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Asia Investor Roadshow

Australia and New Zealand Banking Group Limited

ANZ Royal Bank

Stephen Higgins

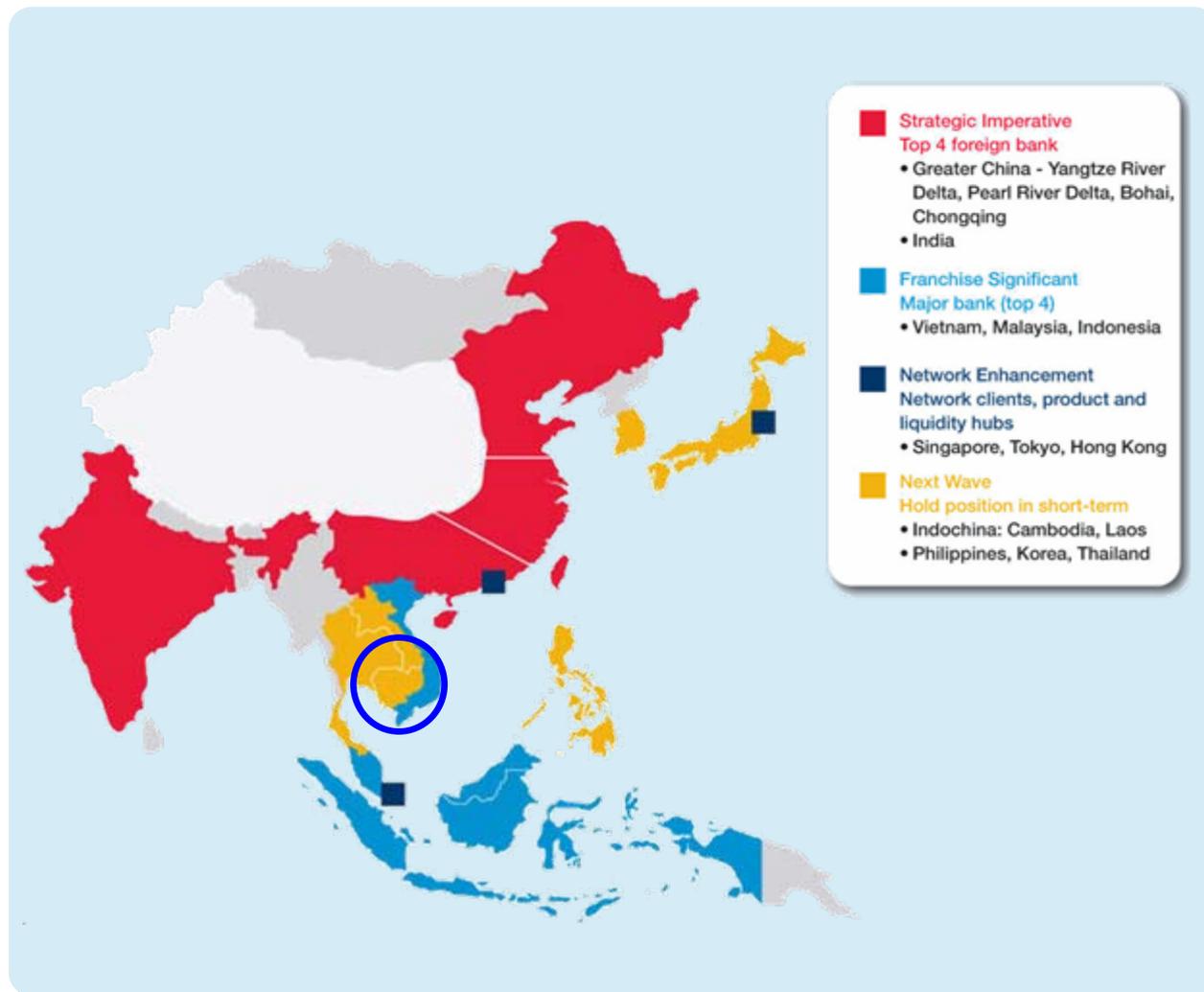
CEO, Cambodia

20 June 2008



www.anz.com

ANZ Royal – “next wave” developing into “franchise significant”

