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To Get Closer to Customer - To Serve All with Passion

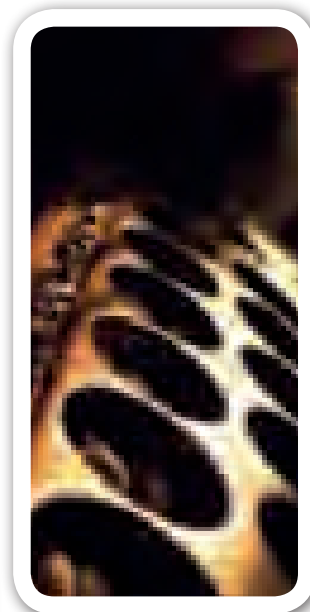
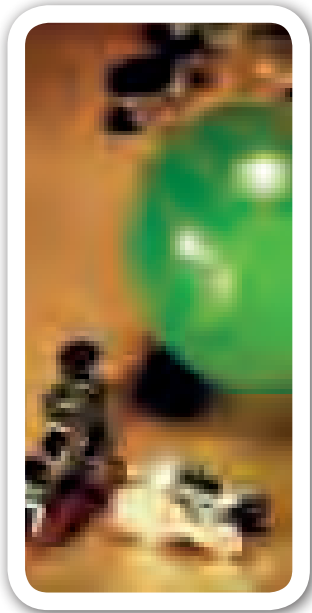
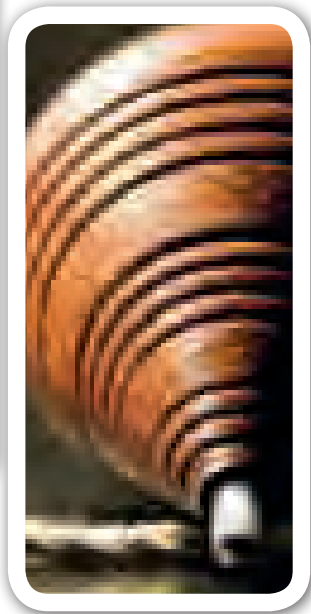
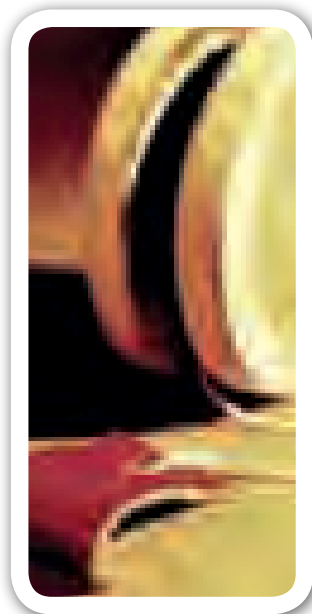
Annual Report

2010



Annual Report
2010

To Get Closer to Customer
To Serve All with Passion



To Get Closer to Customer - to Serve All with Passion

BRI has become the prime option for its capability to meet various needs from its customers of all segments as well as economic sectors, from rural agriculture area to business district center. BRI's existence is being more acknowledged widely because its products and services innovations as well as its network coverage all over Indonesia.

As a nation Bank, BRI strongly holds Indonesian's value and cultures. BRI shows its commitment to fully support the development of people's economy to face tighter competition. The above mentioned added values have delivered BRI to achieve the best performance. BRI is now becoming more solid and more competitive to face business challenges in the future.

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Chapter

1

Foreword

Wooden clogs game needs the players' harmony when they try to walk synchronically on a pair of long clogs, to avoid falling.

BRI realizes every effort needs cooperation and unity to reach an optimum results.

Harmony

BRI at a Glance

PT Bank Rakyat Indonesia (Persero) Tbk ("BRI", "Bank", or "Company") is one of the biggest and oldest banks in Indonesia. Founded on 18 December 1895, BRI head office is located at BRI I Building, Jl Jenderal Sudirman Kav 44-46, Jakarta 10210, Indonesia.

Since its inception, BRI has focused on banking services in Micro, Small to Medium size Enterprises (MSME/UMKM). This then inspired many parties to utilize MSMEs as the backbone of national economy. As one of the biggest state-owned companies in Indonesia, most of BRI shares are owned by the State of Republic of Indonesia (56.75%) and the rest is owned by public (43.25%). The market capitalization of BRI market share at the end of 2010 reached Rp 129.57 trillion or 4.13% of total market capitalization at Indonesia Stock Exchange.

BRI is the bank with the biggest network in Indonesia. At the end of 2010, BRI has 7,004 network all over Indonesia, consisting of 18 Regional Offices, 14 Regional Audit Offices, 413 Branches, 470 Sub Branches, 822 Cash Offices, 4,649 BRI Units, and 517 Teras BRI. To give service to its customers, BRI provides 6,085 ATM, which are integrated to more than 25,000 ATM Network (Link, ATM Bersama, and Prima). Besides that, BRI has 100 Kiosks, 71 CDM (Cash Deposit Machine), 13,631 EDC (Electronic Data Capture). BRI customers can also access e-banking service facility that consists of 24-hour phone banking, SMS Banking and Internet banking.





PT. BANK RAKYAT INDONESIA (PERSERO) TBK ("BRI", "BANK", OR "PERSEROAN") IS ONE OF THE BIGGEST AND THE OLDEST BANK IN INDONESIA. FOUNDED ON 16 DECEMBER 1895, BRI HEAD OFFICE IS LOCATED AT BRI I BUILDING, JL. JENDERAL SUDIRMAN NO. 44-46, JAKARTA 10210, INDONESIA.



Time Line

1895

In the beginning, the Company was a mosque-based association in Purwokerto Central Java. Its function was to manage and disburse trusted fund to community in a very simple scheme. As time went by, Raden Aria Wiriatmaja founded De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden on 16 December 1895. This organization provided great benefits to people's economy at that time.

1895-1945

After changing its name for several times, such as Hulp-en Spaarbank der Inlandshe Bestuurs Ambtenareen (1895), De Poerwokertosche Hulp Spaar-en Landbouw Credietbank or Volksbank (1912), then it became Centrale Kas Voor Volkscredietwezen Algemene in 1912, and again changed into Algemene Volkscredietbank (AVB) in 1934. During Japanese occupancy, AVB became Syomin Ginko. (1942-1945)

1946

In accordance with Government Regulation No. 1 Year 1946, on 22 February 1946, Indonesian Government changed the organization into Bank Rakyat Indonesia (BRI). As the first alternative state-owned bank, BRI took the role as Government's front liner for national economic development.

1960

Subsequently, Government changed BRI's name into Bank Koperasi Tani dan Nelayan/BKTN.

1968

In conformity with Law No. 21 Year 1968, the government restored the name of Bank Rakyat Indonesia which by then had become a commercial bank

1992

Pursuant to the Banking Law No. 7 Year 1992, BRI changed its name and legal entity into PT Bank Rakyat Indonesia (Persero)

2003

BRI became a publicly listed on 10 November 2003 with 30% of its share listed on Jakarta Stock Exchange (BEJ), now Indonesia Stock Exchange (BEI), with the ticker code of BBRI. Currently, BRI is part of LQ45 equity index, one of blue chip shares in BEI.

2007

BRI acquired Bank Jasa Artha which then was converted into PT Bank BRISyariah.

2009

BRI succeeded in connecting all network, at that time it had 6,480 work units, in real-time on line.

2010

At the BRI Extraordinary General Meeting of Share Holders on 24 November 2010, BRI gave its consent to acquire shares of PT Bank Agroniaga, Tbk, and agreement in the implementation of stock split of shares nominal value with the ratio of 1:2.

Since 11 January 2011, BRI stock transaction at BEI has used new stock price.

On 3 March 2011, BRI effectively has become the Controlling Share Holder of PT Bank Agroniaga Tbk.

Company's Vision, Mission And Culture



VISION

"To Become a Leading Commercial Bank that Always Prioritizes Customer Satisfaction"

Commercial:

Since its inception, BRI has been a commercial bank which raised deposits from customers and disbursed back in the form of loan, and earns profit from spread between deposit interest rate and loan interest rate as well as from fee-based income. Actively taking part as an agent of development, BRI proves its position as a commercial bank that is continuously growing.

Forefront:

BRI is a foremost bank due to its reputation as one of the biggest banks in Indonesia and the most profitable micro banking in the world. BRI also offers high quality products and services, while emphasizing on innovation, strong vision and financial performance.

Satisfaction:

Customer satisfaction is essential for BRI as a company that delivers banking services. The challenge for BRI is to ensure satisfaction to every customer in each business segment. To reach the vision, BRI should possess clear measurement and criteria to meet customer satisfaction.



MISSION

To achieve the Company's vision, BRI sets three missions to undertake:

"BRI provides the best banking operation by prioritizing MSMEs to support the improvement of people's economy".

BRI has committed to maintain its best performance, reflecting on its achievements and leading products that focus on Micro, Small and Medium Enterprises (MSME). Serving MSME will eventually give multiplier effect toward economic development, considering MSME is the backbone and the biggest component of Indonesian economy. BRI should have the ability to follow the dynamic of this sector, so as to keep leading the MSME segment.

"BRI offers premium service to customers through networks which are spread all over Indonesia and supported by professional human resources implementing Good Corporate Governance".

BRI keeps expanding its market segment in Micro, Small and Medium Enterprises (MSME). BRI always provides excellent services as manifestation of its commitment to fulfilling the needs of customers. With broad networks throughout Indonesia, BRI employs professional human resources management implementing Good Corporate Governance. Hence, competitive advantage can be optimized.

"BRI creates value and produces optimal benefits to all stakeholders"

The mission to create value is a basis of every decision making, which is done by taking into account optimum cost and benefit to stakeholders. On the other aspect, BRI as part of the community delivers both financial and non-financial benefits to all stakeholders.

CORPORATE VALUE

BRI espouses the corporate values that form the foundation for the thinking, action and behavior of every individual at BRI, inherent in a corporate culture and projecting a solid and strong character of the Bank. These values are integrity, professionalism, customer satisfaction, leadership and respect for the individual.

As a publicly held company, BRI is fully committed to complying with all prevailing laws and regulations pertaining to banking and the capital markets. This has induced BRI to always prioritize for prudential banking as well as the interests of stakeholders.

This commitment is also manifested in the form of corporate governance as follows:

- Intensifying the program to instill awareness of risk and a culture of compliance for every employee at all BRI working units;
- Intensifying improvements to service quality in all working units;
- Extrapolating and monitoring each progress made by the bank into an activities log book that are easily measurable and accountable for all working units;
- Implementing a policy of rewards and punishments that is firm and just.



Financial Highlights	Year				
	2010	2009	2008	2007	2006
	(Billion Rupiah)				
Balance Sheet					
Total Assets	404,288	316,947	248,077	203,735	154,725
Total Earning Assets	379,898	299,063	228,781	189,091	139,038
Loan-Gross	252,489	208,123	161,108	113,973	90,283
Government Bond	13,826	15,027	16,352	18,223	18,445
Third Party Funds	333,652	255,928	201,537	165,600	124,468
- Demand Deposit	77,364	50,094	39,923	37,162	27,864
- Saving	125,990	104,463	88,077	72,300	58,308
- Time Deposit	130,298	101,371	73,538	56,138	38,297
Other Interest Bearing Liability	17,297	21,284	7,599	6,262	6,037
Equity	36,673	27,257	22,357	19,438	16,879
Income Statement					
Interest Income:					
- With Government Recap. Bond Interest	44,615	35,334	28,097	23,241	21,071
- Without Government Recap. Bond Interest	43,109	33,528	26,166	21,220	18,731
Net Interest Income					
- With Government Recap. Bond Interest	32,889	23,049	19,561	16,697	13,789
- Without Government Recap. Bond Interest	31,382	21,244	17,721	14,676	11,450
Other Operating Income	5,545	3,270	2,535	1,822	1,509
Other Operating Expense	(16,114)	(11,960)	(10,997)	(9,020)	(7,566)
Total Provisions for Possible Losses*	(7,917)	(5,799)	(2,844)	(1,943)	(1,848)
Income Before Tax	14,908	9,891	8,882	7,780	5,907
Net Income	11,472	7,308	5,958	4,838	4,258
Earning per Share (Rp)	956.72	609.50	496.99	403.64	355.62
Financial Ratio					
Capital					
Capital Adequacy Ratio (CAR)	13.76%	13.20%	13.18%	15.84%	18.82%
Fixed Assets to Capital	N/A	21.17%	24.13%	26.14%	29.03%
Earning Assets					
Non-Performing Earning Asset	2.19%	2.59%	N/A	N/A	N/A
Non-Performing Loan	2.24%	2.68%	2.18%	2.22%	3.06%
Allowance to Possible Losses to Earning Asset	4.58%	4.29%	N/A	N/A	N/A
Non-Performing Loan (NPL Gross)	2.78%	3.52%	2.80%	3.44%	4.81%
Allowance to Earning Asset	N/A	3.80%	3.75%	4.05%	4.80%
Compliance for Allowance	N/A	148.99%	150.20%	161.20%	155.97%
Profitability					
R.O.A	4.64%	3.73%	4.18%	4.61%	4.35%
R.O.E	43.83%	35.22%	34.50%	31.64%	33.75%
N.I.M	10.77%	9.14%	10.18%	10.86%	11.16%
Operating Expenses/Operating Income	70.86%	77.64%	72.65%	69.80%	74.38%
Liquidity					
L.D.R	75.17%	80.88%	79.93%	68.80%	72.53%
Compliance					
Violation on Legal Lending Limit (LLL)					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Third Parties	Nil	Nil	Nil	Nil	Nil
Excess of Legal Lending Limit (LLL)					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Third Parties	Nil	Nil	Nil	Nil	Nil
Statutory Reserve	8.05%	5.90%	5.57%	22.09%	12.34%
Net Open Portfolio	4.45%	5.22%	13.55%	7.90%	5.41%

SHARE HIGHLIGHTS

QUARTERLY SHARE PRICE

Year	Share Price				Number of Shares Outstanding (share)	Transaction Volume	Amount		Market Cap (Trillion Rupiah)
	Open	High	Low	Close			Frequency (times)	Volume (Trillion Rp)	
2009	4,725	8,700	3,550	7,650	12,329,852,500	4,268,656,500	86,613	26.95	93.42
Quarter I	4,725	5,100	3,550	4,200	12,325,400,000	858,774,000	26,820	3.69	51.28
Quarter II	4,200	6,950	4,200	6,300	12,327,606,500	1,183,296,000	23,567	6.66	76.92
Quarter III	6,300	7,900	6,250	7,500	12,327,916,500	1,029,909,500	19,668	7.23	71.58
Quarter IV	7,650	8,700	6,800	7,650	12,329,852,500	1,216,677,000	16,558	7.23	93.42
2010	8,250	10,650	8,200	10,500	12,334,581,000	3,762,749,000	266,530	34.21	129.57
Quarter I	8,250	8,350	8,200	8,250	12,329,852,500	1,062,146,500	64,824	8.12	101.76
Quarter II	9,150	9,750	9,500	9,500	12,329,852,500	974,020,500	52,479	8.29	114.72
Quarter III	10,000	10,050	9,850	10,000	12,329,852,500	847,616,500	62,115	8.19	123.36
Quarter IV	10,600	10,650	10,400	10,500	12,334,581,000	878,965,500	87,112	9.61	129.57

BRI DIVIDEND PAYMENT

Year	Net Income (Billion Rupiah)	Dividend (Billion Rupiah)	Dividend per share (Rp)	Dividend Pay Out (%)	Payment Date
2003*	2,579	990	84.19	75.01	23 Juli 2004
2004	3,633	1,816	152.93	50.00	5 Juli 2005
2005	3,808	1,904	156.18	50.00	10 Juli 2006
2006	4,257	2,129	173.04	50.00	2 Juli 2007
2007	4,838	2,419	196.34	50.00	7 Juli 2008
2008	6,958	2,065	168.82	35.00	3 Juli 2009
2009	7,308	2,192	182.08	30.00	1 Juli 2010

*Only from the net income of second semester (1 July 2003 - 31 December 2003) Rp1.32 trillion, first semester profit was capitalized into equity.
Note: BRI has paid dividend interim of book year 2010 for Rp45.93 per share on 30 December 2010.

BRI Stock Price and Transaction Volume (2009-2010)



Volume Price*

* Before stock split on 11 January 2011

BONDS HIGHLIGHTS

For business expansion, BRI issued subordinated debt in Rupiah with duration of 5 years and interest rate of 10.95% listed on Indonesia Stock Exchange on 23 December 2009.

Fitch affirms AA (Double A; Stable Outlook) rating toward this subordinated debt of which BRI could raise Rp2 trillion.

The proceed of the public offering of the subordinated debt issuance, after deducted by issuing cost, would be used by the Company as supplementary capital in accordance with regulation of Bank Indonesia; and all would be used for loan expansion based on prudential banking principle.

On 11 January 2010, BRI exercised buy option over subordinated debt issuance I with fixed interest rate for Rp500 billion.

YEAR 2009

No	Type	Issuance Date	Duration	Amount	Maturity	Coupon	Rating	Listing
Rupiah								
1	Rupiah Subordinated Debt I*	9 Jan 2004	10 year	Rp500 billion	9 Jan 2014 with buy back option at 9 Jan 2010	13,5% p.a. (first year until sixth year); 23.5% p.a. (seventh year until tenth year); paid quarterly	Id AA+ (Pefindo)	Surabaya Stock Exchange
2	Rupiah Subordinated Debt II	22 Dec 2009	5 year	Rp2.000 billion	22 Dec 2014	10,95% p.a. (first year until fifth year); paid quarterly	AA(idn) (Fitch)	Indonesia Stock Exchange

YEAR 2010

No	Type	Issuance Date	Duration	Amount	Maturity	Coupon	Rating	Listing
Rupiah								
1	Rupiah Subordinated Debt I*	9 Jan 2004	10 year	Rp500 billion	9 Jan 2014 with buy back option at 9 Jan 2010	13,5% p.a. (first year until sixth year); 23.5% p.a. (seventh year until tenth year); paid quarterly	Id AA+ (Pefindo)	Surabaya Stock Exchange
2	Rupiah Subordinated Debt II	22 Dec 2009	5 year	Rp2.000 billion	22 Dec 2014	10,95% p.a. (first year until fifth year); paid quarterly	AA(idn) (Fitch)	Indonesia Stock Exchange

*) bought back on 11 January 2010 (9 January 2010 was Saturday)

Remarks from President Commissioner



Bunasor Sanim
President Commissioner

Assalamualaikum Wr. Wb.

National economy in 2010 was relatively conducive for business, and it gave the Company positive contribution, so that its performance in 2010 was better than that in 2009, as reflected in highlight financial in 2010, such as total asset of Rp404.29 trillion, increasing 27.56%, the loan disbursement was Rp252.49 trillion, increasing 21.32%, net interest income at Rp32.89 trillion, increasing 42.69%, net profit at Rp11.47 trillion, increasing 56.98%, non performing loan (gross) was 2.78%, better than the previous year at 3.52%. For this improved performance, The Board of Commissioners would like to appreciate and thank the management, employees, and stakeholders for their support.

The Board of Commissioners will keep carrying out duties and responsibilities to supervise the Company, as amended in the Articles of Association. Such supervision aims for the conformity and consistency of the Company's business implementation with the Company's Budget and Work Plan which was stipulated at the beginning of the year, good corporate governance principles and the implementation of risk management to all units within the organization, so that the Company can provide its services to excellent. In doing the tasks, The Board of Commissioners is assisted by Audit Committee, Risk Management Monitoring Committee, and Nomination and Remuneration Committee. Those committees are the important and strategic work tools.

Entering 2011, the oil price hike and political upheaval in some oil-producing countries can affect global economy, including Indonesia. In this case, the Company needs to be more cautious over the possible effects to the business performance of the Company's borrowers and customers. Besides that, in line with the company's theme in 2011, "The Best Bank in Indonesia with Excellent Risk Management Implementation", the Company needs improvement of risk management implementation, supported by reliable information technology, and proper management information so that the process of identification, measurement, monitoring and risk control can be more effective.

In the last 3 (three) years, the Company has experienced some leaps that caused the imbalance between network development and infrastructure attainment (human resources and information technology). Therefore in 2011 as the consolidation year, the Company needs to enhance quality, as well as the quantity of infrastructure.

Good collaboration between Board of Commissioners and Board of Directors, supported by stakeholders is expected to improve in 2011 so the sustainable growth can be maintained

Wassalamualaikum Wr. Wb.

Bunasor Sani
President Commissioner

Supervisory Report of Board of Commissioners

PT. Bank Rakyat Indonesia (Persero) Tbk.

Foreword

The supervision from Board of Commissioners in 2010 was accomplished in accordance to the tasks, authority, duties, and responsibilities of the Board of Commissioners as stipulated in the articles of association and prevailing regulations. The supervision done by Board of Commissioners is meant for conformity and consistency of the implementation of the Company's business activities with RKAP (Work Plan and Company Budget) which was established at the beginning of the year, the implementation of the good corporate governance principles and risk management in all units, and the Company's operations in giving proper services. Besides that, the supervision is also meant for ensuring the existing internal control system can support such performance achievement.

The supervision mechanism from Board of Commissioners is through regular performance and problem analysis with The Board of Directors and/or Company's officers, inspectional visit to regional offices, branch offices, and other work units to directly observe the business performance, the implementation of good corporate governance principles and risk management, obstacles, and problems faced by working units within the Company's environment.

In doing the supervision, The Board of Commissioners is assisted by Audit Committee, Risk Management Monitoring Committee, and Nomination and Remuneration Committee. The supervision was actually part of the Company's performance achievement in 2010.

Company's Performance in 2010

The quality and quantity targets in RKAP (Work Plan and Company Budget) was generally achieved, and it increased from last year's. The quality target that must be mentioned in this report is the achievement in the implementation of PSAK 50 and 55 (accounting principles) in the financial statement of the year ended in 2010. While the quantity target, excluding the credit expansion, was generally achieved. The details follow:

1. Financial Performance

The Company's financial performance at the end of 2010 was better than the previous year's. The improvement can be seen in several parameters, such as:

- a. Total Asset reached Rp404.29 trillion, increasing Rp87.34 trillion or 27.56% from that of last year in December 2009 at Rp316.95 trillion. The increase came from productive assets such as loan, placement in other banks and in Bank Indonesia (the facility of BI/FASBI).

The 27.56% of asset increase occurred throughout December 2010, making the Loan to Deposit Ratio at the end of 2010 becoming 75.17%.

- b. Loan disbursement reached Rp252.49 trillion, increasing 21.32% or Rp44.37 trillion from December 2009 at Rp208.12 trillion. The loan disbursement in 2010 was lower than RKAP target of 2010 because, among other things, there was tightening and improving the loan disbursement process, especially at small and medium segments. The credit management at both sectors must be focused on restructuring non-performing loan. Below-target loan expansion in 2010 and the increase of third party fund in December 2010 caused LDR not be able to reach the RKAP target of 2010.

- c. Third party funds reached Rp333.65 trillion, increasing Rp77.72 trillion or 30.37% compared to that in December 2009 at Rp255.93 trillion. The composition of low cost fund to high cost fund in December 2010 was 60.95% : 39.05%.
- d. Non performing loan gross was at 2.78%, improving from December 2009 at 3.52%.
- e. Net interest income was Rp32.89 trillion, increasing Rp9.84 trillion or 42.69% compared to December 2009 at Rp23.05 trillion.
- f. Net profit at year ended in 2010 was Rp11.47 trillion, increasing 56.98% or Rp4.16 trillion compared to previous year's.

The financial performance improvement as reflected in main indicators mentioned above was the result of hard work from all Company's personnel doing all work plan stipulated in RKAP of the year 2010. The RKAP consisted of the quality and quantity targets whose structuring process were started by internal strengths and weaknesses analysis and the observation of opportunities and challenges of business development. The role of Board of the Commissioners in the Company in relation to RKAP is to give approval and authentication of RKAP before it is used as the guidance to all Company's personnel. Such role was carried out in the best effort by the Board of Commissioners by discussion and improvement until all parties involved agreed that the RKAP was realistic.

2. Capital

Car Adequacy ratio (CAR) of the Company in credit risk and market risk was above the minimum CAR required by Bank Indonesia at 8%. CAR accomplishment is the end result of balanced risk weighted asset and capital. With relatively low risk credit disbursement and the policy of tightening

the credit disbursement especially for small commercial and medium, the outstanding loan at the end of 2010 increased 21.32% from the previous year.

On the other hand, the dividend pay out ratio of earning at the year ended in 2009 which was disbursed in 2010 at 30% can enlarge retained earning which is included as capital component in CAR calculation.

3. Rentability

Rentability indicators of the Company in 2010 were relatively good as reflected in these ratios below:

No	Indicator	(%)
1.	Return on Equity	43.83
2.	Return on Asset	4.64
3.	Net Interest Margin	10.77
4.	Operational Cost Ratio to Operational Income	70.86
5.	Fee Based Income Ratio to Total Operational Income	5.61

4. Liquidity

Generally, the Company was able to gain adequate liquidity as reflected in Total Third Party Fund in the amount of Rp333.65 trillion, increasing 30.37% from the position in the previous year.

5. Non-performing and Extra Compatible Loan Restructuring and/or settlement of non-performing loan, including the written-off loan, was done optimally so the realization of gross NPL at the end of 2010 was at 2.78% and net NPL at 0.74%. The realization of the write-off was Rp4.96 trillion, bigger than its budget of Rp2.51 trillion. On the other hand, the realization of recovery from write-off credit was at Rp1.14 trillion, lower than its budget of Rp1.45 trillion.

6. Expansion of Networks, Human Resources
Realization of new working units, opening Branch offices and Sub Branch offices were not able to reach RKAP target in 2010 because, among others, the permit of commencing new offices from Bank Indonesia was received in January 2011, therefore 10 branch offices and 2 sub branch offices were commenced in January and February 2011. On the other hand, the opening of one branch office and 3 sub branch offices was canceled because of the exorbitant office space rental fees.

7. Capital Expenditure

Realization of IT and non IT capital expense was not able to reach target because there was realization of capital expense which couldn't be recorded at the year end due to the fact that the work or procurement was not finished, or it might be that the work or procurement had been finished, but there hadn't been any claim from business partners. In addition, there were also multi-year, ongoing work or procurement, while the realization calculation was based on the particular year's cash-out.

MSOP Implementation Stage III

Management Stock Option Plan (MSOP) Program Stage III has been implemented in accordance with the requirement and provisions in ESOP (Employee Stock Ownership Program) which was determined at Extraordinary General Meeting of Shareholders on 3 October 2003. MSOP Stage III was started 10 November 2005, and ended on 9 November 2010. Allocated option in MSOP Stage III was 117,647,050 shares. When the period of MSOP Stage III ended, the executed option was 108,830,000 shares.

Total allocated options in MSOP Stage I until III was 588,235,250 shares and total executed options was 569,876,000 shares. This execution increased the Company's capital in the amount of

Rp1,366,089,110,750. Therefore, the Company's total paid-up capital was 12,334,581,000 shares, with nominal value of Rp500 per share, or total paid-up capital was Rp6,167,290,500,000.

Supervision Result Recommendation

As mentioned in the beginning of this report that the supervision from the Board of Commissioners has purpose of achieving the conformity and consistency of the Company's business activities with RKAP, and also to regularly observe the performance achievement throughout 2010. To reach that goal, the Board of Commissioners has given some recommendations to the Board of Directors, such as:

1. The plan to increase Company's capital by issuing sub-debt must be done through detailed, transparent analysis, and pursuant to prevailing regulations and the most profitable terms and conditions for the Company. Recommendation is given considering the sub-debt issuing plan was in RKAP Year 2010, but it wasn't realized in 2010 with the consideration that Company's funding and capital adequacy was relatively adequate therefore it didn't hamper loan expansion in 2010.
2. Fee-based income needs to be increased by optimizing the service and developing foreign exchange transaction products, and making savings product into transactional accounts by utilizing expansive, real-time online office network
3. Portion of low cost fund in the form of current account and savings account of to third-party fund must be increased to minimize cost of fund, so that the low cost fund must be at least 60.00% to total third-party fund.
4. The write-off of the loans should be considered when a loan meets criteria to be written-off, such as borrower who has been re-structured more than once, but doesn't show an improvement. Besides that, maximum effort and proper strategy are needed to increase the loan collection that has been written-off.

5. Building office network infrastructure, especially human resources and information technology. It must be in the form of integrated and controlled implementation, followed by increasing the coordination among working units so that there would improve synergy in building the infrastructure.
6. Capital expenses realization must be adjusted with the investment priorities, whether it's quality or quantity, to improve bank services and competences in competition, especially the development of information technology. Optimum efficiency must be applied in controllable costs so the efficiency rate can be improved.
7. Every working unit in the organization, whether in the headquarter, regional office and branch offices should pay attention about the performance of their employees. The attention can be in the form of improving the employees' discipline and implementing the work culture principles of the Company.
8. The preparation and study for applying PSAK 50 and 55 are needed to accurately find out the steps and policies that the Board of Directors must take in accomplishing financial statement for the year ended in 2010, which closely follows PSAK.
9. Internal Control
 - a. The Company must improve the quality of internal control, whether using built-in control function in every management line or functional supervision done by internal auditor. The methods might be by improving auditor competence

- as strategic business partner and improving auditing application program and system.
- b. Accelerate the fulfillment of formation of resident auditors in BRI branch offices so they can support the function of early warning system and strategic business partners.
- c. The consistency in implementing whistle-blower policy as an effort to prevent and to detect early if there is a violation/fraud.
- d. Have commitment with the follow-up plan after report result of internal and external auditing inspection.

10. Risk Management

- a. Risk management application is focused on the development of risk measurement methodology, and also focused on the risk awareness culture. This will make the existing risk management policy to be implemented in daily business and operational activities in all levels.
- b. Conducting examination and updating the parameters and data in evaluating risk level hence the Risk Profile Report can authentically describe the BRI risk profiles.
- c. Enhancing and improving the application of risk management, supported by proper Information Technology and Management Information System, hence that the process of identification, measurement, monitoring, and risk management can be more effective in all products, functions, and working units.

Finally, we are closing this Supervisory Report of Board of Commissioners on business implementation in 2010.

**Board of Commissioners
 PT. Bank Rakyat Indonesia (Persero) Tbk.**

Board of Commissioners



From Left to Right:

Agus Suprijanto, Soedarjono, Heru Lelono, Bunasor Sanim, Baridjussalam Hadi, Avilliani, Adhyaksa Dault



Report of President Director



Sofyan Basir
President Director

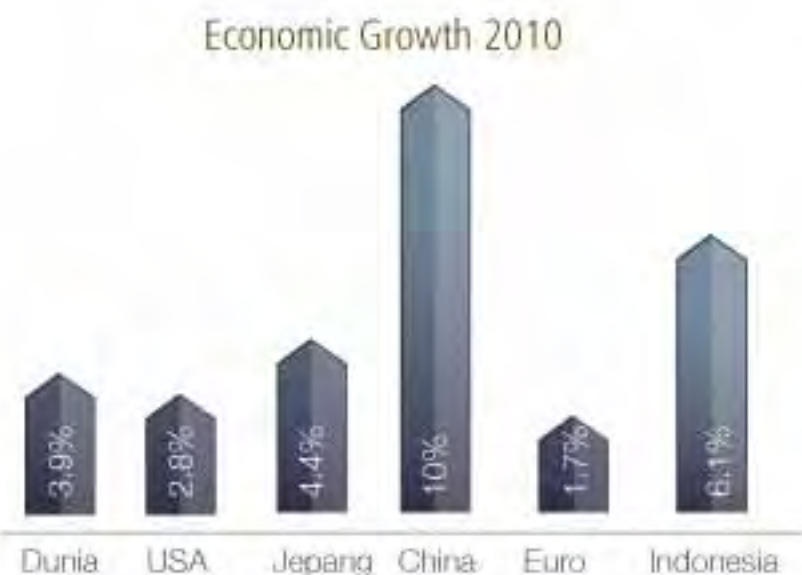
Assalamualaikum Wr. Wb.

Thanks to Allah SWT, only by His blessings we accomplished a success in 2010 with remarkable achievement. On behalf of the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk., we would like to report to all of the shareholders and stakeholders, the Company's major achievements in 2010.

Global Economy Condition

2010 was the recovery year of global economy, after the crisis in 2009 that caused negative growth -2.2%. In 2010, global economy recovered and grew 3.9% and it is projected to continue throughout 2011. Developed countries also experienced economic growth, USA at 2.8%, Japan at 4.4%, and China at 10.0%. Meanwhile, Euro-zone countries' economy grew 1.7% amidst the debt crisis sweeping over the region.

However, political crisis in Middle East caused oil price hike up to USD 115 per barrel during the first quarter of 2011. And also Japan's economy at the beginning of 2011 was hit hard by the earthquake and tsunami. These things have become some cautions over the continuation of economic recovery in 2011.



Indonesia Economy Condition

Along with the global economic recovery, Indonesia's economy grew to 6.1% in 2010, higher compared to 2009 with 4.5%. It is projected to reach 6.2% to 6.4% at the end of 2011. The Gross Domestic Products (GDP) increase was supported by the exports growth at 14.9% due to the rising of global demands. Investment rose 8.5% and household consumption rose 4.6%.

Positive factor that made Indonesia's economy resistant to global crisis was the composition of GDP dominated by domestic consumption and government expense whose contribution was 56.7% 9.1% respectively. The investment expenses, exports, and imports which are connected to global economy contributed respectively 32.2%, 24.6% and 23.0%.

However, the positive growth is followed by the increase in inflation that reached 6.96% in December 2010, increasing from 2.78% in December 2009. This pressure was caused by some problems in supply side not in the demand side, such as distribution and extreme weather change that reduce production of agriculture. Therefore, the increased of inflation didn't cause an overheating in Indonesia's economy.

Strong macro economy and good economic policies attracts foreign investors to Indonesia. Foreign capital flowed heavily in the forms of direct investment or portfolio. Indonesia international reserve kept increasing to USD 96.21 billion at the end of 2010, while Rupiah was steady at around Rp8,800 per USD. In addition, in 2010 the Jakarta Composite Index increased 46.13% to 3,703.51. This was the highest growth compared to market indexes in other countries.

With Indonesia's ever improving macro economy, we believe BRI will keep showing highest performance in 2011.

Macro Economic Condition

Inflation



GDP Growth



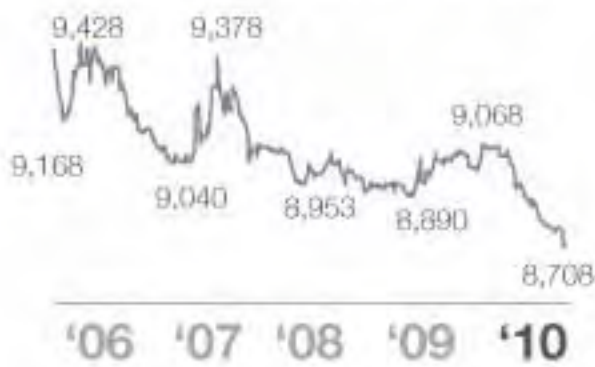
Foreign Exchange Reserve
USD billion



Consumer Confidence Index



Currency Exchange (Rp/USD)



Oil price
USD/Barel



Indonesia's Banking Industry

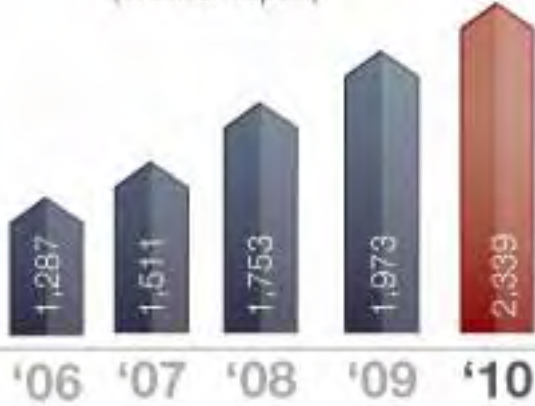
As Indonesia's economy has grown steadily, the performance of Indonesia's banking industry also shows some positive development. Throughout 2010, total asset of Indonesia's Banking Industry increased Rp474.75 trillion or 18.73% to Rp3,008.85 trillion by the end of 2010. In line with the asset growth, deposits and loans also increased 18.54% and 22.80% respectively. By the end of 2010, total third-party fund raised by banking industry was Rp2,338.82 trillion with the loan outstanding of Rp1,765.85 trillion. The Loan to Deposit Ratio (LDR) at the end of 2010 was 75.21%, compared to that in 2009 which was 72.88%.

For the loan quality, there was improvement in 2010 as reflected in the non-performing loan (NPL), declining from 3.31% in 2009 to 2.56%. Banking efficiency rate also improved, as reflected in the ratio of Operating Expense to Operating Revenue, which was slightly decrease from 86.63% in 2009 to 86.14% in 2010. The Indonesia's Banking capital has quiet strong, reflecting in banking industry Capita Adequacy Ration (CAR) at 17.18% at the end of 2010.

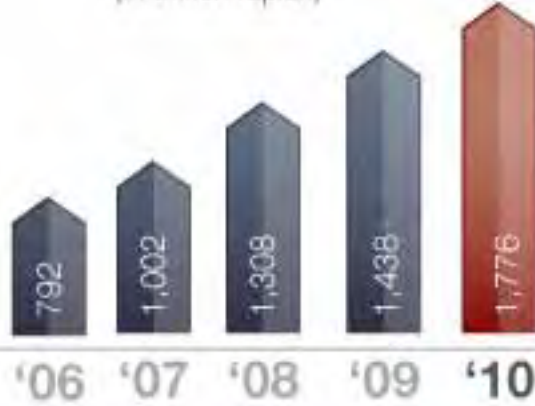
In 2010, Bank Indonesia stipulated new banking regulations to strengthen monetary stability and financial system. This new policy has encouraged banking intermediary activities and improved the banking tenacity facing the possibility of economic upheaval. Some of the new regulations are increasing the minimum statutory reserves, policy on LDR related to statutory reserve, adding operational risk in CAR calculation and implementation of new accounting standard (PSAK 50 and 55). These policies, will influence banking performance in the future.

Indonesia Banking

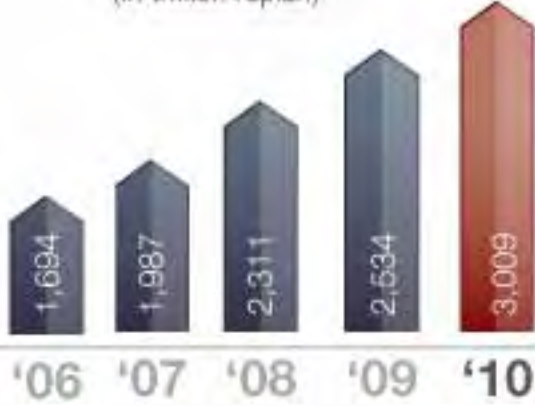
Third party funds
(in trillion rupiah)



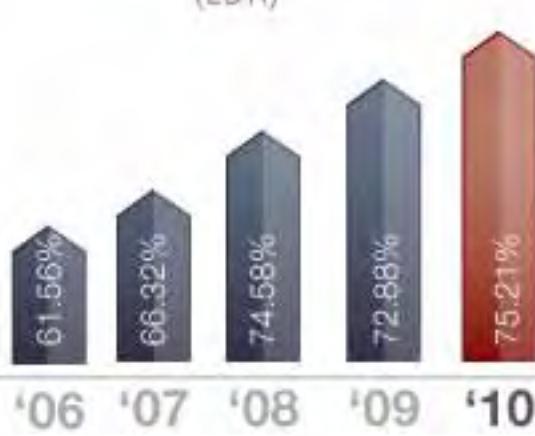
Loans
(in trillion rupiah)



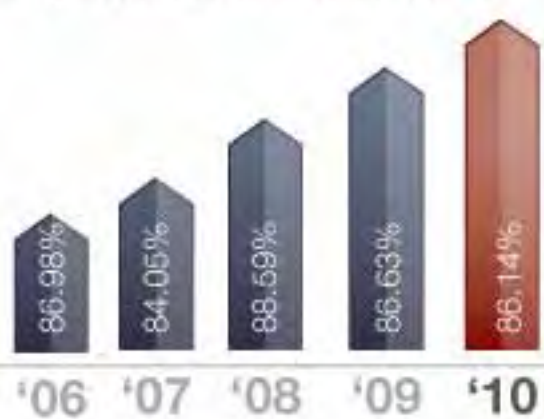
Assets
(in trillion rupiah)



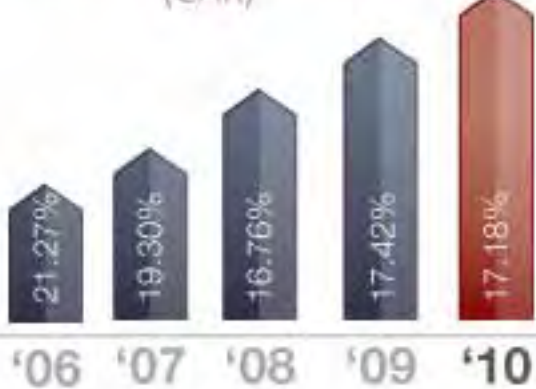
Loan to Deposit Ratio
(LDR)



Operating Expenses to Operating Incomes



Capital Adequacy Ratio
(CAR)



BRI Performance

The results of many strategic steps taken by the Management, supported by hard work and high commitment from all of BRI employees has made BRI successfully booked 2010 net profit of Rp11.47 trillion, increasing 56.98% compared to that of 2009.

This profit growth was obtained from the increase of interest income from loan, the decrease of interest expense because of the increase in low cost fund composition, the increase of fee-based income which generally showed BRI's success in diversification in earning and efficiency of operational expenses, also with the change in interest income recognition for loan flat rate system to become effective rate in accordance with PSAK 50/55.

As a commercial bank which focuses in optimizing intermediary functions, making the BRI earning asset composition dominated by loans, which is 75% of total earning asset. With that composition, loan interest income are dominating operating income. In addition, along with the quality increase of BRI's information technology capacity and capability as well as banking products and service innovation, fee-based income portion to total operating income are also increasing.

Currently, BRI fee-based income is still dominated by savings and loans administration fees. However, BRI has applied various strategies to increase the fee-based income. Such strategies are, among others, the development of electronic channel by adding more ATMs in various regions, expanding more banking transaction features in BRI ATM, which until now has 80 features, cooperating with government or private institutions by cross selling or increasing fee-based income from remittance transactions and other banking services.

The growth of BRI loans in 2010 was a slightly below the expected target. In strengthening the balance sheet, in 2010 BRI focused to improve the loan quality, especially in small commercial and medium segments. The decision to strengthening the balance sheet is taken in concern over the long term need to create strong foundation for BRI in facing the opportunities and business challenge and various economic condition in the future, so that BRI long-term business growth can be sustainably achieved.

By focusing consolidation over BRI asset when macro economy is getting better, BRI will not sacrifice the company performance in short term. It was proven from the fact that even though BRI prioritized the asset quality improvement, resulting in the NPL decrease from 3.52% in 2009 to 2.78% in 2010, BRI is still expansive in disbursing loans. At the end of 2010, BRI total loans was Rp252.49 trillion, increasing 21.32% from 2009.

The satisfying fact was that BRI is growing fast at business segment that become its core competence, which is micro business segment. In 2010, micro loan reached Rp75.58 trillion or increased by 39.78% from 2009 with NPL can be maintained at level 1.22%. This proves that BRI strategies to strengthen its position in micro business segment, one of which by developing BRI Teras (Booth) and innovation of micro banking products give satisfying results.

Beside micro business segment, consumer loan segment became the 2nd biggest contributor in BRI loan growth in 2010. BRI consumer loan was dominated by salary-based loan. It increased 20.83% or Rp49.63 trillion at 2010. This shows that BRI strategies by entering urban segment, intensifying cross selling activities and improving customer relationship with Government and private institutions has successfully given better result.

Simpedes saving is targeted for people in rural and sub-urban areas. BRI runs annual Simpedes Folk Festival. This activity becomes local celebration because it involves all community in that area. This strategy strengthens BRI's existence in supporting regional economy growth.

BRI's achievement in 2010 is not only the satisfying financial performance, but also the improvement and development in various sectors, whether business segments or business support. All of these are meant to guarantee the sustainable growth of BRI business in the future.

With the purpose of improving the competitive edge in facing the future business development, BRI has applied retail or micro service network strategies. The retail network development in urban area has purpose for strengthening BRI's position in the cities which have huge low-cost fund potential. To develop micro service network, BRI made innovation by launching Teras BRI (Booth) to make easier the accessibility and to provide faster service to BRI micro customers. Teras BRI are opened in business centers, such as traditional markets, so that customers can deposit their money, apply for a loan, and do other banking services easily without leaving their business. This strategy was started at the end of 2009, and by the end of 2010, there were 617 Teras BRI all over Indonesia, adding network in micro business segment up to 5,200 units. By doing this strategy, BRI will continue to dominate banking service network in all parts of Indonesia, and BRI's existence will be powerful in the rural areas, as well as in the cities.

Considering the huge business potential, BRI keeps expanding its working units networks continuously, in creating the utilization of BRI's resources supported by good quality of service. Therefore in 2010, BRI vowed to build professional human resources and to improve the quality of service.

Professional human resource is one of BRI's main assets that needs time and long term investment in the form of learning and training so that the manpower can contribute optimally in BRI business developments. Human resources management is a series of integrated operational activities in the structure of human resource architecture, starting from planning activity, acquiring, developing, retaining and maintaining, performance management until terminating activity.

Throughout 2010, BRI recruited 1,000 prospective staff through Management Trainee Program, 1,673 prospective employees for marketing, 9,298 outsourcing workers, and 23 specially-hired workers. At the end of 2010, BRI total employees was 73,805 people, consisting of 33,296 full-time employees, 2,441 contractual workers, and 38,068 outsourcing workers.

The improvement of BRI's human resources is done by developing education and training program which links and matches with the development of BRI business. This is done by putting into account the efficiency, effectiveness, and relevance of such training program. With the increasing complexity of banking industry in Indonesia, BRI is tasked to always update its employees knowledge for more than 70,000 workers all over Indonesia.

Supported by the increased capability of information and technology systems, BRI has started developing a technology-based knowledge center, so that the learning for thousand of BRI employees all over Indonesia can be done by distant learning and by e-learning programs. These programs will significantly increase the efficiency, improve human resources quality, lessen information gap between working units, and to facilitate a fast and efficient information spread across the organization.

Amidst the competition in banking industry, a high quality of banking service is a must. A higher business volume will backfire if not followed by proper service strategies.

Realizing the ever-expanding demands from customers, since 2007 BRI has consistently improved its service quality in all working units, whether in branch offices, sub-branch offices, cash outlets, BRI Unit, or Teras BRI. The service quality improvements extends not only to a standardization of services, but also lay outs of working units, the appearance of front liners and product merchandizes, so that customers' loyalty to BRI products and services can increase.

BRI received the award "The Rising Star in Service Excellent" from MRI (Marketing Research Indonesia) with the increase in banking service quality rank from 11th to 6th position in 2010, which reflected the recognition of BRI's success in consistently improving its service quality.

Risk Management and Corporate Governance

One of BRI missions is to provide premium banking activities by focusing in MSMEs. Such mission brought BRI to become a bank with large scale of business with a chain of networks widely spread all over Indonesia. Banking services for MSMEs still needs physical existence, therefore BRI keeps building conventional networks and together with the MSMEs customers develop regional economies.

BRI's business model involves an extensive utilization of human resources and other resources including infrastructure which contain a high operational risks and cost consequences. One of the strategies to deal with high operational risk and cost is to consistently invest to improve the quality and capacity of technological capability. This in turn allows BRI to connect all networks in real-time online, resulting in more efficient banking activities.

This is shown from the encouraging trend of BRI Cost Efficiency Ratio, which was down from 46.78% in 2009 to 42.23% in 2010. Furthermore, the greater access in using the existing technology network will improve the supervision of BRI's operation all over Indonesia, resulting in a operational risk decrease.

Another strategy to increase control and reduce operational risk is by putting Resident Auditor in every Branch Office. This step is preventive action in tammimg operational risks. This topic will be discussed in more detail in the Chapter Risk Management of this Annual Report.

Policy making process and the implementation of GCG principles in BRI are based on the prevailing regulations. To ensure the effectiveness of such implementation of GCG in every BRI working unit, the monitoring result will become the base to evaluate the application of the GCG policy. In March 2010, BRI revised its GCG Policy, among others in Ethical Codes and Board Manual. This was to ensure the GCG policy became more comprehensive, transparent and can act as a clear guidance toward how the Board of Directors and the Board of Commissioners perform their tasks.

To improve GCG implementation quality, BRI conducts self assessment of GCG implementation in every work unit periodically. Besides that, socialization and internal coordination are conducted to improve the awareness of GCG implementation. Every BRI employee is required to sign the Compliance Statement over Ethical Code, as a responsibility in applying GCG principles.

In short term, BRI keeps developing the application system for managing documents/rules and compliance toolkit (compliance dashboard) which integrates several application systems, so that compliance over GCG implementations and efficiency can be improved. The more detailed analysis of GCG implementations are provided in the Chapter Corporate Governance of this Annual Report.

Non Organic Growth

BRI Business are growing and expanding, and giving benefits to the stakeholders. But with increased competition and more complex banking industry, non-organic business growth has become an alternative in developing business.

After conducting comprehensive study and analysis on possible synergy, on 3 March 2011 BRI and Plantation Pension Fund (Dana Pensiun Perkebunan/Dapenbun) signed the Deed of Shares Acquisition of PT Bank Agroniaga Tbk. (Bank Agro). Since that date, BRI has become the controlling shareholders of Bank Agro.

In accordance with the regulations of Capital Market and Financial Institution Supervisory Board (Bapepam-LK), BRI will execute the Tender process of Bank Agro shares that owned by public.

Bank Agro acquisition is expected to create synergy between BRI and Bank Agro in developing small and medium loans especially in agriculture sector. With BRI's support in the forms of network, human resources, experience, business model, as well as the potential development of cross-selling, this acquisition can give optimal contribution for BRI's consolidated growth and profitability.

Business Plans 2011

In 2011, the Management's and BRI employees' commitment and hard work will be focused on reaching the target to become The Best Bank in Indonesia. To reach that goal, a work program will done as follow:

1. Loan Expansions

BRI Loan expansions are still focused on the MSMEs financing without neglecting big-scale loan, especially the economic sectors that become the mainstay for the government to increase national growth and/or related to MSMEs.

Programs for 2011 are, among others, business gathering and utilizing customers database, improving the quantity and quality of account officers, improving Service Level Agreement (SLA), and more competitive pricing strategy.

2. Funding Expansions

Third Party Fund collection is still geared toward the sustainable funds, especially for maintaining low cost fund composition (savings and current account) at least 60 % from total third-party funds.

Programs for 2011 are, among others, developing and improving information technology system, innovation of saving products with interesting features, intensive promotion, maximum service quality, raising corporate fund and TSA (Treasury Single Account) management, which is focused at area with high potential funds.

3. Fee-based income expansion, by optimizing BRI banking services.

The development of support sector is done through the improvement of quality, quantity, and capability of human resources, information technology system, outlet networks, and electronic channel spread.

From capital perspective, to maintain CAR which include operational risks and to anticipate BRI's business expansions, BRI has prepared a strategic plan to maintain dividend pay out ratio less than 30% or to issue sub-debt or hybrid capital.

BRI business developments are also done through marketing communications for every product and service that goes along with corporate marketing strategies, so that it can raise product awareness among prospective customer and community, and enhance BRI corporate image.

We hereby report that on 11 January 2011, BRI has completed the stock-split ratio with the ratio of 1:2. Therefore, for every 1 BRI share with nominal value of Rp500, is split up into 2 BRI shares with nominal value of each Rp250 per share.

Therefore, on 11 January 2011, total outstanding of BRI shares were 24,669,162,000. And total value of subscribed and paid-in shares was Rp6,167,290,500,000. Ownership composition of BRI shares doesn't change, with 56.75% or 14,000,000,000 shares are owned by the Republic of Indonesia, and the rest at 43.25% or 10,669,162,000 shares are owned by public.

The excellent achievement of BRI in 2010 was the result of trusts, confidence, and cooperations from all BRI stakeholders. Hard work and commitment from BRI employees are the main components of this achievement. We give our full appreciations and thanks to all BRI employees for this success. Throughout 2010, the guidance from Board of Commissioners was also a key factor in creating BRI's great performance. Therefore, we send them our sincerest gratitude for this cooperations. We also like to thank for the supports that have been given all this time from all shareholders, customers, and BRI business partners.

In the future, we will keep trying to deliver the best achievement to all BRI's stakeholders. Such achievements come not only from hard work and commitment from the management and BRI employees, but also coming from trusts and supports from Board of Commissioners, shareholders, customers, and BRI business partners.

Wassalamualaikum Wr. Wb.



Sofyan Basir
President Director

Board of Director



From Left to Right:

Asmawi Syam, Djarot Kusumayakti, Lenny Sugihat, Sarwono Sudarto, Sofyan Basir, Suprajarto, Sulaiman Arif Arianto, Achmad Baiquni, Bambang Soepeno, A. Toni Soetirto



Statement of Responsibility for Financial Reporting

Annual Report and the accompanying financial statements and related financial information, are the responsibility of the Management of PT Bank Rakyat Indonesia (Persero) Tbk. and have been approved by members of the Board of Commissioners whose signatures appear below.

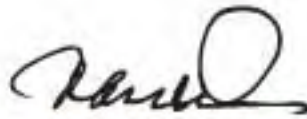
The undersigned



Bunasor Sanim
President Commissioner
and Independent Commissioner



Soedarjono
Vice President Commissioner



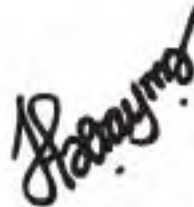
Agus Suprijanto
Commissioner



Heru Lelono
Commissioner



Baridjussalam Hadi
Independent Commissioner



Aviliani
Independent Commissioner



Adhyaksa Dault
Independent Commissioner

Annual Report and the accompanying financial statements and related financial information, are the responsibility of the Management of PT Bank Rakyat Indonesia (Persero) Tbk. and have been approved by members of the Board of Directors whose signatures appear below.

The undersigned



Sofyan Basir
President Director



Sarwono Sudarto
Director of Operations



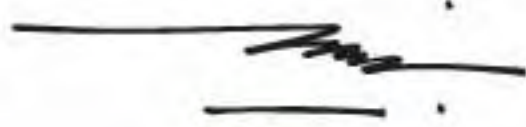
Bambang Soepeno
Director of Compliance



Achmad Baiquni
Director of Finance



Djarot Kusumayakti
Director of Micro, Small,
Medium Enterprise Business




A.Toni Soetirto
Director of Consumer Business



Sulaiman Arif Arianto
Director of Commercial Business



Lenny Sugihat
Director of Credit Risk
Management



Asmawi Syam
Director of Institutional and
SOE Business



Suprajarto
Director of Network and
Service

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Chapter

2

Company Profile

Marbles game requires concentration and accuracy to be able to shoot your opponents' marbles as your targets.

The achievement of BRI's performance targets is inseparable to the company's business focus that provides added value to the Company and all stakeholders.

Focus



Company General Information

Company Name:

PT. Bank Rakyat Indonesia (Persero) Tbk.

Company Founding:

18 December 1968

(Formally, based on the Law No. 21 Year 1968)

Company Address:

BRI I Building, Jl. Jenderal Sudirman No.44-46,
Jakarta 10210, Indonesia

Type of Business:

Banking

Composition of Shareholders:

Republic of Indonesia 56.75%

Public 43.25%

Listing:

Indonesian Stock Exchange
on 10 November 2003

Ticker: BBRI

RATING

M&J INVEST'S (January 2011)

- Outlook	Stable
- Domestic Currency Long Term Deposit	Baa3
- Foreign Currency Long Term Deposit	Ba2
- Bank Financial Strength	D+

FITCH (February 2011)

- National Long Term Rating	AAA (ich), Stable Outlook
- Long Term Foreign Currency IDR	BB+, Positive Outlook
- Short Term Foreign Currency IDR	B
- Individual Rating	C/D
- Support Rating	3
- Support Rating Floor	BB+
- Rupiah Subordinated Debt	AA (ich)

PEFINDO (March 2011)

- National Rating	id AAA, Stable Outlook
-------------------	------------------------

Banking Products and Services

From BRI for the Nation

SAVING PRODUCTS

- ❑ BritAma
- ❑ Simpedas
- ❑ GiroBRI
- ❑ DepoBRI
- ❑ Tabungan Haji (Haji Saving)
- ❑ BritAma Junio

LOAN PRODUCTS

Micro Loans

- ❑ Kapedas
- ❑ People Business Loan (KUP)

Small Retail Loans

- ❑ Working Capital Loan
- ❑ Salary Based Loan (BRiguna Loan)
- ❑ Investment Loan
- ❑ Express Loan
- ❑ Construction Loan
- ❑ PPTK Loan (Loan for Indonesian Migrant Worker Agency)
- ❑ Franchise Loan
- ❑ Warehouse Receipt Loan
- ❑ Petrol Station Loan
- ❑ BTS (Base Transceiver Station) Loan
- ❑ Bank Guarantee (BG)

Consumer Loans

- ❑ Housing Loan (KPR)
- ❑ Motor Vehicle Loan (KKE)
- ❑ Multi-Purpose Loan (KMG)
- ❑ Credit Card

Program Loans

- ❑ People Business Loan (KUP)
- ❑ Loan to Members of Primary Cooperative (KPPA)
- ❑ Loan for Food and Energy Security (KKPE)
- ❑ Loan to Small Business Group (KKUG)
- ❑ Loan to Micro and Small Business - Government Notes (KUMK-SP)
- ❑ Loan for the Development of Bio Fuels and Revitalization of Plantations (KPEN-RP)
- ❑ Loan for Economic Empowerment of Coastal Community (FEMP)

Medium/Corporate Loans

- ❑ Working Capital Loan (KMK)
- ❑ Loan for Export Working Capital (KMKLE)
- ❑ Investment Loan (KI)
- ❑ Import Working Capital Loan (KMKI)
- ❑ Construction Working Capital Loan (KMK-K)
- ❑ Import Deferred-Guarantee Facility (PJI)
- ❑ Standby LC (SBLC)
- ❑ Bank Guarantee (BG)
- ❑ Infrastructure Loan
- ❑ Syndicated Loan

BANKING SERVICES

- ❑ BRI Prioritas (BRI Priority Banking)
- ❑ Cash Management System
- ❑ Salary Crediting
- ❑ BRIZZI (Prepaid Card)

Treasury Services

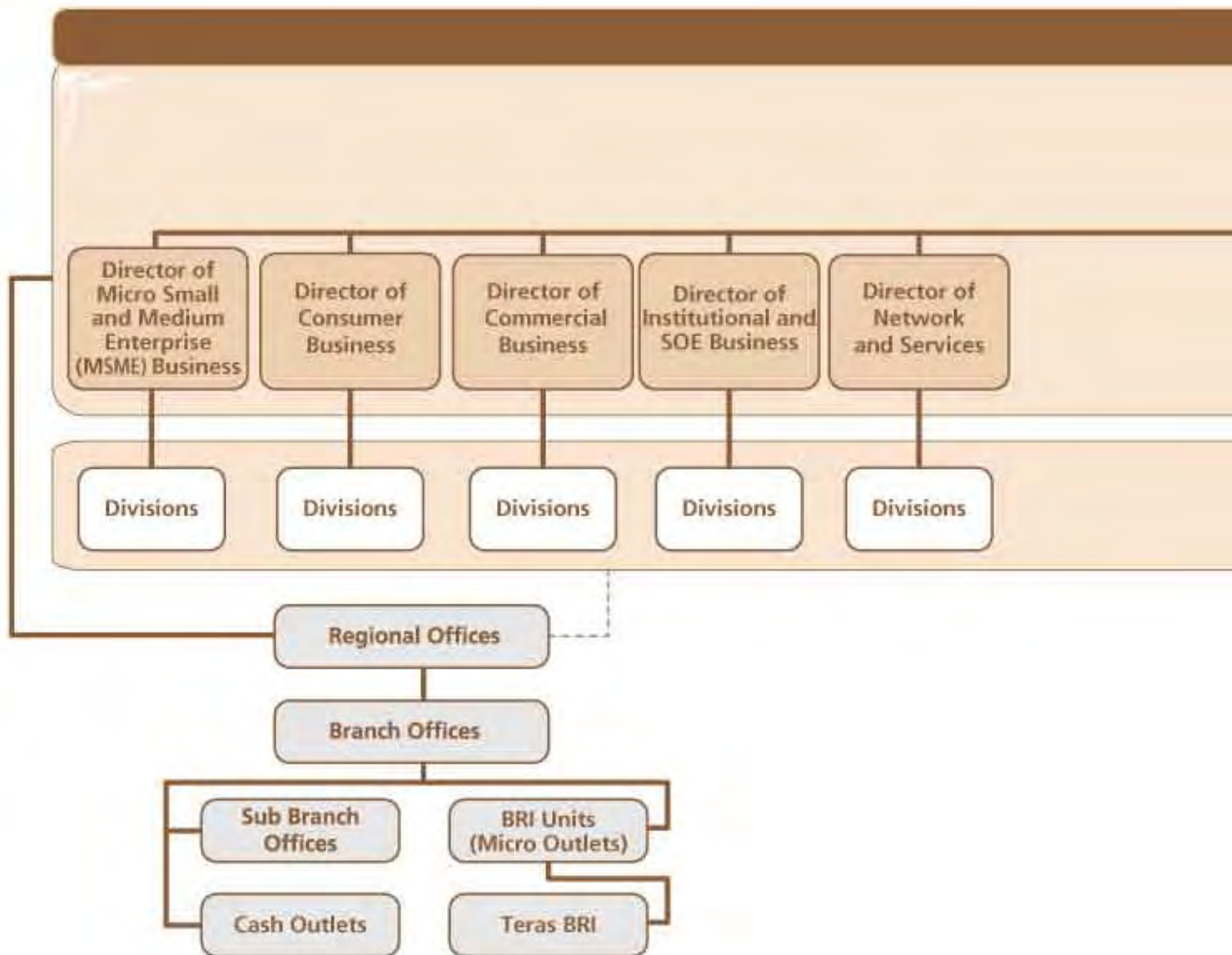
- ❑ Foreign Exchange Transaction
- ❑ Swap Transaction
- ❑ Forward Transaction
- ❑ Trustee Service
- ❑ Securities Sales Agency
- ❑ Custodial Service
- ❑ Financial Institution Pension Funds (DPLK-BRI)

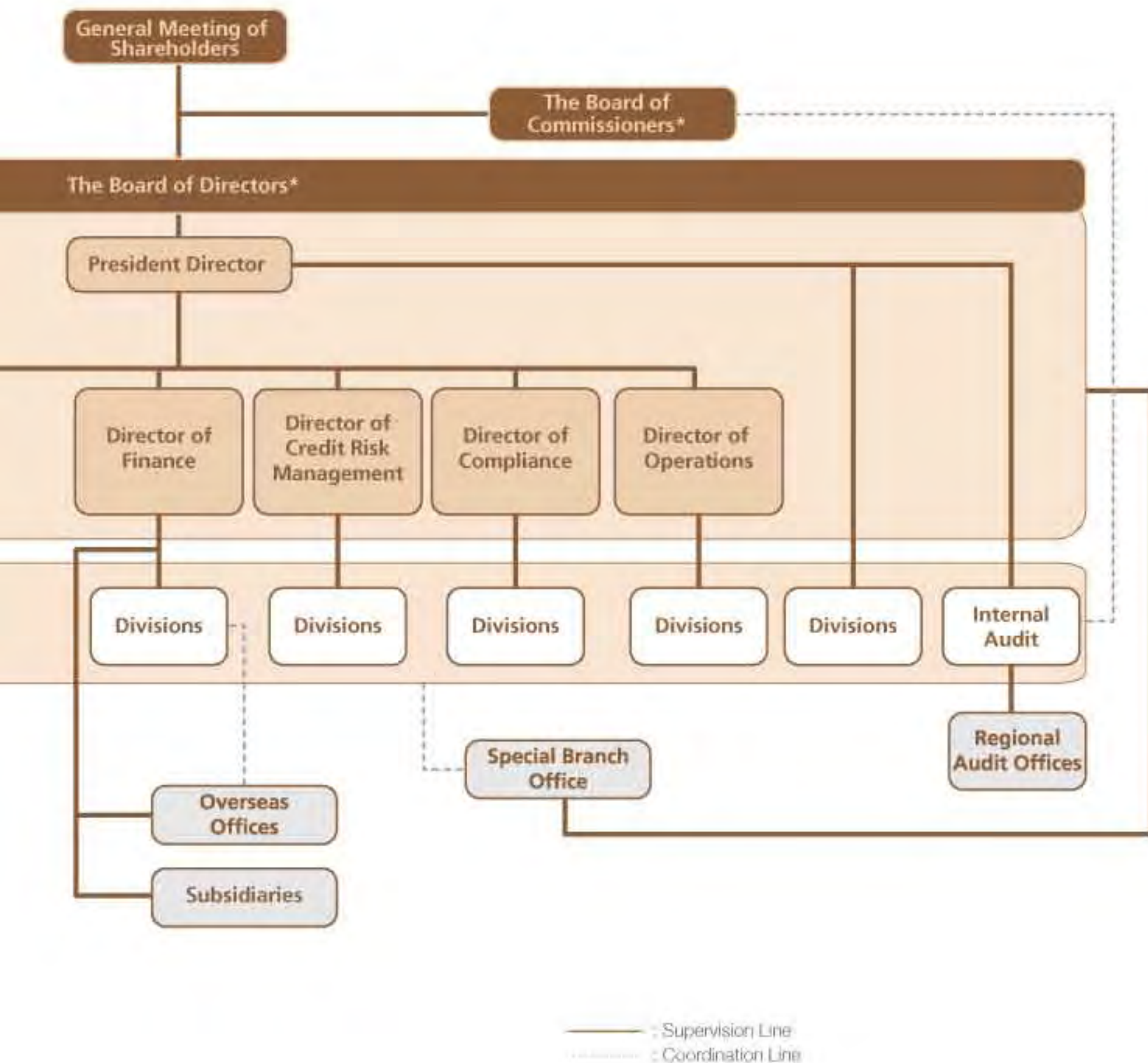
International Banking

- ❑ Trade Finance
- ❑ Remittance
- ❑ Domestic Letter of Credit (SKBDN)



Organizational Structure





*] Committees under the Board of Commissioners: Audit Committee, Nomination and Remuneration Committee, Risk Management Supervisory Committee

**] Committees under the Board of Directors: Risk Management Committee, Credit Policy Committee, Credit Committee, ALCO, Human Resources Policy Committee, Technology and Information System Steering Committee

Images of BRI Networks



Regional Office



Branch Office



Sub-Branch Office



Cash Outlets



BRI Prioritas (Priority Banking)



BRI Unit (Micro Outlet)



Teras BRI



E-BUZZ



Teras BRI Mobile



E-Banking Area (ATM, KIOSK, Cash Deposit Machine)

Profile of the Board of Commissioners



Bunasor Sanim

President Commissioner/Independent Commissioner

Sixty five years old and an Indonesian citizen, Bunasor Sanim has been appointed as Independent Commissioner of BRI since 19 May 2005 and as the President Commissioner of BRI since 30 May 2006. Currently, he is also a lecturer for undergraduate and graduate programs at Bogor Agriculture University (IPB). He is active in several organizations, including member of Experts Board of the Indonesian Association of Muslim Intellectuals (ICMI), member of Advisory Board of the Indonesian Agriculture Economic Association (PERHEPI), member of Advisory Board of the International Center for Analysis of Finance and Economy (Inter CAFE), First Chairman of Indonesian Fertilizer Board (DPI) and First Chairman of Indonesian Organic Agriculture Society (MAPORINA). He was once the Consortium Coordinator on Agriculture and Natural Resources of SEARCA-SEAMEO (1989-2002) and Senior Scientist Partnership for the cooperation between IPB and University of Göttingen, Germany.

He earned his Bachelor's Degree in Agriculture Social Economics from Bogor Agriculture University (IPB) in 1972, Master of Science in Agricultural Economics in 1982 and Ph.D in Resources Economics in 1986, both from the University of the Philippines at Los Banos. He pursued Post Doctoral Program at Harvard Institute of International Development (HIID), Harvard University, Cambridge, USA (June-July 1994).



Soedarjono

Vice President Commissioner

Seventy two years old and an Indonesian citizen, Soedarjono has been appointed as Vice President Commissioner of BRI since 20 May 2010. Previously, he acted as the Independent Commissioner of PT Bank Mandiri (Persero) Tbk. (2005-2010), President Commissioner of PT Danareksa (Persero) (2004-2007), Head of Supervisory Team of Bank International Indonesia (2002-2003), President Commissioner of PT Bank Danamon Tbk. (2001-2002), Commissioner as well as Head of Audit Committee of PT Bank Mandiri (Persero) Tbk (1998-2003), Head of the Board of Finance and Development Control (BPKP) (1993-1999) and Head of Bapeksta for Export Facility at the Ministry of Finance (1991-1993).

He earned his Bachelor's Degree in accounting from University of Indonesia, Jakarta in 1965.

Agus Suprijanto
Commissioner

Fifty seven years old and an Indonesian citizen, Agus Suprijanto has been appointed as the Commissioner of BRI since 22 May 2007. Currently, he is also the Director General of Treasury of the Ministry of Finance. Previously, he was Acting Head of Fiscal Policy Agency of the Ministry of Finance (2010), Expert Staff of the Minister of Finance for the State Revenue (2008), Head of the Center of Policy Analysis and Harmonization, Ministry of Finance (2007) and Director of Foreign Loan and Grant Management, General Directorate of Treasury, Ministry of Finance (2006).

He earned his Bachelor's Degree in Law from the Udayana University (1985), Master of Arts in international economics in 1991 and Ph.D in Econometrics in 1995, both from University of Colorado, Boulder, USA.



Heru Lelono
Commissioner

Fifty years old and an Indonesian citizen, Heru Lelono has been appointed as the Commissioner of BRI since 20 May 2010. Currently, he is also the Expert Staff for the President of the Republic of Indonesia. Previously, he held several managerial positions including Managing Director of PT Telesera Rajawali Corp. (1995-1998) and Director of Business Development of PT Bukit Jaya Abadi, Surabaya (1993-1995).

He earned his Diploma's Degree in Architecture from the Catholic University of Soegijapranata, Semarang (1983).





Avisani

Independent Commissioner

Forty nine years old and an Indonesian citizen, Avisani has been reappointed as Independent Commissioner of BRI since 20 May 2010. Currently, she is also the Secretary of National Committee on Economics (KEN), Chairman of Indonesia Society of Independent Commissioners (ISICOM), Committee Member of the National Bank Association (Perbanas), member of Expert Board of the Sharia Economics Society (MES), Committee Member of the Indonesian Association of Economics Graduates (ISEI), Advisor of Global Association of Risk Professional (GARP) Indonesia and member of Indonesian Provincial Government Association Board (APPSI).

Previously, Director of Institute for Development of Economics and Finance (INDEF) (2004-2005), Head of Management Department, Faculty of Economics, Paramadina University, Jakarta (2002-2005) and General Secretary of Indonesian Private Higher Education Service Institution Consortium (2000-2003).

She earned her Bachelor's Degree in Economics from the University of Atmajaya, Jakarta (1985) and Master Degree in Business Administration from the University of Indonesia, Jakarta (1995). She is currently pursuing her Doctorate Degree in Business Management at the Bogor Agriculture University.



Baridjussalam Hadi

Independent Commissioner

Sixty one years old and an Indonesian citizen, Baridjussalam Hadi has been appointed as the Independent Commissioner of BRI since 30 May 2006. Previously, he was an Advisor for Sharia Banking for the Board of Governors of Bank Indonesia (2003), Director of the Directorate of Bank Audit I, Bank Indonesia (2002-2003), Director of the Directorate of Human Resources, Bank Indonesia (2000-2002) and Head of Representative Office of Bank Indonesia in Tokyo, Japan (1998-2000).

He earned his Bachelor's Degree in Economics from the Jenderal Soedirman University, Purwokerto (1976), and Master of Arts from Vanderbilt University, USA (1984).

Adhyaksa Dault
Independent Commissioner

Forty seven years old and an Indonesian citizen, Adhyaksa Dault has been appointed as the Independent Commissioner of BRI since 20 May 2010. Previously he was the State Minister of Youth and Sport of the Republic of Indonesia (2004-2009) and also commissioners in several companies (1999-2002).

He earned his Bachelor's Degree in Law from the University of Trisakti, Jakarta (1989), a Master's Degree in Community Development from the University of Indonesia, Jakarta (1999) and also a Doctorate Degree in Marine Science and Technology from the Bogor Agriculture University (2007).



Profile of the Board of Directors



Sofyan Basir
President Director

Fifty two years old and an Indonesian citizen, Sofyan Basir was appointed as the President Director on 17 May 2005 and reappointed for the second period on 20 May 2010. Before joining BRI, he was the President Director of Bank Bukopin. He commenced his banking career with Bank Duta in 1981 and joined Bank Bukopin in 1986 where he held several managerial positions including Director of Commercial, Group Head of Line of Business and branch manager in several big cities in Indonesia.

He earned his Diploma's Degree from STAK Trisakti, Jakarta in 1980 and attended several courses and trainings on banking both in domestic and overseas, including Executive Risk Management (Denpasar); Islamic Finance Forum (Switzerland); Seminar on Business Continuity Planning, Ernst & Young; SESPIBANK (Jakarta); Strategy Development Session, IBM; and Structuring Loans & Short Term, the Institute of Banking & Finance.



Sarwono Sudarto
Director of Operations

Fifty eight years old and an Indonesian citizen, Sarwono Sudarto was appointed as Director on 30 May 2006. He began his career in BRI since 1976 and has held several managerial positions including Head of Treasury Division, Head of Strategic Planning Division, Head of Internal Audit, Head of Retail Loan Division, Deputy Head of Finance and Management Accounting Division, Branch Manager, Treasury Manager and Chief Dealer BRI Hong Kong Finance Ltd. Currently, he is also a member of Working Group on Economics of the National Defense College (Lemhanas) Republic of Indonesia.

He earned his Bachelor's Degree from the University of Diponegoro (1975) and MBA from Tulane University, USA (1987). He attended several courses and trainings, including Capital Market (Tokyo); Risk Management Certification-BSMR (Singapore); the National Defense College (Lemhanas) Republic of Indonesia; SESPIBANK (Jakarta); Credit Manager and Organization Management. He represented BRI as a speaker for microfinance in Thailand and Chile and in several road shows as well as in investors' conferences in London, Hong Kong and Singapore.

Achmad Baiquni
Director of Finance

Fifty three years old and an Indonesian citizen, Achmad Baiquni was appointed as the Director of Finance on 20 May 2010. He began his banking career at PT Bank Negara Indonesia (Persero) Tbk. since 1984 and has held several managerial positions, including Director of Micro Small, Medium and Sharia Business, Director of Corporate Business, Director of Consumer, as well as Head of Personal Business Management Division.

He earned his Bachelor's Degree in Economics from the Padjadjaran University, Bandung (1982) and Master of Business Management from Asian Institute of Management, Makati, the Philippine (1992). He attended several trainings, courses and seminars on banking including Risk Management in Retail Banking-BSMR (the Netherlands); Executive Training for Director-The Wharton School of The University of Pennsylvania (USA); Bank Indonesia's Executive Risk Management Certification-BSMR (Singapore); Retail Banking Conference LAFERTY (Singapore); Asian Bankers Surveyor Program-Bank of New York (New York) and SESPIBANK (Jakarta). He also represented BRI in numerous road shows and investors' conferences in London, New York and Singapore.



Sulaiman Arif Arianto
Director of Commercial Business

Fifty two years old and an Indonesian citizen, Sulaiman Arif Arianto was appointed as Director of Commercial Business on 12 October 2009. Previously, he had been Director of Micro, Small and Medium Enterprises Business since 30 May 2006. He began his career in BRI in 1983 and has held several managerial positions, including Head of Agribusiness Division, Head of General Business Division, Regional Manager of BRI Denpasar and Jakarta.

He earned his Bachelor's Degree in animal husbandry from the Farming Faculty of the Bogor Agriculture University (IPB) and MBA from the University of New Orleans, USA (1991). He represented BRI in several organizations such as APRACA, UN advisor for Inclusive Financial System and Micro Finance Network. He was also speaker in numerous international seminars on MSME, including Asian Banking Forum (Jakarta), APEC SME Working Group (Bali), Financial Technology Conference (Singapore), Microfinance Sustainability, APRACA (Kunming), APO Forum, Micro Banking and Risk Management Workshop (Beijing), Asia Pacific Regional Microcredit Summit (Bali). He also represented BRI in road shows and investors' conferences organized in USA, Hong Kong and Singapore.





A. Toni Soetirto

Director of Consumer Business

Fifty two years old and an Indonesian citizen, A. Toni Soetirto was appointed as Director of BRI in 2006. He began his career in banking when he joined Bank Duta in 1983, then in 1985 he joined Bank Bukopin and held several managerial positions, including Director of Commercial Business, Director of Management, Risk and Compliance and Group Head Credit and Marketing Financial Institutions.

In 1981, he earned his Bachelor's Degree in Agribusiness from the Bogor Agriculture University (IPB). He attended several trainings, courses and seminars on banking including CRM and Intelligence Banking EFMA (Barcelona); The Future Face of Marketing (Australia); CRM and Intelligence Banking (Barcelona); Self-Service Banking, EFMA (Barcelona); The Branch of the Future, EFMA (Barcelona); Structured Trade and Export Finance in Asia Conference, Euromoney, JP Morgan and Citigroup (Singapore); The Strategic Board, Australian Institute of Company Director (Australia), Comparative Study for Trade Financing and Risk Management-Deutsche Bank (Germany).



Lenny Sugihat

Director of Credit Risk Management

Fifty four years old and an Indonesian citizen, Lenny Sugihat was appointed as the Director of BRI in 2006. She began her career in banking with BRI since 1981 and has held several managerial positions, including Head of Loan Restructuring and Recovery Division, Head of Agribusiness Division and Head of Strategic Planning Division.

She earned her Bachelor's Degree in Fishery from the Bogor Agriculture University (1979) and MBA from the University of Houston, Texas, USA (1993). She attended several courses and trainings, including Credit Risk Management BRI - Citibank; The Advanced Management Program for Overseas Bankers (USA); Problem Loan and Loan Syndication Training (Sydney); SESPIBANK (Jakarta), Strategic Management in Banking Program (France); The World Bank Conference "Role State-Owned Bank" (USA); Certification on Risk Management-BSMR (Denpasar); World Bank/IMF 2002 Annual Meeting (USA), Office Management Program (Jakarta), 33rd Asean Banking Council Meeting (Bali); Rethinking The East Asia Miracle (World Bank Jakarta); Bank Risk Management and Basel II Capital Requirements (Jakarta).

Bambang Soepeno
Director of Compliance

Fifty eight years old and an Indonesian citizen, Bambang Soepeno was appointed as Director of BRI in 2006. Previously, he held several managerial positions, including Head of Internal Audit, Director of BRI Pension Fund and Head of International Business Division.

He earned his Bachelor's Degree in animal husbandry from the University of Diponegoro, Semarang (1979) and MBA from St. Louis University, USA (1991). He participated in several trainings on banking, including Risk Management Certification-BSMR (Singapore); The IIA International Conference (USA); Banking Crime Prevention (Jakarta); Good Corporate Governance (Jakarta); International Banker's Seminar (USA), Risk Management (ASEAN), SESPIBANK (Jakarta), Auditing Capital Market (Hong Kong). He also represented BRI in several road shows and conferences in London and New York.



Asmawi Syam
Director of Institutional and SOE Business

Fifty five years old and an Indonesian citizen, Asmawi Syam was appointed as Director of BRI on 5 September 2007. He began his banking career in BRI in 1980 and has held several managerial positions, including Head of General Business Division, Head of Consumer Banking Division and Regional Manager of BRI Bandung and Denpasar.

He earned his Bachelor's Degree in Economics from the University of Hasanuddin, Makassar (1979) and Master's Degree in Management from Padjadjaran University, Bandung (2003). He attended several trainings on banking, including From State Owned Enterprise to World Class Competitors, Creative and Innovative State Owned Firms (Philippine); Card and Payment-European Financial Management Marketing (EFMA); Restructuring and Performance Improvement of State Owned Enterprise (Jakarta); Strategic Leadership-Mastercard International (Bangkok), World Congress on IT Information (Australia), Asset and Liability Management, Credit Risk Management & International Banking (Brussels) and SESPIBANK (Jakarta).





Suprajarto

Director of Network and Services

Fifty four years old and an Indonesian citizen, Suprajarto was appointed as Director of BRI on 5 September 2007. He began his banking career in BRI in 1983 and has held several managerial positions, including Regional Manager of BRI Jakarta, Corporate Secretary, Deputy of Regional Manager of BRI Jakarta, and branch manager in several big cities in Indonesia.

He earned his Bachelor's Degree in Economics from the Pembangunan Nasional University, Yogyakarta (1982) and Master's Degree in Management from the Padjadjaran University, Bandung (2001). He attended several trainings and seminars on banking, including Customer Relationship Management (Paris); the Branch of the Future (Barcelona); The 5th Annual Asia Pacific Mobile Payments (Bangkok); SESPIBANK (Jakarta); Trainings on Management Executive Development (Jakarta); Seminar on Marketing, Markus Event 2009 (Australia); and Delivery Channel The Branch Beyond (Kuala Lumpur).



Djarot Kusumayakti

Director of Micro Small and Medium Enterprise Business

Fifty three years old and an Indonesian citizen, Djarot Kusumayakti was appointed as Director of BRI on 20 May 2010. He began his banking career in BRI since 1983 and has held several managerial positions, including President Commissioner of PT BTMU BRI Finance, Head of Credit Risk Analysis Division, Deputy Regional Manager of BRI Jakarta, Semarang and Padang, Branch Manager of BRI Surabaya Pahlawan, Surakarta Sudirman, Ternate and Biak.

He earned his Bachelor's Degree in Economics from the Indonesia Islamic University (1982) and Master of Management from the Airlangga University, Surabaya (2000). He attended several trainings and seminars on banking, including SESPIBANK (Jakarta); Credit Risk Management Training (Semarang); Development Course for Senior Banker, Bank of America (Jakarta); Seminar of Asean Central Bank and Finance Deputies on Asean Financial Integration (Yogyakarta).

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Senior Executives



BRI Head Office



Windiartono

Head of Micro Business
Division



Kuswiyoto

Head of Agribusiness
Division



Isnen Sutopo

Head of International
Business Division



Ali Mudin

Head of Internal Audit



Denny Arsamanggala

Head of Retail and
Medium Business Division



I Komang Sudiarsa

Head of Institution
Relations Division



Susy Liestiwaty

Head of Credit Risk
Analysis Division



Randi Anto

Head of Human Resources
Management Division



Sopyan

Acting Head of Program
Business Division



Dwi Agus Pramudya

Head of SOE Business
Division



Mardiwibawa

Head of Loans
Restructuring and
Recovery Division



Muhamad Ali

Corporate Secretary



Widodo Januarso

Acting Head of Funds and
Services Division



Adhy Kusnandar

Head of Retail Business
Networks Division



**Endra Sasmito
Soengkowo**

Head of Credit
Administration Division



Nugroho

Head of Education and
Training Division



Mohamad Helmi

Head of Credit Card
Division



R. Sophia Alizsa

Head of Micro Business
Network Division



Rico Rizal Budidarmo

Head of Risk Management
Division



Slamet Riyadi

Head of Logistics and
Fixed Assets Management
Division



Joice Farida Rosandi

Head of Consumer Loans
Division



**Luki Presisa Budi
Utami**

Head of Service Division



Irianto

Head of Strategic
Planning and Business
Development Division



Zulhelfi Abidin

Head of Information
System and Technology
Division



A. Firman Taufick

Head of Marketing
Communication Division



Budi Purwanto

Head of Treasury Division



Hadi Susanto

Head of Legal Division



Triyana

Head of Operations
Center Division



Zainuddin Mappa

Head of General Business
Division



Irwan Rinaldi

Head of Finance and
Management Accounting
Division



Teten Djaka Triana

Head of Compliance
Division

BRI Regional Offices

 Abing Rabani Regional Manager of Banda Aceh	 Mohammad Irfan Regional Manager of Jakarta 1	 Susilo Regional Manager of Semarang	 Achmad Chairul Ganie Regional Manager of Denpasar
 Donsuwan Simatupang Regional Manager of Medan	 Nandi H. Hamaki Regional Manager of Jakarta 2	 Eko Wahyu Andriastono Regional Manager of Yogyakarta	 Agus Katon Regional Manager of Banjarmasin
 Ano Kurniadi Regional Manager of Padang	 Albert Radjagukguk Regional Manager of Jakarta 3	 Heru Sukanto Regional Manager of Surabaya	 Khairi Setiawan Regional Manager of Makassar
 Bambang Edi Mulyono Acting Regional Manager of Pekanbaru	 Moch. Hadi Santoso Regional Manager of Bandung	 Luthfie Acting Regional Manager of Malang	 Andik Eko Putro Regional Manager of Manado
 M. Jarot Eko Winarno Regional Manager of Palembang	 Agoes Roediyanto Regional Manager of Jayapura	Special Branch Office  Pardiman Special Branch Manager	

BRI Regional Audit Offices

 Hidzuldin Elfani Inspector of Head Office	 Hartono Sukiman Inspector of Jakarta 1	 Wasito Pramono Inspector of Yogyakarta	 Eka Sriyantini Inspector of Banjarmasin
 Suindiyo Inspector of Medan	 Retno Surdini Inspector of Jakarta 2	 Sulistianto Inspector of Surabaya	 Yan Budiarmoko Inspector of Makassar
 Mudjiharno Inspector of Padang	 Ircham Sjafindra Rambe Inspector of Bandung	 Kuwat Waluyo Inspector of Malang	 Sutardjo Inspector of Manado
 Rusli Witjahjono Inspector of Palembang	 Umi Haryati Inspector of Semarang	 Luluk Sriwidjajati Inspector of Denpasar	

Networks



○ BRI Regional Offices



	2006	2007	2008	2009	2010
Total Working Units	4,968	5,070	5,457	6,480	7,004
Head Office	1	1	1	1	1
Regional Office	13	14	14	17	18
Regional Audit Office	11	12	12	14	14
Branch *)	334	344	376	406	413
Sub Branch	202	230	337	434	470
Cash Outlet	-	24	179	728	822
BRI Units (micro outlets)	4,229	4,300	4,417	4,538	4,649
Village Service Points	133	100	76	68	-
Teras BRI	-	-	-	217	617
BRI Syariah Branch **)	27	27	27	29	-
BRI Syariah Sub-branch **)	18	18	18	28	0

*) Including 1 Special Branch Office and 3 Overseas Offices

**) As of 1 January 2009, BRI spin-off its Sharia Business Unit

Human Resources



Status	2008	2009	2010
Permanent Employee	35,580	33,935	33,296
Employee in Retirement Preparation	1,071	1,145	996
Contract Employee	791	1,452	2,441
Trainee	132	466	911
Total Number of BRI Employee*	37,574	36,998	37,644

Position	2008	2009	2010
Executive Vice President	52	56	70
Vice President	81	93	101
Assistant Vice President	292	338	382
Senior Manager	627	598	575
Manager	519	517	554
Assistant Manager	3,428	3,229	3,318
Officer	9,478	9,916	10,510
Assistant	23,097	22,251	22,134
Total Number of BRI Employee *	37,574	36,998	37,644

Education	2008	2009	2010
Post Graduate		5	2
Graduate	880	943	1,107
Undergraduate	20,577	22,458	23,691
Diploma	3,896	3,867	4,053
Senior High School	12,169	9,681	8,749
Junior High School	52	44	42
Total Number of BRI Employee *	37,574	36,998	37,644

* Excluding outsourcing personnel as many as 20,993 people (2008), 28,154 people (2009) and 38,068 people (2010).

In 2010, Indonesia's Composite Stock Price Index (IHSG) achieved its best performance compared to stock indexes in other countries. By the end of 2010, total market capitalization in Indonesia Stock Exchange (BEI) was Rp3,243.77 trillion, increased 60.63% from Rp2,019.38 trillion by the end of 2009.

The increases in the market capitalization of Indonesia Stock Exchange was in line with the increases of IHSG, which was 46.13%, compared to that of in 2009 which stood at 2,534.36.

In line with the outstanding performance of IHSG, the price of BRI share during 2010 increased 37% from Rp7,650.00 on 30 December 2009 to Rp10,500.00 on 31 December 2010. During 2010, the price of BRI share reached its peak at Rp12,800.00 on 11 November 2010 and bottom out at Rp6,950.00 on 8 February 2010.

By the end of December 2010, the capitalization of BRI share was Rp129.57 trillion or increased 39% compared to 2009 at Rp93.42 trillion with the transaction value of Rp34.21 trillion, increased from Rp29.95 trillion in 2009.

To broaden investor base as well as to give a positive signal that BRI would continue to grow, and in accordance with the decree of BRI's Extraordinary General Meeting of Shareholders (EGMS) in 2010, BRI then split the share of the Company from Rp500.00 per share to Rp250.00 per share or similar to a ratio of one to two on 11 January 2011.

BRI Stock Price and Composite Stock Price Index (IHSG) of 2010



Shareholders Composition of BRI
as of 31 Dec 2010



Price	:	Rp10,500.-
Market Capitalization	:	Rp129.57 trillion
Number of Shares	:	12,334,581,000
P/BV	:	3.95
P/E	:	14.53
EPS	:	Rp966.7

Dividend Payment

Based on the decree of Annual General Meeting of Shareholders (AGMS) BRI 2010, the amount of cash dividend paid for the financial year of 2009 was 30% of net profit or in the amount of Rp2.19 trillion. Therefore, the dividend-payout ratio decreased 5% compared to 35% dividend payout ratio of financial year 2008.

Year of Dividend	Net Profit (Rp Billion)	Dividend (Rp Billion)	Dividend per Share (Rp)	Dividend Payment Ratio (%)	Payment Date
2003*	2,579	990	84.19	75.01	23 July 2004
2004	3,633	1,816	152.93	50.00	5 July 2005
2005	3,808	1,904	156.18	50.00	10 July 2006
2006	4,257	2,129	173.04	50.00	2 July 2007
2007	4,838	2,419	196.34	50.00	7 July 2008
2008	5,958	2,085	168.82	35.00	3 July 2009
2009	7,308	2,192	132.08	30.00	1 July 2010

*from the net income of second semester (1 July 2003 - 31 December 2003) amounting Rp1.32 trillion, first semester profit was capitalized into equity.
Note: On 30 December 2010, BRI had paid interim dividend for financial year 2010 for amount of Rp45.93 per share

Annual General Meeting of Shareholders 2010

BRI held Annual General Meeting of Shareholders 2010 on 20 May 2010 and reached following decisions:

First Agenda

Approved the Annual Report 2009 which are consist of the Board of Directors Annual Report, the Supervisory Report conducted by the Board of Commissioners and the Financial Report for the year ended 2009 which had been audited by the Public Accountant Office Purwantoro, Sarwoko and Sandjaja according to the report No. RPC-11168 dated 24 March 2010, and gave full release and discharge (*acquit et de charge*) to the Board of Directors and the Board of Commissioners for their management and supervision during the financial year ended on 31 December 2009 provided that the action is not categorized as a criminal action and is reflected in the Company's financial reports.

Second Agenda

Ratified the Annual Report on the Partnership and Community Development Program (*Program Kemitraan dan Bina Lingkungan*) for the financial year ended 2009 which had been audited by Public Accountant Office Herman Dody Tanumihardja & Rekan, according to the report No. 29/GA/HDT-DH/PKBL-BRI/V/2010 dated 30 March 2010 and gave release and discharge (*acquit et de charge*) to the Board of Directors and Board of Commissioners for their management and supervision for the Partnership and Community Development Program provided that the action is not categorized as a criminal action and is reflected in the Annual Report on the Partnership and Community Development Program.

Third Agenda

1. To determine the use of net profit of the Company for the period of 1 January 2009 to 31 December 2009 as follows :
 - a. 30% or Rp2,192,487,498,786,- are distributed as dividend of financial year 2009 to the shareholders. This amount includes the interim dividend paid on 16 December 2009 in accordance with The Board of Directors resolution on 2 November 2009 ratified by the Boards of Commissioners to all shareholders as recorded in Shareholders Register of Company on 3 December 2009, so that the remaining dividend in the amount of Rp1,628,551,308,726,- will be paid as cash dividend on 15 July 2010 to all shareholders as recorded on 1 July 2010.
 - b. 13% or Rp950,077,916,141 shall be used for Company's specified reserves
 - c. 3% or Rp219,248,749,879 shall be used for Community Development Program (*Program Bina Lingkungan*)
 - d. 54% or Rp3,946,477,497,815.32 is determined as Retained Earning

2. To grant the authority to the Board of Directors to determine the schedule and the procedure of 2009 cash dividend payment in accordance with prevailing laws and regulations.

Fourth Agenda

1. Ratified the tantiem (bonus) for the Board of Directors and the Board of Commissioners for the year ended 2009 is 1.16% of the net profit for the year ended 2009. The comparison of the tantiem for each Director, the President Commissioner and Commissioners to the President Director tantiem are 90% for Directors, 50% for President Commissioner, and 45% for Commissioners. Tantiem tax will be paid by the tantiem's receivers.
2. Ratified the salary of the Board of Directors and the Board of Commissioners for the year 2010 is equal to the salary of the Board of Directors and the Board of Commissioners which has been ratified in AGMS held on 19 May 2009.
3. To grant the authority to the Board of Commissioners to determine the salary, facility including tantiem, and retirement benefit for Secretary of the Board of Commissioner effective as of the close of "the Meeting" until the resolutions is changed or revoked by the General Meeting of Shareholders.

Fifth Agenda

1. To grant a power of attorney to the Board of Commissioners to appoint Public Accountant to perform audit on Company's financial statements for the financial year 2010 and to determine the fees of the accountant and other requirements in accordance with prevailing regulations.
2. To grant a power of attorney to Board of Directors to appoint Public Accountant to perform audit on Financial/Annual Report on the Partnership and Community Development Program for the financial year 2010 and to determine the fees and other requirements in accordance with prevailing regulations.

Sixth Agenda

To give power and authority to the Board of Commissioners to approve capital increase of the Company regarding the realization of Management Stock option Plan (MSOP) which had been decided on Company's Extraordinary General Meeting of Shareholders on 3 October 2003 and its amendment.

Seventh Agenda

1. Discharge Mr. Agus Pakpahan as Commissioner effective as of the close of "the Meeting" and express gratitude for his dedication during his term of office.
2. Approve the appointment of:
 1. Mr. Soedarjono as Vice President Commissioner
 2. Ms Aviliani as Independent Commissioner
 3. Mr. Heru Lelono as Commissioner
 4. Mr. Adhyaksa Dault as Independent Commissioner

The appointment of the member of the Board of Commissioner shall be effectively valid commencing from the closing of "the Meeting" except the appointment of Mr. Soedarjono, Mr. Heru Lelono and Mr. Adhyaksa Dault shall be effectively valid since the approval from Bank Indonesia has been obtained and has complied with rules and regulations until the closing of the 5th AGMS since their appointment.

Therefore, the composition of the Board of Commissioners shall be as follows:

President Commissioner/

Independent Commissioner :

Burasor Sanim

Vice President Commissioner :

Soedarjono

Commissioner :

Agus Suprijanto

Commissioner :

Heru Lelono

Independent Commissioner :

Aviliani

Independent Commissioner :

Baridjussalam Hadi

Independent Commissioner :

Adhyaksa Dault

Following the appointment of Vice President Commissioner, the proportion of the honorarium to be paid to Vice President Commissioner is 47.5% of the salary of President Director in accordance with the resolution of 4th agenda.

3. Discharge Mr. Sudaryanto Sudargo and Mr. Abdul Salam as Directors effective as of the close of the Meeting and express gratitude for their dedications during their term of office.

4. Approve the appointment of:
 1. Mr. Sofyan Basir as President Director
 2. Mr. Achmad Baiquni as Director
 3. Mr. Djarot Kusumayakti as Director

The appointment of the member of the Board of Directors shall be effectively valid commencing from the closing of the Meeting except the appointment of Mr. Achmad Baiquni and Mr. Djarot Kusumayakti which shall be effectively valid since the approval from Bank Indonesia has been obtained and has complied with rules and regulations until the closing of the 5th AGMS since their appointment.

Therefore, the composition of the Board of Directors shall be as follows:

President Director	: Sofyan Basir
Director	: Sarwono Sudarto
Director	: Sulaiman Arif Arianto
Director	: A. Toni Soetirto
Direktur	: Lenny Sugihat
Director	: Bambang Soepeno
Director	: Suprajarto
Director	: Asmawi Syam
Director	: Achmad Baiquni
Director	: Djarot Kusumayakti

5. The division of duties and authorities of the member of Board of Directors shall be determined in accordance with the article 12 paragraph 17. of article of association of the Company.
6. To grant the power of attorney with the substitution right to the Board of Directors to take all actions necessary relating to all resolutions of "the Meeting" in accordance with the prevailing laws and regulations, including but not limited to register the composition of the Board of Commissioners and the Board of Directors.

Extraordinary General Meeting of Shareholders 2010

BRI held Extraordinary General Meeting of Shareholders 2010 on 24 November 2010 and decided the following:

First Agenda

1. To approve acquisition of 3,030,239,023 shares of Dapenbun in PT Bank Agroniaga Tbk (Bank Agro), or equal to 88.65% of Bank Agro paid-in capital as stipulated in the Deed of Bank Agro Meeting Resolution No. 68 dated 29 December 2009 signed

before Notary Rusnaldy, SH, Notary in Jakarta, including the increase and or the decrease of the share ownership, to perform conditional sale purchase agreement dated 19 August 2010 and to comply with prevailing regulations to achieve minimum of 76% of Bank Agro ownership.

2. To approve the acquisition draft and acquisition deed
3. To grant The Board of Directors power with the substitution right to do all acts to perform the above resolution to meet all requirements of the conditional sale purchase agreement and all prevailing laws regulations.

Second Agenda

1. To approve nominal stock split of Dwiwarna Series A Share and B Series Shares which currently Rp500 per share to Rp250 per share or with split ratio of 2-for-1
2. After the stock split, Dwiwarna Series A Share will become 2 shares with the following condition:
 - 1 Dwiwarna Series A Share will remain as a Dwiwarna Share
 - 1 Dwiwarna Series A Share will be converted into 1 Series B Share belong to the Government of the Republic of Indonesia with the nominal value of Rp250 per share.
3. To ammend article 4 paragraph 1 of the Article of Association of the Company regarding the Company's capital which currently is Rp15,000,000,000,000 consisting of 1 Dwiwarna Series A Share and 29,999,999,999 Series B Shares with the nominal value of Rp500 per share to become Rp15,000,000,000,000 consisting of 1 Dwiwarna Series A Share and 59,999,999,999 Series B Shares with nominal value of Rp250 per share.
4. To ammend article 4 paragraph 2 and paragraph 3 of the Article of Association of the Company regarding the company's paid-in capital amounting to Rp 6,167,290,500,000 or equal to 12,334,581,000 shares consisting of 1 Dwiwarna Series A Share and 12,334,580,999 Series B Shares (as per Company's Shareholders List on 11 November 2010) to become Rp6,167,290,500,000 or equal to 24,669,162,000 shares consisting of 1 Dwiwarna Series A Share and 24,669,161,999 Series B Shares.

- To grant The Board of Directors power with the substitution right to perform the nominal stock split in accordance with all prevailing regulations including but not limited to set the schedule of the Company's nominal stock split, state the amendment of the article of association of the company in a decree before Notary, notice, announce and register the amendment to the authorized institutions related with the amendment of the article of the association as required by the prevailing laws and regulations.

Issuance of Rupiah Subordinated Debt

In December 2009, BRI issued Rupiah Subordinated Debt II with 5-year term, 10.95% of interest rate and listed on the Indonesia Stock Exchange on 22 December 2009. Fitch rated this subordinated debt as AA (Double A; Stable Outlook) in which BRI successfully obtained Rp2 Trillion of proceed from the issuance.

After deducted by issuance cost, the Company would utilize all of the proceed as supplementary capital in accordance with Bank Indonesia regulation, and would be used to support for loan expansion in accordance with the prudential principals.

Obligation Type	Rupiah Subordinated Debt II with fixed interest rate
Interest Rate	10.95%
Period	5 Year
Due	22 December 2014
Rating	AA (Fitch Rating)
Issuance Value	Rp2 Trillion
Coupon Payment	Quarterly
Listed on	Indonesian Stock Exchange

During 2010, BRI did not issue obligation or other debt securities.

Chronology of Share Listing

Shares issued by BRI are the Dwiwarna Series A Share and the Series B Share. Bank BRI only issues 1 (one) Dwiwarna Series A Share owned by the Republic of Indonesia, which is not transferable to any other party.

The special rights granted to the holder of the Dwiwarna Series A Share are:

- Nominate members of the Board of Directors and/or members of the Board of Commissioners;
- Approve the appointment and termination of members of the Board of Directors and/or the Board of Commissioners;
- Approve amendments to the Articles of Association, including changes in capital;
- Approve the consolidation, merger, acquisition and spin off of the Company, bankruptcy filing, and the liquidation of the Company, and/or;
- Request report and explanation on certain issues from the Board of Directors and the Board of Commissioners in accordance with prevailing rules and regulation, especially those of the Capital Market.

By virtue of the Decree of the Chairman of the Capital Market Supervisory Agency No. S-2646/PM/2003 dated 31 October 2003, the Statement of Registration by BRI in the event of its Initial Public Offering of Shares became effective. The IPO pertained the offering of 2,047,060,000 of Series B Shares, which represent the divested shares of the Republic of Indonesia and as many as 1,764,705,000 Series B Shares issued from the portfolio with nominal value of Rp500.00. The shares began to be traded on 10 November 2003, and were listed on Jakarta and Surabaya Stock Exchanges.

Subsequently, options on over subscription amounting to 381,176,000 Series B Shares and over allotment amounting to 571,761,000 Series B Shares, both belonging to the Republic of Indonesia (divestments) each at the stake price of Rp875.00 per share had been exercised on 10 November 2003 and 3 December 2003, respectively.

MANAGEMENT STOCK OPTION PLAN

Based on the decree of the Extraordinary General Meeting of Shareholders on 3 October 2003, the Company decided to perform a Management Stock Option Plan (MSOP). In this program, the number of stocks issued were 588,235,250 with the following allocation:

Phase of MSOP	Number of MSOP Shares	Composition	Date of MSOP Issuance	Expiry Date of MSOP	Exercise Price	Accumulated Number of Shares Exercised
Phase I	235,294,100	40%	10 Nov 2003	9 Nov 2008	Rp962.50	230,999,999
Phase II	235,294,100	40%	10 Nov 2004	9 Nov 2009	Rp1,750.00	230,047,000
Phase III	117,647,050	20%	10 Nov 2005	9 Nov 2010	Pursuant to BAPEPAM-LK and BEI	108,830,000
Total	588,235,250					569,876,000

MSOP was executed in three phases, MSOP I, MSOP II and MSOP III. The execution of MSOP I and II were based on previous regulation of the Capital Market Supervisory Board regulation, while MSOP III was based on the Regulation of the Capital Market Supervisory Board No. IX.D.4 and Regulation of the Indonesian Stock Exchange No. 1-A Attachment of the Decree of the Board of Directors of the Jakarta Stock Exchange No. Kep-305/BEJ/07-2004 on Securities Listing Procedure. The vesting periods for all MSOPs were up to one year after the commencement date. The exercised MSOP shares up to the expiry date of all MSOP phases amounted to 569,876,000 shares.

The exercise periods of MSOP I and II ended respectively on 9 November 2008 and 9 November 2009. As at the end of each exercise period, the total of 4.3 million shares for MSOP I and 6.1 million shares for MSOP II had not been exercised.

The exercise period of MSOP III which began on 10 November 2005 ended on 9 November 2010. The numbers of MSOP III shares allocated were 117,647,050, whereas until the expiry date, the numbers of MSOP shares exercised were 108,830,000. The exercise of the shares add equity to the Company of Rp633,164,224,500,-

As the exercise period of MSOP III ended, it also ended the entire exercise periods of BRI MSOP I-III which began at the same time with the IPO of BRI on 10 November 2003. The total numbers of shares allocated on MSOP Period I-III were 588,235,250, whereas until the exercise periods of all MSOP ended, the total numbers of shares exercised were 569,876,000. The exercise of the shares had caused an additional equity to the Company amounted to Rp1,366,089,110,750,-

(Rp billion)

	Phase I	Phase II	Phase III	Total
Paid-in Capital	115,500	115,024	54,415	284,938
Agio	106,837	287,559	474,490	868,886
Other Capitals (shares x option value)	27,117	80,889	10,259	212,265
TOTAL	249,454	483,471	633,164	1,366,089

Subsidiaries

Company Name	Type of Business	Date of Investment	Percentage of BRT Ownership (%)	Start of Operation	Address
PT. Bank BRISyariah	Sharia Commercial Bank	19 December 2007	99.99%	16 October 2008	Jl. Abdul Muis No. 2-4, Jakarta





Launching of Tabunganku
(Jakarta, 20 February 2010)



Signing of MoU between BRI and
PT Garuda Indonesia (Persero) Tbk.
(Jakarta, 13 April 2010)



Signing of MoU between BRI and PT Pertamina EP
(Jakarta, 20 April 2010)



BRI Participation in Inacraft Exhibition
(Jakarta, 21 April 2010)



Q1 2010 Financial Result Presentation
(Jakarta, 30 April 2010)



Grand Launching of BRifast Remittance
(Jakarta, 15 May 2010)



Signing of MoU between BRI and USAID to provide Micro Credit for Clean Water Supply (Jakarta, 18 May 2010)



Annual General Meeting of Shareholders 2010 (Jakarta, 20 May 2010)



Signing of MoU between BRI and Indonesian Navy on the Payroll Payment System (Jakarta, 26 May 2010)



Signing of Investment Loan Agreement between BRI and PT Pupuk Kalimantan Timur (Jakarta, 27 May 2010)



BritAma Wind of Fortune Lucky Draw Period May-September 2010 (Jakarta, 25 September 2010)



Signing of MoU between BRI and the Indonesian Association of Oil and Natural Gas Drilling (APMI) (Jakarta, 17 June 2010)



Signing of MoU of State-Owned Enterprise Synergy
(Jakarta, 18 June 2010)



Press Gathering 2010
(Bogor, 19 June 2010)



2010 Strategies Forum of BRI
(Jakarta, 21-22 June 2010 & Bali, 24-25 June 2010)



Gala Expo Consumer Banking Product BRI
(Jakarta, 23 July-1 August 2010)



Pesta Rakyat Simpedes (Simpedes Folk Festival)
(Cilegon, 7-8 August 2010)



Signing of MoU for the Service of BRI Sharia on BRI Networks
(Jakarta, 9 August 2010)



Visit of National Flag Hoisting Squad (Paskibraka)
(Jakarta, 20 August 2010)



Fast Breaking on the Road
(Jakarta, 20 and 27 August 2010)



Opening and Operational of 14 BRI Teras In Regional Offices of BRI Jakarta 2
(Jakarta, 23 August 2010)



Bazaar Jointly Organized by SOE and BRI Cares
(Jakarta, 30 August 2010)



Fasting Break Reception with the Orphans and Poor
(Jakarta, 31 August 2010)



Homecoming with Kupedes and Simpedes Customer
(Jakarta, 5 September 2010)



Launching of BRI Corporate Card
(Bali, 8 October 2010)



BRI BERSEMI (Fun Bike for The Earth)
(Jakarta, 14 November 2010)



Extraordinary General Meeting of Shareholders 2010
(Jakarta, 24 November 2010)



Launching of Customize KUR for Indonesia Migrant Workers
(Surabaya, 15 December 2010)



BRI Cares for Traditional Market
(Tangerang, 15 December 2010)



A Business Coach with Tony Fernandez
(Jakarta, 17 December 2010)

Awards



Asia's Best Companies 2010
FinanceAsia



**The Best Contact Center Operations
Below 100 Seats**
ICCA



Best Performance Bank
ABFI Banking Award 2010



The Rising Star Bank in Service Excellence
MII & Infobank Magazine



**Annual Report Award 2009
Third Place for Financial State-
Owned Enterprise/Regional State-
Owned Enterprises - Listed**

The Ministry of Finance RI, The Ministry
of State-Owned Enterprise RI, Bank
Indonesia and KNKG



**Investor Awards – The Best State-Owned
Enterprise 2010
Category Financial for Banking Sector**
Investor Magazine



Indonesia Living Legend Brand
SWA



First Winner in Savings Account Category
SWA



The NPS Leader Bank
Saving Account Category
SWA



Greatest Brand of The Decade 2010
Marketeers Award



3th Best Security Staff Commercial Bank
MRI & Infobank



6th Best Performance Overall
MRI & Infobank



Service Quality Award 2010 for BRI Prioritas
Marketing Magazine

Public Accounting Firm and Capital Market Supporting Institutions

Public Accounting Firm* **Purwantono, Suherman & Surja** **(Ernst & Young)**

Indonesian Stock Exchange Building
Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta, 12190
Telp. (62-21) 5289 5000
Fax. (62-21) 5289 4100

Share Registrar **PT Datindo Entrycom**

Jl. Jend. Sudirman Kav. 34-35
Jakarta, 10220
Telp. (62-21) 570 9009

Securities Depository **Kustodian Sentral Efek Indonesia (KSEI)**

Indonesia Stock Exchange Building
Tower 1, 5th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta, 12190
Telp. (62-21) 5299 1003
Fax. (62-21) 5299 1129

Rating Agencies

PT Pemeringkat Efek Indonesia (Pefindo)

Panin Tower Senayan City 17th Floor
Jl. Asia Afrika Kav. 19
Jakarta

PT Fitch Rating Indonesia

Prudential Tower 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta 12190
Telp. : (62-21) 57957755
Fax. : (62-21) 57957750

Moody's Singapore Pte. Ltd.

50th Raffles Place #23-06
Singapore Land Tower
Singapore 048623

*) For detail of the Public Accounting Firm including the period of accountancy, service provided and audit fee, please refer to Chapter 4, Corporate Governance Part V. Application of Compliance Functions, Internal Audit, External Audit and Risk Management, point 4 Function of External Audit, Page 200.

Chapter

3

Management Discussion and Analysis

Yoyo is played by attaching the free end of the rope on the middle finger. The player holds yoyo and throw it down creatively in different styles and adeptly catch it back.

Amidst changing business environment, BRI continues to develop new products and features, improving its business and operational processes to win in the marketplace.

Innovative

General Overview

In 2010, BRI's total assets grew higher than banking sector and BRI managed to improve its market share from total assets point of view. BRI is also maintaining its reputation as the most profitable bank in Indonesia since 2005. In terms of loan, BRI is also leading the market as the biggest lender.

The comparison on financial performance of BRI and Indonesia banking sector is as follows:

Total Asset

BRI

Total assets of BRI grew by 26.58% in 2010 or increased from Rp314.75 trillion in 2009 to Rp398.39 trillion in 2010. As a result, BRI managed to improve its market share from 12.42% in the previous year to 13.24% in 2010.

Banking Sector

Total assets of domestic banking sector grew by 18.73% in 2010 or rose from Rp2,534.11 trillion in 2009 to Rp3,008.85 trillion in 2010.

Loan

BRI

Loan of BRI grew by 20.16% in 2010 or up from Rp205.52 trillion in 2009 to Rp246.96 trillion in 2010. The growth of BRI's loan in 2010 is lower than banking sector loan due efforts to maintain a healthy and good loan quality.

