

Bank Internasional Indonesia
Annual Report 2003

Bank Internasional Indonesia Annual Report 2003 Foundation of Sustainable Growth

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Foundation of
Sustainable Growth



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SHARE HIGHLIGHTS

	PRICE (In Rupiah)					
	2003		2002		2001	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
SHARE PRICE*						
First Quarter	60	40	350	200	400	200
Second Quarter	125	55	300	120	300	200
Third Quarter	120	80	125	40	350	200
Fourth Quarter	150	90	55	30	300	200
TRANSACTION VOLUME						
First Quarter	32.672.000	16.000	40.426.501	500	68.518.501	43.500
Second Quarter	157.216.000	219.000	29.812.000	27.000	11.840.000	7.000
Third Quarter	162.263.000	45.500	13.904.000	30.500	67.423.001	35.000
Fourth Quarter	8.342.677.500	856.500	6.876.000	5.500	32.768.000	1.000
	PRICE (In Rupiah)			TRANSACTION VOLUME		
SHARE PERFORMANCE	2003	2002	2001	2003	2002	2001
Year End	110	50	250	85.431.000	1.521.000	162.000
Earnings Per Share	6	5	(445)			
Dividend Payout Ratio	-	-	-			
Dividend Yield	-	-	-			
(As of 31 December 2003)	NUMBER OF SHARES (In thousand Shares)	NOMINAL (In million Rupiah)	(%)			
Authorized Capital	208.841.497	38.000.000				
Issued and Paid-Up Capital						
Series A Shares	388.146	1.940.731				
Series B Shares	3.725.324	4.656.655				
Series C Shares	5.165.876	6.457.345				
Series D Shares	38.504.000	4.813.000				
Total	47.783.346	17.867.731				
Shareholders						
Sorak Financial Holdings Pte. Ltd.	24.479.506		51,23%			
Government of Republic of Indonesia qq IBRA	10.746.626		22,49%			
Public	12.557.214		26,28%			
Total	47.783.346		100,00%			

***Notes:** As a result of the Extraordinary General Meeting of Shareholders on May 31, 2002, on June 2002 the Bank had conducted a reverse stock split on Series A, B, and C Shares, with each share equivalent to ten times of the par value. Thereafter, the authorized capital of Rp 38 trillion equivalent to 208,841,497,003 shares consisted of the following:

- 388,146,231 Series A shares with a par value of RP 5,000 (full amount) per share,
- 3,631,648,456 Series B shares with a par value of Rp 1,250 (full amount) per share,
- 5,259,551,544 Series C shares with a par value of Rp 1,250 (full amount) per share, and
- 199,562,150,772 Series D shares with a par value of Rp 125 (full amount) per share

All historical prices are adjusted to reflect the reverse stock split.

FINANCIAL HIGHLIGHTS

(Figures in million Rupiah, unless otherwise noted)

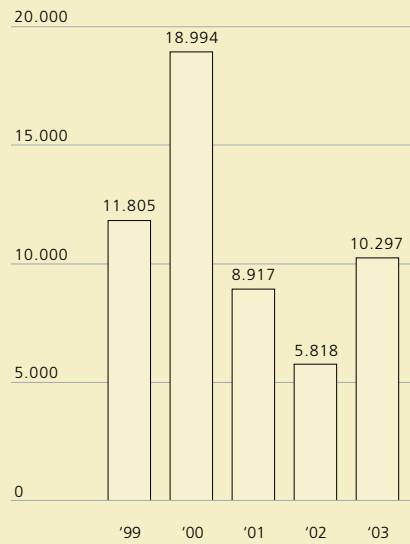
FOR THE YEAR	2003	2002	2001	2000	1999
Interest Income	3.343.277	3.087.574	3.332.320	3.537.524	4.783.325
Net Interest Income	1.017.855	(49.996)	39.882	687.052	(1.155.123)
Net Income Before Taxes	270.077	131.876	(3.328.347)	381.333	(2.057.634)
Net Income	309.089	132.517	(4.130.540)	267.487	(2.092.809)
AT THE END OF THE YEAR					
Loans (Gross)	10.296.662	5.818.005	8.916.736	18.994.031	11.804.944
Earnings Assets (Net)	30.651.238	32.194.875	27.018.604	31.747.880	34.385.926
Total Deposits ¹	29.493.274	29.498.289	25.122.762	28.834.389	26.101.065
Borrowings	501.510	2.113.235	3.974.025	4.144.903	5.102.318
Shareholder's Equity	3.359.832	2.976.786	(2.199.110)	2.338.640	1.936.134
Total Assets	34.728.751	36.342.939	30.754.397	37.326.024	40.185.239
Outstanding Shares (Number of Shares)	47.783.346.231	47.783.346.231	92.793.462.307	92.793.462.307	92.793.360.445
AVERAGE BALANCE					
Loans (Gross)	8.057.334	7.367.371	13.955.384	15.399.488	15.164.885
Earnings Assets (Net)	31.423.057	29.606.740	29.383.242	33.066.903	32.361.274
Total Deposits ¹	29.495.782	27.310.526	26.978.576	27.467.727	26.506.902
Borrowings	1.307.373	3.043.630	4.059.464	4.623.611	5.443.813
Shareholder's Equity	3.168.309	388.838	69.765	2.137.387	(3.370.496)
Total Assets	35.535.845	33.548.668	34.040.211	38.755.632	37.713.539
Outstanding Shares (Number of Shares) ²	47.783.346.231	28.628.312.739	9.279.346.231	9.279.346.231	53.844.470.450
FINANCIAL RATIO (%)					
CAR	22,02%	33,21%	-47,41%	7,57%	4,43%
Return on Average Assets	0,87%	0,39%	-12,13%	0,69%	-5,55%
Return on Average Equity	9,76%	N/A ³	N/A ³	12,51%	-62,09%
Non-Performing Loans to Total Loans	6,13%	9,12%	60,98%	72,42%	53,10%
Net Interest Margin	3,29%	-0,15%	0,12%	1,97%	-3,06%
Loans to Deposit Ratio ¹	34,91%	19,72%	35,49%	65,87%	45,23%
PER SHARE (Rp)					
Net Income (Loss)	6	5	(445)	29	(39)
Shareholder's Equity	70	104	(237)	252	(36)

¹⁾ Bank and Non-Bank ²⁾ Weighted average

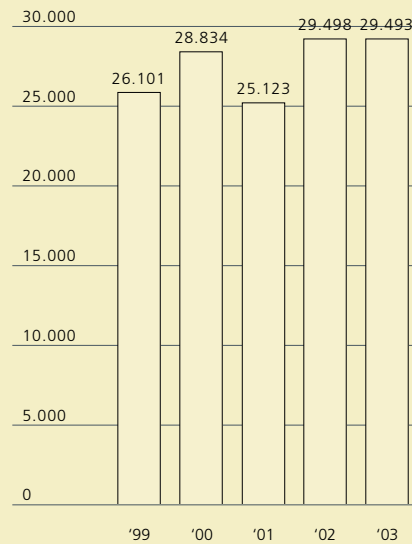
³⁾ Returned on shareholder's equity is not comparative because of significant change in shareholder equity in the relevant period or due to average capital deficiency for the relevant period

STATISTICS & CHRONOLOGICAL SHARE OVERVIEW

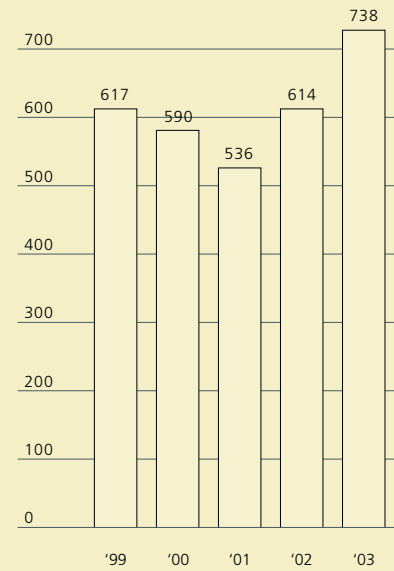
TOTAL LOANS 1999-2003
(In Rupiah Billion)



TOTAL DEPOSITS 1999-2003
(In Rupiah Billion)

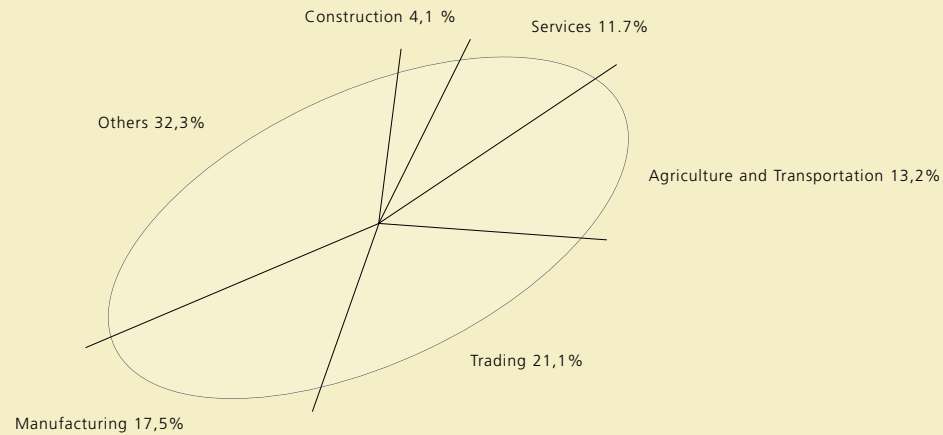


FEE BASED INCOME 1999-2003
(In Rupiah Billion)



2003 DISTRIBUTION OF LOANS

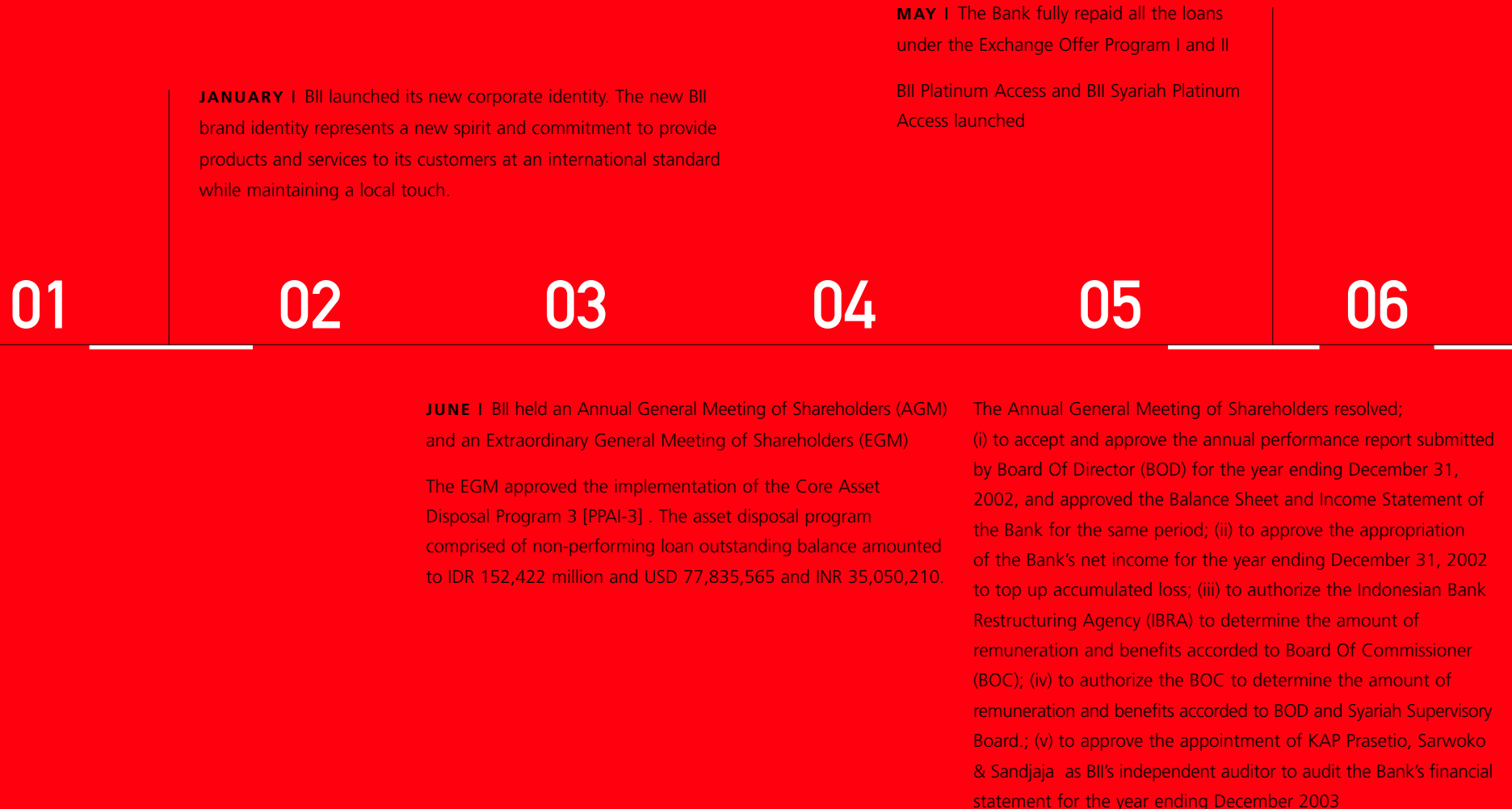
(By Economic Sector)



SHARE OVERVIEW

	Listing Date	Number of Shares	Total Listed
IPO (nominal Rp. 1000,-)	21/11/1989	12.000.000	12.000.000
Share Bonus	8/7/1990	28.000.000	40.000.000
Company Listing	18/7/1990	100.000.000	140.000.000
Share Dividends & Share Bonus	6/8/1991	63.000.000	203.000.000
Share Dividends	4/8/1992	60.585.920	263.585.920
Right Issue I	15/2/1994	52.717.184	316.303.104
Share Dividends	26/8/1996	35.144.789	351.447.893
Share Bonus	26/8/1996	253.042.483	604.490.376
Share Bonus	23/10/1996	362.694.226	967.184.601
Stock Split (nominal Rp.500,-)	4/11/1996	-	1.934.369.204
Rights Issue II	16/1/1997	1.289.579.469	3.223.948.673
Warrant Conversion I	1997	10.453.776	3.234.402.449
Warrant Conversion I	1998	42.520	3.234.444.969
Warrant Conversion I	1999	2.500	3.234.447.469
Share Bonus	8/3/1999	646.888.994	3.881.336.463
Rights Issue III (nominal Rp.125,-)	6/4/1999	62.101.383.408	65.982.719.871
Rights Issue III (continuation)	21/6/1999	26.810.616.592	92.793.336.463
Warrant Conversion I	1999	23.982	92.793.360.445
Warrant Conversion IBRA (C – B)	1999	329.041.216	92.793.360.445
Warrant Conversion I	2000	101.862	92.793.462.307
Warrant Conversion IBRA (C – B)	2000	216.216	92.793.462.307
Warrant Conversion IBRA (C – B)	2001	95.830.560	92.793.462.307
Reverse Stock (10:1)	19/6/2002	-	9.279.346.231
Rights Issue IV	11/7/2002	38.504.000.000	47.783.346.231

2003 MILESTONES



NOVEMBER | The IBRA entered into a Sale and Purchase Agreement with Sorak Financial Holdings Pte. Ltd., under which the later agreed to purchase 24,369,506,578 Series D shares, constituting 51% of the total outstanding shares in the Company.

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JULY – SEPTEMBER | The Bank sold a portion of its non-performing loans through PPAI-3.

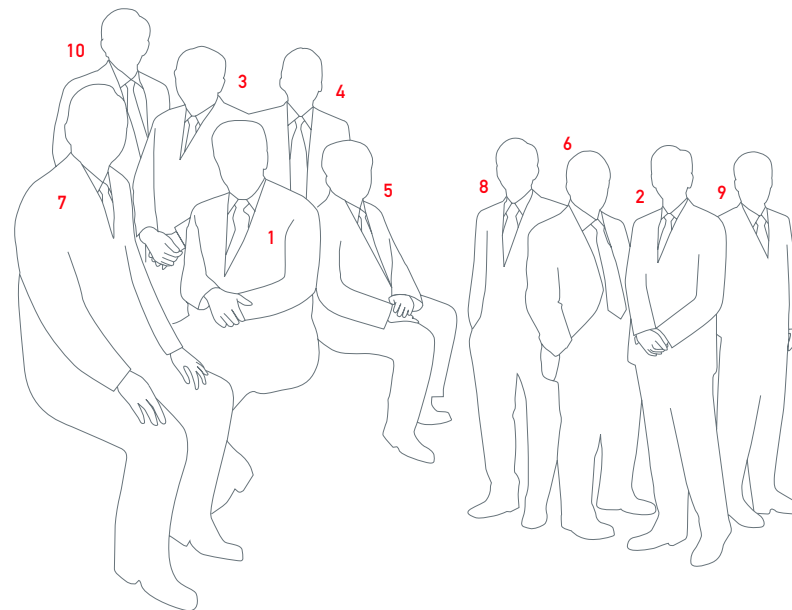
The Bank bought back a portion of its liability to Acme Securitization Co. with a nominal value of USD 63,620,108 at a purchase price ranging from 97.00% to 98.30% of face value.

DECEMBER | IBRA sold 8,327,400,000 series D shares of BII to eligible non-US persons outside Indonesia and the United States, and to a limited number of investors in the Republic of Indonesia under Regulation S of the US Securities Act of 1933.

New Board of Commissioners and Directors were appointed at the EGM held on 16 December 2003



BOARD OF COMMISSIONERS



President Commissioner

1 Peter Seah Lim Huat

Vice President Commissioner

2 Sumantri Slamet I.S.

Commissioner

3 Putu Antara

4 Pradjoto

5 Umar Juoro

6 Fuad Rahmany

7 Jimmy Phoon Siew Heng

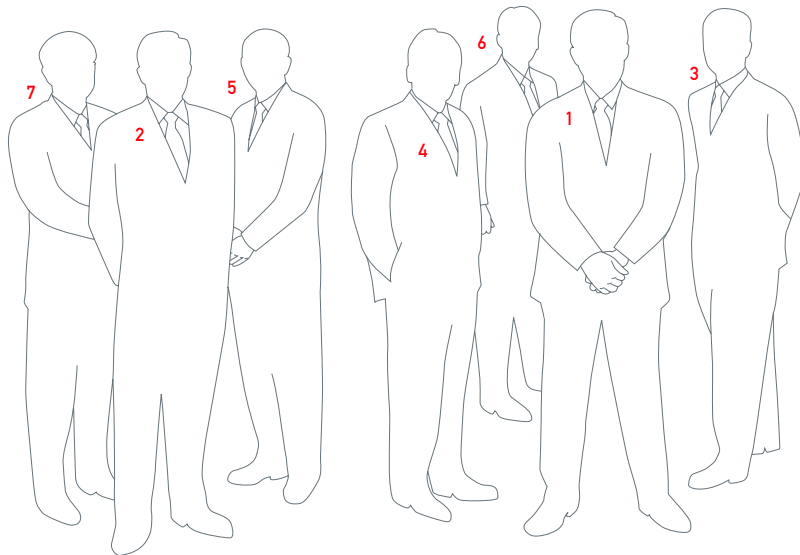
8 Yoon Jong-Kyoo *

9 Lee Jeung-Lak

10 Taswin Zakaria

*Subject to approval from Bank Indonesia

BOARD OF DIRECTORS



President Director

1 Henry Ho Hon Cheong

Vice President Director

2 Armand B. Arief

Director

3 Rudy N. Hamdani

4 Sukatmo Padmosukarso

5 Judi P. Sudjono

6 Dira K. Mochtar

7 Yoon Myung Han*

*Subject to approval from Bank Indonesia

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MESSAGE FROM THE PRESIDENT COMMISSIONER

BII RECEIVED A SIGNIFICANT BOOST FROM THE ADVANCES ACHIEVED BY THE COUNTRY'S ECONOMIC REFORM PROGRAM IN 2003. IMPROVEMENTS IN INDONESIA'S MACROECONOMIC INDICATORS, LOWER INFLATION, AND A STABLE RUPIAH HELPED CREATE A MORE FAVORABLE ENVIRONMENT FOR BUSINESS ACTIVITY AND CONSUMER CONFIDENCE.

But the road has still been far from easy. BII's journey began by defining its new vision, and by identifying and introducing the many changes the Bank needed to implement in order to reach its destination. This started with the launching of BII's new corporate identity in January 2003. The new logo communicates the Bank's vision, values, personality and positioning.

Other initiatives included improving the Bank's ability to optimize its large distribution network by expanding its regional offices and relocating some offices to more strategic locations.

Recognizing new opportunities in other under-developed market segments, we also began to focus more on the Commercial/SME and Consumer segments. We established ten new loan centers in each regional office and decentralized the commercial loan approval process to facilitate the growth of these segments. Our efforts were rewarded in 2003 as Consumer and Commercial loans grew by 98% and 128%, respectively, over the levels posted in 2002.

Having successfully restored the public's confidence in the Bank, and with the prevailing lower interest rate environment, we reduced BII's cost of funds. The net interest margin improved from negative 0.15% in 2002 to 3.29% last year.

BII continued to launch innovative products and services in 2003. The Bank introduced two new premium banking services; BII Platinum Access and BII Syariah Platinum Access. We introduced several new card products including the trendy mc² Credit Card, and the multi-purpose transaction card aptly named BII Combo Card. We also launched two new mutual fund products in cooperation with two respected Indonesian securities companies; the Pundi Reksa Dolar and the Pundi Reksa Rupiah.

To be a truly world class bank, the importance of fairness, transparency, accountability, independence and responsibility can never be understated. On this note, we wish to report that the Bank remains committed to establishing systems and infrastructure that promotes Good Corporate Governance. In addition to promoting a culture of prudent banking and

risk management, these principles communicate the management's commitment to continuously improving the performance of BII.

BII is steadily transforming itself into a major force in the Indonesian banking industry. We are pleased to see that the Bank's transformation process in 2003 has laid the building blocks for the establishment of a solid financial institution. We were able to strengthen our branch network with the establishment of new regional offices, develop a larger customer base of depositors and credit card holders, restructure our human capital resource management policies and systems, and successfully develop and introduce new innovative products and services. These will be enhanced, and supported by our plans to significantly upgrade our Information Technology (IT) infrastructure in 2004 and beyond. These and more will constitute the foundations the Bank will need for sustainable growth going forward.

In December 2003, the Sorak Consortium acquired a 51% stake in the Bank through a competitive sale process

conducted by the Indonesian Bank Restructuring Agency. The Sorak Consortium comprises of four international investors and financial institutions with strong capabilities and expertise in their respective business areas. The expertise that each member of this consortium brings will serve to further strengthen the Bank's foundations.

I trust that this re-energized BII will continue to develop new, creative and sophisticated products and services under the new leadership. The road ahead will be challenging and much work remains to be done. Nevertheless, we are confident that the Bank will be able to capitalize on the many opportunities to create value for all stakeholders.

In conclusion, we would like to thank the previous Board of Commissioners and Board of Directors for their exceptional effort in transforming the bank. We would also like to extend our appreciation for the dedication and hard work of each and every employee, and for the continued trust and support of our shareholders and other stakeholders. Their confidence in us emboldens us not only to face the

challenges of the present, but also to seize the opportunities the future may hold.



Peter Seah Lim Huat | President Commissioners

LETTER FROM THE PRESIDENT DIRECTOR

THERE WERE MANY NEW CHALLENGES IN 2003. HOWEVER, BII HAS BEEN UNDERGOING A CONTINUAL PROCESS OF IMPROVEMENTS TO PREPARE THE BANK TO ADDRESS ALL THESE CHALLENGES. THE BANK HAS MADE SEVERAL POSITIVE CHANGES; REBUILDING OUR STRENGTHS, RE-ENERGIZING THE STAFF, EXPLORING NEW OPPORTUNITIES FOR GROWTH, REGAINING MARKET SHARE, AND GAINING THE TRUST AND RESPECT OF THE INDUSTRY. I BELIEVE ALL OUR STAKEHOLDERS, VERY MUCH LIKE THE MANAGEMENT TEAM, WILL BE ENCOURAGED BY THE PROGRESS THAT THE BANK HAS MADE.

Perhaps one of the more visible changes in BII is the management and leadership of the Bank. In December 2003, the Sorak Consortium acquired a 51% stake in the Bank from IBRA. With this ownership change, a new management team of committed and experienced professionals was appointed to fill key positions to further strengthen this Bank.

Our first priority as a new management team was to redefine a vision of success for BII and to establish the strategies that supported that vision and could be immediately implemented. Simply stated, our vision is "to be the best local bank with world class standard." To achieve this, we have identified the "growth engines" that the Bank needed to develop and the values we had to strengthen. Revitalizing these engines will optimize the Bank's capability to generate revenues and achieve profitability, while upgrading BII's infrastructure and values will help the Bank become a truly world class financial institution. From increasing net interest margins to instilling a culture of Good Corporate

Governance, we have identified the key areas BII must develop to ensure future success.

I am also pleased to report that the Bank continues to demonstrate its ability to operate profitably. In 2003, BII's net income amounted to Rp 309 billion in sharp contrast to the Rp 132 billion achieved in the previous year. This marked improvement was driven by the Bank's continued efforts to boost net interest income, by shifting more earnings assets away from government bonds into higher yielding earnings assets. At year-end, loans contributed 33% of total earning assets and 34% of total interest income, whereas 18% of total earning assets in 2002 was in loans, which only contributed 24% of total interest income. Our Capital Adequacy Ratio declined from 33.21% in 2002 to 22.02% in 2002 primarily as a result of these intensified efforts to grow the loan book.

In 2003, we were also able to successfully restructure the non-performing loans (NPLs) of 63 debtors amounting to

Rp 23.53 billion, and collected written-off loans totaling US\$15.15 million and Rp 46.8 billion. The Bank's NPL ratio (gross) declined from 9.12% as at December 2002 to 6.13% as at December 2003

As of 31 December 2003, the Bank's gross loan portfolio grew by approximately 77% from Rp 5.8 trillion to Rp 10.3 trillion. This growth improved our Loan Deposit Ratio from 19.7% in 2002 to 34.91% in 2003. While corporate loans still represented 43% of total loans, we will continue to concentrate our efforts on tapping into the growth potential of the Commercial/SME and Consumer loan segments.

We recognize our responsibilities to every customer, employee, shareholder, and the general public. We also firmly believe in unwavering integrity in everything we do. In the business of trust, there simply is no room for compromise. Last year, the Bank made headway into instilling a culture of Good Corporate Governance (GCG)

with the completion of the Board Manual, the implementation of our manual of corporate governance, and the formation of the BII's independent Audit Committee in January 2003. As we have begun a training and information campaign within the organization, the Bank continues to explore other opportunities to further develop GCG.

With these and other positive developments, the Bank is being transformed into a stronger financial institution. We recognized the huge potential our Bank commands, both in terms of financial and human capital. The Bank has over the years managed to develop a strong portfolio of assets, an ability to operate profitably, build a large customer base and distribution network, and develop skilled and dedicated professionals. I am pleased to lead a bank with the resources and human talent that BII has now and look forward to a promising future.

I wish to thank every shareholder and customer whose invaluable trust the Bank will strive to continually deserve.

I also wish to thank everyone within the organization for the efforts they have made to turn BII around. I am confident that we together as a re-energized bank are now capable of achieving much more in 2004 and the years ahead.



Henry Ho Hon Cheong | President Director



We recognize our responsibilities to every customer, employee, shareholder, and the general public. We also firmly believe in unwavering integrity in everything we do. In the business of trust, there simply is no room for compromise.

AUDIT COMMITTEE REPORT

As part of BII's undertaking to inculcate good corporate governance, build on the initiatives taken to improve competency, better manage risk and improve transparency, an independent Audit Committee was formed on 15 January 2003. This committee's charter provides it with authority to acquire information from the management and external resources with full access to support its duties in assisting the Board of Commissioners' supervisory function. The committee is pleased to note that we have had the full co-operation of Board of Directors, employees of BII and external auditors to undertake our task. In 2003 the Audit Committee, amongst others, undertook the following:

- Assisted the BOC in its review process of the preparation and realization report of the Annual Business Plan to Bank Indonesia;
- Conducted a general review of the effectiveness of BII's internal control through discussions with the internal and external auditors, and monitored the follow-up on the auditors' recommendations by BII management;
- Ensured the adequacy of review procedures of the financial statements and other financial information released by the Bank;
- Evaluated the effectiveness of the internal audit function;
- Reviewed the Bank's compliance to laws and regulations, reviewed the Bank's code of ethics, and reviewed the Board of Director's decisions and their implementation.

In compliance to the Jakarta Stock Exchange Directives Decree No. KEP 339/BEJ/07-2001, dated 20 July 2001, the Audit Committee also:

- Received confirmation from the independent auditors that there were no significant violations pursuant to Item 1, Article 19b of Bank Indonesia Regulation on Transparency of Bank's Financial Condition;
- Reviewed the independence of the public accountant that was appointed as the independent auditor of BII's 2003 financial statements, and the adequacy of the audit scope;
- Obtained confirmation that the compensation package of the Commissioners and Directors are consistent to the directives outlined in the Shareholder's General Meeting of 18 June 2003.



Putu Antara I Chairman





WE SUCCESSFULLY LAUNCHED SEVERAL NEW INNOVATIVE
PRODUCTS TARGETED AT EXPANDING OUR CONSUMER BASE, PROMOTED
FAVORABLE GROWTH IN COMMERCIAL/SME AND CONSUMER LOANS
AND STRENGTHENED THE BANK'S DISTRIBUTION NETWORK.

DIRECTORS MANAGEMENT REPORT

BII is one of the few institutions in Indonesia that has successfully managed to reverse a difficult situation into an opportunity of growth. The late 1990s Asian financial crisis that wrought much havoc upon the Indonesian banking industry saw many Indonesian banks, BII being no exception, struggle with seemingly insurmountable amounts of non-performing loans and rising prospects of liquidation. In 1999, the Bank was recapitalized by the Government, and later transferred to the Indonesian Bank Restructuring Agency in July 2001 as a "Bank Under Surveillance". July 2002 became a turning point for BII with a Rights Issue, which allowed the injection of fresh capital to improve BII's CAR from negative 47.41% as of 31 December 2001 to 33.21% as at 31 December 2002. Since then, BII has focused on restoring public confidence, rebuilding inner strength, and improving profitability.

We are pleased to report that these efforts were rewarded. BII increased interest revenues, controlled interest expenses, more than doubled its net income, and has

become a much healthier financial institution. We also successfully launched several new innovative products targeted at expanding our consumer base, promoted favorable growth in Commercial/SME and consumer loans, and strengthened the Bank's distribution network. We also continue to invest in improving BII's Technology infrastructure and in the training and development of every employee.

Our results in 2003 indicates that the Bank has been moving forward, as evidenced by the achievements so far.





1.1

Focused on Strength

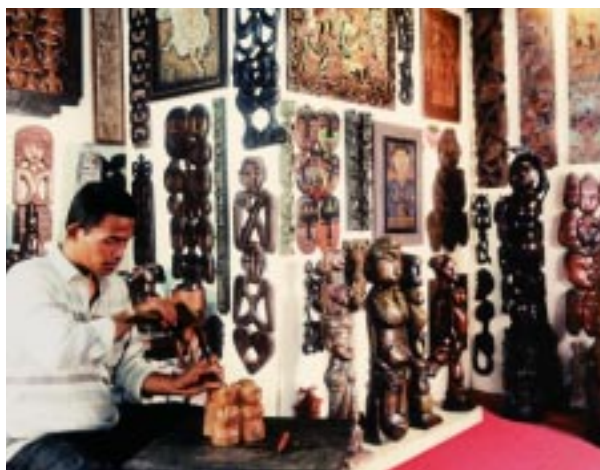
Each of the partners in the consortium have proven track record in finance and banking in their respective home countries and in other countries where they own individual investments. BII will benefit from the shareholders' combined experience and expertise, financial strength, and human resources.

STRENGTH IN NUMBERS

As of December 2003, BII's average deposit size is approximately Rp 23 million and USD 12,000, distributed among more than 948,000 Rupiah and Foreign Currency accounts.

BII remains one of the leading credit card providers in Indonesia. We are the second largest "acquirer" bank in Indonesia, and the third largest "issuer" in terms of cardholders, and rank fourth in terms of total card spending activity. As of December 2003, BII has 17,674 credit card merchants, a 20.1% increase over the previous year. BII also has 369,222 credit card accounts, representing a 22.4% increase over the same period in 2002.

In 2003, we made significant inroads in shifting the Bank's credit disbursement policy from the Corporate to the Consumer and Commercial/SME sectors. With the general decline of interest rates and stronger consumer demand in



2003, total loans disbursed grew 77% from Rp 5,818.0 billion in 2002 to Rp 10,296.7 billion. The Commercial/SME sector posted the most significant growth, increasing 127.8% from Rp 1,396.0 billion in 2002 to Rp 3,179.5 billion in 2003. The Consumer segment grew by 98.2% from Rp 1,242.1 billion in 2002 to Rp 2,462.3 billion in 2003. Much of the growth in the consumer loan sectors has been in the auto and home mortgage loans. The Corporate segment has grown by Rp 1,283 billion (42.5%) from the Rp 3,018.5 billion in 2002, however this sector now only accounts for 43% share of total loans in 2003 compared to a 53.4% share the previous year. This is consistent with our current credit disbursement strategy.

We continue to strengthen our presence in these market segments with cooperation arrangement and by cross-selling BII products and services through our corporate customers. In cooperation with Perbarindo, BII offers differentiated loan financing schemes to rural banks. We are also making progress in promoting loans by cross selling through our corporate customers, finance companies and real estate developers.

The growth of these businesses has been possible with our strong distribution and support network. As of December 2003, the Bank has 68 main branches, 115 sub-branches, and 65 cash offices, of which 123 are located within the Greater Jakarta area. BII has over 700 ATMs throughout Indonesia to cater for our customers needs. Our customers also have access to more than 300 ALTO ATMs due to our extensive ATM sharing agreements. BII also

has established ten regional loan centers to further penetrate the consumer and commercial loan markets.

PARTNERS IN PROGRESS

The change in BII's ownership is perhaps the most significant development in 2003. With IBRA's sale of 51% of the Bank's total outstanding shares, ownership control of the bank has passed to an international consortium, Sorak Financial Holdings Pte Ltd. (Sorak), whose shareholders are:

SHAREHOLDER	COUNTRY OF INCORPORATION	ECONOMIC INTEREST
Asia Financial Holdings Pte Ltd.	Singapore	50.0%
Kookmin Bank	Korea	25.0%
ICB Financial Group Holdings Ltd. (ICB)	Switzerland	20.0%
Barclays Bank Plc	U.K.	5.0%

Each of the partners in the consortium have proven track record in finance and banking in their respective home countries and in other countries where they own individual investments. BII will benefit from the shareholders' combined experience and expertise, financial strength, and human resources. The Bank will also try and realize the potential synergies that may be drawn from the expertise and technology of the consortium partners.



Asia Financial Holdings Pte. Ltd. is a wholly owned subsidiary of Temasek Holdings (Private) Limited, a leading investment holding company in Singapore. Established in 1974, Temasek holds and manages investments in companies, which are involved in a wide range of business activities, including shipping and logistics, banking and financial services, airlines, media and telecommunications, power and utilities, and rail.

Kookmin Bank is one of the largest commercial banks in Korea. Kookmin Bank has over 23 million customers and provides a full range of personal and retail banking services to customers. It is a significant private sector mortgage lender in Korea, and its mortgage loan portfolio in terms of aggregate

loan value accounted for a 78% share of the domestic market as at 31 December 2002. The company is also a manager of the National Housing Fund, a government fund that provides mortgage lending to low-income households and loans to construction companies to build housing for low-income households.

ICB Financial Group Holdings Ltd. is an investment holdings company, wholly owned by Tun Daim Zainuddin, former Malaysian Finance Minister, which has interests in a number of banks and is represented primarily in Europe and Africa.

Barclays Bank Plc. is one of the largest financial services groups in the United Kingdom engaged primarily in banking, investment banking and investment management. Barclays has been involved in banking for over 300 years and operates in over 60 countries with over 74,800 employees.

After the strategic sale to the Sorak Consortium, the current ownership of BII is as follows:

BII OWNERSHIP STRUCTURE

SHAREHOLDER	DEC 2003	DEC 2002
Sorak Financial Holdings Pte. Ltd	51,2%	0,0%
Government of Republic of Indonesia qq IBRA	22,5%	93,7%
Public	26,3%	6,3%
Total	100,0%	100,0%

As epitomized by our new corporate brand logo, BII has demonstrated the ability to create and introduce innovative products and services, which are tailor fit to meet the needs and lifestyles of specific target segments, such as the trendy mc² credit card.



1.2

Sowing the Seeds of Development

We realize that the only way to create value for every shareholder is by creating value in every product and service we deliver to our customers. We recognize that this can only be made possible with highly motivated and skilled employees.

PRODUCT EMPOWERED CUSTOMERS

BII has a strong reputation for products and services, which are creative, innovative, and responsive to the needs of the market. From the "combo" cards to priority Syariah banking services, this Bank reaffirmed its reputation in 2003 as an innovative bank with the successful introduction of several new products.

In May 2003, we launched two new priority banking services to strengthen the Bank's position among the higher-end segment of depositors; BII Platinum Access and BII Syariah Platinum Access. Both these products offer a full range of personalized, consumer banking and wealth management services for the more affluent market; with BII Syariah Platinum Access offering specialized banking services in accordance with Islamic conventions. In September 2003, BII Syariah Platinum Access became the recipient of "Most Innovative Syariah Bank," a recognition awarded by Modal Magazine and Karim Consulting for the Bank's unique product concept and positioning.

To meet our customer demands and expectation, we were the first bank in Indonesia to introduce Automated Teller Machines (ATM), which are capable of accepting cash deposits as well as ATMs equipped to issue US Dollars.

BII has traditionally been very strong in credit card services, and is therefore in an enviable strategic position. As demand for these services grows, so has competition. To maintain our position, we have continued to innovate. BII introduced the mc² Credit Card in May 2003. The mc² Credit Card is one of the first credit cards in Indonesia to integrate the MasterCard



International's mc² Chip. This unique and stylish card was voted "Best mc² Chip Program Award" by MasterCard International.

BII Combo Card is a new card, which combines the convenience of an ATM and a debit card in one. Launched in June 2003, the Combo Card can be used for cashless purchases and cash withdrawals. This card will replace approximately 697,000 old ATM and debit cards of current BII account holders. The Combo Card will provide access to over 700 BII ATMs, more than 3,000 ALTO ATMs, 800,000 Cirrus ATMs, 7.2 million (Maestro) EDCs, and 8 million Mastercard Electronic outlets worldwide.

We also launched two mutual fund products, and in May 2003, the Bank signed partnership agreements with two leading Indonesian investment institutions, PT Danareksa Investment Management and PT Trimegah Securities Tbk. respectively to market Pundi Reksa Dolar, and Pundi Reksa Rupiah.

We had also introduced two new, high quality, bancassurance products in 2003 with two leading insurance companies, PT. Asuransi AIA Indonesia and AIG Lippo. EDUPLUS is a time bound deposit plan, which allows BII customers to tailor fit a funding scheme to ensure their children's educational financing needs from primary school to university. PRIVASI is an innovative bancassurance product, which offers a combination of protection and investment.

