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## Our Vision

To be the foremost bank in Cambodia that builds deeper customer relationships with a reputation for trust, convenience, superior customer service and innovative solutions.

## Our Values

- Put our customers first
- Perform and grow to create value for our shareholders
- Lead and inspire each other
- Earn the trust of the community
- Govern all actions to international banking standards

# Chairman's Report

## Neak Oknha Kith Meng



The last 12 months for ANZ Royal Bank has been one of many remarkable achievements and on behalf of my fellow shareholders I take great pleasure in sharing our journey and just a few of these highlights with you in this our second annual report.

As a relatively new player in the Cambodian financial sector, it has always been our intention to make a difference and to add value to Cambodia and its people. This time last year our annual report was focussed heavily on establishment, building the cornerstones for our future. Our distribution network was in the early stages of development with just 4 branches and we had attracted a mere 6,136 customers in less than four months of trading. The reality of this picture was a strong start, but to many, unproven in the long term.

I believe that in 2006 we have demonstrated that this early strong start was not an anomaly but in fact a strong indicator of the compelling successful banking proposition we have been able to deliver to the Cambodian community. We now have over 27,000 customers banking with ANZ Royal depositing in excess of US\$185m, a phenomenal 133% increase in deposits in just 12 months. To me this is a clear mandate from the people we serve that we have made a difference and one that shows we are fulfilling an unmet need in today's banking market.

A particular highlight in this year's report for me is our extension beyond Phnom Penh, taking our unique banking offering to provincial Cambodia.

We are committed to being the foremost bank in Cambodia and this means building up our presence throughout the many provinces. In 2006 we had the great privilege to bring world class banking services to customers in Sihanoukville, Siem Reap and Battambang early in 2007. In many of these sites ANZ Royal's arrival brought the installation of the first automatic teller machines ever.

Our electronic offering has continued to grow during the last 12 months and we now offer Cambodia the largest ATM network, adding an additional 30 ATMs this year taking our ATM fleet to a massive 52 ATMs. We have also focussed more on making sure these ATMs are located outside of traditional branches and in places that are convenient to customers. Strategic alliances with major partners like Caltex and Total service stations have significantly enhanced our distribution reach. This is really about living our mantra to make life easy.

Delivering another first for Cambodia we also enabled our ATM fleet to offer both US\$ and Cambodian Riel. This dual currency issuing has been particularly attractive for over 600 Royal Cambodian Government employees who have joined ANZ Royal's pilot program to pay all government employees through the commercial banking system. This mandate was awarded exclusively to ANZ Royal through a competitive tender process by the Royal Cambodian Government in association with the World Bank during 2006.

Obviously a large number of these initiatives in 2006 saw significant capital and operational

expenditure commitments made which ultimately resulted in a net operating loss of US\$2.83m. I am very pleased to advise that this result was significantly better than our original entry forecast losses and that the shareholders remain committed to placing significant emphasis on investing now in the business to build sustainability and competitive advantage in the future.

As our journey has only just started and while we continue to see significant scope for opportunities and growth in the future it is likely that 2007 will see capital and operational investment at similar, if not greater levels than 2006. As shareholders our aim is to achieve a business that has the fundamentals right, strong internal governance disciplines and an organisation that lives to satisfy our customers. This essentially means that in the early years we must invest in our infrastructure, our services, our products and most importantly our people.

A bank is essentially nothing without the people in it and 2006 has demonstrated to me that we have recruited the best people. It is clear that through intensive investment in training and building a corporate culture that puts our customers first that we are a very different Bank. Each staff member received over 140 hours training last year to ensure that the experience our customers can expect is world class. The people that serve them know what to do and we can provide each of our customers with the additional comfort of knowing that they are dealing with a Bank that governs all actions to international standards.

