

06



PaninBank

John Winders

Executive Vice President
& Director PT Panin Bank

Jakarta 6 March 2006

**ATM
Panin**

**KPM
Panin**

**KPR
Panin**

**KSG
Panin**

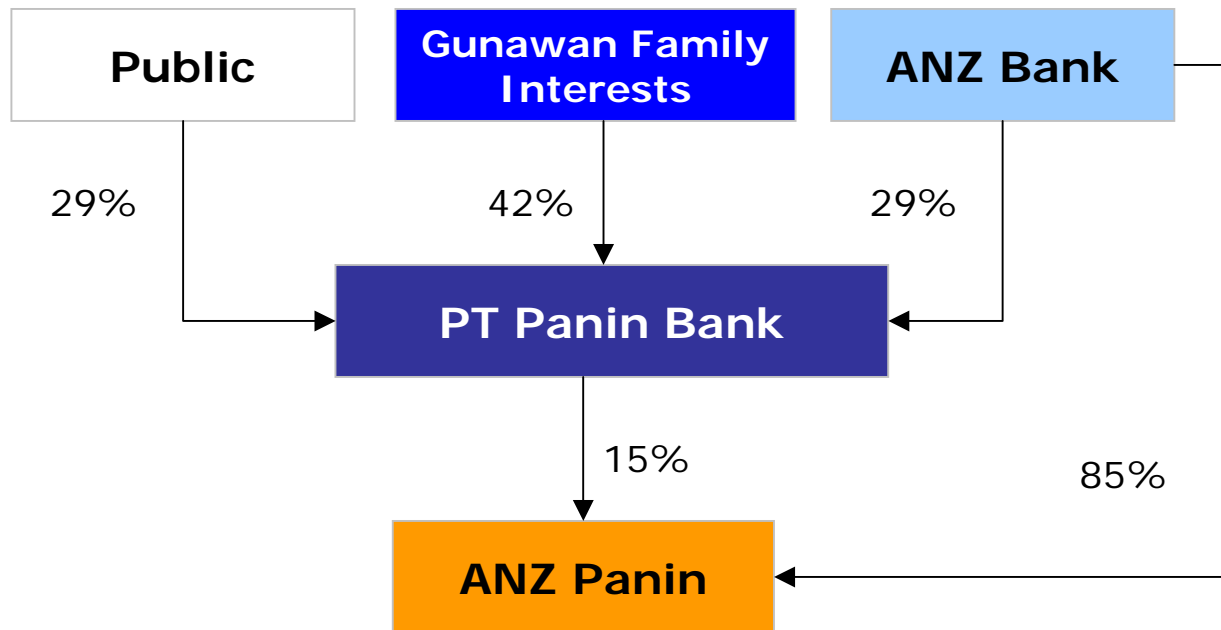
**Magna
Panin**



PaninBank

ANZ holds equity stakes in PT Panin Bank and ANZ Panin

Ownership Structure

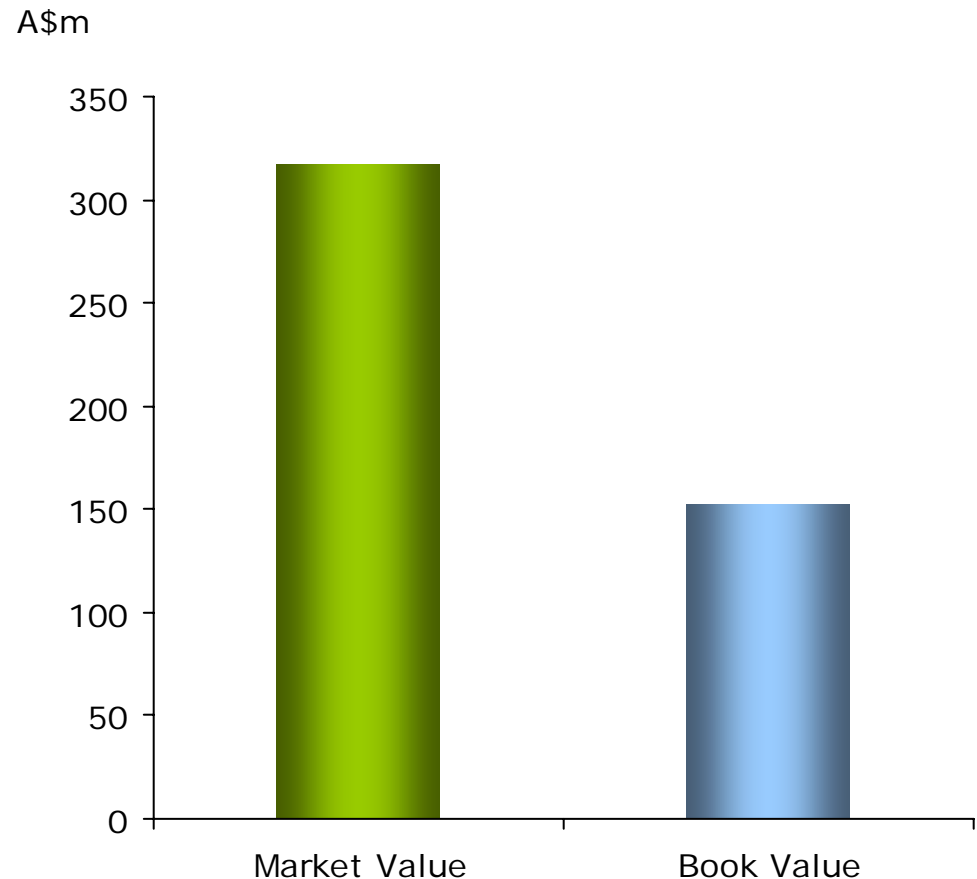


- **PT Panin Bank** includes full service banking model in corporate, SME and consumer customer segments
- **ANZ Panin** includes ANZ's Indonesian Network and Credit Cards businesses.

ANZ's investment in PT Panin continues to add value

- ANZ acquired a 29% minority stake in Panin Bank through
 - 11% purchased and an option agreement over an additional 18% in 1998/99
- ANZ's primary roles include
 - Assisting strategy
 - Facilitation and development of PT Panin's internal capabilities
 - Profit making initiatives
- Focus on retail & SME segments, Corporate lending weighted to long established entities

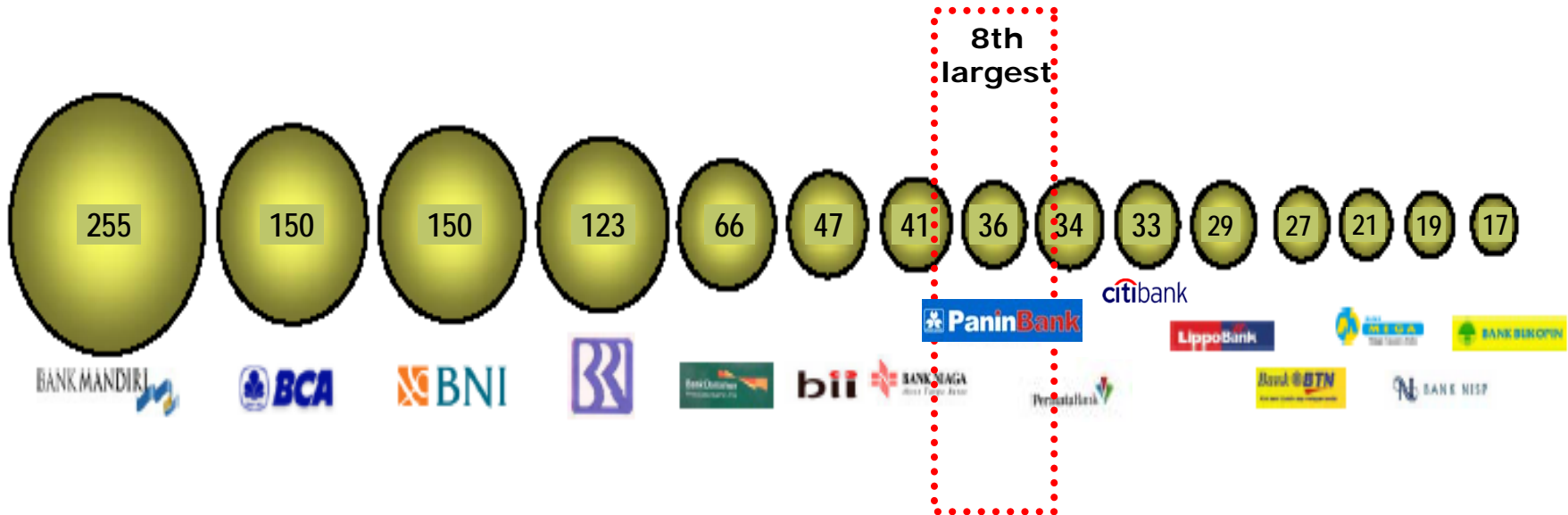
Value of ANZ's investment in PT Panin continues to grow (at Jan-06)