We able to service our customers throughout the year through our call center, and our e-mail services further complement the call center service proposition. We have also instituted a service culture and improved our customer service training programs to ensure responsive, consistent, and quality customer service. To this end BII has also fulfilled the stringent requirements of LRQA (Lloyd's Register Quality Assurance) ISO 9001:2000. These benchmarks and standards will ensure the Bank constantly delivers uncompromising, personal customer service.

Every successful bank is supported by solid information technology. Cognizant of this, BII has invested resources to keep pace with the demands of the market and our customers, as well as the future. During 2003, the Bank migrated its operating system, upgraded its application software and hardware, enhanced security systems, and developed new products without disruption of service to our customers.

For contingency purposes, we established a Disaster Recovery Center (DRC) for the main Data Center. In 2003, we further enhanced the DRC to include contingency plans for server-based applications.







ORGANIZATIONAL STRENGTH

We realize that the only way to create value for every shareholder is by creating value in every product and service we deliver to our customers. We recognize that this can only be made possible with highly motivated and skilled employees.

Various initiatives are being taken to address employee's motivational levels. Amongst others, we are developing a merit-based compensation policy, redesigning the performance management system, reintroducing competency and career development programs, and establishing effective internal information and communication systems.

As an example, we have begun implementing a new appraisal system, which is based on individual competency, and are adjusting the salary structure to be more performance based. In October 2003 we also began the migration from a Personnel Grade system to a Job Grade system, intensified the re-evaluation of the Job Grade system, and introduced a new Goal Setting and Action Plan program. Industrial relations have also improved significantly through monthly meetings with employees unions to address concerns of the bank's employees.



1.3

Our Commitment to Society

As part of the fabric of the Indonesian community, we recognize our continuing responsibility to contribute to the development of the communities in which we operate.

GOOD CORPORATE GOVERNANCE

AUDIT COMMITTEE

Banking is an industry built on trust and Good Corporate Governance is a basic foundation to build trust. Our commitment to Good Corporate Governance (GCG) practices continues with the implementation of our detailed manual of corporate governance, and the formation of the Bank's independent Audit Committee. Audit Committee was formed on 15 January 2004 with the members Putu Antara (Chairman), Agus Kretarto (Executive Secretary) and M. Hadlari (Member). Two members were added on 10 February 2004 to include Taswin Zakaria (Member) and Pradjoto (Member).

MEETINGS AND REMUNERATION PACKAGE OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Board of Commissioners held 14 regular meetings, while the Board of Directors conducted 49 regular meetings,



excluding other "on call " meetings. The remuneration of the Board of Commissioners and Board of Directors in 2003 amounted to Rp 28.251.439.502 billion applied in accordance with prevailing regulations.

COMPLIANCE DIRECTOR

To ensure the proper implementation of Bank Indonesia Regulations as well as other relevant directives, Judi Prayudi Sudjono was appointed as Compliance Director for BII and approved by Bank Indonesia. The Compliance Director oversees the coordination, formulation, and implementation of regulations and directives relevant to each operating unit in BII. The director is also responsible for monitoring the implementation of the "Know Your Customer" procedures and ensuring the effectiveness of the Branch Quality Assurance process.

In 2003, an updated the "Know Your Customer" manual was put out, the Branch Quality Assurance program developed, and GCG introduced to senior and middle managers.

RISK MANAGEMENT

Risk & Capital Committee (RCC) was established in October 2002. The roles and responsibilities of this committee are to undertake the management of the assets & liabilities (ALM) and the risk management functions within the Bank. This includes the setting and evaluation of the Bank's risk appetite, ensuring that all risk limits are used optimally and to establish an overall risk management policy. An independent Risk Management Division (RMD) was established in February 2003 to undertake the



implementation of all risk management functions of the Bank, including credit risk, market risk, liquidity risk, and operational risk.

A Corporate Credit Risk Management Division (CRM) and a Small-Medium Enterprise and Consumer Credit Risk Management Division (SRM), were established to implement the “four eyes principle” in credit management processes. CRM and SRM review credit proposals on a transaction-by-transaction basis, independent from the business unit, and has the authority to approve or reject credit proposals put forward by the business unit if the proposal does not meet BII's criteria, or exceeds the Bank's risk appetite.

INTERNAL AUDIT

The Internal Audit Unit is responsible for monitoring the effectiveness of internal controls, ensuring the bank's resources are used efficiently and to recommend improvements in internal controls and resource allocation. From time to time the unit is also called upon to assist in policy reviews and other one off specific task. In 2003, the unit conducted on-site audits on branches, head office units, subsidiary and several specific projects including investigative audits. Internal audit is also involved in the review of new application system development.

SOCIAL RESPONSIBILITY

As part of the fabric of the Indonesian community, we recognize our continuing responsibility to contribute to the development of the communities in which we operate. We undertook a number of social activities, some of which include:

- Contribution to the “Yayasan Jantung Anak Indonesia” in cooperation with the Cipto Mangunkusumo Hospital (RSCM) in Jakarta;
- Participation in a charity program with the “Organisasi Istri-Dokter Indonesia”. This program sponsors doctors to conduct free medical services to indigenous families in the Bantar Gebang region;
- Sponsorship of talented youngsters to a Children's Music and Arts Festival in the U.S;
- A scholarship program for exceptionally bright, and gifted, children of BII employees;
- Distribution of 1 million exercise books to over 195,000 indigenous school children in approximately 1,300 schools across Indonesia in conjunction with the National Education Day and the 44th BII's Anniversary.
- Free harelip operations for indigenous people at the “Daarul Rizky” clinic;
- Participation in the “Konvensi Nasional Kesehatan Jiwa Bangsa ke-2”

BII will continue to identify opportunities to share our success with the community in which we operate and provide opportunities to the talented and improve the circumstances of the less fortunate.



1.4

Our Vision of the Future

Development of skills and competencies, professionalism, and development of leadership and management skills will also continue to receive focus.

RISK MANAGEMENT

We are determined to develop robust risk management systems, policies, and guidelines that will safeguard our Bank from undue risk. The Bank is cognizant of the need to ensure a diversified portfolio across industries, supported by strong credit portfolio information. This diversification effort also includes Commercial/SME and Consumer credit. To support business development and manage risk, the bank is investing in a new Management Information System (MIS) infrastructure and is also introducing new credit risk management policies and procedures.

The best system and procedures require well-trained and knowledgeable users. BII will continue to invest in the training and development of our human resources.

BUILDING HUMAN CAPITAL

Human resources will play a critical role in our quest to become a truly local bank with world class standard. During 2003, we identified a number of initiatives to improve staff motivation and competence. BII will establish and introduce new HR policies for Job Grading, Career Development Planning, and Performance Evaluation. Additional investments to improve the training center and re-orient our training programs will be undertaken. Development of skills and competencies, professionalism, and development of leadership and management skills will also continue to receive focus.




THE IT BACKBONE

As BII grows and meets the challenges of the changing environment we operate in, we need to invest in our IT infrastructure. As mentioned earlier, our MIS and IT capabilities will also be further enhanced to better support the Bank. BII will be upgrading the technology platforms it currently uses; to support stronger risk management systems, to develop more effective management reporting and analytical tools, and to upgrade the branch delivery systems, in addition to many other new IT initiatives.

THE GOOD CORPORATE GOVERNANCE PILLAR

BII has formulated and adopted a comprehensive approach towards instilling GCG not only as a set of rules, but as a way of life. BII has begun developing the requisite policies, manuals, and guidelines to strengthen and develop prudent banking management practices throughout the organization.



BII HAS FORMULATED AND ADOPTED
A COMPREHENSIVE APPROACH TOWARDS INSTILLING GCG
NOT ONLY AS A SET OF RULES, BUT AS A WAY OF LIFE.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

PROFITABILITY IN 2003 INCREASED ON THE BACK OF IMPROVED MACROECONOMIC CONDITIONS AND CONSUMER CONFIDENCE, A FAVORABLE INTEREST RATE CLIMATE AND THE ONGOING TRANSFORMATION PROCESS INITIATED BY THE BANK.

OPERATIONAL RESULTS

In 2003, BII posted a net profit of Rp 309.1 billion, representing a significant increase of 133.2% over the Rp 132.5 billion booked in 2002. This increase is a result of higher interest revenues and a significant reduction in interest expenses.

NET INTEREST INCOME

Net interest income increased substantially from a negative Rp 50.0 billion in 2002 to Rp 1,017.9 billion in 2003.

INTEREST REVENUES

Interest revenues amounted to Rp 3,343.3 billion representing a 8.3% increase from Rp 3,087.6 billion the previous year. This increase was made possible by an increase of Rp 213,1 billion over interest earned in 2002, and an increase of Rp. 42.6 billion in commission and fees in 2003.

INTEREST EXPENSE

As the interest rate environment declined, BII's total interest expenses of Rp 2,325.4 billion, decreased by Rp 812.1 billion

compared to the previous year. In 2003, BII further reduced its interest expenses by realigning its deposit base to lower cost current and savings deposit accounts. In 2003, non-time deposit accounts accounted for 45.1% of total deposits compared to 37.5% in 2002. BII also bought-back certain portion of its liability to Acme Securitisation Co. with a nominal value totaling US\$63.6 million.

OTHER OPERATING REVENUES

Other operating revenues increased 20.2% from Rp 614.2 billion in 2002 to Rp 738.0 billion in 2003. This increase of Rp 123.8 billion is primarily a result of an increase in gain on sale of marketable securities and government bonds.

OTHER OPERATING EXPENSES

Other operating expenses increased from Rp 452.0 billion in 2002 to Rp 1,496.9 billion in 2003. The main variance was due to movement in provisions for possible losses on earning assets and on commitments and contingencies. In 2002 reversal of Rp 676.8 billion were recorded.

Conversely, in 2003 provisions of Rp 113.6 billion were made. This accounts for Rp 790.4 of the movement in other operating expenses. The remaining increase in other operating expenses of Rp 228.5 billion fairly evenly distributed between increase in personnel costs and general administration.

NET OPERATING INCOME

Net operating income increased from Rp 112.2 billion in 2002 to Rp 259.0 billions in 2003. The favorable increase is primarily attributed to the marked increase in net interest revenues and other operating revenues.

NON-OPERATING REVENUES AND EXPENSES

Other non-operating revenues decreased 67.4% from Rp 88.3 billion in 2002 to Rp 28.7 billion in 2003. Again this is due to decreased in non-operating revenue obtained in 2002 from the sale of foreclosed assets. Non-operating expenses on the other hand, saw a favorable decrease of Rp 50.9 billion from Rp 68.6 billion to Rp 17.7 billion due to losses incurred in loan restructuring and provisions taken for potential

penalties on premium in government guarantees taken to book in 2002. This resulted in net non-operating revenues of Rp 11.1 billion in 2003, a decrease of Rp 8.6 billion compared to 2002.

NET INCOME (LOSS) AFTER TAX

BII posted a 104.8% increase in income before corporate tax of Rp 270.1 billion in 2003. This represents an increase of Rp 138.2 billion compared to Rp 131.9 billion in 2002. Deferred taxes of Rp 39.2 billion in 2003 compared to Rp 0.6 billion in 2002 helped increase net income to Rp 309.1 billion, a 133.2% increase compared to Rp 132.5 billion in 2002.

FINANCIAL POSITION

Total assets decreased slightly by 4.4% from Rp 36,342.9 billion in 2002 to Rp 34,728.8 billion in 2003. Total liabilities decreased by 6% from Rp 33,366.1 billion in 2002 to Rp 31,368.9 billion in the current review year.

EARNING ASSETS

Earning assets decreased slightly by 4.4% from Rp 32,815.4 billion in 2002 to Rp 31,381.1 billion in 2003. Despite this decrease, gross loans increased by Rp 4,478.7 billion to Rp 10,296.7 billions in 2003. The increase in loans was mostly offset by a reduction in Government Bonds from Rp 23,453.3 billions in 2002 to Rp 16,867.2 billions in 2003. Non-performing loans ratio (net) improved from 5.21% in 2002 to 2.26% in 2003.

LIABILITIES

Total liabilities decreased by 6% from Rp 33,366.1 billion in 2002 to Rp 31,368.9 billion in 2003. This decrease of Rp 1,997.2 billion is a result of a decrease in deposits from customers, other liabilities, and borrowings. Deposits from customers decreased by Rp 573.4 billion to Rp 28,657.1 billion while deposit from other banks increased by Rp 568 billion. Other liabilities and borrowings decreased by Rp 658.3 billion and Rp 1,611.7 billion respectively.

LIQUIDITY

BII consistently ensures that it maintains the minimum reserve requirement as stipulated by Bank Indonesia as at 31 December 2003, the Bank's minimum liquidity reserves met with Bank Indonesia's requirement of 5% for Indonesian Rupiah liabilities and 3% for foreign denominated liabilities.

EQUITY AND CAR

Shareholder's equity (net) increased by 12.9% to Rp 3,359.8 billion in 2003 from Rp 2,976.8 billion in 2002. This increase was mainly due to the increase in net income achieved in 2003. BII's capital adequacy ratio of 22.02% decreased from 33.21% in the previous year. This is mainly due to BII's planned loan growth to return the bank to profitability. The 22.02% CAR remains strong and is significantly higher than Bank Indonesia minimum requirement of 8%.

BUSINESS PROSPECTS

Over the last few years, BII has focused much of its effort at honing its capabilities and rebuilding its strength. In 2003, the Bank was able to successfully formulate and implement additional restructuring programs designed to increase our competitive edge to become more responsive to the needs of our customers, and to further strengthen BII's foundations for sustainable future growth.

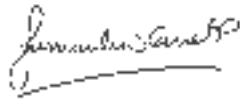
With the entry of the Sorak Consortium, the Bank is expected to significantly benefit from the experience, financial strength, and the technological expertise each member has to offer. We have reason to be optimistic that your bank will continue to perform and grow.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The 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.



Peter Seah Lim Huat | President Commissioner



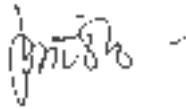
Sumantri Slamet I.S. | Vice President Commissioner



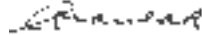
Henry Ho Hon Cheong | President Director



Armand B. Arief | Vice President Director



Pradjoto | Commissioner



Putu Antara | Commissioner



Judi Prayudi Sudjono | Director



Rudy N. Hamdani | Director



Jimmy Phoon Siew Heng | Commissioner



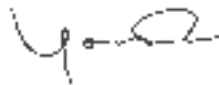
Umar Juoro | Commissioner



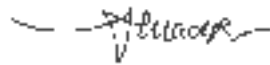
Sukátmo Padmosukarso | Director



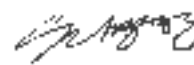
Dira K. Mochtar | Director



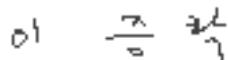
Yoon Jong-Kyoo | Commissioner



Fuad Rahmany | Commissioner



Yoon Myung Han | Director



Lee Jeung-Lak | Commissioner



Taswin Zakaria | Commissioner

P.T. BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
31 DECEMBER 2003 WITH COMPARATIVE FIGURE FOR 2002

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This report is originally issued in Indonesia language.

Independent Auditors' Report

Report No. RPC-1625

The Shareholders and The Boards of Commissioner and Directors
PT Bank Internasional Indonesia Tbk

We have audited the consolidated balance sheets of PT Bank Internasional Indonesia Tbk (the "Company" or "Parent Company") and Subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of PT BII Finance Center, a wholly-owned subsidiary, and the Company's overseas branches in Mauritius and Mumbai, India, whose statements reflect total assets of 7.03% and 5.83% of consolidated total assets as of December 31, 2003 and 2002, respectively, and total revenues of 4.96% and 5.33% of consolidated revenues for the years then ended, respectively. Those statements were audited by other independent auditors whose reports expressed unqualified opinions and have been furnished to us, and our opinion, insofar as it relates to the amounts included for PT BII Finance Center and the Company's overseas branches in Mauritius and Mumbai, India, is based solely on the reports of the other independent auditors.

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

In our opinion, based on our audits and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PT Bank Internasional Indonesia Tbk and Subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles in Indonesia.

Note 42 to the consolidated financial statements includes a summary of the effects the economic conditions in Indonesia have had on the Company and Subsidiaries, as well as measure the Company and Subsidiaries have implemented or plan to implement in response to the economic conditions. The accompanying consolidated financial statements as of December 31, 2003 and 2002, include the effects of the economic conditions to the extent they can be determined and estimated.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information (Parent Company financial statements) is presented for purposes 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 individually. The consolidating information is the responsibility of the Company's management. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits and the reports of the other independent auditors, is fairly stated in all material respects in relation of the consolidated financial statements taken as a whole.

Prasetio, Sarwoko & Sandjaja



Drs Iman Sarwoko
Public Accountant License No. 98.1.0359

February 20, 2004, except for Note 45e, as to which the date is February 27, 2004

**CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION -
PARENT COMPANY BALANCE SHEETS**

December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
ASSETS					
Cash	2c,2e	650,622	577,101	650,376	577,018
Current Accounts with Bank Indonesia	2c,2e,3	1,460,391	1,386,018	1,460,391	1,386,018
Current Accounts with Other Banks - net of allowance for possible losses of Rp3,346 (Parent Company: Rp3,346) as of December 31, 2003 and Rp5,299 (Parent Company: Rp5,299) as of December 31, 2002	2c,2e,2l, 4,36	399,524	538,708	331,253	524,642
Placements with Bank Indonesia and Other Banks - net of allowance for possible losses of Rp14,662 (Parent Company: Rp14,662) as of December 31, 2003 and Rp16,075 (Parent Company: Rp16,075) as of December 31, 2002	2c,2f,2l, 5,36	1,479,137	2,048,674	1,521,570	1,923,949
Marketable Securities	2c, 2g, 2l, 6,36				
Held to Maturity		979,182	463,113	945,963	430,062
Available for Sale		139,045	42,117	139,045	42,117
Trading		823,983	358,740	816,874	354,651
		1,942,210	863,970	1,901,882	826,830
Less:					
Decrease in market value		(43,170)	(27,860)	(42,464)	(27,245)
Unamortized discount		(3,092)	(1,609)	(3,092)	(1,609)
Allowance for possible losses		(11,906)	(7,238)	(11,906)	(7,238)
Net		1,884,042	827,263	1,844,420	790,738
Derivative Receivables - net of allowance for possible losses of Rp62 (Parent Company: Rp62) as of December 31, 2003 and Rp5 (Parent Company: Rp5) as of December 31, 2002	2c,2i,2l, 7,36	6,011	533	6,111	533
Loans	2c,2j,2s, 2r,8,44 36				
Related Parties		144,417	5,428	140,668	15,202
Non-related Parties		10,152,245	5,812,577	9,928,301	5,643,695
		10,296,662	5,818,005	10,068,969	5,658,897
Less: Allowance for possible losses	2l	(665,191)	(560,440)	(636,340)	(535,979)
Net		9,631,471	5,257,565	9,432,629	5,122,918

The original consolidated financial statements included herein are in Indonesian language.

PT BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION -
PARENT COMPANY BALANCE SHEETS (continued)**

December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
Acceptances Receivable - net of allowance for possible losses of Rp3,787 (Parent Company: Rp3,787) as of December 31, 2003 and Rp394 (Parent Company: Rp394) as of December 31, 2002	2c,2k, 2l,9	379,578	45,584	362,612	30,300
Government Bonds	2h,10	16,867,219	23,453,285	16,867,219	23,453,285
Investments in Shares of Stock - net of allowance for possible losses of Rp30,872 (Parent Company: Rp29,824) as of December 31, 2003 and Rp31,025 (Parent Company: Rp29,976) as of December 31, 2002	2b,2l, 2m,11	4,256	23,263	170,745	186,181
Interest Receivables	2c,12	379,690	538,503	376,507	536,950
Prepayments	13	83,173	75,211	81,178	74,520
Premises and Equipment - net of accumulated depreciation of Rp311,509 (Parent Company: Rp302,731) as of December 31, 2003 and Rp175,589 (Parent Company: Rp167,085) as of December 31, 2002	2n,14	910,083	937,244	907,834	935,879
Deferred Tax Assets - Net	2t,34	120,100	80,804	118,508	80,804
Other Assets - Net	2c,2o,15	473,454	553,183	458,046	550,496
TOTAL ASSETS		34,728,751	36,342,939	34,589,399	36,174,231

The accompanying notes from an integral part of these consolidated financial statement.

**CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION -
PARENT COMPANY BALANCE SHEETS (continued)**

December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Liabilities Immediately Payable	2c,16,37	241,264	233,597	216,191	220,008
Deposits from Customers	2c,2p,17a				
Related parties	2d,36	1,181,261	1,730,892	1,190,906	1,754,309
Non-related parties		27,475,799	27,499,580	27,388,529	27,431,348
		<u>28,657,060</u>	<u>29,230,472</u>	<u>28,579,435</u>	<u>29,185,657</u>
Deposits from Other Banks	2c,2q,17b				
Related parties	2d,36	-	-	237	-
Non-related parties		836,214	267,817	832,875	267,817
		<u>836,214</u>	<u>267,817</u>	<u>833,112</u>	<u>267,817</u>
Derivatives Payable	2c,2i,7	9,188	4,939	8,944	4,939
Acceptances Payable	2c,2k,9	383,365	45,978	366,399	30,694
Taxes Payable	2c,2t,18	21,127	45,766	18,066	45,672
Borrowings	2c,19,36	501,510	2,113,235	501,510	2,020,153
Estimated Losses on Commitments and Contingencies	2l,20	14,633	11,823	14,633	11,823
Accrued Expenses	2r,21	177,727	227,367	176,984	226,367
Other Liabilities	2c,2v,22	526,831	1,185,159	514,691	1,184,713
TOTAL LIABILITIES		<u>31,368,919</u>	<u>33,366,153</u>	<u>31,229,965</u>	<u>33,197,843</u>

SHAREHOLDERS' EQUITY

Share Capital

Authorized Capital -

208,841,497,003 shares as of December 31, 2003 consisting of:
388,146,231 Series A shares with a par value of Rp5,000 (full amount)
per share; 3,725,323,629 Series B shares with a par value of Rp1,250
(full amount) per share; 5,165,876,371 Series C shares with a par value
of Rp1,250 (full amount) per share; and 199,562,150,772 Series D shares
with a par value of Rp125 (full amount) per share.

The original consolidated financial statements included herein are in Indonesian language.

PT BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS WITH CONSOLIDATING INFORMATION -
PARENT COMPANY BALANCE SHEETS (continued)**

December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
SHAREHOLDERS' EQUITY (continued)					
208,841,497,003 shares as of December 31, 2002 consisting of: 388,146,231 Series A shares with a par value of Rp 5,000 (full amount) per share; 3,631,648,456 Series B shares with a par value of Rp1,250 (full amount) per share; and 5,259,551,544 Series C shares with a par value of Rp1,250 (full amount) per share; and 199,562,150,772 Series D shares with a par value of Rp125 (full amount) per share.					
Issued and Paid-up Capital - 388,146,231 Series A shares, 3,725,323,629 Series B shares, 5,165,876,371 Series C shares and 38,504,000,000 Series D shares as of December 31, 2003;	23	17,867,731	17,867,731	17,867,731	17,867,731
388,146,231 Series A shares, 3,631,648,456 Series B shares, 5,259,551,544 Series C shares and 38,504,000,000 Series D shares as of December 31, 2002;					
Additional Paid-in Capital	24	9,567	9,567	9,169	9,169
Differences Due to Change of Equity in Subsidiaries	2b,2c,2m, 11,25	108,479	115,481	108,479	115,481
Unrealized Gains (Losses) on Increase (Decrease) in Value of Marketable Securities and Government Bonds Available for Sale	2g,2h,6,10	33,946	(50,828)	33,946	(50,828)
Differences Arising from the Translation of Foreign Currency Financial Statements	2c	(9,764)	(5,949)	(9,764)	(5,949)
Revaluation Increment in Premises and Equipment	2n,14	1,197,092	1,197,092	1,197,092	1,197,092
Accumulated Losses		(15,847,219)	(16,156,308)	(15,847,219)	(16,156,308)
SHAREHOLDERS' EQUITY - NET		3,359,832	2,976,786	3,359,434	2,976,388
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34,728,751	36,342,939	34,589,399	36,174,231

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

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

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
OPERATING REVENUES AND EXPENSES					
Interest Revenues and Expenses					
Interest Revenues					
Interest earned	2r,28	3,286,053	3,072,914	3,262,232	3,054,599
Commissions and fees	2s	57,224	14,660	54,868	14,660
Total Interest Revenues		3,343,277	3,087,574	3,317,100	3,069,259
Interest Expense					
Interest incurred	2r,29	2,323,864	3,136,859	2,323,741	3,131,487
Commissions and fees	2s	1,558	711	1,558	711
Total Interest Expense		2,325,422	3,137,570	2,325,299	3,132,198
Interest Revenues (Expenses) - Net		1,017,855	(49,996)	991,801	(62,939)
Other Operating Revenues (Expenses)					
Other Operating Revenues					
Commissions and fees other than from loans		220,800	202,487	214,195	195,880
Gains on foreign exchange transactions - net		74,057	161,963	70,241	161,531
Equity in net income of the subsidiaries and associated companies - net	2m,11	7	5	9,005	28,478
Increase in value of marketable securities and Government bonds		78,598	5,459	78,111	5,459
Others	30	364,567	244,335	359,368	242,542
Total Other Operating Revenues		738,029	614,249	730,920	633,890
Other Operating Expenses					
Provision (reversal of provision) for possible losses on earning assets and foreclosed properties	2l,2o	110,210	(597,353)	104,961	(570,906)
Provision (reversal of provision) for estimated losses on commitments and contingencies	2l,2o	3,400	(79,486)	3,400	(79,486)
General and administrative	31	707,261	597,184	693,069	592,411
Personnel	2v,39	428,306	309,888	416,449	300,172
Depreciation and amortization	2n	148,598	166,581	146,203	163,809
Decrease in value of marketable securities and Government bonds		35,792	123	35,646	123
Repairs and maintenance		63,315	55,113	62,047	53,793
Total Other Operating Expenses		1,496,882	452,050	1,461,775	459,916
Other Operating (Expenses) Revenue - Net		(758,853)	162,199	(730,855)	173,974
INCOME FROM OPERATIONS - NET		259,002	112,203	260,946	111,035

The original consolidated financial statements included herein are in Indonesian language.

PT BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF INCOME WITH CONSOLIDATING INFORMATION -
PARENT COMPANY STATEMENTS OF INCOME (continued)**

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
NON-OPERATING REVENUES AND EXPENSES					
Revenues	32	28,739	88,274	28,076	81,952
Expenses	33	(17,664)	(68,601)	(17,386)	(67,847)
NON-OPERATING REVENUES - NET		11,075	19,673	10,690	14,105
INCOME BEFORE CORPORATE INCOME TAX		270,077	131,876	271,636	125,140
CORPORATE INCOME TAX (EXPENSE) BENEFIT					
	2t,34	(251)	-	(251)	-
		39,263	641	37,704	7,377
NET INCOME		309,089	132,517	309,089	132,517
BASIC EARNINGS PER SHARE (in full Rupiah)					
	2u,35	6	5	6	5

The accompanying notes from an integral part of these consolidated financial statement.

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

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
SHARE CAPITAL					
Balance at beginning of year	23	17,867,731	13,054,731	17,867,731	13,054,731
Issuances of share capital from Limited Public Offering IV		-	4,813,000	-	4,813,000
Balance at end of year		17,867,731	17,867,731	17,867,731	17,867,731
ADDITIONAL PAID-IN CAPITAL					
Balance at beginning of year	24	9,567	12,530	9,169	12,132
Costs of Limited Public Offering IV		-	(2,963)	-	(2,963)
Balance at end of year		9,567	9,567	9,169	9,169
DIFFERENCES DUE TO CHANGE OF EQUITY IN SUBSIDIARIES					
Balance at beginning of year	2b,2c,2m, 11,25	115,481	136,419	115,481	136,419
Differences arising from the translation of foreign subsidiaries' financial statements during the year		(7,002)	(20,938)	(7,002)	(20,938)
Balance at end of year		108,479	115,481	108,479	115,481
UNREALIZED GAINS (LOSSES) ON INCREASE (DECREASE) IN VALUE OF MARKETABLE SECURITIES AND GOVERNMENT BONDS AVAILABLE FOR SALE					
Balance at beginning of year	2g,2h, 6,10	(50,828)	(449,304)	(50,828)	(449,304)
Realized gains on sale of marketable securities and Government bonds		7,209	4,317	7,209	4,317
Increase/decrease in value of Marketable securities and Government bonds		77,565	394,159	77,565	394,159
Balance at end of year		33,946	(50,828)	33,946	(50,828)
DIFFERENCES ARISING FROM THE TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS					
Balance at beginning of year	2c	(5,949)	(7,856)	(5,949)	(7,856)
Additional differences arising from the translation of overseas branches financial statements		(3,815)	1,907	(3,815)	1,907
Balance at end of year		(9,764)	(5,949)	(9,764)	(5,949)

The original consolidated financial statements included herein are in Indonesian language.

PT BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES

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

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Consolidated		Consolidating Information Parent Company	
		2003	2002	2003	2002
REVALUATION INCREMENT IN PREMISES AND EQUIPMENT					
	14				
Balance at beginning of year		1,197,092	1,343,195	1,197,092	1,343,195
Revaluation in 2002		-	(146,103)	-	(146,103)
Balance at end of year		<u>1,197,092</u>	<u>1,197,092</u>	<u>1,197,092</u>	<u>1,197,092</u>
ACCUMULATED LOSSES					
Balance at beginning of year		(16,156,940)	(16,289,457)	(16,156,940)	(16,289,457)
Net income during the year		309,089	132,517	309,089	132,517
		(15,847,851)	(16,156,940)	(15,847,851)	(16,156,940)
Appropriation for general reserve		632	632	632	632
Balance at end of year		<u>(15,847,219)</u>	<u>(16,156,308)</u>	<u>(15,847,219)</u>	<u>(16,156,308)</u>
SHAREHOLDERS' EQUITY - NET		<u>3,359,832</u>	<u>2,976,786</u>	<u>3,359,434</u>	<u>2,976,388</u>

The accompanying notes from an integral part of these consolidated financial statement.

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

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Consolidated		Consolidating Information Parent Company	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	3,444,866	2,873,588	3,422,675	2,854,904
Commissions and fees received	278,024	217,147	269,063	210,540
Interest paid	(2,404,420)	(3,158,286)	(2,404,299)	(3,147,056)
Commissions and fees paid	(1,560)	(711)	(1,558)	(711)
Gains on foreign currency transactions - net	265,281	225,000	355,046	256,111
Other operating income received	423,218	249,792	446,484	248,001
Other operating expense paid	(32,790)	(76,275)	(54,379)	(90,222)
Personnel expenses paid	(428,307)	(309,888)	(416,449)	(300,172)
General, administrative, repairs and maintenance expenses paid	(739,658)	(546,180)	(723,942)	(541,934)
Non-operating income received	32,594	88,274	29,180	81,952
Non-operating expenses paid	(17,664)	(68,601)	(17,386)	(67,847)
Operating cash flows before changes in working capital	819,584	(506,140)	904,435	(496,434)
Decrease (increase) in operating assets:				
Placements with Bank Indonesia and other banks	570,950	(1,041,003)	403,792	(1,077,187)
Marketable securities and Government bonds	5,586,876	(4,063,228)	5,589,971	(4,143,795)
Loans	(4,782,877)	813,465	(4,714,292)	797,887
Prepayments	(2,268)	32,656	(965)	32,893
Other assets	136,828	(208,167)	149,551	(204,651)
Increase (decrease) in operating liabilities:				
Liabilities immediately payable	7,667	90,458	(3,818)	83,296
Deposits from customers and other banks	(5,014)	4,375,526	(40,926)	4,361,707
Other liabilities	(683,253)	(283,199)	(697,883)	(277,104)
Net Cash Provided by (Used in) Operating Activities	1,648,493	(789,632)	1,589,865	(923,388)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments in shares of stock	23,000	-	23,000	-
Proceeds from sale of premises and equipment	5,914	3,384	7,548	3,385
Acquisition of premises and equipment	(129,383)	(100,061)	(126,758)	(99,829)
Net Cash Used in Investing Activities	(100,469)	(96,677)	(96,210)	(96,444)
CASH FLOWS FROM FINANCING ACTIVITIES				
Additional issuance of share capital from Limited Public Offering IV	-	4,810,037	-	4,810,037
Payments of borrowings (including securities sold under agreement to repurchase)	(1,488,833)	(3,381,657)	(1,488,833)	(3,240,743)
Net Cash (Used in) Provided by Financing Activities	(1,488,833)	1,428,380	(1,488,833)	1,569,294

The original consolidated financial statements included herein are in Indonesian language.

PT BANK INTERNASIONAL INDONESIA Tbk AND SUBSIDIARIES

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

Years Ended December 31, 2003 and 2002

(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Consolidated		Consolidating Information Parent Company	
	2003	2002	2003	2002
NET INCREASE IN CASH AND CASH EQUIVALENTS	59,191	542,071	4,822	549,462
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,507,126	2,090,433	2,492,977	2,065,445
Effect of foreign exchange rate changes	(52,434)	(125,378)	(52,433)	(121,930)
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,513,883	2,507,126	2,445,366	2,492,977
SUPPLEMENTAL DISCLOSURES				
Cash and Cash Equivalents consist of:				
Cash	650,622	577,101	650,376	577,018
Current accounts with Bank Indonesia	1,460,391	1,386,018	1,460,391	1,386,018
Current accounts with other banks	402,870	544,007	334,599	529,941
Total Cash and Cash Equivalents	2,513,883	2,507,126	2,445,366	2,492,977
NON-CASH TRANSACTIONS				
Differences due to change of equity in subsidiaries	108,479	115,481	108,479	115,481
Unrealized gains (losses) on increase (decrease) in value of marketable securities and Government Bonds	33,946	(50,828)	33,946	(50,828)
Write-off of marketable securities	537	-	537	-
Payment of loans purchased from the Indonesian Bank Restructuring Agency with Government Bonds	47,214	170,168	47,214	170,168

The accompanying notes from an integral part of these consolidated financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment

PT Bank Internasional Indonesia Tbk (the Company or Parent Company) is a limited liability company established in the Republic of Indonesia 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.

On March 31, 1980, the Company merged with PT 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.

The Company's Articles of Association have been amended several times, including amendments in relation to shares issued to the public through the capital market in Indonesia. The initial public offering was approved by the Minister of Finance through his letter No. SI-058/SHM/MK.10/189 dated October 2, 1989. Since thereon, the Company's shares are listed in the Jakarta Stock Exchange. The limited public offering I, II, III and IV were approved by the Chairman of Capital Market Supervisory Board through his letter No. S-130/PM/1994 dated January 24, 1994, S-2093/PM/1996 dated December 28, 1996, S-434/PM/1999 dated March 30, 1999 (and its continuation S-857/PM/1999 dated June 8, 1999) and S-1304/PM/2002 dated June 17, 2002, respectively.

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 to:

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.

2. Change the par value of Series A shares from Rp1,000 (full amount) to Rp500 (full amount) per share.

On September 5, 2002, by virtue of notarial deed No. 16 of Fathiah Helmi, SH, and approval by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-19589.HT.01.04.TH.2002 dated October 10, 2002, the Company amended its Articles of Association Article 3 regarding the purpose, aim and operations of the Company with the inclusion of banking activities based on *Syariah* principles.

In accordance with the Company's Articles of Association Article 3 (2), the Company is engaged in commercial banking activities and other banking activities based on *Syariah* principles. The Company commenced its banking activities in May 2003.

The Company's head office is located at Jalan M.H. Thamrin, Kav. 22, Central Jakarta. The Company had one main branch, 68 branches and 115 sub-branches as of December 31, 2003. The Company had 7,989 and 7,634 employees as of December 31, 2003 and 2002, respectively.

Before being recapitalized by the Government in 1999, the Company was a publicly listed bank that was majority owned and controlled by the Sinar Mas Group. After recapitalization, the Company was 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. On April 26, 2002, the shares were effectively transferred (Note 23).

On April 2, 2002, the Company held a Shareholders' Extraordinary General Meeting to approve the change in its authorized share capital by adding Series D shares with a par value of Rp5 (full amount) per share. Thus, the authorized share capital amounting to Rp38,000,000 consists of 3,881,462,307 Series A shares with a par value of Rp500 (full amount) per share; 40,856,044,855 Series B shares with a par value of Rp125 (full amount) per share; 52,595,515,440 Series C shares with a par value of Rp125 (full amount) per share; and 4,875,564,761,925 Series D shares with a par value of Rp5 (full amount) per share. The minutes of this Shareholders' Extraordinary Meeting were documented in Notarial Deed No. 2 Notary Fathiah Helmi, SH, dated April 2, 2002 and were recorded by the Minister of Justice and Human Rights of the Republic Indonesia in "*Penerimaan Laporan Akta Perubahan*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

a. Establishment (continued)

Anggaran Dasar Perusahaan No. C- 05634.HT.01.04.TH.2002 dated April 5, 2002, and registered with the Registration Office of the Department of Trade and Industry of Central Jakarta No. 3698/RUB.09.05/IV/2002 dated April 18, 2002.

On May 31, 2002, the Company held a Shareholders' Extraordinary General Meeting to approve the following:

1. Change in the par value of the Company's shares as follows:
 - Series A shares with a par value of Rp500 (full amount) per share to Rp5,000 (full amount) per share.
 - Series B and C shares with a par value of Rp125 (full amount) per share to Rp1,250 (full amount) per share.
 - Series D shares with a par value of Rp5 (full amount) per share to Rp125 (full amount) per share.
2. Reverse stock split, thus, the Company's authorized share capital amounting to Rp38,000,000 consists of 208,841,497,003 shares as follows:
 - 388,146,231 Series A shares with a par value of Rp5,000 (full amount) per share.
 - 3,631,648,456 Series B shares with a par value of Rp1,250 (full amount) per share.
 - 5,259,551,544 Series C shares with a par value of Rp1,250 (full amount) per share.
 - 199,562,150,772 Series D shares with a par value of Rp125 (full amount) per share.

Minutes of the Shareholders' Extraordinary General Meeting were documented in Notarial Deed No. 54 of Notary Fathiah Helmi, SH dated May 31, 2002 and were recorded by the Minister of Justice and Human Rights of the Republic Indonesia in *"Penerimaan Laporan Akta Perubahan Anggaran Dasar Perusahaan"* No. C- 09666.HT.01.04.TH.2002 dated June 4, 2002, and registered with the Registration Office of the Department of Trade and Industry of Central Jakarta No. 4209/RUB.09.05/VI/2002 dated June 5, 2002.

On June 18, 2002, the Company held a Shareholders' Extraordinary General Meeting to approve the execution of the Limited Public Offering IV and vested authority to the Company's management team to carry out the Limited Public Offering IV. The minutes of this Shareholders' Extraordinary General Meeting were documented in Notarial Deed No. 50 of Notary Fathiah Helmi, SH, dated June 18, 2002.

