

AUSTRALIA & NEW ZEALAND BANKING GROUP LTD  
Form 6-K  
November 26, 2004

**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16**  
**of the Securities Exchange Act of 1934**

**Australia and New Zealand Banking Group Limited**

(Translation of registrant's name into English)

**Level 6, 100 Queen Street Melbourne Victoria Australia**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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For Release: 2 November 2004

**ANZ to develop banking joint venture with Cambodia's Royal Group**

ANZ today announced it had signed a Shareholder's Agreement with Royal Group, Cambodia's leading mobile telecommunications company, to establish a joint venture bank in Cambodia.

The joint venture bank will create a retail banking presence which contributes to Cambodia's economic development through the introduction of a modern payments system to an emerging banking market.

The agreement follows an approach earlier this year by Royal Group to ANZ. ANZ has developed the opportunity as part of its strategy to establish a small portfolio of lower-risk, consumer-focused growth options in Asia over the medium to long-term.

Key points covered by the Agreement, signed by ANZ Chairman Mr Charles Goode in Cambodia's capital of Phnom Penh last night, are:

Creation of a joint venture bank to be known as ANZ Royal Bank Cambodia Limited, owned 55% by ANZ and 45% by Royal Group.

ANZ will make a contribution of US\$9.9 million to the joint venture bank's capital.

Establishment of clear governance principles, including proportional Board representation.

ANZ Royal Bank Cambodia will focus on providing retail banking services including services to support the 700,000 foreign tourists who visit Cambodia annually and ANZ's multinational clients who operate in Cambodia. Initially services will be provided in Cambodia's capital, Phnom Penh and Siem Riep, the site of Angkor Wat. The joint venture combines:

Royal Group's experience in successful partnerships such as its mobile phone joint venture with Millicom Cellular, which is Cambodia's leading mobile phone company with over 700,000 customers.

ANZ's expertise in providing banking services in small and developing countries in the Asia-Pacific region where it has played an early role in developing banking operations in under-banked, emerging economies through the introduction of efficient electronic banking networks.

ANZ Group Managing Director Asia-Pacific, Mr Elmer Funke Kupper said: This is a win-win opportunity for Cambodia, Royal Group and ANZ.

It creates the opportunity to bring modern banking systems and services to Cambodia to assist the nation's economic development and a new business for Royal Group. It provides a further growth option for ANZ at low risk, based on our experience in developing banking services in emerging economies.

The joint venture also allows us to contribute to Cambodia as its economy moves toward higher growth and supports the emerging interest of Australian, New Zealand and Asian businesses in developing tourism, trade and investment links with Cambodia, Mr Funke Kupper said.

**Australia and New Zealand Banking Group Limited ABN 11 005 357 522**

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Neak Oknha Meng Kith, Chairman and Chief Executive Officer of Royal Group said the partnership with ANZ was an exciting development for Royal Group and Cambodia.

We are an emerging nation of over 14 million people which has taken significant steps in the past decade toward reconciliation and economic stability, Neak Oknha Kith Meng said.

In that time Royal Group has also transformed itself into a leading Cambodian enterprise with interests in trading, telecommunications, manufacturing and infrastructure projects. Many of these projects have been achieved in partnership with leading international companies.

This banking joint venture allows us to establish at an early stage in Cambodia's economic recovery a modern bank that can service the emerging need for consumer banking services and support the growth in foreign investment and tourism.

ANZ was a natural choice of partner because its experience in the region and the time I have spent living in Australia, he said.

The agreement between ANZ and Royal Group is subject to completion of due diligence on the project, and the necessary regulatory approvals from the Cambodian Government and the National Bank of Cambodia, including the issue of a banking licence.

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**About Royal Group**

Royal Group is a family business, which has grown into one of Cambodia's leading companies in the past decade. It has interests in trading, telecommunications, manufacturing, television, construction and infrastructure projects. Many of these interests are partnerships with international companies including Motorola, Canon, Samsung and Siemens. Royal Group's largest business is in mobile telecommunications through an alliance with Luxemburg's Millicom Cellular. Chairman and Chief Executive Officer of Royal Group, Neak Oknha Meng Kith, was educated in Canberra, Australia.

## About Cambodia

During the past decade Cambodia has achieved national reconciliation, peace and stability following many years of conflict however the country remains one of the world's least developed economies. Following United Nations and International Monetary Fund support during the 1990s the economy has performed relatively well with annual growth rates averaging approximately 6% over the past five years.