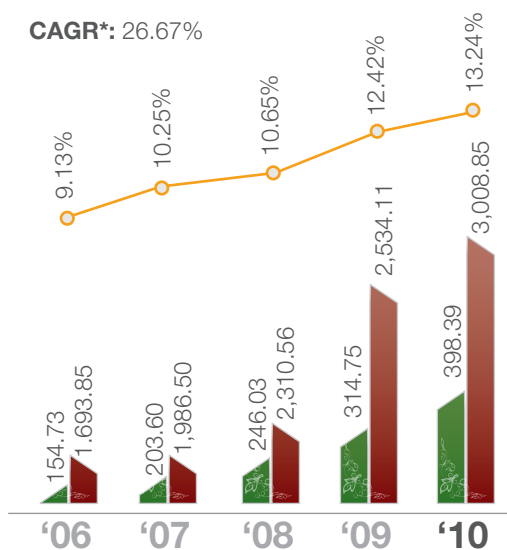
Banking Sector

Banking sectors loan expanded 22.80% by the end of 2010 to Rp1,765.85 trillion, compared to Rp1,437.93 trillion in 2010.

Total Assets

In trillion Rupiah

CAGR*: 26.67%



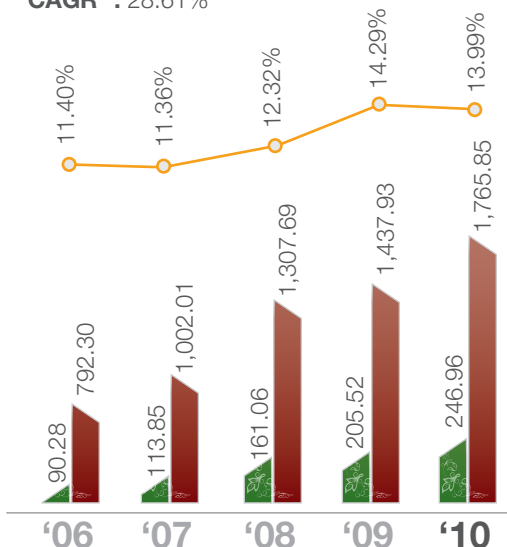
source: Central Bank-Statistics of Indonesian Banking, December 2010; BRI Financial Report

■ BRI
 ■ Banking Sector
 —○— % to Banking Sectors

Loan

In trillion Rupiah

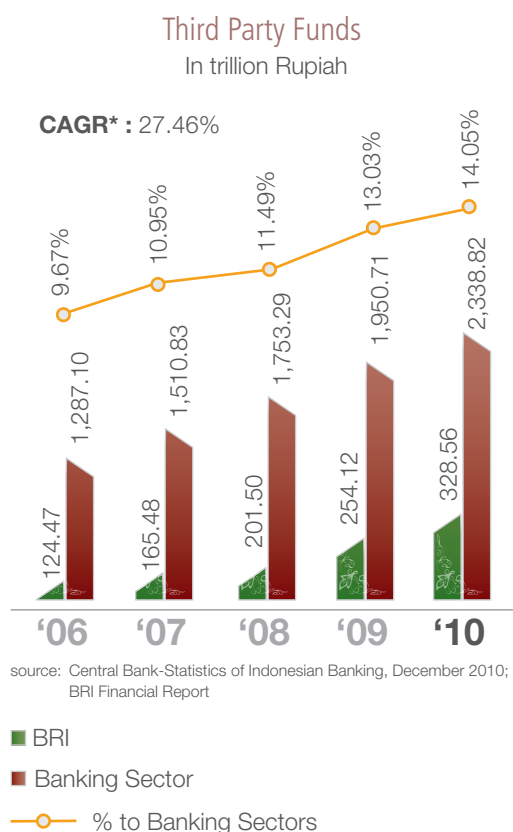
CAGR* : 28.61%



source: Central Bank-Statistics of Indonesian Banking, December 2010; BRI Financial Report

■ BRI
 ■ Banking Sector
 —○— % to Banking Sectors

*) CAGR (Compound Annual Growth Rate)



Third Party Funds (TPF)

BRI

Third party funds collected by BRI has grew significantly by 29.29% from Rp254.12 trillion in 2009 to Rp328.56 trillion in 2010. The contribution of BRI's third party funds managed to grow from 13.03% in 2009 to 14.05% in 2010. The source of growth comes from low cost fund both from retail and institutional customers.

Banking Sector

Third party funds of banking sector grew by 19.90% in 2010 raised from Rp1,950.71 trillion in 2009 to Rp2,338.82 trillion in 2010.

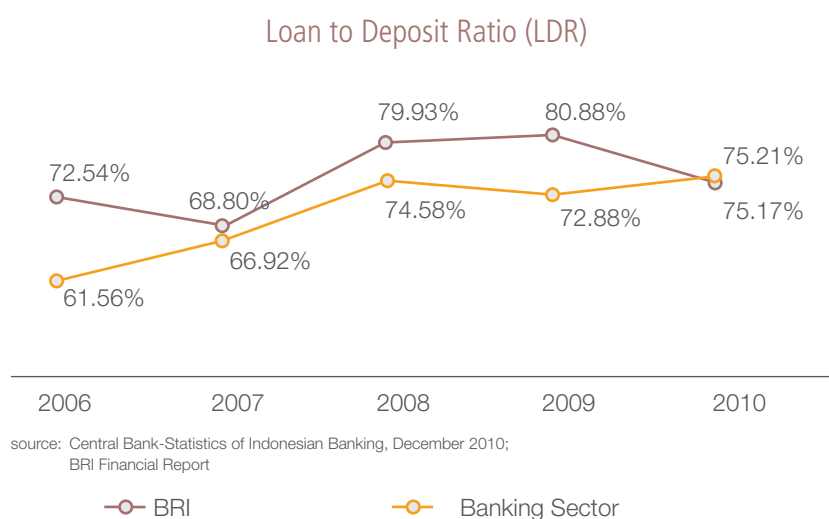
Loan to Deposit Ratio (LDR)

BRI

LDR BRI's down from 80.88% in 2009 to 75.17% in 2010. This is due to TPF growth exceeding the rate of loan growth.

Banking Sector

Banking sector's LDR increased from 72.88% in 2009 to 75.21% in 2010.



Net Interest Margin (NIM)

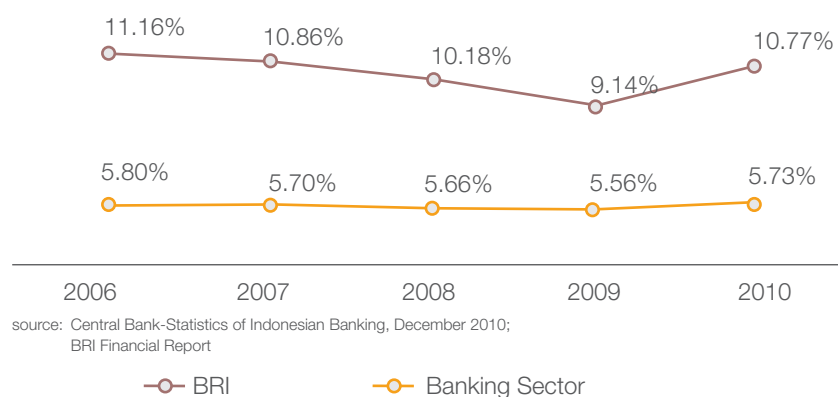
BRI

The NIM of BRI in the last six years has been consistently above banking sector. In 2010, BRI's NIM stood at 10.77%, an increase from 9.14% in 2009. This is in line with the increase in loan productivity and the impact of implementation of International Financing Reporting Standards (Pernyataan Standar Akuntansi Keuangan/PSAK) No. 50/55 application, where the calculation of interest income with flat interest rate is converted to effective interest rate.

Banking Sector

NIM of banking sector are showing a stable trend and slightly increased to 5.73% in 2010.

Net Interest Margin (NIM)



Return on Assets (ROA)

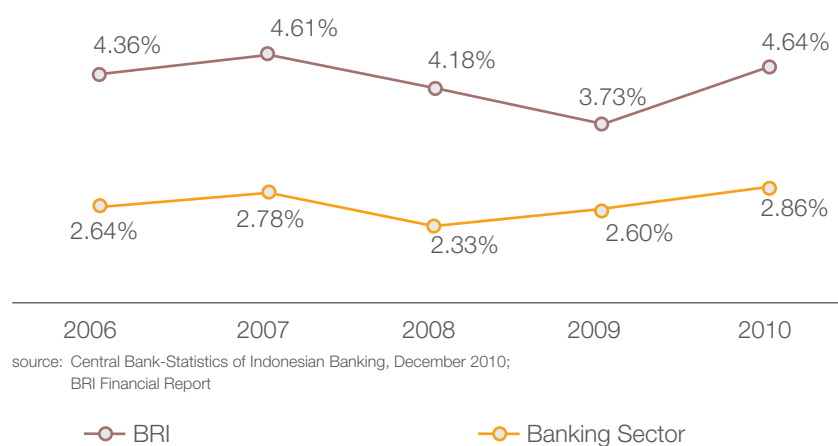
BRI

In line with significant increase in net profit, ROA is 4.64% or increased from 3.73% in 2009, which higher than average banking sector of 2.86% and complies with minimum ROA requirements set by BI of 1.5%

Banking Sector

Banking sector ROA rose from 2.60% in 2009 to 2.86% in 2010.

Return on Assets (ROA)



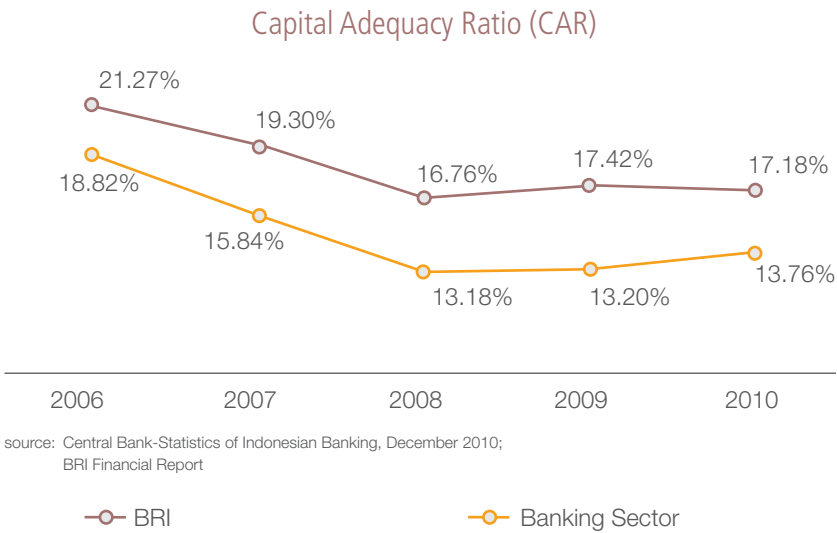
Capital Adequacy Ratio/CAR

BRI

BRI's CAR in 2010 reached 13.76% or increased from its 2009 position of 13.20%. This is due to significant net profit improvement in 2010 that strengthen BRI's capital structure.

Banking Sector

Along with the high growth of loan, CAR of banking sector down from 17.42% in 2009 to 17.18% in 2010.



Financial Review

BRI managed to record satisfactory performance in 2010 supported by its ability to maintain sustainable business growth and improving financial fundamentals. BRI's profit after tax has increased significantly over the previous year by 56.98%. In 2010, net profit of BRI totaled Rp11.47 trillion. The increased profit was supported by a significant growth of asset which reached 27.56% from Rp316.95 trillion in 2009 to Rp404.29 trillion in 2010.

Changes in Accounting Policy

BRI has adopted PSAK 50 and 55 on the Financial Statements for Financial Year 2010. This adoption includes impact on the calculation of interest income, record book value of loans and the formation of assets loss provision (Cadangan Kerugian Penurunan Nilai/CKPN). Further discussion on this matter can be found in later sections of this chapter.

21.32%. Rose NPL ratio was maintained at the level of 2.78% and from loan interest income as a result of the application of PSAK 50 & 55. Contribution of interest income to total interest income was 88.73%, an increase from 2009 which was recorded at 82.90% of total interest income. The amount of total loan interest income by itself increased by 35.15% from Rp29.29 trillion in 2009 to Rp39.59 trillion in 2010.

Income Statement

Interest Income

Interest income during 2010 was recorded at Rp44,62 trillion, an increase of 26.27% from the previous year of Rp35.33 trillion. Interest Income growth among others comes from the increasing number of loan disbursements amounted to Rp44.37 trillion from December 2009, or by

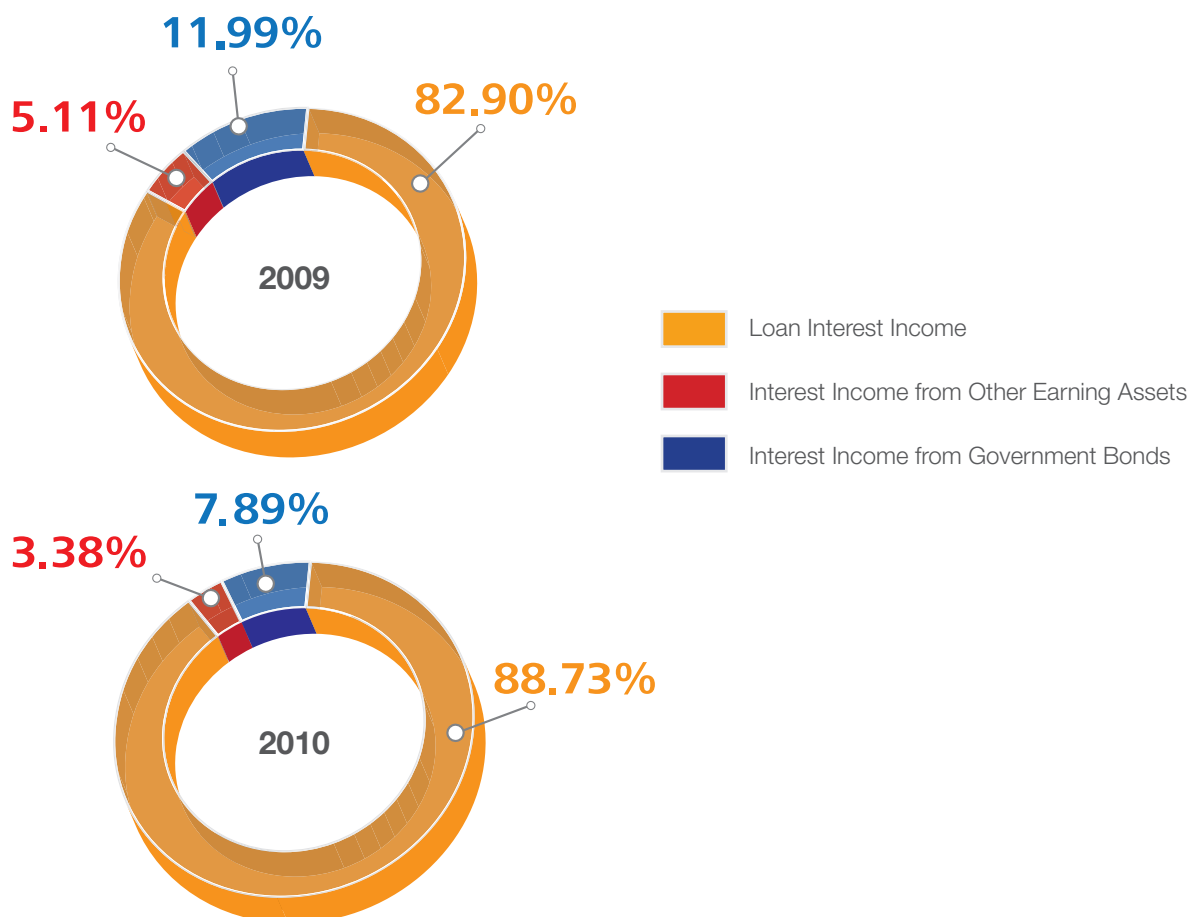
Interest income from government bonds during 2010 was recorded at Rp1.51 trillion, 16.58% decline from the previous year of Rp1.81 trillion. The decline was due to the maturity of Rp1.4 trillion in 2010. This was followed by a decline in the portion of interest income from government bonds from 5.11% in 2009 to 3.38% in 2010.

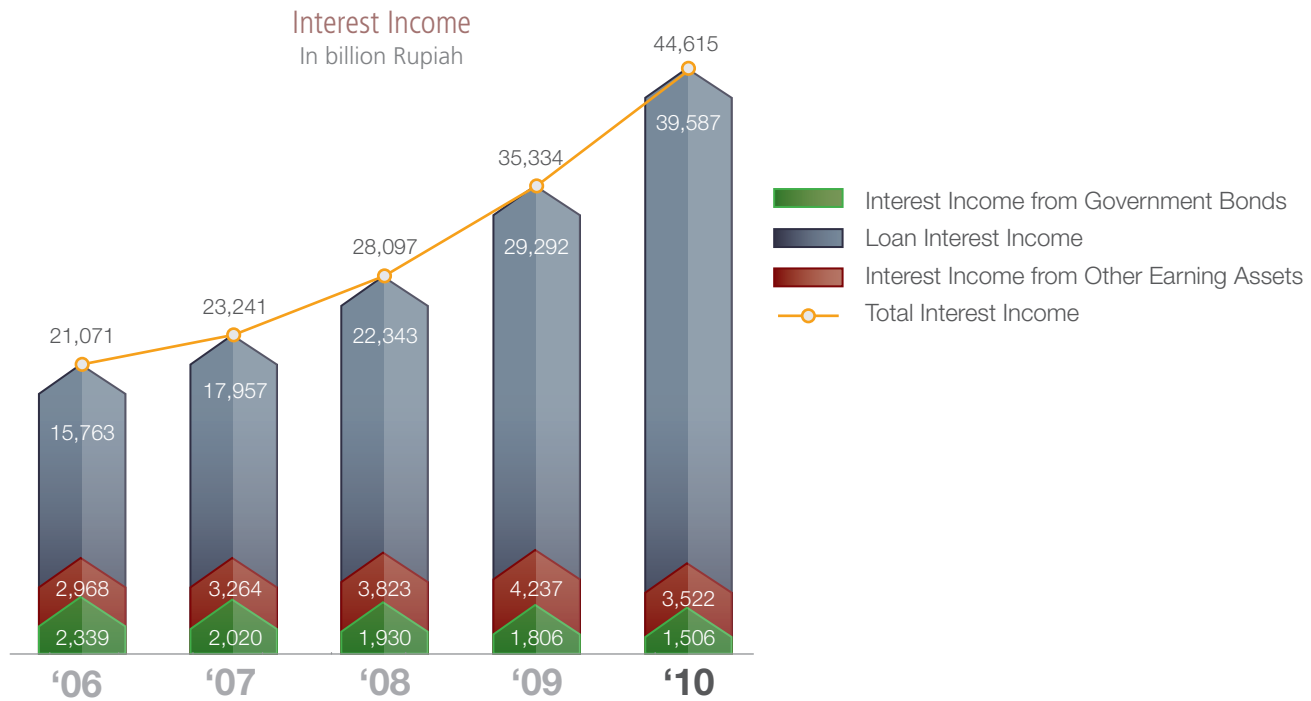
	2006	2007	2008	2009	2010
	(Rp billion)				
Interest Income	21,071	23,241	28,097	35,334	44,615
Interest Expense	(7,282)	(6,544)	(8,446)	(12,285)	(11,727)
Net Interest Income	13,789	16,697	19,651	23,050	32,889
Other Operating Income	1,509	1,822	2,535	3,270	5,545
Other Operating Expenses	(7,666)	(9,020)	(10,997)	(11,960)	(16,114)
Asset Loss Provision Expenses	(1,848)	(1,943)	(2,844)	(5,799)	(7,917)
Other Non-Operational Income/Expenses	122	224	476	1,331	506
Profit Before Tax and Minority Interest	5,907	7,780	8,822	9,891	14,908
Net Profit	4,258	4,838	5,958	7,308	11,472

Interest income from other earning assets other than loans and government bonds was recorded at Rp3.52 trillion, a 16.88% down from the previous year of Rp4.24 trillion. So as the result, the proportion of income from these eraning assets is also lower than the previous year from 11.99% to 7.89% of total interest income.

Referring to the implementation of PSAK 50 and 55 (R.2006), interest income is recognized using the effective interest rate method, i.e. interest rates discounting the estimated cash receipts in the future to obtain the net carrying amount at initial recognition (measurement). As with the previous PSAK, fees and commissions income not considered of material amount are directly accounted for in the Statement of Income as revenue in the said period, while material amounts are recorded in advance as deferred income to be amortized over a period of time. If in the previous PSAK (PSAK 31), amortization was calculated using the straight line method, according to current PSAK 50 & 55 (R.2006), total fees and commission income which are material and directly related to lending activities, are amortized in accordance with the contract period using the effective interest rate and are classified as part of interest income.

BRI's Composition of Interest Income

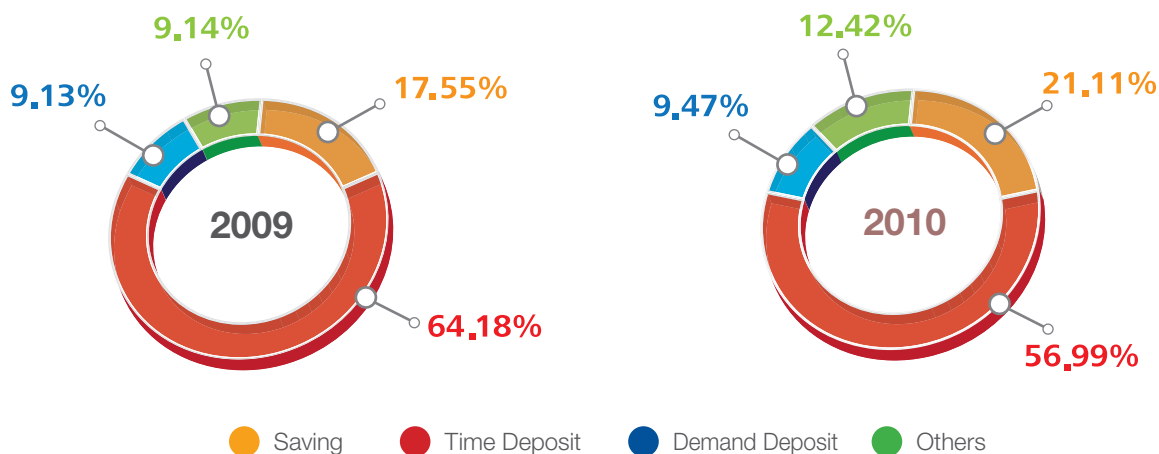




Interest Expenses

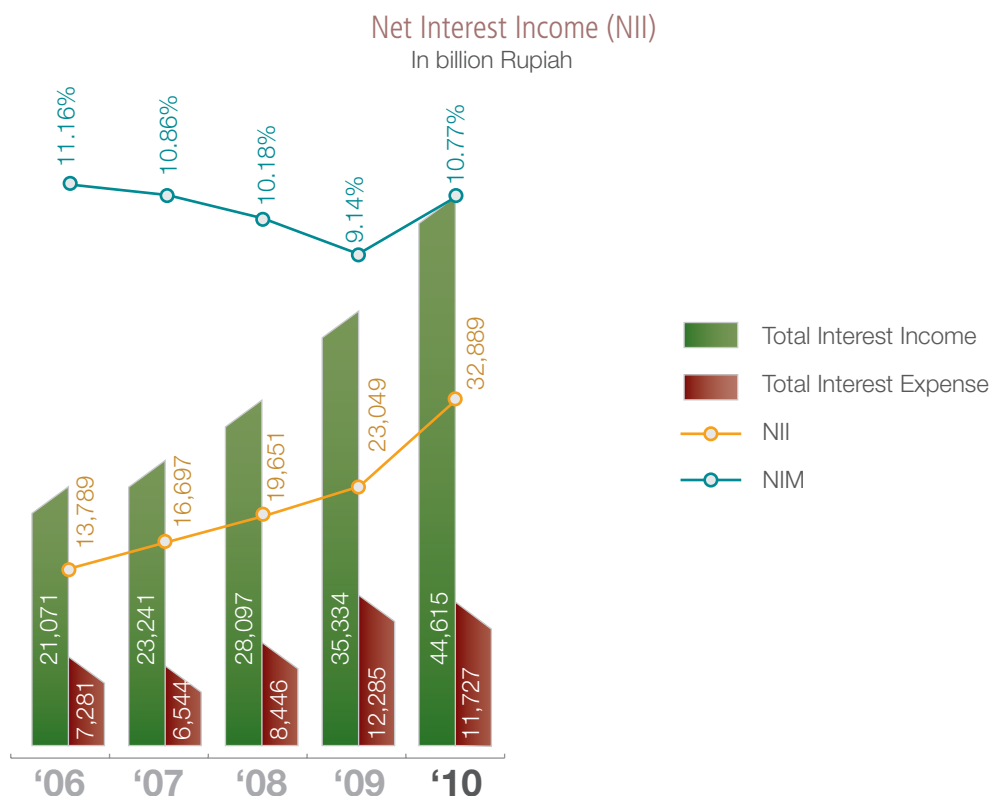
Interest expenses decreased by 4.54% from Rp12.29 trillion in 2009 to Rp11.73 trillion in 2010. This decrease in interest expenses was due to decline in deposit rates, especially time deposit rates.

Composition of Interest Expense



Net Interest Income

As of 31 December 2010, BRI's net interest income was recorded at Rp32.89 trillion, an increase of 42.69% from Rp23.05 trillion in 2009. The rise was partly contributed by an increase in loan outstanding due to expansion, improved loan quality and the application of PSAK 50 and 55 (R.2006), which adjusts recognition of interest income from loans with flat interest rates. Interest margin increased to a level of 10.77% from 9.14% in 2009.



Other Operating Income

Other operating income in 2010 increased from Rp3.27 trillion in 2009 to Rp5.54 trillion. Fee-based income contributed the largest, ie. 50.73% of total other operating income.

Fee-based income as of 31 December 2010 is recorded at Rp2.81 trillion, an increase of 32.81% from Rp2.12 trillion in 2009. Fee-based income consists of deposit services, ATM services, credit services, trade finance services, credit card services, treasury services, payment management services, insurance partnership services, surveillance services, underwriting services, and safe deposit box rental services. The increase of 32.79% among others was derived from increased deposit services by 38.41%, trade finance rose by 69.02%, 101.67% increase in ATM services and syndication services increased by 228%.

In accordance with PSAK 50 and 55 (R.2006), in 2010 recovered written off assets in acknowledged as other operating income, which stood at Rp1.53 trillion. Gain obtained from the marked to market of securities position reached Rp156,21 billion, a slight decrease from the previous year of Rp270,15 billion. Income from foreign exchange transactions was recorded at Rp773.02 billion, an increase of Rp59.59 billion from the previous year which was recorded at Rp713,43 billion due to changes in exchange rates. Meanwhile, other income consisted of income from fines, income from early loan repayments, clearing charges etc. amounted to Rp277.65 billion in December 2010, up 65.01% from the previous year which was Rp168.26 billion.

	(Rp billion)				
	2006	2007	2008	2009	2010
Fee Based Income	838	1,456	1,767	2,118	2,813
Recovery of written-off loan				0	1,525
Marked to market <i>profits</i>	484	48	51	270	156
Gain on foreign exchange - net	0	176	614	713	773
Miscellaneous	187	142	103	168	278
Total Other Operating Income	1,509	1,822	2,535	3,270	5,545

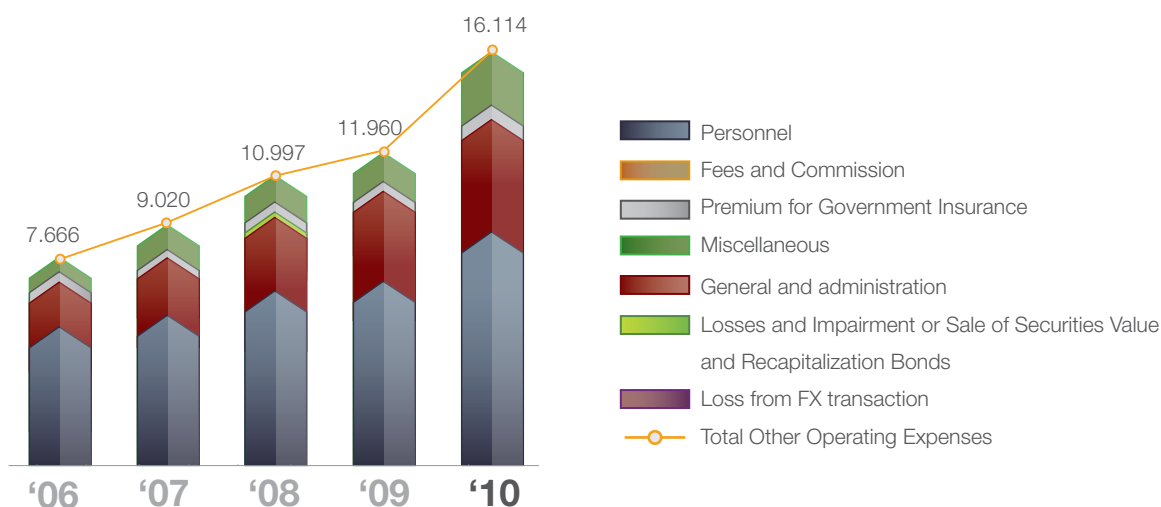
Other Operating Expenses

Other operating expenses increased by 34.74% from Rp12.29 trillion in 2009 to Rp11.73 trillion in 2010. The increase in these costs can be covered by the increase in operating income so that BRI can maintain CER (Cost Efficiency Ratio) at the level of 42.23%.

Labor and benefits expenses increased significantly by 29.96% from Rp6.68 trillion in 2009 to Rp8.68 trillion in 2010, this is mainly due to increase in the number of human resources in 2010 as a consequence of the networks expansion.

Likewise due to the increasing number of networks and services (operational units, outlets and e-channel) general and administrative expenses also increased from Rp3.72 trillion in 2009 to Rp4.71 trillion in 2010. BRI continuously improves its services through optimizing the developments, expansions, and quality of the branch offices, sub-branch offices, BRI units, ATMs, and other electronic delivery channel. In 2010, BRI added 1 regional office, 4 branch offices, 36 sub-branch offices, 94 cash outlets, 111 BRI units, 400 Teras BRI, 2,307 ATMs, and 7,233 new EDC.

Other Operating Expenses In billion Rupiah



	(Rp billion)				
	2006	2007	2008	2009	2010
Personnel	4,831	5,274	6,329	6,676	8,676
General and administration	2,054	2,405	3,088	3,718	4,711
Fees and commission income	3	3	1	0	0
Losses from impairment/sale of securities value and recapitalization bonds	0	46	150	0	0
Premium for Government Insurance	206	267	349	424	524
Loss from FX transaction	5	0	0	0	0
Miscellaneous	567	1,024	1,079	1,142	2,203
Total Other Operating Expenses	7,666	9,020	10,997	11,960	16,114

Earning Asset Loss Provision Expenses

During 2010, total provision for earning assets was increased by 36.53% from Rp5.79 trillion in 2009 to Rp7.92 trillion in 2010. The increasing in formation of provisions was among others to anticipate an increased risk of bad loan in line with the rise in outstanding loan and the anticipation of potential impact of natural disasters in several regions in Indonesia.

Income Tax Expenses

One of the contributions provided by BRI to the government other than dividends is tax. Income Tax paid by BRI increased 48.91% from Rp2.63 trillion in 2009 to Rp3.92 trillion in 2010, the tax contribution has accounted for deferred tax benefit amounting to Rp486.20 billion.

Financial Position

Balance Sheet

Amidst challenging macroeconomic and banking industry conditions, BRI takes careful steps in the management of its asset and liabilities in order to maintain its financial performance and to keep the policy to put sustainable growth of earning assets as the emphasis.

Balance Sheet Summary	2006	2007	2008	2009	2010
	Rp billion				
Total assets	154,725	203,735	246,077	316,947	404,286
Cash	3,459	5,041	6,750	8,139	9,976
Current Account with Bank Indonesia	14,021	31,048	9,946	12,893	19,990
Current Account and Placement with Other Banks - Net	13,796	15,543	25,622	49,485	88,930
Securities owned - net	16,044	20,482	24,322	25,528	23,750
Government Recapitalization Bonds	18,445	18,223	16,352	15,027	13,626
Loan Disbursed	90,283	113,973	161,108	208,123	252,489
CKPN	(6,718)	(6,958)	(8,005)	(11,368)	(14,103)
Investment - net	69	77	90	111	134
Fixed asstes - net	1,822	1,644	1,350	1,366	1,569
Other assets	3,505	4,663	8,542	7,642	7,924
Derivative Receivables - net	11	24	0	143	88
Acceptance Receivables - net	323	654	479	348	660
Deferred Tax Assets	865	1,270	2,000	1,915	2,295
Other assets	2,306	2,714	6,063	5,235	4,881
Total Liabilities	154,725	203,735	246,077	316,947	404,286
Liabilities	137,847	184,297	223,720	289,690	367,612
Third Party Funds	124,468	165,600	201,537	255,928	333,652
Current Account	27,864	37,162	39,923	50,094	77,364
Saving Account	58,308	72,300	88,077	104,463	125,990
Time Deposit	38,297	56,138	73,538	101,371	130,298
Immediate liabilities	2,357	3,956	5,621	4,333	4,124
Deposits form other banks	1,868	1,611	3,428	4,450	5,160
Securities with agreements to resell	103	103	103	544	526
Borrowing	1,765	2,382	3,356	13,611	9,455
Subordinated Debt	2,231	2,140	711	2,678	2,156
Other Liabilities	5,055	8,505	8,964	8,144	12,539
Equity	16,879	19,438	22,357	27,257	36,673
Paid-in capital	6,143	6,159	6,163	6,165	6,167
Other capitals	3,296	3,301	2,869	3,258	3,383
Retained Profit Loss	7,439	9,978	13,325	17,835	27,123

Assets

Total assets of BRI as of 31 December 2010 increased by 27.56% from Rp316.95 trillion in December 2009 to Rp404.29 trillion in December 2010, with the largest contributions was from earning assets expansion during 2010 rose Rp80.63 trillion from Rp299.06 trillion in December 2009 to Rp379.70 trillion in December 2010. Composition of earning assets which as of December 2010 amounted to Rp379.70 trillion was still dominated by loan and receivables amounting Rp252.49 trillion or 66.50% of total earning assets.

Composition of government recapitalization bonds was 3.59% and other earning assets including Bank Indonesia Certificates and other securities was 29.91% of total earning assets.

Starting financial year 2010, with the initial application of PSAK 50 and 55 (R.2006), the calculation of reserve for financial assets is no longer using the loan loss provision derived from a matrix of calculations based on loan collectibility. The calculation of reserve calculation is now based on impairment assessed individually or collectively. The financial assets will decline in value if there are objective evidence which indicates occurred after the initial recognition of financial assets and affected the debtor's payment in the future. There will be an assesment on a borrowers payment ability, once an objective evidence of declining value is identified. The provision should be provided, if there is a gap between the net present value of the debtors payment and its value on the recording date. As for collective impairment assesment the calculation in 2010 was still based on loans collectibilities.

In line with the growth in earning asset and also of the same cases where there are conditions which show objectives evidence of declining value comes from deterioratings of the borrowers business

caused by natural disasters, as of 31 December 2010 BRI formed a total of provision of Rp14.12 trillion. This amount increased by 21.05% from the position in December 2009 which amounted to Rp11.67 trillion.

Cash and Current Account with Bank Indonesia

Cash position as of 31 December 2010 increased 22.56% from Rp8.14 trillion in December 2009 to Rp9.98 trillion in December 2010. Demand deposits at BI also increased 55.04% from Rp12.89 trillion in 2009 to Rp19.99 trillion in 2010. The increase was primarily due to an increase in BI regulations regarding Minimum Reserve Requirement, the amount represents Rupiah Reserve Requirements of BRI listed at Bank Indonesia was 8.05%.

Current Account and Placement with Other Banks

Demand deposits and Placement with other banks increased by 79.71% from Rp49.49 trillion in 2009 to Rp88.93 trillion in December 2010. The increase is part of the strategy to optimize revenue from the increase of funds at year end.

Securities

Securities decreased by 6.96% from Rp25.53 trillion on 31 December 2009 to Rp23.75 trillion on 31 December 2010.

Government Recapitalization Bonds

As of 31 December 2010, BRI has Government Recap Bonds amounting to Rp13.63 trillion, declined 9.32% from 2009 which amounted to Rp15.03 trillion. This decrease was due to government recapitalization bonds which matured in 2010 amounted to Rp1.4 trillion, thus causing a decline in the contribution of government recapitalization bonds to total asset from 4.74% to 3.37%.

Government Recapitalization Bonds (Rp billion)

Types of Interest Rates	2006	2007	2008	2009	2010
Fixed Interest Rate	11,906	11,683	11,083	11,427	10,026
Floating Rate	6,539	6,539	5,270	3,600	3,600
Total	18,445	18,223	16,352	15,027	13,626

Loan

In 2010, BRI had successfully increase its total loans and sharia financing from Rp208.12 trillion in 2009 to Rp252.49 trillion in 2010, or an increase of 21.32%. As a bank with business focus on Micro, Small and Medium Enterprises (MSME), BRI has a dominant proportion of loans to MSME at 82.24% of the total loan portfolio. A percentage of 17.76% is channeled to the corporate sector, including State Owned Enterprises and Non-State Owned Enterprises. The biggest increase in lending comes from the distribution of micro loans which grew by 39.38%.

In contrast to the year 2009 (according to PSAK 31) in which loans were recorded at cost price, in 2010, recording loans must follow PSAK 50/55 (2006 Revision). In this case, loans are initially measured at the fair value that is equal to the transaction price subsequently recorded at book value (amortized cost) namely the remaining principal after deducting amortization of Fees and Transaction Costs (BRI expenses) as long as the transaction costs can be attributed directly and is an additional cost to realize the credit. Amortization using effective interest rate method.

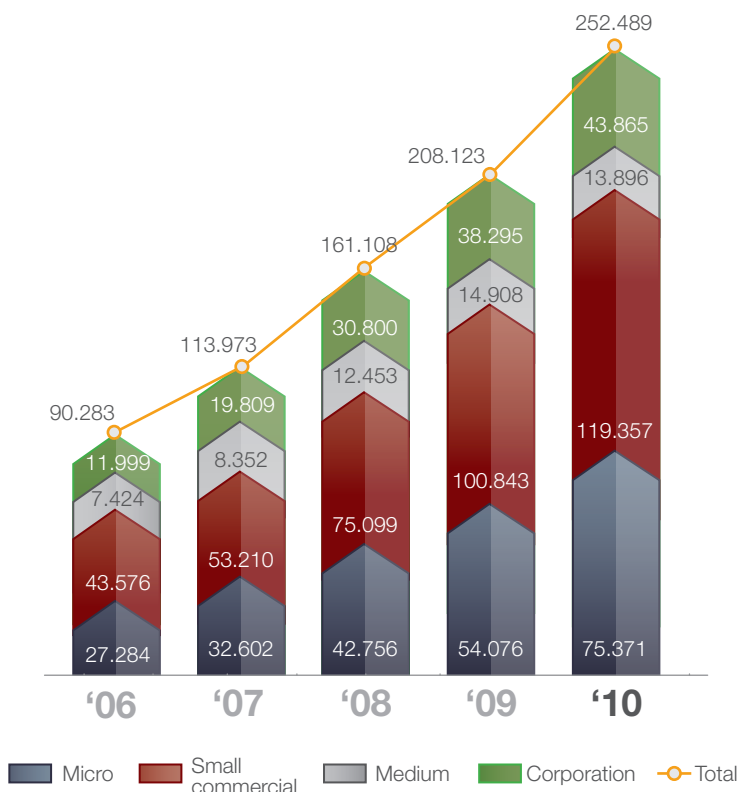
Loan Quality

BRI's loan in the current category increased 22.91% from Rp189.53 trillion in December 2009 to Rp232.95 trillion in December 2010. Special Mention Loan slightly increased from Rp11.28 trillion in December 2009 to Rp12.50 trillion in December 2010.

BRI's gross non performing loan (NPL gross) has declined from Rp7.31 trillion in December 2009 to Rp7.04 trillion in December 2010, resulting in an improvement of NPL gross ratio from 3.51% in 2009 to 2.79% in 2010. Improvement of loan quality was supported by NPL improvement in the micro segment, which down from 1.40% in December 2009 to 1.21% in December 2010, NPL in the middle segment down from 12.31% to 6.87% and NPL of corporations improved from 4.38% to 2.43%. While small commercial's NPL

Loan disbursed

In billion Rupiah



increased slightly from 3.02% in December 2009 to 3.45% in December 2010.

NPL net also improved from 1.07% in December 2009 to 0.75% in December 2010.

Loan Write-off

In 2010, BRI wrote off loans of Rp4.96 trillion and recovered loans previously written off amounting to Rp1.14 trillion. Increasing amount of loans write-off in 2010 was among others caused by bad loans in the small commercial segment due to factors of natural disasters that occurred in several regions in Indonesia and in the medium segment due to the global economic crisis.

Loan Write-off	2009	2010
	(Rp billion)	
Loan write-off	2,506	4,964
Recovery of written-off loan	772	1,137

Investment in Shares

BRI Investment in Shares of stock as of 31 December 2010 (net) was Rp133.89 billion, up 20.12% from December 2009 of Rp111.46 billion. The increase was due to gains from participations which are reinvested as participation in the company.

Details of investment in shares of stock owned by BRI as of 31 December 2010 are as follows:

- PT. BTMU-BRI Finance (previously PT UFJ BRI Finance) : Rp134.13 billion
- PT. Kustodian Sentral Efek Indonesia : Rp900 million
- PT. Sarana Bersama Pembiayaan Indonesia : Rp536 million
- PT. Pemeringkat Efek Indonesia : Rp210 million

Fixed Assets and Capital Expenditure

Along with the network expansion of BRI, there is increasing investment in fixed assets in 2010. Fixed assets position was recorded at Rp5.41 trillion, up 9.30% from 2009 of Rp4.95 trillion.

Fixed Assets	2006	2007	2008	2009	2010
	(Rp billion)				
Land & Buildings	1,223	1,340	1,436	1,582	1,811
Furnishing and Inventory	528	627	635	665	754
Vehicles	255	306	500	536	550
Computer and software	1,939	1,884	2,025	2,159	2,289
Leasing	384	328	59	3	1
Total	4,330	4,486	4,655	4,945	5,405

Other Assets

On 31 December 2010, other assets was recorded at Rp7.92 trillion, an increase of 3.69% from the previous year which was at Rp7.64 trillion. Other assets consists of derivatives, acceptance receivable, deferred tax assets and other assets.

Liabilities

Outstanding liabilities of BRI as of 31 December 2010 increased by 26.90% from IDR289.69 trillion in December 2009 to Rp367.61 trillion. The biggest contributor comes from Third Party Funds which has increased 30.37% compared to 2009. This significant increase is a testament to the success of marketing strategy, the vast network, as well as increasing public and investor confidence.

Third Party Funds

Third Party Funds are funds raised from third parties in the form of demand deposits, savings and time deposits including sharia products such as Wadiah Current Account, Mudharabah Savings, and Mudharabah Time Deposits.

In 2010, BRI managed to increase its third party funds significantly from Rp255.93 trillion in 2009 to Rp333.65 trillion or up 30.37% with a ratio of low to high cost fund mix at the level of 61% : 39%. Contribution of third party funds to total liabilities of BRI reached 90.76%.

By end of 2010, savings reached Rp 125.99 trillion, up 20.61% from 104.46 trillion, savings contributed 37.70% of total third party funds. This increasing portion of saving was the result of successful marketing campaign of the products as well as the product's feature development which successfully attracted more customer.

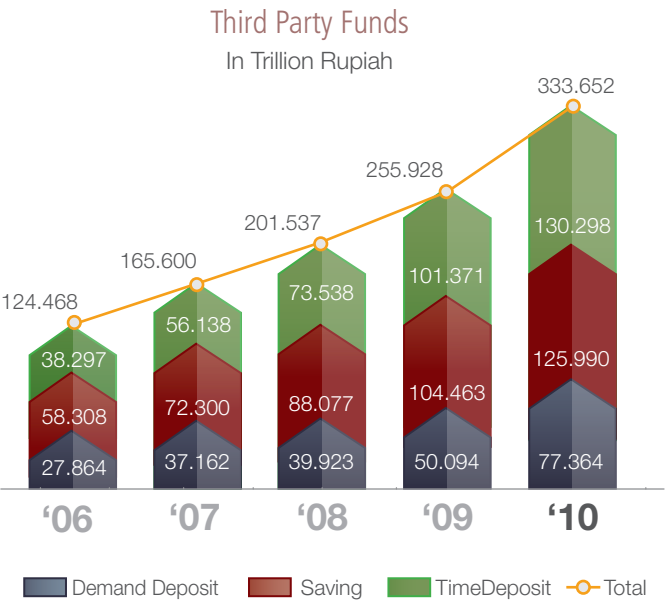
In 2010, time deposit was recorded at Rp130.30 trillion, up 28.54% compared to 2009 of which stood at Rp101.37 trillion. Increased time deposits, among others came from some government institutions and insurance companies.

BRI's demand deposits experienced the highest growth compared with other components of third party funds. BRI's demand deposit increased 54.44% from Rp50.09 trillion in December 2009 to Rp77.36 trillion in December 2010. The growth was partly because of BRI's success in cooperation with government and private institutions as well as the inclusion of the Treasury Single Account (TSA) at the end of 2010, which was one way of optimizing the role of BRI in the implementation of the TSA .

Current Liabilities

Current liabilities are BRI's liabilities to other party which has to be paid immediately in accordance with prevailing trust agreement. Some of the transactions entered into this item are money transfer deposits, tax payment deposits, ATM and credit card deposits, clearing deposits and advance payment deposits.

As of 31 December 2010, BRI recorded current liabilities of Rp4.12 trillion, down 4.84% compared to the position in December 2009 of Rp4.33 trillion.



Deposits from other banks and institutions

Deposits from other banks and institutions consist of demand deposits, savings, time deposits, interbank call money or deposit on call. These items are used for inter-bank transaction for operation and liquidity management purposes. Deposits outstanding from other banks and institutions in 2010 was Rp5.16 trillion, an increase of Rp710.41 billion from the previous year which was Rp4.45 trillion.

Borrowings

Borrowings among others are used to finance the general activities of BRI and trade finance needs. This item consists of loans from Bank Indonesia (liquidity loans and loans for fixed asset investments, loans from the government, bilateral loans and other loans). Total loans received as of 31 December 2010 was at Rp9.46 trillion, a decrease of Rp4.16 trillion compared to the position of Rp13.61 trillion as of 31 December 2009. Decreasing loans received was mainly due to decrease in banker's acceptance loans and because of maturity of bilateral loans used to finance general activities of BRI and the need for trade finance.

Subordinated Debt

On 31 December 2010, BRI Subordinated-debts consist of Rupiah Subordinated-Debt II amounted to Rp2 trillion and other subordinated loans amounted to Rp155.21 billion. It has listed on the IDX on 22 December 2009 with a period of 5 years and fixed interest of 10.95%. Net proceeds from

the issuance will all be treated as supplementary capital (tier II capital) in accordance with Bank Indonesia regulation, to be utilized entirely for credit expansion in accordance with prudential principles. Compared to the year 2009, subordinated loans decreased by Rp522.24 billion due to bought back of Rupiah Subordinated Debt I amounting to Rp500 billion on 9 January 2010 and also because of installment payments of Two Step Loans during the year 2010.

Other Liabilities

These liabilities include derivative and acceptance liabilities. On 31 December 2010, other liabilities was recorded at Rp7.92 trillion, an increase of 53.97% from the previous year which was at Rp8.14 trillion. This increase is partly due to increased production service (bonus) reserves, along with the increasing number of human resources at BRI.

Equity

BRI's Total Equity improved by 34.54% from Rp27.26 trillion in December 2009 to Rp36.7 trillion in December 2010.

The rise was primarily due to an increase in retained earnings from Rp17.83 trillion as of 31 December 2009 to Rp27.12 trillion as of 31 December 2010 due to a reduction in dividend pay out ratio for fiscal year 2009 to 30%. In detail, distribution of net profit for fiscal year 2009 which was carried out in 2010 is 30% for dividend payments, 13% for general reserves and 3% for the Partnership Program and Community Development (Program Kemitraan dan Program Bina Lingkungan/PKBL) and the remaining 54% to strengthen BRI's capital.

Cash Flow Information

Total cash and cash equivalents at the end of 2010 amounted to Rp118.89 trillion, up 45.57% from Rp81.67 trillion in 2009. During 2010, BRI recorded additional cash from operating activities amounted to Rp46.52 trillion, consist of Rp2.19 trillion in net cash expenditures for investment activities and net cash used for funding activities of to Rp7.07 trillion.

CASH FLOW	2009	2010
	(Rp Trillion)	
Net Cash Generated from Operating Activities	20,774	46,518
Net Cash Used For Investing Activities	(637)	(2,192)
Net cash from/(used for) Financing Activities	9,376	(7,068)

Cash Flows from Operating Activities

Net cash flow from operating activities was Rp1.28 trillion. The cash flows were generated from interest income, investment returns, provisions and commissions, as well as sharia income of Rp46.64 trillion. Net cash flows was also derived from the increase in operating liabilities of BRI and BRISyariah namely the increase of demand deposits, savings and time deposits, each amounting to Rp27.27 trillion, Rp21.53 trillion and Rp28.93 trillion, respectively.

Cash outflows for operating activities was derived from interest payments, sharia expenses and other financing amounting to Rp11.72 trillion, other operational expenses Rp25.25 trillion and increased on BRI operating assets such as placement with Bank Indonesia and other banks amounting to Rp816.71 billion, and sharia financing and receivables was at Rp44.37 trillion.

In 2009, net cash flows from operations amounted to Rp20.77 trillion, cash outflow were derived from interest payments, sharia and other financing expenses amounted to Rp12.30 trillion, other operating expenses of Rp17.45 trillion and the increase in total loans granted, receivables and sharia financing amounted to Rp47.01 trillion.

Cash Flows from Investing Activities

Net cash flow used in investing activities in 2010 amounted to Rp2.19 trillion was used to acquire fixed assets.

Meanwhile in 2009, net cash flow used for investing activities amounted to Rp637.40 billion used for fixed asset investment and the addition of securities and government bonds.

Cash Flow from Financing Activities

During 2010, net cash flow being used for financing activities was Rp7.07 trillion, used to repay loans received was Rp4.16 trillion and for distribution of profit for dividends for the PKBL was Rp2.41 trillion.

Meanwhile in 2009, net cash flows generated from financing activities in 2009 was Rp9.38 trillion, derived from fund borrowing amounting Rp10.25 trillion and the subordinated debt proceed amounting Rp1.97 trillion. Meanwhile, cash outflow for financing activities is for distribution of profit & PKBL of Rp2.80 trillion.

Financial Ratio Related with the Transparency

DESCRIPTION		2009	2010
Performance Ratio			
1	Capital Adequacy Ratio (CAR)	13.20%	13.76%
2	Non performing earning assets and non performing non earning assets to total earning assets and total non earning assets	2.59%	2.19%
3	Non Performing earning assets to total earning assets	2.68%	2.24%
4	Impairment Loss Reserve of financial assets to earning assets	4.29%	4.58%
5	NPL gross	3.52%	2.78%
6	NPL net	1.08%	0.74%
7	Return on Assets (ROA)	3.73%	4.64%
8	Return on Equity (ROE)	35.22%	43.83%
9	Net Interest Margin (NIM)	9.14%	10.77%
10	Operating Expenses to Operating Income	77.66%	70.86%
11	Loan to Deposit Ratio (LDR)	80.88%	75.17%
Compliance			
1.	a. Violations on Legal Lending Limit		
	i. Related party	0,00%	0,00%
	ii. Unrelated party	0,00%	0,00%
	b. Excess of Legal Lending Limit		
	i. Related party	0,00%	0,00%
	ii. Unrelated party	0,00%	0,00%
2.	Statutory Reserves		
	a. Rupiah	5,90%	8,05%
	b. Foreign Exchange	1,00%	1,00%
3.	Net Open Position (NOP) as a whole	5,22%	4,45%

Capital Adequacy

According to Bank Indonesia Regulation No. 10/15/PBI/2008 dated 24 September 2008, Banks are required to calculate Capital Adequacy Ratio (CAR) taking credit risk, market risk and operational risks into account. BRI's CAR for credit and market risks was 15.60% in 2010, an increase over the previous year which was 13.20%. The increase is due to BRI's prudent policy in capital and management policy in expanding loans with a lower risk weighting. While CAR for credit, market and operational risks in December 2010 stood at 13.76%.

Capital Adequacy Position

This table shows BRI capital adequacy position in the periods of 2006-2010

DESCRIPTION	2006	2007	2008	2009	2010
	Rp billion				
Core Capital	13,104	15,448	17,796	20,846	27,673
Supplementary Capital	1,881	1,819	1,945	1,993	4,037
Placement/Investment	70	209	553	-	-
Total Available Capital	14,915	17,059	19,188	22,839	31,711
Total Risk Weighted Assets of credit and market	79,261	107,711	145,581	173,068	203,316
Total Risk Weighted Assets of credit and operations				-	229,014
Total Risk Weighted Assets of credit, market, and operationas				-	230,447
CAR for credit and market risk	18.82%	15.84%	13.18%	13.20%	15.60%
CAR for credit and operational risk					13.85%
CAR for credit, market, and operational risk					13.76%

Return on Equity

Return on equity is a reflection of return to shareholders which increased from 35.22% in 2009 to 43.83% in 2010. Return on assets before tax increased from 3.73% in December 2009 to 4.64% in December 2010. Both ratios were still above the industry average, which in 2009 and 2010 was recorded respectively at 2.60% and 2.86%.

Statutory Reserves

Based on Bank Indonesia policy, Bank BRI is required to maintain rupiah Minimum Reserve Requirement and foreign currency Reserves Requirement. In December 2010 BRI Rupiah reserves position was 8.05% and foreign exchange reserve position was 1%.

Net Open Position

In accordance with Bank Indonesia regulations, the Net Open Position (NOP) as a whole represents the totaling of absolute value of net assets and liabilities and net administrative accounts assets and liabilities of each foreign currency expressed in Rupiah currency.

On 1 July 2010, Bank Indonesia issued a regulation No. 12/10/PBI/2010 on the Third Amendment of Bank Indonesia Regulation No. 5/13/PBI/2003 on Net Open Position of commercial bank. Under the regulation, BRI must maintain an overall maximum NOP of 20% of the capital. BRI net open position ratio in 2010 was 4.45% lower than net open position ratio in 2009 of 5.22%.

By 31 December 2010, BRI fulfilled all statutory ratio in accordance with Bank Indonesia regulation, and other prevailing rules and regulations.

Additionally, most important financial ratios presented in the table above have indicated BRI's strong base or strong financial fundamentals, a performance to be proud of, and reflected banking intermediation function that is really done professionally, transparently and accountably.

Other Financial Information

Dividend Payment Policy

The amount of dividends paid each year is decided by the General Meeting of Shareholders of BRI. On 23 July 2004, BRI distributed dividends for the first time amounted to Rp990.47 billion or Rp84.19 per share with a dividend pay out ratio of 75.01%. For Fiscal Year 2009, BRI has paid out dividends amounted to Rp2.19 trillion or Rp132.08 per share on 1 July 2010 with a dividend pay out ratio of 30%. This shows that on year to year basis, the amount of dividend pay out ratio paid by BRI has decreased. With the growing decline in dividend pay out ratio to be paid, BRI can be more expansive in developing its business.

Dividend Year	Net Profit (Rp Billion)	Dividend (Rp billion)	Dividend per Share (Rp)	Dividend Payment Ratio (%)	Payment Date
2003	2,579	990.47	84.19	75.01	23 July 2004
2004	3,633	1,816.61	152.93	50.00	5 July 2005
2005	3,608	1,904.29	156.18	50.00	10 July 2006
2006	4,257	2,128.78	173.04	50.00	02 July 2007
2007	4,838	2,419.00	196.34	50.00	7 July 2008
2008	5,958	2,085.43	168.82	35.00	3 July 2009
2009	7,308	2,192.48	132.08	30.00	1 July 2010

*from net profit of semester II (1 July 2003 - 31 December 2003) of Rp1,32 trillion, semester I profit was converted into capital
Note: On 30 December 2010, BRI has paid interim dividends of fiscal year 2010 amounted to Rp45.93 per share.

Significant Events

In 2010, there was no financial information recorded in regard to infrequent and extraordinary events.

Information on Investment/Divestment

BRI has made additional capital placement of Rp500 billion to BRI Syariah (Subsidiary) to support its business expansion in September 2010.

Use of the Proceeds from Initial Public Offering (IPO)

Until the end of December 2009, all proceeds from the IPO have been utilized as planned use of funds with the following details:

No	Planned Use	Budget	Actual Use of Budget	Achievement
		Rp billion		
1	Upgrading information reporting system and implementing core banking system (60%).	883.27	883.27	100%
2	Expanding network of branch offices and units (30%).	147.21	147.21	100%
3	Funding the growth, research and development, loans granted and other financing (10%).	441.63	441.63	100%
TOTAL		3,982	3,982	100%



Use of Rupiah Subordinated-Debt II Issuance Funds

On 22 December 2009, BRI has issued BRI Rupiah Subordinated-Debts II amounted to Rp2 trillion, with a term of 5 years and fixed interest rate of 10.95%. In accordance with the Prospectus on Rupiah Subordinated-Debt II issuance, the proceeds from the issuance will be treated as supplementary capital in accordance with Bank Indonesia regulation to be utilized entirely for loans expansion based on prudential principles.

BRI has used all funds of BRI Rupiah Subordinated-Debts in 2009 for loans expansion. This is based on data as of 31 March 2010, where BRI's total lending has reached Rp208,691,268,354,650.00 and when compared with the achievement of loan disbursements as of December 2009, the nominal loans growth of BRI of has exceeded the issuance amount of Bank BRI II Subordinated Bonds of 2009 Rp3,168,874,741,123,51.

Business Prospect

In line with the global economic recovery, GDP growth of Indonesia had reached 6.1% and is projected to continue to strengthen in 2011. Other macroeconomic indicators such as inflation, exchange rate, foreign exchange reserves also showed positive trends. BI has projected loan growth to reach 24% in 2011. These developments generally reflect the improving outlook of BRI's business prospects in the future, given the BRI business model that focuses on SME financing is closely related to the national economic growth.

Marketing Aspect

To continue increasing its market share, BRI has made various efforts such as making infrastructure available - such as opening new outlets, adding human resources in the marketing field through recruitment of account officers, funding officers, BRI Unit staff, and improving the quality of products and services.

Marketing communication for each products and services was performed to enhance corporate image and brand awareness such as lottery programs Untung Beliung Britama (BritAma Wind of Fortune) and Pesta Rakyat Simpedes (Simpedes Folks Festival). A more complete description of marketing communication can be seen in the Chapter on Business Review section Consumer Business - Marketing Communication, Page 109.

Events after the Date of Financial Report

Stock Split

Following the mandate of BRI's shareholders at the Extraordinary General Meeting of Shareholders on 24 November 2010, on 11 January 2011, BRI has implemented a stock split with a ratio of 1:2 so that 1 share originally worth Rp500 per share was split into 2 shares with a nominal value of Rp250 per each share.

This stock split does not result in a change in value of shares issued and fully paid by BRI, so that total shares issued and fully paid by BRI are:

Information	Before Stock Split		After Stock Split	
	Total	Amount	Total	Amount
Republic of Indonesia	7,000,000,000	3,500,000,000,000	14,000,000,000	3,500,000,000,000
Shares of Series A Dwiwarna	1	500	1	250
Shares of Series B	6,999,999,999	3,499,999,999,500	13,999,999,999	3,499,999,999,750
Public	5,334,581,000	2,667,290,500,000	10,669,162,000	2,667,290,500,000
Shares of Series B	5,334,581,000	2,667,290,500,000	10,669,162,000	2,667,290,500,000
Shares in Portfolio	17,664,419,000	8,832,709,500,000	35,330,838,000	8,832,709,500,000
Total	30,000,000,000	15,000,000,000,000	60,000,000,000	15,000,000,000,000

The objective of a stock split is to improve stock liquidity and expand the ownership and distribution of company stock in the Indonesia Stock Exchange



Bank Agro Acquisition

On 3 March 2011 the Deed of Acquisition was signed by BRI and Plantation Pension Fund (Dapenbun) over 3.030.239.023 shares of PT Bank Agroniaga Tbk. (Bank Agro) or 88.65% from total shares issued and fully paid in accordance with the Deed of Meeting Minutes of Bank Agro No. 38 dated 29 December 2009 signed before Notary Rusnaldy, SH in Jakarta with the price of Rp109 per share. Commencing on 3 March 2011, BRI has effectively become the Controlling Shareholder of Bank Agro. Bank Agro stock purchase of 3,030,239,023 shares was determined by considering the implementation of Warrant Series I, the reassignment of Bank Agro shares related to the implementation of tender offer and the fulfillment of minimum public shareholding. So that, if the whole process of shares acquisition in Bank Agro has been completed, BRI will at least own 76%, Dapenbun 14% and public will own 10%.

BRI has also made a pre-notification to the Commission for the Supervision of Business Competition (Komisi Persaingan Pengawas Usaha/KPPU) on 3 October 2010. This was to comply with the provisions of Government Regulation No. 57 of 2010 regarding Merger/Consolidation of Business Entities and Acquisition of Company Shares which may Result in Monopolistic Practices and Unfair Business Competition and KPPU has recommended that the action of this acquisition shall not create a monopoly in the banking industry.

The signing of this deed of acquisition was a continuation of the signing of the Sale and Purchase Agreement of Bank Agro shares between BRI and Dapenbun which was held on 19 August 2010 and a follow up of the decision by the shareholders of BRI at the EGM on 24 November 2010. Bank Indonesia has approved the acquisition process by way of Bank Indonesia's letter dated 16 February 2011.

Given the agribusiness sector have a very large growth potential in Indonesia, BRI believes that the acquisition of Bank Agro can create synergies that lead to increased shareholder value. Takeover of Bank Agro is intended to strengthen the position of BRI in the agribusiness sector. Bank Agro business focus in the agribusiness sector and support of Bank Agro stakeholders is expected to accelerate the penetration of BRI to the agribusiness sector. This is a proof of BRI commitment in the development of agriculture sector in the broad sense, which in turn will strengthen BRI's position in the MSME segment in particular the agriculture economic sector.

BRI as the controlling shareholder will direct Bank Agro into a leading commercial bank that focuses on the agricultural sector in supporting the development of agribusiness in Indonesia. It is expected that after the acquisition of Bank Agro, there will be more efforts on providing banking products and services to all levels of society, and financing will be focused on the segment of Small and Medium Enterprises (SME) especially the agribusiness sector. Bank Agro post-acquisition development cannot be separated from the development of BRI as a whole. In the implementation of this acquisition, BRI has followed all provisions contained in the prevailing laws and regulations.

In order to comply with Bapepam-LK Regulation No. IX.H.1, Bapepam-LK Regulation No. IX.F.1 and Bapepam-LK Regulation No. IX.F.2, BRI will conduct Tender Offer for Bank Agro shares owned by public shareholders who are entitled.

Business Review

Micro Small and Medium Enterprise Business

Since the beginning of its inception, BRI had been committed to develop micro, small, and medium enterprise (MSMEs) as the focus of its business. The commitment is materialized by channeling most of its loan portfolio to MSMEs while maintaining a maximum 20% to corporate segment.

BRI business strategy at MSME segment is implemented through continuous expansion of its service throughout the outlying parts of country while increasing availability of service in the highly populated areas to better serve grass-root customers.

The business is optimized and developed through micro financing using its vast network of 4,649 BRI Units and 617 Teras BRI, and this number will continue to increase and spread all over Indonesia. As for small and medium enterprises financing are served by Regional Offices, Branch Offices, and Sub-Branch Offices.

Micro is a segment that underpins Indonesia's economy. This segment is proven for its resistance against crisis or global economic turmoils compared with the other segment. This is one of the reasons why BRI continue to take micro segment as one of its core businesses. It is with this micro segment that BRI is expected to continue playing its active role in supporting national economy despite global economic crisis that shows no sign of receding.

MSMEs business is chosen not only because of considering the revenue that comes from the loans interest but also considering the potential of fee-based income that will be received from BRI's products and services. For example, as more and more loan for micro, small and medium enterprises (MSMEs) and for customers with fixed income are channeled, the fee-based income revenues also shows significant increase.

BRI makes a constant effort to maintain its position as the market leader in micro business, a reputation that is widely acknowledged in the international level. In order to maintain this strong position, BRI continuously develops and innovates the products in micro business sector and expands its network by opening new working units of BRI Unit and Teras BRI that is supported further with the establishment of Teras BRI Keliling (Mobile Sub-Micro Outlet).

Aiming at improving brand awareness in small and medium segments, BRI adds more Branch Offices, Sub-Branch Offices, and Cash Outlets at the heart of economic activities all over the country to provide easy access of banking services to small and medium business players.

As an effort to meet customers needs and demands, BRI actively organize business gathering with several business associations and business communities. BRI also regularly acquire new customers through various events and exhibitions. A mass campaign using different communication channels were also initiated and it includes fliers, x-banners, advertorials, display ad, print-ad, and expomatic events. These initiatives were aimed at improving customers and prospective client's awareness towards BRI's products and services.

In order to remain competitive and ahead of the competition, BRI develops its products and features for SMEs based on customer needs. Besides developing the product features, BRI also monitors and evaluates the existing products of excellence including loans like Kupedes, Briguna Loan, program loan, small commercial and medium loans as well as savings like Simpedes and BritAma, so that the quality of the products is maintained.

Besides focusing on the development of Micro, Small and Medium Enterprise businesses, BRI is authorized by the Government as one of the banks responsible for Program Loan distribution. This appointment is based on the experience and the ability of BRI in distributing the loans to micro and small businesses, which is supported by an extensive network. BRI believes that by participating in Government loans scheme will provide benefits such as: first, through its program loan, BRI will earn interest income and fee-based income and BRI can serve as an incubator to transform program loan borrowers into commercial loan borrowers.

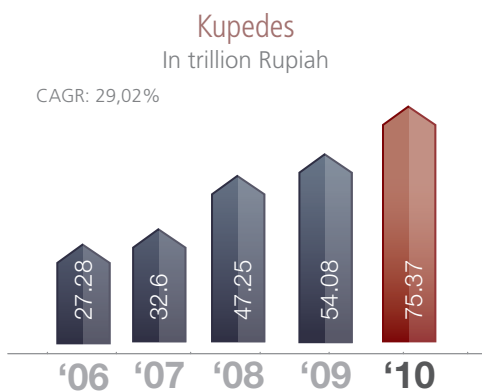
Products and Performance of MSMEs

Loan Products

Micro Loan

BRI offers micro loans in the form of Kupedes and Micro People's Business Loan (Kredit Usaha Rakyat/KUR). Kupedes is BRI's micro loan with the loan ceiling of up to Rp 100 millions and it is provided by BRI Units and Teras BRI. Kupedes is divided into working capital loan, investment loan, and other purposes. Improvements and developments of the product features of Kupedes are continuously been carried out to meet customers's needs. Currently, Kupedes features have been developed to follow the market's demands, and includes daily installment, Kupedes with gold collateral, Kupedes for group-bound individuals, and Kupedes for multipurposes such as building or renovating houses, buying vehicle, etc.

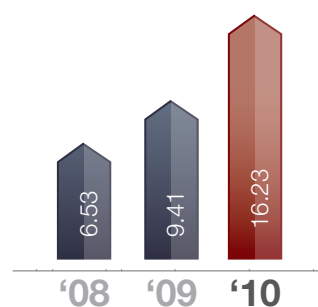
Kupedes disbursement increased by 39.38% from Rp54.08 trillion in 2009 to Rp75.37 trillion in 2010.



KUR Mikro is a commercial loan given to micro enterprises and cooperatives which have feasible businesses but are limited in meeting the bank requirements or unbankable.

Up to 2010, the total of KUR Mikro BRI disbursement has reached Rp 16.23 trillions or has grown 72.48% of Rp 9.41 trillions in 2009 with borrowers amounting to 2.3 millions in 2009 and 3.6 millions in 2010.

Total Micro KUR Disbursement In trillion Rupiah



Small Commercial Loan

Small commercial loan products marketed by BRI are designed for small business entrepreneurs in all sectors. Other than investment loan and working capital loan, other alternative loan products that suit the needs and characteristics of customers are franchise loan, petrol station loan, PPTKIS loan (for Indonesian migrant workers), religious pilgrimage loan (PIHK), express loan, warehouse receipt loan, cash collateral loan, and construction working capital loan as well as partnership loan.

As for Construction Loan, there are several types of loan alternatives for construction business – construction working capital loan designed for general contractor and developer, working capital loan with the source of repayment from the state budget, loan for warehouse ownership in business estate, and loan for the construction of BTS (Base Transceiver Station).

In order to meet customers's needs, in 2010 BRI has developed loan schemes, among others granting loan to civil servants, members of the police and army, employees of state-owned enterprises (SOE), employees of local enterprises and employees of leading private companies, warehouse mortgage loans, and working capital loan financing based on bills receivable (invoices), in particular to vendors (contractors, sub-contractors and suppliers).

Small Commercial Loan increased by Rp 57.85 trillions in 2010 or grew by 5.76% compared to that in 2009. Consolidation in small commercial loan segment in 2010 has slowed down the loan growth.

Outstanding	2006	2007	2008	2009	2010	Growth (yoy)
	(Rp trillion)					
Small Commercial Loan	24.42	30.85	42.12	54.70	57.85	5.76%

Salary Based Loan (Briguna)

Briguna Loan is a loan specially created to meet consumptive financing needs of civil servants or pensioners having fixed income.

Briguna Loan keeps increasing due to both acquisition and increased loan ceiling in line with the salary increase. Total distribution of Briguna Loan reached Rp39.09 trillions, representing an increase of 23.04% during 2010.

Outstanding	2006	2007	2008	2009	2010	Growth (yoy)
	(Rp trillion)					
Briguna	15.06	17.59	23.99	31.77	39.09	23.04%

Program Loan

BRI Program Loan is divided into Commercial Program Loan, Subsidized Program Loan, and Channeling Loan. Commercial program loan and subsidized program loan are recorded on-balance sheet, while channeling loan is recorded off-balance sheet, so that BRI provides only administrative service without credit risks.

Commercial Program Loan is for feasible debtors of micro & small businesses as well as cooperatives that are not able to get a financing scheme of subsidized program loan or commercial loan (unbankable). One of the Commercial Program Loan products is the People Based Small-Business Loan (Kredit Usaha Rakyat/KUR) which has grown rapidly since its first launching in November 2007.

Total Disbursement	2006	2007	2008	2009	Des 2010	Growth (yoy)
	(Rp trillion)					
KUR	-	0.28	9.58	13.59	22.72	67.13%

During 2010, actual cumulative of KUR was increased by 67.13% from Rp13.60 trillion in 2009 to Rp22.72 trillion in 2010.

Outstanding	2006	2007	2008	2009	Des 2010	Growth (yoy)
	(Rp trillion)					
KUR	-	0.24	6.87	5.82	8.97	54.08%

During 2010, actual outstanding KUR was increased by 54.08% from Rp5.82 trillion in 2009 to Rp8.97 trillion in 2010.

Subsidized program loan is aimed at supporting government programs in food security, which includes fisheries, bioenergy development and plantation recovery programs. The program loans included in this category are Food and Energy Security Loan (Kredit Ketahanan Pangan dan Energi/KKP-E) and Bio-Energy Development - Plantation Revitalization Loan (Kredit Pengembangan Energi Nabati dan Revitalisasi Perkebunan/KPEN-RP) of non-partnership scheme.

Up to 2010, BRI is still the market leader in the distribution of KKP-E with a market share of 56% of the total outstanding KKP-E in Indonesia.

Outstanding	2007	2008	2009	2010	Growth (yoy)
	(Rp trillion)				
KKP-E	0,58	0,90	1,21	1,53	26,58%

In 2010, the KKP-E increased by 26.58% to Rp 1.35 trillion from Rp 1.21 trillion in the previous year. KKP-E Scheme consists of the KKP-E People's Sugarcane, KKP-E Food Crops Development, KKP-E Animal Husbandry, KKP-E Food Procurement, KKP-E Horticulture Crops Development, KKP-E Agricultural Equipment and Machinery and KKP-E Fisheries KKP-E distribution is done through farmers' groups, cultivators, or fishermen.

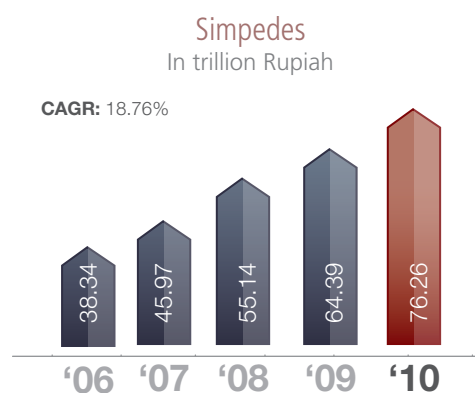
Third Party Fund Product

Simpedes

The primary saving product BRI has for micro segment is Simpedes Savings. The main target market of this product is the middle-lower class in rural and sub-urban areas. Simpedes Savings has been recognized worldwide as a pioneer of saving in the microfinance sector. Simpedes Savings has a vital position for micro businesses, because it serves as the main source of funds for Kupedes disbursement.

BRI is continuously developing and innovating Simpedes Savings product, one of which is through distributing Simpedes cards to all Simpedes Savings account holders so that the customers can enjoy e-banking services conducted by BRI.

Over the last five years, Simpedes grew at an average of 18.76% per year (CAGR), from Rp 38.34 trillions in 2006 to Rp76.26 trillions in 2010. Up to 2010, the number of Simpedes account holders has reached over 22 million customers. This large number of customers also provides significant fee-based income for BRI.



In order to improve service to customers, BRI applies real-time online system in all working units, including BRI Units and BRI Teras, so that it can serve more banking products and services.

With this real-time online system, BRI Unit and Teras BRI are able to collect more funds from the community through various BRI's saving products such as Time Deposit, Giro, Saving, and Hajj Saving.



Microfinance International Cooperation

BRI's success in developing commercial microfinance has obtained numerous awards and international recognitions. There have been more than 6.000 VVIPs (Very Very Important Person) from 55 countries paid their visits to BRI in the form of study visits and trainings on microfinancing to date. They VVIP consisting of policy makers, central bankers, commercial bankers, donor agencies, academicians, and practitioners of microfinance.

The establishment of BRI MIC (Microfinance International Cooperation) is a form of BRI's global corporate social responsibilities to develop microfinance in the world. Therefore, since the beginning of its existence, MIC which was known as the International Visitor Program (IVP) has got a full support internationally in the form of grants from USAID and the World Bank / CGAP (Consultative Group to Assist the Poor).

MIC function for BRI all this time is not only as public relations in microfinance, but also as organizer of Microfinance Training and Study Visist (MSTV), business captures, and technical assistance in the field of microfinance. Through the MIC, BRI has established cooperation with the Asia-Pacific Rural and Agricultural Credit Association (APRACA), Microfinance Network (MFN), Microcredit Summit, Banking With The Poor (BWTP), Woman World Banking, APEC, and others.

In 2010, BRI through MIC participated in The Second Financial Inclusion Advisors Program (Malaysia), 57th APRACA Executive Committee Meeting (Thailand), Financial Inclusion Advisor Program (Uganda), 16th WSBI Asia Pacific Group Meeting (Indonesia), World Savings Bank Conference (Indonesia), World Bank Workshop on Access to Finance (Indonesia), 27th ASEAN UMKM Working Group Meeting (Indonesia), Microfinance Network 17th Annual Conference (Mexico), and SECO-SBV Bank Restructuring Workshop (Vietnam). In 2010, BRI was also appointed by APRACA as one of APRACA Centers of Excellence (ACEs) mainly in retail and unit banking (microfinance).

In 2010, at least 185 VVIP from 23 overseas institutions have participated in the IVP activity conducted by BRI MIC. Those institutions include among others Churchill Foundation, Ford Foundation, ADB Consultant, Yale University, National Bank of Ethiopia, Nigerian Investment Promotion Commission, RUFIP (Rural Finance

Intermediation Program) Ethiopia, PKSF (Palli Karma Sahayak Foundation) Bangladesh, ACSI (Amhara Credit and Savings Institution) Ethiopia, Postal Savings Bank of China (PSBC), AMRET Cambodia, etc.

In addition to the Microfinance Training and Study Visit (MTSV) through BRI's IVP program, some of the participants also asked for technical assistance and consultancy services from BRI. Therefore, BRI MIC will continue to expand its activities by providing consultancy services in the field of microfinance to those in need.

Development Plan

Human Resources

The quantity and quality enhancement of professional and reliable human resources will be conducted to support the growth of micro business that focuses on the development of product features in accordance with the potential market opportunities and network optimization services of BRI and its existing terrace.

Products

In terms of lending, micro loan products and features will be developed to be more competitive and in line with market needs, such as Kupedes with Gold Collateral, Kupedes with daily installment, and Kupedes with Group Binding. To further promote the expansion of Kupedes, BRI will cooperate with other government and private institutions. In terms of savings, BRI will innovate in developing Simpedes product and features to become more competitive in the market such as Business Simpedes and Dream Simpedes.

Marketing

The BRI Eid Mubarak Homecoming Program for Kupedes and Simpedes customers as an marketing activity is held annually. This event is both an appreciation from BRI to loyal Kupedes borrowers and Simpedes customers and also one of the activities of BRI Corporate Social Responsibility (CSR).

To support the marketing of Simpedes, Kupedes and KUR Mikro, BRI has conducted Simpedes Folks Festival, BRI Care for traditional market and Simpedes Monthly Harvest Program.

In order to support various marketing programs above and motivate every employee of micro businesses to excel and provide the best work for BRI, the management sets a rewards program called BRI Unit Award Program. This reward program is arranged in such a way that the granting of rewards will be comprehensive and able to accommodate various categories, so that business and operational activities of BRI Units can be well developed and sustained.

“As a personal customer of **BRI**, I would thank **Bank BRI** for all their help to promote my business by inviting me to participate in an exhibition abroad. It really motivates me to make a further improvement in this global era. **Bank BRI** with the credo “Serving you with Passion”, I already feel that **Bank BRI** has served me with a passion. Keep on growing **Bank BRI**, thank you...”

I Kadek Septariana, a silver jewelry maker of Metro Silver

Consumer Business

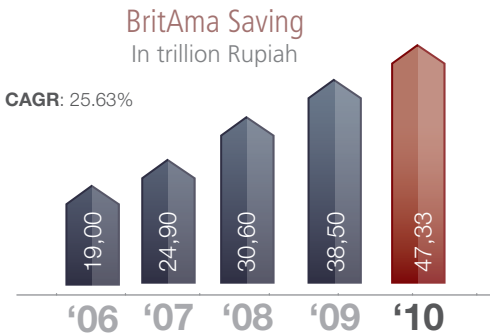
BRI continues to make innovation in consumer banking products and services which are creative and up to date. This innovation is able to meet the banking needs of urban communities, such as: savings, current accounts, time deposits, electronic banking, priority banking services, housing loans, motor vehicle loans, multipurpose loans and credit cards. With banking products that meet the needs of modern society, BRI is able to raise low-cost funds and optimize the attainment of fee-based income (FBI) as well as increase the market share of retail savings in terms of both number of accounts and volume of savings.

BritAma Saving

BritAma saving is a product of excellence to capture third-party funds market in urban areas that requires the ease and convenience of banking transactions. Britama savings is available in Rupiah and foreign currencies. Features offered are among others deposit and withdrawal which can be done on-line at any time at more than 7,000 BRI working units all over Indonesia. Withdrawal frequency is not limited as long as it is consistent with the terms and conditions.

BritAma account holders receive a BRI Card that can be used for ATM transactions and shopping around the world as well as facilitating access to e-banking transactions, on-line BRI transactions, free personal accident insurance facility, automated transaction facility (automatic funds transfer, automatic grab fund, accounts sweep) and they are also included in Britama Wind of Fortune lucky draw (Untung Beliang BritAma/UBB).

In 2010, Britama Saving reached Rp 47.33 trillion, an increase of 22.94% compared to that in 2009 amounting to Rp 38.45 trillion.



BRI has won Consumer Banking Excellence Award in 2 categories for deposit products, namely category of Best Savings Account and Most Creative Consumer Banking Assets With Up To 50 Trillion Rupiah in a survey conducted by SWA magazine and Synovate in 2010.

BritAma Junio Saving

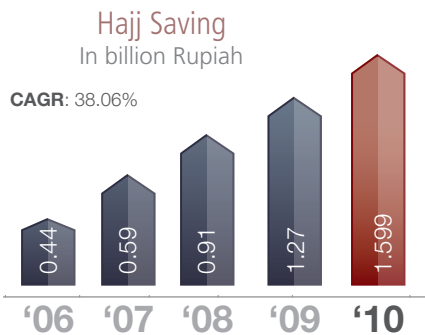
BritAma Junio is saving for children aged 17 and under as its specific target market, but along with the increasing demand for BritAma Junio, customers aged over 17 years also may have this product. The purpose of this savings is to introduce the early banking habit to children and to encourage them to save their money. BritAma Junio is very interesting product because the customer is given BRI Card Private Label Limited Edition, pictured with kids idol cartoon characters like Superman, Tweety and Tom and Jerry. In addition, BritAma-Junio's customers will get personal-accident-insurance facility and will be included in UBB program.

BritAma Wind of Fortune Lucky Draw (Untung Beliang BritAma/UBB)

UBB is a program of customer retention / loyalty and acquisition of Britama Savings as a fund-collection strategy as well as increasing the balance of Britama Savings. This UBB program has been done for 5 periods since 2007 and has been successful in increasing public awareness of BritAma saving product.

Hajj Saving

Hajj Saving is a special saving account for customers who intend to go Hajj Pilgrimage. This product assists the customers preparing their fund for their pilgrimage purpose (Hajj Pilgrimage Fund and Hajj Plus). Various advantages offered by this product is including online deposit at BRI working unit which are connected directly (host to host)



“Thank you **BRI** for its genuine help. Hopefully it can create a goodwill both of us in the world and the hereafter.”

Jefri “UJ” Al Buchori, Ustadz (Islamic Teacher)

through the application switching with Siskohat Ministry of Religious Affairs, administration fee, free life and personal accident insurance, and the provision of souvenirs when customers make repayment of pilgrimage cost.

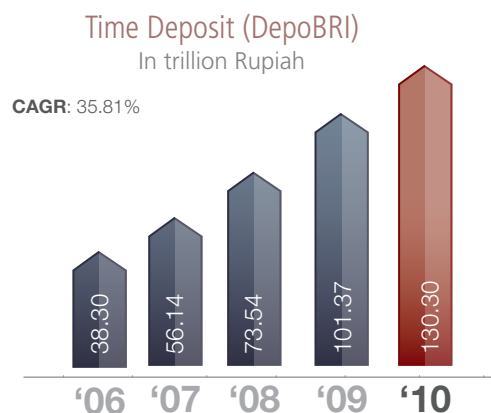
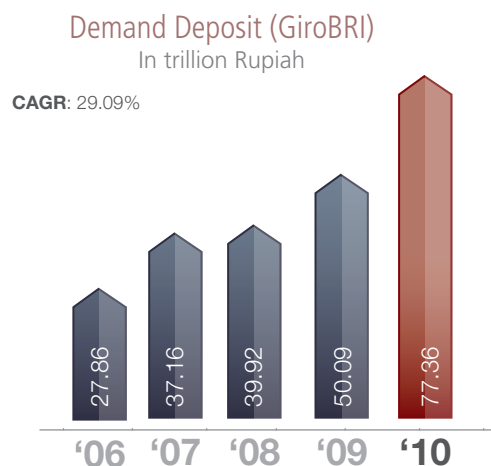
In 2010, Hajj Saving reached Rp1.59 trillion, an increase of 25.80% compared to that in 2009 amounting to Rp1.27 trillion.

Demand Deposit (GiroBRI)

GiroBRI is aimed at collecting low-cost funds from the community. GiroBRI is available in various currencies, Rupiah and foreign currencies. Customers can do withdrawals and deposits at any time without nominal limitation. GiroBRI features BRIVA (BRI Virtual Account) facility that simplifies the customer to do the deposit and reporting. In 2010, low-cost funds successfully collected through the Giro BRI reached Rp77.36 trillions, increasing 54.44% compared to Rp50.09 trillions in 2009.

Time Deposit (DepoBRI)

DepoBRI is a time deposit product, with the withdrawal facility which can be done at a certain term depending on the agreement. The term offered by this product ranges from 1 to 24 months. The superiority of DepoBRI includes among others competitive interest, availability in various currencies, ability to be withdrawn at all BRI working units and to be used as cash collateral. DepoBRI position in 2010 was recorded at Rp130.30 trillion, increasing 28.54% compared to 2009 which amounted to Rp101.37 trillion.



e-Banking

BRI provides e-banking facilities for customer deposits so that they can enjoy the convenience, comfort, and speed of banking transaction. The advantages of BRI e-banking product are options of e-channel, real time online and the extensive e-channel network with competitive fee transactions. In 2010, BRI had 6,085 ATMs that are connected to more than 30,000 ATMs nationwide and worldwide, such as ATM network links, PRIMA, and ATM Bersama. In addition, ATM BRI are also connected to International ATM network such as Cirrus and Bankcard. BRI customers can also conduct banking transactions through CDM, Kiosk, mini ATM, SMS Banking, Phone Banking and Internet Banking which can be accessed 24 hour everyday. In 2010, BRI has provided a variety of the latest e-banking services including mobile services (eBuzz), e-money (BRIZZI), mocash mobile debit (mobile cash BRI) and other various additional features/new e-channel services.

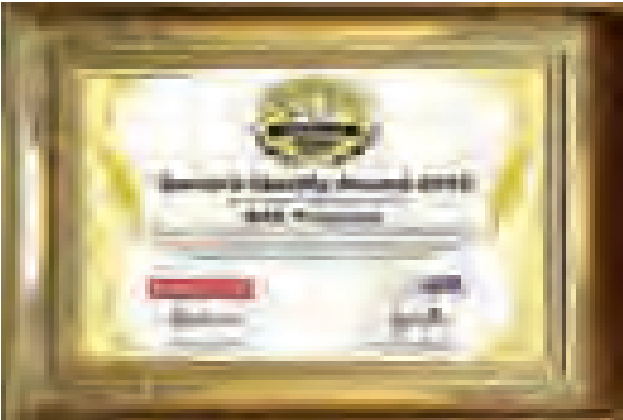
BRI Priority Banking

BRI Prioritas is priority banking service activities with services provided exclusively to customers among the affluent and high net worth individuals, include general banking services, financial planning consulting services and investments, bankassurance, and retirement planning.

Various types of services are provided to BRI Prioritas customers such as exclusive service of the Priority Banking Officer, service delivery and money pick-up, transaction services via telephone, business facilities and a private mini-lounge, internet and e-banking corners, free meeting rooms, special parking lot and 24 hour Call Center service. In addition, all of the privileges which are given to BRI Prioritas's customers consist of among others travel privilege, lifestyle privilege, concierge services, and other international-scale privileges in cooperation with Premium Debit Mastercard program.

Several activities have been carried out by BRI Prioritas for customers aimed to raise awareness, loyalty and retention with the theme of intellectual, lifestyle, heritage, and seasonal events. BRI Prioritas has 8 Service Centers and priority lounges scattered in several major cities in Indonesia.

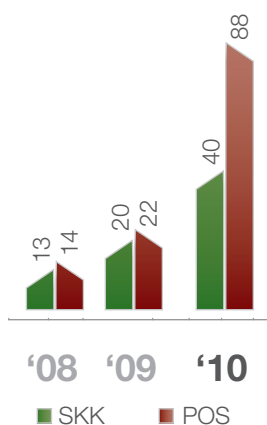
In 2010, in a customer satisfaction survey conducted by the Care of CCSL & Marketing Magazine, BRI Prioritas reached a total value of Indonesian Service Satisfaction Index (ISSI) above the average value of most priority banking services industry, in the multinational and domestic scales; therefore, BRI Prioritas was awarded Priority Indonesian Service Quality Award for Diamond category.



"I became BRI's customer in 2003 and since then always enjoyed its premium services. For me, BRI is a bank that put the customer's satisfaction as a key to success. I hope it will stay that way."

Ryaas Rasyid
Presidential Advisory Council of the
Republic of Indonesia

Number of SKK and POS



Consumer Loan

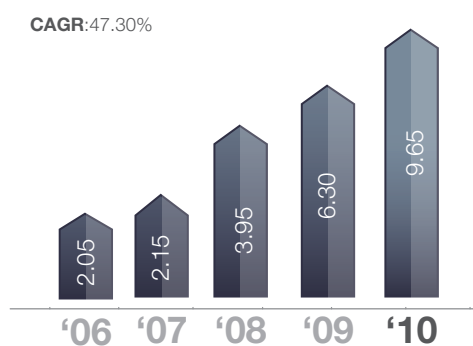
Since 2007, customer's demand has led BRI to penetrate the consumer loan market. The background is due to the facts that 60% of GDP comes from household consumptions and this shows that potential of consumers loan is can be explored further.

The real BRI's effort in consumer business is by involving some big developers to distribute Housing Loan and Apartment Ownership Loan, as well as Sole Agent of Brand Holder of motor vehicles to support the distribution of Motor Vehicle Loan. In establishing brand image, BRI is very active in promotion through various media and actively involves in numerous exhibitions, both at national and international levels.

Since 2008, BRI has built operational network focusing on consumer loan services through Consumer Loan Centre (Sentra Kredit Konsumer/SKK) and Point of Sales (POS). The number of SKK & POS is increasing each year in consistence with regions having large potential consumer business. SKK and POS Development in 2008 and 2009 were focused on 14 cities with the growing potential consumer loan. In 2010, BRI developed an operating network of consumer loan in the cities of 2nd and 3rd tiers.

Besides adding consumer loan operational network, BRI also reorganizes and improves the technology to realize satisfactory service level agreement. BRI continues to enrich its products with features that meet the needs of its customers.

Consumer Loan Outstanding
In trillion Rupiah

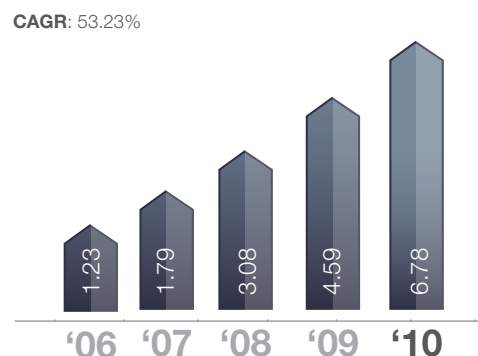


Through these strategic steps, the growth of BRI consumer loan is able to reach 53.22% or exceeds the average growth of national bank loan, which is 20-30%.

Housing Loan (Kredit Pemilikan Rumah/KPR)

KPR BRI with its various conveniences is expected to meet housing needs of professionals, entrepreneurs, and employees. BRI's Cooperation Agreement with more than 300 housing projects all over Indonesia and various facilities offered, such as down payment and flexible loan period, competitive interest rate, safely guaranteed documents of ownership and other facilities become added values for potential debtors. Outstanding KPR has reached Rp6.78 trillion up to 2010 or increased by 48.56% compared to that in 2009.

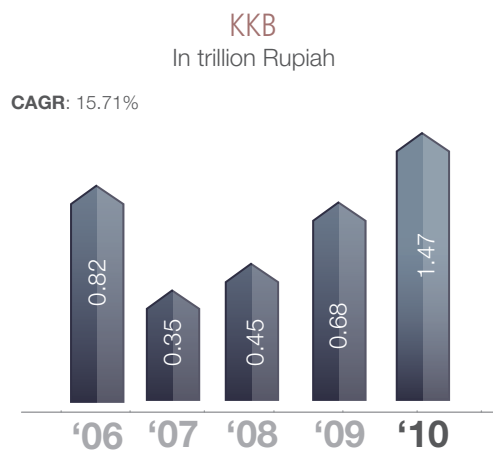
KPR
In trillion Rupiah



Motor Vehicle Loan (Kredit Kendaraan Bermotor/KKB)

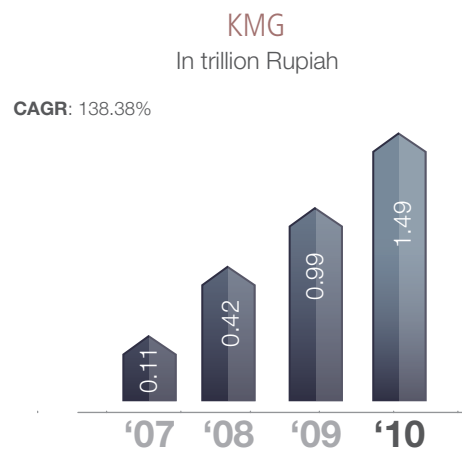
KKB BRI meets people's needs for motor vehicle. Cooperation program with Sole Agent Brand Holder (Agen Tunggal Pemegang Merk/ATPM) and dealers has enabled KKB BRI to provide the best services. Besides fulfilling customer's needs, KKB BRI provides features without down payment to combine KKB BRI with time deposit product. Joint promotion program with ATPM and dealers also improves KKB BRI competitive advantage with its affordable interest rates.

Besides individuals, KKB BRI has also reached out to multifinance financial institutions with KKB Kerjasama product. The product is continually developed, as it has great potential. Until 2010, loan outstanding of KKB has reached Rp 1.47 trillion or increased by 115.20% compared to that in 2009.



Multipurpose Loan (Kredit Multi Guna/KMG)

KMG BRI is created to meet the needs of customers who are unable to be fulfilled through KPR and KKB products. The KMG product is very attractive to customers due to the ease and convenience they get from it, such as long term period of up to 10 years with credit ceiling of up to Rp1 billion. In 2010, recorded outstanding of KMG was Rp1.49 trillion or grew by 50.59 % over 2009.



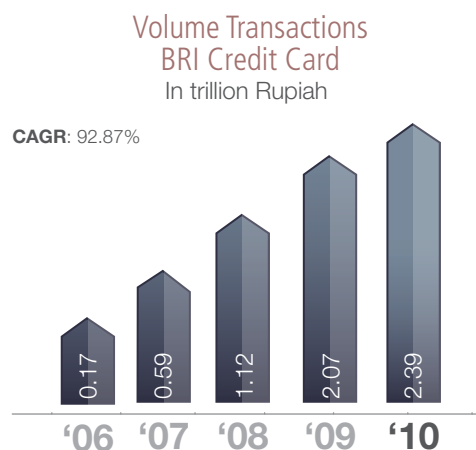
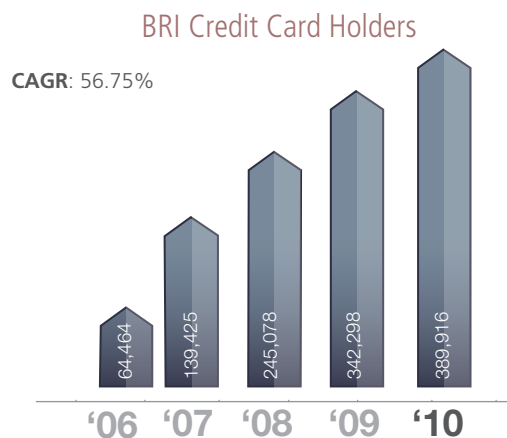
BRI's country-wide network makes it possible for BRI's Consumer Loan to include middle-lower class which is in line with the government's program in terms of housing ownership.

In an effort to obtain optimum growth, in 2010 BRI has set up 40 SKK and 88 POS focused on serving consumer loan products, and intends to expand its service coverage to 45 SKK and 100 POS in 2011. The addition of consumer loan marketing officers continues. There were 276 Consumer Account Officers (AO) in 2010, representing an increase compared to that in 2009, i.e. 182 Consumer AO. In addition to the product development, networking, and information system technology, BRI continuously finetunes its organization and business process to meet the industrial and consumer demands.

Facing the year 2011, BRI will build several Regional Processing Centers (RPC) to perfect its business processes, improve the Service Level Agreement (SLA) and intensify the loan expansion both in quantity and quality. Various product development like KPR, KKB and KMG co-branded with deposit products enrich product's features and provide a more flexible installment system. Sales strategy will be intensified with the use of customer databases, third parties (dealers/developers), walk-in customers as well as implant banking through Home Ownership Program (HOP) and Car Ownership Program (COP) with some large companies.

Credit Card

Since its launching in 2006, BRI credit card has become one of the iconic products in consumer banking sector. Over the years, the number of BRI credit card users continue to increase. Up to 2010, 389,916 BRI credit card holders were recorded with the volume of transaction reaching Rp2.39 trillion.



BRI Credit Card is affiliated with MasterCard network, thus allowing BRI Credit Card holder to make transaction in all merchants having MasterCard Worldwide logo throughout the world. BRI Credit Card Holders also acquire several executive lounge facilities at 30 different places throughout Indonesia (applicable to BRI's 'Gold and Platinum' credit cards), having a very low interest rates for the installment, ease of ATM cash withdrawals at BRI ATM or other ATM with MasterCard Worldwide logo all over the world, recurring bill payment facility/auto payment facilities for electricity and phone bills payment, Easy Shopping With Installment (Belanja Ringan/BRING) installment facility with mild interest, as well as shopping catalogs and a newsletters.

In addition to BRI Standard Credit Card, BRI Gold Credit Card and BRI Platinum Credit Card, BRI has also launched BRI Corporate Credit Card, BRI Business Credit Card, BRI Visa Credit Card, and BRI Hyundai Credit Card.

BRI Corporate Credit Card is BRI Credit Card developed to provide special service for BRI working partner corporate companies. The goal of using BRI Corporate Credit Card is to enable officials or employees of business partners to manage corporate travel and entertainment expenses properly.

While BRI Business Credit Card is intended for businessmen or members of a community, whose use is the same as credit cards in general (individual liabilities), it has advantages such as the card can be used as the identity of the community.

This product is expected to give positive image to the community and BRI's business partner as the prime service for the community.

In order to support its credit card penetration strategy at Branch Offices, BRI has developed an acquiring business strategy that aims to increase BRI credit card's acceptance at merchants spread across Indonesia. This business development takes into account the BRI's excellence with numerous working units throughout Indonesia.

The credit card business development strategy mentioned above is intended to make BRI credit card become a major choice and pride of Indonesian people. BRI enters credit card business not only as a complementary business, but

as one of the mainstay businesses of BRI. As a proof, in 2010 BRI received Bank with Fastest Credit Card Growth Award from Mastercard.

BRI Credit Card is targeting an increase in the number of credit cards to 600,000 cards in 2011 with distribution in 2nd and 3rd cities all over BRI working areas and with the transaction volume of Rp3.5 trillion.



MARKETING COMMUNICATION

The purpose of Marketing Communication is to provide maximum contribution to the company through brand marketing communication activities of BRI's products and services as well as corporate brand communications (corporate as a brand). The activity is aimed at building awareness and image of BRI product and service brands as well as corporate brand. In order to communicate the features and benefits of its products and services, BRI performs the thematic product communication campaign in the form of above the line communications activities (placement of TV-Ad, Print-Ad and Radio-Ad) and below the line (placement of out of home media and pop material) for BRI Britama Savings, BRI Britama Junio Savings, BRI Hajj Savings, BRI Prioritas, MSME Loan, BRI Simpedes Savings, trade finance, Financial Institution Pension Fund, ORI007.

Ini 2010 BRI conducted several activities such as preparation of brand identity and direction for the credit card product with corporation as the target, namely "BRI Corporate Card", refined the brand architecture, brand identity, brand direction, performed brand extension for BRI brand products and services as well as the corporate brand and launched communication campaign for new products such as "BRIfast Remittance".

Development Plan

Some product developments plans and additional savings features that will be performed include account opening BritAma Joint Account, BritAma Dollar equipped with ATM, business entity current account with ATM/debit, BritAma Gold (for business), and currency additions to BritAma Dollar, addition of features in e-channel and improving cooperation pattern of BRILinks. In the deposit, a new product under Tabungan Rencana (Savings Plan) will be launched and it will be bundled with insurance (BritAma Rencana), Current Account with card facility, e-money (BRIZZI) and some other e-banking features.

BRI Prioritas is planning to develop further by developing other privileges and various selling activities based on acquisition, retention, and loyalty. In addition, to strengthen its network service, BRI Prioritas added its priority banking outlets in the form of BRI Prioritas Service Centers and priority lounges in major cities in Indonesia.

"Our family considers **Bank BRI** as our financial partner! We can make our dream come true thanks to its fast, easy, and professional process. We obtained housing loan (KPR) facility for our dream house, and praise the Lord, without any complicated process, we received the fund within less than a month, just like a dream come true. In addition, **Bank BRI ATM** are widespread, without having to stand in line and it's Platinum Credit Card having numerous promos.

Overall, **Bank BRI** has become our professional and highly efficient financial back-up partner. I am proud to be its customer. Keep it up...and all the best, let's save your money in **Bank BRI ...!!!**"

Meisya Siregar, artist & model



Commercial Business

In developing its Commercial Business, BRI focuses on corporate business related to micro, small and medium enterprise businesses. Thus lending to this business segment can provide a trickle-down effect to MSME business.

The target market of Commercial Business is private companies and non-government enterprises, with the loan of more than Rp50 billion up to legal lending limit. This business is divided into two major categories: Agribusiness Loan and Non-Agribusiness Loan.

Agribusiness Loan

Agribusiness Loan is a loan provided for individuals or companies engaging in agriculture in its broad definition (agribusiness), for upstream to downstream, on-farm and off-farm activities, including agriculture, plantation, forestry, husbandry, fishery, trading, and other services related to agribusiness. BRI utilizes more than 7,000 working units throughout Indonesia to grant agribusiness loan, ranging from micro scale (less than Rp100 million) through BRI Unit, small commercial scale (up to Rp5 billion) by Branch Office and Sub-Branch Office, medium scale (Rp5 billion up to Rp50 billion) by Regional Office and corporate scale (more than Rp50 billion) by BRI Head Office.

BRI's vision in developing agribusiness is to expand the financing to competitively advantageous commodities and agribusiness having a multiplier effect to MSME by means of one stop services, closed-system financing, risk-adjusting mechanism and improving the quality of account officers as professional business advisors.

Agribusiness loan included in the commercial business is a loan for large-scale or corporate scale agribusiness (more than Rp 50 billions) under the commercial scheme or in the form of interest-subsidized loan by optimizing the product of Bio Energy Development and Plantation Revitalization Loan (Kredit Pengembangan Energi Nabati dan Revitalisasi Perkebunan/KPEN-RP). KPEN-RP is a loan distributed to farmers through cooperatives and the parent company (plasma nucleus scheme) in certain commodities including palm oil, cacao, and rubber. Currently, the applicable interest rate is the rate of Indonesia Deposit Insurance Corporation (Lembaga Penjamin Simpanan/LPS) + 5%. The farmer of oil palm and cacao pay interest rate of 7% and the rest is subsidized by the Government.

For subsidized loans other than KPEN-RP, BRI is committed to distribute loans using other loan scheme such as Cattle Breeding Business Loan. It is a loan facility granted to cattle breeders, including breeding companies, cooperatives, groups or coalitions of farmers groups, who perform cattle breeding business by obtaining interest subsidies from the Government. Currently, the interest rate is LPS+6% with an interest rate is set to 5% for breeders and the remainder is borne by the Government.

BRI grants commercial loans to the agribusiness sector including oil palm sector, rubber, cocoa and its derivative products, livestock sector including broiler farms, dairy cows and cattle, and shrimp farming, industrial and trade sectors including pesticide industry, oleochemicals, palm oil processing, forest product processing (HTI), sugar, fish meal processing industry, rice processing and others.

BRI is very serious to develop economic growth through agribusiness sector. This is proven by the increasing amount of loans given to the sector in the last 5 years, growing 45.58% (CAGR) with the total distributed loan amounting to Rp. 5.526 trillion of the total ceiling of Rp. Rp8.142 trillion in 2006 to Rp8.045 trillion from total ceiling of Rp13.025 trillion in 2010.

To face the challenges of competition in the future, BRI will continue to disburse the loan using the plantation revitalization scheme, without leaving the diversification of commodities being financed. In general, a big challenge comes from the increasingly competitive banking industry, especially in the interest rate and also limited support from the relevant institutions. To overcome these challenges, BRI will continue to facilitate and speed up the loan process as well as provide regular assistance and consultations. This is one of the reasons why BRI wants to make micro segment as one of its core businesses. This is done while maintaining the coordination with related institutions mainly the Directorate General of Plantation and Directorate General of Animal Husbandry so that in the future, the loan budget for of plantation revitalization and Cattle Breeding Business can be achieved.

Commercial Business Loan

Besides agribusiness, BRI also distributes corporate loans to non-agribusiness companies and non-State-Owned Enterprises, such as the ones in the sectors of industry, trade, mining and business services. Products include Working Capital Loan, Export Working Capital Loan, Investment Loan, Import Working Capital Loan, Construction Working Capital Loan, Deferred Import Guarantee, Standby L/C, and Bank Guarantee.

During 2010 BRI corporate loan kept growing while taking into account the BRI reality enabler which focuses on SMEs financing with the composition of 80: 20 for SMEs and corporation respectively.

Development Plan

BRI will intensify its loan expansion by utilizing its extensive delivery channels as its main marketing vehicles. This strategy its expected to continuously improve the financing to the productive sectors, such as infrastructure, telecommunication, energy and mineral resources, and construction services to support the acceleration of economic growth and providing a beneficial effect (trickle-down effect) for other sectors, particularly MSME.

A prudent loan expansion strategy will be realized through a strict evaluation in the loan origination process by applying four eyes principles as the implementation of credit risk management along with fast and effective loan services. BRI will constantly review its loan procedures to improve the quality of loan services to market's demands, while upholding prudential principles.

In order to a capture existing opportunities, BRI will conducts business development through enhanced cooperation (strategic alliances) with private companies that have good performance. This business development will include cash management and fee-based income generation by taking into account business feasibility principles according to prevailing banking regulations in force. BRI will financing to potential sectors and/or the Government increase prime sectors in the national economic development plan, such as infrastructure, communications and telecommunications, electricity, energy and mineral resources (including mining, oil and gas), services construction, property, manufacturing industry, paper industry, pharmaceutical industry, commerce, transportation services, and so forth.

The business expansion to big companies having widespread extensive distribution channels throughout Indonesia and the business expansion to long-standing customer's communities (backward / forward linkage) are done through routine business gathering as for the fellow customers to be able to capture available business opportunities and to boost the loyalty of the existing customers.

The process of credit disbursement are continuously improved to ensure a faster and better service. The number and quality of account officers in corporate business line will be improved to catch business opportunities in terms of both assets (credit) and liabilities (fund), as well as other banking products and services.

BRI's corporate loan quality monitoring has also become a significant concern, hence that productive assets are capable of generating optimum revenues to sustain the BRI's business growth. Corporate loan disbursement is directed to industries that have prospective and growing market trends. Credit disbursement to the corporate segment is also BRI's concern that disbursement of loans is not concentrated in a particular industry so that the expected quality of loan portfolio is not vulnerable in the event of crisis in a particular industry.

The expansion to energy and oil & gas sectors has become one of the corporate loan distribution focuses in the future given that the market of energy and oil & gas industries keeps growing well, including among others the upstream and downstream oil & gas infrastructures, energy infrastructures such as Independent Power Producer which has a Power Purchase Agreement with State-Owned Electricity Company (Perusahaan Listrik Negara/PLN) as well as supply and chain that sustains the energy and oil & gas industries while considering the market trend and development of those industries.

Credit scheme for new products continues to be developed primarily for oil and gas loan scheme to follow up the opening of oil and gas Desk, work units focusing on oil and gas related businesses in BRI so that the opportunity of financing corporate business in this sector can be properly captured.

Loan monitoring will be developed by an integrated system using a Loan Monitoring System in order to anticipate the worsening of the loan portfolio quality so that the level of NPLs could be reduced and controlled properly.



Institutional and State Owned Enterprises Business

BRI's institutional and state owned enterprises (SOE) businesses are intended to maximize the exploitation of market niche that could be further developed. BRI's vision on Institutional and SOE business is to make BRI as a Leading Bank in directing and coordinating the financing of SOE and the mobilization of State and Regional Budget funds and Financial Institution funds which are distributed through the Ministries/High State Institutions/Agencies, Provincial Governments/Cities/Regencies, Educational Institutions and Hospitals as well as Financial Institutions.

This business target market includes private institutions, central and regional government institutions, educational institutions, SOE including subsidiaries, and Regional Government-Owned Enterprises. All of the institutions require an exclusive, customized, sustainable and accessible banking services throughout Indonesia. With its various banking products and services and country-wide network, BRI always serves as the best partner for all of the institutions.

BRI has always proven to gain confidence from the Government for the distribution, financing and funding of the State Budget and the Regional Budget. Similar trust is also given by financial and pension fund institutions. In recent years, BRI has developed a potential business in SOE including subsidiaries as well as region-owned enterprises in an optimal manner. This business development is one of BRI's effort in supporting MSME business sectors so as to create trickle down effect which gives direct and indirect benefits to MSME businesses as BRI's core business as well as to improve the fee-based income.

To win the competition in institutional business and SOE, BRI has implemented strategies such as acquisition strategy, win back strategy and maintenance strategy. All of these strategies proved effective in strengthening the existence of BRI as the only Indonesian bank which focuses on serving the institutions and SOE. In an effort to improve service quality as a one-stop financial services for institutional and SOE, BRI continues to develop its human resources, policies, technologies and networks.

Excellent, specific, and comprehensive (one-stop) banking services become the mainstay of BRI in its collaboration with institutional agencies and financial companies, which in return will develop BRI businesses in terms of funding, financing and fee-based income sources.

Loan Products

Financing for SOEs and its subsidiary include loans which consist of working capital loans and want for investment L/C, bank guarantee, domestic L/C and Standby L/C. These financing were given to the various business sectors including telecommunication industry, plantation, fertilizer, oil fuel, infrastructure and special projects such as energy and food security. Those financings create a synergy between BRI, SOE and institutions engaging in the sectors, name by SOE in construction sector, plantation industry, and in the revitalization project of national sugar industry.

Saving Products and Banking Services

Saving products offered by BRI to the institutions mentioned above generally include demand deposit and time deposit as well as salary crediting. In addition, BRI also provides state and institutional money management services including:

a. Treasury Single Account (TSA)

Treasury Single Account (TSA) is mainly aimed at creating efficient management of State money by centralizing cash balances into one account. BRI is one of the designated commercial banks to manage the TSA project, has a transformation winning strategy for the first TSA phase of 2007/2009 to the second phase of 2010/2012. BRI's strategy in the first phase is to acquire all of the ditributed funds, while in the second phase is to focus on areas that have large funds.

b. State Revenue Module (Modul Penerimaan Negara/ MPN Prima)

MPN Prima is an integrated application that is intended for the payment of state revenues by the obligatory payer to the Directorate General of Treasury. MPN Prima transaction includes the payment of Tax Invoice, Land and Building Tax, Land and Building Acquisition Tax, Shopping Refund Payment Order, Non-Tax State

Revenue Payment Order, Payment Order for Customs, Excise and Taxation of Import, Taxable Goods Excise Payment Order, VAT on domestic tobacco products, and Certificate of Export Payment / Levy.

c. **National Treasury Pooling**

National Treasury pooling is a system used to determine the position of the consolidation balance of all accounts found on the Treasury Expenses at all BRI Branch Offices without inter-account fund transfer.

d. **New Students Admission Selection (Seleksi Penerimaan Mahasiswa Baru/SPMB) and the Tuition Fee (Sumbangan Penyelenggaraan Pendidikan/SPP) On-line**

SPMB

New students Admission selection payment system can facilitate students to deposit money for registration and registration on-line at the University which can be accessed at all BRI Units.