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

The Company has ownership interests in the following subsidiaries:

Subsidiary	Total assets as of December 31, 2003	Domicile	Nature of Business	Percentage of Ownership	Start of Commercial of Operations
BII Finance Co. Ltd.	346,471	Hong Kong	Banking	100.00%	1991
PT BII Finance Center	58,163	Jakarta	Multi-financing	99.99%	1991

The Company has branches domiciled outside Indonesia, namely: Cayman Islands (non-operating branch), Mumbai and Mauritius (both are operating branch). The financial statements of existing 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 Rp1,000 (full amount) 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 Board (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 Rp1,000 (full amount) per share through a Limited Public Offering I ("rights issue I"), in which, each holder of every five Series A shares has a right to purchase one new Series A share at Rp 4,000 (full amount) per share. This rights issue I was approved by the shareholders in the Shareholders' Extraordinary General 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

c. Public Offering of the Company's Shares (continued)

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 Rp750 (full amount) per share, and four 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 Rp6,750 (full amount). The total proceeds from this rights issue II amounted to Rp967,185. This rights issue II was approved by the shareholders in their Shareholders' Extraordinary General 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.

The Company held a Shareholders' Extraordinary General Meeting on March 31, 1999 to approve the Limited Public Offering III ("rights issue III") plans for 62,101,383,408 new shares (Series B shares with a par value of Rp125 [full amount] 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 Rp4,486,424 (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.

On May 20, 2002, the Company submitted a Statement of Registration No. 2002.100/CMT-COC to BAPEPAM regarding its plan for a Rights Issue or Limited Public Offering IV with preemptive rights to the shareholders of 38,973,254,169 shares with a par value of Rp125 (full amount) per share. The Company received a notice of effectivity from BAPEPAM through its Decision Letter No. S-1304/PM/2002 on June 17, 2002, for this Limited Public Offering IV. On June 18, 2002, the Company held a Shareholders' Extraordinary General Meeting to approve the execution of the Limited Public Offering IV ("rights issue" IV). The total proceeds from the Limited Public Offering IV held from July 11, 2002 up to July 18, 2002 amounted to Rp4,813,000 (for 38,504,000,000

Series D shares), of which Rp68,827 (for 550,618,490 Series D shares) was raised from the public and Rp4,744,173 (for 37,953,381,510 Series D shares) was raised from the Government through the Indonesian Bank Restructuring Agency, who acted as the standby buyer. The proceeds from this rights issue IV were received by the Company in July 2002.

As of December 31, 2003 all of the Company's shares (maximum of 99% based on "Government Regulation" No. 29 of 1999) or 47,305,512,768 shares were listed on the Jakarta Stock Exchange.

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 *Dewan Pemantapan Ketahanan Ekonomi dan Keuangan Indonesia* dated March 13, 1999. The Joint Decree stated that the Government would make capital investments in private banks that 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 shareholders, 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 approximately Rp8,714,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

d. Recapitalization Program of the Company (continued)

In May 1999, the Indonesian Government injected capital amounting to Rp8,714,000 to the Company into the form of Government bonds issued by the Indonesian Government. Since the controlling and public shareholders of the Company had invested capital in excess of the minimum 20% of the total recapitalization fund needed to achieve a CAR of 4%, the recapitalization fund required by the Company became approximately Rp2,086,425 lower than the recapitalization amount that the Indonesian Government decided to contribute. In January 2000, the Company refunded the Indonesian Government the excess of the recapitalization fund of approximately Rp2,086,425, which it had previously contributed; hence, the out standing capital investment amount of the Indonesian Government in the Company is approximately Rp6,627,575.

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. 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.

On November 8, 2002, the Company obtained the approval of the Indonesian Bank Restructuring Agency through Decision Letter from the Chairman of the Indonesian Bank Restructuring Agency No. PB-2209/BPPN/1102 regarding the re-activation of functions and authorities of the Company's Board of Commissioners and Board of Directors.

The composition of the Board of Commissioners as of December 31, 2003 and 2002 was as follows:

	2003	2002
President Commissioner	: Peter Seah Lim Huat	Soedarjono
Vice President Commissioner	: Sumantri Slamet	Sumantri Slamet
Commissioner	: Putu Antara	Putu Antara
Commissioner	: Pradjoto	Pradjoto
Commissioner	: A. Fuad Rahmany	A. Fuad Rahmany
Commissioner	: Umar Juoro	Umar Juoro
Commissioner	: Jimmy Phoon Siew Heng	
Commissioner	: Jong Kyoo Yoon	
Commissioner	: Jeung Lak Lee	
Commissioner	: Taswin Zakaria	

The composition of the Board of Directors as of December 31, 2003 and 2002 was as follows:

	2003	2002
President Director	: Henry Ho Hon Cheong	Sigit Pramono
Vice President Director	: Armand B. Arief	Armand B. Arief
Compliance Director	: Judi P. Sudjono	Sukatmo Padmosukarso
Director	: Sukatmo Padmosukarso	Halim Susanto
Director	: Myung Han Yoon	Judi P. Sudjono
Director	: Rudy N. Hamdani	Rudy N. Hamdani
Director	: Dira K. Mochtar	Dira K. Mochtar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Enactment of the Company Status as “Bank Under Surveillance” (continued)

The Board of Commissioners and Directors as of December 31, 2003 were approved in a Shareholders’ Extraordinary General Meeting held on December 16, 2003. The minutes of the Shareholders’ Extraordinary General Meeting were documented in the Notarial Deed No. 24, of Notary Fathiah Helmi, SH, dated December 16, 2003.

The appointment of Peter Seah Lim Huat, Jimmy Phoon Siew Heng, Jong Kyoo Yoon, Jeung Lak Lee and Taswin Zakaria as members of the Board of Commissioners and Henry Ho Hon Cheong and Myung Han Yoon as members of the Board of Directors will be effective after obtaining approval from Bank Indonesia.

The appointment of the compliance director was approved by Bank Indonesia through its letter No. 5/58/D6S/DPIP/Rahasia dated May 22, 2003.

The Company’s Audit Committee as of December 31, 2003 is comprised of:

Chairman	:	Putu Antara
Executive Secretary	:	Agus Kretarto
Member	:	Hadlari

f. Restructuring of the Company’s Receivables from the Sinar Mas Group

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 PT Sinar Mas Multiartha Tbk (the former shareholder) and the Company dated April 15, 1999, attached to the Recapitalization Agreement, the Company, the Indonesian Bank Restructuring Agency, and certain members of the Widjaja family (the controlling shareholders of the Sinar Mas Group at that date), 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 the Sinar Mas Group. The said receivables include placements with other banks, notes receivable, export bills, loans, 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 Widjaja, Indra Widjaja, Franky Oesman Widjaja, and Muktar Widjaja) signed a Settlement Agreement for the Company’s receivables from the Sinar Mas Group amounting to US\$1,249 million (equivalent to Rp11,985,016 at the exchange rate of Rp9,595/US\$1 [full amount]), and its amendments thereto on February 3, 2001. This Settlement Agreement with its amendments were 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 Widjaja, 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 a 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 financial sound and to maintain the quality of its assets, the Indonesian Bank Restructuring Agency provided a Government Guarantee to the Company. With the Government Guarantee the Company’s receivables from the Sinar Mas Group debtors could be excluded from the calculation of the Legal Lending Limit.

The Personal Guarantors provided personal guarantees to secure payments of the Government Guarantee, and sought to provide and pledge collateral (valued at 145% of the outstanding receivables) as a counter guarantee in order to secure a Government Guarantee for as long as Bank Indonesia categorizes the Company’s receivables from the Sinar Mas Group debtors in the calculation of the Legal Lending Limit. The Indonesian Bank Restructuring Agency carries out and supervises the implementation of this guarantee, which is provided by the Indonesian Government.

On March 8, 2001, the Chairman of the Indonesian Bank Restructuring Agency, with the authority vested in him by the Minister of Finance of the Republic of Indonesia, issued a guarantee on receivables from companies under the Sinar Mas Group amounting to US\$1,249 million. This guarantee was effective from April 30, 2001 until expire on October 7, 2003. The Government Guarantee on receivables from the Sinar Mas Group debtors 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, based on Bank Indonesia’s prevailing regulation, receivables from related parties are no longer included in the calculation of any violation on the Legal Lending Limit to related parties because of reasons other than the existence of a Government Guarantee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Restructuring of the Company's Receivables from the Sinar Mas Group (continued)

On November 5, 2001, the Company transferred its receivables from companies under the Sinar Mas Group to the Indonesian Bank Restructuring Agency amounting to US\$1,059 million for receivables, plus accrued interest denominated in foreign currencies and Rp1,814,578 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 Rp13,933,294 plus accrued interest.

On the same date, the Company exchanged a portion of the Government bonds it received from the Indonesian Bank Restructuring Agency, for Hedged bonds issued by the Ministry of Finance of the Republic of Indonesia. The value of the Government bonds (including interest) which were exchanged for Hedged bonds was Rp11,882,009. The interest rate of the Hedged bonds is the 3-month Singapore Inter-bank Offered Rate (SIBOR) + 2% per annum (Note 10).

g. Divestment of Government Ownership in the Company

From October 16, 2003 through to October 24, 2003, the Indonesian Bank Restructuring Agency sold 1,229,270,000 Series D shares of the Company on the Jakarta Stock Exchange.

On November 20, 2003, the Indonesian Bank Restructuring Agency entered into a Sale and Purchase Agreement with Sorak Financial Holding Pte. Ltd. Under the Sale and Purchase Agreement, Sorak Financial Holding Pte. Ltd. agreed to purchase 24,369,506,578 Series D shares, constituting 51% of the total outstanding shares in the Company. The Sale and Purchase Agreement contains a number of provisions relating to control of the Company, including agreement regarding the composition of the Company's boards of commissioners and directors.

The Company, through its shareholder Sorak Financial Holding Pte. Ltd., is part of the Temasek Holdings Private Limited. Temasek Holdings Private Limited has subsidiaries and affiliates all over the world.

In December 2003, the Indonesian Bank Restructuring Agency sold 8,327,400,000 Series D shares to eligible non-US persons outside Indonesia and the United States and a limited number of investors in the Republic of Indonesia under Regulation S of the US Securities Act of 1933.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company and its Subsidiaries adopt accounting and reporting policies in conformity with the generally accepted accounting principles in Indonesia, and accounting and reporting guidelines prescribed by the Indonesian banking regulatory authority and the Capital Market Supervisory Board ("BAPEPAM"). The significant accounting principles were applied consistently in the preparation of the consolidated financial statements for the years ended December 31, 2003 and 2002, and are as follows:

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the Statement of Financial Accounting Standards (PSAK) No. 31 (Revised 2000), "Accounting for the Banking Industry", which has been effective since January 1, 2001, and other generally accepted accounting principles established by the Indonesian Institute of Accountants, and, where applicable, with prevailing banking industry practices and accounting and reporting guidelines prescribed by the Indonesian banking regulatory authority and the Capital Market Supervisory Board.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
December 31, 2003 and 2002
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are stated in millions of Rupiah.

Significant Changes in Accounting Policies in 2003

PSAK No. 59 - "Accounting for Syariah Banking"

The Indonesian Institute of Accountants issued PSAK No. 59 which became effective January 1, 2003. The Company, through its Syariah business unit, is engaged in banking activities with Syariah principles. The Company presents its Syariah activities in accordance with accounting principles under PSAK No. 59.

PSAK No. 8 (Revised) - "Contingencies and Events Occurring After the Balance Sheet Date"

The Indonesian Institute of Accountants issued PSAK No. 8 (Revision) which became effective on January 1, 2003. The Company has implemented and effectively presented its consolidated financial statements based on accounting principles prescribed by PSAK No. 8 (Revised).

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 inter-company 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 "Differences due to Change of Equity in Subsidiaries", and recognized as income or expense in the year the investments are disposed of.

c. Foreign Currency Transactions and Translations

Transactions Denominated in Foreign Currencies

The Company and its branches and subsidiary 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 currencies were translated to Rupiah using the Reuters spot rate at 16.00 WIB. The resulting gains or losses from the translation were recognized in the current operations.

As of December 31, 2003 and 2002, the exchange rates used against the Rupiah were as follows (amounts in full Rupiah):

	2003	2002
US Dollar 1/Rp	8,425	8,950
British Pound Sterling 1/Rp	15,057	14,405
Japanese Yen 100/Rp	7,893	7,543
Euro 1/Rp	10,649	9,367

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Foreign Currency Transactions and Translations (continued)

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

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

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

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

- Assets, liabilities, commitments and contingencies are translated using the middle exchange rates as published by Bank Indonesia at the 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;
- Equity accounts are recorded using historical rate; and
- Differences arising from translation are presented in the consolidated balance sheet as part of equity under the "Differences Due to Change of Equity in Subsidiaries" and "Differences Arising from the Translation of Foreign Currency Financial Statements" accounts.

d. Transactions with Related Parties

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

Transactions with state-owned/controlled entities related to the Indonesian Bank Restructuring Agency (a shareholder) are not disclosed as transactions with related parties.

e. Cash and Cash Equivalents

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

f. Placements with Bank Indonesia and Other Banks

Placements with Bank Indonesia are stated at the outstanding balances, net of the unamortized interest. Placements with other banks are stated at the outstanding balances, net of allowance for possible losses, which is determined based on evaluation of the collectibility of each placement.

g. Marketable Securities

Marketable securities consist of money market securities (including Certificates of Bank Indonesia), notes receivable, bonds, medium term notes, trade documents, receivables on export bills, shares, drafts, mutual funds, and traveler's cheques.

Included in securities are bonds issued by the Government that are not related to the recapitalization program such as treasury bonds and foreign currency bonds. These bonds or notes are issued by the Government for the purpose of managing the Government's liabilities, and are obtained through both primary and secondary markets.

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. Premium and discount are amortized using the straight-line method. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Marketable Securities (continued)

- 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 selling price and the carrying value (previous month fair value) of the securities is recognized as income or expense of the period when realized. The unrealized gains or losses of the realized available-for-sale securities in the equity are recognized as income or expense of the period.
- Investments in trading securities are stated at fair value. The unrealized gains or losses resulting from the increase/(decrease) in fair value are recognized in the current year's profit and loss. Upon sale of trading portfolio securities, the difference between selling price and fair value per books is recognized as a realized gain or loss on sale.

For securities which are actively traded in organized financial markets, fair value is generally determined by reference to quoted market bid prices by the stock exchanges at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the asset. For securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of securities.

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.

Transfer of marketable securities from "trading" category to "held-to-maturity" category is recorded at fair value, which is considered as cost of the marketable securities.

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

h. Government Bonds

Government bonds represent bonds issued by the Government of the Republic of Indonesia in connection with the recapitalization of certain Indonesian commercial banks. Government bonds are stated at nominal value, except for bonds that have become available for trading and for sale, which are stated at fair value, and for hedge bonds which are stated at values determined by the exchange rate of the Rupiah against the US Dollar, as published by Reuters on the balance sheet date. The exchange gain or loss arising from the indexation of hedge bonds is charged to the current year's profit and loss.

For Government bonds which are traded, fair value is generally determined by reference to quoted market bid prices by the stock exchanges at the close of business on the balance sheet date. For Government bonds where there are no quoted market prices, a reasonable estimate of the fair value is calculated using a yield-to-maturity approach.

i. 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.

Gain or loss on derivative contracts is accounted for differently based on the purpose the Company has designated upon acquisition as (1) fair value hedge, (2) cash flow hedge, (3) a hedged of net investment in foreign operation and (4) trading instruments, as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Derivative Instruments and Hedging Activities (continued)

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. 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.
3. 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.
4. Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) is recognized currently in earnings.

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.

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

Included in loans are syariah financing which consists of syariah receivables, other receivables, mudharabah and musyarakah financing.

Syariah receivables result from lease transactions based on *murabahah* agreements.

Mudharabah is a commercial cooperation contract between the owner of funds (*shahibul maal*) and a funds manager (*mudharib*) based on a predetermined ratio of revenue or profit and loss sharing.

Musyarakah financing is an agreement between the investors (*mitra musyarakah*) to have a joint-venture in a partnership with revenue or profit and loss sharing based on an agreement and capital contribution proportion.

Syariah receivables are presented at the outstanding balances, net of allowance for possible losses.

Loan Restructuring

Restructuring of non-performing 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 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.

For loan restructuring which involve a conversion of loans into equity or other financial instruments in partial satisfaction of loans, a loss on loan restructuring is recognized only if the fair value of the equity or financial instruments received, reduced by estimated expenses to sell the equity or other financial instruments, is less than the designated value of the loan.

Deferred interest that is capitalized to receivables under new restructuring agreements, is recorded as deferred interest income and is amortized proportionately based on the amount of capitalized interest relative to the loan principal upon loan collections.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Loans (continued)

Loans Purchased from the Indonesian Bank Restructuring Agency

Loans purchased from the Indonesian Bank Restructuring Agency are recorded in accordance with the regulation of Bank Indonesia No. 4/7/PBI/2002 dated September 27, 2002 regarding "Prudential Principles for Credits Purchased by Banks from IBRA".

All loans purchased from the Indonesian Bank Restructuring Agency were acquired through consortium. Those loans were stated at the gross amount of their outstanding balances in accordance with the cessie agreement between the Company and the Indonesian Bank Restructuring Agency. Those amounts were equal to the purchase price of the loans.

Loans purchased from the Indonesian Bank Restructuring Agency have to be classified as current for one-year period since the booking date.

Bank Indonesia requires banks to fully recover the purchase price of the loans within 5 (five) years from the date of booking. Any unpaid amount after 5 (five) years should be written-off by the banks.

Security deposit to bid for loans sold by the Indonesian Bank Restructuring Agency that have not been finalized at balance sheet date are presented as "Other Assets".

k. Acceptances Receivable and Acceptances Payable

Acceptances receivable and payable are stated at the amount of issued Letters of Credit (L/C) or the realizable value of the L/C accepted by the counter party bank.

Acceptances receivable 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 current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, Government bonds, loans, derivative receivables, acceptances receivable, investments in shares of stock, and commitments and contingencies with credit-related risk.

Commitments and contingencies with credit-related risk consist of outstanding irrevocable letters of credit, outstanding letters of credit under Bank Indonesia's guarantee program, guarantees issued in the form of standby letters of credit, bank guarantees and risk sharing.

Allowance for possible losses on earning assets and estimated losses on commitments and contingencies are determined based on management's review of the quality of these earning assets, and commitments and contingencies at the end of each period, and further considering the general economic conditions, 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. The classification of earning assets is determined based on the evaluation by management of each borrower's repayment performance, business prospects, financial condition and ability to repay. 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 for	Percentage of Allowance Possible Losses	
Current *	Minimum	1.00%
Special mention	Minimum	5.00%
Substandard	Minimum	15.00%
Doubtful	Minimum	50.00%
Loss		100.00%

* excluding Bank Indonesia Certificates of Indebtedness (SBIs), placements with Bank Indonesia, Government Bonds and other Government of Republic Indonesia Bonds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Allowance for Possible Losses on Earning Assets and Estimated Losses on Commitments and Contingencies (continued)

The above percentages are applied to earning assets and commitments and contingencies, less the collateral value, in accordance with Decrees 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.

Under the regulation of Bank Indonesia No. 4/7/PBI/2002 dated September 27, 2002, loans purchased from the Indonesian Bank Restructuring Agency are classified as current for the period of one year from their purchase dates. Subsequent to the one-year period, the quality of those loans is determined based on cash flows analysis and debtors' payment ability. The above percentages for minimum allowance for possible loan losses are applied to the net book value of loans purchased from the Indonesian Bank Restructuring Agency, i.e. the gross amount of the loans purchased from the Indonesian Bank Restructuring Agency less their related allowance for possible losses or deferred income.

Allowance for possible losses on commitments and contingencies is presented under "Estimated Losses on Commitments and Contingencies" account, a liability in the consolidated balance sheet.

The outstanding balance of earning assets is written off against the respective allowance for possible losses when management believes that operationally the debtor could 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. If recovery exceeds the principal amount, the excess is recognized as interest income.

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 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.

All other investments are carried at cost reduced by an allowance for possible losses.

Investments in shares of stock from loan restructuring (a conversion of loans to equity) are stated at cost regardless of the percentage of ownership, less an allowance for possible losses. 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

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 recognized in equity as "Differences Due to Change of Equity in Subsidiaries", and are recognized as income or expense in the year the investments are disposed of.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Premises and Equipment

Premises and equipment, except revalued premises and equipment, are stated at cost, less accumulated depreciation. The corresponding revaluation increments were credited to "Revaluation Increment in Premises and Equipment" under the shareholders' equity in the balance sheet.

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 Rp1,343,195. 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.

In 2002, the Company revalued its premises and equipment located in Indonesia with a negative revaluation increment amounting to Rp146,103. The approval from the Tax Office with respect to the revaluation increment was obtained by the Company on August 14, 2002 through its letter No. KEP-001/WPJ.19/KP.0104/2002. The negative revaluation increment was recorded as an adjustment to the cost and accumulated depreciation of such revalued premises and equipment.

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; significant expenditures, which extend the useful life 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 are presented in the "Other Assets" account.

Foreclosed properties are stated at net realizable value. Realizable value is the fair value of the foreclosed properties less estimated costs of liquidating the assets. The excess of loan receivable over the net realizable value of the foreclosed property is charged to allowance for possible losses. If the net realizable value is higher 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 (off-balance sheet) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Foreclosed Properties (continued)

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

p. Deposits from Customers

Demand deposits represent deposits of customers with the Company and its banking subsidiary that may be used as instruments of payment, and which may be withdrawn at any time by cheque, automated teller machine card or other orders of payment or transfers. These are stated at the amount due to the demand deposit account holders.

Savings deposits represent deposits of customers with the Company and its banking subsidiary that may only be withdrawn when certain agreed conditions are met, but may not be withdrawn by cheque or other equivalent instruments. These are stated at the amount due to the savings account holders.

Time deposits represent deposits of customers with the Company and its banking subsidiary that may only be withdrawn after a certain time in accordance with the agreement between the depositor and the Company and its banking subsidiary. These are stated at the nominal amount set forth in the agreements between the Company and its banking subsidiary and holders of time deposits.

Certificates of deposit represent time deposits with certificates that are negotiable. These are stated at nominal value reduced by unamortized interest. The difference between the present value received and the nominal value (discount) is recognized as interest paid in advance and is amortized over the time periods of the certificates of deposit.

Included in the deposits are *Syariah* deposits and unrestricted investments consisting of the following:

- a. *Wadiah* is a *wadiah yad-adh Amanah* saving or demand deposit on which the customer may receive bonus income.
- b. Unrestricted investments in the form of *mudharabah* savings which entitle the customer to receive a share of the *syariah* unit's income in return for the usage of the funds in accordance with the defined terms (*nisbah*).
- c. Unrestricted investments in the form of *mudharabah* time deposits are fund deposits which entitle the customer to receive a share of the *syariah* unit's income for the usage of the funds in accordance with the defined terms (*nisbah*).

q. Deposits from Other Banks

Deposits from other banks represent liabilities to domestic and overseas banks, in the form of demand deposits, savings deposits, inter-bank call money with original maturities of 90 days or less, time deposits and certificates of deposit. These are stated at the amount due to the other banks.

Deposits from other banks include *syariah* deposits in the form of *wadiah* demand deposits and unrestricted investments which are comprised of *mudharabah* time deposits.

r. 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 non-performing. These interest revenues are recognized only when such interests are actually received. Interest revenues recognized or recorded but not yet received, are cancelled when the loans are classified as non-performing. Such interest revenues are recorded as contingent receivables in the administrative accounts and are recognized as revenue when collection in cash is received.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Interest Revenue and Expense (continued)

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.

Interest income and expense include *syariah* income and expense. *Syariah* income is earned from *murabahah*, *mudharabah* and *musyarakah* financing revenue or profit and loss sharing income. Income from *murabahah* is recognized using the accrual basis while income from *mudharabah* and *musyarakah* financing revenue or profit and loss sharing is recognized when cash is received as a payment of an installment. *Syariah* expense consists of expenses from *mudharabah* revenue or profit and loss sharing and *wadiah* bonuses.

Revenues on loans purchased from the Indonesian Bank Restructuring Agency are recorded on a cash basis. Cash payment of debtors pertaining to loans purchased from the Indonesian Bank Restructuring Agency are recognized as follows:

1. If the Company signs new loan agreement with debtors, cash payments are applied against loan principals and/or interest income in accordance with the new loan agreement.
2. If the Company does not sign any new loan agreements with debtors, cash payment is initially applied against loan principals and any excess of cash payment over the loan principals are recognized as interest income.

s. Revenues and Expenses on Commissions and Fees

Commissions and fees directly or indirectly related to loan and borrowing activities in excess of Rp100 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 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 Rp100 are recognized as revenues or expenses upon receipt or payment.

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

t. Income Tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that are expected to apply to the year when the asset is realized or the liability is settled.

Amendments to tax obligations are recorded when a tax assessment is received or, if appealed against, when the result of the appeal is determined.

The corporate income tax of the Company and its Subsidiaries is computed for each company as a separate legal entity. Current tax assets and current tax liabilities for different legal entities are not offset in the consolidated financial statements. Deferred tax assets are presented net of deferred tax liabilities in the consolidated balance sheet.

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

u. 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Pension Plan and Employee Service Entitlements

Since May 1996, the Company has had a defined contribution pension plan for all of its local permanent employees. Contributions borne by the Company are recognized as current costs.

Through year-end 2002, the Company recognized a provision, in addition to the benefit from the pension plan, for employee service entitlements under the Decree of the Minister of Manpower (Kep-Men) No. 150: "Settlement of Labor Dismissal and the Stipulation of Severance Pay, Gratuity and Compensations in Companies" dated June 20, 2000. The provision for employee service entitlements was accrued based on the results of an actuarial valuation. The method used by the actuary for actuarial calculation is the Projected Unit Credit.

In 2003, the Company started to recognize a provision, in addition to the benefit from the pension plan, for employee service entitlements in accordance with Labor Law No. 13/2003 dated March 25, 2003. The new provision is recognized using an actuarial calculation. The method used by the actuary for actuarial calculation is the Projected Unit Credit. The difference between the old provision in accordance with the Kep-Men and the new provision as per Labor Law No. 13/2003 is recognized in current year's income.

w. Segment Information

Segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements. The primary reporting segment information is based on business segments, while secondary segment information is based on geographical segments.

A business segment is a distinguishable component of the Company that is engaged in providing an individual service or a group of related services and that is subject to risks and returns that are different from those of other business segments. The business segment is divided into banking and multi-financing.

A geographical segment is a distinguishable component of the Company that is engaged in providing services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. The geographical segment is divided into Indonesia and overseas.

x. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimations and assumptions that affect the assets, liabilities, commitments and contingencies reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates.

y. Reclassification

Non-operating Expenses of Rp7,184 for the year ended December 31, 2002 have been reclassified as Other Operating Expenses to conform with the presentation of accounts in the December 31, 2003 consolidated financial statements.

3. CURRENT ACCOUNTS WITH BANK INDONESIA

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah	1,160,999	1,058,892	1,160,999	1,058,892
Foreign currency (Note 37)	299,392	327,126	299,392	327,126
	<u>1,460,391</u>	<u>1,386,018</u>	<u>1,460,391</u>	<u>1,386,018</u>

Bank Indonesia requires banks in Indonesia to maintain minimum liquidity reserves at 5% of deposits in Rupiah and 3% of deposits in foreign currencies. The reserve requirement ratio (unaudited) of the Company as of December 31, 2003 for its Rupiah and US Dollar accounts are 5.43% and 3.05% (December 31, 2002: 5.10% and 3.01%), respectively.

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4. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah:				
Related parties	15	-	-	-
Third parties	1,273	1,810	1,034	1,712
Sub-total - Rupiah	1,288	1,810	1,034	1,712
Foreign currencies (Note 37)				
Related parties	60	-	1,431	-
Third parties:				
Standard Chartered Bank, New York	90,007	261,232	90,007	261,232
Bank of New York, New York	64,934	73,072	64,934	73,072
Chemical Bank, New York	45,312	-	45,312	-
JP Morgan Chase, NA, Hong Kong	40,756	-	-	-
American Express Bank, New York	30,036	38,864	30,036	38,864
Dresdner Bank AG, Frankfurt	18,410	14,844	18,410	-
Standard Chartered Bank, Hong Kong	17,726	44,154	8,540	30,635
The Hongkong Shanghai Banking Corporation, Hong Kong	16,508	-	-	-
Standard Chartered Bank, Singapore	16,310	34,009	16,310	34,009
Bank of California, New York	10,531	-	10,531	-
Citibank N.A., New York	2,284	19,220	2,284	-
Others	48,708	56,802	45,770	90,417
Sub-total - Foreign currencies	401,582	542,197	333,565	528,229
Total	402,870	544,007	334,599	529,941
Less: Allowance for possible losses	(3,346)	(5,299)	(3,346)	(5,299)
	399,524	538,708	331,253	524,642

Annual average interest rate for the years:

	2003	2002
Rupiah	1.37%	1.60%
Foreign currencies	0.94%	1.39%

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	5,299	3,696	5,299	3,696
(Reversal) provision during the year	(1,896)	2,659	(1,896)	2,659
Exchange rate differences	(57)	(1,056)	(57)	(1,056)
Balance at end of year	3,346	5,299	3,346	5,299

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

As of December 31, 2003 and 2002, current accounts with other banks were classified as current. There were no current accounts with other banks which were blocked or under lien as of December 31, 2003 and 2002.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Type of Placement	2003		Type of Placement	Average Interest Rate per Annum	2003	
	Average Interest Rate per Annum	Consolidated			Parent Company	Consolidated
Rupiah - related parties:			Foreign Currencies - related parties: (Note 37)			
Time deposits:			Call money:			
PT Bank Danamon Tbk., Jakarta (Syariah branch)		12,000	BII Finance Co. Ltd., Hong Kong	1.20	-	84,250
Rupiah - third parties:			Foreign Currencies - third parties: (Note 37)			
Call money:			Call money:	1.20		
Bank Indonesia - net of unamortized interest of Rp16	9.01	69,984	Deusche Bank, Kuala Lumpur		429,675	429,675
ABN Amro Bank, Jakarta	9.31	275,000	HSH Nordbank AG, Singapore		210,625	210,625
PT Bank Tabungan Negara, Jakarta		30,000	Standard Chartered Bank, Labuan		168,500	168,500
PT Bank Mega Tbk., Jakarta		20,000	National Bank of Kuwait, Singapore		84,250	84,250
Bank of Tokyo Mitsubishi, Jakarta		10,000	Indover Bank, Amsterdam		42,125	42,125
Bank OCBC, Jakarta		6,000	Lloyds TSB Bank, London		42,125	42,125
PT Bank Finconesia, Jakarta		3,000				
		413,984			977,300	977,300
Time deposits:			Time deposits:	5.16		
PT Bank Mega Tbk., Jakarta	12.00	1,500	Standard Chartered Bank, Mumbai		37,019	37,019
Others (Syariah Banks)		1,500	IntesaBchi S.P.A., Hong Kong		21,751	-
		3,000	The Hongkong Shanghai Banking Corporation, Hong Kong		18,566	-
		1,500	Federal Bank, Mumbai		9,254	9,254
		1,500	ABN Amro Bank, Mumbai		925	925
		413,984			87,515	47,198
		428,984	Sub-total - Foreign Currencies		1,064,815	1,108,748
		427,484	Total		1,493,799	1,536,232
			Less: Allowance for possible losses		(14,662)	(14,662)
			Net		1,479,137	1,521,570
Sub-total - Rupiah		428,984				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)

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5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Type of Placement	2002		
	Average Interest Rate per Annum	Consolidated	Parent Company
Rupiah - third parties:			
Call money:			
Bank Indonesia - net of unamortized interest of Rp130	12.72	334,870	334,870
PT Bank Buana Indonesia Tbk., Jakarta		40,000	40,000
PT Bank Rakyat Indonesia Tbk., Jakarta		40,000	40,000
Standard Chartered Bank, Jakarta		18,000	18,000
PT Bank Mega Tbk., Jakarta		15,000	15,000
Others		15,000	15,000
		462,870	462,870
Time deposits:			
PT Bank Mega Tbk., Jakarta	12.00	2,000	-
Sub-total - Rupiah		464,870	462,870
Foreign Currencies - third parties: (Note 37)			
Call money:	1.59		
JP Morgan Chase Bank, Hong Kong		268,500	268,500
Citibank NA, London		268,500	268,500
Deutsche Bank, Taipei		268,500	268,500
ABN Amro Bank, Tokyo		170,050	170,050
Hamburgische Landesbank, Singapore		134,250	134,250
United Overseas Bank Ltd, Singapore		97,921	97,921
PT Bank Mandiri Tbk., Jakarta		89,500	89,500
Bank of Tokyo Mitsubishi, Tokyo		89,500	89,500
Sumitomo Mitsui Banking Corp., Singapore		89,500	89,500
		1,476,221	1,476,221
Time deposits:			
IntesaBchi S.P.A., Hong Kong	1.16	30,281	-
The Hongkong Shanghai Banking Corporation, HongKong	1.08	33,897	-
Fortis Bank Asia, Hong Kong	1.38	30,430	-
Standard Chartered Bank, Hong Kong	1.10	28,117	-
ABN Amro Bank, Mumbai	6.99	933	933
		123,658	933
Sub-total - foreign currencies		1,599,879	1,477,154
Total		2,064,749	1,940,024
Less: Allowance for possible losses		(16,075)	(16,075)
Net		2,048,674	1,923,949

As of December 31, 2003, the placements in time deposits with PT Bank Danamon Indonesia Tbk. (*Syariah* branch) and other *Syariah* banks were based on profit sharing.

a. Placements with Related Parties

Placements with other banks as of December 31, 2003 included a placement with PT Bank Danamon Indonesia Tbk. (*Syariah* branch) amounting to Rp12,000, a related party, as of December 31, 2003.

b. Term

Call money represents placements with maturity periods between 1 and 96 days, while the tenure of time deposits is between 1 and 12 months.

The carrying amounts of the consolidated placements with other banks as of December 31, 2003 and 2002, based on maturity, were as follows:

Type of Placement	December 31, 2003			
	Up to 1 month	More than 1 month until 3 months	More than 3 months until 12 months	Total
Rupiah				
Call money	413,984	-	-	413,984
Time deposits	15,000	-	-	15,000
	428,984	-	-	428,984
Foreign Currencies (Note 37)				
Call money	977,300	-	-	977,300
Time deposits	86,590	-	925	87,515
	1,063,890	-	925	1,064,815
	1,492,874	-	925	1,493,799

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5. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

b. Term (continued)

Type of Placement	December 31, 2003			
	Up to 1 month	More than 1 month until 3 months	More than 3 months until 12 months	Total
Rupiah				
Call money	462,870	-	-	462,870
Time deposits	2,000	-	-	2,000
	<u>464,870</u>	<u>-</u>	<u>-</u>	<u>464,870</u>
Foreign Currencies (Note 37)				
Call money	1,476,221	-	-	1,476,221
Time deposits	123,658	-	-	123,658
	<u>1,599,879</u>	<u>-</u>	<u>-</u>	<u>1,599,879</u>
	<u>2,064,749</u>	<u>-</u>	<u>-</u>	<u>2,064,749</u>

c. Collectibility and Allowance for Possible Losses

All of the Company's placements with other banks are classified as current as of December 31, 2003 and 2002.

There were no placements with other banks, which were blocked or under lien as of December 31, 2003 and 2002.

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	16,075	185,237	16,075	185,237
Provision during the year	112	12,153	112	12,153
Write-offs	-	(180,856)	-	(180,856)
Exchange rate differences	(1,525)	(459)	(1,525)	(459)
Balance at end of year	14,662	16,075	14,662	16,075

On July 31, 2002, the Company wrote off placements with PT Bank Bira and PT Bank Pertiwi amounting to Rp176,625 and Rp4,231. The Company already recorded a specific provision for possible losses for its claim from PT Bank Bira and PT Bank Pertiwi (both frozen banks), amounting to Rp176,625 and Rp4,231 in 2001.

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	
	2003	2002	2003	2002
Rupiah				
Held-to-maturity				
Certificates of Bank Indonesia	306,986	126,539	306,986	126,539
Less: Unamortized discount	(1,983)	(934)	(1,983)	(934)
	<u>305,003</u>	<u>125,605</u>	<u>305,003</u>	<u>125,605</u>
Bonds	3,878	9,879	3,878	9,879
Trade documents	442	-	442	-
Less: Unamortized discount	(11)	-	(11)	-
	<u>431</u>	<u>-</u>	<u>431</u>	<u>-</u>
Certificate of <i>Wadiah</i> Bank Indonesia	50,000	-	50,000	-
Total Held-to-Maturity Securities	<u>359,312</u>	<u>135,484</u>	<u>359,312</u>	<u>135,484</u>

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6. MARKETABLE SECURITIES (continued)

	Consolidated		Parent Company			Consolidated		Parent Company	
	2003	2002	2003	2002		2003	2002	2003	2002
<u>Available-for-sale</u>					Available-for-sale				
Bonds	16,595	10,504	16,595	10,504	Notes receivable	39,887	31,613	39,887	31,613
Less:					Add: Increase in fair value	1,619	682	1,619	682
Allowance for decline in fair value	(880)	(714)	(880)	(714)					
	15,715	9,790	15,715	9,790		41,506	32,295	41,506	32,295
Mutual funds	61,500	-	61,500	-	Mutual funds	21,063	-	21,063	-
Add: Increase in fair value	3,740	-	3,740	-	Add: Increase in fair value	633	-	633	-
	65,240	-	65,240	-					
Total Securities Available-for-Sale	80,955	9,790	80,955	9,790	Total Securities Available-for-Sale	21,696	-	21,696	-
<u>Trading</u>					Trading				
Bonds	408,232	9,950	408,232	9,950	Notes receivable	403,642	344,701	403,642	344,701
Less: Allowance for decline in fair value	(20,639)	(275)	(20,639)	(275)	Add/less: Increase (decrease) in fair value	(7,787)	152	(7,787)	152
	387,593	9,675	387,593	9,675					
Mutual funds	9,200	-	5,000	-	Shares	2,909	4,089	-	-
Add: Increase in fair value	271	-	206	-	Less: Allowance for decline in fair value	(771)	(615)	-	-
	9,471	-	5,206	-					
Total Trading Securities	397,064	9,675	392,799	9,675	Total Trading Securities	397,993	348,327	395,855	344,853
Total Marketable Securities - Rupiah	837,331	154,949	833,066	154,949	Total Marketable Securities - Foreign Currencies	1,058,617	679,552	1,023,260	643,027
<u>Foreign Currencies (Note 37)</u>					Total	1,895,948	834,501	1,856,326	797,976
<u>Held-to-maturity</u>					Less: Allowance for possible losses	(11,906)	(7,238)	(11,906)	(7,238)
Notes receivable	498,971	281,030	498,971	281,030					
Less:									
Unamortized discount	(587)	(581)	(587)	(581)					
Unrealized losses on change in investment - purpose	(19,356)	(27,090)	(19,356)	(27,090)					
	479,028	253,359	479,028	253,359					
Receivables on export bills	118,476	45,103	85,257	12,052					
Less: Unamortized discount	(511)	(94)	(511)	(94)					
	117,965	45,009	84,746	11,958					
Traveller's cheques	420	549	420	549					
Drafts	9	13	9	13					
Total Held-to-Maturity Securities	597,422	298,930	564,203	265,879					
						1,884,042	827,263	1,844,420	790,738

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6. MARKETABLE SECURITIES (continued)

a. Receivables on Export Bills and Trade Documents

Receivables on export bills and trade documents represent receivables resulting from contracts for trade-related facilities given to customers, which are collectible when due.

b. Notes Receivable

The Company's notes receivable consist of debt securities in foreign currencies issued by publicly - listed companies, financial institutions, and banks participating in the Exchange Offer Program. Notes receivable include notes receivable issued by PT Bank Danamon Tbk. (a related party) amounting to Rp22,733.

c. Bonds

The Company's bonds consist of debt securities denominated in Rupiah issued by companies in Indonesia. Bonds include bonds issued by PT Indonesia Satellite Tbk. (a related party) with a market value amounting to Rp4,963 (nominal value: Rp5,000).

d. Category of Issuer of Marketable Securities

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

	December 31, 2003		
	Held-to-Maturity	Available-for-Sale	Trading
Bonds - Rupiah			
State-owned enterprises	-	12,612	340,654
Banks	-	3,983	2,000
Others	3,878	-	65,578
	<u>3,878</u>	<u>16,595</u>	<u>408,232</u>
Notes Receivable - Foreign Currencies			
Government and state-owned enterprises	8,425	-	-
Banks	490,546	-	197,054
Others	-	39,887	206,588
	<u>498,971</u>	<u>39,887</u>	<u>403,642</u>
	<u>502,849</u>	<u>56,482</u>	<u>811,874</u>
	December 31, 2002		
	Held-to-Maturity	Available-for-Sale	Trading
Bonds - Rupiah			
State-owned enterprises	-	10,504	4,770
Others	9,879	-	5,180
	<u>9,879</u>	<u>10,504</u>	<u>9,950</u>
Notes Receivable - Foreign Currencies			
Government and state-owned enterprises	8,950	-	66,219
Banks	272,080	-	260,367
Others	-	31,613	18,115
	<u>281,030</u>	<u>31,613</u>	<u>344,701</u>
	<u>290,909</u>	<u>42,117</u>	<u>354,651</u>

Included in others under available for sale category are notes receivables issued by foreign governments amounting to Rp27,283 (Parent Company: Rp27,283) as of December 31, 2003 and Rp19,094 (Parent Company: Rp19,094) as of December 31, 2002.

