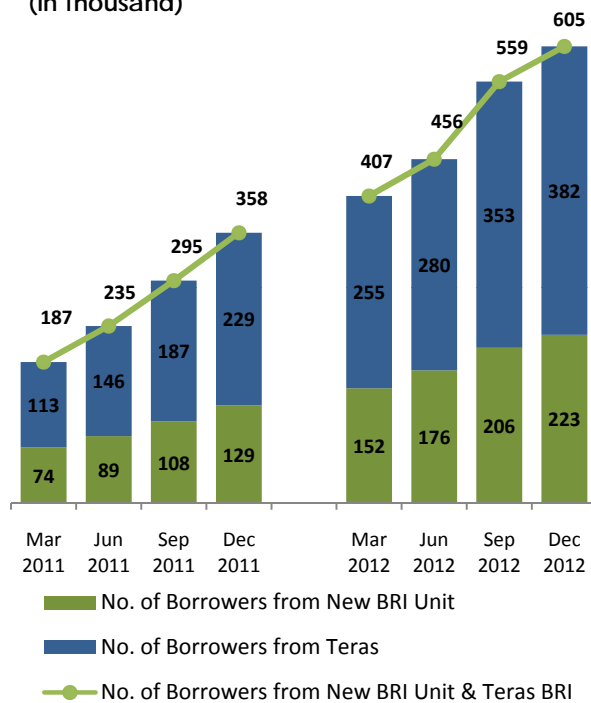
\*) Outlets opened in 2009 and after

## Micro Business – *Maintaining Momentum of Growth*

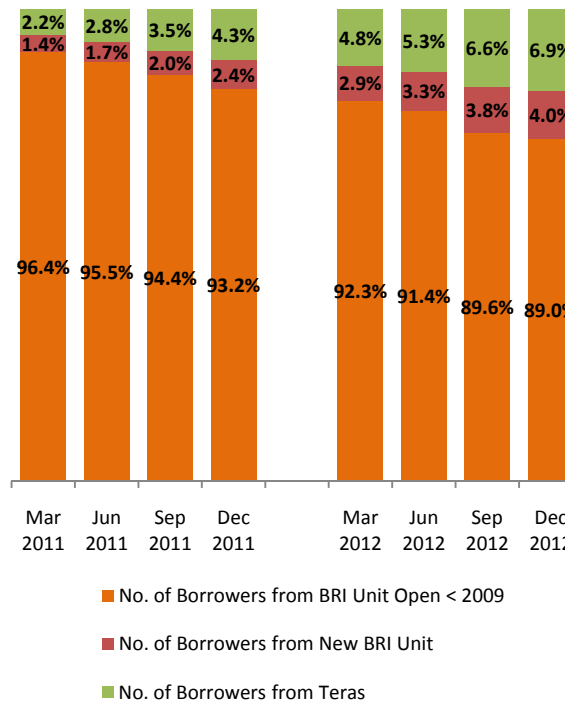
### Contribution of New Outlets\*) to the Growth

Trend - # of Borrowers from New Outlets \*)

(in Thousand)

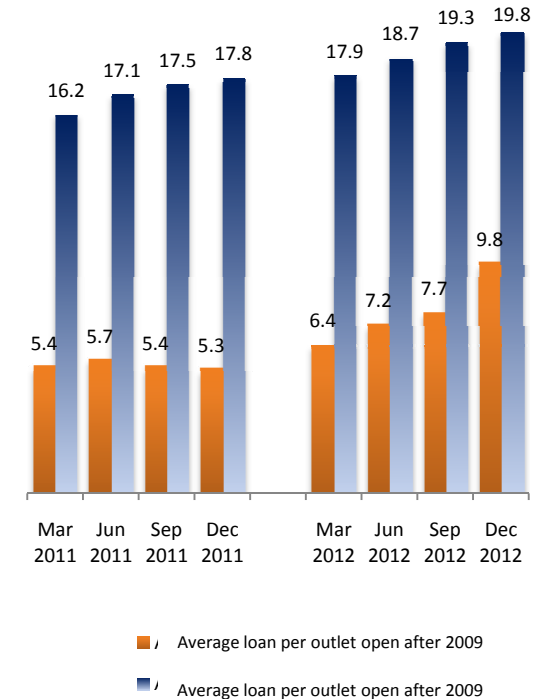


Contribution - Borrowers from New Outlets\*) To Total Micro Borrowers



Average Loan per Outlet

(IDR Billion)



- BRI strategy to develop new market by digging deeper into the grass root economy through Teras have resulted in the increasing trend of new borrowers.
- Teras also have provide BRI with a 'small but many borrowers' which lay a solid base for sustainable future growth.

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\*) Outlets opened in the year of 2009 and after

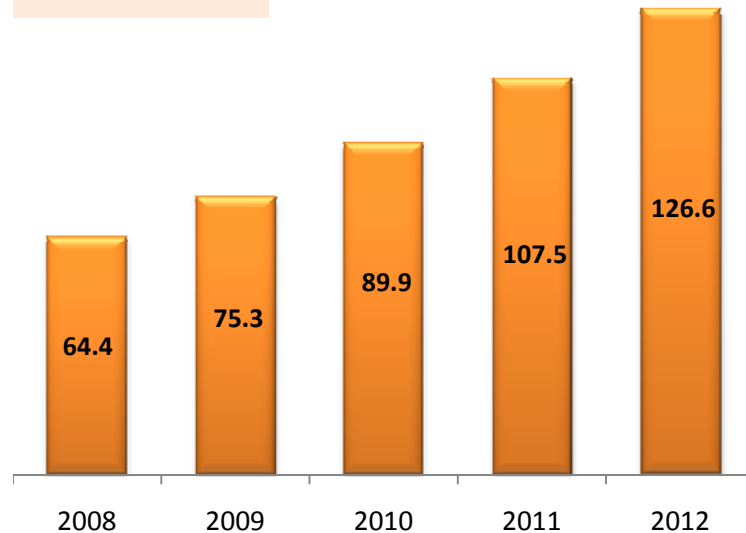
# Micro Banking – *Maintaining Momentum of Growth*

Micro Funding, providing liquidity from stable core funding

## Deposit

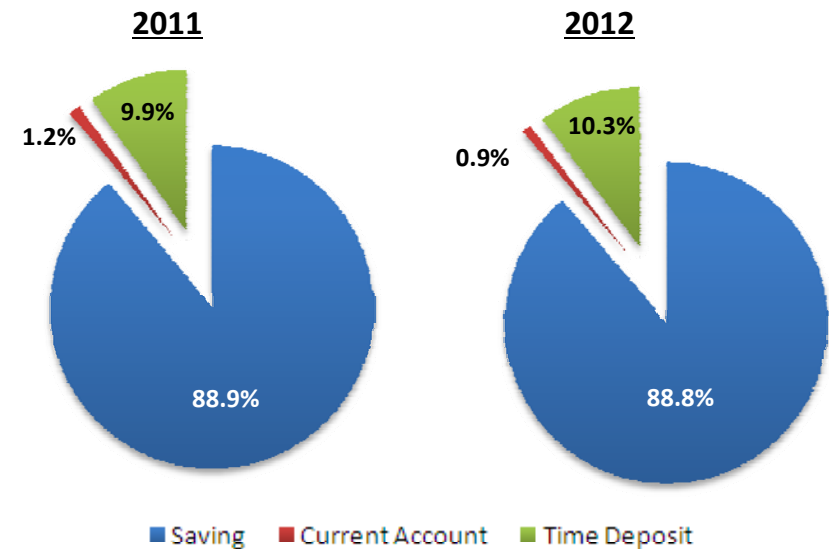
IDR Trillion

CAGR : 18.4%



## Micro Deposit Composition

(%)



- BRI have consistently increase its micro deposits with yoy growth of 17.7%.
- With LDR for micro business of 84.4% indicated that BRI has the ability to secure liquid loan expansion and showed that this is a self –funded business.
- Saving dominates total Micro's deposit, with average size of around IDR 4 million



To secure continued loan growth with enough liquidity from low cost and stable core funds

