



BII
BANK INTERNASIONAL INDONESIA

BII *in Brief*

PT Bank Internasional Indonesia Tbk (BII) continue to recover from the devastating effects of the Asian financial crisis in 1997 on the national banking sector. Established in 1959, BII obtained a foreign exchange license in 1988, listed its shares on the Jakarta Stock Exchange in 1989, and grew to become one of Indonesia's leading private national banks. As one of several banks participating in the Government banking recapitalisation programme, BII succeeded in returning to profitability in 2000, but had to book a loss in 2001 due to large loss provisioning expenses for non-performing loans and interbank claims. Subsequently, the Indonesian government through the Indonesian Bank Restructuring Agency (IBRA) as the majority shareholder of the Bank, have decided to take over the remaining shareholdings of the founding shareholders as well as those of the Sinar Mas Group and, with the approval of the House of Representatives, to conduct the Limited Public Offer IV, in efforts to rehabilitate the Bank. The decision was taken considering that BII still represents one of the leading national banks that provides more than two million customers with quality banking products and services, including the most advanced internet banking service in Indonesia today.

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FINANCIAL Highlights

| (In Millions of Rupiah, except for Selected Data) | 2001 | 2000 | Change (%) |
|---|----------------|----------------|------------|
| FOR THE YEAR | | | |
| Interest Income | 3,332,320 | 3,537,524 | (5.80) |
| Net Interest Income | 39,882 | 687,052 | (94.20) |
| Net Income Before Taxes | (3,328,347) | 381,333 | (972.82) |
| Net Income | (4,130,540) | 267,487 | (1,644.20) |
| AT THE END OF THE YEAR | | | |
| Loans (Gross) | 8,916,736 | 18,994,031 | (53.06) |
| Earnings Assets | 27,370,488 | 33,061,902 | (17.21) |
| Total Deposits | 24,991,268 | 28,595,312 | (12.60) |
| Borrowings | 3,974,025 | 4,144,903 | (4.12) |
| Shareholder's Equity | (2,199,110) | 2,338,640 | (194.03) |
| Total Assets | 30,754,397 | 37,326,024 | (17.61) |
| Outstanding Shares (number of shares) | 92,793,462,307 | 92,793,462,307 | - |
| AVERAGE BALANCE | | | |
| Loans (Gross) | 13,955,384 | 15,399,488 | |
| Earnings Assets | 30,216,195 | 33,723,914 | |
| Total Deposits | 26,793,290 | 27,348,189 | |
| Borrowings | 4,059,464 | 4,623,611 | |
| Shareholder's Equity | 69,765 | 2,137,387 | |
| Total Assets | 34,040,211 | 38,755,632 | |
| Outstanding Shares (number of shares) | 92,793,462,307 | 92,793,411,376 | |
| FINANCIAL RATIOS (%) | | | |
| Capital Adequacy Ratio | (47.41) | 7.57 | |
| Return on Average Assets | (9.73) | 0.91 | |
| Return on Average Equity | (3,790.78) | 39.22 | |
| Net Interest Margin | 0.32 | 2.19 | |
| Non-Performing Loans to Total Loans | 61.88 | 22.34 | |
| Loans to Deposit Ratio | 34.94 | 65.58 | |
| PER SHARE (Rp) | | | |
| Net Income (Loss) | (45) | 3 | |
| Shareholder's Equity | (23.70) | 25 | |

SHARE

Highlights

| SHARE PRICE (in Rupiah) | 2001 | | 2000 | |
|-------------------------|---------|--------|---------|--------|
| | Highest | Lowest | Highest | Lowest |
| First Quarter | 40 | 20 | 140 | 100 |
| Second Quarter | 30 | 20 | 125 | 75 |
| Third Quarter | 35 | 20 | 85 | 60 |
| Fourth Quarter | 30 | 20 | 70 | 40 |

| SHARE PERFORMANCE (in Rupiah) | 2001 | 2000 |
|-------------------------------|------|------|
| Highest Price | 40 | 140 |
| Lowest Price | 20 | 40 |
| Year End Price | 25 | 40 |
| Earnings Per Share | (45) | 3 |
| Dividend Payout Ratio | - | - |

SHAREHOLDERS (as per 31 December 2001)

Shares/Shareholders

| | Shares Amount | Percentage |
|---|-----------------------|----------------|
| Series A Shares (Nominal Rp. 500,-) | | |
| Eka Tjipta Widjaja Family | 32,000 | 0.0000 |
| Indonesian Central Securities Depositories | 3,797,685,365 | 4.0926 |
| Asuransi Sinar Mas | 50,000 | 0.0001 |
| Sinar Mas Multiartha Tbk | 6,744,226 | 0.0073 |
| Public | 761,950,716 | 0.0829 |
| Total Shares Series A | 3,881,462,307 | 4.1829 |
| Series B Shares (Nominal Rp. 125,-) | | |
| Eka Tjipta Widjaja | 1,204,105,172 | 1.3000 |
| Indonesian Central Securities Depositories | 34,838,985,084 | 37.5447 |
| Asuransi Sinar Mas | 150,000 | 0.0002 |
| Sinar Mas Multiartha Tbk | - | 0.0000 |
| Public | 273,244,304 | 0.2945 |
| Total Shares Series B | 36,316,484,560 | 39.1369 |
| Shares Series C (Nominal Rp. 125,-) | | |
| Indonesian Bank Restructuring Agency (IBRA) | 52,595,515,440 | 56.6802 |
| Total Shares Series C | 52,595,515,440 | 56.6802 |
| Total Shares (A, B, C) | 92,793,462,307 | 100 |

2001

february

02.01

Signing of a settlement agreement for Sinar Mas Group (SMG) loan restructuring by BII, IBRA and SMG.

april

04.01

BII received government guarantee for the repayment of SMG loans and collateralised government bonds for the Settlement of interbank claims.

Major EVENTS

june

06.01

Divestment of ownership in PT Fuji Bank International Indonesia.

july

07.01

- 1. Divestment of ownership in Bank International Ningbo
- 2. Announcement of BII acquisition by Bank Mandiri July 2nd
- 3. Designated as a Bank Under Restructuring, July 13th.

november

11.01

- 1. SMG Loans transferred to IBRA
- 2. BII received Hedge Bonds and Government Bonds
- 3. Government announced on November 22nd BII will be a stand alone bank.

Important ISSUES

PT Bank Internasional Indonesia Tbk. (BII) went through a difficult year in 2001. A substantial loan provisioning expense, including full provisioning on approximately Rp 1.1 trillion of outstanding interbank claims and loan provisioning of Rp 1.9 trillion contributed significantly to a loss of Rp 4.1 trillion for the Bank in year 2001.

However, certain important developments which unfolded subsequently to year-end 2001, could represent the start of a real recovery process for BII. The followings are some of the key developments.

Disassociation with the Sinar Mas Group

A key and central requirement of the government of Indonesia in the rescue of Bank Internasional Indonesia has been met. As a follow up to the transfer of bad debts of the Sinar Mas Group from BII to the Indonesian Bank Restructuring Agency (IBRA), the family of Eka Tjipta Widjaja as the founding shareholders of the Bank were required to hand in all of their shareholding rights in the Bank to IBRA. These transfers effectively ended any association between Bank Internasional Indonesia and its previous owners or the Sinar Mas Group.

Transfer of Founder Shares

On 17 April 2002, the Eka Tjipta Widjaja Family signed the agreement to transfer all of the family's remaining holdings in Bank Internasional Indonesia, held by the Sinar Mas Group (SMG), to IBRA. The transfer of shares is part of the continuing programme to restructure BII and the settlement of obligations of SMG to IBRA. With the transfer of these shares, the government's (IBRA's) ownership in the Bank increased from 56.68% to 73.42%, while that of the Sinar Mas Group decreased from 16.74% to zero percent, with the remaining 26.58% still held by the public.

Rights Issue

Subsequent to the disassociation of Bank Internasional Indonesia from the Sinar Mas Group, a rights issue by the Bank has been deemed to be the most feasible means to effect a recovery of the Bank. The rights issue, the fourth to be undertaken by the Bank, will provide up to Rp 4.8 trillion in fresh capital towards restoring the Bank's equity as well as capital adequacy ratio to statutory requirement.

This rights issue is expected to take place in June 2002, with the government of Indonesia, upon the approval of the House of Representatives, acting as the standby buyer.

Going Forward

Bank Internasional Indonesia remains one of largest banks in Indonesia. With more than two million customers, more than 250 branch offices, its own network of 600 unit ATMs, the second largest card business and the leading electronic banking network in the country, BII has the infrastructure and network to serve as a key financial intermediary of the Indonesian banking sector.

The reason why it has not been able to fulfill this potential so far, in spite of all of the above, lies in (i) the debt overhang of the Sinar Mas Group which had remained in BII's book throughout its first recapitalisation, (ii) the issue of unsettled interbank claims which had persisted to year end 2001 despite repeated efforts by the government to settle these claims, (iii) as a result of the latter of which BII incurred massive provisioning expenses on the above two assets,

The operating loss stemmed from the high interest rates which apply on its third-party funds, primarily to maintain its liquidity in the face of increasing withdrawals from the bad publicity surrounding the Bank's uncertain fate in 2001. Following the full-amount transfer of the Sinar Mas Group credit to IBRA in November 2001 and subsequent announcement that BII will remain as a stand-alone bank, public confidence in the Bank had returned to effect an increase of third-party funds. However, this was too late to avoid the operating loss in the year 2001. In any case, by the first quarter of 2002, BII was operating under normal interest rate that it expects to return to operating profitability within the year. A full recovery is also expected by 2002 with the completion of the Bank's rights issue in June 2002.

Good Corporate Governance

As one of the recapitalised banks under the bank restructuring programme, Bank Internasional Indonesia participated in the good corporate governance policy development and implementation programme of IBRA under the guidance of PriceWaterhouseCoopers in 2001. While the Bank was able to submit its draft on the policy of good corporate governance, the unfolding events of 2001 did not leave much room for Management to focus on any other issues besides the effort to stem the crisis facing the Bank during the year. It must also be noted that BII underwent two management changes in 2001 alone.

What has been achieved in good corporate governance during the year is presented in the following Letter to Shareholders from the Supervisory Team that was appointed in December 2001 to oversee the continuing restructuring of BII. Obviously, once the new Bank Internasional Indonesia sets off with a restructured balance sheet and a newly appointed management following its rights issue, it will look upon good corporate governance as a key aspect to safeguard the interests of stakeholders in the Bank.



SUDIARSO
SUPERVISORY GROUP COORDINATOR



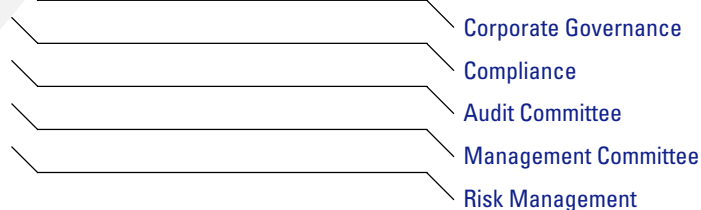
HIROSHI TADANO
MEMBER



JURIDA M. BAHARSON
MEMBER

LETTER TO SHAREHOLDERS

THE NEW BII



Bank Internasional Indonesia went through a period of uncertainty in 2001, but came out of it with renewed sense and purpose. At issue were the nonperforming loans and interests of the Sinar Mas Group which amounted to approximately US\$ 1.06 billion and Rp 1.8 trillion, as well as approximately Rp 1.1 trillion of unsettled interbank claims, the latter of which required hefty provisioning beyond the reasonable means of the Bank to undertake. Although BII had signed a restructuring agreement and received a government guarantee for the repayment of the Sinar Mas Group loans in February and April of the year, the government nevertheless announced the planned take over of BII by Bank Mandiri in July 2001, and placed BII under the care of the Indonesian Bank Restructuring Agency (IBRA). A caretaking management, comprising of several BII directors and representatives of IBRA and Bank Mandiri, was placed in charge of the Bank to prepare the groundworks for this acquisition.

By the end of the year, however, a final decision had been made, and one that, we believe, was in the best interest of many. Mainly in recognition of BII's franchise value and its future prospects, the government decided not to go through with the acquisition. Instead, the above loan assets of the Sinar Mas Group were transferred to IBRA. In their place, BII received Rp 14.4 trillion of Government Recycled Bonds, of which approximately Rp 11.9 trillion had been exchanged for the Government Hedge Bonds.

Thereafter, an official announcement by the government on the 22nd of November 2001 confirmed BII's future status as a stand-alone bank and the restructuring shall be undertaken through a Rights Issue.

The fourth rights issue of Bank Internasional Indonesia is aimed at restoring the capital adequacy ratio of the Bank to the statutory requirement and, we believe that with the elimination of the single largest bad debt and unsettled interbank claims from its book, will usher in a new era of growth for the Bank. One that is based more firmly in the principles of prudential banking and good corporate governance.

With the comprehensive settlement of all of BII's exposure to the nonperforming loans of the Sinar Mas Group, BII can expect to resume its role as one of the leading banks in Indonesia. We are the sixth largest bank with total assets of more than Rp 30.7 trillion as at year-end 2001; a customer base of over two million accounts; a formidable network of more than 250 branch offices and over 600 ATMs nationwide and one of the leading Internet banking providers in the country.

It is imperative that we make use of these considerable resources to the benefit of our shareholders, customers and other stakeholders, within the framework of the banking sector reform currently undertaken in Indonesia. To that end, since December 2001, new supervisory and management teams have been put in charge of BII, working eagerly to make the new Bank Internasional Indonesia a great success.

Following the execution of the rights issue, BII will focus on strengthening its corporate governance, of which the Bank has completed a comprehensive good corporate governance manual which outlines and details the roles and responsibilities of the management board, the audit committee, risk management, transparency and disclosure, strategic target planning and monitoring, and corporate citizenship in 2001. However, the Bank has had to postpone the full implementation of its good corporate governance programme until 2002. This includes the establishment of various management committees, the formulation of code of conducts, and the increased role of the Corporate Secretary on matters of internal communications and public disclosures.

As part of good corporate governance, BII has also set up a compliance division responsible for ensuring that the Bank complies with all external rules and regulations, as well as internal procedures at all levels of operations. Throughout 2001, compliance became a central theme in the new corporate culture of BII, as employees of BII were made aware of the prevailing rules and regulations of the finance ministry, the central bank, the capital markets, and taxation. A dedicated website on compliance issues has also been set up for employees to consult on round-the-clock.

Internal audits and risk management are two other components of compliance control and enforcement, which have been increased and enhanced in both scope and quality. An internal audit unit has long been part of BII's organisational structure, and is

now being empowered to take up a more active role. Additional audit staffs have been seconded to the unit, enabling it to perform more audits in 2001, involving a wide range of operating procedures and processes. BII will form an Audit Committee in 2002 to supervise these audits as well as make policy recommendations on the basis of the audit findings.

Risk management is implemented and carried out within respective divisional units, underscoring the fact that risks are better monitored, controlled, and therefore managed at the field level or within individual business or working units. However, in 2001, BII took a step further in risk management by compiling all of the risk factors of each individual working unit in order to measure the risk exposures of BII as a whole. The Bank has also applied more rigorous risk management through the workings of various management committees, which in 2001 included the asset-and-liability management committee, and credit committee (more information on the Bank's risk management policy and mechanism is presented in the Financial Review section of this annual report). BII has made and will continue to make improvements in risk management as part of a broader good corporate governance that focuses on transparency, fairness, accountability, and responsibility.

On behalf of Bank Internasional Indonesia, we would like to once again express our gratitude and highest appreciation to our stakeholders, especially those who have made it possible for BII to sustain its business. Let us now focus on what lies ahead of us, and work to make our cause a worthy one.



Sudiarso
**COORDINATOR
OF SUPERVISORY TEAM**



Jurida M. Baharson
**MEMBER
OF SUPERVISORY TEAM**



Hiroshi Tadano
**MEMBER
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RUSLI PRAKARSA
MANAGEMENT GROUP HEAD COORDINATOR



JUDI P. SUDJONO
MANAGEMENT GROUP HEAD



RUDY N. HAMDANI
MANAGEMENT GROUP HEAD



HALIM SUSANTO
MANAGEMENT GROUP HEAD



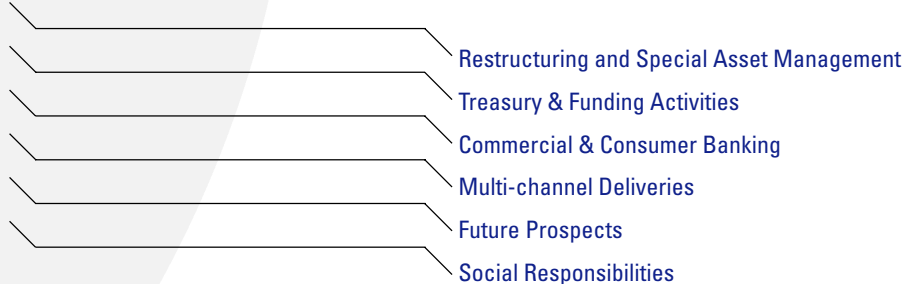
HERMANUS H.M.
MANAGEMENT GROUP HEAD



HANAFI HIMAWAN
MANAGEMENT GROUP HEAD

MANAGEMENT REPORT

BII IN 2001



On behalf of Bank Internasional Indonesia, we would like to take this opportunity to express our utmost gratitude and appreciation to the general public, the House of Representatives of the Republic of Indonesia, the government of Indonesia, the Indonesian Bank Restructuring Agency, and all those who gave their support and trust to the continuity and integrity of the Bank.

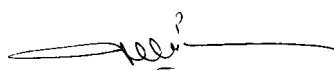
Bank Internasional Indonesia faced a difficult year in 2001, in which the Bank incurred a loss of Rp 4.1 trillion as opposed to a net profit of Rp 267.5 billion in 2000.

At the start of the year, BII suffered from the negative publicity in connection with its considerable debt exposure to the Sinar Mas Group (SMG). This eroded the trust of some of our customers, resulting in significant withdrawals of their accounts with BII. To shore up our liquidity, we were forced to increase our deposit rates to the prime rate level under the deposit guarantee scheme of the Central Bank. In addition, we had to borrow on the interbank market at steep market rates.

Our provisioning expenses in the mean time grew from Rp 26.3 billion in 2000 to Rp 3.0 trillion in 2001, as a result of a conservative provisioning policy which included the Rp 1.1 trillion provisioning for unsettled interbank claims of the same amount, and another Rp 1.9 trillion provisioning for loan losses, both of which accounted for most of our loss during the year.

The loss reflected directly on the Bank's capital adequacy ratio of minus 47.41% as at year-end 2001; a figure made worse by the ruling of Bank Indonesia to exclude deferred tax - of which BII had approximately Rp 0.8 trillion in fiscal year 2001 - from the amount of assets in the computation of CAR.

That is why we look upon the fourth rights issue of Bank Internasional Indonesia as our only recourse to recovery. With a restructured balance sheet and returning public confidence, we can expect a significant decrease in both our provisioning and funding expenses, whilst generating sufficient revenues from our considerable banking operations to return to profitability. The following report highlights some of the achievements of these operations in 2001.



RUSLI PRAKARSA

RESTRUCTURING and special asset management

Restructured Balance Sheet

Capital Adequacy

Improving Credit Quality

With the support of our new shareholders, we hope to be able to restructure our balance sheet in order to gain a new platform of growth for a new Bank Internasional Indonesia that is no longer associated in any way to the Sinar Mas Group. In 2001, the exchange of approximately US\$ 1.06 billion and Rp 1.8 trillion of bad debts with Rp 14.4 trillion of government recycled and hedged bonds, immediately relieved the Bank of a significant provisioning requirement that could easily eat up profits in 2002.





Through our rights issue in June 2002, we hope that shareholders of the Bank would be willing to inject Rp 4.8 trillion in fresh capital that would restore positive equity for the Bank. More importantly, a restored equity by a sum larger than the loss incurred by the Bank in 2001, would lead to capital adequacy ratio of more than 8% as required by Bank Indonesia.

Aside from the balance sheet restructuring, BII continued to pursue special asset management and loan asset workouts throughout 2001. Despite strenuous efforts on the part of the Bank, the nonperforming loans (NPL) ratio to total loans increased from 22.34% in 2000 to 61.88% in 2001. However, throughout 2001, BII was able to restructure loan assets amounting to Rp 13,645 billion (including the Rp 9,817 billion loans of the Sinar Mas Group), resulting in loans settlement of Rp 114.6 billion, deferred loan interest payment and collection of written-off loans of Rp 547.7 billion, and proceeds from foreclosed assets and litigation of Rp 22.5 billion. Assets divestment also forms a key part of our continuing restructuring which, in 2001, included the divestment of BII's wholly-owned stakes in Bank International Ningbo of China. The divestment produced a net cash proceed of USD 76.3 million, bringing the total amount of proceeds from divestiture to Rp 137.5 billion and USD 76.3 million since BII began the programme in 2000.



TREASURY and funding activities

Liquidity Management

Treasury Funding

Fee-based Transactions

Liquidity management became an important issue for Bank Internasional Indonesia in 2001 as eroding public confidence resulted in a decline in the amount of third-party deposits, from Rp 28.6 trillion in 2000 to approximately Rp 25.0 trillion by year-end 2001. Moreover, BII had to meet a repayment of USD 75 million under the Exchange Offer Program of the Central Bank which was fulfilled in August 2001. A natural consequence of the erosion of third-party funds during the year was the need to arrest further erosion by applying higher interest rates on our deposit funds, which had to be raised from 14.5% in the first quarter to 15.6%, 16.7% and 17.6% in the second, third and fourth quarters, respectively. The last figure represents the





highest possible interest rate for bank deposits to qualify for the Bank Indonesia deposit guarantee scheme. Our defensive interest rate hikes stanching the outflows of third-party funds in the third quarter, when total deposits began to increase gradually from a year low of Rp 24.1 trillion to Rp 24.7 trillion at the end of year.

Aside from interest rate strategy, BII undertook best effort to generate revenues outside of core lending activities aimed at bolstering the Bank's liquidity. They comprise mainly of capital markets, treasury and fee-based transactional banking activities. In 2001, BII's capital markets division generated more than Rp 122.2 billion in portfolio income on its interest earning securities, and an additional Rp 21.7 billion in fee-based income. Also, BII posted Rp 171.8 billion in fees from foreign exchange transactions.

Fee-based transactional banking services is also a key aspect of the Bank's liquidity management, which in 2001 generated more than Rp 536.3 billion in fee income, compared to Rp 589.7 billion in 2000. Despite the decline, BII will continue to pursue growing fee-based income through the aggressive marketing of our lucrative card franchise, trade finance, cash remittances and foreign exchange transactions, supported by BII's extensive electronic banking platform which, since 2000, has included Internet banking, phone banking and others.



COMMERCIAL and CONSUMER banking

Commercial and Consumer Lending

New Product and Service Development

Card Service

Bank Internasional Indonesia continues to undertake innovative product development and service improvement, relying increasingly on our advanced electronic banking platform to gain a competitive edge in both the consumer and commercial banking markets. By focusing on these two market segments for our core lending, BII gradually reduces its credit exposure to the corporate banking sector. In 2001, BII disbursed a total of Rp 1,160 billion in consumer credit lines which include car, housing, consumer purchase and credit card loans. Whereas in commercial lending, BII mainly relied on two-step loan programmes involving international development funds and banks such as the Asian Development Bank, Overseas Economic Cooperative Fund and Export-Import Bank of Japan, and Kreditanstalt für Wiederaufbau of Germany. There were altogether seven TSL





programmes undertaken by BII in 2001, amounting Rp 59.7 billion and US\$ 7.5 million, ranging from loans to finance waste treatment facilities to investment and working capital loans for small and medium enterprises, all of whom benefited from the soft nature of TSLs which offer lower interest rates than prevailing commercial rates.

What was significant for both consumer and commercial banking in 2001, however, was the level of service which BII was able to provide as a result of our continuing technology banking revolution. For instance, our customers enjoyed major feature enhancements to our Internet banking which facilitates greater ease in their transactions. We developed our card products using high-resolution imaging which greatly opened the prospect for co-branding between BII and aspiring partners. We enhanced the security of our EFTPOS (Electronic Fund Transfer Point of Sale) payment gateways by optimising the CVV (Card Verification Value) and CVC (Card Verification Code) functions in our credit cards, protecting the interests of both our cardholders and merchants numbering in the hundreds of thousands. There were other service enhancement features designed to facilitate greater convenience in bills payment, cash management and banking inquiries.

In the card business, where BII is the second largest credit and debit card issuer in the country with over 383,000 cardholders at year-end 2001, we constantly strive to increase the service and benefits related to the use of any BII card. Attractive rewards, special offers and linkages with prestigious partners and leading services continue to both increase the use of, and attract new applicants for, the BII cards.



MULTI-CHANNEL deliveries

Branch Network

Electronic Banking

ATM Services

Payment Gateways

With more than 250 branch offices, Bank Internasional Indonesia is directly in touch with millions of customers throughout Indonesia. It also has one of the most extensive banking networks in the country based on an advanced electronic banking platform that provides one of the most comprehensive multi-channel banking deliveries in the country. A full range of banking delivery services that is available round-the-clock and year-round by electronic means, comprising Internet banking, CoOL (Corporate OnLine) Banking for cash management services via personal computer terminals, automated teller machines, phone banking, and EFTPOS for electronic funds transfer at point-of-sales.

BII is the pioneer of Internet banking in Indonesia with registered customers exceeding 100,000 at year-end 2001.





Services include account application, balance inquiry, funds transfer, bank drafts and bills payment.

In CoOL Banking, companies have online access to BII's account database, enabling them to do their banking transactions from computer terminals in their respective offices. The service obviously saves cost and time, provides real-time cash flows management, and offers a wide range of banking features from basic banking transactions to foreign exchange positioning to money market information and detailed account reporting. As of year-end 2001, there were 17 companies that are linked to the CoOL Banking.

When customers are on the move, they have access to SuperKasa, one of the largest ATM networks in the country with over 2.800 unit ATMs throughout Indonesia offering cash withdrawals via the Alto, Visa, Visa Electron, Mastercard, Plus, Cirrus, Maestro and AMEX platforms; and to SuperCall, a comprehensive phone banking service of BII that offers customers local phone access in six major cities: Jakarta, Denpasar, Bandung, Yogyakarta, Surabaya and Medan. Our ATMs are used for no less than 30 types of bills payment as well as for the purchases of mutual funds, phone vouchers and other personal convenience products. While our phone banking service is used for funds transfer, six types of bill payments and balance inquiry which includes the six most recent transactions. In 2001, there were over 2 million BII cardholders which relied on the BII ATM, engaging on average some 3.5 million ATM transactions valued at roughly Rp 750 billion monthly. BII is also the largest provider of EFTPOS terminals used by over 4,800 merchants nationwide in the year 2001.



Future PROSPECTS

Human Resources

Technology

Since 2000, BII has had a Collective Labour Agreement that clearly defines the roles and responsibilities as well as the expectations of management, staff and employees. As best as can be expected, it is a comprehensive document; and one that aims to accommodate the aspirations of many, if not all. But like any other collective endeavors among people and working colleagues, it requires understanding, cooperation, a measure of give and take, and most of all, teamwork. In this regard, BII may have some ways yet to go, although we are working hard to address this need.

There is no doubt that changes in the past few years have left indelible marks in the corporate mantle and psyche of BII. For many days over the past several years, and especially in





2001, our employees go to work feeling uncertain about the future of their jobs. Until the government announcement of November 2001, no one knew quite exactly what was to become of BII. And so, pressured by uncertainties and disabilities, many of us may have embraced a passive and fatalistic stance. A few even took such drastic measures as participating in a worker's strike.

With the renewed support of the government, however, we hope to put all those behind us quickly and permanently. What has truly kept us going throughout those difficult times was, in retrospect, the technology that BII possesses, which more than anything else has enabled us to maintain a strong and highly visible presence in the market. More importantly, it has enabled us not only to hold on to our customer base, but in many cases actually expand our markets which clearly underline the value of our banking franchises.

In foresight, we believe that technology will play an even more important part in the future of BII. Indeed, our technology is the very *future* of banking itself. It enables us to do millions of transactions in a matter of seconds. It allows us to enter the market with innovative product development in a matter of days instead of months. And it allows our customers to access BII from anywhere, at anytime.

On the other hand, our people are ready and eager to take up the challenge. To make Bank Internasional Indonesia once again the standard bearer and stalwart of Indonesian banking that promises growth and attractive business opportunities.



BII in the COMMUNITY

"Untukmu Indonesia", or literally, "For You, Indonesia", became the theme of a BII Care programme in 2001, a series of charity, fund raising, scholarship and environmental awareness programmes that took place between August 13 and November 30 to commemorate Indonesia's 56th Independence Day on 17 August 2001.

The aim of the programme was to revive a sense of pride and kinship towards the unity of Indonesia, and to reflect upon the nation's hard won independence, by caring for and harnessing our combined resources for the good of the nation's economy, society and natural environment.

The programme kicked off with a grand exposition by BII highlighting the latest in advanced electronic banking capabilities, simultaneously launched in several cities, with the main event taking place at Kota Wisata, Cibubur, a satellite town of Jakarta, where more than 4,300 BII employees gathered for the launch ceremony and, afterwards, participated in leisurely walks and biking. Some Rp 400 million in donations were collected from these employees that went into the national relief funds for the natural disaster including the island of Nias.

BII invited the general public to participate, by offering to donate Rp 5,000.- for every approved application of the Superpundi or Superpundi Gold savings account, as well as the BII Visa or BII Mastercard credit card throughout the duration of the campaign.

More than Rp 454 million were raised through *Untukmu Indonesia*, and the proceeds went to a scholarship programme for needy school children, to natural disaster relief funds such as Nias, and to an environmental clean-up project undertaken in cooperation with a leading private university, University of Trisakti, among several other charities and donations.

The image shows a cover page for a financial review. The background is a solid dark blue color. There are three large, overlapping, semi-transparent circular shapes in a lighter shade of blue, positioned in the top-left, bottom-left, and bottom-center areas. The text 'Financial' is written in a white, sans-serif font, centered horizontally. Below it, the word 'REVIEW' is written in a much larger, bold, white, sans-serif font, also centered horizontally.

Financial
REVIEW

MANAGEMENT ANALYSIS & DISCUSSION OF THE BANK'S FINANCIAL CONDITION & RESULTS OF OPERATIONS

OVERVIEW

PT Bank Internasional Indonesia Tbk and subsidiaries (collectively referred to as "the Bank" or "BII") provide a broad range of banking products and services, including deposit taking, lending, and other banking and financial transactional services.

RESULTS OF OPERATIONS

In 2001, BII booked a net loss of Rp 4,130 billion, as compared with the net profit of Rp 267 billion posted in 2000. The decline in the Bank's performance in 2001 was mainly the result of a decline in net interest income, and the expensing of significantly higher earning asset loss provisioning.

INTEREST REVENUES AND EXPENSES

Interest revenues, including fees and commissions earned on the disbursement of credit facilities, amounted to Rp 3,332.3 billion in 2001, which represented a decline of 5.8%, or Rp 205.2 billion, from the previous year. The decline in interest revenues reflected the decline in the volumes of the Bank's earning assets during 2001, and in particular its loan outstanding, placement with other banks, and marketable securities portfolios. In addition, loans to the Sinar Mas Group also earned interest at a lower interest rate from the rate applicable in 2000, in accordance with the Settlement Agreement dated January 26, 2001, concerning the Bank's receivables to the Sinar Mas Group, and as subsequently amended on February 3, 2001.

Interest expenses in 2001 amounted to Rp 3,292.4 billion, which represented an increase of 15.5%, or Rp 442.0 billion, from interest expenses in 2000. The increase in interest expenses reflected the higher cost of fund incurred by the Bank in order to maintain both its third-party deposits as well as its customer base, in the face of the proliferation of negative publicity concerning BII throughout 2001.

Net interest income of Rp 39.9 billion posted by the bank in 2001 reflected a decline of 94.2%, or Rp 647.2 billion, from net interest income of Rp 687.1 billion booked in 2000. This was attributable to the decline in interest revenues, while interest expenses grew at a higher percentage and nominal amount, as described above. The Bank's net interest margin in 2001 was 0.32%, as compared to 2.19% in 2000.

OTHER OPERATING REVENUES

Other operating revenues in 2001 amounted to Rp 536.4 billion, a decline of 9.1% from Rp 589.7 billion in 2000. In 2001, other operating income represented fee income from non credit-related transactions of Rp 169.8 billion, profit from foreign exchange transactions of Rp 171.8 billion, net income from investments in shares of stock of Rp 11.8 billion, and others of Rp 182.9 billion. Other operating income - others include income from retail and credit card administration, banking services, net gain on sale of securities, loans administration, import and export administration, investment banking administration, and foreign currency transaction administration.

OTHER OPERATING EXPENSES

Other operating expenses represents non-interest expenses comprising general and administrative expenses, personnel expenses, depreciation and amortisation expenses, repairs and maintenance, and provision for possible losses on earning assets. In 2001, other operating expenses recorded a significant growth of 337.0% to Rp 4,153.0 billion, compared to Rp 949.0 billion in 2000. The increase was mainly due to the large loss provision on earning assets of Rp 3,022.8 billion, which included a 100% loss provision on unresolved interbank claims amounting to Rp 1.1 trillion. Meanwhile, depreciation and amortisation expenses declined by 28.1% from Rp 262.4 billion in 2000 to Rp 188.6 billion in 2001.

OPERATING INCOME (LOSS)

The significant increase in provision for possible losses on earning assets as described above resulted in an operating loss for the Bank of Rp 3,576.8 billion in 2001. In 2000, BII booked an operating income of Rp 327.8 billion.

NON-OPERATING REVENUES & EXPENSES

The Bank booked net non-operating revenues of Rp 248.4 billion in 2001, which represented an increase of 363.7% from the previous year. The increase was mainly attributable to the gain in foreign exchange rate translation of Rp 245.4 billion related to the sale of Bank International Ningbo, a subsidiary, for conversion into loans to PT Purinusa Ekapersada, and the gain from the divestment of subsidiaries and affiliated companies of Rp 28.8 billion.

NET INCOME (LOSS)

The Bank recorded a net loss (after tax) of Rp 4,130.5 billion in 2001, compared to a net income of Rp 267.5 billion in 2000. As described above, the decline in net interest income and the increase in provision for possible losses on earning assets eroded the profitability of the Bank. In addition, BII also recognised a deferred tax expenses of Rp 802 billion, which contributed to the net loss incurred in 2001.

FINANCIAL POSITION

Total assets of the Bank as of year-end 2001 amounted to Rp 30,754 billion, while its liabilities amounted to Rp 32,953 billion. These represented a decline of 17.6% and 5.8%, respectively, from their respective amounts in 2000.

EARNING ASSETS

At year-end 2001, the Bank's earning assets, net of provisions for possible losses, totalled to Rp 27,370 billion, which reflected a decline of 17.22%, or Rp 5,692 billion, compared to the previous year's position at Rp 33,062 billion. The decline was primarily due to the decline in loans to related parties from Rp 9,759 billion in 2000 to Rp 103.3 billion as at year-end 2001, due to the transfer to IBRA of the loan portfolios to the Sinar Mas Group. Placement with other banks also declined by 71.48% to Rp 594.6 billion, as a result of the conversion of placements in Bank International Ningbo into loans to PT Purinusa Ekapersada, which were subsequently transferred to IBRA. Marketable securities portfolio recorded a decline of 67.78% to Rp 1,355.2 billion as at year-end 2001.

FUNDING

Total third-party deposits amounted to Rp 24,991 billion as at year-end 2001, which represented a decline of 12.6% from the amount a year earlier, mainly due to negative publicity concerning the Bank as well as the enactment of Bank Under Surveillance status for BII on July 2001.

LIQUIDITY

The Bank strives to maintain the required minimum level of demand deposit placements with Bank Indonesia as a means of ensuring adequate liquidity to cover its liabilities at any given time. As at December 31, 2001 and 2000, the Bank's minimum liquidity reserves amounted to 5.2% and 5.4%, respectively, of its rupiah liabilities, and 3.0% and 3.4%, respectively, of its foreign currency liabilities.

EQUITY AND CAPITAL ADEQUACY

The net loss incurred by the Bank in 2001, as described above, resulted in a 194% decline in the Bank's shareholders' equity to a negative balance (deficit) of Rp 2,199.1 billion as at year-end 2001. This, and the exclusion of approximately Rp 0.8 trillion of deferred tax assets from the calculation for minimum capital requirement (CAR) in compliance with the latest regulation of Bank Indonesia, resulted in reducing the CAR of the Bank from 7.57% at year-end 2000 to minus 47.41% at year-end 2001. To redress this situation, the Bank plans to increase its capital through a rights issue in 2002.

RESPONSIBILITY FOR FINANCIAL REPORTING

This Annual Report, including the accompanying financial statements and related financial information, is the responsibility of the management of BII and has been signed by members of the Board of Commissioners and Directors.