SPP On-line

SPP on-line helps university and college students simplify the withdrawal and management of their study-related payment liabilities on-line through the entire network of BRI.

e. **Salary Crediting or Salary Payment**

Salary Crediting is an automatic salary crediting facility from an individual or corporate saving account to the employee saving account according to the agreed date.

f. **SSB Payment Services**

In order to support the Quick Wins program as Police Bureaucracy Reform program, BRI has been appointed as the bank to carry out management of Police Non-Tax State Revenue, i.e. Driving License, Vehicle Registration, Vehicle Ownership Book, Motor Vehicle Registration Number, Vehicle Tryout Letter, Driver's Clinic and Firearm through ATMs, Electronic Data Capture (EDC), and BRI Tellers.

g. **Smart Driving License BRI (SIM SMART)**

SIM Smart is a microchip-based card which has dual functions both as a driving license and as a means to pay the traffic ticket and can be used directly on site.

h. **PLN Payment Point**

PLN Payment Point provides on-line payment services for electricity bill and other PLN/utility bills.

i. **PDAM Payment Point**

The Payment Point of Regional Water Utility Company (Perusahaan Daerah Air Minum/PDAM) provides financial management services and PDAM customer's bill payment.

j. **Merah Putih Card**

Merah Putih Card is a card devoted to POLRI and TNI officers and functions as BRI ATM Card.

Display of Merah Putih Card:



k. **Electronic Civil Servant Card ("KPE")**

KPE is an identity card for Civil Servants, containing data of the Civil Servants and their families electronically. KPE is delivered to every civil servant and remains valid after the relevant Civil Servant is retired. Additional KPE is given to spouse and children of retired civil servants. KPE functions as Employee Card, ASKES (Health Insurance) Card (Yellow Card replacement), Pension Card (TASPEN) and Housing Card (Bapertarum).

l. Banking Card (Salary payment, ATM)

The bundling of various civil servant's cards into KPE will surely give the card holder practicality to perform various related transactions. just with one KPE card, a civil servant can receive health service facility, pension and housing savings. Civil Servants will also be able to utilize e-Kiosk which is available for any kind of transactions in Civil Servant offices. To be more attractive, KPE is bundled with Britama savings. KPE display as shown below :



m. Bapertarum - PNS

Bapertarum - PNS refers to Housing Savings Advisory Agency of Civil Servants in charge of collecting housing savings from civil servants and channeling back to the civil servants during either active or retired in the form of Down Payment Aid, Renovation Aid, and Return Savings. The current cooperation between BRI and Bapertarum is for the Refund of Saving Fund, namely the refund of the entire housing saving fund during the Civil Servant's service period plus some interests in accordance with Bapertarum's terms and conditions.

n. Immigration Visa On Arrival (VOA)

BRI in collaboration with the Director General of Immigration facilitates payment of VOA or Visa on Arrival through BRI banking facilities throughout Immigration Check Points such as seaports, airports, ground terminals or other places specified by the Minister of Justice and Human Rights as places of entrance of foreign nationals/particular territories into the territory of the Republic of Indonesia.

o. ASABRI - Compensation

ASABRI compensation payments can be made at BRI Units, based on the identity of recipients whose data have been recorded in PT. ASABRI database accessible by BRI work units.

ASABRI compensation Benefits include Compensation Benefit for Insurance, Compensation Benefit for Insurance Cash Value, Compensation Benefit for Death Risk, Special Compensation Benefit for Death Risk, Compensation Benefit for Disability due to Operational Duty, Compensation Benefit for Disability Not Due to Operational Duty, and Compensation Benefit for Funeral Cost.

ASABRI cash compensation payment for the Beneficiary is conducted with an integrated on-line system between ASABRI and BRI. The application used by BRI work unit is ASABRI Cash Compensation Benefit Payment Application

Cash Management Service

As banking competition is getting tighter and considering the rapid development of business world, BRI is required to always be able to provide relevant cash management features that are capable of solving every problem faced by customers. Features of BRI Cash Management System include:

- Account Information
- Reporting
- Inter-BRI Account Transfer
- Mass Fund Transfer
- Payroll
- Interbank Transfer
- Bill Payment
- Liquidity Management System (Pooling). The automatic transfer feature on some client's accounts include among others Fixed Balance Account, Range Balance Account, Fill Deficit, Value Based Pooling, and Target Balance Account features

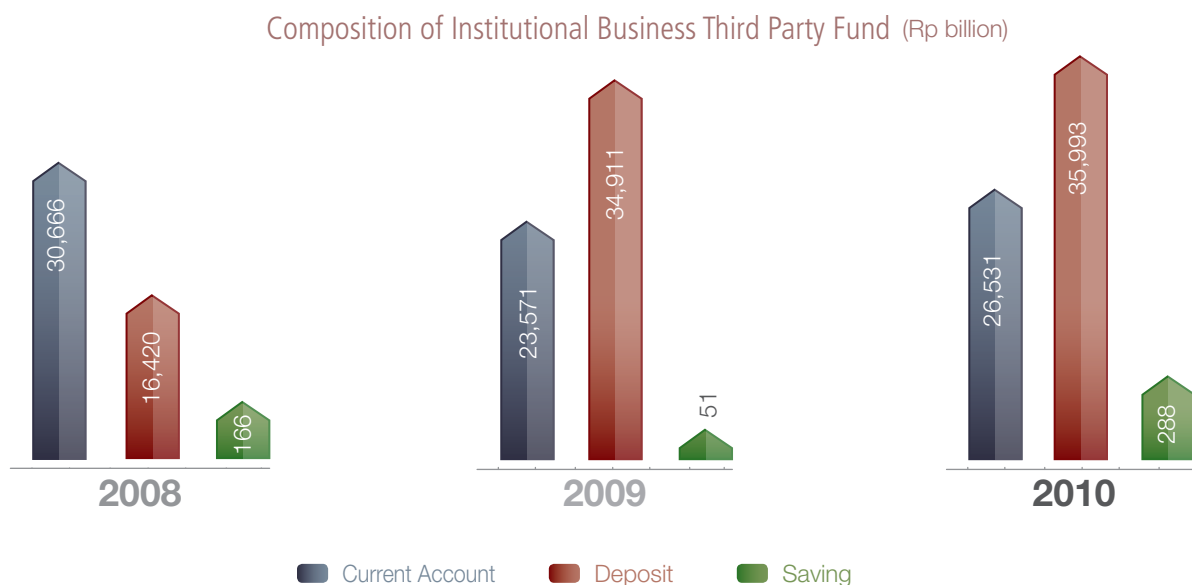
INSTITUTIONAL AND STATE-OWNED ENTERPRISE BUSINESS PERFORMANCE

During 2010 loan distribution to SOE has increased significantly, growing 18.88% from Rp 20.92 trillion in 2009 to Rp 24.87 trillion in 2010. The proportion of loan provided for SOE to the total corporate loan increases from 54.62% in 2009 to 55.45% in 2010.

BRI has established Strategic Cooperation Agreement with several Ministries, Provincial/District Governments, Educational Institutions (Universities), Pension Funds and Private Companies with the following details:

- 24 Contracts: 8 contracts with Government Agencies (Ministry, Provincial/District Government), 6 contracts with State Owned Enterprises, 3 contracts with Education Institutions, and 7 contracts with Private Companies.
- 8 Memorandum of Understanding (MoU) consisting of: 3 contracts with Government Agencies (Ministry, Provincial/District Government), 1 contracts with SOE, 1 contracts with Education Institutions, and 3 contracts with Private Companies.

The third party's fund increases by 7.35% from Rp 58.5 trillions in 2009 to Rp 62.8 trillions in 2010.





Up to 2010, 414 companies are registered as customers of BRI Cash Management including retail companies (322), SOE (36), national private corporations (22), State Ministries/Institutions (21), and Educational Institutions (13). The number has increased by 173 companies throughout 2010.

The number of Cash Management accounts has increased sharply since 2009 from around 2,500 accounts to 10,890 accounts by the end of 2010, or has increased by 8,397 accounts throughout 2010. Those accounts were come from the following institutions: Indonesia National Police Department, Perum Pegadaian, Regional Police of Jakarta Raya, Ministry of Finance, PLN, TASPEN, PT. Pelindo, and PT. Sriwidjaja Fertilizer

Saving products managed by BRI's Cash Management include Demand Deposit, Savings, and Time Deposit in Rupiah, USD, HKD, EUR, JPY, and SGD currencies. Total managed funds under BRI Cash Management reached approximately Rp12.5 billions by the end of 2010.

BRI Cash Management contribution are significantly increased over the last two years. As the number of companies using BRI Cash Management BRI is increasing, fee-based income related to BRI Cash Management increases by 291.5% from Rp864.18 million in 2009 to Rp 3.38 billion in 2010.

DEVELOPMENT PLAN

Development plan related to Institutions and SOE businesses in 2011 is the development of SMART driving licence, the development of the Electricity Pre-Paid system, the improvement of the State Revenue Module, the improvement of cooperation with K3S BP MIGAS (Oil and Gas Institution), the development and application of payment system of ASABRI compensation and pension through BRI Work Units on a real-time and on-line basis and the improvement of BRI on-line payment system of PDAM bills, SPMB and SPP.

The development plan of BRI Cash Management in 2011 is to refine features, revise the Operating Manual, and conduct socialization and evaluation to BRI work units all over Indonesia, in order to transform BRI Cash Management as one of the services that actively participate in developing BRI's business through the mobilization of corporate funds, acquisition of corporate customers and improvement of fee-based income.



International Business

BRI as a leading commercial bank in Indonesia provides a wide range of products and services to meet customers' needs, including product and service for trade finance transactions.

In an effort to develop trade finance transactions, BRI has a vision to become a Leading Foreign Exchange Bank Prioritizing Customer Satisfaction. To actualize this vision, BRI performs the best banking activities by developing products and marketing trade finance and remittance products; expanding correspondent banking relationships; and improving trade finance services to customers through integrated development system.

Trade finance transaction contributes significantly to the BRI's business, including fee-based income. Trade finance creates business opportunities through the financing for potential customers who are not debtors of BRI (loan expansion) and creates opportunities of short-term funding source that is essential to BRI. Trade finance transaction is one source of fee-based income which strongly supports the efforts to increase the non-interest income and can be used as a promotion tool in maintaining and improving BRI's image as the best bank.

Trade finance offered by BRI includes:

1. Opening Letter of Credit (L/C) or SKBDN including the amendment of both products
2. Advising L/C and SKBDN (Surat Kredit Berdokumen Dalam Negeri or Domestic L/C)
3. Postshipment Financing (Negotiation and Export Bill Discount) L/C and SKBDN
4. Bill Purchase
5. Standby L/C, Guarantee, and Counter Guarantee
6. Trust Receipt (TR)
7. Refinancing L/C (Sight/Usance/UPAS/Usance Payable at Usance) and Non-L/C
8. Money Changer
9. Inward/Outward Remittance
10. Inward/Outward Documentary Collection (Document Against Payment and Document Against Acceptance)
11. Inward/Outward Clean Collection

In the future, BRI will keep on expanding Export-Import businesses and overseas services which may generate more fee based income while developing micro, small and medium enterprises.

Target Market

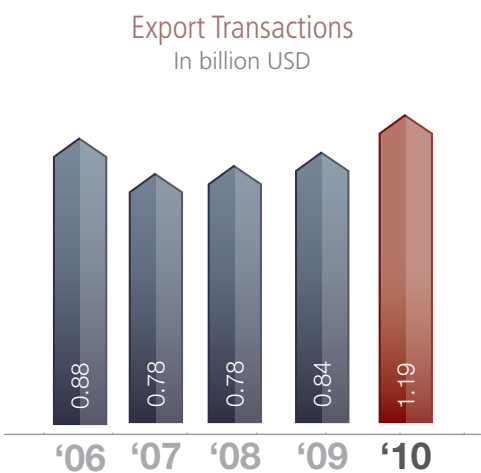
International business is broad and does not distinguish between demographic factors, economic sectors, and type of institutions. International business target market means every business player that includes both individuals and business entities undertaking trade finance transactions or in need of trade finance services in their business activities.

Trade Finance Transaction Development

a. Export Transactions

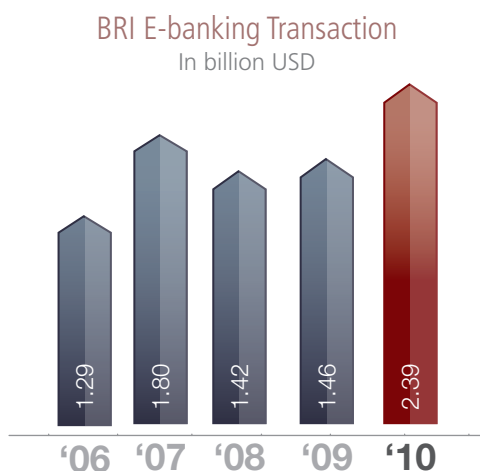
Export Transaction Development increased significantly during 2010, from USD 836 million in 2008 to USD 1.19 billion, or 41.47%.

One of the triggering factors of the increase is the improvement of the global economy condition that is marked by the rise in foreign demand and purchasing power, hence positively affecting the export businesses in Indonesia.



b. Import Transactions

During the last five years, BRI Import Transactions increased from 2006 to 2007, and decreased in 2008. During 2010, the amount of import transactions served by BRI reached USD 2.39 billions or grew 64.05%.



To further introduce the trade finance products to customers and prospective customers, BRI has improved marketing programs by expanding cooperations with correspondent banks and financial institutions, holding exhibitions and sponsorship activities both inside and outside the country, and also maintaining active communications with business partners through business gathering to obtain up-to-date information on the business needs of the customers.

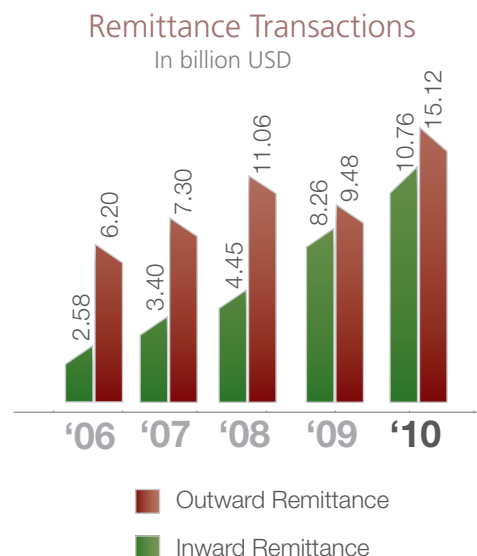
Remittance Transactions

BRI focus on remittance business development. With cooperations and supports from counter_parties such as banks and non-bank financial institutions which have an extensive network overseas, BRI is able to provide individual remittance services in real-time so that beneficiaries can receive money in quick time at competitive cost.

a. Remittance Business Development

BRI remittance transactions during 2010 showed an increase compared to that in 2009. In December 2010, the outward remittance value reached USD 15.12 billion, representing an increase of 59.50% compared to that in December 2009, i.e. USD 9.48 billion. The total inward remittance in December 2010 was USD 10.76 billions or increased by 30.29% compared to December 2009. Furthermore, the number of remittance transactions increased by 90.56% in 2010 to 554,221 transactions compared to that in 2009.

Fee-based income from the remittance business is in line with the growth of remittance business. By the end of December 2010, the remittance business contributed a fee-based income of Rp20.63 billion, representing an increase of 46.8% from 2009 which is Rp14.07 billion.





b. Innovation of BRIfast Remittance

BRIfast Remittance is a remittance service using a web application system. BRIfast Remittance is able to perform fast transfer, where money from overseas can be received by the recipient in Indonesia in seconds. BRIfast Remittance can be provided to both BRI customer account holders and walking customers showing official ID and PIN to all work units of BRI for accepting remittances from abroad.

Correspondent Banking Activity Developments

BRI has established correspondent relations with more than 1,100 correspondent banks throughout the world in a Relationship Management Application (RMA) to be used as an authenticated SWIFT international payment instruction and a test key arrangement, as well as informal correspondent relationships such as courtesy visits and courtesy calls.

With wide networking support from off shore correspondent banks, BRI is able to provide the best trade finance products and services for the customers. Correspondent banks' support in a form of trade line facility to BRI is seen improving as BRI is considered capable of maintaining the best performance as The Most Profitable Bank in Indonesia.

Letter of Credit (L/C) refinancing (Sight/Usance/Usance) Payable At Sight (UPAS/Usance Payable at Usance) are provided for customers to meet the needs of imported goods at more competitive prices. In addition, refinancing can be applied for non L/C product for the fulfillment the necessity of customers who import non L/C product with a more competitive cost.

BRI provides refinancing loan facilities to customers who need foreign currency loans with competitive interest. All services mentioned above cannot be separated from the trade line facility of various correspondent banks abroad.

The correspondent bank support includes also maintenance of nostro accounts, that is the BRI's account in various currencies in depository correspondent banks which is used to settle the import transaction, collecting the export proceeds and for incoming/outgoing remittance purposes. Currently, BRI has been actively doing transactions in some foreign currencies, such as USD, EUR, GBP, SGD, AUD, CAD, HKD, JPY, SEK, SAR, AED, CHF, and RMB using 26 nostro accounts at some depository correspondent banks.

In addition, BRI has cooperated with correspondent banks and money changers for bank notes payment and withdrawal, so that it is possible for the entire BRI working units with potential money changer business to act as money changers.

During 2010 BRI provides SAR bank notes for living cost of pilgrims in three embarkations in Jakarta, Surabaya and Medan. BRI also provides SAR and USD money changer services during the pilgrimage season, by opening counters at each pilgrimage embarkation throughout Indonesia.

In 2010 BRI received STP (Straight-Through Process) Award from the Bank of New York Mellon, New York.

Overseas Working Unit Development

BRI trade finance service is strengthened by BRI's Overseas Working Units which currently include BRI New York Agency, BRI Cayman Island Branch and Hong Kong Representative Office. The existence of Overseas Working Unit is integral to the attempt to optimize customer services.

BRI New York Agency provides trade finance services in the form of funding for refinancing L/Cs as well as re-discounting bills of taking usance export bills to help the cash flow of customers. BRI New York is now also active in granting credit for trade finance needs of clients as well as working capital. In addition, BRI New York also provides saving product for foreigners.

BRI Cayman Island Branch has issued L/Cs opened by non-resident customers and also acts as a booking office for institutional clients that use export credit.

BRI Hong Kong Representative Office has a role in coordinating business activities and gathering relevant information relating to investments and business opportunities to develop bilateral trade relations and promoting exports/imports from/to Indonesia.

Business Development Plan in 2011

- a. The Establishment of BRI Trade Processing Center (TPC).
The improvement of the quality of the trade finance product services is performed by centralizing the trade finance processing services. In the short term there will be a centralized pilot project through establishment of the Trade Processing Center.
- b. Development of local L/C Net Application.
Net local L/C application refers to a web-based technology application with aim to accommodate an intergrated customer service (end-to-end process).
- c. Expand the remittance business networking
BRI will continue to expand remittance business networking overseas in collaboration with correspondent banks/remittance companies and or opening new networks overseas.
- d. Development of innovative payment and features of BRIFast Remittance product.
- e. Money Changer Transaction Pilot Project
Infrastructure development and money changer transaction application have entered the stage of pilot project this year.



Treasury and Capital Market Support Services

Treasury

Treasury Activities at BRI are one of the very strategic functions in management of assets and liabilities of the Bank. In general, BRI's assets and liabilities management is aimed at ensuring that BRI's can provide added values (value creation) for investors while mitigating potential risks.

To provide added values for shareholders, BRI periodically observes and analyzes the achievement of company's targets such as anticipating the growth of loans and funding, ensuring adequate funding for all business segments in every economic cycle, maintaining adequate liquidity, and maintaining the structure of competitive cost of funds to support the company's growth. BRI stays focused to maintain a stable long-term profitability, maintain strong capital structure and maintain the quality of productive assets.

In addition, to protect against the risk of interest rate and exchange rate, BRI periodically observe and analyze the development of national and international economies to be used as the basis for optimizing each gap during transaction in the financial market. Interest rate gap, exchange rate gap, and maturity gap are managed to optimize the revenue and interest costs.

Capital Market Supporting Services

Trust and Selling Agent

In order to tap more of fee-based income opportunities, BRI provides trust and selling agent services. Through the function of trust, BRI will act as a trustee, paying agent, as well as underwriter in the issuance of securities by the issuer. The total issuance of securities managed by BRI as the trustee until 31 December 2010 amounted to Rp24.98 trillion. In the future, BRI will maintain cooperations with parties in the Capital Market to develop the trust services.

In its function as a selling agent, BRI conducts marketing for investment products including mutual funds, ORI and Retail Sukuk (Sharia Bonds). In collaboration with eight Investment Managers, BRI is currently marketing 16 Mutual Funds products, one the main marketing target is BRI Prioritas clients. In addition, during 2010 BRI has been appointed by the Government as Selling Agent for ORI007 and as Sub-Selling Agent for Sharia Bond (Sukuk Ritel) SR002 Series. The achievement BRI has attained is

Third Best ORI007 Sales Agent for Bank category. Using ORI and Sukuk Ritel marketing strategies across all BRI Branch Offices and Sub-branch Offices all over Indonesia, BRI keeps trying to get trust from the Government to become the selling agent/sub-selling agent for each published Indonesian Retail Bond (ORI) and Sharia Bond (Sukuk Ritel).

Custodian Services

BRI has become a Custodian Bank since 1996 with various kinds of assets under its management, including money market instruments in the form of time deposits/deposits on call until Bank Indonesia Certificates, fixed income instruments in the form of bonds and various types of debt instruments both government bonds and corporate bonds, and equity instruments in the form of shares. Custodian Service provided by BRI includes mutual fund management, covering various Mutual Funds and Financial Institution's Pension Fund (Dana Pensiun Lembaga Keuangan/DPLK)

In an effort to deal with business development, BRI Custodian continues to innovate by developing product features and services to meet customers' needs. Kustodian BRI has become the first Custodian Bank trusted to manage assets underwriting in Indonesia, namely KIK-EBA DSMF 01 and KIK-EBA DSMF 02. Besides, BRI Custodian manages Limited-Participation-Mutual-Fund on the request of institutional customers, acting as a paying agent in the bond mechanism and as an escrow agent.

In the past year, assets managed by BRI Custodian increased 11% to Rp31.94 trillion in December 2010 when compared with assets in December 2009 amounted to Rp28.80 trillion. In line with the increase in assets managed by BRI Custodian, fee-based income received in 2010 increases by 22% compared to that in 2009, i.e. from Rp11.34 billion to Rp 13.88 billion.

Regarding the service quality improvement, BRI Custodian continues to develop the system in use including client information module, web-based information, as a means to deliver instructions BRI Custodian customer transactions on-line.

Financial Institution Pension Funds (Dana Pensiun Lembaga Keuangan/DPLK)

BRI Financial Institutions Pension Funds (DPLK) is the managing institution of the Defined Contribution Pension Fund established by Bank BRI since 9 January 2006. DPLK BRI known as "BRI Pension Plan" is opened for public, including individual or group participant from both formal and informal sectors.

As the pension subsidy organizer, DPLK BRI has a vision to be a market leader in pension fund industry that prioritizes customer satisfaction and contributes fee-based income for BRI. To actualize it, BRI DPLK carries out the mission by prudently managing the long-term investments which gives optimum returns, managing investments in a professional and transparent way, in order to organize better future of DPLK BRI participants.

BRI Pension Plan consists of four types of investment choices which are: Money Market, Fixed Income, Equity and a combination of the above. The advantages of the product are that it is modernly managed using the concept of Net Asset Value which is published daily in national business paper, it has the simple procedure and broad network with all BRI branch offices and sub-branch offices, and the product has safety and competitive profit. Other than in the national newspaper, the performance of DPLK BRI can also be monitored on the website: www.investment.bri.co.id.

DPLK BRI up to 31 December 2010 showed a great performance in 2009. Earnings from DPLK investment in money market was 9.54% (yoy), higher than the average earning from time deposits account of 5.72% annually. DPLK BRI investment in fixed income and stocks also generated better income than investment in Bank Indonesia Certificates and average stock index. DPLK BRI revenue from Fixed Income was 11.67% (yoy), whereas SBI gained 8.11%. DPLK BRI stocks earned 57.05% (yoy), while Jakarta Composite Index (yoy) was 46.13%.

The contribution of DPLK BRI fee-based income to Bank BRI as the founder up to the end of 2010 is Rp10.11 billion, representing an increase of 20.40% compared to the same period in the previous year, i.e. Rp8.39 billion with total managed assets of Rp 1.40 trillions or an increase of 19.15% compared to the same period in the previous year, i.e. Rp1.18 trillion.

The competitive advantage of DPLK BRI is its extensive marketing network. By utilizing the wide network of BRI branch offices and sub-branch offices all over Indonesia, it is expected that more Indonesian people will be aware of the their retirement welfare by participating in the pension program.

Operational Review

Human Resources

In 2010 BRI theme of the year was The Year of Human Resources as a mean to realize one of BRI 's vision "To provide excellent services to the customers through its vast network supported by professional human resources and by the guidance of good corporate governance".

In relations with the theme, human resources management has been carried out in a sustainable manners trough series of integrated activities within the framework of Human Resources Architecture from planning, acquiring, developing, retaining and maintaining, performance management and terminating.

Through better management of Human Resources, it is possible to create a pool of professional and skillful talents in sufficient number capable of adapting with the dynamic business environment thus supporting the optimum achievement of company's strategy.

1. Recruitment

Several policies have been established to obtain skillful and competent employees:

- Management Trainee Program for BRI future leaders recruits fresh graduate from different educational backgrounds and universities;
- Contract workers, for certain positions including marketing positions;
- Outsourcing for supporting roles (non-core business); and
- Special hiring, for newly developed fields where no internal sources are available.

These efforts are mainly aimed at fulfilling the need for future BRI leaders and marketing staffs. In 2010, BRI have recruited 1.000 person through Management Trainee programs, 1.673 person for marketing staffs, 9.298 outsourcing employees, and 23 person through special hiring.

The additional number of BRI employees to support the business growth was also accompanied by efforts to maintain excellent quality of existing employees by developing welfare related policies as part of retention strategy for high performance employees.

2. Employee Development Program

Employees were given equal opportunities to develop their career. In 2010 the related policies for employee development:

- Talent Pool
Intended to identify and prepare high performance employees for strategic positions. This policy will be developed as the base of Talent Management.
- Career opportunities for outsourcing employees. Intended to give motivation and opportunities for high performance contract workers to fill in certain positions, such as account officer and administration staff.

3. Employee Welfare

BRI remuneration system is fair, equitable, competitive, easily administered framework, and in accordance with the needs and capabilities of the Bank. The amount of compensation and benefits for BRI employees are measured according to their positions and performance.

BRI always provides and maintains the level of salary at a competitive level and regularly follows the salary survey conducted by independent consultants. Therefore, as BRI business develops rapidly the Company could implement simple yet dynamic remuneration system.

BRI's wide coverage of service involves different cost structure in each geographical area, this is requires certain adaption to BRI compensation system. For that particular reasons, BRI have identified the differences in living cost in current working units and divide it in several zones that affect the amount of compensations and benefits for the employee in these zones.

Good performing employees are rewarded by bonus, incentives and salary increase. The amount of these bonus and incentives depends on the company's profit achievement and working unit levels.

Rewards for employees is one of BRI's corporate culture that will spur better target achievement. BRI provides both financial and non financial rewards.

4. Industrial Relations and Corporate Culture

Asides from giving rewards, BRI also employs policies on punishments that are both consistent and just to employees who had been proven to have made disciplinary violations in order to create a healthy and a sense-of-fairness in the working environment. At the same time, corporate culture continues to be developed and implemented through the Performance Improvement Program that must be carried out at least once a year in each working units.

BRI Corporate Values of integrity, professionalism, customer satisfaction, leadership, and respect to human resources must be used as a guidance in employees' professional and personal conduct.

The Company also continuously maintained good communications with the Labor Union who are strategic partners in developing the Company's business according to the regulations as stipulated in Labor Act No. 13 of 2003 on Manpower.

5. Human Resources Development Plan

BRI policy in human resources management is by developing integrated talent management system. The policy is expected to create a competitive and fair working climate for all the employees that will encourage them to contribute their best for the Company. To support the system, an integrated information system is also developed.

6. Training and Education

Human resources is the bank's essential assets, thus improvement in employee's skills, knowledge, and attitude is essential time to time as the company grows.

In 2010, BRI continued its effort to develop training and learning programs that link and match with BRI's business development. This program should consider the efficiency, effectiveness, and relevancy of the programs for the employees, so, it will give maximum benefits for the company.

The development programs were facilitated in 6 Regional Learning Centers located in Jakarta, Padang, Bandung, Yogyakarta, Surabaya, and Makassar. Within 2010, BRI spent Rp250.48 billion for training and education program, 48.90% increase from Rp168.60 billion in 2009.

Organized training programs and employee development consisted of:

a. Training for Newly Recruited Employees

Newly recruited employees are provided trainings on basic knowledge and skills required for their positions.

- Management Trainee Program

In 2010, management trainee program was held as a (MT program) to prepare its participants to become future leaders of BRI. At the end of 2010, 1,651 participants graduated from this program.



During the training, participants received several materials on banking in general and BRI. They were required to undergo on the job training at the branch office. Participants were declared graduated after having passed a comprehensive examination before the Board of Directors and Division Heads. In order to strengthen the Audit and IT function, Auditor, and IT MT Program specialist programs were conducted available to provide them with more in-depth knowledge in the fields of Audit and IT.

- Other Trainings

Other than MT Program, BRI also conducted trainings for their field staffs such as account officers, funding officers and front liners (customer service and tellers). Throughout 2010, 1,036 account officers, 165 funding officer and 6,312 front liners attended the trainings prior to their appointment. In Audit function, there were 125 associate auditors and 259 resident auditors trained on basic knowledge related to audit function in commercial bank.

b. Education for Development

Training for job promotion is for employees who have potential for promotion and/or have recently been promoted, as well as post graduate scholarship for staff who has highly prospective to become future leader of BRI. In 2010, BRI sent 22 employees to study in several universities in Australia, UK, and US, so until December 2010, there are currently 24 staffs studying overseas.

Education for development was also provided for employees in micro business. In 2010 there were: 241 supervisors, 500 BRI Unit Manager received various related trainings, and 1,320 account officers, received various related training.

c. Applicative Training

The applicative training provides skills and knowledge needed by employees to support their work in their current positions. This training is carried out either inhouse or through attending public courses, in and out of the country. Some of the inhouse trainings includes workshops and benchmarking of potential business profiles aimed at providing participants with "the industrial tree", along with tips and tricks from relevant business actors.

Business Profile Workshops organized in 2010 are cow related business (milk and slaughter), sugarcane and sugar industry, paddy and rice industry, shipping, power plant, bank guarantee and construction business as well as oil and gas. In addition to the workshops, business profile/pocket book modules, have also been developed for account officers in the branch offices, sub-branches and BRI Units.

d. Educational Blueprint for Business and Business Support Staffs.

In order to get human resources with integrated knowledge and skill commensurate with their job experience, BRI has also developed an education and training matrix which is included in an educational blueprint. Included in the classes are Debriefing and Application Modules.

As initial phase, an educational blueprint has been prepared for the business and business support staffs on five education and training material modules i.e. marketing, service, sales, people skill, and banking operation with a depth level in accordance with participants' position and length of service.

In order to provide the course curriculum that match with BRI's business needs, several pilot classes based on the blue print were set up to get feedbacks from the Division/Working Units and participants.

The following are the pilot classes set and continued by evaluation and fine tuning:

- Sub Branch Managers Training
- Sub Branch Managers Advance Training
- Training Sessions for Account Officer Candidates
- Account Officer Advanced Trainings
- Unit Manager, Loan Officers, and Front Liners Trainings
- Funding Officer Trainings
- Branch Manager and Deputy Regional Head Training Classes
- Service Staff Training
- Refreshment Class for Assistant Manager of Micro Business and Micro Business Manager
- Miscellaneous trainings

e. **e-Learning**

e-Learning continue to be the reliable method for future delivery of trainings and has been constantly improved in 2010 through the following activities:

- IT & Security Awareness
- Training on Anti Money Laundering & Terrorism Financing Prevention
- Introduction to Loan
- Product/Knowledge

Similar with conventional learning, evaluation is also implement out on e-learning with the aim to find out LMS performance and obtain feedback from participants about e-learning materials.

With all of activities mentioned above, in 2010, there were 168,471 employees participated in trainings that is average of 3.3 trainings in one year for each employee.

f. **Training and Education Program Plan**

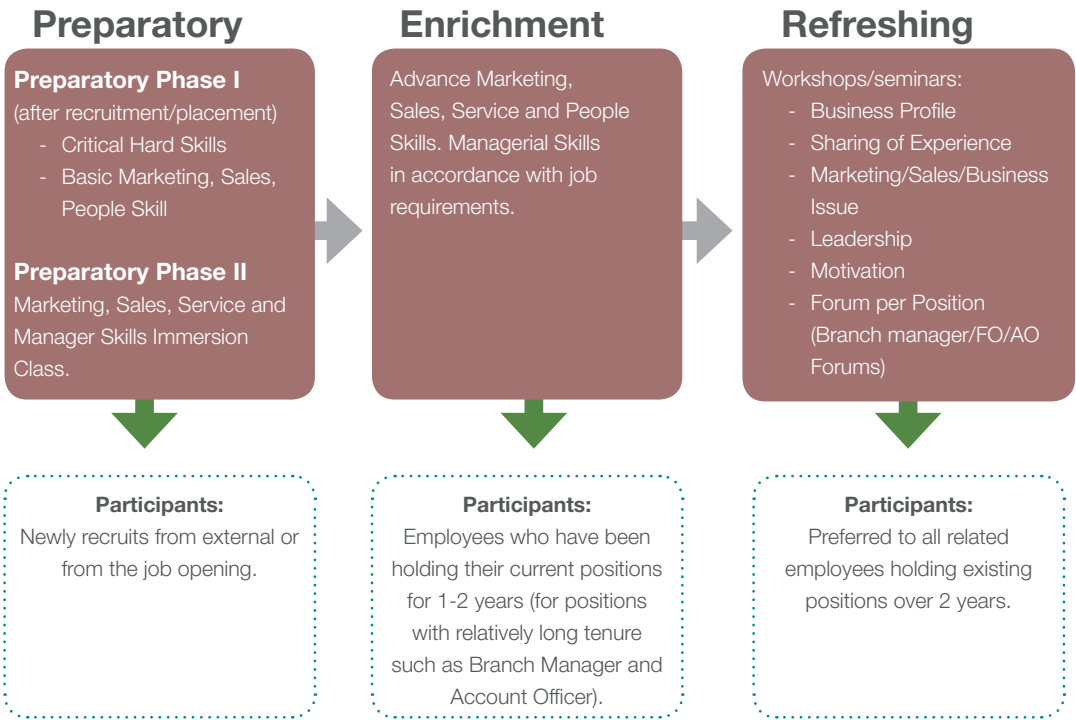
In 2011 the focus of training will be on the delivery of the training where technology was used to achieve better results. This is in line with BRI's future vision on learning and training that is transforming from training organizers to become a technology based knowledge center. As an initial step towards the vision, the use of e-learning and distant learning method in 2011 will be intensified to achieve a learning method of "blended learning". The Blueprint that has been tested in a pilot project and will be rolled out along with e-learning development. Along with this project there will be a reorganization in 2010 to include e-education department.

As a "source of knowledge", a digitalization will be done to all BRI libraries so that the dissemination of knowledge and information regarding new books/articles can be easily accessed by the workers.

In addition, in 2011, a cascading learning as a form of continued learning will be introduced. The initiatives refers to a continuous learning system where line managers are expected to participate in the formation and development of knowledge, skills, and attitude of the employees under their responsibility through coaching, mentoring, and counseling.

BRI continues to develop back office automation, which is a data warehouse for the administration and management of education and training. It is expected that efficiency, effectiveness, and quality of learning and training activities for all BRI workers can be realized.

Education Matrix in the Learning Blueprint for Business and Business Support functions:



Network and Services

BRI continues to improve the quality of its service and network throughout Indonesia, this strategy is implemented to strengthen customers loyalty, and in the end it will give positive influence on BRI's business growth.

BRI has a network of more than 7,000 outlets all over the country. The network has been connected real time and online. With all working units linked together in one network, BRI is ready to become the largest payment bank in Indonesia to serve a variety of banking transactions.

Micro Business Network

In line with the vision and mission of BRI, further development and improvement in micro businesses network was also evident. This network included the development of BRI Units and BRI Teras.

Development of BRI Units

BRI is a state-owned bank that focuses on micro businesses. In an effort to improve the local economy and ease of access to its service, BRI continues to develop a network of micro businesses throughout the country.

For the last 5 years, BRI has expanded its networks to regions previously unreachable by other banks. In 2005, the number of micro-business networks recorded was 4.112 BRI Units and 127 PPD. To be closer with the customers, in 2006, BRI opened 117 BRI Units. Then another 75 units was opened in 2007. In 2008, BRI opened 115 BRI Units, 114 BRI Units in 2009 and 105 BRI Units in 2010. Until December 2010, total micro outlet networks reached 4.649 BRI Units.

Development of BRI Teras

In order to better facilitate accessibility and provide faster service to micro customers, BRI has developed a new outlet in the form of BRI Teras. The location of BRI Teras is at the center of business activities which allows BRI customers to save money, apply for credit, and conduct other banking transactions without having to leave their business activities.

In 2009, BRI opened 217 BRI Teras and in 2010 opened another 400 BRI Teras, bringing total BRI Teras opened to 617. Since November 2009 all of BRI Units and BRI Teras have been linked real time and online.

Achievement in 2010

BRI has established several strategic steps during 2010, as follows:

- To meet the needs of the community for banking access. Until end December 2010 BRI opened 105 BRI Units and 400 BRI Teras.
- BRI changed the layout and identity of its BRI Unit offices
- Conduct training for employees of BRI Units and BRI Teras in order to provide more effective services to micro customers.

Development Plan

In 2011, BRI is planning the following development programs:

- Opening more than 100 new BRI units, more than 400 BRI Teras, and 40 Mobile BRI Teras.
- Increase the utilization of e-channel at BRI Units and BRI Teras to provide more convenient transaction options.
- Developing technology applications that will expedite application of loans at BRI Units and BRI Teras.

By sustainable development and optimization of the entire network of micro business, it is expected that BRI can better serve the micro community.

Retail Business Network

To become the best bank in Indonesia, BRI continues to be the bank with widest network that is accessible by customers everywhere and with the best service quality. To achieve this goal, network utilization at Branch Offices, Sub-Branches, Cash Outlet, and e-channel was optimized to reach all layers of the society. While supported by improvement of the service quality on each distribution network. During 2010, BRI's working unit and e-channel networks were continuously developed and improved.

Total Working Units

Working Units	Year				
	2006	2007	2008	2009	2010
Regional Office	13	14	14	17	18
Branch Office	334	344	376	406	413
Sub-Branch Office	202	230	337	434	470
Cash Outlet	0	24	179	728	822

Total e-channel

Working Units	Year				
	2006	2007	2008	2009	2010
ATM	1,278	1,576	1,834	3,734	6,085
CDM	-	-	1	20	71
KIOSK	-	2	14	60	100
EDC	-	-	-	6,398	13,631

Development Plan

In 2011, BRI is planing the following development programs:

- Establishing conventional working unit: 10 Branch Offices, 30 Sub-Branches, and 50 Cash Outlet
- Opening of BRI Centers: 10 Priority Banking Centers, 40 Priority Lounges, 5 Consumer Loan Centers, 9 Pension Centers
- Procurement of 18 mobile service (e-buzz)
- Placement of e-channel: 4,000 ATM, 30,000 EDC, and 20 CDM
- Display standardization of Working Units and e-channel.

Services

BRI constantly strives to improve the quality of its service to improve the satisfaction and loyalty of the customers that will ultimately have a positive influence to BRI's business growth.

Additional services developed in 2010 was:

1. Network of more than 7,000 units spanned from the farthest west part of Sabang to the most eastern part in Merauke already connected in real time and online. With all working units linked in one network, BRI is ready to become the largest payment bank in Indonesia to serve a variety of banking transactions.
2. Micro segment service, namely the establishment of BRI Teras in traditional markets/wet markets that provide savings and loan services.
3. Simplifying service to customers includes producing instant ATM cards and changing ATM PIN quickly, simplify the process of opening an account.
4. Adding ATM and other e-banking products such as cash deposit machines (CDM), mini-ATM (EDC), internet banking, sms/mobile banking and e-money (in progress).
5. Placement of BRI network at the Regional Police Office to facilitate payment of driver's license/vehicle registration.
6. Continuous customers education and information on the ease of using e-banking.
7. Ease of access to banking services through BRI call center.
8. "One door" customer complaint handling by the Contact Center Service and the opportunity to resolve customer complaints through Banking Mediation from Bank Indonesia.
9. Weekend banking services, to serve the needs of customers on holidays.
10. 24-hour service in several hospitals, to serve the needs of customers who require banking services for 24 hours at the hospital.

In 2010, BRI improvement in enhancing quality of service to customers, has recognized by achieving "The Rising Star Service Excellent" from Infobank magazine in partnership with MRI (Marketing Research Indonesia) research institution. Based on MRI research results, BRI has become the only bank which quality of service value that experienced a significant increase over the previous year, i.e. managed to increase its ranking, previously on rank 11th with a value of 78.14 in 2009 to rank 6 with a score of 81.94 (up 5 positions from 11 to 6 with 3 points value increase).

In terms of service contact center, in 2010 Bank BRI also received awards from several institutions as follows:

1. From the Center for Customer Satisfaction and Loyalty (CARRE) in the 2010 Call Center Award, BRI has won The Best Contact Center Indonesia 2010 for Service Excellence Call BRI in the credit card category.
2. From the Contact Center Association (ICCA), BRI has won Platinum award for The Best Contact Center Operation category, Gold for Leader category, Bronze for The Best Back Office Operations category, Silver for Video Contact Center category, Bronze for The Best Team Leader category and Excellence Performance BRI in Contact Center Association Leader Expo.

Procedures for handling customer complaints:



3. From Bank Indonesia (BI) BRI has earned an award on Care in the Settlement of Customer Complaints, among others through:
 - One door reporting of customer complaints by operational working units (full service).
 - Standardization of BRI service and ensure customers receive news of complaints follow-up results by centralizing correspondence to customers.
 - Monitoring customer complaints through second level front liners as intermediaries between customers and the back office to settle customer cases and complaints.

In order to improve quality of service to customers, the strategies are:

- Improving BRI's image by improving its contact center.
- Improving the awareness and spirit of service by conducting Service Quality (SQ) awareness roadshows through several service quality improvement programs.
- Socialization and Implementation of Service Culture
- Standardization of service and increase customer satisfaction through performing SQ coaching, SQ monitoring and refreshing course activities of products and policies to the range of front liners at Branch Offices, Sub-Branches, Cash Offices and BRI Units.
- Improving the service skills and service leadership by organizing training related to the workers at Branch Offices throughout Indonesia.
- Appointing pilot branches as the best practice in terms of quality of service in each Regional Office (Center of Excellence).
- Appointing working units as a Pension and Briguna Service Center in each Regional Office.

- Preparation of Standard Service for the sales team (Account Officers, Funding Officers, and Staff).
- Standardization of lay out display of branch offices, appearance of front liners, product promotion media and increase customer awareness to BRI products.
- Improving working motivation by providing service awards at Branch level and worker level.
- Develop accelerated service quality improvement program through the SQ Assurance and Improvement program.
- Product knowledge competition amongst Branch and Sub-Branch front liners throughout Indonesia as well as BRI Unit front liners through the SQ Vaganza program.
- Identify customer needs through the activities of Focus Group Discussion with customers and conduct customer satisfaction surveys regularly to customers of Branch Offices, Sub-Branched, and BRI Units to both deposit and loan customers.
- Developing applications of host to host and BRIVA (BRI Virtual Account) with State-Owned Companies (among others): PDAM, Bapeten, Pusri, PGN).
- Develop Operational Manual on Cash Management System (CMS), Sharia Service Office, Plan Fund, Forex Line, review operational policies in order to process business re-engineering to improve customer satisfaction.
- Coordinate and monitor handling of operations and service units in disaster affected areas (as the coordinator of Head Office's Crisis Center Team).
- Escalate and monitor handling of e-banking service operations including e-channel product problems i.e. ATM, SMS banking, phone banking, Kiosk, EDC, CDM, Internet banking.
- Management Information System as sources of information in decision making by management.
- Implement response function center that refers to the Service Level Agreement (SLA) by improving help desk infrastructure such as adding Remedy license and upgrading Remedy System to Version 7.5, roll out Remedy System in operation units that have not been implemented, the addition of Avaya System license, the fulfillment of voice recording system, the addition of knowledge management (database problem solving), the addition of help desk operators/agents, making implementation of problem report (IPR).
- Increase skills and knowledge of help desk operators by:
 - Conduct incidental or gradual trainings
 - On the job training in operational units for both new and existing agents to better understand the operational conditions of the working units.
 - Addition of team leaders from senior agents/best agents.
 - Establishment of quality control team
- Improving help desk operators' working motivation.
 - Giving Best Agent award on a quarterly basis.
 - Organizing annual Service Quality events for help desk agents.
 - motivation building
- Monitor CIF duplication and CIF data completeness.



Center of Operation

In 2010, BRI consistently transformed operations in the field of internal business process from distributed banking operation to centralized banking operation in order to improve efficiency and effectiveness of operations in accordance with the national banking best practices, which ultimately increase speed and accuracy of service to customers.

The increasingly rapid and complex business development have required BRI to adapt and make improvements in the operational field and continue to develop and supervise in a dynamic manner to minimize the possibility of losses due to operational risk.

Business Process Improvement and Operational Efficiency

BRI has made a number of improvements in the field of operations to cope with business demands and achieve performance targets in 2010, such as the centralization of back office, business process evaluation and improvement of operational procedures.

In supporting the improvement of banking services, BRI manages and develops centralized back office operations so as creating centers that are ideal, effective and efficient, which include implementation of centralized debit vouchers in Jakarta, Surabaya and Bandung Clearing Areas as well as a Centralized Cash Reconciliation and Settlement of ATM Cash Differences concentrated in the Regional Offices of BRI in Java and West Kalimantan.

Efforts to develop and evaluate business process of all transactions are handled consistently including improvement to remittances and trade finance applications, centralization of the clearing, centralizing reconciliation of ATM transactions, and so forth aimed at creating a Straight Through Processing (STP) and settlement of open positions and differences relating to e-banking, ATM cash, clearing, RTGS, and nostro.

Development of Operations Centers

Development of Operations Centers basically cannot be separated from the development of businesses or transactions conducted by the existing business units at BRI.

Development of Credit Card and e-Banking

Development of BRI e-banking transactions rose significantly in 2010. This is in line with the increased of credit cards circulation, at the of end 2010 reached 19.7 million cards, increase 114% from 9.2 million cards in 2009. Total card transactions in 2010 reached 332 million transactions (on average almost 1.3 million transactions per day) or increase 50.2% from 2009, with total transaction value of Rp166.7 trillion or 51.8% increase from 2009.

Looking at the types of transactions, it shows that the biggest transaction was conducted on ATM. Until 2010, 305 million ATM transactions are recorded, there are around increase of 50% from 2009 with nominal transactions recorded at over Rp162 trillion or grow 51.5% compared with 2009.

RTGS, Bank Clearing, and Treasury Transactions

The transactions of RTGS (Real Time Gross Settlement) in 2010 showed a progress. Total RTGS incoming transactions of BRI amounted to Rp3.43 trillion with 965 thousand transactions. While RTGS outgoing transactions have reached Rp3.44 trillion with 881 thousand transactions.

Similar to RTGS transactions, the bank clearing transactions also shaved a significant increase. In terms of Delivery Clearing, total inward transactions have reached Rp84 trillion with 3.4 million transactions, while outward transactions reached Rp20 trillion with 727 thousand transactions. In terms of loan clearing, total inward transactions have reached Rp33 trillion with 4.9 million transactions, while outward transactions reached Rp28 trillion with 2.7 million transactions.

In terms of money market transactions, in 2010 in regard to IDR currency, borrowing transactions was Rp34.17 trillion with 794 transactions, while lending transactions recorded at Rp95.73 trillion with 1.372 transactions, in regards with USD currency, borrowing transactions was recorded at USD1.31 billion with 140 transactions, while lending transactions was recorded USD5.025 billion with 306 transactions. In terms of forex transactions in 2010, total purchase transactions in IDR equivalent to Rp135.76 trillion with 9.076 transactions, while total sales transactions in IDR equivalent to Rp94.13 trillion with 5,473 transactions.

In 2010 nominal fixed income purchase transactions denominated in Rupiah was Rp1.99 trillion with 1.726 transactions, while sales transactions amounted to Rp33.99 trillion with 346 transactions. In terms of USD currency, purchase transactions was recorded at USD183 million with 68 transactions, sales transactions was USD20 million with 2 transactions. Total money market transactions in 2010 reached 3.142 transactions, with total nominal value of Rp9.43 trillion for Rupiah and USD52 million for USD.

Remittance Transactions

Until 2010, total Incoming Partnership Remittances derived from 24 partnership institutions was recorded at 410.225 transactions with a value of USD171 million. Compared to 2009, there has been a significant increase in terms of transactions or amount of transactions. The average number of daily transactions also increased from 196,653 transactions to 410.225 transactions per day, with average value increase from USD90.7 million to USD171 million.

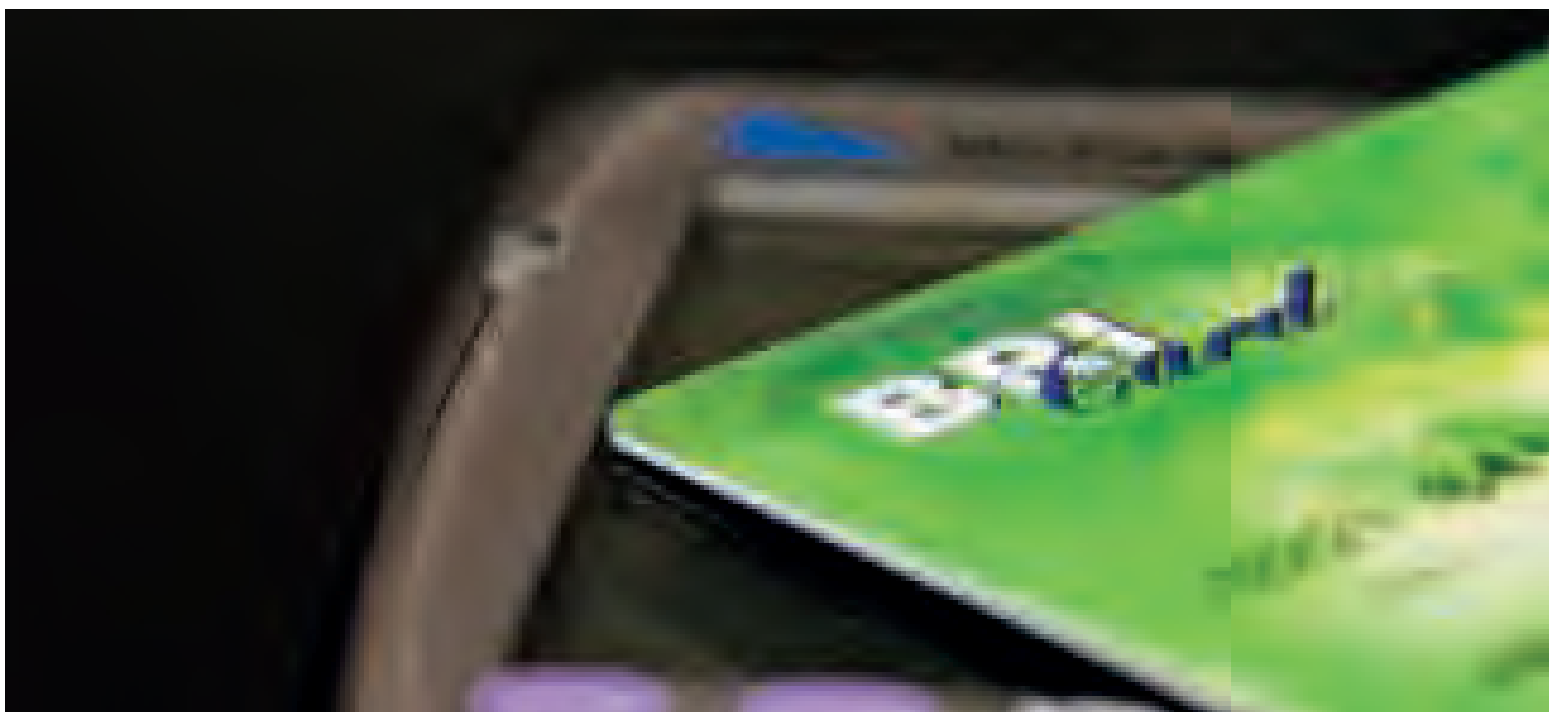
In terms of number of transactions, Incoming Non-Partnership Remittances in 2010 was recorded at 80.933 transactions with a total value of USD10.5 billion.

Number and nominal outgoing remittances transactions in 2010 have significantly risen compared to 2009. Outgoing remittances in 2009 were 22.954 transactions with a value equivalent to USD9.5 billion, increased to 33.492 transactions with a value equivalent to USD15 billion in 2010. Total number and value of outgoing remittance transactions in 2010 increased respectively by 31% and 36%.

Development Plan

BRI has designed plans to anticipate more complex banking problems in 2011. The plans are:

- Establish Regional Operations Centers, for debiting clearing transactions and cash movements, located at Regional Offices of BRI across Indonesia.
- Developing Enterprise Reconciliation Application.
- Developing Paperless e-banking Settlement.
- Preparing implementation steps of ISO Standard 9001:2008 - Quality Management Systems.



Information Technology and Systems

BRI is committed to become a modern bank. To achieve this, various strategies have been and will be developed and implemented gradually since 2008 until 2013. The strategies are contained in the Information Technology Strategic Plan (ITSP) of BRI for the years 2008-2013, namely:

- Providing broad access channels for customers equipped with standard, various and integrated features.
- Adoption of leading-edge IT (Information Technology) to follow the trend in the banking industry.
- Providing complete data access in real time and online.
- Implementation of (near) zero downtime.
- Implementation of security technologies and IT governance process .
- Utilization of multimedia and paperless technology

BRINETS Core Banking System (CBS)

Throughout 2010, BRI had great achievements in relation with gradual implementation of the ITSP. There are 7,012 BRI working units integrated in CBS BRINETS, the first and the biggest business unit integration in Indonesia. The accesses of all 4,500 BRI offices to CBS BRINETS host are using web-based BRINETS application system.

Currently, BRI is still in progress to change the application system in 1000 BRI outlets from BDS (Branch Delivery System) into BRINETS web. This changes will centralize the internal policy and regulations, time wise, cost saving and mitigate the operational risk. Therefore, the shift on system and application to adhere the internal policy and regulations will be centralized, time wise and cost saving, mitigating the operational risks.

Total BRINET Working Units

	2006	2007	2008	2009	2010
Total Working Units	4,789	4,924	5,335	6,854	7,004
Regional Office	13	14	14	17	18
Inspection Office	11	12	12	14	14
Branch Office *	334	344	376	406	413
Sub-Branch Office	202	230	337	434	470
Cash Outlet	0	24	179	728	822
BRI Unit	4,229	4,300	4,417	4,538	4,649
BRI Teras	0	0	0	285	617

*) Including Special Branch Office and 3 Overseas Branches

Development of Electronic Banking

To serve customers 24 hours a day, 7 days a week, BRI needs to improve and develop electronic banking features continuously. Electronic Media will facilitate customers in getting information, communicating and conducting banking transactions through the facilities of ATM, EDC (Electronic Data Capture), KIOSK, cash deposit machine, phone banking, electronic fund transfer, SMS banking, and Internet banking.

Total e-channel

Tahun	2006	2007	2008	2009	2010
ATM	1,278	1,576	1,834	3,734	6,085
CDM	-	-	1	20	71
KIOSK	-	2	14	60	100
EDC	-	-	-	6,398	13,631

BRI continues to develop the appearance of new features in each channel access. In 2010, BRI launched e-money prepaid card called BRIZZI by considering the potential for micro payments and the opportunity to acquire a good market of card holders and merchants.

Credit Card

In order to support product development of VISA issuing and acquiring, BRI has prepared the infrastructure for IT data center and EAS connection. In terms of business acquisition project, BRI has prepared EDC along with its infrastructure support.

Development of Management Information System (MIS)

MIS development is undertaken to improve the completeness of information, accuracy, and timeliness in the provision and integration of data to business needs and compliance with regulations. The use of multimedia technology and paperless information systems make the presentation more communicative, effective and efficient.

In 2010 MIS developed Debtor Information System Report Application, improving the time response and data validity in presenting Commercial Bank Report of Basel II to Bank Indonesia and ATM Centralized Reconciliation.



New Cash Management

In order to maximize the functions of cash management services for institutional and corporate clients, BRI performs further development on application of New Cash Management Service. The improvements take the form of additional features, availability, user friendliness, speed of service, security systems, and rapid handling of problems. New Cash Management can provide comfort and convenience and increase customer confidence as well as open new customer acquisition opportunities.

BRI's information technology also supports the process of cooperation with several institutions such as Bulog (host to host payment with third party of Bulog), PT Pusri (host to host fertilizer purchase), Pertamina (new host to host fuel oil purchase), and a number of universities host to host tuition fee payment and tuition fee obligation).

Sustainable Business Planning and Disaster Recovery

BRI has prepared the application of Business Continuity and Disaster Recovery Plan to maintain continuity of business operations while improving customer confidence and mitigate operational risks due to failure of infrastructure, application systems and information technology. As part of Business Continuity Management, BRI has prepared Disaster Recovery Centers (DRC) at different locations than Data Centers (DC) as an alternative facility if a DC is experiencing problems. To guarantee performance of this system, BRI conducts periodic pilot testings to ensure that this system and application will continue to function when there is damage or disaster to the infrastructure of BRI's information technology in DC.

The Availability of Communication Network

In line with the very rapid development of BRI network and operations along with additional online working units that keeps on increasing, BRI has maintained the availability of a communication network that is supported by continuous supervision through the enterprise monitoring system and used a redundant and different communication media such as satellite and fiber optic.

Security System and Security Awareness

BRI's technology infrastructure is evaluated and audited on a regular basis with the aim of mitigating weaknesses and fragility risks to the information technology infrastructure. Corrective action is taken immediately after a weakness to the system is identified, in accordance with vulnerability management's standards and procedures. To improve the Information Technology Security Awareness, BRI has implemented the Security Awareness program to all of BRI's employees.

Development Plan

Information Technology in BRI is facing a formidable challenge. Business competition in banking industry augments the need to develop the business further. Therefore, the information technology infrastructure in BRI must improve its competitive advantage.

Facing the information technology challenge in 2011, some strategic plans were made:

- Complete the infrastructure and develop e-channel implementation in order to support the business needs and business competitiveness and compliance to the rules and regulations
- Build new BRI Data Center at the IT building as second data center to increase availability and business continuity.
- Implement tools and redundant communications networks in each BRI working unit.
- Develop knowledge management systems and document management systems to support paperless banking operational process.
- Add electronic banking devices until 2013, with the following details:
 - 4,000 Automatic Teller Machine (ATM)
 - 30,000 Electronic Data Capture (EDC)
 - 20 Cash Deposit Machine (CDM)

Fixed Assets and Logistic Management

In line with business development and network expansion, the needs for optimal management of fixed assets and demand for meeting logistics needs in a timely manner will continue to increase. For that, the needs for fixed assets and logistics must be met speedily, flexibly, efficiently and effectively by always implementing Good Corporate Governance (GCG) principles so that the company does not lose its business momentum.

In order to meet the increasing needs of company logistics, the Company carries out a series of organizational changes within the working units to implement management functions on fixed assets and logistics. It is expected that, with the new organization, management of fixed assets and logistics of the company can be done more efficiently, professionally, focused and guided in supporting the business of the company.

The company's policy in logistics cover the implementation of decentralization process in procurement of goods and services to the rank of Regional Manager with adequate authority. Thus, activities to meet the requirements of products and services can be done effectively and efficiently at the same time support the role of Regional Offices in improving the performance of their working units. BRI relies on the Logistics Management Information System (SIM-AT) which has been integrated in managing fixed assets across Indonesia, among others, to take notes and record procurement transactions, distribution, transfer and removal of fixed asset data in the system. BRI continues to carry out assessment and development of SIM-AT in order to guarantee the availability of complete, accurate, informative and up to date fixed asset data.

The process of procurement needs to be done on an sustainable basis. For that, BRI has improved fixed assets management policies and integrated research to obtain a real picture and condition of the company's fixed assets in the field. The company has also continuously made improvements to the general logistics policy of the company to adjust to its business development and the laws and regulations applicable to State-Owned Enterprises.

Development process is focused on aspects of planning and control, so the procurement process can be conducted in accordance with business needs, scale of priorities and budget availability. In order to better guarantee procurement activity of goods and services speedily, flexibly, efficiently and effectively the company has prepared a Service Level Agreement (SLA) for logistics activities by always observing GCG principles.

In the long term, the Company has plans to implement office automation with the implementation of e-logistics and e-procurement as part of the increased speed and effectiveness and efficiency of service.

Risk Management

Implementation of an integrated risk management system is one of BRI's commitment to minimizing potential losses faced by BRI. Risk Management has an important role in improving the quality of bank risk management in order to achieve bank goals through two aspects, namely protect capital and optimize risk and return relationship.

BRI's risk management is implemented with three lines of defense, namely:

1. First line of defense refers to business/operations working units as the parties responsible for implementing internal control functions and maintaining the quality of output and business process in accordance with the established policies and procedures.
2. Second line of defense refers to risk management working units monitoring fulfillment of the bank's risk management in accordance with risk appetite and set policies, guidelines and working unit's business/operation risk limits independently, so that risk exposure as a whole does not exceed the capital capacity of BRI.
3. Third line of defense refers to internal audit units functioning to control through evaluating first and second line of defense as well as reporting to the President Director and the Board of Commissioners independently.

In the application of risk management, the Board of Directors and the Board of Commissioners play an important role in supporting and overseeing the success of its application in all working units. In managing business risk exposures and determination of the Risk Management System, the Board of Directors is assisted by the Risk Management Committee (RMC) as the highest body of BRI's risk management system. RMC Meeting is held at least once in every three months.

Besides RMC, to discuss specific problems of a certain type of risk in need of an immediate response can be decided through a limited RMC meeting, or known as sub-RMC. There are three sub-MRC namely CRMC (Credit Risk Management Committee), MRMC (Market Risk Management Committee), and ORMC (Operation Risk Management Committee), established to discuss problems in connection with credit risk, market risk, operational risk and other risks.

Implementation of BRI Risk Management

In an effort to implement risk management in all working units, BRI has set targets, strategies and work programs to support the achievement of objectives i.e.:

- a. **Creating a Risk Aware Culture.**
BRI has disseminated risk management information throughout its working units all over Indonesia through training and communication through print ing and electronic media (Memo Perisma and BRI internal portals).
- b. **Business Continuity Management**
In the increasingly competitive banking environment, BRI must always be responsive to interruption and immediately restore the bank's operations during and after an interruption/disaster. To safeguard the bank's business continuity, both in normal condition and/or disaster and interruption, BRI has developed Business Continuity Management policies and procedures so that BRI can maintain the continuity of a critical business process, safeguard its assets and appropriately respond in a situation of interruption or disaster.
- c. **BRI's Aggregate Risk Assessment through Self Assessment process produces the Risk Profile.**
The Risk Profile consists of inherent risk (the risk inherent in bank's activities prior to the control) and risk control system (control of inherent risk) to 8 (eight) types of risks involved in 7 (seven) BRI functional activities of credit, treasury, trade finance, funding, operations and services, IT system, and support.

BRI's overall risk profile during 2010 remained at low to moderate Risk category by achieving a score of 2.10 with a stable trend. In composite, both for inherent risk and risk control system, BRI is still at low to moderate level. In terms of risk control system, BRI has earned an assessment between strong and acceptable.

Implementation of Credit Risk Management

Credit risk refers to risk that occurs due to failure of the counterpart to fulfill obligations. Credit risk can come from various bank functional activities such as lending (provision of funds), treasury and investment, and trade finance, which are recorded in both banking book and trading book. BRI products/claims that have credit risk exposure are loans and non-loans (placements, participations, and other claims/assets such as internal/external receivables).

Credit risk is the biggest component in BRI business risk portfolio. In accordance with the Minimum Capital Requirement Report in 2010, credit risk is calculated using the standard method. Based on the assumption of 8% CAR, the allocated capital to cope with credit risk amounted to Rp16.7 trillion or 53.67% of total capital.

Given the complexity and magnitude of credit risk exposure at BRI, in 2006, BRI has formed Project Team of Credit Risk Basel II which is responsible for developing and implementing credit risk management with the Standardized approach and the Internal Rating Based Approach. Credit risk activities done by BRI during 2010 were:

- a. Conduct manual preparation of the Standardized Approach manual based on BI consultative paper, credit risk measurement simulation for BI Quantitative Impact Study to proposing a draft Regulation on Standardized Approach to BI.
- b. Conduct policy review of the use of CRR-CRS (Credit Risk Rating-Credit Risk Scoring), Credit Risk Modelling (PD/Probability of Default, LGD/Loss Given Default and EAD/Exposure at Default), BRI needs of MIS and CRM (Credit Risk Management) systems
- c. Simulate measurement of credit risk by using the Internal Rating Based Approach (IRBA) and conduct review of IRBA regrouping exposures in accordance with Basel II.
- d. Perform application development of collateral data and recovery rate per debtor to be part of the LAS (Loan Approval System) and reporting module.

- e. Conduct stress testing (with various scenarios, including worst case scenario) through bottom-up using customers' cash flow for corporate debtors and by using past performance portfolio data for MSME debtors, with reference to external conditions and macroeconomic conditions in 2010.

In addition, BRI is also one of the banks that has made a Stress Testing analysis presentation before Bank Indonesia and IMF/World Bank in accordance with the Financial Sector Assessment Program (FSAP) and made an estimation on Macro Credit Risk Stress Testing based on macroeconomic data from Bank Indonesia (baseline scenario) and IMF (stress scenario).

Application of credit risk management at BRI is not only intended to place BRI as a bank that adheres to regulations, but management demand to implement good credit risk management systems in accordance with best practices in banking, thus expected to encourage the business activity-oriented bank to optimize risk and return and capital adequacy of the bank to absorb losses due to credit risk.

In order to maintain quality of loan portfolio, BRI continues to apply prudential principles in the loan initiation process. The main principle in managing credit risk includes separation of loan officers ; Relationship Management and Credit Risk Management, the implementation of four eyes principle, the application of risk scoring system, and separation of problem loan management. In addition, loan initiation process must follow sound lending procedures.

To ensure that activities are in lending are carried out prudently, credit risk limits need to be set so that credit risk potential losses that have arisen can still be absorbed by the allocated capital. For that, BRI has assessed calculation of credit risk limit including credit concentration limit and routinely monitors actual credit risk exposures based on portfolio, per business segment and per economic sector.



Implementation of Market Risk Management

Measurement of market risk (interest rate risk and exchange rate risk) is done through the standardized approach method in accordance with PBI No. 5/12/PBI/2003. By using this approach, capital allocated in 2010 to cover market risk amounted to Rp114.6 billion or 0.37% of total capital.

BRI has implemented the Treasury and Market Risk (GUAVA) application system, which is an integrated system used by front office (dealers), middle office and back office. In the application, measurement of market risk has used an internal model (Value at Risk). With this application, BRI is expected to be able to monitor daily market risk more promptly and accurately (risk sensitive).

Implementation of Operational Risk Management

Operational Risk Measurements are carried out using the Basic Indicator Approach (BIA). By using the approach, capital allocated to cope with operational risk amounted to Rp2.2 trillion or 6.96% of total capital.

In 2010, line with efforts to implement operational risk management, BRI has done important things, among others:

- a. Continue the development of gross income reporting system in accordance with business line mapping of BRI and Basel.
- b. *Review operational risk measurement with Basic Indicator Approach (BIA) and The Standardized Approach (TSA).*
- c. Simulate calculation of operational risk by using The Standardized Approach (TSA) and Advanced Measurement Approach (AMA). To support AMA application, BRI has implemented Risk and Control Self Assessment (RSCA), Primary Risk Indicators (IRU), Incidental Management (MI) to all Operational Work Units (UKO), as well as improvement to the policies and procedures of Operational Risk Management (MRO) devices.
- d. Application of Risk Management Forum (FMR) as a venue or meeting forum between the leaders of working units and their workers to address issues (risks) inherent in business activities or operations.
- e. Review policies and implementation of Risk Management Function in each working unit in managing and monitoring risk. This function is inherent with the officer/supervisor at the nominated working unit responsible for the application of risk management and the enhancement of risk conscious culture of employees at its working unit.

- f. Perform application development (software) of MRO device, called OPRA (Operational Risk Assessor) that includes RCSA, IRU, MI, Maturity Assessment and reporting the implementation of FMR. OPRA application facilitates the application of MRO and as a preparation process to calculate operational risk capital charge using the Advanced Measurement Approach (AMA).
- g. Continue BRI pilot test implementation in the preparation of disaster condition (Business Continuity Management/MKU), through dissemination of information together with OPRA application training in several Regional Offices.

In addition to that, BRI has managed reputation risk, compliance risk, legal risk and strategic risk in accordance with Bank Indonesia regulations.

Legal risk can arise from any business and operational activity in all working units, so that the responsibility for risk management responsibility and mitigation of legal risk is with all risk owners. Legal risk at the corporate level is managed by the Legal Division. To assist the risk responsible party in identifying, measuring, controlling and monitoring legal risk, socialization and guidance are done to employees in all working units of the legal aspects on each business and operational activity, so that the legal risk can be mitigated optimally.

Strategic risk indicator is the bank failure in achieving the target due to unsuitable business decisions. Strategic risk at corporate level is managed by the Strategic Planning and Business Development Division. This Division is responsible for determining the bank's strategic plan (corporate plan) and business plan for a period of 3 years as well as monitoring and evaluating the implementation.

Corporate Secretariat Division has been designated as the coordinator of reputation risk management at the corporate level. Periodically, Corporate Secretariat Division has identified and reported the reputation risk profile to the Board of Directors.

Compliance risk is actually inherent on all business and operational activities, especially related to the prevailing laws and regulations and other provisions. Compliance Division is the coordinator of compliance risk that reports periodically to the Board of Directors.

Business Plan

Risk management program to be conducted in 2011 are:

1. Formulation of policy and methodology of internal models for market risk associated with the implementation of treasury applications system and market risk.
2. Evaluation and updating liquidity risk management policies predetermined by the management.
3. Development of enterprise-wide risk management, including development of risk-based performance measures (risk-adjusted performance measurement/ RAPM).
4. Perform simulation and stress testing review of Market Risk and Credit Risk.
5. Review guidelines for measuring credit risk according to Basel II with the Standardized Approach (SA) and Internal Rating Based Approach (IRBA) in accordance with applicable regulations.
6. Review policies and methodologies of Credit Risk Rating (CRR) and Credit Risk Scoring (CRS) according to applicable regulations and monitoring application and implementation of CRR and CRS as redesign results.



- 7. Testing Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) after LAS implementation thoroughly.
- 8. Evaluation of credit risk policies, methodologies, and formulations.
- 9. Preparation of the implementation of Standardized Approach (SA) and Advance Measurement Approach (AMA)
- 10. Review implementation effectiveness of Operational Risk Management (RSCA, IRU, MI) using OPRA application.
- 11. Improve implementation effectiveness of the Business Continuity Management with relevant working units, including testing the Call Tree and Switch Over DC-DRC (Data Center - Data Recovery Center).
- 12. Adequacy testing of risk management on New Products and/or Activity (PAB)

Chapter 4

Corporate Governance

Congklak (Indonesian Mancala) is played by moving the seeds from the holes in sequential order. The game order teach the players to be work in order, honest, and discipline.

Banking industry is a fully regulated industry to maintain the customer trust and ensure business sustainability

Discipline



Introduction

To ensure sustainable value for the company, BRI understands that besides increasing business performance, protecting the stakeholder interest, and complying to prevailing rules and regulations, the implementation of Good Corporate Governance is a must.

Bank Rakyat Indonesia (BRI), with the Board of Commissioners, the Board of Directors and all BRI's personnels are committed to implement the principles of Good Corporate Governance based on the values of BRI Corporate Culture: integrity, professionalism, customer satisfaction, leadership, and respect to human resources. The values in the corporate culture have been implemented in the Company, and become the base of BRI Codes of Conduct resulted in a clear and measurable objectives that leads to Good Corporate Governance.

To strengthen these commitments, BRI made some improvements in its policy regarding Good Corporate Governance (GCG) in a Joint Letter of the Board of Commissioners and the Board of Directors No. 01-KOM/BRI/03/2010-No.S.14-DIR/DKP/03/2010 dated 8 March 2010. In addition to the Board Manual, corporate governance implementation is based on internal rules and regulations and the GCG principles.

As one of the indicators that the corporate governance is well implemented, BRI is obliged to submit the GCG report, to comply with the prevailing Bank Indonesia regulations and to improve BRI performance in order to gain more trust from investors.

GCG Implementation in BRI 2010:



I. General Meeting of Shareholders

General Meeting of Shareholders (GMS) is the Company's instrument with the authority as set in Law No. 40 year 2007 on Limited Liability Company, this authority not granted to the Directors and the Board of Commissioners. Annual General Meeting of Shareholders (AGMS) is a forum for shareholders to obtain company information from the the Boards of Directors and/or the Board of Commissioners according to the Meeting's Agenda and other Company related information. According to Law of Limited Liability Company and Articles of Association, AGMS consists of:

a. Annual General Meeting of Shareholders (AGMS)

AGMS is held at least 6 (six) months after the financial year ends and in the meeting, the Board of Directors present:

- Annual Report.
- Proposal on how to utilize Company Net Profit if the Company have profit.
- Proposal to appoint Public Accountant Firm to audit Company's current fiscal year performance based on the proposal submitted by the Board of Commissioners or authorize the Board of Commissioners to appoint Public Accountant Firm.
- Other company-interest issues requiring General Meeting of Shareholders' approval without undermining the provisions of Articles of Association.

BRI is a Stated Owned Enterprise. therefore by referring to Article 23 of Law No. 19/2003 regarding State Owned Enterprise, then within 5 (five) months after the financial year ends, BRI's Board of Directors must submit Annual Report to AGMS for validation.

b. Extraordinary General Meeting of Shareholders

It can be held according to the Company's need based on Article 24 of Company's Article of Association, The Board of Director to hold Annual General Meeting of Shareholders and extraordinary General Meeting of Shareholders after prior Announcement and invitation to GMS.

- Invitation to GMS is made by registered mail/print-ad 14 days at the earliest before the planned date of the meeting excludes the date of Invitation and the meeting.
- Prior to invitation, 14 (fourteen) days before, Company must announce in two Indonesian Newspaper
- In accordance with BRI as public listed company and to unify the information related with the plan or implementation of GMS, then pursuant to Bapepam-LK, Number. IX.I.1, Company would inform Bapepam-LK at least 7 (seven) days before the Announcement.
- And after the General Meeting of Shareholders. The company must submit the report of the GMS at least 2 (two) days after the completion of GMS by announcing it publicly in minimum 2 (two) Indonesian newspapers, and one of them is nationally circulated.
- Each share issued have 1 (one) voting right, unless the Articles of Association stated otherwise.

In 2010, BRI organized 2 (two) GMS, Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders.

Annual General Meeting of Shareholders 2010

Annual General Meeting of Shareholders (AGMS) BRI in 2010 was held on 20 May 2010 in Auditorium, BRI I Building 21st Floor and attended by shareholders owning 9.922.448.709 shares or 80,48% from all the total issued shares. Thus, in accordance with the AGMS' provision on quorum which stated in Company's Articles of Association, 2010 AGMS may produce a valid and binding decision.

The process of AGMS 2010 were:

- Submitting the agenda of AGMS 2010 to Bapepam-LK on 12 April 2010.
- Announcement in 2 (two) daily Indonesian newspapers Kompas and Bisnis Indonesia on 19 April 2010.
- Call of AGMS in 2 (two) daily Indonesian newspapers Kompas and Bisnis Indonesia on 5 May 2010.

Agenda and Decision of AGMS 2010:

Agenda 1:

Approval on Annual Report and Board of Commissioners Supervisory Report of FY 2009 and Submission of Report on The Actual Use of the Proceeds from Initial Public Offering (IPO).

Decision of Agenda 1:

Approving the Annual Report of 2009 including the Board of Directors Report and Board of Commissioners' Supervisory Task for Full Year 2010 that have been audited by Public Accountant Firm of Purwantono, Sarwoko, and Sandjaja in accordance with Report No. RPC-11168 date 24 March 2010 that fully release and discharge the obligations to Board of Directors and Board of Commissioners on their management and supervisory roles in the fiscal year ended in 31 December 2009 provided that such actions is not criminal in nature and reflected in the Company's Book.

Agenda 2 :

Validation of Partnership Program and Community Development Report for Fiscal Year 2009

Decision on Agenda 2:

Validation of Partnership Program and Community Development Report that has been audited by public certified accountant Herman Dody Tanumihardja & Partners as written in a report No. 29/GA/HDT-DH/PKBL-BRI/V/2010 dated 30 March 2010 that fully release and discharge the obligations of Board of Directors and Board of Commissioners on their management and supervisory roles in Partnership Program and Community Development provided that such actions is not criminal in nature and reflected in the Annual Report of Partnership Program and Community Development.

Agenda 3 :

The use of Company Net Profit of Fiscal Year 2009

Decision on Agenda 3:

1. Approval on the distribution of company net profit for the period of 1 January 2009 to 31 December 2009 with the following split:
 - a. 30% or Rp2.192.487.498.786,- retained as the dividend for fiscal year 2009.
 - b. 13% or Rp950.077.916.141,- for General Reserve.
 - c. 3% or Rp219.248.749.879,- for Community Development Program.
 - d. 54% or Rp3.946.477.497.815,32 as Retained Profit.
2. Granting the authorization and power to the Board of Directors to set the schedule and procedure of dividend distribution of fiscal year 2009 according to prevailing regulations.

Agenda 4:

Defining the amount of salary, honorarium, and tantiem for Board of Directors and Board of Commissioners.

Decision on Agenda 4:

1. Deciding to give tantiem for Board of Directors and Board of Commissioners for Fiscal Year 2009 of 1.16% from net profit of Fiscal Year 2009.
2. Deciding that no changes for the salary/honorarium of Board of Directors and Board of Commissioners for 2010 and it will be the same as the salary/honorarium as decided in AGMS in 19 May 2009.
3. Giving the authority and power to the Board of Commissioners to decide honorarium, benefits/facility including tantiem and post-tenure compensation for the Secretary of Board of Commissioners effective since the closing of the AGMS until such authority is revised or withdrawn by the AGMS.

Agenda 5:

1. Appointment of Public Accounting Office to audit Financial Report Fiscal Year 2010.
2. Appointment of Public Accounting Office to audit the Report of Partnership Program and Community Development for Financial Year 2010.

Decision on Agenda 5:

1. To authorize the Board of Commissioners in appointing Public Accounting Office to audit the Company's financial Report of fiscal year 2010 and deciding the fee and other requirements in accordance with prevailing regulations.
2. To authorize the Board of Commissioners in appointing Public Accounting Office to audit the Company's financial Report and Partnership Program and Community Development Report of fiscal year 2010 and deciding the fee and other requirements in accordance with prevailing regulations.

Agenda 6:

Transfer of authority to Board of Commissioners to add capitals in the form of MSOP as agreed in Company's AGSM.

Decision on Agenda 6:

Approval on granting the authority and power to the Board of Commissioners to add paid-in capital in the form of Management Stock Option Plan (MSOP) as has been agreed in Extraordinary GSM on 3 October 2010 and its revisions.

Agenda 7:

Changes in the structure of Company's Board of Directors and/or Board of Commissioners.

Decision on Agenda 7:

1. Honorably discharge Mr. Agus Pakpahan as the Commissioner effective from the the closure of the meeting. The company acknowledge with gratitude his contribution during his tenure as the Commissioner of the Company.
2. Appointing:
 1. Mr. Soedarjono as Vice President of Commissioner.
 2. Mrs. Aviliani as Independent Commissioner.
 3. Mr. Heru Lelono as Commissioner.
 4. Mr. Adhyaksa Dault as Independent Commissioner.

The appointment of the members of the Board of Commissioners is effective since the closure of the meeting, except for Mr. Soedarjono, Mr. Heru Lelono, and Mr. Adhyaksa Dault that would be effective after Bank Indonesia's approval, subsequent to successful Fit & Proper Test to comply with prevailing regulations. The tenure of the newly appointed Commissioners will be 5 years and would end at the closing of AGMS in the fifth year.

3. Honorably discharge Mr. Sudaryanto Sudargo and Tuan Abdul Salam as the directors effective from the the closure of the meeting. The company acknowledge with gratitude his contribution during his tenure as the director of the Company.
4. Appointing:
 1. Mr. Sofyan Basir as President Director.
 2. Mr. Achmad Baiquni as Director.
 3. Mr. Djarot Kusumayakti as Director.

The appointment of the members of the Board of Commissioners is effective since the closure of the meeting, except for Mr. Achmad Baiquni and Mr. Djarot Kusumayakti that would be effective after Bank Indonesia's approval, subsequent to successful Fit & Proper Test to comply with prevailing regulations. The tenure of the newly appointed Commissioners will be 5 years and would end at the closing of AGMS in the fifth year.

5. The duties and responsibilities of the Board of Commissioners members will be carried out according to Article 12 point 17 of Company's Articles of Association.
6. Granting substitution right to the Board of Directors to take any actions related with the actions of the meeting according to prevailing regulations, including but not limited to enlist the structure of the Board of Commissioners and Board of Directors.

Extraordinary General Meeting of Shareholders 2010 (EGMS)

EGMS year 2010 was held in 24 November 2010 in Auditorium, BRI I Building 21st Floor and attended by shareholders owning 10.331.510.508 shares or around 83.78% therefore it is in accordance with quorum provision stated in Company's Articles of Association and EGMS is valid and may produce an valid and binding decision.

The steps in conducting EGMS were:

- Submission of Extraordinary AGMS Agenda 2010 to Bapepam-LK on 15 October 2010.
- Announcement was made in 2 (dua) Indonesian daily newspapers, Kompas and Bisnis Indonesia on 25 October 2010.
- Call of EGMS was published in 2 (two) Indonesian daily newspapers, Kompas and Bisnis Indonesia on 9 November October 2010.

Agenda and Decision of Extraordinary AGMS 2010:

Agenda 1:

Approval to acquire the shares of Dana Pensiun Perkebunan (Dapenbun) to at least 76% in PT Bank Agroniaga Tbk. (Bank Agro) including Acquisition Plan and Deeds of Acquisition Draft.

Decision on Agenda 1:

1. Approval to directly acquire 3.030.239.023 or 88.65% to total shares issued and fully paid of Bank Agro from Dapenbum as written in the Deed of Meeting Decisions of Bank Agro No.68 dated 29 December 2009 signed before Rusnaldy, SH, a Notary in Jakarta. It includes the reduction and or addition of share ownership to at least 76% from total shares issued and fully paid in Bank Agro, according to Sales Agreement dated 19 August 2010 and prevailing rules and regulations.
2. Approving Acquisition Plan and Deeds of Acquisition Draft.
3. Granting substitution right to the Board of Directors of the Company to take any actions related with the actions of the meeting according to prevailing regulations.

Agenda 2:

Approval to initiate *stock split* and revise Article 4 of Company's Article of Association on stock split.

Decision on Agenda 2:

1. Approval to split the stocks of Series A Dwiwarna and Series B from Rp500 per share to Rp250 per share or 1:2 ratio.
2. Provisions of splitting of previous Series A Dwiwarna stocks to 2 shares with new value:
 - a. 1 share of Series A Dwiwarna will be maintained as Series A Dwiwarna shares belongs to state of Republic of Indonesia at the value of Rp250,- per share.
 - b. 1 share of Series A Dwiwarna will be changed into 1 share of Series B belongs to state of Republic of Indonesia at the value of Rp250,- per share.
3. Revision of Articles 4 point (1) of Company's Article of Association changing the Company's Authorized Capital from Rp15,000,000,000,000.00 comprising of:
 - 1 Share of Series A Dwiwarna.
 - 29.999.999.999 shares of Series B at Rp500 per each share.

To

Company authorized capital of Rp15.000.000.000.000,00 comprising of:

- 1 Share of Series A Dwiwarna.
- 59.999.999.999 shares of Series B.

Each share has a nominal value of Rp250.

4. Granting the authority with substitution right to the Board of Directors to split the nominal value of the shares according to prevailing regulations, including but not limited to set the schedule of the split and revise the articles of association in a separate deed before the notary, announce and register such revisions of articles of association to the authorities as required by the regulations.

II. The Board of Commissioners

A. The Duties, Authorities, and Obligations of the Board of Commissioners

1. The Number, Composition and Criteria and Independency of the Member of the Board of Commissioners

Bank Indonesia Regulation (PBI) No.8/4/PBI/2006 as revised by PBI No. 8/14/PBI/2006 regarding the Implementation of GCG for Commercial Bank stated that the bank should have Independent Commissioners comprised of at least 50% of the total members of the Board of Commissioners. To comply with that requirements and to support the GCG of the bank, the shareholders in the AGMS have agreed to appoint Independent Commissioners with the main responsibility to monitoring the bank and its subsidiaries operation as of 31 December 2010. There were 7 members of Board of Commissioners including 4 Independent Commissioners, this is not exceeding the number of Directors (10 directors). Therefore the number and composition of the Board of Commissioners comply with prevailing regulation.

Composition of the Board of the Commissioners as of 1 January 2010

No.	Name	Position
1.	Bunakor Sani	President Commissioner
2.	Agus Suprijanto	Commissioner
3.	Agus Pakpahan	Commissioner
4.	B.S. Kusmuljono	Independent Commissioner
5.	Baridjussalam Hadi	Independent Commissioners
6.	Aviliani	Independent Commissioners

Composition of the Board of the Commissioners from 20 May 2010 to 31 December 2010

No.	Name	Position
1	Bunakor Sani	President Commissioner
2	Soedarjono *)	Vice President of Commissioner
3	Agus Suprijanto	Commissioner
4	Heru Lelono *)	Commissioner
5.	Baridjussalam Hadi	Independent Commissioner
6	Aviliani	Independent Commissioner
7.	Adhyaksa Dault **)	Independent Commissioner

*) effective from 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia after conducting *fit and proper test*.



All member of The Board of Commissioners have the integrity, competence, and excellent financial reputation backgrounds. All members of the Board of the Commissioners do not hold concurrent position as Commissioner, Director, or Executive officers in any other banks with the exceptions as stated in PBI regarding GCG implementation in commercial bank. All members of the Board of Commissioners do not have financial and familial ties with other members of the Board of Commissioners and the Board of Directors.

2. The Duties and Authorities of the Board of Commissioners

- a. The Board of Commissioners is responsible for overseeing the policies and management in general, whether of the Bank or of its businesses under the management of the Board of Directors (BOD), and giving advice to the BOD including oversight on the implementation of the corporate plan, Bank's business plan, Company's budget and work plan, as well as oversight on rules under the Articles of Association, resolution of the GMS and prevailing laws and regulations, in line with the interest of the Bank as well as its goals and objectives.
- b. In relation with the above duties, the Board of Commissioners is authorized to, among other things, request clarification from the Board of Directors and/or other executives on issues pertaining to the Bank, and to establish Committees to support the effectiveness of the Board of Commissioners' duties and responsibilities. Committees established by the Board of Commissioners are:
 1. Audit Committee
 2. Nomination and Remuneration Committee
 3. Risk Management Supervisory Committee
- c. The Board of Commissioners is responsible to provide an opinion and approval over the corporate plan, Bank's business plan, Company's budget and work plan as well as other Company's plans that are submitted by the Board of Directors in accordance with the Article of Association. Other responsibilities include among other things is to propose at the General Meeting of Shareholders on the appointment of the Public Accounting Firm that will audit the Bank's financial statement.

Board of Commissioners Guidelines

To perform its duties and responsibilities, Board of Commissioners always refer to the Articles of Associations, Joints Decision Letters between Board of Commissioners and Board of Directors, and Board of Commissioners Guidelines. The Board of Commissioners Guidelines among other things contains information on: working guidelines for the member of the commissioners, committees, and secretary, organizational structure, tasks and functions, working time and meetings, and other technical matters regarding the administration of the Board of Commissioners institution.

3. Frequency of the Board of Commissioners Meetings

Pursuant to procedures stipulated in the Article of Association, the meeting of the Board of Commissioners is held at least once in a month or at any time if necessary, and may invite the Board of Directors if required. The Board of Commissioners

meeting is legal and authorized to make any binding decisions if more than 50% of its members are present or represented in the meeting. The decision of the meeting is made in consensus and it is legal and should be obliged by all members of the Board of Commissioners and will be made in consensus. If the consensus is not reached, it should base on the affirmative votes by more than a half of the valid voters in the related meeting.

Members' attendance in the Board of Commissioners Meetings 2010:

No.	Name	Position	Number of Meetings	Attendance	%
1.	Bunaser Sanim	President Commissioner/Independent	27	25	92.59
2.	Soedarjono **)	Vice President Commissioner	13	12	92.31
3.	Agus Suprijanto	Commissioner	27	22	81.48
4.	Aviliani	Independent Commissioner	27	23	85.19
7.	Baridjussalam Hadi	Independent Commissioner	27	25	92.59
4.	Agus Pakpahan *)	Commissioner	13	13	100.00
6.	B.S. Kusmuljono *)	Independent Commissioner	13	13	100.00
5.	Heru Lelono **)	Commissioner	13	8	61.54
9.	Adhyaksa Dault **)	Independent Commissioner	13	9	69.23

*) Effective of May 20th, 2010 is no longer member of the Board of Commissioners.

*) Effective as Commissioner since 20 July 2010 upon obtaining approval from Bank Indonesia on *fit and proper test*.

4. Approval and Recommendation of the Board of Commissioners to the Board of Directors regarding The Duties, Authorities, and Obligations of the Board of Commissioners:

In 2010, The Board of Commissioners provides the following approvals and recommendations to the Board of Directors:

- Approval for the revised Annual Budget and Work Plan of 2010.
- Approval for the Annual Budget and Work Plan of 2011.
- Approval of Bank's Business Plan 2010-2012 along with its Revision.
- Approval of Bank's Business Plan 2011-2013.
- Supervisory Report on the Bank's Business Plan Realization of Semester II-2009.
- Supervisory Report on the Bank's Business Plan Realization of Semester I-2010.
- Realization of the Business Plan and The Bank's Health Level at the Q4-2009.
- Realization of the Business Plan and The Bank's Health Level at the Q2-2010.
- Supervisory Report of DPLK BRI Financial Report 2009.
- Approval on Exceptions of the Board of Director Consultancy to the Board of Commissioners regards the Loan Facility to Subsidiary of State-Owned Companies.
- Feedback on the Board of Director Consultation with the Commissioners in Loan Approval.
- Approval for funding to Related Parties.
- Follow Up on Bank Indonesia's Audit Report
- Exit meeting results of BI Audit on loan Activities in Retail Segment as of June 2010.
- Approval of the Board of Directors decree on Anti Money Laundering and Terrorism Funding Prevention.



- p. Joint Letter of the Board of Commissioners and Board of Directors regarding Bank's (GCG) Policy.
- q. Decree of the Board of Commissioners about remuneration of the Board of Directors, the Board of Commissioners and the Board of the Secretary of the Board of Commissioners of the bank.
- r. Recommendation on the extension of tenure for members of the Committee under the Board of Commissioners.
- s. Approval on the appointment of Director of Compliance.
- t. Feedback on Memorandum on Audit Results and Company Performance up to April 2010.
- u. Feedback on Report of Internal Audit Results for Q1-2010.
- v. Approval on the appointment of Public Accountant Firm for General Audit of Financial Report 2010.
- w. Principal Permit for the Appointment of Public Accountant Firm by BRI DPLK Monitoring Board.
- x. Approval to Written Statement of Founder regarding the Revision to BRI's Pension Fund regulations.
- y. Approval on the Guidance of the Implementation of Know Your Customer Principles (P4MN) of DPLK BRI;
- z. Approval on the Proposal and Acquisition Plan of PT Bank Agroniaga Tbk.
- aa. Approval on the Acquisition and Development of BRIIngin Remittance Co Ltd. (BRC) Hong Kong.
- ab. Recommendation and Advice from the Board of Commissioners regarding the visit to several BRI outlet.
- ac. Recommendation and Advice regarding the follow up of meeting between the Board of Commissioners and the Board of Directors as well as Divisions.
- ad. Approval on Interim Dividend Payment.
- ae. Approval on Liquidity Risk Management Policies of BRI.
- af. Approval on Granting Money Market Line Facility to PT Bank BRI Syariah.

5. Procedure of Remuneration for Member of the Board of Commissioners

Decision on Salary, Honorarium, and Tantiem for the Members of Board of Commissioners and the Board of Directors is decided by GMS.

The Board of Commissioners submits the proposal of Salary, Honorarium, and Tantiem of the Board of Commissioners and the Board of Directors to the Dwiwarna Series A shareholder to be approved by the GMS. The proposal is based on according to the recommendation provided by Nomination and Remuneration Committee after considering market practice, economic conditions, and prevailing rules and regulations, and Company performance.

Other facility and benefits for the member of the Board of Commissioners and the Board of Directors shall be decided by the Board of Commissioners pursuant to Articles of Association.

The Board of Commissioners formulates and stipulates other facilities and benefits for member of the Board of Commissioners and Board of Directors in a Remuneration Policy based on the recommendation form Nomination and Remuneration Committee. Nomination and Remuneration Committee review the policy annually.

B. Committees of the Board of Commissioners

1. AUDIT COMMITTEE:

The establishment of BRI Audite Commitee based on decree of the Head of Bapepam-LK No. KEP-29/PM/2004, the decree of Minister of SOE No. 117/M-MBU/2002, PBI No. 8/4/PBI/2006 as revised by PBI No. 8/14/PBI/2006 concerning the Implementation of Corporate Governance for commercial bank; and Law No. 19 of 2003 dated 19 June 2003 regarding SOE and Committee Audit Charter. Audit Committee, is established to support the Board of Commissioners in its supervisory and

monitoring duties and functions to advise the Board of Directors on matters related with financial information, internal control system, effectiveness of external and internal auditor's audit, effectiveness of risk management, and compliance to prevailing rules and regulations.

Structure, Membership, Expertise and Independency of Audit Committee

BRI's Audit Committee consists of a chairperson who is an Independent Commissioner, a member who is also an Independent Commissioner, a member from the Commissioner, and three non-Commissioners, members which have expertise in financial, accounting, law, and banking. The composition have met the requirements stated in the decree of the Head of Bapepam-LK No. Kep-29/PM/2004 regarding The Establishment and Guidelines of Audit Committee.

The membership composition of audit committee from of 1 January 2010 - 30 June 2010 was:

Name	Position	Profession
Aviliani	Chairman	Independent Commissioner
Bunaser Sani	Member	President Commissioner/Independent Commissioner
H.C. Royke Singgih	Member	Non-Commissioner
Dedi Budiman Hakim	Member	Non-Commissioner
Syahrir Nasution	Member	Non-Commissioner

Membership structure for periode of 01 July 2010 – 31 December 2010:

Name	Position	Profession
Baridjussalam Hadi	Chairman	Independent Commissioner
Bunaser Sani	Member	President Commissioner/Independent Commissioner
Soedarjono *)	Member	Vice President of Commissioner
H.C. Royke Singgih	Member	Non-Commissioner
Dedi Budiman Hakim	Member	Non-Commissioner
Syahrir Nasution	Member	Non-Commissioner
*) effective since 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia on conducting <i>fit and proper test</i> .		

Profile of Audit Committee Members

The profiles of Bunaser Sani, Aviliani, Baridjussalam Hadi, and Soedarjono are available in the Member of Commissioners' profile.

H.C. Royke Singgih – Indonesian citizen, 50 years. He has been member of the Audit Committee since October 2005. A certified public accountant, he previously served Bank IFI, PT Pan Indonesia Bank, Jakarta and PT Krakatau Steel, Cilegon. He earned a degree in accountancy from University of Gajah Mada, Yogyakarta (1986) and a master in management degree in finance and banking from University of Indonesia, Jakarta (2000), holding a Special Certification for Strategic Management Studies, Pre Doctoral Program, University of Indonesia, Jakarta (2004), and currently is pursuing his Doctorate degree in business management at Bogor Agriculture University, IPB since 2007.

Dedi Budiman Hakim – Indonesian citizen, 45 tahun. He has been member of the Audit Committee since 1 November 2005. Currently serving as a Faculty Member of the Bogor Agricultural University (IPB) and a Researcher at the Center for Applied Finance and Economics (interCAFE) IPB. He holds a degree in agronomics science from IPB (1988), a master of arts degree in agriculture social economics from Massey University, Palmerston North, New Zealand (1994), and a doctorate in agriculture from Georg-August-Universitaet, Goettingen, Germany.

Syahrir Nasution – Indonesian citizen, 57 years. He has been member of the Audit Committee since 1 November 2008. A certified public accountant. Previously a career banker with BRI (1990-2008) in the fields of inspection and audit and prior to joining BRI, a career auditor in State Agency for Development and Financial Control (BPKP) until 1990. He holds a degree in economics and accountancy from Institute of Finance, Jakarta (1981).

Duties and Responsibilities of Audit Committee

In 2010, Audit Committee undertook their functions, duties and responsibilities in accordance with the Audit Committee Charter. In conducting its meetings with the bank's working units, this committee through the Board of Commissioners required some subordinating managements to attend the meetings and to provide necessary relevant information especially in bank internal audit and risk management.

The Audit Committee has convened meetings with the subordinates of management, includes Finance and Management Accounting Division, Technology and Information System Division, Human Resources Management, Compliance, Consumer Banking, Risk Management, and Logistic. The Audit Committee undertakes the active oversight duties of the Board of Commissioners through regular meetings with the Internal Audit Unit.

Frequency of the Audit Committee Meetings

The meeting is attended by Financial and Management Accounting Division (AMK), Internal Audit (AIN), Public Accounting Firm of Ernst & Young, FRS Global and Supreme Audit Agency of Republic of Indonesia.

The Audit Committee convened a total of 15 meetings in 2010, with the following attendance records:

Name	Position	Attendance (%)
Baridjussalam Hadi *)	Chairman	100
Bunasor Sanim	Member	100
Aviliani **)	Member	100
Soedarjono ***)	Member	100
H.C. Royke Singgih	Member	100
Dedi Budiman Hakim	Member	100
Syahrir Nasution	Member	100
*) effective since 1 Juli 2010 as Audit Committee Chairman.		
**) Non-active from the membership of Audit Committee since 1 July 2010.		
***) effective since 20 July 2010 as Commissioner after obtaining approval from Bank Indonesia on fit and proper test.		

The agendas of the Audit Committee meetings in 2010 were as follows:

No.	Related Party/Working Unit	Date	Agenda
1.	External Auditor (KAP)	14 January 2010	General Audit Kick-Off Fiscal Year 2009.
		19 January 2010	Preparation of general audit of 2009
		30 March 2010	Discussion on the draft of general audit result 2009
		27 September 2010	Preparation of general audit of 2010
		20 December 2010	Discussion on the implementation of PSAK 50-55 together with the Financial and Management Accounting Division and FRS- Global.
2.	Internal Audit	12 January 2010	Discussion on Audit Report of Q3-2009.
		11 May 2010	Discussion on Audit Report for Q4-2009 and Audit Planning of 2010.
		20 July 2010	Discussion on Audit Report and Fraud Report of Q1-2010.
		21 December 2010	Discussion on Audit Report of Q2 and Q3 of 2010.
3.	Financial and Management Accounting Division	09 February 2010	Discussion on appointment of Public Accounting Office for Financial Year 2010.
		09 March 2010	Discussion on external auditor and Bank Indonesia audit report.
		23 March 2010	Discussion on Public Accounting Firm (PAF) for Financial Year 2010
		Tuesday, May 25, 2010	Discussion on PAF for Financial Year 2010.
		Tuesday, August 24, 2010	Discussion on the plan to implement PSAK 50-55.
		20 December 2010	Discussion on the plan to implement PSAK 50-55 with external auditor and FRS - Global.
4.	Inspection Office	5, 6, 7 April 2010	Audit Committee visit to Regional Audit Office of BRI Bandung.
		4-8 May 2010	Visit to Regional Audit Office of BRI Makassar.
		11-14 October 2010	Visit to Regional Audit Office of BRI Padang.
5.	Audit Committee Review	15-16 January 2010	Preparation of BRI Auditor as Strategic Business Partner for Risk-Based Audit Implementation.
		02 February 2010	Presentation of the Audit Committee to the Board of Commissioners
		19 March 2010	Discussion on The Result of Audit Report 2009.
6.	The Supreme Audit Agency of Republic of Indonesia	Friday, June 25, 2010	Discussion on Internal Control System in BRI



Audit Committee Work Plan

The Audit Committee implemented its work plan in 2010 as follows:

1. Internal Activities
 - a. Design Audit Committee's work plan as per the Audit Committee Charter.
 - b. Convene meetings with Internal Audit (IA) to discuss internal control system, and the audit findings especially those which are deemed to have potential risks that could affect the business continuity of the Bank.
 - c. Convene meetings with the Finance and Management Accounting Division and other related divisions to discuss the Bank's financial performance and other financial information.
 - d. Convene regular (weekly) meetings with the Nomination and Remuneration Committee, Risk Management Supervisory Committee and the Secretary of the Board of Commissioners to discuss important issues related to the effectiveness of the Board of Commissioners' functions, roles, and responsibilities.
 - e. Evaluate and provide written reports to the Board of Commissioners on every meeting and assignment given to Audit Committee.
 - f. Attend meetings concerning the formulation of BRI GCG guidelines, evaluate the performance of the Internal Audit communication forum, and visit several Regional Audit Offices, Regional/Branch Offices in an attempt to gather primary information on the problems of the respective working units.
2. External Activities
 - a. Participate in the seminars related to Audit Committee's functions, such as those conducted by The Institute of Internal Auditor (IIA) Indonesia Chapter, and the Indonesian Audit Committee Association to increase competencies and capabilities of Audit Committee.
 - b. Hold discussions with external auditors, either before or after the investigations regarding audit findings in the financial statements of the Bank.
 - c. Hold discussions with other parties, especially those related to the effectiveness and enhancement of the internal audit function.

2. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Establishment of Nomination and Remuneration Committee pursuant to decree of Minister of State-Owned Enterprise No. 117/M-MBU/2002 dated 31 July 2002 concerning The Implementation of Good Corporate Governance in State-Owned Enterprise; PBI No. 8/4/PBI/2006 as revised by PBI No. 8/14/PBI/2006 concerning the Implementation of Corporate Governance for commercial bank; and Law. No. 19 year 2003 dated 19 June 2003 on State-Owned Enterprise. In BRI, the Nomination Committee and the Remuneration Committee is not separated.

Structure, Membership, Expertise, and Independency of NRC Members

Committee of Nomination and Remuneration BRI consists of a Chairperson (Independent Commissioner), a member (Commissioner), an executive officer i.e Head of Human Resources Division, and two non-commissioners with vast knowledge in remuneration and/or nomination and Bank's succession plan.

The composition of the Nomination and Remuneration Committee of 1 January 2010 - 30 June 2010 were:

Name	Position	Profession
B.S. Kusmuljono *)	Chairman	Independent Commissioner
Aviliani	Member	Independent Commissioner
Agus Pakpahan *)	Member	Commissioner
Randi Anto	Member	Non-Commissioner / Executive Officer
Kanyatama P. Mulyono	Member	Non-Commissioner
Asep Ikhsan Iskandar	Member	Non-Commissioner

*) Non-active from the membership of Board of Commissioner since 20 May 2010.

Membership structure for the periode from 01 Juli 2010 – 31 December 2010:

Name	Position	Profession
Bunator Sanim	Chairman	President Commissioner/Independent Commissioner
Aviliani	Member	Independent Commissioner
Heru Lelono *)	Member	Commissioner
Randi Anto	Member	Non Commissioner/Executive Officer
Kanyatama P. Mulyono	Member	Non-Commissioner
Asep Ikhsan Iskandar	Member	Non-Commissioner

*) effective as of 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia on fit and proper test.

Profile of NRC Members

The profiles of Bunator Sanim, Aviliani, and Heru Lelono are available on the profile of the Board of Commissioners.

Randi Anto – Indonesian citizen, 49 years. He has been the member of the Nomination and Remuneration Committee since 2009. Started his career in BRI in 1985 in different positions, and currently holds the position of BRI's Head of Human Resources Division. Obtained his bachelor's degree in business economics from Diponegoro University, Semarang, in 1984, and MBA in banking from St. Louis University, USA (1994).

Kanyatama P. Mulyono – Indonesian citizen, 37 years. She has been the member of the Nomination and Remuneration since November 2009. She was previously the Auditor of Haga Bank and KPMG Public Accountant Firm, consultant and lecturer at Management Institution of Economics Faculty in University of Indonesia (LM-FEUI).

She earned her bachelor's degree in economics from University of Indonesia in 1996, and master of science in industrial and organizational psychology from the University of Indonesia in 2004.

Asep Ikhsan Iskandar – Indonesian citizen, 38 tahun. Enlisted in the Nomination and Remuneration membership effective since November 2009. Began his career in 1998 in different positions, and currently holds the position as staff in BRI's Human Resources Division. He earned his bachelor's degree in economics accounting from University of Pasundan, Bandung in 1996.

Duties and Responsibilities of NRC

Based on the Charter of the Nomination and Remuneration Committee on 21 June 2007, the Nomination and Remuneration Committee is a committee that has been formed by the Board of Commissioners in order to support the effectiveness of the Board of Commissioners' duties and responsibilities, especially those related to nomination and remuneration policies.

A. The Nomination Function

1. Analyze, compose and give recommendations concerning the system and procedures of election and/or replacement of members of the Boards of Commissioners and the Board of Directors to the Board of Commissioners;
2. Recommend candidates for Commissioners and/or Directors to the Board of Commissioners;
3. Monitor the execution and analyze the criteria and procedures of selection for officers one level below that of the Board of Directors;
4. Compose performance evaluation system of the Boards of Commissioners and the Board of Directors;
5. Recommend the number of members of the Boards of Commissioners and the Board of Directors;
6. Give opinion or advice to the Board of Directors on the transfer and/or appointment decisions on hiring professionals to become officers one level below that of the Board of Directors;
7. Analyze the information of executives one level below that of the Board of Directors submitted quarterly by the Board of Directors and on each change occurring;
8. Recommend to the Board of Commissioners concerning Independent Parties that will be members of the Audit Committee or the Risk Management Supervisory Committee.

B. Remuneration Function

1. Evaluate prevailing remuneration policies for the Board of Commissioners, the Board of Directors and BRI employees;
2. Recommend to the Board of Commissioners the following:
 - a. Remunerative policies for the Board of Commissioners and the Board of Directors;
 - b. Overall remunerative policies for the BRI's executive officers and employees to be submitted to the Board of Directors.

3. Recommend the granting of options to the Board of Commissioners, the Board of Directors and the employees of BRI, such as stock option.
4. Recommend the pension plan for BRI employees;
5. Recommend the system of compensation and other benefits in the matter of employee downsizing in BRI.

C. Other Functions

1. Evaluate and provide recommendations to the Board of Commissioners on employment policies and other functions in HR management that may have a significant impact on financial and/or legal risks to BRI.
2. Provide recommendations to resolve internal and/or external audit findings and the results of Bank Indonesia monitoring activities, specifically for policies in HR management.
3. Administer documents related to the duties and responsibilities of the Committee.

Frequency of NRC Meetings

The directors' attendance at the NRC meetings in 2010 were as follows:

Name	Position	Attendance (%)
Bunator Sanim *)	Chairman	100
Aviliani	Member	100
B.S. Kusmuljono **)	Member	100
Agus Pakpahan **)	Member	80
Heru Lelono ***)	Member	100
Randi Anto	Member	80
Kanyatama P. Mulyono	Member	100
Asep Ikhsan Iskandar	Member	100

*) effective since 1 Juli 2010 as the member of Nomination and Remuneration Committee.
 *) Non-active from the membership of Board of Commissioner since 20 May 2010.
 ***) effective since 20 July 2010 as Commissioner after obtaining approval from Bank Indonesia on fit and proper test.

Activities conducted by Nomination and Remuneration Committee in 2010 were as follow:

a. Meeting Agenda and Activities related with Director Nomination:

No	Time	Meeting Agenda and NRC Activities
1	22 January 2010	Preparation meeting for AGMS 2010 regarding Director nomination: <ul style="list-style-type: none"> the Board of Commissioners will evaluate the Board of Directors based on quantitative and qualitative indicators. The Board of Directors election process in AGMS 2010. Compile and submit the report on the implementation of AGMS 2010 to the Minister of State-Owned Enterprise.
2	26 January 2010	Follow up the meeting on 22 January 2010, particularly on the preparation of the selection process of Directors: <ul style="list-style-type: none"> Setting up the criteria for the candidate. Schedule the nomination process.
3	2 February 2010	Follow up the meeting on 26 January 2010, discussing the data processing of candidates related to nomination policy and other special criteria, i.e: turning vision into policy, business capability, leadership, and networking.
4	05 & 09 February 2010	Drafting the report to Minister of SOE (Dwiwarna Series A Shareholders): <ul style="list-style-type: none"> Quantitative and qualitative evaluation of the Board of Directors. The Board of Directors succession in AGMS 2010.
5	11 February 2010	Interview process for director candidates from internal BRI, with the criteria of: turning vision into policy, business capability, leadership, and networking.
6	16 February 2010	Completion of Report to the Minister of SOE (Dwiwarna Series A Shareholders) concerning the Board of Directors' assessment and recommendations of Director candidates selected by the Board of Commissioners for AGSM 2010.

b. Meeting Agenda and Activities Related with Remuneration of the Board of Commissioners and Board of Directors.

No	Time	Meeting Agenda and NRC Activities
1	06 April 2010	Discussion on Tantiem and Salary/Honorarium of the Management between NRC and Board of Commissioners, in reference to: <ul style="list-style-type: none"> Minister of SOE Regulation No. PER-02/MBU/2009, dated 27 April 2009. Market practice, economic condition, and prevailing rules and regulations. Company Achievement in 2008 and 2009
2	13 April 2010	
3	22 April 2010	
		Report to the Minister of SOE (Dwiwarna Series A Shareholders) regarding the Tantiem and Salary/Honorarium of the Management proposal to be decided in AGMS 2010.

c. Meeting Agenda and NRC Activities related with HRD:

No	Time	Meeting Agenda and NRC Activities
1	28 July 2010	<p>The Board of Commissioners meeting inviting the Board of Directors to explain Human Resources Development Program (Recruitment, Education, Training, Promotion, and Rotation) in relation with new outlet expansion:</p> <ul style="list-style-type: none"> Activities in human resources management of BRI are channeled in a one gate policy from Recruitment, Education, and Development (Career and Profession), punishment, and Exit Policy program for non-productive employee, as stated in BRI Human Resources architecture. Education and Training Programs via Training Needs Assessment is expected to provide information on development of individuals or the Company as a whole. Human Resources development in relation with of BRI's strategic business is not focused on business expansion but to improve low cost of fund therefore creating excellent performance to achieve excellent welfare. To maintain the balance of employees, the company introduces the policy of providing incentives and salary increase for outsourcing employees based on their service year, and opportunity to be selected as permanent employee for high performers. Human Resources is a very strategic factor as banking industry itself drives human resources. The manager of working unit is a <i>leader</i> or the "CEO" of working unit, therefore this role is important in managing its staffs, surrounding environment, and <i>customers</i>.
2	11 August 2010	<p>Recommendation from NRC to the Board of Commissioners in relation of the meeting:</p> <ul style="list-style-type: none"> Appreciation for the Board of Directors for their dissemination efforts like video conference and tour to all outlet. This dissemination efforts requires supports from <i>second layer</i> to enable acceleration and the expected results can be reflected in the employees conduct. Following the Concept of 7S from Mc Kinsey (shared values, strategy, structure, system, style, staffs and skills), the dissemination efforts in BRI must be focused on the system and leadership style to ensure that it can be absorbed as part of their daily operations, enabling the unit work leaders to drive its team to support the company's strategy and policy. Sustainable and intense dissemination of strategy and policy.