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6. MARKETABLE SECURITIES (continued)**e. Rating of Consolidated Marketable Securities**

The rating of consolidated notes receivable and bonds is as follows:

				December 31, 2003		
				Rating	Rating Agency	Rp
				<u>Available-for-sale</u>		
				Notes receivables		
				-	-	39,887
				<u>Trading</u>		
				FRN		
				B3	Moody's	44,278
				Bonds		
				B	Standard & Poor	58,592
				CCC+	Standard & Poor	46,085
				B2	Moody's	44,073
				B+	Standard & Poor	40,497
				CCC+	Standard & Poor	36,600
				B-	Standard & Poor	33,974
				B	Standard & Poor	33,537
				B3	Moody's	17,566
				B3	Moody's	17,058
				B	Standard & Poor	8,960
				B3	Moody's	8,245
				403,642		
				942,500		
				1,371,205		
				December 31, 2002		
				Rating	Rating Agency	Rp
				<u>Held-to-Maturity</u>		
				Bonds		
				idCCC	Pefindo	9,879
				<u>Available-for-sale</u>		
				Bonds		
				idBB-	Pefindo	10,504
				<u>Trading</u>		
				Bonds		
				idA-	Pefindo	5,180
				idBB-	Pefindo	4,770
				9,950		
				30,333		
				<u>Available-for-sale</u>		
				Notes receivables		
				B	Standard & Poor	231,687
				B2	Moody's	21,063
				B	Standard & Poor	8,425
				-	-	237,796
				498,971		

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6. MARKETABLE SECURITIES (continued)**e. Rating of Consolidated Marketable Securities (continued)**

	December 31, 2002		
	Rating	Rating Agency	Rp
Foreign currencies			
<u>Held-to-maturity</u>			
Notes receivables			
Bank Negara Indonesia	B3	Moody's	246,125
Republic of Indonesia	B	Fitch	8,950
Others			25,955
			281,030
<u>Available-for-sale</u>			
Notes receivables	-	-	31,613
<u>Trading</u>			
FRN			
PT Bank Mandiri Tbk	B3	Moody's	47,037
Notes Receivables			
Republic of Indonesia	B	Fitch	47,424
Telkom Selular Finance Ltd.	B+	Standard & Poor	18,795
Indofood Int'l Finance Ltd.	B	Standard & Poor	9,263
MEI Euro Finance Ltd.	B+	Standard & Poor	8,852
Others	-	-	213,330
			344,701
Sub-total - Foreign currency			657,344
			687,677

f. Change in Investment Purpose

In April and May 2003, the Company changed its intention on investment in exchange offer loans from "trading" category to "held-to-maturity" category. The Company recorded the exchange offer loans at their fair value at the dates of their transfer of Rp152,582.

In 1999, the Company changed its purpose on investments in certain notes receivable and bonds from "available-for-sale" category to "held-to-maturity" category, in relation to the Company's financial risk management policy. In 2002, all of the bonds that were transferred from "available-for-sale" category to "held-to-maturity" have matured and/or sold. As of December 31, 2003 and 2002, unrealized losses on change in investment purpose of bonds and notes receivable amounted to Rp19,356 and Rp27,090, respectively.

g. Changes in the Unrealized Losses on Decline in Value of Marketable Securities

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

	2003	2002
Balance at beginning of year	(27,122)	(55,075)
Realized gain on sale of marketable securities	711	4,317
Increase in value of marketable securities	12,166	23,636
Balance at end of year	(14,245)	(27,122)
	2003	2002
Rupiah		
Bonds	3,620	9,879
Foreign currencies		
Notes receivable	498,971	207,354
	502,591	217,233

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:

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6. MARKETABLE SECURITIES (continued)

h. Interest Rate and Tenure

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

(i) Held-to-Maturity

	2003	2002
	Net Amount	Net Amount
Rupiah		
Less than 1 year	355,434	125,605
More than 1 year up to 5 years	3,878	9,879
	359,312	135,484
Foreign currencies		
Less than 1 year	302,161	45,571
More than 1 year up to 5 years	295,261	253,359
	597,422	298,930
	956,734	434,414

(ii) Available-for-Sale

	2003	2002
	Net Amount	Net Amount
Rupiah		
Less than 1 year	65,240	9,790
More than 1 year up to 5 years	13,729	-
More than 5 years up to 10 years	1,986	-
	80,955	9,790
Foreign currencies		
Less than 1 year	26,908	32,295
More than 1 year up to 5 years	36,294	-
	63,202	32,295
	144,157	42,085

The average interest rates (per annum) on Certificates of Bank Indonesia, money market securities, notes receivable and bonds denominated in Rupiah in 2003 and 2002 were as follows:

Year	Average Interest Rate	
2003	7.18%	to 12.93%
2002	10.95%	to 16.94%

The interest rates on notes receivable denominated in foreign currencies in 2003 and 2002 were as follows:

Year	Average Interest Rate	
2003	3.79%	to 12.38%
2002	3.00%	to 10.90%

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6. MARKETABLE SECURITIES (continued)

i. Collectibility and Allowance for Possible Losses

The classification of collectibility of consolidated marketable securities as of December 31, 2003 and 2002 after the recognition of increase/decline in fair value, unamortized discount, and unrealized losses on change in investment purpose was as follows:

Classification	2003		2002	
	Related Parties	Non-Related Parties	Related Parties	Non-Related Parties
Rupiah				
Current	4,963	832,368	-	154,949
Foreign Currencies (Note 37)				
Current	22,733	1,035,884	-	679,015
Loss	-	-	-	537
	22,733	1,035,884	-	679,552
	27,696	1,868,252	-	834,501

As of December 31, 2002, marketable securities that were classified as loss consisted of notes receivable in foreign currency issued by Atlantic Global Funding CBO Ltd., Putnam CBO I Ltd. and Aeltus CBO II Ltd., with a total net book value of Rp537. These notes receivable represent subordinated loans.

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	7,238	994,233	7,238	994,233
Provision (reversal) during the year	5,691	(7,919)	5,691	(7,909)
Write-offs	(537)	(1,032,830)	(537)	(1,032,830)
Recoveries	-	54,704	-	54,704
Exchange rate differences	(486)	(950)	(486)	(960)
Balance at end of year	11,906	7,238	11,906	7,238

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

In May 2002, the bonds of PT Barito Pacific Timber Tbk of Rp103,000 (with balance of unrealized losses on change of investment purpose of Rp4,317) were sold at Rp27,810 and in October 2002, the bonds of PT Muliasentra Gunaswakarya of Rp38,148 were sold at Rp26,984.

7. DERIVATIVE RECEIVABLES AND PAYABLES

- a. The Company entered into certain derivative transactions such as forward foreign exchange contracts and swap contracts with customers that enable the Company or its customers to minimize the risk of the effect of fluctuations in foreign exchange and interest rates. Swap contracts (foreign exchange and interest rate) represent contracts between two parties to exchange cash flows based on a 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 credit risk arises from failure of counter-party to fulfill its obligations to the Company according to the terms of the contract.

- b. As of December 31, 2003 and 2002, none of the Company's derivative transactions were designated as hedging instruments for accounting purposes. Accordingly, all gains and losses resulting from these derivative transactions were recorded in current year's income.
- c. The details of the Company's derivative receivables and payables at balance sheet date are as follows:

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7. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

c. The details of the Company's derivative receivables and payables at balance sheet date are as follows: (continued)

December 31, 2003 (Consolidated)					December 31, 2003 (Parent Company)			
	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables
Related to exchange rate contracts								
Forward								
Related parties	-	-	-	-	67,892	67,935	100	-
Non-related parties	82,961	84,849	192	2,404	592,615	596,901	5,881	6,540
	82,961	84,849	192	2,404	660,507	664,836	5,981	6,540
Swap								
Related parties	-	-	-	-				
Non-related parties	607,410	611,917	5,881	6,784				
	607,410	611,917	5,881	6,784				
Total	690,371	696,766	6,073	9,188				
Less: Allowance for possible losses			(62)				(62)	
			6,011				6,111	
December 31, 2003 (Parent Company)					December 31, 2002 (Consolidated)			
	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables
Related to exchange rate contracts								
Forward								
Related parties	-	-	-	-	-	-	-	-
Non-related parties	82,961	84,849	192	2,404	52,397	52,223	256	116
	82,961	84,849	192	2,404	52,397	52,223	256	116
Swap								
Related parties								
Non-related parties					307,630	303,174	282	4,823
					307,630	303,174	282	4,823
Total					360,027	355,397	538	4,939
Less: Allowance for possible losses							(5)	
							533	
December 31, 2003 (Parent Company)					December 31, 2002 (Parent Company)			
	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables
Related to exchange rate contracts								
Forward								
Related parties	-	-	-	-	-	-	-	-
Non-related parties	82,961	84,849	192	2,404	52,397	52,223	256	116
	82,961	84,849	192	2,404	52,397	52,223	256	116
Swap								
Related parties								
Non-related parties								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. DERIVATIVE RECEIVABLES AND PAYABLES (continued)

- c. The details of the Company's derivative receivables and payables at balance sheet date are as follows: (continued)

	December 31, 2002 (Parent Company)			
	Notional Amount (Contract)	Fair Value	Derivative Receivables	Derivative Payables
Swap				
Related parties	-	-	-	-
Non-related parties	307,630	303,174	282	4,823
	<u>307,630</u>	<u>303,174</u>	<u>282</u>	<u>4,823</u>
Total	<u>360,027</u>	<u>355,397</u>	<u>538</u>	<u>4,939</u>
Less: Allowance for possible losses			(5)	
			<u>533</u>	

As of December 31, 2003 and 2002 the tenure of the forward foreign currency contracts is between 6-148 days and 6-31 days, respectively, while the tenure of foreign currency swap is between 7-93 days and 3-71 days, respectively.

The collectibility of derivative receivables as of December 31, 2003 and 2002 was classified as current.

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	5	24	5	24
Provision (reversal) during the year	57	(18)	57	(18)
Exchange rate differences	-	(1)	-	(1)
Balance at end of year	<u>62</u>	<u>5</u>	<u>62</u>	<u>5</u>

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

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties (Note 36)				
Promissory notes	140,000	-	140,000	14,100
Employee loans	4,417	5,428	668	1,102
	<u>144,417</u>	<u>5,428</u>	<u>140,668</u>	<u>15,202</u>
Non-related parties				
Promissory notes	4,698,321	2,184,295	4,661,854	2,184,295
Car loans (KCMP)	1,308,618	211,705	1,308,618	211,705
Housing loans (KPR)	856,621	528,065	856,621	525,441
Overdrafts	798,411	374,712	798,411	374,712
Credit card receivables	668,304	488,158	668,304	488,158
Small business credits (KUK)	599,367	685,941	599,367	685,941
KIK, KMKP, KI and KPG	469,780	456,876	466,615	456,876
Export credits	404,763	456,901	385,012	456,901
Import credits	145,052	293,495	18,248	194,987
Syariah funding	67,775	-	67,775	-
Employee loans	51,361	69,752	45,189	54,535
Consumer financing receivables	24,334	20,328	-	-
Factoring receivables	5,333	5,333	-	-
Lease receivables - net	1,918	1,918	-	-
Advances under letters of credit	1,015	2,882	1,015	2,882
Others	51,272	32,216	51,272	7,262
	<u>10,152,245</u>	<u>5,812,577</u>	<u>9,928,301</u>	<u>5,643,695</u>
Total	<u>10,296,662</u>	<u>5,818,005</u>	<u>10,068,969</u>	<u>5,658,897</u>
Less: Allowance for possible losses	(665,191)	(560,440)	(636,340)	(535,979)
	<u>9,631,471</u>	<u>5,257,565</u>	<u>9,432,629</u>	<u>5,122,918</u>

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8. LOANS (continued)

b. Loans to Sinar Mas Group

As of December 31, 2000, the Company, the Sinar Mas group (the former controlling shareholder) and the Indonesian Bank Restructuring Agency had agreed to restructure the repayment schedule of the loans granted by the Company to the Sinar Mas Group, based on the Settlement Agreement dated January 26, 2001 and amendments thereto dated February 3, 2001. On March 9, 2001, a loan restructuring agreement was signed by the Company and 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.

As of December 31, 2003 and 2002, loans to non-related parties included loans to palm (crude palm) farmers, which were distributed by the Cooperatives (*Koperasi Unit Desa - KUD*) amounting to Rp366,109 and Rp353,004 respectively, were guaranteed by the Sinar Mas Group.

Since April 26, 2002, companies under the control of Sinar Mas Group have no longer been considered as related parties of the Company (Note 36).

c. KUK Channeling to Farmers through Cooperatives (KKPA)

As of December 31, 2003 and 2002, the outstanding KUK channeling to farmers through cooperatives (KKPA) amounted to Rp461,755 and Rp455,979, respectively.

d. Loan Collateral

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

e. By Economic Sector

The loans classified by economic sector are as follows:

		Consolidated December 31, 2003			
		Non-performing Loans	Performing Loans	Total	Allowance for Possible Losses on Non-performing Loans
Rupiah					
	Services	23,106	861,763	884,869	10,372
	Manufacturing	21,167	694,007	715,174	1,205
	Trading	23,272	1,569,296	1,592,568	5,351
	Agriculture and transportation	23,897	882,022	905,919	11,786
	Construction	4,143	387,454	391,597	2,508
	Others	60,979	2,696,169	2,757,148	31,464
		156,564	7,090,711	7,247,275	62,686
Foreign currencies (Note 37)					
	Services	5,755	318,080	323,835	5,755
	Manufacturing	31,957	1,051,541	1,083,498	3,362
	Trading	99,088	482,782	581,870	29,434
	Agriculture and transportation	325,137	126,910	452,047	325,137
	Construction	12,373	22,524	34,897	10,517
	Others	79	573,161	573,240	72
		474,389	2,574,998	3,049,387	374,277
		630,953	9,665,709	10,296,662	436,963
		Parent December 31, 2003			
		Non-performing Loans	Performing Loans	Total	Allowance for Possible Losses on Non-performing Loans
Rupiah					
	Services	23,106	861,763	884,869	10,372
	Manufacturing	20,130	694,007	714,137	539
	Trading	23,270	1,569,296	1,592,566	5,349
	Agriculture and transportation	23,897	882,022	905,919	11,786
	Construction	464	387,454	387,918	145
	Others	57,302	2,676,099	2,733,401	27,245
		148,169	7,070,641	7,218,810	55,436

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8. LOANS (continued)**e. By Economic Sector (continued)**

The loans classified by economic sector are as follows: (continued)

The loans classified by economic sector are as follows: (continued)

	Parent December 31, 2003				Allowance for Possible Losses on Non-performing Loans	Parent December 31, 2002			
	Non-performing Loans	Performing Loans	Total			Non-performing Loans	Performing Loans	Total	Non-performing Loans
Foreign currencies (Note 37)									
Services	5,755	318,080	323,835	5,755					
Manufacturing	26,705	1,013,030	1,039,735	2,311					
Trading	99,088	355,339	454,427	29,434					
Agriculture and transportation	325,137	126,910	452,047	325,137					
Construction	-	22,524	22,524	-					
Others	79	557,512	557,591	72					
	456,764	2,393,395	2,850,159	362,709					
	604,933	9,464,036	10,068,969	418,145					
	Consolidated December 31, 2002					Parent December 31, 2002			
	Non-performing Loans	Performing Loans	Total	Non-performing Loans		Non-performing Loans	Performing Loans	Total	Non-performing Loans
Rupiah									
Services	14,630	277,316	291,946	1,758					
Manufacturing	41,722	893,200	934,922	1,314					
Trading	17,222	486,557	503,779	5,616					
Agriculture and transportation	252,194	412,513	664,707	166,011					
Construction	2,706	249,132	251,838	404					
Others	40,425	1,229,664	1,270,089	1,205					
	368,899	3,548,382	3,917,281	176,308					
Foreign currencies (Note 37)									
Services	49,801	326,036	375,837	20,032					
Manufacturing	44,940	214,841	259,781	37,547					
Trading	53,646	280,724	334,370	50,544					
Agriculture and transportation	-	520,374	520,374	-					
Construction	13,076	3,747	16,823	11,115					
Others	198	393,341	393,539	195					
	161,661	1,739,063	1,900,724	119,433					
	530,560	5,287,445	5,818,005	295,741		510,022	5,148,875	5,658,897	284,626

Non-performing loans are loans which are classified as substandard, doubtful and loss.

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8. LOANS (continued)

f. By Maturity

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

	Consolidated December 31, 2003		Parent December 31, 2003	
	Based on Loan Credit Period	Based on Remaining Period Until Maturity	Based on Loan Credit Period	Based on Remaining Period Until Maturity
Rupiah				
Less than 1 year	2,533,323	3,001,860	2,533,320	2,991,480
1 - 2 years	751,823	701,734	740,544	692,785
2 - 5 years	2,539,402	2,736,239	2,522,219	2,727,103
More than 5 years	1,422,727	807,442	1,422,727	807,442
	7,247,275	7,247,275	7,218,810	7,218,810

The classification of loans based on credit period, as stated in the loan agreements, and the remaining period until maturity are as follows: (continued)

	Consolidated December 31, 2003		Parent December 31, 2003	
	Based on Loan Credit Period	Based on Remaining Period Until Maturity	Based on Loan Credit Period	Based on Remaining Period Until Maturity
Foreign currencies (Note 37)				
Less than 1 year	500,480	722,200	318,311	534,526
1 - 2 years	61,484	78,216	54,108	75,150
2 - 5 years	643,382	862,305	643,361	860,425
More than 5 years	1,844,041	1,386,666	1,834,379	1,380,058
	3,049,387	3,049,387	2,850,159	2,850,159
	10,296,662	10,296,662	10,068,969	10,068,969

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8. LOANS (continued)**f. By Maturity (continued)**

	Consolidated December 31, 2002		Parent December 31, 2002	
	Based on Loan Credit Period	Based on Remaining Period Until Maturity	Based on Loan Credit Period	Based on Remaining Period Until Maturity
Rupiah				
Less than 1 year	1,514,192	2,039,003	1,514,192	2,021,366
1 - 2 years	214,394	243,763	211,522	237,553
2 - 5 years	1,024,591	748,523	999,884	758,891
More than 5 years	1,164,104	885,992	1,175,902	883,690
	3,917,281	3,917,281	3,901,500	3,901,500
Foreign currencies (Note 37)				
Less than 1 year	269,881	465,812	156,964	345,733
1 - 2 years	106,210	59,062	99,050	52,797
2 - 5 years	131,601	200,078	121,720	193,839
More than 5 years	1,393,032	1,175,772	1,379,663	1,165,028
	1,900,724	1,900,724	1,757,397	1,757,397
	5,818,005	5,818,005	5,658,897	5,658,897

Loans based on remaining period until maturity of less than one year included past due loans amounting to Rp953,310 and Rp749,157 as of December 31, 2003 and 2002, respectively.

g. Interest Rate

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

	2003	2002
Rupiah	18.67%	21.06%
Foreign currencies	6.31%	8.92%

h. Syndicated Loans

The amount of syndicated loans of the Company amounted to as follows:

As of	Total amount of syndicated loans
December 31, 2003	971,513
December 31, 2002	1,107,515

The percentage of sharing of the Company as a leader of a syndicate and a member of a syndicate as of December 31, 2003 ranged from 27% to 36% and from 3% to 40%, respectively.

i. Staff Loans

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

j. Restructured Loans

	2003	2002
Restructured loans	1,498,083	1,876,670
Loans under restructuring process	465,246	113,549
Less: Allowance for possible losses for loans under restructuring process	(342,947)	(5,677)
Losses on loan restructuring	2,221	21,904

k. Collectibility of Loans

The classification of collectibility of the loans granted as of December 31, 2003 and 2002 were as follows:

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8. LOANS (continued)**k. Collectibility of Loans (continued)**

		Consolidated December 31, 2003										
		Current		Special Mention		Substandard		Doubtful		Loss		
Category		Total	%	Total	%	Total	%	Total	%	Total	%	Total
Related parties		144,417	1.78	-	0.00	-	0.00	-	0.00	-	0.00	144,417
Non-related parties		7,966,843	98.22	1,554,449	100.00	96,277	100.00	59,275	100.00	475,401	100.00	10,152,245
		8,111,260	100.00	1,554,449	100.00	96,277	100.00	59,275	100.00	475,401	100.00	10,296,662

		Parent December 31, 2003										
		Current		Special Mention		Substandard		Doubtful		Loss		
Category		Total	%	Total	%	Total	%	Total	%	Total	%	Total
Related parties		140,668	1.77	-	0.00	-	0.00	-	0.00	-	0.00	140,668
Non-related parties		7,784,501	98.23	1,538,867	100.00	90,650	100.00	46,710	100.00	467,573	100.00	9,928,301
		7,925,169	100.00	1,538,867	100.00	90,650	100.00	46,710	100.00	467,573	100.00	10,068,969

		Consolidated December 31, 2002										
		Current		Special Mention		Substandard		Doubtful		Loss		
Category		Total	%	Total	%	Total	%	Total	%	Total	%	Total
Related parties		5,428	0.14	-	0.00	-	0.00	-	0.00	-	0.00	5,428
Non-related parties		3,827,969	99.86	1,454,048	100.00	365,965	100.00	64,142	100.00	100,453	100.00	5,812,577
		3,833,397	100.00	1,454,048	100.00	365,965	100.00	64,142	100.00	100,453	100.00	5,818,005

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WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)

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Category	Parent December 31, 2002										
	Current		Special Mention		Substandard		Doubtful		Loss		Total
	Total	%	Total	%	Total	%	Total	%	Total	%	
Related parties	15,202	0.41	-	0.00	-	0.00	-	0.00	-	0.00	15,202
Non-related parties	3,716,590	99.59	1,417,083	100.00	365,895	100.00	48,792	100.00	95,335	100.00	5,643,695
	3,731,792	100.00	1,417,083	100.00	365,895	100.00	48,792	100.00	95,335	100.00	5,658,897

I. Allowance for Possible Losses

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	560,440	4,227,555	535,979	4,153,734
Recovery of loans previously written-off	187,040	583,313	187,040	583,288
Provision (reversal) during the year	147,923	(633,330)	142,672	(619,014)
Write-offs during the year	(211,677)	(3,017,809)	(211,677)	(3,017,809)
Exchange rate differences	(18,535)	(599,289)	(17,674)	(564,220)
Balance at end of year	665,191	560,440	636,340	535,979

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8. LOANS (continued)

I. Allowance for Possible Losses (continued)

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

m. Loans Written-Off

Balances of loans written off (Parent Company only) as of December 31, 2003 and 2002 amounted to Rp772,637 and Rp1,868,842, respectively. The loans written off were recorded in the Company's administrative accounts.

The Company sold certain of its non-performing loans through tender, "Program Penjualan Langsung (PPL)" and "Program Penjualan Aktiva Inti (PPAI) I, II, and III". PPL, PPAI I and II, PPAI III have been approved by the Indonesian Bank Restructuring Agency, the Company's shareholder; through its letter No. PB-1264/BPPN/0602 dated June 20, 2002, No. PB-1728/BPPN/0802 dated August 20, 2002, and No. PB-701/BPPN/0503 dated May 20, 2003, respectively. PPAI III has been approved by Extraordinary Shareholders' Meeting through Notarial Deed (Fathiah Helmi, SH) No. 53 dated June 18, 2003.

Below is the summary of the sale of the non-performing loans during 2003 and 2002:

		2003		
Program	Currency	Outstanding Balance	Proceeds	Average Recovery Rate
PPAI II	IDR	1,000	132	13%
	USD	4,641,934	611,807	13%
PPAI III	IDR	73,572	5,660	8%
	USD	77,708,065	14,908,898	19%
	IDR	74,572	5,792	8%
	USD	82,349,999	15,520,705	19%
		2002		
Program	Currency	Outstanding Balance	Proceeds	Average Recovery Rate
Tender PPL	USD	33,603,800	13,442,808	40%
	IDR	52,290	37,365	71%
PPAI I	USD	16,506,484	11,698,024	71%
	IDR	8,500	1,780	21%
PPAI II	USD	52,935,894	11,389,295	21%
	IDR	47,864	4,747	10%
	USD	82,036,826	13,596,750	17%
	IDR	108,654	43,892	40%
	USD	185,083,004	50,126,877	27%

For the above non-performing loans sold, the Company initially wrote off the loans, and any proceeds received from the sales were credited to the allowance for possible losses on loans.

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8. LOANS (continued)

n. Loans Purchased from IBRA

In 2003 and 2002, the Company participated in auctions during which the Indonesian Bank Restructuring Agency offered loans under the Sale of Assets Portfolio Program or *Program Penjualan Portfolio Aset Kredit (P3AK)*. The loans offered by the Indonesian Bank Restructuring Agency either have or have not been restructured.

In 2003, the Company formed a consortium with eight companies (2002: 5 companies) to participate in the auctions. The consortium agreed to various terms including the amount of contributions, portion of loan assets obtained by the consortium members and amount of fees paid by the other consortium members to the Company.

The consortium were allowed to conduct due diligence on the loans offered for auction before any bid was submitted. The Company and the consortium partners agreed that any loans purchased would be classified as "sustainable debt" (net present value of expected cash flows) and "unsustainable debt" (difference between the nominal value and sustainable debt), whereby the sustainable debt would be acquired by the Company and the unsustainable debt would be acquired by the consortium partners.

In 2003, with total bid of Rp189,926 and US\$8,821,677 (2002: Rp195,617 and US\$5,134,939), the consortium successfully won the right to purchase loans with a combined loan nominal value of approximately Rp2,099,261 and US\$110,706,799 (2002: Rp1,017,593 and US\$50,541,389). Based on cession agreements between the Company and the Indonesian Bank Restructuring Agency, nominal values of loans acquired by the Company are Rp117,284 and US\$6,817,423 (2002: Rp143,448 and US\$5,133,963). These are equal to the Company's portion in the consortium's purchase prices. Accordingly, the Company does not recognize any difference between purchase price and nominal value of loans purchased from the Indonesian Bank Restructuring Agency. The Company entered into new agreements with debtors for all loans purchased from the Indonesian Bank Restructuring Agency.

	2003	2002
Balance at beginning of year	189,202	-
New loans purchased during the year	233,887	189,202
Loan repayments	(109,174)	-
Exchange rate differences	544	-
Balance at end of year	314,459	189,202

Movements of allowance for possible losses on loans purchased from IBRA:

	2003	2002
Beginning balance of year	1,892	-
Provision during the year	29,253	1,892
Balance at end of year	31,145	1,892

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8. LOANS (continued)**o. Syariah Funding**

As of December 31, 2003, Syariah funding amounted to Rp67,775.

p. Credit Risk Management

The Company's general 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 involved 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 are granted under prudent banking principles, thus, of good quality. The Loan Committee is established at 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 Marketing and Risk Management Division.
4. A Special Asset Management Division (SAM) was established, separate from the Marketing and the Risk Management Division, to handle non-performing 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 principles and loan regulations.

9. ACCEPTANCES RECEIVABLE AND ACCEPTANCES PAYABLE**a. Acceptances Receivable**

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties				
Rupiah	-	-	-	-
Foreign currencies (Note 37)	383,365	45,978	366,399	30,694
Total	383,365	45,978	366,399	30,694
Less: Allowance for possible losses	(3,787)	(394)	(3,787)	(394)
	379,578	45,584	362,612	30,300

The classification of collectibility of acceptances receivable, on a consolidated basis as of December 31, 2003 and 2002 were as follows:

Classification	2003		2002	
	Amount	%	Amount	%
Current	371,830	97.00	43,802	95.27
Special Mention	11,535	3.00	2,176	4.73
	383,365	100.00	45,978	100.00

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9. ACCEPTANCES RECEIVABLE AND ACCEPTANCES PAYABLE (continued)

a. Acceptances Receivable (continued)

Acceptances receivable on a consolidated basis based on maturity are as follows:

	2003	2002
Less than or equal to 1 month	189,286	23,371
More than 1 month until 3 months	70,140	21,730
More than 3 months until 6 months	117,288	877
More than 6 months until 12 months	6,651	-
	383,365	45,978

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	394	744	394	744
Provision (reversal) during the year	3,437	(256)	3,437	(256)
Exchange rate difference	(44)	(94)	(44)	(94)
Balance at end of year	3,787	394	3,787	394

Management believes that the allowance for possible losses on acceptances receivable is adequate to cover possible losses on uncollectible acceptances receivable.

b. Acceptances Payable

	Consolidated		Parent Company	
	2003	2002	2003	2002
Banks				
Rupiah	-	-	-	-
Foreign currencies (Note 37)	383,365	45,978	366,399	30,694
	383,365	45,978	366,399	30,694

Acceptances payable on a consolidated basis based on maturity are as follows:

	2003	2002
Less than or equal to 1 month	189,286	23,371
More than 1 month until 3 months	70,140	21,730
More than 3 months until 6 months	117,288	877
More than 6 months until 12 months	6,651	-
	383,365	45,978

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10. GOVERNMENT BONDS

	Consolidated		Parent Company	
	2003	2002	2003	2002
Held-to-maturity				
Hedged bonds - net	3,733,791	6,919,958	3,733,791	6,919,958
Variable rate bonds	6,777,216	3,957,689	6,777,216	3,957,689
Fixed rate bonds	4,259,837	8,259,837	4,259,837	8,259,837
	<u>14,770,844</u>	<u>19,137,484</u>	<u>14,770,844</u>	<u>19,137,484</u>
Available-for-Sale				
Variable rate bonds	778,858	1,778,858	778,858	1,778,858
Fixed rate bonds	1,269,327	2,535,000	1,269,327	2,535,000
Add (less): Increase/(decrease) in fair value	48,190	(23,707)	48,190	(23,707)
	<u>2,096,375</u>	<u>4,290,151</u>	<u>2,096,375</u>	<u>4,290,151</u>
Trading				
Fixed rate bonds	-	25,650	-	25,650
	<u>16,867,219</u>	<u>23,453,285</u>	<u>16,867,219</u>	<u>23,453,285</u>

Hedged bonds are bonds whose principal amount is the Rupiah equivalent of the 3-month foreign currency hedge of the US Dollar against Rupiah (undelivered forward buy), with varying maturity dates in relation to the maturity of each hedged bond.

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

The amount of the hedged bonds received by the Company is equivalent to the receivables in foreign currency that have been transferred to the Indonesian Bank Restructuring Agency. Hedged bonds earn an annual interest equivalent to the 3-month SIBOR + 2% per annum. These bonds that were outstanding as of December 31, 2003, have various maturity dates from January 25, 2004 to October 25, 2004.

Hedged bonds arising from the hedge of a forward foreign currency transaction are stated net of unrealized losses on foreign exchange as follows:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Hedged bonds - nominal	4,661,111	8,247,951	4,661,111	8,247,951
Unrealized losses on foreign exchange	(927,320)	(1,327,993)	(927,320)	(1,327,993)
	<u>3,733,791</u>	<u>6,919,958</u>	<u>3,733,791</u>	<u>6,919,958</u>

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10. GOVERNMENT BONDS (continued)

The consolidated Government bonds based on maturity are as follows:

Year of Maturity	Nominal Value	
	2003	2002
2003	-	2,984,363
2004	3,851,868	4,375,860
2005	464,764	1,486,328
2006	1,891,076	3,339,764
2007	2,551,946	4,093,961
2008	2,097,741	2,107,038
2009	2,306,404	4,306,404
2012	783,274	783,274
2014	1,447,978	-
2016	743,579	-
2019	680,399	-
Total	16,819,029	23,476,992
Add(less): Increase/(decrease) in fair value	48,190	(23,707)
	16,867,219	23,453,285

Variable rate bonds earn annual interest equivalent to the 3-month interest rate of certificates of Bank Indonesia. These bonds have various maturity dates from November 25, 2005 to August 25, 2019.

The 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. The interest rates of fixed interest rate Government bonds ranged from 10.00% to 16.50% per annum. These bonds have various maturity dates from September 15, 2004 to December 15, 2012.

In 2003, the Company sold Government bonds of Rp4,021,564, with average selling price of 103.4 from its held-to-maturity portfolio, of which 99.5% were made to the newly established mutual fund, Pundi Reksa Rupiah, of which the Company acts as its custodian.

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10. GOVERNMENT BONDS (continued)

The fair value of consolidated Government bonds that are classified as "held-to-maturity", was as follows:

	2003	2002
Hedged bonds	3,733,791	6,919,958
Variable rate bonds	6,759,869	3,957,596
Fixed rate bonds	4,311,178	6,031,801
	14,804,838	16,909,355
The changes in the unrealized gains/(losses) on decline in fair value of Government bonds were as follows (for available-for-sale portfolio):		
	2003	2002
Balance at beginning of year	(23,707)	(394,229)
Realized gains on sale of Government bonds	6,498	-
Increase in fair value of Government bonds	65,399	370,522
Balance at end of year	48,190	(23,707)

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	
	2003	2002	2003	2002
Equity Method				
PT BII Finance Center				
Cost	-	-	37,500	37,500
Percentage of ownership - 99.99%				
Accumulated equity in net income of a subsidiary	-	-	9,493	(422)
BII Finance Co. Limited, Hongkong				
Cost	-	-	13,563	13,563
Percentage of ownership - 100%				
Accumulated equity in net income of a subsidiary	-	-	363	1,281
Difference due to change in equity in a subsidiary	-	-	108,479	115,481
PT MLC Investment Indonesia (formerly PT 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	(3,645)	(3,653)	(3,645)	(3,653)
PT Bank Dagang dan Industri (closed bank)				
Cost	16,754	16,754	16,754	16,754
Percentage of ownership - 24.55%				
	17,886	17,878	187,284	185,281

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11. INVESTMENTS IN SHARES OF STOCK (continued)

	Consolidated		Parent Company	
	2003	2002	2003	2002
Cost Method				
PT Bank Credit Lyonnais Indonesia				
Cost	10,000	10,000	10,000	10,000
Percentage of ownership - 3.29%				
Investment in shares of stock of other companies of PT BII Finance Center	3,957	5,533	-	-
Investments in shares of stock from loan restructuring	-	17,592	-	17,592
Others	3,285	3,285	3,285	3,284
	17,242	36,410	13,285	30,876
Total	35,128	54,288	200,569	216,157
Less: Allowance for possible losses	(30,872)	(31,025)	(29,824)	(29,976)
	4,256	23,263	170,745	186,181

- a. PT Bank Dagang dan Industri was closed by the Indonesian Government on March 13, 1999. Other shareholders of PT Bank Dagang dan Industri included PT Bank Lippo Tbk. In January 1998, PT 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 approximately Rp460,000 to PT Bank Dagang dan Industri to cover deposit shortfalls. On March 13, 1999, the Indonesian Bank Restructuring Agency took over all the obligations and assets of PT 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 Rp460,000 plus accrued interest, which was provided by Bank Indonesia to PT Bank Dagang dan Industri, the Company, as one of the shareholders, 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 either a favourable or unfavourable outcome of this matter cannot be reasonably determined. The Company has written off its investment in PT Bank Dagang dan Industri based on approval from the Board of Directors dated February 2, 2004 (Note 45c).
- b. Based on notarial deed No. 102 of notary Eva Misdawati, SH, dated December 3, 2000, the Articles of Association of PT BII Lend Lease Investment Services, an associated company, was amended due to the change in its name to PT 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.
- c. Investments in shares of stock from loan restructuring as of December 31, 2002, represent the Company's temporary investment in PT Adicipta Griyasejati. Up to December 31, 2002, PT Adicipta Griyasejati has suffered accumulated losses amounting to Rp14,517 or equivalent to 30.8% of its shareholders' equity. BI regulation No. 31/10/UPPB dated November 12, 1998 regarding Earning Assets Quality, stated that the investment should have at least 50% provision for possible losses as doubtful if the investee suffered losses 25% - 50% of its shareholders' equity. As of December 31, 2002, the Company recognized a permanent decline in the value of investments in PT Adicipta Griyasejati based on Memorandum No. 2003.107/DIR4-Kredit Khusus dated January 28, 2003. The permanent decline in the value of such investments was calculated at 50% of PT Adicipta Griyasejati's capital or Rp23,592 (representing 57% of carrying amount) as of December 31, 2002. The permanent decline was charged to 2002 profit and loss as other operating expenses. On September 9, 2003, the investment was sold at Rp23,000. The Company recognized a gain on this sale transaction of Rp5,407, which was recorded under the "non-operating revenues" account in 2003 (Note 32).

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11. INVESTMENTS IN SHARES OF STOCK (continued)

- d. 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 PT Aplikanusa Lintas Arta, PT Sarana Bersama Pembiayaan Indonesia, PT Sarana Sulsek Ventura, PT Sarana Bali Ventura, PT Sarana Sumatera Barat Ventura, PT Sarana Lampung Ventura, PT Sarana Sumsel Ventura, PT Sarana Jambi Ventura, PT Sarana Kalbar Ventura, PT Sarana Sulut Ventura, PT Bhakti Sarana Ventura, PT Penjamin Kredit Pengusaha Indonesia, PT Sarana Riau Ventura and PT Sarana Sumut Ventura.
- e. The business activities of the associated companies as of December 31, 2003 and 2002 were as follows:

Company	Business Activity
PT MLC Investment Indonesia (formerly PT BII Lend Lease Investment Services)	Investment management
PT Bank Dagang dan Industri (closed bank)	Banking (this associated company had been closed by Bank Indonesia)

- f. The classification of collectibility of consolidated investments in shares of stock as December 31, 2003 and 2002 was as follows:

Category	2003	2002
Rupiah		
Current	4,002	21,587
Substandard	200	200
Doubtful	1,000	1,000
Loss	27,067	27,067
	32,269	49,854
Foreign currency		
Current	835	2,338
Doubtful	2,024	2,096
	2,859	4,434
	35,128	54,288

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance of beginning of year	31,025	29,861	29,976	29,861
(Reversal) provision during the year	(148)	1,176	(148)	115
Exchange rate differences	(5)	(12)	(4)	-
Balance at end of year	30,872	31,025	29,824	29,976

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11. INVESTMENTS IN SHARES OF STOCK (continued)

Management believes that the allowance for possible losses on investments in shares of stock is adequate to cover possible losses on uncollectible investments in shares of stock.