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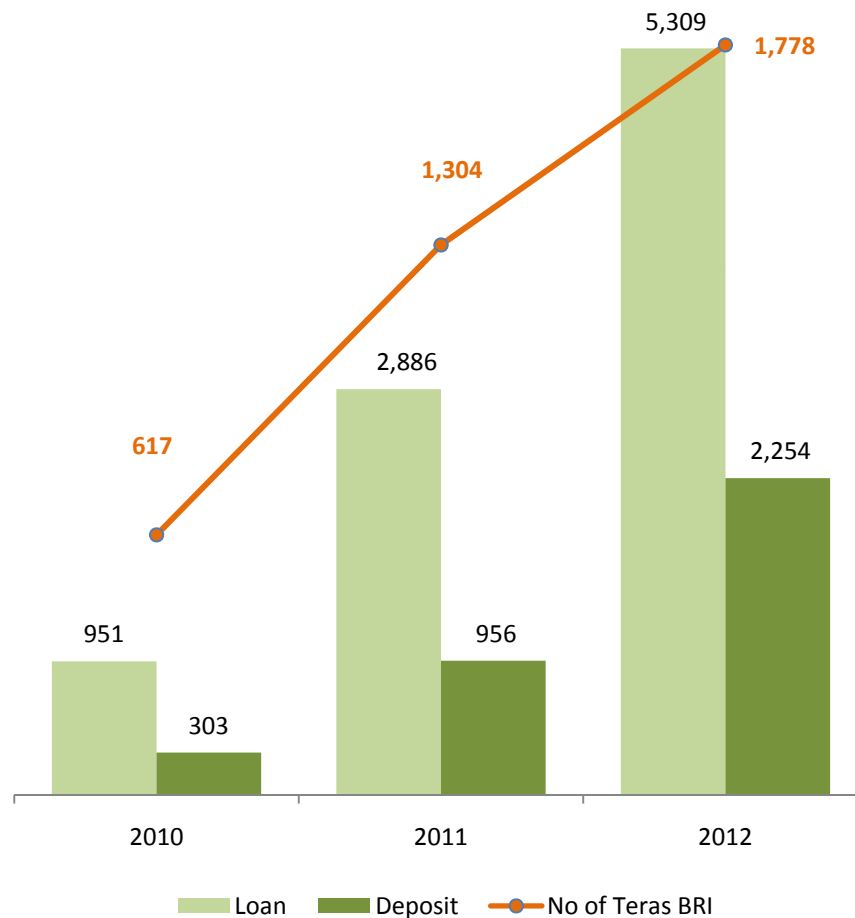


# Micro Banking – *Maintaining Momentum of Growth*

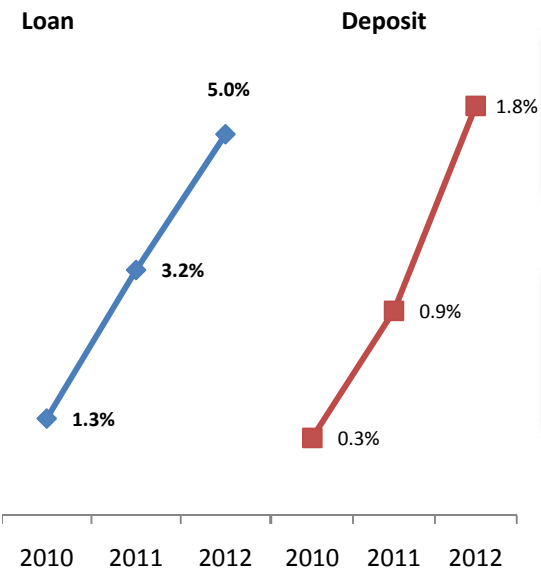
Teras BRI - more accessible, getting closer to customers

## Teras BRI Performance

IDR billion



## Contribution – TerasBRI to Total Micro



TerasBRI and mobile TerasBRI are the arm-length of conventional micro outlet, designed to develop the market and protect the market from competitors.

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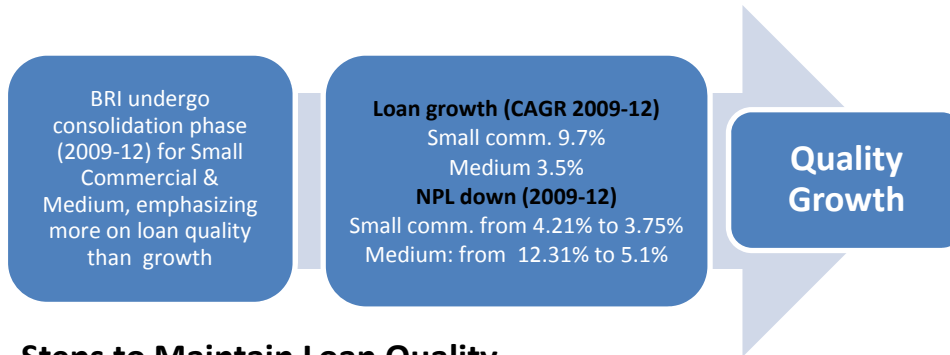
## ***Small Commercial & Medium***

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***Improving Loan Quality***

# Small Commercial & Medium

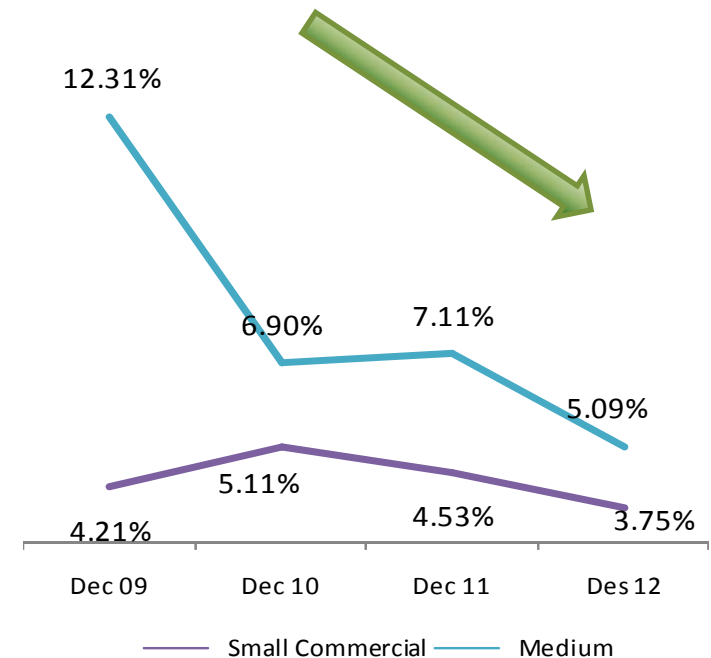
*improving loan quality, preparing for loan growth*



## Steps to Maintain Loan Quality

<b>Early Warning System</b>	<ul style="list-style-type: none"> <li>• A system designed to detect earlier any possible problem which can affect loan performance, acting as preventive measures</li> </ul>
<b>Strengthened loan origination and monitoring</b>	<ul style="list-style-type: none"> <li>• Loan approval</li> <li>• Loan increase facility</li> <li>• Resident Auditors</li> <li>• Span of Control</li> <li>• # of restructuring program</li> </ul>
<b>Maintaining loan quality</b>	<ul style="list-style-type: none"> <li>• <b>Remedial Steps:</b> more stringent monitoring process, limiting loan expansion for loan officer with high NPL, more clear and fair individual KPI of loan officer</li> <li>• <b>Proactive Steps:</b> developing monitoring system, improving loan officer quality, reviewing loan approval authority, sourcing growth more from trickle down business</li> </ul>

## NPL Movement – Small Commercial & Medium



## 2013 and beyond: accelerating the growth prudently

- Capturing trickle down business & monitoring its executions in all Regions
- Take back good borrowers
- Add loan officers
- Improve reward system to loan officers