Nomination and Remuneration Committee's Work Plan

In 2010, NRC involved in the following activities:

1. With the Board of Commissioners, evaluate President Director and all Directors using quantitative method (achievement of financial performance) and qualitative (includes business, leadership, industrial relations and synergy with the Board of Directors).
2. With the Board of Commissioners, selects the candidates for Directors from internal BRI in accordent with the nomination policy of the Board of Commissioner's and Board of Directors.
3. Review the tantiem and salary/honorarium of Directors and Commissioners according to market practice, current economic conditions, and prevailing rules and regulations to be approved by Board of Commissioners for further approval by the Dwiwarna Series A shareholder.
4. Provide inputs and recommendations to the Board of Commissioners pursuant to Articles of Association and other regulations, to obtain their approval on the appointment of Compliance Director.
5. Formulate and suggest the revision of the Decree of the Board of Commissioners about Remuneration for Directors, Commissioners and the Secretary of the Board of Commissioners.
6. Give inputs and recommendations to the Board of Commissioners on approving the Written Statement of Founder related to the revision of BRI's Pension Fund regulations.
7. Give recommendation to Board of Commissioners and select the candidates for Risk Management Supervisory Committee member.
8. Give feedback and inputs regarding the meeting result of the Board of Commissioners and the Board of Directors related with the HRD Policies, Education and Training for new outlet.
9. Recommend the extension of service for member of Committee under the Board of Commissioner.
10. Give feedback and inputs on the formation of Level 1 officers to the Board of Commissioners.
11. Give inputs and recommendation on employees remuneration policy in general.
12. Together with Audit Committee, Risk Management Audit Committee, Secretary of the Board of Commissioners, and Staff of Secretary of the Board of Commissioners help the Board of Commissioners in evaluating the company budget and business plan and the overall performance of BRI. The results will be further discussed in Board of Commissioners internal meeting, and the Board of Directors and the Board of Commissioner meeting.
13. Conduct a meeting with other committees to prepare the meeting materials for the Board of Commissioners.
14. Field visit to BRI outlet with member of the Board of Commissioner and other committees.
15. Perform other duties assigned the Board of Commissioners.

In 2010 NRC provides the following recommendations to the Board of Commissioners:

1. Recommendations and inputs on Directors evaluation, and result of selection process for Director candidate from internal.
2. Recommendations and inputs regarding tantiem and salary/honorarium of Directors and Commissioners according to market practice, current economic conditions, and prevailing rules and regulations. Letter of NRC No.R.03-KOM/KNR/04/2010 dated 9 April 2010.

3. Recommendation for the appointment of Compliance Director. Letter of NRC: No.R.05-KNR/06/2010, dated 22 June 2010.
4. Recommendation on Board of Commissioner's approval to Written Statement of Founder to Revise BRI Pension Fund. Letter of NRC No.B.03-KNR/07/2010, dated 19 July 2010.
5. Recommendation on the result of Board of Commissioners meeting with Board of Directors regarding Human Resources Development Program (Recruitment, Education, Training, Promotion, and Rotation) in relation with new outlet expansion. Letter of NRC No.B.05-KNR/08/2010 dated 11 August 2010.
6. Recommendation on the extension of service for members of Committee under the Board of Commissioners. Letter of NRC No.R.10-KNR/09/2010, dated 11 August 2010.
7. Recommendation in reviewing BRI Employee Remunerations in general. Letter of NRC : No.B.07-KNR/12/2010, dated 22 December 2010.
8. Recommendation on the list of Level 1 Officers. Letter of NRC: No.B.08-KNR/12/2010, dated 22 December 2010.

3. RISK MANAGEMENT SUPERVISORY COMMITTEE (RMSC)

Establishment of Risk Management Supervisory Committee pursuant to the decree of Minister of State-Owned Enterprise No. 117/M-MBU/2002 regarding the GCG implementation in SOE.

Structure, Membership, Expertise and Independency of RMSC Member

BRI's RMSC consists of a chairperson who is an Independent Commissioner, two members of an Independent Commissioner and Commissioner, and two non-Commissioners, who have expertise in financial and risk management.

Membership structure for the periode of 1 January 2010 – 30 June 2010

Name	Position	Profession
Baridjussalam Hadi	Chairman	Independent Commissioner
Agus Suprijanto	Member	Commissioner
Ridwan Darmawan Ayub	Member	Non-Commissioner
Pamuji Gesang Raharjo *)	Member	Non-Commissioner

*) concluded his work contract as RMSC member as of 14 May 2010.

Membership structure for the periode of 1 July 2010 – 31 December 2010

Name	Position	Profession
Aviliani	Chairman	Independent Commissioner
Adhyaksa Dault *)	Member	Independent Commissioner
Agus Suprijanto	Member	Commissioner
Ridwan Darmawan Ayub	Member	Non-Commissioner
I Gde Yadnya Kusuma **)	Member	Non-Commissioner

*) effective since 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia on conducting *fit and proper test*.

**) As of 1 July 2010 has served as RMSC member.

Profile of RMSC Members

The profiles of Aviliani, Adhyaksa Dault, and Agus Suprijanto is available on the profile of the board of Commissioners.

Ridwan Darmawan Ayub – Indonesian citizen, 47 years. He has been the member of Risk Management Supervisory Committee since 2006. Previously, he had his career at Bank International Indonesia in various positions. He holds a bachelor's degree in social and political science from the Parahyangan Catholic University, Bandung (1985) and an master of management degree in finance from Mercu Buana University, Jakarta (2008).

I Gde Yadnya Kusuma – Indonesian citizen, 56 years. He has been the member of Risk Management Supervisory Committee since July 2010. Previously, he had his career at Bank Indonesia in various positions and in Indonesian Financial Transaction Reports and Analysis Center (PPATK) as Director of Research and Analysis. He holds a bachelor's degree in Economics from Sekolah Tinggi Ilmu Ekonomi Swadaya (1993) and a master of Economics from the University of Indonesia, Jakarta (2006).

Pamuji Gesang Raharjo – Indonesian citizen, 42 year. He has been the member of Risk Management Supervisory Committee from 2007-2010. Previously had careers at BNI 46, Bank Danahutama, and Bank International Indonesia in various positions. He holds a bachelor's degree in Economics from Prof. Dr. Moestopo University, Jakarta (1996) and a master of management in Risk Management from the University of Indonesia, Jakarta (2003).

Duties and Responsibility of RMSC

According to Risk Management Supervisory Committee Charter, RMSC helps Board of Commissioners in its duties and responsibilities to evaluate and ensure the bank's risk management implementation meets the procedural requirements and risk management method. This will ensure that bank's activities are within manageable and acceptable level and within profitable limits.

In general, the tasks and responsibility of RMSC covers the following:

1. Regularly evaluate and review the risk management policies and give opinions in the forms of suggestions and/or recommendations to the Board of Commissioners concerning the necessary improvement of risk management.
2. Monitor the adequacy of the process of identification, measurement, monitoring, controlling and risk management information system.
3. Review and analyze quarterly risk profile of the Bank and provide opinions in the form of suggestion and or recommendation for necessary improvement and completion of risk management.
4. Review and evaluate the reports of the Board of the Directors in their implementation on risk management quarterly at the least.
5. Evaluate and analyze the suggestion packages of the Board of Directors for proposal from related parties that must be approved by the Board of Commissioners.
6. Evaluate and review annual budget, business plan, corporate plan for Board of Commissioners approval.
7. Evaluate and/or provide feedback on the reports of the realization of the Bank's annual budget, business plan and corporate plan.
8. Evaluate and analyze loan package above a certain amount that requires consultation with the Board of Commissioners.
9. Evaluate the monitoring result on Bank's compliance towards the BI regulations and other prevailing regulations.
10. Perform others duties given by the Board of Commissioners.

Frequency of RMSC Meetings

Considering the scope and interrelatedness of the risk type, the risk management implementation is discussed both in RMSC meetings and the Board of Commissioners meeting.

In 2010, RSMC hold both internal and joint meetings with related Division/ Working Units to evaluate the application and management of risk, i.e. Market Risk, Liquidity risk, Operational Risk, and Reputation risk as stipulated in prevailing Bank of Indonesia regulation.

The members' attendance at the RMSC meetings in 2010 were as follows:

Name	Position	Attendance (%)
Aviliani *)	Chairman	100
Baridjussalam Hadi **)	Member	100
Adhyaksa Dault ***)	Member	67
Agus Suprijanto	Member	80
Ridwan Darmawan Ayub	Member	100
Pamuji Gesang Raharjo ****)	Member	100
I Gde Yadnya Kusuma *****)	Member	100
*) effective since 1 July 2010 as member of RMSC.		
*) No longer member RMSC as of 1 July 2010.		
*****) effective since 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia on fit and proper test.		
*****) No longer RMSC member as of 14 May 2010.		

The meetings and activities of RMSC in 2010 were as follows:

No.	Related Party / Working Unit	Date	Agenda
1.	Compliance Division	17 February 2010	Policy on Anti Money Laundering and Terrorism Funding Prevention Programs
2.	Risk Management Division	19 July 2010	- Risk Profile Reports of semester I-2010 - Realization of work plan for of semester I-2010
3.	- Risk Management Division - Treasury Division	31 August 2010	Market and Liquidity Risks Management
4.	Director of Commercial Business	30 September 2010	Loan Facility for PT. Bima Agri Sawit
5.	- Treasury Division - Risk Management Division - International Business Division	2 November 2010	Operational Development of International Division and the Progress of Trade Finance System across Working Units and division



RMSC Work Plan

In 2010, RMSC involved in the following events:

1. Compose the 2010 work plan;
2. Evaluate the implementation of loan Consultation related with loan facilities that requires the Board of Directors' consultation with the Board of Commissioners.
3. Provide the feedback on loan facilities which consultation process going through the Board of Commissioners.
4. Evaluate the Loan Portfolio Report;
5. Evaluate the Board of Directors policies related to implementation of risk management including Risk Management Committee procedures.
6. Review the Decree on Anti Money Laundering and Terrorism Funding Prevention.
7. Review the Liquidity Risk Management Policies of BRI.
8. Review the quarterly report on the risk profile of BRI.
9. Review the monthly and semester report of the Director of Compliance.
10. Together with Audit Committee, the NRC, and the Secretary of the Board of Commissioners, assist the Board of Commissioners to review the proposal of BRI budget and work plan for 2010.
11. Accompany the Board of Commissioners in field visits to several Regional Offices, Branch Offices, and Micro Outlets, to monitor and evaluate implementation of Loan Approval System and risk management.
12. Review BRI monthly performance and give inputs to the Board of Commissioners in their regular meetings with the Board of Directors.
13. Perform other duties as requested by the Board of Commissioners.

III. DIRECTORS

A. Duties and Responsibilities of the Board of Directors

1. THE NUMBER, COMPOSITION, CRITERIA AND INDEPENDENCY OF THE MEMBER OF THE BOARD OF DIRECTORS

The Board of Directors consists of 10 (ten) members, each of whom has at least 5 (five) years of experience in banking operations as bank executive.

All BRI directors are domiciled in Indonesia. They have adequate competency and integrity in accordance with fit and proper test requirements.

The members of the Board of Directors do not hold concurrent position as commissioner, director or executive officer in any other bank or financial institution, and do not have familial ties with any other member of the Board of Directors and/or the Board of Commissioners.

The Board of Directors is led by a President Director who is independent to the controlling shareholders.

The Composition of the Board of Directors as of 31 December 2010:

No	Name	Position
1	Sofyan Basir	President Director
2	Sarwono Sudarto	Director of Operations
3	Bambang Soepeno	Director of Compliance/Director of Risk Management
4	Sulaiman Arif Arianto	Director of Commercial Business
5	Achmad Baiquni	Director of Finance
6	A. Toni Soetirto	Director of Consumer Business
7	Lenny Sugihat	Director of Credit Risk Management
8	Djarot Kusumayakti	Director of Micro, Small and Medium Enterprise (MSME) Business
9	Asmawi Syam	Director of Institutional and State-Owned Enterprise Business
10	Suprajarto	Director of Network and Services

2. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

a. General Responsibilities

- a.1. Being responsible for all actions related to the management of the Bank in accordance with the purposes, objectives and business activities; and the management, ownership and the binding with other parties by complying with the Articles of Association, prevailing laws and regulations, as well as General Meeting of Shareholders resolutions;
- a.2. Being responsible to ensure that the Bank's management is in accordance with the Bank's objective; to manage the Company according to duties and responsibilities as stipulated in the Article of Association and General Meeting of Shareholders resolutions.



b. **Specific Responsibilities**

b.1. Duties and responsibilities in relation with the Board of Commissioners and Shareholders

- b.3.3. Ensuring the implementation of the AGMS resolutions;
- b.1.2. Preparing the corporate plan (RJPP), Bank's business plan (RBB), and annual Company's budget and work plan (RKAP) and other work plans and the changes to obtain approval from the Board of Commissioners.
- b.1.3. The Board of Directors is obligated to hold AGMS based on the written request of one or more Shareholders who have valid voting rights and who represent at the very least 1/10 (one tenth) of the number of shares issued.
- b.1.4. Administering the list of shareholders and the special list containing the ownership of shares in the hands of the members of the Boards of Commissioners and the Board of Directors and their families both in the Bank and in other companies.
- b.1.5. Consulting the granting of loan above a certain amount to the Board of Commissioners with reference to prevailing regulations.
- b.1.6. Making work plans, annual budget, and other plans related to the business of the Bank and getting the approval from the Board of Commissioners.
- b.1.7. Submitting an annual report after reviewed by the Board of Commissioners within 5 (five) months, at the latest, after the fiscal year ended to the AGMS for approval.

b.2. Duties and responsibilities in relation with Financial Accounting and Annual Report.

- b.2.1. Maintaining the bookkeeping and administration of the Bank in accordance with generally accepted practices.
- b.2.2. Composing an accounting system that matches the Accounting Standard of Indonesia and the principles of internal control, especially in terms of recording, archiving, monitoring and management.
- b.2.3. Preparing Annual Report, including Financial Statement.

b.3. Duties and responsibilities in relation with Risk Management and Control

b.3.1. Maintaining the following processes of Risk Management:

- 1. Ensuring that the Bank has the proper and systematic processes in identifying, measuring, and controlling the risks.
- 2. Ensuring that proper system and processes have been executed in monitoring and reporting the main risks faced by the Bank.
- 3. Monitoring and evaluating the existence of good management processes in assessing the adequacy of the risk management system and the internal control, financial reporting and the compliance.

4. Ensuring the adequacy of an effective control system in order to ensure:
 - a. The reliability and integrity of information.
 - b. The compliance with the prevailing policies, plans, procedures, rules and regulations.
 - c. The maintenance of the assets of the Bank.
 - d. The economical and efficient use of resources.
 - e. The achievement of the determined operational objectives and targets.
 5. Executing annual evaluations for making public statements concerning internal control at the Bank, to ensure that all significant aspects of internal control have been considered for the evaluation year up to the date of the approval of the annual report.
- b.3.2. Creating clear organizational, duty and responsibility structures, including the appointment of the management.
- b.4. President Director:
Representing the Bank in coordinating and monitoring, as well as acting as the Head of the Board of Directors.
- b.5. Members of the Board of Directors:
- b.5.1. Developing the work plans for each field of responsibility and each directorate led by each Director.
 - b.5.2. Coordinating and monitoring each allocation of responsibility and working units.
 - b.5.3. Taking all necessary steps to ensure decisions taken by the Board of Directors are in line with the prevailing rules and regulations.
 - b.5.4. The delegation of the duties and authorities of each member of the Board of Directors is determined by the AGMS and such duties and authorities may be delegated to the Board of Directors.
- b.6. Director of Compliance
The main responsibilities of Director of Compliance are:
1. Ensure that the Bank complies with the Regulations of Bank Indonesia and with the prevailing rules and regulations through prudential principles examination toward policy plan and/or the decision of the Board of Directors, monitoring the follow up over the examination result, reviewing the policies, communicate the external regulations, analysis of the impact on external regulations, BRI GCG management, monitoring of the fulfillment of the agreement and commitment to BI and relevant authorities as well as monitoring the implementation of Anti-Money Laundering Program and the Prevention of Terrorism Funding.
 2. Submitting reports as regulated in Bank Indonesia Regulation No. No. 1/6/PBI/1999 dated 20 September 1999 concerning the Appointment of the Compliance Director and the Implementation of the Standards for the Execution of the Internal Audit Function of Commercial Banks.

Other Duties

Other duties and responsibilities are as stated in the Articles of Association of the Bank.

Frequency of the Board of Directors Meetings

The Board of Directors regularly hold internal meetings to discuss issues that require the Board of Directors consideration and to discuss other strategic plans.

NO	DATE	AGENDA
1	11 January 2010	Financial Performance of December 2009
2	19 January 2010	Basel II Reorganization
3	25 January 2010	The issue of possible misconduct by one of branch manager.
4	27 January 2010	Discussion on a case in one of Branch Offices
5	24 February 2010	1. The Acquisition Plan of Bank Agro Niaga 2. The Acquisition Plan of Bank Bukopin 3. The Capital Investment Plan in Bank BRI Syariah
6	22 March 2010	Anticipation of March 2010 Performance
7	29 March 2010	1 Subdebt 2. Capital Investment in BRI Syariah 3. Annual General Meeting of Shareholders 2010 4. Procurement of AS400 Machine: Power 7 for IT Building and Procurement of Stratus C1225
8	25 May 2010	1. Follow up of Pribun Certificate case in Rangkasbitung Branch Office 2. Several Robbery Case in BRI Unit
9	3 June 2010	Revision of Company Budget and Work Plan 2010
10	23 July 2010	Allocation of Board of Directors duties
11	16 August 2010	1. Corporate Action 2 Preparation of BRI service during led Mubarak 3 Activities during Ramadhan and led Mubarak 4 Miscellaneous
12	24 August 2010	Preparatiuon of fasting break with the orphans, attended by the President of Republic of Indonesia
13	September 2010	1. Preparation of BRI service during 2010 led Mubarak 2. Approval on Bank Agroniaga Acquisition Plan 3. Stock Split
14	02 November 2010	1 Budget and Work Plan 2011 2. PSAK 50 & 55
15	09 November 2010	1. Budget and Work Plan 2011 2. Stock Split

NO	DATE	AGENDA
16	30 November 2010	1. Review of Regional Operation Manager position and E-Channel Department in the Regional Office 2. Identification of BPK audit findings 3. Rights and responsibility of Booking Office related to the loan initiated by Head Office and Regional Office.
17	27 December 2010	Loan loss provision (PPAP) proposal and additional ceiling related with disaster area in 2010
18	30 December 2010	Proposal of additional provision for bad loan write-off in 2010

The directors' attendance at the Board of the Directors meetings in 2010 were as follows:

No.	Name	Number of Meetings	Attendance	%
1.	Sofyan Basir	18	14	77.78
2.	Sarwono Sudarto	18	18	100.00
3.	Sulaiman A. Arianto	18	14	77.78
4.	A. Toni Soetirto	18	14	77.78
5.	Lenny Sugihat	18	16	88.89
6.	Asmawi Syam	18	15	83.33
7.	Suprajarto	18	13	72.22
8.	Bambang Soepeno	18	15	83.33
9.	Abdul Salam *)	5	4	80.00
10.	Sudaryanto Sudargo *)	5	5	100.00
11.	Achmad Baiquni **)	13	10	76.92
12.	Djarot Kusumayakti **)	13	10	76.92
*)	Effective of May 20th, 2010 is no longer member of the BRI Board of Directors.			
**)	Effective since 20 July 2010 as Director upon obtaining approval from Bank Indonesia on fit and proper test.			

B. COMMITTEES OF THE BOARD OF DIRECTORS

In order to support the effectiveness of Directors' duties and responsibilities, several committees under the Directors were established.

1. Risk Management Committee (RMC)

RMC is the highest committee in the risk management system in BRI. RMC is comprised of all members of the Board of Director and the officers of one level below the Director. RMC is not structural included in the structure and independent from the Operational Working Units.

a. Structure and Membership of RMC

Chairman :
President Director

Chairperson I :

Compliance Director (also serves as permanent member with voting right)

Chairperson II:

Credit Risk Control Director (also serves as permanent member with voting right)

Secretary I :

Head of Risk Management Division (also serves as permanent member without voting right)

Secretary II:

Head of Credit Administration Division (also serves as permanent member without voting right)

Member of RMC consists of permanent member, with or without voting right, and non-permanent member. Permanent member with the voting right is RMC members who have the voting rights when the decision of an issue is not unanimous, and will render a necessary vote. Permanent members without voting rights are the appointed officers one level below the Director's rank, while non-permanent members are included based on invitation only according the relevant issues at hand.

Permanent members with voting rights are:

1. Director of Finance
2. Director of Operations
3. Director of Commercial Business
4. Director of Consumer Business
5. Director of Micro Small Medium Enterprise Business
6. Director of Institutional and State-Owned Enterprise Business
7. Director of Network and Services

Permanent members without voting rights are the appointed officers below the Director level, namely:

1. Head of Internal Audit
2. All Division Heads in the Head Office
3. Regional Managers of Jakarta 1, 2, and 3
4. Manager of Special Branch Office

In regards of risk management, RMC has appointed sub-RMC to provide recommendation to the Board of Directors, in this case is the President Director. These Sub-RMCs are:

1. Operation Risk Management Committee (ORMC) established to discuss problems in connection with exposure and management of operational risk. In this instance, the operational risks include operational risk, legal risk, reputation risk, strategic risk, and compliance risk.

Structure and Membership of RMC

Chairperson I :

Director of Compliance

Chairperson II :
Director of Operations
Secretary I :
Head of Risk Management Division (who serves as member)

Permanent member:

1. Head of Technology and Information System Division
2. Head of Human Resources Management Division
3. Head of Legal Division
4. Head of Company Secretariat Division
5. Head of Strategic Planning and Business Development Division
6. Head of Compliance Division

For non permanent member, they are invited on case-by-case basis.

2. Credit Risk Management Committee (CRMC) is a Sub-RMC function established to discuss problems relate to exposure and management of credit risk.

Structure and Membership of CRMC

Chairperson I :
Director of Compliance

Chairperson II :
Director of Credit Risk Management

Secretary I :
Head of Risk Management Division (who serves as member)

Secretary II:
Head of Credit Administration Division (who serves as member)

Permanent member comprise of:

1. Head of Micro Business Division
2. Head of Commercial Business Division
3. Head of International Business Division
4. Head of Program Business Division
5. Head of Agribusiness Division
6. Head of Retail and Medium Business Division
7. Head of Consumer Loans Division
8. Head of Credit Card Division
9. Head of State-Owned Enterprise Business Division
10. Head of Loans Restructuring and Recovery Division

For non permanent member, they are invited on case by case basis.

3. Market Risk Management Committee (MRMC) is a Sub-RMC function established to discuss problems in connection with exposure and management of market risk. Market risks includes exchange rate risk, interest rate risk, and liquidity risk.



Structure and Membership of MRMC

Chairperson I :

Director of Compliance

Chairperson II :

Director of Finance

Secretary I :

Head of Risk Management Division (who serves as member)

Secretary II:

Head of Treasury Division (who serves as member)

Permanent member:

1. Head of International Business Division
2. Head of Financial and Management Accounting Division
3. Head of Operation Centers Division
4. Head of Services Division

For non permanent member, they are invited on case by case basis.

b. Duties and Responsibilities of RMC

- a. Provide recommendations to the President Director in formulating the General Policies of Risk Management, as well as amendments if necessary; and suggesting these to the Boards of Commissioners and the Board of Directors for approval;
- b. Provide recommendations to the Presidents Director in formulating Risk Management Strategies, including setting the limits which overrides the authority of the Head of the Working Units, and the formulation of contingency plans for abnormal conditions (worst case);
- c. Evaluate overall risk composition in the portfolio of bank;
- d. Determine (justify) issues related to business decisions which deviate from normal procedures (irregularities);
- e. Evaluate proposals related to new activities/products and judging the ability of BRI to execute these new activities/products from the risk aspect, and evaluating proposals for changes in the system and work procedures; Recommend its study to the President Director for approval.
- f. Monitor the adequacy of BRI capital against risk exposure in accordance with prevailing regulations;
- g. Evaluate the effectiveness of the applied risk management system;
- h. Grant the authority to Sub-RMC (CRMC, ORMC, and MRMC) to discuss specific issues requiring immediate actions without involvement from all RMC members.

c. Work Plan of RMC in 2010

RMC meeting is held quarterly with the following agenda:

1. Follow up the previous RMC meeting.
2. Risk Profile
3. Capital Analysis
4. Risk Monitoring
5. Risk Management Implementation
6. Others
7. RMC Recommendation and Decisions

d. Frequency of RMC and Sub-RMC Meetings

In 2010, RMC have 4 meetings on quarterly basis. The attendance records for the RMC meetings have met the quorum requirement, meetings were attended by all permanent members without voting rights, Director of Compliance, and other Directors.

Schedule and meeting agenda of BRI RMC in 2010:

No.	Date	Topic/RMC Meeting Agenda
1	29 Jan 2010	1. Risk Profile Report and RCSA
		2. Capital and Risk Aspects
		3. Integrated Stress Testing
		4. Risk Management Implementation
		5. NPL Review.
		6. ATM Fraud Issue
2	14 May 2010	1. Profile and Analysis of 8 Types of Risks.
		2. Capital Management
		3. Integrated Stress Testing
		4. Risk Management and Basel II Implementation
		5. Operational Risks of Operation Centers Division
3	28 July 2010	1. Risk Profile Report
		2. Risk Monitoring
		3. Capital Analysis
		4. Risk Management Implementation and Basel II
		5. Progress and Implementation of PSAK 50/55.
		6. Recommendation and Decisions
4	2 Dec 2010	1. Risk Profile Discussion
		2. Capital Analysis
		3. Risk Management Implementation
		4. Others
		5. RMC Recommendation and Decisions

Schedule and meeting agenda of Sub-RMC in 2010:

No.	Date	Topic/RMC Meeting Agenda
1	ORMC Meeting I April 2010	Review and updates the risk issue, OPRA dissemination and the incident management plan for head office.
2	ORMC Meeting II May 2010	Review and updates the risk issue, OPRA dissemination and the incident management plan for head office.
3	ORMC Meeting III December 2010	Discuss the result of operational risk monitoring and other risks, identification and review of RCSA risk issue, review of new product activities, deployment of business continuity management, Risk Based Approach (RBA) of Anti-Money Laundering Program and the Prevention of Terrorism Funding
4	ORMC Meeting I June 2010	Discuss the results of profile and credit risk limit, credit risk monitoring, MIS and implementation of PSAK 50 and 55.

e. Realization of RMC Work Plan

RMC Forum has been success for across division coordination. RMC Forum has resulted in several risk management-related strategic initiatives in BRI.

The decision of RMC Meeting I in 2010:

- Follow up on the proposal related to the transaction blocking on certain currency and review the NPL of high risk business sectors.

The result of RMC Meeting III in 2010:

- Follow up the proposal to improve operational risk evaluation system (OPRA) and its implementation.

The decision of RMC Meeting III in 2010:

- LAS Implementation in all working units and business segments.
- Implementation of the concentration limit for loan activities in every business segment based on the amount of unallocated capital.

The result of RMC Meeting IV in 2010:

- Set the procedures for the risk management implementation for each division or working unit as the preparation for 2011, the year of risk management program.
- Review the application of *Risk Based Pricing* (RBP) and *Risk Adjusted Performance Measurement* (RAPM).
- *Training* preparations for officers to participate in Risk Management certifications, started in the beginning of 2011.

2. Assets and Liabilities Committee (ALCO)

ALCO is the committee that support the Board of Directors in managing Asset and Liability, determining the interest rate for saving and loans, the mismatch approach, net-open position (NOP) and interest rate risks, managing and stipulating the balance sheet structure and capital as well as recommend the Directors in issuing the policy decided by ALCO meeting.

a. Structure and Membership of ALCO

ALCO Organizational Structure is:

Chairman:

President Director (Also serves as member)

Alternate Chairman I:

Director of Finance (Also serves as member)

Alternate Chairman II:

Ad Interim Director of Finance (Also serves as member)
(Pursuant to the decree regarding Ad Interim Director)

Secretary :

Head of Treasury Division (Also serves as member)

Members:

1. Directors
2. All Heads of Business Divisions
3. Head of Fund and Services Division
4. Head of Credit Card Division
5. Head of Consumer Loans Division
6. Head of Institutional Relations Division
7. Head of Financial and Management Accounting Division
8. Head of Credit Risk Analysis Division
9. Head of Loans Restructuring and Recovery Division
10. Head of Credit Administration Division
11. Head of Risk Management Division
12. Head of Strategic Planning and Business Development Division
13. Regional Manager of DKI Jakarta I
14. Regional Manager of DKI Jakarta II
15. Regional Manager of DKI Jakarta III
16. Manager of Special Branch Office

Asset Liabilities Management (ALM):

is a supporting group of analysts for ALCO.

b. Duties and Responsibilities of ALCO

- a. Implementing integrated Asset and Liability Management policy.
- b. Deciding basic interest rate for saving, loans, and fund transfer price.
- c. Deciding the mismatch policy and NOP.
- d. Managing the structure of balance sheet and capital.
- e. Ensuring that Asset and Liability management has been implemented according to the policy decided in ALCO meeting.

As a ALCO's supporting group, ALM duties include analysis of source and utilization of funds, Maturity and Repricing Gap, Primary and Secondary Reserve, monitoring NOP, formulating the scenario of interest rate for saving and alternative pricing, formulating funding strategy, preparing the data, presentation materials, and necessary materials for ALCO meeting.

c. ALCO Work Plan

ALCO holds a meeting periodically, at least once a month in order to discuss the management of BRI assets and liabilities related to the Directors' policies and strategies of the Bank's, composition and growth of Bank portfolio, Risk Management (setting mismatch limit and net open position) and interest rate for savings, loans and fund transfer price.

d. Frequency of ALCO Meetings

ALCO conducted 12 monthly meetings in 2010 and percentage of attendance met the quorum of (2/3 members attendance).

Schedule and meeting agenda of ALCO in 2010:

No.	Date	Topic/ALCO Meeting Agenda
1	28 Jan 2010	
2	25 Feb 2010	
3	25 Mar 2010	
4	28 April 2010	Fixed agenda of ALCO meetings:
5	26 May 2010	Asset & Liability Performance
6	17 June 2010	Evaluation, Market Review, Analysis
7	23 July 2010	of BRI Shares, Analysis of Fee Based
8	26 Aug 2010	Income, Regional Office Performance
9	23 Sept 2010	Review, Asset & Liability Management
10	25 Oct 2010	Reccomendations, and ALCO Meeting
11	29 Nov 2010	Decisions
12	23 Dec 2010	

e. Realization of ALCO Work Plan

ALCO holds periodical meetings discussing asset-liability performance evaluations, and deciding interest rates for saving, loans and fund transfer price. ALCO meetings also become the forum to share information to the Board of Director and executives regarding macroeconomic conditions, banking sector, new regulations and other issues that may be the concerns of the investors/market. ALCO meetings also serves as the strategic forum to give information related to business directions and policies as well as operational issue resolutions from the Board of Directors.

3. Credit Policy Committee (CPC)

Credit Policy Committee helps the Board of Director in formulating the policy, supervising the implementation of policy, monitoring the development and conditions of loan portfolio as well as advice for improvement.

a. Structure and Membership of CPC

Chairman :

President Director

Members:

1. Director of Credit Risk Management
2. Director of Micro Small Medium Enterprise Business
3. Director of Commercial Business
4. Director of Institutional and State Owned Enterprises Business
5. Director of Consumer Business
6. Director of Finance
7. Head of Credit Administration Division (who serves as Secretary)
8. Head of Internal Audit
9. Head of Credit Risk Analysis Division
10. Head of Loans Restructuring and Recovery Division
11. Head of Micro Business Division
12. Head of Retail and Medium Business Division
13. Head of Consumer Loans Division
14. Head of Credit Card Division
15. Head of Program Business Division
16. Head of Agribusiness Division
17. Head of Commercial Business Division
18. Head of Treasury Division
19. Head of International Business Division
20. Head of Strategic Planning and Business Development Division
21. Head of Legal Division
22. Head of Risk Management Division

b. Duties and Responsibilities of CPC

1. Provide inputs to the Board of Directors in composing BRI's general credit policy related to the prudential principles stated in Bank Credit Policy Guideline of Bank Indonesia.
2. Monitor the implementation of policy to ensure efficient and consistent compliance, and provide solutions to any problems or constraints. CPC also regularly review the Credit General Policy (KUP-BRI) and provides suggestions to the Directors if changes/revision is needed.
3. Monitor and evaluate:
 - Development and quality of the loan portfolio
 - Appropriateness of the loan approval authority
 - Loan approval process and quality of the loan given to related parties and specified large borrowers.
 - Legal lending limit compliance
 - Compliance with the prevailing rules and regulation related to lending
 - Loan restructuring process in accordance with general loan policy
 - Adequacy of loan loss provision and loan write-off
 - Specified large borrowers and loan under special mention category

4. Review the effectiveness of loan internal control system annually.
5. Monitor and recommend on the plan and implementation of loan related training.
6. Report and provide advice for improvement to the Board of Directors and the Board of Commissioners regarding:
 - the result of monitoring of BRI Credit General Policy implementation
 - findings and evaluations of the matters related with Article 2 and 3 as mentioned above.
7. Regularly provide analysis and loan portfolio evaluations to support the achievement of work plan target and as part of problem loan monitoring.
8. Regular work, duties, and responsibility of CPC is administered by CPC Secretary (Head of Loan Administration Division)

c. CPC Work Program in 2010

CPC work program in 2010 was formulating Credit Execution Guidelines for Medium Business and Corporation. Credit Administration Division as CPC secretary helps in formulating the credit policy through Circular Letter, Decision Letter, and Credit Execution Guidelines.

d. Frequency of CPC Meetings

The committee held one meeting in 2010. The meeting was attended by 16 committee members, and met the meeting quorum.

Schedule and meeting agenda of BRI CPC in 2010:

No.	Date	Agenda of CPC Meetings
1	14 & 15 December 2010	1. Discussion on procedures or flow chart and length of loan application process for Medium Business and Corporation
		2. Discussion on Credit Execution Guidelines (PPK) for Medium Business and Corporation.

e. Realization of Credit Policy Committee Work Plan

A Workshop organized by CCP produced draft on Credit Execution Guideline for Medium Business and Corporation. The draft was submitted to the Board of Directors on 30 December 2010. Loan Administration Division who run CCP's daily function and roles has issued 29 credit policies in 2010.

4. CREDIT COMMITTEE

Credit Committee is an operational committee assisting the Board of Directors in evaluating and/or deciding loan application of certain amount and types of loans decided by the Board of Director.

a. Structure and Membership of Loan Committee

The membership of the Credit Committee in 2010 was as follows:

Credit Committee	Members	Final Decision Makers
Credit Committee (for loan decision)	Director of Micro Small Medium Enterprise Business	President Director
	Director of Commercial Business	
	Director of Institutional and SOE Business	
	Director of Consumer Business	
	Director of Credit Risk Management	
BRI Credit Committee (for decision on Money Market Line and Treasury Products)	Director of Finance	President Director
	Director of Micro Small Medium Enterprise Business	
	Director of Commercial Business	
	Director of Institutional and SOE Business	
	Director of Consumer Business	
Credit Committee at Directors Level	Director of Credit Risk Management	
	1. Credit Committee	
	Director 1 (for Medium and Corporation Loan initiated by Branch Office, Regional Office, Special Branch Office and Program Business Division)	
	Director of Micro Small Medium Enterprise Business	
	Director of Commercial Business	
2. Credit Committee	Director of Credit Risk Management	
	Director 2 (for Medium Company and Corporation Loan initiated by SOE Business Division)	
	Director of Institutional and SOE Business	
	Director of Commercial Business	
	Director of Credit Risk Management	

Credit Committee	Members	Final Decision Makers
3. Credit Committee Director 3 (for Medium Company and Corporation Loan initiated by Commercial Business Division and Agribusiness Division)	Director of Consumer Business Director of Commercial Business Director of Credit Risk Management	
4. Credit Committee Directors for Restructuring	Director of Micro Small Medium Enterprise Business Director of Commercial Business Director of Institutional and SOE Business Director of Consumer Business Director of Credit Risk Management	

b. Duties and Responsibilities of Loan Committee

The role of Credit Committee is to approve or reject the loan according to the authority decided by the Board of Director. In addition, Credit Committee will coordinate with ALCO for defining source of fund to finance loans up to certain limit.

The responsibility of Credit Committee are:

1. Granting the loan according to the professional proficiency in an objective, accurate, and comprehensive manner.
2. Rejecting the request or influence from related parties who intend to grant the loan based on formality.
3. Put their signatures of approval in Loan Approval form. For that reason and as a form of Committee's responsibility, prior to signing the signature, the Loan Committee must:
 - a. Ensure that all loan approval have met all banking requirements and in accordance with sound loan principals.
 - b. Ensure that the loan disbursement procedure comply with Loan General Policy of BRI (KUP-BRI), Loan Execution Guidelines (PPK) and other loan regulations.
 - c. Ensure that the loan disbursement is made based on honest, objective, accurate and comprehensive assessment and free from the influence of related parties.

c. Frequency of the Credit Committee Meetings

Meetings of the Credit Committee are convened when new loan approval or loan extensions are needed. The decision of the Credit Committee shall be based on *majority* principle, as for other Credit Committee's decision shall be made based unanimously or decision must be given if all members of Credit Committee give their approval.

For loans with a total exposure of minimum Rp300 billion, both for individual and business groups borrowers, must be consulted with the Board of Commissioners. For agribusiness and SOE loan with the total exposure is equal to or more than Rp600 billion and Rp500 billion respectively, is required a consultation with the Board of Commissioners.

d. Realization of Credit Committee Work Plan

In 2010, there were 26 loan approval issued by the Loan Committee

5. Information System and Technology Steering Committee (ITSC)

Pursuant to the Bank Indonesia Regulation No. 9/15/PBI/2007 dated 30 November 2007 and Bank Indonesia's Circular Letter No. 9/30/DPNP dated 12 December 2007, concerning the Application of Risk Management in the Application of Information System by Commercial Bank, BRI has established Information System and Technology Steering Committee (ITSC) based on the decree of the Board of Directors No. 625-DIR/TSI/ 10/2009 dated 19 October 2009.

a. Structure and Membership of ITSC

The composition of ITSC in 2010 was as follows:

Chairman :
Director of Operations

Vice Chairman :
Director of Compliance

Secretary :
Head of Technology and Information System Division

Members:

1. Head of Internal Audit
2. Head of Strategic Planning and Business Development Division
3. Head of Risk Management Division
4. Head of Micro Business Division
5. Head of Retail and Medium Business Division
6. Head of Program Business Division
7. Head of Consumer Loans Division
8. Head of Credit Card Division
9. Head of Fund and Services Division
10. Head of Retail Business Network Division
11. Head of Micro Business Network Division
12. Head of Services Division
13. Head of Treasury Division
14. Head of International Business Division
15. Head of Financial and Management Accounting Division
16. Head of Credit Administration Division
17. Head of Operation Centers Division
18. Head of Logistic and Fixed Asset Management Division

The Committee membership is *ex-officio* and members of the committee represent the party having direct relations with TSI as partner or user.

b. Duties and Responsibilities of ITSC

1. Provide recommendations on policies and targets for the development of the Technology and Information System (TIS) for a five-year period as stated in the IT Strategic Plan (ITSP) BRI.
2. Provide recommendation on prioritizing the short term (annual) and long term (5 years) of the TIS development in accordance with corporate plan and business plan.
3. Provide recommendations on changes of long term IT strategies and plans as the respond to the changes in the strategy and policy.
4. Review and recommend Functional Work Plan and TIS Investment and Exploitation Budget Plan for short term (annual) development, operations, and maintenance by adhering to ITSP BRI;
5. Monitor and evaluate IT development project to align with BRI strategies and plans.
6. Monitor and evaluate the status and implementation of IT development managed TIS on regular basis.
7. Monitor the effectiveness of Risk Management of BRI Investment in IT that contributes to the achievements of business objective.
8. Recommend the solutions for any problems related with TIS that cannot be resolved by the user and TIS administrator in an efficiently, effective, and timely manner.

c. ITSC Work Plan

ITSC work plan is to carry out duties and responsibilities in accordance with the agenda of the committee meeting.

d. Frequency of ITSC Meetings

In 2010, ITSC BRI held three meetings, as follows:

No.	Date	Topic/Meeting Agenda
1	31 March 2010	<ul style="list-style-type: none"> Budget Discussion for 2008 and 2010 Application Development Capacity Planning Channel Access Organization and Human Resources of TIS BRI Search Engine Direction from Director of Operations
2	Wednesday, 18 August 2010	<ul style="list-style-type: none"> Review on current ITSP as IT BRI's blue print from 2008 to 2013 IT BRI status up to Q2-2010
3	20 October 2010	<ul style="list-style-type: none"> IT BRI status up to Q3-2010 Direction from Director of Operations

e. Realization of Work Plan

ITSC meeting discuss the progress of IST BRI project, i.e. the evaluation of application development, budget realization and several IST related-issues that cannot be resolved at working unit user level or IST administrator, among other issue such as collaboration with third party, form of organization and people required. The Board of Directors and all members of ITSC gave its inputs and solutions to these problems.

In ITSC Meeting I, Board of Directors provide direction among others on TI performance improvement to drive better service and improve fee-based income; and efficiency of IT procurement by obtaining the best equipment in terms of price and maintenance requirements by exchanging information with similar industry. The budget estimation was also expected to be accurate to align with 100% achievement.

In ITSC Meeting II, updates on IT status up to Q2-2010 was presented, such as budget status, application development, capacity planning, and IT preparation during Festive Holidays. The meeting also discussed ITSP review with the consultant. As part of ITSP review, a Join Planning Session was held to align IT development with user needs. ITSP review also set the vision of future IT system as a modern bank and IT initiatives mapping with business division and IT development progress. The meeting was also discussing external auditor findings and the strategy to extend channel access.

In ITSC Meeting III, update on IT BRI status up to Q3-2010 was presented, i.e. five ITSP domains, budget status, IT Division organization, status of application and feature development, capacity planning, preparedness DRC, equipment status in Head Office and TSO audit findings. The meeting also discussed the housekeeping, inactive account and direction from the Director.

6. PMO Steering Committee

PMO Steering committee plays the role to provide strategic direction and project management. The strategic decisions in project management includes investment decisions related with the projects, i.e. approving, revising, or canceling the plan and execution of the project. PMO Steering Committee is the highest forum/committee in project management at corporate level in BRI

a. Structure and Membership of PMO Steering Committee 2010

Chairman :
President Director

Members:

1. Director as Head of PMO
2. Directors member supervising Project Owner's Working Unit
3. Directors member supervising Supporting Project Owner's Working Unit
4. Project Owner's Unit Head
5. Supporting Project Owner's Unit Head

b. Duties and Responsibilities of PMO Steering Committee

1. Provide strategic direction of BRI projects at corporate level
2. Make decisions on solutions proposed in project management that cannot be decided by Head of PMO or Project Steering Committee.
3. Reallocate the budget to different projects that listed in the Project Work Plan according to prevailing regulation.
4. Make decisions over issues or matters not covered in PMO General Policy and PP PMO
5. Validate the result of Joint Planning Session
6. Terminate the project that has no further justification to be continued

c. PMO Steering Committee Work Plan

In performing its duties, PMO Steering Committee held meeting twice a year and reports to the Board of Directors.

d. Frequency of PMO Steering Committee Meeting

No.	Date	Topic/Meeting Agenda
1	16 July 2010	<ul style="list-style-type: none"> IT Project Planning 2010 Project status updates up to March 2010 Problems related to the Projects Projects that requires special attention Proposal in PMO Steering Committee
2	24 January 2011	<ul style="list-style-type: none"> IT Project Planning 2010 Project status updates up to March 2010 Problems related to the Projects Projects that requires special attention Proposal in PMO Steering Committee

e. Realization of PMO Steering Committee Work Plan

The decision of PMO Steering Committee Meeting I in 2010 were:

- Approval to discontinue 7 projects
- Approval to resolve 2 projects problems by re-tendering the projects, approval to review setting parameter, transfer of knowledge approval, approval to renegotiation the cost and approval to add staff for Project Team
- Review of 2 projects currently in progress
- Assesment on extending projects criteria monitored by PMO

The decision of PMO Steering Committee Meeting II in 2010 were:

- Approval to discontinue 3 projects
- Approval to replace 1 project

7. Human Resources Policy Committee

This committee was formed in 2008 with the goal to improve the effectiveness, efficiency, objectivity and transparency in decision making concerning human resources; and to reassure the stakeholders that the determination of HR policies has been executed in line with the principles of good corporate governance.

a. Structure and Membership of Human Resources Policy Committee

Chairman :
President Director

Members:

1. Director of Operations
2. Director of Compliance
3. Director of Credit Risk Management
4. Director of Finance
5. Director of Network and Services

6. Director of Institutional and State-Owned Enterprise Business
7. Director of Commercial Business
8. Director of Consumer Business
9. Director of Micro Small and Medium Enterprise Business

Secretary :

Head of Human Resources Management Division

Vice Secretary:

Deputy Head of Human Resources Management Division

b. Role and Responsibility of Human Resources Policy Committee

This committee is an operational committee having the authority in:

1. Making a decision over Human Resources (HR) Policy, including HR planning, recruitment and selection, career development, performance management, welfare, industrial relations, assessment and HR management information system.
2. Making a decision on the operational aspects of Human Resources, including the mutation (promotion, rotation, demotion), performance assesment, and disciplinary actions to Level 1 and 2 officers.

c. Human Resources Policy Committee Work Plan

Human Resources Policy Committee Work Plan includes setting up the provisions for Policy and Operational matters.

d. Frequency of Human Resources Policy Committee Meetings

In 2010, Human Resources Policy Committee Meetings held 13 meetings on Policy issues and 12 Operational issues with the rate of attendance was 100%. The details are:

No.	Date	Meeting Agenda
Policy Sector		
1	16 Dec 2009 - 13 Jan 2010	Revision of HR Architecture
2	8 – 12 March 2010	Provision on Normal Distribution 2010
3	15 Feb – 22 Mar 2010	Provision on Talent Pool and Succession Planning BRI
4	6 April – 7 May 2010	Provision of Non-Performing Employees
5	25 May – 7 June 2010	Provision of Resident Staff Development Program
6	16 Aug – 1 Sept 2010	Provision of active service without Pension Preparation Period
7	22 Oct – 10 Nov 2010	Provisions on Appointment & Assignment for Non-BRI employees
8	8 – 12 Mar 2010	Provisions on Short Term Incentive payment of 2009 for BRI employees
9	30 April – 12 Mei 2010	Provisions on basic salary increase based on performance of 2010
10	19 – 20 May 2010	Policy on bonus distribution for 2009

No.	Date	Meeting Agenda
11	11 June – 16 July 2010	Provisions on Short Term Incentive for 2010.
12	30 June – 13 July 2010	Increase of Pension Benefits and Benefits for retired employees
13	9 Dec 2010	Revision on the Assessment Center Guidelines
Operational Sector		
1	9 Feb 2010	Performance Assessment of Level 1 Officers for the period of 2009
2	20 Oct 2010	Disciplinary Actions to Level 1 and 2 Officers.
	2 Nov 2010	
	Dec 2009	
	Jan 2010	
3	Feb 2010	Rotation / Promotion for Level 1 and 2 Officers.
	April 2010	
	Dec 2009	

e. Realization of Human Resources Policy Committee Work Plan

In 2010, there were 13 provisions issued in the form of Director Letter, Decree, or Office Memorandum, and Mutation promotion for Level 1 and 2 Officer to 104 persons.

8. Job Evaluation Committee

Job Evaluation Committee is a committee to review and recommend the Job's Class proposed by Job Evaluation Team.

a. Structure and Membership of Job Evaluation Committee

Job Evaluation Committee comprises of:

1. Director of Compliance
2. Director of Operations
3. Head of Strategic Planning and Business Development Division
4. Head of Human Resources Management Division

The membership is *ex-officio*.

b. Duties and Responsibilities of Job Evaluation Committee

Duties of Job Evaluation Committee:

1. Provide the direction and inputs to the recommendation of Job's Class prepared by Evaluation Team during the Job Evaluation Committee meeting
2. Recommend the Job Position to be approved in the Board of Directors meeting. The stipulation of the Job will officiated in the Board of Directors Decree.

c. Job Evaluation Committee Work Plan

Job Evaluation Team evaluates the job position in question then presented to the Committee.

d. Frequency of Job Evaluation Committee Meeting

In 2010, Job Evaluation Committee held meeting with 100% attendance level, as follow:

No.	Date	Meeting Agenda
1	17 March 2010	Presentation of Job Evaluation by Job Evaluation Team

The Board of Commissioners and The Board of Directors Relationship

The Board of Commissioners and the Board of Directors based their relationship on check and balances principal, transparency, and mutual respect according to their duties and responsibility in managing the company. In 2010, there are 9 meetings between the Board of Commissioners and the Board of Directors.

The Board of Commissioners and the Board of Directors Meetings in 2010:

No	Month	Date	Meeting Agenda
1	January	12 January 2010	1. BRI Financial Performance & Loan Portfolio as of November 2009
			2. BUMN Loan Report including their Subsidiaries
			3. Action Plan on PSAK 50 and 55 Implementation
2	February	16 February 2010	Performance Report as of 31 December 2009
3	April	29 April 2010	1. Audited Financial Report as of 31 December 2009
			2. Preparation of Annual General Meeting of Shareholders 2010
4	June	15 June 2010	1. Financial Performance as of April 2010
			2. Follow up on Memorandum of Audited Financial Report of 2009 by Ernst and Young.
5	August	08 August 2010	Realization of Business Plan 2010-2012 as of Q2-2010
6	September	16 September 2010	Explanation on the Proposal and Plan to Acquire PT Bank Agroniaga Tbk.
7	October	14 October 2010	1. Financial Performance as of August 2010
			2. Action Plan on PSAK 50 and 55 Implementation
8	November	23 November 2010	Discussion on Budget and Work Plan 2011
9	December	28 December 2010	Financial Performance as of November 2011 and Projection of Performance of December 2010.

Frequency of attendance as follows:

No.	Name	Position	Number of Meetings	Attendance (%)	%
THE BOARD OF COMMISSIONERS					
1.	Bunasor Sanim	President Commissioner/ Independent	9	9	100.00
2.	Soedarjono **)	Vice President Commissioner	6	6	100.00
3.	Agus Suprijanto	Commissioner	9	6	66.67
4.	Baridjussalam Hadi	Independent Commissioner	9	9	100.00
5.	Aviliani	Independent Commissioner	9	8	88.89
6.	Agus Pakpahan *)	Commissioner	3	3	100.00
7.	B.S. Kusmuljono *)	Independent Commissioner	3	3	100.00
8.	Adhyaksa Dault **)	Independent Commissioner	6	5	83.33
9.	Heru Lelono **)	Commissioner	6	4	66.67
*) Non-active from the membership of the Board of Commissioner since 20 May 2010.					
**) Effective from 20 July 2010 as Commissioner upon obtaining approval from Bank Indonesia after conducting <i>fit and proper test</i> .					
THE BOARD OF DIRECTORS					
1.	Sofyan Basir	President Director	9	5	55.56
2.	Sarwono Sudarto	Director	9	8	88.89
3.	Sulaiman A. Arianto	Director	9	8	88.89
4.	A. Toni Soetirto	Director	9	7	77.78
5.	Lenny Sugihat	Director	9	8	88.89
6.	Asmawi Syam	Director	9	7	77.78
7.	Suprajarto	Director	9	6	66.67
8.	Bambang Soepeno	Director	9	6	66.67
9.	Abdul Salam *)	Director	3	2	66.67
10.	Sudaryanto Sudargo *)	Director	3	2	66.67
11.	Achmad Baiquni **)	Director	6	6	100.00
12.	Djarot Kusumayakti **)	Director	6	3	50.00
*) Effective of May 20th, 2010 is no longer member of the Board of Directors.					
**) Effective since 20 July 2010 as Director upon obtaining approval from Bank Indonesia after conducting <i>fit and proper test</i> .					

IV. CORPORATE SECRETARIAT

Corporate Secretariat Function

One of the element in good corporate governance process is to ensure that exercise of power and the relationship among stakeholders in line with the company interest. Corporate Secretariat holds a possession of this strategic position to ensure the compliance, administration of decision making process within the company, as well as to perform communication function for building company's goodwill.

Corporate Secretariat has main responsibility to build BRI's corporate image through managing public relations, administration of the company including the Board of Directors and the Board of Commissioners secretariat, and relationship/information flow among the working units and with other stakeholders to achieve the performance based on its vision, missions and strategies of the company.

As part of its responsibility in communication, Corporate Secretariat must ensure the flow and the

accessibility of information to the stakeholders, and the availability of reasonable information accessible by the stakeholders. Corporate Secretariat is responsible to the President Director.

Public Relations

Building Corporate Citizenship and Stakeholders Engagement is the requirement for Company Sustainability. BRI communicates the implementation of company program in fulfilling its responsibility as element of the nation, society and stakeholders empowerment.

Essentially, Corporate Communication focuses on effort to build good company image, through print, electronic and outdoor media, as well as exhibition and collaboration with third parties like press relations, government relations and others.

Public Relations Activities in 2010

No.	Event	Date
1	Indonesia go saving (Indonesia Menabung Activity) and Launching of "TabunganKu" product.	20 February 2010
2	ECO Fair - Eco Product International Fair (EPIF)	7 March 2010
3	Media Visit to Kontan Daily	10 March 2010
4	Agrinex International Expo 2010	11-14 April 2010
5	Media Visit to Seputar Indonesia Daily	5 April 2010
6	Media Visit to Media Indonesia Daily	6 April 2010
7	Inacraft Exhibition	21-25 April 2010
8	Press Gathering of Bank BRI	19 - 20 June 2010
9	Indonesian Cooperatives Expo and SME Expo	14 - 18 July 2010
10	Media Visit to Indo Pos Daily	13 October 2010
11	Communication and Publication of BRI Care - Mentawai Aid	28 October 2010
12	Communication and Publication of Aid Assistance to Merapi Eruption and Mentawai Tsunami	2 November 2010
13	Communication and Publication of 1 Billion Tree Planting Program & BRI Bersemi	14 November 2010
14	Communication and Publication of customized KUR (People's Business Loan) for Indonesian Migrant Workers (TKI)	15 December 2010
15	BRI Cares for Traditional Market	15 December 2010
16	Family Gathering BRI 115th Annivesary	26 December 2010
17	Communication and Publication of Biogas Project of BRI	27 December 2010

Investor Relations

Investors are strategic stakeholders whose decision are influenced by the quality and timeliness of the information. Information provided not in a timely manner may give improper benefit for some people and considered as against the law because it may inflict self dealing, insider trading, intentional misinformation, or other unethical acts.

To ensure the material information to shareholders is properly assigned, corporate secretariat uses Annual General Meeting of Shareholders (AGMS) and Annual Report for that purpose. One of the agendas in Annual General Meeting of Shareholders is presentation of accountability report from the Board of Directors and the Board of Commissioners to the shareholders on the management of the company.

Corporate secretariat always strive to build good communication with capital market community, particularly investors and analyst. The communication materials provided directly to the investors or analysts is important information that will be used to take informed investment decisions.

In an effort to build communication with investors and analysts, BRI hold public expose and analyst meeting, accepts company visit, field visit, and conference call, publish investor newsletter, updating the information in investor relation website and attend investor conference and non-deal roadshow within the country or world's financial cities in Asia, Europe, and United States. In 2010, several local and international communication events were held to 473 investors via company visits, field visits, and roadshow/conference.

Below are the communication events held with the investors in 2010:

Event	2008	2009	2010
Company Visit	138	166	199
Conference Call	8	28	28
Field Visit	15	21	29
Analyst Meeting	4	4	4
Roadshows / Conference (Domestic)	4	2	5
Roadshows / Conference (International)	5	8	5
Investor News Letters	2	2	3
Public Expose	1	2	2

The Board of Directors and the Board of Commissioners Secretariat

Corporate secretariat acts as office of the boards that ensures availability of information and that the quorum for the meetings are always met by the Board of Directors and/or Board of Commissioners. It is also responsible to keep the information on legal and regulations updated and convey the information on the actions taken by the company to the regulators. As a means of executing the function of Compliance, Corporate Secretariat carries out the function of government relations to create and maintain the company's goodwill on the perspective of regulators.

Profile of Corporate Secretary



As of 1 January 2010, Corporate Secretariat is led by Muhammad Ali who was appointed by the Board of Directors based on the BoD Decree Letter No. 20-DIR/SDM/12/2009 dated 14 January 2010.

Muhamad Ali, Indonesia Citizen, 49 tahun born in Purworejo on 24 February 1961, he obtained his Law Degree from UGM in 1987 and joined BRI since 2 June 1988. Before he assumed the Corporate Secretary position, Muhamad Ali was the Head of Directors Office (2009) and Deputy Head of Corporate Secretary (2008).

The appointment of Muhamad Ali as the Company Secretary has been reported to Bank Indonesia to comply with Bank Indonesia regulations No. 11/1/PBI/2009 dated 27 January 2009 concerning Commercial Bank and also reported to Bapepam-LK and Indonesian Stock Exchange in a letter No. B. 02-SKP/DHI/01/2010 dated 27 January 2010 on Changes in Company Secretary.

V. APPLICATION OF COMPLIANCE, INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS

1. Compliance Function

Implementation of compliance function is based on the Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 regarding the Appointment of the Compliance Director and the Standards for the Execution of the Internal Audit Function of Commercial Banks. The compliance function will be assumed by the staffs under the leadership of Compliance Director and Compliance Division.

To ensure full compliance to the relevant laws and regulations, BRI has undertook through the following activities:

a. Examination on Prudential Principles

The examination of prudential principles was made to the final draft of policy and or decisions planned and stipulated by the Directors, both related to the loan and non-loan process. The result of examination reveals that in 2010, generally the Directors' planned policy or decisions have met the prudential principles as stipulated in prevailing external and internal regulations.

b. Monitoring of Follow-up Actions to Examination Results

Further monitoring to the policy or decisions to avoid the breach and violations in its execution stage.

c. Board of Directors Policy Review

The review is intended to ensure that such policy complies with prevailing regulations and meets the prudential principles.

d. Disseminating External Regulation to Related Working Unit

This process is intended to provide a guideline and/or reference for implementation and improvement of BRI's internal regulations.

e. Impact Analysis of External Regulations

To ensure that internal policy have met the external requirements.

f. Managing BRI Good Corporate Governance

The GCG activities in 2010 consists of:

- Issuance of BRI GCG Policy in Joint Decree The Board of Director and The Board of Commissioners No. 01-KOM/BRI/03/2010 / Nokep. S. 14-DIR/DKP/03/2010 dated 8 March 2010 regarding of BRI Code of Conduct and Board Manual.
- Coordinating the dissemination activities of GCG policy and BRI Code of Conduct to all BRI working units. The dissemination of GCG Policy in 2010 have been cascaded to 54.130 employees in 479 working units. Each employee is required to sign the BRI Code of Conduct Compliance Statement.
- Self assessment of GCG implementation, and the results published in the report of BRI Corporate Governance.

g. Implementation of Anti-Money Laundering and Prevention of Terrorism Financing (PPT)

The activities in 2010 comprised of:

- Issuance of Policy and Procedure of Anti Money Laundering and Prevention of Terrorism Financing Program of PT Bank Rakyat Indonesia (Persero) Tbk. Decree No: S. 15-DIR/DKP/03/2010 dated 11 March 2010.
- The dissemination of this Policy and Procedure of Anti Money Laundering Program have been cascaded to 30.997 employees (including the trainers).
- Submissions of Policy and Procedure of Anti Money Laundering and Prevention of Terrorism Financing Program to Bank Indonesia.
- Monitoring the implementation of Policy and Procedure of Anti Money Laundering and Prevention of Terrorism Financing Program in BRI working units in 8 Regional Office, as pilot projects.

- Updating Customers Data in CIF BRI or Cross Border Correspondent Banking.
- Fulfill the requirements of reporting CTR (Cash Transaction Report) and STR (Suspicious Transaction Report) to Indonesian Financial Transaction Reports and Analysis Center (Pusat Pelaporan dan Analisis Transaksi Keuangan/PPATK)
- Follow up data inquiry and account blocking request from external party, i.e. Bank Indonesia, Republic of Indonesian Corruption Eradication Committee (Komisi Pemberantasan Korupsi/KPK), PPATK, and The National Narcotics Agency (BNN).

h. Monitoring the Agreement and Commitment of BRI to External Parties.

i. Benchmarking with other Banks on best practices of compliance as reference to update guidelines and procedure system.

2. Internal Audit Function

Internal Audit Roles and Functions

Internal audit as one of components in internal control systems plays an active monitoring role in achieving Bank's vision and mission. Internal audit function in BRI is executed by Internal Audit Working Unit (AIN). Board of Directors has ensured that internal audit functions has been established in every management level and activities as written in Internal Audit Charter about its role and its function. Institutionally, internal audit is an Independent body, separated from the operational working unit and directly responsible to the President Director. AIN have communication access to Audit Committee to coordinate and inform any matters related with the activity and audit results.

Internal Audit Function

BRI implements audit methodology of Risk Based Audit (RBA) which is periodically applied based on Corporate Risk Management Maturity. Audit Charter and Internal Audit Handbook BRI have

also been compiled by applying the Risk-Based Audit. With this methodology, business processes and units that estimated is having a significant level of risk can be prioritized to be audited. Therefore, risk potential can be minimized in line with the risk tolerance.

In 2010, BRI Internal Audit performed audit activities on significant audit areas potentials in risking the Company's target. BRI Internal Audit performed as catalyst to raise the management awareness about the cohesive importance of risk management which has been comprehensively implemented in relation with the function of internal audit as strategic business partner (SBP) for BRI working units.

Internal Audit has performed assessment on adequacy, effectiveness, internal control and assessment on the performance of business unit, as well as evaluation on adequacy, effectiveness of risk management process and good corporate governance on whole bank activities, The audit result will be in the form of quarterly/semi-annually audit finding report. The report is submitted to Board of Commissioners and Board of Directors and the BRI has followed up these findings according to the policy and direction from the Board of Commissioners.

Internal Audit periodically monitors and follows up the improvements made by the auditee and will label "Adequate" or "Inadequate" to auditee's actions in following up the suggestion. As of December 2010, from all audits process in 470 working units management commitment for actions are:

- **Adequate:**
316 working units (67.23%)
- **Currently under supervision :**
154 working units (32.77%)

Bank's internal audit performance and effectiveness as well as its compliance with the Standard of Internal Audit Function of Commercial Banks (SPFAIB) is evaluated by external auditor once every 3 years. According to the last

evaluation report, BRI internal audit have played its role according to the required standard. The next review by independent external auditor is scheduled in 2011 and internal audit continuously development and adjusts its practice to the current standard and best practice.

In order to improve its audit quality, internal audit team consistently upgrade its auditors competency through sustainable education as an effort to provide necessary skills in doing their audit tasks. BRI Internal Audit also creates competency mapping and training needs aligned with the bank's business development as a reference to build bank auditor competency.

Furthermore, Internal audit also reviews and benchmarks its Audit Guidelines as well as its Audit System and Procedure with other systems both nationally and internationally.

3. Code of Conducts

Code of Conducts is guidelines of standard behavior for every BRI organ and staff in performing their roles. BRI sets Code of Conducts based on corporate cultures, and balance between stakeholders' interests and needs. BRI corporate cultures functioning as base of code of conducts are Integrity, Professionalism, Customer Satisfaction, Leadership and Human Resources Appreciation.

BRI Code of Conducts requires its individuals and organs to:

- Comply with all prevailing banking rules and regulations
- Avoid any activities that may create conflict of interest
- Respect secrecy of Bank business information and all information related to all parties who conduct business with the Bank.

4. External Audit Function

In monitoring its operational activities, BRI also involved external auditor, they are: Bank Indonesia (BI), Supreme Audit Agency of Republic of Indonesia (Badan Pemeriksa Keuangan/BPK), and Public Accountant Firm (PAF). In 2010,

BRI appointed PAF Purwantono, Suherman dan Surja (Ernst and Young) who is registered in Bank Indonesia, Capital Market Supervisory Agency (Bapepam-LK) and Department of Finance, to audit its 2010 Financial Report. The previous year the company also appointed PAF Purwantono, Sarwoko dan Sanjaya (Ernst & Young) to audits its 2000 financial report. Ernst & Young is one of 4 (four) multinational public accountant firm (The Big Four). The appointment of PAF is according to prevailing regulations and selected after tight bid process, and fulfill to the following criteria:

- a. Having previous experience in auditing banking company
- b. Understands Indonesian banking regulations, registered in the stock market, and other relevant regulations.
- c. Having previous experience in application system and banking technology
- d. Understands banking products
- e. Having previous experience and understands risk management.

BRI never appoints the same PAF for 5 years in a row and have appointed the same accountant partner for 3 years in a row. The appointment of PAF have secured approval from the AGMS and Audit Committee recommendation.

BRI paid the fee of Rp4.385.000.000,- (Four Billion Three Hundred and Eighty Five Million Rupiah) including 10% (ten percent) VAT and other prevailing tax to the PAF. The fee includes out of pocket expenses (OPE).

The appointment have been conducted according to prevailing rules and regulations and met the requirements stated by Bank Indonesia Regulations No.3/22/PBI/2001 dated 13 December 2001 on the Transparency of Bank's Financial Condition, i.e.:

- a. PAF capacity
- b. Contract legality
- c. Audit scope
- d. Professional standard of Public Accountant
- e. Communication between BI and PAF

Additionally, appointed PAF have complied with

other requirements as stated in prevailing rules and regulations, including Financial Accounting Standard, Bank Indonesia, Capital Market Supervisory Agency (Bapepam-LK), taxation, and other relevant regulations.

As for the application of PSAK 50 and 55 (2006 revision), the audit scope is based on the PSAK 50 and 55 unless for review on collective credit value impairment, if BRI and its subsidiaries employs the facility approved by Bank Indonesia as stated in Circular Letter No.11/33/DPNP dated 8 December 2009, then the scope will be on:

- Self-assessment conducted by the management in order to assess the bank's limitation conditions as stated in adjusted PAPI 2008.
- Evaluating the management's estimates on the collective equity of loan impairment.
- Reviewing whether the impairment methodology and documentation process, including accounting treatment is according to the principles of PSAK 50 and 55 (2006 revision).
- Reviewing the information technology process to assess its compliance with PSAK 50 and 55 (2006 Revision).

The appointed PAF have delivered its audit report and management letter to the bank on time. Public accountant also work independently and met the criteria that have been promised.

5. Implementation of Risk Management Including Internal Control System

The implementation of the bank's risk management made its reference to PBI No. 5/8/PBI/2003 as revised by PBI No. 11/25/PBI/2007 and Bank Indonesia's Circular Letter No. 5/21/DPNP, Application of Risk Management in the Application of Information System by Public Bank includes the following:

1. **Active Monitoring by Board of Commissioners and Board of Directors**
Board of Commissioners and Board of Director active role in monitoring for and strategic decision making through committee under its responsibility. The

monitoring activities in 2010 were as follows:

Active monitoring by Board of Commissioners:

- a. Board of Commissioners approve the Liquidity Risk Management Policy via Approval Memorandum of Board of Commissioners No. B. 96-KOM/09/2010 dated 29 September 2010.
- b. Board of Commissioners evaluates risk management-related policy regularly or on ad-hoc-basis as stated in the minutes of meeting and memorandum to Board of Directors.
- c. Board of Commissioners evaluates the Board of Directors' request that requiring their approval as stated in the Articles of Association and prevailing rules and regulations.

Active Monitoring by Board of Directors:

- a. Board of Directors have reviewed the risk evaluation methodology, the adequacy of SIM implementation and appropriateness of policy, procedure, and the limit by organizing RMC meeting regularly to discuss these issues. In 2010, Board of Directors held 8 RMC and Sub-RMC meetings.
- b. To ensure effective risk management, Board of Directors provides infrastructure resources, Management Information System (OPRA, LAS, GUAVA), system and procedure of risk management, as well as competent human resources.
- c. The Board of Directors also plans and improve the skill quality of human resources, and risk management manager on regular and sustainable basis by:
 - Allocating budget regularly to improve its human resource capability and consistently evaluates its effectiveness.
 - Human resources capability is improved through risk management certification program or risk management trainings was that coordinated by the Education and Training



Division. As of December 2010, total staffs that have risk management certificate are 798 employees.

- Qualified human resources are also made available by setting up trainings and dissemination events on OPRA (Operational Risk Assessor) and *inhouse training* on CRR, CRS and, credit risk measurement, as well as involving the employees in *workshops*, course, and seminars.

Whistleblower System

As part of support to embody the GCG culture, Board of Directors implements the Whistleblower System (WBS)/Sistem Pelaporan Pelanggaran (SPP) to encourage effective employee and public participation in reporting and preventing the *fraud* and corruption by reporting to the appropriate party. By implementing WBS, it is expected that there will be a shift from “silence” culture to “transparency” culture. As part of the procedure and reporting mechanism, the Company provides the following channel:

- a. Special phone number to the President Director
- b. PO Box 1895

Confidentiality and Protection for the Reporting Individual

- a. The company will protect the identity of the person reporting.
- b. Protection against retaliation from the person or institution that being reported

The implementation of WBS is directly monitored by President Director and part of development of working unit's.

2. Appropriateness of Policy, Procedure, and Limit

BRI has policy and procedure in place to limit the risks, i.e.

- a. Risk Profile Policy
- b. Product and New Activity Policy

- c. Credit Risk Limit Setting Procedure
- d. Liquidity Risk Management Policy
- e. Treasury Policy

BRI updates its policy, methodology, and procedure continuously, by considering its validity, needs, capability, conditions, and prevailing internal or external policy.

3. Appropriateness of Identification Process, Measurement, Monitoring, Risk Controlling, and Risk Management Information System

Due to complexity, business size and targets of bank business, Risk Management is comprehensively implemented for all 8 types of risks widespread throughout all working units. Risk Management implementation covering Risk Identification, Key Risk Indicator and Risk Profile action plans that is reported to Management for monitoring and controlling significant risks.

The steps in risk management process:

- a. Identification of risk issue at the level of head office, regional office, and branch office by using OPRA application.
- b. Risk calculation is made by evaluating assumptions appropriateness, data source, and procedures in place to measure the risk in ALCO Monthly Report, Quarterly Bank-Wide Risk Profile Compilation, Monthly Productive Assets Quality report, Quarterly RCSA Assesment Report in 2010, and Capital Adequacy Ratio (CAR) by standardized approach simulation and internal model.
- c. Risk monitoring is implemented by evaluating risk exposure in all product portfolio and business activities, and effectiveness of risk management process. Monitoring compliance on the risk limit is made on Risk Management Dashboard monthly report, RMC quarterly report, Compliance of Treasury Risk Limit, and ALCO Liquidity.
- d. Risk control is made among others via risk mitigation method, employees

mitigation improvement through learning and trainings, internal control, additional capital to absorb the potential loss and regular internal audit. New product and/or new activity are also scrutinized and analyzed. In 2010 there were several new activities being scrutinized and analyzed, namely Dana Rencana BRI (BRI Planning Fund), Electronic Money (Brizzi and SMART SIM) and Credit Card for BRI Corporate and Business.

Periodically, BRI is also conducting stress testing to measure company's capital ability in absorbing the risk of loss under extreme situation.

4. Internal Control System

Overall control have been implemented through:

- a. The organizational structure where operational working unit (business unit) is separated from risk control function (risk management unit).
- b. Decision to treat unit management risk as an independent unit that create policy, risk measurement methodology, risk limit setting, and data/model validation.
- c. Applying the concept of first line of defense, second line of defense and third line of defense.
- d. All transactions for functional activities having exposure to risks should obtain approval from authorized officer, and the risks have been reviewed and monitored according to the business unit's needs.
- e. Data validation by independent officers and working unit, separated from operational working unit. Monthly data validation for all type of risks at least once a month.
- f. Regular audits by internal auditor to asses the application process and risk

management system in the functional activities exposed to the risks. To further support these objectives, Internal Audit Guidelines and Risk Control Matrix (RCM) have been revised.

Commitment to The Follow Up Plan

The commitment took some follow up actions on risk management functions and internal control in response to last Corporate Governance Implementation Report 2009, the Company have taken the following activities:

1. Regarding improvement on the operational risks database, OPRA (Operational Risk Assessor) has been deployed and disseminated in all BRI working units at division/desk level in Head Office to Branch Office level. The deployment and dissemination of OPRA have been completed at Q4-2010.
2. Management Information System (MIS) supports integrated risk management by combine all risks into a Risk Profile Report across the bank functions (bank-wide) and provided by combining quantitative assessment of inherent risks and qualitative assessment of Risk Control System (RCS) for every functional activity. To support risk management application, the following MIS applications are deployed:
 - Treasury and Market Risk System (GUAVA) for market risk
 - Loan Approval System (LAS) and CRM Enhancement application for credit risk
 - Operational Risk Assessor (OPRA) for operational risk
3. In order to support the market risk management application, Treasury and Market Risk (GUAVA) application is used. GUAVA enables daily market risk control integrated with daily treasury transaction process. Market

risk management and control by GUAVA application are providing as follows:

- a. Calculating market risks based on available options in the application using internal model (value at risk approach) with the following methodology: variance covariance, historical simulation, and montecarlo simulation. Value at risk measurement at daily basis that enables the management to obtain the information on potential market risk loss from treasury (financial instrument) portfolio exposed to the risks (rate exchange risk and interest rate risk).
- b. Transaction limits and market risk limits are monitored on daily basis and enables management to control market risk loss daily.
- c. The application also provides stress testing to the market risks. It enables the management to detect the amount of significant loss that may occur on extreme situation (crisis) anytime.

6. Lending to Related Parties and Large Exposure

BRI has lending policy to related parties and large exposures in accordance with BI Regulation on legal lending limit. The company has also applied the prudential principles through its diversified portfolio, such that there will be no violation on legal lending limit in lending to related parties and lending to borrowers with large exposure.

Furthermore, to ensure the independency of the bank management to possible intervention from related parties in deciding loan approvals, BRI has implemented "four-eye principle".

Below is the total loan outstanding to related parties and large exposures as of 31 December 2010:

No.	Loan Approval	Borrower	Nominal Value (Million Rp)
1.	To Related Party	10	830,772
2.	To Prime Borrower		
	a. Individual	25	28,825,560
	b. Group	25	30,739,247

Lending to Related Parties and the Prime Borrowers has been given in accordance with BRI loan policy and has been approved by loan committee.

7. Strategic Plan of Bank Rakyat Indonesia

In implementing Good Corporate Governance, BRI has developed a systematic, realistic, and integrated corporate planning and control system that enable them to monitor external and internal factors. BRI's corporate plan consist of annual budget and work plan, 3 (three) yearly business plan (medium term) and 5 (five) yearly corporate plan (long term).

Currently, BRI is executing long term *Corporate Plan* 2008-2012 which is a continuation of BRI Corporate Plan of 2003-2007. Corporate plan BRI contains the company's grand strategy and five year business objectives to be "The Best Bank in Indonesia". In order to meet these long term objectives, the company have set annual themes for Corporate Plan 2008-2012 to ensure a more focused effort in obtaining these objectives. The annual theme is used as a main reference in formulating the Business Plan.

BRI's strategic plan and business plan is designed in accordance with the Company's vision and mission, focusing on serving MSME segments while considering other business opportunities. The annual theme for 2010, is Professional Human Resources and Service Quality Improvement, and reflected in various action plans in 2010.

BRI Business Plan Formulation have complied with the provisions in PBI No.12/21/PBI/2010 dated 19 October 2010 and SE BI No.12/27/DPNP dated 25 October 2010 regarding Business Plan for Commercial Banks. The company business plan have been disseminated to all management layers and the outlines have been informed to all BRI employees.

Several programs and strategy in business and supporting elements to achieve the company goals have been formulated, they are:

- Focusing on Micro, Small, and Medium Enterprise while optimizing other business opportunities
- To strengthening risk management
- Market penetration through product and market development
- Extending and optimizing operational network
- Utilizing of information technology for operational efficiency and service improvement
- Providing qualified and required human resources support

Management responsibility for executing each of the plans is done through mechanism of General Meetings of Shareholders including evaluation on system and procedure, human resources and Company performance and organization restructuring, as well as Internal Audit function in all layers within the Company.

VI. DISCLOSURES

1. Access to Company Information

The company provides several channels in communicating and disseminating information to its stakeholders. These channels include, internet, print media, radio, television, and or *events*.

Internal Communication

Internal communication is intended to create mediums to inform the company's vision and directions to all employees, ensuring that company-wide elements follow and acts on these visions. The media used in internal communication are:

- **Circular Letter**
Circular letter provides latest policy and regulation information within the Company. It contains management's activities in disseminating policies and/or communications between divisions or work units in their functions.
- **Public Folder**
A folder in company network available to be accessed by all employees containing internal general information.
- **BRI Vision**
BRI Vision is a visual electronic communication medium providing bank's features and information. BRI Vision is put in several strategic spots within BRI buildings.
- **Email**
Information technology infrastructure is also available for use within the company for communication purpose. One of them is electronic mail (email) provided to employees ensuring smooth flow of information from the Management to all layers of employees.
- **Business Communication Forum**
An event where the management invite senior officers to inform company's target and business plan. It is held at least once a year. In this forum, Board of Directors communicate the company's business plan for the current year to the Head of Divisions and Regional Managers. The Regional Managers then cascades these targets and plan in Regional Communication Forum to the Branch Managers within its region.

- **Strategic Forum**

This forum held at least once a year. The Board of Directors use the forum to directly communicate the company's strategy to Regional Managers, Inspector, or Branch Manager.

External Communication

External communication is established to maintain and improve company image to the public and other stakeholders. The type of information and medium for external communications are:

- **Company Visit**
To obtain comprehensive information, stakeholders may contact:
Corporate Secretariat
Phone : +62 21 575 1966
Fax : +62 21 570 0916
E-mail : humas@bri.co.id
- **Website**
For a more convenient way to obtain the company information, stakeholders can access up-to-date and detailed information in the company website www.bri.co.id.

BRI also actively involved in communicating all corporate events through press release. For investors, BRI provides direct access in specific website www.ir-bri.com
- **Press Release**
Press release informs the public about BRI's achievements, events and activities. Press release targets public in general, particularly the journalists. Public can conveniently access the press release in BRI website www.bri.co.id
- **Publication of Quarterly Financial Report in printing media.**
BRI regularly publish its Financial report in national printing media every quarter. it contains all business progress and available for public, shareholders, and other stakeholders.

- **Analyst Meeting & Press Conference**
BRI actively holds Analyst Meeting and Press Conference on quarterly basis. The material is related to business progress and the audience are analysts and media journalists.
- **Public Expose**
Public expose is the company's annual event to inform company performance to the public.
- **Advertisement**
Advertisement is the company effort to manage its image and improve public's awareness to BRI and its products. Several mainstream media is used for this purpose, namely newspapers, magazines, television, and radio. To ensure effective communication of the ad, prior analysis on media used and its target audience are made.
- **Event**
BRI also initiated commercial events to improve its corporate image and awareness. Activities that have been introduced were "BritAma Wind of Fortune Lucky Draw" and "Simpedes Folks Festival".

2. Transparency of Bank Financial and Non Financial Condition

BRI provides all required financial and non-financial information in a transparent manner to public and related stakeholders using different media and channels, including the publication of financial report in BRI website, BI, and BUMN-online, these medium are :

No	Type of Report	Submitted to
1	Annual Financial Report	<ul style="list-style-type: none"> a. Bank Indonesia b. Bapepam-LK (Capital Market Supervisory Agency) c. Supreme Audit Agency of Republic of Indonesia (Badan Pemeriksa Keuangan/BPK) d. Ministry of State-Owned Enterprises e. Ministry of Finance f. Indonesia Stock Exchange
2	Annual Report and Corporate Governance Implementation Report	<ul style="list-style-type: none"> a. Bank Indonesia, Bapepam-LK, BEI, Ministry of State-Owned Companies, Ministry of Finance, Savings Guarantor Institution (Lembaga Penjamin Simpanan) b. YLKI c. Indonesian Rating Institution d. Indonesian banks association e. LPPI f. 2 (two) Research Institutions in Economic and Finance: LM-FEUI and INDEF g. 2 (two) Economics and Financial Magazines: InfoBank and Investor Magazines

No	Type of Report	Submitted to
3	Deposits Position Report	Savings Guarantor Institution (LPS)
4	Commercial Bank Monthly Report	Bank Indonesia
5	Risk Weighted Assets and Capital Adequacy Ratio Report	Bank Indonesia
6	Business Plan	Bank Indonesia
7	The Bank's Health Level Report	Bank Indonesia
8	Dividend Payment Report	Ministry of Finance

3. Share Ownership of Commissioner and Director

As of 31 December 2010, none of the Commissioners and Directors of BRI hold shares exceeding 5% of the paid-in capital of the Bank, other banks, non bank financial institutions, and other companies located in Indonesia and overseas. List of Board of Commissioners and Board of Directors shares ownership can be obtained in Share Option section.

The statement regarding the shares ownership has been stated in a Letter of Statement by each Commissioner and Director.

4. Financial and Familial Relations of members of the Board of Commissioners and the Board of Directors with other members of the Board of Commissioners, the Board of Directors, and/or Controlling Shareholder

All members of the Board of Commissioners and the Board of Directors do not have financial and familial relationships with other members of the Board of Commissioners, the Board of Directors, and/or Controlling Shareholders.

The statement of not having financial and familial relationships among members of the Board of Commissioners and the Board of Directors has been stated in a Letter of Statement to regulator.

5. Remuneration Policy/Package and Other Facilities for Commissioners and Directors

The Commissioners and Directors are entitled to remuneration and facilities stated in the following table. This is the amount that the Commissioners and Directors receive within a year.

Remuneration Policy/Package and Other Benefits for Commissioners and Directors

Type of Remuneration and Other Benefits	Total Received in a year (2010)					
	The Board of Commissioners		Directors		Independent party	
	Person	Million (Rp)	Person	Million (Rp)	Person	Million (Rp)
Remuneration	7	21,605	10	68,998		
Salary	7	6,051	10	18,192		
Bonus						
Regular Allowance ¹⁾	7	1,784	10	6,153		
Tantiem	7	13,770	10	44,653		
Facilities		4,203		12,647		
Housing			7	2,720		
Transport	7	2,591	10	5,379		
Donation	7	1,612	10	4,548		
Total Amount of Remuneration per Person in 1 Year	Number of Board of Commissioners		Number of Directors		Number of Independent Party	
	Person	Million (Rp)	Person	Million (Rp)	Person	Million (Rp)
Above Rp. 2 Billion	4	23.029 ³⁾	10	81.645 ⁴⁾		
Above Rp. 1 Billion to Rp 2 Billion						
Above Rp. 500 Million to 1 Billion	3	2,779				
Rp. Below 500 Million						
1) Consists of Festive Seasons Allowance, Leave, Health and Communication						
2) Independent party is individuals from outside the bank having no financial, organizational, share ownership and or familial relationships with the members of Commissioners, members of Directors and or Controlling shares or other relationship that may affect their capability to act independently.						
3) Including 2 commissioners members of Board of Commissioners that is no longer serve in AGSM of 20 May 2010						
4) Including remuneration for 2 Directors, whose periods end in AGSM of 20 May 2010						

Procedure of Remuneration for Member of the Board of Commissioners and the Board of Directors:

Decision on Salary, Honorarium, and Tantiem for the Members of Board of Commissioners and Board of Directors is decided by AGMS.

The Board of Commissioners submits the proposal of Salary, Honorarium, and Tantiem of the Board of Commissioners and Board of Directors to the Dwiwarna Seri A Shareholder to be approved by the AGMS. The proposal is made according to the recommendation provided by Nomination and Remuneration Committee after considering market practice, economic conditions, prevailing rules and regulations, and Company performance.

Other facility and benefits for the member of the Board of Commissioners and Board of Directors shall be decided by the Board of Commissioners pursuant to the Articles of Association.

Board of Commissioners formulates and stipulates other facilities and benefits for member of Board of Commissioners and Board of Directors in a Remuneration Policy based on the recommendation from Nomination and Remuneration Committee. Nomination and Remuneration Committee review the policy on annual basis according.



6. Share Option

BRI has declared its internal policy pertaining to share options by referring to the Regulation of Capital Market Supervisory Agency No. : Kep-44/PM/1998, dated 14 August 1998.

The Share Option provision executed in three phases within 3 years is outlined as follows:

1. MSOP I was given during BRI Initial Public Offering (IPO) on November 10, 2003
2. MSOP II was carried out in the second year after IPO
3. MSOP III was carried out in the third year after the IPO

Shares owned by the Directors (other than President Director) given when the relevant person is still holding executive position.

NAME	Bonus Share	Discounted Share	Allocated Additional Share	MSOP 1 Shares	MSOP 2 Shares	MSOP 3 Shares	Total Shares	Price Options	Term
THE BOARD OF COMMISSIONERS									
Bunasor Sanim	-	-	-	-	-	-	-		
Soedarjono	-	-	-	-	-	-	-		
Agus Suprijanto	-	-	-	-	-	-	-		
Heru Lelono	-	-	-	-	-	-	-		
Baridjussalam Hadi	-	-	-	-	-	-	-		
Adhaksa Dault	-	-	-	-	-	-	-		
Aviliani	-	-	-	-	-	-	-		
INDEPENDENT PARTY									
NIL									
NAME	Bonus Share	Discounted Share	Allocated Additional Share	MSOP 1 Shares	MSOP 2 Shares	MSOP 3 Shares	Total Shares	Price Options	Term
THE BOARD OF DIRECTORS									
Sofyan Basir	-	-	-	-	-	3,115,500	3,115,500		
Sarwono Sudarto	41,000	54,500	50,000	376,000	320,500	140,000	982,000		
Sulaiman Arif Arianto	38,000	51,000	50,000	345,000	320,500	140,000	944,500		
Bambang Soepeno	38,000	51,000	-	208,000	320,500	140,000	757,500		
Lenny Sugihart	38,000	51,000	50,000	345,000	320,500	137,000	941,500		
Asmawi Syam	41,000	54,500	125,000	376,000	320,500	140,000	1,057,000		
Suprajarto	28,000	37,500	50,000	229,000	215,000	137,000	696,500		
Agus Toni Soetirto	-	-	-	-	-	-	-		
Djarot Kusumayakti	28,000	37,500	50,000	229,000	215,000	137,000	696,500		
Achmad Baiquni	-	-	-	-	-	-	-		
EXECUTIVE OFFICERS	4,177,000	4,244,500	6,780,000	25,367,000	27,124,500	13,305,000	80,998,000		

Note:

*) Option on shares that were given to the Directors with the exception of the President Director, representing shares allocated during which time the Directors were serving as the Bank's Senior Executive, and in line with Bapepam-LK regulation.

**) Mr. Achmad Baiquni and Mr. A. Toni Soetirto do not have MSOP share.

7. Salary Ratio (Highest and Lowest)

For the purpose of attracting, motivating and retaining its best employees, BRI has formulated a salary system that is based on the best practices in the banking industry and continuously reviews and updates the system to suit with business development as well as changes in the banking employment market practices.

The salary of BRI employees is comprised of principal salary, premium benefits, and transition benefits, which are formulated to give appreciation and recognition so as to achieve internal fairness on the basis of:

- Role and contribution of the positions
- Relevant and proven working experience
- Required expertise/skills and competencies
- Performance achievement

Details of Salary Ratio

Comprise of (Total Cash = 12 months Salary + Annual Leave + Religious Festive Allowance + Incentive + Bonus)

- Ratio of highest employee salary over lowest employee salary = 18.45
- Ratio of highest over lowest Director's salary = 1.11
- Ratio of highest over lowest Commissioner's honorarium = 1.11
- Ratio of highest Director's salary over highest employee salary = 2.92
- Ratio of highest Director's salary over lowest employee salary = 53.94

8. Number of Internal Fraud

In 2010, there were no member of the Board of Commissioners and the Board of Directors involved in internal frauds or legal case.

Position	Cases committed by					
	Commissioners/ Directors		Permanent Employee		Non-Permanent Employee	
	2009	2010	2009	2010	2009	2010
Total Frauds and Case Indication	-	-	64	96	9	12
Solved	-	-	30	35	4	6
Being resolved internally	-	-	25	57	4	5
No solutions	-	-	-	-	-	-
Followed-up with legal action	-	-	9	4	1	1

9. Important Cases Faced by the Company, Member of Board of Commissioners and Member of Board of Directors

There are not important cases that need to be dealt with by the company, member of Board of Commissioners and member of Board of Directors in 2010.

10. Litigation Cases

In running its business, BRI is not precluded from legal actions which represent part of Bank's operations. Number of legal cases as of 31 December 2010 are:

Litigation Cases	Civil / Industrial Relations Court / State Administration Court	Criminal
Completed (has permanent legal force)	827 cases	0 cases
Being resolved	803 cases	4 cases
Total	1,630 cases	4 cases

11. Conflict of Interest Transactions

The implementation of GCG is formulated in the Joint Decree of BRI Board of Commissioners and Board of Directors in BRI GCG Policy and internal policy on disclosure of parties with conflict of interest relationship.

In order to enhance the prudential aspects of the Bank and avoid a conflict-of-interest among the bank's decision-making officers, the decision on loan granting over a certain amount need to be approved by several officers who are part of the loan committee, and upon consultation with the Board of Commissioner. Moreover, the loan initiation to a related party requires approval from the Board of Commissioners.

Loan analysis procedures and loan decision are taken based on current regulation and principles of independence. If there are potential conflicts of interest by decision maker, the loan originator will engage an independent working unit to discuss the matter such that any transaction that may not be in the interest of the Bank could be avoided.

During 2010, Director of Compliance has carried out examination on prudential principles of decision and policy on Directors in lending activities and nonlending activities. The examination results show that BRI has sufficient policy to avoid conflicts of interest and there were no transaction that is associated with a conflict of interest.

No	Name and Positions with Conflict of Interest	Name and Positions of Decision Maker	Type of Transaction	Value of Transaction (Million Rupiah)	Information
NIL					

12. Buy Back Share and or Buy Back of Bonds

In 2010, BRI did not conduct the activities of Buy Back Share and/or Bonds.

13. Fund Allocation for Political Activities

In 2010, BRI did not participate in any funding political activities.

14. Fund Allocation for Company Social Responsibility

In running its business, BRI does not merely concern about making profits but also pays attention to society and environment within BRI operating areas in Indonesia. One of BRI's social responsibilities is to allocate some of its profit for the benefits of people and their surroundings via Partnership Program and Community Development (Program Kemitraan Bina Lingkungan/PKBL).

In 2010, BRI spent Rp51.32 billion for Corporate Social Responsibility.

Area	Total (Rp billion)
Public Facility	3.02
Natural Disaster	2.95
Education & Training	26.83
Public Health	8.22
Place of Worship	2.77
Environmental Conservation	7.53
Total	51.32

15. Procedure of Customer Complaint Handling

As a commitment for customer protection, BRI implement a procedure on handling customer complaint

Handling customer complaints chart



Contact center for customer complaints is **14017**

VII. SELF ASSESSMENT ON GCG IMPLEMENTATION

BRI made a Self Assessment of GCG implementation in 2010, it includes all aspects that have been covered by Bank Indonesia regulations and the result of Self Assessment is qualified as "EXCELLENT". The following are the summary of the self assessment:

Summary of Composite Score in GCG Self Assessment					
NO	ASPECT ASSESSED	WEIGHT (a)	RANK (b)	SCORE (a) x (b)	NOTE *)
1	Execution of Roles and Responsibilities of the Board of Commissioners	10%	1	0.1	Number, composition, roles and responsibility of the Board of Commissioners have been executed effectively and efficiently in compliance with all regulations
2	Execution of Roles and Responsibilities of the Board of Directors	20%	1	0.2	Number, composition, and responsibility of the Board of Directors have been executed effectively and efficiently in compliance with all regulations
3	Adequacy and Execution of the Duties of Committees	10%	1	0.1	The Composition and duties of the Committees have been executed in line with prevailing regulation and undertaken effectively and efficiently
4	Conflict of Interest Management	10%	2	0.2	Bank BRI has implemented an internal policy on transaction containing a conflict of interest. There has been no transaction between BRI and related parties that contain any conflict of interest
5	Implementation of Compliance Function	5%	2	0.1	Implementation of Bank compliance is considered good. The execution of the duties and responsibilities of the Director of Compliance and the Compliance Division has been effective. Guidelines, system and procedures are available in adequate scope
6	Implementation of Internal Audit	5%	1	0,05	Implementation of Internal Audit went effectively, based on internal guidelines and the minimum standard of SPFAIB
7	Implementation of External Audit	5%	1	0,05	The Bank has appointed the Public Accounting Firm with due consideration on prevailing rules and regulations. The appointed PAF and public accountants have done their duties professionally and independently, and forwarded their audit results within the agreed scope of assignments

Summary of Composite Score in GCG Self Assessment

NO	ASPECT ASSESED	WEIGHT (a)	RANK (b)	SCORE (a) x (b)	NOTE *)
8	Implementation of Risk Management and Internal Control	7,50%	2	0,15	Identification and mitigation of all Bank risks are considered effective to maintain an internally sound condition of the Bank. Procedures on the implementation of internal control are adequately comprehensive and in line with the objective, scale and complexity of the businesses and risk level of the Bank
9	Lending and Funding Provision to related Parties and Large Debtors	7,50%	2	0,15	BRI has written policies, system and procedures that are updated with high comprehension to ensure that the decision making for fund placement is taken independently, and that funds are fully diversified in order to prevent the possibility of breaching/violating the legal lending limit
10	Transparency Financial and Non Financial Condition Bank, GCG Implementation Report and Internal Report	15%	2	0,30	BRI delivered adequate Financial and Non Financial information, based on existing rules and regulation and accessibility for stakeholders.
11	Bank Strategic Plan	5%	1	0,05	Composition and implementation of Bank Strategic Plan are based on Vision, Mission, and Corporate Plan
Composite Score		100%		1.45	

Explanation of Total Composite Score

Composite Score	Composite Label
Composite Score < 1.5	Very Good
1.5 = Composite Score < 2.5	Good
2.5 = Composite Score < 3.5	Good Enough
3.5 = Composite Score < 4.5	Not Good Enough
4.5 = Composite Score < 5	Not Good



Strengths and Weaknesses of GCG Implementation at BRI

Strengths

The Board of Commissioners and the Board of Directors have strong commitment to implement GCG in every BRI business activities by building understanding, concerns, and commitment of all company's organs in all layers.

To support this condition, BRI has adopted:

- a. Corporate Values, which are continuously implemented and developed by means of performance improvement program in all BRI working units
- b. Corporate Codes of Conduct, which have been agreed upon to be the behavior and action guidelines in undertaking daily tasks
- c. Policies on evaluating and completing a number of company's regulations for complying with GCG principles;
- d. Dissemination programs by related working units regarding the implementation of GCG.

Weaknesses

There was no significance weakness which hindered the implementation of GCG. However, GCG implementation needs sufficient Management Information System (MIS). It needs continuous improvement, so that the information can be easily accessed and give the benefits to Management.



Chapter

5

Corporate Social Responsibility

A top spins from its axis and rests its balance in one point. Adjusting the balance of the spin is the key to this game.

BRI focuses not only on the company's development but also giving values to community and environment.

BALANCE

Corporate Social Responsibility

BRI's vision as a leading commercial bank that always emphasizes on customer satisfaction will not be realized without the support from the communities surrounding the company's operational areas.

BRI's vision as a leading commercial bank that always emphasizes on customer satisfaction will not be realized without the support from the communities surrounding the company's operational areas.

Partnership Program and Community Development Program (Program Kemitraan dan Bina Lingkungan/PKBL), which is dedicated to the interest of communities especially in the proximity of BRI operational areas, is one of the forms of the company's responsibilities to participate in improving communities' welfare and supporting the development of the nation.

PKBL is mandated by shareholders and its implementation is in accordance with the Minister of State Owned Enterprises (SOE) Regulation No. PER-05/MBU/2007 dated 27 April 2007 concerning SOE's Partnership Program with Small Business and Community Development Program. The PKBL's fund is allocated from the company's earnings, and every year it is decided by the BRI's General Meeting of Shareholders (GMS).

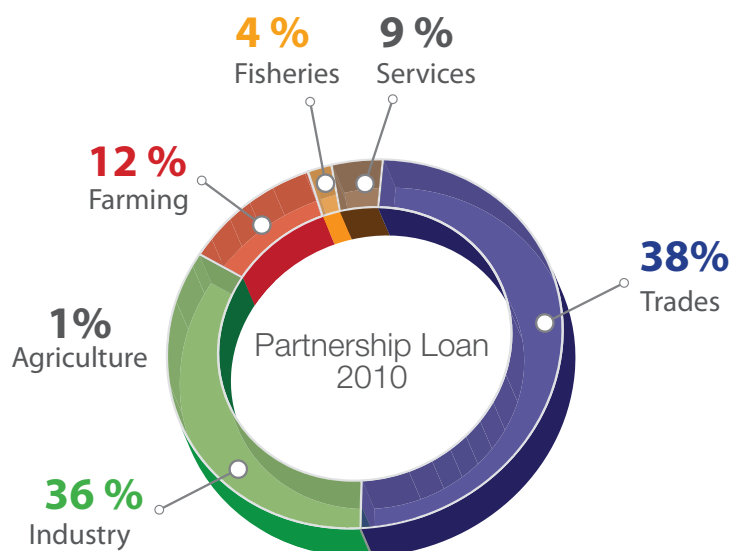
Partnership Program

BRI's Partnership Program finances and develops micro and small businesses, including cooperatives which are considered as feasible business institutions but do not qualify for BRI's commercial loans. This program is expected to enhance productivity of micro and small enterprises, so in the future they can access the BRI's

commercial loans.

Besides providing partnership loans with simple requirements, BRI also guides its partners to develop their businesses. The activities conducted often involve partnership in regional or national exhibitions. These activities help the empowered partners in marketing their products. In 2010, BRI distributed Partnership Program fund of Rp6.75 billion in the form of loan to 231 fostered partners, and Rp1.05 billion for training and assistance activities.

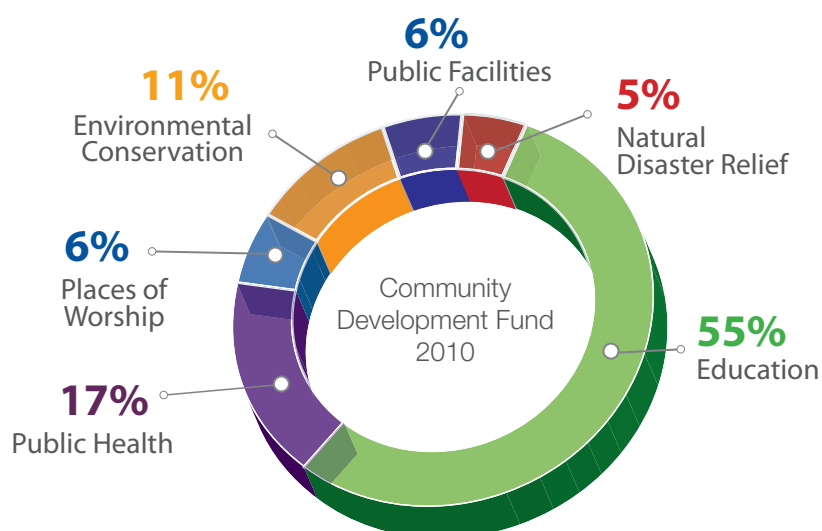
Partnership Loan 2010	
Economic Sector	In billion Rupiah
Industry	2.41
Trade	2.58
Agriculture	0.05
Farming	0.82
Plantation	0.03
Fisheries	0.28
Services	0.60
Others	0
Total	6.75



BRI Cares

BRI Cares is a Community Development Program aimed to empower communities surrounding BRI's operational areas, so they can have better living. The scope of BRI Cares is renovating public facilities, education and training, public health facilities, places of worship, environmental conservations, and natural disaster reliefs. Throughout 2010, BRI had distributed Rp48.82 billion for Community Development Funds, and Rp2.50 billion for SOE Cares.

Community Development Fund	In billion Rupiah
BRI Cares	48.82
Natural Disaster Relief	2.45
Places of Worship	2.77
Education and Training	26.83
Public Health	8.22
Public Facilities	3.02
Environmental Conservation	5.53
SOE Cares	2.50
Natural Disaster Relief	0.50
Environmental Conservation	2.00



BRI Cares for Public Facilities

Public facilities is greatly needed by community to support its economic and social functions and BRI support it by BRI Cares for Public Facilities Program. The assistance includes the procurement of motorbike for trash collectors, ambulance and feeder cars for hospital patients, building bus shelters, constructing location for street vendors and renovating traditional markets trough in BRI Cares for Traditional Market (BRI Peduli Pasar Rakyat / BRI PESAT). BRI Cares for Public Facilities distributed Rp3.02 billion for these activities.



Building bus shelter in front of the Aceh Barat State Hospital



Giving ambulance for Al Falah Mosque Foundation

BRI Cares for Natural Disaster Relief

Natural disaster can strike any time, anywhere, and can befall to anyone. BRI Cares for Natural Disaster Relief tries to respond as quickly as possible in a disaster condition. BRI had distributed Rp2.45 billion for natural disaster relief programs. The aid consists of refugee tents, food, clothing, medicine, blankets, and other needs during emergency situation. Throughout 2010, BRI distributed aid for natural disaster relief in Merapi, Mentawai and Wasior.



Delivery of aid to natural disaster victims in Mentawai

BRI Cares for Education

BRI understand that the future of our nation is determined by the quality of education for its youths. BRI distributed assistance in the form of scholarships for high school and college students, constructing educational facilities, and renovating school buildings. Rp 26.83 billion had been distributed in the form of BRI Cares for Education Program.



College students, the BRI scholarships recipients for Best high school graduate in Papua and West Papua



Welcoming ceremony for prospective students from Papua in University Diponegoro, Semarang.

BRI Cares for Public Health

One evidence of BRI's Cares in improving the health quality of Indonesian is in BRI Cares for Public Program. BRI had distributed Rp8.22 billion for this program, in the forms of free medication services, building healthy houses, procuring ambulances, organizing blood donor events, and organizing bazaar.



Mass circumcisions to celebrate the BRI's 115th birthday

BRI Cares for Places of Worship

The comfort of places of worship is one of BRI's major concerns. BRI Cares distributed Rp2.77 billion of fund for religious events donation, as well as building and renovating places of worship in the proximity of BRI branches all over Indonesia.



Assistance in building a mosque in Padang

BRI Cares for Environmental Conservation

Balance in nature must be maintained for the sake of human survival. Through BRI Cares for Environmental Conservation Program, BRI maintains and preserves the environment, along with the nearby community. The activities include planting productive trees in the areas of BRI working units, and biogas installation to socialize the newest energy utilization to the community around BRI working units. Fund allocated for these activities is Rp6.01 billion.



Assistance in Lereng Merapi reforestation

SOE Cares for Community Development Program

BRI has been allocated 30% of Community Development fund for SOE Cares Community Development Program with scope of activities as determined by the Minister of State Owned Enterprises. The Community Development Program Fund of Rp2.50 billion had been distributed to quickly respond to the victims of natural disaster of Merapi eruption, and to assist the reforestation of Citarum riverbanks.



Bazaar of SOE-BRI Cares

A photograph of four children in a courtyard. Two boys are acting as 'catchers' with their arms raised, forming a bridge. Two other children are walking underneath their arms. The boy on the right is smiling. They are wearing casual clothing like t-shirts and shorts. The background is a plain, light-colored wall.

Chapter

6

Subsidiary

Indonesia's version of traditional children's game, London Bridge is Falling Down, where two children act as the catchers and the rest sing and walk underneath the joined hands of the catchers. When the song ends, the players must stop walking and the catchers catch the player stopping underneath their arms.

BRI is always selective in taking on business opportunities toward developing its business.

Selective

PT Bank BRISyariah

PT Bank BRISyariah (BRISyariah) was established based on the BRI's aspiration to serve the whole Indonesian society, including the needs for sharia banking services. To fulfill such needs, on 14 April 2002 BRI established BRI Sharia Business Unit (UUS) with two offices operating in Jakarta and Serang.

Historical Background

PT Bank BRISyariah (BRISyariah) was established based on the BRI's aspiration to serve the whole Indonesian society, including the needs for sharia banking services. To fulfill such needs, on 14 April 2002 BRI established BRI Sharia Business Unit (UUS) with two offices operating in Jakarta and Serang.

With the emergence of sharia banking in Indonesia, BRI acquired Bank Jasa Arta, based on Acquisition Deed No. 61, dated 19 December 2007 signed before Imas Fatimah, S.H., notary in Jakarta. The deed stipulates that BRI owns 99.99875% of the stocks, whereas the other 0.00125% of the stocks are owned by BRI Employee Welfare Foundation.

In 2008, Bank Jasa Arta was converted into PT Bank BRISyariah. This process also transformed the business core of the company, from a conventional bank to sharia bank, as decreed in Deed No. 45, dated 22 April 2008, signed before Fathiah Helmi, S.H., notary in Jakarta, and the Decree Governor of Bank Indonesia No.10/67/KEP.GBI/DPG/2008, dated 16 October 2008. To improve the performance and to put more focus on managing sharia banking, on 19 December 2008 the management of BRI decided to spin-off of UUS BRI and merged it with PT Bank BRISyariah, as decreed in Deed No. 27, signed before Fathiah Helmi, S.H., notary in Jakarta, effectively started on 1 January 2009.

Sharia Banking Products and Services

The vision of BRISyariah is to become a leading modern retail bank offering various affordable financial services based on the customers' needs. To achieve this vision, BRISyariah has endeavour in developing and preparing products and services in accordance with sharia principles. Products and services developed by BRISyariah comprise funding, financing and e-banking services.

Funding products are aimed at retail and institutional customers; and the types of product are BRIS Savings, retail current accounts, Hajj savings, time deposit and current accounts for institution legal bodies.

A range of financing products include micro financing (Mikro 25, Mikro 75, Mikro 100); consumer financing comprising housing loan (Kredit Kepemilikan Rumah/KPR), multi-purpose loan (Kreedot Multi Guna/KMG), KMJ or leasing, motor vehicle loan (Kredit Kendaraan Bermotor/KKB), pawn, Hajj loan; retail and linkage financing (sharia-based multi-purpose cooperative/KopSyah, sharia rural bank/BPRS, multi-financing, employee cooperative and retail); and commercial financing. To provide better services to its valued customers, BRISyariah provides e-banking service, alternative channels and direct banking. The development of e-banking services include phone banking, internet banking, SMS banking, ATM, EDC and cash management, and alternative channels comprises co-branding and membership.

Business Performance

BRI Syariah continuously strives for better performance by improving the bank's infrastructures, human resources and other operational tools. The improving performance of BRI Syariah in 2010 shows that the management has been on the right track in their strategies.

By the end of December 2010, BRI Syariah had its network around the country, consisting of eight main branch offices, 26 branch offices, 52 sub-branches, nine cash outlets and six sharia service outlets located at BRI offices. Currently, BRI Syariah supported by 3,594 employees, comprising 2,421 fulltime employees and 1,173 outsourced workers.

In 2010, BRI Syariah set its focus on the development of its information technology and e-banking, by continuously improving the infrastructures and data centers including the bank's Management Information System (MIS). To support customers in their transactions and to provide them with various services, BRI Syariah carried out various shared ATM networks, such as ATM Bersama, ATM Prima and ATM BRI.

The various products and services, supported by strong and sophisticated network, technology and human resources help BRI Syariah grow. By the end of December 2010, BRI Syariah recorded collected third-party funds of Rp5.76 trillion, an increase of 217.79% from the same period in 2009, which was recorded at Rp1.81 trillion.

In 2010, BRI Syariah recorded Rp5.53 trillion in financing. This is a growth of 112.36% compared to the financing did in 2009, which was recorded at Rp2.60 trillion.

In 2010, BRI Syariah reported total assets of Rp6.86 trillion, an increase of 115.78% from the year 2009 that recorded Rp3.18-trillion worth of total assets. BRI Syariah also had the capital of Rp955 billion in 2010. This is an increase of 112.87% from that of the year 2009, which was recorded at Rp448 billion. In 2010, BRI Syariah had 21.51% capital adequacy ratio (CAR), or a 20.66% increase compared to 2009.

In 2010 BRI Syariah booked net profit of Rp10.53 billion, a decrease from net profit booked in 2009, which reached Rp16.2 billion. This decrease was due to the company's strategies in expanding the network and improving the quality and quantity of information technology and human resources.

BRI Syariah received a number of awards and recognition; one of them is The Most Favorite Service Quality and Product For Sharia Banking from Property Bank on 29 July 2010. BRI Syariah was ranked third as the Best Full-fledged Sharia Bank from Islamic Finance in August 2010, and BRI Syariah also received ISO 9001:2008 in 2010 for its implementation of ISO in operation and services.

BRI Syariah's achievements in 2010 will be the platform, of which the bank will continue to improve its performance in order to remain competitive in the fast growing sharia banking industry in Indonesia.


Development Plan

The management of BRI Syariah has drafted strategies for the company until 2014. One of the strategies is the expansion of the bank's network as a step toward providing the best services to the bank's valued customers. For 2011, the management has set the main target of opening 105 working units and 1,000 sharia service outlets. By 2014, BRI Syariah is expected to have 200 working units and 6,000 sharia service outlets.

Business targets and strategies of BRISyariah are reflected in several financial indicators. The bank’s target of third-party funds for 2011 is Rp9.47 trillion, and the target for financing for 2011 is Rp9.22 trillion, and Rp24.60 trillion for 2014. For the bank’s total assets, BRISyariah set the target of Rp10.56 trillion in 2011 and Rp31.30 trillion in 2014.

To develop the business even more, the management has requested to Bank Indonesia that BRISyariah be recognized as a foreign exchange bank. BRISyariah is also building a strategic partnership to establish bancatakaful/ bancassurance, and is planning to go public in 2013 to help accelerate the company’s business development.





Chapter 7

2011 Strategic Plan

This traditional child's play requires the players to pass to several stages of achievement. Players need planning, strategy and sharp observation to pass each stage.

BRI sets the company's long-term goal in order to reach its vision, and continuously makes necessary changes in line with the changes in business climate.

Well-Planned

2011 Strategic Plan

In order to improve the bank's performance, strengthen its position in the banking industry in 2011, and to achieve the target to become The Best Bank in Indonesia, BRI has set aggressive corporate strategies. This is clearly seen by its management policy to implement strategic plans and work programs, both in business and support. In 2011, corporate business development is still aimed at financing and funding, and improving fee-based income. In brief, the direction of the management policy is as follows:

Loan

In 2011, BRI sets the target of loan growth by keep focusing on MSME's financing without leaving big-scale financing, especially in sectors which have been the government's program to support national economic development and/or have connection with MSMEs. BRI also provides micro and small commercial loan to customer that are not bankable, yet they are feasible, through people business loan (Kredit Usaha Rakyat/KUR) program, aside from other non-commercial loans. The target for corporate loan expansion is especially SOEs and private sectors, especially those in agribusiness (including foods), infrastructures and other productive business sectors, such as energy, gas and mineral and telecommunication. BRI remains observant to prudential principles and always prioritizes projects that are guaranteed by the government so as not to significantly affect the bank's capital performance.

To accomplish realize the target, BRI conducts marketing activities by doing business gatherings, approaching the potential customers and utilizing database of BRI's existing customers. BRI supports this expansion strategy by improving either quality and quantity of the loan officers, improving Service Level Agreement (SLA) for loan and initiating competitive pricing strategy. The success indicator of this strategy is a high growth in loan expansion, or at least the growth is similar to the national loan growth.



While keep disbursing loan, BRI continuously maintain its loan quality. BRI also conducts loan restructuring on NPL to lowering the provision of the earning assets, and improving loan recovery which have been written-off.

Third-Party Fund

BRI sets its focus by collecting third party funds especially low cost funds (saving accounts and demand deposits) and maintaining its composition minimum of 60% of the total third-party funds. To achieve this, BRI continuously develops and improves its information technology to provide better services to its loyal customers. BRI also remains innovative by creating and improving saving products with appealing features, intensively doing promotion in order to acquire new customers, providing quality services and launching effective marketing to maintain the customers loyalty to the bank. BRI collects institutional funds from SOEs and private corporations. BRI also continues with its strategies in managing Treasury Single Account (TSA) and focusing on outlets with high potential fund. In 2011, BRI remains with its strategy of collecting sustainable third-party funds while optimizing funding through the management of securities and government bonds to support financing.