Jakarta, May 2002



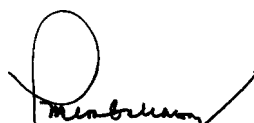
Sudiarmo

COORDINATOR OF THE SUPERVISORY TEAM



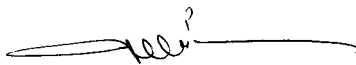
Hiroshi Tadano

MEMBER OF THE SUPERVISORY TEAM



Jurida M. Babarson

MEMBER OF THE SUPERVISORY TEAM



Rusli Prakarsa

COORDINATOR OF THE MANAGEMENT TEAM



Judi P. Sudjono
MEMBER OF THE
MANAGEMENT TEAM



Rudy N. Hamdani
MEMBER OF THE
MANAGEMENT TEAM



Halim Susanto
MEMBER OF THE
MANAGEMENT TEAM



Hermanus H.M.
MEMBER OF THE
MANAGEMENT TEAM



Hanafi Himawan
MEMBER OF THE
MANAGEMENT TEAM

***P.T. BANK INTERNASIONAL INDONESIA Tbk
AND ITS SUBSIDIARIES***

CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

AND INDEPENDENT AUDITORS' REPORT

Hans Tuanakotta & Mustofa
Registered Public Accountants
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Wisma Antara 17th Floor
Jl. Medan Merdeka Selatan No. 17
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Independent Auditors' Report

No. 020502 BII LA SA

The Stockholders, Supervisory and Management Teams
P.T. Bank Internasional Indonesia Tbk

We have audited the accompanying consolidated balance sheets of P.T. Bank Internasional Indonesia Tbk and its subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express (or disclaim) an opinion on these financial statements based on our audits. We did not audit the financial statements of BII Finance Co. Ltd. (Hong Kong), a wholly-owned subsidiary of the Company, which statements reflect total assets constituting 1.51% and 1.59% of the consolidated total assets as of December 31, 2001 and 2000, respectively, and total revenues constituting 1.07% and 1.41%, respectively, of the consolidated total revenues for the years then ended. Those statements were audited by other independent auditors whose report, with unqualified opinion, has been furnished to us, and our opinion, insofar as it relates to the amounts included for BII Finance Co. Ltd. (Hong Kong), is based solely on the report of such 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 report of other independent auditors provide a reasonable basis for our report.

In our opinion, based on our audits and the report of other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of P.T. Bank Internasional Indonesia Tbk and its subsidiaries as of December 31, 2000, and the results of their operations, changes in their equity, and their cash flows for the year then ended in conformity with accounting principles generally accepted in Indonesia.

As discussed in Note 44 to consolidated financial statements, in 2001, the Company and its subsidiaries have changed the presentation of the consolidated financial statements to conform with the Statement of Financial Accounting Standards (PSAK) No. 31 (Revised 2000), "Accounting for Banks," and, retroactively, restated the 2000 consolidated financial statements for the change.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue its operations as a going concern. As described in Note 42 to consolidated financial statements, in 2001, the Company incurred significant losses from operations (because the Company provided provision for possible losses on defaulted interbank claims and other nonperforming earning assets), and has significant capital deficiency, limited liquidity and significant decrease in net interest revenues. Further, in 2001, the Company failed to achieved the minimum Capital Adequacy Ratio of 8% which is required by Bank Indonesia. The Company's Capital Adequacy Ratio as of December 31, 2001 was negative 47.42%. On July 13, 2001, Bank

Hans Tuanakotta & Mustofa

Indonesia, through its letter No. 3/8/KEP.GBI/2001 has placed the Company's status as "Bank Under Surveillance" and transferred the Company to the Indonesian Bank Restructuring Agency for immediate recovery. These problems have caused the Company significant uncertainty to continue its operations as a going concern. The plans and actions of the major stockholder (the Indonesian Bank Restructuring Agency) and the management to solve these problems are also described in Note 42 to consolidated financial statements. The plan of the Indonesian Bank Restructuring Agency to solve the Company's equity problem by rights issue (the Government acts as a standby buyer) was approved by the Committee of Financial Sector Policy (KKSK) on November 22, 2001. This plan will be implemented after the receipt of approval from the Commission IX of the House of Representatives ("Dewan Perwakilan Rakyat" or "DPR"). The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Because of the possible material effect of the uncertainties referred to in the preceding paragraph, we are unable to express, and we do not express, an opinion on the 2001 consolidated financial statements of P.T. Bank Internasional Indonesia Tbk and its subsidiaries.

Our audits were conducted for the purpose of expressing (or disclaiming) an opinion on the basic consolidated financial statements taken as a whole. The consolidating information (Parent Company financial statements) was presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in equity, and cash flows of the Parent Company, as a separate entity. The consolidating information is the responsibility of the Company's management. Such information has been subjected to auditing procedures applied in our audits of the basic 2000 consolidated financial statements and, in our opinion, the 2000 consolidated information is fairly stated in all material respects when considered in relation to the basic 2000 consolidated financial statements taken as a whole. As explained in the preceding paragraph, we are unable to express, and we do not express, an opinion on the 2001 consolidated financial statements. Accordingly, we are unable to express, and we do not express, an opinion on the 2001 consolidating information.

HANS TUANAKOTTA & MUSTOFA



Drs. Lukman Abdullah
License No. 98.1.0383

May 2, 2002

The accompanying consolidated financial statements are not intended to present the consolidated financial position and the results of operations, changes in equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in Indonesia.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION - PARENT COMPANY BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

| | Notes | Consolidated | | Parent Company | |
|--|----------------------|-------------------|------------------------------------|-------------------|------------------------------------|
| | | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| ASSETS | | | | | |
| Cash | 2e,38 | 506,054 | 826,246 | 506,028 | 826,212 |
| Demand Deposits with Bank Indonesia | 2e,3,38 | 1,189,784 | 1,414,099 | 1,189,784 | 1,414,099 |
| Demand Deposits with Other Banks - net of allowance for possible losses of Rp 3,696 million (Parent Company Rp 3,696 million) in 2001 and Rp 14,267 million (Parent Company Rp 14,267 million) in 2000 | 2e,2l,4,38 | 390,899 | 1,498,483 | 365,937 | 1,472,630 |
| Placements with Other Banks - net of allowance for possible losses of Rp 185,237 million (Parent Company Rp 185,237 million) in 2001 and Rp 61,981 million (Parent Company Rp 61,981 million) in 2000 | 2d,2f,2l,5 37,38 | 594,638 | 2,085,218 | 433,729 | 1,881,373 |
| Marketable Securities - net of allowance for decline in market value, allowance for possible losses and unearned income of Rp 1,061,654 million (Parent Company Rp 1,060,165 million) in 2001 and Rp 398,934 million (Parent Company Rp 398,934 million) in 2000 | 2d,2g,2l,6, 37,38 | 1,355,219 | 4,206,366 | 1,238,128 | 4,052,931 |
| Derivative Assets - net of allowance for possible losses of Rp 24 million (Parent Company Rp 24 million) in 2001 | 2d,2i,2l,7, 37,38 | 2,385 | - | 2,385 | - |
| Loans | 2j,2u,8,38 | | | | |
| Related Parties | 2d,37 | 103,303 | 9,759,329 | 150,303 | 9,750,515 |
| Non-related Parties | | 8,813,433 | 9,234,702 | 8,570,834 | 8,970,365 |
| Allowance for possible losses | 2l | (4,227,555) | (2,329,766) | (4,153,734) | (2,234,318) |
| Net | | 4,689,181 | 16,664,265 | 4,567,403 | 16,486,562 |
| Acceptance Receivables - net of allowance for possible losses of Rp 744 million (Parent Company Rp 744 million) in 2001 and Rp 1,380 million (Parent Company Rp 1,380 million) in 2000 | 2k,2l,9,38 | 79,026 | 117,180 | 70,930 | 92,724 |
| Bonds of the Government of the Republic of Indonesia | 2g,10 | 19,859,243 | 6,462,166 | 19,859,243 | 6,462,166 |
| Investments in Shares of Stock - net of allowance for possible losses of Rp 29,861 million (Parent Company Rp 29,861 million) in 2001 and Rp 26,472 million (Parent Company Rp 26,472 million) in 2000 | 2b,2l,2m,11 | 48,013 | 714,202 | 202,349 | 854,327 |
| Interest Receivables | 2p,12,38 | 339,177 | 411,168 | 337,255 | 408,896 |
| Prepayments | 2d,13,37 | 105,917 | 54,743 | 105,463 | 54,134 |
| Premises and Equipment - net of accumulated depreciation of Rp 763,990 million (Parent Company Rp 755,282 million) in 2001 and Rp 594,517 million (Parent Company Rp 585,940 million) in 2000 | 2d,2n,14,37 | 1,167,157 | 1,327,874 | 1,165,404 | 1,325,727 |
| Deferred Tax Assets | 2r,35 | 80,163 | 882,181 | 73,427 | 874,389 |
| Other Assets | 2d,2o,15,37,38 | 347,541 | 661,833 | 344,054 | 660,467 |
| TOTAL ASSETS | | 30,754,397 | 37,326,024 | 30,461,519 | 36,866,637 |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION - PARENT COMPANY BALANCE SHEETS

DECEMBER 31, 2001 AND 2000 (Continued)

| | Notes | Consolidated | | Parent Company | |
|--|----------------|--------------------|------------------------------------|--------------------|------------------------------------|
| | | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| LIABILITIES AND EQUITY (CAPITAL DEFICIENCY) | | | | | |
| LIABILITIES | | | | | |
| Liabilities Immediately Payable | 16,38 | 143,139 | 190,679 | 136,712 | 172,148 |
| Deposits | 17a,38 | | | | |
| Related parties | 2d,37 | 149,151 | 730,143 | 180,075 | 725,345 |
| Non-related parties | | 24,842,117 | 27,865,169 | 24,780,197 | 27,817,417 |
| Total | | 24,991,268 | 28,595,312 | 24,960,272 | 28,542,762 |
| Deposits from other banks | 17b,38 | | | | |
| Related parties | 2d,37 | - | 26,346 | - | 26,346 |
| Non-related parties | | 131,494 | 212,731 | 131,494 | 212,731 |
| Total | | 131,494 | 239,077 | 131,494 | 239,077 |
| Securities Sold Under Agreements to Repurchase - net of unamortized interest of Rp 35,687 million (Parent Company Rp 35,687 million) in 2001 | 2h,18,38 | 1,774,536 | - | 1,774,536 | - |
| Derivative Liabilities | 2i,7,38 | 22,916 | - | 22,916 | - |
| Acceptance Liabilities | 2k,9,38 | 79,770 | 118,560 | 71,674 | 94,104 |
| Taxes Payable | 2r,19,38 | 49,797 | 48,818 | 49,620 | 48,675 |
| Borrowings | 2d,20,37,38 | 3,974,025 | 4,144,903 | 3,740,029 | 3,804,271 |
| Estimated losses on commitments and contingencies | 2l,21 | 100,854 | 33,115 | 100,854 | 33,115 |
| Accrued Expenses | 2d,2p,22,37,38 | 221,384 | 201,555 | 215,053 | 190,202 |
| Other Liabilities | 2t,23,38 | 1,464,324 | 1,415,365 | 1,457,867 | 1,404,041 |
| TOTAL LIABILITIES | | 32,953,507 | 34,987,384 | 32,661,027 | 34,528,395 |
| EQUITY (CAPITAL DEFICIENCY) | | | | | |
| Capital Stock | | | | | |
| Authorized Capital - 289,000,000,000 shares consisting of: | | | | | |
| 5,000,000,000 Series A shares with Rp 500 par value per share; | | | | | |
| 204,000,000,000 Series B shares with Rp 125 par value per share; and | | | | | |
| 80,000,000,000 Series C shares with Rp 125 par value per share | | | | | |
| Issued and Paid-up Capital - | | | | | |
| 3,881,462,307 Series A shares, | | | | | |
| 36,316,484,560 Series B shares, and | | | | | |
| 52,595,515,440 Series C shares in 2001; and | | | | | |
| 3,881,462,307 Series A shares, | | | | | |
| 36,220,654,000 Series B shares, and | | | | | |
| 52,691,346,000 Series C shares in 2000 | 24 | 13,054,731 | 13,054,731 | 13,054,731 | 13,054,731 |
| Additional Paid-in Capital | 25 | 12,530 | 12,530 | 12,132 | 12,132 |
| Difference Due to Change of Equity in Subsidiaries | 2b,2m,11,26 | 136,419 | 374,489 | 136,419 | 374,489 |
| Unrealized Loss on Decline in Value of Marketable Securities | 2g,6,10 | (449,304) | (285,159) | (449,304) | (285,159) |
| Translation Adjustments | 2c | (7,856) | (2,861) | (7,856) | (2,861) |
| Revaluation Increment in Premises and Equipment | 2n,14 | 1,343,195 | 1,343,195 | 1,343,195 | 1,343,195 |
| Deficit | | (16,288,825) | (12,158,285) | (16,288,825) | (12,158,285) |
| TOTAL EQUITY (CAPITAL DEFICIENCY) | | (2,199,110) | 2,338,640 | (2,199,508) | 2,338,242 |
| TOTAL LIABILITIES AND EQUITY | | 30,754,397 | 37,326,024 | 30,461,519 | 36,866,637 |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME WITH CONSOLIDATING INFORMATION - PARENT COMPANY**STATEMENTS OF INCOME**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

| | Notes | Consolidated | | Parent Company | |
|---|-------|--------------------|------------------------------------|--------------------|------------------------------------|
| | | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| OPERATING REVENUES AND EXPENSES | | | | | |
| Interest Revenues and Expenses | | | | | |
| Interest Revenues | | | | | |
| Interest received | 2p,29 | 3,311,409 | 3,506,706 | 3,262,016 | 3,445,091 |
| Commissions and Fees | 2q | 20,911 | 30,818 | 20,853 | 30,690 |
| Total Interest Revenues | | 3,332,320 | 3,537,524 | 3,282,869 | 3,475,781 |
| Interest Expenses | | | | | |
| Interest paid | 2p,30 | 3,291,706 | 2,849,171 | 3,262,007 | 2,808,237 |
| Commissions and Fees paid | 2q | 732 | 1,301 | 732 | 965 |
| Total Interest Expenses | | 3,292,438 | 2,850,472 | 3,262,739 | 2,809,202 |
| Interest Revenues - Net | | 39,882 | 687,052 | 20,130 | 666,579 |
| Other Operating Revenues (Expenses) | | | | | |
| Other Operating Revenues | | | | | |
| Revenues on commissions and fees other than from loans | 2q | 169,831 | 135,758 | 164,161 | 129,886 |
| Gain on foreign exchange transactions - net | 2c | 171,771 | 197,739 | 169,480 | 192,963 |
| Equity in net income of subsidiaries and associated companies | 2m,11 | 11,833 | 124,386 | 13,349 | 115,330 |
| Others | 31 | 182,921 | 131,863 | 171,038 | 131,807 |
| Total Other Operating Revenues | | 536,356 | 589,746 | 518,028 | 569,986 |
| Other Operating Expenses | | | | | |
| Provision for possible losses on earning assets and foreclosed properties | | 3,022,772 | 26,339 | 3,014,550 | 3,094 |
| Estimated losses on commitments and contingencies | 21 | 68,556 | - | 68,556 | - |
| General and administration | 32 | 449,934 | 361,003 | 442,478 | 354,211 |
| Personnel | 2t,40 | 311,523 | 254,838 | 293,706 | 237,969 |
| Depreciation and amortization | | 188,622 | 262,439 | 184,591 | 261,116 |
| Loss on decline in value of marketable securities | | 63,913 | 9,459 | 63,226 | 9,459 |
| Repairs and maintenance | | 47,719 | 34,967 | 46,845 | 34,220 |
| Total Other Operating Expenses | | 4,153,039 | 949,045 | 4,113,952 | 900,069 |
| Other Operating Expenses - Net | | (3,616,683) | (359,299) | (3,595,924) | (330,083) |
| REVENUES (EXPENSES) FROM OPERATIONS - NET | | (3,576,801) | 327,753 | (3,575,794) | 336,496 |
| NON-OPERATING REVENUES AND EXPENSES | | | | | |
| Revenues | 33 | 289,728 | 62,087 | 287,365 | 25,441 |
| Expenses | 34 | (41,274) | (8,507) | (41,149) | (8,229) |
| NON-OPERATING REVENUES - NET | | 248,454 | 53,580 | 246,216 | 17,212 |
| INCOME (LOSS) BEFORE TAX | | (3,328,347) | 381,333 | (3,329,578) | 353,708 |
| TAX EXPENSES | | | | | |
| Current tax | 2r,35 | (175) | - | - | - |
| Deferred tax | | (802,018) | (113,846) | (800,962) | (86,221) |
| NET INCOME (LOSS) | | (4,130,540) | 267,487 | (4,130,540) | 267,487 |
| BASIC EARNINGS PER SHARE (in full Rupiah) | 2s,36 | (45) | 3 | (45) | 3 |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY WITH CONSOLIDATING INFORMATION - PARENT COMPANY
STATEMENTS OF CHANGES IN EQUITY**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

| | Notes | Consolidated | | Parent Company | |
|---|-------------|---------------------|---------------------|---------------------|---------------------|
| | | 2001 Rp '000'000 | 2000 Rp '000'000 | 2001 Rp '000'000 | 2000 Rp '000'000 |
| CAPITAL STOCK | | | | | |
| Balance at beginning of year | | 13,054,731 | 13,054,668 | 13,054,731 | 13,054,668 |
| Additional issuances of capital stock from conversion of warrants | | - | 63 | - | 63 |
| Balance at end of year | 24 | 13,054,731 | 13,054,731 | 13,054,731 | 13,054,731 |
| ADDITIONAL PAID-IN CAPITAL | | | | | |
| Balance at beginning of year | | 12,530 | 12,499 | 12,132 | 12,101 |
| Additional paid-in capital from conversion of warrants | | - | 31 | - | 31 |
| Balance at end of year | 25 | 12,530 | 12,530 | 12,132 | 12,132 |
| DIFFERENCE DUE TO CHANGE OF EQUITY IN SUBSIDIARIES | 2b,2m,11,26 | 136,419 | 374,489 | 136,419 | 374,489 |
| UNREALIZED LOSS ON DECLINE IN VALUE OF MARKETABLE SECURITIES | 2g,6,10 | (449,304) | (285,159) | (449,304) | (285,159) |
| TRANSLATION ADJUSTMENTS | 2c | (7,856) | (2,861) | (7,856) | (2,861) |
| REVALUATION INCREMENT IN PREMISES AND EQUIPMENT | 2n,14 | 1,343,195 | 1,343,195 | 1,343,195 | 1,343,195 |
| DEFICIT | | | | | |
| Balance at beginning of year | | (12,158,917) | (12,426,404) | (12,158,917) | (12,426,404) |
| Net income (loss) during the year | | (4,130,540) | 267,487 | (4,130,540) | 267,487 |
| Balance at end of year | | (16,289,457) | (12,158,917) | (16,289,457) | (12,158,917) |
| APPROPRIATION FOR GENERAL RESERVE | | 632 | 632 | 632 | 632 |
| DEFICIT | | (16,288,825) | (12,158,285) | (16,288,825) | (12,158,285) |
| TOTAL EQUITY (CAPITAL DEFICIENCY) | | (2,199,110) | (2,338,640) | (2,199,508) | (2,338,242) |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS WITH CONSOLIDATING INFORMATION - PARENT COMPANY**STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

| | Consolidated | | Parent Company | |
|---|--------------------|------------------------------------|--------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Interest earned and received | 3,425,827 | 4,106,784 | 3,376,742 | 3,971,442 |
| Commissions and fees earned and received | 197,242 | 177,954 | 189,515 | 171,296 |
| Interest paid | (3,284,002) | (3,459,464) | (3,249,617) | (3,343,836) |
| Commissions and fees paid | (732) | (1,301) | (732) | (965) |
| Gain on foreign currency transactions - net | 109,016 | 158,954 | 104,429 | 149,967 |
| Other operating income received | 182,921 | 131,863 | 171,038 | 131,807 |
| Personnel expenses paid | (311,523) | (254,838) | (293,706) | (237,969) |
| General, administrative, repairs and maintenance expenses paid | (544,158) | (357,873) | (534,916) | (350,370) |
| Non-operating income received | 4,830 | 22,905 | 2,467 | 20,048 |
| Non-operating expenses paid | (24,863) | (10,448) | (24,739) | (8,229) |
| Operating cash flows before changes in working capital | (245,442) | 514,536 | (259,519) | 503,191 |
| Decrease (increase) in operating assets : | | | | |
| Placements with other banks | 1,313,955 | 1,730,787 | 1,271,019 | 466,151 |
| Marketable securities | 1,794,325 | 2,935,979 | 1,757,981 | 2,926,116 |
| Loans | (2,160,053) | (4,148,079) | (2,226,723) | (3,918,742) |
| Prepayments | (51,174) | 28,314 | (51,329) | 27,214 |
| Other assets | 24,138 | (190,807) | 26,259 | (193,534) |
| Increase (decrease) in operating liabilities : | | | | |
| Liabilities immediately payable | (47,540) | 8,443 | (35,436) | 6,310 |
| Deposits and deposits from other banks | (3,711,627) | 820,707 | (3,690,073) | 3,311,041 |
| Other liabilities | 55,459 | (553,116) | 58,327 | (300,409) |
| Net Cash Provided by (Used in) Operating Activities | (3,027,959) | 1,146,764 | (3,149,494) | 2,827,338 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from sale of premises and equipment | 3,077 | 19,497 | 1,610 | 2,340 |
| Acquisitions of premises and equipment | (40,060) | (87,454) | (39,221) | (84,749) |
| Net Cash Used in Investing Activities | (36,983) | (67,957) | (37,611) | (82,409) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings (including securities sold under agreements to repurchase) | 2,317,477 | 750,052 | 2,317,477 | 750,052 |
| Payments of borrowings | (984,803) | (782,929) | (859,828) | (755,528) |
| Payment of securities issued | - | (194,700) | - | (194,700) |
| Payment of export bills rediscounted to Bank Indonesia | - | (4,008,810) | - | (4,008,810) |
| Additional issuance of capital stock from conversion of warrants | - | 63 | - | 63 |
| Additional paid-in capital from conversion of warrants | - | 31 | - | 31 |
| Net Cash Provided by (Used in) Financing Activities | 1,332,674 | (4,236,293) | 1,457,649 | (4,208,892) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,732,268) | (3,157,486) | (1,729,456) | (1,463,963) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 3,753,095 | 4,767,517 | 3,727,208 | 3,877,050 |
| Effect of foreign exchange rate changes | 69,606 | 2,143,064 | 67,693 | 1,314,121 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 2,090,433 | 3,753,095 | 2,065,445 | 3,727,208 |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS WITH CONSOLIDATING INFORMATION - PARENT COMPANY
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000 (Continued)

| | Consolidated | | Parent Company | |
|--|------------------|------------------------------------|------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| SUPPLEMENTAL DISCLOSURES | | | | |
| Cash and Cash Equivalents consist of : | | | | |
| Cash | 506,054 | 826,246 | 506,028 | 826,212 |
| Demand deposits with Bank Indonesia | 1,189,784 | 1,414,099 | 1,189,784 | 1,414,099 |
| Demand deposits with other banks | 394,595 | 1,512,750 | 369,633 | 1,486,897 |
| Total Cash and Cash Equivalents | 2,090,433 | 3,753,095 | 2,065,445 | 3,727,208 |
| NONCASH TRANSACTIONS | | | | |
| Difference due to change of equity in subsidiaries | 136,419 | 374,489 | 136,419 | 374,489 |
| Unrealized loss on decline in value of marketable securities | 449,304 | 285,159 | 449,304 | 285,159 |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED

1. GENERAL

a. Establishment

P.T. Bank Internasional Indonesia Tbk (the Company or Parent Company) was established in 1959 by virtue of notarial deed No. 53 dated May 15, 1959 of substitute Notary Soeleman Ardjasmita, SH. This deed was subsequently amended by notarial deed No. 9 dated August 4, 1959 and No. 21 dated October 6, 1959 of Notary Eliza Pondaag, SH, in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. J.A.5/112/18 dated November 2, 1959 and was registered in the Jakarta Court of Justice under registration No. 2116 dated November 5, 1959.

According to the Articles of Association, the Company was established with the following objectives :

1. To operate in banking, finance or capital market activities which are either directly or indirectly related to trading, custodian and management of securities, or other services and activities allowed from time to time, presently and in the future, on business with other parties or companies.
2. To set-up, or jointly set-up or have ownership in shares of other companies with similar or closely related objectives as the Company, either in the form of joint venture or in contractual basis.

On March 31, 1980, the Company merged with P.T. Bank Tabungan Untuk Umum 1859, Surabaya by virtue of notarial deed No. 17 dated March 31, 1980 of Notary Arianny Lamoen Redjo, SH.

Pursuant to Bank Indonesia Decree No. 21/11/Dir/Upps dated November 9, 1988, the Company obtained an approval to upgrade its status to a foreign exchange bank.

On September 13, 1996, by virtue of notarial deed No. 130 of Sutjipto, SH, and approval by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-9626.HT.01.04.TH.96 dated October 21, 1996, the Company made the following major decisions :

1. Change the Company's Articles of Association to comply with Corporate Law No. 1 of 1995 and Capital Market Law No. 8 of 1995; and
2. Change the par value of Series A shares from Rp 1,000 to Rp 500 per share.

The Company held an Extraordinary Stockholders' Meeting on March 31, 1999 to increase the Company's authorized capital stock from Rp 6,468,000 million to Rp 38,000,000 million (consisting of 5,000,000,000 Series A shares with par value of Rp 500 per share; 204,000,000,000 Series B shares with par value of Rp 125 per share; and 80,000,000,000 Series C shares with par value of Rp 125 per share). The minutes of this Extraordinary Stockholders' Meeting were documented in notarial deed No. 60 of notary Sutjipto, SH, dated March 31, 1999 and were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-5902.HT.01.04.TH.99 dated April 5, 1999.

The Company's head office is located at Jalan M.H. Thamrin, Kav. 22, Central Jakarta. The Company has 1 main branch, 57 branches, and 121 sub-branches. At December 31, 2001, the Company had 7,753 employees (2000 : 7,971 employees).

Before being recapitalized by the Government in 1999, the Company was a public bank, owned and controlled by the Sinar Mas Group. After recapitalization, the Company is principally owned and controlled by the Government through the Indonesian Bank Restructuring Agency. On April 17, 2002, the Sinar Mas Group signed an agreement to transfer its shares in the Company to the Indonesian Bank Restructuring Agency, as payment for its liabilities (Note 46.b).

The Company held its latest Annual Stockholders' Meeting in June 2000. The Company was not able to hold its Annual Stockholders' Meeting for 2001 since the number of stockholders in the Annual Stockholders' Meeting which was supposed to be held on June 29, 2001 did not make a quorum.

b. Subsidiaries and the Branches of the Company Domiciled Outside of Indonesia

The Company has ownership interests in the following subsidiaries:

| Subsidiary | Domicile | Nature of Business | Percentage of Ownership | Start of Commercial Operations |
|-------------------------|-----------|--------------------|-------------------------|--------------------------------|
| BII Finance Co. Ltd. | Hong Kong | Banking | 100.00% | 1991 |
| P.T. BII Finance Center | Jakarta | Multifinance | 99.99% | 1991 |

The Company has operational branches domiciled outside Indonesia, namely : Cayman Islands, Mumbai and Mauritius. The operations of Cook Island branch has been stopped since November 2000 and was closed by the Company. The financial statements of the existing operating branches were combined with the Company's financial statements.

c. Public Offering of the Company's Shares

In October 1989, the Company sold 12 million Series A shares with a par value of Rp 1,000 per share to the public, through the capital market in Indonesia, in accordance with the prevailing Capital Market Law. The Company received a notice of effectivity from the Capital Market Supervisory Agency (BAPEPAM) through its letter No. SI-058/SHM/MK.10/189 dated October 2, 1989 for the sale of Series A shares to the public.

In February 1994, the Company sold 52,717,184 Series A shares with a par value of Rp 1,000 per share through Limited Public Offering I ("rights issue I"), in which, each holder of every 5 Series A shares has a right to purchase 1 new Series A share at Rp 4,000 per share. This rights issue I was approved by the stockholders in the Extraordinary Stockholders' Meeting held on January 25, 1994. The Company received a notice of effectivity from BAPEPAM through its Decision Letter No. S-130/PM/1994 dated January 24, 1994 for this rights issue I.

In February 1997, the Company sold 1,289,579,469 Series A shares through Limited Public Offering II ("rights issue II"), in which 286,573,215 Series I warrants were attached. In this offering, each holder of 27 Series A shares received preemptive right for 18 new Series A shares with a subscription price of Rp 750 per share, and 4 Series I warrants were attached to each group of 18 newly issued Series A shares, free of charge. The subscription right was exercisable in multiples of 9 Series A shares for Rp 6,750. The total proceeds from this rights issue II amounted to Rp 967,185 million. This rights issue II was approved by the stockholders in their Extraordinary Stockholders' Meeting held on December 27, 1996. The Company received a notice of effectivity from BAPEPAM through its Decision Letter No. S-2093/PM/1996 dated December 28, 1996 for this rights issue II.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

The Company held an Extraordinary Stockholders' Meeting on March 31, 1999 to approve the Limited Public Offering III ("rights issue III") plan for 62,101,383,408 new shares (Series B shares with a par value of Rp 125 per share) and 7,762,672,926 Series II warrants. The Company received a notice of effectivity from BAPEPAM for rights issue III through its Decision Letter No. S-434/PM/1999 on March 30, 1999, and for the continuation of rights issue III through its Decision Letter No. S-857/PM/1999 dated June 8, 1999. The total proceeds from the rights issue III amounted to Rp 4.5 trillion (for 35,891,396,568 Series B shares and 4,486,424,571 Series II warrants), which were received by the Company in April and June 1999.

d. Recapitalization Program of the Company

On March 13, 1999, the Council for Economic and Monetary Resilience ("Dewan Pemantapan Ketahanan Ekonomi dan Keuangan Indonesia") announced and stated that the Company was one of the banks that would be recapitalized by the Indonesian Government.

The Company joined the National Banking Recapitalization Program based on a Joint Decree of the Minister of Finance of the Republic of Indonesia and the Governor of Bank Indonesia No. 53/KMK.017/1999 and No. 31/12/KEP/GBI dated February 8, 1999, and a statement from the Council for Economic and Monetary Resilience ("Dewan Pemantapan Ketahanan Ekonomi dan Keuangan Indonesia") dated March 13, 1999. The Joint Decree stated that the Government will make capital investments in private banks which are qualified to join the recapitalization program, by providing a maximum amount of 80% of the total funds needed for those private banks to achieve a minimum Capital Adequacy Ratio (CAR) of 4%. The controlling stockholders, the Governor of Bank Indonesia, the Minister of Finance of the Republic of Indonesia and the Chairman of the Indonesian Bank Restructuring Agency signed the "Investment, Management, and Performance Agreement" on May 28, 1999. The "Investment, Management, and Performance Agreement" was amended several times, the latest amendment of which was signed on November 10, 1999. Based on Government Regulation No. 34 dated May 24, 1999, the Indonesian Government decided to make a capital investment in the Company at a maximum amount of Rp 8.7 trillion.

The balance of the capital investment of the Indonesian Government to the Company amounted to Rp 6.6 trillion, which was placed in the form of bonds issued by the Indonesian Government. Such amount was Rp 2.1 trillion lower than the maximum recapitalization amount decided by the Indonesian Government to contribute, because the controlling and public stockholders invested capital in excess of the minimum 20% of the total recapitalization fund needed to achieve a CAR of 4%. In January 2000, the Company has refunded to the Indonesian Government the excess recapitalization funds of Rp 2.1 trillion which it previously contributed.

e. Enactment of the Company Status as "Bank Under Surveillance"

On July 13, 2001, Bank Indonesia issued a Decision Letter No. 3/8/KEP.GBI/2001 regarding the enactment of the Company's status as "Bank Under Surveillance" and transferred the Company to the Indonesian Bank Restructuring Agency (Note 42). In relation to this status, the Chairman of the Indonesian Bank Restructuring Agency issued a Decision Letter No. SK-1467/BPPN/0701 to establish a "Supervisory Team" to carry out supervisory actions of the Company, and also issued a decision letter No. SK-1466/BPPN/0701 to establish a "Management Team" to carry out managerial actions of the Company on July 13, 2001. The composition of these Supervisory and Management Teams was changed through Decision Letters of the Chairman of the Indonesian Bank Restructuring Agency No. SK-2652/BPPN/1201 and No. SK-2651/BPPN/1201, respectively, dated December 14, 2001.

The composition of the Supervisory Team is as follows :

Coordinator : Sudiarso
Members : Hiroshi Tadano
Jurida Malaon Baharson

Hiroshi Tadano, a member of the Supervisory Team, has submitted his resignation letter on April 24, 2002.

The composition of the Management Team is as follows:

Coordinator : Rusli Prakarsa
Members : Halim Susanto
Hanafi Himawan
Hermanus Hasan M.
Judi Prayudi Sudjono
Rudy N. Hamdani

f. Restructuring of the Company's Receivables from Related Parties

According to the terms of the Recapitalization Agreement dated May 28, 1999, and the letter of undertaking from the Minister of Finance of the Republic of Indonesia to P.T. Sinar Mas Multiartha Tbk (the former stockholder) and the Company dated April 15, 1999, attached to the Recapitalization Agreement, the Company, the Indonesian Bank Restructuring Agency, and the Sinar Mas Group, signed a Memorandum of Understanding on March 31, 2000 to restructure the repayment schedule and the quality of collateral of the Company's receivables from related parties (Sinar Mas Group). The said receivables include placement with other bank, notes receivable, export bills, loans given, letters of credit (L/C), and acceptances on usance L/C.

To continue the above Memorandum of Understanding, on January 26, 2001, the Company, the Indonesian Bank Restructuring Agency, and the Sinar Mas Group (represented by Teguh Ganda Wijaya, Indra Widjaja, Franky Oesman Widjaja, and Muktar Widjaja) signed a Settlement Agreement for the Company's receivables from related parties (Sinar Mas Group) amounting to USD 1,249 million (equivalent to Rp 11,985,016 million at the exchange rate of Rp 9,595/USD 1), and its amendments thereto on February 3, 2001. This Settlement Agreement with its amendments have been legalized by Sukawaty Sumadi SH, notary in Jakarta, on January 26, 2001 and February 16, 2001. Under the Settlement Agreement, it was noted that Teguh Ganda Wijaya, Indra Widjaja, Franky Oesman Widjaja, and Muktar Widjaja were the Personal Guarantors for the settlement of the Company's receivables from the debtors of the Sinar Mas Group. In addition, the Indonesian Bank Restructuring Agency also obtained personal guarantee from Eka Tjipta Widjaja.

The Settlement Agreement was signed with acknowledgment from the Minister of Finance of the Republic of Indonesia. To keep the Company's financial soundness and to maintain its assets' quality, the Indonesian Bank Restructuring Agency provided Government Guarantee to the Company so that the Company's receivables from the Sinar Mas Group debtors could be excluded from the calculation of Legal Lending Limit, in accordance with Bank Indonesia regulations. The Personal Guarantors will provide a Personal Guarantee to ensure the payment of Government Guarantee, and will seek to provide and pledge collateral (valued at 145% of the outstanding receivables) as counter guarantee, in order to ensure Government Guarantee to the extent of

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

what Bank Indonesia categorizes the Company's receivables from the Sinar Mas Group debtors in the calculation of Legal Lending Limit. The Indonesian Bank Restructuring Agency will carry out and supervise the implementation of this guarantee which will be provided by the Indonesian Government.

On March 8, 2001, the Chairman of the Indonesian Bank Restructuring Agency, with the authority vested by the Minister of Finance of the Republic of Indonesia, issued guarantee on receivables from companies under the Sinar Mas Group amounting to USD 1,249 million. This guarantee has been effective since April 30, 2001 and will expire on October 7, 2003. The Government Guarantee on receivables from Sinar Mas Group debtors will expire in proportion to the receivable portion of the Company that has been collected, sold and/or transferred to third parties or the Indonesian Bank Restructuring Agency, or that is based on Bank Indonesia's prevailing regulation, that receivables from related parties are no longer included in the calculation of any violation on the Legal Lending Limit to related parties because of other reasons other than the existence of Government Guarantee.

On November 5, 2001, the Company transferred its receivables from companies under the Sinar Mas Group to the Indonesian Bank Restructuring Agency amounting to USD 1,059 million for receivables, plus accrued interest denominated in foreign currency and Rp 1,814,578 million for receivables, plus accrued interest denominated in Rupiah. In exchange for the transferred receivables, the Company received Government Bonds from the Indonesian Bank Restructuring Agency amounting to Rp 13,933,294 million, plus accrued interest. On the same date, the Company exchange a part of its Government Bonds received from the Indonesian Bank Restructuring Agency, for Hedge Bonds issued by the Ministry of Finance of the Republic of Indonesia. The value of the Government Bonds (including interest) which were exchanged for Hedge Bonds was Rp 11,882,009 million. The interest rate of Hedge Bonds is 3-month Singapore Interbank Offered Rate (SIBOR) + 2% per annum (Note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidated Financial Statement Preparation

The consolidated financial statements are prepared in accordance with the Statement of Financial Accounting Standards (PSAK) No. 31 (Revised 2000), "Accounting for Banks", which is effective starting January 1, 2001, and accounting principles and reporting practices generally accepted in Indonesia. For comparative purposes, the consolidated financial statements for the year ended December 31, 2000 have been restated to conform with 2001 presentation. Such consolidated financial statements are an English translation of the Company and its subsidiaries' statutory report in Indonesia, and are not intended to present the financial position, results of operations, changes in equity, and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting, and the measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah. Unless otherwise stated, all figures presented in the consolidated financial statements are stated in millions of Rupiah.

b. Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries that are controlled by the Company, other than those excluded because control is assumed to be temporary, or due to long-term restrictions significantly impairing a subsidiary's ability to transfer funds to the Company.