## ***Consumer Banking***

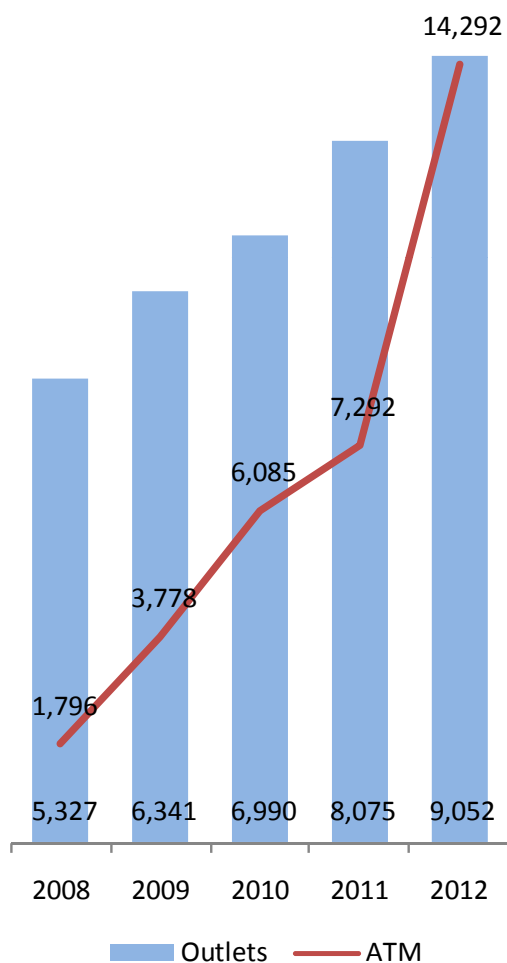
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***Growing Presence of E-Banking***

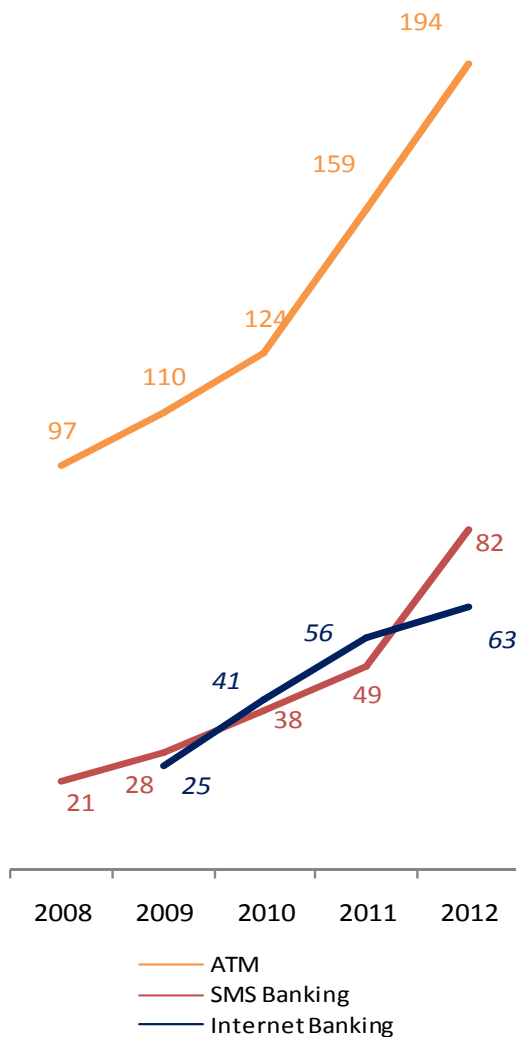
# Consumer Banking

*taking a lead in e banking business*

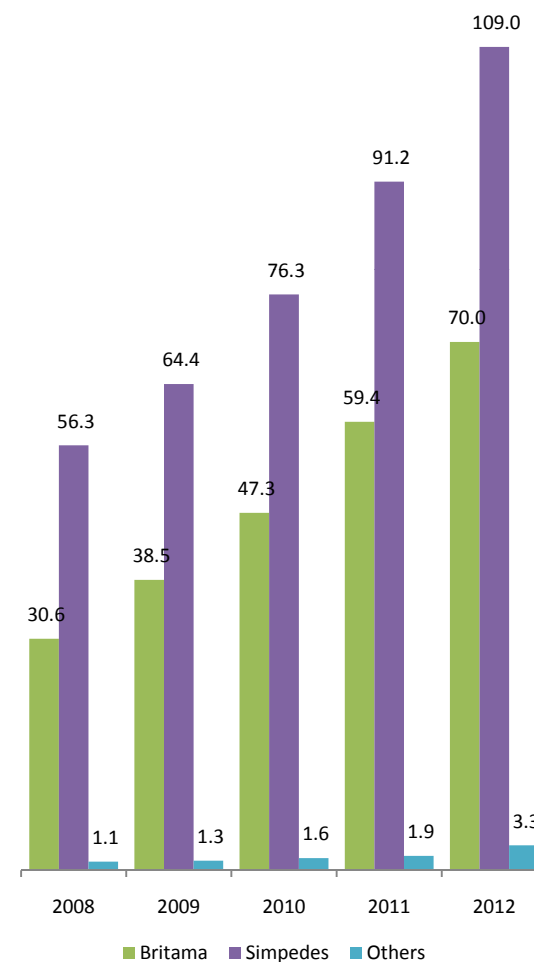
## Strong Deposit Franchise



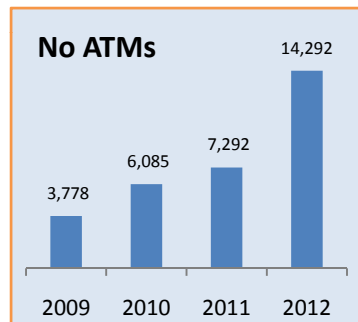
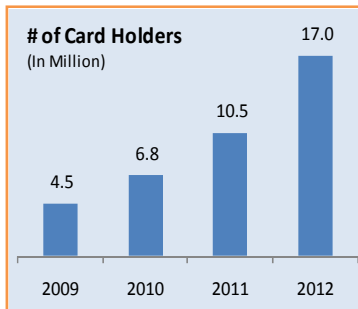
## Development of E-Banking Features



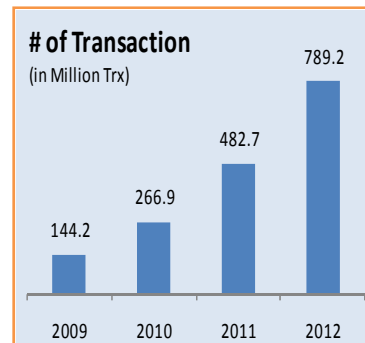
## Strong Saving Growth



# Fee Based Income – Strong Transaction- based Fee Income

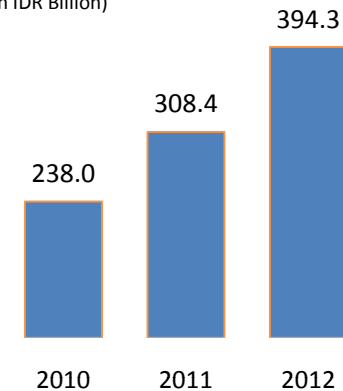


ATM related fee and trade finance are two biggest contributor of transaction based fee income that grow strongly 27.85% and 61.20%



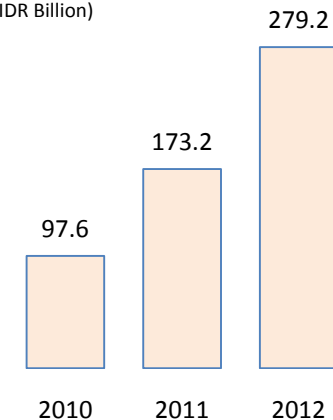
## ATM Related Fee

(in IDR Billion)



## Trade Finance

(in IDR Billion)

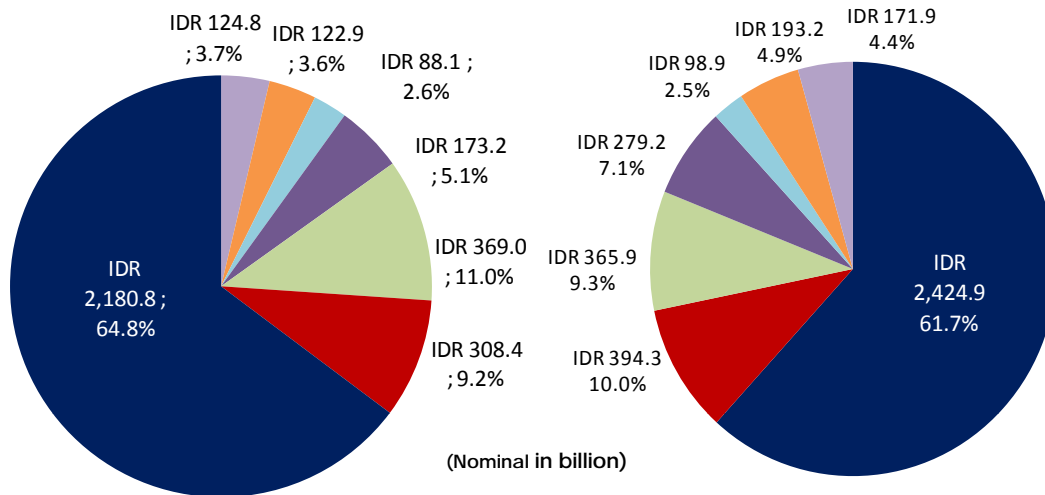


Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
Numbers stated in this presentation are bank only