PT Panin Bank is Indonesia's 8th largest bank by assets



8th largest overall and 5th largest among non-government banks (total Assets 31/12/05*)

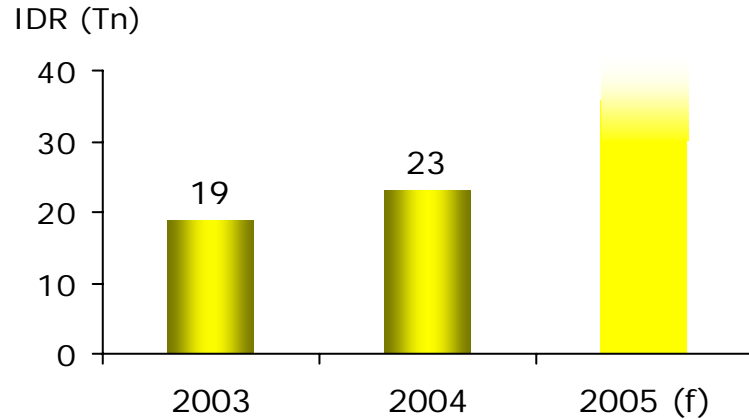


Combined assets of remaining 117 small banks is 280 trillion

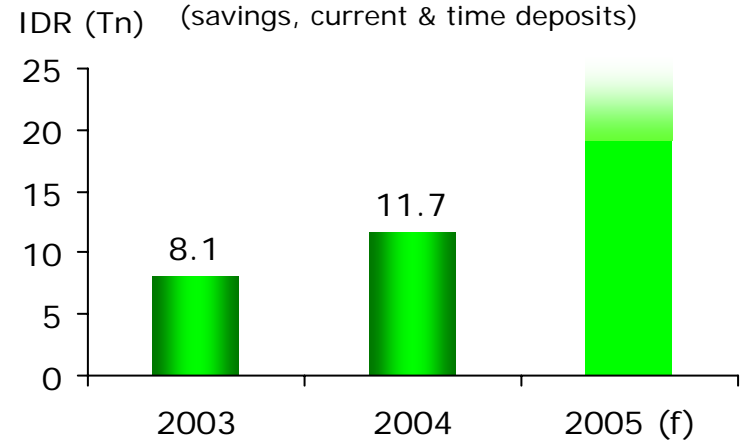
* As reported in Bisnis Indonesia 28/2/06- based on BI published numbers

Panin is a fast growing, mid-sized bank focusing on SME and more affluent consumers

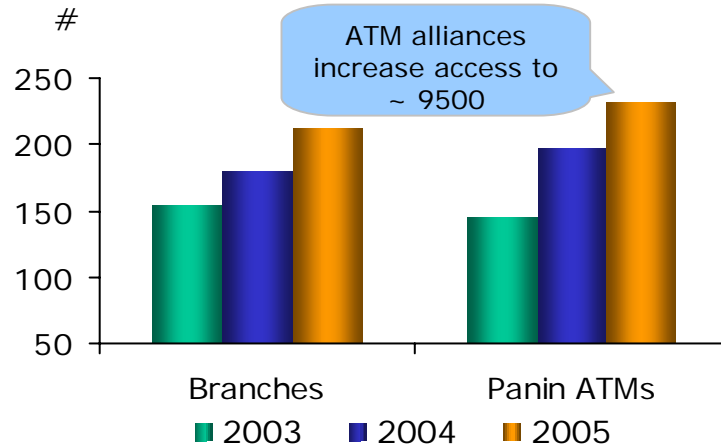
Strong lending growth



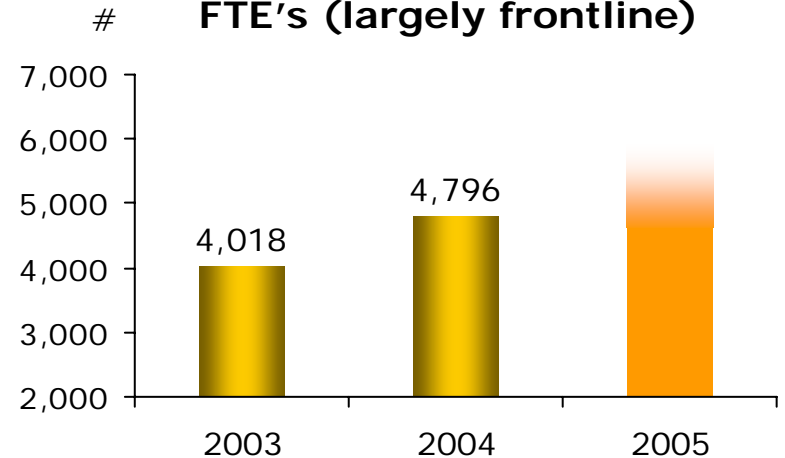
Retail Deposits growing strongly



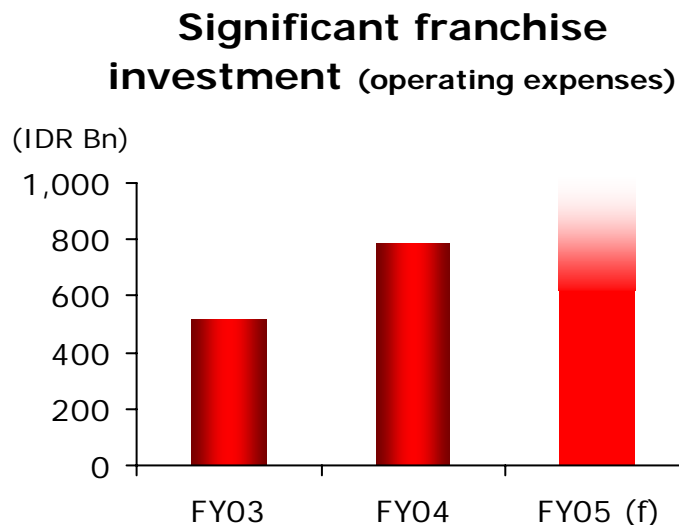
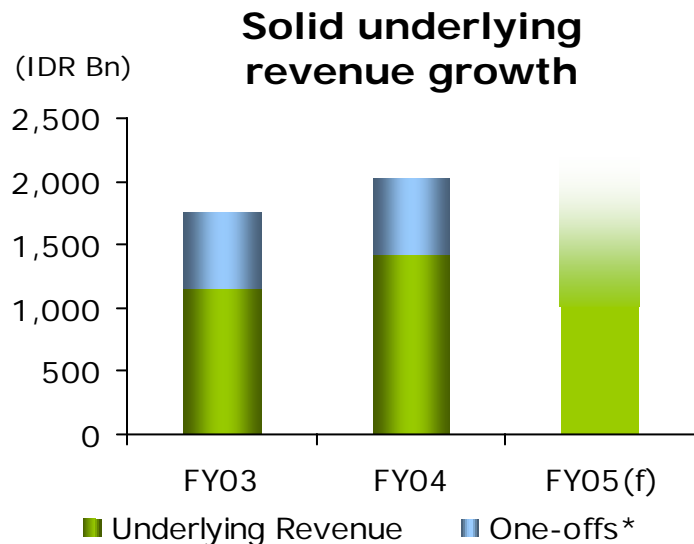
70 new branches & access to 9,500 ATMs since 2003