Fee-Based Income

In order to increase fee-based income, BRI attempt to optimize its banking services, such as trustee, priority banking, sale of securities, new ATM and trade finance features. BRI periodically evaluates administration fee for saving products, financial institutions pension funds (Dana Pensiun Lembaga Keuangan/DPLK), credit card, cash management and bancassurance for performance evaluation.



BRI's business development is closely related to the role of support division. They are human resources, information technology and network.

In 2011 BRI will continue its strategy in expanding new outlets, such as branch offices, sub-branch offices, BRI Units, cash outlets, Teras BRI and mobile units and electronic channel. These are not limited to urban areas, as BRI also pays attention to its customers in rural areas. To meet the needs of the organization, BRI is recruiting new employees, both for marketing officers and for supporting employees and BRI pays close attention to the required competence of its new recruits. Regarding IT system, BRI continues to develop its IT system to anticipate the number of transactions that continually grow.

For the capital requirement, in order to support business expansion and the implementation of operational risk in calculating Capital Adequacy Ratio (CAR), BRI has prepared the strategic plan to support the business growth mentioned above by issuing new sub-ordinated debt or hybrid capital while keep considering the market condition. Therefore, the sub-ordinated debt or hybrid capital issuance will be able to provide optimum benefit to BRI.

To support the business development, BRI will continuously do marketing communication of every banking products and services in accordance with the corporate marketing strategy, with the goals to maintain brand awareness and corporate image.

Chapter

8

Financial Statements

"Western Jacks", one of traditional game using one ball and the jacks. This game require the ability of the player while to bounce the ball, arrange the jack and at the end catch the ball back in one action.

BRI is able to measure and increase its human capital competencies to capture the opportunities and to achieve outstanding performance

Accurate



PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

KANTOR PUSAT



**BOARD OF DIRECTOR'S STATEMENT REGARDING
 THE FINANCIAL STATEMENT RESPONSIBILITY
 AS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 31 DECEMBER 2009
 PT BANK RAKYAT INDONESIA (PERSERO) Tbk.**

We, the undersigned:

1. Name : Sofyan Basir
 Office Address : Jl. Jend. Sudirman No. 44-46 Jakarta 10210
 Home Address : Jl. Uranium I Blok B 42 Permata Hijau, Jakarta Selatan
 Phone Number : 251 0286
 Job Title : President Director

2. Name : Achmad Baiquni
 Office Address : Jl. Jend. Sudirman No. 44-46 Jakarta 10210
 Home Address : Jl. Taman Wijaya Kusuma III/21 C Jakarta Selatan
 Phone Number : 575 1741
 Job Title : Director of Finance

Declare that:

1. We are responsible for the preparation of the Financial Statement of PT Bank Rakyat Indonesia (Persero) Tbk.
2. The Financial Statement have been prepared and presented in accordance with generally accepted accounting principles in Indonesia
3. a. All information has been disclosed in a complete and truthful manner;
 b. The Financial Statement do not contain false material information or facts, nor do they omit material information or facts;
4. We are responsible for the internal control system of PT Bank Rakyat Indonesia (Persero) Tbk.

This is our declaration, which been truthfully.

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

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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Independent Audit Firm Statement

As provided in items 2a, 2b, and 2c of the Independent Audit Firm Statement, effective January 1, 2010, BPJKB has had Statements of Financial Accounting Standards (SFAS) No. 50 (Revised 2000), "Financial Instruments: Recognition and Measurement" and SFAS No. 13 (Revised 2000), "Financial Instruments: Recognition and Measurement". The implementation of SFAS No. 50 (Revised 2000) and SFAS No. 13 (Revised 2000) have been added prospectively.

Preparation, Signature & Date



Drs. HART Purnomaharta
Public Accountant License No. 091.2.00041

March 28, 2011

The independent auditing firm (auditor is not) involved in the implementation of the financial statements of PT Bank Rakyat Indonesia (Persero) Tbk. (Bank Rakyat Indonesia) in accordance with accounting principles and standards generally accepted in Indonesia and applicable laws and regulations. The auditor is not involved in the implementation of the financial statements of PT Bank Rakyat Indonesia (Persero) Tbk. (Bank Rakyat Indonesia) in accordance with accounting principles and standards generally accepted in Indonesia and applicable laws and regulations.

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

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	2010	2009
ASSETS			
CASH	2a,2c	9,975,712	8,139,304
CURRENT ACCOUNTS WITH BANK INDONESIA	2a,2c,2g,4	19,989,683	12,893,414
CURRENT ACCOUNTS WITH OTHER BANKS	2a,2c,2f,2g,5	5,658,116	9,081,086
Allowance for impairment losses		(63)	(90,811)
		<u>5,658,053</u>	<u>8,990,275</u>
PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS - net of unamortized			
Interest of Rp17,481 as of December 31, 2009	2a,2c,2e,2f,2h,6,43		
Third parties		83,057,390	40,438,290
Related parties		215,000	193,000
		<u>83,272,390</u>	<u>40,631,290</u>
Allowance for impairment losses		(250)	(136,233)
		<u>83,272,140</u>	<u>40,495,057</u>
SECURITIES - including unamortized premium of Rp535,117 as of December 31, 2009 and net of unamortized discount of Rp123,776 as of December 31, 2009	2a,2c,2f,2i,7,22,23	22,516,173	24,535,241
Allowance for impairment losses		(1,510)	(57,109)
		<u>22,514,663</u>	<u>24,478,132</u>
EXPORT BILLS	2c,2f,2j,8	741,757	551,172
Allowance for impairment losses		(7,418)	(5,512)
		<u>734,339</u>	<u>545,660</u>
GOVERNMENT RECAPITALIZATION BONDS	2c,2i,9,22	13,626,463	15,027,074
SECURITIES PURCHASED WITH AGREEMENTS TO RESELL - net of unamortized interest of Rp775 as of December 31, 2009	2c,2u,10	501,381	503,887

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

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2010	2009
DERIVATIVES RECEIVABLE			
Allowance for impairment losses	2c,2f,2af,11	87,870	144,921
		-	(1,449)
		87,870	143,472
LOANS	2c,2e,2f, 2k,12,43		
Third parties		246,504,161	205,037,003
Related parties		460,077	485,391
		246,964,238	205,522,394
Allowance for impairment losses		(13,991,454)	(11,279,891)
		232,972,784	194,242,503
SHARIA RECEIVABLES AND FINANCING	2f,2l	5,524,968	2,600,174
Allowance for impairment losses		(111,376)	(88,257)
		5,413,592	2,511,917
ACCEPTANCES RECEIVABLE	2c,2f,2m,13	666,878	352,716
Allowance for impairment losses		(6,669)	(4,502)
		660,209	348,214
INVESTMENT IN SHARES OF STOCKS	2c,2e,2f, 2n,14,43		
Third parties		1,646	1,646
Related parties		134,130	111,477
		135,776	113,123
Allowance for impairment losses		(1,888)	(1,662)
		133,888	111,461
PREMISES AND EQUIPMENT	2o,2p,15		
Cost		5,405,013	4,945,008
Accumulated depreciation		(3,836,068)	(3,578,796)
Net book value		1,568,945	1,366,212
DEFERRED TAX ASSETS - net	2ag,36c	2,295,101	1,915,026
OTHER ASSETS - net	2c,2f,2q,2r,16	4,880,779	5,235,421
TOTAL ASSETS		404,285,602	316,947,029

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

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2010	2009
LIABILITIES AND EQUITY			
LIABILITIES			
LIABILITIES DUE IMMEDIATELY	2c,2s,17	4,123,639	4,333,232
DEPOSITS FROM CUSTOMERS	2c,2e,2t,43 18		
Demand deposits			
Third parties		77,042,297	49,959,614
Related parties		6,400	5,302
		<u>77,048,697</u>	<u>49,964,916</u>
 <i>Wadiah</i> demand deposits		315,779	129,297
 Savings deposits	19		
Third parties		125,145,383	104,068,469
Related parties		52,135	50,266
		<u>125,197,518</u>	<u>104,118,735</u>
 <i>Wadiah</i> savings deposits		738,227	313,800
 <i>Mudharabah</i> savings deposits		54,005	30,731
 Time deposits	20		
Third parties		125,826,676	99,842,774
Related parties		482,910	191,525
		<u>126,309,586</u>	<u>100,034,299</u>
 <i>Mudharabah</i> time deposits		3,988,585	1,336,483
Total deposits from customers		<u>333,652,397</u>	<u>255,928,261</u>
 DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS	2c,2t,21	5,160,315	4,449,907

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2010	2009
SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE - net of unamortized interest of Rp31,703 as of December 31, 2009	2c,2u,7,9,22	526,365	544,464
DERIVATIVES PAYABLE	2c,2af,7,11	81,801	277,302
ACCEPTANCES PAYABLE	2c,2m,13	666,878	352,716
TAXES PAYABLE	2ag,36a	1,930,923	343,492
FUND BORROWINGS - net of deferred provision of Rp1,895 as of December 31, 2009	2c,23	9,454,545	13,611,399
ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES	2f,24	93,422	101,737
OTHER LIABILITIES	2c,2p,2w,2aa,25,41,44b	9,766,026	7,068,716
SUBORDINATED LOANS - net of deferred issuance costs of Rp9,358 as of December 31, 2009	2c,2v,26	2,156,181	2,678,422
TOTAL LIABILITIES		367,612,492	289,689,648

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

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2010	2009
EQUITY			
Capital stock - Rp500 (full Rupiah) par value per share			
Authorized capital - 30,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 29,999,999,999 Series B shares)			
Issued and fully paid capital -			
12,334,581,000 shares (consisting of 1 Series A Dwiwarna share and 12,334,580,999 Series B shares) as of December 31, 2010 and			
12,329,852,500 shares (consisting of 1 Series A Dwiwarna share and 12,329,852,499 Series B shares) as of December 31, 2009	1,27a	6,167,291	6,164,926
Additional paid-in capital	2d,27b	2,773,858	2,722,349
Differences arising from the translation of foreign currency financial statements	2ae,27c	47,237	89,947
Stock options	2ab,27a,28	-	12,977
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	2i	561,564	432,488
Retained earnings - (accumulated losses of Rp24,699,387 was eliminated as a result of quasi-reorganization as of June 30, 2003)	2d,3,27d		
Appropriated		7,974,956	7,024,878
Unappropriated		19,148,204	10,809,816
Total retained earnings		27,123,160	17,834,694
TOTAL EQUITY		36,673,110	27,257,381
TOTAL LIABILITIES AND EQUITY		404,285,602	316,947,029

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	2010	2009
INCOME AND EXPENSES FROM OPERATIONS			
Interest, investment and sharia income			
Interest and investment	2x,29	43,971,493	33,946,341
Sharia income	2l,2z	643,669	261,475
Fees and commissions	2y,30	-	1,126,315
Total interest, investment and sharia income		44,615,162	35,334,131
Interest expense, other charges and Sharia charges			
Interest expense and other charges	2x,31	(11,448,953)	(12,179,932)
Sharia charges	2z	(277,606)	(104,704)
Total interest expense, other charges and Sharia charges		(11,726,559)	(12,284,636)
Interest Income - net		32,888,603	23,049,495
Other operating income			
Fees		2,732,255	2,042,546
Recovery of assets written off		1,525,143	-
Gain on foreign exchange - net	2ad,2af	773,019	713,431
Gain on sale of securities and Government Recapitalization Bonds - net	2i,7,9	152,888	142,846
Other fees and commissions	2y	80,253	75,203
Unrealized gain on changes in fair value of securities and Government Recapitalization Bonds - net	2i,7,9	3,321	127,305
Others		277,654	168,263
Total other operating income		5,544,533	3,269,594
Provision for impairment losses on financial and non-financial assets - net	2f,32	(7,880,536)	(5,421,499)
Reversal of allowance/(provision) for estimated losses on commitments and contingencies - net	2f,24b	8,315	(14,767)
Provision for allowance for impairment losses on non-financial assets - net	2f	(45,222)	(362,649)

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

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

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME (continued)
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	2010	2009
Other operating expenses			
Salaries and employee benefits	2e,2aa, 33,41,43	(8,675,721)	(6,675,793)
General and administrative	2o,34	(4,711,444)	(3,717,931)
Premium paid on Government			
Guarantee Program	45	(523,991)	(424,003)
Others		(2,202,536)	(1,141,788)
Total other operating expenses		(16,113,692)	(11,959,515)
INCOME FROM OPERATIONS		14,402,001	8,560,659
NON-OPERATING INCOME - NET	35	506,229	1,330,569
INCOME BEFORE TAX BENEFIT (EXPENSE)		14,908,230	9,891,228
TAX BENEFIT (EXPENSE)	2ag,36b,36c		
Current		(3,922,049)	(2,633,880)
Deferred		486,204	50,944
NET INCOME		11,472,385	7,308,292
EARNINGS PER SHARE	2ac,49		
Basic (in full Rupiah amount)		956.72	609.50
Diluted (in full Rupiah amount)		933.58	596.73

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

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from Translation of Foreign Currency Financial Statements	Stock Options	Unrealized Gain on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Retained Earnings		Total Equity
						Appropriated	Unappropriated	
Balance as of December 31, 2008	6,162,650	2,706,137	108,361	17,300	37,523	6,488,625	6,836,101	22,356,697
Differences arising from translation of foreign currency financial statements	-	-	(18,414)	-	-	-	-	(18,414)
Distribution of income	-	-	-	-	-	-	(2,649,365)	(2,649,365)
Cash dividends	-	-	-	-	-	-	(536,253)	-
Addition to general and special reserves	-	-	-	-	-	536,253	-	-
Partnership and Environmental Assistance Program (PKBL)	-	-	-	-	-	-	(148,959)	(148,959)
Exercise of stock options	2,276	16,212	-	(4,323)	-	-	-	14,165
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	-	-	-	-	394,965	-	-	394,965
Net income in 2009	-	-	-	-	-	-	7,308,292	7,308,292
Balance as of December 31, 2009	6,164,926	2,722,349	89,947	12,977	432,488	7,024,878	10,809,816	27,257,381

*) Accumulated losses of Rp24,699,387 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

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



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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from Translation of Foreign Currency Financial Statements	Stock Options	Unrealized Gain on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Retained Earnings		Total Equity
							Appropriated	Unappropriated	
Balance as of December 31, 2009 as previously stated		6,164,926	2,722,349	89,947	12,977	432,488	7,024,878	10,809,816	27,257,381
Impact of transition adjustments on the implementation of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006)	39	-	-	-	-	-	-	230,408	230,408
Balance as of January 1, 2010 after the implementation of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006)		6,164,926	2,722,349	89,947	12,977	432,488	7,024,878	11,040,224	27,487,789
Differences arising from translation of foreign currency financial statements	2ae,27c	-	-	(42,710)	-	-	-	-	(42,710)
Distribution of income	27d	-	-	-	-	-	-	(2,195,078)	(2,195,078)
Cash dividends		-	-	-	-	-	-	-	-
Addition to general and special reserves		-	-	-	-	-	950,078	(950,078)	-
Partnership and Environmental Assistance Program (PKBL)		-	-	-	-	-	-	(219,249)	(219,249)
Exercise of stock options	2ab,27a, 27b,28	2,365	51,509	-	(12,977)	-	-	-	40,897
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	2i	-	-	-	-	129,076	-	-	129,076
Net income in 2010		-	-	-	-	-	-	11,472,385	11,472,385
Balance as of December 31, 2010		6,167,291	2,773,858	47,237	-	561,564	7,974,956	19,148,204	36,673,110

*) Accumulated losses of Rp24,699,387 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

	2010	2009*)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from interest, investment, fees and commissions and sharia income	46,642,900	35,065,389
Payments of interest, sharia expenses and other charges	(11,719,715)	(12,296,537)
Recoveries of written off loans	1,525,143	775,150
Other operating income	4,019,390	3,269,594
Other operating expenses	(25,245,930)	(17,448,759)
Non-operating income - net	500,354	1,314,297
Cash flows before changes in operating assets and liabilities	15,722,142	10,679,134
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets:		
Placements with Bank Indonesia and other banks	(816,714)	635,901
Securities and Government Recapitalization Bonds at fair value through profit or loss	(6,711,511)	2,000,138
Export bills	(190,585)	10,537
Derivatives receivable	57,051	(144,908)
Loans	(41,441,844)	(45,413,711)
Sharia receivables and financing	(2,924,794)	(1,600,765)
Other assets	547,943	1,541,853
Increase (decrease) in operating liabilities:		
Liabilities due immediately	560,071	(1,305,606)
Deposits:		
Demand deposits	27,083,781	10,116,911
<i>Wadiah</i> demand deposits	186,482	54,298
Savings deposits	21,078,783	16,282,534
<i>Wadiah</i> savings deposits	424,427	313,800
<i>Mudharabah</i> savings deposits	23,274	(209,827)
Time deposits	26,275,287	26,713,624
<i>Mudharabah</i> time deposits	2,652,102	1,119,483
Deposits from other banks and financial institutions	710,408	1,021,664
Derivatives payable	(195,501)	(1,036,374)
Other liabilities	3,476,865	(4,968)
Net Cash Provided by Operating Activities	46,517,667	20,773,718
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of premises and equipment	5,875	16,272
Receipt of dividends	147	24
Acquisition of premises and equipment	(511,912)	(441,550)
Increase in available-for-sale and held-to-maturity securities and Government Recapitalization Bonds	(1,686,098)	(212,145)
Net Cash Used in Investing Activities	(2,191,988)	(637,399)

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

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**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)**

	2010	2009*)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in additional paid-in capital from exercise of stock options	38,532	11,889
Increase in paid-in capital from exercise of stock options	2,365	2,276
(Decrease) increase in securities sold with agreements to repurchase	(18,099)	441,712
(Payment) proceeds from fund borrowings	(4,156,854)	10,254,904
(Payment) receipts of subordinated loans	(522,241)	1,967,788
Decrease (increase) in securities purchased with agreements to resell	2,506	(503,887)
Distribution of income for dividends and PKBL	(2,414,327)	(2,798,324)
Net Cash (Used in) Provided by Financing Activities	(7,068,118)	9,376,358
EFFECT OF EXCHANGE RATE DIFFERENCES ARISING FROM TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS	(42,710)	(18,414)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,214,851	29,494,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	81,674,099	52,179,836
CASH AND CASH EQUIVALENTS AT END OF YEAR	118,888,950	81,674,099
Cash and cash equivalents at end of year consist of:		
Cash	9,975,712	8,139,304
Current accounts with Bank Indonesia	19,989,683	12,893,414
Current accounts with other banks	5,658,116	9,081,086
Placements with other banks – maturing within three months or less since the acquisition date	82,267,776	40,443,390
Certificates of Bank Indonesia – maturing within three months or less since the acquisition date	997,663	11,116,905
Total Cash and Cash Equivalents	118,888,950	81,674,099
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Activities not affecting cash flows:		
Loans written off	4,964,081	2,506,104
Unrealized gain on available-for-sale securities and Government Recapitalization		
Bonds - net of deferred tax	129,076	394,965
Reclassification of stock options to additional paid-in capital	12,977	4,323

*) The consolidated statements of cash flows have been reclassified (Note 47)

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

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**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
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1. GENERAL

a. Establishment

PT Bank Rakyat Indonesia (Persero) Tbk (hereinafter referred to as "BRI") was established on December 18, 1968 based on Law No. 21 year 1968. On April 29, 1992, based on the Government of the Republic of Indonesia (the "Government") Regulation No. 21 year 1992, the legal status of BRI was changed to a limited liability corporation (Persero). The change in the status of BRI to become a limited liability corporation was documented by notarial deed No. 133 dated July 31, 1992 of Notary Muhani Salim, S.H., and was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-6584.HT.01.01.TH.92 dated August 12, 1992, and published in Supplement No. 3A of the Republic of Indonesia State Gazette No. 73 dated September 11, 1992. BRI's Articles of Association were then amended by notarial deed No. 7 dated September 4, 1998 of Notary Imas Fatimah, S.H., pertaining to Article 2 on "Term of Corporate Establishment" and Article 3 on "Purpose, Objectives and Business Activities" to comply with the provisions of Law No. 1 year 1995 on "Limited Liability Company" that was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-24930.HT.01.04.TH.98 dated November 13, 1998 and was published in Supplement No. 7216 of the Republic of Indonesia State Gazette No. 86 dated October 26, 1999 and notarial deed No. 7 dated October 3, 2003 of Notary Imas Fatimah, S.H., among others, regarding the Company's status and compliance with the Capital Market Laws which were approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-23726 HT.01.04.TH.2003 dated October 6, 2003 and published in Supplement No. 11053 of the Republic of Indonesia State Gazette No. 88 dated November 4, 2003.

Based on notarial deed No. 51 dated May 26, 2008 of Notary Fathiah Helmi, S.H., BRI has amended its Articles of Association, among others to comply with the provisions of Government Regulation No. 40 year 2007 on "Limited Liability Company" and Capital Market and Financial Institution Supervisory Agency's ("Bapepam-LK") Regulation No. IX J.I on "The Main Provisions of the Articles of Association of a Company that Conduct Public Offering of Shares and Public Company", which have been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-48353.AH.01.02. Tahun 2008, dated August 6, 2008 and was published in Supplement No. 23079 of the Republic of Indonesia State Gazette No. 68 dated August 25, 2009.

Subsequently, BRI's Articles of Association have been amended several times. The latest amendment was conducted as a follow-up on the Management Stock Option Plan (MSOP) program based on the total number of exercised stock options and approval of stock split from Rp500 (full amount) per share to Rp250 (full amount) per share, in accordance with the notarial deed No. 38 dated November 24, 2010 of Notary Fathiah Helmi, S.H., and was approved and recorded in the database administration system by the Ministry of Laws and Human Rights in its Decision Letter No. AHU.AH.01.10-33481 dated December 29, 2010.

According to Article 3 of BRI's latest Articles of Association, BRI's scope of business is to conduct and support the Government's policy and program in the economic sector and in the national development in general, particularly in conducting business in the banking sector, in accordance with the prevailing laws and regulations, including the conduct of operating activities based on sharia principles.

b. Recapitalization Program

As realization of the Recapitalization Program for Commercial Banks, set forth in Government Regulation No. 52 year 1999 regarding the Increase in Investments in Shares by the Republic of Indonesia in State-Owned Banks, BRI received all the recapitalization with a nominal amount of Rp29,149,000 in the form of Government Bonds issued in 2 (two) tranches at their nominal

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1. GENERAL (continued)

b. Recapitalization Program (continued)

amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000 (Notes 9 and 27b). Furthermore, as stated in the Management Contract dated February 28, 2001 between the Republic of Indonesia as represented by the Government through the Ministry of Finance, and BRI, the Government determined that the recapitalization requirement amount of BRI to achieve a minimum Capital Adequacy Ratio of 4% was Rp29,063,531. Therefore, BRI returned the excess of recapitalization amounting to Rp85,469 in the form of Government Bonds to the Republic of Indonesia on November 5, 2001 (Notes 9 and 27a).

On September 30, 2003, the Ministry of Finance issued Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and the implementation of the Government's rights as a result of the additional investment of the Republic of Indonesia in the capital of BRI under the recapitalization program for commercial banks. Based on this Decision Letter, the Ministry of Finance affirmed that the final recapitalization requirement of BRI amounted to Rp29,063,531 (Note 27a).

c. Initial Public Offering of Shares

In relation to BRI's Initial Public Offering (IPO) of shares, based on the registration statement dated October 31, 2003, the Government, acting through the Ministry of State-Owned Enterprises agreed to conduct an Initial Public Offering of 3,811,765,000 common shares of BRI together with over-subscription option shares and over-allotment option shares.

The Initial Public Offering consists of the International Public Offering (under Rule 144A of the Securities Act and Regulation "S") and the Indonesian Public Offering. BRI submitted its registration to the Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK"), and such registration statement became effective based on the Chairman of Bapepam-LK letter No. S-2646/PM/2003 dated October 31, 2003 (Note 27a).

BRI's initial public offering of shares consist of 3,811,765,000 shares with a nominal value of Rp500 (full Rupiah) per share and with a selling price of Rp875 (full Rupiah) per share. Subsequently, 381,176,000 shares under the over-subscription option and 571,764,000 shares under the over-allotment option at a price of Rp875 (full Rupiah) per share were exercised on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the exercise of the over-subscription option and the over-allotment option by underwriters, the Republic of Indonesia owns 59.50% of shares of BRI (Note 27a). On November 10, 2003, the above mentioned offered shares were initially traded at the Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange) and all shares of BRI have been simultaneously listed.

d. Structure and Management

BRI's head office is located in BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2010 and 2009, BRI has the following regional offices, inspection offices, branch offices and units:

	2010	2009
Regional Offices	18	17
Inspection Offices	14	14
Domestic Branch Offices	409	402
Special Branch Office	1	1
Overseas Branch/Representative Offices	3	3

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1. GENERAL (continued)

d. Structure and Management (continued)

	2010	2009
Sub-branch Offices	470	434
Cash Offices	822	728
BRI Units	4,649	4,538
Terraces	617	218
Village Service Units	-	68

As of December 31, 2010 and 2009, BRI has 1 (one) subsidiary PT BRISyariah and 1 (one) overseas branch located in Cayman Islands and 2 (two) agency offices located in New York and Hong Kong.

The number of BRI's employees as of December 31, 2010 and 2009 totaled 37,664 and 36,998 employees (unaudited), respectively.

The composition of the Boards of Commissioners and Directors of BRI as of December 31, 2010 and 2009 based on the minutes of BRI's Annual Stockholders' General Meeting held on May 20, 2010, as stated under the notarial deed No. 35 of Notary Fathiah Helmi, S.H., and BRI's Annual Stockholders' General Meeting held on May 19, 2009, as stated under the notarial deed No. 52 of Notary Fathiah Helmi, S.H., respectively, is as follows:

	2010	2009
President/Independent Commissioner	: Bunasor Sanim	Bunasor Sanim
Vice President/Independent Commissioner	: Soedarjono	-
Commissioner	: Heru Lelono	Agus Pakpahan
Commissioner	: Agus Suprijanto	Agus Suprijanto
Independent Commissioner	: Adhyaksa Dault	B.S. Kusmuljono
Independent Commissioner	: Baridjussalam Hadi	Baridjussalam Hadi
Independent Commissioner	: Aviliani	Aviliani
	2010	2009
President Director	: Sofyan Basir	Sofyan Basir
Director of Operations	: Sarwono Sudarto	Sarwono Sudarto
Director of Finance	: Achmad Baiquni	Sudaryanto Sudargo
Director of Commercial Business	: Sulaiman Arif Arianto	Sulaiman Arif Arianto
Director of Compliance	: Bambang Soepeno	Abdul Salam
Director of Consumer Business	: Agus Toni Soetirto	Agus Toni Soetirto
Director of Credit Risk Management	: Lenny Sugihat	Lenny Sugihat
Director of Micro, Small and Medium Enterprises (UMKM)	: Djarot Kusumayakti	Bambang Soepeno

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1. GENERAL (continued)

d. Structure and Management (continued)

	2010	2009
Director of Institutional Business and BUMN	: Asmawi Syam	Asmawi Syam
Director of Network and Services	: Suprajarto	Suprajarto

The composition of BRI's Audit Committee as of December 31, 2010 and 2009 based on BRI's Commissioners' Decision Letter No. B.63-KOM/06/2010 dated June 15, 2010 and No. B.133-KOM/10/2009 dated October 6, 2009, is as follows:

	2010	2009
Chairman	: Baridjussalam Hadi	Aviliani
Member	: Bunasor Sanim	Bunasor Sanim
Member	: H. C. Royke Singgih	H. C. Royke Singgih
Member	: Dedi Budiman Hakim	Dedi Budiman Hakim
Member	: Syahrir Nasution	Syahrir Nasution
Member	: Soedarjono	-

e. Subsidiary

On June 29, 2007, BRI entered into a Shares Sale and Purchase Agreement with the shareholders of PT Bank Jasa Arta ("BJA") to acquire 100% of BJA's shares at a purchase price of Rp61 billion. Based on the minutes of BRI's Shareholders' Extraordinary General Meeting, as stated under the notarial deed No. 3 dated September 5, 2007 of Notary Imas Fatimah, S.H., the shareholders have approved the above acquisition of BJA and have subsequently obtained the approval of Bank Indonesia, according to letters No. 9/188/GBI/DPIP/Rahasia dated December 18, 2007 and No. 9/1326/DPIP/Prz dated December 28, 2007. This acquisition was completed on December 19, 2007 based on Acquisition Deed No. 61 of Notary Imas Fatimah, S.H., whereby BRI owns 99.99875% of the issued shares of BJA and 0.00125% was granted to BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI).

PT Bank Jasa Arta based on notarial deed No. 45 dated April 22, 2008 of Notary Fathiah Helmi, S.H., has been changed into PT Bank Syariah BRI ("BSB"). Based on the Governor of Bank Indonesia's Decision Letter No. 10/67/KEP.GBI/DpG/2008 dated October 16, 2008, BSB obtained the approval to change its business activities from a conventional bank into a commercial bank that conduct business activities under Sharia principles. During 60 (sixty) days from the decision date, BSB is obliged to perform its business activities based on Sharia principles, and within a maximum of 360 (three hundred sixty) days from the decision date, BSB is obliged to settle all its loan receivables and debtor or customer liabilities from the previous conventional banking activities.

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1. GENERAL (continued)

e. Subsidiary (continued)

On December 19, 2008, BRI has entered into a spin-off agreement to transfer the assets and liabilities of BRI Sharia Business Unit ("UUS BRI") into BSB, based on notarial deed No. 27, dated December 19, 2008 on "The Spin-Off Agreement of BRI Sharia Business Unit into PT Bank Syariah BRI" of Notary Fathiah Helmi, S.H. with effective date on January 1, 2009. The effects of the spin-off starting the effective date are:

1. All assets and liabilities of UUS BRI in possession of BRI by operation of law have been transferred and became the rights or ownerships, obligations or expenditures from and to be operated under BSB's responsibility as the receiving entity.
2. All of the UUS BRI's operations, business and office activities by operation of law have been transferred to and/or operated under BSB's benefit, loss and responsibility.
3. All of the UUS BRI's rights, claims, authorities, and obligations based on any agreements, actions or existing events made, performed, or happened on or before the effective date of the spin-off including but not limited to the stated list of assets and liabilities of UUS BRI, and all legal relations between UUS BRI and other parties by operation of law have been transferred to and or operated under BSB's benefit, loss and responsibility.

Based on BSB's Shareholders' Statements of Agreement as stated in notarial deeds of Notary Fathiah Helmi, S.H., No. 18 dated April 14, 2009, the name of PT Bank Syariah BRI was changed to PT Bank BRISyariah ("BRIS") which have been approved by the Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

BRIS' Articles of Association were changed several times. The last changed regarding the addition of the issued and paid up capital based on deed No. 15 dated July 19, 2010, Notary Fathiah Helmi, S.H.

Total assets of BRIS as of December 31, 2010 and 2009 amounted to Rp6,858,165 and Rp3,178,386 respectively, or 1.70% and 1%, respectively, of the consolidated assets. Total sharia revenue as of December 31, 2010 amounted to Rp643,669 or 1.44% of the consolidated interest revenue, whereas total interest and sharia revenue as of December 31, 2009 amounted to Rp263,478 or 0.75% of the consolidated interest revenue.

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared using the prevailing banking industry practices and the Accounting Guidelines for Indonesian Banking (PAPI) published by Bank Indonesia and IAI and reporting guidelines prescribed by the Indonesian banking regulatory authority and the Indonesian Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) No. VIII.G.7 regarding "Financial Statements Presentation Guidelines" included in the Appendix of the Decision of the Chairman of BAPEPAM-LK No. KEP.06/PM/2000 dated March 13, 2000 and Circular Letter No. SE-02/BL/2008 dated January 31, 2008 regarding the "Guidelines on Financial Statements Presentations and Disclosures for issuers or Public Companies in General Mining, Oil and Gas, and Banking Industry".

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

a. Basis of preparation of the consolidated financial statements (continued)

BRI has implemented PAPI (2008 Version) in the preparation of consolidated financial statements for the year ended 2010 and implemented PAPI (2001 Version) in the preparation of the 2009 consolidated financial statements.

SFAS No. 31, "Accounting for the Banking Industry", which was applied by BRI in the 2009 consolidated financial statements, has been revoked effective January 1, 2010 in connection with the adoption of SFAS No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement", and SFAS No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosure", effective also on January 1, 2010 (Note 2c).

BRIS (subsidiary) engaged in banking activities under Sharia principles have been presented according to SFAS No. 101 on "Sharia Financial Statements Presentation", SFAS No. 102 on "Accounting for Murabahah", SFAS No. 104 on "Accounting for Istishna", SFAS No. 105 on "Accounting for Mudharabah" and SFAS No. 106 on "Accounting for Musyarakah" and SFAS 107 on "Accounting for Ijarah" which supersede SFAS No. 59 on "Accounting for Sharia Banking" associated with recognition, measurement, presentation and disclosure for the respective topics and the Indonesia Sharia Banking Accounting Guidelines (PAPSI) issued by Bank Indonesia and IAI.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated and under the accrual basis of accounting (except for the interest receivable on the non-performing earning assets before January 1, 2010, revenue from istishna and the profit sharing from the mudharabah and musyarakah financing).

The consolidated statements of cash flows are prepared using the direct method, cash flows are classified into operating, investing and financing activities. Since January 1, 2010, for purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with other banks and Certificates of Bank Indonesia maturing within 3 (three) months from the date of acquisition, provided they are not being pledged as collateral for borrowings nor restricted. Prior to January 1, 2010, cash and cash equivalents consisted only of cash, current accounts with Bank Indonesia, current accounts with other banks which are not restricted and not used as collateral. These changes occur due to the revocation of SFAS No. 31, "Accounting for the Banking Industry", effective January 1, 2010, and PAPI 2001. For comparative purposes, the consolidated statements of cash flows for the years ended December 31, 2009 has been reclassified (Note 47).

The reporting currency used for the consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are rounded in millions of Rupiah.

b. Consolidation principles

The consolidated financial statements include the financial statements of BRI and its Subsidiary whose majority shares are owned or controlled by BRI.

In case where control over a Subsidiary has begun or ended within the current period, the results of operations of a Subsidiary included in the consolidated financial statements are limited on the results as of the date on which control starts to be acquired until such control has ended.

Control on an entity is presumed to exist if BRI controls more than 50% of the entity's voting rights, or is able to govern the financial and operating policies of a Subsidiary, or has the ability to terminate or appoint the majority of the Subsidiary's Board of Directors, or is able to control the majority of voting rights in the management's meeting.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Consolidation principles (continued)

In the consolidated financial statements, all significant inter-company balances and transactions have been eliminated.

The accounting policies adopted in the preparation of the consolidated financial statements have been consistently applied by the Subsidiary, unless otherwise stated.

c. Financial assets and financial liabilities

BRI's financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, securities purchased under agreements to resell, Government Recapitalization Bonds, export bills, derivatives receivable, loans, acceptances receivable, investment in shares of stocks, and other assets.

BRI's financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks and financial institutions, securities sold under agreements to repurchase, derivatives payable, acceptances payable, fund borrowings, subordinated loans and other liabilities.

BRI's adopted SFAS No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement", and SFAS No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures" effective from January 1, 2010, which replaced SFAS No. 55 (Revised 1999), "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 50 (Revised 1999), "Accounting for Investments in Certain Securities Investments", respectively.

The effect of initial adoption of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006) is disclosed in Note 39.

(i) Classification

Starting January 1, 2010, BRI classifies its financial assets in the following categories at initial recognition:

- Financial assets held at fair value through profit or loss, which have 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;
- Loans and receivables;
- Held-to-maturity investments;
- Available-for-sale investments.

Financial liabilities are classified into the following categories at initial recognition:

- Fair value through profit or loss, which has two sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading;
- Other financial liabilities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

Held for trading are those assets and liabilities that BRI acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that BRI intends to sell immediately or in the short term, which are classified as held for trading, and those that BRI upon initial recognition designates at fair value through profit or loss;
- those that BRI upon initial recognition designates as available-for-sale investments;
- those for which BRI may not recover substantially all of its initial investment, other than because of loans and receivables deterioration, which shall be classified as available-for-sale.

Held-to-maturity investments consist of quoted non-derivative financial assets with fixed or determinable payments and fixed maturity that BRI has the positive intention and ability to hold to maturity. Investments intended to be held for an undetermined period are not included in this classification.

The available-for-sale investments consist of non-derivative financial assets that are designated as available-for-sale or are not classified in one of the other categories of financial assets. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognized as part of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the consolidated statements of income. The effective yield and (where applicable) results of foreign exchange restatement for available-for-sale investments are reported in the statements of income.

Other financial liabilities pertain to financial liabilities that are neither held for trading nor designated at fair value through profit or loss at the inception of the liability.

(ii) Initial recognition

- a. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market (regular purchases) are recognized at the settlement date.
- b. Financial assets and financial liabilities are initially recognized at fair value. For those financial assets or financial liabilities not measured at fair value through profit or loss, the fair value is added with directly attributable transaction costs. The subsequent measurement of financial assets and financial liabilities depends on their classification.

BRI, upon initial recognition may designate certain financial assets, at fair value through profit or loss (fair value option). Subsequently, this designation cannot be changed.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

According to SFAS No. 55 (Revised 2006), the fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets are part of a portfolio of financial instruments the risk of which are managed and reported to key management on a fair value basis; or
- the financial assets consist of a host contract and an embedded derivative that must be bifurcated.

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swaps, but for which the hedge accounting conditions are not fulfilled. If not, the loans would be accounted for at amortized cost, while the derivatives are measured at fair value through profit or loss.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. Furthermore, the fair value option is applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets and liabilities held at fair value through profit or loss are subsequently measured at fair value.

Loans and receivables and held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method.

(iv) Derecognition

a. Financial assets are derecognized when:

- the contractual rights to receive cash flows from the financial assets have expired; or
- BRI has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) BRI has substantially transferred all the risks and rewards of the assets, or (b) BRI has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

When BRI has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of BRI's continuing involvement in the asset.

b. Financial liabilities are derecognized when they are extinguished, i.e. when the obligation under the liability is discharged, cancelled, or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

- b. Financial liabilities are derecognized when they are extinguished, i.e. when the obligation under the liability is discharged, cancelled, or expired (continued).

Loans are written off when there is no realistic prospect of collection in the near future or the normal relationship between BRI and the borrowers has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses.

(v) Income and expense recognition

- a. Available-for-sale investments and financial assets and liabilities measured at amortized cost, interest income and interest expense are recognized in the consolidated statements of income using the effective interest rate.
- b. Gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the statements of income.

Gains and losses arising from changes in the fair value of available-for-sale financial assets other than foreign exchange gains or losses from monetary items are recognized directly in equity, until the financial asset is derecognized or impaired.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity is recognized in the statements of income.

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument out of or into the fair value through profit or loss category while it is held or issued.

BRI cannot classify any financial assets as held-to-maturity if the entity has, during the current financial year or during the 2 (two) preceding financial years, sold or reclassified a significant amount of held-to-maturity investments before maturity (more than an insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

- a. are so close to maturity or the financial asset's repurchase date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- b. occur after BRI has collected substantially all of the original principal of the financial assets through scheduled payments or prepayments; or
- c. are attributable to an isolated event that is beyond BRI's control, is non-recurring and could not have been reasonably anticipated by BRI.

Reclassification of financial assets from held-to-maturity classification to available-for-sale are recorded at fair value. Unrealized gains or losses are recorded in the equity section until the financial assets are derecognized.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vii) Offsetting

Financial assets and liabilities are set off and the net amount is presented in the consolidated balance sheet when, and only when, BRI has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(ix) Fair value measurement

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date, this include the fair value obtained from IDMA's (Interdealer Market Association) quoted market prices or broker's quoted price from Bloomberg and Reuters on the measurement date.

When available, BRI measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's length basis.

If a market for a financial instrument is not active, BRI establishes fair value using a valuation technique. BRI uses its own credit risk spreads in determining the fair value for its derivative liabilities and all other liabilities for which it has elected the fair value option. When BRI's credit spread widens, BRI recognises a gain on these liabilities, because the value of the liabilities has decreased. When BRI's credit spread becomes narrow, BRI recognises a loss on these liabilities because the value of the liabilities has increased.

BRI uses widely recognized valuation models for determining fair values of financial instruments of lower complexity, such as exchange value options and currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, BRI uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the fair value of another instrument which substantially has the same characteristics or calculated based on the expected cash flows of the underlying net asset base of the securities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

The output of a valuation technique is an estimate or approximation of a value that cannot be determined with certainty, and the valuation technique employed may not fully reflect all factors relevant to the positions that BRI holds. Valuations are therefore adjusted, with additional factors such as model risks, liquidity risk and counterparty credit risk. Based on the established fair value valuation technique policy, related controls and procedures applied, BRI's management believes that these valuation adjustments are necessary and considered appropriate to fairly state the values of financial instruments measured at fair value in the consolidated balance sheet. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary, particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment value. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

Starting January 1, 2010, financial assets and long positions are measured at bid price; financial liabilities and short positions are measured at ask price. Where BRI has consolidated assets & liabilities positions with off-setting market risk, middle-market prices can be used to measure the off-setting risk positions and bid or ask price adjustment is applied to the net open positions as appropriate.

Prior to January 1, 2010, financial assets and liabilities as well as long and short positions were measured at mid price.

d. Quasi-reorganization

Based on SFAS No. 51 on "Accounting for Quasi-reorganization", quasi-reorganization is an accounting procedure which will enable an enterprise to restructure its equity by eliminating accumulated losses and revaluing all its assets and liabilities based on fair values without a legal re-organization. Under quasi-reorganization, the company will have a fresh start with a balance sheet showing current values without accumulated losses as the accumulated losses are eliminated against the additional paid-in capital account.

The estimated fair values of assets and liabilities of BRI under the quasi-reorganization was determined based on the best information available in accordance with the characteristics of the related assets and liabilities, with consideration on the level of risks or market values of the related assets and liabilities. If the market value is not available, the estimated fair value is determined based on the market values of similar types of assets, estimated present value or discounted cash flows. For certain assets and liabilities, the valuation is undertaken in accordance with the related SFAS.

Based on BRI's Stockholders' Extraordinary General Meeting held on October 3, 2003 notarized under deed No. 6 dated the same date of Notary Imas Fatimah, S.H., the stockholders approved in principle the quasi-reorganization plan of BRI as of June 30, 2003 (Note 3).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

d. Quasi-reorganization (continued)

BRI revalued its assets and liabilities in conjunction with the quasi-reorganization as of June 30, 2003. Since the fair value of net assets (total assets less total liabilities) of BRI is higher than their book value, based on SFAS No. 51 (before revision in 2003) and SFAS No. 21 on "Accounting for Equity", in the implementation of quasi-reorganization, BRI did not recognize the excess of such net assets against accumulated losses and used the book values of the assets and liabilities at the implementation of quasi-reorganization.

As a result of the above quasi-reorganization, BRI's deficit was eliminated against the additional paid-in capital account which amounted to Rp24,699,387 as of June 30, 2003.

Bank Indonesia, in its letter No. 5/105/DPwB2/PwB24 dated September 19, 2003 stated that in undertaking the quasi-reorganization, BRI should refer to SFAS No. 51 (before revision in 2003) and with consideration to other related aspects in implementing the quasi-reorganization.

e. Transactions with related parties

In accordance with SFAS No. 7 on "Related Party Disclosures", related parties are defined as follows:

- 1) enterprises that, through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise (including holding companies, subsidiaries and fellow subsidiaries);
- 2) associated companies;
- 3) individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them significant influence over the enterprise, and close members of the family of any such individuals (close members of a family are defined as those members who are able to exercise influence or can be influenced by such individuals in their transactions with the reporting enterprise);
- 4) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the reporting enterprise, including Commissioners, Directors and Managers of the enterprise and close members of the families of such individuals; and
- 5) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any persons described in point 3) or 4) above, or over which such a person is able to exercise significant influence on the enterprises. This definition includes enterprises owned by the Commissioners, Directors or major stockholders of the reporting enterprise and enterprises that have a common member of key management as in the reporting enterprise.

All significant transactions with related parties, whether or not made under normal terms and conditions as those conducted with third parties, have been disclosed in the consolidated financial statements. Based on SFAS No. 7, transactions among BRI and the Government and other state-owned (BUMN) or controlled companies including the Deposit Insurance Corporation (a new institution which replaced the Government Guarantee Implementation Unit), are not considered as transactions with related parties.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

f. Allowance for impairment losses on financial assets and estimated losses on commitments and contingencies

Starting January 1, 2010

At each balance sheet date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flow on the asset that can be estimated reliably.

The criteria used by the entity to determine that there is objective evidence of an impairment loss include:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the lender would not otherwise consider;
- d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- e) the disappearance of an active market for that financial asset because of financial difficulties; or
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - 1) adverse changes in the payment status of borrowers in the portfolio; and
 - 2) national or local conditions that correlate with defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and identification of loss is determined by management for each identified portfolio. In general, the periods used vary between 3 months and 12 months; in exceptional cases, longer periods are warranted.

BRI first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If BRI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Accounts that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment.

BRI determines loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. Loans which individually have significant value and objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Corporate and middle loans with collectability classification as substandard, doubtful and loss; or (b) Restructured corporate and middle loans.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

f. Allowance for impairment losses on financial assets and estimated losses on commitments and contingencies (continued)

BRI determines loans to be evaluated for impairment through collective evaluation if one of the following criteria is met:

1. Loans which individually have significant value and there is no objective evidence of impairment;
2. Loans which individually have insignificant value;
3. Restructured loans which individually have insignificant value.

Based on the above criteria, BRI performs collective assessment for: (a) Corporate and middle loans with collectability classification as current and special mention, and have never been restructured; or (b) Retail and consumer loans.

In assessing collective impairment, the Bank applies Bank Indonesia Circular Letter No. 11/33/DPNP dated December 8, 2009, "The Amendment to Bank Indonesia Circular Letter No. 11/4/DPNP dated January 27, 2009 on the Implementation of Accounting and Reporting Guidelines for Indonesian Banking Industry" for loans which have no adequate historical loss data and information. As for the loans having adequate historical loss data and information such as for loans located in areas that have experienced both natural and social disasters, and still categorized as a disaster prone areas by the Government of the Republic of Indonesia, then the calculation of allowance for impairment losses is done by calculating the overall loss rate which covers the actual loss rate plus the adjustment by BRI through periodic surveys both internal and external.

In accordance with the Appendix to the Bank Indonesia Circular Letter No. 11/33/DPNP dated December 8, 2009 (SE-BI), BRI determines the allowance for collective impairment losses of loans with reference to general allowance and specific allowance in accordance with Bank Indonesia regulations regarding the assessment of commercial banks' asset quality. In accordance with aforementioned SE-BI, the transition rule for collective impairment calculation on loans can be applied until December 31, 2011.

Collective allowance for loans classified as special mention, substandard, doubtful and loss is calculated after deducting the value of allowable collateral in accordance with Bank Indonesia regulations. The calculations of allowance for impairment losses is based on carrying amount (amortized cost).

BRI uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is made only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and present value of estimated future cash flows discounted at the financial assets original effective interest rate. If a loan or held-to-maturity securities and Government Bonds have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment on the basis of an instrument's fair value using an observable market price, the calculation of the present value of the estimated future cash

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

f. Allowance for impairment losses on financial assets and estimated losses on commitments and contingencies (continued)

flows of a collateralized financial asset reflect the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable. Losses are recognized in the statements of income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost. Interest income on the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized is reversed through the statements of income.

For financial assets classified as available-for-sale, BRI assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available-for-sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statements of income. The cumulative loss that has been removed from equity and recognized in the statements of income is the difference between the acquisition costs, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in the consolidated statements of income.

Impairment losses recognized in the statements of income on investments in investment in shares of stocks classified as available-for-sale should not be recovered through the statements of income.

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statements of income, the impairment loss is reversed, with the amount of reversal recognized in the statements of income.

If the terms of the loans, receivables or held-to-maturity securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms.

If, in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occurred after the recognition of the impairment losses (i.e. upgrade debtor's or issuer's collectability), therefore the impairment loss that was previously recognized has to be reversed, by adjusting the allowance account. The reversal amount of financial assets is recognized in the statements of income.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off loans from previous years are recorded as operational income other than interest income.

Based on Bank Indonesia Circular letter No. 12/516/DPNP/DPnP dated September 21, 2010, relating to the implementation of Statement of Financial Accounting Standards (SFAS) No. 55 on Financial Instruments: Recognition and Measurement, specifically for the provision of allowance for impairment losses, it is reiterated that allowance for losses on off-balance sheet accounts and non-earning assets shall be established based on PBI No. 7/2/PBI/2005 dated January 20, 2005 regarding Asset Quality Rating for Commercial Banks which has been amended by Regulation No. 11/2/PBI/2009 (Asset Quality PBI).

For the financial assets of the Subsidiary that is engaged in Sharia Banking, BRIS applies PBI No. 8/21/PBI/2006 dated October 5, 2006 as amended by PBI No. 9/9/2007 dated June 18, 2007 for determination of impairment loss.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

f. Allowance for impairment losses on financial assets and estimated losses on commitments and contingencies (continued)

Prior to January 1, 2010

BRI provides allowance for impairment losses on its earning assets and estimated losses on commitments and contingencies based upon a regular review and evaluation of individual debtor's exposures. In connection with this provision, the requirement of Bank Indonesia (BI) regarding the Allowance for Losses on Assets and Estimated Losses on Commitments and Contingencies bearing credit risk is used as reference. Earning assets consist of current accounts with other banks, placements with other banks and Bank Indonesia, securities, securities purchased under agreements to resell, Government Bonds, bills and other receivables, derivatives receivable, loans, acceptances receivable, investment in shares of stocks and commitments and contingencies on off-balance sheet accounts with credit risk.

Commitments and contingencies on off-balance sheet accounts include, but are not limited to issued guarantees, letters of credit, standby letters of credit and unused loan facilities granted to customers.

Non-earning assets are bank assets which have a potential loss and include, among others, but are not limited to foreclosed collaterals, abandoned properties, inter-office accounts and suspense accounts.

Based on Bank Indonesia Regulation (PBI), assets are classified into performing assets as "Current" or "Special Mention", and non-performing assets as "Sub-standard", "Doubtful" or "Loss".

The classification of assets as current, special mention, sub-standard, doubtful or loss is based on PBI No. 7/2/PBI/2005 dated January 20, 2005 on "Assessment of the Quality of Commercial Bank Assets", whereby certain articles have been amended by PBI No. 8/2/PBI/2006 dated January 30, 2006 and PBI No. 9/6/PBI/2007 dated March 30, 2007 and PBI No. 11/2/PBI/2009 dated January 29, 2009 which consider management's evaluation of each debtor's business prospects, performance and ability to repay, and also further considering other aspects such as the classification based on Bank Indonesia audit results, the classification as determined by other commercial banks on earning assets drawn from more than one bank, and the availability of the debtor's audited financial statements.

The amendment on PBI No. 11/2/PBI/2009 among others regarding the limit of credit and other funding whose quality assessment was only measured based on the timely payment of principal and/or interest, which has been increased from the previous amount of up to Rp500 million to become an amount of up to Rp1 billion. Property which has been effectively used for the purpose of banking business for more than 50% is not categorized as abandoned property, thereby no need to record allowance for impairment losses and also the extent of the expiry time limit of appraisal for collateral used as deduction from allowance for impairment losses.

The minimum allowance for impairment losses on earning assets, non-earning assets and estimated losses on commitments and contingencies is calculated considering the above mentioned PBI.

The recognition of minimum allowance for impairment losses in accordance with the above PBI is as follows:

- 1) General reserve, at a minimum of 1% of earning assets classified as Current, except for earning assets guaranteed with cash collaterals such as demand deposits, time deposits, savings deposits, security deposits, gold, Certificates of Bank Indonesia or Government Debentures (Government Bonds and Government Recapitalization Bonds), guarantees of Government in

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

f. Allowance for impairment losses on financial assets and estimated losses on commitments and contingencies (continued)

accordance with the prevailing laws and regulations, standby letters of credit from a prime bank which is issued in accordance with the prevailing Uniform Customs and Practice for Documentary Credit (UCP) or International Standard Practices (ISP).

2) Special reserve, at a minimum of:

- a) 5% of earning assets classified as Special Mention, net of deductible collateral;
- b) 15% of earning assets classified as Sub-standard, net of deductible collateral;
- c) 50% of earning assets classified as Doubtful, net of deductible collateral; and
- d) 100% of earning assets classified as Loss, net of deductible collateral.

The use of collateral value as deduction is made in the calculation of allowance for impairment losses only for earning assets.

Deductible collateral from the calculation of provision for possible losses on earning assets and estimated losses on commitments and contingencies include securities and shares which are traded actively in the Indonesia Stock Exchange or have the highest investment rating, up to 50% of the value of securities listed in the stock exchange at month-end, certain percentage of land, buildings, residential houses, machinery that are installed on land, aircrafts, ships, motorcycles, inventories and warehouse receipts which are not more than 24 (twenty-four) months, on the other hand for land and buildings used as residence which do not exceed a period of 30 (thirty) months if appraised by an independent appraiser and not more than 24 (twenty-four) months if appraised by an internal appraiser. Appraisal for the loan principal above Rp5 billion should be conducted by an independent appraiser.

The allowance for possible losses on commitments and contingencies is presented as a liability in the consolidated balance sheets under "Estimated Losses on Commitments and Contingencies".

The outstanding balance of earning assets is written off against the respective allowance for possible losses when management believes that such earning assets are no longer collectible. The recovery of earning assets previously written off is recorded as addition to the allowance/estimate for impairment losses during the current year. If there is excess from the recovery of the loan principal, such excess will be recognized as interest income.

The guidelines for the provisioning of earning assets and the determination of the quality of earning assets of BRIS are based on PBI No. 8/21/PBI/2006 dated October 5, 2006 wherein certain of the articles have been amended by Regulation No. 9/9/PBI/2007, dated June 18, 2007 and PBI No. 10/24/PBI/2008 dated October 16, 2008 regarding Asset Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles.

g. Current accounts with Bank Indonesia and other banks

Starting January 1, 2010, current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. The current accounts with Bank Indonesia and other banks are classified as loans and receivables.

Prior to January 1, 2010, current accounts with Bank Indonesia are stated at the outstanding balance, net of allowance for impairment losses. Current accounts with other banks are stated at their outstanding balances less allowance for impairment losses.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks are placements of funds with Bank Indonesia in the form of Bank Indonesia Deposit Facilities (*Fasilitas Simpanan Bank Indonesia/FASBI*) and Fine Tune *Kontraksi* (FTK), while placements of funds with other banks represent placements of funds in the form of inter-bank call money and time deposits.

Starting January 1, 2010, placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as loans and receivables.

Prior to January 1, 2010, placements with Bank Indonesia are stated at their outstanding balances, net of unamortized interest. Placements with other banks are stated at their outstanding balances, net of allowance for impairment losses.

i. Securities and Government Recapitalization Bonds

Securities consist of securities traded in the money market such as Certificates of Bank Indonesia, Sharia Certificates of Bank Indonesia, Government Bonds, notes receivable, subordinated notes, mutual fund units, medium term notes, guaranteed notes US Treasury Bonds, credit-linked notes and bonds traded in the stock exchange.

Securities include bonds issued by the Government that are not related with the recapitalization program such as Government Debentures (Surat Utang Negara or SUN), Government Treasury Bills (Surat Perbendaharaan Negara or SPN) and Government Bonds in foreign currency purchased from primary and secondary markets.

Government Recapitalization Bonds are bonds issued by the Government in connection with the recapitalization program for commercial banks which consist of bonds under BRI's recapitalization and Government Recapitalization Bonds purchased from the secondary market.

Starting January 1, 2010

Securities and Government Recapitalization Bonds are initially measured at fair value. After the initial recognition, the securities and Government Recapitalization Bonds are recorded according to their category, i.e. as held-to-maturity, fair value through profit or loss or available-for-sale.

The value of securities and Government Recapitalization Bonds is stated based on the classification as follows:

- 1) Held-to-maturity securities and Government Recapitalization Bonds are carried at amortized cost using the effective interest method. BRI does not classify securities or Government Recapitalization Bonds as held-to-maturity financial assets if BRI has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity securities or Government Recapitalization Bonds before maturity other than sales or reclassifications that are defined in SFAS No. 55 (Revised 2006).
- 2) Securities and Government Recapitalization Bonds classified as held for trading are stated at fair value. Gains and losses from changes in fair value of securities and Government Recapitalization Bonds are recognized in the consolidated statements of income.
- 3) Securities and Government Recapitalization Bonds classified as available-for-sale investments are stated at fair value. Interest income is recognized in the consolidated statements of income using the effective interest rate method. Foreign exchange gains or losses on available-for-sale securities and Government Recapitalization Bonds are recognized in the consolidated statements of income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

i. Securities and Government Recapitalization Bonds (continued)

Starting January 1, 2010 (continued)

Other fair value changes are recognized directly in equity until the securities and Government Bonds are sold or impaired, whereby the cumulative gains and losses previously recognized in equity are recognized in the consolidated statements of income.

Prior to January 1, 2010

Securities and Government Recapitalization Bonds are classified based on management's intention at acquisition date and based on the following classifications under SFAS No. 50 on "Accounting for Certain Investments in Securities" as follows:

- 1) Securities and Government Recapitalization Bonds for trading purposes are stated at fair value. Unrealized gains (losses) resulting from the increase (decrease) in fair value is reported in the current year's consolidated statement of income. Upon sale of the securities and Government Recapitalization Bonds held for trading, the difference between the selling price and their carrying fair value is recorded as realized gain or loss on sale.
- 2) Securities and Government Recapitalization Bonds designated as held-to-maturity are carried at cost, adjusted for accretion (subtraction) of amortized premium (discount), if any.
- 3) Available-for-sale securities and Government Recapitalization Bonds are stated at fair value. Unrealized gains (losses) resulting from the increase (decrease) in fair value are not recognized in the current year's consolidated statement of income but are presented separately as a component of equity. Those unrealized gains (losses) are reported in the consolidated statements of income upon realization.

For securities which are traded in organized financial markets, such fair value is generally determined by reference to quoted market bid prices by the stock exchange at the date that is close to the balance sheet date, and then adjusted for transaction costs necessary to acquire such assets. For securities which have no quoted market price, an estimate of the fair value of the securities is determined by reference to the fair value of other instruments which are substantially the same or are calculated based on the expected cash flows of the underlying net asset base of such securities or using the expected market yield approach. The permanent decline in fair value of the held-to-maturity and available-for-sale securities is charged to the current year's consolidated statements of income.

Buy and sell transactions of securities for customers and for BRI itself are recognized in the consolidated financial statements when the agreements of the securities transactions arise.

Securities are presented at their net values after deducting the allowance for possible losses and unamortized premium or discount. The premium and discount is amortized using the straight-line method.

Securities are derecognized in the consolidated balance sheets when BRI has transferred all significant risks and benefits of these securities.

j. Export bills

Export bills represent negotiated export bills that have been discounted and guaranteed by other banks.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Export bills (continued)

Starting January 1, 2010, export bills are stated at amortized cost less allowance for impairment losses.

Export bills are classified as loans and receivables.

Prior to January 1, 2010, export bills are stated at acquisition cost after deducting the discount and allowance for impairment losses. The discount arising from export bills has been directly recorded in full in the current year's consolidated statements of income as the amount is immaterial.

k. Loans

Loans represent the lending of money or equivalent receivables under contracts or borrowing and lending commitments with borrowers, whereby the borrowers are required to repay their debts with interest after a specified time.

Starting January 1, 2010

Loans are initially measured at fair value plus transaction costs that are directly attributable and additional costs to obtain financial assets, and after initial recognition are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Prior to January 1, 2010

Loans are stated at their outstanding balance less allowance for impairment losses.

For the restructuring of non-performing loans involving the modification of terms (e.g. modification of interest rate and extension of payment maturity date), and not involving the receipt of assets (including receipt of shares) from the debtor, BRI should record the effects of the restructuring prospectively and not change the carrying value of the loan receivable at the time of restructuring, except if the recorded amount exceeds the total future cash receipts specified by the new terms. The deduction amount is recorded as loss in the current year's consolidated statements of income.

Loans extended under syndication agreements are recognized at the nominal amount to the extent of the risks borne by BRI.

l. Sharia receivables and financing

Sharia receivables are receivables resulting from sale purchase transactions based on *murabahah*, *istishna* and *ijarah* contracts. Sharia financing consist of *mudharabah* and *musyarakah* financing.

Murabahah is a sale purchase contract between the customer and BRIS, whereby BRIS finances the investment and working capital needs of the customer sold with a principal price increased by the margin that is mutually informed and agreed. Repayment on this financing is conducted by installments within a specified period. *Murabahah* receivables are stated at net realizable value, which is, the balance of the receivables less allowance for impairment losses. Deferred *Murabahah* margin is presented as a contra account of *Murabahah* receivables.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

I. Sharia receivables and financing (continued)

Istishna is a sale contract between *al - mustashni* (buyer) and *al - shani* (producer who also acts as seller). Based on such contract, the buyer assigns the producer to create or conduct *al - mashnu* (order goods) in accordance with the required specifications by the buyer and sells them at the agreed price. *Istishna* receivables are presented based on the outstanding billings less allowance for impairment losses.

Ijarah is a leasing agreement between the *muajjir* (lessor) with the *musta'jir* (lessee) on *ma'jur* (lease items) to obtain the benefits on the items that are being leased.

Mudharabah financing is a joint financing made between BRIS which provides the capital (*shahibul maal*) and the customer who manages the business (*mudharib*) during a certain period. The profit sharing from such project or business is distributed according to a predetermined ratio (*nisbah*). *Mudharabah* financing is stated at the outstanding balance of the financing less allowance for impairment losses. Allowance for impairment losses is provided based on the quality of the financing as determined by a review of each individual account.

Musyarakah financing is an agreement between the investors (*mitra musyarakah*) to combine their capital and conduct a joint business in a partnership with the profit or loss sharing based on an agreement or proportionate with the capital contribution. *Musyarakah* financing is stated at the outstanding balance of the financing less allowance for impairment losses. The bank provides allowance for impairment losses based on the quality of the financing as determined by a review of each individual account.

m. Acceptances receivable and payable

Acceptances receivable and payable represent letters of credit (L/C) transactions that have been accepted by the accepting bank.

Starting January 1, 2010, acceptances receivable and payable are stated at amortized cost. Acceptances receivable are stated net of allowance for impairment losses.

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as financial liabilities at amortized cost.

Prior to January 1, 2010, acceptances receivable are stated at nominal amount or realized value of the L/C net of allowance for impairment losses, while acceptances payable are stated at nominal amount or realized value of the L/C.

n. Investment in shares of stocks

Investment in shares of stocks represent investment of funds in the form of shares in non-publicly-listed companies engaged in financing activities for long-term investment purposes.

Investment in shares of stocks with an ownership interest of 20% up to 50% and more than 50% are recorded based on the equity method. Under this method, the investments are stated at acquisition cost increased or decreased by the share in the net earnings or losses of the associate companies based on the percentage of ownership and reduced by dividends received since the acquisition date.

Investment in shares of stocks with an ownership interest of less than 20% are carried at cost reduced by allowance for impairment losses.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Premises and equipment

Premises and equipment is stated at cost less accumulated depreciation and impairment losses. Such Cost includes the cost of replacing part of the premises and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the premises and equipment as a replacement, if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the consolidated statements of income as incurred.

Depreciation is calculated on the straight-line method over the estimated useful lives of the premises and equipment as follows:

	Years
Buildings	15
Motor vehicles	5
Computers and machineries	3 - 5
Furniture and fixtures	5

The carrying amount of premises and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the premises and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the premises and equipment) is included in the consolidated statements of income in the year the premises and equipment is derecognized.

The premises and equipment's residual value, useful lives and methods of depreciation are reviewed and adjusted prospectively if appropriate, at each financial year end.

In accordance with SFAS No. 47, "Accounting for Land", all costs and expenses incurred in relation with the acquisition of the landright, such as license fee, survey and measurement cost, notarial fee and taxes, are deferred and presented separately from the cost of the landright. The deferred cost related to the acquisition of the landright was presented as part of "Other Assets" in the consolidated balance sheet, and amortized over the period of the related landright using the straight-line method.

In addition, SFAS No. 47 also states that landright is not amortized unless it meets certain required conditions.

SFAS No. 48 on "Impairment in Asset Value" requires the review of the premises and equipment values for each impairment or write-down to fair value whenever events indicate that the carrying value may not be recoverable.

p. Leases

Based on SFAS No. 30 (Revised 2007), "Lease", the determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of an asset and the arrangement conveys a right to use such asset. Under this revised SFAS, leases that transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

q. Repossessed assets

Reposessed assets acquired in settlement of loans (included as part of "Other Assets") are recognized at their net realizable values. Net realizable value is the fair value of the collateral after deducting the estimated costs of disposal. The excess in loan balances which has not been paid by debtors over the value of reposessed assets is charged to allowance for possible losses on loans in the current year. The difference between the value of the collateral and the proceeds from sale thereof is recognized as a gain or loss at the time of sale of the collateral.

r. Other assets

Other assets, among others, consist of interest revenue, accrued provision and commissions, accrued interest receivables, prepaid tax, deferred expense, abandoned property, inter-office account and others.

s. Liabilities due immediately

Liabilities due immediately represent the obligations of the Bank to external parties that based on their nature should be paid immediately in accordance with the instructions of the agreement which have been previously determined.

This account is classified as other financial liabilities.

Starting January 1, 2010, liabilities due immediately are recorded at amortized cost.

Prior to January 1, 2010, liabilities due immediately are stated at the amounts payable by the Bank.

t. Deposits from customers and other banks and financial institutions

Demand deposits represent funds deposited by customers in which the withdrawal can be done at any time by use of a check, or through transfer with a bank draft or other forms of payment order. These deposits are stated at the amount due to the account holder.

Wadiah demand deposits represent third party funds which can be returned at anytime and customers receive bonus based on BRIS policy. *Wadiah* demand deposits are stated at the amount due to the account holder of the deposit in the bank.

Savings deposits represent customers' funds which the depositors are entitled to withdraw under certain agreed conditions. Deposits are stated at the amount due to the account holders.

Wadiah savings deposits represent funds deposited by customers in the bank, which have a deposit quality and can be withdrawn at any time and the bank is not required to give interest unless in the form of bonus in a voluntary way. *Wadiah* savings deposits are stated at the Bank's liabilities.

Mudharabah savings deposits represent funds from third parties which receive predetermined and pre-agreed profit-sharing return ratio (nisbah) from income derived by BRIS from the use of such funds. *Mudharabah* savings is stated based on the customer's savings balance.

Time deposits represent funds deposited by customers that can be withdrawn only at a certain point in time as stated in the contract between the depositor and BRI. Time deposits are stated at the nominal amount provided in the deposit certificate or at the amount stated in the agreement.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Deposits from customers and other banks and financial institutions (continued)

Mudharabah time deposits represent third party funds that can be withdrawn only at a certain point in time based on the agreement between the customer and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the deposit holder and BRIS.

Deposits from other banks and other financial institutions consist of liabilities to other banks, either domestic or overseas, in the form of demand deposits, savings deposits, time deposits and inter-bank call money, through the issuance of promissory notes which have a term up to 90 (ninety) days and stated at the amount due to banks and other financial institutions.

Starting January 1, 2010, deposits from customers and other banks are classified as other financial liabilities at amortized cost using effective interest method except deposits and temporary *syirkah* funds which are stated at the payable amount to customers. Incremental costs directly attributable to acquisition of deposits from customers are deducted from the amount of deposits.

Prior to January 1, 2010, deposits from customers and other banks are stated at the payable amount to customers.

u. Securities purchased with agreements to resell and securities sold with agreements to repurchase

Securities purchased with agreements to resell

Starting January 1, 2010, securities purchased under agreements to resell are presented as assets in the consolidated balance sheets, at the resale price net of unamortized interest and net of allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income (unamortized), and recognized as income over the period starting from when those securities are purchased until they are resold using effective interest rate.

Securities purchased under agreements to resell are classified as loans and receivables.

Prior to January 1, 2010, Securities purchased with agreements to resell are recognized as receivables and recorded at their resale values reduced by unearned interest and allowance for impairment losses. The difference between the securities purchase and resale price is treated as unearned interest income and will be recognized over the period from the time of purchase until the time of resale using straight-line amortization method.

Securities sold with agreements to repurchase

Starting January 1, 2010, securities sold under agreements to repurchase are presented as liabilities in the consolidated balance sheets, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid expenses and recognized as expense over the period starting from when those securities are sold until they are repurchased using effective interest rate.

Securities sold under agreements to repurchase are classified as financial liabilities measured at amortized cost.

Prior to January 1, 2010, securities sold with agreements to repurchase are recognized as liability at their agreed repurchase price, reduced by the balance of prepaid interest. The difference between the selling price and repurchase price is treated as prepaid interest which is recognized as interest expense over the period from the sale of the securities until the time of repurchase using straight-line amortization method.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

v. Subordinated loans

Securities issued are classified as financial liabilities at amortized cost. Incremental costs directly attributable to issuance of securities are deducted from the amount of securities issued.

Subordinated loans are stated at the nominal value net of unamortized discount. Costs incurred related to the bond issuance are presented as deduction from the proceeds of bonds issued and starting January 1, 2010, it is amortized using the effective interest method and prior to January 1, 2010, it is amortized using straight-line method over the term of the bonds.

Differences between the carrying amount of securities issued and repurchased value are not recognized as gain or loss in the consolidated statements of income.

w. Allowance and timely payment of interest on BRI unit

Timely Payment of Interest [*Pembayaran Bunga Tepat Waktu* (PBTW)] represents incentives given to Village General Loans (Kupedes) borrowers who pay their liabilities in accordance with the mutually agreed installment schedules. The amount of PBTW is 25% of interest received from either *Kupedes* working capital loans or *Kupedes* investment loans. PBTW is reported as deduction from interest income on loans.

Allowance for Timely Payment of Interest [*Cadangan Pembayaran Bunga Tepat Waktu* (CPBTW)] represents allowance provided for timely payment of incentives, which are given to borrowers of *Kupedes* who settle their liabilities on time. The amount of CPBTW is 25% of interest on *Kupedes* working capital loans and *Kupedes* investment loans received monthly. CPBTW is included as part of "Other Liabilities".

x. Interest income and interest expense

Starting January 1, 2010, interest income and expense for all interest bearing financial instruments are recognized in the consolidated statements of income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. This calculation includes all commissions, fees, and other forms received by the parties in the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

If a financial asset or group of similar financial assets has diminished its value as a result of impairment losses, interest income subsequently obtained is recognized based on the interest rate used to discount future cash flows in calculating impairment losses.

Loans which the principal or interest has been past due for 90 (ninety) days or more, or where reasonable doubt exists as to the timely collection, are generally classified as impaired loans (2009 as non-performing loans). Non-performing loans for the year period ended December 31, 2009 include loans classified as substandard, doubtful and loss. Interest accrued but not yet collected is reversed when a loan is classified as impaired loans (2009 as non-performing loans).

Prior to January 1, 2010, interest income and interest expense are recognized on accrual basis, except for interest income on non-performing earning assets (sub-standard, doubtful and loss) which is recognized at the time cash collections are received (cash basis). Interest receivable

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

x. Interest income and interest expense (continued)

which has been accrued is reversed when the earning asset has been classified as non-performing and charged to expense in the current period. Interest income from non-performing assets that has not been received (interest receivables on non-performing loans) is disclosed in the information on commitments and contingencies.

Cash collections from loans which have been classified as doubtful or loss with possible few collections, will be used initially to reduce the loan principal. The excess collections from loan principal are recognized as interest income in the consolidated statements of income.

y. Fees and commissions

Starting January 1, 2010, fees and commissions directly related to lending activities, or fees and commissions income which relates to a specific period, is amortized over the term of the underlying contract using the effective interest method and classified as part of interest income in the consolidated statements of income.

Prior to January 1, 2010, significant fees and commissions directly related to lending activities, or fees and commissions income which relates to a specific period, is amortized using the straight line method over the term of the underlying contract and is classified as fees and commission income in the consolidated statement of income. Unamortized fees and commissions relating to loans settled prior to maturity are recognized at the settlement date. Furthermore, for those fees and commissions income which are not significant, will be directly recognized in current consolidated statement of income as fees and commissions income.

z. Sharia income and charges

Sharia income consists of income from *murabahah*, *istishna*, *ijarah* transactions and profit sharing from *mudharabah* and *musyarakah* financing. Income from *murabahah* and *ijarah* transactions are recognized using accrual method. Income from *istishna* transaction and profit sharing from *mudharabah* and *musyarakah* financing are recognized when the cash installments are received. Expenses based on sharia principles consist of *mudharabah* profit sharing expense and *wadiah* bonus expense.

aa. Pension plan and employee benefits

BRI provides defined benefit pension plans covering substantially all its employees that fulfill the criteria. Under the defined benefit pension plans, current service cost is charged to current operations. Unrecognized past service cost and actuarial adjustment are amortized over the expected future remaining years of service of existing employees as determined by the actuary. In addition, BRI employees are also given Old-Age Benefits, and participate in defined contribution pension plan benefits and other long-term benefits (gratuity for services, grand leaves and pension preparation period).

BRI has accounted for the liabilities arising from the implementation of Labor Law No. 13 year 2003 dated March 25, 2003 (Labor Law No. 13/2003). BRI's work separation scheme is calculated following the provisions of Labor Law No. 13/2003.

Based on SFAS No. 24 (Revised 2004) on "Employee Benefits", the cost of providing employee benefits under the prevailing Law is determined using the actuarial valuation based on the projected unit credit method. Actuarial gains and losses are recognized as income or expense when the cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded the greater of 10% of the present value of the defined benefit

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

aa. Pension plan and employee benefits (continued)

obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognized on a straight-line method over the expected average remaining working lives of the employees. Further, past service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortized over the remaining period until the benefits concerned become vested.

The post-employment benefits expense recognized during the year consists of current service cost, interest on obligation, actuarial gains or losses and past service costs, and reduced by employees' contributions and expected return on plan assets.

ab. Stock options

BRI has granted stock options to the Directors and employees at certain positions and levels based on established criteria. Compensation cost at the grant date is calculated using the fair value of such stock options and is recognized as part of "Salaries and Employee Benefits Expense" based on cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Options" in the equity.

The fair values of the stock options granted are calculated using the Black-Scholes option pricing model.

ac. Earnings per share

Basic earnings per share is calculated by dividing the net income by the weighted average number of issued and fully paid shares during the related year.

Diluted earnings per share is computed after making the necessary adjustments to the weighted average number of common shares outstanding assuming the full exercise of employee stock options at the time of issuance.

ad. Foreign currency transactions and balances

BRI maintain its accounting records in Indonesian Rupiah. Transactions in foreign currencies are recorded at the prevailing exchange rates in effect on the date of the transactions. As of December 31, 2010 and 2009, all foreign currency monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time) as of December 31, 2010 and 2009, respectively. The resulting gains or losses are credited or charged to the current consolidated statements of income.

The exchange rates used in the translation of foreign currency amounts into Rupiah are the following (full Rupiah):

	2010	2009
United States Dollar 1	9,010.00	9,395.00
Great Britain Pound Sterling 1	13,941.18	15,164.94
Japanese Yen 100	11,075.00	10,219.00
European Euro 1	12,017.99	13,542.43
Hong Kong Dollar 1	1,159.08	1,211.48

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Translation of the financial statements of overseas branch and representative offices

BRI has 1 (one) branch office in Cayman Islands and 2 (two) representative offices each in New York and Hong Kong that are separate foreign entities.

For consolidation purposes in the consolidated financial statements, all accounts of the overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, commitments and contingencies - using Reuters spot rates at 4.00 p.m. WIB at balance sheet date.
- Revenues, expenses, gains and losses - using the average middle rate during the month. The ending year balances consist of the sum of the translated monthly balances of revenues, expenses and profit and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital using historical rates.
- Statements of cash flows - using the spot rate published by Reuters at 4.00 p.m. WIB on balance sheet date, except for the profit and loss accounts which are translated at the average middle rates and equity accounts which are translated at the historical rates.

The resulting difference arising from the translation process on the above financial statements is included in the equity as "Differences Arising from Translation of Foreign Currency Financial Statements".

af. Derivative transactions

Derivative financial instruments are valued and recognized in the balance sheets at fair value less allowances for impairment losses. Each derivative contract is carried as asset when the fair value is positive and as liability when the fair value is negative.

Starting January 1, 2010, derivative transactions are recognized in accordance with SFAS No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement". Derivatives receivable and payable are classified as financial assets and liabilities that designated at fair value through profit or loss.

Prior to January 1, 2010, derivative transactions are recognized in accordance with SFAS No. 55 (Revised 1999), "Accounting for Derivative Instruments and Hedging Activities". Gains or losses resulting from fair value changes are recognized in the consolidated statements of income.

The fair value of derivative instruments is determined based on discounted cash flows and pricing models or quoted prices from brokers of other instruments with similar characteristics.

ag. Income tax

BRI and its Subsidiary applied SFAS No. 46 on "Accounting for Income Taxes" which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between financial reporting and tax reporting. SFAS No. 46 also requires the recognition of deferred tax assets which arise from future tax benefits, including accumulated tax loss which can be compensated against the following years, if it is highly probable that the future income subject to tax is adequate to be compensated.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The changes in the carrying value of deferred tax assets and liabilities due to the changes in tax rate is charged to current year operations, except transaction which have been previously charged or credited to equity.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ag. Income tax (continued)

Amendments to tax obligations are recorded when an assessment is received or, if there is objection or appeal, when the decision on the objection and or the result of the appeal is received.

The tax effect on temporary differences and accumulated tax losses on the consolidated companies, which consist of assets or liabilities, are presented in net amount for BRI and its Subsidiary.

ah. Segment reporting

SFAS No. 5 (Revised 2000) on "Segment Reporting" requires the identification and disclosure of financial information based on the business type (products or services) and operating geographical region segment of a company's operations. BRI only operates in the banking industry, therefore the information for segment reporting is disclosed based on operating geographical regions.

ai. Use of estimates

In the preparation of the consolidated financial statements in accordance with generally accepted accounting principles, the management used estimations and assumptions that affect the reported amounts in the consolidated financial statements. There is inherent risk in making estimates such that actual amounts reported in future periods may differ from the estimated amounts.

Professional considerations and significant estimates are as follows:

Fair value of financial instruments

If the fair value of financial assets and financial liabilities recorded in the balance sheet is not available in an active market, such fair value is determined using various valuation techniques including the use of mathematical models.

Input for this model comes from market data that can be observed as long as the data is available. When observable market data are not available, it is deemed necessary for management to determine the fair value. Management considerations include liquidity and volatility feedback model for long-term derivative transactions and discount rate, rate of early payment and defaults rate assumptions.

Impairment of loans and receivables

BRI reviews loans and receivables at each balance sheet date to assess whether impairment should be recognized in the statements of income. In particular, justification by management is required to estimate the amount and timing of future cash flows when determining impairment. In the estimation of cash flows, BRI makes the justification of debtor's financial situation and net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, as reflected in changes in the provision for impairment in the future.

3. IMPLEMENTATION OF QUASI-REORGANIZATION

As a result of the effects of the economic conditions, BRI incurred significant losses in 1998 and 1999 totaling Rp28,221,364. After BRI's recapitalization in July 2000 and October 2000, the allowance for

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3. IMPLEMENTATION OF QUASI-REORGANIZATION (continued)

possible losses on earning assets of BRI had been significantly reduced when the non-performing earning assets were transferred to the Indonesian Bank Restructuring Agency (IBRA). BRI had accumulated losses of Rp24,699,387 in the balance sheet as of June 30, 2003.

In order to have a fresh start with a balance sheet showing the current values without accumulated losses, BRI implemented quasi-reorganization as of June 30, 2003 (Note 2d).

BRI's management has prepared projections of financial statements that show strong profitability and sound Capital Adequacy Ratio (CAR) based on the primary strength of BRI as a major bank in Indonesia that focuses on micro-finance, consumer financing, small and middle businesses (UKM) and agribusiness sectors.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	2010	2009
Rupiah	19,570,892	12,532,673
United States Dollar	418,791	360,741
	19,989,683	12,893,414

As of December 31, 2010 and 2009, current accounts with Bank Indonesia under sharia banking principles amounted to Rp254,882 and Rp86,873, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

As of December 31, 2010 and 2009, the GWM ratios of BRI (unaudited) are as follows:

	2010	2009
Primary GWM - Rupiah	8.05%	5.90%
Secondary GWM - Rupiah	3.38	6.47
Primary GWM - foreign currency	1.00	1.00

The calculation of the GWM ratios as of December 31, 2010 based on Bank Indonesia's regulation (PBI) No. 12/19/PBI/2010 dated October 4, 2010, regarding "GWM of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies". The calculation of the GWM ratios as of December 31, 2009 is based on PBI No. 10/25/PBI/2008 dated October 23, 2008 regarding "The Amendment on PBI No. 10/19/PBI/2008 dated October 14, 2008 regarding GWM of Commercial Banks in Bank Indonesia in Rupiah and Foreign Currencies".

As of December 31, 2010 and 2009, in accordance with the above mentioned Bank Indonesia regulation, the Bank has to meet the required Primary GWM in Rupiah of 8% and 5%, and foreign currency of 1% and 1%, respectively. And, for Secondary GWM in Rupiah of 2.5% and 2.5%, respectively.

BRI has complied with Bank Indonesia's regulation regarding the minimum legal reserve requirement as of December 31, 2010 and 2009.

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5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>	81,086	54,683
<u>Foreign currencies</u>		
United States Dollar	3,360,359	4,714,309
European Euro	1,135,293	3,800,754
Japanese Yen	304,615	210,457
Arab Emirate Dirham	153,508	-
Great Britain Pound Sterling	152,852	53,776
Hong Kong Dollar	146,539	163,441
Saudi Arabian Riyal	143,956	-
Singapore Dollar	102,781	28,127
Australian Dollar	54,188	37,162
Swiss Franc	13,727	13,006
Others	9,212	5,371
	5,577,030	9,026,403
Total	5,658,116	9,081,086
Less: Allowance for impairment losses	(63)	(90,811)
	5,658,053	8,990,275

b) By Bank:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Central Asia Tbk	77,710	45,258
PT Bank Pembangunan Daerah Kalimantan Tengah	2,143	223
PT Bank Mandiri (Persero) Tbk	406	5,439
Others	827	3,763
	81,086	54,683
<u>Foreign currencies</u>		
Standard Chartered Bank	1,565,042	1,293,171
JP Morgan Chase Bank, N.A.	1,462,694	2,248,531
The Hongkong and Shanghai Banking Corporation Limited	693,920	1,478,365
The Royal Bank of Scotland	586,765	241,939
ING Belgium N.V. Brussels	441,875	898,099
Commerzbank, A.G.	347,932	2,707,158
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	125,124	39,138
Al Rajhi Bank	124,262	-
Oversea-Chinese Banking Corporation Limited	95,756	28,126
ANZ Banking Group Limited	54,188	37,162

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank (continued):

	2010	2009
<u>Foreign currencies (continued)</u>		
Others	79,472	54,714
	5,577,030	9,026,403
Total	5,658,116	9,081,086
Less: Allowance for impairment losses	(63)	(90.811)
	5,658,053	8,990,275

c) By Collectability :

Starting January 1, 2010, BRI assessed impairment in current accounts with other banks individually based on whether an objective evidence of impairment exists, except for current accounts with other banks under sharia principles whereby assessment is made using Bank Indonesia's guideline on collectability .

All current accounts with other banks as of December 31, 2010 and 2009 were classified as "Current".

d) Average annual interest rates for demand deposits with other banks:

	2010	2009
<u>Rupiah</u>	0.19%	1.33%
<u>Foreign currencies</u>		
United States Dollar	0.20	0.36
European Euro	-	0.60

e) Movements of the allowance for impairment losses on current accounts with other banks:

	2010	2009
<u>Rupiah</u>		
Beginning balance	547	1,144
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) and SFAS No. 50 (Revised 2006) (Note 39)	(546)	-
(Reversal) provision during the year (Note 32)	62	(597)
Ending balance	63	547
<u>Foreign currencies</u>		
Beginning balance	90,264	33,064
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) and SFAS No. 50 (Revised 2006) (Note 39)	(90,264)	-

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

- e) Movements of the allowance for impairment losses on current accounts with other banks (continued):

	2010	2009
<u>Foreign currencies (continued)</u>		
Provision during the year (Note 32)	-	57,200
Ending balance	-	90,264
	63	90,811

The minimum allowance for impairment losses on current accounts with other banks that should be provided based on Bank Indonesia regulations amounted to Rp63 and Rp90,811 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

- a) By Currency and Type:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Bank Indonesia - FASBI (net of unamortized interest of Rp6,406 as of December 31, 2009)	49,784,790	12,813,594
Bank Indonesia - FTK (net of unamortized interest of Rp11,075 as of December 31, 2009)	18,367,802	13,988,925
Bank Indonesia - FASBI Syariah	403,500	205,500
	68,556,092	27,008,019
<u>Inter-bank call money</u>		
PT Bank Pan Indonesia Tbk	235,000	100,000
PT Bank Bukopin Tbk	230,000	-
PT Bank Mega Tbk	225,000	-
Lembaga Pembiayaan Ekspor Indonesia	100,000	-
PT Bank DKI	45,000	-
PT Bank Tabungan Pensiunan Nasional Tbk	35,000	-
PT Bank Commonwealth	30,000	-
PT Bank Rabobank International Indonesia	30,000	-
PT Bank Mayapada Internasional Tbk	25,000	-
PT Bank Sinarmas Tbk	25,000	-
PT Bank Danamon Indonesia Tbk	25,000	-
PT Bank Himpunan Saudara 1906 Tbk	20,000	-
PT BNI Sekuritas	10,000	-
PT Bank Internasional Indonesia Tbk	-	35,000

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

a) By Currency and Type (continued):

	2010	2009
<u>Third parties</u>		
<u>Rupiah (continued)</u>		
The Hongkong and Shanghai Banking Corporation Limited	-	16,208
	1,035,000	151,208
	69,591,092	27,159,227
<u>United States Dollar</u>		
Inter-bank call money		
The Bank of New York Mellon	3,257,115	3,204,635
Toronto Dominion Bank, N.A.	2,675,767	-
Bank of America, N.A.	2,136,631	3,037,779
First Union, NY	2,088,518	-
Citibank, N.A.	1,144,270	1,901,548
The Royal Bank of Scotland	1,114,332	1,746,653
PT Bank Negara Indonesia (Persero) Tbk	45,050	-
Wachovia Bank, N.A.	-	2,977,275
Standard Chartered Bank	-	105,835
PT Bank Mandiri (Persero) Tbk	-	93,950
	12,461,683	13,067,675
Time Deposits		
Toronto Dominion Bank, N.A.	13,515	23,488
Standard Chartered Bank	-	187,900
	13,515	211,388
Deposits On Call		
Standard Chartered Bank	991,100	-
	13,466,298	13,279,063
	83,057,390	40,438,290
<u>Related Party</u>		
Inter-bank call money		
PT BTMU-BRI Finance	215,000	193,000
Total	83,272,390	40,631,290
Less: Allowance for impairment losses	(250)	(136,233)
	83,272,140	40,495,057

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

b) By Time Period:

The placements are grouped by their remaining period to maturity as follows:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	69,591,092	27,159,227
<u>United States Dollar</u>		
≤ 1 month	12,461,683	13,044,188
> 1 month - 3 months	-	46,975
> 3 months - 1 year	1,004,615	187,900
	13,466,298	13,279,063
	83,057,390	40,438,290
<u>Related party</u>		
<u>Rupiah</u>		
≤ 1 month	215,000	193,000
Total	83,272,390	40,631,290
Less: Allowance for impairment losses	(250)	(136,233)
	83,272,140	40,495,057

c) By Collectability :

Starting January 1, 2010, BRI assessed the placements with Bank Indonesia and other banks individually based on whether an objective evidence of impairment exists, except for the placements with Bank Indonesia and other banks under sharia principles whereby assessment is made using Bank Indonesia's guideline on collectability .

All placement with Bank Indonesia and other banks as of December 31, 2010 and 2009 were classified as "Current".

d) Average annual interest rates are as follows:

	2010	2009
<u>Rupiah</u>		
FASBI/FTK	5.86%	6.75%
Inter-bank call money	6.60	7.52
<u>Foreign currency</u>		
Inter-bank call money	0.47	2.05
Time deposits	0.63	0.92

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

- e) Movements of allowance for impairment losses on placements with Bank Indonesia and other banks:

	2010	2009
<u>Rupiah</u>		
Beginning balance	3,442	14,601
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) (Note 39)	(3,442)	-
(Reversal) provision during the year (Note 32)	250	(11,159)
Ending balance	250	3,442
<u>United States Dollar</u>		
Beginning balance	132,791	658,165
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) (Note 39)	(132,791)	-
Writte offs during the year	-	(563,700)
Provision during the year (Note 32)	-	38,326
Ending balance	-	132,791
	250	136,233

The minimum allowance for impairment losses on placements with Bank Indonesia and other banks that should be provided based on Bank Indonesia regulations amounted to Rp250 and Rp136,233 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

7. SECURITIES

- a) By Purpose, Currency and Type:

	2010	2009
<u>Fair value through profit or loss</u>		
<u>Rupiah</u>		
Certificates of Bank Indonesia	193,582	-
Mutual funds	9,562	8,586
Government bonds	-	317,788
	203,144	326,374
<u>United States Dollar</u>		
Government bonds	-	579,533
	203,144	905,907

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	2010	2009
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Certificates of Bank Indonesia	8,440,168	-
Government bonds	2,365,535	1,041,408
Bonds	195,883	194,817
	<u>11,001,586</u>	<u>1,236,225</u>
<u>United States Dollar</u>		
Government bonds	2,026,120	1,191,660
Medium term notes	44,589	-
Notes receivable	-	689,528
	<u>2,070,709</u>	<u>1,881,188</u>
	<u>13,072,295</u>	<u>3,117,413</u>
<u>Held-to-maturity</u>		
<u>Rupiah</u>		
Government Bonds - net of unamortized discount of Rp57,235 as of December 31, 2009	2,736,279	1,942,745
Bonds - net of unamortized discount of Rp1,657 as of December 31, 2009	1,211,499	1,122,668
Certificates of Bank Indonesia - net of unamortized discount of Rp61,450 as of December 31, 2009	997,663	13,588,550
Bank Indonesia Sharia Certificates (SBIS)	200,000	25,000
Medium-term notes	120,000	10,000
Subordinated notes - net of unamortized discount of Rp170 as of December 31, 2009	89,843	49,830
	<u>5,355,284</u>	<u>16,738,793</u>
<u>United States Dollar</u>		
Credit linked notes - plus unamortized premium of Rp535,117 as of December 31, 2009	3,175,431	3,447,567
Notes Receivable	397,642	-
Medium term notes	180,200	187,900
Government Bonds - net of unamortized discount of Rp3,264 as of December 31, 2009	132,177	137,661
	<u>3,885,450</u>	<u>3,773,128</u>
	<u>9,240,734</u>	<u>20,511,921</u>

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	2010	2009
Total	22,516,173	24,535,241
Less: Allowance for impairment losses	(1,510)	(57,109)
	22,514,663	24,478,132

b) By Collectability :

Starting January 1, 2010, BRI assessed the securities on whether an objective evidence of impairment exists individually, except for securities of subsidiary under sharia principles whereby assessment is made using Bank Indonesia's guideline on collectability .

Securities were classified as "Current" as of December 31, 2010 and 2009.

c) By Remaining Period to Maturity:

The classifications of securities based on their remaining period until maturity are as follows:

	2010	2009
<u>Rupiah</u>		
≤ 1 month	12,427,393	12,778,699
> 1 month - 3 months	-	2,033,485
> 3 months - 1 year	214,778	635,783
> 1 year	3,917,843	2,853,425
	16,560,014	18,301,392
<u>United States Dollar</u>		
≤ 1 month	2,107,951	2,460,721
> 3 months - 1 year	360,400	-
> 1 year	3,487,808	3,773,128
	5,956,159	6,233,849
Total	22,516,173	24,535,241
Less: Allowance for impairment losses	(1,510)	(57,109)
	22,514,663	24,478,132

d) By Type and Issuer:

d.1. Government Bonds

Government bonds represent bonds issued by the Government in connection with the management of Government debentures portfolio such as Government Debentures (SUN), Government Treasury Bills (SPN) and Government Bonds issued in foreign currencies which are obtained from the primary and secondary markets. The details of Government Bonds are as follows:

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Cost	
			2010	2009
Fair value through profit or loss				
Rupiah				
FR0024	12.00	October 15, 2010	-	25,974
FR0033	12.50	March 15, 2013	-	22,226
ORI002	9.28	March 28, 2010	-	20,951
ORI003	9.40	September 12, 2011	-	27,630
ORI004	9.50	March 12, 2012	-	99,970
ORI005	11.45	September 15, 2013	-	7,259
ORI006	9.35	August 15, 2012	-	1,578
SR001	12.00	February 25, 2012	-	433
ZC-04	-	February 20, 2010	-	89,167
ZC-05	-	February 20, 2013	-	22,600
			-	317,788
United States Dollar				
RI0014	6.75	March 10, 2014	-	315,387
RI0015	7.25	April 20, 2015	-	105,962
RI0037	6.63	February 17, 2037	-	158,184
			-	579,533
			-	897,321
Available-for-sale				
Rupiah				
FR0027	9.50	June 15, 2015	259,107	122,174
FR0028	10.00	July 15, 2017	114,114	-
FR0031	11.00	November 15, 2020	61,558	10,510
FR0040	11.00	September 15, 2025	425,862	255,480
FR0042	10.25	July 15, 2027	214,022	-
FR0047	10.00	February 15, 2028	62,281	47,117
FR0052	10.50	August 15, 2030	325,182	91,462
FR0053	8.25	July 15, 2021	206,241	-
FR0054	9.75	July 15, 2031	61,559	-
FR0055	7.38	September 15, 2016	80,520	-
FR0056	8.38	September 15, 2026	39,526	-
ORI002	9.28	March 28, 2010	-	45
ORI003	9.40	September 12, 2011	115,880	283
ORI004	9.50	March 12, 2012	125,835	3,189
ORI005	11.45	September 15, 2013	12,911	431
ORI006	9.35	August 15, 2012	9,424	522
ORI007	7.95	August 15, 2013	55,013	-
SR001	12.00	February 25, 2012	902	53
SR002	8.70	February 10, 2013	6,592	-
IFR0004	9.00	October 15, 2013	52,365	49,886
IFR0006	10.25	March 15, 2030	52,252	-
ZC0005	-	February 20, 2013	26,201	-
SPN	-	mixed	58,188	460,256
			2,365,535	1,041,408
United States Dollar				
RI0014	6.75	March 10, 2014	681,160	415,968
RI0014	10.38	May 4, 2014	33,585	-
RI0015	7.25	April 20, 2015	177,294	73,877
RI0016	7.50	January 15, 2016	63,120	64,040

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Cost	
			2010	2009
Available-for-sale (continued)				
United States Dollar (continued)				
RI0017	6.88	March 9, 2017	395,928	394,734
RI0018	6.88	January 17, 2018	114,968	113,152
RI0020	5.88	March 13, 2020	118,391	-
RI0035	8.50	October 12, 2035	35,417	33,729
RI0037	6.63	February 17, 2037	127,965	64,827
RI0038	7.75	January 17, 2038	65,818	31,333
U.S Treasury Bonds	2.63	15 November 2020	212,474	-
			2,026,120	1,191,660
			4,391,655	2,233,068
Held-to-maturity				
Rupiah				
FR0026	11.00	October 15, 2014	161,983	155,000
FR0028	10.00	July 15, 2017	121,019	120,000
FR0030	10.75	May 15, 2016	34,871	-
FR0040	11.00	September 15, 2025	58,024	-
FR0042	10.25	July 15, 2027	146,852	149,132
FR0043	10.25	July 15, 2022	520,920	538,338
FR0045	9.75	May 15, 2037	223,762	240,000
FR0046	9.50	July 15, 2023	159,026	170,000
FR0047	10.00	February 15, 2028	108,369	113,098
FR0048	9.00	September 15, 2018	106,215	111,560
FR0049	9.00	September 15, 2013	90,089	90,598
FR0050	10.50	July 15, 2038	68,508	70,000
FR0052	10.50	August 15, 2030	296,634	100,000
FR0053	8.25	July 15, 2021	40,606	-
FR0055	7.38	September 15, 2016	102,508	-
FR0056	8.38	September 15, 2026	190,711	-
IFR0003	9.25	September 15, 2015	116,760	42,254
IFR0007	10.25	January 15, 2025	49,644	-
SPN	-	mixed	139,778	100,000
			2,736,279	1,999,980
Less: Unamortized Interest and Discount			-	(57,235)
			2,736,279	1,942,745
United States Dollar				
RI0018	6.88	January 17, 2018	7,527	9,395
RI0037	6.63	February 17, 2037	124,650	131,530
			132,177	140,925
Less: Unamortized Interest and Discount			-	(3,264)
			132,177	137,661
			2,868,456	2,080,406

The market value of Government Bonds held for trading and available-for-sale ranged from 91.33% to 124.25% and 75.33% to 113.96% as of December 31, 2010 and 2009, respectively.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)}		Fair Value/Cost	
			2010	2009	2010	2009
<u>Available-for-sale</u>						
<u>Rupiah</u>						
PT Jasa Marga (Persero) Tbk Series XIII R	10.25	June 21, 2017	idAA	idAA-	105,005	105,253
PT Perusahaan Listrik Negara (Persero) Series IX A	10.40	July 10, 2017	idAA+	idAA-	80,480	79,560
Perum Pegadaian Series XII B	6.37	September 4, 2017	idAA+	idAA+	10,398	10,004
					195,883	194,817
<u>Held-to-maturity</u>						
<u>Rupiah</u>						
PT Japfa Comfeed Indonesia Tbk Series I	12.75	July 11, 2012	idA-	idBBB+	250,000	250,000
PT Bentoel Internasional Investama Tbk Series I	10.50	November 27, 2012	AAA**)	idAAA	200,000	200,000
PT Bakrieland Development Tbk Series I B	12.85	March 11, 2013	idBBB+	idBBB+	100,000	100,000
Sukuk Ijarah I B	16.00	July 7, 2012	idBBB+	idBBB+	50,000	50,000
PT Summit Oto Finance Series C 10 B	8.91	March 8, 2010	-	idAAA	-	50,000
PT Bank Danamon Indonesia Tbk Series I B	10.60	April 19, 2012	idAA+	idAA+	49,513	50,000
Series II A	8.75	December 9, 2013	idAA+	idAA+	20,000	-
Series II B	9.00	December 9, 2015	idAA+	idAA+	30,000	-
PT Bank Pan Indonesia Tbk Series II B	10.75	June 19, 2012	idAA	idAA-	49,758	50,000
PT Mitra Adiperkasa Tbk Series I A	12.25	December 16, 2012	idA+	idA+	50,000	50,000
Sukuk Ijarah I A	12.25	December 16, 2012	idA+	idA+	25,000	25,000
PT Bank Negara Indonesia (Persero) Tbk Series I	13.13	July 10, 2011	idAA	idAA-	45,000	45,000
PT Danareksa (Persero) Series III A	12.50	June 20, 2010	-	idA-	-	25,000
Series III B	13.00	June 20, 2011	idA	idA-	10,000	10,000
Series III C	13.50	June 20, 2013	idA	idA-	5,000	5,000
Lembaga Pembiayaan Ekspor Indonesia Series IV A	10.00	June 28, 2010	-	idAAA	-	18,000
Series IV B	11.63	June 8, 2012	idAAA	idAAA	25,000	25,000
Series I B	8.85	July 8, 2013	idAAA	-	29,000	-
Series I C	9.60	July 8, 2015	idAAA	-	20,000	-
PT Sarana Multigriya Finansial (Persero) Series II	9.50	January 3, 2011	AA**)	AA***)	25,000	25,000
Series III B	9.75	July 8, 2013	AA**)	-	20,000	-
PT Salim Invomas Pratama Sukuk Ijarah I	11.65	December 1, 2014	idAA-	idAA-	25,000	25,000

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)}		Fair Value/Cost	
			2010	2009	2010	2009
<u>Held-to-maturity (continued)</u>						
<u>Rupiah (continued)</u>						
PT Pupuk Kalimantan Timur						
Sukuk Ijarah I Series II	10.75	December 4, 2014	idAA	idAA-	25,000	25,000
PT Medco Energi Internasional Tbk Series II A	10.75	December 4, 2014	idAA	idAA-	10,000	10,000
PT Ciliandra Perkasa Series II	13.38	June 17, 2012	idAA-	idAA-	20,000	20,000
PT Indosat Tbk Sukuk Ijarah IV A	11.50	November 27, 2012	idA+	idA	20,000	20,000
PT Bank Tabungan Negara (Persero) Tbk Series XIII A	11.25	December 8, 2014	idAA+	idAA+	16,000	16,000
Series XIV	11.75	May 29, 2012	idAA-	idAA-	10,000	10,000
EBA Seri I A	10.25	June 11, 2020	idAA-	-	30,000	-
PT Malindo Feedmill Tbk Series I	13.00	March 10, 2018	idAAA	idAAA	7,228	10,325
PT BW Plantation Tbk Series I	11.80	March 6, 2013	idAA+	idAA-	10,000	10,000
PT PLN (Persero) Sukuk Ijarah IV A	10.68	November 16, 2015	idA	-	25,000	-
	11.95	January 12, 2017	idAA-	-	10,000	-
					1,211,499	1,124,325
Less: Unamortized discount					-	(1,657)
					1,211,499	1,122,668

^{*)} Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo).

^{**)} Based on ratings issued by Moody's.

^{***)} Based on ratings issued by Fitch Ratings.

On April 8, 2009, BRI reclassified all of its bonds classified as trading with nominal amount of Rp185,000 and Rp195,000 to available-for-sale and held-to-maturity", respectively, while the market value at that date are Rp168,328 and Rp191,110, respectively. The difference between the market value and nominal amount for securities reclassified to held-to-maturity from trading amounted to Rp3,890 which was recorded as discount and amortized until maturity. BRI also reclassified 1 (one) bond classified as available-for-sale with a nominal amount of Rp20,000 to held-to-maturity, while the market value at that date is Rp20,000.

d.3. Mutual Funds

ITB Mutual Funds - Niaga as of December 31, 2010 and 2009 amounted to Rp9,562 and Rp8,586, respectively.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4. Notes Receivable

Issuer	2010			2009		
	Carrying Value	Rating ^{*)}	Maturity Date	Fair Value	Rating ^{*)}	Maturity Date
Available-for-sale						
<u>United States Dollar</u>						
Toronto Dominion Bank, N.A.	-	-	-	560,957	A-1	February 1, 2010
U.S. Bank, N.A.	-	-	-	128,571	A-1	January 4, 2010
	-			689,528		
Held-to-maturity						
<u>United States Dollar</u>						
Standard Chartered Bank	180,200	A-	December 8, 2011	-	-	-
UBS AG	63,070	A-	September 2, 2011	-	-	-
UBS AG	27,030	A-	August 30, 2011	-	-	-
Intens Funds	45,050	A-	August 30, 2011	-	-	-
Natix	45,050	A-	August 12, 2011	-	-	-
U.S. Bank, N.A.	37,242	A-	January 3, 2011	-	-	-
	397,642			-		
	397,642			689,528		

^{*)} Based on ratings issued by Standard & Poor's.

d.5. Subordinated Notes

Issuer	Annual Interest Rate (%)	Maturity Date	Ratings ^{a)}		Fair Value/Carrying Value	
			2010	2009	2010	2009
<u>Held-to-maturity</u>						
<u>Rupiah</u>						
Bank OCBC NISP Series III	11.35	June 30, 2017	AA**)	-	40,000	-
PT Bank Pan Indonesia Tbk Series II	11.60	April 9, 2018	idAA-	idA+	49,843	50,000
					89,843	50,000
Less: Unamortized discount					-	(170)
					89,843	49,830

^{*)} Based on ratings issued by Pefindo.

^{**)} Based on ratings issued by Fitch Ratings.

On April 8, 2009, BRI made a reclassification of PT Bank Pan Indonesia Tbk subordinated notes classified as available-for-sale with a nominal amount of Rp50,000 to held-to-maturity while the market value at that date is Rp49,815. The unrealized accumulated loss at the time of reclassification amounted to Rp185 and was recorded as part of equity.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Medium Term Notes (MTNs)

Issuer	Nominal Amount		Annual Interest Rate (%)	Maturity Date	Fair Value/ Cost	
	United States Dollar	Rupiah			2010	2009
<u>Available-for-sale</u>						
<u>United States Dollar</u>						
PT Medco Energi Internasional Tbk	5,000,000	-	6.38 ^{*)}	October 29, 2013	44,589	-
<u>Held-to-maturity</u>						
<u>Rupiah</u>						
PT Bank Resona Perdania	-	10,000	9.60 ^{*)}	December 6, 2010	-	10,000
PT Perkebunan Nusantara (Persero)						
Seri III A	-	25,000	9.10 ^{*)}	November 22, 2013	25,000	-
Seri III B	-	25,000	9.75 ^{*)}	November 22, 2015	25,000	-
Seri VII A	-	50,000	10.40 ^{*)}	July 8, 2013	50,000	-
PT Sarana Multigriya Finansial (Persero)						
Seri II	-	20,000	8.50 ^{*)}	December 30, 2011	20,000	-
					120,000	10,000
<u>United States Dollar</u>						
PT Medco Energi International Tbk	20,000,000	-	8.00 ^{*)}	December 23, 2012	180,200	187,900
					300,200	197,900
					344,789	197,900

*) The interest is receivable every 6 (six) months.

**) The interest is receivable every 3 (three) months.

d.7. Credit Linked Notes (CLN)

As of December 31, 2010 and 2009, the following are the balances of securities in the form of CLN:

Issuer	2010				
	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (US\$)	Cost
<u>Held-to-maturity</u>					
<u>United States Dollar</u>					
<u>Restructured in 2009</u>					
Standard Chartered Bank	February 11, 2009	March 20, 2014	LIBOR ^{*)} + 1.50%	90,000,000	929,995
The Hongkong and Shanghai Banking Corporation Limited	April 28, 2009	June 20, 2014	LIBOR ^{*)} + 1.50%	70,000,000	714,434
The Royal Bank of Scotland	January 14, 2009	March 20, 2014	LIBOR ^{*)} + 2.80%	50,000,000	523,114
The Royal Bank of Scotland	February 10, 2009	March 20, 2014	LIBOR ^{*)} + 1.10%	25,000,000	259,224
				235,000,000	2,426,767
<u>Restructured in 2008</u>					
Credit Suisse International	September 26, 2008	December 20, 2012	LIBOR ^{*)} + 2.65%	50,000,000	489,082
The Royal Bank of Scotland	December 1, 2008	December 20, 2013	LIBOR ^{*)} + 1.00%	25,000,000	259,582
				75,000,000	748,664
Total					3,175,431

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.7. Credit Linked Notes (CLN) (continued)

			2009		
Issuer	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (US\$)	Cost
Held-to-maturity					
<u>United States Dollar</u>					
<u>Restructured in 2009</u>					
Standard Chartered Bank	February 11, 2009	March 20, 2014	LIBOR ^(*) + 1.50%	90,000,000	845,550
The Hongkong and Shanghai Banking Corporation Limited	April 28, 2009	June 20, 2014	LIBOR ^(*) + 1.50%	70,000,000	657,650
The Royal Bank of Scotland	January 14, 2009	March 20, 2014	LIBOR ^(*) + 2.80%	50,000,000	469,750
The Royal Bank of Scotland	February 10, 2009	March 20, 2014	LIBOR ^(*) + 1.10%	25,000,000	234,875
				235,000,000	2,207,825
<u>Restructured in 2008</u>					
Credit Suisse International	September 26, 2008	December 20, 2012	LIBOR ^(*) + 2.65%	50,000,000	469,750
The Royal Bank of Scotland	December 1, 2008	December 20, 2013	LIBOR ^(*) + 1.00%	25,000,000	234,875
				75,000,000	704,625
					2,912,450
Add: Unamortized premium					535,117
Total					3,447,567

*) US\$ LIBOR 6 (six) months.

**) US\$ LIBOR 3 (three) months.

CLN represents a debt security where the coupon payments and principal repayment are linked to credit default event of the Republic of Indonesia (reference entity). BRI will receive all interest payments and full principal repayment if there is no credit default event. If credit default event occurs to the reference entity, the issuers will settle the CLN with bonds issued by the reference entity or cash at a certain amount. Credit default events that can occur to the reference entity among others are (i) failure to pay any matured obligation, (ii) repudiation/moratorium, and (iii) restructuring in which the payment terms are unfavorable to the creditors.

During 2009, BRI has restructured some of its CLN contracts by changing the nominal amount, period, interest rate, and eliminated the requirement to make the top-up payment.

The embedded credit default swaps as of December 31, 2010 and 2009 have a negative fair value of US\$8,023,069 and US\$28,936,021 (equivalent to Rp72,288 and Rp271,854), respectively, which were recognized as derivatives payable in the consolidated balance sheets (Note 11). The net gain from the decrease in negative fair value of the embedded credit default swaps was recognized as income for the years ended December 31, 2010 and 2009 amounting to US\$20,912,952 (equivalent to Rp188,426) and US\$41,555,661 (equivalent to Rp390,415), respectively.

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7. SECURITIES (continued)

e) Movements of the allowance for impairment losses on securities:

	2010	2009
<u>Rupiah</u>		
Beginning balance	13,859	11,135
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) (Note 39)	(12,449)	-
Provision during the year (Note 32)	100	2,724
Ending balance	<u>1,510</u>	<u>13,859</u>
<u>United States Dollar</u>		
Beginning balance	43,250	78,159
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) (Note 39)	(43,250)	-
Reversal during the year (Note 32)	-	(34,909)
Ending balance	<u>-</u>	<u>43,250</u>
	<u>1,510</u>	<u>57,109</u>

The minimum allowance for impairment losses on securities that should be provided based on Bank Indonesia regulations amounted to Rp1,510 and Rp57,109 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on securities is adequate.

f) Average annual interest rates

	2010	2009
Rupiah	8.01%	9.09%
United States Dollar	3.81	3.71

g) BRI recognized net unrealized gain in the value of "Fair value through profit or loss" securities amounting to Rp3,321 and Rp122,030 for the years ended December 31, 2010 and 2009, which is recorded under "Unrealized gain in the value of securities and Government Recapitalization Bonds - net" in the consolidated statements of income.

h) BRI recognized net gain resulting from the sale of securities amounting to Rp153,275 and Rp142,846 for the years ended December 31, 2010 and 2009, which is recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statements of income.

i) Government bonds amounted to Rp540,600 and Rp563,700 as of December 31, 2010 and 2009, respectively, have been sold with agreements to repurchase (Note 22).

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7. SECURITIES (continued)

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

8. EXPORT BILLS

a) By Type and Currency:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Domestic Documentary Letter of Credit	42,715	62,062
<u>Foreign currencies</u>		
Export bills		
United States Dollar	445,105	222,107
Japanese Yen	125,609	136,006
Hong Kong Dollar	70,927	112,921
European Euro	34,467	15,475
Saudi Arabian Riyal	12,523	-
Arab Emirate Dirham	4,485	-
Great Britain Pound Sterling	3,086	648
Australian Dollar	2,840	-
Singapore Dollar	-	1,953
	699,042	489,110
Total	741,757	551,172
Less: Allowance for impairment losses	(7,418)	(5,512)
	734,339	545,660

b) By Collectability :

All export bills are classified as "Current" as of December 31, 2010 and 2009.

c) By Period:

The classification of export bills based on their remaining period to maturity is as follows:

	2010	2009
<u>Third parties</u>		
≤ 1 month	480,034	547,609
> 1 month - 3 months	218,257	3,563
> 3 months - 1 year	43,466	-
Total	741,757	551,172
Less: Allowance for impairment losses	(7,418)	(5,512)
	734,339	545,660

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8. EXPORT BILLS (continued)

d) Movements of the allowance for impairment losses on export bills:

	2010	2009
Beginning balance	5,512	5,617
Provision (Reversal) during the year (Note 32)	1,906	(105)
Ending balance	7,418	5,512

The minimum allowance for impairment losses on export bills that should be provided based on Bank Indonesia regulations amounted to Rp7,418 and Rp5,512 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on export bills is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

9. GOVERNMENT RECAPITALIZATION BONDS

This account represents bonds issued by the Government related to BRI's recapitalization program and Government Recapitalization Bonds purchased from the secondary market.