# Fee Based Income - *composition*

Dec 2011

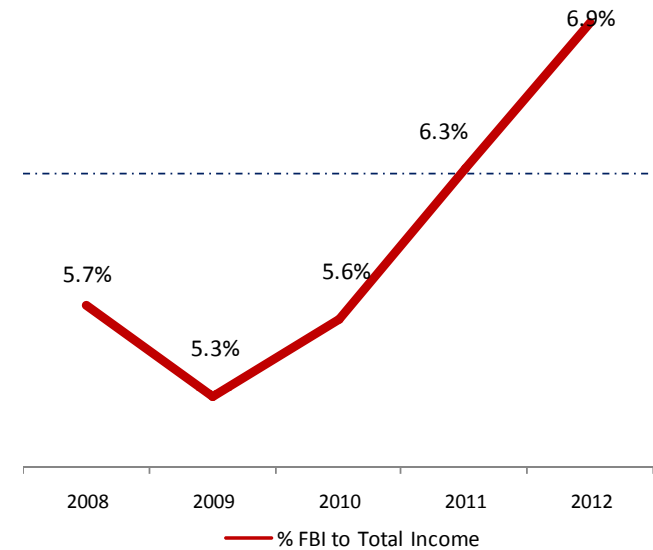
Dec 2012



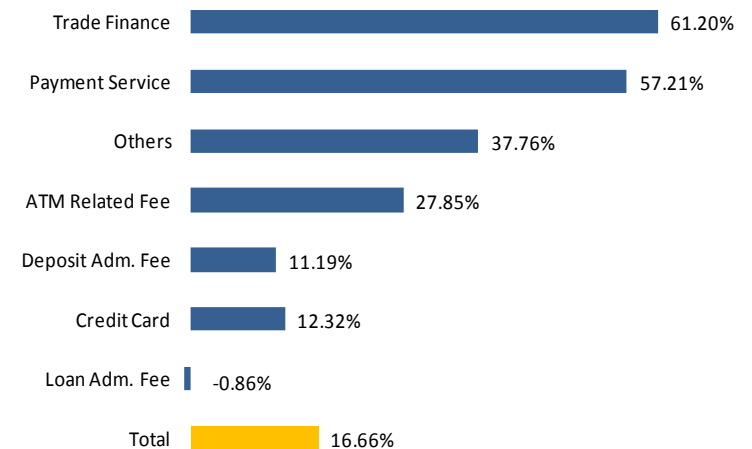
■ Deposit Adm. Fee ■ ATM Related Fee ■ Loan Adm. Fee ■ Trade Finance  
■ Credit Card ■ Payment Service ■ Others

- FBI contribution to Total Income keep increasing, reached 6.9% in December 2012 supported by increasing contribution from transaction based fee, e.g. Trade Finance & Payment Services
- Deposit administration fee still contribute the biggest part of fee-based income, as BRI has large number of customer accounts

## FBI to Total income



## FBI - Growth



Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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## ***Consumer Loans***

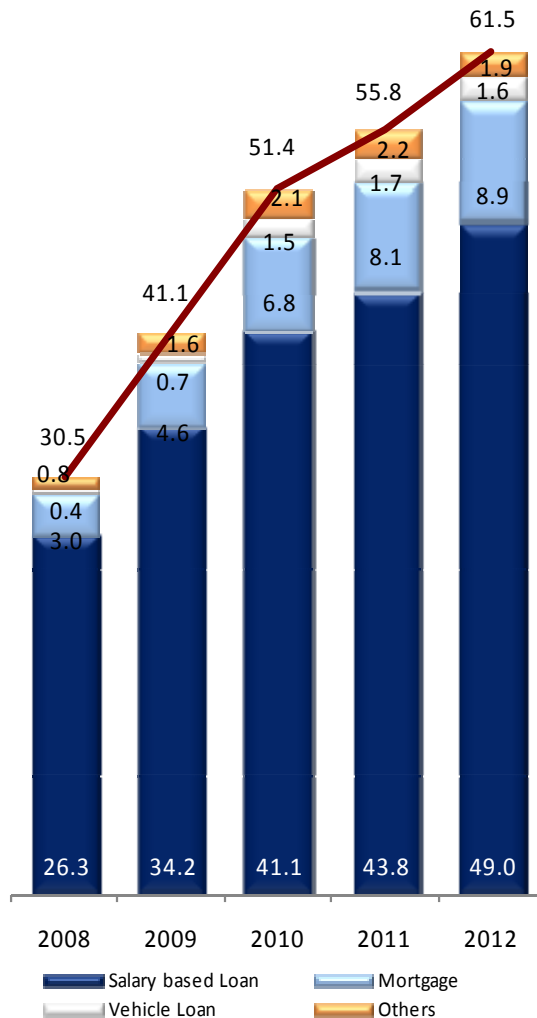
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### ***Optimizing the Salary Based Loan Potentials***

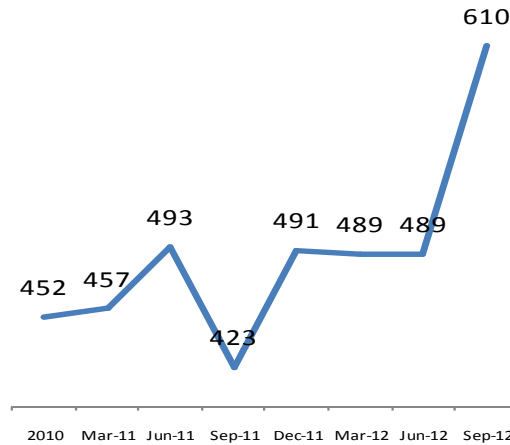


# Consumer Loan – *accelerated in profitable way*

## Consumer Loan Composition



## Loan Officer - Trend



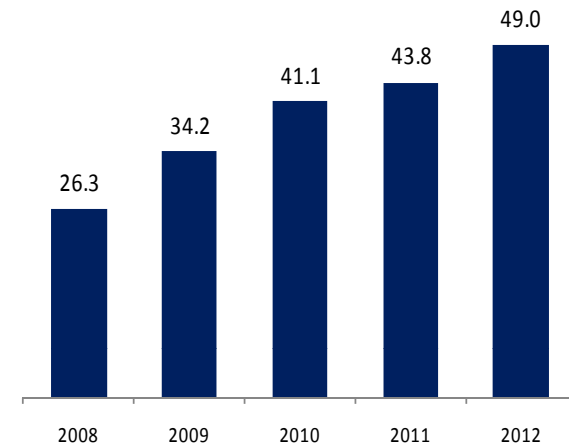
## Features Development

Some strategies applied to expand this business, i.e.

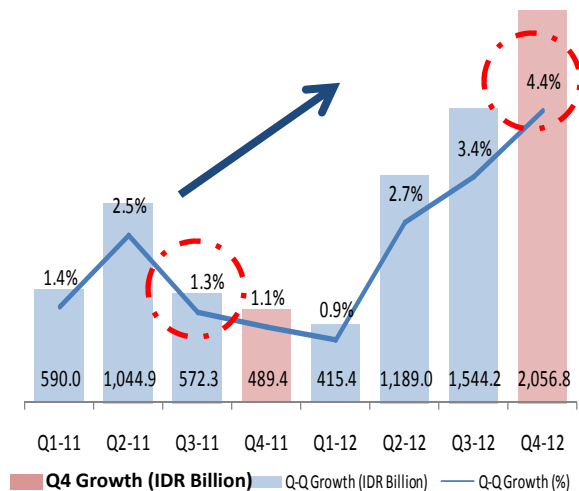
- Recruiting loan officer dedicated for Salary Based Loan business expansion
- Lengthened the loan period
- Expand the target market to SOEs' employee
- Intensify marketing effort

## Loan - Trend

### IDR Trillion



## Loan - Q on Q Growth



Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
Numbers stated in this presentation are bank only