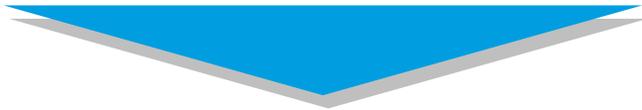


- Launched Sept 2005, already a top 4 bank
- Now has biggest retail network in ANZ outside of Aust & NZ*
- Key metrics for 2008 expected to be 3x higher than original 2005 “3 year” plan
- Proof that we can rapidly build a leading retail bank

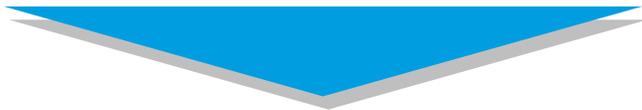
* Excludes non-ANZ branded partnerships



Opportunity



Strategy



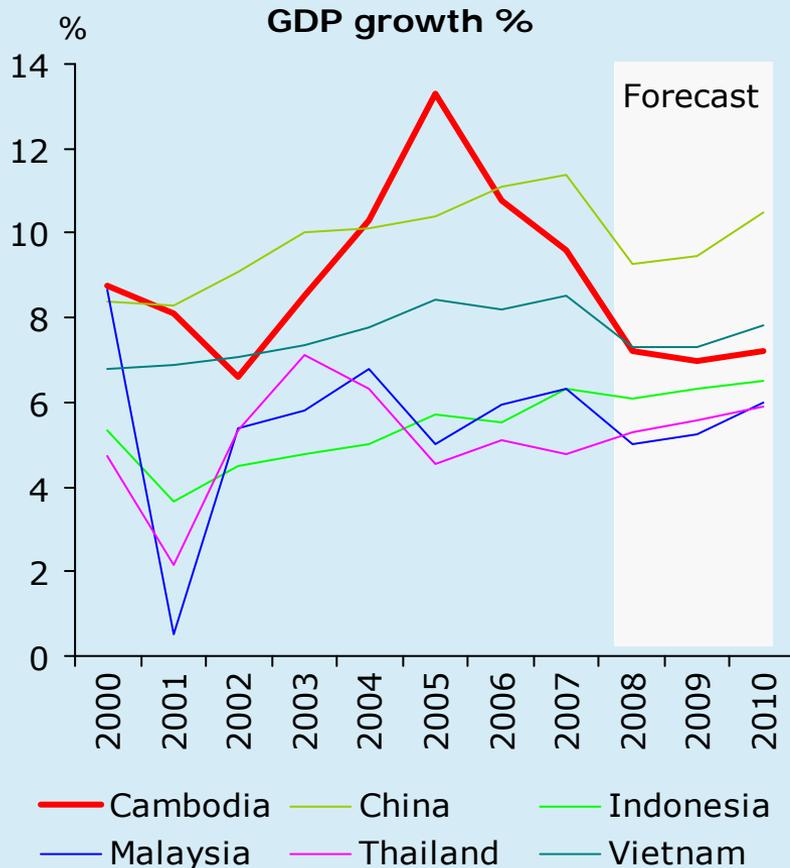
Infrastructure

- Strong GDP growth and multiplier effect for financial services
- Scope for “high quality” banking proposition across sectors
- Rapid roll out of representation
- Full product suite
- Dominate quality end of market
- Infrastructure build program well established – continue to extend reach
- Building staff capability a key focus

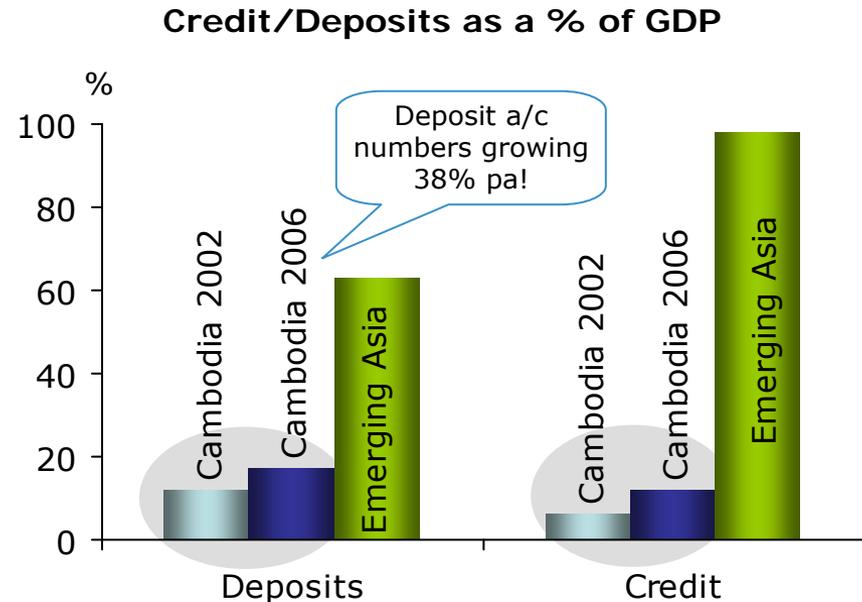
The "double benefit" in action, leading to rapid financial system growth