Where an entity either began or ceased to be controlled during the year, the results of operations of that entity are included only from the date that the control commenced up to the date that the control ceased.

Control is presumed to exist where more than 50% of a subsidiary's voting power is controlled by the Company, or the Company is able to govern the financial and operating policies of a subsidiary, or control the removal or appointment of the majority of the subsidiary's board of directors.

All significant intercompany balances and transactions, including unrealized gain/loss, are eliminated in the consolidation to reflect the financial position and results of operations of the Company and its subsidiaries as one business entity.

Changes in the value of investments due to changes in the equity of subsidiaries arising from capital transactions of such subsidiaries with other parties, are presented under equity as "difference due to change of equity in subsidiaries", and recognized as income or expense in the period the investments are disposed of.

c. Foreign Currency Transactions and Translations

Transactions

The Company and its branches domiciled in Indonesia maintain their accounting records in Rupiah. Transactions during the year involving currencies other than Rupiah are recorded at the rates of exchange prevailing at the time the transactions are made.

Translation of Monetary Assets and Liabilities Denominated in Foreign Currencies

At balance sheet dates, all monetary assets and liabilities denominated in foreign currency were translated to Rupiah using Reuters spot rate at 16.00 WIB of Rp 10,400/USD 1 as of December 31, 2001 and using the middle rate published by Bank Indonesia of Rp 9,595/USD 1 as of December 31, 2000. The resulting gains or losses from the translation were recognized in the current operations.

Translation Related to Consolidation of Subsidiaries and Branches of the Company Domiciled Outside Indonesia

Subsidiaries and branches of the Company domiciled outside Indonesia maintain their accounting records in their respective domestic currencies.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

For consolidation purposes, the financial statements of such subsidiaries and branches domiciled outside Indonesia are translated into Rupiah as follows:

- Balance sheet accounts, except for equity accounts which are recorded using historical rates, are translated using the middle exchange rates at balance sheet date;
- Revenues and expenses are translated on a monthly basis using the weighted-average month-end middle exchange rates. The balances for the year represent the sum of those monthly translations; and
- Differences arising from translation are presented in the consolidated balance sheet as part of equity under the "translation adjustments" account.

d. Transactions with Related Parties

Related parties consist of the following :

- 1) companies that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with the Company (including parent companies, subsidiaries, and fellow subsidiaries);
- 2) associated companies;
- 3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close family members of such individuals (close members of the family are those who can influence or can be influenced by such individuals in their transactions with the Company);
- 4) key management personnel, who have the authority and responsibility for planning, directing and controlling the activities of the Company, including commissioners, directors and managers of the Company and close members of their families; and
- 5) companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4) or over which such person is able to exercise significant influence. These include companies owned by directors or major stockholders of the Company, and companies that have a key member of management in common with the Company.

The Company's personnel or employees, except for key management personnel, are not considered as related parties. All transactions with related parties, whether or not done under similar terms and conditions as those done with non-related parties, are disclosed in the consolidated financial statements.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits with Bank Indonesia and with other banks which are unrestricted.

f. Placements with Other Banks

Placements with other banks are stated at their outstanding balance, less allowance for possible losses, which is determined based on evaluation of the collectibility of each placement.

g. Marketable Securities

Marketable securities consist of Bonds of the Government of Indonesia (Government bonds), money market securities (including Certificates of Bank Indonesia), placements with Bank Indonesia, notes receivable, bonds, receivables on export bills, shares, drafts and traveller's cheques.

Marketable securities are classified based on management's intention at the time of acquisition, as follows :

- Investments in held-to-maturity securities are stated at cost, adjusted for unamortized premium or discount. If it is probable that the cost of such securities will not be fully recovered, a permanent decline in value is considered to have occurred and, as a result, the cost basis of the individual security is written down to its fair value. Any such write-down is recognized as loss in the current year.
- Investments in available-for-sale securities are stated at fair value. Unrealized gains or losses from the increase or decrease in fair value are recognized and presented as an equity component. The difference between the fair value and the carrying value of the securities is recognized as income or expense of the period when realized.
- Investments in trading securities are stated at fair value. Unrealized gains or losses from the increase or decrease in fair value are recognized as gains or losses in the current year.

Transfer of marketable securities from "available-for-sale" category to "held-to-maturity" category is recorded at fair value. Unrealized gain or loss on the transfer is recorded as part of equity and is amortized using the straight-line method over the remaining life of the securities.

For the computation of realized gain or loss, cost of equity securities is determined using the weighted average method while cost of held-to-maturity debt securities is determined using the specific identification method.

Allowance for possible losses and allowance for decline in fair value are presented as deductions from the outstanding balance of marketable securities.

h. Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

Securities purchased under agreements to resell represent collateralized financing transactions with the securities as collateral, and are stated at the price to resell the securities, less unearned interest revenue.

Securities sold under agreements to repurchase are stated at the total amount of liabilities to repurchase the securities.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

i. Derivative Instruments and Hedging Activities

On January 1, 2001, the Company adopted the Statement of Financial Accounting Standards (PSAK) No. 55, "Accounting for Derivative Instruments and Hedging Activities".

All derivative instruments (including forward foreign currencies transactions for funding and trading) are recognized in the balance sheet at their fair value. Fair value is determined based on market value, 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 or the purpose of which the Company has designated upon acquisition as (1) fair value hedge, (2) trading instrument, (3) cash flow hedge and (4) a hedged of net investment in foreign operation.

Gain or loss on derivative contracts is accounted for as follows :

1. Gain or loss on a derivative contract designated and qualifying as a fair value hedging instrument as well as the offsetting gain or loss on the hedged assets or liabilities attributable to the hedged risk is recognized currently in earnings in the same accounting period. Any difference that arises representing the effect of hedge ineffectiveness is recognized currently in earnings;
2. 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 earnings;
3. 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 equity and reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. The effect of the hedge ineffectiveness is recognized currently in earnings; and
4. Gain or loss on the 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 equity to the extent it is effective as a hedge.

The adoption and application of this new standard does not result into significant transition adjustments. This PSAK is to be applied prospectively.

In 2000, forward foreign currency transactions for the purpose of funding and trading were accounted for as follows :

- For forward foreign currency transaction entered into for the purpose of funding, the difference between the contracted forward rate and the spot rate on the transaction date is recorded as a premium or discount and is amortized over the life of the contract. The amortization of the premium or discount is recorded in the statement of income as a component of interest. The difference between the spot rate on the balance sheet date and the spot rate on forward receivable or payable at the transaction date is recognized as gain or loss in current operations.

- For forward foreign currency transaction entered into for the purpose of trading, the difference between the contracted forward rate and the spot rate on the maturity date is recognized as gain or loss in the current operations.

j. Loans

Loans are stated at the gross amount of their outstanding balance, less allowance for possible losses which is determined based on evaluation of the collectibility of each loan. For restructured loans, the loan principal includes interest and other expenses transferred to loan principal. Such transferred interest is recognized as deferred interest revenue.

Syndicated loans are stated at loan principal amount based on the risk participation by the Company.

k. Acceptance Receivables and Acceptance Liabilities

Acceptance receivables and liabilities are stated at the amount of issued L/C or the realizable value of the L/C accepted by the counter party bank.

Acceptance receivables are stated at the amount of its outstanding balance, less allowance for possible losses.

l. Allowance for Possible Losses on Earning Assets and Estimated Losses on Commitments and Contingencies

Earning assets consist of demand deposits with other banks, placements with other banks, marketable securities, securities purchased under agreements to resell, loans, derivative assets, acceptance receivables, investments in shares of stock, and others, including commitments and contingencies reflected in the administrative accounts, in accordance with the Decree of Bank Indonesia.

Allowance for possible losses on earning assets and estimated losses on commitments and contingencies are determined based on evaluation by management of the collectibility of each earning assets and commitments and contingencies, based on the Decree of Bank Indonesia No. 31/147/KEP/DIR and No. 31/148/KEP/DIR dated November 12, 1998.

The determination of the quality of earning assets is based on the Decree of Bank Indonesia No. 31/147/KEP/DIR dated November 12, 1998, while the allowance for possible losses on earning assets is based on the Decree of Bank Indonesia No. 31/148/KEP/DIR dated November 12, 1998, which classified earning assets into five categories, with percentages of allowance for possible losses, which are as follows:

| Classification | Percentage of Allowance for Possible Losses | |
|-----------------|--|---------|
| Current | Minimum | 1.00% |
| Special mention | Minimum | 5.00% |
| Substandard | Minimum | 15.00% |
| Doubtful | Minimum | 50.00% |
| Loss | | 100.00% |

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The above percentages are applied to earning assets and commitments and contingencies, less the collateral value, in accordance with the Decree of Bank Indonesia, except for earning assets and commitments and contingencies categorized as current and special mention, where the rates are applied directly to the outstanding balance of earning assets and commitments and contingencies.

Allowance for possible losses on commitments and contingencies (except for acceptances) is presented under "estimated losses on commitments and contingencies" account.

The outstanding balance of earning assets is written off against the respective allowance for possible losses when management believes that the earning assets should be written off because operationally the debtor can not afford to repay and/or the earning assets are difficult to be realized or collected. Recovery of earning assets previously written off is recorded as an addition to allowance for possible losses on earning assets during the period of recovery.

m. Investments in Shares of Stock

Investments in associated companies

Investments in shares of stock with ownership interest of 20% to 50%, directly or indirectly owned, are accounted for using the equity method, whereby the Company's proportionate share in the net income or loss of the associated company after the date of acquisition is added to or deducted from, and the dividends received are deducted from, the acquisition cost of the investments. Equity in net income or losses is adjusted for the straight-line amortization over 5 (five) years of goodwill. The carrying amount of the investments is written down to recognize a permanent decline in value of the individual investments. Any such write down is charged directly to current operations.

Other investments

Investments in shares of stock with ownership interest of less than 20% that do not have readily determinable fair values and are intended for long-term investments are stated at cost. The carrying amount of the investments is written down to recognize a permanent decline in value of the individual investments. Any such write down is charged directly to current operations.

Investments in shares of stock from credit restructuring are stated at cost. The carrying amount of the investments is written down to recognize a permanent decline in value of the individual investments. Any such write down is charged directly to current operations.

Change of equity in subsidiaries and associated companies

Changes in the value of investments due to changes in the equity of subsidiaries or associated companies arising from capital transactions of such subsidiaries or associated companies with other parties are recognized in equity as "Difference Due to Change of Equity in Subsidiaries or Associated Companies", and are recognized as income or expense in the period the investments are disposed of.

n. Premises and Equipment

Premises and equipment, except revalued premises and equipment, are stated at cost, less accumulated depreciation.

Certain assets were revalued in accordance with the Decision Letter of the Minister of Finance of the Republic of Indonesia No. 384/KMK.04/1998 dated August 14, 1998 and the Circular Letter of the Director General of Taxation No. SE-29/PJ.42/1998 dated September 17, 1998, resulting in a revaluation increment of Rp 1,343,195 million. The approval from the Tax Office with respect to the revaluation increment was obtained by the Company on March 25, 1999, through its letter No. KEP-7/WPJ.06/KP.0404/1999. The revaluation increment was recorded by the Company on April 1, 1999. Premises and equipment purchased before October 1998 are stated at its revalued amount, less accumulated depreciation, while premises and equipment purchased subsequent to October 1998 are stated at cost, less accumulated depreciation. The revaluation increment in premises and equipment was credited to a separate account under equity.

All premises and equipment, except for land and buildings, are depreciated using the double-declining-balance method. Buildings are depreciated using the straight-line method. The annual depreciation rates are as follows:

| | Percentage |
|--|------------|
| Buildings : | |
| • Permanent | 5% |
| • Non Permanent | 10% |
| Premises and equipment other than buildings : | |
| Class I : assets with useful lives of less than 4 years | 50% |
| Class II : assets with useful lives between 4 to 8 years | 25% |

Land is stated at cost and is not depreciated.

When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its estimated recoverable amount, which is determined as the higher of net selling price or value in use.

Legal expenses related to landrights are recognized as deferred charges and are amortized using the straight-line method over its legal term or the economic life of the land, whichever is shorter.

The cost of repairs and maintenance is charged to operations as incurred, expenditures which extend the useful of the asset or result in increased future economic benefits are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the current operations.

o. Foreclosed Properties

Foreclosed properties were presented in "Other Assets" account.

Foreclosed property is stated at net realizable value. The excess of loan receivable over the net realizable value of the foreclosed property is charged to provision for possible losses. If the net realizable value is higher

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than the loan receivable, the foreclosed property is recorded at the amount of the loan receivable and the difference is recorded in the Company's administrative accounts.

The difference between the value of the foreclosed property and the proceeds from the sale of such property is recorded as gain or loss in the period the property is sold.

Management evaluates the value of foreclosed properties regularly. Allowance for possible losses on foreclosed properties is provided based on the decline in value of foreclosed properties.

Expenses for maintaining foreclosed properties are charged in the statement of income as incurred.

The carrying amount of the property is written down to recognize a permanent decline in value of the property. Any such write down is charged to current operations.

p. Recognition of Interest Revenue and Expense

Interest revenues and expenses are recognized on an accrual basis, except for interest revenues on loans and other earning assets classified as nonperforming. These interest revenues are recognized only when such interests are actually received. Interest revenues recognized or recorded but not yet received, must be cancelled when the loans are classified as nonperforming. Such interest revenues should be recorded as contingent receivables in the administrative accounts and should be recognized as revenue when collection in cash is received.

Loans and other earning assets (excluding securities) are considered as nonperforming when they are classified as substandard, doubtful, or loss. On the other hand, securities are categorized as nonperforming when the issuer of securities defaulted on its interest and/or principal payments.

Cash payments of debtors pertaining to loans classified as doubtful and loss are applied against loan principal balances, any excess is recognized as interest payment on the said loans.

Deferred interest revenues on restructured loans are recognized as income in proportion to the principal installments received.

q. Recognition of Revenues and Expenses on Commissions and Fees

Commissions and fees directly or indirectly related to loans activities and loan periods in excess of Rp 100 million are recorded as deferred revenues and expenses and are systematically amortized within the periods of the respective loans and borrowings. If the loans and borrowings have been settled before its maturity date, the related deferred revenues and expenses on commissions and fees are recognized upon settlement of loans and borrowings. Revenues and expenses on commissions and fees less than or equal to Rp 100 million are recognized as revenues or expenses upon receipt or payment.

Commissions and fees not related to loan activities and loan periods are recognized as revenues and expenses at the time the transactions are made.

r. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the statement of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset in the balance sheet, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Corporate income tax calculation for subsidiaries domiciled outside Indonesia was based on the taxable income of those companies, since the effect of application of PSAK No. 46 is not significant.

s. Earnings Per Share

Basic earnings per share is computed by dividing residual net income by the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing residual net income by the weighted average number of shares outstanding as adjusted for the effects of all dilutive potential ordinary shares.

t. Pension Plan

Since May 1996, the Company has a defined contribution pension plan for all of its local permanent employees.

Current service cost is charged to operations in the current period. Past service cost, actuarial adjustment and the effect of changes in assumptions for active participants are amortized using the fixed annuity method over the estimated average residual employment period that has been determined by the actuary.

The method used by the actuary for actuarial calculation is the Projected Unit Credit method.

u. Restructuring of Nonperforming Loans

Restructuring of nonperforming loans involving modification of the terms of the loan is applied prospectively, and shall not change the carrying amount of loans at restructuring date, except when the carrying amount of

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loans exceeds the present value of future cash receipts as specified by the new terms. The excess of the amount of the loan with the present value of future cash receipts is recognized as loss on restructuring. Thereafter, all cash receipts under the new terms shall be accounted for as a recovery of principal and interest revenues, proportionately.

v. Segment Information

Segment information is presented in accordance with accounting policies used for preparing and presenting the consolidated financial statements. The Company and its subsidiaries' segment information are presented based on their business segments.

A business segment is a distinguishable component that is engaged in providing services, mainly for the debtors, based on business segment or the same service that are different from those of other business segments.

3. DEMAND DEPOSITS WITH BANK INDONESIA

| | Consolidated | | Parent Company | |
|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | 840,297 | 1,030,336 | 840,297 | 1,030,336 |
| Foreign currency | 349,487 | 383,763 | 349,487 | 383,763 |
| Total | 1,189,784 | 1,414,099 | 1,189,784 | 1,414,099 |

According to Bank Indonesia's Decree, each bank in Indonesia is required to maintain minimum liquidity reserves amounting to 5% of liabilities in Rupiah and 3% of liabilities in foreign currencies. The balance of minimum liquidity reserves of the Company in Rupiah and foreign currency as of December 31, 2001 amounted to Rp 1,152,154 million (2000 : Rp 1,299,862 million).

4. DEMAND DEPOSITS WITH OTHER BANKS

| | Consolidated | | Parent Company | |
|-------------------------------|----------------|------------------|----------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | 2,892 | 6,004 | 2,647 | 5,993 |
| Foreign currencies | 391,703 | 1,506,746 | 366,986 | 1,480,904 |
| Total | 394,595 | 1,512,750 | 369,633 | 1,486,897 |
| Allowance for possible losses | (3,696) | (14,267) | (3,696) | (14,267) |
| Net | 390,899 | 1,498,483 | 365,937 | 1,472,630 |

The collectibility of demand deposits with other banks as of December 31, 2001 and 2000 was classified as current.

The changes in the allowance for possible losses on demand deposits with other banks were as follows :

| | Consolidated | | Parent Company | |
|------------------------------|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 14,267 | 18,709 | 14,267 | 18,709 |
| Reversal of allowance | (10,411) | (8,151) | (10,411) | (8,151) |
| Exchange rate differences | (160) | 3,709 | (160) | 3,709 |
| Balance at end of year | 3,696 | 14,267 | 3,696 | 14,267 |

Management believes that the allowance for possible losses on demand deposits with other banks is adequate to cover possible losses from uncollectible demand deposits with other banks.

5. PLACEMENTS WITH OTHER BANKS

Placements with other banks by type of placement are as follows:

| Type of Placement | 2001 | | |
|-------------------------------|-------------------------|--------------------------|----------------------------|
| | Average Interest Rate % | Consolidated Rp '000'000 | Parent Company Rp '000'000 |
| Rupiah | | | |
| Call money | 13.10 | 517,856 | 513,856 |
| Foreign Currencies | | | |
| Call money | 6.51 | 104,000 | 104,000 |
| Time deposits | 9.03 | 158,019 | 1,110 |
| Subtotal | | 262,019 | 105,110 |
| Total | | 779,875 | 618,966 |
| Allowance for possible losses | | (185,237) | (185,237) |
| Net | | 594,638 | 433,729 |

| Type of Placement | 2000 | | |
|-------------------------------|-------------------------|--------------------------|----------------------------|
| | Average Interest Rate % | Consolidated Rp '000,000 | Parent Company Rp '000,000 |
| Rupiah | | | |
| Call money | 9.90 | 184,190 | 184,190 |
| Foreign Currencies | | | |
| Call money | 7.66 | 1,758,108 | 1,758,108 |
| Time deposits | 6.80 | 204,901 | 1,056 |
| Subtotal | | 1,963,009 | 1,759,164 |
| Total | | 2,147,199 | 1,943,354 |
| Allowance for possible losses | | (61,981) | (61,981) |
| Net | | 2,085,218 | 1,881,373 |

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a. Placements with Related Parties

Placements with other banks as of December 31, 2000 included placement with Bank Internasional Ningbo, a related party, amounting to Rp 1,439,250 million, on a consolidated basis and for the Parent Company. The Company, the Sinar Mas Group, and the Indonesian Bank Restructuring Agency have agreed to restructure the repayment schedule of the Parent Company's placement with its related party, and to transfer and convert such placement into loan to P.T. Purinusa Ekapersada based on the Settlement Agreement among the Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency dated January 26, 2001 and the amendments thereto dated February 3, 2001. On November 5, 2001, the loan to P.T. Purinusa Ekapersada was transferred to the Indonesian Bank Restructuring Agency (Note 1f).

b. Placements with Frozen/Closed Banks

Placements with other banks (call money) denominated in Rupiah as of December 31, 2001 and 2000 included placements with P.T. Bank Bira (frozen bank) and P.T. Bank Pertiwi (frozen bank) totaling to Rp 180,856 million. The claims on these placements with frozen banks have been filed with the Indonesian Bank Restructuring Agency (Note 1d).

The plans and actions for the settlement of the interbank placement with P.T. Bank Bira (frozen bank) amounting to Rp 176,625 million (including money market securities/SBPU endorsed by P.T. Bank Umum Nasional [closed bank] amounting to Rp 896,000 million which is presented under the marketable securities account - Note 6) are as follows :

1. On April 27, 2001, the Committee of Financial Sector Policy (KKS) approved the proposal of the Indonesian Bank Restructuring Agency (after taking into account Bank Indonesia's consideration) to transfer the Rp 1,176,338 million "recycled Government bonds" from the account of the Indonesian Bank Restructuring Agency in Bank Indonesia to the account of the Company in Bank Indonesia in relation to the settlement of the interbank claim of the Company amounting to Rp 1,176,339 million.
2. To pursue on the above decision of KKS, on April 27, 2001, the Minister of Finance of the Republic of Indonesia vested authority to the Chairman of the Indonesian Bank Restructuring Agency to represent the Indonesian Government in signing a Fiduciary Collateral Deed in relation with the pledging of the Serie FR0004 Government bonds amounting to Rp 1,176,338 million as collateral for the interbank claims. On May 3, 2001, the Chairman of the Indonesian Bank Restructuring Agency and the management of the Company signed a Fiduciary Collateral Deed No. 6, which was made by Winnie Susanti Hadiprodjo, SH, notary in Jakarta. On May 4, 2001, Citibank (Jakarta), as sub-registry (No. 2.1.2.031), issued a Statement of Collateralized Marketable Securities (SKSD) No. 01/WWSS/V/2001, which has been extended with the SKSD No. 02/WWSS/XII/2001 up to June 30, 2002, in relation to the pledging of the Serie FR0004 Government bonds as mentioned above. On June 5, 2001, this Fiduciary Collateral Deed No. 6 was registered in the Department of Justice of the Republic of Indonesia under registration No. W7.873.HT.04.06.TH.2001.

3. On April 25, 2002, the Chairman of the Indonesian Bank Restructuring Agency through its letter No. PB-802/BPPN/0402, stated that in reference with the KKSK No. 02/K.KKSK/11/2001 dated November 22, 2001, the actions for the immediate recovery of the Company will be done through the rights issue, wherein the Government of the Republic of Indonesia will act as a standby buyer for the new shares. Further, upon finalization of this rights issue, the Company is also anticipating that problems in relation to interbank claims will be resolved. In relation to the problem mentioned above, the Indonesian Bank Restructuring Agency requested for the cancellation of the Fiduciary Collateral Deed No. 6 given to the Company. The cancellation will be effective on the date when the Company's rights issue is finalized.

c. Term

Call money represents placements with maturity between 1 day and 90 days, while the tenure of time deposits is between 1 month and 12 months. In 2000, placements with frozen banks and Bank Internasional Ningbo, a related party, have been due for more than 90 days.

The carrying amount of the consolidated placements with other banks as of December 31, 2001, based on maturity, was as follows :

| Type of Placement | Up to 1 month Rp '000'000 | More than 1 month until 3 months Rp '000'000 | More than 6 months until 12 months Rp '000'000 | Total Rp '000'000 |
|--------------------|---------------------------------|--|--|----------------------|
| Rupiah | | | | |
| Call money | 514,856 | 3,000 | - | 517,856 |
| Foreign Currencies | | | | |
| Call money | 104,000 | - | - | 104,000 |
| Time deposits | 156,940 | - | 1,079 | 158,019 |
| Subtotal | 260,940 | - | 1,079 | 262,019 |
| Total | 775,796 | 3,000 | 1,079 | 779,875 |

The outstanding balance of placements with other banks with term of less than or up to 1 month included claims from frozen banks which are in default amounting to Rp 180,856 million.

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d. Collectibility and Allowance for Possible Losses

The classification of collectibility of consolidated placements with other banks as of December 31, 2001 and 2000 was as follows :

| Classification | 2001 | | 2000 | |
|--------------------|-----------------|---------------------|-----------------|---------------------|
| | Related Parties | Non-Related Parties | Related Parties | Non-Related Parties |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | | | | |
| Current | - | 337,000 | - | 3,334 |
| Loss | - | 180,856 | - | 180,856 |
| Subtotal | - | 517,856 | - | 184,190 |
| Foreign currencies | | | | |
| Current | - | 262,019 | - | 523,759 |
| Loss | - | - | 1,439,250 | - |
| Subtotal | - | 262,019 | 1,439,250 | 523,759 |
| Total | - | 779,875 | 1,439,250 | 707,949 |

The claim on placement with P.T. Bank Bira (frozen bank) and P.T. Bank Pertiwi (frozen bank) totaling Rp 180,856 million was classified as loss as of December 31, 2001 and 2000. In 2000, the Company did not make any specific provision for possible losses for the placement with P.T. Bank Bira (frozen bank) amounting to Rp 176,625 million, which was classified as loss, since these are already collateralized by the Government bonds, through the Fiduciary Collateral Deed No. 6 dated May 3, 2001 (Note 5.b). The Company also did not make any specific provision for possible losses on the placement with Bank Internasional Ningbo, a related party, equivalent to Rp 1,439,250 million which was classified as loss, since it has already been restructured based on the Settlement Agreement among the Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency dated January 26, 2001 and the amendments thereto dated February 3, 2001 (Note 1f).

The changes in the allowance for possible losses on placements with other banks were as follows :

| | Consolidated | | Parent Company | |
|------------------------------|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 61,981 | 35,028 | 61,981 | 35,028 |
| Provision during the year | 123,311 | 7,331 | 123,311 | 7,331 |
| Exchange rate difference | (55) | 19,622 | (55) | 19,622 |
| Balance at end of year | 185,237 | 61,981 | 185,237 | 61,981 |

Based on a letter from the Chairman of the Indonesian Bank Restructuring Agency No. PB.802/BPPN/0402 dated April 25, 2002 (Note 5.b.3), in 2001, the Company recorded a specific provision for possible losses amounting to Rp 176,625 million on the Company's claim from P.T. Bank Bira (frozen bank).

Management believes that the allowance for possible losses on placements with other banks is adequate to cover possible losses from uncollectible placements with other banks.

6. MARKETABLE SECURITIES

| | Consolidated | | Parent Company | |
|---|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | | | | |
| Held-to-maturity | | | | |
| Certificates of Bank Indonesia | 354,100 | 1,625,000 | 354,100 | 1,625,000 |
| Unamortized discount | (3,102) | (6,103) | (3,102) | (6,103) |
| Net | 350,998 | 1,618,897 | 350,998 | 1,618,897 |
| Placement with Bank Indonesia | 425,000 | 90,000 | 425,000 | 90,000 |
| Unamortized discount | (273) | (27) | (273) | (27) |
| Net | 424,727 | 89,973 | 424,727 | 89,973 |
| Money market securities (SBPU) | 896,000 | 896,000 | 896,000 | 896,000 |
| Bonds | 165,770 | 286,743 | 165,770 | 286,743 |
| Unamortized discount | (679) | (3,982) | (679) | (3,982) |
| Unrealized loss on change in investment purpose | (12,273) | (48,625) | (12,273) | (48,625) |
| Net | 152,818 | 234,136 | 152,818 | 234,136 |
| Total Held-to-Maturity Securities | 1,824,543 | 2,839,006 | 1,824,543 | 2,839,006 |
| Available-for-sale | | | | |
| Bonds | 10,396 | 175,359 | 10,396 | 175,359 |
| Allowance for decline in fair value | (2,310) | (3,855) | (2,310) | (3,855) |
| Net | 8,086 | 171,504 | 8,086 | 171,504 |
| Shares listed in the stock exchange | 49 | 70 | 49 | 70 |
| Allowance for decline in fair value | (10) | (27) | (10) | (27) |
| Net | 39 | 43 | 39 | 43 |
| Total Available-for-Sale Securities | 8,125 | 171,547 | 8,125 | 171,547 |
| Trading | | | | |
| Bonds | 61,832 | 57,871 | 61,832 | 57,871 |
| Allowance for decline in fair value | (6,776) | (3,011) | (6,776) | (3,011) |
| Net | 55,056 | 54,860 | 55,056 | 54,860 |
| Total Trading Securities | 55,056 | 54,860 | 55,056 | 54,860 |
| Total Marketable Securities in Rupiah | 1,887,724 | 3,065,413 | 1,887,724 | 3,065,413 |
| Foreign Currencies | | | | |
| Held-to-maturity | | | | |
| Receivables on export bills | 45,913 | 170,567 | 3,379 | 17,132 |
| Unamortized discount | (9) | (6) | (9) | (6) |
| Net | 45,904 | 170,561 | 3,370 | 17,126 |
| Notes receivable | 400,110 | 639,103 | 328,629 | 639,103 |
| Unamortized discount | (794) | (1,152) | (18) | (1,152) |
| Unrealized loss on change in investment purpose | (40,887) | (162,489) | (40,887) | (162,489) |
| Net | 358,429 | 475,462 | 287,724 | 475,462 |
| Traveller's cheques | 720 | 919 | 720 | 919 |
| Drafts | 55 | 150 | 55 | 150 |
| Total Held-to-Maturity Securities | 405,108 | 647,092 | 291,869 | 493,657 |

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| | Consolidated | | Parent Company | |
|---|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Available-for-sale | | | | |
| Notes receivable | 52,363 | 618,777 | 52,363 | 618,777 |
| Recovery from (allowance for) decline in fair value | 405 | (70,163) | 405 | (70,163) |
| Net | 52,768 | 548,614 | 52,768 | 548,614 |
| Total Available-for-Sale Securities | 52,768 | 548,614 | 52,768 | 548,614 |
| Trading | | | | |
| Notes receivable | - | 44,741 | - | 44,741 |
| Allowance for decline in fair value | - | (2,879) | - | (2,879) |
| Net | - | 41,862 | - | 41,862 |
| Shares listed in the stock exchange | 4,565 | - | - | - |
| Allowance for decline in fair value | (713) | - | - | - |
| Net | 3,852 | - | - | - |
| Total Trading Securities | 3,852 | 41,862 | - | 41,862 |
| Total Marketable Securities - Foreign Currencies | 461,728 | 1,237,568 | 344,637 | 1,084,133 |
| Total | 2,349,452 | 4,302,981 | 2,232,361 | 4,149,546 |
| Allowance for possible losses | (994,233) | (96,615) | (994,233) | (96,615) |
| Net | 1,355,219 | 4,206,366 | 1,238,128 | 4,052,931 |

a. Export Bills from Related Parties

There were no outstanding balance of consolidated export bills as of December 31, 2001 which were purchased from related parties. As of December 31, 2000, outstanding balance of consolidated export bills which were purchased from related parties amounted to Rp 34,783 million.

b. Money Market Securities (SBPU)

SBPU represents securities endorsed by P.T. Bank Umum Nasional (closed bank) amounting to Rp 896,000 million. The claim on these securities has been filed with the Indonesian Bank Restructuring Agency (Note 5.b).

c. Notes Receivable

The Company's notes receivable consist of notes receivable issued by Bank Negara Indonesia, Bank Mandiri and Bank Danamon and Exchange Offer Program securities.

The outstanding balance of the consolidated notes receivable as of December 31, 2001 included notes receivable from related parties amounting to nil (2000 : Rp 335,825 million). The Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency have agreed to restructure the repayment schedule of these notes receivable which were outstanding as of December 31, 2000, and to convert them into loans to P.T. Purinusa Ekapersada (amounting to Rp 287,850 million) and P.T. Tjiwi Kimia (amounting to Rp 47,975 million). These loans were restructured based on the Settlement Agreement among the Company, the Sinar Mas Group and

the Indonesian Bank Restructuring Agency dated January 26, 2001 and the amendments thereto dated February 3, 2001, and have been transferred to the Indonesian Bank Restructuring Agency on November 5, 2001 (Note 1f).

d. Bonds

Bonds consist of securities denominated in Rupiah issued by other companies in Indonesia, which include bonds issued by P.T. Barito Pacific Timber Tbk, amounting to Rp 103,000 million (classified as loss). As of December 31, 2001, the bonds included issuances by related parties amounting to nil (2000 : Rp 91,600 million).

e. Category of Issuer of Marketable Securities

The category of issuer of consolidated notes receivable and bonds is as follows :

| | 2001 (Nominal Amount) | | |
|---------------------------------------|---------------------------------|-----------------------------------|------------------------|
| | Held-to-Maturity Rp '000'000 | Available-for-Sale Rp '000'000 | Trading Rp '000'000 |
| Bonds - Rupiah | | | |
| Government and state-owned companies | - | 10,396 | - |
| Banks | 13,000 | - | - |
| Others | 152,770 | - | 61,832 |
| Subtotal | 165,770 | 10,396 | 61,832 |
| Notes Receivable - Foreign Currencies | | | |
| Government and state-owned companies | 11,429 | 11,147 | - |
| Banks | 388,681 | 35,199 | - |
| Others | - | 6,017 | - |
| Subtotal | 400,110 | 52,363 | - |
| Total | 565,880 | 62,759 | 61,832 |

| | 2000 (Nominal Amount) | | |
|---------------------------------------|---------------------------------|-----------------------------------|------------------------|
| | Held-to-Maturity Rp '000'000 | Available-for-Sale Rp '000'000 | Trading Rp '000'000 |
| Bonds - Rupiah | | | |
| Government | - | 175,359 | - |
| Banks | 40,500 | - | - |
| Others | 246,243 | - | 57,871 |
| Subtotal | 286,743 | 175,359 | 57,871 |
| Notes Receivable - Foreign Currencies | | | |
| Government | 10,630 | 10,611 | - |
| Banks | 292,648 | 545,462 | 44,741 |
| Others | 335,825 | 62,704 | - |
| Subtotal | 639,103 | 618,777 | 44,741 |
| Total | 925,846 | 794,136 | 102,612 |

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

f. Change in Investment Purpose

The Company changed its purpose on investments in notes receivable and bonds totaling Rp 366,389 million from "available-for-sale" category, to "held-to-maturity" category, in relation to the Company's financial risk management policy. Unrealized loss on change in investment purpose of these securities amounted to Rp 53,160 million as of December 31, 2001.

g. Changes in the Unrealized Loss on Decline in Value of Marketable Securities and the Fair Value of Marketable Securities

The changes in the unrealized loss on decline in value of marketable securities were as follows (for the held-to-maturity and available-for-sale portfolio) :

| | 2001 | 2000 |
|---|-------------|-------------|
| | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 285,159 | 317,908 |
| Realized gain on sale of marketable securities | (145,185) | (66,438) |
| Permanent decline in value of marketable securities | (61,776) | - |
| (Increase)/decrease in value of marketable securities | (23,123) | 33,689 |
| Balance at end of year | 55,075 | 285,159 |

A permanent decline in value of marketable securities was recognized on notes receivable in foreign currencies issued by Atlantic Global Funding CBO, Ltd., Putnam CBO I, Ltd., and Aeltus CBO II, Ltd.

The fair value of consolidated notes receivable and bonds which are classified as "held-to-maturity" based on the purpose of investment is as follows :

| | 2001 | 2000 |
|--------------------|-------------|-------------|
| | Rp '000'000 | Rp '000'000 |
| Rupiah | | |
| Bonds | 64,380 | 192,696 |
| Foreign currencies | | |
| Notes receivable | 365,004 | 411,278 |
| Total | 429,384 | 603,974 |

The fair value of bonds denominated in Rupiah as of December 31, 2001 included bonds of P.T. Barito Pacific Timber Tbk that have defaulted in its obligation. The Company recognized a specific provision for possible losses on these bonds based on the Bank Indonesia regulation No. 31/148/KEP/DIR dated November 12, 1998.

h. Interest Rate and Tenure

Following are the consolidated marketable securities classified based on maturity and investment purposes:

(i) Held-to-Maturity

| | 2001 | 2000 |
|----------------------------------|---------------------------|---------------------------|
| | Net Amount Rp '000'000 | Net Amount Rp '000'000 |
| Rupiah | | |
| Less than 1 year | 1,812,921 | 2,634,032 |
| More than 1 year up to 5 years | 11,622 | 193,352 |
| More than 5 years up to 10 years | - | 11,622 |
| Subtotal | 1,824,543 | 2,839,006 |
| Foreign Currencies | | |
| Less than 1 year | 58,580 | 218,371 |
| More than 1 year up to 5 years | 98,429 | 25,086 |
| More than 5 years up to 10 years | 248,099 | 403,635 |
| Subtotal | 405,108 | 647,092 |
| Total | 2,229,651 | 3,486,098 |

The outstanding balance of the marketable securities denominated in Rupiah as of December 31, 2001 and 2000 with tenure of less than 1 year included the claim on SBPU endorsed by P.T. Bank Umum Nasional (closed bank) amounting to Rp 896,000 million and bonds of P.T. Barito Pacific Timber Tbk amounting to Rp 92,828 million which have been in default.