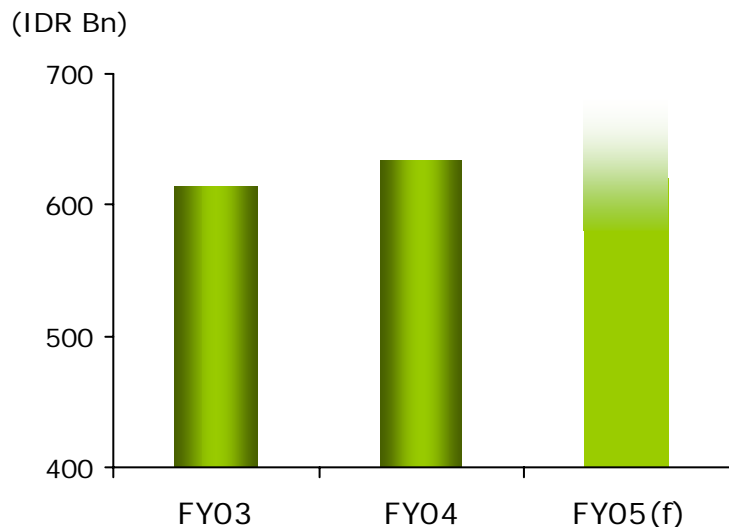
Increased investment in FTE's (largely frontline)



Strong growth in Panin Consumer & SME businesses offset by NIM pressure and franchise investment



Underlying profit growth impacted by franchise investment

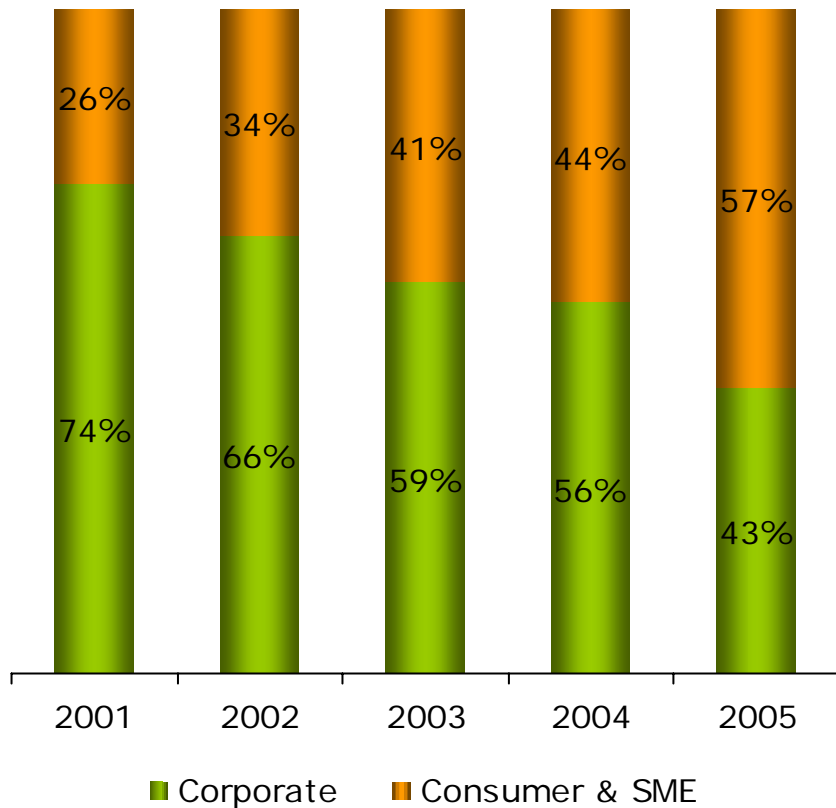


Significant one-off events in 2005

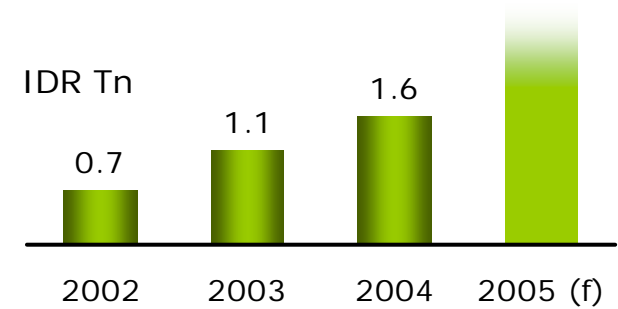
- Inflation 8% to 17%
- Wholesale funding spiked 5% in 2 months
- Mutual Fund Bond Market collapsed

Similar to ANZ, Panin has transformed its business mix towards consumer and SME

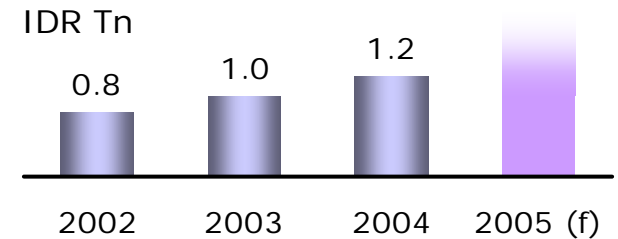
A significant shift in business mix
(% lending assets)



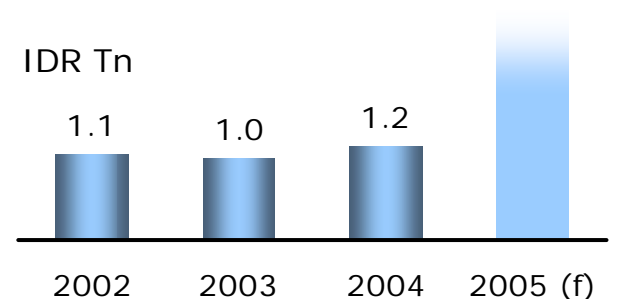
Housing Loans



Motor Vehicle Loans

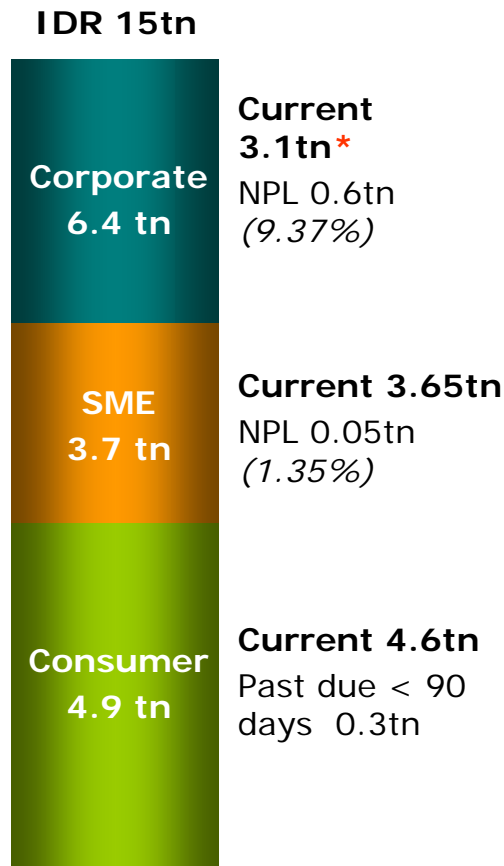


SME Loans



Panin maintains conservative approach to risk. Changes to Bank Indonesia policy caused temporary spike in NPLs in 3Q05