According to the World Bank, economic prospects for 2004 are positive, with an expected recovery and growth expectations of 5.5 percent, driven by construction, the fledgling tourism sector, and urban-based garment industries. There is an emerging middle-class with many Cambodians now returning from overseas. Tourism is rapidly growing with 450,000 tourists arriving in 2002, an increase of 26% on 2001. Tourism contributed in excess of US\$450 million to the Cambodian economy in 2002.

Cambodia's banking system is at a very early stage of development. At present the banking system has approximately 120,000 customers out of a population of more than 14 million offering a major opportunity for the development of banking services as the economy grows.

The Royal Government of Cambodia has made strengthening the banking sector a priority to support increased investment and sustainable economic growth. A 10-year structural reform agenda in the financial and monetary sector is set out in the Cambodian Government's *Financial Sector Blueprint for 2001-2010*, developed with the assistance of the Asian Development Bank. More information can be found at <http://www.adb.org/cambodia>.

In 1998, Cambodia became the tenth nation to join the Association of South East Asian Nations (ASEAN). Australia is one of Cambodia's largest bilateral development aid donors having pledged \$A44 million in aid in 2003-2004.

*2004 Annual Roadshow*

Australia and New Zealand Banking Group Limited

November 2004

*www.anz.com*

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**A good 2004 result**

**Strong financial performance**

NPAT	\$	2,815m	19.9%
Cash EPS		161.1 cents	10.1%

**Shareholders rewarded**

Dividend	101 cents	10.8%
Total shareholder return		17%
On-market share buyback of at least \$350 million planned		



**ANZ has come a long way this year**

Strong momentum in Personal businesses in Australia

With NBNZ acquisition, ANZ now dominant in New Zealand and Pacific

\$4.9b acquisition of NBNZ: \$3.6b rights issue

ANZ now 5<sup>th</sup> on ASX by market capitalisation

ANZ recognised for community, staff and cultural development

Sale of International Project Finance completes international restructuring

**Improved sustainability: Structural de-risking largely complete**

**Offshore lending assets significantly reduced**

(% of group NLA\*)

**Net Non-Accrual Loans**

**More sustainable business mix**

(lending assets)

**Net specific provision rate**

(% of average NLA\*)

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\**Net Lending Assets*

**NZ integration complete end 2005 low risk approach adopted**

**ANZ and NBNZ share of Personal  
Customers (Main Bank) is stable**

Source: ACNielsen Consumer Finance Monitor

A good acquisition; 2.3 cents cash EPS accretive in year 1

Integration has made good progress since regulatory approval obtained

Levels of attrition well below expectations and comparable acquisitions

However potential risk of retail integration demanded a more conservative approach:

Two brand strategy

Existing retail systems retained

This has changed mix of costs and benefits, but at lower risk

**Carefully balancing investment and producing current returns**

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Numbers not adjusted for exchange rate impacts and excl. NBNZ and significant items

\* 2H04 annualised



**2004 result part of a series of consistent performances**

161.1 cents cash EPS a good result

ANZ has come a long way in 2004

Focus and discipline again delivered strong performance

Shareholders rewarded - ANZ has outperformed major peers TSR over last 10 years

Balanced outlook investing for medium-term growth while producing acceptable short-term returns

**Result Details**

**Cash EPS growth driven by strong underlying performance**

**Drivers:**

Margin decline

Strong volume growth

Non interest income growth

Increased investment

Improved risk profile

Acquired at an attractive P/E

Good core business growth

Low risk integration approach

Dividend policy

Capital management initiatives

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*\* Excludes significant items and incremental integration costs*

*# includes funding*

**Margin decline is predominantly structural/cyclical**

<b>Drivers</b>	<b>2004 v 2003 bps</b>	<b>2H04 v 1H04 bps</b>	<b>Outlook</b>
NBNZ	(3)	(2)	
Asset Mix	(1)	(1)	
Funding Mix	(5)	(2)	
Asset/Liability Wholesale Rate Impact	(6)	(3)	
Competition	(3)	(1)	
Brokerage Impact	(2)	0	
Other	2*	1	
<b>Total</b>	<b>(18)</b>	<b>(8)</b>	

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\* Refer page 63 for additional detail

**Increasing Mortgages business has reduced NIM through lower asset yields and increased wholesale debt issuance**

**Increase levels of lower risk, lower yielding assets have reduced NIM**

**Increased long term wholesale debt required to fund asset growth**





**The changing shape of the domestic yield curve has impacted earnings**

The shape of the curve in FY04 has negatively impacted the funding of mortgages as well as income from the interest rate mismatch position and investment in replicating portfolios.

**Asset wholesale rate impact**

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**NIM Impact  
(bps)**