(ii) Available-for-Sale

| | 2001 | 2000 |
|----------------------------------|---------------------------|---------------------------|
| | Net Amount Rp '000'000 | Net Amount Rp '000'000 |
| Rupiah | | |
| Less than 1 year | 39 | 163,346 |
| More than 1 year up to 5 years | - | - |
| More than 5 years up to 10 years | 8,086 | 8,201 |
| Subtotal | 8,125 | 171,547 |
| Foreign Currencies | | |
| Less than 1 year | 15,660 | 468,584 |
| More than 1 year up to 5 years | 24,599 | 64,034 |
| More than 5 years up to 10 years | 12,509 | 15,996 |
| Subtotal | 52,768 | 548,614 |
| Total | 60,893 | 720,161 |

In 2001, the average interest rates on Certificates of Bank Indonesia, money market securities/notes receivable and bonds denominated in Rupiah ranged from 10% to 15.90% (2000 : 10% to 15%) per annum, while the average interest rates on notes receivable and export bills denominated in foreign currencies in 2001 ranged from 6% to 8% (2000 : 7% to 11.50%) per annum.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

i. Collectibility and Allowance for Possible Losses

The classification of collectibility of consolidated marketable securities as of December 31, 2001 and 2000, after the recognition of allowance for decline in fair value, unamortized discount, and unrealized loss on change in investment purpose was as follows :

| | 2001 | | 2000 | |
|--------------------|-----------------|---------------------|-----------------|---------------------|
| | Related Parties | Non-Related Parties | Related Parties | Non-Related Parties |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | | | | |
| Current | - | 898,896 | 78,001 | 2,015,759 |
| Loss | - | 988,828 | - | 971,653 |
| Subtotal | - | 1,887,724 | 78,001 | 2,987,412 |
| Foreign Currencies | | | | |
| Current | - | 461,104 | 34,783 | 983,842 |
| Loss | - | 624 | 218,943 | - |
| Subtotal | - | 461,728 | 253,726 | 983,842 |
| Total | - | 2,349,452 | 331,727 | 3,971,254 |

As of December 31, 2001, marketable securities that were classified as loss included SBPU endorsed by P.T. Bank Umum Nasional (closed bank) amounting to Rp 896,000 million, bonds denominated in Rupiah which included the bonds issued by P.T. Barito Pacific Timber Tbk, having a net book value of Rp 92,828 million and foreign currency denominated notes receivable in the form of subordinated loans having a net book value of Rp 624 million. In 2000, the Company did not recognize any specific provision for possible losses on these SBPU since these were already collateralized by the Indonesia Government bonds in relation to the Fiduciary Collateral Deed No. 6 dated May 3, 2001 (Note 5.b).

The changes in the allowance for possible losses on marketable securities were as follows :

| | Consolidated | | Parent Company | |
|------------------------------|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 96,615 | 124,784 | 96,615 | 124,784 |
| Provision during the year | 897,063 | - | 897,063 | - |
| Reversal of allowance | - | (31,069) | - | (31,069) |
| Exchange rate difference | 555 | 2,900 | 555 | 2,900 |
| Balance at end of year | 994,233 | 96,615 | 994,233 | 96,615 |

Based on a letter of the Chairman of the Indonesian Bank Restructuring Agency No. PB.802/BPPN/0402 dated April 25, 2002 (Note 5.b.3), the Company recognized a specific provision for possible losses of Rp 896,000 million on the Company's claim from P.T. Bank Umum Nasional (closed bank) in 2001.

Management believes that the allowance for possible losses on marketable securities is adequate to cover possible losses from uncollectible marketable securities.

7. DERIVATIVE ASSETS AND LIABILITIES

- a. In 2001, the Company entered into certain derivative transactions such as forward foreign exchange contracts and swaps contracts with customers, which enable the Company or its customers to minimize the risk on the effect of fluctuations in foreign exchange and interest rates. Swaps contracts (foreign exchange and interest rate) represent contracts between two parties to exchange cash flows based on notional amount and predetermined exchange value or interest rate.

Forward foreign exchange contracts are agreements to buy or sell a currency for another currency or financial instrument at a predetermined future date and rate or price.

The above monetary derivative transactions or instruments give rise to market and credit risks. The market risk of derivative financial instruments arises from the potential changes in value of derivative instruments due to fluctuations in interest and foreign exchange rates. While the credit risk arises from failure of a counter-party to fulfill its obligations to the Company according to the terms of the contract.

- b. The details of the Parent Company's derivative assets and liabilities at balance sheet date are as follows:

| | 2001 | | | |
|------------------------------------|---|------------------------------|----------------------------------|---------------------------------------|
| | Notional Amount (Contract) Rp '000'000 | Fair Value Rp '000'000 | Derivative Assets Rp '000'000 | Derivative Liabilities Rp '000'000 |
| Related to exchange rate contracts | | | | |
| Forward | 1,755,323 | 1,738,381 | 2,409 | 22,916 |
| Allowance for possible losses | | | (24) | |
| Net | | | 2,385 | |

The tenure of the forward foreign currency contracts is between 5 - 92 days.

The collectibility of derivative assets as of December 31, 2001 was classified as current.

Total outstanding derivative receivables from related parties as of December 31, 2001 amounted to Rp 240 million.

Management believes that the allowance for possible losses on derivative assets is adequate to cover possible losses from uncollectible derivative assets.

The Company used the Reuters rate at 16.00 WIB on December 31, 2001, for fair value computation of assets and liabilities in foreign currencies.

- c. As of December 31, 2000, the Company had an interest rate swap contract with a related party. This contract had matured and was settled in August 2001. The notional amount of the contract was USD 5 million or equivalent to Rp 47,975 million as of December 31, 2000. The loss on this transaction amounting to Rp 584 million (equivalent USD 61,403) was charged to current operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

8. LOANS**a. By Type of Loans**

| | Consolidated | | Parent Company | |
|----------------------------------|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Related parties | | | | |
| Promissory notes | 99,803 | 9,726,531 | 99,803 | 9,656,531 |
| Small business credits (KUK) | - | - | 47,000 | 70,000 |
| Overdrafts | 2,000 | 19,484 | 2,000 | 19,484 |
| Employee loans | 1,500 | 4,500 | 1,500 | 4,500 |
| Lease receivables - net | - | 8,353 | - | - |
| Consumer financing receivables | - | 461 | - | - |
| Subtotal | 103,303 | 9,759,329 | 150,303 | 9,750,515 |
| Non-related parties | | | | |
| Promissory notes | 5,265,401 | 5,404,197 | 5,213,601 | 5,370,081 |
| Small business credits (KUK) | 750,249 | 798,239 | 750,249 | 798,239 |
| Housing loans (KPR) | 595,267 | 681,708 | 595,267 | 681,708 |
| Export credits | 592,753 | 573,968 | 592,753 | 573,968 |
| KIK, KMKP, KI and KPG | 434,560 | 277,404 | 434,560 | 277,404 |
| Overdrafts | 386,562 | 537,574 | 386,562 | 537,574 |
| Credit card receivables | 348,557 | 248,884 | 348,557 | 248,884 |
| Car loans (KCMP) | 158,288 | 239,320 | 158,288 | 239,320 |
| Import credits | 130,489 | 266,578 | 27,257 | 168,832 |
| Employee loans | 74,362 | 42,496 | 61,219 | 30,450 |
| Factoring receivables | 70,734 | 116,583 | - | - |
| Lease receivables - net | 1,941 | 690 | - | - |
| Consumer financing receivables | 1,749 | 3,156 | - | - |
| Advances under letters of credit | 613 | 4,568 | 613 | 4,568 |
| Others | 1,908 | 39,337 | 1,908 | 39,337 |
| Subtotal | 8,813,433 | 9,234,702 | 8,570,834 | 8,970,365 |
| Total | 8,916,736 | 18,994,031 | 8,721,137 | 18,720,880 |
| Allowance for possible losses | (4,227,555) | (2,329,766) | (4,153,734) | (2,234,318) |
| Net | 4,689,181 | 16,664,265 | 4,567,403 | 16,486,562 |

b. KUK Channelling

As of December 31, 2001, the outstanding balance of the Company's KUK channelling amounted to Rp 98,945 million (2000 : Rp 140,565 million), of which Rp 47,000 million (2000 : Rp 70,000 million) was granted to customers through a subsidiary, which operates as a multifinance company.

c. Loan Collateral

Loan collateral are usually in the form of tangible assets (i.e. land, buildings, shares of stock, time deposits, machinery, and inventories).

d. By Economic Sector

The consolidated loans classified by economic sector according to Bank Indonesia's Decree are as follows :

| | 2001 | | |
|--------------------------------|---------------|-------------|-------------|
| | Nonperforming | Performing | Total |
| | Loans | Loans | |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | | | |
| Services | 225,102 | 201,299 | 426,401 |
| Manufacturing | 156,307 | 462,897 | 619,204 |
| Trading | 64,285 | 395,217 | 459,502 |
| Agriculture and transportation | 565,919 | 61,900 | 627,819 |
| Construction | 2,559 | 31,055 | 33,614 |
| Others | 65,447 | 1,185,536 | 1,250,983 |
| Subtotal | 1,079,619 | 2,337,904 | 3,417,523 |
| Foreign currencies | | | |
| Services | 1,463,322 | 593,669 | 2,056,991 |
| Manufacturing | 897,095 | 227,684 | 1,124,779 |
| Trading | 320,450 | 299,187 | 619,637 |
| Agriculture and transportation | 848,256 | 2,777 | 851,033 |
| Construction | 244,625 | 4,474 | 249,099 |
| Others | 583,709 | 13,965 | 597,674 |
| Subtotal | 4,357,457 | 1,141,756 | 5,499,213 |
| Total | 5,437,076 | 3,479,660 | 8,916,736 |
| | | | |
| | | | |
| | | | |
| | 2000 | | |
| | Nonperforming | Performing | Total |
| | Loans | Loans | |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rupiah | | | |
| Services | 261,103 | 224,063 | 485,166 |
| Manufacturing | 1,957,008 | 660,182 | 2,617,190 |
| Trading | 65,776 | 567,089 | 632,865 |
| Agriculture and transportation | 237,051 | 403,267 | 640,318 |
| Construction | 3,555 | 34,780 | 38,335 |
| Others | 115,609 | 1,217,483 | 1,333,092 |
| Subtotal | 2,640,102 | 3,106,864 | 5,746,966 |
| Foreign currencies | | | |
| Services | 2,523,215 | 1,042,967 | 3,566,182 |
| Manufacturing | 5,451,082 | 203,232 | 5,654,314 |
| Trading | 1,311,159 | 414,514 | 1,725,673 |
| Agriculture and transportation | 831,845 | 401,568 | 1,233,413 |
| Construction | 387,821 | 44,155 | 431,976 |
| Others | 611,000 | 24,507 | 635,507 |
| Subtotal | 11,116,122 | 2,130,943 | 13,247,065 |
| Total | 13,756,224 | 5,237,807 | 18,994,031 |

Nonperforming loans are loans which are classified as substandard, doubtful and loss.

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DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

e. By Maturity

The classification of consolidated loans based on credit period, as stated in the loan agreements, and the remaining period until maturity is as follows :

| | 2001 | |
|--------------------|---|---|
| | Based on Loan Credit Period Rp '000'000 | Based on Remaining Period Until Maturity Rp '000'000 |
| Rupiah | | |
| Less than 1 year | 904,586 | 1,794,579 |
| 1 - 2 years | 573,372 | 217,714 |
| 2 - 5 years | 533,568 | 423,146 |
| More than 5 years | 1,405,997 | 982,084 |
| Subtotal | 3,417,523 | 3,417,523 |
| Foreign currencies | | |
| Less than 1 year | 803,134 | 2,202,847 |
| 1 - 2 years | 226,642 | 363,487 |
| 2 - 5 years | 1,215,329 | 2,002,855 |
| More than 5 years | 3,254,108 | 930,024 |
| Subtotal | 5,499,213 | 5,499,213 |
| Total | 8,916,736 | 8,916,736 |

Consolidated loans based on remaining period until maturity of less than 1 year included past due loans amounting to Rp 2,122,791 million.

f. Interest Rate

The average interest rates per annum on loans of the Company are as follows :

| | 2001 | 2000 |
|--------------------|--------|--------|
| Rupiah | 19.35% | 19.78% |
| Foreign currencies | 9.02% | 10.85% |

g. Syndicated Loans

As of December 31, 2001, syndicated loans amounted to Rp 1,918,303 million (2000 : Rp 1,983,849 million). The Company participates as a leader of a syndicate with sharing percentages ranging from 8% to 50% of the total syndicated loans amount and participates as a member of a syndicate with sharing percentages ranging from 3% to 47% of the total syndicated loan amount.

h. Loans to Related Parties

The Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency have agreed to restructure the repayment schedule of the loans granted by the Company to its related parties (the Sinar Mas Group) as of December 31, 2000, based on the Settlement Agreement among the Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency dated January 26, 2001 and the amendments thereto dated

February 3, 2001. On March 9, 2001, a loan restructuring agreement was signed by the Company and the related debtors under the Sinar Mas Group. On November 5, 2001, loans granted to the Sinar Mas Group were transferred to the Indonesian Bank Restructuring Agency (Note 1f).

As of December 31, 2001, loans to non-related parties included loans to palm (crude palm) farmers which were distributed by cooperatives ("Koperasi Unit Desa (KUD))" amounting to Rp 327,727 million, which were guaranteed by the Sinar Mas Group (2000 : Rp 282,386 million). During plantation period, interest expense on loans are capitalized to the principal amount of the loans, which caused these loans to increase.

i. Staff Loans

Loans to employees consist of loans granted with special interest rates and with terms between 1 to 20 years and collected through monthly salary deductions.

j. Restructuring Loans

As of December 31, 2001, restructured loans (excluding those from the Sinar Mas Group) amounted to Rp 640,627 million, while loans under restructuring process amounted to Rp 501,612 million, with allowance for possible losses of Rp 145,243 million. Losses on loan restructuring in 2001 amounted to Rp 16,410 million, which were charged to current operations.

k. Collectibility of Loans

The classification of collectibility of the loans granted, on a consolidated basis as of December 31, 2001 and 2000 was as follows :

| Category | 2001 | | | | | | | | | | Total |
|---------------------|-------------|-----|-----------------|-----|-------------|-----|-------------|-----|-------------|-----|-----------|
| | Current | | Special Mention | | Substandard | | Doubtful | | Loss | | |
| | Total | % | Total | % | Total | % | Total | % | Total | % | |
| | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | |
| Related parties | 18,670 | 1 | - | - | - | - | - | - | 84,633 | 2 | 103,303 |
| Non-related parties | 2,406,281 | 99 | 1,054,709 | 100 | 64,054 | 100 | 1,124,501 | 100 | 4,163,888 | 98 | 8,813,433 |
| Total | 2,424,951 | 100 | 1,054,709 | 100 | 64,054 | 100 | 1,124,501 | 100 | 4,248,521 | 100 | 8,916,736 |

| Category | 2000 | | | | | | | | | | Total |
|---------------------|-------------|-----|-----------------|-----|-------------|-----|-------------|-----|-------------|-----|------------|
| | Current | | Special Mention | | Substandard | | Doubtful | | Loss | | |
| | Total | % | Total | % | Total | % | Total | % | Total | % | |
| | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | Rp '000'000 | | |
| Related parties | 22,068 | 1 | 1,629 | - | 9,615,515 | 89 | - | - | 120,117 | 5 | 9,759,329 |
| Non-related parties | 2,871,539 | 99 | 2,342,571 | 100 | 1,188,723 | 11 | 708,170 | 100 | 2,123,699 | 95 | 9,234,702 |
| Total | 2,893,607 | 100 | 2,344,200 | 100 | 10,804,238 | 100 | 708,170 | 100 | 2,243,816 | 100 | 18,994,031 |

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DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

I. Allowance for Possible Losses

The changes in the allowance for possible losses on loans were as follows :

| | Consolidated | | Parent Company | |
|---|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 2,329,766 | 1,758,364 | 2,234,318 | 1,630,683 |
| Effect of non-consolidation of Bank Internasional Ningbo | - | (29,415) | - | - |
| Additions : | | | | |
| Recovery of loans previously written off | 58,590 | 154,559 | 58,564 | 154,559 |
| Provision during the year | 2,016,354 | 277,137 | 2,002,450 | 253,890 |
| Exchange rate difference | 104,585 | 324,806 | 110,862 | 302,442 |
| Deductions : | | | | |
| Reversal of allowance | (7,669) | - | - | - |
| Write-offs during the year | (274,071) | (155,685) | (252,460) | (107,256) |
| Balance at end of year | 4,227,555 | 2,329,766 | 4,153,734 | 2,234,318 |

Management believes that the allowance for possible losses on loans is adequate to cover possible losses from uncollectible loans.

m. As of December 31, 2001, loans written off amounted to Rp 344,933 million, which were recorded in the Company's administrative accounts.

n. Credit Risk Management

The Company's procedures to manage its credit risk are as follows:

1. Loan approval is given based on "one obligor" concept or one-group loans. The objectives of this concept are to understand all the risks involve in loan transactions, which the Company might encounter for all the loan facilities granted to the group, and to control such facilities granted and adhere to the Legal Lending Limit regulation.
2. Loan facilities should be approved by the "Loan Committee" to ensure that such loans were granted under prudent banking principles, thus, of good quality. The Loan Committee was established in two levels, namely, in the Head Office and in the Branches/Area. Each level has its own limit and authority in loan approval.
3. Segregation of duties between the Marketing and the Loan Administration Division.
4. A Special Asset Management Division (SAM) was established, separate from the Marketing and the Loan Administration Division, to handle nonperforming loans and loan restructuring.
5. Loan transactions are controlled by the Internal Audit Department ("Satuan Kerja Audit Intern" [SKAI]) to ensure that loan transactions are in compliance with the "Credit Policies", prudent banking concepts and loan regulations.

9. ACCEPTANCE RECEIVABLES AND ACCEPTANCE LIABILITIES

a. Acceptance Receivables

| | Consolidated | | Parent Company | |
|-------------------------------|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Foreign currencies | | | | |
| Non-related parties | 79,770 | 118,560 | 71,674 | 94,104 |
| Allowance for possible losses | (744) | (1,380) | (744) | (1,380) |
| Net | 79,026 | 117,180 | 70,930 | 92,724 |

The classification of collectibility of acceptance receivables on a consolidated basis as of December 31, 2001 and 2000 was as follows :

| Category | 2001 | | 2000 | |
|-----------------|-----------------------|-----|-----------------------|-----|
| | Amount Rp '000'000 | % | Amount Rp '000'000 | % |
| Current | 79,092 | 99 | 100,752 | 85 |
| Special Mention | 678 | 1 | 17,808 | 15 |
| Total | 79,770 | 100 | 118,560 | 100 |

Acceptance receivables on a consolidated basis based on maturity are as follows :

| | 2001 | 2000 |
|-----------------------------------|-------------|-------------|
| | Rp '000'000 | Rp '000'000 |
| Less than or equal to 1 month | 7,626 | 20,229 |
| More than 1 month until 3 months | 43,538 | 59,417 |
| More than 3 months until 6 months | 28,606 | 38,914 |
| Total | 79,770 | 118,560 |

The changes in the allowance for possible losses on acceptance receivables were as follows:

| | 2001 | 2000 |
|------------------------------|-----------------------------|-------------------------------|
| | Consolidated Rp '000'000 | Parent Company Rp '000'000 |
| Balance at beginning of year | 1,380 | 1,380 |
| Provision during the year | 1,057 | 1,057 |
| Exchange rate difference | (1,693) | (1,693) |
| Balance at end of year | 744 | 744 |

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b. Acceptance Liabilities

| | Consolidated | | Parent Company | |
|--------------------|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Foreign currencies | | | | |
| Banks | 79,770 | 118,560 | 71,674 | 94,104 |

Acceptance liabilities on a consolidated basis based on maturity are as follows :

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|-----------------------------------|---------------------|---------------------|
| Less than or equal to 1 month | 7,626 | 20,229 |
| More than 1 month until 3 months | 43,538 | 59,417 |
| More than 3 months until 6 months | 28,606 | 38,914 |
| Total | 79.770 | 118,560 |

10. BONDS OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (GOVERNMENT BONDS)

| | Consolidated | | Parent Company | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2001 Rp '000'000 | 2000 Rp '000'000 | 2001 Rp '000'000 | 2000 Rp '000'000 |
| Held-to-Maturity | | | | |
| Hedged bonds | 11,369,067 | - | 11,369,067 | - |
| Floating rate bonds | 3,375,448 | 4,885,306 | 3,375,448 | 4,885,306 |
| Fixed rate bonds | 2,153,791 | 1,535,000 | 2,153,791 | 1,535,000 |
| Subtotal | 16,898,306 | 6,420,306 | 16,898,306 | 6,420,306 |
| Available-for-Sale | | | | |
| Floating rate bonds | 1,778,858 | - | 1,778,858 | - |
| Fixed rate bonds | 1,535,000 | - | 1,535,000 | - |
| Allowance for decline in fair value | (394,229) | - | (394,229) | - |
| Subtotal | 2,919,629 | - | 2,919,629 | - |
| Trading | | | | |
| Floating rate bonds | 19,725 | 19,779 | 19,725 | 19,779 |
| Fixed rate bonds | 25,650 | 25,650 | 25,650 | 25,650 |
| Allowance for decline in fair value | (4,067) | (3,569) | (4,067) | (3,569) |
| Subtotal | 41,308 | 41,860 | 41,308 | 41,860 |
| Total | 19,859,243 | 6,462,166 | 19,859,243 | 6,462,166 |

Hedged bonds are securities whose principal amount is the Rupiah equivalent of the 3-month foreign currency hedge of US Dollar against Rupiah (undelivery forward buy), which can be rolled over up to maturity of the hedged bonds.

The purpose of the above hedged bonds is to cover the Company's net open position which is open, which resulted from the transfer of receivables from the Sinar Mas Group to the Indonesian Bank Restructuring Agency (Note 1f).

The amount of the hedged bonds received by Company is equivalent to the receivables in foreign currency that have been transferred to the Indonesian Bank Restructuring Agency. Hedged bonds earn annual interest equivalent to 3-month SIBOR + 2% per annum. These bonds have various maturity dates from January 25, 2002 to October 25, 2004.

Hedged bonds with nominal amount of Rp 11,882,009 million, are stated net of unrealized loss on foreign exchange amounting to Rp 512,942 million, arising from the hedge of a forward foreign currency transaction.

The consolidated Government bonds based on maturity are as follows :

| Year of Maturity | Nominal Value | |
|-------------------------------------|---------------|-------------|
| | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 |
| 2002 | 4,262,588 | 19,779 |
| 2003 | 3,462,863 | - |
| 2004 | 4,134,472 | 409,400 |
| 2005 | 1,182,552 | 3,582 |
| 2006 | 897,376 | 897,376 |
| 2007 | 2,266,120 | 1,084,030 |
| 2008 | 2,107,038 | 2,107,038 |
| 2009 | 1,944,530 | 1,944,530 |
| Total | 20,257,539 | 6,465,735 |
| Allowance for decline in fair value | (398,296) | (3,569) |
| Net | 19,859,243 | 6,462,166 |

Floating rate bonds earn annual interest equivalent to 3-month interest rate of Certificates of Bank Indonesia. These bonds have various maturity dates from July 25, 2002 to July 25, 2009.

The various fixed interest rates on Government bonds are in accordance with the interest rate stated in each certificate of such Government bonds held by the Company. These bonds have various maturity dates from September 15, 2004 to June 15, 2009.

Certain Government bonds amounting to Rp 1,324,006 million are used as collateral for the Company's borrowings (Note 20).

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11. INVESTMENTS IN SHARES OF STOCK

The outstanding balances of the investments in shares of stock of the following companies are as follows :

| | Consolidated | | Parent Company | |
|--|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| P.T. BII Finance Center | | | | |
| Cost | - | - | 37,500 | 37,500 |
| Percentage of ownership - 99.99% | | | | |
| Accumulated equity in net loss of a subsidiary | - | - | (27,506) | (29,206) |
| BII Finance Co. Limited, Hong Kong | | | | |
| Cost | - | - | 13,563 | 13,563 |
| Percentage of ownership - 100% | | | | |
| Accumulated equity in net income (loss) of a subsidiary | - | - | (107) | 76 |
| Difference due to change of equity in a subsidiary | - | - | 136,419 | 124,477 |
| Bank International Ningbo | | | | |
| Cost | - | 163,118 | - | 163,118 |
| Percentage of ownership - nil (2000 : 51%) | | | | |
| Accumulated equity in net income of an associated company | - | 218,293 | - | 218,293 |
| Difference due to change of equity in a subsidiary | - | 250,012 | - | 250,012 |
| P.T. MLC Investment Indonesia (formerly P.T. BII Lend Lease Investment Services) | | | | |
| Cost | 4,777 | 4,777 | 4,777 | 4,777 |
| Percentage of ownership - 50% | | | | |
| Accumulated equity in net loss of an associated company | (3,658) | (3,376) | (3,658) | (3,376) |
| P.T. Fuji Bank Internasional Indonesia | | | | |
| Cost | - | 27,250 | - | 27,250 |
| Percentage of ownership - nil (2000 : 20%) | | | | |
| Accumulated equity in net income of an associated company | - | 44,277 | - | 44,277 |
| P.T. Bank Credit Lyonnais Indonesia | | | | |
| Cost | 10,000 | 10,000 | 10,000 | 10,000 |
| Percentage of ownership - 3.29% | | | | |
| P.T. Bank Dagang dan Industri (closed bank) | | | | |
| Cost | 16,754 | 16,754 | 16,754 | 16,754 |
| Percentage of ownership - 24.55% | | | | |
| Investment in shares of stock of other companies of P.T. BII Finance Center | 5,533 | 6,285 | - | - |
| Investments in shares of stock from loan restructuring | 41,184 | - | 41,184 | - |
| Others | 3,284 | 3,284 | 3,284 | 3,284 |
| Total | 77,874 | 740,674 | 232,210 | 880,799 |
| Allowance for possible losses | (29,861) | (26,472) | (29,861) | (26,472) |
| Net | 48,013 | 714,202 | 202,349 | 854,327 |

- a. In an Extraordinary Stockholders' Meeting held on March 31, 1999, the stockholders agreed to divest all of the Company's investments in subsidiaries and associated companies to comply with Bank Indonesia's Decree No. 31/177/KEP/DIR dated December 31, 1998 regarding the "Legal Lending Limit".
- b. The Company's ownership interest in Bank International Ningbo was diluted from 100% to 51% and the Company has not held any control on this subsidiary since 2000. The effect of the change in ownership interest of the Company to this subsidiary of Rp 51,886 million was recorded as part of equity under "difference due to change of equity in subsidiaries" account (Note 26). In 2001, the entire investment in Bank International Ningbo was sold to the Sinar Mas Group (particularly to P.T. Purinusa Ekapersada) at a price of USD 76.3 million. In exchange for the said investment, the Company granted loans to P.T. Purinusa Ekapersada. This sale transaction was included in the restructuring program of the Sinar Mas Group, which was agreed upon by the Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency. The Company recognized a gain on this sale transaction amounting to Rp 268,877 million, which was recorded under the "non-operating revenues" account (Note 33). On November 5, 2001, the loans to P.T. Purinusa Ekapersada were transferred to the Indonesian Bank Restructuring Agency (Note 1f).
- c. P.T. Bank Dagang dan Industri was closed by the Indonesian Government on March 13, 1999. Other stockholders of P.T. Bank Dagang dan Industri included P.T. Bank Lippo Tbk. In January 1998, P.T. Bank Dagang dan Industri participated in the Government's guarantee program to cover third party deposits in commercial banks. From January 1998 to March 1999, Bank Indonesia provided Rp 460 billion to P.T. Bank Dagang dan Industri to cover deposit shortfalls pursuant to this guarantee program. On March 13, 1999, the Indonesian Bank Restructuring Agency took over all the obligations and assets of P.T. Bank Dagang dan Industri, including the collateral securing the loans. In the event that the proceeds obtained from the restructuring of the loans and disposal of the assets securing the loans, is less than Rp 460 billion plus accrued interest, which was provided by Bank Indonesia to P.T. Bank Dagang dan Industri under the guarantee program, the Company, as one of the stockholders, may be held liable on a pro-rata basis on the amount owed to the Indonesian Bank Restructuring Agency. However, at this point in time, the likelihood of a favourable or unfavourable outcome of this matter can not be reasonably determined.
- d. Based on notarial deed No. 102 of notary Eva Misdawati, SH, dated December 3, 2000, the articles of association of P.T. BII Lend Lease Investment Services, an associated company, was amended due to the change in its name to P.T. MLC Investment Indonesia. Such amendment was approved by the Minister of Justice and Human Rights (formerly the Minister of Justice) of the Republic of Indonesia through his letter No. C-425.HT.01.04-TH.2001 dated January 17, 2001.
- e. On June 28, 2001, the Company sold all of its ownership interest of 20%, consisting of 2,725 shares, in P.T. Fuji Bank International Indonesia to the Fuji Bank Limited at an agreed price of Rp 58,883 million, and to P.T. Marubeni Indonesia at an agreed price of Rp 3,117 million. Total proceeds amounted to Rp 62,000 million or equivalent to 1.1 times the carrying value of these investments as of April 30, 2001. Gain on sale on these investments of Rp 5,359 million was recorded under the "non-operating revenues" account (Note 33).
- f. Investments related to restructured loans represent the Company's temporary investment in P.T. Adicipta.

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- g. Other investments represent long-term investments in shares of stock of various companies in which the ownership interests of the Company are less than 20%. These companies are P.T. Aplikasi Lintas Arta, P.T. Sarana Bersama Pembiayaan Indonesia, P.T. Sarana Sulsel Ventura, P.T. Sarana Bali Ventura, P.T. Sarana Sumatera Barat Ventura, P.T. Sarana Lampung Ventura, P.T. Sarana Sumsel Ventura, P.T. Sarana Jambi Ventura, P.T. Sarana Kalbar Ventura, P.T. Sarana Sulut Ventura, P.T. Bhakti Sarana Ventura, P.T. Penjamin Kredit Pengusaha Indonesia, P.T. Sarana Riau Ventura and P.T. Sarana Sumut Ventura.
- h. The classification of collectibility of consolidated investments in shares of stock as of December 31, 2001 and 2000 was as follows :

| Category | 2001 | 2000 |
|------------------|---------------|----------------|
| | Rp '000'000 | Rp '000'000 |
| Rupiah | | |
| Current | 47,720 | 88,006 |
| Doubtful | - | 1,401 |
| Loss | 27,817 | 16,754 |
| Subtotal | 75,537 | 106,161 |
| Foreign currency | | |
| Current | 2,337 | 634,513 |
| Total | 77,874 | 740,674 |

- i. The changes in the allowance for possible losses on investments in shares of stock were as follows :

| | Consolidated | | Parent Company | |
|-------------------------------|---------------|---------------|----------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Balance at beginning of year | 26,472 | 18,299 | 26,472 | 18,299 |
| Provision during the year | 3,338 | 8,173 | 3,338 | 8,173 |
| Exchange rate difference | 51 | - | 51 | - |
| Balance at end of year | 29,861 | 26,472 | 29,861 | 26,472 |

12. INTEREST RECEIVABLES

| | Consolidated | | Parent Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Interbank placements | 1,122 | 12,485 | 1,122 | 12,485 |
| Loans | 44,573 | 252,965 | 42,651 | 250,693 |
| Government bonds | 280,057 | 90,519 | 280,057 | 90,519 |
| Marketable securities | 13,425 | 55,199 | 13,425 | 55,199 |
| Total | 339,177 | 411,168 | 337,255 | 408,896 |

13. PREPAYMENTS

| | Consolidated | | Parent Company | |
|--------------|----------------|---------------|----------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Rental | 80,428 | 26,185 | 80,353 | 26,045 |
| Others | 25,489 | 28,558 | 25,110 | 28,089 |
| Total | 105,917 | 54,743 | 105,463 | 54,134 |

As of December 31, 2001, prepaid rental includes unamortized rental paid to P.T. Royal Oriental, a related party, amounting to Rp 57,179 million.

Others include insurance premiums, car licenses, advances for the installation of computers, purchase of uniforms, promotions and others.

14. PREMISES AND EQUIPMENT

| | Consolidated | | Parent Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| At Cost or Revalued Amounts | | | | |
| Land | 444,661 | 435,526 | 444,661 | 435,526 |
| Buildings | 362,234 | 353,800 | 362,234 | 363,006 |
| Office equipment | 703,023 | 692,853 | 695,421 | 675,764 |
| Installations | 367,253 | 365,023 | 365,909 | 363,732 |
| Vehicles | 53,976 | 75,189 | 52,461 | 73,639 |
| Total | 1,931,147 | 1,922,391 | 1,920,686 | 1,911,667 |
| Accumulated Depreciation | | | | |
| Buildings | 60,352 | 42,187 | 60,352 | 42,187 |
| Office equipment | 384,047 | 273,438 | 376,381 | 264,339 |
| Installations | 287,991 | 232,537 | 287,723 | 233,746 |
| Vehicles | 31,600 | 46,355 | 30,826 | 45,668 |
| Total | 763,990 | 594,517 | 755,282 | 585,940 |
| Net Book Value | 1,167,157 | 1,327,874 | 1,165,404 | 1,325,727 |

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The changes from January 1, 2001 up to December 31, 2001 in premises and equipment balances, on a consolidated basis were as follows:

| | January 1, 2001 | Additions | Deductions | Translation Adjustments/ Reclassifications | December 31, 2001 |
|------------------------------------|------------------|----------------|--------------|--|-------------------|
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| At Cost or Revalued Amounts | | | | | |
| Land | 435,526 | 222 | - | 8,913 | 444,661 |
| Buildings | 353,800 | 6,015 | - | 2,419 | 362,234 |
| Office equipment | 692,853 | 24,728 | 1,417 | (13,141) | 703,023 |
| Installations | 365,023 | 8,366 | 1 | (6,135) | 367,253 |
| Vehicles | 75,189 | 729 | 122 | (21,820) | 53,976 |
| Total | 1,922,391 | 40,060 | 1,540 | (29,764) | 1,931,147 |
| Accumulated Depreciation | | | | | |
| Buildings | 42,187 | 20,799 | - | (2,634) | 60,352 |
| Office equipment | 273,438 | 100,000 | 36 | 10,645 | 384,047 |
| Installations | 232,537 | 51,987 | 5 | 3,472 | 287,991 |
| Vehicles | 46,355 | 8,049 | 22 | (22,782) | 31,600 |
| Total | 594,517 | 180,835 | 63 | (11,299) | 763,990 |
| Net Book Value | 1,327,874 | | | | 1,167,157 |

The changes from January 1, 2000 up to December 31, 2000 in premises and equipment balances, on a consolidated basis were as follows:

| | January 1, 2000 | Additions | Deductions | Translation Adjustments/ Reclassifications | December 31, 2000 |
|------------------------------------|------------------|----------------|---------------|--|-------------------|
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| At Cost or Revalued Amounts | | | | | |
| Land | 435,177 | 349 | - | - | 435,526 |
| Buildings | 368,098 | 6,257 | 20,555 | - | 353,800 |
| Office equipment | 676,871 | 37,290 | 5,239 | (16,069) | 692,853 |
| Installations | 323,672 | 41,185 | 2,868 | 3,034 | 365,023 |
| Vehicles | 75,195 | 2,373 | 2,265 | (114) | 75,189 |
| Total | 1,879,013 | 87,454 | 30,927 | (13,149) | 1,922,391 |
| Accumulated Depreciation | | | | | |
| Buildings | 27,335 | 20,028 | 5,176 | - | 42,187 |
| Office equipment | 147,815 | 133,119 | 3,508 | (3,988) | 273,438 |
| Installations | 152,750 | 93,634 | 2,393 | (11,454) | 232,537 |
| Vehicles | 37,685 | 10,177 | 1,336 | (171) | 46,355 |
| Total | 365,585 | 256,958 | 12,413 | (15,613) | 594,517 |
| Net Book Value | 1,513,428 | | | | 1,327,874 |

The Company revalued certain premises and equipment based on Decision Letter of the Minister of Finance of the Republic of Indonesia No. 384/KMK.04/1998 dated August 14, 1998 and Circular Letter of the Director General of Taxation No. SE-29/PJ.42/1998 dated September 17, 1998. The revaluation covered the premises and equipment as of September 30, 1998. Based on the appraisal report of P.T. Insal Utama, a firm of independent appraisers, dated June 10, 1998, the revaluation increment was determined using the market data approach method for land, and cost calculation method for other assets. On March 25, 1999, the Company obtained an

approval from the Tax Office, through its letter No. KEP-7/WPJ-06/KP.0404/1999, regarding the revaluation increment amounting to Rp 1,343,195 million, which was presented as part of equity.

In 1999, additions to premises and equipment included revaluation increment with details as follows :

| | Rp '000'000 |
|------------------|------------------|
| Land | 327,893 |
| Buildings | 118,343 |
| Office equipment | 504,489 |
| Installations | 425,678 |
| Vehicles | 38,376 |
| Total | 1,414,779 |

The Company and its subsidiaries own several pieces of land with Building Use Rights (Hak Guna Bangunan or HGB) for a period of 20 years until 2002 to 2018. Management believes that there will be no difficulty in the extension of the landrights since all the pieces of land were acquired legally and supported by sufficient evidence of ownership.

In the beginning of 2002, the Company revalued its premises and equipment based on Decision Letter of the Minister of Finance of Republic of Indonesia No. 384/KMK.04/1998 dated August 14, 1998 and Circular Letter of the Director General of Taxation No. SE-29/PJ.42/1998 dated September 17, 1998. The revaluation is conducted by P.T. Insal Utama, a firm of independent appraisers. The result of such revaluation will be submitted to the Tax Office for approval. The revaluation of premises and equipment is still in process until April 2002.