## ***Corporate & SoE Loans***

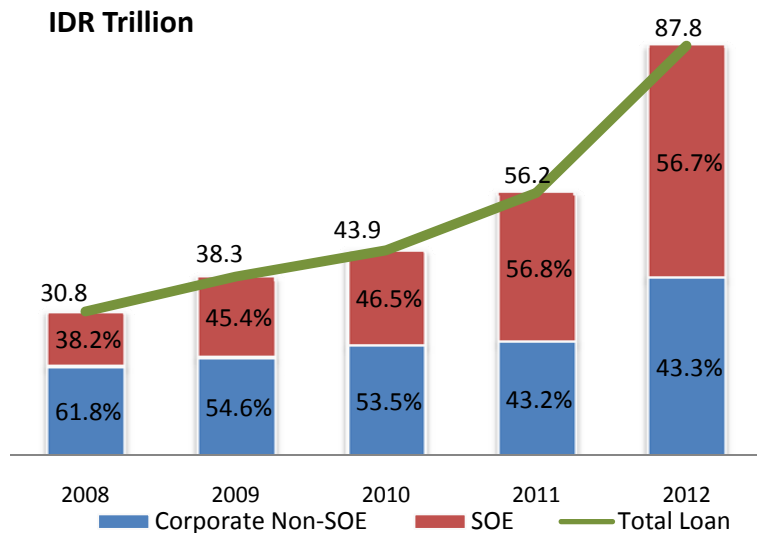
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***Prudent Expansion to Optimize the Liquidity***

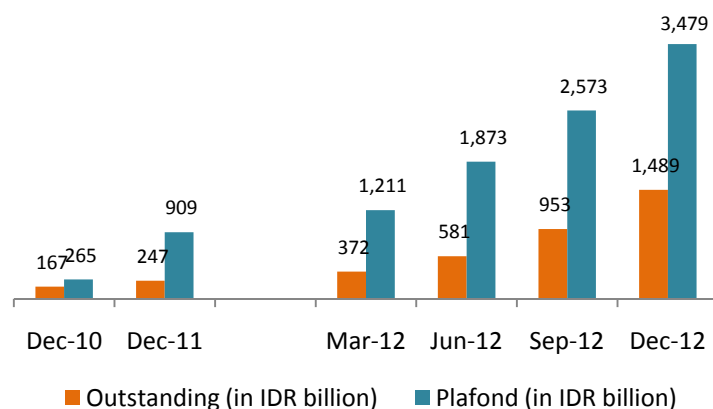
# Corporate & SOE Loans – Optimizing the yield of the available liquidity

Providing future source of growth for SMEs, increasing cross selling potentials

## Growth Trend

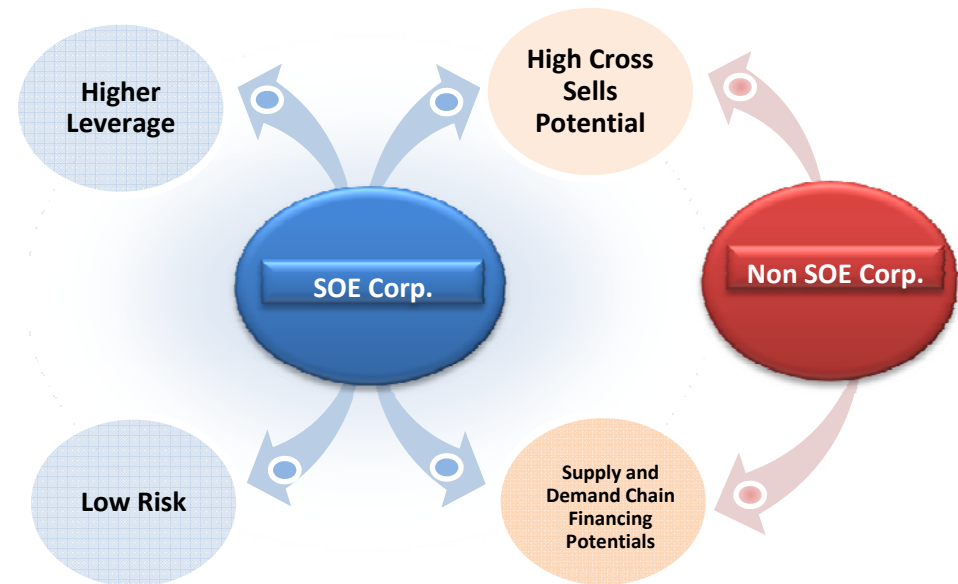


## Small Commercial Loans Trickled down from Corporate Loans



Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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## Corporate & SoE Loans - Potentials

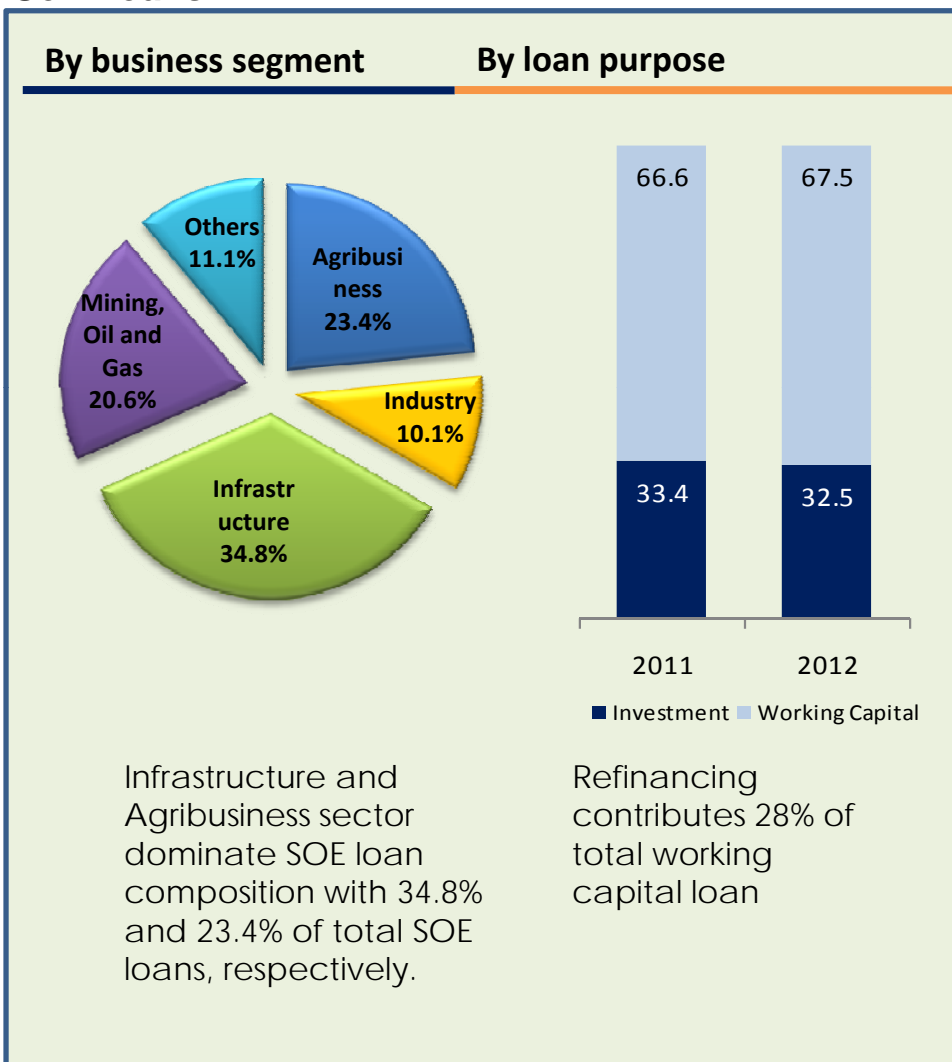


- A more prudent and comprehensive policy has been applied to corporate & SoE loan, i.e. policy of natural hedging and a requirement to analyze account profitability, trickle down business and fee based income target.
- This policy implementation resulted in high quality loan as well as increasing of non-interest income coming from the corporate & SoE segment
- Small commercial loans derived from corporate loans have shown a good result where both total plafond and loan outstanding have increased more than double from 2011.