Total Loans



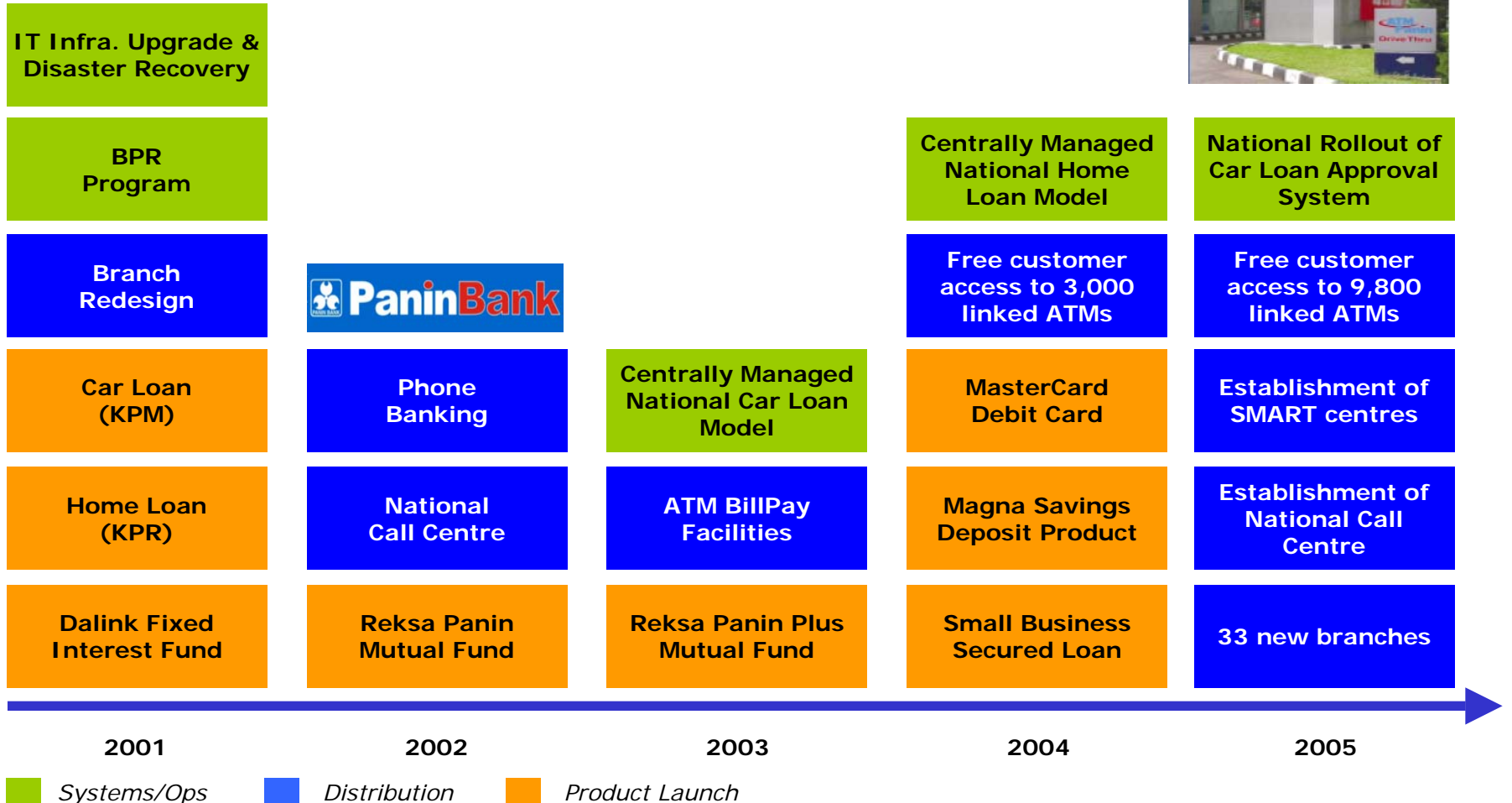
Dec 05

	Dec 05	June 05	2004	2003
NPL	1,393	656	848	794
NPL (%)	9.1	4.91	7.71	9.6
Provision	980	906	779	740
Net NPL (%)	2.5	(1.88)	0.63	0.65

- *includes 2.7tn increase following changes to Bank Indonesia NPL policy in 3Q05
- Trending towards 5% as BI policy clarified
- Consumer/SME mostly secured lending
- Ongoing leveraging of ANZ capabilities

Panin's growth is driven by investment in products and distribution, and leveraging ANZ's capabilities

Building a retail banking business in Indonesia



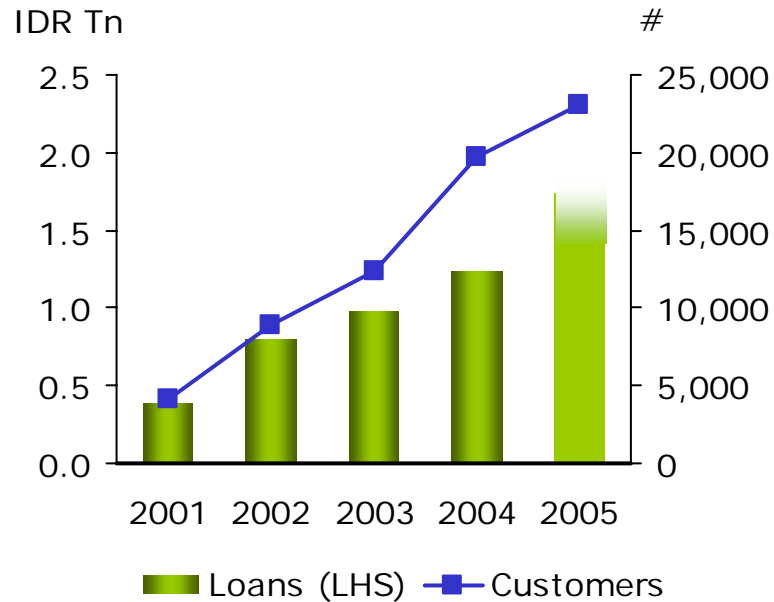
Summary

- Panin Bank's underlying profit growth is strong
- The partnership continues to add value to ANZ with market value well in excess of book
- 2006 performance adversely impacted by increased interest rate environment
- Success of Panin partnership underlies ANZ model
 - transformation of business mix to consumer/SME
 - significant investment in products, people and distribution
 - continuing improvement to risk management and other infrastructure/capabilities
- Panin Bank is well placed for continued growth and future industry consolidation

Additional Information

Panin has established itself as a leading player in the motor vehicle finance business

Strong Growth in Loans & Customers



- 41% increase in car loan outstandings in 2005.
- Car sales slowed after reduction of fuel subsidy and increase in interest rates in 4Q05.

Sales strategy focused on leveraging strong dealer relationships

- Panin now operating 23 car loan centres across 15 cities.
- Car loan sales management operated through specialised business unit and specialists co-located with dealers
- Credit decisions retained by local branches
- >90% car loan sales sourced through car dealer relationships

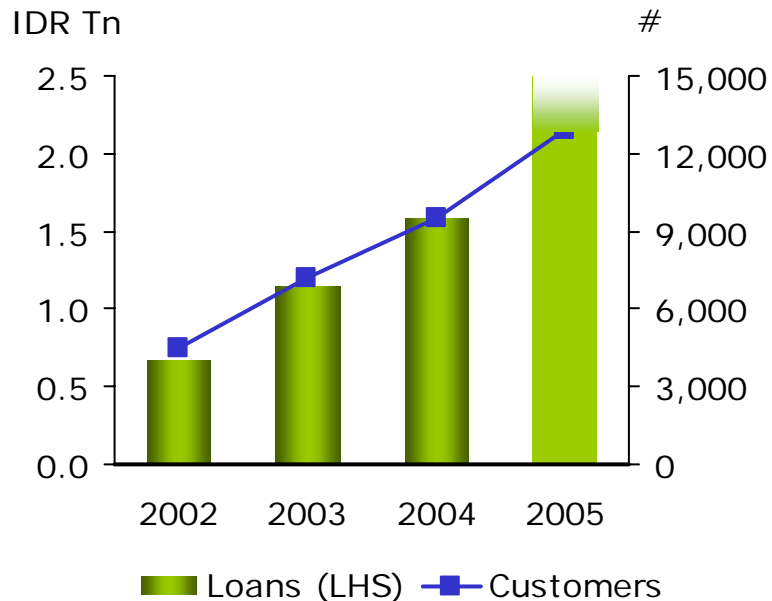
Dealer Relationships



- Honda, Toyota and Nissan comprise >80% of sales in Panin target car market.