As of December 31, 2001, premises and equipment of the Company, except land, were insured against fire and theft risks to P.T. Asuransi Sinar Mas, a related party, and another insurance company, for Rp 592,095 million (2000 : Rp 388,810 million).

15. OTHER ASSETS

| | Consolidated | | Parent Company | |
|---|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Foreclosed properties - net | 239,777 | 541,235 | 238,161 | 539,648 |
| New branch opening costs | 65 | 132 | 65 | 132 |
| Cost of building renovation and repairs | 1,862 | 4,917 | 1,862 | 4,917 |
| Others - net | 105,837 | 115,549 | 103,966 | 115,770 |
| Total | 347,541 | 661,833 | 344,054 | 660,467 |

Foreclosed properties composed of land and buildings. In 2001, the Company has written off its foreclosed properties amounting to Rp 230,719 million due to the unavailability of legal documents supporting the foreclosure. These foreclosed properties are recorded in the Company's administrative accounts.

Others include receivables in relation to banking transactions, guarantee deposits for office rental, receivables related to foreign currency swap transactions with a related party which were due in February 1999 (amounted to Rp 1,000,375 million as of December 31, 2001 and 2000), telephone, golf club memberships and others.

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In 2001, foreclosed properties and others were shown net of allowance for possible losses amounting to Rp 192,480 million (2000 : Rp 197,635 million) and Rp 1,003,279 million (2000 : Rp 1,000,375 million).

16. LIABILITIES IMMEDIATELY PAYABLE

| | Consolidated | | Parent Company | |
|---|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Unclaimed matured deposits | 1,423 | 977 | 1,423 | 977 |
| Transfer, cheques for collection and clearing | 36,646 | 45,258 | 36,646 | 45,258 |
| Other bank liabilities | 105,070 | 144,444 | 98,643 | 125,913 |
| Total | 143,139 | 190,679 | 136,712 | 172,148 |

Other bank liabilities include payments received for electricity, telephone and money transfer which are still in the clearing process.

17. DEPOSITS AND DEPOSITS FROM OTHER BANKS**a. DEPOSITS**

Deposits consist of:

| | Consolidated | | Parent Company | |
|--------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Demand deposits | 6,807,364 | 8,165,656 | 6,810,288 | 8,182,077 |
| Savings deposits | 3,234,489 | 4,886,732 | 3,234,489 | 4,886,732 |
| Time deposits | 14,883,927 | 15,402,920 | 14,850,007 | 15,333,949 |
| Certificates of deposits - net | 61,173 | 140,004 | 61,173 | 140,004 |
| Call money | 4,315 | - | 4,315 | - |
| Total | 24,991,268 | 28,595,312 | 24,960,272 | 28,542,762 |

1. Demand deposits consist of :

| | Consolidated | | Parent Company | |
|---------------------|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Related parties | | | | |
| Rupiah | 55,432 | 129,748 | 57,344 | 129,748 |
| Foreign currency | 21,111 | 46,967 | 22,123 | 46,967 |
| Subtotal | 76,543 | 176,715 | 79,467 | 176,715 |
| Non-related parties | | | | |
| Rupiah | 1,671,390 | 2,034,370 | 1,671,390 | 2,042,719 |
| Foreign currencies | 5,059,431 | 5,954,571 | 5,059,431 | 5,962,643 |
| Subtotal | 6,730,821 | 7,988,941 | 6,730,821 | 8,005,362 |
| Total | 6,807,364 | 8,165,656 | 6,810,288 | 8,182,077 |

Average interest rates per annum :

| | 2001 | 2000 |
|--------------------|-------|-------|
| Rupiah | 5.13% | 4.99% |
| Foreign currencies | 4.82% | 4.81% |

The average interest rates per annum on demand deposits from related parties are similar to those charged to non-related parties.

There were no demand deposits which were blocked or under lien as of December 31, 2001 and 2000.

2. Savings deposits consist of :

| | Consolidated | | Parent Company | |
|---------------------|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Related parties | | | | |
| Rupiah | 93 | 2 | 93 | 2 |
| Non-related parties | | | | |
| Rupiah | 3,233,863 | 4,886,304 | 3,233,863 | 4,886,304 |
| Foreign currencies | 533 | 426 | 533 | 426 |
| Subtotal | 3,234,396 | 4,886,730 | 3,234,396 | 4,886,730 |
| Total | 3,234,489 | 4,886,732 | 3,234,489 | 4,886,732 |

Average interest rates per annum :

| | 2001 | 2000 |
|--------------------|-------|-------|
| Rupiah | 7.75% | 8.28% |
| Foreign currencies | 4.08% | 4.40% |

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3. Time deposits consist of :

| | Consolidated | | Parent Company | |
|---------------------|-------------------|------------------------------------|-------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Related parties | | | | |
| Rupiah | 29,844 | 361,123 | 57,844 | 361,123 |
| Foreign currency | 42,671 | 192,303 | 42,671 | 187,505 |
| Subtotal | 72,515 | 553,426 | 100,515 | 548,628 |
| Non-related parties | | | | |
| Rupiah | 10,865,373 | 9,895,411 | 10,865,373 | 9,895,411 |
| Foreign currencies | 3,946,039 | 4,954,083 | 3,884,119 | 4,889,910 |
| Subtotal | 14,811,412 | 14,849,494 | 14,749,492 | 14,785,321 |
| Total | 14,883,927 | 15,402,920 | 14,850,007 | 15,333,949 |

The details of time deposits based on maturity are as follows :

(i) Based on time deposits period :

| | Consolidated | | Parent Company | |
|--------------|-------------------|------------------------------------|-------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| 1 month | 11,367,538 | 13,034,609 | 11,395,538 | 13,034,609 |
| 3 months | 2,948,733 | 1,893,313 | 2,888,437 | 1,825,840 |
| 6 months | 347,217 | 276,707 | 345,593 | 275,209 |
| 12 months | 220,439 | 198,291 | 220,439 | 198,291 |
| Total | 14,883,927 | 15,402,920 | 14,850,007 | 15,333,949 |

(ii) Based on remaining period until maturity :

| | Consolidated | | Parent Company | |
|------------------------------------|-------------------|------------------------------------|-------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Less than or equal to 1 month | 11,617,892 | 12,244,526 | 11,627,701 | 12,218,019 |
| More than 1 month until 3 months | 2,953,931 | 2,827,270 | 2,910,202 | 2,784,806 |
| More than 3 months until 6 months | 186,923 | 247,301 | 186,923 | 247,301 |
| More than 6 months until 12 months | 26,508 | 32,420 | 26,508 | 32,420 |
| More than or equal to 12 months | 98,673 | 51,403 | 98,673 | 51,403 |
| Total | 14,883,927 | 15,402,920 | 14,850,007 | 15,333,949 |

Average interest rates per annum :

| | 2001 | 2000 |
|--------------------|--------|--------|
| Rupiah | | |
| 1 month | 15.47% | 11.57% |
| 3 months | 15.73% | 11.98% |
| 6 months | 15.44% | 12.15% |
| 12 months | 13.63% | 13.96% |
| Foreign currencies | | |
| 1 month | 5.86% | 5.96% |
| 3 months | 6.24% | 6.14% |
| 6 months | 6.44% | 5.88% |
| 12 months | 7.76% | 7.46% |

The average interest rates per annum on time deposits from related parties are similar to those charged to non-related parties.

Total time deposits which were blocked or under lien as of December 31, 2001 amounted to Rp 406,320 million on a consolidated basis (2000: Rp 411,687 million) and Rp 344,552 million for the Parent Company (2000:Rp 390,410 million).

4. The details of certificates of deposits based on maturity are as follows :

| | Consolidated | | Parent Company | |
|------------------------------|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| Non-related parties | | | | |
| Rupiah | | | | |
| 1 month | 57,092 | 79,632 | 57,092 | 79,632 |
| 3 months | 3,423 | 1,460 | 3,423 | 1,460 |
| 12 months | 338 | - | 338 | - |
| Subtotal | 60,853 | 81,092 | 60,853 | 81,092 |
| Non-related parties | | | | |
| Foreign currency | | | | |
| 6 months | 1,031 | - | 1,031 | - |
| 12 months | - | 59,424 | - | 59,424 |
| Subtotal | 1,031 | 59,424 | 1,031 | 59,424 |
| Total | 61,884 | 140,516 | 61,884 | 140,516 |
| Unamortized prepaid interest | (711) | (512) | (711) | (512) |
| Net | 61,173 | 140,004 | 61,173 | 140,004 |

The average interest rates per annum on certificates of deposits in Rupiah are as follows :

| | 2001 | 2000 |
|-----------|--------|--------|
| 1 month | 15.74% | 10.95% |
| 3 months | 15.78% | 11.62% |
| 6 months | 13.59% | 11.69% |
| 12 months | 17.26% | 11.33% |

The average interest rates per annum on certificates of deposits in foreign currency as of December 31, 2001 ranged from 6.23% to 9.25% (2000 : 6.15% to 7.12%).

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5. Call money represents overnight placement in foreign currency obtained from money market, with interest rate of 8.25% per annum.

b. DEPOSITS FROM OTHER BANKS

Deposits from other banks consist of :

| | Consolidated | | Parent Company | |
|--------------------------------|----------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Demand deposits | 17,438 | 37,820 | 17,438 | 37,820 |
| Time deposits | 10,056 | 7,332 | 10,056 | 7,332 |
| Certificates of deposits - net | 104,000 | 143,925 | 104,000 | 143,925 |
| Call money | - | 50,000 | - | 50,000 |
| Total | 131,494 | 239,077 | 131,494 | 239,077 |

1. Demand deposits from other banks consist of :

| | Consolidated | | Parent Company | |
|---------------------|---------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Related parties | | | | |
| Rupiah | - | 12,529 | - | 12,529 |
| Foreign currency | - | 13,817 | - | 13,817 |
| Subtotal | - | 26,346 | - | 26,346 |
| Non-related parties | | | | |
| Rupiah | 14,047 | 9,080 | 14,047 | 9,080 |
| Foreign currencies | 3,391 | 2,394 | 3,391 | 2,394 |
| Subtotal | 17,438 | 11,474 | 17,438 | 11,474 |
| Total | 17,438 | 37,820 | 17,438 | 37,820 |

Average interest rates per annum :

| | 2001 | 2000 |
|--------------------|-------|-------|
| Rupiah | 4.95% | 4.49% |
| Foreign currencies | 3.46% | 4.72% |

The average interest rates per annum on demand deposits from related parties are similar to those charged to non-related parties.

There were no demand deposits which were blocked or under lien as of December 31, 2001 and 2000.

2. Time deposits from other banks consist of :

| | Consolidated | | Parent Company | |
|---------------------|---------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Non-related parties | | | | |
| Rupiah | 9,536 | 376 | 9,536 | 376 |
| Foreign currencies | 520 | 6,956 | 520 | 6,956 |
| Total | 10,056 | 7,332 | 10,056 | 7,332 |

The details of time deposits from other banks based on maturity are as follows :

(i) Based on time deposits period :

| | Consolidated | | Parent Company | |
|--------------|---------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| 1 month | 4,355 | 7,332 | 4,355 | 7,332 |
| 3 months | 5,701 | - | 5,701 | - |
| Total | 10,056 | 7,332 | 10,056 | 7,332 |

(ii) Based on remaining period until maturity :

| | Consolidated | | Parent Company | |
|----------------------------------|---------------|------------------------------------|------------------------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 (As restated - Note 44) | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Less than or equal to 1 month | 4,355 | 7,332 | 4,355 | 7,332 |
| More than 1 month until 3 months | 5,701 | - | 5,701 | - |
| Total | 10,056 | 7,332 | 10,056 | 7,332 |

Average interest rates per annum :

| | 2001 | 2000 |
|--------------------|--------|--------|
| Rupiah | | |
| 1 month | 15.81% | 11.04% |
| 3 months | 16.38% | 10.50% |
| Foreign currencies | | |
| 1 month | 5.86% | 5.96% |
| 3 months | 6.25% | 6.14% |

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3. Certificates of deposits from other banks based on maturity are as follows :

| | Consolidated | | Parent Company | |
|-------------------------------|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Foreign currency 12 months | 104,000 | 143,925 | 104,000 | 143,925 |

The average interest rates per annum on certificates of deposits from other banks in foreign currency as of December 31, 2001 ranged from 5.37% to 7.62% (2000 : 7.48% to 7.65%).

4. Call money represents placement from other bank in Rupiah with tenure of 11 days and obtained from money market, with interest rate of 10.875% per annum.

18. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase consist of :

| Type of Security | Term | Due date | 2001 | | |
|------------------------|---------|-------------------|------------------------|----------------------|----------------|
| | | | Repurchase Liabilities | Unamortized Interest | Carrying Value |
| | | | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Rupiah | | | | | |
| Government bonds | 31 days | January 11, 2002 | 305,102 | 1,646 | 303,456 |
| | 33 days | January 14, 2002 | 152,698 | 1,063 | 151,635 |
| | 92 days | February 06, 2002 | 368,560 | 7,262 | 361,298 |
| | 92 days | February 08, 2002 | 157,954 | 3,285 | 154,669 |
| | 92 days | February 28, 2002 | 526,195 | 16,514 | 509,681 |
| | 93 days | March 01, 2002 | 157,944 | 5,040 | 152,904 |
| Subtotal | | | 1,668,453 | 34,810 | 1,633,643 |
| Foreign currency | | | | | |
| Notes receivable - BNI | 91 days | February 15, 2002 | 141,770 | 877 | 140,893 |
| Total | | | 1,810,223 | 35,687 | 1,774,536 |

The Government bonds were sold under agreements to repurchase to P.T. Bank Mega Tbk for Rp 1,052,709 million, P.T. Bank Mandiri (Persero) for Rp 305,102 million, and P.T. Bank Tabungan Negara for Rp 310,642 million. Notes receivable - BNI were sold under agreement to repurchase to the Standard Bank London Limited. The Company was able to repurchase all of the Government bonds and notes receivable on due dates.

19. TAXES PAYABLE

Taxes payable consist of :

| | Consolidated | | Parent Company | |
|---------------------------------|---------------|---------------|----------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Corporate income taxes | 24 | - | - | - |
| Articles 21 and 23 income taxes | 49,773 | 48,818 | 49,620 | 48,675 |
| Total | 49,797 | 48,818 | 49,620 | 48,675 |

Lodgement of tax returns is based on the taxpayers' own calculation of tax liabilities (self - assessment). The tax authorities may conduct a tax audit at any time for up to ten years after the tax becomes due.

20. BORROWINGS

| | Consolidated | | Parent Company | |
|---|------------------|------------------------------------|------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Loans received from Bank Indonesia | | | | |
| Rupiah | | | | |
| Two Step Loan (ADB, KFW, BEO Japan, OECF and AJDF) | 59,713 | 53,241 | 59,713 | 53,241 |
| Small Investment Loans (KIK) | 392,239 | 343,837 | 392,239 | 343,837 |
| KPRS and KPG | 342 | 404 | 342 | 404 |
| Subtotal | 452,294 | 397,482 | 452,294 | 397,482 |
| Foreign currencies | | | | |
| Two Step Loan (ADB, KFW, BEO Japan, OECF and AJDF) | 78,144 | 83,187 | 78,144 | 83,187 |
| Total Loans Received from Bank Indonesia | 530,438 | 480,669 | 530,438 | 480,669 |
| Loans from other banks | | | | |
| Rupiah | 100,000 | - | 100,000 | - |
| Foreign currencies | 3,330,386 | 3,621,801 | 3,096,390 | 3,281,169 |
| Total Loans from Other Banks | 3,430,386 | 3,621,801 | 3,196,390 | 3,281,169 |
| Other loans | 13,201 | 42,433 | 13,201 | 42,433 |
| Total | 3,974,025 | 4,144,903 | 3,740,029 | 3,804,271 |

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a. Loans Received from Bank Indonesia

The "Two Step Loan" is a loan received through Bank Indonesia from Asian Development Bank (ADB), Kreditanstalt Fur Wiederaufbau (KFW), Bank Export Import of Japan, AJDF and Overseas Economic Cooperation Fund (OECF), to be distributed to the Company's customers. As of December 31, 2001, the outstanding balance of the "Two Step Loan" from Asian Development Bank amounted to Rp 83,799 million (2000 : Rp 90,458 million), from KFW amounted to Rp 16,646 million, from Bank Export Import of Japan amounted to Rp 7,927 million (2000 : Rp 13,211 million), from AJDF amounted to Rp 15,300 million (2000 : Rp 17,340 million) and from OECF amounted to Rp 14,185 million (2000 : Rp 15,419 million). The maximum amount of loan facility in Rupiah currency is the equivalent of USD 25 million from Asian Development Bank; JP¥ 2,140 million from Bank Export Import of Japan; DM 8 million from KFW; JP¥ 995 million from AJDF; and JP¥ 991 million from OECF. The loans received from Asian Development Bank will mature in 2005 and 2008, from Bank Export Import of Japan in 2003, from KFW in 2008, from AJDF in 2009 and from OECF in 2013.

The loans received from Bank Indonesia, including the Two Step Loans, are unsecured and bear interest ranging from 7.11% to 10.86% per annum for Rupiah loans and floating interest rate for loans in foreign currencies, in accordance with the loan agreements. The small investment loans (KIK, KPRS and KPG) have terms of 11 years to 16 years and will mature in 2007 to 2014.

b. Loans Received from Other Banks

Loans received from other banks represent the outstanding balance of secured and unsecured loans received from various local banks and offshore banks, with an average interest rate of 17.32% per annum as of December 31, 2001 (2000 : 22.25% per annum) for Rupiah loans and 5.30% to 7.22% per annum (2000 : 6.40% to 8.59% per annum) for loans in foreign currencies.

Local Loans

The Company's loans from local banks as of December 31, 2001 were as follows :

| | Original Currency | Total | Term | Collateral Amount |
|-----------------------------|----------------------|------------|---------|----------------------|
| | USD | Rp'000'000 | | Rp'000'000 |
| Rupiah | | | | |
| P.T. Bank Central Asia Tbk | - | 100,000 | 32 days | 124,234 |
| Foreign currency | | | | |
| P.T. Bank Central Asia Tbk | 25,000,000 | 260,000 | 92 days | 404,949 |
| P.T. Bank Panin Tbk | 25,000,000 | 260,000 | 92 days | 455,613 |
| P.T. Bank Mandiri (Persero) | 19,000,000 | 197,600 | 53 days | 339,210 |
| Subtotal | 69,000,000 | 717,600 | | 1,199,772 |
| Total | 69,000,000 | 817,600 | | 1,324,006 |

All loans received from other banks are secured by collateral in the form of Government bonds held by the Company (Note 10). In 2002, all of the loans received from other banks have been fully paid by the Company.

Offshore Loans

The Company signed the "Exchange Offer Program Agreements I and II" with Bank Indonesia on August 18, 1998 and May 25, 1999, respectively. The loans under the Exchange Offer Programs I and II include the certificates of deposit amounting to USD 99.5 million subject to floating interest rate.

The following are the repayment schedules for the loans registered under the Exchange Offer Programs I and II :

| | USD | Repayment Date |
|---|---------------|-----------------|
| <i>Exchange Offer Program (EOP) I</i> | | |
| Total | 167,797,520 | |
| Payments made | (150,267,768) | |
| Outstanding balance | 17,529,752 | August 25, 2002 |
| <i>Exchange Offer Program (EOP) II (Parent Company)</i> | | |
| Repayment Schedules : | | |
| 8.88% of outstanding borrowings | 18,750,000 | June 01, 2002 |
| 43.59% of outstanding borrowings | 92,070,000 | June 01, 2003 |
| 43.36% of outstanding borrowings | 91,570,000 | June 01, 2004 |
| 4.17% of outstanding borrowings | 8,810,000 | June 01, 2005 |
| Total | 211,200,000 | |
| <i>Exchange Offer Program II (Subsidiaries)</i> | | |
| Repayment Schedule : | | |
| 10% of outstanding borrowings | 2,250,000 | June 01, 2002 |
| 45% of outstanding borrowings | 10,125,000 | June 01, 2003 |
| 45% of outstanding borrowings | 10,125,000 | June 01, 2004 |
| Total | 22,500,000 | |

The loans under EOP I, which were due on August 25, 1999, 2000 and 2001 had been paid by the Company in accordance with the repayment schedule.

The average interest rates for EOP I and II is the 6-month USD LIBOR + margin (ranging from 2.25% to 3.50%). These liabilities under EOP I and II are guaranteed by Bank Indonesia.

The balance of loans received from related party banks as of December 31, 2001 amounted to nil (2000 : Rp 64,287 million for the Parent Company). Loans and placements from related party banks were received by the Company under similar terms and conditions as those received from non-related parties.

c. Other Loans

This consists of negative demand deposits with other banks.

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21. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

Estimated losses on commitments and contingent transactions that are usually related to the Company's business are as follows :

| | Consolidated | | Parent Company | |
|-------------------------------|----------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Outstanding letters of credit | 903 | 27,509 | 903 | 27,509 |
| Bank guarantees | 99,951 | 5,606 | 99,951 | 5,606 |
| Total | 100,854 | 33,115 | 100,854 | 33,115 |

The classification of collectibility of the Company's commitments and contingent transactions are as follows :

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|-------------------------------|---------------------|---------------------|
| Current | 250,529 | 419,115 |
| Special mention | 2,549 | 13,532 |
| Substandard | - | 287,802 |
| Loss | 98,806 | 8,756 |
| Total | 351,884 | 729,205 |
| Allowance for possible losses | (100,854) | (33,115) |
| Net | 251,030 | 696,090 |

The changes in the estimated losses on commitments and contingencies were as follows :

| | 2001 | |
|-------------------------------|-----------------------------|-------------------------------|
| | Consolidated Rp '000'000 | Parent Company Rp '000'000 |
| Balance at beginning of year | 33,115 | 33,115 |
| Provision during the year | 68,556 | 68,556 |
| Exchange rate difference | (817) | (817) |
| Balance at end of year | 100,854 | 100,854 |

Management believes that the allowance for possible losses on commitments and contingent transactions is adequate to cover possible losses from these commitments and contingent transactions.

22. ACCRUED EXPENSES

| | Consolidated | | Parent Company | |
|----------|--------------|------------|----------------|------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Interest | 148,990 | 146,568 | 143,132 | 135,913 |
| Others | 72,394 | 54,987 | 71,921 | 54,289 |
| Total | 221,384 | 201,555 | 215,053 | 190,202 |

In 2001, others include accruals which were payable to related parties amounting to Rp 15,567 million.

23. OTHER LIABILITIES

| | Consolidated | | Parent Company | |
|---|--------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Liability on securitization of future credit card receivables | 1,290,514 | 1,226,089 | 1,290,514 | 1,226,089 |
| Employee benefit cost in relation to Kep Men - 150 | 23,812 | - | 23,812 | - |
| Margin deposits | 21,868 | 46,223 | 21,868 | 46,223 |
| Deferred income | 3,399 | 9,899 | 2,358 | 6,859 |
| Others | 124,731 | 133,154 | 119,315 | 124,870 |
| Total | 1,464,324 | 1,415,365 | 1,457,867 | 1,404,041 |

On July 14, 1997, the Company signed an agreement with Acme Securitisation for securitizing future BII Visa and Master credit card receivables amounting to USD 140 million since July 1997. The contract will mature in 2007.

24. CAPITAL STOCK

The Company's stockholders at balance sheet dates based on the statement of P.T. Sinartama Gunita, shares registrar ("Biro Administrasi Efek [BAE]") were as follows :

| Name of Stockholder | December 31, 2001 | | |
|--|-------------------|------------------------------------|-------------|
| | % | Number of Shares (in thousands) | Rp '000'000 |
| Series A shares | | | |
| P.T. Sinar Mas Multiartha Tbk | 0.00 | 6,744 | 3,372 |
| P.T. Asuransi Sinar Mas | 0.00 | 50 | 25 |
| Eka Tjipta Widjaja Family | 0.00 | 32 | 16 |
| Public | 4.18 | 3,874,636 | 1,937,318 |
| Subtotal | | 3,881,462 | 1,940,731 |
| Series B shares | | | |
| Eka Tjipta Widjaja Family | 16.74 | 15,535,409 | 1,941,926 |
| Clearstream Banking S.A., Luxembourg | 7.98 | 7,405,145 | 925,643 |
| P.T. Asuransi Sinar Mas | 0.00 | 150 | 19 |
| Public | 14.42 | 13,375,781 | 1,671,973 |
| Subtotal | | 36,316,485 | 4,539,561 |
| Series C shares | | | |
| Indonesian Government (qq. Indonesian Bank Restructuring Agency) | 56.68 | 52,595,515 | 6,574,439 |
| Total | 100.00 | 92,793,462 | 13,054,731 |

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| Name of Stockholder | December 31, 2000 | | |
|---|-------------------|------------------------------------|-------------------|
| | % | Number of Shares (in thousands) | Rp '000'000 |
| Series A shares | | | |
| P.T. Sinar Mas Multiartha Tbk | 0.53 | 489,744 | 244,872 |
| P.T. Asuransi Sinar Mas | 0.00 | 80 | 40 |
| Eka Tjipta Widjaja Family | 0.00 | 3,661 | 1,831 |
| Deutsche Boerse Clearing AG | 1.08 | 1,001,211 | 500,604 |
| Public | 2.58 | 2,386,766 | 1,193,384 |
| Subtotal | | 3,881,462 | 1,940,731 |
| Series B shares | | | |
| Eka Tjipta Widjaja Family | 16.46 | 15,274,710 | 1,909,339 |
| P.T. Sinar Mas Multiartha Tbk | 0.97 | 898,190 | 112,274 |
| P.T. Asuransi Sinar Mas | 0.03 | 29,004 | 3,625 |
| Deutsche Boerse Clearing AG | 6.68 | 6,197,589 | 774,699 |
| Public | 14.89 | 13,821,161 | 1,727,645 |
| Subtotal | | 36,220,654 | 4,527,582 |
| Series C shares | | | |
| Indonesian Government (qq. Indonesian Bank Restructuring Agency) | 56.78 | 52,691,346 | 6,586,418 |
| Total | 100.00 | 92,793,462 | 13,054,731 |

Since 2001, the Company's shares have been traded on a scripless mechanism.

On April 17, 2002, the Sinar Mas Group signed an agreement to approve the transfer of its ownership shares in the Company (including those owned by Eka Tjipta Widjaja family) to the Indonesian Bank Restructuring Agency, as partial payment of the Sinar Mas Group's liabilities to the Indonesian Bank Restructuring Agency, in relation with the KKSK decision No. KEP.01/K.KKSK/04/2002 dated April 8, 2002 (Note 46.b).

Following is a summary of the changes in the capital stock during the period from January 1, 2000 up to December 31, 2001 :

| | Number of Shares | Total Paid-up Capital Rp '000'000 |
|---------------------------------------|---------------------|---|
| Balance as of January 1, 2000 | 92,793,360,445 | 13,054,668 |
| Series I warrants converted to shares | 101,862 | 63 |
| Balance as of December 31, 2000 | 92,793,462,307 | 13,054,731 |
| Series I warrants converted to shares | - | - |
| Balance as of December 31, 2001 | 92,793,462,307 | 13,054,731 |

25. ADDITIONAL PAID-IN CAPITAL

| | Consolidated | | Parent Company | |
|----------------|---------------|---------------|----------------|---------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Parent Company | 12,132 | 12,132 | 12,132 | 12,132 |
| Subsidiary | 398 | 398 | - | - |
| Total | 12,530 | 12,530 | 12,132 | 12,132 |

Following are the changes in the additional paid-in capital during the period from January 1, 2000 up to December 31, 2001:

| | Consolidated Rp '000'000 | Parent Company Rp '000'000 |
|--|-----------------------------|-------------------------------|
| Balance as of January 1, 2000 | 12,499 | 12,101 |
| Addition | | |
| Increase in additional paid-in capital due to conversion of warrants to shares when the market price exceeded the par value of shares | 31 | 31 |
| Balance as of December 31, 2000 | 12,530 | 12,132 |
| Addition | | |
| Increase in additional paid-in capital due to conversion of warrants to shares when the market price exceeded the par value of shares | - | - |
| Balance as of December 31, 2001 | 12,530 | 12,132 |

26. DIFFERENCE DUE TO CHANGE OF EQUITY IN SUBSIDIARIES

| | Consolidated | | Parent Company | |
|---|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Foreign exchange differences from translation of financial statements | | | | |
| Bank International Ningbo | - | 198,126 | - | 198,126 |
| BII Finance Co. Ltd., Hong Kong | 136,419 | 124,477 | 136,419 | 124,477 |
| Change of ownership resulting from transaction of a subsidiary with other investors | - | 51,886 | - | 51,886 |
| Total | 136,419 | 374,489 | 136,419 | 374,489 |

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27. WARRANTS

In February 1997, the Company issued 286,573,215 Series I warrants. Such warrants are exercisable starting from July 16, 1997 to January 17, 2000. Each warrant is exercisable for 1 new Series A share at an exercise price of Rp 1,000 per share. There were 275,948,575 Series I overdue warrants which had not been exercised.

In April and June 1999, the Company has also issued 4,486,424,571 Series II warrants exercisable for Series B shares. Such warrants are attached to Series B shares and are exercisable between October 6, 1999 and April 16, 2002. Each Series II warrant is exercisable for 1 new Series B share at an exercise price of Rp 220 per share. In addition, 1 (one) warrant will be issued for every 8 Series C shares converted into Series B shares, where the warrants have identical specifications with Series II warrants, hence 6,627,575,429 Series II warrants were from Series C shares. The total number of Series II warrants issued (from Series B shares and Series C shares) totalled 11,114,000,000 warrants.

In the Limited Public Offering III, stockholders who exercised their rights were granted, for each Series B share received, an option to purchase 3.15 Series C shares (Government shares) convertible to Series B shares at the Government selling price plus premium to be determined by the Government. The options may be exercised every 6 months and are valid until the end of the third year of the Government's participation in the Company, depending on the availability of Series C shares. As of December 31, 2001, there were 11,114,000,000 Series II warrants which have not been exercised.

28. COMMITMENTS AND CONTINGENCIES

- a. Commitments on purchases and sales of foreign currencies :

Outstanding foreign currencies purchased at balance sheet dates were as follows :

| | Consolidated | | Parent Company | |
|--|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Spot Foreign Currencies Purchased | | | | |
| United States Dollar (USD) | 198,151 | 158,318 | 198,151 | 158,318 |
| Euro (EUR) | 4,325 | - | 4,325 | - |
| Canadian Dollar (CAD) | 1,045 | - | 1,045 | - |
| Hong Kong Dollar (HKD) | 1,040 | - | 1,040 | - |
| Total | 204,561 | 158,318 | 204,561 | 158,318 |

Outstanding foreign currencies sold at balance sheet dates were as follows :

| | Consolidated | | Parent Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Spot Foreign Currencies Sold | | | | |
| Singapore Dollar (SGD) | 105,167 | - | 105,167 | - |
| United States Dollar (USD) | 36,023 | 105,545 | 36,023 | 105,545 |
| Total | 141,190 | 105,545 | 141,190 | 105,545 |

- b. The Company has commitments and contingent receivables and liabilities in relation to export-import, guarantee given, and loans granted to customers, which are as follows :

| | Consolidated | | Parent Company | |
|--|------------------|------------------------------------|------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| COMMITMENT LIABILITIES | | | | |
| Unused loan commitments granted to customers | 1,709,522 | 2,088,107 | 1,709,522 | 2,088,107 |
| Outstanding irrevocable L/C | 137,233 | 513,203 | 80,057 | 431,922 |
| Total Commitment Liabilities | 1,846,755 | 2,601,310 | 1,789,579 | 2,520,029 |
| CONTINGENCIES | | | | |
| Contingent Receivable | | | | |
| Past due interest revenues | 1,963,082 | 1,488,558 | 1,963,082 | 1,488,558 |
| Contingent Liabilities | | | | |
| Guarantees issued in the form of : | | | | |
| Bank guarantees | 201,779 | 191,430 | 201,779 | 191,430 |
| Shipping guarantees | 3,512 | 5,814 | 3,512 | 5,814 |
| Standby L/C | 9,360 | 18,758 | 9,360 | 18,758 |
| Total Contingent Liabilities | 214,651 | 216,002 | 214,651 | 216,002 |

- c. The total outstanding commitments and contingent liabilities to related parties (consisting of L/C and bank guarantees) as of December 31, 2001 amounted to Rp 373 million on a consolidated basis (2000 : Rp 18,970 million) and Rp 373 million for the Parent Company (2000 : Rp 18,970 million).
- d. As of December 31, 2001, the average term of L/C and acceptances are 1 to 6 months, while for bank guarantees are 1 to 12 months.

29. INTEREST REVENUES

Interest earned and recognized in 2001 and 2000 were as follows:

| | Consolidated | | Parent Company | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Loans | 1,847,149 | 1,691,073 | 1,811,877 | 1,659,949 |
| Government bonds | 1,119,051 | 878,170 | 1,119,051 | 878,170 |
| Marketable securities | 232,141 | 775,631 | 226,799 | 751,992 |
| Placements with other banks | 113,068 | 161,832 | 104,289 | 154,980 |
| Total | 3,311,409 | 3,506,706 | 3,262,016 | 3,445,091 |

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30. INTEREST EXPENSES

Interest incurred and recognized in 2001 and 2000 were as follows:

| | Consolidated | | Parent Company | |
|--|------------------|------------------------------------|------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Time deposits | 1,820,254 | 1,645,020 | 1,816,521 | 1,641,635 |
| Borrowings and securities issued | 671,498 | 372,613 | 642,878 | 335,064 |
| Demand deposits | 369,038 | 365,345 | 371,692 | 365,345 |
| Savings deposits | 327,640 | 362,512 | 327,640 | 362,512 |
| Premium on Government guarantees (see Note 43) | 77,814 | 79,542 | 77,814 | 79,542 |
| Certificates of deposits | 25,462 | 24,139 | 25,462 | 24,139 |
| Total | 3,291,706 | 2,849,171 | 3,262,007 | 2,808,237 |

31. OTHER OPERATING REVENUES - OTHERS

| | Consolidated | | Parent Company | |
|---|----------------|----------------|----------------|----------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Retail administration | 83,948 | 63,252 | 83,948 | 63,252 |
| Credit card administration | 25,154 | 21,243 | 25,154 | 21,243 |
| Banking services | 10,487 | 9,039 | 10,412 | 9,039 |
| Gain on sale of securities | 4,467 | 573 | 4,467 | 573 |
| Loan administration | 3,575 | 4,689 | 3,575 | 4,689 |
| Import and export administration | 2,385 | 3,367 | 2,385 | 3,367 |
| Investment banking administration | 1,934 | 2,407 | 1,934 | 2,407 |
| Foreign currency transaction administration | 689 | 1,173 | 689 | 1,173 |
| Others | 50,282 | 26,120 | 38,474 | 26,064 |
| Total | 182,921 | 131,863 | 171,038 | 131,807 |

Others include revenues from agency fee, organization fee and other income from banking operations.

32. GENERAL AND ADMINISTRATION EXPENSES

| | Consolidated | | Parent Company | |
|----------------------------|----------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| General | 181,994 | 107,021 | 178,336 | 105,972 |
| Rental | 112,381 | 94,132 | 112,381 | 91,800 |
| Promotion | 36,189 | 16,618 | 35,505 | 16,016 |
| Telephone, telex and wires | 25,009 | 24,468 | 23,458 | 23,491 |
| Banking communication line | 21,686 | 18,931 | 21,686 | 18,931 |
| Printing and stationeries | 19,620 | 23,428 | 19,358 | 23,188 |
| Water and electricity | 14,443 | 12,785 | 14,269 | 12,621 |
| Transportation and housing | 14,073 | 19,201 | 13,964 | 19,123 |
| Stamps and stamp duty | 9,306 | 8,947 | 9,298 | 8,919 |
| Professional fee | 8,644 | 25,949 | 7,675 | 24,657 |
| Research and development | 3,698 | 6,435 | 3,657 | 6,417 |
| Supplies | 2,891 | 3,088 | 2,891 | 3,076 |
| Total | 449,934 | 361,003 | 442,478 | 354,211 |

33. NON-OPERATING REVENUES

| | Consolidated | | Parent Company | |
|---|----------------|------------------------------------|----------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Rental | 2,307 | 5,512 | 2,307 | 5,512 |
| Gain on sale of investments in shares of stock | 274,236 | - | 274,236 | - |
| Others | 13,185 | 56,575 | 10,822 | 19,929 |
| Total | 289,728 | 62,087 | 287,365 | 25,441 |

Gain on sale of investments in shares of stock consists of gain on sale and transfer of investments in shares of stock of Bank Internasional Ningbo and P.T. Fuji Bank Internasional Indonesia amounting to Rp 268,877 million and Rp 5,359 million, respectively (Note 11).

Others include income from consulting services, office facilities rental and fees for services other than banking operations.

34. NON-OPERATING EXPENSES

| | Consolidated | | Parent Company | |
|--|---------------|--------------|----------------|--------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp'000'000 | Rp'000'000 | Rp'000'000 | Rp'000'000 |
| Loss on loans restructuring | 16,410 | - | 16,410 | - |
| Penalties and donations | 10,317 | 1,399 | 10,317 | 1,399 |
| Provision for possible losses on golf club membership | 8,075 | - | 8,075 | - |
| Legal, court and mortgage | 791 | 1,080 | 791 | 1,080 |
| Others | 5,681 | 6,028 | 5,556 | 5,750 |
| Total | 41,274 | 8,507 | 41,149 | 8,229 |

Others include meetings, sports and recreation and other general expenses.