Very high GDP growth



Low banking penetration with significant upside

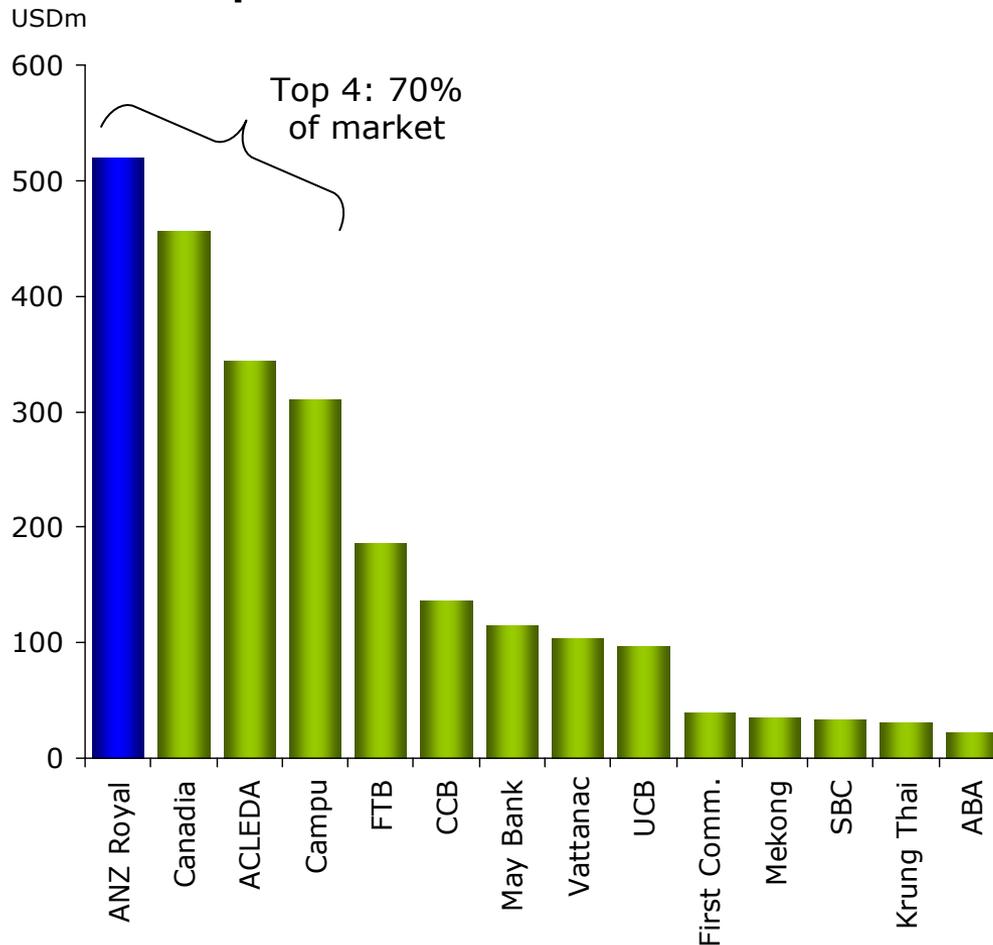


"Rapid increases in broad money and credit to the private sector are not only to be expected at this stage in Cambodia's development but are essential for the modernization of the economy" (IMF)

Market is dominated by 4 banks, increasingly difficult for new entrants



Deposit volumes as of Dec-07



- Currently 24 commercial banks in Cambodia, top 4 with ~70% market share
- Larger banks are winning share, placing pressure on smaller banks
- Opportunities for entry have become significantly more limited since ANZ Royal entered in 2005