Good momentum in home loans, despite increased competition

Solid Home Loan growth



- 57% growth in outstandings in 2005, excellent result in view of downturn following interest rate rises in Sept-05
- Market growth has slowed, however beginning to show signs of recovery

Relationships built through network and external parties

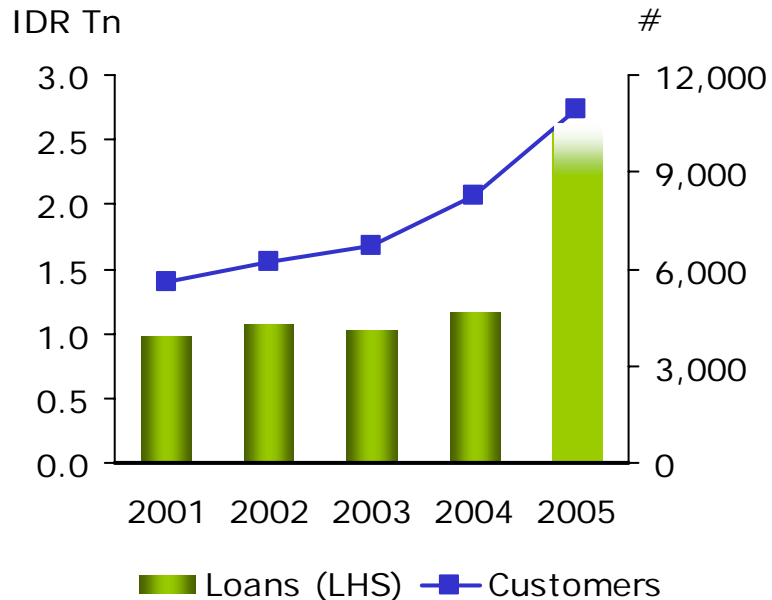
- 56% of home loans sourced through connections with land developers and real estate brokers. Broker shares in up-front fee but no impact on NIM.
- New connections being established on regular basis.
- Major connections include

Brokers (> 100 offices combined)

Land Developers

SME growing strongly following increased focus – key medium term growth engine

Exceptional Lending growth in 2005



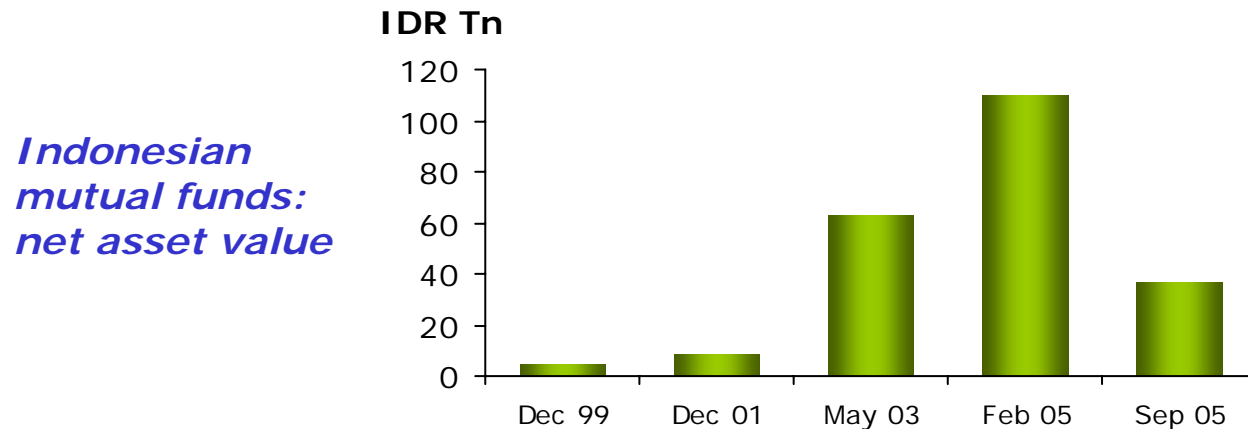
- 122% growth in SME outstandings in 2005.
- Only 21% of Indonesia's 40 million SME's are serviced by formal banking sector – strong opportunity for further growth.

Specialist focus on SME

- Until 2005 had received little attention.
- Jan 2005 – dedicated SME lending director appointed. Total balances have grown 122% since specialist model introduced
- Panin now operating 20 'SMART' centres across 8 cities, and growing.
- SMART centres located in business hubs with 5+ specialist account officers.
- Sales tactics include direct targeting of competitor customers and up-sell offers to existing Panin SME customers.
- Loans are well secured

Panin Bank and the Indonesian Reksa/bond market

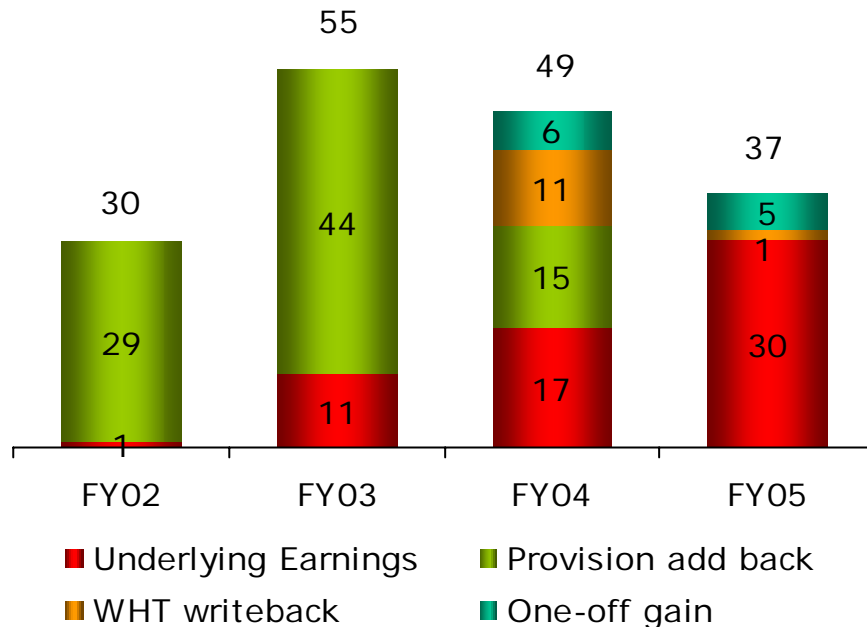
- The “Reksa Product” is a mutual fund type investment typically invested in domestic government bonds. Customers were attracted to the investment because of its higher yield.



- Panin Reksa outstandings peaked at IDR 9.7Tn early 2004.
- As rates started to rise, Reksa customers surrendered their holdings.
- Most banks, including Panin, held the redeemed bonds.
- As at 31 Dec 05 Panin’s Reksa outstandings were minimal.

ANZ's equity accounted profit is impacted by a number of variables

Solid underlying NPAT growth (ANZ equity accounted profits A\$m)

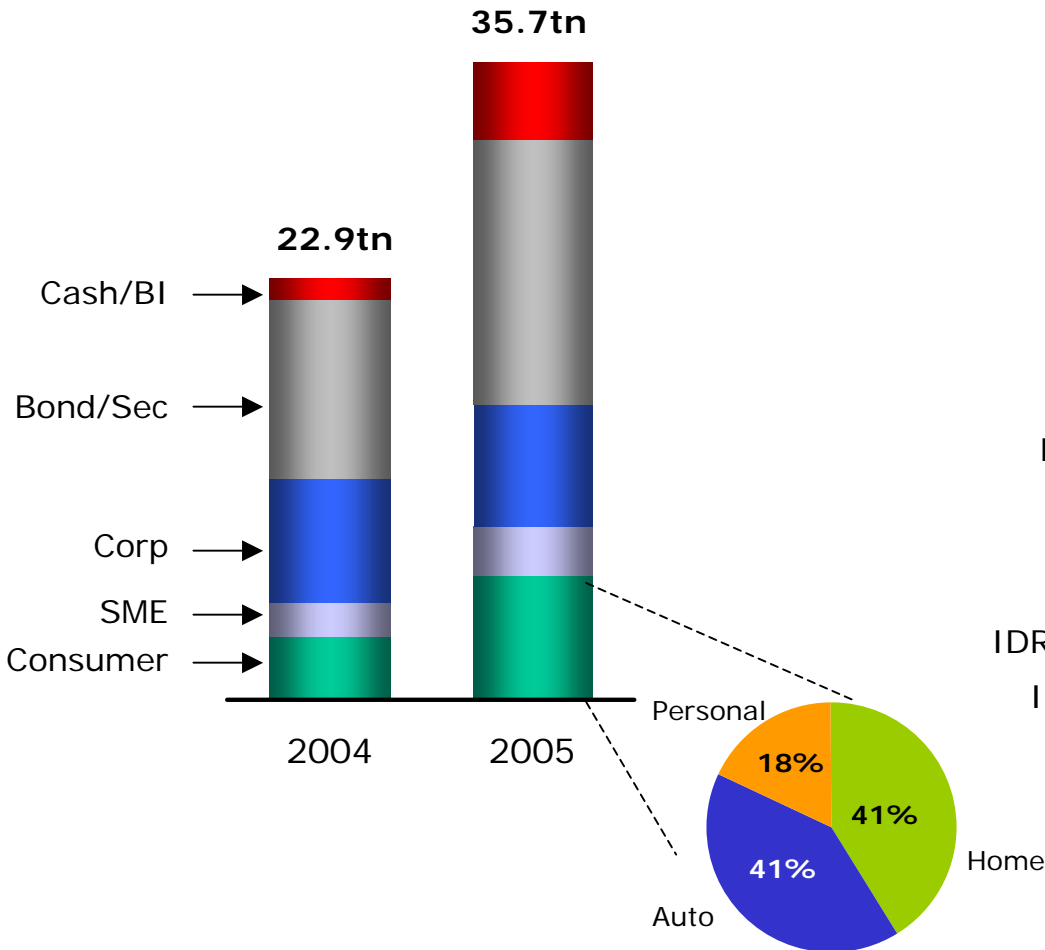


Amount reported by ANZ as equity accounted profit impacted by:

