

Media Statement

Kuala Lumpur
Friday, 26 August 2005

Bank Lippo's shareholders approves Santubong Investments' acquisition

Santubong Investments B.V. ("Santubong"), a wholly-owned subsidiary of Khazanah Nasional Berhad ("Khazanah"), is pleased to announce that the shareholders of PT Bank Lippo Tbk ("Bank Lippo") have approved Santubong's proposed acquisition of a 52.05% equity stake in PT Bank Lippo Tbk ("Bank Lippo") from Swissasia Global ("SAG"). The transaction value has been finalised at IDR3.30 trillion (approximately RM1.19 billion) or IDR1,619.11 per share. The purchase consideration represents a price-to-book multiple of 2.6x based on the audited accounts of Bank Lippo as at 30 June 2005. The proposed acquisition is conditional upon approval by Bank Indonesia.

Upon completion of the acquisition, Santubong will become the controlling shareholder of Bank Lippo with a 52.05% equity stake in Bank Lippo. In accordance with applicable Indonesian Capital Market's rules & regulations, Santubong will be making a Tender Offer for the remaining shares in Bank Lippo it does not own, at the transaction price.

In line with the acquisition, several appointments have been made to the Board of Commissioners ("BOC") and the Board of Directors ("BOD") that was approved at today's Extraordinary General Meeting of the shareholders. Their appointments will be subject to approval by Bank Indonesia.

New Appointments to Board of Commissioners

Mohd. Ali Mohd. Dewal has been appointed as the President Commissioner of Bank Lippo. He has substantial banking experience having held senior management positions in UMBC Bank and Bank Utama, and, was also a Board member of Utama Banking Group in Malaysia. Mohd Ali, a Malaysian, also serves as on the Boards of UEM World Berhad and Valuecap Sdn Bhd. He previously held senior management positions in UMBC Bank, Bank Utama and Sime Darby, and, was also a Board member of Utama Banking Group in Malaysia.

Zulkifli Ali, a Malaysian, joins the BOC from Public Bank Group in Malaysia where he was the Director of Corporate Planning/Corporate Structure. Zulkifli was also previously on the Board of Public Bank's wholly owned stockbroking company, PB Securities Sdn Bhd. During his time at Public Bank he was actively involved in growing the bank through acquisitions. He also sat on the IT and Loan Committees. He also represented Public Bank on the board of Bancorp Holdings Ltd., a merchant bank based in New Zealand which was a subsidiary of Public Bank.

Abdul Farid Alias, a Malaysian, is currently a Director of Investments in Khazanah Nasional Berhad and is among others responsible for coordinating investments in Indonesia. Prior to joining Khazanah he was at JP Morgan covering both the debt and equity capital markets. Preceding his time in JP Morgan, Farid worked in Malaysian investment banks with coverage over the South-East Asian region.

Andi Mohammad Hatta, an Indonesian whose career in banking spans 32 years. He recently retired as Executive Director at Bank Niaga, after spending over 20 years there where he was primarily involved in Credit, IT as well as Human Resources.

New Appointments to Board of Directors

For the President Director position, Khazanah and Santubong have reappointed Dr. Jos Luhukay, the incumbent President Director and in addition announces four new appointments to the Senior Management Team and Board of Directors (“BOD”). A new Deputy President Director will be appointed in due course.

Lim Eng Khim, a Malaysian, joins Bank Lippo as the Head of Corporate Strategy and Chief of Staff reporting directly to the President Director. Eng Khim was previously Senior Vice President, Investments at Khazanah Nasional. Prior to Khazanah he was a consultant with McKinsey and Company, focusing on Corporate Finance and Financial Institutions. He has served multiple financial institutions throughout Asia on strategy, banking operations, organization and M&A related issues.

Gottfried Tampubolon, an Indonesian, joins Bank Lippo as its Director of Treasury after almost 20 years at Citibank where his last position was the Country Treasurer. A graduate of Bandung Institute of Technology, he is regularly invited to speak at various Bank Indonesia seminars and is a frequent guest lecturer at both Bank Indonesia’s and Ministry of Finance’s training workshops on Treasury and Money Market matters.

Lauren Sulistiawati, an Indonesian, joins Bank Lippo’s BOD as Director of Consumer Banking from Citibank Jakarta where she held the position of Global Consumer Group Retail Bank and Consumer Finance Business Director. Lauren’s career in banking spans 15 years and prior to Citibank, she was Country Head of Finance at Standard Chartered Bank in Jakarta.

Thila Nadason, a Malaysian who has served in PricewaterhouseCoopers (“PwC”) offices in Singapore, Hong Kong and Indonesia over the last 20 years, is joining Bank Lippo as Director of Finance (Chief Financial Officer). At PwC, Thila was a Partner in charge of Transaction Services Group based in Jakarta and has led the transaction group team for many major acquisitions in Indonesia.

About Khazanah Nasional Berhad

Khazanah is the investment holding arm of the Government of Malaysia entrusted to manage the assets held by the Government and to undertake strategic investments. It has stakes in more than 40 companies with a combined market capitalization of more than RM150 billion (approximately USD40 billion). Khazanah's investments are in various sectors including finance, telecommunications, electric utilities, communication services, information technology and manufacturing.

About PT Bank Lippo Tbk

Bank Lippo was established in 1948 as Bank Perniagaan Indonesia, the first private bank in Indonesia. Since its establishment in 1948, Bank Lippo has evolved into one of the leading commercial banks in Indonesia and is currently Indonesia's ninth largest commercial bank in terms of total assets. It is listed on the Jakarta Stock Exchange.

Bank Lippo provides "one-stop" banking services to the retail, consumer and commercial segments, international products and investment instruments for its individual and corporate customers, and has a total of 2.9 million accounts. It operates via an extensive distribution network comprising 396 branches and 691 ATMs throughout Indonesia with concentration in the higher growth urban Jakarta and West Java regions.

To date, Bank Lippo has developed one of the most advanced e-banking platforms in Indonesia ("e-LippoLink") and ("LippoNetBank") and is regarded as a pioneer in mass-affluent banking, co-brand credit / debit cards and affinity credit cards among local banks in Indonesia. The bank is also one of the largest credit card merchant acquirers and the largest Visa Electron card issuer in Indonesia.

Bank Lippo is now regarded as a forerunner in cash management and consumer banking in Indonesia.

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