12. INTEREST RECEIVABLES

	Consolidated		Parent Company	
	2003	2002	2003	2002
Government bonds	284,945	488,019	284,945	488,019
Loans	76,122	38,114	72,604	36,561
Marketable securities	18,044	11,123	18,024	11,123
Interbank placements	579	1,247	934	1,247
	379,690	538,503	376,507	536,950

13. PREPAYMENTS

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rental	55,987	53,820	55,519	53,761
Others	27,186	21,391	25,659	20,759
	83,173	75,211	81,178	74,520

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

14. PREMISES AND EQUIPMENT

	Consolidated		Parent Company	
	2003	2002	2003	2002
At Cost or Revalued Amounts				
Direct ownership:				
Land	382,076	381,462	382,076	381,462
Buildings	314,548	307,688	314,548	307,688
Office equipment	236,466	197,275	228,691	190,185
Installations	176,531	135,630	175,226	134,245
Vehicles	111,971	90,778	110,024	89,384
	1,221,592	1,112,833	1,210,565	1,102,964
Accumulated Depreciation				
Direct ownership:				
Buildings	35,662	20,221	35,662	20,221
Office equipment	147,200	83,221	140,855	77,088
Installations	97,998	60,719	96,695	59,334
Vehicles	30,649	11,428	29,519	10,442
	311,509	175,589	302,731	167,085
Net Book Value	910,083	937,244	907,834	935,879

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14. PREMISES AND EQUIPMENT (continued)

The changes from January 1, 2003 up to December 31, 2003, on a consolidated basis in premises and equipment balances were as follows:

	January 1, 2003	Additions	Deductions	Translation Adjustment/ Reclassifications	December 31, 2003
<u>At Cost or Revalued</u>					
<u>Amounts</u>					
Direct ownership:					
Land	381,462	847	(233)	-	382,076
Buildings	307,688	7,030	-	(170)	314,548
Office equipment	197,275	48,752	(9,384)	(177)	236,466
Installations	135,630	44,137	(3,124)	(112)	176,531
Vehicles	90,778	28,617	(7,379)	(45)	111,971
	<u>1,112,833</u>	<u>129,383</u>	<u>(20,120)</u>	<u>(504)</u>	<u>1,221,592</u>
<u>Accumulated Depreciation</u>					
Direct ownership:					
Buildings	20,221	15,492	-	(51)	35,662
Office equipment	83,221	69,512	(5,374)	(159)	147,200
Installations	60,719	39,503	(2,109)	(115)	97,998
Vehicles	11,428	22,276	(3,031)	(24)	30,649
	<u>175,589</u>	<u>146,783</u>	<u>(10,514)</u>	<u>(349)</u>	<u>311,509</u>
Net Book Value	<u>937,244</u>				<u>910,083</u>

The changes from January 1, 2002 up to December 31, 2002 in premises and equipment balances, on a consolidated basis were as follows:

	January 1, 2002	Additions	Deductions	Translation Adjustment/ Reclassification	Revaluation	Desember 31, 2002
<u>At Cost or Revalued</u>						
<u>Amounts</u>						
Direct ownership:						
Land	444,661	-	-	-	(63,199)	381,462
Buildings	362,234	3,335	-	(4,291)	(53,590)	307,688
Office equipment	703,023	28,994	(413)	(562)	(533,767)	197,275
Installations	367,253	9,913	(516)	(791)	(240,229)	135,630
Vehicles	53,976	57,819	(20,148)	(106)	(763)	90,778
	<u>1,931,147</u>	<u>100,061</u>	<u>(21,077)</u>	<u>(5,750)</u>	<u>(891,548)</u>	<u>1,112,833</u>
<u>Accumulated Depreciation</u>						
Direct ownership:						
Buildings	60,352	15,265	-	(806)	(54,590)	20,221
Office equipment	384,047	75,164	(325)	(2,149)	(373,516)	83,221
Installations	287,991	59,208	(429)	925	(286,976)	60,719
Vehicles	31,600	14,668	(4,555)	78	(30,363)	11,428
	<u>763,990</u>	<u>164,305</u>	<u>(5,309)</u>	<u>(1,952)</u>	<u>(745,445)</u>	<u>175,589</u>
Net Book Value	<u>1,167,157</u>					<u>937,244</u>

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14. PREMISES AND EQUIPMENT (continued)

In September 1998, the Company revalued certain premises and equipment located in Indonesia 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 PT 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 premises and equipment. 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 Rp1,343,195 which was presented as part of equity.

In 2002, the Company revalued its premises and equipment located in Indonesia with a cut-off date December 31, 2001. Based on the appraisal report of PT Insal Utama, a firm of independent appraisers, No. IV-02-183 dated June 20, 2002, there was a negative adjustment of Rp146,103 to the Company's revaluation increment in premises and equipment balance amounting to Rp1,343,195, which was recorded as an equity component. The balance of revaluation increment in premises and equipment after the adjustment was Rp1,197,092. The appraisal was carried out based on market data approach for land and vehicles, and cost approach for buildings, office equipment and installations. On August 14, 2002, the Company obtained approval from the tax office through its letter No. KEP-001/WPJ.19/KP.0104/2002, regarding the negative adjustment of Rp146,103, which was debited to the revaluation increment in premises and equipment account under the equity section of the balance sheet.

The Company and its subsidiaries owned several parcels of land with Building Use Rights (*Hak Guna Bangunan* or "HGB") from 2003 to 2033. Management believes that there will be no difficulty in the extension of the landrights since all parcels of land were legally acquired and were supported by sufficient evidence of ownership.

As of December 31, 2003, premises and equipment of the Company, except land, were insured against risk of fire and theft with insurance companies for Rp625,852 (December 31, 2002: Rp465,961). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

15. OTHER ASSETS

	Consolidated		Parent Company	
	2003	2002	2003	2002
Foreclosed properties - net	173,867	218,334	172,685	216,832
Advances to IBRA including receivables from consortia members	117,484	167,694	117,484	167,694
Receivables from VISA, MasterCard and JCB	65,594	49,401	65,594	49,401
Advances for building renovations and repairs	36,219	18,357	36,219	18,357
Guarantee deposits	23,388	20,825	23,388	20,825
Prepaid expenses for opening new branches	12,283	664	12,283	664
Others - net	44,619	77,908	30,393	76,723
	473,454	553,183	458,046	550,496

Others include receivables in relation to banking transactions and golf club memberships.

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15. OTHER ASSETS (continued)

In 2002, the Company eliminated its receivables related to foreign currency swap transactions with companies under the Sinar Mas Group (amounting to Rp1,000,375) with the provision for possible losses on these receivables which have been previously fully provided.

As of December 31, 2003 and 2002, foreclosed properties were shown at net of allowance for possible losses of Rp143,554 and Rp206,349, respectively.

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	206,349	192,480	206,349	192,480
(Reversal) provision during the year	(62,795)	13,869	(62,795)	13,869
Balance at end of year	143,554	206,349	143,554	206,349

16. LIABILITIES IMMEDIATELY PAYABLE

	Consolidated		Parent Company	
	2003	2002	2003	2002
Payables to credit card merchants	102,928	105,681	102,928	105,681
Transfers and cheques for collection and clearing	44,076	43,887	44,076	43,887
Unclaimed matured deposits	1,160	1,026	1,160	1,026
Other bank liabilities	93,100	83,003	68,027	69,414
	241,264	233,597	216,191	220,008

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

17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS**a. Deposits from Customers**

Deposits consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties (Note 36)				
Demand deposits	76,087	80,617	84,232	85,859
Savings deposits	848	359	848	359
Time deposits	1,104,326	1,649,916	1,105,826	1,668,091
	1,181,261	1,730,892	1,190,906	1,754,309
Non-related parties				
Demand deposits	8,245,530	7,156,916	8,245,530	7,156,916
Savings deposits	4,870,179	3,593,293	4,870,179	3,593,293
Time deposits	14,353,722	16,666,321	14,266,452	16,598,089
Certificates of deposit - net	6,368	74,653	6,368	74,653
Call money	-	8,397	-	8,397
	27,475,799	27,499,580	27,388,529	27,431,348
	28,657,060	29,230,472	28,579,435	29,185,657

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

a. Deposits from Customers (continued)

1. Demand deposits consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties				
Rupiah	48,786	31,370	56,765	36,258
Foreign currencies	27,301	49,247	27,467	49,601
	<u>76,087</u>	<u>80,617</u>	<u>84,232</u>	<u>85,859</u>
Non-related parties				
Rupiah	2,570,405	2,078,876	2,570,405	2,078,876
Foreign currencies	5,675,125	5,078,040	5,675,125	5,078,040
	<u>8,245,530</u>	<u>7,156,916</u>	<u>8,245,530</u>	<u>7,156,916</u>
	<u>8,321,617</u>	<u>7,237,533</u>	<u>8,329,762</u>	<u>7,242,775</u>

Average interest rates per annum:

	2003	2002
Rupiah	4.72%	5.08%
Foreign currencies	0.88%	2.57%

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

As of December 31, 2003 and 2002, total demand deposits, which were blocked under lien amounting to Rp19,457 and RpNil, respectively, represents payment from consortium members for loans purchased from the Indonesian Bank Restructuring Agency.

As of December 31, 2003, total *Wadiah* demand deposits which were being managed by the Company's *Syariah* Unit amounted to Rp9,054 in Rupiah currencies and Rp504 in foreign currencies.

2. Savings deposits consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties				
Rupiah	848	359	848	359
Non-related parties				
Rupiah	4,869,312	3,592,711	4,869,312	3,592,711
Foreign currencies	867	582	867	582
	<u>4,870,179</u>	<u>3,593,293</u>	<u>4,870,179</u>	<u>3,593,293</u>
	<u>4,871,027</u>	<u>3,593,652</u>	<u>4,871,027</u>	<u>3,593,652</u>

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)**a. Deposits from Customers (continued)**

2. Savings deposits consist of (continued)

Average interest rates per annum:

	2003	2002
Rupiah	7.14%	7.98%
Foreign currencies	3.40%	3.61%

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

As of December 31, 2003, total *Wadiah* and *Mudharabah* savings deposits, which were being managed by the Company's *Syariah* Unit amounted to Rp2,262 and Rp6,910, respectively (all Rupiah denominated).

3. Time deposits consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties				
Rupiah	825,100	1,282,223	826,600	1,300,398
Foreign currencies	279,226	367,693	279,226	367,693
	1,104,326	1,649,916	1,105,826	1,668,091
Non-related parties				
Rupiah	11,585,522	13,150,335	11,585,522	13,150,660
Foreign currencies	2,768,200	3,515,986	2,680,930	3,447,429
	14,353,722	16,666,321	14,266,452	16,598,089
	15,458,048	18,316,237	15,372,278	18,266,180

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

(i) Based on time deposit period:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah				
1 month	9,022,244	11,310,866	9,023,744	11,329,366
3 months	2,153,178	2,861,841	2,153,178	2,861,841
6 months	777,911	111,174	777,911	111,174
12 months	457,289	148,677	457,289	148,677
	12,410,622	14,432,558	12,412,122	14,451,058
Foreign currencies				
1 month	2,504,442	3,326,825	2,504,442	3,326,690
3 months	377,428	346,678	295,944	280,270
6 months	98,457	124,255	92,853	122,399
12 months	67,099	85,921	66,917	85,763
	3,047,426	3,883,679	2,960,156	3,815,122
	15,458,048	18,316,237	15,372,278	18,266,180

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

a. Deposits from Customers (continued)

3. Time deposits consist of: (continued)

(ii). Based on remaining period until maturity:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah				
Less than or equal to 1 month	10,232,647	12,193,058	10,234,147	12,211,558
More than 1 month until 3 months	1,690,076	2,041,827	1,690,076	2,041,827
More than 3 months until 6 months	169,393	70,038	169,393	70,038
More than 6 months until 12 months	313,718	82,983	313,718	82,983
More than or equal to 12 months	4,788	44,652	4,788	44,652
	<u>12,410,622</u>	<u>14,432,558</u>	<u>12,412,122</u>	<u>14,451,058</u>
Foreign currencies				
Less than or equal to 1 month	2,626,915	3,405,412	2,596,783	3,405,277
More than 1 month until 3 months	304,520	341,373	250,647	274,965
More than 3 months until 6 months	66,500	81,932	63,235	80,076
More than 6 months until 12 months	48,785	54,562	48,785	54,404
More than or equal to 12 months	706	400	706	400
	<u>3,047,426</u>	<u>3,883,679</u>	<u>2,960,156</u>	<u>3,815,122</u>
	<u>15,458,048</u>	<u>18,316,237</u>	<u>15,372,278</u>	<u>18,266,180</u>

Average interest rates per annum:

	2003	2002
Rupiah		
1 month	10.20%	15.51%
3 months	11.11%	16.40%
6 months	11.82%	16.04%
12 months	13.50%	16.35%
Foreign currencies		
1 month	1.31%	3.28%
3 months	1.58%	3.65%
6 months	1.81%	4.09%
12 months	2.73%	5.27%

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

Total time deposits which were blocked or under lien as of December 31, 2003 amounted to Rp967,994 on a consolidated basis (2002: Rp499,406) and Rp886,546 for the Parent Company (2002: Rp344,552). As of December 31, 2003, total *Mudharabah* time deposits, which were being managed by the Company's *Syariah* Unit amounted to Rp84,624 in the Rupiah currency and Rp2,529 in foreign currencies.

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

a. Deposits from Customers (continued)

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties Rupiah				
1 month	-	56,596	-	56,596
3 months	-	16,780	-	16,780
6 months	1,000	-	1,000	-
12 months	5,525	1,995	5,525	1,995
Total	6,525	75,371	6,525	75,371
Less: Unamortized interest	(157)	(718)	(157)	(718)
	6,368	74,653	6,368	74,653

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

	2003	2002
1 month	11.53%	15.96%
3 months	12.21%	16.16%
6 months	10.95%	13.44%
12 months	12.79%	17.26%

5. Call Money

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties Call Money				
Foreign Currencies	-	8,397	-	8,397
	-	8,397	-	8,397

Average interest rate

	2003	2002
Foreign Currencies	5.70%	5.70%

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)**b. Deposits from Other Banks**

Deposits from other banks consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties (Note 36)				
Demand deposits	-	-	237	-
	-	-	237	-
Non-related parties				
Demand deposits	106,413	31,164	106,413	31,164
Time deposits	158,093	223,666	154,754	223,666
Certificates of deposit - net	472,208	4,412	472,208	4,412
Call money	99,500	8,575	99,500	8,575
	836,214	267,817	832,875	267,817
	836,214	267,817	833,112	267,817

1. Demand deposits from other banks consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Related parties				
Rupiah	-	-	60	-
Foreign currencies	-	-	177	-
	-	-	237	-
Non-related parties				
Rupiah	36,014	13,883	36,014	13,883
Foreign currencies	70,399	17,281	70,399	17,281
	106,413	31,164	106,413	31,164
	106,413	31,164	106,650	31,164

Included in demand deposits are wadiah deposits amounting to Rp25 as of December 31, 2003.

Average interest rates per annum:

	2003	2002
Rupiah	4.73%	4.85%
Foreign currencies	0.91%	1.58%

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

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)

b. Deposits from Other Banks (continued)

There were no demand deposits which were blocked or under lien as of December 31, 2003 and 2002.

2. Time deposits from other banks consist of:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties				
Rupiah	53,654	44,666	53,654	44,666
Foreign currencies	104,439	179,000	101,100	179,000
	158,093	223,666	154,754	223,666

Included in time deposits are unrestricted investments - mudharabah time deposits amounting to Rp24,503 as of December 31, 2003.

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

(i) Based on time deposits period:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah				
1 month	29,204	27,461	29,204	27,461
3 months	20,950	15,205	20,950	15,205
6 months	3,500	-	3,500	-
12 months	-	2,000	-	2,000
	53,654	44,666	53,654	44,666
Foreign currencies				
1 month	104,439	179,000	101,100	179,000
	158,093	223,666	154,754	223,666

(ii) Based on the remaining period until maturity:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah				
Less than or equal to 1 month	49,554	27,591	49,554	27,591
More than 1 month until 3 months	600	15,075	600	15,075
More than 3 months until 6 months	3,500	2,000	3,500	2,000
	53,654	44,666	53,654	44,666
Foreign currencies				
Less than or equal to 1 month	104,439	179,000	101,100	179,000
	158,093	223,666	154,754	223,666

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17. DEPOSITS FROM CUSTOMERS AND OTHER BANKS (continued)**b. Deposits from Other Banks (continued)**

2. Time deposits from other banks consist of (continued):

Average interest rates per annum:

	2003	2002
Rupiah		
1 month	10.27%	15.70%
3 months	11.16%	16.25%
6 months	11.68%	-
Foreign currencies		
1 month	1.50%	1.75%
3 months	-	6.60%

There were no time deposits which were blocked or under lien as of December 31, 2003 and 2002.

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties				
Rupiah				
12 months	500,000	-	500,000	-
Less: Unamortized interest	(27,792)	-	(27,792)	-
Foreign currencies				
12 months	-	4,412	-	4,412
	472,208	4,412	472,208	4,412

Average interest rate per annum:

	2003	2002
Rupiah		
12 months	12.62%	-
Foreign currencies		
12 months	-	3.19%

4. As of December 31, 2003, call money represents placements from other banks with a tenure of 3 to 12 days (2002: 11 days) that are obtained from the money market.

	Consolidated		Parent Company	
	2003	2002	2003	2002
Non-related parties				
Call Money				
Rupiah	99,500	4,100	99,500	4,100
Foreign Currencies	-	4,475	-	4,475
	99,500	8,575	99,500	8,575

Average interest rate per annum:

	2003	2002
Rupiah	9.45%	16.41%
Foreign currencies	1.63%	2.49%

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18. TAXES PAYABLE**Taxes payable consist of:**

	Consolidated		Parent Company	
	2003	2002	2003	2002
Withholding tax articles 21 and 23	20,868	45,446	17,807	45,402
Others	259	320	259	270
	21,127	45,766	18,066	45,672

Under the Indonesian taxation laws, the Company and its Indonesian subsidiaries submit tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within 10 years after the date of the tax filing (five years for taxes prior to 1995).

19. BORROWINGS

	Consolidated		Parent Company	
	2003	2002	2003	2002
Loans received from Bank Indonesia Rupiah				
Two-Step Loans (ADB, KFW, Exim Bank, OECF and AJDF)	29,993	38,779	29,993	38,779
Loans to farmers through Cooperatives (KKPA)	424,202	415,346	424,202	415,346
Small housing loans	220	281	220	281
	454,415	454,406	454,415	454,406
Foreign currencies (Note 37)				
Two-Step Loans (ADB)	43,826	56,903	43,826	56,903
Total Loans Received from Bank Indonesia	498,241	511,309	498,241	511,309
Loans from other banks				
Foreign currencies (Note 37)	-	1,581,915	-	1,488,833
Other loans				
Foreign currencies (Note 37)	3,269	20,011	3,269	20,011
	501,510	2,113,235	501,510	2,020,153

a. Loans Received from Bank Indonesia

The "Two-Step Loans" are loans received through Bank Indonesia from Asian Development Bank (ADB), Kreditanstalt Fuer Wiederaufbau (KFW), Japan Bank for International Cooperation (formerly Bank Export Import of Japan) [Exim Bank], AJDF and Overseas Economic Cooperation Fund (OECF), to be distributed to the Company's customers.

Outstanding balances of the "Two-Step Loans" were as follows:

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19. BORROWINGS (continued)**a. Loans Received from Bank Indonesia (continued)**

	Consolidated		Parent Company	
	2003	2002	2003	2002
Rupiah				
ADB I	2,424	4,040	2,424	4,040
Exim Bank V	-	2,642	-	2,642
OECD - SSI	2,309	2,552	2,309	2,552
OECD - PAE	1,556	1,720	1,556	1,720
KFW	12,484	14,565	12,484	14,565
AJDF	11,220	13,260	11,220	13,260
Foreign currencies	29,993	38,779	29,993	38,779
ADB II	43,826	56,903	43,826	56,903
Total	73,819	95,682	73,819	95,682

The loans received from Bank Indonesia, which include the "Two-Step Loans", are unsecured and bear interest per annum as follows:

	2003	2002
Interest rate		
Rupiah	8.21%-11.93%	10.00% - 12.50%
Foreign currencies	floating	floating

(i) Asian Development Bank (ADB)

This account represents credit facilities from the Asian Development Bank, through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, to distribute to banks which are the members of ADB to finance several projects in Indonesia.

Credit Facilities Purpose (s)

ADB I To finance Government projects in developing export oriented industries in Indonesia by distributing loans to private sectors for production purposes

ADB II To finance Government projects to develop export oriented industries

ADB I

The repayment period shall be 15 years, including a grace period not exceeding 3 years, starting on the date the agreements took effect.

The principal shall be repaid in 24 semi-annual installments on January 15 and July 15, with the first installment due on July 15, 1993 and the last installment due on January 15, 2005.

Interest shall be charged on the basis of a variable interest rate determined by Bank Indonesia on a semi-annual basis, based on the weighted average interest rates of customers' deposits on foreign exchange banks (bank devisa nasional), which should not be lower than ADB's interest rate plus 1.75% per annum.

Outstanding balances as of December 31, 2003 amounted to Rp2,424 (2002: Rp4,040).

ADB II

The repayment period shall be 15 years, including a grace period not exceeding four years, starting on the date the agreements took effect.

The principal shall be repaid in 22 approximately equal semi-annual installments on February 1 and August 1, with the first installment due on August 1, 1997 and the last installment due on February 1, 2008.

The interest shall be charged on the basis of a variable interest rate computed on a semi-annual basis, which is equal to ADB's lending rate plus 0.50% per annum.

Outstanding balances as of December 31, 2003 amounted Rp43,826 (2002: Rp56,903).

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19. BORROWINGS (continued)

a. Loans Received from Bank Indonesia (continued)

- (ii) Japan Bank for International Cooperation (formerly Bank Export-Import of Japan [Exim Bank] V

This account represents credit facilities from the Exim Bank, through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, to finance projects in Indonesia.

The loan is designed to help the Indonesian Government to finance projects, which will stimulate investments of small-scale businesses and to advance the national economic development.

The repayment period shall be 11 years, including a grace period not exceeding two years, starting on the date the agreements took effect.

The principal shall be repaid in 18 semi-annual installments, on March 15 and September 15, with the first installment due on September 15, 1994 and the last installment due on March 15, 2003. The loan was fully paid on March 15, 2003.

The interest rate shall be variable, which is determined every six months, based on the average interest rate of a three-month period of Certificates of Bank Indonesia (SBI) and average interest rate of a three-month period of time deposits from Government banks, during the same six-month period.

Outstanding balances as of December 31, 2003 amounted RpNil (2002:Rp2,642).

- (iii) The Overseas Economic Cooperation Fund (OECF)

This account represents credit facilities from the OECF through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, to finance projects in Indonesia. The details of these facilities are as follows:

Credit Facilities Purpose (s)

OECF SSI	To finance Government projects in funding small scale businesses
OECF PAE	To finance Government projects in funding companies investing in Pollution Abatement Equipment (PAE), PAE manufactures, and waste disposal industries

The repayment period shall be 20 years, including a grace period not exceeding five years, starting on the date the agreements took effect.

The principal shall be repaid in 30 semi-annual installments on February 15 and August 15, with the first installment due on August 15, 1998 and the last installment due on February 15, 2013.

Interest rate is floating, determined on a semi-annual basis, based on the average interest rate per annum of 3-month SBI.

Outstanding balances as of December 31, 2003 amounted to Rp2,309 and Rp1,556 (2002:Rp2,552 and Rp1,720) for SSI program and PAE program, respectively.

- (iv) Kreditanstalt Fuer Wiederaufbau (KFW)

This account represents credit facilities from the KFW through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, to finance projects in Indonesia.

The loan is designed to finance government projects, which will provide funding for small and medium scale businesses.

The repayment period shall be 138 months, including a grace period not exceeding 48 (forty eight) months starting on the date the agreements took effect.

The principal shall be repaid in 16 semi-annual installments, on June 15 and December 15, with the first installment due on June 15, 2002 and the last installment due on December 15, 2009.

Interest rate is floating and is determined by the Government of Republic of Indonesia every June 30 and December 31 and valid for the following six months.

Outstanding balances as of December 31, 2003 amounted Rp12,484 (2002:Rp14,565).

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19. BORROWINGS (continued)

a. Loans Received from Bank Indonesia (continued)

(v) Export-Import Bank of Japan Untied AJDF (Exim Bank AJDF)

This account represents credit facilities from Exim Bank AJDF through the Government of the Republic of Indonesia, via the Ministry of Finance of the Republic of Indonesia, to finance projects in Indonesia.

The loan is designed to finance projects that stimulate small-scale business investments and to advance economic development.

The repayment period shall be 15 years, including a grace period not exceeding three years, starting on the date the loan agreements took effect.

The principal shall be repaid in 24 semi-annual installments, on June 15 and December 15, with the first installment due on December 15, 1997 and the last installment due on June 15, 2009.

The annual rate of interest shall be based on a variable interest rate equal to the average of six months of interest rate of the 3-month Certificates of Bank Indonesia computed on a semi-annual basis.

Outstanding balances as of December 31, 2003 amounted Rp11,220 (2002: Rp13,260).

(vi) Loan to Farmers through Cooperatives (Kredit kepada Koperasi Primer untuk Anggota - KKPA)

This account represents credit facilities from Bank Indonesia through the Company, which are distributed to cooperatives (*Koperasi Unit Desa - KUD*) in Indonesia. Details of these facilities are as follows:

KUD Krida Sejahtera

The repayment period is required in five stages. The repayment period shall be 12 years including grace period four years and six months. The interest rate shall be charged at 9% per annum. Repayment period for the first stage ranges from July 1994 to July 2006. Repayment period for the second stage ranges from April 1995 to January 2007. Repayment period for the third stage ranges from April 1996 to January 2008. Repayment period for fourth stage ranges from April 1997 to January 2009. Repayment for fifth stage ranges from June 1999 to June 2011.

Outstanding balances as of December 31, 2003 amounted Rp102,409 (2002:Rp100,871).

KUD Gajah Mada

The repayment period is required in two stages. The repayment period shall be 12 (twelve) years, including grace period four years and six months. The interest rate shall be charged at 9% per annum. Repayment period for the first stage ranges from January 1996 to January 2008. Repayment period for the second stage ranges from October 1999 to October 2011.

Outstanding balances as of December 31, 2003 amounted Rp77,728 (2002:Rp64,530).

KUD Karya Lestari

The repayment period shall be 12 years, including a grace period four years and six months, from December 1996 to March 2008. The interest rate shall be charged at 9% per annum.

Outstanding balances as of December 31, 2003 amounted Rp13,903 (2002:Rp15,762).

KUD Pendawa Sakti

The repayment period shall be 11 years, including a grace period four years and six months, from March 1996 to March 2007. The interest rate shall be charged at 9% per annum.

Outstanding balances as of December 31, 2003 amounted Rp16,345 (2002:Rp19,202).

KUD Tani Subur

The repayment period is required in three stages. The repayment period shall be 11 years including a grace period four years and six months. The interest rate shall be charged at 9% per annum. Repayment period for the first stage ranges from April 1996 to September 2007. Repayment period for the second stage ranges from April 1996 to January 2008. Repayment period for the third stage ranges from April 1996 to April 2008.

Outstanding balances as of December 31, 2003 amounted Rp64,900 (2002:Rp68,866).

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19. BORROWINGS (continued)

a. Loans Received from Bank Indonesia (continued)

- (vi) Loan to Farmers through Cooperatives (Kredit kepada Koperasi Primer untuk Anggota - KKPA) (continued)

KUD Sumber Rezeki

The repayment is required in three stages. The repayment period shall range from 12 years to 13 years, including grace period four years and six months. Repayment period for the first stage ranges from October 1996 to July 2008. Repayment period for the second stage ranges from March 1998 to October 2011. Repayment period for the third stage ranges from March 1999 to November 2011. The interest rate shall be charged at 9% per annum.

Outstanding balances as of December 31, 2003 amounted Rp127,722 (2002:Rp121,041).

KUD Cinta Damai

The repayment period shall be seven years, including a grace period not exceeding one year, from January 2000 to February 2007. The interest rate shall be charged at 9% per annum.

Outstanding balances as of December 31, 2003 amounted Rp14,833 (2002:Rp16,433).

Others

Others consist of Kohippa (Koperasi Himpunan Pedagang Pasar Ambon) and KUD Bima Utama.

Outstanding balances as of December 31, 2003 amounted Rp6,363 (2002:Rp 8,640).

- (vii) KPRS Pelita V

This loan represents a credit facility from Bank Indonesia to finance a housing program in Indonesia.

The principal shall be repaid in 36 semi-annual installments, on June 30 and December 31, with the first installment due on June 30, 1991 and the last installment due on December 31, 2008.

Interest rate charged by Bank Indonesia is 7% per annum.

Outstanding balances as of December 31, 2003 amounted Rp176 (2002: Rp234).

- (viii)KPRS Pelita VI

This loan represents a credit facility from Bank Indonesia to finance a housing program in Indonesia.

The principal shall be repaid in 40 (forty) semi-annual installments, on June 30 and December 31, with the first installment due on June 30, 1998 and the last installment due on December 31, 2017.

The interest rate charged by Bank Indonesia ranges from 3% to 9% per annum.

Outstanding balances as of December 31, 2003 amounted Rp44 (2002: Rp47).

b. Loans Received from Other Banks

Loans received from other banks represent the outstanding balance of secured and unsecured loans received from various offshore banks with average interest rate per annum as follows:

	<u>2003</u>	<u>2002</u>
Average Interest rate per annum		
Rupiah	-	14.24%
Foreign currencies	2.38% - 2.75%	4.28% - 6.98%

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 US\$99,500,000 subject to a floating interest rate.

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

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19. BORROWINGS (continued)**b. Loans Received from Other Banks (continued)**

	<u>US\$</u>	<u>Repayment Date</u>		<u>US\$</u>	<u>Repayment Date</u>
Offshore Loans (continued)			<i>Exchange Offer Program II (Subsidiary)</i>		
	<u>US\$</u>	<u>Repayment Date</u>	Repayment Schedule:		
<i>Exchange Offer Program (EOP) I (Parent Company)</i>			10% of outstanding borrowings	14,750,000	June 1, 2002
			45% of outstanding borrowings	10,125,000	June 1, 2003
			45% of outstanding borrowings	10,125,000	June 1, 2004
Outstanding balance as of December 31, 2001	17,529,752	August 25, 2002			
Payments made during 2002	(17,529,752)		Total	35,000,000	
Outstanding balance as of December 31, 2002	-		Payments made in 2001	(12,500,000)	
	<u>US\$</u>	<u>Repayment Date</u>	Outstanding balance as of December 31, 2001	22,500,000	
<i>Exchange Offer Program (EOP) II (Parent Company)</i>			Payments made during 2002	(12,100,000)	
			Outstanding balance as of 2002	10,400,000	
Repayment Schedule:			Payments made during 2003	(10,400,000)	
8.88% of outstanding borrowings	18,750,000	June 1, 2002			
43.59% of outstanding borrowings	92,070,000	June 1, 2003			
43.36% of outstanding borrowings	91,570,000	June 1, 2004	Outstanding balance as of December 31, 2003	-	
4.17% of outstanding borrowings	8,810,000	June 1, 2005			
Outstanding balance as of December 31, 2001	211,200,000				
Payments made during 2002	(44,850,000)				
Outstanding balance as of December 31, 2002	166,350,000				
Payments made during 2003	(166,350,000)				
Outstanding balance as of December 31, 2003	-				

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19. BORROWINGS (continued)**b. Loans Received from Other Banks (continued)**

Offshore Loans (continued)

The loans under EOP I and EOP II have been fully repaid by the Company and Subsidiary as of December 31, 2003.

The annual average interest rates for EOP I and II are the 6-month US\$ LIBOR + margin. These liabilities under EOP I and II are guaranteed by Bank Indonesia.

c. Other Loans

This consists of overdraft demand deposits with other banks.

20. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Outstanding letters of credit	4,060	1,260	4,060	1,260
Bank guarantees	10,573	10,563	10,573	10,563
	14,633	11,823	14,633	11,823

The classification of collectibility of commitments and contingent transactions are as follows:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Current	760,646	353,544	702,030	284,623
Special mention	933	1,307	933	1,307
Loss	7,582	8,919	7,582	8,919
Total	769,161	363,770	710,545	294,849
Less: Allowance for possible losses	(14,633)	(11,823)	(14,633)	(11,823)
	754,528	351,947	695,912	283,026

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
Balance at beginning of year	11,823	100,854	11,823	100,854
Provision (reversal) during the year	3,400	(79,486)	3,400	(79,486)
Exchange rate differences	(590)	(9,545)	(590)	(9,545)
Balance at end of year	14,633	11,823	14,633	11,823

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

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21. ACCRUED EXPENSES

	Consolidated		Parent Company	
	2003	2002	2003	2002
Interest	47,006	127,898	46,957	127,564
Others	130,721	99,469	130,027	98,803
	177,727	227,367	176,984	226,367

Others included accrual for bonuses, advertising and a provision for penalties on premium on a Government guarantee.

22. OTHER LIABILITIES

	Consolidated		Parent Company	
	2003	2002	2003	2002
Liability to Acme Securitisation Co.	277,547	1,026,431	277,547	1,026,431
Provision for employee benefits (Note 39)	125,358	65,564	125,358	65,564
Margin deposits	42,300	36,910	42,300	36,910
Provision for counterfeits	17,497	6,355	17,497	6,355
Deferred income	16,231	20,552	15,868	19,866
Other liabilities to merchants	506	14,132	506	14,132
Others	47,392	15,215	35,615	15,455
	526,831	1,185,159	514,691	1,184,713

On July 14, 1997, the Company signed an agreement with Acme Securitisation Co. to obtain secured financing of US\$140 million. This liability is secured by the Company's future Visa and Master credit card receivables, repaid on quarterly installments on January 31, April 30, July 31 and October 31, with the first installment due on October 31, 1998 and the last installment due on July 31, 2007. The interest rate is 7.60% per annum. The Company has obtained an approval from Bank Indonesia through its letter No. 29/415/ULN/KEPI dated January 23, 1997, to exclude this financing from foreign commercial borrowings (*Pinjaman Komersial Luar Negeri*). Accordingly, this financing is presented as other liabilities.

In July and August 2003, the Company bought-back certain portion of its liability to Acme Securitisation Co. with a nominal value totaling US\$63,620,108 and a purchase price ranging from 97.00% to 98.30% of nominal value.

As of December 31, 2003, others included provision for contingent losses pertaining to legal matters and syariah restricted investment (executing) amounting to Rp16,846 and Rp3,000, respectively.

23. SHARE CAPITAL

The Company's shareholders at balance sheet dates based on the statement of PT Sinartama Gunita, shares registrar ("Biro Administrasi Efek [BAE]") were as follows:

Types of Shares	December 31, 2003		
	%	Number of Shares (in Thousands)	Amount
Series A Shares	0.81	388,146	1,940,731
Series B Shares	7.80	3,725,324	4,656,655
Series C Shares	10.81	5,165,876	6,457,345
Series D Shares	80.58	38,504,000	4,813,000
	100.00	47,783,346	17,867,731

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23. SHARE CAPITAL (continued)

Name of Shareholder	December 31, 2003		Name of Shareholder	December 31, 2002	
	%	Number of Shares (in thousands)		%	Number of Shares (in thousands)
			Government of the Republic of Indonesia (qq. Indonesian Bank Restructuring Agency)	93.69	44,766,473
			Public (less than 5%)	6.31	3,016,873
Sorak Financial Holding Pte. Ltd.	51.23	24,479,506			
Government of the Republic of Indonesia (qq. Indonesian Bank Restructuring Agency)	22.49	10,746,626			
Public (less than 5%)	26.28	12,557,214			
	100.00	47,783,346		100.00	47,783,346

All shares, i.e. Series A, Series B, Series C and Series D are common shares, except for Series C, which have additional rights. Among those additional rights is that of preferential treatment if the Company is liquidated.

Since 2001, the Company's shares have been traded on a scrip-less mechanism.

Series C shares may only be owned by the Government of the Republic of Indonesia, companies wholly-owned by the Government of the Republic of Indonesia or public sector utilities. If any Series C shares are transferred to another party that is a non-Government entity then such Series C shares will be converted automatically into Series B shares.

From October 16 through to October 24, 2003, the Indonesian Bank Restructuring Agency sold 1,229,270,000 Series D shares of the Company on the Jakarta Stock Exchange.

On November 20, 2003, the Indonesian Bank Restructuring Agency entered into a Sale and Purchase Agreement with Sorak Financial Holding Pte. Ltd. Under the Sale and Purchase Agreement, Sorak Financial Holding Pte. Ltd. agreed to purchase 24,369,506,578 Series D shares, constituting 51% of the total outstanding shares in the Company. The Sale and Purchase Agreement contains a number of provisions relating to control of the Company, including agreement regarding the composition of the Company's boards of commissioners and directors.

Types of Shares	December 31, 2002		
	%	Number of Shares (in Thousands)	Amount
Series A Shares	0.81	388,146	1,940,731
Series B Shares	7.60	3,631,648	4,539,561
Series C Shares	11.01	5,259,552	6,574,439
Government of the Republic of Indonesia (qq. Indonesian Bank Restructuring Agency)			
Series D Shares	80.58	38,504,000	4,813,000
Government of the Republic of Indonesia (qq. Indonesian Bank Restructuring Agency)			
	100.00	47,783,346	17,867,731

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In December 2003, the Indonesian Bank Restructuring Agency sold 8,327,400,000 Series D shares to eligible non-US persons outside Indonesia and the United States and a limited number of investors in the Republic of Indonesia in reliance on Regulation S under the US Securities Act of 1933.

In 2003, the Government of the Republic of Indonesia, through the Indonesian Bank Restructuring Agency, transferred a part of its ownership of Series C shares to Series B shares, consisting of 93,488,680 shares to the holders of Right Certificate of "Sertifikat Bukti Hak - SBH". These SBH were given by the Indonesian Bank Restructuring Agency to the parties that took a part of the Series B shares related to the Company's recapitalization process in 1999, wherein the holders of SBH have a right to receive the proceeds from loans classified as "loss", which were transferred to the Indonesian Bank Restructuring Agency.

On April 17, 2002, certain members of the Widjaja family (the former controlling shareholders) signed an agreement to approve the transfer of their direct and indirect ownership in shares of the Company to the Indonesian Bank Restructuring Agency, as partial payment of the Sinar Mas Group's liabilities to the Indonesian Bank Restructuring Agency, in relation to the Committee of Financial Sector Policy (KSK) decision No. KEP.01/K.KSK/04/2002 dated April 8, 2002 (Note 36). The actual transfer of shares transpired and was effectively consummated on April 26, 2002.