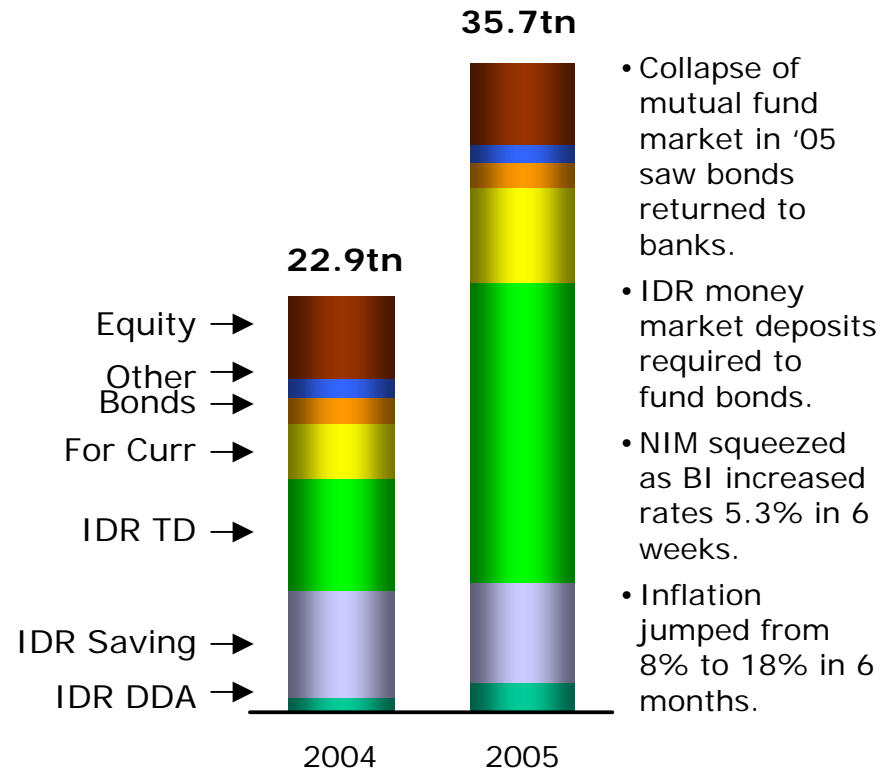
- ANZ records share of income from Panin on a 3 month lagged basis due to market sensitivity.
- Exchange rate volatility
- Withholding tax changes
- Differences between statutory and management accounts eg tax
- Differing accounting treatments eg Provisions raised when investment written down

Strong balance sheet growth, good growth in consumer lending

Assets



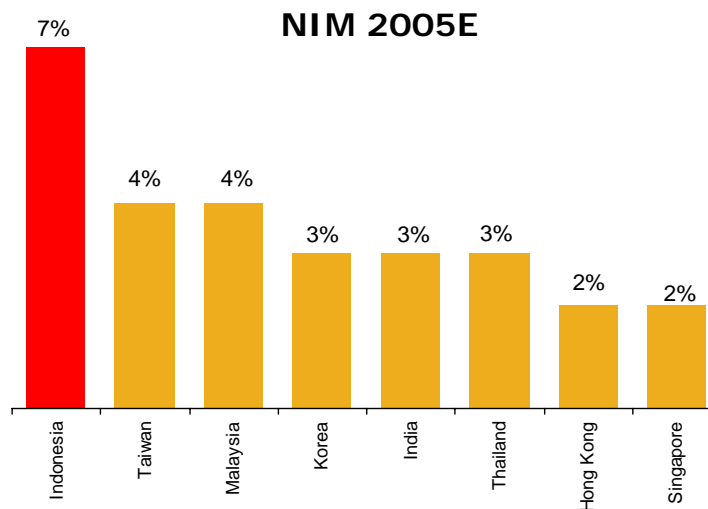
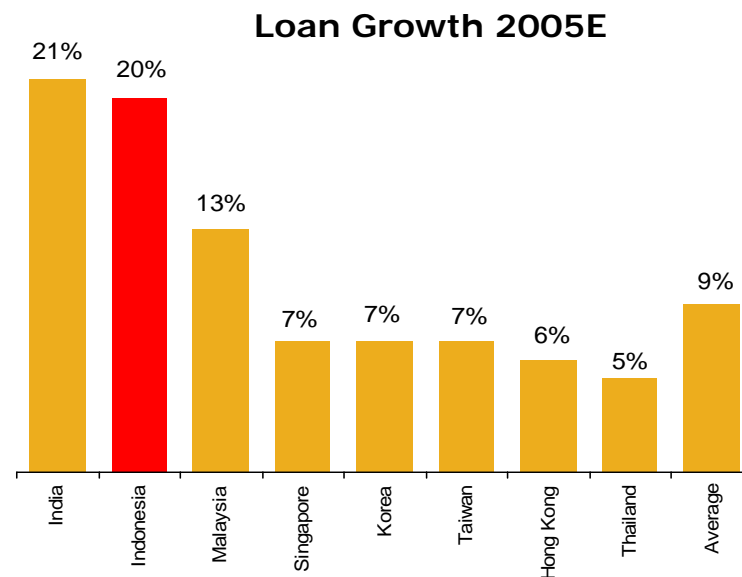
Liabilities



- Collapse of mutual fund market in '05 saw bonds returned to banks.
- IDR money market deposits required to fund bonds.
- NIM squeezed as BI increased rates 5.3% in 6 weeks.
- Inflation jumped from 8% to 18% in 6 months.

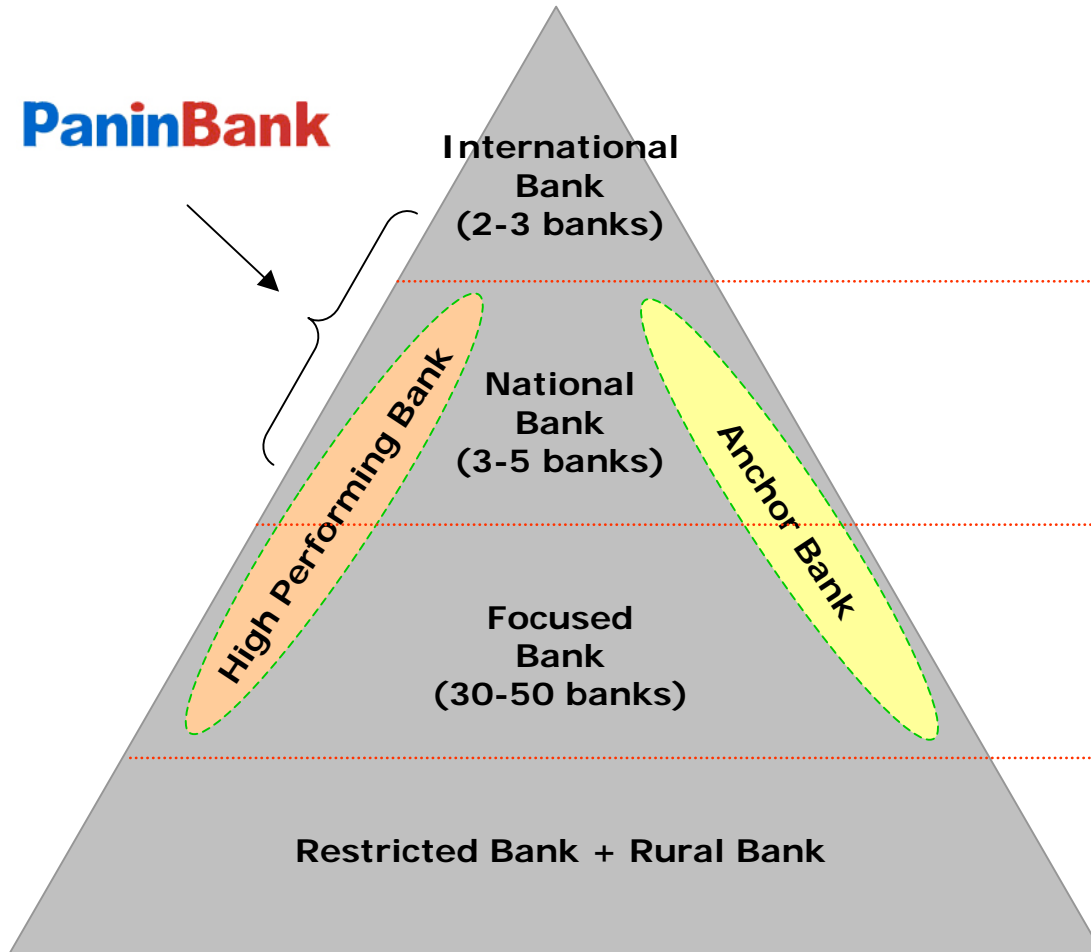
Indonesia's banking sector has recovered strongly