In connection with the recapitalization program, BRI received bonds issued by the Government with the nominal amount of Rp29,149,000 in 2 (two) tranches at nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000, all of which are bonds with fixed interest rates. Based on the management contract dated February 28, 2001 between the Government with BRI and the Directors and Boards of Commissioners of BRI, they have agreed that the total Government Recapitalization Bonds needed for BRI's recapitalization amounted to Rp29,063,531 (Note 27a), therefore the recapitalization excess of Rp85,469 should be returned to the Government and BRI will not earn the interest income on such bonds. On November 5, 2001, BRI returned such bonds amounting to Rp85,469, including the related interests on such bonds to the Government.

The details of Government Recapitalization Bonds are as follows:

a) By Ownership Purpose and Remaining Period to Maturity:

	2010	2009
<u>Fair value through profit or loss</u>		
≤ 1 month	-	140,071
<u>Available-for-sale</u>		
≤ 1 month	6,026,463	6,487,003
<u>Held-to-maturity</u>		
> 1 month - 3 months	4,000,000	-
> 3 months - 1 year	-	800,000
> 1 year - 5 years	500,000	4,000,000
> 5 years - 10 years	3,100,000	2,500,000
> 10 years	-	1,100,000
	7,600,000	8,400,000
	13,626,463	15,027,074

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

b) By Classification and Type:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Acquisition Cost	
			2010	2009
<u>Fair value through profit or loss</u>				
FR0010	13.15	March 15, 2010	-	30,390
FR0017	13.15	January 15, 2012	-	109,681
			-	140,071
<u>Available-for-sale</u>				
FR0014	15.58	November 15, 2010	-	482,139
FR0016	13.45	August 15, 2011	1,047,776	1,087,349
FR0017	13.15	January 15, 2012	1,353,485	1,270,200
FR0018	13.18	July 15, 2012	3,625,202	3,647,315
			6,026,463	6,487,003
<u>Held-to-maturity</u>				
FR0011	13.55	May 15, 2010	-	800,000
FR0015	13.40	February 15, 2011	4,000,000	4,000,000
VR0020	SBI 3 months	April 25, 2015	250,000	250,000
VR0021	SBI 3 months	November 25, 2015	250,000	250,000
VR0023	SBI 3 months	October 25, 2016	500,000	500,000
VR0026	SBI 3 months	January 25, 2018	375,000	375,000
VR0027	SBI 3 months	July 25, 2018	375,000	375,000
VR0028	SBI 3 months	August 25, 2018	375,000	375,000
VR0029	SBI 3 months	August 25, 2019	375,000	375,000
VR0031	SBI 3 months	July 25, 2020	1,100,000	1,100,000
			7,600,000	8,400,000
			13,626,463	15,027,074

c) Other Significant Information:

The schedule of interest payment for bonds series FR is every 6 (six) months, while for bonds series VR is every 3 (three) months.

Government Recapitalization Bonds sold under agreements to repurchase as of December 31, 2010 and 2009 amounted to Rp100,000 each (Note 22).

The market values of several Government Recapitalization Bonds classified under fair value through profit or loss and available-for-sale ranged from 104.99% up to 110.69% and 101.30% up to 111.37% as of December 31, 2010 and 2009, respectively.

BRI recognized net loss from sales of Government Recapitalization Bonds classified as fair value through profit or loss amounting to Rp387 for the year ended December 31, 2010, which was recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statement of income.

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

c) Other Significant Information (continued):

BRI recognized net unrealized gain in the value of Government Recapitalization Bonds classified under fair value through profit or loss amounting to Rp5,275 for the year ended December 31, 2009, which was recorded under "Unrealized gain in the value of securities and Government Recapitalization Bonds - net" in the consolidated statements of income.

10. SECURITIES PURCHASED WITH AGREEMENTS TO RESELL

Securities purchased with agreements to resell as of December 31, 2010 and 2009 consist of:

2010						
	Terms	Resale Date	Nominal Amount	Resale Price	Unrealized Interest Income	Net Value
PT Bank Pan Indonesia Tbk Government Bonds						
Series FR0031	29 days	January 14, 2011	110,000	124,511	-	124,511
Series FR0040	29 days	January 14, 2011	115,000	124,620	-	124,620
Series FR0045	29 days	January 14, 2011	263,000	252,250	-	252,250
			488,000	501,381	-	501,381
2009						
	Terms	Resale Date	Nominal Amount	Resale Price	Unrealized Interest Income	Net Value
PT Bank Pan Indonesia Tbk Government Bonds						
Series FR0044	14 days	January 4, 2010	231,000	200,922	(108)	200,814
Series FR0044	15 days	January 12, 2010	80,000	68,523	(138)	68,385
Series FR0040	15 days	January 12, 2010	255,000	235,217	(529)	234,688
			566,000	504,662	(775)	503,887

Starting January 1, 2010, BRI assessed securities purchased with agreement to resell individually based on whether an objective evidence of impairment exist.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

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11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivative transactions are as follows:

Transaction	2010	
	Derivatives receivable	Derivatives payable
Cross currency and interest rate swaps	78,654	5,840
Purchase and sale of foreign currency spot	5,722	3,673
Foreign currency swaps	3,494	-
Credit linked notes (Note 7)	-	72,288
	87,870	81,801

Transaction	2009	
	Derivatives receivable	Derivatives payable
Cross currency and interest rate swaps	141,179	5,448
Performance swap	3,742	-
Credit linked notes (Note 7)	-	271,854
Total	144,921	277,302
Less: Allowance for impairment losses	(1,449)	-
	143,472	277,302

a. Cross currency and interest rate swaps

BRI's cross currency and interest rate swaps contracts as of December 31, 2010 and 2009 are as follows:

2010					
Counterparties	Notional Amount (US\$)	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
The Royal Bank of Scotland	50,000,000	LIBOR ^{*)} + 0.25%	5.40%	December 9, 2010	December 9, 2011
The Royal Bank of Scotland	25,000,000	LIBOR ^{*)} + 0.50%	5.95%	October 13, 2010	October 13, 2011
DBS Bank	40,000,000	SBI ^{*)} + 0.05%	LIBOR ^{*)} + 1.10%	June 9, 2008	June 9, 2011
DBS Bank	25,000,000	LIBOR ^{*)} + 1.50%	SBI ^{*)} + 1.50%	July 21, 2010	July 21, 2011
Standard Chartered Bank	100,000,000	11%	LIBOR ^{*)} + 0.80%	June 19, 2008	June 19, 2011
Standard Chartered Bank	50,000,000	LIBOR ^{*)} + 0.25%	SBI ^{*)} - 1.50%	November 12, 2010	November 14, 2011
Standard Chartered Bank	100,000,000	LIBOR ^{*)} + 0.50%	SBI ^{*)}	September 7, 2010	September 7, 2011
The Hongkong and Shanghai Banking Corporation Limited	25,000,000	LIBOR ^{*)} + 1.50%	SBI ^{*)} + 1.18%	August 12, 2010	August 12, 2011

*) Certificates of Bank Indonesia 3 (three) months.
 **) US\$ LIBOR 3 (three) months.

2009					
Counterparties	Notional Amount (US\$)	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
The Royal Bank of Scotland	25,000,000	SBI ^{*)} + 0.10%	LIBOR ^{*)} + 0.40%	August 10, 2007	September 20, 2010
DBS Bank	40,000,000	SBI ^{*)} + 0.05%	LIBOR ^{*)} + 1.10%	June 9, 2008	June 9, 2011
Standard Chartered Bank	30,000,000	SBI ^{*)} + 0.05%	LIBOR ^{*)} + 0.75%	April 19, 2007	June 23, 2010
Standard Chartered Bank	20,000,000	SBI ^{*)} + 0.10%	LIBOR ^{*)} + 0.40%	July 5, 2007	September 21, 2010
Standard Chartered Bank	100,000,000	11%	LIBOR ^{*)} + 0.80%	June 19, 2008	June 19, 2011
The Hongkong and Shanghai Banking Corporation Limited	25,000,000	SBI ^{*)} + 0.10%	LIBOR ^{*)} + 0.40%	July 6, 2007	July 6, 2010

*) Certificates of Bank Indonesia 3 (three) months.
 **) US\$ LIBOR 3 (three) months.
 ***) US\$ LIBOR 6 (six) months.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

a. Cross currency and interest rate swaps (continued)

Based on these contracts, BRI/counterparties receives funds in US\$/Rupiah (equivalent US\$ at the last date of contract period) and pays interest rate of US\$ LIBOR 3 (three) months and 6 (six) months + certain margin per annum or the rate of Certificates of Bank Indonesia 3 (three) months + certain margin per annum.

b. Foreign currency spots - purchase and sale

As of December 31, 2010, BRI has outstanding foreign currency spot contracts purchase and sale in United States Dollar (US\$) with notional amounts of US\$207,000,000 and US\$134,000,000, respectively and contractual amounts of Rp1,859,983 and Rp1,204,251.

c. Foreign currency swaps

As of December 31, 2010, BRI has outstanding foreign currency swaps contract in United States Dollar (US\$) with notional amount of US\$11,000,000, with the purchased contractual amount of Rp99,380 and sold contractual amount of Rp102,489.

d. Performance swap

BRI has performance swap contract as of December 31, 2009 as follow:

Counterparties	Notional Amount (US\$)	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
Standard Chartered Bank	80,000,000	LIBOR ^{*)} + 1.10%	LIBOR ^{*)} + 0.60% + Fx Performance Rate	March 13, 2008	December 27, 2010

*) US\$ LIBOR 3 (three) months.

Based on the above contract, BRI receives interest at US\$ LIBOR 3 (three) months + 1.10% margin and pays interest at US\$ LIBOR 3 (three) months + 0.60% margin and foreign exchange performance rate (Fx Performance Rate). Fx Performance Rate is the comparison between Rupiah exchange rate to US\$ as compared with Rp10,400 (full Rupiah).

All derivatives receivable as of December 31, 2010 were not impaired and all derivatives receivable as of December 31, 2009 were classified as "Current" based on Bank Indonesia's collectability classification.

Movements of the allowance for impairment losses on derivatives receivable:

	2010	2009
Beginning balance	1,449	-
Adjustment on the beginning balance due to the implementation of SFAS No. 55 (Revised 2006) (Note 39)	(1,449)	-
Provision during the year (Note 32)	-	1,449
Ending balance	-	1,449

The minimum allowance for impairment losses on derivatives receivable that should be provided based on Bank Indonesia regulation amounted to Rp1,449 as of December 31, 2009.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

Management believes that the allowance for impairment losses on derivatives receivable is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

12. LOANS

a) By Currency and Type:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Kupedes	75,371,389	54,075,641
Working capital	74,581,207	70,997,999
Consumer	50,741,178	41,004,652
Investment	14,439,450	15,638,810
Program	7,933,467	5,436,536
Syndicated	7,678,222	4,868,638
Others	138,262	-
	<u>230,883,175</u>	<u>192,022,276</u>
<u>Foreign currencies</u>		
Working capital	11,096,080	10,247,171
Investment	4,125,161	2,602,486
Syndicated	399,745	165,070
	<u>15,620,986</u>	<u>13,014,727</u>
	<u>246,504,161</u>	<u>205,037,003</u>
<u>Related parties</u>		
<u>Rupiah</u>		
Working capital	366,302	400,684
Employees	87,323	68,994
Investment	5,971	14,970
	<u>459,596</u>	<u>484,648</u>
<u>Foreign currency</u>		
Employees	481	743
	<u>460,077</u>	<u>485,391</u>
Total	246,964,238	205,522,394
Less: Allowance for impairment losses	(13,991,454)	(11,279,891)
	<u>232,972,784</u>	<u>194,242,503</u>

Details of loans in foreign currencies as of December 31, 2010 and 2009 are Rp15,596,196 and Rp12,988,150 in United States Dollars, Rp21,607 and Rp18,300 in Singapore Dollars, Rp3,032 and Rp4,510 in European Euro, Rp632 and Rp nil in Great Britain Pound Sterling and Rp nil and Rp4,510 in Japanese Yen, respectively.

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12. LOANS (continued)

b) By Economic Sector:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	82,273,862	71,195,587
Agriculture	17,165,205	14,466,187
Business services	10,433,560	12,733,039
Manufacturing	10,057,595	14,560,540
Construction	5,343,671	6,033,435
Electricity, gas and water	4,973,024	4,754,681
Transportation, warehousing and communications	3,840,079	1,544,691
Social services	2,675,934	1,057,218
Mining	1,765,313	728,843
Others	92,354,932	64,948,055
	230,883,175	192,022,276
<u>Foreign currencies</u>		
Trading, hotels and restaurants	5,069,423	3,591,850
Mining	3,548,603	1,975,868
Manufacturing	2,788,643	4,290,236
Transportation, warehousing and communications	919,773	726,190
Agriculture	906,723	1,591,165
Electricity, gas and water	899,656	-
Construction	508,896	181,392
Business services	326,428	647,157
Social services	99,629	-
Others	553,212	10,869
	15,620,986	13,014,727
	246,504,161	205,037,003
<u>Related parties</u>		
<u>Rupiah</u>		
Business services	362,340	415,654
Trading, hotels and restaurants	9,933	-
Others	87,323	68,994
	459,596	484,648
<u>Foreign currency</u>		
Others	481	743
	460,077	485,391
Total	246,964,238	205,522,394
Less: Allowance for impairment losses	(13,991,454)	(11,279,891)
	232,972,784	194,242,503

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12. LOANS (continued)

c) By Period:

The classification of loans based on the remaining period until maturity is as follows:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	12,128,898	9,969,346
> 1 month - 3 months	17,859,455	15,029,235
> 3 months - 1 year	46,930,424	44,811,873
> 1 year - 2 years	34,930,459	27,382,424
> 2 years - 5 years	62,745,050	54,280,190
> 5 years	56,288,889	40,549,208
	<u>230,883,175</u>	<u>192,022,276</u>
<u>Foreign currencies</u>		
≤ 1 month	1,025,976	5,429,800
> 1 month - 3 months	4,725,033	1,759,344
> 3 months - 1 year	1,466,106	666,445
> 1 year - 2 years	991,295	325,193
> 2 years - 5 years	5,957,783	3,025,991
> 5 years	1,454,793	1,807,954
	<u>15,620,986</u>	<u>13,014,727</u>
	<u>246,504,161</u>	<u>205,037,003</u>
<u>Related parties</u>		
<u>Rupiah</u>		
≤ 1 month	187,668	194,182
> 3 months - 1 year	175,578	192,989
> 1 year - 2 years	1,694	28,483
> 2 years - 5 years	9,637	-
> 5 years	85,019	68,994
	<u>459,596</u>	<u>484,648</u>
<u>Foreign currencies</u>		
> 2 years - 5 years	481	743
	<u>481</u>	<u>743</u>
	<u>460,077</u>	<u>485,391</u>
Total	246,964,238	205,522,394
Less: Allowance for impairment losses	(13,991,454)	(11,279,891)
	<u>232,972,784</u>	<u>194,242,503</u>

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12. LOANS (continued)

d) By Collectability :

	2010	2009
Individual	5,011,022	-
Collective		
Current	225,447,541	187,215,499
Special mention	11,547,910	11,075,235
Substandard	1,044,965	1,631,422
Doubtful	894,169	1,661,332
Loss	3,018,631	3,938,906
Total	246,964,238	205,522,394
Less: Allowance for impairment losses	(13,991,454)	(11,279,891)
	232,972,784	194,242,503

e) Other Significant Information:

1) Average annual interest rates for loans are as follows:

	2010	2009
Contractual Rate		
Rupiah	15.98%	16.77%
Foreign Currency	3.66	4.88
Effective Interest Rate		
Rupiah	22.76%	-
Foreign Currency	6.51	-

- 2) The loans are generally collateralized by registered mortgages, by powers of attorneys to sell, demand deposits, time deposits or by other guarantees generally accepted by banks (Notes 18 and 20).
- 3) Working capital and investment loans represent loans to customers for capital goods and working capital requirements.
- 4) Consumer loans consist of housing, motor vehicles and other personal loans.
- 5) Program loans represent loan facilities channeled by BRI based on the guidelines from the Government to support the development of Indonesia's small scale industry, middle and cooperative units and to finance the procurement of food supply by the National Logistics Agency (BULOG).
- 6) *Kupedes* loans represent credit facilities channeled by BRI through BRI's Units. The target of these loans is micro business and fixed income employees that require additional funds, in accordance with the maximum limit amount stated in the *Kupedes* manual. The economic sectors covered under *Kupedes* include agriculture, manufacturing, trading and others.
- 7) The syndicated loans represent loans provided to customers under syndication agreements with other banks. BRI's participation as member in the syndicated loans ranged from 12.44% up to 74.94% and from 12.23% up to 74.94% as of December 31, 2010 and 2009, respectively.

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12. LOANS (continued)

e) Other Significant Information (continued):

- 8) Loans to employees which carry interest rate of 5.5% per annum were intended for the acquisition of vehicles, houses and other necessities with 4 years to 20 years maturity. The loan principal and interest payments were collected through monthly payroll deductions. Difference between employee loan's interest rates and Base Lending Rate (BLR) is deferred and recorded as deferred expense for employee loans as part of other assets. Deferred expense for employee loans as of January 1, 2010 (beginning balance) amounted to Rp696,595 and as of December 31, 2010 amounted to Rp757,608 (Note 16).

- 9) The loans granted by BRI to related parties, other than loans to employees (Note 43) are as follows:

	2010	2009
PT Bringin Srikandi Finance	187,218	194,182
PT Bringin Indotama Sejahtera Finance	158,432	192,989
PT Bringin Karya Sejahtera	20,652	-
PT Bringin Gigantara	5,971	28,483
	372,273	415,654

The contractual interest rate of loans granted by BRI to related parties is between 10.00% - 12.50% for the year 2010 and 12.00% - 13.50% for the year 2009. While effective interest rate for the year 2010 is between 10.00% - 13.84%.

The loan granted by BRI to related parties classified as "Current" as of December 31, 2010 and 2009.

- 10) Loans that have been restructured by BRI (Parent Company) in 2010 and 2009, and are still in the process of restructuring as of December 31, 2010 and 2009 are as follows (unaudited):

	2010	2009
Restructured during the year	1,034,003	2,299,256
In the process of restructuring	716,171	1,472,533

The terms of restructuring are generally the extension of payment period.

- 11) In its report on Legal Lending Limit (LLL) to Bank Indonesia as of December 31, 2010 and 2009, BRI indicated that there is no debtor either related party or third party who has not complied with or exceeded the LLL.

- 12) The details of non-performing loans and allowance for impairment losses by economic sector are as follows:

	2010	2009
Trading, hotel and restaurant	4,428,668	3,401,680
Manufacturing	1,416,037	1,364,466
Construction	738,139	362,753
Agriculture	603,940	624,131
Business services	559,596	343,668
Social services	368,854	229,912
Transportation, warehousing and communications	276,623	94,101
Mining	25,279	16,372
Electricity, gas and water	17,528	9,619

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12. LOANS (continued)

e) Other Significant Information (continued):

12) The details of non-performing loans and allowance for impairment losses by economic sector are as follows (continued):

	2010	2009
Others	1,534,123	784,958
Total	9,968,787	7,231,660
Less: Allowance for impairment losses	(7,646,236)	(4,696,527)
	2,322,551	2,535,133

The ratio of gross non-performing loans (gross NPL ratio) of BRI (Parent Company) to total loans, based on Bank Indonesia regulation, is 2.78% and 3.52% as of December 31, 2010 and 2009, respectively.

13) Movements of the allowance for impairment losses on loans:

	2010	2009
Beginning balance	11,279,891	7,891,140
Adjustment on the beginning balance due to The implementation of SFAS No.55 (Revised 2006) (Note 39)	(17,266)	-
Provision during the year (Note 32)	7,879,092	5,377,940
Recoveries	-	775,150
Loans written off during the year	(4,964,081)	(2,506,104)
Foreign currency translation	(186,182)	(258,235)
Ending balance	13,991,454	11,279,891

BRI's allowance for impairment losses balance includes the allowance for disaster prone areas amounting to Rp3,903,584 and Rp1,344,913 as of December 31, 2010 and 2009, respectively (Notes 2f and 37).

The minimum allowance for impairment losses on loans that should be provided based on Bank Indonesia regulation (Note 2f) amounted to Rp7,743,646 and Rp7,099,109 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on loans is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

13. ACCEPTANCES RECEIVABLE AND PAYABLE

The details of acceptances receivable from customers are as follows:

a) By Type and Currency:

	2010	2009
<u>Rupiah</u>		
Domestic Document Letters of Credit	-	24,468

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13. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

a) By Type and Currency (continued):

	2010	2009
Foreign Currencies		
Import Letters of Credit and Domestic Document		
Letters of Credit		
United States Dollar	631,175	224,792
European Euro	35,090	47,088
Singapore Dollar	613	767
Hong Kong Dollar	-	46,343
Australian Dollar	-	9,258
	666,878	328,248
Total	666,878	352,716
Less: Allowance for impairment losses	(6,669)	(4,502)
	660,209	348,214

Acceptances payable represent the same amount as acceptances receivable from customers (before allowance for impairment losses).

b) By Collectability :

As of December 31, 2010, all acceptances receivable are classified as "Current", while as of December 31, 2009, acceptances receivable classified as "Current", "Special mention" and "Loss" amounted to Rp332,926, Rp17,957 and Rp1,833, respectively.

c) By Period:

The classification of acceptances receivable based on the remaining period until maturity is as follows:

	2010	2009
≤ 1 month	269,598	213,349
> 1 month - 3 months	294,132	85,939
> 3 months - 1 year	103,148	53,428
Total	666,878	352,716
Less: Allowance for impairment losses	(6,669)	(4,502)
	660,209	348,214

d) Movements of the allowance for Impairment Losses on Acceptances Receivable is as follows:

	2010	2009
Beginning balance	4,502	4,839
Provision (reversal) during the year (Note 32)	2,167	(337)
Ending Balance	6,669	4,502

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13. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

- d) Movements of Allowance for Impairment Losses on Acceptances Receivable is as follows (continued):

The minimum allowance for impairment losses on acceptances receivable that should be provided based on Bank Indonesia regulation amounted to Rp6,669 and Rp4,502 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on acceptances receivable is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

14. INVESTMENT IN SHARES OF STOCKS

The details of investment in shares of stocks are as follows:

2010					
Company Name	Type of Business	Percentage of Ownership	Cost	Accumulated Equity in Net Earnings of Associate Company	Carrying Value
Related parties					
Equity Method					
PT BTMU-BRI Finance	Financing	45.00%	24,750	109,380	134,130
Third parties					
Cost Method					
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00			900
PT Sarana Bersama Pembiayaan Indonesia	Investment	8.00			536
PT Pemeringkat Efek Indonesia	Credit rating	2.10			210
					1,646
Total					135,776
Less: Allowance for impairment losses					(1,888)
					133,888

2009					
Company Name	Type of Business	Percentage of Ownership	Cost	Accumulated Equity in Net Earnings of Associate Company	Carrying Value
Related parties					
Equity Method					
PT BTMU-BRI Finance	Financing	45.00%	24,750	86,727	111,477
Third parties					
Cost Method					
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00			900

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14. INVESTMENT IN SHARES OF STOCKS (continued)

2009					
Company Name	Type of Business	Percentage of Ownership	Cost	Accumulated Equity in Net Earnings of Associate Company	Carrying Value
Third parties (continued)					
Cost Method (continued)					
PT Sarana Bersama Pembiayaan Indonesia	Investment	8.00			536
PT Pemeringkat Efek Indonesia	Credit rating	2.10			210
					<u>1,646</u>
Total					113,123
Less: Allowance for impairment losses					<u>(1,662)</u>
					<u>111,461</u>

As of December 31, 2010 and 2009, all investments are classified as "Current", except for investment in shares of stock of PT Sarana Bersama Pembiayaan Indonesia which were classified as "Loss".

In 2010 and 2009, BRI received cash dividends from PT Pemeringkat Efek Indonesia amounting to Rp147 and Rp24, respectively, from the distribution of income at the end of year 2009 and 2008.

Movements of the allowance for impairment losses on investment in shares of stocks is as follows:

	2010	2009
Beginning balance	1,662	1,443
Provision during the year (Note 32)	226	219
Ending balance	<u>1,888</u>	<u>1,662</u>

The minimum allowance for impairment losses on investment in shares of stocks that should be provided based on Bank Indonesia regulation amounted to Rp1,888 and Rp1,662 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for impairment losses on investment in shares of stocks is adequate.

Information with respect to classification of not impaired and impaired financial assets is disclosed in Note 37.

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15. PREMISES AND EQUIPMENT

Premises and equipment consist of:

Description	2010			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
<u>Direct Ownership</u>				
Landrights	231,542	12,857	60	244,339
Buildings	1,349,813	217,536	600	1,566,749
Motor vehicles	536,252	28,765	14,617	550,400
Computers and machineries	2,159,138	154,802	24,782	2,289,158
Furniture and fixtures	664,860	97,952	9,400	753,412
Museum assets	184	-	-	184
	4,941,789	511,912	49,459	5,404,242
<u>Assets under finance leases</u>	3,219	-	2,448	771
Total Carrying Value	4,945,008	511,912	51,907	5,405,013
<u>Accumulated Depreciation</u>				
<u>Direct Ownership</u>				
Buildings	669,908	67,194	402	736,700
Motor vehicles	486,919	30,082	13,954	503,047
Computers and machineries	1,877,748	142,788	22,478	1,998,058
Furniture and fixtures	541,238	62,528	6,275	597,491
	3,575,813	302,592	43,109	3,835,296
<u>Assets under finance leases</u>	2,983	138	2,349	772
Total Accumulated Depreciation	3,578,796	302,730	45,458	3,836,068
Net book value	1,366,212			1,568,945

Description	2009			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
<u>Direct Ownership</u>				
Landrights	223,633	15,082	7,173	231,542
Buildings	1,211,918	142,516	4,621	1,349,813
Motor vehicles	500,270	50,428	14,446	536,252
Computers and machineries	2,025,345	179,952	46,159	2,159,138
Furniture and fixtures	634,793	51,282	21,215	664,860
Museum assets	184	-	-	184
	4,596,143	439,260	93,614	4,941,789
<u>Assets under finance leases</u>	58,906	2,290	57,977	3,219
Total Carrying Value	4,655,049	441,550	151,591	4,945,008

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15. PREMISES AND EQUIPMENT (continued)

Description	2009			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Accumulated Depreciation</u>				
<u>Direct Ownership</u>				
Buildings	614,676	59,356	4,124	669,908
Motor vehicles	415,112	84,849	13,042	486,919
Computers and machineries	1,727,195	196,251	45,698	1,877,748
Furniture and fixtures	493,459	65,203	17,424	541,238
	3,250,442	405,659	80,288	3,575,813
<u>Assets under finance leases</u>	54,124	1,720	52,861	2,983
Total Accumulated Depreciation	3,304,566	407,379	133,149	3,578,796
Net book value	1,350,483			1,366,212

Depreciation charged to current operations which is reported in the consolidated statements of income amounted to Rp302,730 and Rp407,379 for the years ended December 31, 2010 and 2009, respectively (Note 34).

BRI has insured its premises and equipment (excluding landrights) for impairment losses due to risks of fire and theft by PT Asuransi Bringin Sejahtera Arthamakmur (Subsidiary of Dana Pensiun BRI) with coverage amount of Rp7,513,307 and Rp7,066,681 for the years ended December 31, 2010 and 2009, respectively.

Management believes that there is no impairment in the value of premises and equipment as of December 31, 2010 and 2009.

16. OTHER ASSETS

Other assets consist of:

	2010	2009
<u>Rupiah</u>		
Deferred expense for employee loans (Note 12e)	757,608	-
Interests receivable		
Government Recapitalization Bonds	575,703	597,575
Securities	171,967	104,646
Placements with Bank Indonesia and other banks	1,392	1,434
Loans	-	1,730,550
Prepaid expenses	614,699	425,179
Office supplies	194,108	170,025
Repossessed assets	39,290	36,024
Others	2,452,221	2,544,683
	4,806,988	5,610,116
<u>Foreign currencies</u>		
Interest receivables		
Securities	43,639	44,064
Loans	-	13,530
Others	15,080	6,507
Prepaid expenses	1,732	1,837

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16. OTHER ASSETS (continued)

	2010	2009
<u>Foreign currencies (continued)</u>		
Others	216,482	118,595
	276,933	184,533
Total	5,083,921	5,794,649
Less: Allowance for impairment losses	(203,142)	(559,228)
	4,880,779	5,235,421

The allowance for impairment losses mainly represents allowance for suspense accounts in branches, other receivables from third parties, allowance for possible losses on actual cases, repossessed assets and abandoned property.

Management believes that the allowance for impairment losses on other assets is adequate.

17. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	2010	2009
<u>Rupiah</u>		
Advance payment deposits	692,391	527,912
Credit card deposits	267,895	292,768
Insurance deposits	161,402	126,100
Tax payment deposits	157,826	167,784
Remittance deposits	58,316	121,387
Deposits for channeling loans	57,194	58,168
Bank drafts and BRI travelers' checks (Cepebri)	37,171	39,199
Deposits for clearing	15,347	16,364
Others	2,610,736	2,896,977
	4,058,278	4,246,659
<u>Foreign currencies</u>		
Remittance deposits	347	370
Others	65,014	86,203
	65,361	86,573
	4,123,639	4,333,232

18. DEMAND DEPOSITS

Demand deposits consist of:

	2010	2009
<u>Third parties</u>		
Rupiah	70,124,701	41,346,701

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18. DEMAND DEPOSITS (continued)

	2010	2009
<u>Third parties (continued)</u>		
Foreign currencies	6,917,596	8,612,913
	<u>77,042,297</u>	<u>49,959,614</u>
<u>Related parties</u>		
Rupiah	3,159	2,601
Foreign currencies	3,241	2,701
	<u>6,400</u>	<u>5,302</u>
	<u>77,048,697</u>	<u>49,964,916</u>

Average annual interest rates for demand deposits are as follows:

	2010	2009
Rupiah	3.60%	3.88%
Foreign currencies	0.43	0.73

The details of demand deposits in foreign currencies on December 31, 2010 and 2009 amounted Rp6,348,219 and Rp8,292,322 in United States Dollars, Rp402,609 and Rp194,570 in European Euro, Rp52,723 and Rp70,984 in Australian Dollar, Rp45,276 and Rp14,921 in Great Britain Pound Sterling, Rp38,198 and Rp33,749 in Hong Kong Dollars, Rp27,163 and Rp5,385 in Singapore Dollars and Rp 6,649 and Rp3,683 in Japanese Yen, respectively.

Demand deposits used as collateral for banking facilities granted by BRI amounted to Rp3,230 and Rp11,867 as of December 31, 2010 and 2009, respectively.

19. SAVINGS DEPOSITS

Savings deposits consist of:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Simpedes	76,255,535	64,392,687
Britama	47,276,130	38,404,095
Others	1,613,718	1,271,687
	<u>125,145,383</u>	<u>104,068,469</u>
<u>Related parties</u>		
<u>Rupiah</u>		
Britama	52,135	50,266
	<u>125,197,518</u>	<u>104,118,735</u>

The average annual interest rates for savings deposits are 2.46% and 2.41% for the years ended December 31, 2010 and 2009, respectively.

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20. TIME DEPOSITS

Time deposits consist of:

	2010	2009
<u>Third parties</u>		
Rupiah	103,341,352	82,784,199
Foreign currencies	22,485,324	17,058,575
	125,826,676	99,842,774
<u>Related parties</u>		
Rupiah	479,944	188,737
Foreign currencies	2,966	2,788
	482,910	191,525
	126,309,586	100,034,299

Time deposits based on their contract periods are as follows:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Deposits on call	13,314,929	7,712,187
Deposits		
1 month	49,382,242	37,983,257
3 months	11,894,333	10,893,272
6 months	3,393,462	3,934,004
12 months	25,173,933	22,105,803
More than 12 months	182,453	155,676
	103,341,352	82,784,199
<u>Foreign currencies</u>		
Deposits on call	2,642,914	1,244,436
Deposits		
1 month	11,902,905	11,933,029
3 months	1,774,636	3,052,820
6 months	3,240,800	614,216
12 months	2,922,366	212,347
More than 12 months	1,703	1,727
	22,485,324	17,058,575
	125,826,676	99,842,774
<u>Related parties</u>		
<u>Rupiah</u>		
Deposits on call	50,128	43,980
Deposits		
1 month	407,516	99,496
3 months	3,600	24,600

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20. TIME DEPOSITS (continued)

	2010	2009
<u>Related parties (continued)</u>		
<u>Rupiah (continued)</u>		
Deposits (continued)		
6 months	17,900	19,861
12 months	800	800
	<u>479,944</u>	<u>188,737</u>
<u>Foreign currencies</u>		
Deposits		
1 month	2,196	2,180
3 months	770	608
	<u>2,966</u>	<u>2,788</u>
	<u>482,910</u>	<u>191,525</u>
	<u>126,309,586</u>	<u>100,034,299</u>

Average annual interest rates for time deposits are as follows:

	2010	2009
Rupiah	7.00%	9.71%
Foreign currencies	2.41	3.90

The details of time deposits in foreign currencies at December 31, 2010 and 2009 amounted to Rp22,259,131 and Rp16,640,117 in United States Dollar, Rp227,699 and Rp421,246 in European Euro and Rp1,460 and RpNil in Singapore Dollar, respectively.

Time deposits used as collateral for banking facilities granted by BRI amounted to Rp108,933 and Rp85,416 as of December 31, 2010 and 2009, respectively.

21. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	2010	2009
<u>Third parties</u>		
<u>Rupiah</u>		
Demand deposits	80,263	67,277
Savings deposits	7,510	6,190
Deposits on call	2,578,500	2,595,000
Time deposits	1,343,906	975,780
Inter-bank call money	465,000	285,604
	<u>4,475,179</u>	<u>3,929,851</u>

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21. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

	2010	2009
<u>Foreign currencies</u>		
Demand deposits	168	3,331
Time deposits	144,368	46,975
Inter-bank call money	540,600	469,750
	<u>685,136</u>	<u>520,056</u>
	<u>5,160,315</u>	<u>4,449,907</u>

In the deposits from other banks and financial institutions, there are demand deposits, savings deposits, time deposits and inter-bank call money based on sharia banking principles amounting to Rp4,468, Rp903, Rp666,356 and Rp40,000, respectively as of December 31, 2010 and Rp1,535, Rp3,163, Rp337,613 and Rp10,000, respectively as of December 31, 2009.

Average annual interest rates for deposits from other banks and financial institutions are as follows:

	Rupiah		Foreign Currency	
	2010	2009	2010	2009
Demand deposits	2.02%	1.70%	0.24%	0.15%
Savings deposits	2.49	2.22	-	-
Deposits on call	6.49	6.99	-	-
Time deposits	6.93	6.98	0.95	3.60
Inter-bank call money	6.19	7.20	2.24	2.05

The classification by period of deposits from other banks and financial institutions based on their remaining period until maturity are as follows:

	2010			
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third Parties</u>				
<u>Rupiah</u>				
Demand deposits	80,263	-	-	80,263
Savings deposits	7,510	-	-	7,510
Deposits on call	2,578,500	-	-	2,578,500
Time deposits	1,343,790	116	-	1,343,906
Inter-bank call money	465,000	-	-	465,000
	<u>4,475,063</u>	<u>116</u>	<u>-</u>	<u>4,475,179</u>
<u>Foreign Currencies</u>				
Demand deposits	168	-	-	168
Time deposits	144,368	-	-	144,368
Inter-bank call money	540,600	-	-	540,600
	<u>685,136</u>	<u>-</u>	<u>-</u>	<u>685,136</u>
	<u>5,160,199</u>	<u>116</u>	<u>-</u>	<u>5,160,315</u>

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21. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

2009				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third Parties</u>				
<u>Rupiah</u>				
Demand deposits	67,277	-	-	67,277
Savings deposits	6,190	-	-	6,190
Deposits on call	2,595,000	-	-	2,595,000
Time deposits	947,420	27,155	1,205	975,780
Inter-bank call money	285,604	-	-	285,604
	3,901,491	27,155	1,205	3,929,851
<u>Foreign Currency</u>				
Demand deposits	3,331	-	-	3,331
Time deposits	46,975	-	-	46,975
Inter-bank call money	469,750	-	-	469,750
	520,056	-	-	520,056
	4,421,547	27,155	1,205	4,449,907

22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE

Securities sold with agreements to repurchase consist of:

2010						
Type of securities	Terms	Repurchase Date	Nominal Amount	Repurchase Price	Unamortized Interest	Net Value
<u>Rupiah</u>						
Deutsche Bank, AG						
Government						
Recapitalization Bond						
Series FR0017	94 days	January 17, 2011	100,000	102,752	-	102,752
<u>Foreign Currencies</u>						
Barclays Bank, PLC						
Government Bond						
Series RI0014	730 days	September 29, 2011	207,230	162,385	-	162,385
Series RI0015	730 days	September 29, 2011	63,070	49,422	-	49,422
Series RI0016	730 days	September 29, 2011	27,030	21,181	-	21,181
Series RI0017	730 days	September 29, 2011	45,050	35,301	-	35,301
Series RI0018	730 days	September 29, 2011	99,110	77,662	-	77,662
Series RI0035	730 days	September 29, 2011	27,030	21,181	-	21,181
Series RI0037	730 days	September 29, 2011	45,050	35,301	-	35,301
Series RI0038	730 days	September 29, 2011	27,030	21,180	-	21,180
			540,600	423,613	-	423,613
			640,600	526,365	-	526,365
2009						
Type of securities	Terms	Repurchase Date	Nominal Amount	Repurchase Price	Unamortized Interest	Net Value
<u>Rupiah</u>						
Deutsche Bank, AG						
Government						
Recapitalization Bond						
Series FR0017	92 days	January 15, 2010	100,000	103,246	(494)	102,752

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22. SECURITIES SOLD WITH AGREEMENTS TO REPURCHASE (continued)

2009						
Type of securities	Terms	Repurchase Date	Nominal Amount	Repurchase Price	Unamortized Interest	Net Value
Foreign Currencies						
Barclays Bank, PLC						
Government Bond						
Series RI0014	639 days	September 29, 2011	216,085	181,287	(11,964)	169,323
Series RI0015	639 days	September 29, 2011	65,765	55,174	(3,641)	51,533
Series RI0016	639 days	September 29, 2011	28,185	23,646	(1,560)	22,086
Series RI0017	639 days	September 29, 2011	46,975	39,410	(2,601)	36,809
Series RI0018	639 days	September 29, 2011	103,345	86,702	(5,722)	80,980
Series RI0035	639 days	September 29, 2011	28,185	23,646	(1,560)	22,086
Series RI0037	639 days	September 29, 2011	46,975	39,410	(2,601)	36,809
Series RI0038	639 days	September 29, 2011	28,185	23,646	(1,560)	22,086
			563,700	472,921	(31,209)	441,712
			663,700	576,167	(31,703)	544,464

23. FUND BORROWINGS

Fund borrowings consist of:

	2010	2009
Third parties		
Rupiah		
Borrowings from Bank Indonesia		
Liquidity loans	62,147	104,696
Borrowings for investments in premises and equipment	32,092	32,092
Others	12,376	13,721
	106,615	150,509
Foreign currencies		
Bilateral borrowings - net of deferred provision of Rp1,895 as of December 31, 2009	2,703,000	3,568,205
Others	6,644,930	9,892,685
	9,347,930	13,460,890
	9,454,545	13,611,399

The classifications by period of fund borrowings based on their remaining period until maturity are as follows:

	2010	2009
Third parties		
Rupiah		
> 1 month - 3 months	9,494	9,541
> 3 months - 1 year	16,819	28,082
> 1 year - 5 years	60,365	67,073
> 5 years	19,937	45,813
	106,615	150,509

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23. FUND BORROWINGS (continued)

	2010	2009
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
≤ 1 month	695,397	5,703,971
> 1 month - 3 months	4,675,348	3,157,044
> 3 months - 1 year	3,749,307	3,368,344
> 1 year - 5 years	227,878	1,231,531
	9,347,930	13,460,890
	9,454,545	13,611,399

Other significant information relating to fund borrowings are as follows:

(a) Borrowings from Bank Indonesia

(i) Liquidity Loans

This account represents credit facilities obtained from Bank Indonesia that are channeled to BRI's debtors for purposes of, among others, Investment Loans, Primary Cooperatives of Sugar Cane Farmers Loans, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilizer and others.

The classification by period of liquidity loans from Bank Indonesia based on their remaining period until maturity as of December 31, 2010 and 2009 is as follows:

	2010	2009
> 1 month - 3 months	9,494	9,541
> 3 months - 1 year	16,819	28,082
> 1 year - 5 years	35,834	67,073
	62,147	104,696

The average annual interest rates on these loans are 5.13% and 5.49% for the years ended December 31, 2010 and 2009, respectively.

(ii) Borrowings for Investments in Premises and Equipment

This account represents loans obtained for the construction of certain offices for BRI's micro units all over Indonesia.

The average annual interest rate on these borrowings is 5.00% for the years ended December 31, 2010 and 2009, respectively. These borrowings are due in 2016.

(b) Bilateral borrowings

On December 27, 2007, bilateral borrowings held by BRI represent a loan facility from Standard Chartered Bank of US\$80,000,000. This borrowing facility is used to finance BRI's general activities. The annual interest rate of this facility is LIBOR plus margin of 1.10% per annum, which is paid every 3 (three) months. This facility has been settled by BRI on December 27, 2010.

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23. FUND BORROWINGS (continued)

(b) Bilateral borrowings (continued)

On September 29, 2009 and September 27, 2010, BRI entered into a bilateral loan with Standard Chartered Bank and PT Bank Pan Indonesia Tbk (Panin Bank) of US\$100,000,000 and US\$200,000,000, respectively, which is used to fulfill liquidity needs to anticipate BRI's business expansion. The annual interest rate of the facility from Standard Chartered Bank is LIBOR plus 4.00% margin and from Panin Bank is LIBOR plus 3.75% margin and the interest is paid every 3 (three) months. These facilities will be due and payable in one lumpsum on September 27, 2011. For the facility from Standard Chartered Bank of US\$100,000,000, BRI gives collateral such as the Credit Linked Notes (CLN) of Standard Chartered Bank and HSBC amounting to US\$90,000,000 and US\$70,000,000, respectively (Note 7d).

(c) Other Borrowings

	2010	2009
<u>Rupiah</u>		
Others	12,376	13,721
<u>Foreign currencies</u>		
Oversea-Chinese Banking Corporation Limited	3,027,612	4,613,301
The Royal Bank of Scotland	1,661,743	-
Standard Chartered Bank	901,073	1,049,436
CoBank	449,126	292,031
Bank of America N.A.	417,952	-
Sumitomo Mitsui Banking Corporation	144,895	4,510
Citibank, N.A.	40,857	563,700
Commerzbank, A.G.	1,672	-
ING Belgium N.V. Brussels	-	774,681
Wachovia Bank, N.A.	-	488,936
The Hongkong and Shanghai Banking Corporation Limited	-	446,900
JP Morgan Chase Bank, N.A.	-	375,800
The Bank of Nova Scotia	-	375,800
Raiffeisen Zentralbank Osterreich, A.G.	-	365,645
Others	-	541,945
	6,644,930	9,892,685
	6,657,306	9,906,406

Other borrowings facilities represent short-term borrowings obtained from several foreign banks with terms from 1 (one) month up to 3 (three) years and bear interest rate at LIBOR or SIBOR plus a certain margin, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

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24. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

- a) The details of estimated losses on commitments and contingencies which bear credit risk are as follows:

	2010	2009
<u>Rupiah</u>		
Guarantees issued	21,262	18,527
Outstanding irrevocable L/C	2,645	2,166
	23,907	20,693
<u>Foreign currencies</u>		
Outstanding irrevocable L/C	50,545	63,840
Guarantees issued	18,970	17,204
	69,515	81,044
	93,422	101,737

- b) Movements of estimated losses on commitments and contingencies are as follows:

	2010	2009
<u>Rupiah</u>		
Beginning balance	20,693	17,761
Provision during the year	3,214	2,932
Ending Balance	23,907	20,693
<u>Foreign currencies</u>		
Beginning balance	81,044	69,209
Provision (reversal) during the year	(11,529)	11,835
Ending Balance	69,515	81,044
	93,422	101,737

The minimum estimated losses on commitments and contingencies that should be provided based on Bank Indonesia regulation amounted to Rp93,422 and Rp101,737 as of December 31, 2010 and 2009, respectively.

Management believes that the allowance for estimated losses on commitments and contingencies is adequate.

- c) The collectability of commitments and contingencies in off-balance sheet accounts (Notes 2f and 42) are as follows:

	2010				
	Current	Special Mention	Sub-standard	Doubtful	Loss
<u>Third parties</u>					
<u>Rupiah</u>					
Guarantees issued	1,890,428	11,037	-	3,611	-
Outstanding irrevocable L/C	264,501	-	-	-	-
	2,154,929	11,037	-	3,611	-

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25. OTHER LIABILITIES (continued)

	2010	2009
<u>Third parties (continued)</u>		
<u>Foreign currencies (continued)</u>		
Others	198,243	201,558
	305,411	555,475
	9,766,026	7,068,716

26. SUBORDINATED LOANS

BRI has obtained subordinated loans in Rupiah with details as follows:

	2010	2009
<u>Rupiah</u>		
Subordinated bonds I	-	500,000
Subordinated bonds II	1,993,234	2,000,000
Two-step loans	162,947	187,780
	2,156,181	2,687,780
Less: Deferred issuance cost	-	(9,358)
	2,156,181	2,678,422

a. Subordinated Bonds I

On January 9, 2004, BRI issued Rp500,000 Bank BRI Subordinated Bonds I Year 2004 with a fixed interest rate registered at the Surabaya Stock Exchange (currently the Indonesia Stock Exchange). The Subordinated Bonds I were issued at 100.00% of their nominal value with fixed annual interest rate of 13.50%, payable every 3 (three) months. The Subordinated Bonds I will be due and must be settled with the same value as the principal in the Jumbo Certificate of Subordinated Bonds on January 9, 2014 (10th anniversary after the issuance date), or at an earlier date if BRI exercised a call option, on January 9, 2010 (6th anniversary after the issuance date). After the first anniversary, BRI may buy back the Subordinated Bonds I partially or in full to resell in the future or for settlement considering the existing regulations. The Subordinated Bonds I has been settled by BRI on January 9, 2010.

The net proceeds from the issuance of the Subordinated Bonds I will be used to increase earning assets and at the same time to strengthen the capital structure of BRI to conform with Bank Indonesia regulation.

The Subordinated Bonds I are not guaranteed with specific collateral from BRI or by the Republic of Indonesia and are not included in the bank guarantee program implemented by Bank Indonesia, Indonesian Bank Restructuring Agency or its replacement.

The issuance and classification of the Subordinated Bonds I as Subordinated Loans have been approved in principle by Bank Indonesia, through its letter No. 5/84/DPWB2/PW/B24 dated August 15, 2003.

As of December 31, 2009, BRI's Subordinated Bonds I 2004 obtained ratings of "id AA+", from PT Pemeringkat Efek Indonesia. The trustee of this Subordinated Bonds I is PT Bank Mandiri (Persero) Tbk.

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26. SUBORDINATED LOANS (continued)

a. Subordinated Bonds I (continued)

The trustee agreement covers several covenants affecting BRI and requires the written approval from the trustee before conducting the following:

- Reduction of authorized, issued and paid capital stock, except as requested and or instructed by the Government and or authorized parties.
- Conduct merger and or takeover and or acquisition, or allowing or giving approval to Subsidiaries to conduct merger and or takeover and or acquisition, except as requested and or instructed by the Government and or authorized parties, in accordance with the prevailing regulations.
- Change BRI's main business.

b. Subordinated Bonds II

On December 22, 2009, BRI issued Rp2,000,000 Bank BRI Subordinated Bonds II Year 2009 with a fixed interest rate registered on the Indonesia Stock Exchange. The Subordinated Bonds II were issued at 100.00% of their nominal value with a fixed annual interest rate of 10.95%, payable every 3 (three) months. The Subordinated Bonds II will be due and must be settled with the same value as the principal of the Subordinated Bonds on December 22, 2014. Principal repayment of the Subordinated Bonds can only be done after receiving approval from Bank Indonesia, however, if in the future the obligation to obtain approval from Bank Indonesia as stated above is no longer mandatory, therefore the principal repayment of the Subordinated Bonds can be made without receiving the approval from Bank Indonesia.

The net proceeds from the issuance of the Subordinated Bonds II are intended for loans expansion under a prudent principle.

The Subordinated Bonds II are not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and are not included in the bank guarantee program implemented by the Deposit Insurance Corporation or other insurance corporation. BRI does not establish provision for principal repayment fund of the Subordinated Bonds with consideration to optimize the use of fund in accordance with the planning of the use of the issuance fund of the Subordinated Bonds.

The issuance and classification of the Subordinated Bonds II as subordinated loans have been approved in principle by Bank Indonesia, through its letter No. 11/90/DPB1/TPB1-3 dated November 11, 2009.

As of December 31, 2009 and 2010, BRI's Subordinated Bonds II 2009 obtained a rating of "idAAA" from PT Pemeringkat Efek Indonesia and "AA+" from PT Fitch Ratings Indonesia. The trustee of this Subordinated Bonds is PT Bank Mandiri (Persero) Tbk.

The trustee agreement covers several covenants affecting BRI and requires a written approval from the trustee before conducting the following:

- Reduction of authorized, issued and paid capital stock, except as requested and or instructed by the Government of the Republic of Indonesia and or authorized parties (including but not limited to Bank Indonesia, Ministry of Finance of the Republic of Indonesia, and Ministry of State-Owned Enterprises).
- Conduct merger and or separation and or dissolution and or acquisition, or allowing or giving approval to Subsidiaries to conduct merger and or separation and or dissolution and or acquisition, except as requested and or instructed by the Government of the Republic of Indonesia and or authorized parties (including but not limited to Bank Indonesia, Deposit

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26. SUBORDINATED LOANS (continued)

b. Subordinated Bonds II (continued)

Insurance Corporation or other insurance corporation in accordance with the prevailing regulations, Ministry of Finance of the Republic of Indonesia, and Ministry of State-Owned Enterprises), in accordance with the prevailing regulations, including but not limited to Bapepam regulations and or Bapepam-LK.

BRI has complied with the above trustee agreement.

c. Two-step Loans

The two-step loans in Rupiah represent the loans from the Government which were funded by the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD), United States Agency for International Development (USAID) and Islamic Development Bank (IDB). The interest rates of these loans vary based on the respective agreements with terms ranging from 15 (fifteen) up to 40 (forty) years. The average annual interest rates for subordinated loans were 5.54% and 5.57% for the years ended December 31, 2010 and 2009, respectively. These loans will mature at various dates from 2005 to 2027.

The classification by period of subordinated loans based on their remaining period until maturity is as follows:

	2010	2009
<u>Rupiah</u>		
≤ 1 month	232	232
> 3 months - 1 year	21,093	24,601
> 1 year - 5 years	2,078,296	85,300
> 5 years	56,560	2,568,289
	2,156,181	2,678,422

27. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2010 and 2009 are as follows:

2010	Number of Shares	Nominal Value Per Share (full Rupiah)	Share Value (full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
- Series A Dwiwarna share	1	500	500	0.00%
- Series B Ordinary shares	29,999,999,999	500	14,999,999,999,500	100.00
Total Authorized Capital Stock	30,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Republic of Indonesia				
- Series A Dwiwarna share	1	500	500	0.00%
- Series B Ordinary shares	6,999,999,999	500	3,499,999,999,500	56.75
Public				
- Series B Ordinary shares	5,334,581,000	500	2,667,290,500,000	43.25
Total Issued and Fully Paid Capital Stock	12,334,581,000		6,167,290,500,000	100.00%

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27. EQUITY (continued)

a. Capital stock (continued)

2009	Number of Shares	Nominal Value Per Share (full Rupiah)	Share Value (full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
- Series A Dwiwarna shares	1	500	500	0.00%
- Series B Ordinary shares	29,999,999,999	500	14,999,999,999,500	100.00
Total Authorized Capital Stock	30,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Republic of Indonesia				
- Series A Dwiwarna shares	1	500	500	0.00%
- Series B Ordinary shares	6,999,999,999	500	3,499,999,999,500	56.77
Public				
- Series B Ordinary shares	5,329,852,500	500	2,664,926,250,000	43.23
Total Issued and Fully Paid Capital Stock	12,329,852,500		6,164,926,250,000	100.00%

Series A Dwiwarna share is the share that gives the stockholder preferential rights to approve the appointment or dismissal of Commissioners and Directors, changes in Articles of Association, approve on merger, dissolution, acquisition, and BRI's separation, submission of request for bankruptcy, and liquidation of BRI.

Series B shares are ordinary shares that can be owned by the public.

Capital Structure

In response to the Management Contract entered between the Republic of Indonesia, as represented by the Government through the Ministry of Finance, and BRI on February 28, 2001, the Ministry of Finance issued the Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and the implementation of the rights of the Government arising from the additional investment of the Republic of Indonesia in the capital of BRI in connection with the recapitalization program for commercial banks. Based on such Decision Letter, the Ministry of Finance determined that the final recapitalization requirement amount of BRI is Rp29,063,531 (Note 9).

The Government's rights arising from the additional investment of the state to BRI with such final amount was implemented as follows: Rp29,063,531 converted to 3,272,000 new shares issued by BRI with a par value of Rp1 million per share; and Rp25,791,531 from the recapitalization fund recorded as additional paid-in capital in BRI's capital structure. This decision of the Ministry of Finance has been implemented retroactively since June 30, 2003.

Based on BRI's Stockholders' Extraordinary General Meeting held on October 3, 2003, as covered by deed No. 6 dated October 3, 2003, of Notary Imas Fatimah, S.H., BRI's stockholders decided on, among others, the following:

1. The capital restructuring of BRI as of June 30, 2003 arising from the recapitalization fund of Rp29,063,531 to increase BRI's issued and fully paid capital stock owned by the Republic of Indonesia from Rp1,728,000, consisting of 1,728,000 shares at a par value of Rp1 million per share, to become Rp5,000,000 consisting of 5,000,000 shares at the same par value per share, and the balance of Rp25,791,531 recorded as additional paid-in capital.
2. The stock split with the change in par value per share from Rp1 million to Rp500 (full Rupiah).

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27. EQUITY (continued)

a. Capital stock (continued)

Capital Structure (continued)

3. The increase in authorized capital stock of BRI from Rp5 trillion, divided into 5,000,000 shares at a par value of Rp1 million per share, to become Rp15 trillion divided into 30,000,000,000 shares at a par value of Rp500 (full Rupiah) per share.
4. The change in classification of BRI's shares to become Series A Dwiwarna and Series B shares.
5. Utilization of general and special reserves as of June 30, 2003, amounting to Rp1,386,616, to cover the accumulated losses as of June 30, 2003.
6. The quasi-reorganization plan of BRI as of June 30, 2003, to eliminate the accumulated losses of Rp24,699,387 against the recorded additional paid-in capital (Note 3).
7. The plan to undertake the Initial Public Offering (IPO) of BRI's shares.
8. The follow up actions on the amendments to the Articles of Association:
 - i. Agree on the change in the status of BRI, to be a Publicly Listed Limited Liability Company, thereafter the name will be changed from "PT Bank Rakyat Indonesia (Persero)", to become "Perusahaan Perseroan (Persero) PT Bank Rakyat Indonesia Tbk" and simplified to "PT Bank Rakyat Indonesia (Persero) Tbk";
 - ii. Agree to change all provisions in the Articles of Association of BRI with revisions in accordance with Law No. 8 Year 1995 on "Capital Markets" and Decision of the Chairman of the Capital Market Supervisory Agency (Bapepam) No. KEP-13/PM/1997 dated April 30, 1997 on "The Main Provisions of the Articles of Association of a Company that Conduct an Initial Public Offering of Shares and Public Company".

The changes in BRI's Articles of Association in connection with the above Stockholder's Extraordinary General Meeting were notarized in Deed No. 7 dated October 3, 2003 by Notary Imas Fatimah, S.H., and was approved by the Ministry of Justice and Human Rights through its Decision Letter No. C-23726 HT.01.04.TH.2003 dated October 6, 2003.

Initial Public Offering (IPO) of BRI's Shares

On October 13, 2003, the President of the Republic of Indonesia issued Government Regulation No. 49 Year 2003 regarding the sale of a portion of shares in BRI owned by the Republic of Indonesia and issuance of new shares of BRI, excluding the participation from the Republic of Indonesia, through the capital market and or direct sale to investors.

Based on the letter from the Chairman of Bapepam No. S-2646/PM/2003 dated October 31, 2003, the registration statement submitted by BRI in connection with the IPO of BRI's shares of 3,811,765,000 Series B common shares consisting of 2,047,060,000 Series B common shares owned by the Republic of Indonesia (divestment) and 1,764,705,000 new Series B common shares issued with a par value of Rp500 (full Rupiah) per share and initial offer price of Rp875 (full Rupiah) per share to the public, which became effective on October 31, 2003. Such offered shares were initially traded on November 10, 2003 and simultaneously all of BRI shares were listed on the Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange).

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27. EQUITY (continued)

a. Capital stock (continued)

Initial Public Offering (IPO) of BRI's Shares (continued)

Subsequently, the over-subscription option of 381,176,000 Series B common shares owned by the Republic of Indonesia (divestment) and over-allotment option of 571,764,000 Series B common shares owned by the Republic of Indonesia (divestment) with a price of Rp875 (full Rupiah) per share were exercised on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the exercise of the over-subscription option and the over-allotment option, the Republic of Indonesia owns 59.50% of the outstanding common shares in BRI.

Stock Allocation Program

Based on the above Stockholders' Extraordinary General Meeting, BRI's stockholders agreed to, among others, the employee and management stock ownership plan through an Employee Stock Allocation Program (ESA) and Management Stock Option Plan (MSOP). The ESA consists of a Bonus Share Plan, Shares Purchase at a Discount and Additional Shares Grant programs while MSOP is granted to Directors and employees at certain levels and positions. Costs and discounts related to the ESA and MSOP programs are paid by the Bank through the allocation of reserves. The compensation cost relating to MSOP is recognized through stock options under equity. The management and execution of the ESA and MSOP programs are performed by the Directors, while the supervision is performed by the Board of Commissioners (Note 28).

In accordance with the MSOP, stock options which have been exercised by BRI's employees as of and for the years ended December 31, 2010 and 2009 amounted to Rp2,365 and Rp2,276 which consist of 4,728,500 shares and 4,553,000 shares, respectively. The additional paid up capital arising from the execution of the above stock options is added to the issued and fully paid capital and additional paid-in capital (Note 28).

b. The Additional Paid-in Capital:

	2010	2009
Additional capital by the Government related to the recapitalization program	1,092,144	1,092,144
Previous balance of paid up capital by the Government	5	5
Additional paid-in capital from IPO	589,762	589,762
Exercise of stock options (Note 28)		
Year 2004	49,514	49,514
Year 2005	184,859	184,859
Year 2006	619,376	619,376
Year 2007	140,960	140,960
Year 2008	29,013	29,013
Year 2009	14,367	14,367
Year 2010	43,062	-
Remaining MSOP Stage-I which already expired	504	504
Remaining MSOP Stage-II which already expired	1,845	1,845
Remaining MSOP Stage-III which already expired	8,447	-
	2,773,858	2,722,349

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27. EQUITY (continued)

b. The Additional Paid-in Capital (continued):

As realization of the Recapitalization Program for Commercial Banks as set forth in Government Regulation No. 52 Year 1999 on the "Increase in Investment by the Republic of Indonesia in State-Owned Banks", the Government determined that the recapitalization requirement amount of BRI to achieve a CAR of 4% was Rp29,063,531. As of June 30, 2003, the authorized and issued capital stock of BRI had not yet been increased by additional capital from the above recapitalization program. Therefore, the paid up capital from the Government of Rp29,063,531 was recorded temporarily under "Additional Paid-in Capital" together with the previous balance of paid up capital of Rp5 from the Government.

Based on the Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 of the Ministry of Finance as explained in letter (a) above, from the final recapitalization requirement of BRI amounting to Rp29,063,531, Rp3,272,000 was converted to paid up capital and the balance of Rp25,791,531 was recorded as additional paid in capital (Note 27a). In addition, with the implementation of the quasi-reorganization by BRI, the accumulated losses before quasi-reorganization as of June 30, 2003 amounting to Rp24,699,387 (Note 3) was eliminated against additional paid-in capital, resulting to additional paid-in capital of Rp1,092,149 as of June 30, 2003.

On November 10, 2003, BRI conducted an IPO by issuing 1,764,705,000 new series B ordinary shares with a par value of Rp500 (full Rupiah) per share with the offering price of Rp875 (full Rupiah) per share, resulting in additional paid-in capital as follows:

Total new Series B Ordinary shares issued to the public under the IPO (shares)	1,764,705,000
Premium per share (full Rupiah)	375
Total premium on shares before discount	661,764
Less: - 3% discount given to BRI customers	(2,961)
- Cost of IPO	(69,041)
Additional paid-in capital from IPO	589,762

The employees of BRI have exercised stock options starting on November 10, 2004 for MSOP I, November 10, 2005 for MSOP II and November 15, 2006 for MSOP III. During 2004 until 2010, stock options that had been exercised were 569,876,000 shares for MSOP I, II and III, which consist of 4,728,500 shares in 2010, 4,553,000 shares in 2009, 7,499,000 shares in 2008, 31,379,000 shares in 2007, 250,721,000 shares in 2006, 185,610,000 shares in 2005 and 85,385,500 shares in 2004. The additional paid-in capital arising from these exercise of stock options are Rp43,062 in 2010, Rp14,367 in 2009, Rp29,013 in 2008, Rp140,960 in 2007, Rp619,376 in 2006, Rp184,859 in 2005 and Rp49,514 in 2004 (Note 28).

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences resulting from the translation of the financial statements of the overseas branch/representative offices of BRI (Cayman Islands, New York and Hong Kong) from United States Dollar and Hong Kong Dollar to Indonesian Rupiah (Note 2ae). Assets and liabilities as well as commitments and contingencies denominated in foreign currencies were translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian time) on balance sheet date. The statements of income for the year ended as of such date are derived from the accumulation of the monthly income statement balances which were translated into Rupiah using the average exchange rate for the respective months.

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27. EQUITY (continued)

d. Distribution of Net Income and Utilization of Appropriated Retained Earnings

Based on the Annual Stockholders' General Meetings of BRI held on May 20, 2010 and May 19, 2009, the Stockholders agreed to distribute the net income for the years ended December 31, 2009 and 2008 as follows:

	Income 2009	Income 2008
Dividends	1,628,551 ^{*)}	2,085,429
General and special reserves	950,078	536,253
Appropriation for partnership and environmental development fund	219,249	148,959

^{*)} Consists of dividend in the year 2009, amounted to Rp2,192,487 less interim dividend which was paid on December 16, 2009, amounted to Rp563,936.

Based on the letter from the Ministry of State-Owned Enterprises No.S-705/MBU/2010 dated November 18, 2010, there is an interim dividend payment for the year 2010 amounting to Rp45.93 (full Rupiah) per share or in total amounting to Rp566,527 which has been approved by BRI's Directors based on BRI's Directors' Meeting dated November 29, 2010.

BRI has recorded the provision for tantiem in the current consolidated statements of income in accordance with SFAS No. 24 (Revised 2004) on "Employee Benefits".

28. MANAGEMENT STOCK OPTION PLAN (MSOP)

Based on Stockholders' Extraordinary General Meeting held on October 3, 2003 as mentioned in notarial deed No. 6 of Notary Imas Fatimah, S.H., the stockholders approved the issuance of stock options in 3 (three) stages (Note 27a). Stock options are granted to Directors and employees at certain levels and positions who fulfill the determined criteria.

MSOP stage-I was granted at the Initial Public Offering (IPO), while MSOP stage-2 and MSOP stage-3 will be granted each year after the MSOP stage-I. The number of stock options to be issued in MSOP stage-I through stage-III is at a maximum of 5% from the paid up capital of BRI within 3 (three) years without giving priority to the existing stockholders to exercise their rights.

a. MSOP Stage-I

In MSOP stage-I, the exercise price was 110% of the offering price with the life of the option over 5 (five) years from the grant date. The MSOP vesting period is 1 (one) year. The number of stock options that can be exercised at the end of the first year from the grant date is a maximum of 50% of the total options granted, and the remainder can be executed at the end of the second year through the end of the fifth year. On November 10, 2003, the date of listing of BRI's shares in the Jakarta Stock Exchange and Surabaya Stock Exchange (currently the Indonesia Stock Exchange), BRI agreed to grant 235,294,100 stock options with an exercise price of Rp962.5 (full Rupiah) per share or 110% of the offering price per share.

The fair value of stock options in MSOP stage-I granted as of November 10, 2003 amounted to Rp117.39 (full Rupiah), based on the Valuation Report issued by PT Watson Wyatt Purbajaga dated March 17, 2004 using the Black Scholes option pricing model.

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28. MANAGEMENT STOCK OPTION PLAN (MSOP) (continued)

b. MSOP Stage-II

Based on BRI Annual Stockholders' General Meeting held on May 31, 2004, the stockholders granted MSOP stage-II with an option life of 5 (five) years and a vesting period of 1 (one) year. The number of stock options can be exercised anytime after the vesting period until the end of the option life with a share price of Rp1,750 (full Rupiah) per share, and number of shares granted are 235,294,100 shares.

The fair value of stock options in MSOP stage-II granted as of November 10, 2004 amounted to Rp351.62 (full Rupiah), based on the Valuation Report issued by PT Watson Wyatt Purbajaga dated February 15, 2005, using the Black Scholes option pricing model.

c. MSOP Stage-III

Based on the Annual Stockholders' General Meeting held on May 20, 2005, the stockholders granted MSOP stage-III with an option life of 5 (five) years and a vesting period of 1 (one) year. The number of stock options that can be exercised twice in a year within 5 (five) until up to 30 (thirty) working days until the end of the option life with a share closing price of 90% of the average of the share closing price of BRI shares in the Jakarta Stock Exchange (currently the Indonesia Stock Exchange) within 25 (twenty-five) consecutive days before reporting date to the Jakarta Stock Exchange (currently the Indonesia Stock Exchange) (the latest within 5 (five) working days) and the number of shares issued is 117,647,050 shares. The share price exercised in 2010 is Rp8,649 (full Rupiah) per share (period 8), and in 2009 are Rp5,458 (full Rupiah) per share (period 6) and Rp6,671 (full Rupiah) per share (period 7).

The fair value of stock options in MSOP stage-III granted as of November 10, 2005 amounted to Rp958 (full Rupiah), based on BRI management's calculation using the Black Scholes - Merton option pricing model.

The summary of the MSOP and its movements during the years ended December 31, 2010 and 2009 are as follows (Note 27a):

	2010		
	Number of Options		
	MSOP Stage-I	MSOP Stage-II	MSOP Stage-III
Options outstanding at the beginning of the year	-	-	13,545,550
Options exercised during the year	-	-	(4,728,500)
Options not exercised until the end of the option life	-	-	(8,817,050) ^{*)}
Options that can be exercised at the end of the year	-	-	-

^{*)} Total MSOP Stage-III that are still remaining at maturity date on November 9, 2010 and has been reported to Indonesia Stock Exchange on December 1, 2010.

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28. MANAGEMENT STOCK OPTION PLAN (MSOP) (continued)

	2009		
	Number of Options		
	MSOP Stage-I	MSOP Stage-II	MSOP Stage-III
Options outstanding at the beginning of the year	-	8,352,600	14,993,050
Options exercised during the year	-	(3,105,500)	(1,447,500)
Options not exercised until the end of the option life	-	(5,247,100) ^{*)}	-
Options that can be exercised at the end of the year	-	-	13,545,550

*) Total MSOP Stage-II that are still remaining at maturity date on November 10, 2009 and has been reported to Indonesia Stock Exchange on December 30, 2009.

The fair value of the options granted were derived using the following assumptions:

	MSOP Stage-I	MSOP Stage-II	MSOP Stage-III
Risk free interest rate	8.75%	8.75%	13.04%
Expected period of option	5 years	5 years	5 years
Expected share price volatility	24.33%	24.33%	42.95%
Expected dividend yield	5.50%	5.50%	5.04%
Employee turnover rate	1%	1%	-

During 2010 and 2009, the total stock options which have been exercised amounted to Rp2,365 and Rp2,276, respectively, consisting of 4,728,500 and 4,553,000 shares, respectively (Note 27a), and resulted in the increase in additional paid-in capital of Rp43,062 and Rp14,367 as of December 31, 2010 and 2009, respectively (Note 27b).

Accumulated stock options after deducting the realization of MSOP amount to Rp12,977 (including stock option of MSOP stage-III which have expired amounting to Rp8,447) and Rp4,323 (including stock option of MSOP stage-II which have expired amounting to Rp1,845) for the years ended December 31, 2010 and 2009, respectively, became RpNil and Rp12,977, which are presented as part of the equity in the consolidated balance sheets as of December 31, 2010 and 2009, respectively.

29. INTEREST AND INVESTMENT INCOME

Interest and investment income are derived from:

	2010	2009
Rupiah		
Loans	39,116,283	28,824,228
Securities		
Certificates of Bank Indonesia	790,973	1,128,173
Government Bonds	680,668	321,327
Others	71,951	169,343
Government Recapitalization Bonds	1,506,383	1,805,805

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29. INTEREST AND INVESTMENT INCOME (continued)

	2010	2009
<u>Rupiah (continued)</u>		
Placements with Bank Indonesia and other banks		
FASBI/FTK	742,272	724,942
Inter-bank call money	51,812	115,076
Others	159,672	2,196
Current accounts with Bank Indonesia	17,805	-
Others	224,239	129,610
	<u>43,362,058</u>	<u>33,220,700</u>
<u>Foreign currencies</u>		
Loans	470,944	467,398
Placements with Bank Indonesia and other banks		
Inter-bank call money	24,737	9,681
Others	45,005	31,559
Securities		
Government Bonds	56,528	75,025
Others	12,221	141,978
	<u>609,435</u>	<u>725,641</u>
	<u>43,971,493</u>	<u>33,946,341</u>

30. FEES AND COMMISSIONS

Fees and commissions are derived from:

	2010	2009
<u>Rupiah</u>		
Loans	-	1,125,778
<u>Foreign currencies</u>		
Loans	-	537
	<u>-</u>	<u>1,126,315</u>

31. INTEREST EXPENSE AND OTHER CHARGES

This account represents interest expense and other charges incurred on:

	2010	2009
<u>Rupiah</u>		
Time deposits	5,917,970	7,463,898
Savings deposits	2,474,286	2,144,736
Demand deposits	1,087,642	1,075,815
Deposits from other banks and financial institutions	287,619	231,081
Fund borrowings	232,909	134,094

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31. INTEREST EXPENSE AND OTHER CHARGES (continued)

	2010	2009
<u>Rupiah (continued)</u>		
Subordinated loans	220,496	84,905
Securities sold with agreements to repurchase	12,876	13,146
Others	625,297	567,862
	10,859,095	11,715,537
<u>Foreign currencies</u>		
Time deposits	499,258	362,396
Deposits from other banks and other financial institutions	65,060	55,749
Current accounts	23,310	45,247
Fund borrowings	2,230	1,003
	589,858	464,395
	11,448,953	12,179,932

32. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL AND NON-FINANCIAL ASSETS - NET

This account represents provision (reversal) of allowance for impairment losses on financial assets as follows:

	2010	2009
Loans (Note 12e)	7,879,092	5,377,940
Acceptances receivable (Note 13d)	2,167	(337)
Export bills (Note 8d)	1,906	(105)
Placements with Bank Indonesia and other banks (Note 6e)	250	27,167
Investment in shares of stocks (Note 14)	226	219
Securities (Note 7e)	100	(32,185)
Current accounts with other banks (Note 5e)	62	56,603
Derivatives receivable (Note 11)	-	1,449
Sharia receivable and financing	(3,267)	(9,252)
	7,880,536	5,421,499

33. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	2010	2009
Salaries, wages and allowances	3,608,632	3,189,226
Bonuses, incentives and <i>tantiem</i>	2,304,140	1,585,222
Defined contribution pension (Note 41c)	680,318	116,074
Training and development	373,059	255,061
Defined benefit pension (Note 41a)	276,275	269,636
Medical allowances	131,430	124,794
Gratuity for services (Note 41e)	123,335	116,256

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33. SALARIES AND EMPLOYEE BENEFITS (continued)

	2010	2009
Grand leaves (Note 41e)	91,924	183,716
Work separation scheme (Note 41d)	73,437	66,729
Pension preparation period (Note 41e)	16,608	238,925
Others	996,563	530,154
	8,675,721	6,675,793

The amount of salaries and allowances for the Board of Directors amounted to Rp45,778 and Rp40,287, Board of Commissioners of BRI amounted to Rp8,384 and Rp12,133 for the years ended December 31, 2010 and 2009, respectively (Note 43).

The amount of *tantiem*, bonuses and incentives paid to the Boards of Directors and Commissioners, and executive officers of BRI for the years ended December 31, 2010 and 2009, amounted to Rp188,887 and Rp159,987, respectively (Note 43).

34. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	2010	2009
Rent	886,226	707,800
Repairs and maintenance	491,413	448,649
Depreciation of premises and equipment (Note 15)	302,730	407,379
Electricity and water	276,144	213,260
Transportation	201,070	158,855
Printing and postage	152,018	131,778
Office supplies	130,475	115,552
Communications	96,691	84,909
Professional fees	33,911	25,675
Computer installations	17,939	36,391
Research and product development	10,017	10,215
Others	2,112,810	1,377,468
	4,711,444	3,717,931

35. NON-OPERATING INCOME - NET

The details of this account are as follows:

	2010	2009
Loan insurance claim income	313,576	214,226
Cash distribution from the liquidation of BRI Finance Limited, Hong Kong	12,263	4,648
Rental income	6,379	13,653
Gain on sale of premises and equipment	5,875	2,947
Others - net	168,136	1,095,095
	506,229	1,330,569

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36. TAXATION

a) Taxes Payable

As of December 31, 2010 and 2009, the details of taxes payable are as follows:

	2010	2009
BRI (Parent Company)		
Income tax		
Article 23	2,874	-
Article 25 (December)	230,459	220,123
Article 26	38,400	-
Article 29	1,648,319	121,007
Article 4 (2)	764	-
	<u>1,920,816</u>	<u>341,130</u>
Subsidiary		
Income tax		
Article 21	4,046	765
Article 23	457	1,076
Article 29	95	-
Article 4 (2)	5,509	521
	<u>10,107</u>	<u>2,362</u>
	<u>1,930,923</u>	<u>343,492</u>

b) Tax Expense

The reconciliation between income before tax benefit (expense) as presented in the consolidated statements of income and estimated taxable income is as follows:

	2010	2009
Income before tax benefit (expense) based on the consolidated statements of income	14,908,230	9,891,228
Share of income of Subsidiary	(15,306)	(10,675)
Income before tax benefit (expense) – BRI (Parent Company)	<u>14,892,924</u>	<u>9,880,553</u>
Temporary Differences:		
Provision for allowance for possible losses on loans	2,067,026	977,081
Provision for personnel expenses	222,629	475,197
Unrealized loss (gain) on derivative transactions	139,473	(666,635)
(Reversal of) provision for estimated losses on commitments and contingencies	(8,422)	14,746
Unrealized gain on trading securities and Government Recapitalization Bonds	(26,293)	(127,305)
Depreciation of premises and equipment	(52,699)	91,365
(Reversal of) provision for reserve of earning assets excluding loans	(668,304)	51,541
	<u>1,673,410</u>	<u>815,990</u>

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36. TAXATION (continued)

b) Tax Expense (continued)

	2010	2009
Permanent Differences:		
Public relations	84,836	65,384
Representations and donations	30,390	24,573
Sports and religious activities	26,908	26,013
Income subjected to final tax	(4,325)	(9,550)
Income of Subsidiary (equity method)	(15,406)	(14,644)
Others	2,896,963	663,333
	3,019,366	755,109
Estimated taxable income	19,585,700	11,451,652

The computation of corporate income tax expense and income tax payable is as follows:

	2010	2009
Estimated taxable income	19,585,700	11,451,652
<u>Parent Company</u>		
Corporate income tax expense - current	(3,917,140)	(2,633,880)
Income tax installment payments during the year	2,268,821	2,512,873
Corporate income tax payable - Article 29	(1,648,319)	(121,007)
<u>Subsidiary</u>		
Corporate income tax expense - current	(4,909)	-
Income tax installment payments during the year	4,814	-
Corporate income tax payable - Article 29	(95)	-

BRI and Subsidiary's income tax are computed individually as separate legal entities.

c) Deferred Tax Assets

The computation of deferred tax benefit (expense) of BRI is as follows (Note 2ag):

	2010	2009
Provision for allowance for possible losses on earning assets	420,728	288,015
Provision for employee benefits	52,412	118,799
Unrealized loss (gain) on derivative transactions	34,868	(186,658)
(Reversal of) provision for estimated losses on commitments and contingencies	(2,105)	4,129
Unrealized gain on trading securities and Government Recapitalization Bonds	(6,573)	(35,645)
Depreciation of premises and equipment	(13,174)	25,582
Impact of changes on income tax rate	-	(168,819)
	486,156	45,403

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36. TAXATION (continued)

c) Deferred Tax Assets (continued)

	2010	2009
Subsidiary	48	5,541
Total deferred tax benefit	486,204	50,944

The tax effects of significant temporary differences between commercial reporting and tax (recorded under "Deferred Tax Assets") are as follows (Note 2ag):

	2010	2009
Allowance for possible losses on earning assets	1,609,767	1,260,087
Provision for employee expense	704,220	651,808
Depreciation on premises and equipment	137,260	150,434
Estimated losses on commitments and contingencies	23,324	25,429
Unrealized (gain) loss in the value of trading securities and Government Recapitalization Bonds	(830)	5,743
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds	(187,188)	(152,107)
Unrealized gain on derivative transactions	-	(34,868)
	2,286,553	1,906,526
Subsidiary	8,548	8,500
	2,295,101	1,915,026

In September 2008, Law No. 7 year 1983 regarding "Income Tax" has been revised for the fourth time with Law No. 36 year 2008. The above revision also stipulates the changes in corporate tax rate from a progressive tax rate to a single rate of 28% for the fiscal year 2009 and 25% for the fiscal year 2010 onwards. The Company recorded the impact of the changes in income tax rate as part of the current year deferred tax expense which amounted to Rp168,819 for the year ended December 31, 2009.

In addition, based on the above Law No. 36 year 2008 dated September 23, 2008, the Government Regulation No. 81 year 2007 dated December 28, 2007 on "Reduction of the Income Tax Rate on Resident Corporate Taxpayers in the Form of Publicly-listed Companies" and the Ministry of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 on "The Guidelines on the Implementation and Supervision on the Rate Reduction for Domestic Tax Payers in the Form of Public Companies" provides that resident publicly-listed companies in Indonesia can obtain the reduced income tax rate at 5% lower than the highest existing income tax rate, provided they meet the prescribed criteria, i.e., public companies whose shares are owned by the public at a minimum of 40% or more of the total paid-up shares are traded in the Indonesia Stock Exchange and such shares are owned by at least 300 (three hundred) parties and each party owning only less than 5% of the total paid-up shares. These requirements should be fulfilled by the publicly-listed companies for a period of 6 (six) months in 1 (one) tax year. Based on Letter No. DE/II/11-0810 dated February 9, 2011 and the monthly report of shares ownerships, form No. X.H.I-6 dated January 10, 2011 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during 2010, all of the above mentioned required criteria to obtain the tax rate reduction on BRI's financial statements for the year ended December 31, 2010, have been fulfilled by BRI.

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37. RISK MANAGEMENT

BRI's business activities are constantly facing risks relating to its function as a financial intermediary institution. The rapid business development in the external and internal bank industry also caused the risk on the bank's business activities to become more complex. BRI is required to implement effective risk management to adapt to the complex business activities. The applied risk management principles must be able to support BRI to operate more carefully within a rapidly developing banking business and operational activities. The implementation of these risk management principles have become the standard in the global banking industry which is required by Bank Indonesia in line with the recommendation issued by the Bank for International Settlements (BIS) through the Basel Committee on Banking Supervision.

BRI has implemented the concept of first line of defense, second line of defense and third line of defense. First line of defense is business/operational working unit performing functional activities according to existing policies, limit and operational guidelines. Second line of defense is risk management working unit which oversees compliance of BRI risk management according to risk tolerance and implements policies, guidelines and risk limit of business/operational working unit independently. Third line of defense is the internal audit working unit which functions in performing control through evaluation of the first and second lines of defense as well as reporting independently to the President Director and Commissioner.

BRI has prepared the Risk Management General Policy (KUMR) which represents the highest rule in the risk management implementation in BRI's entire business activities. KUMR includes general policy, risk management strategy, risk management organization, risk management process, risk management information system, risk management implementation, internal control system and risk management implementation in using information technology and integrated risk management (Enterprise Risk Management) which include managing risk profile, Business Continuity Management (BCM) implementation, management of new products and/or activities.

Based on the above KUMR, BRI has applied Guidance on the Application and Implementation of Risk Management (PPPMR), which is a series of technical guidelines that determine the stages in risk management process that has been determined in KUMR, such as risk identification, risk measurement, risk monitoring and risk control. BRI PPPMR consist of Guidance on the Application and Implementation of Credit Risk Management (PPPMRK), Guidance on the Application and Implementation of Operational Risk Management (PPPMRO), and Guidance on the Application and Implementation of Market Risk Management (PPPMRP).

The preparation of BRI risk profile is consolidated and performed (enterprise-wide risk management) by integrating 8 (eight) types of risks, which are credit risk, liquidity risk, market risk, operational risk, strategic risk, compliance risk, reputation risk and legal risk through implementation of risk profile according to Bank Indonesia Regulation on Implementation of Risk Management for Commercial Banks.

To determine BRI risk profile in a monthly basis, self assessment process is performed by evaluating inherent risk (embedded risk in the bank's activities) and risk control system (control on inherent risk) towards 8 (eight) risk types present in 7 (seven) BRI functional activities. The functional activities cover loan, treasury trade finance, funding, service and operational, IT system and support.

Credit Risk Management

The implementation of credit risk management is not only intended to position BRI as a bank that has complied with the regulation, but as an obligation of management to implement a good credit risk management system and aligned with best practices in the banking industry, which in turn is expected to support BRI's business activities.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

In the Credit Risk Management Framework, BRI has a Credit Risk Management Committee/CRMC, which is a Sub Risk Management Committee (RMC) to discuss problems regarding the credit risk exposure and the implementation of credit risk management.

In order to maintain and manage credit risk, BRI has established principles, such as the segregation of credit officers according to their tasks (Relationship Management/RM and Credit Risk Management/CRM), the implementation of Four Eyes Principle, the implementation of Risk Scoring System, and also the segregation of credit default management.

Segregation of RM and CRM functions as well as determination of non performing loans in a separate division from performing loan is intended for better performance of loan activities risk management.

Line credit officer is given an authorization limit of loan approval based on integrity, capability and competency as well as experience in the loan business. The authorization limit is given directly by the direct superior of line credit officer according to existing regulations. Every line credit officer has to have independence, so as not to influence or intervene one another.

Analysis and loan approval process is started by early identification of debtor applicant through risk level evaluation of each debtor applicant by using Credit Risk Rating (CRR) for commercial loan as well as Credit Risk Scoring (CRS) for consumer loan and micro loan. Cut off for CRR and CRS have already been determined for debtor applicant that is potential for approval based on BRI's risk appetite.

Loan distribution performed by the whole business working unit is expected and guided to take into account credit risk from loan disbursement up to loan settlement by controlling and monitoring loan quality to prevent Non Performing Loan (NPL). Effective credit risk management minimizes risk of possible loss and optimizes capital usage to obtain maximum income.

BRI credit risk management is intended to minimize possible loss due to unsettled loan granted and other financial contracts in the individual level or overall loan portfolio level. This credit risk management is also performed by BRI in order to meet the requirements stated by the Bank Indonesia Regulation.

As a guideline for all officers and liners involved in credit risk management, credit policies and procedures are stated in Credit Risk Management Implementation Operation Guidelines (PPPMRK). Credit Operation Guidelines (PPK) for each business segment, Credit Risk Limit Implementation Procedures and others. The implementation and procedures arranged all credit risk management activities in detail, which are loan application, analysis process, decision/approval process, managing and monitoring, documentation, controlling and rescuing/3R (Restructuring, Rescheduling and Reconditioning). In accordance with adjustment of policies to current business development, review and improvement on policies and regulations are performed occasionally to ensure that loan expansion is right on target.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

The development of credit risk management is conducted in stages, and in line with the framework set by Bank Indonesia. BRI utilizes the standardized based approach, however, simultaneously, Internal Rating Based Approach (IRBA) methodology is being prepared and developed. BRI is preparing a system to support the database interconnected to the current system that will be utilized for determining loan risk parameters such as Probability of Default, Loss Given Default and Exposure at Default.

In preparation of IRBA implementation, BRI has developed Loan Approval System (LAS) which functions as a media to capture loan data needed and integrate CRR/CRS risk evaluation process in every loan process whereby the calculations are performed by system, resulting in a more objective result.

- (i) Credit risk exposure to financial assets in the consolidated balance sheet as of December 31, 2010 is as follows:

	Maximum Exposure
Current accounts with Bank Indonesia	19,989,683
Current accounts with other banks	5,658,053
Placements with other banks and Bank Indonesia	83,272,140
Securities	
Fair value through profit or loss	203,144
Available-for-sale	13,072,295
Held-to-maturity	9,239,224
Export bills	734,339
Government Recapitalization Bonds	
Available-for-sale	6,026,463
Held-to-maturity	7,600,000
Securities purchased under agreements to resell	501,381
Derivatives receivable	87,870
Loan granted and sharia receivables and financing	238,386,376
Acceptances receivable	660,209
Investment in shares of stocks*)	1,099
Other assets**)	1,295,744
Total	386,728,020

*) Investment in shares of stocks are investment in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

- (i) Credit risk exposure to financial assets in the consolidated balance sheet as of December 31, 2010 is as follows (continued):

Credit risk exposures relating to consolidated off-balance sheet items as of December 31, 2010 are as follows:

	Maximum Exposure
Outstanding irrevocable letters of credit	4,932,139
Guarantees issued	3,801,371
	8,733,510

The above table represents the maximum credit risk exposure to BRI as of December 31, 2010. For consolidated on-balance sheet financial assets, the exposures set out above are based on net carrying amounts as reported in the consolidated financial statements.

As of December 31, 2010, the percentage of maximum exposure of loan granted and sharia receivables and financing against the total financial asset subject to credit risk in consolidated balance sheet is 61.64%.

- (ii) Concentration of risks of consolidated financial assets with credit risk exposure

a) Geographical sectors

The following table provides details of the BRI's credit risk exposure at their carrying amounts (without taking into account any collateral held or other credit enhancement), as categorized by geographical region as of December 31, 2010. For this table, BRI has allocated exposures to the regions based on the geographical area where activities are undertaken.

	December 31, 2010							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	19,989,683	-	-	-	-	-	-	19,989,683
Current accounts with other banks	5,638,933	-	122	4	3	3,147	15,907	5,658,116
Placements with Bank Indonesia and other banks	82,382,398	-	-	-	-	-	889,992	83,272,390
Securities								
Fair value through profit and loss	203,144	-	-	-	-	-	-	203,144
Available-for-sale	11,745,089	-	-	-	-	-	1,327,206	13,072,295
Held-to-maturity	9,240,734	-	-	-	-	-	-	9,240,734
Export bills	417,278	967	58,517	233,006	16,714	15,275	-	741,757
Government Recapitalization Bonds								
Available-for-sale	6,026,463	-	-	-	-	-	-	6,026,463
Held-to-maturity	7,600,000	-	-	-	-	-	-	7,600,000
Securities purchased under agreements to resell	501,381	-	-	-	-	-	-	501,381
Derivatives receivable	87,870	-	-	-	-	-	-	87,870
Loans and sharia receivables and financing	68,175,661	18,196,339	28,079,160	31,939,822	44,015,924	56,196,356	5,885,944	252,489,206
Acceptances receivable	332,717	31,871	201,160	10,134	90,996	-	-	666,878
Investment in shares of stocks*)	1,646	-	-	-	-	-	-	1,646
Other assets**)	1,295,744	-	-	-	-	-	-	1,295,744
Total	213,638,741	18,229,177	28,338,959	32,182,966	44,123,637	56,214,778	8,119,049	400,847,307
Less : Allowance for impairment losses								(14,119,287)
								386,728,020

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

(ii) Concentration risks of consolidated financial assets with credit risk exposure (continued)

a) Geographical sectors (continued)

	December 31, 2010							
	Jakarta	West Java	Central Java and DIY	East Java	Sumatera	Central and East Indonesia	Others	Total
Off-Balance Sheet Accounts								
Outstanding irrevocable letters of credit	4,418,626	30,923	46,429	231,964	199,738	4,459	-	4,932,139
Guarantees issued	3,246,679	51,431	6,803	331,799	158,586	6,073	-	3,801,371
	7,665,305	82,354	53,232	563,763	358,324	10,532	-	8,733,510

*) Investment in shares of stocks are investment in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

b) Industry sectors

The following table provides the details of the Group's credit exposure at carrying amounts, as categorized by the industry sectors.

2010					
	Government (including Bank Indonesia)	Bank and Non-bank Financial Institution	Other Companies	Individuals	Total
Current accounts with Bank Indonesia	19,989,683	-	-	-	19,989,683
Current accounts with other banks	2,752	5,655,364	-	-	5,658,116
Placements with Bank Indonesia and other banks	68,556,092	14,716,298	-	-	83,272,390
Securities					
Fair value through profit and loss	193,582	9,562	-	-	203,144
Available-for-sale	12,831,823	-	240,472	-	13,072,295
Held-to-maturity	4,066,119	4,058,415	1,116,200	-	9,240,734
Export bills	-	741,757	-	-	741,757
Government Bonds					
Available-for-sale	6,026,463	-	-	-	6,026,463
Held-to-maturity	7,600,000	-	-	-	7,600,000
Securities purchased under agreements to resell	-	501,381	-	-	501,381
Derivatives receivable	-	87,870	-	-	87,870
Loans and sharia receivables and financing	270,284	55,130	73,401,081	178,762,711	252,489,206
Acceptances receivable	-	-	666,878	-	666,878
Investment in shares of stocks*)	-	536	1,110	-	1,646
Other assets**)	749,565	27,591	518,588	-	1,295,744
Total	120,286,363	25,853,904	75,944,329	178,762,711	400,847,307
Less: Allowance for impairment losses					(14,119,287)
					386,728,020

*) Investment in shares of stocks are investment in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

(ii) Concentration risks of consolidated financial assets with credit risk exposure (continued)

b) Industry sectors (continued)

Credit risk exposure relating to consolidated off-balance sheet account as of December 31, 2010 is as follows:

	2010			
	Government (including Bank Indonesia)	Bank and Non-Bank Financial Banks	Other companies	Individuals
Outstanding irrevocable letters of credit	2,459,228	393,603	2,079,308	-
Guarantees issued	134,110	1,588,166	2,029,201	49,894
	2,593,338	1,981,769	4,108,509	49,894
				8,733,510

(iii) Impairment of financial asset as of December 31, 2010:

a) Current accounts with other banks

As of December 31, 2010, this financial asset is not individually or collectively impaired according to the Bank Indonesia regulations.

b) Placements with Bank Indonesia and other banks

As of December 31, 2010, this financial asset is not individually or collectively impaired except for sharia according to Bank Indonesia regulations.

	2010
Rupiah	
Bank Indonesia	
FASBI	50,188,290
FTK	18,367,802
Inter-bank call money	1,250,000
	69,806,092
Foreign Currencies	
Inter-bank call money	12,461,683
Time deposits	1,004,615
	13,466,298
Total	83,272,390
Less : Allowance for impairment losses	(250)
	83,272,140

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

(iii) Impairment of financial asset as of December 31, 2010 (continued):

c) Securities

As of December 31, 2010, this financial asset is not individually or collectively impaired except for sharia according to Bank Indonesia regulations.

	2010
<u>Rupiah</u>	
Certificates of Bank Indonesia	9,831,413
Government Bonds	5,101,814
Bonds	1,407,382
Medium term notes	120,000
Subordinated Bonds	89,843
Mutual funds	9,562
	<u>16,560,014</u>
<u>Foreign Currencies</u>	
Credit linked notes	3,175,431
Government Bonds	2,158,297
Notes receivable	397,642
Medium term notes	224,789
	<u>5,956,159</u>
Total	22,516,173
Less : Allowance for impairment losses	(1,510)
	<u>22,514,663</u>

d) Export bills

As of December 31, 2010, this financial asset is impaired with the following details:

	2010
<u>Rupiah</u>	
Domestic Documentary Letter of Credit	42,715
<u>Foreign currencies</u>	
Export bills	699,042
Total	741,757
Less : Allowance for impairment losses	(7,418)
	<u>734,339</u>

e) Derivatives receivable

As of December 2010, this financial asset is not impaired individually as well as collectively according to Bank Indonesia regulation.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

(iii) Impairment of financial asset as of December 31, 2010 (continued):

(f) Loan granted and sharia receivables and financing

As of December 31, 2010, this financial asset is impaired individually as well as collectively according to Bank Indonesia regulation with details as follows:

Description	2010			
	Not Impaired	Impaired		Total
		Individual	Collective	
<u>Rupiah</u>				
Trading, hotels and restaurants	71,170,840	1,109,918	10,003,037	82,283,795
Agriculture	16,111,480	328,463	725,262	17,165,205
Business Service	10,137,563	317,301	341,036	10,795,900
Manufacturing	9,168,337	548,413	340,845	10,057,595
Construction	4,563,250	604,613	175,808	5,343,671
Electricity, gas and water	4,953,897	15,385	3,742	4,973,024
Transportation, warehousing and communications	3,532,409	215,630	92,040	3,840,079
Social services	2,290,643	216,943	168,348	2,675,934
Mining	1,743,551	15,762	6,000	1,765,313
Others	96,311,352	436,066	1,219,805	97,967,223
	<u>219,983,322</u>	<u>3,808,494</u>	<u>13,075,923</u>	<u>236,867,739</u>
<u>Foreign currencies</u>				
Trading, hotels and restaurant	4,846,132	218,668	4,623	5,069,423
Mining	3,543,686	4,917	-	3,548,603
Manufacturing	2,100,613	686,062	1,968	2,788,643
Transportation, warehousing and communications	911,841	7,932	-	919,773
Agriculture	906,723	-	-	906,723
Electricity, gas and water	899,656	-	-	899,656
Construction	508,896	-	-	508,896
Business services	321,964	4,464	-	326,428
Social services	4,858	4,709	90,062	99,629
Others	277,917	275,776	-	553,693
	<u>14,322,286</u>	<u>1,202,528</u>	<u>96,653</u>	<u>15,621,467</u>
Total	234,305,608	5,011,022	13,172,576	252,489,206
Less: Allowance for impairment losses	(2,722,620)	(4,121,560)	(7,258,650)	(14,102,830)
	<u>231,582,988</u>	<u>889,462</u>	<u>5,913,926</u>	<u>238,386,376</u>

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

(iii) Impairment of financial asset as of December 31, 2010 (continued):

(g) Acceptances receivable

As of December 31, 2010, this financial asset is impaired with the following details:

	2010
<u>Foreign currencies</u>	
Usance Import Letter of Credit	553,304
Usance Domestic Documentary Letter of Credit	113,574
Total	666,878
Less : allowance for impairment losses	(6,669)
	660,209

(iv) Estimated losses on commitments and contingencies

As of December 31, 2010, the administrative accounts are impaired with the following details:

	2010
<u>Rupiah</u>	
Bank guarantees issued	1,905,076
Outstanding irrevocable Letter of Credit	264,501
	2,169,577
<u>Foreign currencies</u>	
Outstanding irrevocable Letter of Credit	4,667,638
Bank guarantees issued	1,896,295
	6,563,933
Total	8,733,510
Less : Allowance for Impairment Losses	(93,422)
	8,640,088

Especially for loan in disaster prone areas that experienced disasters and are still categorized as disaster prone areas by the Republic of Indonesia, loan evaluation is performed only for micro market segment, excluding loan with cash collateral, insured loan and payroll-deducted loan.

BRI has sufficient data and information of historical loss on loans in disaster prone areas that experienced disasters and are still categorized as disaster prone areas by the Republic of Indonesia, therefore impairment is performed by calculating the entire level of loss which covers actual loss combined with adjustment value decided by the management obtained from surveys.

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37. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

In order for the estimated decline in value to result in an adequate loss value, BRI performs testing for individual debtors on a sampling basis in disaster prone areas and compares the results on a sampling basis with a percentage obtained from the overall loss rate methodology and performs analytical review by looking at the trend of loan impairment, the total outstanding loans and the percentage of total actual loss on each disaster prone area in recent years.

Liquidity Risk Management

BRI liquidity management is conducted nationally by the Treasury Division. Liquidity management includes liquidity management for intraday, daily, short term, medium term, denominated in Rupiah or foreign currency. To support liquidity management, BRI has prepared Risk Management Implementation policy for BRI's liquidity risk according to PBI No. 11/16/DPNP dated July 6, 2009, on "Implementation of Risk Management for Liquidity Risk", which includes active supervision of the Board of Commissioners and Directors, adequacy of identification, measurement, monitoring and control process as well as liquidity risk management information system, adequate policies and procedures on liquidity and limit as well as a comprehensive system of internal control.

Liquidity management policy includes liquidity management, funding strategies, early warning system, establishment of liquidity limit, including management of high quality liquid assets and emergency funding plan. The policy aims to ensure sufficient daily funds in meeting its obligations during normal and crisis conditions on time from various sources of funds available, as well as ensuring availability of high quality liquid assets.

In an effort to properly control the exposure and the concentration of liquidity and manage the daily liquidity, BRI prepares and manages liquidity risk limit which are submitted to the Board of Directors through Asset and Liability Committee (ALCO) meetings. Liquidity risk limit is the concentration ratio of assets and liabilities (minimum secondary reserve excluding SUN, minimum SBI in the secondary reserve, concentration of 50 (fifty) core depositors and the concentration of funds among bank liabilities), liquid assets ratio < 1 month towards liquid liabilities < 1 month, maximum ratio of cash outflow, ratio of short-term and long-term cash flow mismatch, Loan to Deposit Ratio (LDR) and overnight lending limit (O/N).

BRI also regularly conducts stress testing simulation on a quarterly basis which is submitted to the Boards of Directors and Commissioners of BRI through the Risk Management Committee (RMC) minutes of meeting. The purpose of stress testing is to measure the resistance or ability to meet liquidity and capital needs during crisis situation (stress condition), as an internal material to develop or improve emergency funding plan (contingency funding plan) which is effective and useful as a reference in liquidity risk limit.

Besides that, to manage liquidity, BRI conducts daily monitoring for possible withdrawal amount made by customers, performs monitoring of maturing assets and liabilities, maintains sufficient liquid assets to meet its maturing obligations, and maintains primary reserve in accordance with Bank Indonesia regulations and the secondary reserve according to the limit determined. BRI also optimizes the determined cash ratio for Regional Offices and Branch Offices by taking into account the cash need.

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37. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

This table represents information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on the remaining maturity as of December 31, 2010 and 2009 :

Description	Total	2010				
		Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	9,975,712	9,975,712	-	-	-	-
Current accounts with Bank Indonesia	19,989,683	19,989,683	-	-	-	-
Current accounts with other banks	5,658,116	5,658,116	-	-	-	-
Allowance for impairment losses	(63)	-	-	-	-	(63)
Placements with Bank Indonesia and other banks	83,272,390	82,267,775	-	1,004,615	-	-
Allowance for impairment losses	(250)	-	-	-	-	(250)
Securities	22,516,173	14,535,344	-	575,178	7,405,651	-
Allowance for impairment losses	(1,510)	-	-	-	-	(1,510)
Export bills	741,757	480,034	218,257	43,466	-	-
Allowance for impairment losses	(7,418)	-	-	-	-	(7,418)
Government Recapitalization Bonds	13,626,463	10,026,463	-	-	3,600,000	-
Securities purchased with agreements to resell	501,381	501,381	-	-	-	-
Derivatives receivable	87,870	9,216	-	78,654	-	-
Loans and sharia receivables and financing	252,489,206	13,342,542	22,584,488	48,572,108	167,990,068	-
Allowance for impairment losses	(14,102,830)	-	-	-	-	(14,102,830)
Acceptances receivable	666,878	269,598	294,132	103,148	-	-
Allowance for impairment losses	(6,669)	-	-	-	-	(6,669)
Investments in shares of stocks*)	1,646	-	-	-	1,646	-
Allowance for impairment losses	(547)	-	-	-	-	(547)
Other assets**)	1,295,744	924,369	344,424	26,951	-	-
Total Assets	396,703,732	157,980,233	23,441,301	50,404,120	178,997,365	(14,119,287)
Liabilities						
Liabilities due immediately	4,123,639	4,123,639	-	-	-	-
Deposits from customers	333,652,397	284,659,509	13,974,491	34,834,241	184,156	-
Deposits from other banks and financial institutions	5,160,315	5,160,199	116	-	-	-
Securities sold with agreements to repurchase	526,365	102,752	-	423,613	-	-
Derivatives payable	81,801	3,674	-	5,839	72,288	-
Acceptances payable	666,878	269,598	294,132	103,148	-	-
Fund borrowings	9,454,545	695,397	4,684,842	3,766,126	308,180	-
Other liabilities***)	603,789	456,479	44,160	93,522	9,628	-
Subordinated loans	2,156,181	232	-	21,093	2,134,856	-
Total Liabilities	356,425,910	295,471,479	18,997,741	39,247,582	2,709,108	-
Maturity gap	40,277,822	(137,491,246)	(4,443,560)	(11,156,538)	176,288,257	(14,119,287)

*) Investments in shares of stocks are investments in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

***) Other liabilities consists of interest payable and guarantee deposit.

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37. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Description	Total	2009				
		Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	8,139,304	8,139,304	-	-	-	-
Current accounts with Bank Indonesia	12,893,414	12,893,414	-	-	-	-
Current accounts with other Banks	9,081,086	9,081,086	-	-	-	-
Allowance for impairment losses	(90,811)	-	-	-	-	(90,811)
Placements with Bank Indonesia and other banks	40,631,290	40,396,415	46,975	187,900	-	-
Allowance for impairment losses	(136,233)	-	-	-	-	(136,233)
Securities	24,535,241	15,239,420	2,033,485	635,783	6,626,553	-
Allowance for impairment losses	(57,109)	-	-	-	-	(57,109)
Export bills	551,172	547,609	3,563	-	-	-
Allowance for impairment losses	(5,512)	-	-	-	-	(5,512)
Government Recapitalization Bonds	15,027,074	6,627,074	-	800,000	7,600,000	-
Securities purchased with agreements to resell	503,887	503,887	-	-	-	-
Derivatives receivable	144,921	-	-	52,441	92,480	-
Allowance for impairment losses	(1,449)	-	-	-	-	(1,449)
Loans and sharia receivables and financing	208,122,568	15,730,053	16,919,392	45,985,261	129,487,862	-
Allowance for impairment losses	(11,368,148)	-	-	-	-	(11,368,148)
Acceptances receivable	352,716	213,349	85,939	53,428	-	-
Allowance for impairment losses	(4,502)	-	-	-	-	(4,502)
Investment in shares of stocks*)	1,646	-	-	-	1,646	-
Allowance for impairment losses	(547)	-	-	-	-	(547)
Other assets**)	2,852,876	2,490,842	333,176	28,858	-	-
Total Assets	311,172,884	111,862,453	19,422,530	47,743,671	143,808,541	(11,664,311)
Liabilities						
Liabilities due immediately	4,333,232	4,333,232	-	-	-	-
Deposits from customers	255,928,261	214,289,726	14,555,709	26,925,423	157,403	-
Deposits from other banks and financial institutions	4,449,907	4,421,547	27,155	1,205	-	-
Securities sold with agreements to repurchase	544,464	102,752	-	-	441,712	-
Derivatives payable	277,302	-	-	-	277,302	-
Acceptances payable	352,716	213,349	85,939	53,428	-	-
Fund borrowings	13,611,399	5,703,971	3,166,585	3,396,426	1,344,417	-
Other liabilities***)	837,496	217,203	533,145	78,967	8,181	-
Subordinated loans	2,678,422	232	-	24,601	2,653,589	-
Total Liabilities	283,013,199	229,282,012	18,368,533	30,480,050	4,882,604	-
Maturity gap	28,159,685	(117,419,559)	1,053,997	17,263,621	138,925,937	(11,664,311)

*) Investments in shares of stocks are investments in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

***) Other liabilities consists of interest payable and guarantee deposit.

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37. RISK MANAGEMENT (CONTINUED)

Liquidity Risk Management (continued)

BRI sustains an optimum level of liquidity by maintaining sufficient liquid assets to pay deposits from customers and its maturing obligations as well as providing fund for asset growth when needed. BRI has liquidity risk analysis which is the Liquidity Gap Analysis that provides information on the projected surplus or deficit of liquidity based on maturity profile. This information is the basis of consideration in planning and managing BRI's liquidity, including the need for BRI's business expansion.

With the implementation of effective liquidity risk management, it is expected that BRI's liquidity risk can be minimized and the banking system stability can be improved comprehensively.

Market Risk Management

Market risk is the risk of losses arising due to the movement of market factors consisting of interest rates and exchange rates that are against the position held by BRI, on the balance sheet or on off-balance sheet accounts. The positions are those in the trading book and banking book. In market risk management, BRI performs monitoring and restricting losses by determining market risk limit as well as by deciding dealer transactions limit, cut loss limit, stop loss limits and Value-at-Risk (VaR) limit.

BRI manages market risk by implementing Middle Office function, an independent unit from the front office, which monitors the trading activities undertaken by the dealers (front office) in the Treasury Division.

(a) Interest rate risk

Financial instruments whose value is based on interest rate contains risk as there are potential changes in interest rates which affects future cash flows.

The Board of Directors and senior management who are members of ALCO are responsible for establishing, managing and controlling interest rate risk by weighing the BRI's risk appetite and targeted financial achievement.

The table below represents the average interest rates per annum of BRI's financial assets and liabilities as of December 31, 2010 and 2009:

	December 31, 2010		December 31, 2009	
	Rupiah (%)	Foreign currency (%)	Rupiah (%)	Foreign currency (%)
ASSETS				
Placements with Bank Indonesia and other banks	5.87	0.48	6.76	2.03
Securities	8.01	3.81	9.09	3.71
Export bills	11.00	5.50	14.00	5.50
Loans	15.98	3.66	16.77	4.88
Government Recapitalization Bonds				
Fixed interest rate	13.29	-	13.24	-
Floating interest rate	6.37	-	6.37	-
LIABILITIES				
Deposits from customers	4.30	1.94	5.33	2.84
Deposits from other banks and other financial institutions	6.50	1.97	6.90	2.18
Fund borrowings	4.50	2.79	4.63	2.80
Subordinated Loans	10.95	-	10.95	-

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37. RISK MANAGEMENT (continued)

Market Risk Management (continued)

(a) Interest Rate Risk (continued)

The tables below summarize the financial assets and liabilities exposures to interest rate risk (gross) (unaudited):

2010						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Assets						
Cash	-	-	-	-	9,975,712	9,975,712
Current accounts						
with Bank Indonesia	19,989,683	-	-	-	-	19,989,683
Current accounts						
with other banks	5,658,116	-	-	-	-	5,658,116
Placement with Bank Indonesia and other banks	-	-	-	83,272,390	-	83,272,390
Securities						
Fair value through profit and loss	-	-	-	203,144	-	203,144
Available-for-sale	-	-	10,398	13,061,897	-	13,072,295
Held-to-maturity	-	-	3,175,431	6,065,303	-	9,240,734
Export bills	741,757	-	-	-	-	741,757
Governments						
Recapitalization Bonds						
Available-for-sale	-	-	-	6,026,463	-	6,026,463
Held-to-maturity	-	-	4,000,000	3,600,000	-	7,600,000
Securities purchased with agreements to resell	-	-	-	501,381	-	501,381
Derivatives receivable	-	-	78,654	-	9,216	87,870
Loans and sharia receivables and financing	8,908,769	19,405,453	224,174,984	-	-	252,489,206
Acceptances receivable	666,878	-	-	-	-	666,878
Investment in shares of stocks*)	-	-	-	-	1,646	1,646
Other assets**)	-	-	-	-	1,295,744	1,295,744
Total Assets	35,965,203	19,405,453	231,439,467	112,730,578	11,282,318	410,823,019
Liabilities						
Liabilities due immediately	4,123,639	-	-	-	-	4,123,639
Deposits from customers						
Current accounts	77,364,476	-	-	-	-	77,364,476
Saving deposits	125,989,750	-	-	-	-	125,989,750
Time deposits	130,298,171	-	-	-	-	130,298,171
Deposits from other banks and financial institutions	87,941	-	-	5,072,374	-	5,160,315
Securities sold with agreements to repurchase	-	-	-	526,365	-	526,365
Derivatives payable	-	-	78,128	-	3,673	81,801
Acceptances payable	666,878	-	-	-	-	666,878
Fund borrowings	-	2,703,000	-	6,751,545	-	9,454,545
Other liabilities***)	-	-	-	-	603,789	603,789
Subordinate loans	-	-	-	2,156,181	-	2,156,181
Total Liabilities	338,530,855	2,703,000	78,128	14,506,465	607,462	356,425,910
Interest rate repricing GAP	(302,565,652)	16,702,453	231,361,339	98,224,113	10,674,856	54,397,109

*) Investments in shares of stocks are investments in shares of stocks using the cost method.

**) Other assets consists of interest receivable and other receivables.

***) Other liabilities consists of interest payable and guarantee deposit.

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37. RISK MANAGEMENT (continued)

Market Risk Management (continued)

(a) Interest Rate Risk (continued)

To manage market risk on a daily basis, BRI has implemented treasury and market risk application (Guava), an integrated system utilized by the front office (dealers), middle office and back office, whereby the application is able to perform the market risk measurement using an internal model (value-at-risk) that is integrated with the daily transaction processing. With the application system, BRI is able to monitor exposure and market risk limit on a daily basis, thus easing the monitoring of market risk and to provide updated information to the management, as well as to support decision making on time.

To assess the accuracy of the methodology calculation of value-at-risk (VaR) used in predicting potential losses, BRI periodically perform validation through back testing process. In addition, to anticipate abnormal market movements, BRI regularly conducts stress testing on portfolio both in trading book and banking book to evaluate the impact of significant losses should there be abnormal movement of the market factors. Stress tests are made with various scenarios, both hypothetical and historical taking into account crisis events experienced.

(b) Exchange Rate Risk

Exchange rate risk is the risk arising due to the gap of foreign exchange positions held by BRI reflected in BRI's Net Open Position (NOP) both individually and at a consolidated level. Included in the foreign exchange positions are the trading book positions conducted to generate profit from foreign exchange transactions in the short-term and banking book position in order to control the NOP.

In accordance with Bank Indonesia regulation, NOP is determined to be at a maximum level at 20% of the capital, while BRI internally determined a maximum level at 15% of the capital.