Following is a summary of the changes in share capital from January 1, 2002 to December 31, 2003:

	Number of Shares (in thousands)	Total Paid-up Capital
Balance as of January 1, 2002	92,793,462	13,054,731
Reverse stock split (Note 1.a)	(83,514,116)	-
Limited Public Offering IV (Note 1.c)	38,504,000	4,813,000
Balance as of December 31, 2002 and 2003	47,783,346	17,867,731

24. ADDITIONAL PAID-IN CAPITAL

Following are the changes in the additional paid-in capital from January 1, 2002 to December 31, 2003:

	Additional Paid-in Capital
Balance as of January 1, 2002	12,530
Deduction: Costs of Limited Public Offering IV	(2,963)
Balance as of December 31, 2002 and 2003	9,567

25. DIFFERENCES DUE TO CHANGE OF EQUITY IN SUBSIDIARIES

This account represents exchange rate differences which resulted from translation of over seas subsidiary's foreign currency financial statements, BII Finance Co. Limited, Hong Kong.

	Consolidated		Parent Company	
	2003	2002	2003	2002
Foreign exchange differences from translation of foreign currency financial statements of: BII Finance Co. Ltd., Hong Kong	108,479	115,481	108,479	115,481

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26. 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 Rp1,000 (full amount) per share. There were 275,948,575 Series I overdue warrants, which have not been exercised.

In April and June 1999, the Company issued 4,486,424,571 Series II warrants exercisable for Series B shares. Such warrants were attached to Series B shares and were exercisable between October 6, 1999 and April 16, 2002. Each Series II warrant was exercisable for 1 new Series B share at an exercise price of Rp220 (full amount) per share. In addition, one warrant was issued for every eight 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) was 11,114,000,000 warrants.

Shareholders 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 option may be exercised every six 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, 2003, all Series II warrants totaling 11,114,000,000 warrants have not been exercised; thus, have already expired.

27. 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	
	2003	2002	2003	2002
Spot Foreign Currencies Purchased				
United States Dollar (US\$)	127,951	170,027	127,951	170,027
Singapore Dollar (SGD)	2,534	-	2,534	-
Euro (EUR)	-	937	-	937
Poundsterling (GBP)	15,057	-	15,057	-
Indian Rupee (INR)	2,110	-	2,110	-
Hong Kong Dollar (HKD)	217	-	217	-
	147,869	170,964	147,869	170,964
Spot Foreign Currencies Sold				
United States Dollar (US\$)	96,251	4,475	96,251	4,475
Singapore Dollar (SGD)	-	61,346	-	61,346
Euro (EUR)	2,130	-	2,130	-
Poundsterling (GBP)	7,529	-	7,529	-
Indian Rupee (INR)	14,768	-	14,768	-
	120,678	65,821	120,678	65,821

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27. COMMITMENTS AND CONTINGENCIES (continued)

- b. The Company had commitment and contingent receivables and liabilities in relation to export - import activities, guarantees given, and loans granted to customers, which were as follows:

	Consolidated		Parent Company	
	2003	2002	2003	2002
COMMITMENT LIABILITIES				
Unused loan commitments granted to customers	3,790,451	2,246,581	3,627,098	2,246,581
Outstanding irrevocable L/Cs	471,782	189,778	402,246	120,857
Total Commitment Liabilities	4,262,233	2,436,359	4,029,344	2,367,438
CONTINGENCIES				
Contingent Receivables				
Past due interest revenues	59,734	120,014	59,734	120,014
Guarantees received	50,044	-	56	-
Standby L/Cs	-	2,110	-	2,110
Total Contingent Receivables	109,778	122,124	59,790	122,124
Contingent Liabilities				
Guarantees issued in the form of:				
Bank guarantees	230,253	158,053	230,253	158,053
Shipping guarantees	48,698	3,409	46,981	3,409
Standby L/Cs	18,428	12,530	31,065	12,530
Total Contingent Liabilities	297,379	173,992	308,299	173,992

As of December 31, 2003 and 2002 there were no outstanding commitment and contingent liabilities to related parties (consisting of L/Cs and bank guarantees).

The average term of L/Cs is one to six months, while for bank guarantees it is 1 to 12 months.

28. INTEREST REVENUES

Interest earned and recognized were as follows:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Government bonds	1,942,104	2,207,806	1,942,104	2,207,806
Loans	1,125,297	737,841	1,100,266	721,496
Marketable securities	149,265	60,350	149,200	60,350
Placements with other banks	65,627	66,917	66,902	64,947
Syariah	3,760	-	3,760	-
Total	3,286,053	3,072,914	3,262,232	3,054,599

29. INTEREST EXPENSE

Interest incurred were as follows:

	Consolidated		Parent Company	
	2003	2002	2003	2002
Time deposits	1,556,687	2,079,901	1,556,687	2,079,901
Savings deposits	309,680	281,149	309,680	281,149
Borrowings	177,366	445,293	176,905	438,201
Demand deposits	165,804	223,480	166,554	222,497
Premium on Government guarantees (Note 43)	78,277	75,640	78,277	75,640
Certificates of deposit	30,342	11,619	29,930	11,619
Call money	4,091	19,777	4,091	22,480
Syariah	1,617	-	1,617	-
Total	2,323,864	3,136,859	2,323,741	3,131,487

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30. OTHER OPERATING REVENUES - OTHERS

	Consolidated		Parent Company	
	2003	2002	2003	2002
Gains on sale of marketable securities and				
Government bonds	135,252	2,785	135,131	2,785
Retail administration	92,377	86,423	92,377	86,423
Credit card administration	30,667	26,466	30,667	26,466
Mutual funds commission and fees	14,926	-	14,926	-
Western Union commission	13,690	12,114	13,690	12,114
Banking services	12,703	8,344	12,703	8,344
Loan administration	8,156	2,874	6,837	2,874
Import and export administration	2,492	1,792	2,492	1,792
Investment banking administration	1,473	1,737	1,473	1,737
Others	52,831	101,800	49,072	100,007
	364,567	244,335	359,368	242,542

Others include revenues from agency fee, organization fee, gain on settlement of transaction with Peregrine in May 2002 amounting to Rp56,493, and other income from banking operations.

31. GENERAL AND ADMINISTRATIVE EXPENSES

	Consolidated		Parent Company	
	2003	2002	2003	2002
General	271,230	236,406	266,247	234,107
Rental	127,735	114,418	126,488	114,418
Promotions	79,071	68,414	76,179	67,652
Professional fees	41,744	46,239	40,039	45,443
Banking communication lines	34,967	27,428	34,248	27,428
Telephone, telex and wires	27,686	24,679	27,050	23,905
Transportation and housing	26,789	18,069	25,874	18,069
Water and electricity	26,150	19,826	25,933	19,826
Printing and stationery	22,668	17,967	22,331	17,825
Legal, court and mortgage	18,494	5,702	18,395	5,702
Stamps and stamp duty	13,926	10,813	13,698	10,813
Research and development	8,943	3,131	8,943	3,131
Supplies	5,024	2,611	4,810	2,611
Meetings and licences	2,834	1,481	2,834	1,481
	707,261	597,184	693,069	592,411

32. NON-OPERATING REVENUES

	Consolidated		Parent Company	
	2003	2002	2003	2002
Gains on sale of foreclosed properties	14,231	65,082	14,231	65,082
Rental	3,932	2,787	3,932	2,787
Others	10,576	20,405	9,913	14,083
	28,739	88,274	28,076	81,952

Others included a gain on sale of premises and equipment, and fees for services other than banking operations.

In 2003, others consisted of gains on sale of investments in shares of stock of PT Adicipta Griyasejati of Rp5,407 (Note 11). In 2002, others mainly consisted of reimbursement of stamp duty from the tax office which had been charged to prior year expense.

33. NON-OPERATING EXPENSES

	Consolidated		Parent Company	
	2003	2002	2003	2002
Loss on loan restructuring	2,221	21,904	2,221	21,904
Office consumables	1,538	1,293	1,538	1,293
Penalties and donations	1,407	32,528	1,407	32,528
Others	12,498	12,876	12,220	12,122
	17,664	68,601	17,386	67,847

In 2002, penalties and donations included a provision for penalties on premiums on Government guarantees amounting to Rp27,908.

Others included sports, recreation and other non-operating expenses.

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34. INCOME TAX

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

	<u>2003</u>	<u>2002</u>
Current tax expense		
The Company	251	-
	<u>251</u>	<u>-</u>
Deferred tax (benefit)/expense		
The Company	(37,704)	(7,377)
Subsidiary	(1,559)	6,736
	<u>(39,263)</u>	<u>(641)</u>
	<u>(39,012)</u>	<u>(641)</u>

The Company's current tax expense of Rp251 represents corporate income tax from its overseas branch.

Current Tax Expense

In accordance with Indonesian tax laws, the corporate income tax of the Company and Indonesian subsidiary are computed for each company as a separate legal entity.

A reconciliation between income before corporate income tax per statements of income and fiscal losses was as follows:

	<u>2003</u>	<u>2002</u>
Income before corporate income tax - Parent Company	271,636	125,140
Equity in net income of subsidiaries and overseas branches	(8,197)	(37,875)
Income subject to final tax (rental income)	(3,932)	(2,787)
Adjusted income before corporate income tax of the Company	<u>259,507</u>	<u>84,478</u>

Adjusted income before corporate income tax of the Company

	<u>2003</u>	<u>2002</u>
Adjusted income before corporate income tax of the Company	<u>259,507</u>	<u>84,478</u>
Temporary differences:		
Provision for possible losses on earning assets, other than loans, other assets, and estimated losses on commitments and contingencies	(55,479)	(2,251,719)
Provision for possible losses on loans	(302,940)	188,358
Employee benefit costs	59,794	41,752
Provision for employee bonuses	(482)	23,000
Provision for legal cases	16,846	-
Permanent differences:		
Representation expenses	2,732	1,871
Donations	1,278	2,370
Benefits-in-kind	2,072	28,535
Permanent decline in value of marketable securities and investments	-	23,592
Increase in value of marketable securities	(42,465)	(5,695)
Depreciation of non-allowable premises and equipment	2,533	1,715
Capital (gain)/loss	(134,822)	1,484
Write-off of earning assets other than loans and other assets not deductible for tax purpose	1,999	2,188,160
Write-off of loans not deductible for tax purpose	5,373	1,588,219
(Increase)/decrease in value of foreclosed properties	-	58,111
Loss on sale of assets	(470,044)	-
Loss on fraud and counterfeit	8,985	-
Others	74,566	91,009
Net	<u>(830,054)</u>	<u>1,980,762</u>
Taxable income/(tax loss)	<u>(570,547)</u>	<u>2,065,240</u>

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34. INCOME TAX (continued)

Tax losses carry forwards		
1998 (based on SKPLB No. 00176/406/98/054/00)	(5,955,310)	(5,955,310)
1999	(5,712,108)	(5,712,108)
Tax assessment - 1999	7,009,332	-
Revaluation of fixed assets-1998	1,343,195	1,343,195
2000	(195,193)	(195,193)
Tax assessment - 2000	829,675	-
2001	(2,133,346)	(2,133,346)
Tax assessment - 2001	125,771	-
Revaluation of fixed assets - 2001	(146,103)	(146,103)
2002	2,065,240	-
Accumulated tax losses carried forward	(3,339,394)	(10,733,625)

Tax losses of the Company for 2003 and 2002 were in accordance with the corporate income tax returns filed with the tax office.

Under Indonesian tax laws, tax losses may be carried forward for a period of five years. Companies in Indonesia are generally subject to progressive tax rates up to a maximum of 30%. The Company submit tax returns on the basis of self assessment. The tax office may asses or amend taxes within 10 years from the date when the tax was payable (5 years for taxes prior to 1995).

Deferred Tax

The details of deferred tax assets of the Company and Subsidiaries are as follows:

	2003	2002
Allowance for possible losses on earning assets and foreclosed properties	69,351	177,719
Estimated losses on commitments and contingencies	4,390	3,547
Provision for employee benefits	37,607	19,669
Provision for employee bonus	11,151	11,296
Provision for legal cases	5,054	-
Accumulated tax losses	1,001,818	3,220,088
	1,129,371	3,432,319
Less: Valuation allowance	(1,010,863)	(3,351,515)
Deferred tax assets, net	118,508	80,804
Deferred tax assets - subsidiaries	1,592	-
	120,100	80,804

The utilization of deferred tax assets recognized by the Company and Subsidiaries is dependent upon future taxable profits. As of December 31, 2003 and 2002 management believed that a certain portion of deferred tax assets will not be recovered. Accordingly, as of December 31, 2003 and 2002 a valuation allowance of Rp1,010,863 and Rp3,351,515, respectively, was established.

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

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34. INCOME TAX (continued)

	2003	2002
Income before corporate income tax - Parent Company	271,636	125,140
Equity in net income of subsidiaries and overseas branches	(8,197)	(37,875)
Income subject to final tax (rental income)	(3,932)	(2,787)
Adjusted income before corporate income tax of the Company	259,507	84,478
Tax benefit at effective tax rates	77,852	25,343
Tax effects of permanent differences:		
Representation expenses	820	561
Donations	382	711
Benefits-in-kind	622	8,561
Permanent decline in value of marketable securities and investments	-	7,078
Increase in value of marketable securities	(12,740)	(1,709)
Depreciation of non-allowable premises and equipment	760	515
Capital (gain)/loss	(40,447)	445
Write off of earning assets and other assets other than loans not deductible for tax purpose	600	656,448
Write off of loans not deductible for tax purposes	1,612	476,466
(Increase)/decrease in value of foreclosed properties	-	17,433
Loss on sale of assets	(141,013)	-
Loss on fraud and counterfeit	2,696	-
Others	22,371	27,303
Decrease in valuation allowance	(2,340,652)	(1,182,701)
Effect of tax assessments 1999 - 2001	2,389,433	-
Effect of revaluation of premises and equipment - 2001	-	(43,831)
The Company	(37,704)	(7,377)
Subsidiary	(1,559)	6,736
Total Corporate Income Tax Expense - Deferred	(39,263)	(641)

On November 3, 2003, the Company received tax assessments which require the Company to pay Rp5,698, Rp7,996, and Rp10,262 for fiscal years 1999, 2000 and 2001, respectively. There were paid on November 21, 2003. Currently, the Company is being audited by the tax office for its 2002 taxation.

35. EARNINGS PER SHARE

	2003	2002
Net income		
Net income for computation of basic earnings per share	309,089	132,517
Number of shares		
Weighted average number of ordinary shares for computation of basic earnings per share	47,783,346,231	28,628,312,739

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36. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

Until April 2002, companies under the control of the Sinar Mas Group were classified as related parties because the Widjaja family and other companies under the control of certain members of the Widjaja family were the majority shareholders, second to the Indonesian Government. As disclosed in Note 23, 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 certain members of the Widjaja family) to the Indonesian Bank Restructuring Agency. The actual transfer of shares transpired and was effectively consummated on April 26, 2002. Since then, the companies under the control of Sinar Mas Group have no longer been considered as related parties of the Company. As of December 31, 2003 and 2002, transactions with companies under the control of the Sinar Mas Group were classified as non-related party transactions.

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 with non-related parties, except loans to key management personnel.

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

	Consolidated		Parent Company	
	2003	2002	2003	2002
ASSETS				
Current accounts with other banks (Note 4)	75	-	1,431	-
Placements with other banks (Note 5)	12,000	-	96,250	-
Marketable securities (Notes 6b and 6c)	27,696	-	27,696	-
Derivative receivables (Note 7)	-	-	100	-
Loans (Note 8)	144,417	5,428	140,668	15,202
Percentage to total assets				
Current accounts with other banks (Note 4)	0.00%	-	0.00%	-
Placements with other banks (Note 5)	0.03%	-	0.28%	-
Marketable securities (Notes 6b and 6c)	0.08%	-	0.08%	-
Derivative receivables (Note 7)	-	-	0.00%	-
Loans (Note 8)	0.42%	0.01%	0.41%	0.04%
LIABILITIES				
Deposits from customers (Note 17.a)	1,181,261	1,730,892	1,190,906	1,754,309
Deposits from other banks (Note 17.b)	-	-	237	-
Total deposits	1,181,261	1,730,892	1,191,143	1,754,309
Accrued expenses	-	54,112	-	54,112
Percentage to total liabilities				
Deposits from customers (Note 17.a)	3.77%	5.19%	3.81%	5.28%
Deposits from other banks (Note 17.b)	-	-	0.00%	-
Total deposits	3.77%	5.19%	3.81%	5.28%
Accrued expenses	-	0.16%	-	0.16%
COMMITMENTS AND CONTINGENCIES				
Contingent liabilities:				
Guarantees issued:				
Standby letters of credit	-	-	12,637	-

6.78% and 3.99% of the total personnel expenses (Parent Company only) for the years ended December 31, 2003 and 2002, respectively, were incurred by the Company for its commissioners (including supervisory team) and directors (including management team).

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37. 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	
	2003	2002	2003	2002
Assets				
Cash	150,982	149,215	150,975	149,205
Current accounts with Bank Indonesia	299,392	327,126	299,392	327,126
Current accounts with other banks	401,582	542,197	333,565	528,229
Placements with Bank Indonesia and other banks	1,064,815	1,599,879	1,108,748	1,477,154
Marketable securities	1,058,617	679,552	1,023,260	643,027
Derivative receivables	6,073	538	6,173	538
Loans	3,049,387	1,900,724	2,850,159	1,757,397
Acceptances receivable	383,365	45,978	366,399	30,694
Interest receivables	26,171	17,043	25,823	16,431
Other assets	27,169	43,476	26,528	43,040
	6,467,553	5,305,728	6,191,022	4,972,841
Liabilities				
Liabilities immediately payable	79,582	40,798	54,508	26,164
Deposits from customers	8,750,719	9,019,945	8,663,615	8,951,742
Deposits from other banks	174,838	205,168	171,676	205,168
Derivative payables	9,240	4,939	8,996	4,939
Acceptances payable	383,365	45,978	366,399	30,694
Taxes payable	565	639	565	639
Borrowings	47,095	1,658,829	47,095	1,565,747
Accrued expenses	13,370	50,436	12,627	49,440
Other liabilities	320,691	1,066,019	316,637	1,068,689
	9,779,465	12,092,751	9,642,118	11,903,222

As of December 31, 2003 and 2002 the exchange rates used for translating assets and liabilities denominated in foreign currencies were the Reuters spot rates at 16.00 WIB.

As of December 31, 2003 and 2002, 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 transactions attached to the hedged bonds (Note 10) at the equivalent of Rp3,733,790 and Rp6,919,958 as of December 31, 2003 and 2002, respectively.

- b. Net Open Position

Based on Bank Indonesia's Decision Letter No. 31/178/KEP/DIR dated December 31, 1998, banks are required to maintain a net open position of a maximum of 20% of the sum of Total Capital. In accordance with Bank Indonesia guidelines, the net open position ratio is the sum of the absolute values of the net difference between the assets and liabilities denominated in each foreign currency and the net difference of the receivables and payables of both commitments and contingencies recorded in the administrative accounts denominated in each currency, which are stated in Rupiah.

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37. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES
(continued)

b. Net Open Position (continued)

Following is the Company's foreign currency net open position (Parent Company only):

Currency	December 31, 2003		
	Assets	Liabilities	Net Absolute
United States Dollar	16,161,753	16,275,461	113,708
Great Britain Pound Sterling	21,474	13,304	8,170
Japanese Yen	46,306	46,528	222
Hong Kong Dollar	36,672	36,185	487
Indian Rupee	235,122	161,106	74,016
Mauritius Rupee	158	-	158
Australian Dollar	15,219	15,019	200
Canadian Dollar	1,701	1,878	177
Swiss Franc	1,566	1,324	242
Euro	283,352	283,404	52
Singapore Dollar	292,492	292,264	228
	17,095,815	17,126,473	197,660
Total Capital (Note 44c)			2,937,974
Net Open Position Ratio			6.73%

Currency	December 31, 2002		
	Assets	Liabilities	Net Absolute
United States Dollar	21,347,997	21,296,187	51,810
Great Britain Pound Sterling	15,880	14,741	1,139
Japanese Yen	44,801	44,162	639
Hong Kong Dollar	9,221	4,703	4,518
Indian Rupee	190,495	170,241	20,254
Mauritius Rupee	177	49	128
Australian Dollar	8,947	10,117	1,170
Canadian Dollar	2,177	2,312	135
Swiss Franc	1,154	946	208
Euro	37,001	36,020	981
Singapore Dollar	302,933	306,806	3,873
	21,960,783	21,886,284	84,855
Total Capital (Note 44c)			2,674,115
Net Open Position Ratio			3.17%

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 (off-balance sheet) accounts.

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38. CONTINGENCIES

a. Legal Matters

1. Fraud

A fraud case was perpetuated by a branch manager in 1998. In 1998 a customer entered into forward contracts on which at the maturity of those contracts, the customer would receive US\$100,000, SGD600,000 and Rp525. Although the contracts were made on the Company's documents, these contracts were not entered into the Company's system by the branch manager. Accordingly, on the due dates of the contracts, the Company, not knowing about the contracts, refused to pay the customer. The customer filed a lawsuit against the Company. The case has been through the District Court and the High Court. The Company lost the case in the District Court and won in the High Court.

The Customer filed an appeal to the Supreme Court. On October 18, 2002 the Supreme Court decided that the Company is to pay US\$100,000, SGD600,000 and Rp525 to the customer. The Company was also charged interest at 3.5% per month starting from March 1998 until the claim is fully paid. The Company filed an appeal for a judicial review to the Supreme Court on April 10, 2003. Currently, the case is still in progress. As of December 31, 2003, the loss had been fully provided as provision for contingent losses on legal matters by the Company (Note 22).

2. Cancellation of Foreclosed Properties

On March 25, 1994, the Company foreclosed on a loan and repossessed collateral i.e. land in respect to a defaulted loan of Rp1,574. The debtor has filed a legal suit against the Company to cancel the foreclosure. The debtor won the legal suit in the District Court but lost in the High Court. In early 2004, the Supreme Court has issued its decision in favor of the debtor. As of December 31, 2003, the Company has made a provision for this case. The loan and the foreclosed collaterals to this debtor were among the assets that were transferred to the Indonesian Bank Restructuring Agency in 1999.

b. Other

Bank International Ningbo

In 2000, the Company's ownership interest in Bank International Ningbo ("BI Ningbo") was diluted from 100% to 51% and the Company had not held any control on this subsidiary since then. The effect of the change in ownership interest of the Company in this subsidiary of Rp51,886 was recorded as part of equity under "Differences due to Change of Equity in Subsidiaries" account. On March 9, 2001, the Company sold its 51% interest in BI Ningbo to PT Purinusa Eka Persada ("Purinusa") pursuant to the Sale and Purchase Agreement, dated March 9, 2001 (the "SPA") for US\$76.3 million. Under the SPA, it was agreed that the approval of the the People's Bank of China ("PBOC") in relation to the transfer of 51% the Company interest in BI Ningbo as required under People's Republic of China Law shall be the responsibility of Purinusa. If Purinusa fails to obtain the approval or is not allowed to become the holder of BI Ningbo shares, Purinusa must appoint another party, which meets the requirement to be the shareholder of BI Ningbo under People's Republic of China Law.

In exchange for the said investment, the Company granted loans to Purinusa. This sale transaction was included in the restructuring program of the Sinar Mas Group, which agreed upon by the Company, the Sinar Mas Group and the Indonesian Bank Restructuring Agency. On November 5, 2001, the loans to Purinusa were transferred to the Indonesian Bank Restructuring Agency.

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38. CONTINGENCIES (continued)

b. Other (continued)

Bank International Ningbo (continued)

Under an Undertaking and Indemnity Agreement entered into on October 24, 2003 between the Company and Purinusa (the "Undertaking and Indemnity Agreement"), Purinusa has confirmed that the regulatory approvals of the relevant authorities in the People's Republic of China shall be obtained as soon as possible and it shall be responsible for the liabilities and obligations of BI Ningbo as if it were the registered shareholder in place of the Company, and has agreed to indemnify the Company from any liability arising from it being the registered shareholder of Bank International Ningbo following the date of the Ningbo Sale and Purchase Agreement. The Undertaking and Indemnity Agreement also provides in the event that regulatory approval for the transfer is not obtained from the relevant authorities in the People's Republic of China Purinusa shall not be entitled to rescind the Ningbo Sale and Purchase Agreement or claim a refund of the purchase price that has been paid by Purinusa to the Company. In the Undertaking and Indemnity Agreement, Purinusa confirms that in the event it is not allowed to become a shareholder of Bank International Ningbo, it must appoint another party which meets the requirements of the relevant regulatory authorities to be a shareholder of Bank International Ningbo. In addition, Indra Widjaja separately provided a letter of statement and undertaking dated October 24, 2003 to the Company agreeing to use best efforts to assist Purinusa to fulfill its obligations and undertakings under the Undertaking and Indemnity Agreement.

As in the normal course of business in the banking industry, the Company has sought legal actions in order to claim from its non-performing debtors. In legal cases where the results are yet to be determined and the amount of probable loss cannot be reasonably estimated, management is unable to recognize any possible losses, which might arise from those legal cases.

39. PENSION PLAN AND EMPLOYEE BENEFITS

Under the Company's policy, in addition to salaries, the employees entitled to allowances and benefits, such as: holiday allowance (THR), medical reimbursements, death allowance, leave allowance, pension plan, bonus, insurance (ASTEK) and benefits based on New Labor Law No. 13/2003.

a. Pension Plan

The pension plan is managed by Dana Pensiun Bank Internasional Indonesia ("Dana Pensiun BII") and is mainly 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 in 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.

As of December 31, 2003 and 2002 pension expense amounted to Rp4,988 and Rp3,967, respectively.

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39. PENSION PLAN AND EMPLOYEE BENEFITS (continued)

b. Employee Benefits

On March 25, 2003, the House of Representatives of the Republic of Indonesia and the Government of the Republic of Indonesia approved Labor Law No. 13 Year 2003, which regulates, among others, the calculation of employee's past service, gratuity and compensation upon termination. This law replaces the Decree of the Minister of Manpower No. 150 (KepMen 150). Provision for employee benefits in relation to Law No. 13/2003 as of December 31, 2003, amounted to Rp125,358 (December 31, 2002 based on KepMen 150: Rp65,564). The provision for employee benefits as of December 31, 2003 and 2002 was based on the actuarial reports of PT Dian Artha Tama, an independent actuary, dated January 8 2004 and December 23, 2002, respectively. The actuary calculated the employee benefits cost in accordance with the provisions of Law No. 13/2003 for December 31, 2003, and KepMen 150 for December 31, 2002 based on the Projected Unit Credit method.

Employee benefit costs in relation to Law No. 13/2003 for the year ended December 31, 2003 and in relation to chapters 26 and 32 of KepMen 150 for the year ended December 31, 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Current service costs	21,805	13,895
Interest on prepaid employee benefit costs	9,145	2,857
Amortization of past service costs	26,615	25,000
Amortization of unrecognized changes in actuarial assumptions	2,229	-
	<u>59,794</u>	<u>41,752</u>

The principal assumptions used by PT Dian Artha Tama, an independent actuary, to determine the employee benefits costs 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	:	12.5% per annum	
Interest rate	:	12% per annum	

The estimated average remaining working lives of employees were 21 years as of December 31, 2003 and 2002.

The changes in the provision for employee benefits were as follows:

	<u>2003</u>	<u>2002</u>
Balance at beginning of year	65,564	23,812
Employee benefits expenses during the year	59,794	41,752
Balance at end of year	<u>125,358</u>	<u>65,564</u>

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40. CUSTODIAL SERVICE

The Company provides a full range of custodial services and obtain a license on July 21, 1991 from BAPEPAM (the Capital Market Supervisory Board) under its Decision Letter No. KEP-67/PM/1991.

The custodial service of the Company provide a full range of custodial services, such as:

- a. Settlement and handling services for scrip and scrip-less trading transactions.
- b. Registration of securities to BAE (Biro Administrasi Efek), and splitting and merging of securities.
- c. Safekeeping of securities and other valuable assets.
- d. Corporate action services related to the rights on the securities.
- e. Proxy services for its customers' shareholders meetings and obligation holders meetings.
- f. Sub-registry services for settlement of transactions of Indonesian re-capitalization bonds (Government bonds) and Certificates of Bank Indonesia.
- g. Entrust, storage and administrate mutual fund's wealth collectively.

The Company had 71 and 79 custodial customers as of December 31, 2003 and 2002, respectively. The customers are primarily private companies, securities companies, pension funds, banks and insurance companies.

As of December 31, 2003 and 2002, the custodial services of the Company had 14 and 17 permanent employees, respectively.

Total custodial fees and commissions earned for the years ended December 31, 2003 and 2002 were Rp4,909 and Rp535, respectively.

41. SEGMENT INFORMATION

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

a. Business Activities

Company	Business Activities
The Company	Banking and banking activities based on <i>Syariah</i> principles.
BII Finance Co. Limited, Hong Kong	Banking
PT BII Finance Center	Multi-financing

b. Business Segment

Primary Segment

Following is the business segment information of the Company and Subsidiaries, which based on business activities consisting of banking, multi-financing, and bankin activities based on *Syariah* principles:

(i) Total Assets

	2003		2002	
	%	Rp	%	Rp
Banking	99.30	34,750,450	99.83	36,498,179
Multi-financing	0.17	58,163	0.17	55,402
<i>Syariah</i>	0.53	185,421	-	-
Total before elimination	100.00	34,994,034	100.00	36,553,581
Elimination		(265,283)		(210,642)
Consolidated Assets		34,728,751		36,342,939

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41. SEGMENT INFORMATION (continued)**b. Business Segment (continued)**Primary Segment (continued)

(ii) Total Liabilities

	2003		2002	
	%	Rp	%	Rp
Banking	99.35	31,261,853	99.95	33,391,154
Multi-financing	0.04	11,169	0.05	18,323
<i>Syariah</i>	0.61	191,865	-	-
Total before elimination	100.00	31,464,887	100.00	33,409,477
Elimination		(95,968)		(43,324)
Consolidated Liabilities		31,368,919		33,366,153

(iii) Interest Earned

	2003		2002	
	%	Rp	%	Rp
Banking	99.39	3,269,448	99.65	3,070,119
Multi-financing	0.49	16,240	0.35	10,876
<i>Syariah</i>	0.12	3,760	-	-
Total before elimination	100.00	3,289,448	100.00	3,080,995
Elimination		(3,395)		(8,081)
Consolidated Interest Earned		3,286,053		3,072,914

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41. SEGMENT INFORMATION (continued)**b. Business Segment (continued)**

Primary Segment (continued)

(iv) Income from Operations - net

	2003		2002	
	%	Rp	%	Rp
Banking	98.91	265,078	85.23	112,422
Multi-financing	3.56	9,538	14.77	19,485
<i>Syariah</i>	(2.47)	(6,616)	-	-
Total before elimination	100.00	268,000	100.00	131,907
Elimination		(8,998)		(19,704)
Consolidated Income from Operations - net		259,002		112,203

(v) Net Income

	2003		2002	
	%	Rp	%	Rp
Banking	98.97	314,825	83.18	133,905
Multi-financing	3.12	9,916	16.82	27,084
<i>Syariah</i>	(2.09)	(6,654)	-	-
Total before elimination	100.00	318,087	100.00	160,989
Elimination		(8,998)		(28,472)
Consolidated Net Income		309,089		132,517

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41. SEGMENT INFORMATION (continued)**b. Business Segment (continued)**Secondary Segment (continued)

(i) Total Assets

	2003		2002	
	%	Rp	%	Rp
Indonesia				
Jakarta	86.22	30,171,785	91.73	33,530,892
Outside Jakarta	12.15	4,250,385	7.02	2,567,677
Outside Indonesia	98.37	34,422,170	98.75	36,098,569
	1.63	571,863	1.25	455,012
Total before elimination	100.00	34,994,033	100.00	36,553,581
Elimination		(265,282)		(210,642)
Consolidated Assets		34,728,751		36,342,939

(ii) Total Liabilities

	2003		2002	
	%	Rp	%	Rp
Indonesia				
Jakarta	85.83	27,007,324	92.17	30,792,834
Outside Jakarta	12.76	4,015,675	6.84	2,284,152
Outside Indonesia	98.59	31,022,999	99.01	33,076,986
	1.41	441,888	0.99	332,491
Total before elimination	100.00	31,464,887	100.00	33,409,477
Elimination		(95,968)		(43,324)
Consolidated Liabilities		31,368,919		33,366,153

(iii) Interest Earned

	2003		2002	
	%	Rp	%	Rp
Indonesia				
Jakarta	86.61	2,849,095	89.30	2,751,348
Outside Jakarta	12.64	415,801	7.90	243,507
Outside Indonesia	99.25	3,264,896	97.20	2,994,855
	0.75	24,552	2.80	86,140
Total before elimination	100.00	3,289,448	100.00	3,080,995
Elimination		(3,395)		(8,081)
Consolidated Interest Earned		3,286,053		3,072,914

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41. SEGMENT INFORMATION (continued)**b. Business Segment (continued)**Secondary Segment (continued)

(iv) Income from Operations - net

	2003		2002	
	%	Rp	%	Rp
Indonesia				
Jakarta	9.56	25,621	(117.26)	(154,669)
Outside Jakarta	86.08	230,697	208.93	275,590
Outside Indonesia	95.64	256,318	91.67	120,921
	4.36	11,682	8.33	10,986
Total before elimination	100.00	268,000	100.00	131,907
Elimination		(8,998)		(19,704)
Consolidated Income from Operations - net		259,002		112,203

(v) Net income

	2003		2002	
	%	Rp	%	Rp
Indonesia				
Jakarta	22.28	70,872	(82.57)	(132,932)
Outside Jakarta	73.79	234,710	176.11	283,525
Outside Indonesia	96.07	305,582	93.54	150,593
	3.93	12,505	6.46	10,396
Total before elimination	100.00	318,087	100.00	160,989
Elimination		(8,998)		(28,472)
Consolidated Net Income		309,089		132,517

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WITH CONSOLIDATING INFORMATION - PARENT COMPANY (Continued)
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42. ECONOMIC CONDITIONS

The operations of the Company have been affected, and may continue to be affected for the foreseeable future by the economic conditions in Indonesia. Despite recent improvement in key economic indicators, Indonesian banks have engaged in limited lending activities. Any worsening of economic conditions, including a significant depreciation of the Rupiah or increase in interest rates, could adversely affect the ability of the Company's customers (including borrowers and other contractual counterparties) to fulfill their obligations when they mature, and consequently negatively impact the Company's profitability and its capital adequacy. Economic improvements and sustained recovery are dependent upon several factors such as fiscal and monetary actions being undertaken by the Government and others, actions that are beyond the control of the Company.

In response to these conditions, the measures, which the Company and Subsidiaries have implemented, or plan to implement include:

- a. Improve the quality of its earning assets with the targeted ratio of non-performing loans (NPL - gross) of less than 5%. The mechanism for the improvement of quality of loans will be as follows:
 - creation NPL's task force and centralization of NPL administration.
 - restructuring of non-performing loans for the potentially collectible non-performing receivables.
 - disposal of loan and cash collection (restructuring, loan disposal, recovery of written-off loans and sale of non-core assets).
 - ensuring that there is no down-grading of credit classification, especially for the restructured loans.
 - risk management implementation.
- b. Improve the service quality by focusing on customer satisfaction by understanding the total potential of the Company.
- c. Activate its intermediary function through selective credit distribution to productive and prospective customers and also to support the Government programs in improving economic function within the country through loan distribution to small and medium size enterprises.

- d. Implement operational efficiency in all aspects including automation of information system by several applications and database development (information and report preparation system).
- e. Balance and minimize the Company's foreign exchange exposures in an effort to control its net open position, in compliance with Bank Indonesia's regulations.
- f. Implement Good Corporate Governance by prioritizing risk management, transparency, and adherence to the code of ethics in each business function.[Yth1]

The accompanying consolidated financial statements include the effects of the economic conditions to the extent they can be determined and estimated. Recovery of the economy depends on the monetary, fiscal and other measures that have been and will be undertaken by the Indonesian Government to achieve economic recovery, which actions are beyond the control of the Company and Subsidiaries. It is not possible to determine the future effects a continuation of the economic conditions may have on the Company's and Subsidiaries' liquidity, earnings and realization of their earning assets, including the effects from their customers, creditors, shareholder and other stakeholders. The ultimate effect of these uncertainties on the stated amounts of assets and liabilities at the balance sheet date cannot presently be determined. Related effects will be reported in the consolidated financial statements as they become known and can be estimated.

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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 guarantees the obligations of private banks including demand deposits, savings deposits, time deposits and on-call deposits, bonds, marketable securities, inter-bank 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 two 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-month 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.

Following are the Government of the Republic of Indonesia plans to cancel the guarantee on the obligations of private banks:

1. August 1, 2003 - January 31, 2004

Except for the following obligations, the Government of Republic of Indonesia will no longer guarantee private banks' obligations:

- a. Inter-bank borrowings will continue to be 100% guaranteed
- b. Third party funds such as savings, demand deposits, time deposits, certificate of deposits and call deposits will be still 100% guaranteed

2. February 1, 2004 on ward

- a. Inter-bank are not guaranteed
- b. Guarantee on third party funds will gradually be revoked. The amount of third party funds that will still be guaranteed will be determined in a later date.

As of December 31, 2003 and 2002, the outstanding balance of liabilities to related parties which was reported to the Indonesian Bank Restructuring Agency amounted to Rp1,164,197 (unaudited) and Rp1,754,540, respectively. The Company did not pay any coverage premium on these liabilities in accordance with the existing regulations (Note 45e).