35. INCOME TAX

Tax expenses of the Company and its subsidiaries consist of the following :

| | 2001 | 2000 |
|-----------------------|----------------|----------------|
| | Rp '000'000 | Rp '000'000 |
| Current tax expense | | |
| The Company | - | - |
| Subsidiary | 175 | - |
| Subtotal | 175 | - |
| Deferred tax expenses | | |
| The Company | 800,962 | 86,221 |
| Subsidiary | 1,056 | 27,625 |
| Subtotal | 802,018 | 113,846 |
| Total | 802,193 | 113,846 |

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Current Tax

A reconciliation between income (loss) before tax per consolidated statements of income and fiscal losses is as follows:

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|---|---------------------|---------------------|
| Income (loss) before tax per consolidated statements of income | (3,329,578) | 353,708 |
| Equity in net income (loss) of subsidiaries | 1,516 | (9,056) |
| Income (loss) before tax of the Company | (3,331,094) | 362,764 |
| Temporary differences : | | |
| Provision for possible losses on earning assets and foreclosed properties | 1,105,629 | (425,192) |
| Provision for decline in value of marketable securities | 1,450 | - |
| Employee benefit cost | 23,812 | - |
| Permanent differences : | | |
| Equity in net income of associated companies | (11,834) | (124,385) |
| Donations | 296 | 506 |
| Benefits-in-kind | 559 | 1,284 |
| Bonuses to employees | 14,652 | - |
| Representation expense | 1,383 | 1,637 |
| Permanent decline in value of marketable securities | 61,776 | - |
| Equity in net loss (income) of BII Finance Co. Limited | | |
| Hong Kong | 184 | (11,119) |
| Technical assistance fee | (160) | (688) |
| Net | 1,197,747 | (557,957) |
| Fiscal Losses | (2,133,347) | (195,193) |

The computation of current tax expense and payable is as follows :

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|-----------------------|---------------------|---------------------|
| Current tax expense | | |
| The Company | - | - |
| Subsidiary | 175 | - |
| Subtotal | 175 | - |
| Deferred tax expenses | | |
| The Company | 800,962 | 86,221 |
| Subsidiary | 1,056 | 27,625 |
| Subtotal | 802,018 | 113,846 |
| Total | 802,193 | 113,846 |

The fiscal loss of the Company in 2000 is in accordance with the corporate income tax return filed with the Tax Service Office.

Deferred Tax

Deferred tax is computed based on the effect of the temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. The details of the consolidated deferred tax assets of the Company and its subsidiaries are as follows :

| | January 1, 2000 Rp' 000'000 | Credited (charged) to income for the year Rp' 000'000 | December 31, 2000 Rp' 000'000 | Credited (charged) to income for the year Rp' 000'000 | December 31, 2001 Rp' 000'000 |
|--|-----------------------------------|---|-------------------------------------|---|-------------------------------------|
| Allowance for possible losses on earning assets and foreclosed properties | 29,199 | 2,206 | 31,405 | 42,022 | 73,427 |
| Fiscal losses | 931,411 | (88,427) | 842,984 | (842,984) | - |
| Parent Company | 960,610 | (86,221) | 874,389 | (800,962) | 73,427 |
| Subsidiary | 35,417 | (27,625) | 7,792 | (1,056) | 6,736 |
| Total | 996,027 | (113,846) | 882,181 | (802,018) | 80,163 |

The Company incurred fiscal losses in 1998 and 1999 amounting to Rp 6,039,737 million and Rp 5,712,107 million, respectively, which can be applied against the taxable income in future periods within the immediately succeeding five years. In 1999, a portion of the fiscal loss was used to compensate the revaluation increment in premises and equipment amounting to Rp 1,343,195 million (Note 2n), hence, the remaining fiscal loss as of December 31, 1999 amounted to Rp 10,408,649 million. Based on the Overpayment Tax Assessment Letter from the Director General of Taxation No. 00176/406/98/054/00, the fiscal loss in 1998 amounted to only Rp 5,955,310 million.

In 2000, the Company incurred fiscal loss of Rp 195,193 million. Management estimated that this fiscal loss was not realizable in future periods, thus, the related deferred tax asset of Rp 58,558 million was not recognized. Moreover, in 2000, the Company's management re-evaluated its deferred tax assets and decided to reduce its outstanding deferred tax assets by Rp 88,427 million, since, they believed that it was more likely than not, that these deferred tax assets will not be realized within the prescription period. As of December 31, 2000, outstanding balance of total deferred tax assets amounted to Rp 882,181 million, on which deferred tax assets pertaining to fiscal losses amounted to Rp 842,984 million.

As of December 31, 2001, the Company incurred fiscal loss amounting to Rp 2,133,347 million, on which the related deferred tax asset amounted to Rp 640,004 million, however, such deferred tax asset was not recognized because management estimated that such deferred tax asset could not be realized in future periods. Further, management also decided to write off the deferred tax asset on fiscal losses amounting to Rp 842,984 million, which was recorded on the Company's books as of December 2000, since management estimated that this deferred tax asset will not be realized within the prescription period.

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A reconciliation between the total tax expense and the amounts computed by applying the effective tax rates to income before tax per consolidated statements of income is as follows :

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|---|---------------------|---------------------|
| Income (loss) before tax per consolidated statements of income | (3,329,578) | 353,708 |
| Equity in net income (loss) of subsidiaries | 1,516 | 9,056 |
| Income (loss) before tax of the Company | (3,331,094) | 362,764 |
| Tax expense (benefit) at effective tax rates | (999,328) | 108,829 |
| Tax effects of permanent differences : | | |
| Equity in net income of associated companies | (3,550) | (28,253) |
| Donations | 89 | 152 |
| Benefits-in-kind | 168 | 385 |
| Bonuses to employees | 4,396 | - |
| Representation expense | 415 | 491 |
| Provision for decline in value of marketable securities | 435 | - |
| Equity in net loss (income) of BII Finance Co. Limited, Hong Kong | 55 | (3,336) |
| Permanent decline in value of marketable securities | 18,533 | - |
| Technical assistance fee | (48) | (206) |
| Provision for possible losses on earning assets and foreclosed properties | 296,810 | - |
| Estimated unrecoverable fiscal losses | 1,482,987 | 8,159 |
| The Company | 800,962 | 86,221 |
| The Subsidiary | 1,231 | 27,625 |
| Total Tax Expenses | 802,193 | 113,846 |

36. EARNINGS PER SHARE

| | 2001 Rp '000'000 | 2000 Rp '000'000 |
|--|---------------------|---------------------|
| Net Income (loss) | | |
| Net income (loss) for computation of basic earnings per share | (4,130,540) | 267,487 |
| | 2001 | 2000 |
| Number of shares | | |
| Weighted average number of ordinary shares for computation of basic earnings per share | 92,793,462,307 | 92,793,462,307 |

The Company did not compute diluted earnings per share because the exercise price for warrants amounting to Rp 220 per share was higher than the market price.

37. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES**Nature of Relationship**

Related parties are the companies under the control of the Sinar Mas Group (Eka Tjipta Widjaja family) and are related to the Company's management. The companies under the control of the Sinar Mas Group are classified as related parties because Eka Tjipta Widjaja family and other companies under the control of Sinar Mas Group are the majority stockholders, second to the Indonesian Government. As disclosed in Notes 24 and 46.b, in April 2002, the Sinar Mas Group signed an agreement with the Indonesian Bank Restructuring Agency and approved the transfer of its ownership shares in the Company (including those shares owned by Eka Tjipta Widjaja family) to the Indonesian Bank Restructuring Agency.

Transactions With Related Parties

In the normal course of business, the Company entered into certain transactions with related parties under similar terms and conditions as those done with non-related parties, except loans to key management personnel.

The outstanding balances of earning assets, deposits and borrowings with related parties are as follows :

| | Consolidated | | Parent Company | |
|--|--------------|-------------|----------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | Rp '000'000 | Rp '000'000 | Rp '000'000 | Rp '000'000 |
| ASSETS | | | | |
| Placements with other banks | - | 1,439,250 | - | 1,439,250 |
| Marketable securities | - | 462,208 | - | 436,313 |
| Derivative assets | 240 | - | 240 | - |
| Loans | 103,303 | 9,759,329 | 150,303 | 9,750,515 |
| LIABILITIES | | | | |
| Deposits : | | | | |
| Deposits | 149,151 | 730,143 | 180,075 | 725,345 |
| Deposits from other banks | - | 26,346 | - | 26,346 |
| Total deposits | 149,151 | 756,489 | 180,075 | 751,691 |
| Borrowings | - | 64,287 | - | 64,287 |
| Accrued expenses | 15,567 | - | 15,567 | - |
| COMMITMENTS AND CONTINGENCIES | | | | |
| Forward foreign currency purchased/ sold | - | 23,028 | - | 23,028 |
| Interest rate swap | - | 47,975 | - | 47,975 |
| L/C | 83 | 215 | 83 | 215 |
| Bank guarantees | 290 | 18,755 | 290 | 18,755 |

The Company also granted loans to palm (crude palm) farmers amounting to Rp 327,727 million, which are guaranteed by the Sinar Mas Group (Note 8.h).

As described in Note 14, the Company insured its premises and equipment against fire and theft risks to P.T. Asuransi Sinar Mas, a related party, for Rp 592,095 million. The Company is also renting the building owned by the Sinar Mas Group (Note 13). Other transactions with related parties are presented in Note 15 (Other assets).

3.30% and 5.46% of the total personnel expenses in 2001 and 2000, respectively, were incurred by the Company for its commissioners (including supervisory team) and directors (including management team).

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38. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

- a. The balances of monetary assets (before allowance for possible losses) and liabilities denominated in foreign currencies at balance sheet dates were as follows :

| | Consolidated | | Parent Company | |
|--|-------------------|------------------------------------|-------------------|------------------------------------|
| | 2001 | 2000 (As restated - Note 44) | 2001 | 2000 (As restated - Note 44) |
| | Rp '000,000 | Rp '000,000 | Rp '000,000 | Rp '000,000 |
| Assets | | | | |
| Cash | 158,073 | 194,701 | 158,062 | 194,684 |
| Demand deposits with Bank Indonesia | 349,487 | 383,763 | 349,487 | 383,763 |
| Demand deposits with other banks | 391,703 | 1,506,746 | 366,986 | 1,480,904 |
| Placements with other banks | 262,019 | 1,963,009 | 105,110 | 1,759,164 |
| Marketable securities | 461,728 | 1,237,568 | 344,637 | 1,084,133 |
| Derivative assets | 2,409 | - | 2,409 | - |
| Loans | 5,499,213 | 13,247,065 | 5,331,076 | 13,025,521 |
| Acceptance receivables | 79,770 | 118,560 | 71,674 | 94,104 |
| Interest receivables | 20,898 | 224,776 | 19,382 | 222,744 |
| Other assets | 36,348 | 29,766 | 35,618 | 27,427 |
| Total | 7,261,648 | 18,905,954 | 6,784,441 | 18,272,444 |
| Liabilities | | | | |
| Liabilities immediately payable | 26,279 | 34,274 | 19,851 | 16,473 |
| Deposits | 9,075,131 | 11,207,774 | 9,014,223 | 11,146,875 |
| Deposits from other banks | 107,911 | 167,092 | 107,911 | 167,092 |
| Securities sold under agreements to repurchase | 140,893 | - | 140,893 | - |
| Derivative liabilities | 22,916 | - | 22,916 | - |
| Acceptance liabilities | 79,770 | 118,560 | 71,674 | 94,104 |
| Taxes payable | 976 | - | 976 | - |
| Borrowings | 3,421,731 | 3,747,421 | 3,187,735 | 3,406,789 |
| Accrued expenses | 68,242 | 119,671 | 66,805 | 115,977 |
| Other liabilities | 1,401,582 | 1,358,230 | 1,400,276 | 1,353,276 |
| Total | 14,345,431 | 16,753,022 | 14,033,260 | 16,300,586 |

As of December 31, 2001, the exchange rate used for translating assets and liabilities denominated in foreign currencies was Reuters spot rate at 16.00 WIB of Rp 10,400/USD 1 and using the middle rate published by Bank Indonesia of Rp 9,595/USD 1 as of December 31, 2000.

As of December 31, 2001, the difference between the monetary assets and liabilities denominated in foreign currencies showed a significant short position (liabilities in foreign currencies are higher than assets in foreign currencies), mainly due to the hedged bonds recorded in Rupiah. However, the short position was covered by the foreign currency forward transaction attached to the hedged bonds (Note 10).

b. Net Open Position

Following is the Company's foreign currency net open position as submitted to Bank Indonesia:

| Currency | Assets Rp '000,000 | Liabilities Rp '000,000 | Net Absolute Rp '000,000 |
|-----------------------------|-----------------------|----------------------------|-----------------------------|
| 2001 | | | |
| United States Dollar | 25,006,897 | 24,806,305 | 200,592 |
| Great Britain Poundsterling | 9,712 | 9,715 | 3 |
| Japanese Yen | 55,628 | 55,266 | 362 |
| Hong Kong Dollar | 74,308 | 1,011 | 73,297 |
| Indian Rupee | 71,714 | 39,133 | 32,581 |
| Malaysian Ringgit | 4 | - | 4 |
| Mauritius Rupee | 1,229 | 28 | 1,201 |
| New Zealand Dollar | 1,586 | 1,560 | 26 |
| Australian Dollar | 15,991 | 16,141 | 150 |
| Canadian Dollar | 2,004 | 2,181 | 177 |
| Swiss Franc | 770 | 263 | 507 |
| Danish Krone | 214 | - | 214 |
| Euro | 43,463 | 43,610 | 147 |
| Swedish Krone | 150 | - | 150 |
| Singapore Dollar | 490,444 | 493,729 | 3,285 |
| Total | 25,774,114 | 25,468,942 | 312,696 |

| Currency | Assets Rp '000,000 | Liabilities Rp '000,000 | Net Absolute Rp '000,000 |
|-----------------------------|-----------------------|----------------------------|-----------------------------|
| 2000 | | | |
| United States Dollar | 25,037,447 | 24,864,137 | 173,310 |
| Great Britain Poundsterling | 10,400 | 10,608 | 208 |
| Japanese Yen | 168,970 | 167,136 | 1,834 |
| Deutsche Mark | 1,266 | 1,128 | 138 |
| Dutch Guilder | 380 | 225 | 155 |
| French Franc | 28 | 14 | 14 |
| Hong Kong Dollar | 69,054 | 4,241 | 64,813 |
| Indian Rupee | 109,161 | 64,165 | 44,996 |
| Malaysian Ringgit | 516 | - | 516 |
| Mauritius Rupee | 1,097 | 32 | 1,065 |
| New Zealand Dollar | 1,408 | 1,813 | 405 |
| Australian Dollar | 26,490 | 24,206 | 2,284 |
| Belgian Franc | 77 | - | 77 |
| Canadian Dollar | 2,854 | 2,977 | 123 |
| Swiss Franc | 2,348 | 1,997 | 351 |
| Danish Krone | 911 | 958 | 47 |
| Euro | 42,803 | 42,873 | 70 |
| Swedish Krone | 718 | 955 | 237 |
| Singapore Dollar | 473,518 | 474,103 | 585 |
| Total | 25,949,446 | 25,661,568 | 291,228 |

The above net open position includes the net open position of receivables and payables from commitments and contingencies in foreign currencies recorded under the administrative accounts.

The net open position as of December 31, 2001 and 2000 was calculated in accordance with the Decree of Bank Indonesia No. 31/178/KEP/DIR dated December 31, 1998.

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39. CONTINGENCIES - LEGAL MATTERS

- a. On August 3, 1999, the Company filed a bankruptcy petition to the Central Jakarta Commercial Court through letter No. 50/Pailit/1999/PN.Niaga/JKT.PST, against the guarantors of syndicated loans which were granted to P.T. Bentala Coal Mining (BCM). The guarantors are Abu Hermanto and Wahyu Budiono as personal guarantors and P.T. Surya Andalas Corporation as corporate guarantor. BCM defaulted in its payment of its remaining obligation which was already overdue, amounting to Rp 23.6 billion. The syndication involves P.T. Bank Internasional Indonesia, P.T. Bank Niaga, P.T. Bank Danamon, P.T. Bank Bukopin, P.T. Bank Pelita (closed bank), P.T. Bank RSI (taken over bank) and P.T. Bank Bumiputera.

The bankruptcy petition was rejected by the Central Jakarta Commercial Court due to the reason that the Company is among the banks under the Indonesian Bank Restructuring Agency recapitalization program, and with such status, recapitalized banks are no longer entitled to carry out its rights and obligations in relation to credit documents. Another reason for the rejection is that the loans granted to BCM have already been transferred to the Indonesian Bank Restructuring Agency. The Company's appeal to the Supreme Court was also rejected.

On the other hand, BCM filed a lawsuit to the Central Jakarta Court of Justice against the Company, seeking compensation equivalent to its material operational losses, and equivalent to ten times of BCM's obligation to the Company for immaterial losses, because the Company's bankruptcy petition against the guarantors of BCM's debt had affected the latter's business operations, resulting in decreased revenues. The decision of the Central Jakarta Court of Justice No. 328/PDT.G/2000/PN.JKT.PST dated December 26, 2000 stated that the Company was penalized and is obliged to pay compensation to BCM amounting to Rp 482,465 million and also, the Company, being a recapitalized bank, was accused for its illegal action of filing a bankruptcy petition against the guarantors of syndicated loans which were granted to BCM.

The Company filed a petition for an appeal to the Jakarta High Court. The Company obtained a letter of confirmation from the Indonesian Bank Restructuring Agency confirming that the loan given to BCM had not yet been transferred to the Indonesian Bank Restructuring Agency. In the decision of the Jakarta High Court No. 325/PDT/2001/PT.DKI dated November 12, 2001, it was stated that the lawsuit filed by BCM against the Company was not acceptable and the decision of the Central Jakarta Court of Justice No. 328/PDT.G/2000/PN.JKT.PST dated December 26, 2000 was cancelled.

In response to the Jakarta High Court's decision, BCM filed an appeal ("*Memori Kasasi*") to the Supreme Court of the Republic of Indonesia through its letter No. 022/HRP/III.02/ADV dated March 20, 2002. The request for an appeal is still in process and no decision has yet been taken by the Supreme Court of the Republic of Indonesia until the publication date of this consolidated financial statements.

- b. In relation to an investigation on the use of Bank Indonesia's Liquidity Loan or Relief (BLBI) fund to settle interbanks obligations of P.T. Bank Dagang dan Industri (closed bank) to the Company amounting to USD 8.8 million and Rp 118,240 million (equivalent to Rp 195,680 million at that time), the Company was involved in that particular case and is being investigated by the State Attorney. On May 2, 2002, the State Attorney of the Republic of Indonesia has issued a letter to stop the investigation ("*Surat Perintah Penghentian Penyidikan or SP3*") regarding the aforementioned matters.

- c. As in the normal course of business in the banking industry, the Company has sought legal actions in order to claim from its nonperforming debtors.

Given that the results of these legal cases have yet been established and the amount of probable loss cannot be reasonably estimated, the management is unable to recognize any possible losses which might arise from these legal cases.

40. PENSION PLAN

The pension plan is managed by Dana Pensiun Bank Internasional Indonesia ("Dana Pensiun BII") and is invested in short-term time deposits and securities. Permanent employees above 18 years of age or who are married are eligible to join the plan.

In April 1996, the pension plan scheme of the Company was changed from a defined benefit pension plan to a defined contribution pension plan. The change of the pension plan scheme was approved by the Department of Finance of the Republic of Indonesia in its decision letter No. Kep-147/KM.17.1996 dated April 16, 1996. The contribution is determined at 8.76% of employees' salary, of which 5.76% is contributed by the Company and the remaining 3% is contributed by the employee.

Pension expense in 2001 and 2000 amounted to Rp 3,774 million and Rp 2,819 million, respectively.

Employee benefits cost in relation to chapters 26 and 32 of the decree of the Minister of Manpower No. 150 amounted to Rp 23,812 million in 2001. This expense was recognized by the Company based on the actuarial report of P.T. Dian Artha Tama, an independent actuary, dated March 18, 2002. The actuary calculated employee benefits cost in accordance with the provisions of Kep-Men 150, based on the Projected Unit Credit method.

The principal assumptions used by P.T. Dian Artha Tama, an independent actuary, to determine employee benefits cost are as follows:

| | | |
|----------------------|--------------------------|-----------------|
| Mortality rate | : CSO - 1980 | |
| Normal pension age | : Age less than 30 years | - 10% per annum |
| | Age 30 - 44 years | - 5% per annum |
| | Age 45 years and over | - 1% per annum |
| Salary increase rate | : 10% per annum | |
| Interest rate | : 12% per annum | |

The estimated average remaining working lives of employees is 22 years.

Employee benefit cost for 2001 was as follows :

| | Rp '000'000 |
|-----------------------------------|---------------|
| Current service cost | 2,519 |
| Amortization of past service cost | 21,293 |
| Total | 23,812 |

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41. SEGMENT INFORMATION

The following sets forth certain financial information for the Company and its subsidiaries :

a. Business Activities

| Company | Business Activities |
|------------------------------------|---------------------|
| The Company | Banking |
| BII Finance Co. Limited, Hong Kong | Banking |
| P.T. BII Finance Center | Multifinance |

b. Business Segment

Following is a segment information based on business activities which consist of banking and multifinancing:

(i) Total Assets

| | 2001 | | 2000 (As restated - Note 44) | |
|--------------------------|--------|-------------|---------------------------------|-------------|
| | % | Rp '000'000 | % | Rp '000'000 |
| Banking | 99.78 | 30,925,958 | 99.72 | 37,461,589 |
| Multifinancing | 0.22 | 67,863 | 0.28 | 104,166 |
| Total before elimination | 100.00 | 30,993,821 | 100.00 | 37,565,755 |
| Elimination | | (239,424) | | (239,731) |
| Total After Elimination | | 30,754,397 | | 37,326,024 |

(ii) Total Liabilities

| | 2001 | | 2000 (As restated - Note 44) | |
|--------------------------|--------|-------------|---------------------------------|-------------|
| | % | Rp '000'000 | % | Rp '000'000 |
| Banking | 99.82 | 32,975,279 | 99.73 | 34,984,919 |
| Multifinancing | 0.18 | 57,868 | 0.27 | 95,871 |
| Total before elimination | 100.00 | 33,033,147 | 100.00 | 35,080,790 |
| Elimination | | (79,640) | | (93,406) |
| Total After Elimination | | 32,953,507 | | 34,987,384 |

(iii) Segment Results (Balances Before Elimination)

| | 2001 | | | 2000 (As restated - Note 44) | | |
|--|-------------|----------------|-------------|---------------------------------|----------------|-----------|
| | Banking | Multifinancing | Total | Banking | Multifinancing | Total |
| Interest revenues | 3,297,302 | 19,729 | 3,317,031 | 3,494,385 | 13,225 | 3,507,610 |
| Operating revenues (expenses) - net | (3,575,975) | 690 | (3,575,285) | 325,377 | (6,680) | 318,697 |
| Net income (loss) | (4,130,723) | 1,699 | (4,129,024) | 256,368 | 2,063 | 258,431 |

42. ECONOMIC CONDITION AND GOING CONCERN MATTERS

Since the middle of 1997, many Asia Pacific countries, including Indonesia, have been experiencing adverse economic condition, mainly resulting from currency depreciation in the region. The liquidation and closure of several banks in Indonesia since November 1997 has had a negative impact on public confidence in the Indonesian banking system. The principal consequences are decrease of public confidence in the Indonesian Banking System, an extreme lack of liquidity, high interest rates, and high exchange rates of Rupiah against foreign currencies. The crisis has also involved tightening of available credit, drastic decline in fair values of securities, and decrease in economic activity. Until now, the economic condition is still unstable due to the continuing fluctuation of foreign exchange rates against Rupiah, high interest rates, slow down in economic growth, and high rate of inflation.

Such adverse economic condition has increased the credit risk inherent in the earning assets portfolio of the Company and its operational costs which will further affect the Company's financial soundness. The economic condition have created uncertainty as to the Company and its subsidiaries' debtors ability to fulfill their obligations on due dates, and also affected the cost of fund of the Company and its subsidiaries, as well as their ability to generate revenues from operations in the future.

After the Company was recapitalized by the Indonesian Government in 1999, the Company's financial condition has not shown any improvement, and its present status even qualified the Company to be enacted as a "Bank Under Surveillance." On July 13, 2001, Bank Indonesia issued a decision letter No. 3/8/KEP.GBI/2001 regarding the enactment of the Company's status as a "Bank Under Surveillance" and transferred the Company to the Indonesian Bank Restructuring Agency for intensive supervision in relation to the immediate recovery of the Company's financial condition, specifically to meet the required Capital Adequacy Ratio, in compliance with Bank Indonesia regulations.

The outstanding balance of loans granted by the Company which were classified as doubtful and loss as of December 31, 2001 amounted to Rp 5,331,931 million, while the Company's allowance for possible losses on these loans amounted to Rp 4,153,734 million. In 2001, the Company did not reach the optimum level of net interest revenues, it only reached Rp 20,130 million. Because of high cost of funds, a large number of loans were classified under doubtful and loss, and the receivables from P.T. Bank Umum Nasional (closed bank) and P.T. Bank Bira (frozen bank) has not yet been settled in 2001, the Company incurred significant losses and has a deficit of Rp 16,288,825 million. The high cost of funds experienced by the Company was caused by limited liquidity that the Company has been facing. The Company's Capital Adequacy Ratio as of December 31, 2001 was negative 47.42% (Note 45.b). The estimated capital injection needed by the Company to meet the required minimum Capital Adequacy Ratio in 2002, in compliance with Bank Indonesia regulations amounted to a minimum

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of Rp 4,332 billion. In determining the capital injection needed, the Company has already taken into consideration the unrealized loss on decline in value of available-for-sale marketable securities (presented as a component of equity) as an additional deduction in the Company's core capital. Moreover, the Company also considered the loss that it will incur in the beginning of 2002, that will result from lower net interest revenues that it will earn and the additional provision for possible losses on loans. The Company's management already consulted Bank Indonesia regarding the amount of capital needed in 2002 to meet the latter's requirements and boost its Capital Adequacy Ratio.

The consolidated financial statements have been prepared assuming that the Company and its subsidiaries will continue as a going concern, wherein the Company and its subsidiaries can realize their assets and settle their obligations under normal business condition and at the amounts stated in the consolidated financial statements. The aforementioned effects of the economic condition on the Company and its subsidiaries indicate significant uncertainties as to the Company and its subsidiaries' ability to operate as a going concern. The consolidated financial statements do not include any adjustments which might result from the outcome of these uncertainties. The plans and actions of the Company's management and stockholders (the Indonesian Bank Restructuring Agency) to comply with Bank Indonesia regulations concerning the 8% required minimum Capital Adequacy Ratio and to continue its operations as a going concern, are as follows:

- a. On November 5, 2001, the Company transferred its receivables from the companies under the Sinar Mas Group (amounting to USD 1,059 million for receivables denominated in foreign currency and Rp 1,814,578 million for receivables denominated in Rupiah) to the Indonesian Bank Restructuring Agency in exchange for the Government bonds (including hedged bonds) amounting to Rp 13,933,294 million (Note 1f).
- b. On November 22, 2001, the KKSK issued a decision to carry out actions for the immediate recovery of the Company's operations, which are as follows:
 - (i) The Company will push through its rights issue, wherein the Indonesian Government will act as a standby buyer; and
 - (ii) The Chairman of the Indonesian Bank Restructuring Agency is requested to implement the plan mentioned above (Note 42.b.i) by taking into consideration the principle of conservatism, minimum cost, and adherence to prevailing regulations.
- c. In March 2002, the Indonesian Bank Restructuring Agency informed the Commission IX of the House of Representatives (DPR) of the Company's plan for rights issue. DPR has not yet approved the rights issue until April 2002, and plans to discuss again the said rights issue in a meeting between the Indonesian Bank Restructuring Agency and the Commission IX of the House of Representatives (DPR) in May 2002.
- d. The Company's management will tighten its control and intensify its review of its debtors' financial condition, and will continue the restructuring of nonperforming loans.
- e. The Company will try to balance and minimize its foreign exchange exposures in an effort to control its net open position, in compliance with Bank Indonesia regulations.

Recovery of the economy to a sound and stable condition is dependent on the fiscal and monetary measures being taken by the Government, actions which are beyond the Company and its subsidiaries' control, to achieve economic recovery. It is not possible to determine the future effect the economic condition may have on the Company and its subsidiaries' liquidity and earnings, including the effect flowing through from their investors, customers and suppliers.

43. GOVERNMENT GUARANTEE ON OBLIGATIONS OF PRIVATE BANKS

Based on the decision letter of the Minister of Finance of the Republic of Indonesia No. 26/KMK.17/1998 dated January 28, 1998, and the Joint Decree of the Governor of Bank Indonesia and the Chairman of the Indonesian Bank Restructuring Agency No. 32/46/KEP/DIR and No. 181/BPPN/0599 dated May 14, 1999, regarding the "Requirements and Procedures on Government Guarantee on Obligations of Private Banks", the Government will guarantee the obligations of private banks including demand deposits, savings deposits, time deposits and on-call deposits, bonds, marketable securities, interbank borrowings, loans received, letters of credit, L/C acceptances, currency swaps and other contingent liabilities such as bank guarantees, standby letters of credit, performance bonds and other kinds of liabilities other than those excluded in the said decision letter, such as subordinated loans, and liabilities to directors, commissioners and related parties of the Company.

The guarantee is valid for 2 years starting from January 26, 1998 up to January 31, 2000. The guarantee period has been extended automatically by the Indonesian Government based on decision letter of the Minister of Finance of the Republic of Indonesia No. 179/KMK.017/2000 dated May 26, 2000, which stated that the guarantee period is extended automatically for the next six months, except if in the six months period before the Guarantee Program ended, the Minister of Finance of the Republic of Indonesia declared termination and/or amendment of the Guarantee Program to the public.

As of December 31, 2001, the outstanding balance of liabilities to related parties which was reported to the Indonesian Bank Restructuring Agency amounted to Rp 104,389 million. The Company did not pay any coverage premium on these liabilities.

44. RESTATEMENT OF 2000 CONSOLIDATED FINANCIAL STATEMENTS AND RECLASSIFICATION OF ACCOUNTS

In 2001, the Company adopted the Statement of Financial Accounting Standards (PSAK) No. 31 (Revised 2000) "Accounting for Banks", for the first time. This PSAK is a revision of the existing accounting standard for the banking industry and emphasizes transparency and accountability. Under this new PSAK, the Company should present schedules of assets and liabilities based on maturity, disclose details of nonperforming loans and loans based on economic sector, and describe significant concentrations of assets, liabilities, and off balance sheet accounts.

The significant effects of the adoption of this new PSAK on the Company and its subsidiaries' consolidated financial statements are as follows :

- Statement of commitments and contingencies is no longer a part of the consolidated financial statements.
- Schedules of assets and liabilities based on maturity are included as part of the notes to consolidated financial statements.

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- Demand deposits, savings deposits, time deposits, and certificates of deposits are presented as deposits and deposits from other banks.
- Cash and cash equivalents now consist of cash, demand deposits with Bank Indonesia and demand deposits with other banks. Before the adoption of this PSAK, cash and cash equivalents consist of cash, demand deposits with Bank Indonesia, demand deposits with other banks, and placements with other banks with maturities of three months or less from the date of acquisition.
- L/C acceptances are recorded on the balance sheet as acceptance receivables and liabilities.
- Employees, except key management personnel, are not classified as related parties.

The Company and its subsidiaries have reclassified and restated some accounts in 2000 to conform with this new PSAK.

Following are the significant accounts in the 2000 consolidated and parent company's financial statements before and after the restatement and reclassifications :

| | Consolidated | | Parent Company | |
|---|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| | After restatement Rp '000'000 | Before restatement Rp '000'000 | After restatement Rp '000'000 | Before restatement Rp '000'000 |
| a. Balance Sheets | | | | |
| Acceptance receivables - net | 117,180 | - | 92,724 | - |
| Total assets | 37,326,024 | 37,208,844 | 36,866,637 | 36,773,913 |
| Deposits | 28,595,312 | - | 28,542,762 | - |
| Deposits from other banks | 239,077 | - | 239,077 | - |
| Demand deposits | - | 8,203,476 | - | 8,219,897 |
| Savings deposits | - | 4,886,732 | - | 4,886,732 |
| Time deposits | - | 15,410,252 | - | 15,341,281 |
| Certificates of deposits | - | 283,929 | - | 283,929 |
| Acceptance liabilities | 118,560 | - | 94,104 | - |
| Borrowings | 4,144,903 | 4,194,903 | 3,804,271 | 3,854,271 |
| Estimated losses on commitments and contingencies | 33,115 | - | 33,115 | - |
| Other liabilities | 1,415,365 | 1,449,860 | 1,404,041 | 1,438,536 |
| Total liabilities | 34,987,384 | 34,870,204 | 34,528,395 | 34,435,671 |
| b. Statements of Income | | | | |
| Interest expenses | 2,849,171 | 2,769,629 | 2,808,237 | 2,728,695 |
| General and administration expenses | 361,003 | 450,004 | 354,211 | 443,212 |
| Equity in net income of subsidiaries and associated companies - net | 124,386 | - | 115,330 | - |
| Loss on decline in value of marketable securities | 9,459 | - | 9,459 | - |
| Non-operating revenues | 62,087 | 186,473 | 25,441 | 140,771 |

45. OTHER INFORMATION

- a. An analysis of the Parent Company's monetary assets and liabilities based on remaining period from December 31, 2001 until maturity is as follows :

| | Up to 1 month Rp '000'000 | More than 1 month until 3 months Rp '000'000 | More than 3 months until 12 months Rp '000'000 | More than 1 year until 5 years Rp '000'000 | More than 5 years Rp '000'000 |
|--|---------------------------------|--|--|--|-------------------------------------|
| Assets | | | | | |
| Cash | 506,028 | - | - | - | - |
| Demand deposits with Bank Indonesia | 1,189,784 | - | - | - | - |
| Demand deposits with other banks | 369,633 | - | - | - | - |
| Placements with other banks | 614,887 | 3,000 | 1,079 | - | - |
| Securities | 1,768,738 | 1,011 | 74,917 | 96,876 | 290,819 |
| Derivative assets | 2,409 | - | - | - | - |
| Loans | 2,538,110 | 196,350 | 1,113,636 | 3,001,535 | 1,871,506 |
| Acceptance receivables | 7,626 | 35,504 | 28,544 | - | - |
| Bonds of the Government of the Republic of Indonesia | 1,560,000 | - | 2,702,625 | 9,601,279 | 5,995,339 |
| Interest receivables | 335,701 | 1,554 | - | - | - |
| Other assets | 108,797 | - | - | 430,641 | - |
| Total Assets | 9,001,713 | 237,419 | 3,920,801 | 13,130,331 | 8,157,664 |
| Liabilities | | | | | |
| Liabilities immediately payable | 136,712 | - | - | - | - |
| Deposits | 21,737,966 | 2,910,202 | 213,431 | 98,673 | - |
| Deposits from other banks | 125,793 | 5,701 | - | - | - |
| Securities sold under agreements to repurchase | 455,092 | 1,319,444 | - | - | - |
| Derivative liabilities | 22,916 | - | - | - | - |
| Acceptance liabilities | 7,626 | 35,504 | 28,544 | - | - |
| Taxes payable | 43,947 | - | 5,673 | - | - |
| Borrowings | 382,971 | 464,910 | 412,871 | 2,173,092 | 306,185 |
| Accrued expenses | 190,962 | 18,586 | 5,505 | - | - |
| Other liabilities | 29,862 | - | 109,324 | 1,127,019 | 191,662 |
| Total liabilities | 23,133,847 | 4,754,347 | 775,348 | 3,398,784 | 497,847 |
| Net Assets (Liabilities) | (14,132,134) | (4,516,928) | 3,145,453 | 9,731,547 | 7,659,817 |

Placements with other banks, securities, and loans with maturity of above 1 month as of December 31, 2001 included past due and earning assets in default amounting to Rp 3,204,175 million.

In relation to the mismatch of the Company's monetary assets and liabilities maturing more than 1 month until 3 months, the Company plans to improve its services to customers, to market interesting products and to grant competitive interest rates in order to maintain its business transaction and relationship with customers and encourage continuous patronage. In addition, the Company is intensifying its collection efforts from nonperforming debtors and is negotiating to obtain certain borrowing facilities from local and offshore banks.