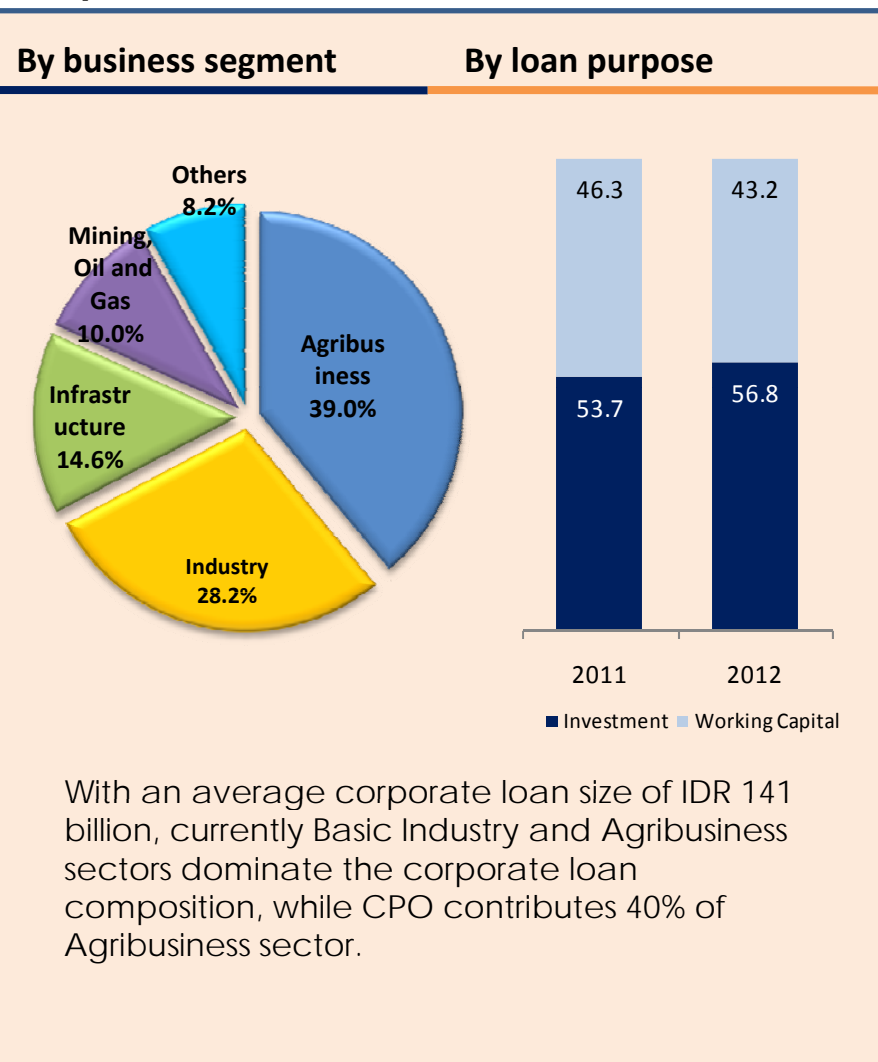
# SOE & Corporate Loans – Optimizing the yield of the available liquidity

Providing future source of growth for SMEs

## SoE Loans



## Corporate Loans

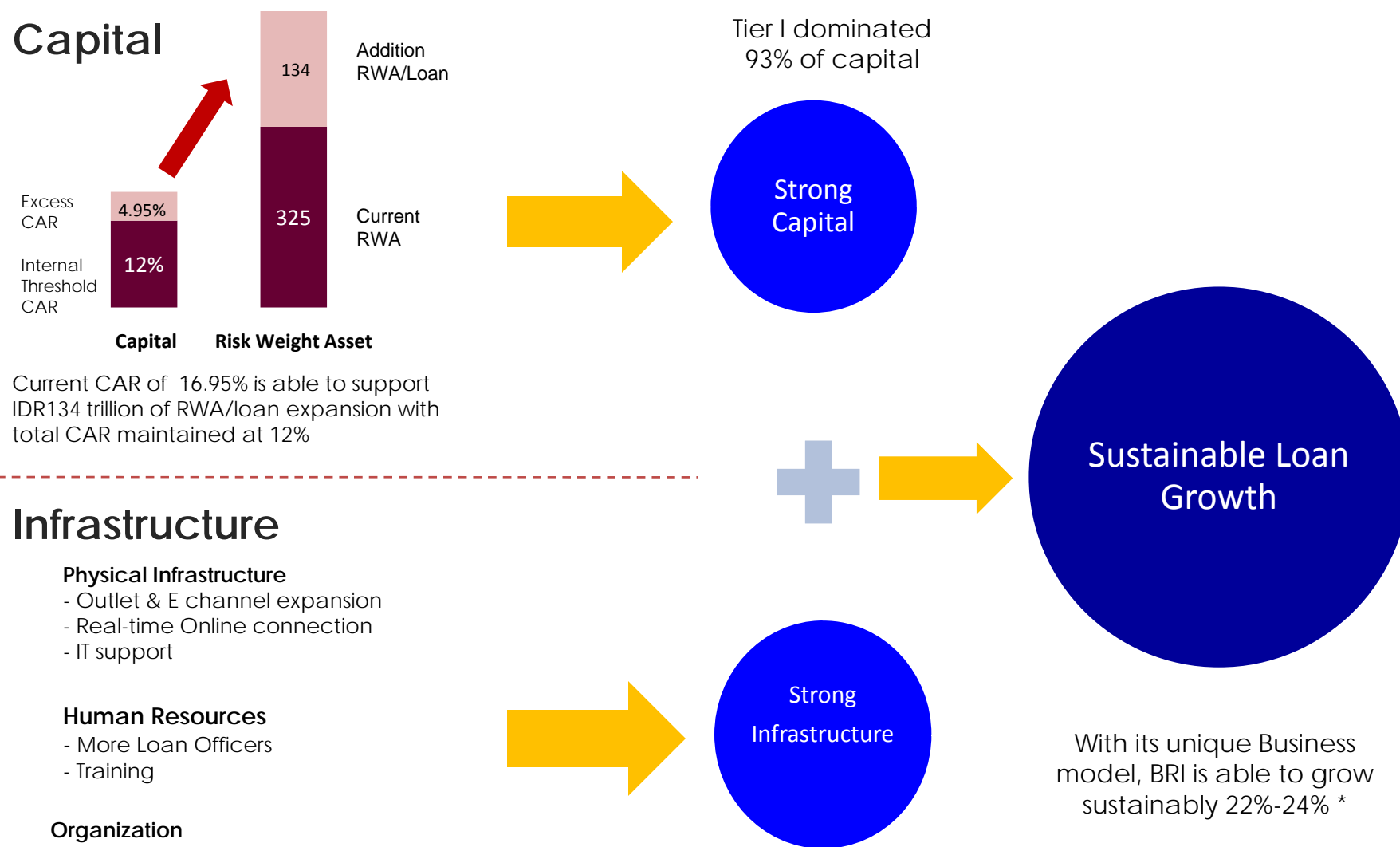


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***Strong Capacity to Grow***

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# Solid Base to Grow – *Supported by Capital & Infrastructure*



\*) based on ROE of 30% & DPO of 20%

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***Keys Take Away in 2012***

-

***What to Expect in 2013***

## 2012 - Keys Take Away

- Loan growth start to accelerate
- Micro loan on its traction
- NII growth recover
- Growing contribution of fee-based income
- Significant growth of written-off loan recovery
- Manageable opex growth during high expansion
- NPL is well improved to 1.78%
- Improving credit cost due to better asset quality
- Increasing position in e-banking
- Well-prepared infrastructure for future growth
- Solid capital condition



## *The Opportunities*

- Still relatively strong economic growth projection of 6.3%-6.8%
- Household income increase due to minimum regional wages increase
- Acceleration infrastructure development provide both direct and indirect positive impact
- Growing productive population and number of entrepreneurs, providing more growth opportunity to Micro & SMEs
- Optimize its largest customer base of > 40million accounts to build more fee based income

## *The Challenges*

- Higher inflation pressure due to electricity tariff increase & IDR depreciation
- Tighter liquidity as banking industry LDR increase probably drive cost of fund increase
- New regulatory changes
- Tougher competition both in loan and deposit
- Maintain opex during expansion

## 2013 - What to Expect...

- Higher loan growth of 22 - 24%, with micro loan continue to grow
- LDR within the range of 80%-90%
- Casa composition maintained at around 60%
- Fee income growth of around 20 %
- Manage Opex. growth of 15 – 17%
- Maintain NPL level of around 2%
- Flat lending rate with slightly increased cost of fund
- NIM will stay around 8%
- Networks expansion, focus on micro business and e-channel developments