- Strong capitalisation, liquidity, asset quality, all likely to improve further as economy strengthens
- Under-penetrated banking sector:
 - *Loans/GDP at 25% amongst lowest globally*
 - *Consumer Loans/GDP at ~10% amongst Asia's lowest*
- Asia's fastest loan growth +19.8% '04, +22.9%# '05, 5 year CAGR +22%
- Loan growth reflected in home and car finance, new investment, higher exports and new appetite for infrastructure projects (+US\$75b forecast to 2010)
- Margins contracting but from relatively high levels
- Very high (~35%) sector foreign ownership implies improved management practices underpinning aggressive growth
- More consolidation amongst remaining 130+ banks likely to drive further productivity gains
- Risks to growth include high competition, rising inflation, uncertain credit quality (vis-à-vis strong loans growth), security issues, etc.



Bank Indonesia blue-print signals further wave of consolidation

PaninBank



- Min. capital >IDR50Tn
- Capacity to operate in international scale
- Capital requirement: IDR10-50Tn
- Offers wide range of business and nationwide coverage
- Capital requirement: IDR100Bn-10Tn
- Focus on particular business or customer segments, e.g. retail, corporate, regional
- Banks with capital <IDR100Bn
- Limited business activities and territorial reach



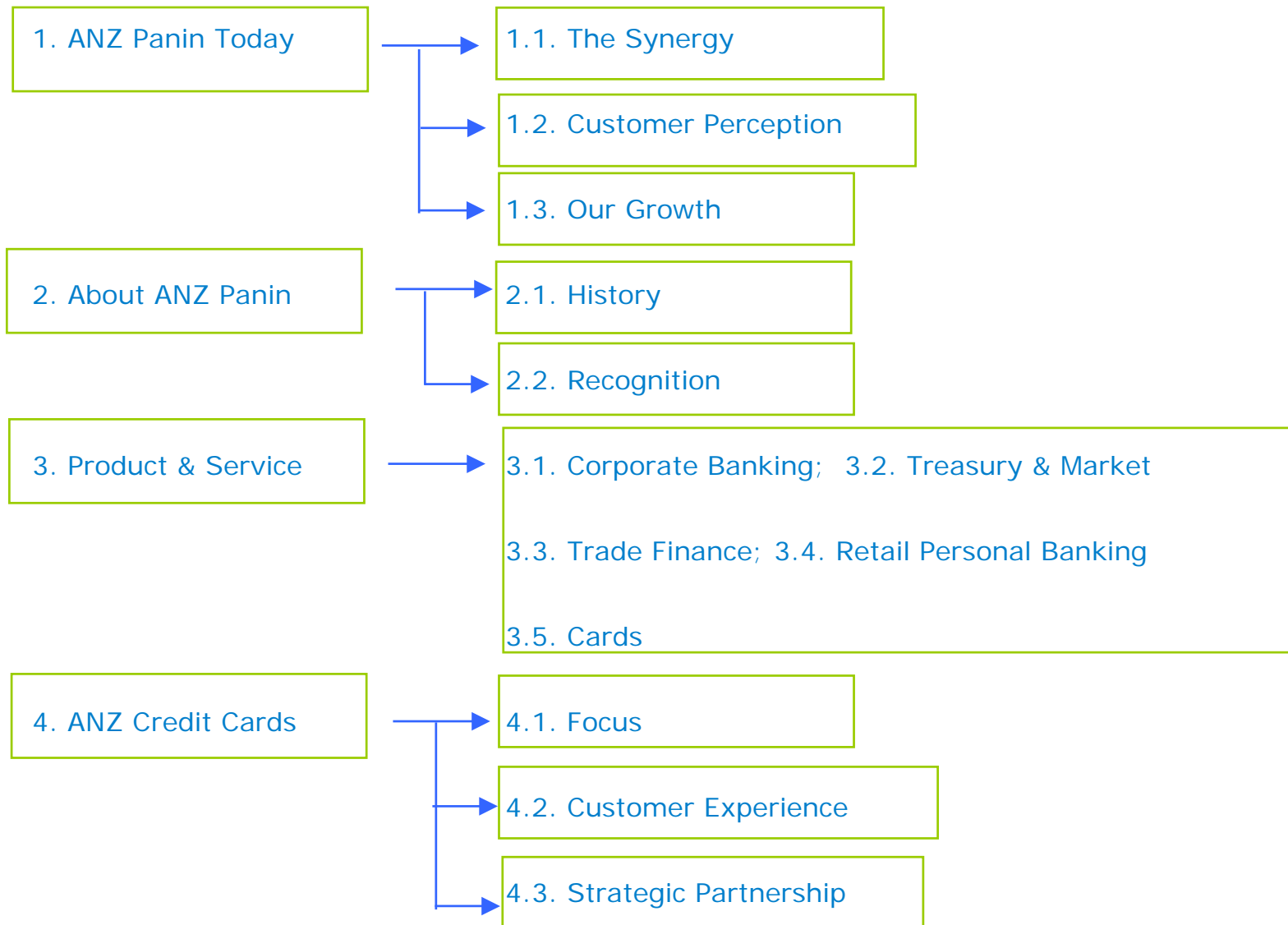
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PT. ANZ Panin Bank

www.anz.com

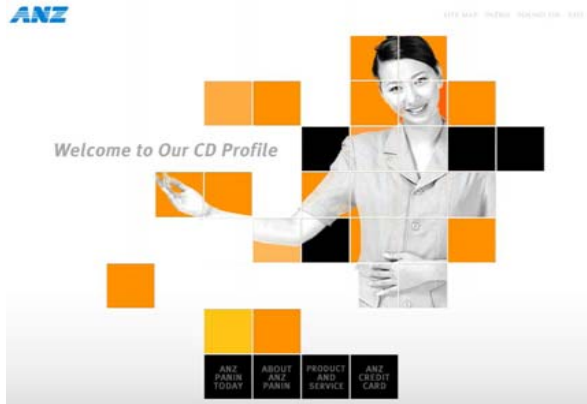
ANZ

Information Flow

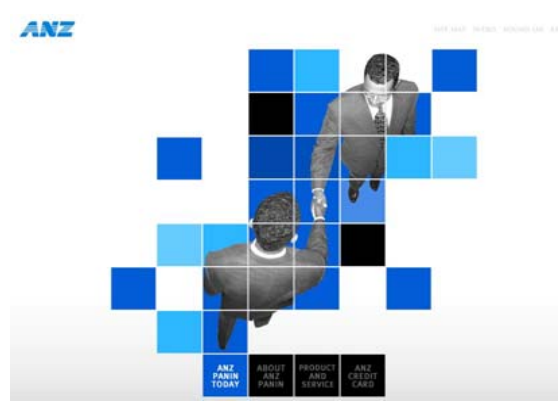


Look & Feel

Opening Look



ANZ Panin Bank Today



About ANZ Panin



Product & Service



ANZ Credit Cards



Content Details

1. ANZ Panin Today – 1.1. The Synergy

- **ANZ Panin Bank**

- One of the largest JV Bank in Indonesia in term of customers and profitability ratios.
- 157 full time staff, 350 foreign owned company accounts, 320 Indonesian company accounts, nearly 300,000 individual customers.
- As of 30 Sept 05, total assets of AUD 536m, total customer liabilities of AUD 434m, NPBT AUD 17m.
- Operates from 2 locations in Jakarta with an outbound call centre and representative office in Surabaya and Bandung.