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44. OTHER INFORMATION

- a. An analysis of the Parent Company's monetary assets and liabilities (before allowance for possible losses) based on remaining period from December 31, 2003 until maturity is as follows:

	PARENT COMPANY					Total
	Up to 1 month	More than 1 month until 3 months	More than 3 months until 12 months	More than 1 year until 5 years	More than 5 years	
Assets						
Cash	650,376	-	-	-	-	650,376
Current accounts with Bank Indonesia	1,460,391	-	-	-	-	1,460,391
Current accounts with other banks	334,599	-	-	-	-	334,599
Placements with Bank Indonesia and other banks	1,476,332	58,975	925	-	-	1,536,232
Marketable securities	404,792	49,400	267,538	608,919	525,677	1,856,326
Derivative receivables	6,060	100	12	-	-	6,172
Loans	1,078,182	484,015	1,963,809	4,355,463	2,187,500	10,068,969
Acceptances receivable	176,267	66,193	123,939	-	-	366,399
Government bonds	674,000	-	3,183,807	7,005,527	6,003,885	16,867,219
Interest receivables	376,507	-	-	-	-	376,507
Other assets	286,718	-	-	316,239	-	602,957
Total assets	6,924,224	658,683	5,540,030	12,286,148	8,717,062	34,126,147
Liabilities						
Liabilities immediately payable	216,191	-	-	-	-	216,191
Deposits from customers	26,031,719	1,947,067	595,155	5,494	-	28,579,435
Deposits from other banks	356,804	600	475,708	-	-	833,112
Derivative payables	7,386	1,558	-	-	-	8,944
Acceptances payable	176,267	66,193	123,939	-	-	366,399
Taxes payable	18,066	-	-	-	-	18,066
Borrowings	34,325	5,073	10,063	194,663	257,386	501,510
Accrued expenses	156,500	-	-	20,484	-	176,984
Other liabilities	234,372	456	5,050	274,813	-	514,691
Total liabilities	27,231,630	2,020,947	1,209,915	495,454	257,386	31,215,332
Net assets (liabilities)	(20,307,406)	(1,362,264)	4,330,115	11,790,694	8,459,676	2,910,815

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44. OTHER INFORMATION (continued)

- a. An analysis of the Parent Company's monetary assets and liabilities based on remaining period from December 31, 2002 until maturity is as follows: (continued)

PARENT COMPANY						
	Up to 1 month	More than 1 month until 3 months	More than 3 months until 12 months	More than 1 year until 5 years	More than 5 years	Total
Assets						
Cash	577,018	-	-	-	-	577,018
Current accounts with Bank Indonesia	1,386,018	-	-	-	-	1,386,018
Current accounts with other banks	529,941	-	-	-	-	529,941
Placements with Bank Indonesia and other banks	1,940,024	-	-	-	-	1,940,024
Marketable securities	137,015	-	92,554	559,543	8,864	797,976
Derivative receivables	538	-	-	-	-	538
Loans	774,577	139,032	1,442,087	1,254,483	2,048,718	5,658,897
Acceptances receivable	11,671	18,146	877	-	-	30,694
Government bonds	760,749	39,029	2,192,749	13,272,947	7,187,811	23,453,285
Interest receivables	536,950	-	-	-	-	536,950
Other assets	339,534	-	-	423,181	-	762,715
Total assets	6,994,035	196,207	3,728,267	15,510,154	9,245,393	35,674,056
Liabilities						
Liabilities immediately payable	220,008	-	-	-	-	220,008
Deposits from customers	26,536,312	2,316,792	287,501	45,052	-	29,185,657
Deposits from other banks-	250,742	15,075	2,000	-	-	267,817
Derivative payables	4,939	-	-	-	-	4,939
Acceptances payable	11,671	18,146	877	-	-	30,694
Taxes payable	45,672	-	-	-	-	45,672
Borrowings	794,418	665,634	8,018	208,246	343,837	2,020,153
Accrued expenses	51,996	-	51,877	122,494	-	226,367
Other liabilities	219,352	-	160,556	804,805	-	1,184,713
Total liabilities	28,135,110	3,015,647	510,829	1,180,597	343,837	33,186,020
Net assets (liabilities)	(21,141,075)	(2,819,440)	3,217,438	14,329,557	8,901,556	2,488,036

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44. OTHER INFORMATION (continued)

- In relation to the mismatch of the Company's monetary assets and liabilities that mature between one and three months, the Company has plans to improve its services to customers, to market deposit products and to grant competitive interest rates in order to maintain its business transactions and relationship with customers and encourage continuous patronage. In addition, the Company has intensified its efforts in collection of non - performing debtors and is in the process of negotiation to obtain certain borrowing facilities from both local and offshore banks.
- b. As of December 31, 2003 loans with maturity of up to one month included past due and defaulted earning assets amounting to Rp177,492. As December 31, 2002, placements with other banks, marketable securities, and loans with maturity of up to one month included past due and defaulted earning assets amounting to Rp749,157.
- c. 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:

	2003	2002
I. Capital Components		
A. Core Capital		
1. Issued capital	17,867,731	17,867,731
2. Additional capital reserves		
a. Additional paid-in capital	9,169	9,169
b. General and appropriated reserves	632	632
c. Prior year profit and loss (-/-)	(16,237,744)	(16,362,884)
d. Current year profit after computing taxes (50%) (+/+)	135,693	62,570
e. Current year loss (-/-)	-	-
f. Translation adjustments on offshore branches/subsidiaries		
1) Over	-	-
2) Short	(9,764)	(5,949)
g. Unrealized loss on trading marketable securities	-	-
Total Core Capital	1,765,717	1,571,269

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44. OTHER INFORMATION (continued)

	2003	2002
B. Supplementary Capital (maximum 100% of core capital)		
1. Revaluation increment in premises and equipment	1,197,092	1,197,092
2. General provision for possible losses on earning assets (maximum of 1.25% of Weighted Average Assets)	147,636	76,221
Total Supplementary Capital	1,344,728	1,273,313
Total Allowable Supplementary Capital	1,344,728	1,273,313
II. Total Core and Supplementary Capital (A + B)	3,110,445	2,844,582
III. Investment (-/-)	(172,471)	(170,467)
IV. Total Capital (II - III)	2,937,974	2,674,115
V. Weighted Average Assets	13,342,528	8,052,567
VI. Capital Adequacy Ratio (IV : V)	22.02%	33.21%
VII. Minimum Capital Adequacy Ratio Required	8%	8%

- d. As of December 31, 2003 and 2002, the ratio of the Parent Company's classified earning assets to total earning assets was 2.01% and 2.30%, respectively.
- e. The Company's Non-Performing Loan (NPL) ratio as of December 31, 2003 and 2002 calculated at gross was 6.13% (Parent Company: 6.20%, calculated in accordance with Bank Indonesia Circular Letter No. 3/30/DPNP dated December 14, 2001 Appendix 14) and 9.12% (Parent Company: 9.02%, calculated in accordance with Bank Indonesia Circular Letter No. 3/30/DPNP dated December 14, 2001 Appendix 14), respectively. As of December 31, 2003 and 2002, the NPL ratio (calculated at net) for Parent Company was 2.26% and 5.21%, respectively, calculated in accordance with Bank Indonesia Circular Letter No. 3/30/DPNP dated December 14, 2001 Appendix 14.
- f. The following are the Company's outstanding balances on related party transactions in accordance with Bank Indonesia Decision Letter No. 31/177/KEP/DIR dated December 31, 1998, regarding Legal Lending Limit:

	2003	2002
Balance sheet		
Placements with other banks	84,250	-
Marketable securities	5,000	-
Loans	140,668	15,202
Investments in shares of stock	116,836	73,433
Derivative transactions	33,700	-

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(Expressed in millions of Rupiah, unless otherwise stated)

44. OTHER INFORMATION (continued)

- g. Based on the Company's Legal Lending Limit report as of December 31, 2003 to Bank Indonesia, the Company reported excess and violation of the Legal Lending Limit, as stipulated in Decision Letter of Bank Indonesia No. 31/177/KEP/DIR dated December 31, 1998 and No. 2/5/PBI/2000 dated February 21, 2000, by Rp45,461 and Rp40,000, respectively. The Company has filed its action plan to Bank Indonesia to resolve the excess and violation of the Legal Lending Limit. No. excess and violation of Legal Lending Limit as of December 31, 2002.

45. SUBSEQUENT EVENTS

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

a. Government Bonds

On January 25, 2004, the Company received Government Bonds Series VR0028 of Rp674,799 to replace matured hedge bonds Series HB0045 with a nominal value of USD80 million from the held-to-maturity portfolio.

b. Sale of Repossessed Collateral

On January 29, 2004, the Company sold repossessed collateral of PT Modernland amounting to Rp109,854. The net proceeds from this sale amounted to Rp44,829. As of December 31, 2003, the Company has provided specific provision for this collateral amounting to Rp65,356.

c. Investments in Shares of Stock

The Company has written off its investment in PT Bank Dagang Industri amounting to Rp16,754 based on approval from the Board of Directors dated February 2, 2004. As of December 31, 2003, the Company has fully provided for this investment.

d. Prospective Bank Indonesia Regulations

In July 2003, Bank Indonesia issued regulation No. 5/12/PBI/2003 regarding incorporating market risk in calculating capital adequacy ratio for banks in Indonesia, which will become effective in 2004. The Company's management is in the process of evaluating the effect of this new regulation.

e. Government Guarantee on Obligations of Private Banks

Based on the Presidential Decree No.15/2004 dated February 27, 2004 in relation to the termination of the Indonesian Bank Restructuring Agency's duties and its dissolutions, and the Minister of Finance Decree No. 84/KMK.06/2004 dated February 27, 2004, the Government of the Republic of Indonesia established *Unit Pelaksana Penjaminan Pemerintah*, a new institution replacing the Indonesian Bank Restructuring Agency in respect of the Government guarantee program, to continue the Government guarantee on obligations of private banks.

46. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the accompanying consolidated financial statements that were completed on February 20, 2004, except for Note 45e that was completed on February 27, 2004.

CORPORATE INFORMATION

MANAGEMENT PROFILE

BOARD OF COMMISSIONERS

PETER SEAH LIM HUAT | PRESIDENT COMMISSIONER
Singaporean Citizen. Appointed as President Commissioner on 16 December 2003, he is also President and Chief Executive of Singapore Technologies, Pte. Ltd. Before joining Singapore Technologies, he was President of Overseas Union Bank Limited from 1991 to 2001, when he was appointed Vice Chairman and Chief Executive for the Overseas Union Bank Limited. In 1985-1991, he served as Executive Director and Chief Executive of International Bank of Singapore Limited. Among awards he has earned are DHL/Business Times - Outstanding Chief Executive Award (1999), Financial Award - Personality of the Year by Financial Planner Magazine (1999) and Business Achiever Award (1997). Graduated with Bachelor in Business Administration (2nd Class Honors) from University of Singapore in 1968.

SUMANTRI SLAMET I.S. | VICE PRESIDENT COMMISSIONER
Indonesian Citizen. He has been the Vice President Commissioner of BII since November 2002. He was Head of the BII Supervisory Team from 17 May -7 November 2002. Previously, he was Vice Chairman of IBRA from November 2000 and was IBRA Deputy Chairman of Support and Administration from 1998. Prior to joining IBRA, he was President Director of PT Kustodian Depositori Efek Indonesia (1996-1998), and Director of PT Klearing Depositori Efek Indonesia (1993-1996). Graduated with a Ph.D degree

in 1983 and a Master in Computer Science from University of Illinois at Urbana Champaign, USA in 1981. His undergraduate degree in Mathematics and Physics Sciences was obtained from the University of Indonesia in 1978.

FUAD RAHMANY | COMMISSIONER

Indonesian Citizen. Commissioner of BII since November 2002. He was also formerly a member of the BII Supervisory Team from 17 May -7 November 2002. Previously, he was Head of the Debt Management Unit in the Ministry of Finance beginning 2000. At the Ministry of Finance, he was also Head of International & Regional Economic Cooperation in the Bureau of Overseas Planning and Cooperation (1998-2000), and was briefly seconded to the Asian Development Bank (1999) in Manila. He was also Researcher-Examiner of Economics and Finance at the Monetary Analysis Agency (1997-1998) and served on the Bureau of Financial Planning at the Ministry of Finance (1981-1985). He has also served the academy as Professor at the Sekolah Tinggi Akuntansi Jakarta (1981-1984), Faculty of Economics Professor at the University of Indonesia (1981-1983), and as a Researcher at the Economics and Society Examining Board at the University of Indonesia (1978-1981). Graduated with a Ph.D from the Department of Economics, Vanderbilt University, Tennessee, USA in 1997, Master from the Department of Economics, Duke University, North Carolina, USA in 1987 and Bachelor from the Faculty of Economics, University of Indonesia, in 1981.

PUTU ANTARA | COMMISSIONER

Indonesian Citizen. Commissioner of BII since November 2002. Prior to his current position, he also served in the BII Supervisory Team from 17 May -7 November 2002. Before joining BII, he served as Commissioner of PT. Bank Danamon Indonesia Tbk, President Director of PT Bank Rama Tbk (1993-1999), Area Manager for BRI Jakarta, West Kalimantan, and the Greater Jakarta Area (1992-1993), Director of PT Inter Pacific Financial Corporation – a joint venture company between BRI, CCF (France) and Sanwa Bank Tokyo (1983-1986) and Commissioner of PT Sanwa BRI Leasing (1987-1990). His banking career began as a Staff Member at BRI, East Java Regional office in 1966. Indonesian Citizen. Graduated from the Faculty of Economics, University of Gajah Mada in 1965.

UMAR JUORO | COMMISSIONER

Indonesian Citizen. Commissioner of BII since November 2002. He was formerly Expert Staff for Commission VIII of Indonesia's House of Representatives (2002), and served as an Assistant to Indonesia's former Vice President B.J. Habibie in the field of Economics, Monetary & Industry (1998-1999). He has also been a Director of the Center for Information and Development Studies since 1999. Graduated from the Department of Physics, Bandung Institute of Technology (ITB) in 1986, he continued to pursue, and has earned Master of Arts in Economics from the University of Philippines in 1987

and Master of Art in Political Economy from Boston University, USA in 1992.

JIMMY PHOON SIEW HENG | COMMISSIONER

Singaporean Citizen. Appointed as a Commissioner on 16 December 2003. He is a Managing Director for Strategic Developments at Temasek Holdings (Private) Limited, since 1999. Previously, he was Director at Standard Chartered Merchant Bank Asia Limited (1992-1999) and Deputy Director at the Ministry of Finance, Republic of Singapore (1988-1992). He earned his Bachelor of Economics (Honours) from Monash University, Australia in 1986.

YOON JONG-KYOO | COMMISSIONER

Korean Citizen. Appointed as a Commissioner on 16 December 2003, he is also Executive Vice President and Chief Financial Officer (CFO) at Kookmin Bank. Prior to joining BII, he has accumulated 30 years of career in finance and banking institutions, holding various positions including Commissioner of Executive Service Constitution at the Ministry of Planning and Budget (2003), Executive Vice President of Kookmin Bank (2002), Vice President of Korean Academic Society of Taxation (2002) and Commissioner of the Korea Deposit Insurance Company (2001). He graduated from Sung Kyun Kwan University with Bachelor in Business Administration in 1982, he continued his study to Seoul National University and earned Master degree in Business Administration in 1985 and then returned to Sung Kyun Kwan University, to earn Doctorate in Business Administration in 1999. In that year he also completed Executive Program at Graduate School of Business Administration, Harvard University, USA.

LEE JEUNG-LAK | COMMISSIONER

Korean Citizen. Appointed as a Commissioner on 16 December 2003, he is also General Manager of Strategic Planning Department at Kookmin Bank. Previously, he was CEO and founder of e*Value Consulting, which specializes in Financial Risk Management and Solution Implementation. Before founding e*Value Consulting, he has served as consultant at the Seoul and New York office of McKinsey & Company. Prior to joining McKinsey, he has accumulated thirteen years of experience in Korean banking industry. He holds a Ph.D. degree from Washington State University and Bachelor of Arts in Economics degree from Sung Kyun Kwan University.

TASWIN ZAKARIA | COMMISSIONER

Indonesian Citizen. Appointed as a Commissioner on 16 December 2003. Prior to that, he was a Director with Barclays Capital Jakarta, a position he held since 2001. He was a Vice President of Deutsche Bank AG Jakarta (1997-2001) and held several other positions with Citibank N.A. Jakarta, including Corporate Banking Unit (1995-1997); Head of Institutional Remedial Management (1994-1996), and Assistant Manager of Financial Analysis Unit (1993-1997). He earned his BSBA in Accounting with Cum Laude (Honours) from Ohio State University in 1992.

PRADJOTO | COMMISSIONER

Indonesian Citizen. Commissioner since November 2002. Prior to his appointment as a Commissioner of BII, he has held several positions of responsibility as a member of Supervisory Team (2002), IBRA Oversight Committee (2001),

and as a member of Anti Corruption Task Force and of National Ombudsman Committee (2001). Lecturer at Atmajaya University, Yogyakarta (1999-2000). Prior to joining BII, he had worked for Bank Pembangunan Indonesia (1981-1992). Mr. Pradjoto holds a law degree from the University of Indonesia (1981) and a Masters degree from Kyoto University (1988).

BOARD OF DIRECTORS

HENRY HO HON CHEONG | PRESIDENT DIRECTOR

Malaysian Citizen. He has had an extensive, international banking careers comprises of various senior management positions within Citibank and Citigroup, in corporate banking & relationship management, business strategy and planning, credit and risk management, and country business management with countries including Malaysia, Singapore, Thailand and Saudi Arabia.

Appointed President Director on 16 December 2003, he was formerly General Manager and Group Head for Corporate and Investment Bank, Saudi American Bank [SAMBA] based in Riyadh, Saudi Arabia (2002-2003). SAMBA's Corporate and Investment Bank Group provides the largest revenue contribution for Citigroup, amounting to more than USD 200 million. Prior to that, in 1996-2001, he served as Chief Executive Officer for Citibank Bangkok, Thailand, where for 5 consecutive years, Citibank Thailand earned the Top Cash Management, Top Treasury, Top Fixed Income/Bond Underwriter and Best Foreign Bank awards.

He graduated with Bachelor of Engineering (Honors) from University of Malaya in 1978, and later attained a Master of Business Administration (Finance and Accounting)

from McGill University, Montreal, Quebec, Canada, and graduated in 1980.

ARMAND B. ARIEF | VICE PRESIDENT DIRECTOR

Indonesian Citizen. Appointed as Vice President Director of BII since November 2002. He previously held the position of Deputy Head of the BII Management Team (17 May – 7 November 2002). Mr. Arief was also previously a member of the Board of Directors at Bank Danamon (1999-2002), Distribution Director – Global Consumer Banking of Citibank N.A. (1995-1998), Regional Branches Head, Retail Banking Director and Managing Director at Bank Papan Sejahtera (1998-1999). He was also previously Regional Development Manager for East Indonesia at PT Food Specialties Indonesia (Nestlé) between the period 1983-1988. He graduated from the National Hotel Institute, Bandung in 1972, he then earned his BA in Business Administration from Curry College, Milton. Massachusetts, USA in 1979, and his MBA from Suffolk University, Boston, USA in 1982.

DIRA K. MOCHTAR | DIRECTOR

Indonesian Citizen. He has been a Director of BII since November 2002. He previously was a member of the BII Management Team (17 May – 7 November 2002). He previously held the IBRA positions of Group Head of Core Assets Disposal Risk Management, and Group Head and Team Leader of Loan Workout and Collection (1998-2002). Prior to assuming those positions, he was a Senior Manager of Investment Banking Division at Bank Bira (1995-1998), Deputy Manager of Corporate Banking Division at PT Indovest bank (1993-1995), and a Financial Analyst,

Marketing and Refinery Division at Mobil Oil Corporation (1991-1992). Earned his MBA in 1991 and BSc of Business Administration in 1990 from Oklahoma City University, USA.

JUDI PRAYUDI SUDJONO | DIRECTOR

Indonesia Citizen. Director of BII since November 2002. He previously was a member of the BII Management Team (17 May – 7 November 2002), and was also Risk Management and Liabilities Coordinator at Bank Bira, appointed by IBRA (1999-2001); Head of Financial Institutions Division (1997-1999), Bank Bira; Head of Credit Administration and Correspondent Bank Division, DBS Buana Tat Lee Bank (1994-1996), and Head of Finance and Accounting at Development Bank of Singapore, Los Angeles (1992-1994). He was also previously Supervisor at Union Bank of California (1982-1990). Earned his BSc in Accounting in 1991 from California State University of Los Angeles, USA.

RUDY N. HAMDANI | DIRECTOR

Indonesia Citizen. He has been a Director of BII since March 2000. He previously was a member of the BII Management Team (2001-2002). He first joined BII in 1987, and has been closely involved in the development of the Bank's Credit Card Business (1988-2001). He graduated with Bachelor in Economics and Business Administration from St. Mary's College, California, USA in 1987.

SUKATMO PADMOSUKARSO | DIRECTOR

Indonesia Citizen. He was appointed as a Director of BII in November 2002. He previously was a member of the BII Management Team (17 May – 7 November 2002).

Before joining BII, Mr. Padmosukarso was also previously Vice President Head of Portfolio Management (2001-2002), Vice President Head of Credit Risk Management for Jakarta Regions (2000-2001), and Vice President Head of Loan Workout (1999-2000) at Bank Mandiri. He first began his banking career with the Development Bank of Indonesia in 1980, assuming various positions including Branch Manager (1999). He graduated with MBA from Curtin Business School, Curtin University of Technology, Perth, Australia in 1993, with Bachelor in Economics from the University of Indonesia in 1986 and with Associate Degree in English Literary from Universitas Negeri Sebelas Maret, Surakarta in 1979.

YOON MYUNG HAN | DIRECTOR

Korean Citizen. Appointed as a Director on December 16, 2003. He was previously a General Manager at the Kookmin Bank, overseeing Risk Management Strategy and Market Risk /Monitoring Team (1999-2003). Throughout his 23 years of banking career, he has overseen various strategic functions, including Branch Management, Promotion, Audit, Risk Management and Customer Service. Among his achievements are successful implementations of bank-wide, integration projects in the areas of Risk Management System and Comprehensive Monitoring System. He earned a Bachelor of Science in Business Administration from Korea University (1980) and a MBA degree from Helsinki School of Economics, Finland (2000).

AUDIT COMMITTEE

PUTU ANTARA | CHAIRMAN

(See Board of Commissioner)

AGUS KRETARTO | EXECUTIVE SECRETARY

Indonesian Citizen. Before assuming his current responsibilities in the BII's Audit Committee, he was the Compliance Director of Bank Harmoni Internasional. He is a member of the Indonesian Institute of Accountant and has social participation in Indonesian Public Listed Company Association. His former posts in other banking institutions were Division Head of Planning & Development and Corporate Secretary (1995-2000) and Internal Audit (1993-1994). Prior to that, he was an Auditor in Finance & Development Supervisory Board, the government internal audit agency (1981-1992). He holds a professional competence as a Registered Accountant from the State College of Accountancy, Jakarta (1987) and a Master Degree in Management Accounting from the University of Indonesia (1991).

M. HADLARI | MEMBER

Indonesian Citizen. Prior to assuming his current responsibilities in the BII Audit Committee, Mr. Hadlari was the Finance and Accounting Manager of PT Panasonic Gobel (2001-2002), the Audit & Accounting Services Manager of PT Sudjendro Soesanto Consulting - formerly KPMG (2000-2001), Auditor and Instructor at the Finance & Development Supervisory Board (1985-1999), and Lecturer at several well known universities in Indonesia (1994-2000). Mr. Hadlari is concurrently an Instructor of Certification for Internal Auditor. He has a professional proficiency as a Registered Accountant from the

State College of Accountancy, Jakarta; and has attained a post graduate diploma in Accounting and Auditing, and a Masters Degree in Accounting and Development Finance both from the University of Birmingham, UK

TASWIN ZAKARIA | MEMBER

(See Board of Commissioner)

PRADJOTO | MEMBER

(See Board of Commissioner)

SYARIAH SUPERVISORY BOARD

M. ANWAR IBRAHIM

Indonesian Citizen. He has several degrees in Islamic and Syariah studies including one from the Raden Fatah National Islamic Institute, Palembang (1964); a Master's and PhD degree in Syariah Jurisprudence in Comparative Ushululfiqh from the Al-Azhar University, Cairo (1969 - 1978). He has held several teaching positions throughout his career and is concurrently teaching at the Al Quran Syariah Educational Institute; Jakarta Islamic Studies in cooperation with the Al-Azhar University, Cairo and the University of Indonesia. Mr. Ibrahim is also presently a Senior Consultant with Bank Muamalat, and Vice Chairman, Fatwa Commission of the Majelis Ulama Indonesia.

ABDUL JABAR MAJID, MA

Indonesian Citizen. He has several degrees in Islamic studies including Tarbiyah Pendidikan Agama Islam from National Islamic Religion Institute, Riau (1975); Ushuluddin Dakwah from Al-Azhar University, Cairo (1979); Islamic Studies from

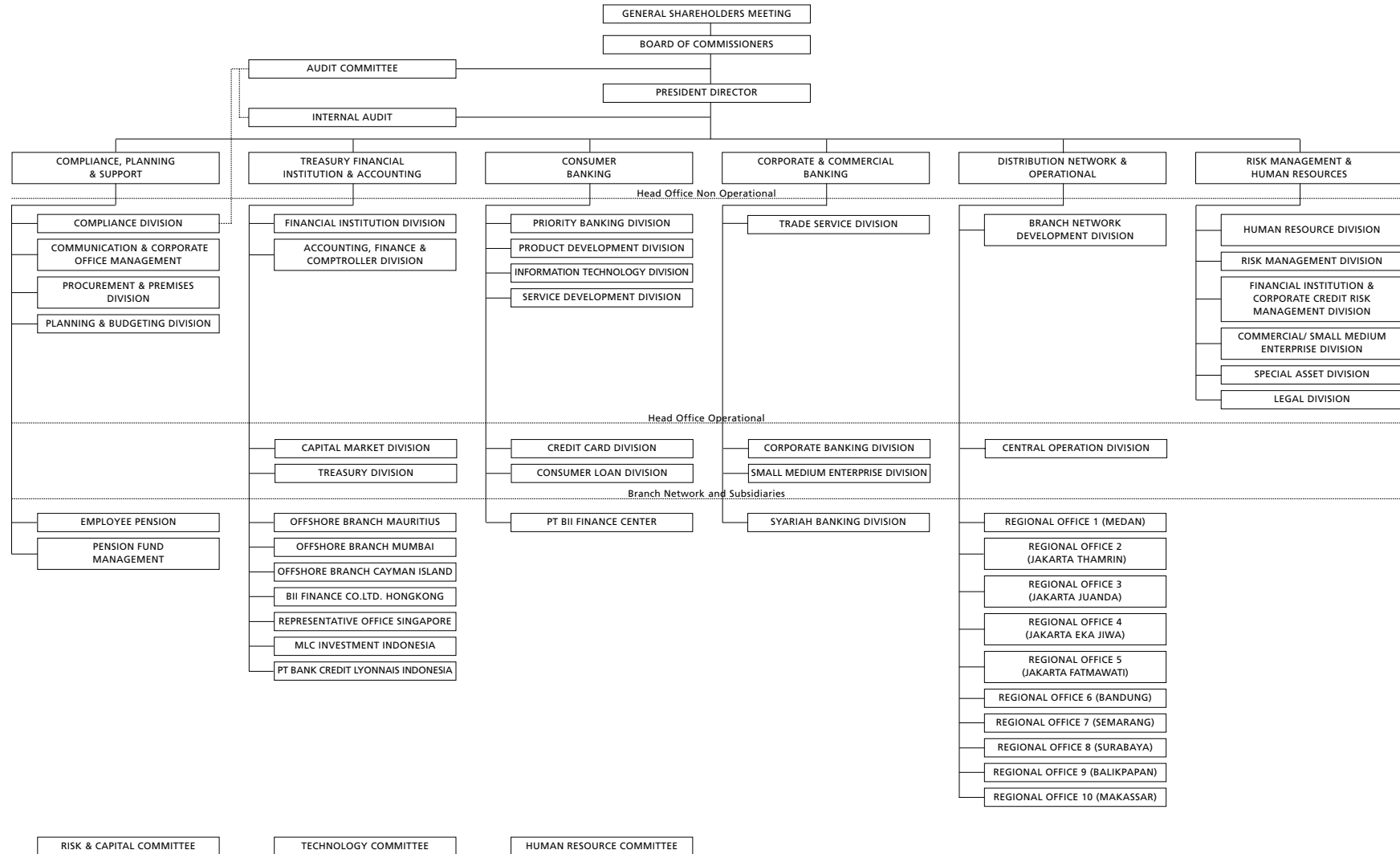
Institute of Islamic Studies, Cairo (1991). He is currently doing Islamic Studies at Syarif Hidayatullah National Islamic University. He has held several teaching positions throughout his career and is concurrently teaching at Attaqwa Islamic Religion School, and the Indonesian Economics and Banking School. He is also concurrently the Secretary of the Attaqwa Foundation in Bekasi, Tangerang.

H. MUH. NAHAR NAHRAWI

Indonesian Citizen. He has several degrees in Islamic and Economic studies including Judicial Law from the University Brawijaya, Malang (1972); a degree in Islamic Studies from the Leiden University, Holland (1988); and Management Economics from the Management Magistrate IPWI, Jakarta (1997). He also held several positions of responsibility in organizations that promoted the Islamic faith including most recently the Puslitbang Kehidupan Beragama (1993), and the Department of Religion (1997). Mr. Nahrawi is currently the Senior Research Specialist with the Board of Religious Research and Development.

ORGANIZATION STRUCTURE

As of 31 December 2003



AWARDS AND RECOGNITIONS

2003

Visa International Award for Breakthrough Performance.

Lloyd's Register Quality Assurance (LRQA), ISO 9001:2000 certification for customer-facing activities in Regular Banking (teller, customer service & security guard), Credit Marketing & Collection, BII Customer Care, Platinum Access & BII Syariah Platinum Access.

MasterCard International, The Best mc² Chip Program Award.

Modal Magazine & Karim Business Consulting, The Most innovative Syariah Bank.

2002

Infocosm Business Community (i2bc) eAward for BII Internet Banking in the Financial category.

One of 10 best companies applying e-business according to Brick and Mortar Company Category. The category covers non-IT companies in Indonesia applying e-business to support their business activities.

2001

MasterCard International, The Best Bank in Maestro/ Cirrus Programme for the ASIA PACIFIC area.

2000

SWA Magazine and Frontier Award for the Best Bank in the category of banks with assets above Rp 30 trillion.

1999

Hewlett Packard, The Most Innovative bank in Indonesia.

Award For Achivement as Best Domestic Commercial Bank in Indonesia.

INVESTOR'S INFORMATION

As of 31 December 2003

Established	15 May 1959
Head Office	Plaza BII, Menara 2 Jl. MH. Thamrin No.51 Jakarta 10350, Indonesia Telp. (62-21) 230 0888 Fax. (62-21) 3193 4609 http://www.bii.co.id e-mail: cs@bii.co.id
Branch Network	256 Offices (including Regional Offices and Head Office)
Overseas Branches	3 Branch Offices and 1 Representative Office
Total Employees	7.989 persons
Total Assets	Rp 34,728,751 million
Share Listed	BII was listed as the Jakarta Stock Exchange & Surabaya Stock Exchange since 1989
Shareholder's Meetings	18 June 2003, Jakarta 16 December 2003, Jakarta
Shareholder Structure	Sorak Financial Holdings Pte. Ltd : 51.2% Government of RI qq IBRA : 22.5% Public : 26.3% Total : 100.0%
Share Register Bureau	PT Sinartama Gunita
Independent Public Auditor	Prasetio, Sarwoko & Sandjaja (Member of Ernst & Young Global)
Public Notary	Fathiah Helmi, SH

BII SERVICES AND FINANCIAL PRODUCTS

DEPOSIT

Superpundi (Rp, USD, SGD, EUR)
Musafir (Rp)
EduPlan (Rp, USD)
Giro BII (Rp)
Giro BII Valas
(USD, EUR, SGD, JPY, AUD, GBP)
Credit Card Account (Rp, USD)
Time Deposit
(Rp, USD, AUD, SGD, GBP, EUR, JPY)
On-Call Deposit (Rp, USD)
Certificate of Deposit (Rp)

CREDIT

Credit Card (Visa, MasterCard, JCB)
Car Loans
Housing Loans
Investment Loans
Small Business Loans
Working Capital Loans
Syndication Loans

LETTER OF CREDIT

Standby L/C (SBLC)
Local L/C

BANK GUARANTEES

Tender / Bid Bond
Performance Bond
Advance Payment Bond
Payment Bond
Retention Bond
Bank Guarantee P4BM
Shipping Guarantee

CUSTODIAN

Safe Deposit Box
Custodian Service

REMITTANCE

Clearing
Domestic & Overseas Collection
Inward / Incoming Forex Transfer
Outward / Outgoing Forex Transfer
Western Union Money Transfer
Export/ Import
Draft Collection
Real Time Gross Settlement

ADVISORY

Syndication Arranger
Agency Activities
Financial Advisory

FOREX TRANSACTION

Spot Foreign Exchange
Forward Foreign Exchange
Foreign Exchange Swap
Money Changer

BILL PAYMENTS

Electricity Bills
Telephone Bills
Tax Payment
Credit Card Payment
Cellular Phone Bills & Voucher Pre-paid

ELECTRONIC BANKING

Internet Banking
ATM (Rp & USD)
SMS Voucher Reload
Phone Banking
Jakarta (021) 3928811
Bandung (022) 4218811
Surabaya (031) 5478811
Yogyakarta (0274) 548811
Denpasar (0361) 238811
Medan (061) 4568811
Cash Deposit Machine/ CDM

PLATINUM

Platinum Access
Syariah Platinum Access

OTHER SERVICES

Corporate Online Banking
(Cash-Payroll, Collection Management)

BII CUSTOMER CARE

Jakarta (021) 3183888
Bandung (022) 4213188
Surabaya (031) 5473388
Medan (061) 4537888

ADDRESSES

<http://www.bii.co.id>
<https://www.bankbii.com>
Email: cs@bii.co.id

SENIOR MANAGEMENT

As of 31 Desember 2003

DIVISION HEAD-HEAD OFFICE

Financial Institutions	Trie Rosdiati
Capital Market	Suzanna Irmawati
Service Development	Harianto
Accounting, Finance & Comptroller	Jozef. I Munaba
Financial Institutions & Corporate Credit Risk Management	Rudy Gomedi
Planning and Budgeting	Talip Rahman
Compliance	Pranoto
Communication and Corporate Office Management	Esti Nugraheni
Special Asset Management	Siswo Soebianto Iksan
Legal	Irvan Gunardwi
Risk Management	Ratna Ningsih
Procurement and Premises	Benny Roesamsi
Corporate Banking	Dicky Y. Noorkalam
Trade Services	Jenny Wiryanto
Small and Medium Enterprise	Prabowo
Syariah Banking	Ismi Kushartanto
Priority Banking	Yoon Hong Hwang
Consumer Loan Center	Paulus Tangkilisan
Credit Card	Johan Sudiato
Branch Network Development	Hanafi Himawan
Product Development	C.D. Boentoro
Central Operation	Erzon
Information Technology	Harjanto Quaasalmy

Internal Audit

Human Resources

Treasury

Akhadi

Prabowo Bayu Waskito

Edij

AREA MANAGERS

Area 1 – Medan

Area 2 – Jakarta-Thamrin

Area 3 – Jakarta-Juanda

Area 4 – Jakarta-Eka Jiwa

Area 5 – Jakarta- Fatmawati

Area 6 – Bandung

Area 7 – Semarang

Area 8 – Surabaya

Area 9 – Balikpapan

Area 10 – Makassar

Andrae Krishnawan W

Ignatius Kiky Suhertan

Supratman Gunawan

Kyardian Aunatalia

Chairil Asfar Azis

Irwan Sadewa

Otto S. Tirajo

Djaja S. Sutandar

Uzan Tedjamulia

Edi Zamhari

REPRESENTATIVE/ OVERSEAS BRANCHES

Representative Office - Singapore

Overseas Business - Cayman Islands,

Mumbai and Mauritius

Dede Kurnia

Tony D. Widjaja

SUBSIDIARIES/ AFFILIATES

BII Finance Company Ltd. - Hong Kong

PT. BII Finance Center - Jakarta

PT MLC Investment Indonesia – Jakarta

Juanna Lai - Managing Director

Halim Susanto - Director

Rizal N. Pandji - President Director

Adi Darmadi Setiাপutra - Director

Nugroho Permana Budi - Director

OTHER SENIOR MANAGEMENT

As of 31 Desember 2003

HEAD OFFICE

Pension Fund	Bono Suwarsono
Employee Pension	Jopie Gumay
Corporate Banking	Benny Wirawansa
Financial Institution and Corporate Credit Risk Management	Earl D. Santawirya
Internal Audit	Joko Sutarto
Internal Audit	Basuki Hidayat
Accounting, Finance and Comptroller	Ganti Effendi Poerba
Accounting, Finance and Comptroller	Iwan Wiranto
Corporate Banking	Maxi Tjandra Tjoajadi
Legal	Florentina Maria
Cental Operation	Entin Rostini
Cental Operation	Toni Dinoto
Cental Operation	Asep Ginanjar
Special Asset Management	Linda Marie Christine Adam
Commercial/ SME Consumer Risk Management	Yuningsih Anugerah
Planning and Budgeting	Rene Iwan Prayitno
Corporate Banking	Monica Bratanata
Small and Medium Enterprise	Zeid Sungkar
Credit Card	Winarto Widjaja
Human Resources	Trusto Jati Prakoso
Human Resources	Basoeki Soeseno
Special Asset Management	Shahrizal Nasution
Infomation Technology	Donald F. Hartono
Infomation Technology	Agung Witono Suryowidhio

Syariah Banking
Product Development
Product Development
Product Development
Consumer Loan Center
Consumer Loan Center
Treasury
Treasury

REGIONAL AREA

Area 1 – Medan
Area 2 – Jakarta-Thamrin
Area 3 – Jakarta-Juanda
Area 4 – Jakarta-Eka Jiwa
Area 5 – Jakarta- Fatmawati
Area 6 – Bandung
Area 7 – Semarang
Area 8 – Surabaya
Area 9 – Balikpapan
Area 10 – Makassar
Branch Office – Juanda
Branch Office – Thamrin
Branch Office – Medan
Branch Office – Surabaya

Hendi Apriliyanto
R. Harris Deliyono Soempono
Liarny
Djoenaidi Hoediono
Lilian B. Toar
Rufina Lily Djunaidi
Martono
Melia Tjandra

Rustam Oey
Hendrik Progo
Iwan Suherman
Budi Eryanto
Wawan Setiaragawan
Maurit T Siahaan
Ferdinand Rindhatmono
Suwarno
Suriyanto
Djuliarso
Paulus Sugeng
Johny Harianto
Maya Sartika
Hevi Angweita

SUBSIDIARY COMPANIES

BII FINANCE CO. LTD. (BIIF) – HONG KONG

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 Ordinances as a deposit-taking company on 19 June 1978. On 31 May 1985, the company was taken-over by Western Oceanic Holding Company Incorporated in Grand Cayman Islands - controlled by the Widjaya family. On 1 September 1991, the company was acquired by Bank Internasional Indonesia, which now owns 100% of BIIF.

Percentage of Ownership : 100%

PT BII FINANCE CENTER (BII-FC) – JAKARTA

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

Percentage of Ownership : 99,99%

PT MLC INVESTMENT INDONESIA – JAKARTA

PT MLC Indonesia was formed on 13 December 2000 replacing the former PT BII Lend Lease Investment Service 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.