## ***Appendixes***

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## ***Financial Performance***

# Financial Ratios

Description	2007	2008	2009	2010	2011	2012
Cost of Fund (COF)	5.01%	5.16%	6.02%	4.90%	4.70%	3.68%
Loan to Deposit Ratio	68.80%	79.93%	80.88%	75.17%	76.20%	79.85%
Net Interest Margin (NIM)	10.86%	10.18%	9.14%	10.77%	9.58%	8.42%
NPL ratio - Gross	3.44%	2.80%	3.52%	2.78%	2.30%	1.78%
NPL ratio - Nett	0.88%	0.85%	1.08%	0.74%	0.42%	0.34%
Opr. Expense to Opr. Income	69.80%	72.65%	77.66%	70.86%	66.69%	59.93%
Cost Efficiency Ratio (CER)	49.03%	50.40%	46.78%	42.22%	41.17%	43.11%
Tier I CAR	14.15%	11.84%	12.05%	12.01%	13.67%	15.86%
Total CAR *)	15.84%	13.18%	13.20%	13.76%	14.96%	16.95%
Return on Assets (ROA) - b.t	4.61%	4.18%	3.73%	4.64%	4.93%	5.15%
Return on Assets (ROA) - a.t	2.87%	2.82%	2.76%	3.57%	3.97%	4.04%
Return on Equity (ROE) - Tier I	31.64%	34.50%	35.22%	43.83%	42.49%	38.66%
Return on Equity (ROE) - B/S	26.45%	29.15%	28.83%	35.94%	35.10%	32.41%
Min. Reserve Requirement	22.09%	5.57%	5.90%	8.05%	9.33%	10.64%
Net Open Position	7.90%	13.55%	5.22%	4.45%	5.49%	3.00%

Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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# Sources of Income

	IDR Billion					
Total Income	2008	2009	2010	2011	2012	YoY
Interest income	28,076	35,071	43,971	46,949	47,922	2.1%
Fee & Other Opr.Income	2,492	3,257	5,458	5,524	8,166	47.8%
Non Operating Income (net)	476	1,327	497	1,157	1,169	1.0%
<b>Total Income</b>	<b>31,044</b>	<b>39,655</b>	<b>49,926</b>	<b>53,631</b>	<b>57,256</b>	<b>6.8%</b>

Interest Income contributed 83.70% of total revenue

## Fee & Other Operating Income

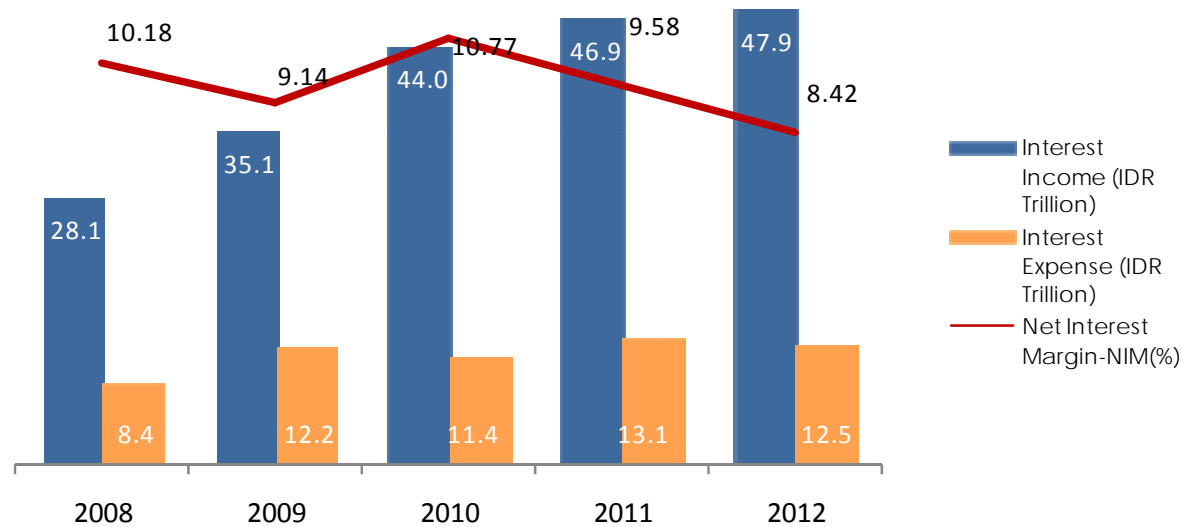
	IDR Billion					
Fee & Other Operating Income	2008	2009	2010	2011	2012	YoY
Gain Fr Value Increase of Securities and Govt. Recap Bonds	51	270	156	146	56	-61.6%
Fees and Commissions	1,767	2,102	2,813	3,367	3,928	16.7%
Gain fr Forex	614	713	773	36	427	1101.7%
Recovery		-	1,525	1,794	2,251	25.4%
Others	60	172	191	181	1,504	729.9%
<b>Total Fee &amp; Other Opr. Income</b>	<b>2,492</b>	<b>3,257</b>	<b>5,458</b>	<b>5,524</b>	<b>8,166</b>	<b>47.8%</b>

The biggest contributor of "Others" in Fee & Other Operating income coming from reversal of IDR 1.36 Trillion allowance for employee in retirement preparation (MPP Program), i.e. 1 year fully paid without work for those reaching 55yrs old, 1 year before retirement age of 56yrs old. According to PSAK 24, this kind of program is categorized as employee's benefit hence Company have to provide allowance. Aligned with the business practices in the industry, BRI has removed MPP Program and there will be no more allowance provided afterward.

**Note: Since FY 2010, figures are PSAK 50 & 55 compliant**  
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# Sources of Interest Income

## Interest Income, Interest Expenses and NIM



## Source of Interest Income

Interest Income	IDR Billion					
	2008	2009	2010	2011	2012	YoY
Interest from Loans	22,530	29,290	39,587	41,657	42,623	2.3%
Interest from Govt. Bonds	1,930	1,806	1,506	1,114	603	-45.9%
Int. from Other Earning Assets	3,616	3,975	2,878	4,178	4,696	12.4%
<b>Total Interest Income</b>	<b>28,076</b>	<b>35,071</b>	<b>43,971</b>	<b>46,949</b>	<b>47,922</b>	<b>2.1%</b>

Interest Income from loans contribute 88.94% of total interest income (or 74.44% of total income)

Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
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## Other Operating Expenses

	IDR Billion					
Other Operating Expenses	2008	2009	2010	2011	2012	YoY
Personnel	6,318	6,586	8,478	8,327	9,215	10.7%
General and Administration	3,081	3,648	4,534	5,362	6,000	11.9%
Losses fr decrease of Securities and Govt. Bonds value	150	-	-	-	-	
Losses from forex transaction	-	-	-	-	-	
Premium Paid on Govt Guarantees	349	423	517	610	729	19.5%
Promotion	301	418	479	603	731	21.3%
Others	772	699	1,640	1,386	1,928	39.1%
<b>Total Other Opr. Expenses</b>	<b>10,971</b>	<b>11,773</b>	<b>15,648</b>	<b>16,288</b>	<b>18,602</b>	<b>14.2%</b>

Note: Since FY 2010, figures are PSAK 50 & 55 compliant  
Numbers stated in this presentation are bank only



## Balance Sheet (*consolidated*)

Description	2008	2009	2010	2011	2012	YoY
<b>Total Assets</b>	<b>246,077</b>	<b>316,947</b>	<b>404,286</b>	<b>469,899</b>	<b>551,337</b>	<b>17.3%</b>
- Gross Loans	161,108	208,123	252,489	294,515	362,007	22.9%
- Government Bonds (Recap)	16,352	15,027	13,626	8,996	4,316	-52.0%
- Other Earnings Assets	51,321	75,913	113,580	129,136	132,720	2.8%
Total Earning Assets	228,781	299,063	379,696	432,647	499,042	15.3%
Earning Assets Provision	(8,814)	(11,665)	(14,121)	(16,092)	(14,916)	-7.3%
Total Earning Assets (net)	219,968	287,398	365,575	416,555	484,126	16.2%
Total Non Earning Assets	26,109	29,549	38,710	53,345	67,211	26.0%
<b>Total Liabilities &amp; S.E</b>	<b>246,077</b>	<b>316,947</b>	<b>404,286</b>	<b>469,899</b>	<b>551,337</b>	<b>17.3%</b>
Total Customer Deposits	201,537	255,928	333,652	384,264	450,166	17.2%
- Demand Deposits	39,923	50,094	77,364	76,779	80,075	4.3%
- Saving Deposits	88,077	104,463	125,990	154,133	184,365	19.6%
- Time and Certificate Deposits	73,538	101,371	130,298	153,353	185,726	21.1%
Other Interest Bearing Liabilities	7,599	21,284	17,297	19,361	15,784	-18.5%
Non Interest Bearing Liabilities	14,583	12,477	16,663	16,454	20,505	24.6%
Tier I Capital	17,796	21,057	28,135	38,809	52,325	34.8%
Total Shareholder's Equity	22,357	27,257	36,673	49,820	64,882	30.2%