- **Panin Bank**

- Top 10 Banks in Indonesia with hundreds of thousands customers.
- 227 branches and 240 ATMs around Indonesia.
- Panin Bank customers has access to Indonesia's largest ATM network with Alto and Bersama ATM Networks.
- Survives the 1997 economic crisis without having to undergo recapitalisation.
- Has total assets of approx. AUD 5 bio.

1. ANZ Panin Today – 1.1. The Synergy (Cont.)

- Perfect synergy combining ANZ as one of the largest bank in Australia with global network in Europe, America, Asia/Pacific, and Panin Bank with strong local knowledge.

1. ANZ Panin Today – 1.2. Customer Perception

- **Bank with “Human Face”**

- Offer products by focusing on modern lifestyle.
- Innovative and trendy look of collaterals, promotion media.

- **Customer opinion about ANZ Panin.**

To support the idea of dynamic and contemporary look with young feel (based on AC Nielsen Survey).

- “ANZ Panin has the same social class with Citibank... the difference is Citibank is older”
- “Cool & Stylish”
- “Young Executive”
- “Cute, with unique card design”
- “Dare to be different... has trademark”
- “Drives BMW”
- “Whatever he wears, suits him”

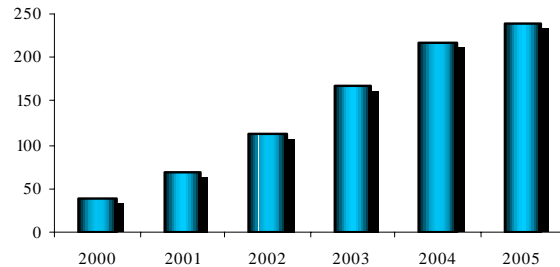
1. ANZ Panin Today – 1.3. Our Growth

- **Our Focus**
 - Building a premium credit card business.
 - Supporting multinationals network in Indonesia.
 - Identify Indonesian opportunities for ANZ product specialists and provide ongoing support in deal structuring.
 - Deepen industry focus in natural resources – coal initiative to grow our business in natural resources.
 - Accelerate development of our food, beverage and agribusiness customer base (i.e. Palm, oil, pineapple, etc).

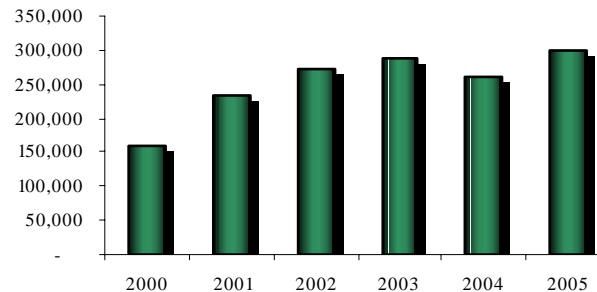
1. ANZ Panin Today – 1.3. Our Growth (Cont.)

- With strong focus, ANZ Panin has shown excellent performance.
 - CAGR: 20.6%
 - ROE: 17.8%
 - Cost to Income ratio: 42.8%
 - Strong CAR: 21.4% for further expansion
 - Increasing number of customers, loan and NPAT.

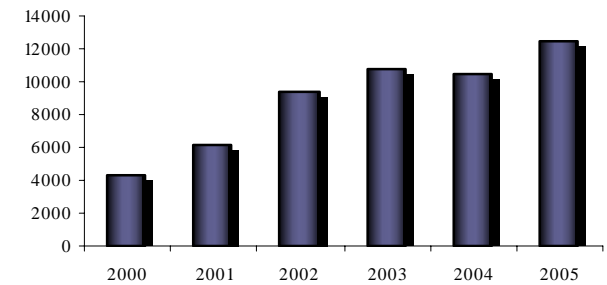
No. of Customers



Loan



NPAT



Note: Graphs (Loan and NPAT) are in AUD '000, as per Sept 2000-2005. No of Customers is in thousand.

2. About ANZ Panin – 2.1. History

- 1973, ANZ Grindlays Bank established a representative office in Jakarta.
- 1993, ANZ purchased Westpac stake in the joint venture Bank with Panin Bank and established PT ANZ Panin Bank.
- 1999, to expand its retail sector, ANZ Panin Bank acquired cards portfolio of Bank Papan, and since then, ANZ Panin offers credit cards to market with advanced call centre facility

2. About ANZ Panin – 2.2. Recognition

- Business Week Magazine (August 2005): Indonesia's most admired company.
- Infobank Magazine (June 2005): Bank with the most focused activities in a specific business sector.
- Infobank Magazine (June 2005): Voted top 10 bank in Indonesia.
- SWA Magazine (May 2000): Rated No. 1 best bank in the medium sized bank category.
- and many more

3. Product & Service

Trade Finance

Provide products such as:

- *Bank guarantee (eg. custom bond, bid bond, performance bond).*
- *Import (eg. Opening LC, Local LC, Import Tax Payment, Shipping Guarantee).*
- *Export (eg. Advising and negotiation Letter of Credit, Discounted Bills).*
- *Collection (eg. Clean/cheque collection, documentary collection).*
- *Structured Trade Finance (eg. Pre-export financing).*

Corporate Banking

In general, assisting multinational corporations and expatriate businesses, with:

- *Term, working capital and Bridging Loan Facilities with multi currency options.*
- *Arranging Loan Syndication for viable project (Project Financing).*
- *Pre and post shipment financing of trade (Export) related transactions.*
- *Interest bearing term and call deposit products for surplus corporate funds.*
- *International and local money transfer services.*
- *Financial advisory services in cooperation with ANZIB*
- *Electronic Banking.*

Retail Personal Banking

- *Provide general banking products and services such as deposit account, current account, and safety deposits.*
- *Provide assistance for opening ANZ account in Australia and New Zealand.*

Treasury & Market

- *Provides general treasury products such as foreign exchange services, loan and deposits and any other financial market products.*

Cards

- *Provides loan to consumers in the form of credit cards for all market segments.*
- *3 types of card: classic, gold, platinum.*
- *Sales: direct sales & telemarketing.*
- *4 branches: Jakarta, Surabaya, Bandung.*

4. ANZ Panin Credit Cards – 4.1. Focus

- Credit card is retail focus of ANZ Panin.
- Type of cards offered: classic, gold, platinum.
- ANZ owns 70% of the platinum market share.
- ANZ Platinum is the 1st Platinum card that invites public to apply.



4. ANZ Credit Cards – 4.2. Customer Experience

- Dynamic and contemporary look.
- Unique card design that represent style, character and personality of the Cardholders (Picture Card).
 - Cardholders can choose from 9 pre-selected pictures.



- or they can submit their own pictures.



4. ANZ Credit Cards – 4.2. Customer Experience

- Focusing on modern lifestyle and experience for Cardholders when using the card.
- Cooperates with international partners providing *talk-of-the-town* events that gives values to the Cardholders.

1st Broadway show in Indonesia



Holiday On Ice



Disney 1st Room Makeover



Nickelodeon "Meet Tommy"



See it first! Box Office Movie Program



4. ANZ Credit Cards – 4.3. Strategic Partnership

- Building brand association with 28 international boutiques providing interest free installment and other privileges.

Cartier


AIGNER

VERTU

VERSACE

BALLY

BOSS
HUGO BOSS

STUART
WEITZMAN

a.testoni

S.T. Dupont
PARIS

Folli Follie
jewellery
watches
accessories

MONT
BLANC

dunhill

Giuseppe Zanotti
GIUSEPPE ZANOTTI DESIGN


LONGCHAMP
PARIS

GF FERRÉ

COCCINELLE

FRANCESCO BIASIA


ROCOCO

charles david

Ermenegildo Zegna

4. ANZ Credit Cards – 4.3. Strategic Partnership

- Through ANZ Spot – I Love This Spot, building brand association with more than 200 restaurant/café partners providing year-long benefits in form of discounts and complimentary. Partners located throughout Indonesia, such as Jakarta, Bali, Surabaya.



I Love to eat, I Love to hang out, all year long...



... and hundreds of other merchants.

The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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