Percentage of Ownership : 50%

BRANCH NETWORK

AREA 1, MEDAN

Wisma BII Lt. 3
Jl. Dipenogoro No. 18
Medan
Telp. (061) 4537888
Fax. (061) 4537720

Medan
Jl. Dipenogoro No. 18
Medan
Telp. (061) 4537888
Fax. (061) 4537211 / 212

Cirebon
Jl. Cirebon No. 11/13
Medan
Telp. (061) 4157111
Fax. (061) 4155639

Pulo Brayan
Jl. K.L. Yos Sudarso No. 4-4A
Pulo Brayan
Medan
Telp. (061) 6620888
Fax. (061) 6621850

Sutomo
Jl. Dr. Sutomo No. 18 I-J
Medan
Telp. (061) 4565088
Fax. (061) 4567808

AR. Hakim
Jl. AR. Hakim No.35
Medan
Telp. (061) 7352688
Fax. (061) 7351253

Binjai
Jl. Jend. Sudirman No. 207 A-B
Binjai
Telp. (061) 8822325
Fax. (061) 8821037, 921513

Juanda
Jl. Ir. H. Juanda Baru No. 39
Medan
Telp. (061) 7351262
Fax. (061) 7351254

Krakatau
Jl. Krakatau No. 138 A
Medan
Telp. (061) 6630050
Fax. (061) 6630048

Mal Medan
Jl. MT. Haryono
Mal Medan Lt. 1 No. 16
Medan
Telp. (061) 4575771
Fax. (061) 4575779

Mangkubumi
Jl. Mangkabumi No. 18
Medan
Telp. (061) 4512800
Fax. (061) 4510510

Medan Plaza
Jl. Iskandar Muda
Komp Medan Plaza Shopping
Center Blok H-VII
Medan
Telp. (061) 4528628
Fax. (061) 4521005

Setia Budi Indah
Komp Taman Setiabudi
Indah Blok C No. 1
Medan
Telp. (061) 8219037
Fax. (061) 819436

Thamrin
Jl. Thamrin No. 75 C-1
Medan
Telp. (061) 7348000
Fax. (061) 748684

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

Banda Aceh
Jl. Panglima Polim No. 50-52
Banda Aceh
Telp. (0651) 26888
Fax. (0651) 23789

Batam
Jl. Raja Ali Haji Blok A 10-11
Ruko Jodoh Square Batam
Telp. (0778) 456377;D. 450670
Fax. (0778) 457265

Raden Patah Batam
Komp. Indah Permai
Center Blok B No. 19
Jl. Raden Patah
Batam
Telp. (0778) 422710
Fax. (0778) 422760

Bengkulu
Jl. Letjend. Suprpto No. 205
Bengkulu
Telp. (0736) 344100
Fax. (0736) 343559

Bukit Tinggi
Jl. Jend. A. Yani No. 92
Bukit Tinggi
Telp. (0752) 625811/825/824
Fax. (0752) 624991

Jambi
Jl. Dr. Sutomo No. 54
Jambi
Telp. (0741) 32141 – 47
Fax. (0741) 32488

Tebing Tinggi
PT. WKS/PT.LPPI
Desa Tebing Tinggi
Tungkal Ulu
Jambi
Telp. (0742) 51061/2
Fax. (0742) 51063

Lhokseumawe
Jl. Suka Ramai No. 43
Lhokseumawe
Telp. (0645) 43356
Fax. (0645) 41018

Pematang Siantar
Jl. DR. Sutomo No. 245
Pematang Siantar
Telp (0622) 420777
Fax. (0622) 22348

Padang
Jl. Jend.Sudirman No. 14
Padang
Telp. (0751) 30811, 34758/60
Fax. (0751) 33216, 33989

Plaza Minang / Pondok
Jl. Pondok No. 86-C
Padang
Telp. (0751) 33148
Fax. (0751) 36211

Palembang
Jl. Kapten Rivai No. 1293
Palembang
Telp. (0711) 311909
Fax. (0711) 311882

Kebumen
Jl. Kebumen Darat No. 742
Palembang
Telp. (0711) 361447
Fax. (0711) 361449

Lemabang
Jl. R.E. Martadinata No. 188
Palembang
Telp. (0711) 715608
Fax. (0711) 715614

Polygon
Perumahan Bukit
Sejahtera Blok B A No. 17
Palembang
Telp. (0711) 442605
Fax. (0711) 442604

Kenten
Jl. Siaran No. 11
Sako, Kenten
Palembang
Telp. (0711) 817105
Fax. (0711) 817088

Letkol Iskandar
Jl. Letkol Iskandar No. 901 ABCD
Palembang
Telp. (0711) 370772
Fax. (0711) 311827

Pekanbaru
Komp. Senapelan Plaza
Jl. Jend. Sudirman No.69
Pekanbaru
Telp. (0761) 31922
Fax. (0761) 32272

Perawang

Gedung PT Indah Kiat Pulp & Paper
Jl. Raya Minas-Perawang Km No. 26
Telp. (0761) 91088 Ext. 2480
Fax. (0761) 91491

Nangka

Komplek Citra Plaza
Jl. Teuku Tambusai No.12
Pekanbaru
Telp. (0761) 28230 / 31 / 27
Fax. (0761) 32272/28229

Rantau Prapat

Jl. Dipenogoro No. 19
Rantau Prapat 21412
Telp. (0624) 327333
Fax. (0624) 21749

AREA 2 THAMRIN, JAKARTA

Plaza BII Tower 1 Lt. 3
Jl. M.H. Thamrin Kav. 22 No. 51
Jakarta
Telp. (021) 2300888 / 666
Fax. (021) 2301893

Thamrin

Tower 2 Lt.1
Jl. M.H. Thamrin Kav. 22 NO. 51
Jakarta
Telp. (021) 2300888/666
Fax. (021) 3926047

Ambasador Mal

Lt. Dasar Ruko No. 1
Jl. Prof. Dr. Satrio
Jakarta Selatan
Telp. (021) 5760136-38
Fax. (021) 576-0366

Bursa Efek Jakarta

JSX Building Tower 1 Lt. Dasar
Jl. Jend. Sudirman Kav. 52-53
Jakarta
Telp. (021) 5150729/ 5150722-27
Fax. (021) 5150731

Gedung Indah Kiat

Jl. Raya Serpong Km. 8
Tangerang
Telp. (021) 53120270-6/53120155
Fax. (021) 53120269

Metropolitan II

Wisma Metropolitan II
Jl. Jend. Sudirman Kav. 31
Jakarta
Telp. (021) 5227337
Fax. (021) 5227447

Plaza Indonesia

Jl. MH Thamrin Blok B L No. 17-19, Lt. Dasar
Jakarta
Telp. (021) 3107631/35/ 36
Fax. (021) 3107588

Gedung Prince

Wisma Kyoei Prince Lt. Dasar
Jl. Jend. Sudirman Kav. 34
Jakarta
Telp. (021) 5724037 – 35
Fax. (021) 5724038

Tanah Abang

Jl. Fachruddin No.36 Blok D 18-19
Jakarta
Telp. (021) 2303035, 3923520
Fax. (021) 2303054

Jatinegara Timur

Jl. Jatinegara Timur No. 59
Jakarta
Telp. (021) 280-0320/0333 / 0322
Fax. (021) 2800323

Cibitung

Komplek Perkantoran Kawasan Industri
MM 2100 Blok C No. 12 A dan B
Cibitung – Bekasi
Telp. (021) 8981338 / 40
Fax. (021) 8981341

Klender

Jl. Teratai Putih Blok M 1 A & B
Jakarta
Telp. (021) 8601665
Fax. (021) 8601829

Matraman

Jl. Matraman Raya No. 55
Jakarta
Telp. (021) 8510761-64
Fax. (021) 8510769

Pondok Gede

Pd Gede Plaza Blok B1 No. 14-16
Bekasi
Telp. (021) 8463103
Fax. (021) 8469822

Proklamasi

Jl. Proklamasi No. 23
Jakarta
Telp. (021) 3102049/ 3908416/ 3154467
Fax. (021) 3103568

Kota Wisata

Sentra Komunitas Kyoto No. B3
Komp. Perumahan Kota Wisata
Jl. Transyogi Km. 6
Cibubur
Telp. (021) 84934003-06
Fax. (021) 82495007

KP. Melayu

Jl. Kampung Melayu Besar No. 9
Jakarta
Telp. (021) 2800313
Fax. (021) 8575671

Lippo Cikarang

Komp. Ruko Thamrin Blok B No.2
Lippo Cikarang
Bekasi
Telp. (021) 89909052-54 / 8730
Fax. (021) 89908731

MT. Haryono

Jl. MT. Haryono Kav. 62
Jakarta
Telp. (021) 7976166
Fax. (021) 7976167

Kuningan

(Graha Irama) Lt. Dasar Blok B
Jl. H.R. Rasuna Said kav. 1-2
Jakarta
Telp. (021) 5261330-4
Fax. (021) 5261335

Wisma Mulia

Jl. Jend. Gatoto Subroto 42, Lt. Dasar
Jakarta
Telp. (021) 52906000
Fax. (021) 52905900

Pernata Hijau

Jl. Perak Blok B No. 17
Jakarta 12210
Telp. (021) 5357333
Fax. (021) 5332260

S. Parman

Jl. S. Parman Kav. 19
Jakarta
Telp. (021) 53674168
Fax. (021) 53674171

Sultan Agung

Jl. Sultan Agung No. 57 A-B, Manggarai
Jakarta
Telp. (021) 8293535-39
Fax. (021) 8293542

Mal Taman Anggrek

Lt. Dasar Banking Center
Jl. S. Parman Kav. 21 Grogol
Jakarta
Telp. (021) 5639001-07
Fax. (021) 5639155

Tebet

Jl. Dr. Sahardjo No. 149 D-E Ruko Unit 4-5
Jakarta
Telp. (021) 8312064, 8307605
Fax. (021) 8301093

Menara Imperium

Gd. Menara Imperium Lt. Dasar No. 9-10
Jl. HR. Rasuna Said Kav. 1
Jakarta
Telp. (021) 83151010-06
Fax. (021) 8315034

Bandar Lampung

Jl. Ikan Hiu No. 3 Bandar, Teluk Betung
Bandar Lampung
Telp. (0721) 487409 - 11
Fax. (0721) 486225

Tanjung Karang

Jl. Kartini Komp. Pertokoan
Pasar Tengah Blok B/II NO. 15
Lampung
Telp. (0721) 266651/262505
Fax. (0721) 266654

Bogor

Jl. Suryakencana No. 231
Bogor
Telp. (0251) 330316
Fax. (0251) 356046/328662

Cibinong

Jl. Mayor Oking Jayaatmaja No. 27
Komp. Pertokoan Cibinong Indah Blok A No. 3
Cibinong
Telp. (021) 8753692/93
Fax. (021) 8753694

Dewi Sartika

Jl. Dewi Sartika No. 2D
Bogor
Telp. (0251) 333728/730
Fax. (0251) 336624/8753694

Pajajaran

Kompleks Pertokoan
Jl. Pajajaran No.20 (28 L)
Bogor
Telp. (0251) 317291, 326163, 317266
Fax. (0251) 340689

Cilegon

Komp. Ruko Bonakarta Blok C No. 7/8
Jl. Raya Merak, Cilegon
Telp. (0254) 395401
Fax. (0254) 395403

Serang / Kragilan

Gd. PT. IKPP Serang Mill
Jl. Raya Serang Km. 76 Kragilan
Serang
Telp. (0254) 280905
Fax. (0254) 280901

Karawang

Jl. Jend. A. Yani No. 85
Karawang
Telp. (0267) 4033304
Fax. (0267) 403766

Cikampek

Jl. Jend. A. Yani Ruko No. 60C
Cikampek
Telp. (0264) 311761 / 3
Fax. (0264) 318969

Sedana

Kintamani Raya Sedana B1 Klintamani Ruko 1-2
Karawang
Telp. (0267) 411527
Fax. (0267) 411530

KIIC

Graha KIIC Lot C No.1B Kawasan Industri KIIC
Karawang
Telp. (021) 8905404 / 5
Fax. (021) 890542

Pindodeli

Kawasan PT. Pindo Deli II Kutamekar
Karawang
Telp. (0267) 440045
Fax. (0267) 440940

Metro Lampung

Komp. Ruko Sumur Bandung Blok B No. 5
Metro Lampung Tengah
Telp. (0725) 47811-14
Fax. (0725) 47311

AREA 3 JUANDA, JAKARTA

Jl. Ir. H. Juanda No. 37-38
Jakarta
Telp. (021) 2310811
Fax. (021) 3512558

Juanda

Jl. Ir. H. Juanda No. 37-38
Jakarta
Telp. (021) 231-0811
Fax. (021) 384-1791

Batu Tulis

Jl. Batu Tulis No. 7
Jakarta
Telp. (021) 384-1805 / 09
Fax. (021) 3843379

Cempaka Putih

Ruko Grand Cempaka
Jl. Letjend. Suprpto Blok A No.34
Jakarta
Telp. (021) 4215915
Fax. (021) 4215909

Garuda

Jl. Garuda No. 22B
Jakarta
Telp. (021) 4211844
Fax. (021) 4209874

Lindeteves

Jl. Hayam Wuruk No. 100
Jakarta
Telp. (021) 6242580
Fax. (021) 6242578

Mangga Besar

Jl. Mangga Besar VIII/8
Jakarta
Telp. (021) 6261184 / 83
Fax. (021) 6497096

Angkasa

Jl. Angkasa No. 20 K
Jakarta
Telp. (021) 4200386 / 428
Fax. (021) 4200435

Pemuda

Jl. Pemuda RT.007/01 No. 29
Jakarta
Telp. (021) 471-4850
Fax. (021) 471-4849

Samanhudi

Jl. H. Samanhudi No. 63
Jakarta
Telp. (021) 3441352
Fax. (021) 3455422

Senen

Komp. Ruko Segitiga Senen Blok F 34-36
Jakarta
Telp. (021) 385-8144-45
Fax. (021) 38558142

Kelapa Gading

Jl. Raya Barat Boulevard Blok LC5 No. 9-11
Jakarta
Telp. (021) 4503181, 4529993
Fax. (021) 4503175

Klp. Gading Boulevard I

Jl. Kelapa Gading Boulevard
Blok PA-19 No. 11
Jakarta
Telp. (021) 4514425
Fax. (021) 4507446

Sunter Nirwana

Jl. Bismaraya Blok A5 No. 50, Sunter
Jakarta
Telp. (021) 6452803-07
Fax. (021) 6452811

Sunter Podomoro

Jl. Sunter Agung Utara Blok A36 d No. 40-41
Jakarta
Telp. (021) 6514002
Fax. (021) 684967

Cakung

PT. Bimaruna Jaya
Jl. Cakung Cilincing Km.1,5
Jakarta
Telp. (021) 6261183
Fax. (021) 4619405

Danau Sunter II

Jl. Danau Agung II C3/C4 No. 77 A-B
Jakarta
Telp. (021) 6518105 - 10
Fax. (021) 6518101

Danau Sunter Utara

Jl. Danau Sunter Utara Blok J-12 No. 58-59
Jakarta
Telp. (021) 6502133-35
Fax. (021) 6515356

Klp. Gading Boulevard II

Jl. Raya Boulevard I-3 no. 4
Jakarta
Telp. (021) 4515253
Fax. (021) 4515257

Klp. Gading Kirana

Jl. Gading Kirana Timur Blok A 13 No. 35
Jakarta
Telp. (021) 4513212-15
Fax. (021) 4513216

Roxy Mas

Jl. Hasyim Ashari Blok B1 12 A
Jakarta
Telp. (021) 6329515
Fax. (021) 6329543

Cideng Barat

Jl. Cideng Barat No. 32 A
Jakarta
Telp. (021) 63211846
Fax. (021) 6321935

Mal Citraland

Unit No. LG-54 Jl. S. Parman Grogol
Jakarta
Telp. (021) 56056014-41
Fax. (021) 5656044

Green Garden

Komp. Perumahan Green Garden Blok 22 No. 46
Jakarta
Telp. (021) 5828359
Fax. (021) 5828356

Green Ville

Komp. Pertokoan Green Ville Blok A 17-18
Jakarta
Telp. (021) 5656044-47
Fax. (021) 5656049

Kebon Jeruk Intercon

Komplek Intercon Plaza No. 3
Jl. Meruya Ilir No. 14
Jakarta
Telp. (021) 5841501
Fax. (021) 5304411

Kebon Jeruk Plaza

Jl. Raya Perjuangan Blok A No.7-8
Jakarta
Telp. (021) 5308885
Fax. (021) 5306248

Kedoya

Jl. Terusan Arjuna No. 50
Jakarta
Telp. (021) 5642233
Fax. (021) 5674652

Ketapang Indah

Jl. KH. Zainul Arifin Blok B II No. 16
Jakarta
Telp. (021) 6338566
Fax. (021) 6338565

Palmerah

Jl. Palmerah Utara 36-38
Jakarta
Telp. (021) 5485119-20
Fax. (021) 5480170

Tomang

Jl. Tomang Raya No. 12A
Jakarta
Telp. (021) 568-1750
Fax. (021) 5681746

Mal Puri Indah

Jl. Puri Agung
Jakarta
Telp. (021) 5822515-18
Fax. (021) 5822511

AREA 4 EKAJIWA, JAKARTA

Gedung Wisma Eka Jiwa Lt. 6
Jl. Mangga Dua Raya
Jakarta
Telp. (021) 6121611
Fax. (021) 6122820

Ekajiwa

Gedung Wisma Eka Jiwa Lt. 6
Jl. Mangga Dua Raya
Jakarta
Telp. (021) 6121611
Fax. (021) 6122820

Bekasi

Ruko Kalimalang - Commercial Center
Jl. Jend. A. Yani Blok A-1 No. 8
Bekasi
Telp. (021) 884-9060
Fax. (021) 8849064

Mangga Dua ITC

ITC Building Blok D NO. 6-9
Jakarta
Telp. (021) 601-6418
Fax. (021) 6016420

Mal Mangga Dua

Gd. Mal Mangga Dua Blok RM
Jl. Mangga Dua Raya
Jakarta
Telp. (021) 6129160
Fax. (021) 6129144

Cikarang Plaza

Ruko Cikarang Plaza
Jl. Sumantri Blok No. 17 & 18
Cikarang, Jawa Barat
Telp. (021) 890.5011
Fax. (021) 8903156

Tanjung Priok

Jl. Enggano No. 38
Jakarta
Telp. (021) 430-0419
Fax. (021) 4300428

Pluit

Jl. Pluit Kencana Raya No. 80 Blok D Kav. 34
Jakarta
Telp. (021) 6604333
Fax. (021) 6693874

Glodok Plaza

Jl. Pinangsia Raya Blok E No. 9-10
Jakarta
Telp. (021) 628-1100
Fax. (021) 6492294

Jembatan Lima

Jl. Moch. Mansyur No. 65 D
Jakarta
Telp. (021) 6304140-43
Fax. (021) 6304139

Muara Karang

Jl. Muara Karang Raya 112, Blok B 8 Timur
Jakarta
Telp. (021) 660-1478
Fax. (021) 6679945

Gajah Mada

Jl. Gajah Mada No. 187
Jakarta
Telp. (021) 634.5085
Fax. (021) 6345101

Kalibesar

Jl. Kalibesar Barat No. 18-19
Jakarta
Telp. (021) 2600811
Fax. (021) 6902820

Pangeran Jayakarta

Komp. Sentra Blok B 18-19
Jl. P. Jayakarta No.126-129
Jakarta
Telp. (021) 6281332
Fax. (021) 6283836

Pesona Indah Kapuk

Jl. Kapuk Kamal Raya Blok A No. 3A & 5
Jakarta
Telp. (021) 55951853
Fax. (021) 55951856

Pluit Mega Mal

Mega Mal Pluit Lt. Dasar Unit F 02a
Jl. Pluit Raya Permai
Jakarta
Telp. (021) 6683751
Fax. (021) 6683756

Tangerang

Jl. Daan Mogot No. 33
Jakarta
Telp. (021) 5513626
Fax. (021) 5513625

Bandengan Utara

Jl. Bandengan Utara No. 85/A 10
Jakarta
Telp. (021) 6601469
Fax. (021) 6602785

Cengkareng

Jl. Bangun Nusa Raya No. 3
Jakarta
Telp. (021) 5402728
Fax. (021) 5402726

Daan Mogot I

Jl. Raya Daan Mogot No.6 E – F
RUKO WIJAYA KUSUMA
Jakarta
Telp. (021) 5637071
Fax. (021) 5655453

Jelambar

Komp. Pertokoan Taman Duta Mas
Blok E1 No. 15 Jl. Tubagus Angke
Jakarta
Telp. (021) 5678021
Fax. (021) 5678020

Daan Mogot Baru

Ruko Daan Mogot Baru
Jl. Tanah lot Blok LB V No.31-32
Tangerang
Telp. (021) 5447188
Fax. (021) 5447180

Bandara S. Hatta

Terminal EOD 068, Keberangkatan Luar Negeri
Bandar Soekarno Hatta
Jakarta
Telp. (021) 5502928
Fax. (021) 5501011

Gading Serpong

Jl. Gading Serpong Boulevard Blok AA No. 27
Gading Serpong
Jakarta
Telp. (021) 5467909
Fax. (021) 5467916

Taman Cibodas

Komp. Pertokoan Duta Mas Blok 1 No. 3
Jl. Raya Gatot Subroto KM4
Tangerang
Telp. (021) 5528440
Fax. (021) 5528445

Villa Taman Bandara

Jl. Perancis B1. A8/1
Jakarta
Telp. (021) 55951683 – 85
Fax. (021) 55951686

AREA 5 FATMAWATI, JAKARTA

Jl. Panglima Polim Raya No. 79
Jakarta
Telp. (021) 2700811, 72797155
Fax. (021) 7206981

Fatmawati

Jl. R.S. Fatmawati No. 28
Jakarta
Telp. (021) 7511900 / 540
Fax. (021) 7505570 / 74904472

Ampera

Jl. Ampera Raya 10 Pejaten Barat
Jakarta
Telp. (021) 7180149-50
Fax. (021) 7180151

Grand Wijaya

Komp Perkantoran Wijaya Grand Puri
Jl. Wijaya II Blok G No.35-36
Jakarta
Telp. (021) 2700620
Fax. (021) 7206658

Kebayoran Lama

Jl. Pasar Kebayoran Lama No. 162 B
Jakarta
Telp. (021) 2700454
Fax. (021) 7256829

Kemang Raya

Jl. Kemang Raya No. 6
Jakarta
Telp. (021) 7181404, 7195809
Fax. (021) 7181405

Panglima Polim

Jl. Panglima Polim Raya No. 79
Jakarta
Telp. (021) 2700811
Fax. (021) 720.6978

Sentra Arteri Mas

Komp. Rukan Sentra Arteri Mas
Jl. Sultan Iskandar Muda No. 10 D-E Pd. Indah
Jakarta
Telp. (021) 7293320/21
Fax. (021) 7293326

Pondok Indah

Jl. Metro Pondok Indah Kav. II UA No. 65-66,
Jakarta
Telp. (021)7500027, 7690890
Fax. (021) 7500387

Bintaro Jaya

Jl. Bintaro Utama 3 A Rukan Blok A No.1 Pd. Aren
Tangerang
Telp. (021) 7351158, 7351160
Fax. (021) 7375127

Bintaro Permai

Jl. Bintaro Permai No. 1, Tanah Kusir
Jakarta
Telp. (021) 73889677, 73889679
Fax. (021) 73889654

Bumi Serpong Damai

Ruko BSD Sektor 7
Jl. Raya Serpong Blok N No.56-57
Tangerang
Telp. (021) 5371455 / 50
Fax. (021) 5371454

Cipulir

Pasar Cipulir Ruko No. 6
Jakarta
Telp. (021) 2700628 / 7254003-5
Fax. (021) 7254004

Ciputat

Jl. Ciputat Raya No. 38-40
Jakarta
Telp. (021) 7492592
Fax. (021) 7420033

Mal Pondok Indah

Jl. Metro Pondok Indah Blok B III
Jakarta
Telp. (021) 7507010 – 13
Fax. (021) 7506915

TB. Simatupang

Gedung Graha Simatupang, Lt. 1 & 2
Jl. T B Simatupang Kav. 38
Jakarta
Telp. (021) 7813292-94
Fax. (021) 7813391

Pondok Indah Plaza

Jl. Metro Pondok Indah Kav. II UA No. 32
Jakarta
Telp. (021) 75912028 /2037
Fax. (021) 75911411

Summitmas

Summitmas Tower II
Jl. Jend. Sudirman Kav. 61
Jakarta
Telp. (021) 2526333 – 35
Fax. (021) 2526334

Cawang Kencana

Gd. Cawang Kencana
Jl. Mayjen Sutoyo Kav. 22
Jakarta
Telp. (021) 8002683 / 89
Fax. (021) 8002693

Depok

Jl. Margonda Raya No. 39
Depok
Telp. (021) 7751368
Fax. (021) 7521090

Wolter Monginsidi

Jl. Wolter Monginsidi No. 64B Kebayoran Baru
Jakarta
Telp. (021) 72796941 / 43
Fax. (021) 7267758

Warung Buncit

Jl. Mampang Prapatan Raya no. 91
Jakarta
Telp. (021) 7984401
Fax. (021) 7984395

Permata Hijau

Komp.Ruko Permata Hijau Blok DB 15
Jakarta
Telp. (021) 5301775 – 76
Fax. (021) 5302030

Senayan Plaza

Lantai 1 No.109-101
Jl. Asia Afrika No. 8
Jakarta
Telp. (021) 5725091/88/89
Fax. (021) 5725092

AREA 6, BANDUNG

Jl. Asia Afrika No. 95-97
Bandung
Telp. (022) 4214024
Fax. (022) 4239506

Bandung

Jl. R.E. Martadinata No. 23
Bandung
Telp. (022) 4240720
Fax. (022) 460744

Asia Afrika

Jl. Asia Afrika No. 95-97
Bandung
Telp. (022) 4238310
Fax. (022) 4204134

Buah Batu

Jl. Buah Batu No. 261
Bandung
Telp. (022) 7305595
Fax. (022) 7307904

Cibadak

Jl. Cibadak No. 88
Bandung
Telp. (022) 4207809
Fax. (022) 4213525

Cimahi

Jl. Raya Cibabat No. 118
Cimahi
Telp. (022) 6658188
Fax. (022) 6652868 / 6657281

Jl. Jakarta

Jl. Jakarta No. 26
Bandung
Telp. (022) 7214850
Fax. (022) 7214857

Kopo Plaza

Ruko Bumi Kopo Kencana Blok D-14
Jl. Lingkar Selatan
Bandung
Telp. (022) 6079717
Fax. (022) 6079712

Kopo Bihbul/ Sayati

Jl. Raya Kopo Bihbul No. 16D
Bandung
Telp. (022) 5415858
Fax. (022) 5415800

Setia Budi

Jl. Setiabudi No. 170K
Bandung
Telp. (022) 2032616
Fax. (022) 2032608

Soekarno Hatta

Ruko Sumber Sari No. 130
Jl. Soekarno Hatta
Bandung
Telp. (022) 6079900
Fax. (022) 6043345

A. Yani

Jl. A. Yani No. 702
Bandung
Telp. (022) 7202914/15
Fax. (022) 7206220

Surya Sumantri

Jl. Surya Sumantri No. 76
Bandung
Telp. (022) 237966, 2003390
Fax. (022) 2002587

Cirebon

Jl. Siliwangi No. 49
Cirebon
Telp. (0231) 202150
Fax. (0251) 207050

Winaon

Jl. Winaon No. 14
Cirebon
Telp. (0231) 237966,233350
Fax. (0231) 211820

Tasikmalaya

Jl. Yuda Negara Ruko No .16-17
Tasikmalaya
Telp. (0265) 338408/ 338405
Fax. (0265) 338411

AREA 7, SEMARANG

Jl. Pemuda No. 150
Semarang
Telp. (024) 3511506
Fax. (024) 3552164

Semarang

Jl. Pemuda No 150
Semarang
Telp. (024) 3511506
Fax. (024) 3542932

Gang Tengah

Jl. Gang Tengah No. 9
Semarang
Telp. (024) 3546440
Fax. (024) 3515584

Majapahit

Jl. Brigjen Sudiarto No. 198 D & E
Semarang
Telp. (024) 6717205
Fax. (024) 6717511

Sultan Agung

Komp. Pertokoan Sultan Agung 1
Jl. Sultan Agung No. 55
Semarang
Telp. (024) 8315590
Fax. (024) 8442538

Mal Ciputra

Mal Ciputra Ground Floor
Jl. Simpang Lima No. 2
Semarang
Telp. (024) 8414901
Fax. (024) 441391

Mataram Plaza

Kompl. Mataram Plaza Blok A No. 3
Jl. MT. Haryono No. 427-429
Semarang
Telp. (024) 3584010
Fax. (024) 3584016

Jl. Jend. Sudirman

Jl. Jend Sudirman No.103
Semarang
Telp. (024) 7623423
Fax. (024) 7623422

Kudus

Jl. Dr. Sukmonohadi No. 65
Komp. Rukan Panjunan
Kudus
Telp. (0291) 432841
Fax. (0291) 432849

Magelang

Jl. A. Yani No. 11
Magelang
Telp. (0293) 364421
Fax. (0293) 362816

Tidar

Komp. Pertokoan Rejo Tumoto A-7
Magelang
Telp. (0293) 368722
Fax. (0293) 368723

Pekalongan

Jl. Dipenogoro No. 4
Pekalongan
Telp. (0285) 421337
Fax. (0285) 423313

Salatiga

Jl. Jend. Sudirman No. 172
Salatiga
Telp. (0298) 326280
Fax. (0298) 326547

Ambarawa

Jl. Jend. Sudirman No. 51
Ruko Kupang Plaza Blok A2
Ambarawa
Telp. (0298) 591246
Fax. (0298) 592403

Purwokerto

Jl. Jend. Sudirman No. 660-662
Purwokerto
Telp. (0281) 638623
Fax. (0281) 638622

Ajibarang

Pasar Ajibarang Toko A/9
Jl. Raya Pancasan Km 0,5
Banyumas
Telp. (0281) 571385
Fax. (0281) 571385

Solo

Jl. Slamet Riyadi NO. 307
Solo
Telp. (0271) 722910
Fax. (0271) 722905

Pemuda

Jl. Pemuda Utara No. 192
Klaten
Telp. (0272) 320559
Fax. (0272) 322216

Urip Sumoharjo

Jl. Urip Sumoharjo No. 27
Solo
Telp. (0271) 632651
Fax. (0271) 632652

Palur

Jl. Raya Palur No. 295 Sukoharjo
Solo
Telp. (0271) 827584
Fax. (0271) 827585

Pasar Klewer

Pasar Klewer Blok E.32-33
Jl. Rajiman
Solo
Telp. (0271) 646423 / 632888
Fax. (0271) 665068

Tegal

Jl. Jend. Sudirman No. 40
Tegal
Telp. (0283) 358500
Fax. (0283) 358400

Yogyakarta

Jl. Jend. Sudirman No. 46
Yogyakarta
Telp. (0274) 561416
Fax. (0274) 561832

Mangkubumi

Jl. Mangkubumi 99
Yogyakarta
Telp. (0274) 545651
Fax. (0274) 561874

AREA 8, SURABAYA

Jl. Pemuda No. 60-70
Surabaya
Telp. (031) 5626444
Fax. (031) 5326477

Surabaya

Jl. Pemuda No. 60-70
Surabaya
Telp. (031) 5326444 / 49
Fax. (031) 5470720

Argopuro

Jl. Argopuro No.53A
Surabaya 60251
Telp. (031) 5469726 / 37
Fax. (031) 5346245

Bongkaran

Pertokoan Bongkaran Megah
Jl. Bongkaran No. 20-24
Surabaya
Telp. (031) 3553916
Fax. (031) 3553920

Darmo

Jl. Raya Darmo No. 121
Surabaya
Telp. (031) 5672347
Fax. (031) 5672803

Galaxy Mal

Gd. Galaxy Mal Lt. Dasar No.73
Jl. Darmahusada Indah Timur No. 37
Surabaya
Telp. (031) 5937175 / 65
Fax. (031) 5937172

Jembatan Merah

Jl. Jembatan Merah No. 3
Surabaya
Telp. (031) 3532150
Fax. (031) 3531210

Jemur Andayani

Jl. Jemur Andayani No. 19
Surabaya
Telp. (031) 8433620
Fax. (031) 8433557

Kapas Krampung

Jl. Kapas Krampung No. 188
Surabaya
Telp. (031) 5035418
Fax. (031) 5325413

Kapas

Jl. Kapasan No. 19
Surabaya
Telp. (031) 3760180
Fax. (031) 3770607

Kertajaya

Jl. Kertajaya No. 198
Surabaya
Telp. (031) 5015741
Fax. (031) 5015747

Manyar

Jl. Ngagel Jaya Selatan Blok D3-D4
Surabaya
Telp. (031) 5043983
Fax. (031) 5043985

Pondok Chandra

Jl. Palembang No. 22-23 Pd. Chandra
Surabaya
Telp. (031) 8669531
Fax. (031) 8669538

Sidoarjo

Jl. Gajah Mada No. 14-16
Sidoarjo
Telp. (031) 8962508
Fax. (031) 8950266

Mayjend Sungkono

Jl. Mayjend Sungkono 131
Surabaya
Telp. (031) 5671133
Fax. (031) 5671139

Gresik

Plaza Matahari A3-4
Jl. Veteran No.1
Gresik
Telp. (031) 3977933
Fax. (031) 3977235

Tunjungan Plaza

Jl. Basuki Rahmat
No. 8-12, Tunjungan Plaza I LG 08
Surabaya
Telp. (031) 5468133
Fax. (031) 5468131

Denpasar

Jl. Udayana NO. 1
Denpasar, Bali
Telp. (0361) 237250
Fax. (0361) 232515

Kuta Square

Jl. Bakung Sari
Komp. Pertokoan Kuta Square Blok E3 & 4
Denpasar
Telp. (0361) 756671
Fax. (0361) 754189

Nusa Dua

Komp. Pertokoan Tragia Nusa Dua Blok E 39-41
Denpasar
Telp. (0361) 772072
Fax. (0361) 772071

Sudirman

Jl. Sudirman No. 8
Denpasar
Telp. (0361) 240411
Fax. (0361) 234289

Ubud

Jl. Raya Ubud Gianyar
Bali
Telp. (0361) 976595
Fax. (0361) 976107

Dewi Sartika

Komp. Pertokoan Duta Permai Blok 1D-E
Jl. Dewi Sartika
Denpasar
Telp. (0361) 234306
Fax. (0361) 231155

Jember

Jl. Gatot Subroto No. 48
Jember
Telp. (0331) 484706
Fax. (0331) 487972

Jombang

Jl. Merdeka No. 133-135
Jombang
Telp. (0321) 864532
Fax. (0321) 864537

Kediri

Jl. Hayam Wuruk No. 20 B-C
Kediri
Telp. (0354) 685582
Fax. (0354) 687363

Kupang

Jl. Siliwangi No. 35
Kupang
Telp. (0380) 822889
Fax. (0380) 831734

Malang

Jl. Basuki Rachmat No. 91-92
Malang
Telp. (0341) 368875
Fax. (0341) 369744

Kawi

Jl. Kawi No. 11
Malang
Telp. (0341) 365131
Fax. (0341) 365097 / 321132

Mataram

Jl. AA Gde Ngurah No. 48 C-D, Cakranegara
Mataram
Telp. (0370) 635027
Fax. (0370) 633347

Mojokerto

Jl. Jaksa Agung Suprpto No. 30
Mojokerto
Telp. (0321) 383811
Fax. (0321) 323563

Probolinggo

Jl. Dr. Sutomo NO. 141
Probolinggo
Telp. (0335) 422384 / 428605
Fax. (0335) 422387

Singaraja

Jl. Diponegoro No. 95B
Singaraja
Telp. (0362) 21234-7
Fax. (0362) 21234

AREA 9, BALIKPAPAN

Komp. Balikpapan Permai Rt 13 / 03
Jl. Jend. Sudirman 640
Balikpapan 76114
Telp. (0542) 744201
Fax. (0542) 744210

Balikpapan

Komp. Balikpapan Permai
Jl. Jend. Sudirman 640
Balikpapan
Telp. (0542) 731176
Fax. (0542) 731170

Kebon Sayur

Jl. Letjen Soeprpto Rt 17 No.24
Balikpapan
Telp. (0542) 735262
Fax. (0542) 735265

Banjarmasin

Jl. Lambung Magkurat No. 68
Banjarmasin
Telp. (0511) 67711 / 16
Fax. (0511) 67717

Martapura

Komp. Pertokoan Martapura Plaza
Jl. Angsana No. 34
Martapura
Telp. (0511) 90492
Fax. (0511) 90496

Samarinda

Jl. Panglima Baur No. 1-3-5
Samarinda
Telp. (0541) 732751/528
Fax. (0541) 732750

Bontang

Jl. Bhayangkara No. 88
Bontang
Telp. (0548) 23123
Fax. (0548) 23124

Segiri

Jl. Pahlawan, Komp. Pertokoan Pasar Segiri No.7
Samarinda
Telp. (0541) 200025
Fax. (0541) 200024

Sampit

Jl. Rahadi Usman No. 3
Kalimantan Tengah
Telp. (0531) 23464 – 69
Fax. (0531) 23471

Pasar Sentral

Pasar Sentral Kios No. 3 B Jl. MT. Haryono
Sampit
Telp. (0531) 23464

Pontianak

Jl. Tanjung Pura No. 20
Pontianak
Telp. (0561) 739220
Fax. (0561) 732208

AREA 10, MAKASSAR

Jl. Kajaolalido No. 6
Makassar
Telp. (0411) 335580
Fax. (0411) 335581

Makassar

Jl. Kajaolalido No. 6
Makassar
Telp. (0411) 328515
Fax. (0411) 316700 / 317100

Bandang

Jl. Bandang No. 55A
Makassar
Telp. (0411) 315315 / 311837
Fax. (0411) 316387

Cendrawasih

Jl. Cendrawasih No. 17A
Makassar
Telp. (0411) 832371/2
Fax. (0411) 832372

Sulawesi

Jl. Sulawesi No. 151
Makassar
Telp. (0411) 312827 / 826
Fax. (0411) 315608

Ambon

Jl. Diponegoro No. 75A
Ambon
Telp. (0911) 354347
Fax. (0911) 342829

Ambon Plaza

Ambon Plaza LT. 2
Jl. Sam Ratulangi
Ambon
Telp. (0911)347929 / 345340
Fax. (0911) 342829

Kendari

Jl. H. Abdul Silondae No. 82-84
Kendari
Telp. (0401) 327000
Fax. (0401) 324333

Manado

Jl. Sam Ratulangi No. 18
Manado
Telp. (0431) 860543
Fax. (0431) 864248

Palu

Komp. Palu Plaza Blok I A-B No 3-5
Jl. Danau Lindu
Palu
Telp. (0451) 423421 / 384
Fax. (0451) 23168

Sorong

Jl. Basuki Rahmat No.11
Sorong
Telp. (0951) 321412
Fax. (0951) 321585

Jayapura

Jl. Percetakan Negara No. 8
Jayapura
Telp. (0967) 536712
Fax. (0967) 536711

OVERSEAS BRANCHES

Cayman Island
Mumbai, India
Port Louis, Mauritius

BII PLATINUM ACCESS

Thamrin
Plaza BII Tower 2
Jl. MH. Thamrin No. 51
Jakarta
Telp. (021) 39834599
Fax. (021) 3142000

Wisma Mulia

Jl. Gatot Subroto Lt. Dasar
Jakarta
Telp. (021) 52905901
Fax. (021) 52905901

Kelapa Gading

Jl. Raya Boulevard, Blok LC5 No. 9-11
Jakarta
Telp. (021) 4503181
Fax. (021) 4503175

RE Martadinata

Jl. RE Martadinata No. 23
Bandung
Telp. (022) 4260734
Fax. (022) 4215287

Pemuda

Wisma BII Lantai M
Jl. Pemuda No. 60-70
Surabaya
Telp. (031) 5326463
Fax. (031) 5318167

Medan

Jl. Diponegoro No. 18
Medan
Telp. (061) 453788
Fax. (061) 4534408

BII SYARIAH PLATINUM ACCESS

Thamrin
Plaza BII Tower 1, Lantai 1-2
Jl. MH. Thamrin No. 51
Jakarta
Telp. (021) 39834555
Fax. (021) 39834423

Wisma Mulia

Wisma Mulia, Lantai M
Jl. Gatot Subroto No. 42
Jakarta
Telp. (021) 52905988
Fax. (021) 52905924