As you can see we have achieved numerous business milestones in 2006. However, I think the pinnacle recognition this year was when ANZ Royal Bank was awarded the Bank of the Year for Cambodia by "The Banker Magazine" of London, a subsidiary of the Financial Times. This award demonstrates the external recognition by an independent body of the differences that ANZ Royal is making in the financial sector in Cambodia. It is clear proof that we have a sound business model and further provides customers with the sense that they need not look any further than a relationship with ANZ Royal.

I would like to personally thank and recognise all the management and staff at ANZ Royal for their continued dedication, commitment and strong contribution this year. It is evident that they are leading the banking market and setting the standard that others are following. 2007 will inevitably see more opportunities for them to demonstrate this but likely in stronger competition. I have every confidence that they have the leadership, resources, knowledge and culture that will make a difference and see them as successful if not more successful than this our first full year of trading.

I firmly believe ANZ Royal is well on its way to achieving the shareholders vision of being the foremost Bank in Cambodia and would like to thank all those customers who have supported us in 2006.

# CEO's Report

## Dean Cleland



Cambodia has had an extraordinarily strong year of growth in 2006 with official GDP again recorded over 10% and the financial sector benefiting significantly with deposit growth of 46% and lending growth at a staggering 56% year on year. Against this background ANZ Royal has performed strongly, above expectation and has exceeded both internal projections and in fact market growth rates.

We estimate that in just under two years of trading ANZ Royal has acquired 13.3% deposit market share, placing it a clear 4th in the market and 5.8% lending market share also securing a 4th market share position. This is in a market place that has seen significantly increased competitive pressure with the entry of a number of new players taking total commercial bank market participants to 19.

I believe these growth rates demonstrate that ANZ Royal is making significant progress towards our vision of being the foremost Bank in the market that builds deeper customer relationships with a reputation for trust, convenience, superior customer service and innovative solutions. Our ability to attract over 27,000 customers of which we estimate a third are new to the banking system is clear evidence that our proposition is strongly sought out and people are trusting us with their savings like never before.

In this regard we remain committed to ensuring banking is not the domain simply

for the rich and those that have money. At ANZ Royal we are committed to providing banking solutions for all segments of the community at a price they can afford. An example of where we have continued these efforts in 2006 has been the launch of a 15 year home loan, the first in the market at the best interest rate in the market. We have seen strong customer participation already with over 100 customers securing homes in the first 3 months of the launch. The longer product term has given those that struggle to meet repayments on short loan terms the ability to access finance over longer more affordable repayment terms.

Convenience is also a key to encouraging the unbanked into a well governed banking system. In the last 12 months we have made it our mission to deliver banking alternatives that provide all Cambodians access to banking options. This has been achieved through building our network further out into the provinces, doubling our representation and significantly improving our reach. In addition we have taken ATM technology into these markets that have never had this level of investment before, firsts for these provinces. Our ATM fleet also doubled in the last 12 months from 22 to over 52 ATMs with the majority of these located in offsite locations that allow easy access for everyone.

Our investment however has not simply been limited to the hard assets of our business.

One of the most important deliverables this year has been the investments we have made in our staff. To deliver our customers a world class banking experience we have dedicated significant resources to up-skilling our staff through a wide range of formal and informal training opportunities. This has equated to 28,617 training hours (1192 days) across our 202 staff. This is an unbelievable effort and has meant a significant commitment out of normal working hours from many of our staff. In addition, 24 of our staff have also had the opportunity to spend time offshore within the broader ANZ Banking Group experiencing banking in countries such as Australia, Fiji and Vietnam.

This investment is paying immediate dividends with 33 staff promoted internally in the last 12 months to more challenging and senior roles. Placing this in context, all roles in ANZ Royal are advertised internally and externally as we always seek to get the best available person for the role. This statistic shows that at ANZ Royal we have the best people and a number of them shine not just internally but against any candidates available anywhere in Cambodia. This is a significant achievement and shows the calibre of the staff we have available to serve our customers.