“With the entrance to the market of ANZ Royal (in late-2005), competitive pressure began to build as more modern banking services became available” (IMF)

Our success in retail based on differentiating on trust, service, and access



Trust

- Widespread bank failures in the past led to lack of trust in banks
- Opportunity for highly rated, international quality bank

- Market research shows ANZ Royal already dominates on trust

Service

- Poor service levels in Banks prior to ANZ Royal
- Basic branches

- Mystery shopping demonstrates clear lead on service
- High quality branches equivalent to developed market branches

Access

- Almost no ATMs in country prior to ANZ Royal
- Limited branches

- Leading ATM network (~ twice nearest competitor)
- 2nd largest branch network
- Dominate POS
- Only bank with Internet Banking

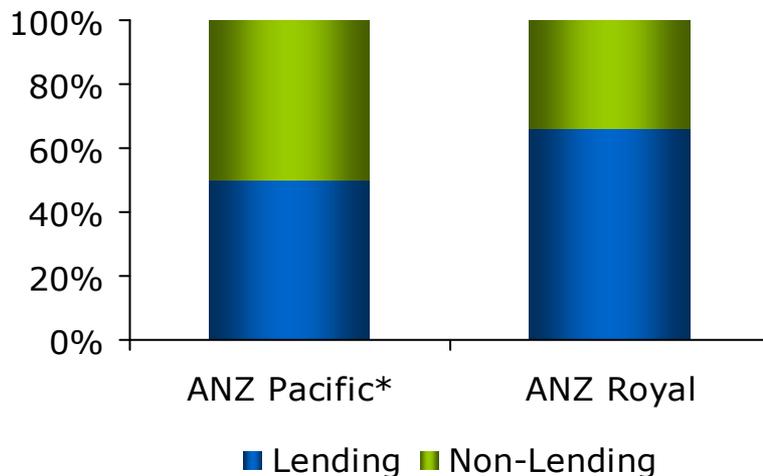
Successfully attracting business customers, opportunity to deepen relationships



Customer acquisition has been very successful

- At time of entry, we targeted a list of ~100 corporate customers
- We now bank over $\frac{3}{4}$ of them, in addition to large SME portfolio
- Initially focused on lending & deposits

However we are underweight "non-lending" income



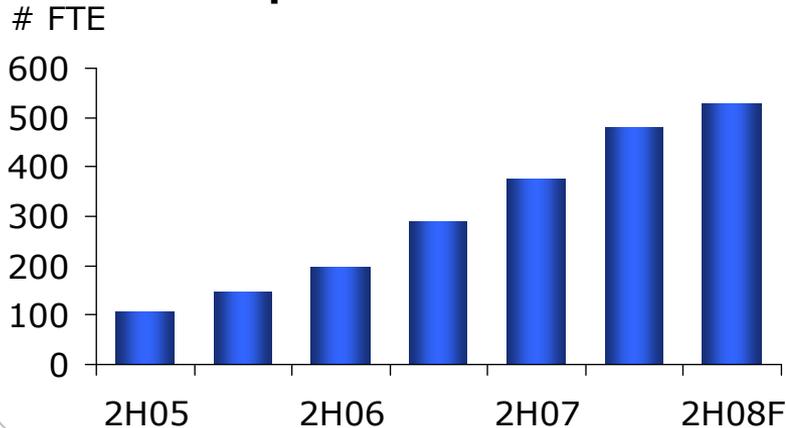
Cross sell - a significant opportunity

- Unlike developed markets, ANZ Royal only bank in market with full product suite
 - eg only bank with Markets capability – provides very significant opportunity
- Leveraging ANZ trade relationships globally
- Have appointed Deposits specialist to service deposit rich customers
- Implementing tracking tools to improve management of cross sell
- Issued first syndications term sheet in Cambodian market

Investing in the skills of our people is our most important infrastructure initiative