Note: Since FY 2010, figures are PSAK 50 & 55 compliant

## Income Statement (*consolidated*)

Description	2008	2009	2010	2011	2012	YoY
Interest Income	28,097	35,334	44,615	48,164	49,610	3.0%
Interest Expense	(8,446)	(12,285)	(11,727)	(13,737)	(13,127)	-4.4%
Net Interest Income	19,651	23,049	32,889	34,427	36,484	6.0%
Fee & Other Opr. Income	2,535	3,270	5,545	5,776	8,390	45.3%
Gross Operating Income	22,186	26,319	38,433	40,203	44,873	11.6%
Other Operating Expenses	(10,997)	(11,960)	(16,114)	(17,086)	(19,491)	14.1%
Pre Provision Operating Profit	11,190	14,360	22,319	23,117	25,382	9.8%
Provision	(2,844)	(5,799)	(7,917)	(5,533)	(2,700)	-51.2%
Non Operating Profit/Loss	476	1,331	506	1,172	1,177	0.5%
Profit Before Tax n Minor. Int.	8,822	9,891	14,908	18,756	23,860	27.2%
Net Profit	5,958	7,308	11,472	15,088	18,687	23.9%
EPS *)	248.5	609.5	478.4	628.9	778.9	23.9%

Note: Since FY 2010, figures are PSAK 50 & 55 compliant

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***Others***

# The Most Extensive and Largest Networks

## Regional Office Distribution



Outlets	2008	2009	2010	2011	2012	Δ YoY
Head Office	1	1	1	1	1	-
Regional Offices	14	17	18	18	18	0
Branches	379	406	413	431	446	15
Sub Branches	337	434	470	502	545	43
BRI Units	4,417	4,538	4,649	4,849	5,000	151
Cash Counters	179	728	822	870	914	44
Teras BRI		217	617	1,304	1,778	474
Teras Mobile				100	350	250
<b>Total</b>	<b>5,327</b>	<b>6,341</b>	<b>6,990</b>	<b>8,075</b>	<b>9,052</b>	<b>977</b>
E-Channel	2008	2009	2010	2011	2012	Δ YoY
ATM	1,796	3,778	6,085	7,292	14,292	7,000
Kiosk	14	60	96	100	100	-
CDM	1	22	39	89	92	3
EDC		6,398	12,719	31,590	44,715	13,125
E Buzz		1	2	19	42	23
<b>Total</b>	<b>1,811</b>	<b>10,259</b>	<b>18,941</b>	<b>39,090</b>	<b>59,241</b>	<b>20,151</b>



Regional Offices



Branch Offices



Sub-Branch Offices



Cash Counter



BRI Unit



Teras BRI

\*Total working units are including 3 overseas offices

## BRI Rating

FITCH (Oct 2012)	
- Long Term Foreign Currency IDR	BBB-, Stable Outlook
- Short Term Foreign Currency IDR	F3
- Support Rating Floor	BBB-
- Support Rating	2
- Viability Rating	bb+
- National Long-Term Rating	AAA (idn), Stable Outlook
- Rupiah Subordinated Debt	A+ (idn)
STANDARD AND POORS (May 2012)	
- Outlook	Stable
- Long Term Foreign Issuer Credit	BB+
- Long Term Local Issuer Credit	BB+
- Short Term Foreign Issuer Credit	B
- Short Term Local Issuer Credit	B
MOODY'S (Jan 2012)	
- Outlook	Stable
- Bank Deposit	Baa3/P-3
- Bank Financial Strength	D+
- Baseline Credit Assessment	(Ba1)
- Adjusted Baseline Credit Assessment	(Ba1)
PEFINDO (June 2012)	
- National Rating	id AAA, Stable Outlook
Indonesia Sovereign Ratings	
Standard and Poors (April 2011)	BB+, Positive Outlook
Fitch (December 2011)	BBB-, Stable Outlook
Moody's (January 2012)	Baa3, Stable Outlook
Japan Credit Rating Agency	BBB-, Stable Outlook

## Country Rating

# Shareholders & Stock Performance

## Shareholders Composition

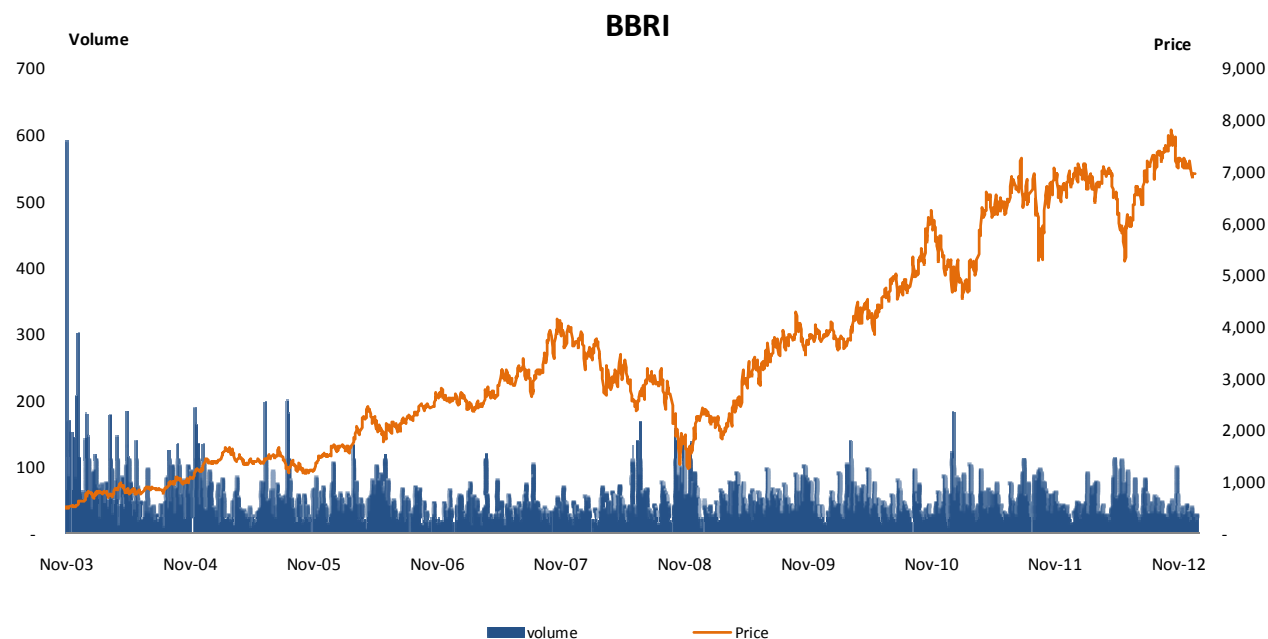
Shareholder	Nov-03	2007	2008	2009	2010	2011	2012
<b>Government</b>	<b>59.50%</b>	<b>56.83%</b>	<b>56.18%</b>	<b>56.77%</b>	<b>56.75%</b>	<b>56.75%</b>	<b>56.75%</b>
<b>Public</b>	<b>40.10%</b>	<b>43.17%</b>	<b>43.19%</b>	<b>43.23%</b>	<b>43.25%</b>	<b>43.25%</b>	<b>43.25%</b>
Foreign *)	55.31%	85.66%	81.73%	84.16%	84.25%	83.93%	82.84%
Domestic *)	44.69%	14.34%	18.27%	15.84%	15.75%	16.07%	17.16%

\*) percentage from public holding

## Stock Price: Trend

BBRI Stock is member of:

- JCI Index
- LQ45 Index (Top 45 liquid stocks)
- SRI KEHATI Index (a UN affiliated biodiversity Index of 25 stocks)



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