My staff are the centrepiece of ANZ Royal and in essence are the heart of the organisation. In the last 12 months I continue to be

inspired by the talent we have within our organisation. Our people are regularly being sought out for external board appointments, community engagements, public speaking opportunities and recognition by customers who have experienced the superior service that they deliver day in and day out. There is no doubt in my mind that we would not have delivered the results we have achieved without the tireless dedication, commitment and enthusiasm of every staff member. I would personally like to take this opportunity to thank each one of them for the privilege of being able to work with them.

Managing risk and strong international governance remain integral components to every activity undertaken at ANZ Royal. The past 12 months have seen increased rigour placed around our internal policies and processes, leveraging ANZ Banking Group's over 170 years of experience. We have had in excess of 60 visiting experts from ANZ Banking Group assisting in training, supporting and coaching our local people to ensure we live by our mandate to deliver our customers world class banking services that they can trust. While at times this may see us asking more questions of our customers we believe it represents the ability for every customer to take comfort they are receiving the utmost security, confidentiality and commitment to protect them in the marketplace.

While our financial result has delivered a loss for the period it is important to recognise that as a young, vibrant, growing business in the market our primary focus has been on investing to grow rather than short term shareholder returns. Our Board of Directors has given us the business objective to build a strong, sustainable base that maximises market opportunities today in order to provide longer term returns in the future.

It is critical to recognise that these losses are in line with business plans and well within the shareholders expectations. It is envisaged that the capital of the business will be further strengthened in 2007 as a sign of shareholder commitment to fund the growth agenda.

ANZ Royal is extremely well positioned for further growth and expansion in 2007. We believe that while increased competition is inevitable, we offer Cambodians a different banking alternative grounded in the cornerstones of **Trust, Convenience, Superior Customer Service and Innovation**. We support this by the best people in the industry and we strive every day to cater for everyone's financial needs. It is our mission and our mandate to "Make your life easy". In this regard I would like to express my sincere thanks to those people that have chosen to be our customers. On behalf of all the team at ANZ Royal I would like to recognise you as the most important asset in our business and we live to help you.

# 2006 - A Year in Review



# Our Personal Customers



In 2006, Personal Banking had an outstanding year. We have achieved strong staff engagement and have a fantastic team of people who serve our customers every day. Our service proposition to our customers is "making life easy", and we believe we have the best people to do this and their job well. They are passionate and empowered.

### What We Do

Personal Banking is responsible for serving individuals and small to medium sized business customers across Cambodia, through our network of 10 branches, our Cambodian-based call centre and our network of specialist sales staff.

Our products and services include:

- Savings and checking accounts
- Term deposits
- Overseas payment transfers
- Bill paying services

- Consumer loans and salary advance facilities
- On-line banking
- Mobile phone top ups

Today much of our personal bank services are streamlined electronically via our Automated Teller Machines (ATMs), or through virtual banking known as Personal Internet Banking (PIB). We also have a rapidly growing payroll service "Diskpay", where ANZ Royal manages staff payroll payments on behalf of our business and government customers and provide their staff with ANZ Royal@Work bank accounts.

### 2006 Achievements

In 2006 we laid the groundwork for our strategy to build our representation across the country, delivering convenient and superior standards of service to both personal and business customers.

In addition to our 4 branches in Phnom Penh, we expanded our branch network to Sihanoukville and to Siem Reap where we opened 4 more branches in 2006. In early 2007, a Battambang branch was also opened. This expansion would not have been possible without significant recruitment of new staff. We spent a large part of 2006 recruiting, building and investing in our people, both new and existing, to ensure we continue to deliver superior customer service. The additional staff in our branch network also saw customer queuing times reduced in some of our busier branches.

The number of 24/7 ATMs dramatically increased to 52. To support the use of the Riel and to better enable us to conveniently meet the needs of customers paid in Khmer Riel, we also made all our ATM's dual currency issuing Riels and US Dollars. This latter innovation was just one of the factors that enabled us to win the Cambodia

Royal Government's tender to supply bank accounts to civil servants – an initiative sponsored and supported by the World Bank and other multilateral organisations.