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- b. Following is the Parent Company's minimum Capital Adequacy Ratio based on the Circular Letter from Bank Indonesia No. 3/30/DPNP (Appendix 6a) dated December 14, 2001, regarding Quarterly and Monthly Published Financial Statements for Public Banks and Certain Reports Submitted to Bank Indonesia :

| | 2001 Rp '000,000 |
|---|---------------------|
| I. Capital Components | |
| A. Core Capital | |
| 1. Issued Capital | 13,054,731 |
| 2. Additional Capital Reserves | |
| a. Additional paid-in capital | 12,132 |
| b. General and appropriated reserves | 632 |
| c. Prior year profit and loss (-/-) | (13,033,306) |
| d. Current year profit and loss (-/-) | (3,329,578) |
| e. Translation adjustments on offshore branches/subsidiaries | |
| 1) Over | 136,419 |
| 2) Short | (7,856) |
| Total Core Capital | (3,166,826) |
| B. Supplementary Capital (maximum 100% of core capital) | |
| 1. Revaluation increment in premises and equipment | 1,343,195 |
| 2. General provision for possible losses on earning assets (maximum of 1.25% of Weighted Average Assets) | 49,405 |
| Total Supplementary Capital | 1,392,600 |
| Total Allowable Supplementary Capital | - |
| II. Total Core and Supplementary Capital (A + B) | (3,166,826) |
| III. Investment (-/-) | (163,209) |
| IV. Total Capital (II - III) | (3,330,035) |
| V. Weighted Average Assets | 7,022,191 |
| VI. Minimum Capital Adequacy Ratio (IV : V) | -47.42% |
| VII. Minimum Capital Adequacy Ratio Required | 8% |

- c. If the unrealized loss on decline in value of marketable securities of Rp 449,304 million is included in the core capital computation (as a deduction), the Company's minimum Capital Adequacy Ratio as of December 31, 2001 would have been negative 53.82%.
- d. The estimated capital injection needed by the Company to meet the required minimum Capital Adequacy Ratio in 2002, in compliance with Bank Indonesia regulations, amounts to minimum Rp 4,332 billion. In determining the capital injection needed, the Company has already taken into consideration the unrealized loss on decline in value of available-for-sale marketable securities (stated as a component of equity) as an additional deduction in the Company's core capital. Moreover, the Company also considered the loss that it will incur in the beginning of 2002, resulting from lower net interest revenues that it will earn and the additional provision for possible losses on loans. The Company's management already consulted Bank Indonesia regarding the amount of capital needed in 2002 to meet the latter's requirements and boosts its Capital Adequacy Ratio.

- e. Ratio of the Parent Company's classified earning assets to total earning assets at December 31, 2001 was 20.50%.
- f. The Company's Nonperforming Loan (NPL) ratio as of December 31, 2001 (at gross amount) was 61.87% (net : 29.01%).
- g. Following are the outstanding balances with related parties as of December 31, 2001, in accordance with Bank Indonesia Decision Letter No. 31/177/KEP/DIR dated December 31, 1998, regarding Legal Lending Limit :

| | 2001 Rp '000,000 |
|--------------------------------|---------------------|
| Balance sheet | |
| Loans | 150,303 |
| Investments in shares of stock | 82,594 |
| Off balance sheet | |
| Letters of Credit (L/C) | 83 |
| Bank gurantees | 290 |

The L/C and bank guarantee facilities were collateralized by cash collateral of the related parties. The collectibility of loans, investments in shares of stock and administrative accounts with related parties of Rp 74,883 million, Rp 47,000 million and Rp 111,387 million was classified as current, doubtful and loss, respectively.

In addition, the Company also granted loans to palm (crude palm) farmers amounting to Rp 327,727 million which were guaranteed by the Sinar Mas Group (Note 8.h).

- h. The Company's management believes that there is no exposure (demand deposits, placements, marketable securities, acceptance receivables, and commitments and contingencies) to related or non-related parties in 2001, that violates the Legal Lending Limit based on the Decision Letter of Bank Indonesia No. 31/177/KEP/DIR dated December 31, 1998 and No. 2/5/PBI/2000 dated February 21, 2000.
- i. As of December 31, 2001, all of the Company's earning assets and administrative accounts (except those secured by cash collateral) have exceeded the Legal Lending Limit, because the Company's capital has become negative. If the estimated capital injection as stated above (Note 45.d) was considered in the computation of the minimum Capital Adequacy Ratio as of December 31, 2001, the balance with related parties which exceeded the Legal Lending Limit would be Rp 2,741 million, and Rp 956,298 million for non-related parties. The earning assets to non-related parties that exceeded the Legal Lending Limit included claim for SBPU from P.T. Bank Umum Nasional (closed bank) which has defaulted in its obligations (Note 6). The Company has provided a specific allowance for possible losses on earning assets which exceeded the Legal Lending Limit.

P.T. BANK INTERNASIONAL INDONESIA Tbk AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION - PARENT COMPANY

DECEMBER 31, 2001 AND 2000 AND FOR THE YEARS THEN ENDED (Continued)

46. SUBSEQUENT EVENTS

Following are the significant subsequent events which occurred after the balance sheet date :

- a. On April 2, 2002, the Company held an Extraordinary Shareholders' Meeting to approve and change the Company's authorized capital stock by adding Series D shares with a par value of Rp 5 per share, thus, the Company's authorized capital stock of Rp 38,000,000 million would consist of :
 1. 3,881,462,307 Series A shares with a par value of Rp 500 per share or amounting to Rp 1,940,731 million.
 2. 40,856,044,855 Series B shares with a par value of Rp 125 per share or amounting to Rp 5,107,006 million.
 3. 52,595,515,440 Series C shares with a par value of Rp 125 per share or amounting to Rp 6,574,439 million.
 4. 4,875,564,761,925 Series D shares with a par value of Rp 5 per share or amounting to Rp 24,377,824 million.

The minutes of this Extraordinary Stockholders' Meeting were documented in notarial deed No. 3 of notary Fathiah Helmi, SH, dated April 3, 2002 and were approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-05634 HT.01.04.TH.2002 dated April 5, 2002.

- b. On April 17, 2002, the Sinar Mas Group signed an agreement to transfer its ownership in the Company (including those owned by Eka Tjipta Widjaja family) to the Indonesian Bank Restructuring Agency (Notes 24 and 37).
- c. On April 25, 2002, the Indonesian Bank Restructuring Agency, through its letter No. PB-802/BPPN/0402 requested the Company's Management Team that the Fiduciary Collateral Deed No. 6, through which the Company anticipates that its interbank claim (from P.T. Bank Umum Nasional [closed bank] and P.T. Bank Bira [frozen bank]) will be resolved, be cancelled effective on the date when the Company's rights issue is finalized (Note 5.b.3).

The background is a solid red color with several large, overlapping, semi-transparent white curved shapes that create a sense of depth and movement. The shapes are primarily located in the upper left and lower right areas, framing the central text.

Corporate
DATA

Brief History

1959 Established under the name of PT Bank Internasional Indonesia. **1979** Merger with PT Bank Tabungan Untuk Umum 1859 Surabaya, which was finalised in the following year. **1988** Licensed as a foreign-exchange bank. **1989** Initial Public Offering of 12,000,000 shares at Rp 11,000 per share offering price and Rp 1,000 per share nominal price. **1990** Acquired Allied Asia Finance Co. Ltd., a deposit-taking company in Hong Kong which was later renamed BII Finance Co. Ltd. **1991** Formed a wholly-owned subsidiary PT BII Finance Center, a financial services company in Indonesia licensed for leasing, factoring, venture capital and consumer finance. **1992** Formed PT BII Investment Management which subsequently, in September 1994, entered into a joint venture with Lend Lease Corporation Limited, a leading financial services group from Australia. The joint-venture company, PT BII Lend Lease Investment Services, focuses on pension fund administration, investment services and fund management. **1993** Acquired 100% stake in Koon Chung Ltd., which owns 100% shares of Bank International Ningbo (BIN) in China. **1995** Acquired 9% stake in BII Finance Co., Hong Kong, for full ownership of this company. **1996** Formed PT Bank BII Commonwealth in a 50:50 joint venture with the Commonwealth Bank of Australia. Named Commercial Bank of the Year in Indonesia by Asiamoney and Euromoney. **1997** Launched PT Bank BII Commonwealth and opened another international representative office in Manila, the Philippines. Named Commercial Bank of the Year in Indonesia by Asiamoney for the second consecutive year and Best Domestic Bank in Indonesia by Global Finance. **1999** Participated in the government recapitalisation programme whereby the government injected capital amounting to Rp 6,6 trillion. **2000** Sold BII shares ownership at PT Bank BII Commonwealth. Established PT MLC Investment Indonesia in December, replacing the former PT BII Lend Lease Investment Services. **2001** Further divestation of subsidiary operations as part of the consolidation and business restructuring of BII, which include the sale of Bank International Ningbo, China, while also continuing to expand its consumer banking franchise by the provision of advanced electronic banking delivery capabilities using Smart Card system, multi-purpose ATM and Internet banking.

Supervisory Team

SUDIARSO Coordinator of BII's Supervisory Team since December 2001. Former Deputy Director and Managing Director of Bank Indonesia (1968-1971) and former President Commissioner of Bank PDFCI, an Indonesian private commercial bank (1983-1990). Apart from holding a position at BII, he is also Vice President Commissioner of PT Samudera Indonesia Tbk from 1997 until now. Graduated from N.E.H. Rotterdam (now School of Economics, Erasmus University) in the Netherlands, in 1957.

Jurida M. BAHARSON Member of BII's Supervisory Team since December 2001. Has more than 32 years of banking experience in BNI with last position as General Manager of the Retired, Syndication & Financial Service Division in 1997. Thanks to her dedication and strong integrity at BNI, she received various awards in 1988, 1992, and 1997. Aside from holding a position at BII, this former Chief Financial Officer (CFO) at IBRA, is currently also an Independent Commissioner at Bank Finconesia since November 2001. Graduated from the Law Faculty, University of Indonesia, in 1964.

Hiroshi TADANO Member of BII's Supervisory Team since July 2001. Previously, he was Deputy President Director of BII. A Japanese citizen and professional banker with over 30 years of experience including 20 years of overseas assignments. He joined Sumitomo Bank Ltd. in Tokyo and worked at various branch offices in New York, Panama, Jakarta, Seoul and Singapore. Prior to joining BII in 1998, he was a Vice President Commissioner of PT Bank Merincorp, Jakarta. He graduated from the Otaru University of Commerce, Japan, in 1968.

M a n a g e m e n t T e a m

Rusli PRAKARSA Coordinator of BII's Management Team since December 2001. Previously, he was a President Commissioner of BII (1999-2001). After 3 years in Bank Indonesia, from 1971 to 1974, he joined Panin Bank and his last position was Deputy President Commissioner. Began his career as a lecturer at several universities. Completed his last education at University of Airlangga, Surabaya, Faculty of Economics, in 1963 and University of Sumatera Utara, Medan, Faculty of Economics, with a degree in Accounting, in 1969.

Halim SUSANTO Member of BII's Management Team since July 2001 and was reappointed on 17 May 2002. Previously, he was a Director with the bank since 27 March 2000. He also held various senior positions in Treasury with Standard Chartered Bank, Jakarta, among others as Head of FX Option, Head of Derivatives, and Head of Treasury - Sales and Marketing. Prior to that he was with American Express Bank, Rabobank Duta Indonesia, and Citibank N.A. He graduated cum laude with a degree in Business Administration and Finance from the University of Houston, Texas, USA, in 1989.

Rudy N. HAMDANI Member of BII's Management Team since July 2001 and was reappointed on 17 May 2002. Previously, he was a Director with the bank since 27 March 2000. Joined BII in 1987 and has been associated with the development of the credit card business at BII. Completed his Bachelors in Economics and Business Administration from St. Mary's College, California, USA, in 1987.

Judi Prayudi SUDJONO Member of BII's Management Team since December 2001 and was reappointed on 17 May 2002. Previously, he was a Vice President Commissioner at the Ariyanti Education Foundation, Bandung and has been assigned as a Coordinator of the Risk Management and Liabilities Divisions at IBRA. Began his career with the Union Bank, Los Angeles, USA and the Development Bank of Singapore, Los Angeles, USA. Joined DBS Buana Tat Lee Bank (1994-1996) and Bank Indonesia Raya (1997-1999). Obtained his Bachelor of Science degree in Accounting from California State University of Los Angeles, USA, in 1991.

Hermanus H. MUSLIM Member of BII's Management Team since December 2001. Joined BII as Management Trainee in 1986 and developed his career at the Company ever since. He briefly maintained several important management positions at affiliated BII banks such as Bank Credit Lyonnais Indonesia (1996-1999) and Fuji Bank Internasional Indonesia (1999-2001). Graduated from University of Tarumanegara, Faculty of Economics, in 1986.

Hanafi HIMAWAN Member of BII's Management Team since December 2001. Joined BII as an Account Officer in 1987 and developed his rank through the Company to achieve the position where he is at the moment. Graduated in Accounting from University of Trisakti, in 1986.

On the basis of IBRA's Decision Letter No. SK-1139/BPPN/0502 and No. SK-1140/BPPN/0502, dated 17 May 2002, Members of Supervisory Team and Management Team PT Bank Internasional Indonesia Tbk. are as follow:

Supervisory Team

SOEDARJONO Indonesian citizen, 63 years. Coordinator of BII's Supervisory Team since 17 May 2002. Commissioner of Bank Mandiri since 1998. Chairman of the Indonesian Institute of Accountants (1994-1998). Chairman of the State Financial and Development Audit Board (BPKP) (1993-May 1999). Chairman of the State Board for Export Facility Services and Financial Data Processing at the Ministry of Finance (1991-1993). Deputy Chairman of BPKP for BUMN/BUMD (1990-1991). Head Representative of BPKP Medan, Sumatera Utara (1982-1986), Head Department of Accountant Public Office, Jember (1972-1979), and Head Department of Accountant Public Office, Yogyakarta (1969-1971). Degree in Economics with Accounting major from University of Indonesia, Jakarta, in 1965.

Dr. A. Fuad RAHMANY Indonesian citizen, 48 years. Member of BII's Supervisory Team since 17 May 2002. Concurrently serving as Head of the Government Bonds Management Office, Ministry of Finance of the Republic of Indonesia (since February 2001); Commissioner of PT Danareksa (Persero) (since July 2001); Secretariat Member of the Financial Sector Policy Committee (since April 2002); Lecturer at the Graduate Program, Universitas Indonesia, Jakarta (since February 1998). Previously, he served as Head of Debt Management Unit Team, Ministry of Finance in 2000; Head of International and Regional Economic Cooperation, Bureau of Planning and International Cooperation, MOF (1998-2000), the second ranking officer of the Asian Development Bank (ADB), Manila in 1999. Formerly Researcher of Finance and Economics at the Monetary and Financial Analysis Board (1997-1998). Graduated Doctor of Philosophy in Economics from the Department of Economics, Vanderbilt University, Nashville, Tennessee, USA, specialising in the field of International Economics/Finance and Development Economics, in December 1997.

PRADJOTO SH, MA Indonesian citizen, 49 years. Member of BII's Supervisory Team since 17 May 2002. Concurrently serving as Senior Partner at the Law Firm of Pradjoto & Associates since 1992, following a career with Bank Pembangunan Indonesia (1981-1992). Former Chairman of Ombudsman of IBRA, period 2000-2001; member of the Team for the Prosecution of Corruption and member of the National Ombudsman Committee in 2000; General Secretary of the Association for a New Indonesia in 2000. He is currently member of the Association of Attorneys at Law for the Capital Markets, member of Subcommittee E of the National Justice of the Republic of Indonesia, and member of the IMF Panel Team on the issue of BLBI (Bank Indonesia Liquidity Loans). Graduated of Law from the Faculty of Law, University of Indonesia, in 1981 and earned a Master of Arts degree from Kyoto University, Japan, in 1988.

Sumantri SLAMET I.S. Ph.D Indonesian citizen, 48 years. Member of BII's Supervisory Team since 17 May 2002. Vice Chairman of IBRA since November 2000 and Deputy Chairman of Support and Administration since 1998. Previously Director/COO Indonesian Securities Clearing Depository (PT Kliring Deposit Efek Indonesia) (1993-1996), President/CEO Indonesian Central Securities Depository (PT Kustodian Depositori Efek Indonesia) (1996-1998). Degree in Mathematics and Physics major from University of Indonesia. MSc. degree (1981) and Ph.D degree (1983), both in Computer Science major from University of Illinois, Urbana Champaign, USA.

Putu ANTARA Indonesian citizen, 62 years. Member of BII's Supervisory Team since 17 May 2002. Senior Partner of MITS Consultant and ARR Consultant (1999-now). Began his banking career as a staff in Bank Rakyat Indonesia (BRI) East Java Region Office (1966), Regional Manager of BRI Jakarta, West Kalimantan, Bogor and Bekasi (1992-1993). Previously, a Commissioner of PT Bank Danamon Indonesia Tbk (October 2000-May 2002), Chairman of Audit Committee (2001-May 2002), Chairman of Good Corporate Governance PT Bank Danamon (2002-May 2002). The former President Director of Bank Rama (1993-1999), Director of Joint Venture Bank PT IPFC (1983-1986) and Commissioner of PT Sanwa BRI Leasing (1987-1990). Completed his education in the Faculty of Economics, University of Gajah Mada, with a major in Finance and Banking, and attended several overseas programmes from the University of Washington, Citibank Hong Kong, Credit Commercial de France (CCF) Paris, and International Banker's Program in New York.

M a n a g e m e n t

T e a m

Sigit PRAMONO Indonesian citizen, 44 years. Coordinator of BII's Management Team since 17 May 2002. Previously, Executive Management at Bank Mandiri as a Senior Vice President/Group Head Credit Recovery (August 2002), Senior Vice President/Group Head Credit Restructuring Unit (1999-August 2001), and Division Head of Credit Risk Management Workout (April-July 1999). Started his career in Bank Exim (1984) and has held various important positions such as Vice President of Loan Remedial Division Head (1998) and Loan Syndication Department Head (1997-1998). Other important positions such as Vice President Director at PT Bank Merincorp (1993-1997) and PT Merchant Investment Corporation (1992-1993), Supervisory Commissioner at subsidiaries of PT Merincorp Securities (1992-1997) and Director at PT Exim SB Leasing (1988-1992). Completed his formal education from University of Diponegoro, with a major in Management in 1983. Received his MBA in International Business Management from Prasetya Mulya Graduate Business School, Jakarta in 1995. Attended several education programmes such as Syndicated Loan in Singapore (1997), Leasing at Leasing School in Salt Lake City, Utah, USA (1990) and International Treasury Management Program in Singapore (1985).

Armand Bachtiar ARIEF Indonesian citizen, 50 years. Vice Coordinator of BII's Management Team since 17 May 2002. Previously the Director of PT Bank Danamon Indonesia Tbk since April 1999. Began his banking career at Citibank N.A. Indonesia (1988) with his last position as Distribution Director-Global Consumer Banking (December 1995-January 1997). In March 1997, he joined PT Bank Papan Sejahtera as a Senior Vice President Regional Branches Head for outside Jakarta such as Surabaya, Bandung, Semarang, Medan, Palembang and Ujung Pandang; and in May 1998-February 1999, he was a Director of Retail Banking and President Director. His career path started out from X-tra, Inc Headquarters, Boston, MA, USA and he was stationed to Hong Kong in 1982. He held a Regional Development Manager for East Indonesia in PT Food Specialties Indonesia (1988). He graduated from the National Hotel Institute, Bandung (1972), earned his BA degree in Business Administration from Curry College, Milton, MA, USA (1979) and MBA degree from Suffolk University, Boston, MA, USA (1982).

Sukatmo PADMOSUKARSO Indonesian citizen, 45 years. Member of BII's Management Team since 17 May 2002. Previously served at Bank Mandiri in the past three years as Vice President/Head of Risk Management Division, for Credit Restructuring (1999-2000), Commercial Credit Risk Management (2000-2001), and Head of Portfolio Management (2001-2002). A career banker at PT Bank Pembangunan Indonesia (Bapindo) from 1980 to the time of merger into Bank Mandiri, he has held various positions, including Head of Credit Team, Head of Syndication Team and Branch Manager. A graduate of Management Economics from University of Indonesia, Jakarta, in 1986, he also holds a degree in English Literature from State University Sebelas Maret, Surakarta, in 1979, and obtained an MBA degree from Curtin Business School, Curtin University of Technology, Perth, Australia, in 1993.

Halim SUSANTO Indonesian citizen, 36 years. Member of BII's Management Team since July 2001 and was reappointed on 17 May 2002. Previously, he was a Director with the bank since 27 March 2000. He also served in various senior positions in Treasury with Standard Chartered Bank, Jakarta, among others as Head of FX Option, Head of Derivatives, and Head of Treasury- Sales and Marketing. Prior to that he was with American Express Bank, Rabobank Duta Indonesia, and Citibank N.A. He graduated cum laude with a degree in Business Administration and Finance from the University of Houston, Texas, USA, in 1989.

Judi Prayudi SUDJONO Indonesian citizen, 43 years. Member of BII's Management Team since December 2001 and was reappointed on 17 May 2002. He is a Secretary of Ariyanti Education Foundation, Bandung and has been assigned as a Coordinator of the Risk Management and Liabilities Divisions at IBRA. Began his career with the Union Bank, Los Angeles, USA and the Development Bank of Singapore, Los Angeles, USA. Joined DBS-Buana Tat Lee Bank (1994-1996) and Bank Indonesia Raya (1997-1999). Obtained his Bachelor of Science degree in Accounting from California State University of Los Angeles, USA, in 1991.

Rudy N. HAMDANI Indonesian citizen, 40 years. Member of BII's Management Team since July 2001 and was reappointed on 17 May 2002. Previously, he was a Director with the bank since 27 March 2000. He also joined BII in 1987 and has been associated with the development of the credit card business at BII. Completed his Bachelors in Economics and Business Administration from St. Mary's College, California, USA, in 1987.

Dira K. MOCHTAR Indonesian citizen, 35 years. Member of BII's Management Team since 17 May 2002. He held several positions in IBRA such as Core Asset Disposal Risk Management Group Head (January 2002-now), Loan Workout and Collection Group Head (2000-2002), Loan Workout and Collections Team Leader (1998-2000). Previously held other positions such as Senior Manager Investment Banking Division Bank BIRA (1995-1998), as Deputy Manager Corporate Banking Division PT Indovest Bank Jakarta (1993-1995) and Financial Analyst United States Marketing and Refinery Division Mobile Oil Corporation, Fairfax-Virginia, USA. Acquired his MBA degree, in 1991 and BSc. degree majoring in Business Administration from Oklahoma City University, USA, in 1990.

Senior Management

DIVISION HEAD - HEAD OFFICE

| | |
|--|--------------------------|
| Internal Audit | Otto S. TIRAJO |
| International Operation | Toni DINOTO |
| Logistics and Building | Ekaputra OYONG |
| Compliance | Benny ROESAMSI |
| Human Resources Development | Chairil A. AZIS |
| Accounting and Finance | Jozef I. MUNABA |
| Corporate Office Management | Jopie GUMAY |
| Corporate Communications | Talip RACHMAN |
| Operations Development | ERZON |
| Credit Card | Johan SUDIATO |
| Credit Information, Reporting and Portfolio Review | Earl D. SANTAWIRYA |
| Corporate Credit Review and Restructuring | Siswo S. IKSAN |
| Non Corporate Credit Review and Restructuring | Ratna NINGSIH |
| Special Asset Management | Tony KASIM |
| Corporate Banking | Rudy GOMEDI |
| Planning and Budgeting | Supratman GUNAWAN |
| Capital Market | Suzanna IRMAWATI |
| Information Technology | Harjanto QUAASALMY |
| Legal | Iswandari YUSUF |
| Financial Institution | Trie ROSDIATI |
| Consumer Banking, Commercial Banking and Two Step Loan | C.D. BOENTORO |
| Treasury | EDIJ |
| Foreclosed Asset Management | Dicky Yanuardi NOORKALAM |

JAKARTA BRANCH MANAGERS

| | |
|----------------------------|--------------------|
| Thamrin Main Branch | Ign. Kiki SUHERTAN |
| Juanda Branch | Jenny WIRIYANTO |
| Kali Besar Branch | Kyardian AUNATALIA |
| Fatmawati Branch | LIARNY |
| Mangga Dua Branch | Paulus TANGKILISAN |

AREA MANAGERS

| | | |
|----------|--------|-------------------|
| Area I | HEAD | Djaja S. SUTANDAR |
| | DEPUTY | Rustam OEY |
| Area II | HEAD | Andrae KRISHNAWAN |
| | DEPUTY | Maurit SIAHAAN |
| Area III | DEPUTY | Freddy WUNAS |

REPRESENTATIVE/OVERSEAS BRANCH OFFICES

BII Representative Office - SINGAPORE

HEAD Dede KURNIA

Overseas Business Unit - CAYMAN ISLANDS, COOK ISLANDS, MUMBAI AND MAURITIUS

HEAD Tony D. WIDJAJA

SUBSIDIARIES/AFFILIATES

PT MLC Investment Indonesia - JAKARTA

PRESIDENT DIRECTOR

Indra Novan GINTING

DIRECTOR

Nugroho Permana BUDI

PT BII Finance Center - JAKARTA

PRESIDENT DIRECTOR

Rizal N. PANJI

DIRECTOR

Adi DARMADI

BII Finance Co.Ltd. - HONG KONG

MANAGING DIRECTOR

Juanna LAI

DIRECTOR

Benny ROESAMSI

DIRECTOR

HARIANTO

Other Senior Management

VICE PRESIDENT

Head Office

Credit Card

International Operations

Loan Recovery

Compliance

Planning and Budgeting

Information Technology

Thamrin Branch

Winarto WIDJAJA

Iman MASDJUD

Benny WIRAWANSA

Herman YULIANTO

Buana WIKASA

SUNARYA

Donald F. HARTONO

Agung WITONO S.

Undang RAHAYU

Angela APSARTON

ASSISTANT VICE PRESIDENT

Head Office

Accounting and Finance

Internal Audit

Credit Card

Corporate Banking

Compliance

International Operations

CoOL Banking

Financial Institution

Effendi RAJAGUKGUK

Ayip MUCHLIS

Ganti Effendi POERBA

AKHADI

PRANOTO

Syatini WIDJAJA

Sinar SAMBAS

A.M. KRISDARUJATI

Lieke LISANA

Iwan SUHERMAN

Entin ROSTINI

Effie ANWAR

Irwan SADEWA

Ratna Muljani SANTOSA

Ester PAKPAHAN

Assistant President Director
Loan Recovery
Special Asset Management
Consumer Banking
Planning and Budgeting
Human Resources Development
Information Technology

The Robert KAONANG
Johnny TIRENDRA
Shahrizal NASUTION
Djoenaidi HOEDIONO
Rene Iwan PRAYITNO
Junus Hartanto JUDIANTO
Fransisco YOHANES
Aloysius LEFAAN
KRISTANTO
Didi B. HERYADI
Hendra PRANADAJA
Mia Esti REZEKI
Hasril HARUN
Benny HARKAMTO
Hinayana ISNAENI
Saut Halomoan SITOMPUL
Melia TJANDRA

Treasury

Branch Offices and Sub Branch Offices

Bandung Branch
Denpasar Branch
Thamrin Main Branch

T. JOHANSYAH
Johnny HARIANTO
Yusiana TRONIJAYA
Benny ERLANGGA
Heni YULIA
Mary LIWANG
Henny CHANDRAWINATA
Eveline G.U.S. RAJAGUKGUK
Iman SATRIA
Selvi ADAM
A. Oscar GUMULYA
Yani LEWA
Maya SARTIKA
Hevi ANGWEITA
Ardy J. WILLIAM
Tan Moy HOA
Ferdinand RINDHATMONO

Juanda Branch
Kali Besar Branch

Medan Branch
Surabaya Branch
Tanjung Pinang Branch
Mangga Dua Sub Branch
Fatmawati Branch

ADVISORS

Technical Advisor

Yoon Hong HWANG

Subsidiary Companies

PT MLC Investment Indonesia, J a k a r t a

PT MLC Investment Indonesia was formed on December 13, 2000 replacing the former PT BII Lend Lease Investment Services which was formed in 1994. The institution itself basically follows through the same engagement as the former (investment management and advisory services). The establishment of MLC was made by during the General Shareholders' Meeting in 2000.

PT BII FINANCE CENTER (BII-FC), J a k a r t a

BII-FC was formed on February 13, 1991, as a multi-finance services company to engage in leasing, factoring, and venture capital. It is also licensed to provide credit-card services and consumer finance.

BII FINANCE COMPANY Ltd.(BIIF), H o n g K o n g

BIIF was established in Hong Kong on June 20, 1974 under the name of Hock Finance Holdings Ltd. and was registered under the Deposit-taking Companies Ordinance as a deposit-taking company on June 19, 1978. On May 31, 1985, the company was taken-over by Western Oceanic Holding Company incorporated in Grand Cayman Islands - controlled by the Widjaja family. On September 1, 1991, the company was acquired by Bank Internasional Indonesia, which now owns 100% of BIIF.

HEAD OFFICE

BII Plaza, Tower 2

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JAKARTA

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Fax. : (021) 2301426
Telex : 61610 BIITH IA

Juanda

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Fax. : (021) 3841412

Fatmawati

Jl. R.S. Fatmawati No. 28
Jakarta 12410
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Eka Jiwa

Wisma Eka Jiwa 6th Floor
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Jakarta 10730
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Fax. : (021) 6122820

Mangga Dua

Wisma Eka Jiwa 7th Floor
Jl. Mangga Dua Raya
Jakarta 10730
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Fax. : (021) 6257780

Tanah Abang

Jl. H. Fachrudin No. 36, Blok D 18-19
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Fax. : (021) 2303054

Permata Hijau

Jl. Perak Blok B No. 17
Jakarta 12210
Tel. : (021) 5325487 – 88
Fax. : (021) 5332260

Sahardjo

Jl. Dr. Sahardjo No. 149 D – E
Tebet, Jakarta 12860
Tel. : (021) 8312064, 8307605
Fax. : (021) 8301093

Plaza Indonesia

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Tel. : (021) 3107535 – 36
Fax. : (021) 3107588

Proklamasi

Jl. Proklamasi No. 23
Jakarta 10330
Tel. : (021) 3908416, 3906891
Fax. : (021) 2301455, 3103568

Jatinegara Timur

Jl. Jatinegara Timur No. 59
Jakarta 13301
Tel. : (021) 2800320, 2800333
Fax. : (021) 2800323

S. Parman

Jl. S. Parman Kav. 19
Jakarta 11480
Tel. : (021) 53674168, 53674170
Fax. : (021) 53674171

Gatot Subroto

Kanindo Plaza
Jl. Gatot Subroto No. 23
Jakarta 12930
Tel. : (021) 5258202 – 04
Fax. : (021) 5225291, 5225293

Matraman

Jl. Matraman Raya No. 55
Jakarta 13140
Tel. : (021) 8510761 – 64
Fax. : (021) 8510769

Wisma Kyoie Prince

Jl. Jend. Sudirman Kav. 34
Jakarta 10220
Tel. : (021) 5724031 – 36
Fax. : (021) 5724038

Jakarta Stock Exchange

Jakarta Stock Exchange Building
Jl. Jend. Sudirman Kav. 52 – 53
Jakarta 12190
Tel. : (021) 5150722, 5150727
Fax. : (021) 5150731

Kuningan

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Jl. H.R. Rasuna Said Kav. X
Kuningan, Jakarta 12950
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Fax. : (021) 5261335

M.T. Haryono

Jl. M.T. Haryono Kav. 62
Jakarta 12780
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Fax. : (021) 7976067

Mal Ambassador

Ground Floor, Jl. Prof. Dr. Satrio
Jakarta 12940
Tel. : (021) 5760136 – 38
Fax. : (021) 5760366

Taman Anggrek

Mal Taman Anggrek
Ground Floor, Banking Center
Jl. S. Parman Kav. 21
Grogol, Jakarta 11470
Tel. : (021) 5639001 – 07
Fax. : (021) 5639155

Sultan Agung

Jl. Sultan Agung No. 57 A – B
Jakarta 12980
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Fax. : (021) 8293542

Klender

Jl. Teratai Putih Blok M 1 A & B
Jakarta 13470
Tel. : (021) 8602162
Fax. : (021) 8603343

Thamrin

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Jl. M.H. Thamrin Kav. 22
Jakarta 10350
Tel. : (021) 2300888, 2300666
Fax. : (021) 2301893

Kampung Melayu

Jl. Kampung Melayu Besar No. 9
Jakarta 13330
Tel. : (021) 2800313
Fax. : (021) 2800315

Cikini

Gedung Hias Rias
Jl. Cikini Raya No. 90
Jakarta 10330
Tel. : (021) 3900772, 2301731
Fax. : (021) 3103568

Menara Imperium

Menara Imperium Ground Floor No. 90
Jl. H.R. Rasuna Said Kav. 1
Jakarta 12980
Tel. : (021) 8315101 – 06
Fax. : (021) 8315034

Permata Hijau I

Pertokoan Permata Hijau, Blok DB No. 15
Jl. Permata Hijau Raya
Jakarta 12210
Tel. : (021) 5301775 – 76
Fax. : (021) 5302034

Mangga Besar

Jl. Mangga Besar VIII No. 8
Jakarta 11170
Tel. : (021) 6261183 – 84
Fax. : (021) 6497096

Kelapa Gading

Jl. Raya Boulevard Barat, Blok C5 No. 9,
Jakarta 14240
Tel. : (021) 4503181, 4503177
Fax. : (021) 4503175

Sunter Nirwana

Jl. Bismaraya Blok A5 No. 48 – 50
Sunter Nirwana, Jakarta 14350
Tel. : (021) 6452802, 6452805
Fax. : (021) 6452811

Sunter Podomoro

Jl. Sunter Agung Utara
Blok A 36 D No. 40 – 41
Sunter, Jakarta 14350
Tel. : (021) 686300 – 02
Fax. : (021) 684967

Palmerah

Jl. Palmerah Utara 36 – 38
Jakarta 11480
Tel. : (021) 5305119 – 22
Fax. : (021) 5480170

Green Ville

Komp. Pertokoan Green Ville, Blok A 17 –18
Jakarta 11510
Tel. : (021) 5603949, 5656044
Fax. : (021) 5656049

Kebon Jeruk Intercon

Intercon Plaza No. 3
Jl. Meruya Ilir No. 14
Jakarta 11630
Tel. : (021) 5841501, 5841503
Fax. : (021) 5304411

Plaza Kebon Jeruk

Blok A No. 7 – 8
Jl. Raya Perjuangan
Jakarta 11530
Tel. : (021) 5308885
Fax. : (021) 5306248

Garuda

Jl. Garuda No. 22B
Jakarta 10620
Tel. : (021) 4211844, 4242423
Fax. : (021) 4209874

Batu Tulis

Jl. Batu Tulis No. 7
Jakarta 10210
Tel. : (021) 3841805, 3841809
Fax. : (021) 3843379

Branch Network

Pemuda

Jl. Pemuda No. 29
Jakarta 13220
Tel. : (021) 4714850, 4898010
Fax. : (021) 4714849, 4758010

Samanhudi

Jl. H. Samanhudi No. 63
Jakarta 10710
Tel. : (021) 3441352, 3448190
Fax. : (021) 3455422

Roxy Mas

Jl. Hasyim Ashari Blok B1 12 A
Jakarta 10150
Tel. : (021) 6329515
Fax. : (021) 6329543

Senen

Komp. Ruko Segitiga Senen
Blok F 34 – 36, Jl. Senen Raya
Jakarta 10410
Tel. : (021) 3858144 – 46
Fax. : (021) 3858142

Angkasa

Jl. Angkasa No. 20 K
Jakarta 10610
Tel. : (021) 4200386, 4200388
Fax. : (021) 4200435

Lindeteves

Pasar Hayam Wuruk, Lt. 2 Los 9 No. 22
Jl. Hayam Wuruk No. 100
Jakarta 11180
Tel. : (021) 6242580 – 86
Fax. : (021) 6242578

Green Garden

Komp. Perumahan Green Garden
Blok 22 No. 46
Jl. Raya Daan Mogot KM 3
Jakarta 11520
Tel. : (021) 5828359 – 64
Fax. : (021) 5828356

Tomang

Jl. Tomang Raya No. 12A
Jakarta 15340
Tel. : (021) 5681750, 5681744
Fax. : (021) 5681746

Mal Ciputra

Unit No. LG – 54, Jl. S. Parman Grogol
Jakarta 11470
Tel. : (021) 5606045
Fax. : (021) 5606044

Kedoya

Jl. Terusan Arjuna No. 50
Jakarta 11510
Tel. : (021) 5674653
Fax. : (021) 5674652

Cideng Barat

Jl. Cideng Barat No. 31 A
Jakarta 10150
Tel. : (021) 6321846
Fax. : (021) 6321935

Ketapang Indah

Jl. K.H. Zainul Arifin, Blok B II No. 18
Jakarta
Tel. : (021) 6338566
Fax. : (021) 6338565

Cempaka Mas

Ruko Grand Cempaka, Blok A No. 34
Jl. Letjen. Suprpto
Jakarta 10640
Tel. : (021) 4215915 – 20
Fax. : (021) 4215909

Kelapa Gading Boulevard I

Jl. Kelapa Gading Boulevard
Blok PA – 19 No. 11
Jakarta 14240
Tel. : (021) 4514424 – 25
Fax. : (021) 4507446

Cakung

PT Biraruna Jaya Building
Jl. Cakung Cilincing KM 1,5
Jakarta 13910
Tel. : (021) 4619401 – 03
Fax. : (021) 4619405

Kelapa Gading Kirana

Jl. Gading Kirana Timur
Blok A 13 No. 35
Jakarta 14240
Tel. : (021) 4513212, 4513215
Fax. : (021) 4513216

Danau Sunter II

Jl. Danau Agung II C3/C, No. 77 A – B
Jakarta 14350
Tel. : (021) 6518089, 6518101
Fax. : (021) 6518101

Kelapa Gading Boulevard II

Jl. Raya Boulevard I-3 No. 4
Jakarta 14240
Tel. : (021) 4515258
Fax. : (021) 4515257