The table below represent NOP of BRI as of December 31, 2010 and 2009 (unaudited), by currency, as follows:

Currencies	2010		NOP
	Assets	Liabilities	
Balance sheet			
United States Dollar	43,173,174	44,123,264	(950,090)
European Euro	1,340,027	1,187,084	152,943
Australian Dolar	454,886	37,286	417,600
Japanese Yen	160,917	51,274	109,643
Singapore Dollar	136,815	34,366	102,449
British Pound Sterling	61,936	54,273	7,663
Others	390,261	61,847	328,414
			168,622

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37. RISK MANAGEMENT (continued)

Market Risk Management (continued)

(b) Exchange Rate Risk (continued)

Currencies	2010		
	Assets	Liabilities	NOP
<u>Balance sheet and off-balance sheet accounts*)</u>			
United States Dollar	51,023,235	51,316,690	293,455
European Euro	1,340,027	1,187,084	152,943
Australian Dollar	454,886	37,286	417,600
Japanese Yen	160,917	51,274	109,643
Singapore Dollar	136,815	34,366	102,449
British Pound Sterling	61,936	54,273	7,663
Others	390,261	61,847	328,414
			1,412,167
Capital (Note 48a)			31,710,589
NOP Ratio (Balance Sheet)			0.53%
NOP Ratio (Overall)			4.45%

Currencies	2009		
	Asset	Liabilities	NOP
<u>Balance Sheet</u>			
United States Dollar	40,089,446	40,585,718	(496,272)
European Euro	4,074,788	4,009,293	65,495
Japanese Yen	367,718	33,107	334,611
Australian Dollar	70,348	82,493	(12,145)
British Pound Sterling	58,371	26,166	32,205
Singapore Dollar	51,865	52,753	(888)
Others	353,308	101,697	251,611
			174,617
<u>Balance sheet and off-balance sheet accounts*)</u>			
United States Dollar	40,238,798	40,735,070	496,272
European Euro	4,074,788	4,009,293	65,495
Japanese Yen	367,718	33,107	334,611
Australian Dollar	70,348	82,493	12,145
British Pound Sterling	58,371	26,166	32,205
Singapore Dollar	51,865	52,753	888
Others	353,308	101,697	251,611
			1,193,227

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37. RISK MANAGEMENT (continued)

Market Risk Management (continued)

(b) Exchange Rate Risk (continued)

Currencies	2009		NOP
	Assets	Liabilities	
Capital (Note 48a)			22,839,021
NOP Ratio (Balance Sheet)			0.76%
NOP Ratio (Overall)			5.22%

*) Total absolute differences between Assets and Liabilities denominated in foreign currencies.

Operational Risk Management

BRI's operational risk management has an equal position to the credit risk management, market risk and other risks. Operational risk management framework is designed in accordance with BRI's internal needs with respect to the existing regulations and implementation practices in domestic and multinational banks. BRI's operational risk management process includes the steps of identifying risk issues, measuring the exposure to risk issues, monitoring changes in risk exposures and controlling implementation issues are the core activities of 3 (three) bank's organizational functions independent from one another. These are Operational Unit (UKO), Risk Management function (MR) and audit functions.

BRI has the MR function, whereby an officer is appointed and assigned to coordinate the implementation of risk management in each Division, Regional Office and Branch Office. The role of MR function is to increase the culture of risk awareness through socialization and communication, implementation of risk management process by utilizing determined risk management tools such as the Risk and Control Self Assessment (RCSA), Key Risk Indicators (IRU), Incident Management (MI) and the Risk Management Assessment Forum and Risk Management implementation of maturity level evaluation in the Unit, to monitor implementation of risk management and reporting to the Head of Working Unit and Risk Management Division and implementing Business Continuity Management (BCM) which are parts of risk management tools.

In each branch there are 3 (three) MR functions, each focuses on the 3 (three) main activities which are operational, loan (marketing) and micro business. The branch office is the operational working unit with high level of complexity of transactional activity and is BRI's first line of defense in providing direct services to the customers.

Implementation of risk management process in BRI Regional Offices is supported by the Regional Risk Management Group (GMRK), an independent function in ensuring the implementation of risk management. Broadly, GMRK is responsible for coordinating and monitoring training activities, socialization, verification and implementation of risk management process in BRI's business process as well as management improvement in response to findings of the audit unit.

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37. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

In order to facilitate implementation of BRI's operational risk management, BRI utilizes the main tool consisting of Risk and Control Self Assessment (RCSA), Key Risk Indicators (IRU) and Loss Event Data (Incident Management (MI)). In addition, 2 (two) tools in supporting the implementation of the Risk Management Forum arrangement and assessment of maturity (level of reliability) function to improve the effectiveness of operational risk management process.

BRI's operational risk information management system utilizes all of the above tools through the application of OPRA (Operational Risk Assessor) that have been implemented in 32 (thirty two) Divisions/Office Desks, Special Branch Offices, 18 (eighteen) Regional Offices, 419 (four hundred and nineteen) Branches. The result of the assessment and recording through OPRA is the subject of analysis of BRI's operational risk exposure and the effectiveness of its control which is regularly submitted and discussed during the RMC and Operational Risk Management Committee (ORMC) meetings.

During the year 2010, ORMC meetings have been held as many as 3 (three) times as a follow up meeting of the RMC. Meetings of ORMC discuss operational risk profile and current risk issues and technical problems in the implementation of operational risk management tools in all work units of BRI.

(a) Risk and Control Self Assessment (RCSA)

Every operational risk issue assessment is done through self assessment by the heads of working units, qualitative and predictive for 3 (three) months ahead. RCSA assessment method consists of a series of activity measurements of identified operational risk issues by taking into account the impact dimension and occurrence possibility, ensuring the availability and quality of risk control tools, as well as assessing the potential level of implementation effectiveness.

Should the assessment results exceed the specified risk tolerance level, head of working unit will arrange follow-up plan (action plan) required according to the determined authority.

Management information generated by RCSA among others include the top 10 (ten) risk issues and risk profile details by product, process, specific risks type, organizational structure, Key Performance Indicators (KPI) of products, functional activities and business lines. This risk information is dynamic according to changes in business conditions and are quarterly risk management focus of each BRI's Division, Regional Office and Branch Office.

(b) Key Risk Indicators (KRI)

Key risk indicators are useful to facilitate the head of BRI working unit in monitoring the risk condition faced and are potential constraints in the achievement of targets determined. Risk indicators are recorded in internal reports of BRI.

Determination of BRI's risk indicators pay attention to the rules of SMART (specific, measurable, accountability, responsibility and timeliness). Risk indicators provide information on BRI's risk trends, both predictive (leading) or historical (lagging) and serves as a tool for early detection of an adequate and predetermined action plan while conducting RCSA.

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37. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

(c) Incident Management (MI)

Data collection of occurrence and loss events is designed in the incident management framework. The database covers actual losses, potential and near misses. Losses are identified based on the types of loss, causes, activities, risk types, business lines and categories of BRI's business processes.

Historical loss events also include information on the amount of recovery, litigation and settlement process of BRI's losses. Information on losses can be compiled in a database matrix of losses covering 8 (eight) business lines and 7 (seven) event types, which is the requirement in calculating capital reserves for operational risk using the Advanced Measurement Approach (AMA).

(d) Risk Management Forum (Forum)

Forum is a place of meeting among head of working units and subordinates to discuss issues/inherent risks in business or operational activities. The purpose of the forum is to ensure effective implementation of risk management process and to become one of the supports in developing the culture of risk awareness in BRI. Focus of discussion in the forums held in the period of 2010, among others, are potential misuse of user ID and password, fraud in banking operations, achievement of KUR targets and achievement of low-cost funds targets. The working unit is the risk owner determined to follow-up a plan to control the risks mentioned.

(e) Maturity

Maturity is a support tool that is used in evaluating the maturity level of risk management implementation in the respective operational units during the past year, to be used as a basis for improvement planning of risk management implementation in the future. The assessment is done by the heads of working units through self assessment by answering several questions related to the implementation tools and risk management culture. During the year 2010, maturity level of risk management of all BRI's working units have the following characteristics:

- Each employee has to understand and enforce internal controls in each implementation activity, which is his duty and responsibility.
- The MR function has a good understanding of the function and usefulness of RCSA, not merely complying with the regulations of BRI and Bank Indonesia. MR function encounters no obstacles/difficulties in predicting the risk with RCSA.
- Each employee has to understand the critical activities that must be maintained continuously in case of disasters and knowledgeable of maintaining the continuity of the activity mentioned.

Assessment of operational risk management adequacy is conducted to every new products and on activities that will be marketed or executed according to existing bank regulations. BRI's products and activities during the period of 2010 are e-money BRIZZI and SMART SIM, as well as BRI corporate credit card and BRI bussiness credit card. Assessment of management adequacy by DMR on the product and/or new activities will constitute a criteria for acceptable risk without the need for further study with a characteristic of low level inherent risk, control risk, including tools/ supporting infrastructure to manage risks adequately and completely to obtain low residual risk.

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37. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

(e) Maturity (continued)

BRI's Business Continuity Management Policy, has been implemented among others by the formation of SK Crisis Management Team, Call Tree and establishment of Alternate Site at each branch office, regional office, as well as the Head Office Division.

Disaster response and recovery activities of business operations performed in the event of natural disasters among others landslides in Wasior (Papua), tsunami in Mentawai and eruption of Mount Merapi in Yogyakarta and Central Java. In those areas, BRI units have succeeded in restoring business operations within the expected time. Besides the implementation of recovery operations, BRI is also actively involved in supporting the activities of local governments and agencies involved in handling disaster victims through activities of Corporate Social Responsibility (CSR).

Allocation of capital for BRI's risk exposure is calculated by taking into account existing regulations. Although BRI executes initiatives to meet the requirements of internal approach implementation (Advanced Measurement Approach), currently the calculations are still based on the Basic Indicator Approach (BIA).

Other Risk Managements

Besides that, BRI also perform management and monitoring of other risks such as reputation risk, compliance risk, legal risk and strategic risk in accordance with Bank Indonesia regulations, in the form as follows:

- Reputation risk at corporate level is managed centrally with the objective to identify and report reputational risk profile periodically to the Management.
- Compliance risk is essentially inherent in all business and operational activities, particularly those related to legislation and other existing regulation. Therefore, compliance risk is the responsibility of all working units and are managed centrally.
- Legal risk at the corporate level is centrally managed to help identify, measure, control and monitor the legal risk.
- Strategic Risk at the corporate level is managed by the unit in-charge to fit the strategic plan (corporate plan) and BRI business plan (business plan) of at least 3 (three) years term to monitor and evaluate the implementation.

38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The table below presents the comparison of the carrying value and fair value of financial assets and liabilities. The fair values disclosed below are based on relevant information available as of December 31, 2010 and are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2010	
	Carrying value	Fair value
<u>Assets</u>		
Cash	9,975,712	9,975,712
Current accounts with Bank Indonesia	19,989,683	19,989,683
Current accounts with other banks	5,658,053	5,658,053
Placements with Bank Indonesia and other banks	83,272,140	83,272,140

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38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

	December 31, 2010	
	Carrying value	Fair value
<u>Assets (continued)</u>		
Securities		
Fair value through profit or loss	203,144	203,144
Available-for-sale	13,072,295	13,072,295
Held-to-maturity	9,239,224	9,217,203
Export bills	734,339	734,339
Government Recapitalization Bonds		
Available-for-sale	6,026,463	6,026,463
Held-to-maturity	7,600,000	7,685,074
Securities purchased under agreements to resell	501,381	501,381
Derivatives receivable	87,870	87,870
Loans and sharia receivables and financing	238,386,376	238,386,376
Acceptances receivable	660,209	660,209
Investments in shares of stocks*)	1,099	1,099
Other assets**)	1,295,744	1,295,744
	396,703,732	396,766,785
<u>Liabilities</u>		
Liabilities due immediately	4,123,639	4,123,639
Deposits from customers		
Demand deposits	77,364,476	77,364,476
Savings deposits	125,989,750	125,989,750
Time deposits	130,298,171	130,298,171
Deposits from banks and other financial institutions		
Demand deposits	80,431	80,431
Savings deposits	7,510	7,510
Time deposits and deposits on call	4,066,774	4,066,774
Inter-bank call money	1,005,600	1,005,600
Securities sold with agreements to repurchase	526,365	526,365
Derivatives payable	81,801	81,801
Acceptances payable	666,878	666,878
Fund borrowings	9,454,545	9,454,545
Other liabilities ***)	603,789	603,789
Subordinated loan	2,156,181	2,156,181
	356,425,910	356,425,910

*) Investments in shares of stocks are investments in shares of stocks using the cost method.

**) Other assets consist of interest receivables and other receivables.

***) Other liabilities consist of interest payables and guarantee deposits.

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38. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Methods and assumptions used to estimate fair value are as follows:

- a) The fair values of certain financial assets and liabilities, except for securities and government bonds held to maturity, loans, derivatives receivable and payable, fund borrowings and subordinated loans, approximate their carrying values because they have short-term maturities.

The estimated fair values of certain financial assets are determined based on discounted cash flows using money market interest rate for instruments with similar credit risk and remaining maturities.

The estimated fair values of certain financial obligations that do not have a quotation in an active market are determined based on discounted cash flows using interest rates of instruments with similar remaining maturities.

- b) Securities and Government Recapitalization Bonds

The fair values of securities and Government Recapitalization Bonds held-to-maturity are determined based on market price or price quotation of intermediary (broker) securities dealers (dealers). If the information is not available, fair values are estimated by using quoted market price securities that have credit characteristics, maturity and yield which are similar.

- c) Loans

BRI's loan portfolio generally consists of loans with floating rate and fixed rate. Loans are stated at carrying amount. The fair value of loans is derived based on discounted future cash flows expected to be received by BRI using current market rates.

Carrying value of loans with floating rate and fixed rate is a reasonable estimate of its fair value.

- d) Derivatives receivable and payable

The fair values of derivative instruments are valued by valuation techniques using components that can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Valuation techniques that are most widely used include forward and swap valuation models that use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, exchange spot and forward rates and interest rate curve.

- e) Fund borrowings and subordinated loans

Fair value is calculated based on discounted cash flow models by using market rates for the remaining maturity period.

39. THE INITIAL IMPLEMENTATION OF SFAS NO. 50 (REVISED 2006) AND SFAS NO. 55 (REVISED 2006)

SFAS No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", and SFAS No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement" became effective and applied beginning January 1, 2010.

The transitional regulations of the initial implementation of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006) are based on Technical Bulletin No. 4 issued by the Indonesian Institute of Accountants, provides the following additional guidance:

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39. THE INITIAL IMPLEMENTATION OF SFAS NO. 50 (REVISED 2006) AND SFAS NO. 55 (REVISED 2006) (continued)

1. Calculation of Effective Interest Rate

The calculation of effective interest rate for financial instruments measured at amortized cost that were acquired prior to and still have remaining balance as of January 1, 2010 is calculated by referring to the future cash flows that will be generated from the time SFAS No. 55 (Revised 2006) is first implemented up to the maturity of the financial instruments.

2. Derecognition

Financial instruments that have been derecognized prior to January 1, 2010 should not be re-evaluated subsequently to determine whether they would meet the derecognition criteria under SFAS No. 55 (Revised 2006).

3. Compound Financial Instruments

Compound financial instruments that have existed as of January 1, 2010 should be bifurcated into debt and equity components in accordance with paragraph 11 of SFAS No. 50 (Revised 2006) requirements. The bifurcation should be based on the nature, condition and requirements relating to those financial instruments as of January 1, 2010.

4. Classification of Financial Instruments as Debt or Equity

BRI should reassess its financial instruments existing as of January 1, 2010, to determine whether they should be classified as a debt or equity instrument in accordance with the requirements in paragraph 11 of SFAS No. 50 (Revised 2006).

5. Impairment of Financial Instruments

As of January 1, 2010, BRI should determine any possible impairment of financial instruments based on conditions existing at that date. Any difference between the impairment resulting from implementation of SFAS No. 55 (Revised 2006) and the impairment calculated based on previous applicable accounting principles is recognized in retained earnings at January 1, 2010.

As a result of the initial and prospective implementation of SFAS No. 50 and SFAS No. 55 (Revised 2006), PAPI (Revised 2008) and Technical Bulletin No. 4, BRI has recalculated the allowance for impairment of all financial assets in accordance with the transitional provisions.

The difference between the balance of allowance for impairment losses calculated based on SFAS No. 55 (Revised 2006) and the required allowance calculated based on previous standard is adjusted to the opening balance of retained earnings as of January 1, 2010. The recalculation of impairment losses is explained in Note 2f. Details of adjustment on transition date are as follows:

	January 1, 2010		
	Before adjustment	Impact of transitional adjustments on the implementation of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006)	After adjustment
<u>Assets, net of allowance for impairment losses</u>			
Current accounts with other banks	8,990,275	90,810	9,081,085

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39. THE INITIAL IMPLEMENTATION OF SFAS NO. 50 (REVISED 2006) AND SFAS NO. 55 (REVISED 2006) (continued)

	January 1, 2010		
	Before adjustment	Impact of transitional adjustments on the implementation of SFAS No. 50 (Revised 2006) and SFAS No. 55 (Revised 2006)	After adjustment
<u>Assets, net of allowance for impairment losses (continued)</u>			
Placements with Bank Indonesia and other banks	40,495,057	136,233	40,631,290
Securities	24,478,132	55,699	24,533,831
Derivatives receivable	143,472	1,449	144,921
Loans	194,242,503	17,266	194,259,769
Deferred tax assets	1,915,026	(71,049)	1,843,977
<u>Equity</u>			
Retained earnings	17,834,694	230,408	18,065,102

40. SEGMENT INFORMATION

Information concerning the geographical segments of BRI are as follows:

	As of and for the year ended December 31, 2010			
	Domestic	Overseas	Elimination	Total
Earning assets (gross)	387,486,564	5,353,275	(4,410,319)	388,429,520
Total assets	399,209,206	6,015,175	(938,779)	404,285,602
Deposits	333,831,851	5,219,241	(238,380)	338,812,712
Fund borrowings	9,454,545	-	-	9,454,545
Equity	36,673,110	21,385	(21,385)	36,673,110
Interest income - net	32,872,868	50,126	(34,391)	32,888,603
Income from operations	14,402,001	22,849	(22,849)	14,402,001
Net income	11,472,385	21,698	(21,698)	11,472,385

	As of and for the year ended December 31, 2009			
	Domestic	Overseas	Elimination	Total
Earning assets (gross)	307,143,530	2,816,532	(733,637)	309,226,425
Total assets	314,537,518	3,591,356	(1,181,845)	316,947,029
Deposits	258,195,936	2,343,832	(161,600)	260,378,168
Fund borrowings	13,611,399	-	-	13,611,399
Equity	27,257,381	78,710	(78,710)	27,257,381
Interest income - net	23,038,271	45,553	(34,329)	23,049,495
Income from operations	8,560,659	12,260	(12,260)	8,560,659
Net income	7,308,292	43,590	(43,590)	7,308,292

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41. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan (PPMP)

Effective as of January 1, 2007, all newly appointed permanent employees are not included in the PPMP program. Under this program, the right on pension benefit is given based on the established conditions which are stated in the regulation with consideration of the yearly gratuity factor over the working period, and income on the Pension Fund. BRI's pension plan is managed by Dana Pensiun BRI (DPBRI). According to the regulation in the BRI's Directors' Decision Letter, the employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and any remaining amount required to fund DPBRI represents the contribution by BRI, whereby the contribution of BRI since May 1, 2010 amounted to 18,91% (previously 16,24%). This is due to the increase in pension benefits which amounted to Rp1,000,000 (full Rupiah), effective on May 1, 2010.

The actuarial calculation of BRI's pension costs as of December 31, 2010 and 2009, was prepared by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, which are stated in accordance with SFAS No. 24 (Revised 2004), by using the "Projected Unit Credit Method" and considered the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Annual pension-based salary growth rate	7.5	7.5
Annual pension benefit growth rate	4.0	4.0
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958
Normal retirement age	56 years	56 years

The assets of DPBRI mainly consist of time deposits, securities and long-term investments in the form of shares of stocks and property.

The status of the pension plan based on the actuarial calculation is as follows:

	2010	2009
Assets at fair value	8,785,181	7,578,545
Present value of defined benefit pension liabilities	(8,400,544)	(6,821,484)
Pension program funded status	384,637	757,061
Gain on unrecognized actuarial adjustments	(732,773)	(887,840)
Unrecognized past service cost (non-vested)	89,569	-
Unrecognized liabilities of defined benefit pension	(258,567)	(130,779)

The movements in the defined benefit pension liabilities for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	130,779	-
Defined benefit pension expense - net (Note 33)	276,275	269,636
BRI contributions	(148,487)	(138,857)
Ending balance (Note 25)	258,567	130,779

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41. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (PPMP) (continued)

Defined benefit pension expense as of December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	156,281	107,441
Interest cost	682,148	672,972
Expected return on plan assets	(795,747)	(625,642)
Recognized actuarial gain - net	(10,198)	-
Immediate recognition of past service cost - vested	243,791	114,865
Defined benefit pension expense (Note 33)	276,275	269,636

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) based on the regulation as stated in the decision letter by the Directors of BRI. BRI's old-age benefits plan is managed by Yayasan Kesejahteraan Pegawai BRI.

Old-age benefit contributions consist of payments from the employees and BRI's contributions in accordance with the requirements of the Decision Letter of the Directors of BRI.

Based on the actuarial calculation of BRI's old-age benefits as of December 31, 2010 and 2009 which was prepared by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, which have been stated in accordance with SFAS No. 24 (Revised 2004), by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Gross wages growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The status of the old-age benefits as of December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Assets at fair value	2,182,880	2,077,426
Present value of old-age benefits liability	(1,031,664)	(999,122)
Funded status	1,151,216	1,078,304
Unrecognized actuarial gain	-	-
Prepaid old-age benefits	1,151,216	1,078,304

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41. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

Old-age benefits expense as of December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	14,699	51,077
Interest cost	99,912	99,312
Expected return on plan assets	(186,968)	(193,033)
Net actuarial losses (gain) recognized	48,071	(51,189)
Deferred assets	72,912	141,091
Old-age benefits expense	48,626	47,258

As of December 31, 2010 and 2009, BRI did not recognize the prepaid old-age benefits and the income of old-age benefits as BRI management has no benefits on those assets and has no plans to reduce its contributions in the future.

c. Defined Contribution Pension Plan

The employees of BRI are also included in the defined contribution pension plan in accordance with the BRI Directors' decision which was effective in October 2000. BRI's contributions to the plan that are reported in the consolidated statements of income amounted to Rp680,318 and Rp116,074 for the years ended December 31, 2010 and 2009, respectively (Note 33). This pension plan is managed by Dana Pensiun Lembaga Keuangan BRI.

d. Work Separation Scheme

(i) BRI (Parent Company)

Based on the BRI management calculation which used the actuarial valuation assumptions on BRI's liability related to the allowance for cost settlement of separation pay (PHK) including severance, gratuity and compensation benefits based on Labor Law No. 13 year 2003 (UU No. 13/2003) for liability as of December 31, 2010 and 2009. The above actuarial calculation was prepared by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Gross wages future growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The status of the work separation scheme based on the actuarial calculation is as follows:

	2010	2009
Present value of work separation liability	(259,300)	(537,196)
Unrecognized actuarial gains or losses	(245,470)	75,575
Work separation scheme liability	(504,770)	(461,621)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (Parent Company) (continued)

The movements in the work separation scheme liability for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	461,621	435,873
Work separation scheme expense - net (Note 33)	69,320	64,831
Actual benefit payments by BRI	(26,171)	(39,083)
Ending balance (Note 25)	504,770	461,621

The calculation of work separation scheme expense based on the actuarial calculation is as follows:

	2010	2009
Current service cost	19,356	15,408
Interest cost	48,347	49,072
Recognition of current year losses	1,617	351
Work separation scheme expense (Note 33)	69,320	64,831

(ii) Subsidiary

The subsidiary provides the work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of income and recognized in the consolidated balance sheets for the work separation scheme liability as of December 31, 2010 and 2009, as determined by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated February 16, 2011 and February 10, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	10.0%	10.0%
Gross wages future growth rate	5.0	7.0
Mortality rate	TMI-II 1999	TMI-II 1999

As of December 31, 2010 and 2009, the status of the work separation scheme based on the actuarial calculation is as follows:

	2010	2009
Present value of work separation liability	(5,631)	(3,053)
Accumulation of unrecognized actuarial gain	(5,009)	(4,066)
Work separation scheme liability	(10,640)	(7,119)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) Subsidiary (continued)

The movements in the work separation scheme liability for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	7,119	6,363
Work separation scheme expense - net (Note 33)	4,117	1,898
Actual benefit payments	(596)	(1,142)
Ending balance (Note 25)	10,640	7,119

The work separation scheme expense for the years ended December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	4,002	2,019
Interest cost	305	169
Amortization of accumulated actuarial (gains) losses	(190)	(290)
Work separation scheme expense (Note 33)	4,117	1,898

e. Other Long-term Employee Benefits

BRI employees also have long-term employee benefits, such as gratuity for services, grand leaves and pension preparation period (MPP).

(i) Provision for gratuity for services

The actuarial calculation on gratuity for services as of December 31, 2010 and 2009 was prepared by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Gross wages future growth rate	7.5	7.5
Gold price growth rate	7.0	7.0
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The present value of obligation for gratuity for services based on the actuarial calculation amounted to Rp548,777 and Rp463,682 as of December 31, 2010 and 2009, respectively.

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Provision for gratuity for services (continued)

The movements in the provision for gratuity for services for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance of liability	463,682	383,134
Gratuity for service expense - net (Note 33)	123,335	116,256
Benefit payments by BRI	(38,240)	(35,708)
Gratuity for services liability (Note 25)	548,777	463,682

The gratuity for service expense as of December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	32,766	27,122
Interest expense	46,368	38,313
Recognized actuarial losses	44,201	50,821
Gratuity for services expense (Note 33)	123,335	116,256

(ii) Grand Leaves

i. BRI (Parent Company)

The actuarial calculation for grand leaves as of December 31, 2010 and 2009 was prepared by PT Bestama Aktuarial and PT Katsir Imam Sapto Sejahtera Aktuarial, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Gross wages future growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% dari CSO 1958	10.0% dari CSO 1958

The present value of obligation for grand leaves based on the actuarial calculation amounted to Rp626,199 and Rp580,422 as of December 31, 2010 and 2009, respectively.

The movement of allowance for grand leaves as of December 31, 2010 and 2009, respectively, is as follows:

	2010	2009
Beginning balance of liability	580,422	491,553
Grand leaves expense - net (Note 33)	90,346	182,908
Benefit payments by BRI	(44,569)	(94,039)
Grand leaves liability (Note 25)	626,199	580,422

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

i. BRI (Parent Company) (continued)

The grand leaves expense for the years ended December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	55,535	55,066
Interest expense	58,042	49,155
Recognized actuarial losses	(23,231)	78,687
Grand leaves expense (Note 33)	90,346	182,908

ii. Subsidiary

The Subsidiary also provides the grand leaves program to its employees as one of their benefit.

The actuarial calculation for grand leaves as of December 31, 2010 and 2009 was prepared by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated February 16, 2011 and February 10, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	10.0%	10.0%
Gross wages future growth rate	5.0	7.0
Mortality rate	TMI-II 1999	TMI-II 1999

The present value of obligation for grand leaves based on the actuarial calculation amounted to Rp2,386 and Rp808 as of December 31, 2010 and 2009, respectively.

The movements in the provision for grand leaves for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance	808	-
Grand leaves expense - net (Note 33)	1,578	808
Ending balance (Note 25)	2,386	808

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

ii. Subsidiary (continued)

The grand leaves expense of Subsidiary for the years ended December 31, 2010 and 2009 based on the actuarial calculation is as follows:

	2010	2009
Current service cost	1,506	532
Interest expense	73	30
Amortization of unrecognized past service cost (non-vested)	-	246
Amortization of accumulated actuarial gains	(1)	-
Grand leaves expense (Note 33)	1,578	808

(iii) Pension preparation period

The actuarial calculation of pension preparation period as of December 31, 2010 and 2009 was prepared by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 26, 2011 and January 28, 2010, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	2010	2009
Annual discount rate	9.0%	10.0%
Gross wages future growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The present value of obligation for provision for pension preparation period based on the actuarial calculation amounted to Rp878,569 and Rp957,750 as of December 31, 2010 and 2009, respectively.

The movements in the provision for pension preparation period for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Beginning balance of liability	957,750	803,670
Pension preparation period expense - net (Note 33)	16,608	238,925
Benefit payments by BRI	(95,789)	(84,845)
Pension preparation period liability (Note 25)	878,569	957,750

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Pension preparation period (continued)

Pension preparation period expense based on the actuarial calculation is as follows:

	2010	2009
Current service cost	46,385	48,165
Interest expense	95,775	80,367
Recognized actuarial losses (gains)/ losses	(125,552)	110,393
Pension preparation period expense (Note 33)	16,608	238,925

42. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	2010	2009
<u>Commitments</u>		
Commitment Liabilities		
Unused credit facilities granted to debtors	38,186,517	50,399,190
Outstanding irrevocable letters of credit (Note 24c)	4,932,139	6,590,199
Others	111,513	44,401
Total Commitment Liabilities	43,230,169	57,033,790
Commitments - net	(43,230,169)	(57,033,790)
<u>Contingencies</u>		
Contingent Receivables		
Interest receivables under settlement	756,016	1,675,373
Others	602,218	478,926
Total Contingent Receivables	1,358,234	2,154,299
Contingent Liabilities		
Guarantees issued (Note 24c) in the form of:		
Standby letters of credit	1,336,368	1,086,279
Bank guarantees	2,465,003	2,486,869
Total Contingent Liabilities	3,801,371	3,573,148
Contingencies - net	(2,443,137)	(1,418,849)

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43. RELATED PARTIES TRANSACTIONS

Related parties consist of the management or key personnel of BRI and entities that are owned directly or indirectly by BRI.

Related parties by entity and/or management:

Related parties	Nature of relationship
- PT BTMU-BRI Finance	- Ownership
- PT Bringin Srikandi Finance	- Ownership by Dana Pensiun BRI
- PT Bringin Indotama Sejahtera Finance	- Ownership by Dana Pensiun BRI
- PT Bringin Gigantara	- Ownership by Dana Pensiun BRI
- PT Bringin Karya Sejahtera	- Ownership by Dana Pensiun BRI
- Yayasan Kesejahteraan Pegawai BRI	- Management
- Key Employees	- Corporate activities controller

In the course of its business, BRI engages in significant transactions with related parties as follows:

	2010	2009
<u>Assets</u>		
Placements with Bank Indonesia and other banks (Note 6)		
PT BTMU-BRI Finance	215,000	193,000
Loans (Note 12)		
PT Bringin Srikandi Finance	187,218	194,182
PT Bringin Indotama Sejahtera Finance	158,432	192,989
PT Bringin Karya Sejahtera	20,652	-
PT Bringin Gigantara	5,971	28,483
Key Employees	87,804	69,737
	460,077	485,391
Investment in shares of stocks (Note 14)		
PT BTMU-BRI Finance	134,130	111,477
Total assets from related parties	809,207	789,868
Total consolidated assets	404,285,602	316,947,029
Percentage of total assets from related parties to total consolidated assets	0.200%	0.249%
<u>Liabilities</u>		
Demand deposits (Note 18)	6,400	5,302
Savings deposits (Note 19)	52,135	50,266
Time deposits (Note 20)	482,910	191,525
Total liabilities to related parties	541,445	247,093
Total consolidated liabilities	367,612,492	289,689,648
Percentage of liabilities to related parties to total consolidated liabilities	0.147%	0.085%

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43. RELATED PARTIES TRANSACTIONS (continued)

	2010	2009
Salaries and allowances of the Directors and Board of Commissioners (Note 33)	54,162	52,420
Tantiem, bonuses and incentives of the Directors, Board of Commissioners and executive officers (Note 33)	188,887	159,987

The percentage of transactions with related parties over the total consolidated assets and liabilities of BRI are as follows:

	2010	2009
<u>Assets</u>		
Placements with Bank Indonesia and other banks	0.053%	0.061%
Loans	0.114	0.153
Investment in shares of stocks	0.033	0.035
Total	0.200%	0.249%
<u>Liabilities</u>		
Demand deposits	0.002%	0.002%
Savings deposits	0.014	0.017
Time deposits	0.131	0.066
Total	0.147%	0.085%

As of December 31, 2010 and 2009, BRI has insured its premises and equipment with PT Asuransi Bringin Sejahtera Arthamakmur (a related party).

44. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Communication Services Agreement

On June 2, 2008, BRI entered into an agreement with PT Citra Sari Makmur (CSM) in accordance with the procurement of VSAT communication services for Brinets implementation at 126 (one hundred twenty six) BRI working unit locations for 3 (three) years, with a contract value of Rp365 per month.

On December 31, 2008, BRI entered into an agreement with PT Satkomindo Mediyasa in accordance with the procurement of Multiprotocol Label Switching (MPLS) communication services in 102 (one hundred and two) BRI working unit locations and VSAT networking services in 453 (four hundred fifty three) BRI working unit locations for 3 (three) years, with a contract value of Rp72,406.

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44. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Communication Services Agreement (continued)

On December 31, 2008, BRI entered into an agreement with PT Aplikasi Lintasarta in accordance with the procurement of IP-VPN MPLS communication service in 15 (fifteen) BRI working unit locations and VSAT networking service in 796 (seven hundred ninety six) BRI working unit locations for 3 (three) years, with a contract value of Rp92,298.

On August 31, 2010, BRI entered into an agreement with PT Satkomindo Mediyasa in accordance with the procurement of VSAT communication service in 982 (nine hundred eighty two) locations for 3 (three) years, with a contract value of Rp64,791.

b. Contingent Liabilities

In the conduct of its business, BRI is a defendant in various litigation actions and legal claims mainly with respect to matters of contractual compliance. Although there is no clear assurance yet, BRI believes that based on information currently available, the ultimate resolution of these legal proceedings and legal claims will not likely have a material effect on the operations, financial position or liquidity level of BRI. As of December 31, 2010 and 2009, BRI has established a provision (included in "Other Liabilities") for several pending lawsuits filed against BRI amounting to Rp517,189 and Rp314,454, respectively (Note 25). Management believes that the provision is adequate to cover possible losses arising from pending litigations, or legal claims that are currently in progress.

45. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Presidential Decision No. 26 of 1998 as implemented by the Ministry of Finance Decision dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Director of Bank Indonesia and Head of IBRA, the Government provided a guarantee on certain obligations of all locally incorporated commercial banks. Based on the latest amendment under the Decree of the Ministry of Finance Decision No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and with automatic extension of the guarantee period continuously every 6 (six) months, unless within 6 (six) months before the maturity of the guarantee period or its extension period, the Ministry of Finance will announce to the public the expiry and/or change in the guarantee program. For this guarantee, the Government charges premium which is computed based on a certain percentage in accordance with the prevailing regulations.

The Decision Letter No. 179/KMK.017/2000 dated May 26, 2000 from the Ministry of Finance of the Republic of Indonesia, concerning the "Conditions and Procedures in the Implementation of Government Guarantee for the Payment of Obligations of Commercial Banks" was amended by the Ministry of Finance Decision Letter No. 84/KMK.06/2004 dated February 27, 2004, concerning the "Conditions, Procedures and Policy in the Implementation of Government Guarantee for the Payment of Obligations of Commercial Banks". The changes consist of, among others, the payment for the guarantee premium which was previously paid through the Indonesian Bank Restructuring Agency which was changed to make the payment through the Government Guarantee Implementation Unit (UP3).

In accordance with Regulation No. 17/PMK.05/2005 dated March 3, 2005 of the Ministry of Finance, starting April 18, 2005, commercial bank obligations guaranteed by the Government Guarantee Program include demand deposits, savings deposits, time deposits and borrowings from other banks in the form of inter-bank money market transactions.

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45. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS (continued)

The Government Guarantee Program through UP3 has ended on September 22, 2005 based on Regulation No. 68/PMK.05/2005 dated August 10, 2005 of the Ministry of Finance regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period of July 1 up to September 21, 2005. The Government has established the Indonesia Deposit Insurance Corporation (LPS), an independent agency, to replace UP3 based on Law No. 24 of 2004 dated September 22, 2004 regarding "Deposit Insurance Corporation", in which LPS guarantees public funds including funds from other banks in the form of demand deposits, time deposits, certificates of deposits, savings deposits and/or other similar forms.

Based on LPS regulation No. 1/PLPS/2006 dated March 9, 2006 regarding "Government Guarantee Program on Savings Account", the balance of savings account guaranteed for each customer has a maximum of Rp100 million.

In accordance with Government Regulation No. 66 of 2008, dated October 13, 2008 regarding "The Amount of Public Savings Guaranteed by the Indonesia Deposit Insurance Corporation", the total amount of customers' savings account in banks which is guaranteed by the Government has increased to Rp2 billion, from the previous Rp100 million, effective on the date stated above.

46. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

The following summarizes the revised Statements of Financial Accounting Standards (SFAS) which were issued by the Financial Accounting Standards Board (DSAK) and are relevant to the Bank, and not yet effective up to the date of completion of financial statements:

Effective on or after January 1, 2011:

- a. SFAS No. 1 (Revised 2009), "Presentation of Financial Statements", prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.
- b. SFAS No. 2 (Revised 2009), "Statements of Cash Flows", requires the provision of information about the historical changes in cash and cash equivalents by means of a statement of cash flows which classifies cash flows during the period into operating, investing and financing activities.
- c. SFAS No. 3 (Revised 2010), "Interim Financial Reporting", prescribes the minimum contents of an interim financial report and the principles for recognition and measurement in complete or condensed financial statements for an interim periods.
- d. SFAS No. 4 (Revised 2009), "Consolidated and Separate Financial Statements", shall be applied in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent and in accounting for investments in Subsidiaries, jointly controlled entities and associates when separate financial statements are presented as an additional information.
- e. SFAS No. 5 (Revised 2009), "Operating Segments". Segment information is disclosed to enable the users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates.
- f. SFAS No. 7 (Revised 2010), "Related Party Disclosures". Requires disclosure of related party relationships, transactions and outstanding balances, including commitments in the consolidated and separate financial statements of a parent, and also applies to individual financial statements. Early application is allowed.

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46. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)

Effective on or after January 1, 2011 (continued):

- g. SFAS No. 8 (Revised 2010), "Events After Reporting Period", prescribes when an entity should adjust its financial statements for events after the reporting period, and disclosure about financial statement date authorized for publication and events after the reporting period. This standard requires that an entity should not prepare financial statements on the going concern basis if events after the reporting period indicate that the application of the going concern assumption is not correct.
- h. SFAS No. 15 (Revised 2009), "Investments in Associated Entities", will be applied in accounting for investments in associates, replacing SFAS No. 15 (1994) "Accounting for Investments in Associated Companies" and SFAS No. 40 (1997) "Accounting for Changes in Equity of Subsidiary/Association".
- i. SFAS No. 19 (Revised 2010), "Intangible Assets". Prescribes the accounting treatment for intangible assets that are not dealt with specifically in another SFAS. It requires the recognition of an intangible asset if, and only if, the specified criteria are met, and also specifies how to measure the carrying amount of intangible assets and related disclosures.
- j. SFAS No. 22 (Revised 2010), "Business Combinations". Applies to a transaction or other event that meet the definition of a business combination to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects.
- k. SFAS No. 23 (Revised 2010), "Revenue". Identifies the circumstances in which the criteria on revenue recognition will be met and, therefore, revenue will be recognized. Prescribes the accounting treatment of revenue arising from certain types of transactions and events. Provides practical guidance on the application of the criteria on revenue recognition.
- l. SFAS No. 48 (Revised 2009), "Impairment of Assets". Prescribes the procedures applied to ensure that assets are not recorded more than their recoverable amount and if the assets are impaired, an impairment loss should be recognized.
- m. SFAS No. 57 (Revised 2009), "Provisions, Contingent Liabilities and Contingent Assets". Aims to regulate the recognition and measurement of provisions, contingent liabilities and contingent assets and to ensure that sufficient information is disclosed in the notes to financial statements to enable users to understand the nature, timing and amount related to the information.
- n. Interpretation of Financial Accounting Standards (IFAS) No. 14, "Intangible Assets - Website Costs". The website that results from internal research and development, may be internally or externally accessed represent intangible assets. The internal costs to produce and operate the website will be recorded in accordance with SFAS No. 19 (Revised 2010).
- o. IFAS No. 10, "Customer Loyalty Program", explained about the accounting by entities that provide rewards points to customers.
- p. IFAS No. 17, "Interim Financial Statements and Impairment", requires that an entity does not reverse an impairment loss recognized in prior interim periods related to goodwill or investments in equity instruments or financial assets carried at cost.

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46. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)

Effective on or after January 1, 2012:

- a. SFAS No. 18 (Revised 2010), "Accounting and Reporting by Retirement Benefit Plans", establishes the accounting and reporting by the plan to all participants as a group. This standard complements SFAS No. 24 (Revised 2010), "Employee Benefits".
- b. SFAS No. 24 (Revised 2010), "Employee Benefits", establishes the accounting and disclosure for employee benefits.
- c. SFAS No. 34 (Revised 2010), "Accounting for Construction Contracts", prescribes the accounting treatment of revenues and costs associated with construction contracts.
- d. SFAS No. 46 (Revised 2010), "Accounting for Income Taxes", prescribes the accounting treatment for income tax in calculating the tax consequences of current and future recovery or settlement of the carrying amount of an asset (liability) in the future that are recognized in the consolidated financial position, as well as transactions and other events in the period is now recognized in the financial statements.
- e. SFAS No. 50 (Revised 2010), "Financial Instruments: Presentation", establish the principle of the presentation of financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.
- f. SFAS No. 53 (Revised 2010), "Share - Based Payment", specifies the financial reporting by an entity when it undertakes a share-based payment transaction.
- g. SFAS No. 60, "Financial Instruments: Disclosures" requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments on the position and financial performance, and the type and extent of risks arising from financial instruments in which the entity is exposed during the period and at the end of the reporting period and how the entity manages those risks.
- h. SFAS No. 61, "Accounting for Government Grants and Disclosures of Government Assistance", applies in the accounting for, and in the disclosures of, government grants and in the disclosures of other forms of government assistance.
- i. IFAS No. 15, "SFAS No. 24 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", provides guidance on how to assess the limit on the amount of surplus in a defined scheme that can be recognized as an asset under SFAS No. 24 (Revised 2010), "Employee Benefits".
- j. IFAS No. 18, "Government Assistance - No Specific Relation to Operating Activities", prescribes government grants to entities that meet the definition of government grants in SFAS No. 61, "Accounting for Government Grants and Disclosures of Government Assistance", even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.
- k. IFAS No. 20, "Income Taxes - Changes in the Tax Status of an Entity or its Shareholders", prescribes how an entity should account for the current and deferred tax consequences of a change in tax status of entities or its shareholders.

The Bank is evaluating the impact of these revised standards and has not yet determined the effect on the consolidated financial statements.

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46. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (continued)

Revocation of Statement of Financial Accounting Standards (PSFAS) issued by DSAK effective from January 1, 2010 that are relevant to the Bank are as follows:

- Revocation of SFAS No. 4, "Revocation of SFAS No. 31 (Revised 2000): Accounting for Banks, SFAS No. 42: Accounting for Securities Companies and SFAS No. 49: Accounting for Mutual Funds". The revocation of the prevailing SFAS applies to all entities that implement SFAS No. 31 (Revised 2000), SFAS No. 42 and SFAS No. 49.
- Revocation of SFAS No. 5, "Revocation of IFAS No. 06: Interpretation of Paragraphs 12 and 16 of SFAS No. 55 (Revised 1999) regarding Embedded Derivative Instruments in Foreign Currency Contracts".

47. RECLASSIFICATION OF CONSOLIDATED STATEMENTS OF CASH FLOWS

Effective January 1, 2010, the cash and cash equivalents components have been modified as described in Note 2a. Therefore, the comparative consolidated statements of cash flows for the year ended December 31, 2009 have been reclassified:

	31 December 2009	
	Before Reclassification	After Reclassification
Net cash provided by operating activities	1,277,129	20,773,718
Net increase in cash and cash equivalents	9,997,675	29,494,263
Cash and cash equivalents at beginning of year	20,116,129	52,179,836

48. OTHER DISCLOSURES

- Capital Adequacy Ratio (CAR)

CAR is the ratio of capital to Risk Weighted Assets (RWA). Based on Bank Indonesia Regulation No. 3/21/PBI/2001 dated December 13, 2001, the total capital for credit risk consist of core capital and supplementary capital net of investment in shares of stocks. Based on Bank Indonesia Regulation No. 5/12/PBI/2003 dated July 17, 2003, which was amended with PBI No. 10/15/PBI/2008 dated September 24, 2008, banks which meet certain criteria should consider market risk in the computation of CAR and include additional supplementary capital.

CAR of BRI (Parent Company) as of December 31, 2010 is 13.85% for CAR with credit and operational risks and 13.76% for credit, market and operational risks, while as of December 31, 2009 is 13.30% for CAR with credit risk and 13.20% for credit and market risks, calculated as follows (unaudited):

	2010	2009
Capital		
Core Capital ^{*)}	27,673,231	20,846,138
Supplementary Capital ^{**)}	4,037,358	1,992,883
Total Capital for Credit, Market and Operational Risks	31,710,589	22,839,021

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48. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

	2010	2009
RWA for Credit Risk after considering Specific Risk	201,883,081	171,737,109
RWA for Operational Risk ****)	27,130,913	-
Total RWA for Credit and Operational Risks	229,013,994	171,737,109
RWA for Market Risk	1,433,038	1,330,893
Total RWA for Credit, Operational, And Market Risks	230,447,032	173,068,002
	2010	2009
CAR for Credit and Operational Risk	13.85%	13.30%
CAR for Credit, Market and Operational Risks ***)	13.76%	13.20%
Minimum CAR	8.00%	8.00%

*) Presented by excluding deferred tax assets according to Bank Indonesia Regulation No. 3/21/PBI/2001 dated December 13, 2001.

**) Presented after deducting the amortization of Subordinated Bonds during the period of Subordinated Bonds according to Bank Indonesia Letter No. 12/18/DPB1/TPB1-3 dated February 11, 2010.

***) Operational risk is just accounted for in 2010.

b. Non-Performing Loans (NPL) Ratio

As of December 31, 2010 and 2009, BRI's non-performing loans ratio including Sharia receivables and financing are as follows:

(i) Consolidated

	2010	2009
Gross NPL ratio	2.79%	3.51%
Net NPL ratio	0.75	1.07

(ii) BRI (Parent Company)

	2010	2009
Gross NPL ratio	2.78%	3.52%
Net NPL ratio	0.74	1.08

Net NPL ratio is calculated based on NPL after deducting the minimum allowance for possible losses divided by the total loans amount in accordance with Bank Indonesia regulations.

c. Custodian Operations and Selling Agent

BRI has rendered custodian services since 1996 based on its operating license through Bapepam Chairman Decision Letter No. 91/PM/1996 dated April 11, 1996 and also has been selected as the Sub-Registry in the conduct of Government Bonds transaction and administration of Scripless Bank Indonesia certificates by Bank Indonesia.

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48. OTHER DISCLOSURES (continued)

c. Custodian Operations and Selling Agent (continued)

The custodian services business is a part of the Treasury Division, which provides services such as:

- Safekeeping administration services and portfolio valuation;
- Transaction settlement (settlement/transaction handling) services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services, including information through website;
- Custodian Unit Link services, DPLK, KIK EBA; and
- On-line Brokerage services of BBRI Shares.

BRI has (unaudited) 69 (sixty nine) and 157 (one hundred fifty seven) customers as of December 31, 2010 and 2009, respectively, which mainly consist of pension funds, financial institutions, securities companies, mutual funds and other companies.

The custodian fees earned (unaudited) for the years ended December 31, 2010 and 2009 amounted to Rp11,340 and Rp11,300, respectively.

In order to improve services to customers, BRI Custodian has currently provided information system accessible through the "Customer Information E-access" website, in order to provide more convenience for customers to be informed of their portfolio value.

BRI coordinates with PT Asuransi Jiwa Bringin Jiwa Sejahtera, whereby BRI acts as the Custodian Bank and has been developing "Unit Link" products which will be marketed through BRI Branch Offices which are appointed as the selling agents.

d. Trust Operations

BRI has rendered trust services since 1990. The operating license of BRI for trust services has been granted by the Ministry of Finance based on its Decision Letter No. 1554/KMK.013/1990 dated December 6, 1990 and registered in Bapepam in conformity with its Operating License as Trust Services No. 08/STTD-WA/PM/1996 dated June 11, 1996.

The trust services business is a part of the Treasury Division which provides services such as:

- Trust services
- Security agent
- Payment agent
- Sinking fund agent
- Selling agent of mutual funds and investment products.

BRI has (unaudited) 13 (thirteen) customers as of December 31, 2010 and 2009, respectively. The total value of bonds issuance on behalf of bonds issuers managed by BRI as trust services (including security agents) (unaudited) amounted to Rp24,983,653 and Rp14,039,327 as of December 31, 2010 and 2009, respectively.

The fees and commissions on trust services and other related services (payment agent) (unaudited) earned for the years ended December 31, 2010 and 2009 amounted to Rp4,414 and Rp3,880, respectively.

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48. OTHER DISCLOSURES (continued)

d. Trust Operations (continued)

To comply with Bapepam-LK Regulation No. Kep-11/BL/2006 dated August 30, 2006 on "Mutual Funds Selling Agent Behavior", the Selling Agent Services function previously performed by the custodian has been transferred to the Trust Operations.

The total income from services as Mutual Funds Agent and Government Retail Bonds (unaudited) amounted to Rp1,673 and Rp2,160, for the years ended December 31, 2010 and 2009, respectively.

49. EARNINGS PER SHARE

The following presents the reconciliation of factors in the computation of basic and diluted earnings per share (EPS):

2010			
	Net Income	Weighted Average Number of Ordinary Shares Outstanding	Earnings Per Share (Full Rupiah)
Basic EPS per share	11,472,385	11,991,420,425	956.72
Add: Assumed shares issued from exercise of Management Stock Ownership Program			
- MSOP I	-	154,502,841	-
- MSOP II	-	70,143,355	-
- MSOP III	-	72,553,836	-
Diluted EPS per share	11,472,385	12,288,620,457	933.58
2009			
	Net Income	Weighted Average Number of Ordinary Shares Outstanding	Earnings Per Share (Full Rupiah)
Basic EPS per share	7,308,292	11,990,634,473	609.50
Add: Assumed shares issued from exercise of Management Stock Ownership Program			
- MSOP I	-	145,899,323	-
- MSOP II	-	62,302,687	-
- MSOP III	-	48,467,416	-
Diluted EPS per share	7,308,292	12,247,303,899	596.73

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

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)

50. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

a) Stock Split

In accordance with the stock split conducted in the year 2011 (Note 1a), BRI scheduled the last stock trading with old nominal value or Rp500 (full amount) per share in the Regular Market and Negotiation Market on January 10, 2011, and the start of the official trading date with new nominal value or Rp250 (full amount) per share on January 11, 2011.

Had BRI changed the nominal value of the shares from Rp500 (full amount) to Rp250 (full amount) with retrospective impact, thus the earnings per share calculation is as follows :

	2010		
	Net Income	Weighted Average Number of Ordinary Shares Outstanding	Earnings Per Share (Full Rupiah)
Basic EPS per share	11,472,385	23,982,840,850	478.36
Add: Assumed shares issued from exercise of Management Stock Ownership Program			
- MSOP I	-	309,005,682	-
- MSOP II	-	140,286,710	-
- MSOP III	-	145,107,672	-
Diluted EPS per share	11,472,385	24,577,240,914	466.79

	2009		
	Net Income	Weighted Average Number of Ordinary Shares Outstanding	Earnings Per Share (Full Rupiah)
Basic EPS per share	7,308,292	23,981,268,946	304.75
Add: Assumed shares issued from exercise of Management Stock Ownership Program			
- MSOP I	-	291,798,646	-
- MSOP II	-	124,605,374	-
- MSOP III	-	96,934,832	-
Diluted EPS per share	7,308,292	24,494,607,798	298.36

b) Acquisition of PT Bank Agroniaga Tbk (Bank Agro)

On August 19, 2010, BRI has signed Stock Purchase Sale Settlement Agreement (Perjanjian Pengikatan Jual Beli/PPJB) with Agricultural Estate Pension Fund (Dapenbun) as the 95.96% stockholder of Bank Agro to acquire stock of Bank Agro amounting to Rp330,296 for 3,030,239,023 stock shares amounting to Rp109 (full amount) per share. BRI will own at least 76% of the whole Dapenbun stock ownership.

According to the agreement, on August 23, 2010, BRI has performed 10% down payment (to escrow account) while the remaining will be settled on the date of Acquisition Notarial Deed.

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

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2010 and 2009
(Expressed in millions of Rupiah, unless otherwise stated)**

50. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE (continued)

b) Acquisition of PT Bank Agroniaga Tbk (Bank Agro) (continued)

Based on Extraordinary Meeting of Shareholders according to Notarial Deed No.37 dated November 24, 2010, Notary Fathiah Helmi, S.H., shareholders have agreed to the acquisition of Bank Agro. Besides that, Bank Indonesia has also granted approval through Letter No. 13/19/GBI/DPIP/Rahasia dated February 16, 2011. This acquisition will be resolved on March 3, 2011 based on the Notarial Deed No.14, Notary Fathiah Helmi, S.H., whereby BRI owns 88.65% of the whole stock in Bank Agro, as stated in the Notarial Deed No.68 dated December 29, 2009, of Notary Rusnaldy, S.H.

51. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is responsible for the preparation of these consolidated financial statements which were completed on March 29, 2011.



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No.	DATE	ACTIVITIES
1	14 January 2010	KUR Development in South Kalimantan Province
2	14 January 2010	KUR Development in East Kalimantan Province
3	16 January 2010	BRI organizes the 3 rd grand prize draw of BritAma Wind of Fortune Lucky Draw
4	21 January 2010	BRI prevention to solve any crimes through ATM
5	17 February 2010	Cooperation between BRI and AXIS to provide reload service through ATM channel
6	5 March 2010	BRI Priority Banking in Makassar
7	13 April 2010	Cooperation between BRI and Garuda Indonesia Airlines
8	13 April 2010	Loan Agreement between BRI and PT KAI (Indonesia Railway Company)
9	26 April 2010	Launching of BRI Regional Office of Jayapura
10	27 April 2010	Cooking Experiences by BRI Priority Banking and BRI Credit Card
11	30 April 2010	BRI Q1-2010 Financial Publication, "BRI earn Rp2.15 trillion of net profit"
12	4 May 2010	BRI domination on KUR disbursement
13	15 May 2010	Launching of BRIFAST Remittance Services for Indonesian Migrant Workers
14	18 Mei 2010	Cooperation between BRI and USAID on water supply financing
15	20 May 2010	BRI Annual General Meeting of Shareholders, "BRI pay dividend of Rp2.19 trillion"
16	21 May 2010	Cooperation between BRI and Lippo Karawaci on mortgage loan
17	26 May 2010	Cooperation between BRI and TNI AL (Indonesian Navy) on salary payment system
18	27 May 2010	Loan agreement between BRI and PT Pupuk Kaltim to build coal boiler
19	31 May 2010	BRI achievement as The Greatest Brand of Decade & The Rising Star in Banking Service Excellence
20	2 June 2010	Cooperation between BRI and leading franchise company
21	3 June 2010	BRI achievements as 2010 The Best Indonesian Bank
22	4 June 2010	BRI offer mortgage loan with low interest rate
23	7 June 2010	BRI lower its interest rate for loan
24	9 June 2010	BritAma as the most recommended saving product
25	14 June 2010	Consumer loan dominates BRI loan growth
26	17 June 2010	BRI serves all of banking needs of APMI
27	17 June 2010	BRI and PT Asuransi Jasindo develops the bancassurance
28	21 June 2010	BRI and BRI Pension Fund sue PT MPPC
29	23 June 2010	Loan agreement between BRI and Pertamina for Pertamina 2010 Capital Expenditure
30	25 June 2010	BRI commit in financing enviromental friendly of palm plantations
31	30 June 2010	BRI keeps improving its saving fund
32	1 July 2010	Once again, BRI lower its interest rate for loan
33	14 July 2010	BRI serves its customer in Harco Mangga Dua
34	14 July 2010	BRI pay dividend of Rp1.6 trillion
35	18 July 2010	BRI receives a Golden Award
36	23 July 2010	BRI organizes BRI Expo 2010
37	23 July 2010	Launching of BRI Branch Office of Tangerang City
38	23 July 2010	2010 Simpedes Folk Festival
39	26 July 2010	BRI KUR disbursement reach Rp16.7 trillion
40	30 July 2010	BRI Q2-2010 Financial Publication, "BRI booked profit of Rp4.32 trillion"
41	31 July 2010	BRI organizes the 2 nd grand prize draw of BritAma Wind of Fortune Lucky Draw
42	9 August 2010	Cooperation between BRI and the Ministry of Manpower and Transmigration in launching customized KUR for Indonesia Migrant Workers
43	10 August 2010	Preparation for Ramadhan and led Mubarak: BRI increase the cash money supply
44	18 August 2010	The Increase of BRI Internet Banking usage during Ramadhan
45	23 August 2010	BRI goes to traditional market by optimizing Teras BRI
46	31 August 2010	BRI organizes a fasting break reception with 3.300 orphans
47	3 September 2010	BRI provides 2010 led Mubarak services

No.	DATE	ACTIVITIES
48	5 September 2010	BRI organize led Mubarak Homecoming program for Kupedes and Simpedes customer
49	23 September 2010	BRI support Indonesia Open Karateka Championship 2010
50	28 September 2010	President appreciates BRI for its roles in supporting national development
51	4 October 2010	BRI as the host of Specific Interest Group Forum (SIG)
52	8 October 2010	Launching of BRI Corporate Card
53	13 October 2010	Loan agreement between BRI and PT Telkom
54	13 October 2010	Cooperation between BRI and PT Pos Indonesia
55	14 October 2010	BRI achieves Consumer Banking Excellence Award 2010
56	19 October 2010	KUR BRI disbursement reach Rp18.7 trillion
57	20 October 2010	Cooperation between BRI and POLRI (National Police) to provide a secure banking services
58	28 October 2010	BRI helps the victims of Merapi and Mentawai natural disaster
59	29 October 2010	BRI Q3-2010 Financial Publication, "BRI booked profit of Rp6.66 trillion"
60	9 November 2010	BRI care for natural disaster victims
61	10 November 2010	2010 Public Expose of BRI
62	14 November 2010	BRI and the Ministry of Forestry organize a fun bike program
63	24 November 2010	BRI 2010 Extraordinary General Meeting of Shareholders, "Approve the Acquisition of PT Bank Agroniaga Tbk. and Stock Split"
64	9 December 2010	BRI and Pertamina EP develop a vendor data providing system
65	9 December 2010	Cooperation between BRI and APMI
66	15 December 2010	President launch a customized product of KUR BRI for Indonesia Migrant Workers
67	15 December 2010	Cooperation between BRI and ASPARINDO in renovating traditional market
68	21 December 2010	427.782 BRI KUR customer has migrated to the commercial loan customer
69	28 December 2010	End of year holiday, BRI prepare cash money supply of Rp8,5 trillion
70	29 December 2010	BRI pay interim dividend

Correspondence with Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) and Indonesia Stock Exchange (BEI)

Month	No	Ref Number		To	Report
		No	Date		
January	1	B. 02-SKP/DHI/01/2010	5 January 2010	Bapepam-LK and BEI	Replacement of Corporate Secretary
	2	B. 03-SKP/DHI/01/2010	6 January 2010	Bapepam-LK and BEI	Proof of the media announcement of Corporate Secretary replacement
	3	B. 06-SKP/DHI/01/2010	7 January 2010	Bapepam-LK and BEI	Explanation on call option exercise of the 2004 BRI Rupiah Sub-ordinated Debt
	4	B. 10-SKP/DHI/01/2010	13 January 2010	Bapepam-LK and BEI	Proof of media announcement of exercise of the option to buy the 2004 BRI Rupiah Sub-ordinated Debt
	5	B. 11-SKP/DHI/01/2010	13 January 2010	BEI	Monthly report of the list of securities holders
	6	B. 13-SKP/DHI/01/2010	14 January 2010	Bapepam-LK and BEI	Report of the use of IPO proceeds
	7	B. 14-SKP/DHI/01/2010	19 January 2010	BEI	Disclosure on the news "Acquisition Plan"
	8	B. 15-SKP/DHI/01/2010	21 January 2010	Bapepam-LK	Disclosure on specified shareholders
	9	B. 16-SKP/DHI/01/2010	22 January 2010	BEI	Disclosure on the news in Investor Daily, "piercing trough ATM card, BI: Bank have to makes compensation to customer losses
February	10	B. 21-SKP/DHI/02/2010	10 February 2010	BEI	Monthly report of the list of securities holders
	11	B. 23-SKP/DHI/02/2010	22 February 2010	BEI	Disclosure on the news, "Acquisition Plan"
March	12	B. 24-SKP/DHI/03/2010	5 March 2010	Bapepam-LK	Disclosure on the news in Bisnis Indonesia, "To expand the business, BRI will acquired 2 bank"
	13	B. 26-SKP/DHI/03/2010	11 March 2010	BEI	Monthly report of the list of securities holders
	14	B. 31-SKP/DHI/03/2010	31 March 2010	BEI	BRI Financial Statement Year 2009
	15	B. 32-SKP/DHI/03/2010	31 March 2010	Bapepam-LK and BEI	Proof of the media announcement of BRI Financial Statement Year 2009
	16	B. 134-DIR/AMK/03/2010	31 March 2010	BEI	BRI Financial Report 31 December 2009 audited
	17	B. 138-DIR/SKP/03/2010	31 March 2010	Bapepam-LK	BRI Financial Report 31 December 2009 audited
April	18	B. 158-DIR/SKP/04/2010	12 April 2010	Bapepam-LK	Annual General Meeting of Shareholders Agenda
	19	B. 35-SKP/DHI/04/2010	13 April 2010	BEI	Monthly report of the list of securities holders
	20	B. 36-SKP/DHI/04/2010	15 April 2010	Bapepam-LK	Report of the use of IPO proceeds of BRI Rupiah Subordinated-Debt II 2009-March 2010
	21	B. 37-SKP/DHI/04/2010	15 April 2010	BEI	Report of the use of IPO proceeds
	22	B. 165-DIR/SKP/04/2010	19 April 2010	Bapepam-LK and BEI	Advertising Proof of the call of media announcement for Annual General Meeting of Shareholders
	23	B. 164-DIR/SKP/04/2010	19 April 2010	Bapepam-LK and BEI	Announcement of Annual General Meeting of Shareholders
	24	B. 188-DIR/SKP/04/2010	30 April 2010	BEI	BRI Financial Statement 31 March 2010
	25	B. 189-DIR/SKP/04/2010	30 April 2010	Bapepam-LK	BRI Financial Statement 31 March 2010
	26	B. 39-SKP/DHI/04/2010	30 April 2010	Bapepam-LK and BEI	BRI Annual Report 2009
	27	B. 40-SKP/DHI/04/2010	30 April 2010	Bapepam-LK and BEI	Proof of the media announcement of BRI Financial Statement Q1-2010
May	28	B. 42-SKP/DHI/05/2010	5 May 2010	Bapepam-LK and BEI	Call of BRI Annual General Meeting of Shareholders
	29	B. 47-SKP/DHI/05/2010	12 May 2010	BEI	Monthly report of the list of securities holders
	30	B. 226-DIR/SKP/05/2010	24 May 2010	Bapepam-LK and BEI	Announcement of Schedule and method of dividend payment
	31	B. 52-SKP/DHI/05/2010	24 May 2010	Bapepam-LK and BEI	Report of General Meeting Shareholders and proof of the media announcement of the GMS resolution and schedule and method of dividends distribution
June	32	B. 55-SKP/DHI/06/2010	10 June 2010	BEI	Monthly report of the list of securities holders
July	33	B. 59-SKP/DHI/07/2010	14 July 2010	BEI	Monthly report of the list of securities holders
	34	B. 61-SKP/DHI/07/2010	26 July 2010	Bapepam-LK and BEI	The Composition of BOD and BOC of BRI
	35	B. 62-SKP/DHI/07/2010	30 July 2010	Bapepam-LK and BEI	Proof of the media announcement of BRI Financial Statement Q2-2010
	36	B. 63-SKP/DHI/07/2010	30 July 2010	BEI	BRI Q2 - 2010 Financial Result
	37	B. 350-DIR/SKP/07/2010	30 July 2010	Bapepam-LK	BRI Financial Report 30 June 2010
	38	B. 351-DIR/SKP/07/2010	30 July 2010	BEI	BRI Financial Report 30 June 2010

Month	No	Ref Number		To	Report
		No	Date		
August	39	B. 66-SKP/DHI/08/2010	12 August 2010	BEI	Monthly report of the list of securities holders
	40	B. 70-SKP/DHI/08/2010	19 August 2010	BEI	Disclosure on the Conditional Sales and Purchase Agreement of PT Bank Agroniaga Tbk. shares between PT. Bank Rakyat Indonesia (Persero) Tbk. and Plantation Pension Funds (Dapenbun)
	41	B. 71-SKP/DHI/08/2010	20 August 2010	BEI	Disclosure on the news in Kontan and Bisnis Indonesia, "Accusation of PT Mulia Persada Pacific"
	42	B. 72-SKP/DHI/08/2010	20 August 2010	Bapepam-LK and BEI	Proof of media announcement of the signing of the Conditional Sales and Purchase Agreement of PT Bank Agroniaga Tbk. shares between PT Bank Rakyat Indonesia (Persero) Tbk. and Plantation Pension Fund
	43	B. 73-SKP/DHI/08/2010	27 August 2010	BEI	Confirmation on the news in Bisnis Indonesia, Seputar Indonesia, and Kontan, "BRI's plan to acquire Bukopin"
	44	B. 74-SKP/DHI/08/2010	27 August 2010	Bapepam-LK	Disclosure on specified shareholders
September	45	B. 76-SKP/DHI/09/2010	15 September 2010	BEI	Monthly report of the list of securities
October	46	B. 77-SKP/DHI/10/2010	5 October 2010	BEI	Disclosure on the news , "BRI's plan to acquire Bukopin"
	47	B. 78-SKP/DHI/10/2010	7 October 2010	Bapepam-LK and BEI	Proof of media announcement about draft summary of PT Bank Agroniaga Tbk. shares acquisition by PT Bank Rakyat Indonesia (Persero) Tbk.
	48	B. 81-SKP/DHI/10/2010	13 October 2010	BEI	Monthly report of the list of securities
	49	B. 602-DIR/SKP/10/2010	15 October 2010	Bapepam-LK	Agenda of Extraordinary General Meeting of Shareholders BRI 2010
	50	B. 633-DIR/SKP/10/2010	25 October 2010	Bapepam-LK and BEI	Announcement of Extraordinary General Meeting of Shareholders
	51	B. 639-DIR/SKP/10/2010	28 October 2010	BEI	Announcement of Public Expose
	52	B. 645-DIR/SKP/10/2010	29 October 2010	Bapepam-LK	BRI Financial Report 30 September 2010
	53	B. 646-DIR/SKP/10/2010	29 October 2010	BEI	BRI Financial Report 30 September 2010
	54	B. 647-DIR/SKP/10/2010	29 October 2010	BEI	BRI Q3-2010 Financial Report
November	55	B. 648-DIR/SKP/10/2010	29 October 2010	Bapepam-LK and BEI	Proof of media announcement of BRI Q3-2010 Financial Report
	56	B. 84-SKP/DHI/11/2010	5 November 2010	BEI	Material for Public Expose
	57	B. 666-DIR/SKP/11/2010	8 November 2010	Bapepam-LK	Extraordinary General Meeting of Shareholders BRI 2010
	58	B. 87-SKP/DHI/11/2010	9 November 2010	Bapepam-LK and BEI	Call of the Extraordinary General Meeting of Shareholders BRI 2010
	59	B. 88-SKP/DHI/11/2010	9 November 2010	BEI	Monthly report of the list of securities
	60	B. 89-SKP/DHI/11/2010	12 November 2010	BEI	Report of Public Expose 2010
	61	B. 94-SKP/DHI/11/2010	25 November 2010	Bapepam-LK and BEI	Report of Extraordinary General Meeting of Shareholders and Proof of the media announcement of the EGMs resolution
	62	B. 95-SKP/DHI/11/2010	30 November 2010	Bapepam-LK and BEI	Proof of media announcement of the schedule and method of Interim Dividend payment of the book year 2010
	63	B. 698-DIR/SKP/11/2010	30 November 2010	BEI	Interim Dividend of the book year 2010
December	64	B. 699-DIR/SKP/11/2010	30 November 2010	Bapepam-LK	Interim Dividend of the book year 2010
	65	B. 98-SKP/DHI/12/2010	10 December 2010	BEI	Monthly report of the list of securities
	66	B. 100-SKP/DHI/12/2010	28 December 2010	Bapepam-LK	Disclosure on specified shareholders

Month	No	Ref Number		From	Report
		No	Date		
January		S-00029/BEI.PPS/01-2010	11 January 2010	BEI	Request for explanation of call option of Bond or Sukuk
June		S21-ARA/V/2010	2 June 2010	Bapepam-LK	Participation on Annual Report Award 2009
		S-03296/BEI.PPU/05-2010	7 June 2010	BEI	Participation on Annual Report Award 2009
October		S-06179/BEI.PPJ/10-2010	13 October 2010	BEI	Reminder of Public Expose 2010
		S-06126/BEI.PMR/10-2010	13 October 2010	BEI	Invitation to participating in Capital Market Expo
		S-06561/BEI.PMR/10-2010	26 October 2010	BEI	Invitation for Technical Meeting of Investor Summit and Capital Market Expo 2010
December		S-07652/BEI.SPI/12-2010	13 December 2010	BEI	IDX Customer Satisfaction Survey
		S-07741/BEI.PPJ/12-2010	13 December 2010	BEI	Reduction of IDX annual listing fee
		Peng-0622/BEI.PSH/12/2010	20 December 2010	BEI	Re-announcement regarding the payment schedule of BRI dividend share
		S-08083/BEI.SPR/12-2010	21 December 2010	BEI	Ceremony of the last trading day in 2010 and the first trading day in 2011
		S-08129/BEI.PMR/12-2010	23 December 2010	BEI	Gratituton

BRI Networks & Address

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
BANDA ACEH	KW	0255	Jl Cut Meutia No 17 Banda Aceh	(0651) 22822 (hunting)	(0651)-23487, 22352
1. BANDA ACEH	KC	0037	Gedung BRI Lt.Dasar I dan II, Jl. Cut Meutia No. 17 Banda Aceh	(0651) 22900 (hunting), 7410714, 32929, 33869, 23577, 32587	(0651) 31190
1 Sabang	KCP	0631	Jl. Perdagangan No. 123, Sabang	(0652) 22604, 22601	(0652) 22603
2 Lampriet	KCP	1052	Jl Tgk. Daud Beureuh no 143, Lampriet	(0651) 32007	(0651) 32008
3 Peunayong	KCP	2056	Jl. Sri Ratu Safiatuddin Eks Kutaraja Tailor, Banda Aceh	(0651) 33913	(0651) 33913
4 Simpang Surabaya (Dr Mohd Hasan)	KCP	2057	Jl. Dr. Mohd Hasan Kp. Sukadamai, Banda Aceh	(0651) 33912	(0651) 33912
2. LANGSA	KC	0042	Jl. Darussalam No.1, Langsa	(0641) 21033	(0641) 21364
1 Kuala Simpang	KCP	0657	Jl.Iskandar Muda No.4-5 Kuala Simpang Kab.Aceh Tamiang	(0641) 333365	(0641) 333367
2 Idie Rayeuk	KCP	1069	Jl Banda Aceh-Medan no 6 dan 7, Tanah Anou, Idi Rayeuk, Aceh Timur	(0646) 21229	(0646) 21231
3. LHOKSEUMAWA	KC	0043	Jl. Merdeka No.1, Lhokseumawe	(0645) 41905	(0645) 40214
1 Lhoksukon	KCP	690	Jln. Pangnanggroe No. 4 Lhoksukon Aceh Utara	(0645) 32224, 32225	(0645) 32227
4. SIGLI	KC	0087	Jl. Prof A. Madjid Ibrahim	(0653) 21306	(0653) 21306
5. TAKENGON	KC	0145	Jl. Yos Sudarso No.164, Takengon	(0643) 21294	(0643) 21119
1 Bener Meriah	KCP	2035	Jl. Takengon - Pondok Baru, Ds. Blang Senlang, Kec. Bukit Kab. Bener Meriah	(0643) 7425470	(0643) 7425 472
6. MEULABOH	KC	0178	Jl. Gajah Mada No. 70 A-B Meulaboh	(0655) 7551961	(0655) 7551010
7. BIREUEN	KC	0234	Jl Kol. Husen Yoesof I No.1-2 Bireuen	(0644) 21126, 22044	(0644) 22040
8. KUTACANE	KC	0263	Jl. Iskandar Muda No.14, Kutacane	(0629) 21031	(0629) 21170
1 Blangkejeren	KCP	0691	Jl Blangkejeren - Kutacane No.99, Blangkejeren, Kab. Gayo Lues	(0642) 21776	(0642) 21776
9. TAPAKTUAN	KC	0264	Jl Nyak Adam Kamil No. 42	(0656) 21613	(0656) 21088
1 Singkil	KCP	0632	Jln. Iskandar muda No. 13 Rimo, Kec. Gunung meria, Kab. Singkil	(0658) 21402	(0658) 21401
10. BLANGPIDIE	KC	0265	Jl. Persada Desa keude Siblah, Blang Pidie	(0659) 91127	(0659) 91070
MEDAN	KW	0404	Jl. Putri Hijau No.2A, Medan	(061) 45256666, 4528323	(061) 4525601
MEDAN	KANINS		Jl. Kapten Pattimura No.100, Medan	(061) 4536080, 4536081	(061) 4536082
1. MEDAN P. HIJAU	KC	0053	Jl. Putri Hijau No. 2, Kec. Medan Barat, Medan	(061) 4576686, 4526555	(061) 4532170
2. SIBOLGA	KC	0085	Jl. Brigjen Katamso No. 3, Sibolga	(0631) 21163, 22813	(0631) 23749
3. TARUTUNG	KC	0099	Jl.Sisingamangaraja No. 97, Tarutung	(0633) 21445, 21569	(0633) 21985
1 Siborong-borong	KCP	1095	Jl. Tugu Siborong-borong, Tapanuli Utara	(0633) 41566	(0633) 41666

KW : Regional Office
 KANINS : Regional Audit Office
 KC : Branch Office
 KCP : Sub-Branch Office

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Dolok Sanggul	KCP	1096	Jl. Merdeka Dolok Sanggul Kab. Humbang Hasundutan	(0633) 31866	(0633) 31486
4.	PEMATANGSIANTAR	KC	0113	Jl. Merdeka No. 2, Pematang Siantar	(0622) 21447, 21048, 23909	(0622) 23419
1	Perdagangan	KCP	0636	Jl. Sisingamangaraja No. 86, Perdagangan	(0622) 96166	(0622) 96166
2	Dr. Sutomo - Merdeka	KCP	2084	Jl. Sutomo No.296, Pematangsiantar	(0622) 22334	(0622) 22334
5.	PADANG SIDEMPUAN	KC	0135	Jl. Serma Lion Kosong No.36, Kec. Padang Sidempuan Utara	(0634) 21122, 21845, 21325	(0634) 21905
1	Penyabungan	KCP	0637	Jl. Wilem Iskandar No. 173, Penyabungan	(0636) 321054	(0636) 321054
2	Sibuhuan	KCP	1097	Jl. Ki Hajar Dewantara Lingkungan IV Desa Padang Luar, Kec. Barumon, Kab. Padang Lawas	(0636) 421729	(0636) 421729
6.	KABANJAHE	KC	0144	Jl. Veteran No. 100, Kabanjahe	(0628) 20420, 21361, 21302	(0628) 22141
1	Brastagi	KCP	0634	Jl. Veteran No.47, Brastagi	(0628) 91812, 91232	(0628) 91474
7.	TANJUNG BALAI	KC	0154	Jl. Jend. Sudirman No.3, Tanjung Balai	(0623) 92065, 97718	(0623) 92446
8.	GUNUNG SITOLI	KC	0176	Jl. Gomo No.1-3, Gunung Sitoli, Kab. Nias	(0639) 21158, 21560, 22783	(0639) 51032
1	Teluk Dalam	KCP	2036	Jl. Yos Sudarso, Teluk Dalam, Nias Selatan	(0630) 7321223	(0630) 7321203
9.	SIDIKALANG	KC	0194	Jl. Sisingamaraja No. 128, Sidikalang, Kab. Dairi	(0627) 21087, 22792	(0627) 21782
10.	RANTAU PRAPAT	KC	0228	Jl. Jend. Sudirman No.1, Rantau Prapat	(0624) 21441/43, 325555	(0624) 21222
1	Aek Kanopan	KCP	0639	Jl. Jendral Sudirman No.252, Aek Kanopan	(0624) 92319	(0624) 92319
2	Kota Pinang	KCP	2062	Jl. Labuhan No.4-5 Kel. Kota Pinang Kec. Kota Pinang, Kab. Labuhanbatu Selatan	(0624) 95339	(0624) 95349
11.	BINJAI	KC	0238	Jl. Sutomo No. 6, Binjai	(061) 8821503, 8821082, 8823220	(061) 8824997
1	Diski	KCP	1154	Jl. Binjai Medan KM 13.5 Diski Sei Semayang, Binjai	(061) 8441781	(061) 8441784
2	Tanjungpura	KCP	1093	Jl. Pemuda No.45, Tanjung Pura, Langkat	(061) 8961254	(061) 8961354
12.	LUBUK PAKAM	KC	0266	Jl. Negara No.100, Lubuk Pakam	(061) 7952089	(061) 7951227
1	Tanjung Morawa	KCP	1089	Jl. Pahlawan No.58 Tanjung Morawa, Deli Serdang	(061) 7943917	(061) 7943910
2	Perbaungan	KCP	1090	Jl. Serdang/Perintis Kemerdekaan No.34 Perbaungan, Serdang Bedagai	(061) 79991963	(061) 7991963
13.	TEBING TINGGI	KC	0283	Jl. Dr. Sutomo No.24B, Tebing Tinggi	(0621) 21182, 21850	(0621) 22024
1	Sei Rempah	KCP	0665	Pusat Perniagaan & Perumahan Asia Bisnis Centre Jl Raya Medan KM 60 Sei Rempah	(0621) 442086	(0621) 442087
14.	BALIGE	KC	0314	Jl.Sisingamangaraja No. 188, Balige, Kec. Balige, Kab. Toba Samosir	(0632) 21365, 21032, 322180, 322181	(0632) 21085
1	Pangururan	KCP	2082	Simpang Tiga Jl. Uskup Sugiyopranoto, Pangururan, Samosir, Sumatera Utara	(0626) 20886	(0626) 20887

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
15. KISARAN		KC	0323	Jl. Dr. Wahidin No.2, Kisaran	(0623) 41475/76	(0623) 43335
1	Indrapura	KCP	1094	Jl. Jendral Sudirman No.299 Indrapura, Kec. Air Putih, Batubara	(0622) 632836	(0622) 362840
16. W. ISKANDAR		KC	0336	Jl. Iskandar Muda No. 18 / 173, Medan	(061) 4553100, 4576435	(061) 4513733
17. MEDAN SISINGAMANGARAJA		KC	0367	Jl. Sisingamangaraja No. 241, Medan	(061) 7881111 (hunting)	(061) 7868333
1	Medan Mall	KCP	0692	Jl Pusat Pasar No. 10.A Medan	(061) 4516474	(061) 4573048
2	Aksara	KCP	0693	Jl Arief Rahman Hakim No. 118.B Medan	(061) 7332316	(061) 4573048
3	Multatuli	KCP	1084	Jl. Multatuli Raya Blok FF No.31, Medan	(061) 4575740	(061) 4575431
4	Medan Katamso	KCP	1085	Jl Brigjen Katamso No.12 D, Medan	(061) 7880681	(061) 7880681
5	Sukaramai	KCP	1086	Jl. A. Rahman Hakim No.179 Medan	(061) 7322641	(061) 7322641
18. MEDAN GATOT SUBROTO		KC	0404	Jl Gatot Subroto, Medan	(061) 8447451	(061) 8447452
1	Kapten Muslim	KCP	0635	Jl. Kapten Muslim, Komp. Millenium Square No.7, Medan	(061) 8442091	(061) 8445372
2	Sunggal	KCP	0695	Jl. Sei Batanghari No.3, Medan	(061) 8448002	(061) 8448002
3	Gajahmada Medan	KCP	1087	Jl Gajah Mada No.26 B-C, Medan	(061) 4570580	(061) 4570544
4	Setiabudi Medan	KCP	1088	Jl Setia Budi No.2A, Komp. Setiabudi Point, Medan	(061) 8226575, 8215262	(061) 8226575
19. ISKANDAR MUDA		KC	1542	Jl. K.L Yos Sudarso No. 284, Lugur, Medan	(061) 6614585	(061) 6614585
20. STABAT		KC	0638	Jl Perniagaan no. 124, Stabat	(061) 8912690/91	(061) 8912721
21 MEDAN ASIA		KC	0633	Jl. Asia No.200, Medan	(061) 7346777, 7343555	(061) 7368683
1	Pulau Brayan	KCP	0658	Jl. Yos Sudarso No. 154, Medan	(061) 6614391, 66445656	(061) 6641656
2	Krakatau	KCP	0694	Jl G. Krakatau 146.A , Kec. Medan Timur, Medan	(061) 6612067	(061) 6612067
3	Tembung	KCP	1092	Jl. Tembung Pajak Gambir No.15H, Tembung	(061) 7384390	(061) 7385068
4	Kesawan	KCP	1083	Jl. Jend. A. Yani No.104, Kec. Medan Barat, Medan	(061) 4550166, 4550172	(061) 4550134
5	W. Iskandar	KCP	2083	Jl. W. Iskandar No. 103, Medan	(061) 4550071	(061) 4557306
6	Belawan	KCP	1091	Jl Raya Pelabuhan No.12, Kec Medan Belawan, Medan	(061) 6942928	(021) 6942938
PADANG		KW	0205	Jl Bagindo Azis Chan No. 30 Padang / (Sementara) Jl. Dr. Moh. Hatta No.01, Pauh Padang	(0751) 31964-68, 31970, 31970 / (Sementara) (0751) 778907	(0751) 778905
PADANG		KANINS		Jl. Khatib Sulaiman No.520, Padang / (Sementara) Jl. Dr. Moh. Hatta No.01, Pauh Padang, Padang	(0751) 7052111, 7052528 / (Sementara) (0751) 71045, 778910	(0751) 7054995 / (Sementara) (0751) 72653
1. PADANG		KC	0058	Jl. Bgd. Aziz Chan No. 30, Padang/ Jl. Kartini No.05, Padang	(0751) 38755	(0751) 31727
1	Khatib Sulaeman	KCP	0669	Gdg Kanins Padang Jl Khatib Sulaiman No. 50	(0751) 446308, 445964	(0751) 446308

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Pondok	KCP	2027	Jl. Imam Bonjol, Padang Barat	(0751) 30047	(0751) 32034
2. BUKITTINGGI		KC	0015	Jl. A. Yani No. 3, Bukittinggi	(0752) 624777, 624778, 624776	(0752) 34746
1	Aur Kuning Bukittinggi	KCP	0617	Jl. By Pass Pasar Aur Kuning Bukittinggi	(0752) 626007	(0752) 627580
2	Lubung Basung	KCP	0667	Jl. Diponegoro Hilir Simpang 3 Lubuk Basung	(0752) 877681	(0752) 877680
3. SOLOK		KC	0091	Jl. Jend. Sudirman No.1, Solok	(0755) 21369/70, 22689, 23002	(0755) 21360
1	Sangir	KCP	2043	Jl. Raya Padang Aro Sei Penuh, Kec. Sangir, Solok Selatan	(0755) 583441	(0755)583442
4. PADANG PANJANG		KC	0231	Jl. Jend Sudirman No. 220, P. Panjang	(0752) 83257/8/9, 83260/1, 82239	(0752) 83888, 484658
5. BATUSANGKAR		KC	0169	Jl S. Parman No. 45, Batusangkar	(0752) 71051, 71011, 71380, 73733/4, 73968, 574722	(0752) 72855
6. PAYAKUMBUH		KC	0256	Jl. Jend. Sudirman No. 6, Payakumbuh	(0752) 92120, 93934, 92556, 91587, 91103, 95812	(0752) 92145
7. LUBUK SIKAPING		KC	0269	Jl. Jend Sudirman No. 48 , Lb. Sikaping	(0753) 321210, 20436, 20276, 20065	(0753) 20435,321164
8. PAINAN		KC	0270	Jl. H.Agus Salim No. 30, Painan, Pesisir Selatan	(0756) 21221, 21212, 22112, 22104, 22105	(0756) 21012
9. SIJUNJUNG		KC	0271	Jl. Prof M. Yamin No. 25B, Muaro Sijunjung	(0754) 20203, 20160, 20023, 20143	(0754) 20033
10. PARIAMAN		KC	0321	Jl. Merdeka No. 21, Pariaman	(0751) 93025/6, 92065, 91025	(0751) 91365
11. SUNGAI PENUH		KC	0117	Jl. Jend. Sudirman No.3, Sungai Penuh	(0748) 323565, 21319, 21917, 21903, 323706	(0748) 323489
12. SIMPANG EMPAT		KC	0615	Jl. Raya Simpang Empat - Manggopoh, Kec. Pasaman, Pasaman Barat, Sumatera Barat 26366	(0753) 65786/87	(0753) 65785
13. DHARMASRAYA		KC	0616	Jl. Raya Lintas Sumatera Simpang IV, Koto Baru, Sijunjung	(0754) 71675/76	(0754) 71670
PALEMBANG		KW	0200	Jl. Kapten A. Rivai No.15, Palembang	(0711) 313411, 367755	(0711) 312262
PALEMBANG		KANINS		Jl. Kapten A. Rivai No.15, Palembang	(0711) 310173, 310178	(0711) 312343
1. BATURAJA		KC	0008	Jl Akmal No 116 Baturaja	(0735) 322145, 320007	(0735) 322150
1	Gumawang	KCP	0697	Jl AK. Gani, Desa Gumawang Kec. Belitang Kab. Oku Timur	(0735) 452363	(0735) 452364
2. JAMBI		KC	0020	Jl. Dr. Soetomo No. 42, Jambi	(0741) 31007, 31213/7, 31035	(0741) 25625
1	Abunjani Sipin	KCP	0606	Jl. Kol. Abujani No. 41, Sipin, Jambi	(0741) 669830, 669936	(0741) 669830
2	Jelutung	KCP	1003	Jl. Hayam Wuruk No.10 Rt.10 Kel. Talang Jauh, Kec. Jelutung, jambi	(0741) 7554288	(0741) 7554288
3. KAYU AGUNG		KC	0030	Jl. Let. Marzuki Jahri I/45, Kayu Agung	(0712) 321005, 321460/61, 321462	(0712) 321005
1	Tugumulyo	KCP	2088	Jl. Lintas Timur Desa Tugumulyo, Okan Komering Ilir	(0712) 321410, 321411	(0712) 321410
4. LAHAT		KC	0040	Jl. May. Ruslan I/1, Lahat	(0731) 321355, 324530, 324531, 322056, 323225	(0731) 323368
1	Tebing Tinggi	KCP	2076	Jl. Lintas Sumatera, Kel. Tanjung Beringin, Kec. Tebing Tinggi, Kab. Empat lawang, Sumatera Selatan	(0702) 21664	(0702) 21667

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
5. PALEMBANG RIVA'I	KC	0059	Jl. Kapten A. Rivai No.15, Palembang	(0711) 320071, 364081	(0711) 312271
1 Sudirman	KCP	0602	Jl. Jend. Sudirman No. 12-A, Palembang	(0711) 376861, 376862	(0711) 376861
2 Simpang Patal	KCP	1001	Jl. R. Soekamto No.6-B Rt.020 Rw.008, Kel.8 Ilir, Kec. Ilir Timur II, Palembang	(0711) 821774	(0711) 821774
3 Pasar 16 Ilir	KCP	2089	Jl. Sayangan No.577, Kel. 16 Ilir, Kec. IT-I, Palembang	(0711) 354906	(0711) 356125
6. PANGKAL PINANG	KC	0063	Jl. Diponegoro No.1, Pangkal Pinang	(0717) 423991, 432780, 431169, 432771/3, 431132	(0717) 431702
1 Toboali	KCP	2091	Jl. Jend Sudirman No.26, Toboali, Kab. Bangka Selatan, Bangka Belitung	(0718) 41486, 42062	(0718) 41486
2 Muntok	KCP	2090	Jl. Yos Sudarso No.4, Muntok, Keb. Bangka Barat, Bangka Belitung	(0716) 21127, 22380	(0716) 21127
7. TANJUNG KARANG	KC	0098	Jl. Raden Intan No. 51, Tanjung Karang	(0721) 269881, 260000, 264961, 269880, 262994	(0721) 262927
1 Pasar Natar	KCP	0660	Jl.Raya Natar Merak Batam No.138 Natar Lampung Selatan	(0721) 92734, 7406447, 7400320, 91484, 91979	(0721) 92735
2 Tanjung Agung	KCP	2092	Jl. Pangeran Antasari No.63C, Bandar Lampung	(0721) 7622593	(0721) 7622547
3 Kedaton	KCP	2077	Jl. Teuku umar No.60-61, Bandar Lampung	(0721) 784469	(0721) 770853
8. CURUP	KC	0108	Jl. Merdeka No. 49, Curup	(0732) 21362/3, 21370, 324950	(0732) 21618
1 Kepahiang	KCP	2146	Jl. Santosa Pasar Kepahiang	(0732) 391000	(0732) 392505
9. BENGKULU	KC	0115	Jl. S. Parman No. 120, Bengkulu	(0736) 22762, 22981, 24582, 22919, 26050	(0736) 20087
1 Raflesia	KCP	0698	Jl. Semangka No.45, Panorama, Bengkulu	(0736) 348688	(0736) 37533
10 MUARA ENIM	KC	0128	Jl. Jend. Sudirman No.88, Muara Enim	(0734) 422020/1, 422640	(0747) 431824
1 Tanjung Enim	KCP	1102	Jl. Lintas Tanjung Enim Batu Raja	(0734) 453764	(0734) 452369
11. LUBUK LINGGAU	KC	0129	Jl. Yos Sudarso No.92, Lubuk Linggau	(0733) 323254, 323256, 323447	(0733) 323315
12. METRO	KC	0130	Jl. Jend. Sudirman No.50, Metro	(0725) 42634/5/7, 41630	(0725) 42636
1 Sribawono	KCP	1072	Jl. Sribhawono-Panjang, Lampung Timur, 34199	(0725) 660163,660183	(0725) 660167
13. TANJUNG PANDAN	KC	0131	Jl. Merdeka No.11, Tanjung Pandan	(0719) 23358, 23447, 21013/14	(0719) 21560
1 Manggar	KCP	2093	Jl. Jend Sudirman, Dsn Arabi Rt.15/18, Ds. Kumala Jaya, Manggar, Belitung Timur	(0719) 92107	(0719) 92107
14. PAGAR ALAM	KC	0138	JL Kombes H. Umar No. 126 Pagaralam	(0730) 621451, 622451	(0730) 621055
15. MANNA	KC	0150	Jl. Jend Sudirman 215, Manna	(0739) 22764, 22827, 21176, 21041, 21148, 21111	(0739) 21148
16. KOTA BUMI	KC	0155	Jl. Jend Sudirman No. 20, Kotabumi	(0724) 21335, 21715, 25235	(0724) 22030
1 Liwa Lampung Barat	KCP	0603	Pasar Liwa, Jl. Jend. Sudirman 25 A Liwa Lampung Barat	(0728) 21600	(0728) 21230
3 Rawajitu	KCP	1002	Jl. Poros Ds. Rawajitu Selatan	(0726) 7753148	(0726) 7753148

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
17. MUARA BUNGO		KC	0160	Jl. Anggrek No.1, Muara Bungo	(0747) 21018, 21320, 21076, 21825	(0743) 21321
1	Ps Sarinah-Rimbo Bujang	KCP	0607	Pasar Sarinah Rimbo Bujang, Muara Bungo	(0747) 431825/6	(0747) 431824
18. SEKAYU		KC	0164	Jl. Letnan Munandar No. 397, Sekayu	(0714) 321029, 321091, 321233, 323120	(0714) 321632
1	Sungai Lilin	KCP	0670	Jl Raya Palembang Jambi No. 073 KM 111, Kel Sungai Lilin	(0714) 322769, 322730	(0714) 322171
2	Pangkalan Balai	KCP	1100	Jl. Raya Palembang Betung No. 006, Kelurahan Pangkalan Balai, Kec. Banyuasin III Kab. Banyuasin	(0711) 891091	(0711) 891698
19. KUALA TUNGKAL		KC	0179	Jl KH Dewantoro No. 4 Kuala Tungkal	(0742) 21080, 21326, 322693, 322694	(0742) 21778
20 PRABUMULIH		KC	0184	Jl. Jend. Sudirman No. 6, Prabumulih	(0713) 323700, 320334, 320627, 320126	(0713) 320848
21. BANGKO		KC	0275	Jl Bangko Rendah No 3 Bangko	(0746) 21005/8, 322376/7	(0746) 21007
22. TELUK BETUNG		KC	0285	Jl. Laks. Malahayati No.78, Teluk Betung	(0721) 471425, 472222	(0721) 486258
1	Jendral Sudirman	KCP	0699	Jl Jendral Sudirman No. 88 Kel. Enggal Kec. Tanjungkarang Pusat Bandar Lampung	(0727) 259358	(0727) 265404
2	Kalianda	KCP	0503	Jl Indra Bangsawan, No. 150. A, Kel Urang, Kec Kalianda, Kab. Lampung Selatan	(0727) 323124	(0727) 322313
23. MUARA BULIAN		KC	0315	Jl. Jend. Sudirman No. 54, M. Bulian	(0743) 21018, 21320, 21076, 21825	(0743) 21321
24. ARGAMAKMUR		KC	0318	Jl. Jend. Sudirman 91, Argamakmur	(0737) 521505, 521007, 521028	(0737) 521038
1	Muko-muko	KCP	1101	Jl. Lintas Mukomuko-Padang, Desa Bandarratu, Muko-muko	(0737) 71618/9	(0737) 71619
25. SUNGAI LIAT		KC	0324	Jl. Jend. Sudirman No.16, Sungailiat	(0717) 92027/8, 94666, 92408	(0717) 92921
1	Belinyu	KCP		Jl. Suraiman Kuto Panji Belinyu Pulau Bangka	(0715) 321849	(0715) 321846
26. PALEMBANG SRIWIJAYA		KC	0342	Jl Letkol Iskandar No. 27 Palembang	(0711) 379969, 261500, 320423	(0711) 379967
1	Lemabang	KCP	1103	Jl RE Martadinata, Kel. Sungai Buah, Kec. Ilir Timur II Palembang	(0711) 710546	(0711) 716789
2	Veteran	KCP	1104	Jl Veteran, Kelurahan 20 Ilir Kec. Ilir Timur I, Palembang	(0711) 35357	(0711) 310120
27. BANDARJAYA		KC	0357	Jl. Proklamator Raya 1, Bandar Jaya Lampung Tengah	(0725) 25354/6/7/5	(0725) 25660
28. PRINGSEWU		KC	0358	Jl. A. Yani No. 495, Pringsewu	(0729) 21132, 22721, 21246/7	(0729) 21245
1	Kota Agung	KCP	2119	Jl. Kenanga, Komplek Pasar Baru, Kel. Pasar Madang, Kota Agung, Kab. Tanggamus	(0722) 22085	(0722) 21088
29. SAROLANGUN		KC	0604	Jl. Lintas Sumatera, RT 03/ RW.03 Kel Ps Sarolangun, Kec Sarolangun, Kab Sarolangun	(0745) 91909, 91866	(0745) 91904
30 TULANG BAWANG		KC	0605	Jl. Lintas Timur Unit II, Ds. Dwiwarga Tunggal Jaya, Kec. Banjar Agung, Kab. Tulang Bawang	(0726) 750319, 750399	(0726) 750738

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
PEKANBARU	KW	0855	Jl. Jend Sudirman Blok E Kavling No.01, Rt.01, Rw.01, Kel. Simpang Tiga, Kec. Bukit Raya, Pekanbaru	(0761) 44493/94/97	(0761) 44533, 571719
1. PEKANBARU	KC	0170	Jl. Jend. Sudirman No.316, Pekanbaru	(0761) 33444, 33643, 31733, 33511, 38395	(0761) 37771, 28998
1 Senapelan	KCP	1098	Jl. Riau No. 18, Pekanbaru	(0761) 27645	(0761) 27629
2 Panam	KCP	2087	Jl.H.R.Subrata Pekanbaru	(0761)588466	(0761)588466
3 Simpang Tiga	KCP	2115	Jl. Kharudin Nasution No.171 E-F	(0761) 73523, 73524	(0761) 73524
2. BANGKINANG	KC	0268	Jl Jend Sudirman No 61 Bangkinang	(0762) 20423, 20042, 20286, 32243, 32244	(0762) 21377
1 Ujung Batu	KCP	0620	Jl. Sudirman No.38 Ujung Batu, Kel. Ujung Batu, Kec. Tandun, Kab. Rokan Hulu	(0762) 62129/39	(0762) 62209
2 Pasir Pangarayan	KCP	1099	Jl. Raya Tengku Tambusai Desa Pematang Berangan Kec. Rambah, Kab. Rokan Hulu	(0762) 91662 , 91191	(0762) 91191
3. DUMAI	KC	0159	Jl. St. Syarif Kasim No. 42, Dumai	(0765) 33040, 37877, 34777	(0765) 35480
4. BAGANSIAPIAPI	KC	0002	Jl. Merdeka No. 43, Bagansiapi-api 28911	(0767) 21311, 21329, 21192	(0767) 21960
1 Bagan Batu	KCP	0619	Jl. Jend Sudirman No.392 A, Bagan Batu	(0765) 551897	(0765) 551901
5. DURI	KC	0560	Jl. Jend. Sudirman (depan Ktr Camat Mandau) Duri	(0765) 94340, 595919	(0765) 91160
1 Simpang Libo	KCP	2026	Jl.Jend. Sudirman Kandiv Simpang Libo	(0761)598400, 598755	(0761)598400
6. BENGKALIS	KC	0189	Jl. Jend. Sudirman No.18, Bengkalis	(0766) 22088, 21087	(0766) 22459
1 Siak	KCP	1190	Jl DR Sutomo, Kp. Dalam, Siak	(0764) 20531/32	(0764) 20533
7. SELAT PANJANG	KC	0171	Pusat Perniagaan & Perumahan Asia Bisnis Centre Jl Raya Medan KM 60 Sei Rempah	(0763) 31131/36, 31461, 31866	(0763) 33871
8. TEMBILAHAN	KC	0175	Jl. Letda M. Boya No.4A, Tembilahan	(0768) 21128, 21703, 21042, 22526, 21918, 32526	(0768) 21707
9. RENGAT	KC	0284	Jl. MT Haryono No.15, Rengat	(0769) 21394, 21638, 21812, 31090	(0769) 21368
10. TANJUNG PINANG	KC	0174	Jl. Teuku Umar No. 29, Tanjung Pinang	(0771) 21077, 27632, 23810, 313860	(0771) 21076, 313850
1 Bintan Center	KCP	2147	Jl. DI Panjaitan KM. 09 Nomor 12	(0771) 7447248	(0771) 7447246
11. P. BATAM	KC	0331	Jl. Imam Bonjol Blk. A No.7-9, Nagoya, Batam	(0778) 458788, 458778, 458973, 458975, 459988	(0778) 456417
1 Tanjung Balai Karimun	KCP	0618	Jl. Pramuka No. 40, Tanjung Balai Karimun	(0777) 327420, 327267	(0777) 327421
2 Batam Centre	KCP	0621	Jl. Engku Putri No.3 Batam Center Batam	(0778) 462368, 462400	(0778) 462368
3 Aviari	KCP	0659	Komplek Pertokoan Muka Kuning Indah II Blok B.2 No.8/9/10, Batu Aji, Batam	(0778) 371372, 371370	(0778) 371373
4 Baloi Center	KCP	2117	Komplek Penuin Centre Blok R/03 Kota Batam	(0778) 422893	(0778) 422874
12. TELUK KUANTAN	KC	0668	Jl Imam Munandar no.14-15, Teluk Kuantan	(0760) 21000, 20903, 20904, 20905	(0760) 20901, 20902

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
13. TUANKU TAMBUSAI	KC	0696	Jl. Tuanku Tambusai No. 8-9-10 Pekanbaru, Riau	(0761) 64799	(0761) 64788
1 Ahmad Yani	KCP	2116	Jl. Ahmad Yani, Pekanbaru	(0761) 46028	(0761) 7891356
14. PANGKALAN KERINCI	KC	0622	Jl Lintas Timur, Kec. Pangkalan Kerinci, Kab. Pelalawan	(0761) 494624	(0761) 95083
15. PERAWANG	KC	0666	Jl Raya KM 6 Perawang, Kec Tualang Perawang	(0761) 91415, 7052744	(0761) 91044
16. IMAM MUNANDAR	KC	1079	Jl. Imam Munandar No.99 D dan E, Pekanbaru	(0761) 862355	(0761) 862356
JAKARTA I	KW	0199	Jl Veteran No. 8 Jakarta Pusat	(021) 3840802	(021) 3453685
JAKARTA I	KANINS		Jl. Otista Raya No.72, Jakarta Timur	(021) 2800261, 2800263	(021) 2800268
1. JAKARTA TANAH ABANG	KC	0018	Jl Tanah Abang III/4 Jakarta Pusat	(021) 3454529	(021) 3840522
1 Tanah Abang	KCP	0532	Jl. KH Fachrudin 36, Blok B No. 2 Pertokoan Tn. Abang Blok A/21, Jakarta Pusat.	(021) 39840050	(021) 2305331
2 Abdul Muis	KCP	0504	Jl. Veteran No. 4, Jakarta	(021) 3447721, 3447735	(021) 3447736
3 Tomang	KCP	1119	Jl Kyai Caringin No. 68, Kel Cideng, Kec Gombir, Jak Pusat	(021) 63859842, 63859843	(021) 63859842
4 Pasar Blok A Tanah Abang	KCP	2006	Pasar Regional Tanah Abang Blok A Los F No.087-088, Jl. Fachruddin, Jakarta pusat	(021) 23571204	(021) 23571002
2. JAKARTA HAYAM WURUK	KC	0332	Jl. Hayam Wuruk No.108, Jakpus	(021) 6297280, 6496935	(021) 6252217
1 Mangga Besar	KCP	2039	Jl. Mangga Besar VIII No.10-B1, Taman Sari, Jakarta Barat	(021) 62202770, 6253277, 6253277, 6253820	(021) 6253820
2 Lokasari Plaza	KCP	2038	Lokasari Plaza Blok B No.18, Jl. Mangga Besar No.81, Taman Sari, Jakarta Barat (Taman Hiburan Rakyat)	(021) 6010213	(021) 6010213
3 Glodok	KCP	0526	Komp. Pertokoan Glodok Plaza No.B-18 Jl.Pinangsia Raya, Jakarta 11110	(021) 6248037, 6248038	(021) 6248036
4 Gajah Mada	KCP	2004	Jl Gajah Mada no 16A, JAKARTA Pusat	(021) 63850211	(021) 63850213
3. JAKARTA CUT MUTIAH	KC	0230	Jl.Cut Mutiah No.12, Jakarta	(021) 3143061, 3142752	(021) 3106552
1 Cikini	KCP	0502	Jl Cikini raya No. 58 R Jak Pusat	(021) 3915344	(021) 3915343
2 Menteng	KCP	1121	Plaza Menteng, Jl HOS Cokroaminoto Bo.79, Jakpus	(021) 3151425, 3154910, 3154812	(021) 3154812
4. JAKARTA SGT SENEN	KC	0361	Jl. Senen Raya No. 135, Gedung Grha Atrium Lt. Dasar Suite G.05, Jakarta Pusat	(021) 3507966/7	(021) 3852328
5. JAKARTA KRAMAT	KC	0335	Jl. Kramat Raya No.138, Jakpus	(021) 3100152/3/4/5, 3904609/11	(021) 3100156
1 Manggarai	KCP	1125	Jl. Dr. Saharjo No.92, Kel. Menteng Atas, Kec. Setiabudi, Jakarta Selatan	(021) 8370337	(021) 83703622
2 Pramuka	KCP	1123	Jl. Pramuka Raya No.12 Kel. Palmeriam, Kec. Matraman, Jakarta Timur	(021) 8517931	(021) 8517948
3 BPKP	KCP	1148	Ged Pusat Pembinaan Fungsional Auditor,Jl Pramuka No 33, JAKARTA Timur	(021) 8564002/3	(021) 8199196

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
6. JAKARTA VETERAN		KC	0329	Jl. Veteran No. 8 Jakarta Pusat	(021) 3843553, 3847739, 3453689/98, 3840802, 3858254/55, 3757255	(021) 3842840
1	Lemhannas	KCP	0596	Jl. Medan Merdeka Selatan No. 10, Jak-Pus 10110	(021) 3519809	(021) 3500437
2	Pertamina	KCP	0558	Jl. Perwira II No 2 - 4, Jakarta Pusat 10110	(021) 3506709, 3500438	(021) 3507094/95
3	Departemen Keuangan	KCP	0507	Gedung B Jl. Dr. Wahidin No 1, Jakarta	(021) 3519806, 3452334, 3504991	(021) 3452334
4	RSPAD	KCP	0506	Jl. Abdurachman Saleh, Jakarta	(021) 3841731, 3524665	(021) 3519851
5	Kementerian BUMN	KCP	2020	Gedung Kementerian BUMN, Jl. Medan Merdeka Selatan No.13, Jakarta Pusat	(021) 3500284	(021) 3500687
6	Pasar Baru	KCP	2080	Jl. Pintu Air No.40C, Pasar Baru, Jakarta Pusat	(021) 3452535	(021) 3452548
7. JAKARTA KREKOT		KC	0261	Jl. Samanhudi No. 44 Jakarta Pusat	(021) 2311873, 2311976, 2314174	(021) 3812876
1	Karanganyar	KCP	1183	Pusat Pertokoan Karanganyar Permai 55 Blok A No 15, Kec. Sawah Besar JAKARTA Pusat	(021) 6299733/32	(021) 6299734
8. JAKARTA SUDIRMAN 1.		KC	0376	Gedung Arthaloka, Jl Jend Sudirman Kav 7, Jakarta Pusat 10220	(021) 57933251	(021) 57933253
1	Grand Indonesia	KCP	1194	Grand Indonesia Shopping Town Unit EM 3-31Lt.3,Jl. M.H Thamrin No.1, Menteng, JAKARTA Pusat	(021) 23580448	(021) 23580449
2	Blora	KCP	2019	Jl. Blora No.12, Jakarta Pusat	(021) 31900772	(021) 31900773
3	RS Jakarta	KCP	1195	Gedung Annex Yayasan RS JAKARTA, Jl Sudirman kav 49, JAKARTA Pusat	(021) 57851632	(021) 57853873
4	Sudirman Park	KCP	2046	Komplek Ruko Sudirman Park No.B.3 (Jl. K.H. Mas Mansyur Kav.35, Jakarta Pusat)	(021) 57943816-17	(021) 5794390
9. JAKARTA GN. SAHARI		KC	0345	Jl Gunung Sahari Raya No. 18 Jakarta Pusat	(021) 6006272/4, 6598256	(021) 6006280
1	Pangeran Jayakarta	KCP	1179	Jln P Jayakarta no 26 Blok A.I, Kel Mangga 2 Sel.Jakpus	(021) 62202882/3	(021) 62202884
10 JAKARTA KEMAYORAN		KC	0356	Gd. PELNI Lt. 1, Jl. Angkasa 18 Kemayoran, Jakarta Pusat	(021) 4212903/4/5/6/8, 4212911	(021) 4212913
11. JAKARTA JATINEGARA		KC	0122	Jl Raya Jatinegara Timur IV/ 448	(021) 8506400, 8516471	(021) 8500646
1	Klender	KCP	1117	Jl Pahlawan Revolusi No. 6 Kel Klender, Kec Duren Sawit, Jakarta Timur	(021) 86612405, 86612414	(021) 8600405
2	Tebet	KCP	0534	Jl. Tebet Barat IX No.36-A, Tebet, Jakarta 12810	(021) 83705544	(021) 83705545
3	Pasar Grosir Cililitan	KCP	1124	Jl. Dewi Sartika No.15A, Rt.007 Rw.017, Kel. Cililitan, Kec. Kramat Jati, Jakarta Timur	(021) 80884255, 80884261, 80884273	(021) 80884273
14. JAKARTA KALIMALANG		KC	0419	Jl. Kalimalang Blok C3 No.6 Rt.011 Rw.07, Kec. Duren Sawit, Jakarta Timur	(021) 86615198	(021) 8602587
1	Penggilingan	KCP	0588	Jl Raya Hamengkubuwono No. 30, Penggilingan Cakung, Jak-Tim	(021) 4605628/9	(021) 4605659
2	Pondok Kelapa	KCP	0528	Jl. Pondok Kelapa Raya Blok F.I No.4A, Jakarta Timur	(021) 86903931, 86903235	(021) 86902926

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
3	Pangkalan Jati	KCP	0652	Jl.Jatiwaringin No.20 Rt.005/05 Cip.Melayu, Jakarta Timur	(021) 86613897	(021) 86613898
4	Radin Inten	KCP	1187	"Ruko Eksekutif Radin Inten Center No 8E,Jl. Radin Inten Kec. Duren Sawit, JAKARTA Timur "	(021) 86613153	(021) 86613166
15. JAKARTA T.J. PRIOK		KC	0186	Jl Yos Sudarso No. 1 Tg Priok Jakarta Utara	(021) 4300381, 419875, 4300161	(021) 43937634
1	Adpel Tj.Priok	KCP	0535	Jl. Enggano Raya No.78, Kel. Kebon Bawang, Kec. Tanjung Priok, Jakarta Utara	(021) 43908446, 43908559	(021) 43908447
2	Cakung Tipar	KCP	1193	Jl Tipar Cakung, JAKARTA Utara	(021) 46830546	(021) 46830553
16. JAKARTA KELAPA GADING		KC	0320	Jl. Raya Boulevard Barat Blok LC 6 Kav 69 - 70 Kel. Kelapa Gaiind Barat, Kec Kelapa Gading JakUt	(021) 4507656, 4507911	(021) 4507654
1	Kelapa Gading	KCP	0540	Jl. Klp Gading Boulevard Blok TA 2/34, Kel. Klp. Gading Kec. Koja, JakUt 14240	(021) 4525088	(021) 45840217
2	Kantor Permata Kelapa Gading	KCP	2022	Kompleks Perkantoran Permata Kelapa Gading Blok D No.6, Jl. Boulevard Bukit Gading Raya, Kel. Kelapa Gaing Barat, Kec. Kelapa Gading, Jakarta Utara	(021) 4517328, 4517828	(021) 45860736
17. JAKARTA MANGGA DUA		KC	0346	Gd. Mall Mangga Dua Kav.23-24, Jl Arteri Mangga Dua Raya	(021) 6013623, 6127945, 6255641, 6127944	(021) 6013624
1	Harco Mangga Dua	KCP	1196	Harco Mangga Dua, Komplek Agung Sedayu blok N no 6,JAKARTA Pst	(021) 6123268	(021) 6123263
2	Pasar Pagi	KCP	2102	Pusat Grosir Pasar Pagi Mangga Dua, Lantai 2 Blok KA No. 005, Kel. Ancol, Kec Pademangan, Jakarta Utara	(021) 6123609	(021) 6123608
18. JAKARTA PLUIT		KC	0415	Jl Pluit Kencana No.79F, Jakarta	(021) 66605428, 6605024, 6605049	(021) 66605428, 6604984
1	Kapuk Indah	KCP	1191	Ruko Puri Grisenda Blok GE 35, Jl Kapuk Raya, JAKARTA Utara	(021) 55965472/71	(021)55964741
2	Muara Baru	KCP	0541	Jl Muara Karang Raya No. 31, Blok A-B Utara, Kel Pluit, Kec Penjaringan, Jak Utara	(021) 6614146	(021) 6614146
19. JAKARTA KELAPA GADING 2.		KC	0416	Jl Boulevard Artha Gading, Sentra Bisnis Blok A-6A, No.1, Jakarta	(021) 45874567	(021) 45878819
1	Boulevard Raya	KCP	1176	Ruko Kelapa Gading Permai, Jl Boulevard Raya Blok LB1 no.28,JAKARTA Utara	(021) 4528950	(021) 4528950
20 JAKARTA RASUNA SAID		KC	0378	Gd Wisma Bakrie 2, Lantai Dasar, Jl HR Rasuna Said, Kav b-2 Jak Selatan	(021) 57942119/21	(021) 57942122
1	Kuningan Epicentrum	KCP	2013	Rasuna Office Park, Lt Upper Ground, Unit BO-03, BR-04, BR-05, Jl HR Rasuna Said, JAKARTA Sltm	(021) 93903983	(021) 93903982
2	Mall Ambassador	KCP	1223	Mall Ambassador Lt. Dasar No. 36 Jl Prof Dr Satrio, Kuningan, Jak Selatan	(021) 5760130	(021) 5760130