August witnessed the launch of our suite of home loan products bringing affordable home ownership in Cambodia to thousands of people. The ability to be able to spread the cost of buying a home over 15 years has suddenly enabled many local people to be able to buy their first home. Others have chosen to unlock value in their existing homes to finance the education of their children or to invest in undercapitalised businesses at competitive rates.

### Our Goals for 2007

Our goal for 2007 is to continue to differentiate ourselves by delivering solutions that make our customers' life easy. We will be focussing our efforts

to deliver superior customer service by building additional branches in Phnom Penh to provide the capacity required to meet and maintain the demands of a very fast growing customer base. A new branch in Kampong Cham is also planned. What's more, we even plan to make our teams more mobile so if customers are not able to come to us, we'll do our best to come to them.

Look out also for our new ANZ Royal Point of Sale (POS) terminals which are being rolled out in 2007. POS will enable any personal ANZ Royal debit card holder to be able to pay for goods and services in Cambodia at the swipe of their debit card rather than by using cash – a small step perhaps in international banking innovation but a giant leap for the Cambodian banking industry.

You can count on Personal Banking to continue to build on the achievements of 2006 to make life easy in 2007.

# Our Business Customers



Here at ANZ Royal, we are committed to building strong, long-term relationships with our business customers. It means thinking and becoming active partners with our customers to achieve innovative solutions where we all mutually benefit. We believe that building deep relationships and gaining a thorough understanding of each customer's business is the differentiating competitive advantage of banking at ANZ Royal.

## What We Do

Business Banking provides business clients with tailored and strategic financial solutions.

Our Business Banking clients include multi-nationals, regional and local corporations, diplomatic corps, multilateral agencies, NGO's, micro-finance institutions, and small and medium enterprises. Our service proposition is to provide dedicated relationship managers for each business, regardless of its size. These relationship managers have developed industry and economic knowledge relative to the respective clients they serve.

ANZ Royal offers competitively priced lending, based on the assessed risk of the individual business. Our pricing is unique, transparent and specific to each client based on a simple philosophy of risk and reward. There are instances where we have been able to reduce a client's interest rate by them reducing the risk.

Our products include:

- Lending products – from working capital finance to term loans
- Transaction banking and cash management – including term deposits
- Trade facilities – including letters of credit, bonds and

guarantees

- Foreign Exchange products to provide protection and maximise returns
- Khmer Riel tax payments
- Electronic and Internet based banking for business including electronic payroll for staff and creditors
- Point of Sale (POS) – accepting both credit cards and ANZ Royal debit cards.

## 2006 Achievements

Highlights for Business Financial Services throughout 2006 have been:

- Recording net loans and advances of \$48m
- Business deposits of \$84m
- Off-balance sheet loans and advances of \$18m largely driven by our Trade expertise and initiative (trade facilities, bonds & guarantees).
- Increasing FTE 160% to a total of 26 FTE, with a focus on expanding our front line relationship management capacity
- Invested in 3,580 training hours
- Developed innovative trade and foreign exchange solutions for our clients allowing them to more effectively manage the risks in their business

## Goals for 2007

Business Banking will continue developing innovative, international standard product solutions for our growing client base by leveraging ANZ Banking Group's resources and expertise on:

- **Global trade finance** - to develop a local product specialist and aggressively target local importers and exporters with our comprehensive suite of trade products and services.
- **Leasing** – a regional leasing expert based in Cambodia to initially assist in the development of Leasing Laws in Cambodia and also develop ANZ Royal's leasing product to be launched to the market.

We also plan to specifically target the Small to Medium Business (SME) sector through our expanding branch presence. Firstly, by obtaining a deeper understanding of the needs of SME customers, we can specifically tailor our services to their individual needs. Secondly, as ANZ Royal continues to expand its branches into the provinces, dedicated Business Banking staff will also be available to meet the demands of local SME's.