Villa Taman Bandara

Jl. Perancis B1 A8/1
Jakarta 15211
Tel. : (021) 55951683 – 85
Fax. : (021) 55951687

Danau Sunter Utara

Jl. Danau Sunter Utara
Blok J-12 No. 58 – 59
Jakarta 14350
Tel. : (021) 6502135
Fax. : (021) 6515388

Warung Buncit

Jl. Mampang Prapatan Raya No. 91
Jakarta 12790
Tel. : (021) 7984401 – 44
Fax. : (021) 7984395

Ampera

Jl. Ampera Raya 10
Pejaten Barat, Jakarta 12510
Tel. : (021) 7180149 – 50
Fax. : (021) 7180151

Pondok Indah

Jl. Metro Pondok Indah
Kav. II UA No. 65 – 66
Jakarta 12310
Tel. : (021) 7501303, 7500027
Fax. : (021) 7500387

Ciputat

Jl. Ciputat Raya No. 38 – 40
Jakarta 15412
Tel. : (021) 7491296, 7492592
Fax. : (021) 7490033

Panglima Polim

Jl. Panglima Polim Raya No. 79
Jakarta 12160
Tel. : (021) 2700811, 2700632
Fax. : (021) 7206978, 7262061

Bintaro Permai

Jl. Bintaro Permai No. 1
Tanah Kusir, Jakarta 12320
Tel. : (021) 73889677, 73889679
Fax. : (021) 7209654, 7209682

Mal Kalibata

Kalibata Blok III No. 13 – 14
Jl. Kalibata Raya
Jakarta 12750
Tel. : (021) 7970733
Fax. : (021) 7970715

T.B. Simatupang

Graha Simatupang 1st & 2nd Floor
Jl. T.B. Simatupang Kav. 38
Jakarta 12540
Tel. : (021) 7813290 – 94
Fax. : (021) 7813391

Summitmas

Menara Summitmas
Jl. Jend. Sudirman Kav. 61
Jakarta 12910
Tel. : (021) 2526333, 2526335
Fax. : (021) 2526334

Kemang

Jl. Kemang Raya No. 6
Jakarta 12730
Tel. : (021) 7181403 – 04
Fax. : (021) 7181405

Cipulir

Pasar Cipulir Ruko No. 6
Jl. Ciledug Raya
Jakarta 12230
Tel. : (021) 2700628
Fax. : (021) 7254005

Kebayoran Lama

Jl. Kebayoran Lama No. 162 B
Jakarta 12230
Tel. : (021) 2700454, 2700456
Fax. : (021) 7256829

Cawang Kencana

Jl. Mayjend. Sutoyo Kav. 22
Jakarta 13630
Tel. : (021) 8002690
Fax. : (021) 8002693

Bintaro Jaya

Kota Taman Bintaro Jaya
Blok B 3A/A – 01 Sektor VII
Jakarta 12330
Tel. : (021) 7351158
Fax. : (021) 7375127

Grand Wijaya

Jl. Dharmawangsa Raya, Blok G 35/36
Jakarta 12160
Tel. : (021) 2700620
Fax. : (021) 2700611

Mal Pondok Indah

Ground Floor No. 1B
Jl. Metro Pondok Indah, Blok B III
Jakarta 12310
Tel. : (021) 7507010 – 13
Fax. : (021) 7506915

Plaza Senayan

1st Floor No. 109 – 110
Jl. Asia Afrika No. 8
Jakarta 10270
Tel. : (021) 5725087 – 88
Fax. : (021) 5725092

Tebah

Jl. Tebah III No. 36
Jakarta 12120
Tel. : (021) 2702882
Fax. : (021) 2702883, 2700120

Sentra Arteri Mas

Blok 10 – D & E
Jl. Sultan Iskandar Muda, Jakarta 12420
Tel. : (021) 7293325
Fax. : (021) 7293326

Pluit

Jl. Pluit Kencana Raya No. 80
Blok D Kav. 34
Jakarta 14450
Tel. : (021) 6604333 – 38
Fax. : (021) 6693874

Tanjung Priok

Jl. Enggano No. 38
Tanjung Priok, Jakarta 14320
Tel. : (021) 4300419 – 23
Fax. : (021) 4300428

Muara Karang

Jl. Muara Karang 112, Blok B 8 Timur
Jakarta 14450
Tel. : (021) 6601478, 6601480 – 81
Fax. : (021) 6679945

Bandengan Utara

Jl. Bandengan Utara No. 85/A 10
Jakarta 14440
Tel. : (021) 6601469, 6601466
Fax. : (021) 6602785

Jelambar

Komp. Pertokoan Taman Duta Mas
Blok E1 No. 15
Jl. Pangeran Tubagus Angke
Jakarta 11460
Tel. : (021) 5678021 – 23
Fax. : (021) 5678020

Cengkareng

Jl. Bangun Nusa Raya No. 3
Cengkareng, Jakarta 11730
Tel. : (021) 5402728 – 30
Fax. : (021) 5402726

ITC Mangga Dua

Blok D, Jl. Arteri Mangga Dua
Jakarta 14400
Tel. : (021) 6016418 – 20
Fax. : (021) 6016420

Glodok Plaza

Jl. Pinangsia Raya Blok E No. 9 – 10
Jakarta 11110
Tel. : (021) 6281100, 6394364
Fax. : (021) 6497745

Bekasi

Ruko Kalimalang Pusat Pertokoan
Jl Jend. A. Yani Blok A – 1 No. 8
Bekasi 17144
Tel. : (021) 8849060 – 63
Fax. : (021) 8849064

Jembatan Lima

Jl. Moch. Mansyur No. 165 D
Jakarta 11270
Tel. : (021) 6304133 – 35
Fax. : (021) 6304139

Mal Mangga Dua

5th Floor, Jl. Mangga Dua Raya
Jakarta 10730
Tel. : (021) 6129160
Fax. : (021) 6129144

Daan Mogot 1

Jl Raya Daan Mogot No. 6 E – F
Jakarta 11460
Tel. : (021) 5637073
Fax. : (021) 5655453

Soekarno Hatta Airport

Terminal 2D
International Departure
Cengkareng, Jakarta 11460
Tel. : (021) 5501011, 5502928
Fax. : (021) 5501011

Jembatan Dua

Jl. Jembatan Dua No. 11H
Jakarta 14450
Tel. : (021) 6683445 – 46
Fax. : (021) 668347

Mega Mal Pluit

Ground Floor No. 8
Jl. Pluit Raya Permai
Jakarta 14450
Tel. : (021) 6683750 – 51
Fax. : (021) 6683756

Gading Serpong

Jl. Gading Serpong Boulevard
Blok AA No. 27
Jakarta 15310
Tel. : (021) 5467909 – 13
Fax. : (021) 5467916

Gajah Mada

Jl Gajah Mada No. 187
Jakarta 11120
Tel. : (021) 6344948
Fax. : (021) 6345101

Pesona Indah Kapuk

Rukan Pesona Indah Kapuk
Jl. Kapuk Kamal Raya
Blok A. No. 3A & 6
Jakarta 14470
Tel. : (021) 55981850 – 51
Fax. : (021) 55951856

Pangeran Jayakarta

Komp. Sentra Blok B. 18 – 19
Jl. P. Jayakarta No. 126 – 129
Jakarta 10730
Tel. : (021) 6281328
Fax. : (021) 623836

Kali Besar

Jl. Kali Besar Barat No. 18 - 19
Jakarta Barat 11230
Tel. : (021) 2060811
Fax. : (021) 6902820

Polda Daan Mogot

Jl. Daan Mogot KM 11
Jakarta 11710
Tel. : (021) 54391823 – 24
Fax. : (021) 5455703

Mal Puri Indah

Jl. Puri Agung
Puri Indah Kembangan
Jakarta 11610
Tel. : (021) 5822514-18
Fax. : (021) 5822511

Depok

Jl. Margonda Raya No. 38
Depok 16424
Tel. : (021) 7751368 – 70
Fax. : (021) 7521090

Taman Cibodas

Komp. Pertokoan Duta Mas
Blok 1-4, Jl. Gatot Subroto
Tangerang 15138
Tel. : (021) 5528440 – 42
Fax. : (021) 5549505

Kota Wisata

Sentra Komunitas Kyoto No. B3
Komp. Perumahan Kota Wisata
Jl. Transyogi KM 6
Cibubur 16965
Tel. : (021) 82495003 – 06
Fax. : (021) 82495007

Cikarang Plaza

Ruko Cikarang Plaza
Blok B No. 17 & 18
Jl. Sumantri
Cikarang 17530
Tel. : (021) 8903178
Fax. : (021) 8903156

Lippo Cikarang

Komp. Ruko Union Thamrin Square Blok E
No. 6, Bekasi 17750
Tel. : (021) 89909052 – 54
Fax. : (021) 89908731

Tangerang

Jl. Daan Mogot No. 33
Jakarta 15111
Tel. : (021) 5513626 – 29
Fax. : (021) 5513625

Gedung Indah Kiat

Jl. Raya Serpong KM 8
Tangerang 15310
Tel. : (021) 53120270
Fax. : (021) 53120269

Bumi Serpong Damai

Komp. Bumi Serpong Damai
Blok N Type F No. 56 – 57, Sektor VII
Tangerang 15322
Tel. : (021) 5371455
Fax. : (021) 5371454

Alfa Super

Komp. Sentra Perkulakan
Jl. M.H. Thamrin No. 9
Cikokol, Tangerang 15117
Tel. : (021) 5549506
Fax. : (021) 5527561

Pondok Gede

Pondok Gede Asri, Blok B1 No. B2
Pondok Gede, Bekasi 17411
Tel. : (021) 8463103, 8463106
Fax. : (021) 8469687, 8469664

Cibitung

Komp. Perkantoran Kawasan Industri MM
2100, Blok C, 12 – 12 A
Cibitung, Bekasi 17520
Tel. : (021) 8981338 – 40
Fax. : (021) 8981341

KARAWANG

Jl. Jend. A. Yani No. 85
Karawang 41314
Tel. : (0267) 403304
Fax. : (0267) 403766

Cikampek

Jl. Jend A. Yani Ruko No. 60 C
Cikampek 41373
Tel. : (0264) 311761 – 63
Fax. : (0264) 318969

Sedana

Jl. Kintamani Raya Sedana
Ruko 1 – 2, Pintu Tol Karawang Barat
Karawang 41361
Tel. : (0267) 411527
Fax. : (0267) 411623

KIIC

Kawasan Karawang Industrial
International City
Jl. Permata Raya Lot C No. 1B
Karawang 41361
Tel. : (021) 8905404
Fax. : (021) 8905412

Pindo Deli

Gd. Pindo Deli Pulp & Paper Mills Lt. L Kuta
Mekar, Teluk Jambe
Karawang 41361
Tel. : (0267) 440045
Fax. : (0267) 440940

MEDAN

Jl. Diponegoro 18
Medan 20152
Tel. : (061) 4537222, 4537888
Fax. : (061) 4537211 – 12

Sutomo

Jl. Dr. Sutomo No. 18 I – J
Medan 20234
Tel. : (061) 4565088
Fax. : (061) 4567808

Cirebon

Jl. Cirebon No. 11
Medan 20212
Tel. : (061) 4157111
Fax. : (061) 4155639

Pulo Brayon

Jl. K.L. Yos Sudarso No. 2 M – N
Medan 20116
Tel. : (061) 6620888
Fax. : (061) 6621850

Medan Plaza

1st Floor, Jl. Iskandar Muda
Medan 20122
Tel. : (061) 4528628
Fax. : (061) 4521005

Binjai

Jl. Veteran No. 1 C – D
Binjai, Medan 20712
Tel. : (061) 8822325
Fax. : (061) 8821037

Mangkubumi

Jl Mangkubumi No. 18
Medan 20151
Tel. : (061) 4511800, 4512800
Fax. : (061) 4510510

Thamrin

Jl. Thamrin No 75 CI
Medan 20214
Tel. : (061) 7348000
Fax. : (061) 7348682

A.R. Hakim

Jl. A.R. Hakim No. 8
Medan 20216
Tel. : (061) 7352688
Fax. : (061) 7351253

Mal Medan

1st Floor No. 16, Jl. M.T. Haryono
Medan 20212
Tel. : (061) 4575771
Fax. : (061) 4575779

Tomang Elok

Komp. Tomang Elok Blok C. No. 105
Jl. Gatot Subroto
Medan 20122
Tel. : (061) 8462222
Fax. : (061) 8462002

Krakatau

Jl. Krakatau No. 138 A
Medan 20238
Tel. : (061) 6630050
Fax. : (061) 6630048

Juanda Baru

Jl. Juanda Baru No. 39
Medan 20213
Tel. : (061) 7351262
Fax. : (061) 7351254

Setia Budi Indah

Komp. Taman Setia Budi Indah
Blok C. No. 1
Medan 20122
Tel. : (061) 8219037
Fax. : (061) 8219436

BANDA ACEH

Jl. Panglima Polim No. 50 – 52
Banda Aceh 23122
Tel. : (0651) 26888
Fax. : (0651) 23789

Lhokseumawe

Jl. Sukaramai No. 43
Lhokseumawe 24351
Tel. : (0645) 40740, 43356
Fax. : (0645) 41018

PEMATANG SIANTAR

Jl. Dr. Sutomo No. 245
Pematang Siantar 21118
Tel. : (0622) 22996, 420777
Fax. : (0622) 22348

RANTAU PRAPAT

Jl. Diponegoro No. 19 – 21
Rantau Prapat 21412
Tel. : (0624) 327333, 21275
Fax. : (0624) 21749

BATAM

Jodoh Square

Jl. Raja Ali Haji Blok A 10 – 11
Batam 29432
Tel. : (0778) 456377, 456864
Fax. : (0778) 457265

Raden Patah

Indah Permai Center Blok B
Jl. Raden Patah No. 14
Batam 29432
Tel. : (0778) 422710
Fax. : (0778) 422760

TANJUNG PINANG

Jl. Merdeka No. 6 G
Tanjung Pinang 29111
Tel. : (0771) 311800
Fax. : (0771) 26267

PEKANBARU

Senapelan Plaza

Jl. Jend. Sudirman No. 69
Pekanbaru 28141
Tel. : (0761) 31922
Fax. : (0761) 32272

Perawang

PT Indah Kiat Pulp & Paper Building
KM 26, Jl. Raya Minas, Perawang
Pekanbaru 28772
Tel. : (0761) 91490
Fax. : (0761) 91491

Nangka

Citra Plaza
Jl. Tuanku Tambusai
(d/h Jl. Nangka) No. 12
Pekanbaru 28126
Tel. : (0761) 28230, 28231
Fax. : (0761) 28229

PADANG

Jl. Jend Sudirman No.14
Padang 25121
Tel. : (0751) 30811
Fax. : (0751) 33989, 34752

Pondok

Jl. Pondok No. 86 C
Padang 25211
Tel. : (0751) 33148
Fax. : (0751) 36211

Bukit Tinggi

Jl. Jend A. Yani No. 92
Bukit Tinggi 26113
Tel. : (0752) 624929, 625811
Fax. : (0752) 624991

JAMBI

Jl. Dr. Sutomo No. 54
Jambi 36000
Tel. : (0741) 32141 – 42
Fax. : (0741) 32488

BENGGULU

Jl. Letjend. Suprpto No. 205
Bengkulu 38222
Tel. : (0736) 344100
Fax. : (0736) 343559

PALEMBANG

Jl. Kapt. A. Rivai No. 1293
Palembang 30129
Tel. : (0711) 311909, 311880
Fax. : (0711) 311882

Kebumen

Jl. Kebumen Darat No. 742
Palembang 30122
Tel. : (0711) 361447, 361450
Fax. : (0711) 361449

Lembang

Jl. R. E. Martadinata No. 18 B
Palembang 30116
Tel. : (0711) 715608
Fax. : (0711) 715614

Polygon

Perumahan Bukit Sejahtera
Blok BA No. 17
Palembang 30139
Tel. : (0711) 442605
Fax. : (0711) 442604

Kenten

Jl. Siaran No. 11 Sako Kenten
Palembang 30163
Tel. : (0711) 817103, 817105
Fax. : (0711) 817088

Letkol Iskandar

Jl. Letkol. Iskandar No. 901 D
Palembang 30134
Tel. : (0711) 370772
Fax. : (0711) 311827

BANDUNG

Jl. R.E. Martadinata No. 23
Bandung 40115
Tel. : (022) 4240720
Fax. : (022) 4240721

Buah Batu

Jl. Buah Batu No. 261
Bandung 40264
Tel. : (022) 7305595
Fax. : (022) 7307904

Jl. Jakarta

Jl. Jakarta No. 26
Bandung 40272
Tel. : (022) 7214850
Fax. : (022) 7214857

Setia Budi

Jl. Setia Budi No. 170 K
Bandung 40141
Tel. : (022) 232616
Fax. : (022) 232608

Kopo Plaza

Komp. Bumi Kopo Kencana
Blok D – 14, Jl. Lingkar Selatan
Bandung 40223
Tel. : (022) 679717
Fax. : (022) 679712

Asia Afrika

Jl. Asia Afrika No. 95 – 97
Bandung 40112
Tel. : (022) 4238010
Fax. : (022) 4204134

Kopo Sayati

Jl. Raya Kopo Bihbul No. 16 D
Bandung 40225
Tel. : (022) 5415858
Fax. : (022) 5415800

Cibadak

Jl Cibadak No. 88
Bandung 40241
Tel. : (022) 4207809
Fax. : (022) 4213525

Cimahi

Jl. Raya Cibabat No. 118
Cimahi, Bandung 40513
Tel. : (022) 6658188
Fax. : (022) 6657281

Sumber Sari

Ruko Sumber Sari No. 130
Jl. Soekarno Hatta
Bandung 40222
Tel. : (022) 679900
Fax. : (022) 643345

Surya Sumantri

Jl. Surya Sumantri No. 76
Bandung 40164
Tel. : (022) 2003390
Fax. : (022) 2002587

A. Yani

Jl. A. Yani No. 702
Bandung 40282
Tel. : (022) 7202915
Fax. : (022) 7206220

CIBINONG

Pertokoan Cibinong Indah

Blok A No. 3
Jl. Mayor Oling Jayaatmaja No. 27
Cibinong 16917
Tel. : (021) 8753692 – 3
Fax. : (021) 8753694

BOGOR

Jl. Suryakencana No. 231
Bogor 16126
Tel. : (0251) 330316
Fax. : (0251) 328662

Dewi Sartika

Jl. Dewi Sartika No. 2 D, Bogor 16121
Tel. : (0251) 333728, 333730
Fax. : (0251) 336624

Rancamaya

Rancamaya Estate Ruko No. 5
Jl. Raya Sukabumi, Bogor 16139
Tel. : (0251) 246382, 240352
Fax. : (0251) 246383

CIREBON

Jl. Siliwangi No. 49, Cirebon 45121
Tel. : (0231) 202150
Fax. : (0231) 207050

Winaon

Jl. Winaon No. 14, Cirebon 45117
Tel. : (0231) 233350
Fax. : (0231) 211820

TASIKMALAYA

Jl. Yudanegara No. 16 – 17
Tasikmalaya 46121
Tel. : (0254) 338408
Fax. : (0254) 338411

CILEGON

Komp. Ruko Bonakarta
Blok C No. 7 & 8, Jl. Raya Anyer
Cilegon 42414
Tel. : (0254) 395401
Fax. : (0254) 395403

Serang

Gedung IKPP Serang
Jl. Raya Serang KM 76
Kragilan, Serang 42184
Tel. : (0254) 280905
Fax. : (0254) 280901

SEMARANG

Jl. Pemuda No. 150, Semarang 50139
Tel. : (024) 3511506
Fax. : (024) 3542932

Gang Tengah

Jl. Gang Tengah No. 9, Semarang 50136
Tel. : (024) 3546440
Fax. : (024) 3515584

Sultan Agung

Komp. Pertokoan Sultan Agung I
Jl. Sultan Agung No. 1, Semarang 50232
Tel. : (024) 8315590
Fax. : (024) 8442538

Majapahit

Komp. Maja Mas
Jl. Brigjend. Sudiarto No. 198
Semarang 50167
Tel. : (024) 6717205
Fax. : (024) 6717511

Mal Ciputra

Ground Floor, Jl. Simpang Lima No. 2
Semarang 50132
Tel. : (024) 8414901
Fax. : (024) 8441391

Semarang Plaza

Jl. H. Agus Salim No. 7, Semarang 50137
Tel. : (024) 3561580
Fax. : (024) 3561581

Ambarawa

Plaza Kupang Blok A 2
Jl. Jend. Sudirman No. 51
Ambarawa 50612
Tel. : (0298) 592171, 591246
Fax. : (0298) 592403

PEKALONGAN

Jl. Diponegoro No. 4, Pekalongan 51116
Tel. : (0285) 421337, 411505
Fax. : (0285) 423313

SALATIGA

Jl. Jend. Sudirman No. 172
Salatiga 50711
Tel. : (0298) 326280, 327193
Fax. : (0298) 326547

MAGELANG

Jl. A. Yani No. 11, Magelang 56117
Tel. : (0293) 364421
Fax. : (0293) 362816

Tidar

Pertokoan Rejo Tumoto 7 A
Jl. Tidar, Magelang 56125
Tel. : (0293) 368722
Fax. : (0293) 368723

SOLO

Jl. Slamet Riyadi No. 307, Solo 57142
Tel. : (0271) 722910, 728281
Fax. : (0271) 722905

Pasar Besar

Jl. Urip Sumoharjo No. 29
Solo 57128
Tel. : (0271) 632651 – 53
Fax. : (0271) 632652

Palur

Jl. Raya Palur No. 50, Solo 57771
Tel. : (0271) 827584, 821357
Fax. : (0271) 827585

Kartasura

Komp. Ruko Kartosuro Blok A I
Jl. Raya Kartasura, Solo 57167
Tel. : (0271) 780487, 781703
Fax. : (0271) 780514

Klaten

Jl. Pemuda Utara No. 192
Klaten 57411
Tel. : (0272) 320559 – 62
Fax. : (0272) 322216

PURWOKERTO

Jl. Jend. Sudirman, No. 660 – 662
Purwokerto 53114
Tel. : (0281) 638623
Fax. : (0281) 638622

Ajibarang

Pasar Ajibarang Toko A 9
Jl Raya Pancasan KM 0,5
Ajibarang, Banyumas 53163
Tel. : (0281) 572136
Fax. : (0281) 571385

TEGAL

Jl. Jend. Sudirman No. 40
Tegal 52113
Tel. : (0283) 358500
Fax. : (0283) 358400

KUDUS

Komp. Ruko Panjunan
Jl. Dr. Lukmonohadi No. 65
Kudus 59317
Tel. : (0291) 432841
Fax. : (0291) 432849

YOGYAKARTA

Jl. Jend. Sudirman No. 48
Yogyakarta 55224
Tel. : (0274) 561416
Fax. : (0274) 561832

Mangkubumi

Jl. Mangkubumi No. 99
Yogyakarta 55232
Tel. : (0274) 545661
Fax. : (0274) 561874

PONTIANAK

Jl. Tanjungpura No. 128
Pontianak 78117
Tel. : (0561) 739220
Fax. : (0561) 732208

LAMPUNG**Bandar Lampung**

Jl. Ikan Hiu No. 2/3, Teluk Betung
Bandar Lampung 35221
Tel. : (0721) 487411
Fax. : (0721) 486225

Tanjung Karang

Komp. Pertokoan Pasar Tengah
Blok B II No. 15, Jl. Kartini
Tanjung Karang 35111
Tel. : (0721) 266651
Fax. : (0721) 266654

Metro Lampung

Komp. Pertokoan Sumur Bandung
Blok B No. 5, Metro Lampung 34111
Tel. : (0725) 47811, 47813 – 4
Fax. : (0725) 47311

SURABAYA

Jl. Pemuda No. 60 – 70, Surabaya 60271
Tel. : (031) 5326444
Fax. : (031) 5326461

Pondok Candra

Jl. Palem No. 22 – 23, Surabaya 60222
Tel. : (031) 8669531
Fax. : (031) 8669538

Kapasan

Jl. Kapasan No. 19, Surabaya 60141
Tel. : (031) 3760180
Fax. : (031) 3770607

Darmo

Jl. Raya Darmo No. 121, Surabaya 60241
Tel. : (031) 5672347
Fax. : (031) 5672803

Kertajaya

Jl Kertajaya No. 198, Surabaya 60282
Tel. : (031) 5015741
Fax. : (031) 5015747

Mayjend. Sungkono

Jl. Mayjend. Sungkono No. 131
Surabaya 60225
Tel. : (031) 5671133
Fax. : (031) 5671139

Bongkaran

Pertokoan Bongkaran Megah
Jl. Bongkaran No. 20 – 24
Surabaya 60161
Tel. : (031) 3553916
Fax. : (031) 3553920

Tunjungan Plaza

Tunjungan Plaza I LG 08
Jl. Basuki Rahmat No. 8/12
Surabaya 60261
Tel. : (031) 5468133
Fax. : (031) 5468131

Kapas Krampung

Jl. Kapas Krampung No. 188
Surabaya 60136
Tel. : (031) 5035418
Fax. : (031) 5035413

Argopuro

Jl. Argopuro No. 53 – 53A
Surabaya 60251
Tel. : (031) 5320523
Fax. : (031) 5346245

Jemur Andayani

Jl. Jemur Andayani No. 19
Surabaya 60327
Tel. : (031) 8433570
Fax. : (031) 8433557

Jembatan Merah

Jl. Jembatan Merah No. 3
Surabaya 60175
Tel. : (031) 3520055
Fax. : (031) 3532150

Sidoarjo

Jl Sidoarjo No. 14 – 16, Surabaya 60161
Tel. : (0319) 8962508
Fax. : (0319) 8921462

Mal Galaxy

Ground Floor No. 73
Jl. Darmahusada Indah Timur No. 37
Surabaya 60116
Tel. : (031) 5937175
Fax. : (031) 5937172

Manyar

Manyar Megah Indah Plaza
Blok D 3 – 5, Surabaya 60283
Tel. : (031) 5620981
Fax. : (031) 5660985

Citra Raya

Ruko Sentra Niaga No. 3
Komp. Perumahan Citra Raya
Surabaya 60219
Tel. : (031) 7413329
Fax. : (031) 7410947

PROBOLINGGO

Jl. Dr. Sutomo No. 91 – 92
Probolinggo 67217
Tel. : (0335) 422384
Fax. : (0335) 422387

MOJOKERTO

Jl. Jaksa Agung Suprpto No. 30
Mojokerto 61311
Tel. : (0321) 383811
Fax. : (0321) 323563

MALANG

Jl. Basuki Rachmat No. 91 – 92
Malang 65111
Tel. : (0341) 368875
Fax. : (0341) 369744

Kawi

Jl. Kawi No. 11, Malang 65116
Tel. : (0341) 365131
Fax. : (0341) 365097

KEDIRI

Jl. Hayam Wuruk No. 20 B – C
Kediri 64121
Tel. : (0354) 685582
Fax. : (0354) 687363

JEMBER

Jl. Gatot Subroto No. 68 – 70
Jember 68131
Tel. : (0331) 484706
Fax. : (0331) 487972

JOMBANG

Jl. Merdeka No. 133 – 135
Jombang 61413
Tel. : (0321) 864532
Fax. : (0321) 864537

BALIKPAPAN

Komp. Balikpapan Permai

Jl. Jend Sudirman 640, Balikpapan 76114
Tel. : (0542) 731176
Fax. : (0542) 731170

Kebon Sayur

Jl. Letjend. Soeprapto No. 24
Balikpapan 76132
Tel. : (0542) 735262
Fax. : (0542) 735265

SAMARINDA

Jl. Panglima Baur No. 1, 2, 5
Samarinda 75112
Tel. : (0541) 732751
Fax. : (0541) 732750

Segiri

Pertokoan Pasar Segiri No. 7
Jl. Pahlawan, Samarinda 75123
Tel. : (0541) 200025
Fax. : (0541) 200024

Bontang

Jl. Bayangkara No. 88, Bontang 75313
Tel. : (0548) 23123
Fax. : (0548) 23124

BANJARMASIN

Jl. Lambung Mangkurat No. 18
Banjarmasin 70111
Tel. : (0511) 67711 – 16
Fax. : (0511) 67717

Martapura

Komp. Pertokoan Martapura Plaza
Jl. Angkasa No. 34, Martapura 70616
Tel. : (0511) 720495
Fax. : (0511) 720496

MANADO

Jl. Sam Ratulangi No. 18, Manado 95111
Tel. : (0431) 860543
Fax. : (0431) 864248

PALU

Komp. Palu Plaza Blok A No. 3 – 5
Jl. Danau Lindu, Palu 94222
Tel. : (0451) 423421, 423384
Fax. : (0451) 423168

MAKASSAR

Jl. Kajaolalido No. 6, Makassar 90111
Tel. : (0411) 328515
Fax. : (0411) 316700

Sulawesi

Jl. Sulawesi No. 141, Makassar 90174
Tel. : (0411) 312827
Fax. : (0411) 315608

Bandang

Jl. Bandang No. 55 A, Makassar 90156
Tel. : (0411) 315315
Fax. : (0411) 316387

Mal Makassar

Komp. Mal Makasar
Jl. K.H. Ramli R. 99, Makassar 90174
Tel. : (0411) 322808
Fax. : (0411) 321498

KENDARI

Jl. H. Abdul Silandoe
No. 82 – 84, Kendari 93111
Tel. : (0401) 327000
Fax. : (0401) 324333

SAMPIT

Jl. Rahadi Usman No. 3, Sampit 74322
Tel. : (0531) 23464 – 69
Fax. : (0531) 23471

Pasar Sentral

Pasar Sentral, No. 3 B, Jl. M.T. Haryono
Sampit 74322
Tel. : (0531) 30782

DENPASAR

Jl. Udayana No. 1, Denpasar 80232
Tel. : (0361) 237250
Fax. : (0361) 232515

Nusa Dua

Jl. By Pass, Pertokoan Nusa Dua
Blok E 39 – 41, Denpasar 80363
Tel. : (0361) 772072
Fax. : (0361) 772071

Ubud

Jl. Raya Ubud, Gianyar 80571
Tel. : (0361) 976595
Fax. : (0361) 976107

Kuta Square

Jl. Bakung Sari
Pertokoan Kuta Square D 3 & 4
Denpasar 80361
Tel. : (0361) 756671
Fax. : (0361) 754189

Sudirman

Jl. Sudirman No. 8, Denpasar 80114
Tel. : (0361) 240411
Fax. : (0361) 234289

Dewi Sartika

Pertokoan Duta Permai
B1 – 1D & E, Jl. Dewi Sartika
Denpasar 80114
Tel. : (0361) 234306
Fax. : (0361) 234305

Singaraja

Jl. Diponegoro No. 93 B
Singaraja 81113
Tel. : (0362) 21234
Fax. : (0362) 21348

MATARAM

Jl. A. A. Gede Ngurah No. 46 B – D
Mataram 83235
Tel. : (0370) 635027
Fax. : (0370) 633347

KUPANG

Jl. Siliwangi No. 35
Kupang 85221
Tel. : (0380) 822889
Fax. : (0380) 831734

AMBON

Jl. Diponegoro No. 75 A
Ambon 97127
Tel. : (0911) 354343
Fax. : (0911) 342829

Ambon Plaza

Ambon Plaza Lt. 2
Jl. Sam Ratulangi
Ambon
Tel. : (0911) 45340, 45392
Fax. : (0911) 42829

JAYAPURA

Jl. Percetakan Negara No. 18
Jayapura 99111
Tel. : (0967) 536712 – 13
Fax. : (0967) 536711

SORONG

Jl. Basuki Rahmat No. 11
Sorong 98416
Tel. : (0951) 321412
Fax. : (0951) 321585

OVERSEAS BRANCHES

Cayman Islands
Mumbai, India
Port Louis, Mauritius

Banking and Product Services

PRODUCT

DEPOSIT

Superpundi
Superpundi Gold
Super Dolar (USD, SGD, EURO)
Credit Card Accounts (Rp and USD)

CREDIT

Credit Card (VISA, MasterCard, JCB)
Small Business Loans
Working Capital Loans
Investment Loans
Two Step Loans
Loans to Primary Cooperatives for its Member
Housing Loans
Car Loans
Motorcycle Loans
Letter of Credit (L/C)

SERVICES

REMITTANCES

Clearing
Domestic & Overseas Collection
Inward/Incoming Forex Transfer
Outward/Outgoing Forex Transfer
Western Union Money Transfer
Export/Import
Draft Collection
Real Time Gross Settlement

CUSTODIAN

Safe Deposit Box
Custodian

BILL PAYMENTS

Electricity Bills
Telephone Bills
Tax Payments
Payroll
Collection

DEPOSITS

Current Accounts (Rupiah/Fcy)
Demand Deposits (Rupiah/Fcy)
Time Deposits (Rupiah/Fcy)
Deposit On Call (Rupiah/USD)
Certificates of Deposit

FOREX TRANSACTIONS

Spot Foreign Exchange
Forward Foreign Exchange
Foreign Exchange Swap
Money Changer

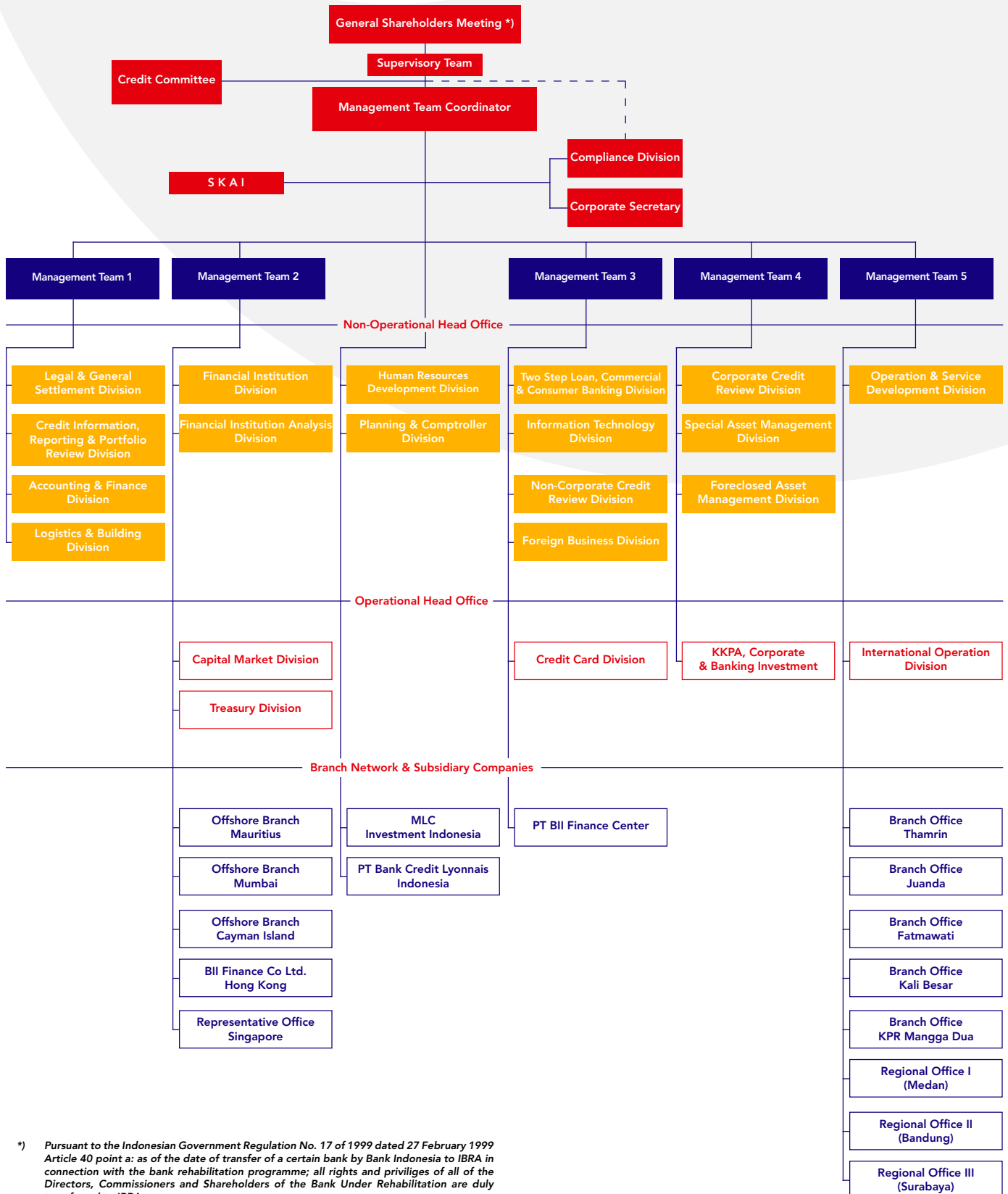
LOANS

Corporate Loans
Syndicated Loans
Trade Finance
Bank Advances and Guarantees

ADVISORY

Syndication Arranger
Agency Activities
Financial Advisory

Organisation Structure



*) Pursuant to the Indonesian Government Regulation No. 17 of 1999 dated 27 February 1999 Article 40 point a: as of the date of transfer of a certain bank by Bank Indonesia to IBRA in connection with the bank rehabilitation programme; all rights and privileges of all of the Directors, Commissioners and Shareholders of the Bank Under Rehabilitation are duly transferred to IBRA.



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