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
21. JAKARTA CEMPAKA MAS		KC	0434	Rukan Graha Cempaka Mas Blok A28-A29, Jl. Letjen Suprpto, Jakarta Pusat 10640	(021) 42889598, 42889579, 42888493	(021) 42888495
1	Sunter	KCP	1115	Jl Danau Sunter Blok M. Kav 33, Sunter Agung, Tj Priok, Jakarta 14350	(021) 70768011	(021) 65837007
2	Puri Mutiara	KCP	1188	Ruko Puri Mutiara Blok A No.88, Sunter Agung, Kec. Tanjung Priok JAKARTA Utara	(021) 65310562	(021) 65310563
3	Cempaka Mas	KCP	0522	Graha Cempaka Mas I Blok E.1/24, Jl. Letjen. Suprpto, Jakarta	(021) 4255328, 42803024	(021) 4255277
4	Yarsi	KCP	2079	Jl. Cempaka Putih Raya, Jakarta Pusat	(021) 42804038	(021) 42804035
22. JAKARTA WAHID HASYIM		KC	0433	Jl. Wahid Hasyim No.192, Jakarta Pusat	(021) 3102288, 3102679	(021) 3147707
23. JAKARTA KELAPA GADING 3.		KC	0439	Jl. Boulevard Raya TB 2 No.26, Kel. Kelapa Gading, Jakarta Utara 14240	(021) 4517897, 4521881	(021) 4517897
24. SUNTER		KC	0441	Jl Danau Sunter Utara Blok C2 No. 3 Kelurahan Sunter Agung, Kecamatan Tanjung Priok, Kotamadya Jakarta Utara	(021) 64716828	(021) 65834019
25. JAKARTA PLUIT 2.		KC		Rukan Cordoba Blok E No. 11, Pantai Indah Kapuk, Jakarta Utara	(021) 56983751/52	(021) 56983753
JAKARTA II		KW	0317	Gedung Mulia Lt. 2, Jl. Gatot Subroto Kav. 9 - 11	(021) 52920581, 52920585	(021) 52920586, 52920587
JAKARTA II		KANINS		Jl. Hang Tuah Raya, Kebayoran Baru, Jaksel	(021) 7245343	(021) 7255732
1. JAKARTA GT SUBROTO		KC	0359	Jl Gatot Subroto Kav. 52 jakarta Selatan	(021) 5204431, 5204466, 5204417, 5204444, 5204414	(021) 5204433
1	Telkom Gatot Subroto	KCP	0594	Jl. Jend. Gatot Subroto Kav. 52, Jakarta Selatan	(021) 52731746/47	(021) 5273175
2	Gedung BEJ	KCP	0671	JSX Building Tower Jl. Jend Sudirman Kav 52-53, Jakarta	(021) 5152791	(021) 5152790
3	Jamsostek	KCP	2071	Gedung Menara Jamsostek, Jl. Jend Gatot Subroto No.38, Jakarta Selatan	(021) 52961529, 45600777	(021) 52902369
4	Plaza Semanggi	KCP	2123	Plaza Semanggi Lantai Underground Banking Hall, Jl Gatot Subroto Jakarta Selatan	(021) 25535174	(021) 25535173
2. JAKARTA WARUNGBUNCIT		KC	0341	Jl. Mampang Prapatan No. 8 Jakarta Selatan	(021) 7982411, 7983911, 79195844	(021) 7982480, 7983911
1	Cikajang	KCP	0651	Jl.Cikajang No.3 Blok Q/IV Rt.001/05 Kebayoran Baru, Jakarta Selatan	(021) 7252125	(021) 7392467
2	Pejaten	KCP	1182	Jl. Raya Pejaten no 20,Psir Minggu, Jaksel	(021) 79199114	(021) 79199114
3	Rawa Bambu	KCP	2009	Jl. Rawa Bambu No.88D, Pasar Minggu, Jakarta Selatan	(021) 7820575	(021) 7820575
4	Graha Pulo	KCP	2074	Gedung Graha Pulo Jl. Buncit Raya No.89, Jakarta Selatan	(021) 79188280	(021) 79188283
5	TB Simatupang	KCP	2075	Komplek Ruko Tanjung Barat, Jl. Tubagus Simatupang No.1A, Kel. Tanjung Barat, Kec. Jagakarsa, Jakarta Selatan	(021) 7815080	(021) 7815665

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3. JAKARTA KEB. BARU		KC	0193	Jl.Hasanuddin No.62 Blok M, Jakarta	(021) 7201053/4, 7201054/5, 7201053/8	(021) 7201056
1	Ampera	KCP	1130	Jl Ampera Raya No. 8, Kel Pajetan Barat, Kec. Psr Minggu, Jak Selatan	(021) 71792504	(021) 7192410
2	Dept. Kehutanan Jakarta	KCP	1167	Gedung Manggala Wanabakti, Jl Gatot Subroto, Tanah Abang, Jakpus	(021) 57902931	(021) 57902932
3	Mabes POLRI	KCP	2018	Mabes Polri, Jl. Trunojoyo, Kel. Selong, Kec. Keb.Baru, Jakarta Selatan	(021) 72789972	(021) 72789970
4	Kemang	KCP	2114	Jl. Kemang Raya No.9A, Jakarta Selatan	(021) 7194517	(021) 7194520
5	Melawai	KCP	2124	Jalan Melawai Raya No. 72, Kotamadya Jakarta Selatan	(021) 7258104	(021) 723645
4. JAKARTA PD INDAH		KC	0362	Jl. Sultan Iskandar Muda/ Arteri Pondok Indah Kav. No. 3, Keb. Lama, Jak-Sel	(021) 7294070/71/72/73, 7294069	(021) 7294066
1	Permata Hijau	KCP	1116	Grand ITC Permata Hijau, Jl Arteri Permata Hijau, Type Emerald No. 31/Grogol Utara, Keb Lama, Jakarta 12210	(021) 53664223	(021) 53664234
2	Cipulir	KCP	1133	Jl Ciledug Raya No. 15 Cipulir, Kel Ulujami, Kec. Kebayoran Lama, Jak-Selatan	(021) 58904160, 68196654	(021) 7206362
3	Pondok Indah Mall	KCP	1146	Pd. Indah Mall 2 Lt.Dasar No.G 33B, Jl. Raya Metro Pd.Indah Jakarta Selatan	(021) 75921055	(021) 75921053
5. JAKARTA PASAR MINGGU		KC	0339	Jl. Ragunan Raya 39, Ps. Minggu,	(021) 78833026, 78839888	(021) 7802262
6. JAKARTA FATMAWATI		KC	0330	Jl. R.S Fatmawati No.37 Jaksel	(021) 7694430, 7503980/81	(021) 7695239
1	RSU Fatmawati	KCP	0501	Jl. R.S Fatmawati Cilandak JAKARTA. Sel.	(021) 7694430, 7503979/80	(021) 7695239
2	Duta Mas	KCP	0525	Komplek Pertokoan Duta Mas Blok B.2 No.6, Jl.Raya Fatmawati, Jakarta	(021) 72793825/6	(021) 72793815
7. JAKARTA PANCORAN		KC	0390	Jl Gatot Subroto No. 62, Kel Menteng Dalam, Kec. Tebet, Jakarta Selatan	(021) 83785557/58	(021) 83785562
9. JAKARTA SAHARJO		KC	0427	Ruko Royal Palace B.5-B.6, Jl. Supomo, Jakarta Selatan	(021) 8314159, 8314198, 8314176, 8314165	(021) 8314198
10. JAKARTA PANGLIMA POLIM		KC	0420	Jl Panglima Polim Raya no.97, Keb. Baru, Jaksel	(021) 7255834	(021) 7247701
1	Wijaya Center	KCP	2008	Komplek Ruko Grand Wijaya Center Blok F No.7, Jl. Wijaya II, Kel. Pulo, Kec. Kebayoran Baru, Jakarta Selatan	(021) 7202954	(021) 7246063
11. JAKARTA KALIBATA		KC	0426	Jl. Raya Pasar Minggu No.5 Rt.2 Rw.7 Kel.Duren Tiga, Kec.Pancoran, Jakarta Selatan	(021) 7983942, 7984230, 7983920, 7894356	(021) 7983920
12. JAKARTA CINERE		KC	0428	Gedung ITHO Bona Plaza, Jl. Karang Tengah Raya No.29, Jakarta Selatan	(021) 75913427, 75913022, 75913023, 75914846	(021) 75913427
1	Cinere	KCP	0523	Jl Cinere Raya No. 19.B, Cinere	(021) 7540856, 7540845, 7536209	(021) 7540841
13. BEKASI		KC	0139	Jl. Ir. Juanda No.93, Bekasi	(021) 880280, 88349008, 8802820/24	(021) 8800971

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1	Tambun	KCP	1105	Ruko Kalimas Blok B.1 Jl Chairil Anwar, Kel Margahayu, Kec Bekasi Timur Bekasi	(021) 88342908	(021) 88359638
14. CIKARANG		KC	0319	Ruko Cikarang Comercial Centre, Jl Raya Cikarang, Cibarusah KM 40, Cikarang, Bekasi 17550	(021) 89835728, 8935349, 89835728	(021) 8934544
1	Cibitung	KCP	1186	Jl Teuku Umar no. 44A, Cikarang Barat, Bekasi	(021) 88324402	(021) 88324402
2	Jababeka	KCP	1165	Plaza Roxy Blok S1,no B-7 Jl Kasuari Raya, Cikarang Baru	(021) 89840763/64	(021) 89840763
3	Cikarang	KCP	0537	Cikarang Plaza Blok B No.10, Cikarang, Bekasi	(021) 89110462	(021) 89110463
4	Cikarang Selatan	KCP	1131	Jl Raya Cikarang-Cibarusah No. 39.B, Desa Sukaresmi Kec. Cikarang Selatan Kab Bekasi	(021) 89677087/89	(021) 89677087
5	Sentra Niaga Kalimas	KCP	2072	Jl. Inspeksi Kalimalang Blok B.27, Tambun, Kab. Bekasi	(021) 88394730	(021) 88394731
15. CIKAMPEK		KC	0302	Jl. Jend. A. Yani No. 16, Cikampek	(0264) 316069, 316085, 312200, 319273	(0264) 316743
1	Kosambi	KCP	1181	Jl Raya Pancawati, Ds.Pancawati, Kc. Klari, Cikampek	(0267) 8616546, 8616545 (Pincapem)	(0267) 8616545
16. PONDOK GEDE		KC	0385	Plaza Pondok Gede Ruko Blok C. No. 23-25 Jl Raya Ppondok Gede Bekasi	(021) 84938476/77/78	(021) 84948480
1	Pondok Gede	KCP	0527	Komplek Pondok Gede Plaza Blok A-20, Pondok Gede, Bekasi	(021) 84938476/78	(021) 84938480
2	Jatibening	KCP	1169	Jl Caman Raya no 17H RT.3 RW.3, Jatibening, Pondok Gede,Bekasi	(021) 84976959	(021) 84993668
3	Mabes TNI Cilangkap	KCP	2101		(021) 8723937, 8431235	(021) 84312135
4	Jatiasih	KCP	2108	Jl. Raya Jatiasih No.12A, Kel. Jatirasa, Kec. Jatiasih, Bekasi	(021) 82433735, 82433768, 82433791	(021) 82433835
17. KARAWANG		KC	0116	Jl. Tuparev No. 27, Karawang	(0267) 402333, 415315	(0267) 415228, 415138
1	Rengasdengklok	KCP	0597	Jl. Blok Kraton RT.02/06, Kel. Rengasdengklok, Kec. Rengasdengklok, Karawang	(0267) 484841/2	(0267) 484843
2	Karawang Wetan	KCP	2073	Jl. Tuparev No.408, Kel. Karawang Wetan, Kec. Karawang, Kab. Karawang	(0267) 8453443	(0267) 8453445
18. BOGOR PADJAJARAN		KC	0387	Jl Raya Pajajaran No. 95A Rt.02/RW.06, Kel Pajajaran, Kec Bogor Utara, Bogor	(0251) 8334568	(0251) 8334568
1	Baranangsiang	KCP	1180	Jl Raya Pajajaran Jendral Sudirman no 78-O, KC. Bogor Timur, Bogor	(0251) 8372302	(0251) 8372213
2	Sudirman	KCP	1189	Jl. Jend. Sudirman 15-D, Bogor	(0251) 8372310	(0251) 8372392
3	Batu Tulis	KCP	1149	Jl. Raya Pahlawan No.80/152, Bandongan, Bogor Selatan	(0251) 8326685, 8326468	(0251) 8326768
4	Suryakencana	KCP	0531	Jl. Suryakencana No.312, Sukasari, Bogor	(0251) 8321851/8	(0251) 8321856
5	Tajur	KCP	0533	Jl. Raya Tajur No.49, Bogor	(0251) 8337578	(0251) 8338822

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
6	IPB Dermaga	KCP	0595	Kampus Institut Pertanian Bogor, Dermaga, Bogor	(0251) 8391393	(0251) 8423046
7	Parung	KCP	1128	Jl Raya Parung, Desa Parung, Kec Parung, Kab Bogor	(0251) 8610154	(0251) 8610194
19.	BOGOR DEWI SARTIKA	KC	0012	Jl. Dewi Sartika No.6, Bogor	(0251) 8312249, 8337180	(0251) 8320043
20.	DEPOK	KC	0538	Jl. Margonda Raya No. 33 Depok	(021) 77212719	(021) 77212720
1	Margonda	KCP	1147	Jl. Raya Margonda No.438, Kel.Kemirimuka, Kec.Beji, Depok	(021) 7870338	(021) 78884575
2	Depok Timur	KCP	1163	Ruko Mutiara kav no 11, Jl Tole Iskandar no 66, Depok	(021) 77835031	(021) 77835031
3	Kampus UI	KCP	0672	Kampus UI Depok Fak. Psikologi	(021) 70241012, 70300536	(021) 70300536
21.	CIBUBUR	KC	0384	Jl Trans Yogi - Jl Alternatif Cibubur, Kranggan Permai Blok 16 No. 19-20, Kel Jatikarya Kec. Jatisampurna, Bekasi	(021) 8446653	(021) 8446654
1	Arundina	KCP	1170	Jl Lapangan Tembak no 14H, Ciracas, JAKARTA Timur	(021) 8721694	(021) 8721694
2	Cileungsi	KCP	1152	Jl Narogong no 3, Kec. Cileungsi, Bogor	(021) 8230614	(021) 8230614
3	Kranggan	KCP	0578	Komp Ruko III Citra Grand No. 19, Jl Raya Alternatif Cibubur. Kel. Jatikarya, Kec. Jatisampurna Bekasi	(021) 843000017	(021) 843000016
22.	BEKASI BARAT	KC	0424	Jl. Jendral Sudirman Ruko 1A dan 1B No.25, Kayuringin, Bekasi Selatan 17144	(021) 88961279, 8843457, 8842559, 88961786, 88960863	(021) 88961786
1	Sentral Niaga Kali Malang	KCP	0529	Komplek Ruko Sentral Kalimalang Blok A.2 No. 3, Jl. A.Yani, Bekasi.	(021) 88850371	(021) 88850370
2	RS Ananda	KCP	1153	Jl Sultan Agung 173, Medan Satria, Bekasi	(021) 88861041	(021) 88855108
23.	PEKAYON	KC	0423	Jl Raya Pekayon no 17, RT.2/1, Kav. 1-2, Kc. Bekasi Selatan	(021) 82426364 (hunting), 82431840 (Pinca)	(021) 82431125
1	Galaxy	KCP	1150	Komplek Ruko Taman Galaxy Indah blok H no 1, Bekasi	(021) 82404134	(021) 82404331
2	Kemang Pratama	KCP	2113	Perumahan Kemang Pratama Blok AN-08,Kel. Bojong, Kec. Rawalumbu, Bekasi	(021) 82401711, 82409326	(021) 82434645
24.	CIBINONG	KC	0421	Ruko Graha Cibirong Blok B No.7-8, Jl Raya JAKARTA Bogor Km 43,Kec. Cibirong, Bogor	(021) 87914799	(021) 87914795
1	Cibirong Mayor Oking	KCP	1134	Prum Taman Rezeki, Jl Mayor Oking Jayaatmaja, Kel Ciriung, Kec. Cibirong	(021) 87941154, 87941134	(021) 87914185
2	Gunung Putri	KCP	1151	Jl Raya Mayor Oking no 78, Kec Clteurep	(021) 8670145	(021) 8670145
25.	CIMANGGIS	KC	0422	Ruko CV Mitra Lestari Cimanggis, Jl Raya Bogor KM 29, No 9, Cimanggis, Depok	(021) 87721352	(021) 87721364
1	Cijantung	KCP	0510	Jl. Raya Bogor Km. 23 No. 1, Ps. Rebo JAKARTA. Timur	(021) 87795861	(021) 87795861
2	Kalisari	KCP	2005	Jl. Kalisari No.51A, Kel. Kalisari, Kec. Pasar Rebo, Jakarta Timur	(021) 87713556, 87713558	(021) 87703133

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
26. JAKARTA RADIO DALAM	KC	0430	Jl. Radio Dalam No.122, Kebayoran Baru, Jakarta Selatan	(021) 7205086/87	(021) 7206982
27. JAKARTA KRAMAT JATI	KC	0442	Jl. Raya Bogor No.130 Rt. 02, Rw.06, Jakarta Timur	(021) 80876626	(021) 80871126
28. TB SIMATUPANG	KC	0439	Wisma Raharja Jl. TB. Simatupang Kav. 1, Cilandak Timur, Jakarta Selatan	(021) 78846182, 78846183	(021) 78849872
29. TAMBUN	KC	0444	Ruko, Jl. Teuku Umar, Tambun, Kab. Bekasi	(021) 88332523	(021) 88332522
JAKARTA III	KW	0853	Jl. S.Parman Kav. G No.9-11, Slipi, Jakarta Barat	(021) 53653470 (hunting), 53653467/69, 53653473/74	(021) 5481766
1. JAKARTA KOTA	KC	0019	Jl. Kopi No. 54 Jakarta	(021) 6918281, 6927385, 6298659	(021) 6924658
1 Teluk Gong	KCP	1171	Ruko Duta Indah Square Blok B No 1, Jl Raya Teluk Gong No 15 Jakut	(021) 66698265	(021) 66698264
2 Tubagus Angke	KCP	1172	Ruko Taman Duta Mas Blok E-1 No 12A, Jl Tubagus Angke.Petamburan Jakbar	(021) 56944495	(021) 5694457
3 Mutiara Taman Palem	KCP	2045	Komplek Ruko Mutiara Taman palem Blok A-6 No.3, Cengkareng, Jakarta Barat	(021) 29020108, 29020109	(021) 29020109
2. JAKARTA KEBON JERUK	KC	0377	Jl. Panjang Rt.13 Rw.01 Kel. Kebon Jeruk, Kec.Kebon Jeruk, Jakarta Barat	(021) 5356343/58	(021) 5301640
1 Batusari	KCP	2041	Jl. Kebon Jeruk Raya No.24, Kebon Jeruk, Jakarta Barat	(021) 53654865	(021) 53654869
2 Pesanggrahan	KCP	1118	Ruko Jl Pesanggrahan No. 2A Kel Meruya Utara, Kec Kembangan, Jakarta Barat	(021) 58906231, 58905250	(021) 58905249
3 Kebon Jeruk	KCP	0539	Wisma Relasi, Jl. Panjang No.333, Jakarta Barat (Intercon)	(021) 5481433, 5481320	(021) 5332487
3. JAKARTA DAAN MOGOT	KC	0379	Jl Daan Mogot No. 17 Kel. Duri Kepa, Kec. Kebon Jeruk, Jak Barat 11510	(021) 5683660, 56963053, 56963124, 56963310, 56963423	(021) 56962970
4. JAKARTA TANJUNG DUREN	KC	0395	Jl Tanjung Duren Barat I No 34, JAKARTA Barat	(021) 56969422, 56981293	(021) 56968750
1 Mall Taman Anggrek	KCP	0505	Mall Taman Anggrek Ground Floor G.31 (Banking Centre) Jl. Letjen S. Parman Kav.21 JAKARTA.	(021) 5639581/2/3	(021) 5639581
2 Greenville	KCP	1210	Jl. Komplek Greenville Blok C No.2A, Kebon Jeruk, Jakarta Barat	(021) 56943902	(021) 56943902
5. JAKARTA JOGLO	KC	0396	Puri Botanical Garden Blok H 7 No 1-2, Raya Joglo, JAKARTA Barat	(021) 58907163, 58907166	(021) 58906368
1 Meruya Ilir	KCP	1177	Jl Meruya Ilir No 36 C, Kel. Srengseng, Kec. Kembangan, JAKARTA Barat	(021) 5854303	(021) 58907339
2 Taman Aries	KCP	2139	Rukan Kencana Niaga Taman Aries Blok D 1 No. 1 K, Jl. Taman Aries, Kel. Meruya Utara Kec. Kembangan, Jakarta Barat	(021) 5856706, 5856733	(021) 5856706
6. JAKARTA PALMERAH	KC	0397	Jl Palmerah Barat No 43 A, Kebayoran Lama, JAKARTA Selatan	(021) 53653145	(021) 53653142

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7. JAKARTA PURI NIAGA		KC	0398	Puri Niaga II Blok J-I No 2T-sU, Kembangan Sel, JAKARTA Barat	(021) 58300737	(021) 58300379
1	Asshidiqiyah	KCP	0520	Jl. Arteri Kebon Jeruk, Kedoya, Jakarta	(021) 5813591	(021) 5813592
8. JAKARTA KALIDERES		KC	0399	Komplek Perum Daan Mogot Baru Jl Tampak Siring Blok KJH No.3 dan 3A Jakarta	(021) 54376462	(021) 54376465
1	Taman Palem	KCP	2045	Komplek Perum Taman Palem Lestari Blok C1 No.39, Cengkareng	(021) 55956548, 55963704	(021) 55963564
2	Citra Niaga	KCP	2040	Ruko Citra Niaga Blok A No.28, Jl. Utanjati Kalideres, Jakarta Barat	(021) 54375462	(021) 54374590
9. JAKARTA ROXI		KC	0338	Pusat Niaga Roxi Mas Blok B1 No. 1-2 Jl.KH.Hasyim Ashari, Jakarta Pusat	(021) 63855121, 6329986/82	(021) 6329982
1	Jembatan Lima	KCP	0653	Jl KH Mas Mansyur no 120 C, Tambora, Jakpus	(021) 63866641	(021) 63866641
2	Universitas Tarumanegara	KCP	0592	Jl. Tanjung Duren Utara No 1, Grogol, Jakarta Barat	(021) 5961585/6	(021) 56961587
10. JAKARTA S.PARMAN		KC	0417	Jl. Letjend S.Parman Blok G/9-11, Kel.Kemanggisian, Kec.Palmerah, Jakarta Barat	(021) 53654096	(021) 53654097
1	Slipi	KCP	1120	Jl Kemanggisian Raya No. 19/6.C, Kel Kemanggisian, Kec. Palmerah, Jakarta Barat	(021) 53690977/8/9	(021) 53690979
11. JAKARTA JELAMBAR		KC	0418	Jl. Prof Dr. Latumenten, Komplek Ruko Grogol Permai Blok A 25-26, Grogol Jakarta Barat 11460	(021) 5696692, 56981105	(021) 56981106
12. BINTARO		KC	0393	Ruko Sentra Menteng Blok B7-MN No. 88F, Jl. Sam Ratulangi Sektor 7 Bintaro Jaya, Tangerang	(021) 74861251, 74861109	(021) 74861026
1	Bintaro	KCP	0521	Komplek Ruko Plaza Bintaro Jaya Sektor 3 No.D.41, Jakarta	(021) 7375169, 7375857	(021) 7375856
2	Graha Raya Bintaro	KCP	2136	Graha Raya Bintaro Jaya, Anggrek Loka Blok A 1/11 C, Kel. Pakujaya, Kec. Serpong, Kab. Tangerang	(021) 5399449	(021) 5399481
13. BUMI SERPONG DAMAI		KC	0509	Jl Pahlawan Seribu, Ruko Golden Boulevard Blok Q 6-7, BSD Tangerang	(021) 5376571, 53161402/4/5	(021) 5376570
1	Serpong	KCP	1143	Ruko Sentra Niaga III E No.6, Tangerang	(021) 53123419	(021) 53122978
2	Gading Serpong	KCP	1145	Ruko Alexandrite, Jl Boulevard Raya Gading Serpong No.30, Tangerang	(021) 54212198	(021) 54212198
3	Batan	KCP	1185	Jl Puspitek Raya no 19C, Kel Muncul, Kc Setu, Tangerang	(021) 75871167	(021) 75871167
4	Cikokol	KCP	2011	Jl MH Thamrin no 13, RT.1/6, Kel Cikokol, Tangerang	(021) 55754668	(021) 55754668
5	Alam Sutra	KCP	2135	Ruko Jalur Sutera Kav. 30 D No.1 Kel. Pakulon Kec. Serpong Kab. Tangerang Selatan	(021) 70081813	-

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
6	Supermall Lippo Karawaci	KCP	2126	Supermall Karawaci Lantai LG No. 175-176, 105 Boulevard Diponegoro, Tangerang	(012) 54213536	(021) 54211570
14.	CIPUTAT	KC	0382	Jl Ciputat Raya No. 88 (Ir H. Juanda), Desa Cireunde, Kec. Ciputat, Kab Tangerang	(021) 7403188, 7427806	(021) 7427737
1	Rempoa	KCP	2012	Jl. RC Veteran No.II C, Rt.001 Rw.03, Jakarta Selatan	(021) 7354423, 73888812	(021) 7355641
2	Pamulang	KCP	1127	Ruko Pamulang Permai 1 Blok SH 20 No. 3 Jl Pamulang Raya, Kel. Pamulang Barat, Kec. Pamulang, Kab Tangerang, Banten	(021) 7411952	(021) 7411952
3	Jakarta Universitas Terbuka	KCP	1173	Ged Pelayanan Kampus It 2, Jl Cabe Raya, Pamulang, Tangerang	(021) 7403591	(021) 74708367
4	Cirende	KCP	0524	Jl. Cirende Raya, Ruko Cirende Griya Permai No.7, Jakarta	(021) 7493285, 7495529	(021) 74710406
15.	CILEDUG	KC	0392	Jl HOS Cokroaminoto no 71, Ds Kreo, Ciledug, Tangerang	(021) 7343543/63	(021) 7343517
1	Ciledug	KCP	1106	Pusat Perdagangan Anugrah Ciledug Blok D No. 32 Jl HOS Cokroaminoto, Sudimara Barat Ciledug Tangerang	(021) 73440663	(021) 73440713
2	Karang Tengah	KCP	2137	Jl. Raya Raden Saleh No. 9 B, Kel. / Kec. Karang Tengah, Kab. Tangerang	(021) 73451880	(021) 73451880
16.	TANGERANG	KC	0120	Jl. Jend. Ahmad Yani No.4, Tangerang	(021) 5520789, 5524357, 5515914	(021) 5524356
1	Balaraja	KCP	0536	Komplek Ruko Indah Mas Jl. Raya Serang Km.24 Rt.002/002 Kampung Kabembem, Kec. Blaraja, Tangerang	(021) 5952545, 5282558	(021) 5952577
2	Karawaci	KCP	1132	Ruko, Jl Imam Bonjol No. 42, Karawaci, Kawasan Lippo Karawaci Tangerang	(021) 55791051	(021) 55791051
3	Tangerang Pasar Baru	KCP	1129	Ruko M Toha Blok B No. 34, Jl Raya M Toha Tangerang(Jl Raya Mauk Tangerang)	(021) 5518306	(021) 55791097
4	Bandara Soekarno Hatta	KCP	1144	Angkasa Pura 2, Gedung 600, Cengkareng	(021) 55910938	(021) 55910938
5	Hasyim Ashari	KCP	2010	Jl. KH. Hasyim Ashari, Cipondoh No.90, Tangerang	(021) 55752322	(021) 55752322
17.	RANGKASBITUNG	KC	0080	Jl. Ika Jatmika No. 7, Rangkasbitung	(0252) 201012, 201683, 204063	(0252) 204112
18.	CILEGON	KC	0188	Jl. S.A Tirtayasa No. 5 Cilegon	(0254) 391393/2, 391351	(0254) 391960
1	Cibeber	KCP	1164	Jl Jend Ahmad Yani, Cilegon Km 20 (Jl serang)	(0254) 387263	(0254) 387293
19.	LABUAN	KC	0166	Jl. Jend. Sudirman No. 156, Labuan, Pandeglang Banten	(0253) 81213/4, 82800, 81761	(0253) 82666
20.	PANDEGLANG	KC	0062	Jl. Bhayangkara No. 1, Pandeglang	(0253) 201047, 201333	(0235) 203501
21.	SERANG	KC	0084	Jl. P. Diponegoro No. 3, Serang	(0254) 210025/26	(0254) 200133

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Cikande	KCP	1166	Kawasan Modern Cikande, Jl Raya JAKARTA Km 68, Blok H, Kc Cikande, Serang	(0254) 401242	(0254) 401239
22.	SINGKAWANG	KC	0089	Jl. P. Diponegoro No. 23 Singkawang Kalimantan Barat	(0562) 631653, 631624, 634477	(0562) 633336
1	Bengkayang	KCP	0567	Komplek Pertokoan Jl. Jerenden AR, Ds Bumi Emas, Bengkayan	(0562) 441459	(0562) 441054
2	Pemangkat	KCP	0568	Jl. Moh. Hambal No. 82, Pemangkat	(0562) 243776	(0562) 243775
3	Sambas	KCP	1168	Jl Gusti Hamzah, Kampung Durian, Kab Sambas	(0562) 392649	(0562) 393082
23.	PUTUS SIBAU	KC	0305	Jl. D.I. Panjaitan No. 4, Putussibau, Kalimantan Barat	(0567) 21436, 21020	(0567) 21592
24.	MEMPAWAH	KC	0207	Jl. G.M. Taufik 29 Mempawah, Kalbar 78912	(0561) 691067, 691306, 691072	(0561) 691140
1	Sungai Pinyuh	KCP	2037	Jl. Seliung RT.10/RW.02 Kel. Sungai Pinyuh, Kab. Pontianak	(0561) 654452	(0561) 654451
25.	PONTIANAK	KC	0071	Jl. Barito No. 2, Pontianak, Kalimantan Barat	(0561) 734009, 760945, 780876, 742775, 741616	(0561) 733019
1	Gajah Mada	KCP	0569	Komplek Pertokoan Pasar Flamboyan, Jl. Gajah Mada Blok 259, Pontianak	(0561) 734711	(0561) 733145
2	A.Yani	KCP	2061	Jl.Ahmad Yani Pontianak	(0561)733433	(0561) 760422
26.	SANGGAU	KC	0322	Jl. Jend. Sudirman No. 59, Sanggau Kalimantan Barat	(0564) 21123, 21502, 22122	(0564) 21215, 29342
1	Landak	KCP	1178	Jl Raya Ngabang KM 2,Kc Ngabang, Kab Landak	(0563) 2022714	(0563) 2022715
2	Sekadau	KCP	2081	Jl. Raya Sekadau - Sintang, Kec. Sekadau Hilir, Kab. Sekadau	(0564) 41130	(0654) 41933
27.	SINTANG	KC	0304	Jl. Adi Sucipto No. 1, Sintang, Kalimantan Barat	(0565) 21506, 21504, 21949	(0565) 22409
1	Melawi	KCP	1162	Jl Juang No 10, Nanga Pinoh, Melawi	(0568) 22322	(0568) 21609
2	Sungai Durian	KCP	2049	Jl. Wirapati , Kel. Kapuas Kanan Hulu, Kec. Sintang	(0565) 2025517	(0565) 2025518
28.	KETAPANG	KC	0208	Jl. Jend. A. Yani No.12, Ketapang, Kalimantan Barat	(0534) 32091/92, 31195	(0534) 32170
29.	TANGERANG BALARAJA	KC	0437	Pertokoan Balaraja Centre Blok A No.8-9, Jl. Raya Serang Km.24, Ds. Talagasari, Kec. Balaraja, Tangerang	(021) 5954714, 5954716-17, 5950711	(021) 5955015
1	Cikupa	KCP	1184	Jl Raya Serang, Ds Talagasari, Cikupa, Tangerang	(021) 5962148	(021) 59405201
30	TANGERANG CITY (TANGERANG II)	KC	0438	Ruko Bisnis Park Tangerang City Blok B/1, Jl. Jend. Sudirman dan Jl. Perintis Kemerdekaan , Kel. Babakan, Kec. Tangerang, Kab. Tangerang	(021) 55782520	(021) 55782521
31.	TANGERANG III (MERDEKA)	KC	0445	Jalan Merdeka Nomor 110 C-G Propinsi Banten, Kota Tangerang, Kecamatan karawaci, Kelurahan Pebuaran	(021) 5528228, 5528229	(021) 5520683

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
BANDUNG	KW	0198	Jl Asia Afrika No.57-59, Bandung	(022) 4200356 (hunting)	(022) 432038 (Sekertariat), 4200348 (OPS), 4200368 (Bag.Log)
BANDUNG	KANINS		Gedung Menara BRI Lt.4, Jl. Asia Afrika 57 - 59, Bandung	(022) 4200363, 4207977	(022) 4236710
1. BANDUNG ASIA AFRIKA	KC	0005	Jl. Asia Afrika No. 57-59, Bandung	(022) 4200350/2, 4200360, 4206356, 4200352	(022) 4239142
1 Rajawali	KCP	0675	Jl Rajawali No 95 B, Bandung	(022) 6047038	(022) 6046595
2 Pasir Kaliki	KCP	0673	Jl. Pasir Kaliki No. 150 Bandung	(022) 4239960	(022) 4208523
3 Cijerah	KCP	1070	Jl Cijerah No. 194, Cimahi	(022) 6044575	(022) 6044104
4 Cimindi	KCP	1071	Jl Amr Machmur No.116, Cimahi	(022) 6044858, 6044108, 6044109	(022) 6019602
2. GARUT	KC	0025	Jl. Jend. A. Yani No. 65, Garut	(0262) 232318, 235393	(0262) 232013
1 Guntur	KCP	1345	Kompleks Ruko IBC Blok A.12 (Jl. Guntur, Garut) Kec. Tarogong Kidul	(0262) 2244500	(0262) 2244500
2 Cikajang	KCP	1346	Jl. Raya Cikajang Blok Pasar Tengah Kec. Cikajang	(0262) 577977	(0262) 577977
3. INDRAMAYU	KC	0028	Jl. D.I. Panjaitan No.227/C, Indramayu	(0234) 271364, 271397	(0234) 272322
1 Patrol	KCP	0599	Jl. Raya Patrol , Kec. Sukra, Kab. Indramayu	(0234) 611864	(0234) 611864
4. MAJALENGKA	KC	0046	Jl KH Abdul Halim 286 Majalengka	(0233) 281307, 281207, 281479, 283891, 283718	(0233) 282279
1 Abdul Fatah KH	KCP	1108	Jl KH Abdul Fatah No. 59 Cikijing Kab Majalengka	(0233) 318431	(0233) 318432
5. PURWAKARTA	KC	0075	Jl. Kol. Kornel Singawinata No.68	(0264) 200120/1, 200186	(0264) 206535
6. SUKABUMI	KC	0092	Jl. Jend. A. Yani No. 38, Sukabumi	(0266) 240024, 222433, 222087, 223734	(0266) 223830
7. SUMEDANG	KC	0094	Jl. Prabu Geusan Ulun No. 10, Sumedang	(0261) 201556, 20123, 201263, 207401	(0261) 201884
1 UNPAD Jatinangor	KCP	0598	Jl. Raya Jatinangor No. 148, Ds. Cikeruh, Jatinangor	(022) 7791202	(022) 7791202
8. TASIKMALAYA	KC	0100	Jl. R. Ilik Wiradikarta 7, Tasikmalaya,	(0265) 330619, 334717	(0265) 334446
1 Ciawi	KCP	1437	Jl. Raya Perjuangan Komp. Ruko AR-Rusyudu Kab. Tasikmalaya	(0265) 455290	(0265) 455290
9. CIAMIS	KC	0104	Jl. Ir. H. Juanda No. 166, Ciamis	(0265) 771073, 772469, 772825, 774450	(0265) 771219
10 CIANJUR	KC	0105	Jl.Adi Sucipto No.8, Cianjur	(0263) 261237, 263843, 261174, 262210	(0263) 265542
1 Cipanas	KCP	0517	Jl. Raya-Cipanas No. 34, Pacet-Cianjur	(0263) 511031	(0263) 511506
11. CIREBON	KC	0107	Jl. R.A. Kartini No. 85, Cirebon	(0231) 202085, 204285	(0231) 208470
12. SUBANG	KC	0123	Jl. Otista No. 87, Subang	(0260) 413141/2, 413228/9, 420264/5	(0260) 413230
14. KUNINGAN	KC	0133	Jl Ahmad Yani No. 6 Kuningan	(0232) 871449, 871264, 871125, 875977	(0232) 871126
15. CIMAHI	KC	0137	Jl. Raya Cimahi No. 598, Cimahi	(022) 6654579, 6651728	(022) 6652724
16. SINGAPARNA	KC	0161	Jl. Raya Timur No.6, Singaparna	(0265) 545821, 545332, 545609, 5444666	(0265) 545820

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
17. BANJAR	KC	0162	Jl. Ciamis No. 1 Banjar	(0265) 741811/2/3	(0265) 741810
1 Pangandaran	KCP	0542	Jl. Merdeka No.316, Pangandaran	(0265) 630036, 630147	(0265) 630036
18. JATIBARANG	KC	0165	Jl. Siliwangi No. 3, Jatibarang	(0234) 351062, 351470, 351270, 351550	(0234) 351550, 354406
19. CIBADAK	KC	0181	Jl Siliwangi No. 93.A Cibadak	(0266) 531106, 531376, 531810	(0266) 533345
1 Pelabuhan Ratu	KCP	0543	Jl. Siliwangi No.35 Pelabuhan Ratu, Sukabumi	(0266) 433625	(0266) 433626
20 BANDUNG DEWI SARTIKA	KC	0286	Jl. Dewi Sartika No.1-3, Bandung	(022) 4203666, 4207335, 4215324/5	(021) 4232486
1 Astana Anyar	KCP	0650	Jl. Astana Anyar No.104, Bandung	(022) 6044487, 6123007	(022) 6072581
2 Pasar Baru	KCP	0674	Jl. Otto Iskandardinata No 77 Bandung	(022) 4263419, 42009480	(022) 4263620
3 Peta Bandung	KCP	1077	Jl. Peta No.168 Bandung	(022) 6128356, 6128397	(022) 6128337
4 Padalarang	KCP	0656	Jl. Raya Padalarang No.483 Padalarang	(022) 6807882	(022) 6808032
21. BANDUNG NARIPAN	KC	0337	Jl. Naripan 93, Bandung	(022) 4231564, 4264330, 4240240, 4231532, 4215066	(022) 4236417
22. Bandung AH NASUTION	KC	0354	Jl Ujung Berung No.140 Bandung	(022) 7800048, 7803140/1	(022) 7803948
23. PAMANUKAN	KC	0355	I lan Marta Sasmita No. 52 Pamanukan	(0260) 551348/9, 553567, 551223	(0260) 550480
24. BANDUNG AHMAD YANI	KC	0389	Jl Ahmad Yani no.276, Bandung	(022) 7270277	(022) 7270421
1 Simpang Buah Batu	KCP	1141	Jl Buah Batu No. 162, Bandung	(022) 7323107, 7307665	(022) 7323107
2 Suci	KCP	2105	Ruko Grand Surapati Core Blok B No7 Jl.P.H.H. Mustofa No.39	(022) 87242787	(022) 87242787
3 Riau	KCP	2104	JL. RE Martadinata No. 106 -110 Bandung	(022) 42224668	(022) 4213876
25. BANDUNG KOPO	KC	0401	Komplek Gedung Merlin Blok Bihbul, Bandung	(022) 5403553	(022) 5414245
1 Cibaduyut	KCP	2103	Jl. Cibaduyut No.33, Bandung	(022) 72237922	-
2 Pasar Caringin (Sumber Sari)	KCP	0600	Pertokoan Sumber Sari No.130 B Jl. Soekarno Hatta, Bandung	(022) 6046043, 6046044	(022) 6046044
26. BANDUNG SOEKARNO HATTA	KC	0407	Jl. Soekarno Hatta No.538, Bandung	(022) 7569007	(022) 7560564
1 Metro Trade Center	KCP	1107	Jl Soekarno Hatta Blok F no. 12 Bandung	(022) 70633500	(022) 7536379
2 Batununggal	KCP	2058	Jl. Batununggal Indah No.31, Bandung	(022) 7502039	(022) 7502039
27. BANDUNG SETIABUDI	KC	0408	Jl. Dokter Setiabudhi No.170 F-G, Bandung	(022) 2032046/56	(022) 2032086
1 Cihampelas	KCP	2000	Jl Cihampelas no.186, Bandung	(022) 2042338	(022) 2039184
2 Setra Sari	KCP	0655	Jl.Surya Sumantri No.34A Bandung	(022) 2020896, 2016222	(022) 2016222
3 Lembang	KCP	1004	Jl. Raya Lembang No.436-438, Lembang	(022) 2789387	(022) 2789358
28. BANDUNG DAGO	KC	0405	Jl. Ir. H. Juanda (Dago) No.147, Bandung	(022) 2532024	(022) 2503595
1 ITB	KCP	0593	Kampus ITB, Jl. Dayang Sumbi No. 7, Bandung	(022) 2508531, 2508486	(022) 2508544

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
29. CIREBON GUNUNG JATI	KC	0406	Jl. Kesambi No.58A, Kel. Kesambi, Cirebon	(0231) 220032	(0231) 211714
1 Weru	KCP	0601	Jl. Raya Plered No. 84-A, kec. Weru, Kab. Cirebon	(0231) 322715	(0231) 322716
2 Sumber	KCP	1078	Jl. Dewi Sartika No. 121 Kec. Sumber, Cirebon	(0231) 8330544	(0231) 8330544
3 Ciledug	KCP	2128	Jl. S. Parman, No. 18, Pabuaran Wetan, Kab. Cirebon	(0231) 663583	(0231) 663584
30 SOREANG	KC	0544	Jl.Gading Tetuka Rt.03 Rw.03, Kec. Sorang, Bandung, Jawa Barat	(022) 5896176	(022) 5897020
SEMARANG	KW	0196	Jl. Teuku Umar No. 24 Semarang	(024) 8440728, 8440729, 8440730, 84418146	(024) 84473154, 8318463
SEMARANG	KANINS		Jl. Teuku Umar No. 24 Semarang	(024) 8311110	(024) 8318436
1. BLORA	KC	0010	Jl. Pemuda No. 2, Blora	(0296) 531210, 531944, 533186, 531614	(0296) 31017
2. BREBES	KC	0014	Jl. Dr. Wachidin No. 1, Brebes	(0283) 671760/1, 672661	(0283) 672664
1 Jatibarang	KCP	0676	Jl. Raya Jatibarang No: 80, Ds Jatibarang Lor, Kab. Brebes	(0283) 6183226	(0283) 6183226
2 Ketanggungan	KCP	1061	Jl. Pangeran Diponegoro No:93, Dukuh Tengah, Ketanggungan, Brebes	(0283) 881061	(0283) 881622
3. DEMAK	KC	0016	Jl. Sultan Patah 676, Demak	(0291) 685900/1/3, 86393	(0291) 685105
4. JEPARA	KC	0022	Gd. PKPRI (PKPN) Jl. Pemuda 101, Jepara	(0291) 591026, 591404, 593969	(0291) 591505
1 Bangsri	KCP	0611	Jl. Raya Bangsi, Jepara	(0291) 772092	(0291) 772092
5. KENDAL	KC	0034	Jl. Raya No. 222, Kendal	(0294) 381100, 381764/65/66, 384124	(0294) 381767
1 Weleri	KCP	0548	Jl. Utama Tengah No. 194, Weleri, Kendal	(0294) 642588	(0294) 642588
6. KUDUS	KC	0038	Jl Jend Sudirman No 66 Kudus	(0291) 432060, 432086, 431868	(0291) 436268
1 Menara Kudus	KCP	1314	Jl Sunan Kudus 185,Kauman, Kudus	(0291)4244305	(0291) 4244305
7. PATI	KC	0066	Jl. P. Sudirman No. 154, Pati	(0295) 381949, 381851	(0295) 381676
1 Juwana	KCP	0546	Jl. P. Sudirman, Pertokoan Plaza Juwana No. 3	(0295) 472303	(0295) 474466
8. PEKALONGAN	KC	0068	Jl. W.R. Supratman No. 6, Pekalongan	(0285) 421041, 422751,422886	(0285) 424318
1 Wiradesa	KCP	0549	Jl.Raya Wiradesa No.112, Wiradesa, Pekalongan	(0285) 4417254, 4417443	(0285) 4417252
2 Kedung Wuni	KCP	0613	Jl. Raya Kedung Wuni No. 125-126 Kedungwuni, Pekalongan	(0285) 785900	(0285) 785902
3 Kajen	KCP	2028	Jl. Raya Mandurejo No.31, Kajen, Pekalongan	(0285) 381040	(0285) 381230
9. PEMALANG	KC	0069	Jl. Jend. Sudirman Timur No. 36, Pemalang	(0284) 321016, 321646, 321428	(0284) 321397
1 Randudongkal	KCP	2068	Jl. Jend. Sudirman, Randudongkal	(0284) 584360	(0284) 584360
10. PURWODADI	KC	0076	Jl. KS. Tubun No.1, Purwodadi	(0292) 424913/14, 424112, 421848, 424912	(0292) 421241
1 Gubug	KCP	1075	Jl MT Haryono no 34, Kc. gubug, Grobogan	(0292) 5135418	(0292) 5135428

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Wirosari	KCP	2095	Jl. Kusumabangsa No.31, Desa Wirosari, Kec. Wirosari, Grobogan	(0292) 761557	(0292) 761557
11.	SALATIGA	KC	0081	Jl. P. Diponegoro No. 9, Salatiga	(0298) 326890, 326356, 327230, 323876	(0298) 323640
12.	SEMARANG PATIMURA	KC	0083	Jl. Pattimura 2-4, Semarang	(024) 3585441, 3545017	(024) 3546115
13.	TEGAL	KC	0101	Jl. Pancasila No. 42, Tegal	(0283) 358912/3/4/5	(0283) 356302
1	Adiwerna	KCP	0545	Jl. Raya Banjaran, Ds Banjaran, Kec. Adiwerna, Tegal	(0283) 444872, 445728	(0283) 444872
14.	REMBANG	KC	0142	Jl. P. Diponegoro No. 103, Rembang	(0295) 691133, 691622, 692373	(0295) 691853
1	Lasem	KCP	0608	Jl. Raya Lasem No. 124, Lasem	(0295) 531234	(0295) 531234
15.	BATANG	KC	0156	Jl. Diponegoro No 1 Batang	(0285) 391047, 391516, 391532	(0285) 392214
16.	BUMIAYU	KC	0190	Jl. Raya Utara No. 77, Bumiayu	(0289) 432250/1/2, 4324425	(0289) 432025
17.	CEPU	KC	0215	Jl. P. Diponegoro III/2, Cepu	(0296) 421363, 421160/61, 421505	(0296) 423410
18.	SEMARANG PANDANARAN	KC	0325	Jl Pandanaran No.. 75 Semarang	(024) 8412418, 8411918, 8414349	(024) 8413367, 8450459
1	Karangayu	KCP	0610	Jl. Jend. Sudirman No. 174, Semarang	(024) 7604065	(024) 7604065
2	Watugong	KCP	0515	Komplek Kodam IV Diponegoro, Watugong, Semarang	(024) 7460460	(024) 7460460
3	Piere Tendean	KCP	0677	Jl. Kapten Piere Tendean No. 25, Semarang	(024) 3510876	(024) 3510876
4	Hamka	KCP	1058	Jl. Prof. Dr. Hamka, Ngaliyan, Semarang	(024) 7613970	(024) 7626171
19.	UNGARAN	KC	0327	Jl. Jend. Gatot Su-broto No. 75, Ungaran	(024) 6924475, 6921075, 6921675, 6923303	(024) 921104
1	Ambarawa	KCP	0513	Jl. Sudirman No. 150, Ambarawa	(024) 591150, 592715	(024) 592715
20.	SEMARANG A.YANI	KC	0609	Jl A Yani 169,Semarang	(024) 8416790/91	(024) 8313287
1	Metro Plaza	KCP	1110	Pertokoan Metro Plaza Blok A. 7, Jl MT Haryono 970 Semarang	(024) 8313571	(024) 8417853
2	Diponegoro	KCP	1006	Komplek PertokoanPlaza Setiabudi, Ruko no.6 jln Setiabudi no 119-B, Semarang	(024) 7475806	(024) 7475806
3	Kranggan	KCP	1109	Jl Gang Pinggir Np. 36.A, Semarang	(024) 3563272	(024) 3584830
21.	SLAWI	KC	0661	Jl. Dr. Sutomo No. 3, Desa Slawi Wetan	(0283) 491395, 491885, 492770	(0283) 492494
22.	BRIGJEN SUDIARTO	KC	0435	Jl. Brigjen Sudiarto Km.11, Kel. Penggaron, Kec. Genuk, Semarang	(024) 6709917, 6734421	(024) 6734420
1	Mojopahit	KCP	0678	Jl. Majapahit No. 382, Semarang	(024) 6708939	(024) 6714692
2	Tlogosari	KCP	1138	Jl Tlogosari Raya 1 no.68, Blok B1, Semarang	(024) 76744280	(024) 76744215
3	Kedungmundu	KCP	1007	Jl. Raya Kedungmundu Raya No.161, Semarang	(024) 76745461	(024) 76745461
4	Gajah	KCP	2096	Jl. Gajah Raya No.10, Kel. Siwalan, Kec. Gayamsari, Semarang	(024) 76745635	(024) 76745635

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
YOGYAKARTA		KW	0197	Jl Cik Ditiro No.3 Yogyakarta	(0274) 510850, 520268, 520269, 520270, 520272, 562707, 561403	(0274) 514166, 584883, 584882
YOGYAKARTA		KANINS		Jl. Cik Ditiro No.3, Lt.3, Yogyakarta	(0274) 550604	(0274) 550605
1. BANJARNEGARA		KC	0004	Jl Pemuda No 70 Banjarnegara	(0282) 591024, 591122	(0282) 591639
2. YOGYA CIK DITIRO		KC	0029	Jl. Cik Ditiro No.3, Yogya	(0274) 520261/2, 512406, 561935	(0274) 512110
1	Bethesda	KCP	0514	Jl. Jend. Sudirman No. 70, Yogyakarta	(0274) 520136	-
2	Seturan Plaza	KCP	1111	Jl Raya Seturan Caturtunggal, Depok	(0274) 4332615, 4332688	(0274) 4332688
3	Godean	KCP	1055	Jl. Kyai Mojo No.102, Yogyakarta	(0274) 622480	(0274) 622410
4	Gedong Kuning	KCP	1008	Jl Gedungkuning 172 C, Yogyakarta	(0274) 622480	(0274) 622410
5	Wirobrajan	KCP	2099	Jl. HOS Cokroaminoto 77, Wirobrajan, Yogyakarta	(0274) 621437, 621438	(0274) 621438
3. KEBUMEN		KC	0032	Jl. Pahlawan No. 114, Kebumen 31247	(0287) 381005, 381247	(0287) 381555
4. KLATEN		KC	0035	Jl. Pemuda Selatan No. 67, Klaten	(0272) 321859, 322330, 321824, 325655, 322738	(0272) 321425
1	Pedan	KCP	0612	Jl. Raya Pedan No.5, Kec. Pedan, Kab. Klaten	(0272) 897986, 897467	(0272) 897467
2	Delanggu	KCP	2055	Jl. Raya Klaten - Solo Rt.001 Rw.007, Sabrang, Delanggu, Klaten	(0272) 551169	(0272) 551169
6. PURBALINGGA		KC	0074	Jl. Jend. Sudirman No. 214 A, Purbalingga	(0281) 891577, 891054, 891395, 895341, 891892	(0281) 891892
1	Bobotsari	KCP	2034	Jl. Kolonel Sugiri No.33, Bobotsari, Purbalingga	(0281) 758099, 758695	(0281) 758695
8. PURWOREJO		KC	0078	Jl. Jend. A. Yani No. 1, Purworejo	(0275) 325459, 321403	(0275) 321973
9. SURAKARTA SUDIRMAN		KC	0097	Jl. Jend. Sudirman No. 1, Surakarta	(0271) 646821, 642069	(0271) 641381
1	Urip Sumoharjo	KCP	1065	Jl. Urip Sumoharjo No.123 Solo	(0271) 646041	(0271) 646041
2	Jongke	KCP	1299	Jl. Dr. Rajiman No.634A, Laweyan, Surakarta	(0271) 737372	(0271) 7373872
3	Mojosongo	KCP	2098	Jl. Jayawijaya No.118, Mojosongo, Surakarta	(0271) 856780	(0271) 856780
10. TEMANGGUNG		KC	0102	Jl. Jend. Sudirman No. 17, Temanggung	(0293) 491783, 491491	(0293) 492139
11. CILACAP		KC	0106	Jl. A. Yani No. 29, Cilacap	(0282) 533422, 520917, 533015	(0282) 533215
1	Kroya	KCP	0547	Jl. Jend. Sudirman 60, Kroya.	(0282) 492100, 492101	(0282) 494214
12. WONOSOBO		KC	0112	Jl. Jend. A. Yani No. 1A, Wonosobo	(0286) 321190, 321025, 321728/9, 321702	(0286) 322258
1	Kertek	KCP	1379	Jl. Raya Kertek, Kec. Kertek, Wonosobo	(0286) 3329529	(0286) 3329529
13. GOMBONG		KC	0134	Jl. Yos Sudarso No. 208, Gombong	(0287) 471162/3, 471087	(0287) 471539
14. KUTOARJO		KC	0136	Jl. May.Jend. S. Parman 107, Kutoarjo	(0275) 642177, 641369, 6410355, 641138, 641646	(0275) 641044
15. SRAGEN		KC	0140	Jl. Sukowati 191, Sragen	(0271) 891458, 891458, 892002	(0271) 892810
1	Gemolong	KCP	0559	Jl. Sukowati No. 24, Gemolong, Kab. Sragen	(0271) 7003001, 7000419	(0271) 6811469

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Sragen Kota	KCP	2110	Jl. Raya Sukowati No.243, Sragen	(0271) 892747, 894199	(0271) 894454
16.	KARANG ANYAR	KC	0149	Jl. Lawu Barat No. 391, Karanganyar	(0271) 495383, 495388	(0271) 494275
1	Palur	KCP	0512	Jl. Raya Plur Km.5, Ngringo, Jaten, Karanganyar	(0271) 827571, 825565	(0271) 825565
17.	AJIBARANG	KC	0151	Jl. Ajibarang Wetan No.1, Ajibarang	(0281) 571543/4, 5725448/9	(0281) 571544
18.	WATES	KC	0152	Jl. Kol. Sugiyono No. 2, Wates	(0274) 773146, 773340, 774333	(0274) 773671
19.	WONOSARI	KC	0153	Jl Pramuka No. 6 Pandansari, Wonosari, Gunungkidul	(0274) 391073, 391472, 391119, 394193	(0274) 392045
20.	WONOGIRI	KC	0158	Jl. Kabupaten No. 1, Wonogiri	(0273) 321044, 323473, 321287	(0273) 321496
1	Jatisrono	KCP		Jl. Raya Wonogiri-Ponorogo, Jatisrono	(0273) 411053	-
21.	BOYOLALI	KC	0173	Jl. Pandanaran 154, Boyolali	(0276) 321067, 321120	(0276) 322197
1	Pasar Simo	KCP	1320	Simo Baru Desa Simo Rt.21 Rw.01 Kec. Simo, Boyolali	(0276) 3294881	(0276) 3294881
22.	SUKOHARJO	KC	0511	Jl. Slamet Riyadi No.1, Proliman, Sukoharjo	(0271) 593093, 593130	(0271) 593130
1	Simpang Kartosuro	KCP	2097	Jl. A. Yani Ruko Blok A3 Ngepos, Rt.01 Rw.03, Kartasura, Sukoharjo	(0271) 7687424, 7687425	(0271) 7687424
23.	MAJENANG	KC	0185	Jl.Diponegoro 318, Majenang	(0280) 621069, 621360, 621145	(0280) 621496
1	Sidareja	KCP	0679	Jl Jend Sudirman No 222, Sidareja, Cilacap	(0280) 524162	(0280) 523316
24.	BANTUL	KC	0236	Jl Jend Sudirman No 3 Bantul	(0274) 367074, 368244, 367590	(0274) 367122
25.	YOGYA KATAMSO	KC	0245	Jl.Brigjen.Katam-so No. 13-15, Yogya	(0274) 372721/6/8/9, 376335	(0274) 387949
26.	SLEMAN	KC	0247	Jl. Bhayangkara No. 18, Sleman	(0274) 868418, 868406, 868938	(0274) 868826
1	Pasar Colombo	KCP	1056	Jl. Kaliurang Km.7.5 Depok, Sleman	(0274) 884658	(0274) 884657
2	Monjali	KCP	2033	Jl. Palagan Tentara Pelajar No.45, Ngaglik, Sleman	(0274) 885773	(0274) 885773
27.	MUNTILAN	KC	0251	Jl. Pemuda No. 6, Muntilan	(0293) 586658, 587380, 586097	(0293) 587444
28.	PARAKAN	KC	0262	Jl Kosasih No. 15 Parakan	(0293) 596011, 596794, 598688	(0293) 596086
29.	SOLO S. RIADI	KC	0334	Jl. Slamet Riyadi No. 236, Surakarta	(0271) 718346, 718323	(0271) 716774
1	Pasar Kliwon	KCP	1064	Jl. Kapten Mulyadi Ruko Beteng Blok A No.15, Surakarta	(0271) 657578	(0271) 657485
2	Manahan	KCP	1296	Jl AdiSucipto 20 B, Kec Manahan, Surakarta	(0271) 741901	(0271) 741901
3	Nusukan	KCP	1297	Jl Kapt Tendean 68, Banjarsari, Surakarta	(0271) 719044	(0271) 719044
30.	YOGYAKARTA MLATI	KC	0409	Jl. Magelang, Kec. Mlati, Yogyakarta	(0274) 624416, 624338	(0274) 624215
31.	SOLO KARTASURA	KC	0182	JL.A Yani No.640,Kartosuro	(0271) 780806, 780074, 782777, 780807	(0271) 780805
1	Solo Baru	KCP	1063	JL.Raya Solo Baru Permai CA 51	(0271)620119	(0271)622808
32.	YOGYAKARTA ADISUCIPTO	KC	0410	Pasific Building Ground Floor, Jl. Laksda Adisucipto No.157, Yogyakarta	(0274) 553337, 553046, 553048	(0274) 553552

OUTLET	TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
SURABAYA	KW	0146	Jl. Jend Basuki Rahmat No.122-138 Gedung BRI Tower LT 20, Surabaya	(031) 5324230	(031) 5324033, 5324044
SURABAYA	KANINS		Jl. Jend A. Yani No. 169 - 171, Surabaya	(031) 8438993, 8438850, 8438728	(031) 8439238
1. BANGKALAN	KC	0006	Jl Let Singosastro No 1 Bangkalan Madura	(031) 3095049, 3095520, 3095273, 3099088, 3094078, 3098052	(031) 3097123
2. BOJONEGORO	KC	0011	Jl. D.I. Panjaitan No. 6, Bojonegoro	(0353) 881307	(0353) 884979
3. GRESIK	KC	0026	Jl. P. Sudirman 89, Gresik	(031) 3981575	(031) 3983298
1 Driyorejo	KCP	0682	Jl Raya Driyorejo No. 180 Gresik	(031)7508240	(031)7508208
2 Gresik Kota	KCP	1199	Komplek Kartini Building, Jln Kartini, Gresik	(031) 3978612	(031) 3978612
4. JOMBANG	KC	0023	Jl. K.H. Wahid Hasyim No 116 Jombang	(0321) 861041	(0321) 862758
1 Mojoagung	KCP	0585	Jl. Raya Mojoagung No. 236, Jombang	(0321) 495362	(0321) 862758
5. LAMONGAN	KC	0041	Jl. Basuki Rachmat No. 86, Lamongan	(0322) 323223	(0322) 323222
1 Babat	KCP	0683	Jl Raya Babat No. 227 Lamongan	(0322) 457669, 457000	(0322) 457669
6. MOJOKERTO	KC	0055	Jl. Mojopahit No. 378, Mojokerto	(0321) 322442	(0321) 323642
1 Mojosari	KCP	0586	Jl. Masjid No. 64, Mojosari, Mojokerto	(0321) 594960/61	(0321) 594961
2 Mojokerto	KCP	2118	Jl. Bhayangkaran No.103, Mojokerto	(0321) 383227	(0321) 383392
7. PAMEKASAN	KC	0061	Jl. Jokotole No. 24, Pamekasan	(0324) 322853, 327328, 322693, 321485	(0324) 324064
8. SAMPANG	KC	0148	Jl. K.H. Wahid Hasyim No. 83, Sampang	(0323) 321085, 321477, 323483	(0323) 322544
9. SIDOARJO	KC	0086	Jl. Jend. A. Yani No. 35, Sidoarjo	(031) 8921010	(031) 8941065
1 Aloha	KCP	0684	Komp Pertokoan Gateway Aloha Blok B-07, Jl Raya Waru, Kec Gedangan sidoarjo	(031) 8554627	(031) 8554629
3 Pondok Candra	KCP	1160	Ruko Wadung Asri, Jl. Raya Wadung Asri, Sidoarjo	(031) 8888174	(031) 8888176
4 Sepanjang	KCP	1159	Komplek Ruko Taman no 58, Sidoarjo	(031) 7871776	(031) 7871776
10. SUMENEP	KC	0095	Jl. Trunojoyo No. 135-A, Sumenep	(0328) 662717, 663282, 664821, 662682	(0328) 662682
11. TUBAN	KC	0109	Jl. Veteran No. 15, Tuban	(0356) 321739, 321095, 323079, 321049	(0356) 791691
12. SURABAYA KALIASIN	KC	0096	Gedung Plasa BRI, Jl Basuki Rahmat No. 138 Surabaya	(031) 5320736, 5320757, 5341448, 5350573, 5345771	(031) 5320738
13. SURABAYA PAHLAWAN	KC	0211	Jl. Pahlawan 39-41, Surabaya	(031) 5474059	(031) 5475277
1 Bubutan	KCP	2021	Jl. Bubutan No.9B, Surabaya	(031) 5473609	(031) 5473609
2 Genteng Kali	KCP	2031	Jl. Genteng Besar No.26, Tegalsari	(031) 5459924	(031) 5475748
14. SURABAYA RAJAWALI	KC	0172	Jl Rajawali No. 25-27 Surabaya	(031) 3531219, 3551045, 3540275	(031) 3540581
1 Jembatan Merah Plaza	KCP	0662	Komp Pertokoan Jembatan Merah Plaza II IT. Dasae B.1-2 Surabaya	(031) 3555563	(031) 3551953

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Pucang	KCP	1155	Jl Pucang Anom Timur No.25 B Surabaya	(031) 5054033	(031) 5054033
15. SURABAYA T.J. PERAK		KC	0328	Jl. Perak barat No. 357-375 Surabaya	(031) 3291927	(031) 3295115
1	Manukan	KCP	0583	Jl. Manukan Tama Blok 2-H No. 16, Surabaya	(031) 7458688	(031) 7411190
2	Pasar Turi	KCP	1137	Jl semarang no. B16, Surabaya	(031) 5342860	(031) 5347089
3	Kalibutih	KCP	2032	Jl. Kalibutih No. 103, Surabaya	(031) 5323593	(031) 5323593
16. SURABAYA KUSUMA BANGSA		KC	0360	JL Kusuma Bangsa No. 122 Surabaya	(031) 5344495	(031) 5350320
1	Kampus UNAIR	KCP	0580	Jl. Darmawangsa Dalam No. 23-B, Surabaya	(031) 5039995	(031) 5015776
2	Gubeng	KCP	1050	Jl Karimunjawa no 11, Surabaya	(031) 5033803	(031) 5023632
3	Klampis	KCP	1197	Ruko Klampis Jaya 31B, Surabaya	(031) 5911260	(031) 5911256
17. HR. MUHAMMAD		KC	0584	Jl HR Muhamad Kav. 41,Kc. Suko Manunggal, Surabaya	(031) 7382090, 7329714	(031) 7341860
1	Pakuwon	KCP	1198	Ruko Office Park I, jln Bukit Darmo Boulevard, Surabaya	(031) 7326444	(031) 7326444
2	Wiyung	KCP	1157	Ruko Pondok Indah Wiyung blok A6, Surabaya	(031) 7671134	(031) 7671276
3	Darmo Satelit	KCP	2030	Satelit Town Square A.23, Jl. Ry. Sukomanunggal	(031) 7320485, 7320486	(031) 7320486
18. KAPAS KRAMPUNG		KC	0394	Jl. Kapas Krampung no 200-200A, Surabaya	(031) 5011487	(031) 5011487
1	Kapasan	KCP	2017	Jl. Kapasan No.82-84, Surabaya	(031) 3710245	(031) 3710245
2	Mulyosari	KCP	0587	Komp. Ruko Sutorejo Prima Indah No. 78 B	(031) 5964564	(031) 5965313
3	Ampel	KCP	1051	Jln Nyamplungan no 135-137, Surabaya	(031) 3555351	(031) 3558370
19. SURABAYA KERTAJAYA		KC	0411	Jl. Kertajaya No.105, Surabaya	(031) 5018734, 5021833, 5019144, 5021803, 5021615, 5021821	(031) 5019122
20. JEMURSARI		KC	0412	Jl. Jemur Andayani No. 69 AB Surabaya	(031) 8483777, 8410040	(031) 8410024
1	A. Yani	KCP	0576	Jl Jemur Andayani No. 69 Surabaya / Ngagel Jaya Selatan, RMI G-6, Surabaya	(031) 8477362	(031) 8477361
2	Rungkut	KCP	0519	Komp.Pertokoan Rungkut Megah Blok D No.7, Jl.Rungkut No.5, Surabaya	(031) 8709265	(031) 8794955
3	Margorejo	KCP	2029	Jl. Margorejo Indah No.115 E, Surabaya	(031) 8473206	(031) 8473117
21. SURABAYA DIPONEGORO		KC	1156	Jl. Diponegoro no 174, Surabaya	(031) 5676740, 5616915	(031) 5676740
1	Kedung Doro	KCP	1158	Jl. Kedung Doro no 67, Surabaya	(031) 5313114	(031) 5318243
2	Unitomo	KCP	2094	Ruko Manyar Garden Kav.25 Jl.Nyinden Semoluwaru No.101	(031) 5992298	(031) 5992298
3	Mayjen Sungkono	KCP	2044	Ruko Rich Palace Blok R.1-2 Jl. Mayjend Sungkono, Surabaya	(031) 5610627	(031) 5610627
22. KRIAN		KC	0553	Jl. Raya Imam Bonjol 37, Krian, Sidoarjo	(031) 8976144	(031) 8976133

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
MALANG		KW	0854	Ruko De Panorama Square Kav.A6-A7, Jl. A.Yani Malang	(0341) 474949 (hunting)	(0341) 474944, 474945, 474935
MALANG		KANINS		Jl. Bromo No.31, Malang	(0341) 351646, 352261, 352262	(0341) 351633
1. BANYUWANGI		KC	0007	Jl. Jend A. Yani No 12 Banyuwangi	(0333) 424888, 412700, 421444, 427069	(0333) 424616
1	Genteng	KCP	0577	Komp. Ruko Pasar Genteng Blok C	(0333) 846351, 847955	(0333) 847956
2	Rogojampi	KCP	0581	Jl. Raya Rogojampi No. 123, Rogojampi, Banyuwangi	(0333) 636400	(0333) 636401
3	Muncar	KCP	0680	Kec. Muncar, Kab. Banyuwangi	(0333) 590208	(0333) 596101
2. BONDOWOSO		KC	0013	Jl. K. Mangunsarkoro No. 5, Bondowoso	(0332) 427069, 421780, 425994	(0332) 421444
3. JEMBER		KC	0021	Jl. A. Yani No. 1, Jember	(0331) 483258, 424162, 421808, 486983	(0331) 486484
1	AMBULU	KCP	1161	Jl. Manggar No. 34, Kec Ambulu, Jember	(0331) 883344	(0331) 883344
4. SITUBONDO		KC	0090	Jl. Akhmad Yani No. 123, Situbondo	(0338) 674111, 671279, 675273	(0338) 673356
5. BLITAR		KC	0009	Jl. Jend. A. Yani No. 2, Blitar	(0342) 801846, 802325, 801234, 801755	(0342) 804174
1	Wlingi	KCP	0681	Jl Bromo No. 22 Wlingi, Kab Blitar	(0342) 5696361/62	(0342) 5696360
6. KEDIRI		KC	0033	Jl. K.J.P. Slamet A NO. 35-37, Kediri	(0354) 773307	(0354) 771322
1	Doho	KCP	0508	Jl. Brawijaya No. 40 Blok A 1-2, Kediri	(0354) 696860	(0354) 696858
2	Pare	KCP	0555	Jl. Raya No.76, Pare, Kediri	(0354) 398535	(0354) 398534
7. MADIUN		KC	0045	Jl. Pahlawan No. 50, Madiun	(0351) 454133	(0351) 462406
1	Caruban	KCP	0552	Jl. Panglima Sudirman 141, Caruban	(0351) 384533	(0351) 384533
2	Dolopo	KCP	2109	Jl. Adil Makmur No.23, Kec. Dolopo, Madiun	(0351) 367154	(0351) 367154
8. MAGETAN		KC	0049	Jl. A. Yani No. 12, Magetan	(0351) 895309	(0351) 892456
9. NGANJUK		KC	0056	Jl. Raya Supriadi No. 3 Nganjuk	(0358) 321690	(0358) 323404
1	Kertosono	KCP	2050	Jl. Panglima Sudirman No.87, Kel. Tembarak, Kertosono, Nganjuk	(0358) 556487	(0358) 556489
10. NGAWI		KC	0057	Jl. A. Yani No. 55, Ngawi	(0351) 749525	(0351) 748140
11. PACITAN		KC	0067	Jl. Jend. A. Yani No. 18, Pacitan	(0357) 881020	(0357) 884153
12. PONOROGO		KC	0070	Jl. Soekarno-Hatta No. 28, Ponorogo	(0352) 481271	(0352) 484265
13. TRENGGALEK		KC	0177	Jl. Jend. A. Yani No. 4, Trenggalek 66316	(0355) 791691/2/3	(0355) 792532
14. TULUNGAGUNG		KC	0110	Jl. P. Diponegoro No. 2-B, Tulungagung	(0355) 329328, 323076, 323070/75	(0355) 323072
1	Ngunut	KCP	2065	Kecamatan Ngunut, Tulungagung	(0355) 395671	(0355) 395671
15. LUMAJANG		KC	0044	Jl. Raya Wonorejo, Lumajang	(0334) 881287, 889999	(0334) 881054
16. MALANG KAWI		KC	0051	Jl. Kawi No. 20-22, Malang	(0341) 327666, 328208, 362217	(0341) 328106
1	Kepanjen	KCP	0516	Jl. Ahmad Yani No. 106-107, Kepanjen, Malang	(0341) 399850/51, 399523	(0341) 399523

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Batu	KCP	0551	Jl. Panglima Sudirman No. 21 Batu	(0341) 590777, 594782, 594779	(0341) 590777
3	Lawang	KCP	0554	Jl. Raya Thamrin Blok AJ-1	(0341) 423540	(0341) 423423
4	Gondanglegi	KCP	1174	Jl. Trunojoyo, RT.22 RW.03, Gondanglegi, Malang	(0341) 875410	(0341) 875411
5	Sukun	KCP	1175	Jl. Sudanco Supriyadi, RT.11 RW.02, Kebonsari, Sukun, Malang	(0341) 800272	(0341) 800273
17. MALANG M.DINATA		KC	0344	Jl. Laks. Martadinata No. 81, Malang	(0341) 368681	(0341) 363831
1	UNIBRAW	KCP	0579	Jl. M.T. Haryono, Malang	(0341) 575952/53	(0341) 575901
2	Turen	KCP	0589	Jl. Panglima Sudirman No. 4, Turen, Malang	(0341) 827434	(0341) 827800
3	Pasar Besar	KCP	2001	Jl. Sutan Syahrir No.6, Malang	(0341) 326677, 324144	(0341) 326677
4	Rampal	KCP	2067	Ruko Pattimura 10-11, Jl. Pattimura, Malang	(0341) 352802	(0341) 352801
5	Galunggung	KCP	2066	Jl. Galunggung No.58 I-J, Malang	(0341) 571565	(0341) 574023
18. PASURUAN		KC	0065	Jl. Pahlawan No. 24, Pasuruhan	(0343) 426621	(0343) 425344
1	Pandaan	KCP	0518	Jl. Pahlawan Sunaryo No. 8, Pandaan, Pasuruan	(0343) 631100	(0343) 637646
2	Bangil	KCP	0550	Komp. Plaza Suropati Blok A No. 16, Bangil	(0343) 743900	(0343) 744810
19. PROBOLINGGO		KC	0073	Jl. Suroyo No. 30, Probolinggo	(0335) 422140	(0335) 421267
1	Kraksaan	KCP	0582	Jl. Raya Panglima Sudirman No. 270, Kraksaan	(0335) 843456	(0335) 843413
20. MALANG BLIMBING		KC	0429	Jl. Letjen Sutoyo No. 105, Malang	(0341) 482599	(0341) 487626
DENPASAR		KW	0203	Jl. Hayam Wuruk No. 123, Denpasar	(0361)236231	(0361)225402, 234796, 264858, 225791
DENPASAR		KANINS		Jl. Dr. Kusuma Atmaja No. 1, Denpasar	(0361) 244174, 225402	(0361) 225402
1. DENPASAR GAJAH MADA		KC	0017	Jl. Gajah Mada No. 5-7, Denpasar	(0361) 228817/8/9	(0361)263715
2. ENDE		KC	0024	Jl. Sukarno No. 16 Ende	(0381) 23286,21030,21615,21020	(0381) 22870
3. KUPANG		KC	0039	Jl. Sukarno No. 18 Kupang	(0380) 831010, 833788, 833353, 833481, 833463	(0380) 831373
4. MATARAM		KC	0052	Jl. Pejanggalik No. 16, Mataram	(0370) 631318, 638379, 633017	(0370) 633084
1	Cakranegara	KCP	1062	Jl. Pejanggalik No.36B, Kec Cakranegara, Mataram	(0370) 629172, 629272	(0370) 629352
2	Sri Wijaya	KCP	2070	Jl. Sriwijaya, Komp. Pertokoan No.2, Mataram	(0370) 643969	(0370) 643953
5. RABA BIMA		KC	0079	Jl. Pintu Gerbang No. 1, Raba Bima	(0374) 43352, 43122, 42997	(0374) 43723
6. SINGARAJA		KC	0088	Jl. Ngurah Rai No. 74, Singaraja	(0362) 23432, 21980	(0362) 24576
1	Seririt	KCP	0574	Jl. Sudirman 30 A, Seririt, Singaraja	(0362) 93302	(0362) 92419
7. SUMBAWA BESAR		KC	0093	Jl. Dr. Wahidin No. 13, Sumbawa Besar	(0371) 21006, 21940	(0371) 22632
1	Taliwang	KCP	1066	Jl Sudirman no 37, Taliwang, Sumbawa	(0372) 81764	(0372) 81724

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
8. SEMARAPURA		KC	0114	Jl. Gunung Batukaru No. 7, Semarang	(0366) 21042, 21328, 21805, 21841	(0366) 21329
9. MAUMERE		KC	0119	Jl. Don P.C.X. Da Silva No. 1 Maumere	(0383) 21788, 22210, 22206/7/8/9	(0383) 21377
10. TABANAN		KC	0124	Jl. Gunung Semeru No. 1, Tabanan	(0361) 819034	(0361) 814166
1	Bajera	KCP	0570	Jl. Ngurah Rai No.12 Xl, Bajera, Kab. Tabanan	(0361) 8943659, 8533782	(0361) 8943659
2	Kediri	KCP	0573	Jl. Raya By Pass Kediri No. 88 E Kediri Tabanan	(0361) 810982, 812338	(0361) 812390
11. NEGARA		KC	0125	Jl. Udayana No. 13, Negara	(0365) 41076, 42661, 41890	(0365) 42022
12. WAINGAPU		KC	0141	Jl. Jend. A Yani No. 36, Waingapu	(0387) 61030, 61921	(0387) 62234
13. SELONG		KC	0157	JL. PAHLAWAN NO. 92 SELONG	(0376) 21242, 21428, 22680	(0376) 21419
14. PRAYA		KC	0191	Jl. Gajah Mada No. 128, Praya	(0370) 654069, 653032	(0370) 654911
15. BANGLI		KC	0233	JL Kusumayuda No. 1 Kamp Kota Baru Bangli	(0366) 91019, 91039, 91398	(0366) 92098
16. WAIKABUBAK		KC	0235	Jl. Gajah Mada No. 30, Waikabubak	(0387) 21048, 21068, 21088, 21677	(0387) 21218
17. AMLAPURA		KC	0241	Jl. Gajah Mada No. 61, Amlapura	(0363) 22745, 21686, 21019, 21026	(0363) 21788
18. LARANTUKA		KC	0246	Jl. Piere Tendean No. 3, Larantuka	(0383) 21053, 21506, 21030, 21605, 21819	(0383) 21563
1	Lewoleba	KCP	0685	Jl Trans Lembata Rayuan Kelapa Timur, Kel Lewoleba Utara, Kec Nubatukan, Kab. Lembata. NTT	(0383) 41641	(0383) 41641
19. GIANYAR		KC	0248	Jl. Pudak No. 19, Gianyar	(0361) 941097, 943150, 943038, 942273	(0361) 942266
1	Celuk	KCP	0575	Jl. Raya Celuk No. 22, Gianyar	(0361) 296930	(0361) 296930
20. ATAMBUA		KC	0267	Jl. I-J Kasimo 10, Atambua	(0389) 22054, 21053, 22053, 21024	(0389) 21339
21. DOMPU		KC	0272	Jl. Akasia No. 62, Dompus	(0373) 21147, 21062, 21494, 22130, 21969	(0373) 21669
22. RUTENG		KC	0273	Jl. Yos Sudarso NO. 25 Ruteng	(0385) 21603, 21764, 21722	(0385) 22383
1	Labuan Bajo	KCP	1112	Jl. Soekarno Hatta, Labuan Bajo Manggarai Barat	(0385) 41995, 41474	(0385) 41994
23. BAJAWA		KC	0274	Jl. Soekarno-Hatta No. 2, Bajawa	(0384) 21362, 21366, 21711, 21024	(0384) 21675
24. KEFAMENANU		KC	0276	Jl. Mayjen. El Tari No. 30, Kefamenanu	(0388) 31011, 31020, 31747, 31609, 31748	(0388) 31588
25. S O E		KC	0277	Jl. M. Hatta No. 34, So E	(0388) 21042, 21590, 21346	(0388) 21144
26. KALABAH		KC	0278	Jl. Soetoyo No. 6, Kalabahi	(0386) 21584, 21040, 21461, 21392	(0386) 21569
27. DENPASAR RENON		KC	0368	Jl. Kusumaatmaja No. 1, Denpasar	(0361) 233011	(0361) 233021
1	Dps. Diponegoro	KCP	0571	Jl. Diponegoro 220, Denpasar	(0361) 224580	(0361) 224580
2	Undiknas	KCP	0591	Jl.Watu Renggong No. 149, Denpasar	(0361) 233091	(0361) 233091
28. KUTA		KC	0556	Jl. Raya Tuban No. 99 X Kuta Denpasar	(0361) 765573	(0361) 765573
1	Marlboro	KCP	1068	Jl Teuku Umar Barat/ Marlboro No.38E, Denpasar	(0361) 485699	(0361) 485699

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Nusa Dua	KCP	1067	Jl By Pass Ngurah Ray no 77 AT4	(0361) 772524	(0361) 772524
3	Seminyak	KCP	2134	Jl. Raya Sunset Road, 48C	(0361) 3609597	(0361) 8475991
29. DENPASAR GATOT SUBROTO		KC	0572	Jl Gatot Subroto Barat No.459D,Ds.Padangsambian Koja, Kc. Denpasar Barat, Kodya Denpasar	(0361) 420229	(0361) 430752
1	Hayam Wuruk	KCP	0557	Jl. Hayam Wuruk No. 123, Denpasar	(0361) 231859	(0361) 231859
2	WR Supratman	KCP	0686	Jl WR Supratman No. 104 Denpasar	(0361) 464627	(0361) 464627
3	Gatsu Timur	KCP	2132	Jl. Gatsu Timur, No. 298, Denpasar	(0361) 422866, 422232	(0361) 422866
4	Sanur	KCP	2133	Jl. Bypass Ngurah Rai, No. 162	(0361) 283490	(0361) 283142
5	Teuku Umar	KCP	2122	Jl. Teuku Umar, No. 92	(0361) 228375	(0361) 227747
30 DENPASAR UBUD		KC	0590	Jl Cokorda Gde Rai no.50, Peliatan, Kc. Ubud, Gianyar	(0361) 972305	(0361) 972305
BANJARMASIN		KW	0204	Jl. Jend. A.Yani KM 3,5 No. 151 Banjarmasin	(0511) 3250256/57	(0511) 3251649, 3252992
BANJARMASIN		KANINS		Jl. Bank Rakyat No. 19 - 21, Banjarmasin	(0511) 4365783, 3353986, 3355050	(0511) 4365768
1. BANJARMASIN		KC	0003	Jl Pangeran Samudra No. 98 Banjarmasin	(0511) 366848, 3357884, 354363,	(0511) 353862, 365924
2. KANDANGAN		KC	0031	Jl. Panglima Batur No. 16, Kandangan	(0517) 21611/12, 21335, 21700, 21918/9	(0517) 22575
3. SAMARINDA		KC	0082	Jl. Gajah Mada No. 1, Samarinda	(0541) 742562, 741651, 201317/18	(0541) 742592
1	Loa Janan	KCP	0625	Jl. Cipto Mangun Kusumo No. 2, Loa Janan Samarinda - Seberang	(0541) 261138, 262123	(0541) 261138
2	Lembuswana	KCP	0629	Komplek Pertokoan Mall Lembuswana Blok C No. 9 Samarinda	(0541) 206603, 744781	(0541) 744781
3	Samarinda Seberang	KCP	2069	Jl. Sultan Hasanuddin RT.09, Kel. Masjid, Kec. Samarinda Seberang, Kota Samarinda	(0541) 262178	(0541) 262178
4. BALIKPAPAN		KC	0121	Jl. Jend. Sudirman No. 37, Balikpapan 76112	(0542) 736765	(0542) 732850
5. BATULICIN		KC	0126	Jl Kampung Baru No 50 Batu Licin	(0518) 70947,70927	(0518) 70917
1	Sungai Danau	KCP	0564	Jl. Propinsi RT. 27, Sungai Danau	(0512) 61029	(0512) 61029
6. KOTABARU		KC	0127	Jl. P. Kesuma Negara No. 12, Kota Baru Pulau Laut	(0518) 22205/7, 22021, 21073, 23707	(0518) 21212
7. BARABAI		KC	0143	Jl Pangeran Muh Noor No 19 Barabai	(0517) 41055	(0517) 42297
8. AMUNTAI		KC	0147	Jl. Jend. A. Yani No. 1, Amuntai	(0527) 61062, 62075, 61890, 61493, 61086	(0527) 62727
1	Peringin	KCP	0628	Jl. Jend. A. Yani No. 26, Paringin Kota	(0526) 2028123, 2028237	(0526) 2028237
9. SAMPIT		KC	0163	Jl. M.T. Haryono No. 46, Sampit	(0531) 21080, 21274, 25306, 21356, 30296	(0531) 22764
10. KUALA KAPUAS		KC	0180	Jl Jend A. Yani 41 Kuala Kapuas	(0513) 21031/2, 21532	(0513) 21903
11. TARAKAN		KC	0183	Jl. Yos Sudarso No. 86, Tarakan	(0551) 21143/4, 21160, 25991	(0551) 24209

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Nunukan	KCP	0627	Jl. Achmad Yani RT 1 No. 08, Nunukan	(0556) 22992	(0556) 22965
12.	MUARA TEWEH	KC	0209	Jl. Tumenggung Surapati No. 93, Muara Teweh	(0519) 21119, 21614	(0519) 22701
1	Puruk Cahu	KCP	2059	Jl. Ahmad Yani Rt.01, Kel. Beriwit, Kec. Murung, kab. Murung Raya	(0528) 3032488	(0528) 3032405
13.	RANTAU	KC	0210	Jl. Brigjen. H. Basri No. 2, Rantau	(0517) 31015, 31150, 31735	(0517) 31975
14.	TENGGARONG	KC	0212	Jl. Cut Nyak Dhien 14-15, Tenggarong	(0541) 661953, 662828, 661416	(0541) 661404
1	Melak	KCP	0626	Jl. Piere Tendean RT II No. 61 A, Melak, Kabupaten Kutai Barat	(0545) 41424, 41774	(0545) 41703
15.	TANJUNG REDEP	KC	0213	Jl. S.A. Maulana, No. 1050 Tj. Redeb	(0554) 21043, 21016, 24314, 23412	(0554) 23413
16.	TANAH GROGOT	KC	0214	Jl. Jend. Sudirman No. 4, Tanah Grogot	(0543) 21157, 21666, 21019, 22556	(0543) 22646
1	Penajam	KCP	1113	Kel. Petung, Kec. Panajam, Kab Panajam Paser Utara	(0543/0542) 5607867	(0543/0542) 5232983
17.	PLEIHARI	KC	0239	Jl. Pancasila No. 2-A, Pleihari	(0512) 21058, 21028, 21194	(0512) 210903
18.	MARTAPURA	KC	0242	Jl. Jend. A. Yani No. 5, Martapura	(0511) 721870, 721072	(0511) 721292
1	A.Yani Banjarbaru	KCP	1060	Jl. Jend. A.Yani Km 35,5, Kel. Komet, Kec. Banjarbaru,Banjarbaru	(0511) 47720420	(0511) 47720420
19.	PALANGKARAYA	KC	0243	Jl. Jend. A. Yani No. 85, Palangkaraya	(0536) 21507,22392,22901	(0536) 3221593
1	Kuala Kurun	KCP	1053	Jl Singarunjan, Ds. Kuala Kurun, Kc. Kurun, Gunung Mas	(0537) 31567	(0537) 31429
2	Katingan	KCP	2060	Jl. Kasongan Km.1, Katingan	(0536) 4041377	(0536) 4041133
20.	MARABAHAN	KC	0244	Jl. Lima Desember No. 63, Marabahan	(0511) 4799010, 4799030	(0511) 4799001
21.	TANJUNG	KC	0249	Jl Putri Zaleha No. 2 Rt.03 Tanjung Tabalong	(0526) 2021189	(0526) 2021915
22.	PANGKALAN BUN	KC	0282	Jl. P. Antasari No. 141, Pangkalan Bun	(0532) 21138, 21015, 21766/7, 22990/1, 24324	(0532) 23223
1	Mendawai	KCP	2047	Jl. Tjilik Riwut Rt.08 Rw.03, Kel.Mendawai Sukmara, Pangkalan Bun	(0532) 26807, 26808	(0532) 26807
23.	BUNTOK	KC	0303	Jl. Panglima Batur No. 20, Buntok	(0525) 21300, 21093, 21019	(0525) 21295
24.	TANJUNG SELOR	KC	0306	Jl. Teratai No. 4, Tanjung Selor	(0552) 21300, 21123, 21173, 22741	(0552) 21079
25.	BONTANG	KC	0333	Jl. M.T. Haryono No. 9, Bontang 75311	(0548) 21085, 21096, 25350	(0548) 21091
1	Pupuk Kaltim	KCP	0565	Jl. Paku Aji, Wisma KIE Lt. Dasar Kav.79, Komp. Kawasan Industri PKT Bontang	(0548) 41223	(0548) 41221
26.	SANGATTA	KC	0563	Town Centre Jl. Dr. Sutomo, Sangata Baru	(0549) 25666, 21655, 5508563	(0549) 21155
27.	BANJARMASIN A.YANI	KC	0623	Jl. A. Yani No. 151, Km 3,5, Banjarmasin	(0511) 33266610, 3270953, 3270954	(0511) 3271876
1	Kayu Tangi	KCP	0663	Jl.Brigjen Hasan Basri No.46 B RT.15, Kayu Tangi Bjmsn	(0511) 3302025	(0511) 3304468

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
2	Melayu	KCP	2130	Jl. Kampung Melayu Kel. Kampung Melayu Kec. Banjar Timur Banjarmasin	(0511) 3272806	(0511) 3272805
3	Palapan	KCP	2131	Jl. A. Yani KM 7,7 Banjarmasin	(0511) 4240110	-
28. BALIKPAPAN A.YANI		KC	0630	Ruko Taman Citra Blok C No. 1 Jl. Soekarno Hatta, Km 0,5 Balikpapan	(0542) 442027	(0542) 734209
1	Kebun Sayur	KCP	0624	Jl. Letjend Suprpto No.68 RT 005 Balikpapan	(0542) 746883, 741371	(0542) 746884
2	Balikpapan Baru	KCP	1142	Jl. MT. Haryono, Komp. Ruko, Balikpapan Baru, Blok B2 No.7, Balikpapan	(0542) 875304, 875199	(0542)872817
3	Bandara Sepinggian	KCP	1136	Komplek Ruko Sepinggian Jl. Marsma R Iswahyudi No.488-C Rt.26, Kel. Sepinggian, Balikpapan	(0542) 771589	(0542) 771590
4	Balikpapan Super Block	KCP	2078	Jl. Jend Sudirman No.47, Kawasan Balikpapan Super Block, Block F-02, Balikpapan	(0542) 7213718	(0542) 7213718
5	Balikpapan Manggar	KCP	2112	Jl. Mulawarman Rt.28 No.11, Manggar Baru, Balikpapan	(0542) 771850	(0542) 771720
6	Rapak	KCP	2121	Jl. Sukarno Hatta No.64 RT 49 Kel. Karangrejo Kec. Balikpapan Tengah Kota Balikpapan	(0542) 416748	(0542) 734209
MAKASSAR		KW	0202	Jl Achmad Yani No. 8 Makassar	(0411) 313174, 312931, 322974	(0411) 365535
MAKASSAR		KANINS		Jl. Jend. A. Yani No.8 Lt.2-4, Makassar	(0411) 312498, 323507	(0411) 312731
1. AMBON		KC	0001	Jl. Diponegoro No. 29, Ambon	(0911) 356563, 315108, 355277	(0911) 355177
1	Waihaong	KCP	0562	Jl. Sultan Babullah No. 18, Waihaong, Ambon	(0911) 314849, 356563	(0911) 356565, 355277
2	Pulau Buru	KCP	2144	Jl. Bunga Cengkeh	(0913) 21484	(0913) 21499
2. MAJENE		KC	0047	Jl. Gatot Subroto No. 17, Majene	(0422) 21434, 21002	(0422) 21903
3. MAKASSAR A. YANI		KC	0050	Jl. A. Yani No. 8, Makasar	(0411) 312051, 312083, 312785, 312928	(0411) 312068
1	Graha Pena Makassar	KCP	1073	Jl Urip Sumoharjo, Makassar	(0411) 433110	(0411) 433110
2	Panampu	KCP	2054	Jl. Yos Sudarso No.9A, Kel. Layang, Kec. Bontoloa, Makassar	(0411) 335434	(0411) 335433
3	Slamet Riyadi	KCP	2051	Jl. Slamet Riyadi No.5, Makassar	(0411) 3193366	(0411) 3193363
4	Ratulangi	KCP	2086	Jl. Ratulangi No.54 AB, Makassar	(0411) 3650332	(0411) 319360
4. PARE-PARE		KC	0064	Jl. Karaeng Buraine No. 5, Pare-Pare	(0421) 25273/4, 25335/7	(0421) 25336
5. WATAMPONE		KC	0111	Jl. Jend. A. Yani No. 11, Watampone	(0481) 21408, 21003, 21389	(0481) 23643
6. WATANSOPPENG		KC	0118	Jl. Merdeka No. 6, Watansoppeng	(0484) 21135, 21262, 23136	(0484) 23177
7. PALOPO		KC	0187	Jl. K.H. M. Ramli No. 2, Palopo	(0471) 23662, 21836, 21104	(0471) 22855
1	Masamba	KCP	0641	Jl. Suhada No. 131, Masamba	(0473) 21710/11/12	(0473) 21710
8. KENDARI		KC	0192	Jl. Sam Ratulangi No. 146, Kendari	(0401) 3124101, 3121678, 3121677	(0401) 3123177

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Unahaa	KCP	0644	Jl. Sapati No. 87 Kel. Tumpas Kec. Unaaha, Kendari	(0428) 22586	(0428) 22585
9.	SENGKANG	KC	0195	Jl. Andi Magga Amirullah No. 132, Sengkang	(0485) 21191/2/5	(0485) 22414
10.	KOLAKA	KC	0216	Jl. Merdeka No. 9, Kolaka	(0405) 2321582, 2321039	(0405) 2322249, 2322581
1	Lasusua	KCP		Jl. Poros Lasusua Lapai Kel. Lasusua Kec. Lasusua Kab. Kolaka Utara	-	-
11.	RAHA	KC	0217	Jl. Let. Jend. S. Sukowati No. 33, Raha	(0403) 2521008, 2521028	(0403) 2522401
12.	MAMUJU	KC	0218	Jl. DR. RATULANGI NO 20, Mamuju	(0426) 21598, 21062, 21414, 22081	(0426) 21171
1	Pasang Kayu	KCP	21333	Jl. Andi Depu, Kec. Pasang Kayu, Kab. Mamuju Utara	-	-
13.	PINRANG	KC	0219	Jl. Jend. Sudirman 237, Pinrang	(0421) 922227, 921056, 921729	(0421) 922200
14.	ENREKANG	KC	0220	Jl. H.O.S. Cokroaminoto No. 1, Enrekang	(0420) 21065, 21212, 21037	(0420) 21036
15.	SIDRAP	KC	0221	Jl. Jend. Sudirman No. 188, Sidrap	(0421) 91650, 91489/90	(0421) 90437
16.	BARRU	KC	0222	Jl Sultan Hasanuddin No 90, Barru	(0427) 21080, 21118, 21600	(0427) 21818
17.	PANGKEP	KC	0223	Jl. Kemakmuran No. 74, Pangkep	(0410) 22591/2, 21055	(0410) 21333
18.	MAROS	KC	0224	Jl. Jend. Sudirman No. 1, Maros	(0411) 371675, 371185, 371085, 372221	(0411) 372197
19.	SUNGGUMINASA	KC	0225	Jl. Andi Mallombasang No.101, Sungguminasa	(0411) 882056, 862310, 861057	(0411) 883654
1	Sultan Alaudin	KCP	2053	Jl. Sultan Alaudin No. 124C, Sungguminasa, Makassar	(0411) 861525	(0411) 861053
2	Pallangga Mas	KCP	2052	Jl. Poros Palangga, Kec. Palangga, Kab. Gowa	(0411) 821583	(0411) 821636
20.	MAKALE	KC	0232	Jl. Jend. Achmad Yani No. 96, Rantepao	(0423) 27014/5	(0423) 21159
21.	BANTAENG	KC	0240	Jl Kartini No. 17 Bantaeng	(0413) 21093/5, 22476	(0413) 21162
22.	TAKALAR	KC	0250	Jl. HM. Dg. Manjarungi 1, Takalar	(0418) 21028, 22032, 21275	(0418) 21797
23.	JENEPONTO	KC	0252	Jl. Pahlawan No. 6, Jeneponto	(0419) 21126, 21666, 22228/9	(0419) 21791
24.	BULUKUMBA	KC	0253	Jl. Bung Tomo No. 2, Bulukumba	(0413) 81155, 81101, 81849	(0413) 82440
25.	BENTENG SELAYAR	KC	0257	Jl. Syech Yusuf No. 1, Benteng Selayar	(0414) 21707, 21065, 21676, 21820	(0414) 21224
26.	SINJAI	KC	0258	Jl. Persatuan Raya No. 97, Sinjai	(0482) 21055, 21071, 21479	(0482) 22053
27.	POLEWALI	KC	0259	Jl. Achmad Yani No. 8, Polewali	(0428) 21468/9, 22333	(0428) 22310
1	Wonomulyo	KCP	0645	Jl. Kemakmuran No. 2 Sidodadi Kec. Wonomulyo Kab. Polmas	(0428) 52247/48	(0428) 52137
2	Mamasa	KCP	2042	Jl. AnoaNo.4, Kel. Mamasa, Kab. Mamasa	(0428) 2841035	(0428) 2841034/36
28.	MASOHI	KC	0260	Jl. Abdullah Soulissa No. 297, Masohi	(0914) 21083, 21543, 21043, 22162	(0914) 21463
29.	TUAL	KC	0281	Jl. Jend. Sudirman, Tual - Maluku Utara	(0916) 21179, 21163, 21191, 21342	(0916) 21342

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Dobo	KCP	1059	Jl Lukas Maireng Kec. Pulau-Pulau Aru, Kab Kepulauan Aru	(0917) 22080, 21472	(0971) 22107
30	BAU-BAU	KC	0326	Jl Kartini No. 21, Bau-bau	(0402) 2821858, 2821783	(0402) 2823178
31.	MAKASSAR SOMBA OPU	KC	0343	Jl. Bau Massepe 21, Makasar	(0411) 326339, 316289, 312177	(0411) 322246
1	Tanjung Bunga	KCP	0664	Jl Wahidin Sudirohusido No, 41 Makassar	(0411) 3651717, 3651654	(0411) 3651654
2	Latimojong	KCP	1074	Komp. Ruko Metro Latimojong, Jl Latimojong No.87 C, Makassar	(0411) 335065, 313983	(0411) 323991
3	Sudiang	KCP	2085	Jl. Perintis Kemerdekaan, Ruko 237, Kel. Sudiang, Makassar	(0411) 555125	-
32.	TAMALANREA	KC	0403	Jl Perintis Kemerdekaan, Komplek Ruko Km.12 No. 3&4, Makassar	(0411) 580338	(0411) 581378
33.	PANAKKUKANG	KC	0642	Jl. Panakukang Mas Boulevard Ruko Jasper I No.16, Makassar	(0411) 444715	(0411) 444715
34.	SAUMLAKI	KC	0643	Jl. Bhineka No. 8, Kel. Saumlaki, Kec.Tanimbar Selatan, Maluku Tenggara Barat	(0918) 21544, 21345, 21811	(0918) 21545
35.	WUA WUA	KC	0646	Jl. La Ode Hadi Basy Pass Kendari , Kelurahan Bende, Kecamatan baruga, Kota Kendari	(0401) 3195395	(0401) 3194425
MANADO		KW	0254	Jl Sarapung No.4-6, Manado	(0431) 863592, 863378, 863778	(0431) 862779
MANADO		KANINS		Jl. 17 Agustus No. 1, Manado	(0431) 852189, 863978	(0431) 861440
1.	GORONTALO	KC	0027	Jl. Naniwwarta Bone Gorontalo 22 Gorontalo	(0435) 824156, 824465, 830201, 826657	(0435) 821046
1	Agus Salim	KCP	2023	Jl. Agus Salim, Kota Gorontalo	(0435) 826313, 826315	(0435) 826314
2.	KOTAMUBAGU	KC	0036	Jl. A. Yani No. 311, Kotamobagu	(0434) 21887, 21014, 21078, 21901	(0434) 21224
3.	MANADO	KC	0054	Jl. Sarapung No. 4-6, Manado	(0431) 863177, 863377, 852747, 866752	(0431) 867435
1	Beulevard	KCP	0688	KompBahu Mall Blok S.2, Jl W Monginsidi, Manado	(0431) 844700, 843375	(0431) 841919
2	Marthadinata	KCP	0689	Jl Martadinata No. 61 Kec. Tikala, Manado	(0431) 855031, 858784	(0431) 873794
3	Pinaasaan	KCP	2003	Jl. Sudirman No.31-33, Kel. Pinaasaan, Kec.Wenang, Manado	(0431) 870805	(0431) 843832
4	Mega Mas	KCP	2024	Jl.Piere Tendean Ruko Mega Mas	(0431) 8880262	(0431) 8880262
4.	PALU	KC	0060	Jl. Dr. Mohamad Hatta No. 12, Palu	(0451) 454000/1/2/3, 466000	(0451) 427140
1	Sudirman	KCP	1291	Jl. Sudirman No.12 Kel. Besusu Barat, Kec. Palu Timur, Palu, Sulawesi Tengah	(0451) 456188	(0451) 454243
5.	POSO	KC	0072	Jl. Pulau Sumatera No. 7, Poso	(0452) 211133, 21796, 211135	(0452) 211134
1	Ampana	KCP	0566	Jl. Yos Sudarso No. 10, Ampana	(0464) 21095	(0464) 21525
2	Morowali	KCP	2025	Jl. Trans Sulawesi Desa Dente Bungku Tengah	(0813) 41010806	-
6.	TERNATE	KC	0103	Jl. Pahlawan Revolusi No. 234, Ternate	(0921) 21280/90, 22072, 21926	(0921) 25585

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Tobelo	KCP	1114	Jl Pelabuhan Ke. Gamsungi, Tobelo - Halmahera Utara	(0924) 22540	(0924) 22540
2	Ternate Selatan	KCP	2129	Jl. Hasan Esa, Tabuko, Ternate Selatan, Maluku Utara	(0921) 3110252	(0921) 3110448
7. LUWUK		KC	0167	Jl. Jend. A. Yani No. 179, Luwuk	(0461) 21103/04, 22756	(0461) 21153
1	Banggai Kepulauan	KCP	0647	Jl. Mandapar, Kel. Lompio, Kec. Banggai, Kab. Banggai Kepulauan	(0462) 21555	(0462) 21556
8. BITUNG		KC	0168	Jl. Sudirman No. 1, Bitung	(0438) 21037, 21252, 21647	(0438) 32177
9. TAHUNA		KC	0226	Jl. Dr. Sutomo No. 50, Tahuna	(0432) 21318/9, 22784/5	(0432) 25585
10. TOLI-TOLI		KC	0227	Jl. Usman Binol No. 144, Toli-Toli	(0453) 21195	(0453) 23195
1	Pogogul Buol	KCP	1057	Jln Syarif Mansyur, Kel. Buol, Kc. Lipunoto, Buol	(0455) 211304	(0455) 211309
11. TONDANO		KC	0237	Jl. Pinaesaan SK No. 17/31, Tondano	(0431) 321412, 321447/9, 321248	(0431) 322420
1	Tomohon	KCP	0649	Jl. Raya Tomohon, Kel. Paslaten I Lingk. I No. 37	(0431) 355287	(0431) 355289
2	Amurang	KCP	1054	Pusat Pertokoan, Kel. Ranoipapo, Kec. Amurang, Minahasa Selatan	(0430) 21178	(0430) 21178
12. LIMBOTO		KC	0279	Jl. Jend. Sudirman No. 269, Limboto	(0436) 881445/7, 880100	(0436) 881446
1	Marisa	KCP	0648	Jl. Trans Sulawesi, Desa Marisa Utara, Kec. Marisa, Kab. Pahuato	(0443) 210369	(0443) 210429
13. SOA-SIU		KC	0280	Jl. Pattimura No.1, Soa Sio	(0921) 61046, 61600, 61896	(0921) 61298
14. PARIGI		KC	0363	Jl. Trans - Sulawesi Kel. Bantaya Kec. Parigi, Parigi, Mutong	(0450) 21321, 21636, 21634, 21666, 21635	(0450) 21632
1	Kotaraya	KCP	1076	Jl Tadulako no 8 Ds. Kotaraya, Mepanga, Parigi Moutong	(0455) 314263	(0455) 314264
JAYAPURA		KW	0856	Gedung Pelni Lt.1&2, Jl. Argapura No.15, Jayapura	(0967) 524470, 524453	(0967) 524452
1. BIAK		KC	0308	Jl. Jend. Sudirman No. 16, Biak	(0981) 21519, 21159, 21915	(0981) 23605
2. JAYAPURA		KC	0307	Jl. Jend. A. Yani No. 82 Lt.1, Jayapura	(0967) 533585, 534856, 534638, 534841	(0967) 537682
1	Abepura	KCP	0640	Kantor Wilayah Pos XI Papua dan Maluku, Jl Pahlawan No. 1, Abepura	(0967) 583062	(0967) 584627
2	Kota Jayapura	KCP	2141	Komp. Ruko Modern Kodya Jayapura	(0967) 531244	(0967) 531244
3	Waena	KCP	2142	Kawasan Ruko Padang Bulan	(0967) 585363	(0967) 583463
3. WAMENA		KC	0311	Jl. Trikora 81, Wamena	(0969) 31221, 32980	(0969) 32266
4. MERAUKE		KC	0352	Jl. Raya Mandala 8, Merauke	(0971) 321062, 322488, 322738, 321956	(0971) 323518
5. NABIRE		KC	0687	Jl Merdeka, Kel Oyehe, Kec. Nabire, Nabire	(0984) 26120	(0984) 26121
1	Kaimana	KCP	2140	Jl. Utarum No.42, Kel. Krooy, Kec. Kaimana, Kota Kaimana	(0957) 21843, 21892	(0957) 21843
6. SERUI		KC	0309	Jl. Jend. A. Yani Kotak Pos 365, Serui	(0983) 31304/06, 31297	(0983) 31305
7. TIMIKA		KC	0561	Jl. Budi Utomo No.4-6, Timika	(0901) 321827, 321593	(0901) 322603

OUTLET		TYPE OF OUTLET	BRAND CODE	ADDRESS	TELEPHONE	FACSIMILE
1	Freeport	KCP	2100	Jl. Yos Sudarso No.24, Timika	(0901) 321827	(0901) 32213
8.	SENTANI	KC	1082	Jl. Raya Kemiri Sentani, Kec. Sentani, Jayapura	(0967) 593211	(0967) 593156
9.	SORONG	KC	0310	Jl. A. Yani No. 11, Klademak II, Sorong	(0951) 321109, 321430, 321525	(0951) 322085
1	Aimas	KCP	2064	Jl. Tukuruga, Kel. Kalamalu, Distrik Aimas, Sorong	(0951) 328084	(0951) 328084
10.	MANOKWARI	KC	0353	Jl. Yos Sudarso, Manokwari	(0986) 214589, 211943, 211850, 214590	(0986) 213811
1	Bintuni	KCP	1080	Jl Raya Bintuni Kec Bintuni, Teluk Bintuni	(0955) 31101	(0955) 31101
2	Prafi	KCP	2063	Kampung Aimasi SP.III, Prafi, Kab. Manokwari	(0986) 811001	(0986) 811003
11.	FAK - FAK	KC	1081	Jl Pangeran Diponegoro Kec Fak-fak, Fak-Fak	(0956) 25410	(0956) 25411
12.	ABEPURA	KC	0446	Jalan raya Abepura, Kelurahan Hedam, Kecamatan Abepura, Propinsi Papua	(0967) 583062	(0967) 584627

Contact Address

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HEAD OFFICE

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Navigation of Annual Report BRI 2010 for Capital Market and financial Institutions Supervisory Agency (BAPEPAM-LK)

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I. General			
1	In good and proper Bahasa Indonesia, it is also recommended to present the report in English	√	Annual report in English is present separately
2	Printed on light-colored paper, so it is clear and easy to read.	√	
3	State clearly identity of the Company name of the Company and year of Annual Report are displayed on: 1. Front cover, side-cover, back-cover. 2. Each page.	√	
4	The Annual Report is presented on the Company's website.	√	
II. Summary of Key Financial Information			
1	Financial information is presented in a comparison within the period of 5 financial years, or since the commence of the business if the company conducts business activities for less than 5 years. The information includes: 1. Sales/Income from business 2. Gross Profit (Loss) 3. Business Profit (Loss) 4. Net Profit (Loss) 5. Net Profit (Loss) per Share	7	Chapter 1. Foreword, Financial Highlights
2	Financial information is presented in a comparison within the period of 5 financial years, or since the commence of the business if the company conducts business activities for less than 5 years. The information includes: 1. Net Working Capital 2. Total Investment 3. Total Assets 4. Total Liabilities 5. Total Equity	7	Chapter 1. Foreword, Financial Highlights
3	Financial information is presented in a comparison within the period of 5 financial years, or since the commence of the business if the company conducts business activities for less than 5 years. The information include 5 (five) financial ratios related to the economy sector of the company	7	Chapter 1. Foreword, Financial Highlights Capital: 1. Capital Adequacy Ratio (CAR) 2. Fixed Assets to Capital Earning Assets: 1. Non Performing Earning Assets 2. Non-Performing Loan 3. Allowance for Possible Losses to Earning Assets 4. Compliance for Allowance Profitability: 1. ROA 2. ROE 3. NIM 4. Operating Expenses to Operating Income Liquidity: 1. LDR Compliance: 1. Violation on Legal Lending Limit 2. Excess of Legal Lending Limit 3. Statutory Reserve 4. Net Open Position

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4	<p>The Annual Report must include information on the highest price of shares, lowest price of shares, closing price and the number of shares placed on the market (listed) for each quarterly period in the last two financial years. The price of shares prior to the last revision in capital should be adjusted in the event, among others, that it was due to share split, dividends shares and bonus shares.</p> <p>The information includes:</p> <ol style="list-style-type: none"> 1. The highest price 2. The lowest price 3. Closing price 4. Transaction volume 	<p>8</p> <p>55</p>	<p>Chapter 1. Foreword, Shares Highlights</p> <p>Exhibit:</p> <ol style="list-style-type: none"> 1. Quarterly Share Price 2. Dividend Payment 3. Trading Activities (2008-2009) <p>Chapter 2. Company Profile, Information to Shareholders</p> <ol style="list-style-type: none"> 1. Dividend Payment 2. Annual General Meeting of Shareholders 2010 3. Chronology of Subordinated-Debt Listing 4. Chronology of Share Listing 5. Management Stock Option Program 6. Share Ownership 7. Use of the Proceeds from Initial Public Offering (IPO)
5	<p>The Annual Report must include the number of bonds or convertible bonds issued within the last two financial years.</p> <p>The information includes:</p> <ol style="list-style-type: none"> 1. Total Bond and Convertible Bond outstanding 2. Interest Rate 3. Maturity date 4. Rating of Bonds 	9	Chapter 1. Foreword, Bond Highlights
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2	Report of the Board of Directors	18	Chapter 1. Foreword, Report of President Director
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3	Signatures of Members of Directors and Members of Commissioners	30 31	Chapter 1. Foreword, Statement of Responsibility of the Board of Commissioners and the Board of Directors
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