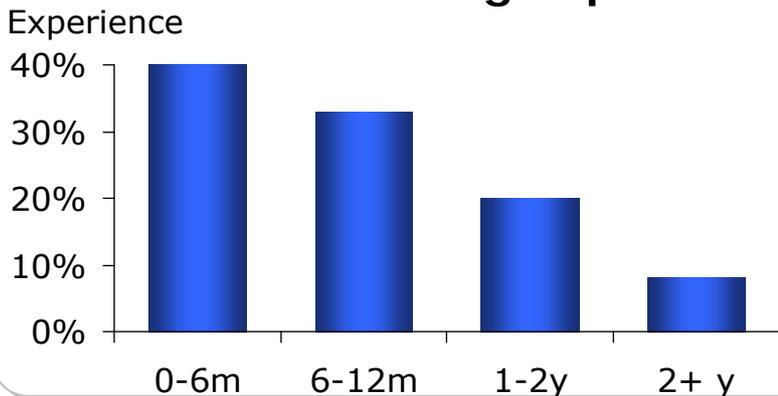


Rapid FTE Growth



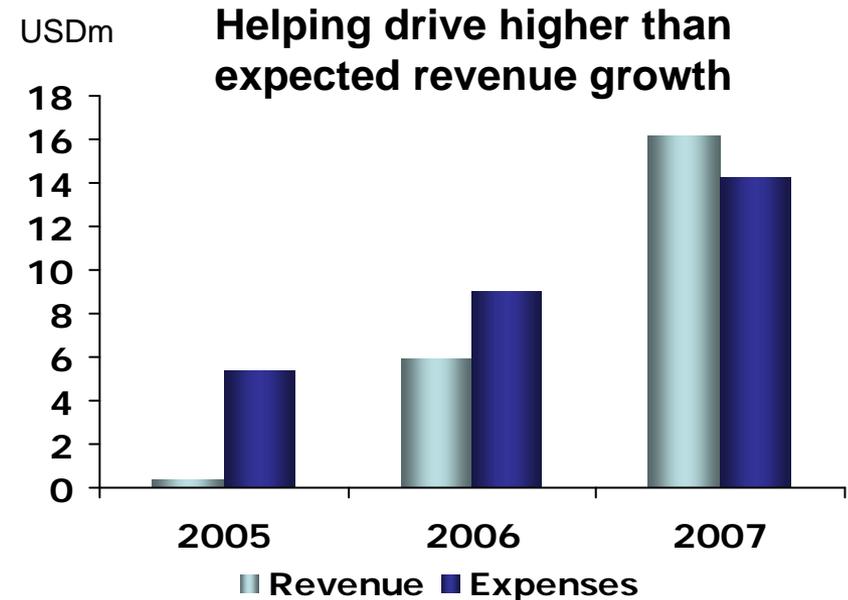
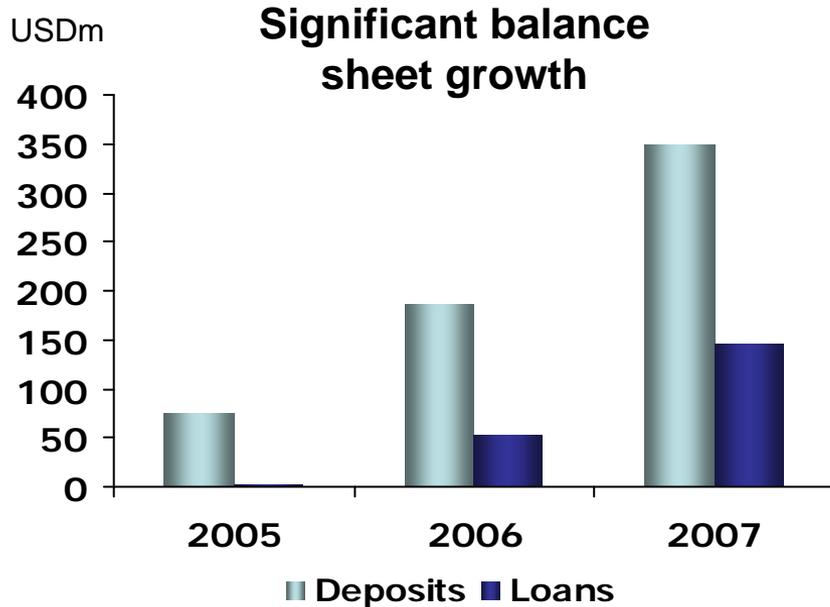
- Rapid business expansion requires a large recruitment agenda – we have proven we have the capability to do that
- ANZ Royal already established a reputation as employer of choice

Almost 75% of staff have <12 months banking experience



- Limited experienced bankers in Cambodia; focus on employing enthusiastic, smart local graduates
- Offering training and development
 - minimum 50,000 hours of training this year
- Building an accreditation framework relevant across ANZ Asia

ANZ Royal has far surpassed expectations*



Bank of the Year
ANZ Royal, Cambodia
 2006, *The Banker*

Financial Insights Innovation Award
ANZ Royal, Cambodia
 2007, *Financial Insights*



* Compared to initial 3 year business plan



- Cambodia is achieving high economic growth, and significantly higher penetration of financial services
- ANZ Royal has filled the market gap for a high quality foreign bank, with a strong local partner
- In just three years, ANZ Royal has:
 - Become one of the leading companies in Cambodia
 - Built the biggest retail network in ANZ outside of Australia and New Zealand
 - Far exceeded original expectations
- The outlook is positive
 - We will continue to heavily invest in brand, distribution, and our people
 - Significant opportunities to acquire new customers, and deepen existing relationships

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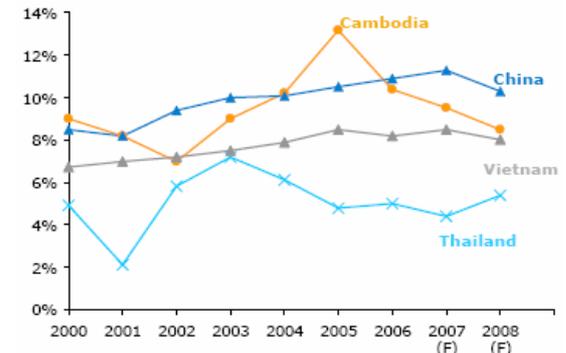
Appendix



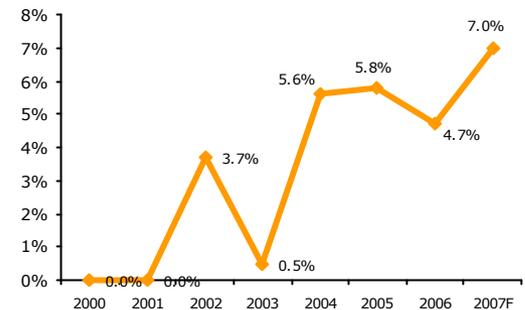
Cambodia has been the regional economic star over the last 5 years. Evidence suggests that the country faces economic challenges to maintain the pace. The economic state of play is;

- Economic base remains narrow with GDP contribution largely coming from agriculture (34%), garment and gemstone mining industry (29%) and services/tourism (37%)
- Exports expected as % of GDP for 2008 47.9% and 47% in 2009. Imports as % of GDP for 2008 70.1%.
- Investment opportunities abound for Cambodia, despite the slower pace, given stable macroeconomic settings and it's need for physical capital accumulation.
- Short term and medium term economic growth projections are strong due to export growth, increasing foreign investment, oil and gas production and rising private consumption
- As Cambodia moves towards sustainable growth patterns inflationary pressures are likely to ease.
- Recent NBC changes to Deposit Reserve Requirements in an effort to control inflation and curtail the sharply rising property prices, will have an impact on growth rates.
- The 5 yearly national election in occurring in July 2008 and the impacts of the election and the NBC changes is difficult to predict.

**GDP growth 2000 - 2008
(Annual % growth)**



**CPI inflation 2000 - 2008
(Annual %)**



* Statistic is ANZR's estimation based on market feedback. Revised CPI data expected in Q3 2008, post elections.

Sources: Mekong Times, April 9th, 2008, CIA Fact Book, World Bank website, Index of Economic Freedom, Transparency International, Ministry of Economy RGC.



Banking Industry

Competitive pressures are increasing with consolidation in industry likely to occur, as well as;

- More players in the market (international & full service)
- Current competition more aggressive and fight on price/ products/ policy
- War for talent will continue to increase and put pressure on personnel costs
- Increased marketing across the industry
- Microfinance likely to secure deposit taking rights
- Increased distribution will be the main game
- Asset finance will be a targeted area for growth for banks/ non banks

Major Competitor Analysis	ANZR	Peer 1	Peer 2	Peer 3
Branches	16*	11	15	211
ATMs	112	11	25	28
Credit Cards Issuance	√	√	√	X
Credit Card Acquiring	√	√	√	√
Internet Banking	√	X	X	X
Loans to Deposits Ratio (most recent available figures)	0.50:1	1.37:1	0.79:1	0.99:1

*20 by end of 2008