# Our Community



## Earning community trust

Our community investment strategy aims to enhance the social and economic well-being of the communities where we live and work.

The primary aim of this agenda continues to be expanding and addressing the major social issues that affect the financial services industry, in particular financial literacy.

## Financial literacy

As a new market entrant, we bring with us new and innovative banking products and services to the financial services sector. Together with these products and services, we endeavour to proactively inform and educate the people of Cambodia in respect to money management and the role of banks.

We believe building the financial knowledge, skills and confidence of Cambodians is a key to building a stronger community. In 2006, we developed money management seminars for our staff and ultimately our customers and the broader community through partner organisations. These seminars will target the basics of personal money management – from simple budgeting to different ways of saving, and understanding the role of different types of financial institutions. These seminars will be offered in 2007, and be complemented by distributing a managing your money booklet and budget planner.

By creating knowledgeable and confident well-informed consumers, who can access and use financial services to improve their personal financial well-being, we can play a role in helping to build stronger communities and a healthier economy.

## Supporting our community

ANZ Royal community program focuses on contributing to our community by

providing both financial and in-kind support. To ensure efficient allocation of these resources we have focused our giving to three core areas: sport, community and culture. Within these areas our aim is to create long lasting and mutually beneficial partnerships with organisations that are making a valuable contribution to the development of Cambodia.

Throughout the year we continued collaboration with the following partners:

### Community

- *Cambodian Youth Star* – is an organization that is leading a change in thought and action around Cambodian civic service. Youth Star coordinates the placement of young Cambodian volunteers into rural Cambodia for twelve-month volunteerships, creating a pool of young leaders for the future.
- *Children's Surgical Centre* – ANZ Royal supported the purchase of an ambulance for this organisation that provides free rehabilitative surgery to children whose families are from rural poor Cambodia.
- *Helmets for Kids* – in collaboration with Asia Injury Prevention Foundation, we supported the distribution of motorbike helmets for 578 children at a local primary school. We also took the program one step further by providing all of our staff with motorbike helmets to reinforce this road safety program and keep our people safe.

### Sport

- *Cambodian Federation of Rugby* – we continued to support the branding of rugby and the Cambodian National team – the Koupreys. We sponsored two international rugby events: the Asian Nation Series and the Angkor 10's at which the Cambodian teams excelled, being outright winners of the Asia Division 6. Our investment in rugby has

considerably raised the profile of this sport in Cambodia.

- *Tennis Federation of Cambodia* – ANZ Royal sponsored a mini tennis program conducted in fifteen primary schools across Phnom Penh.

### Culture

- *Heritage Watch* – we joined the Heritage Friendly Campaign that aims to preserve Cambodian heritage and promote responsible tourism. We hosted a Heritage Friendly week within all our branches to promote this campaign to our community.
- *Bophana Audiovisual Centre* – this centre opened in December 2006 and aims to collect historic Cambodian image and film, preserve it and make it accessible to the public. The centre will also provide professional training for aspiring moviemakers.

### Fostering community spirit

ANZ Royal actively continues to find innovative ways in which we can contribute to our community. In addition to providing financial support in 2007 we have explored other ways of getting involved.

We have actively promoted volunteerism with our people and encouraged them to get involved. We have held volunteer days at the Children Surgical Centre, with our staff volunteering to help paint and maintain this centre. Some of our managers are also actively involved with local organisations and associations, sharing their skills and expertise as board members and advisory councils.

We have utilised our extensive ATM network to assist organisations to disseminate their social messages using ATM coupons and we have delivered creative banking solutions to a number of non-government organisations that enables them to enhance their service to the community.

# Our People



**Our aim is to attract and retain the very best people by providing opportunities to maximise personal potential for growth and creating a vibrant, energetic, high performing and speak out culture where our staff can lead and inspire each other.**

**The people who work for us invest a large part of their lives in ANZ Royal and in return, we are committed to providing our people with a challenging, interesting and safe working environment. We listen to the feedback of our people and provide programs and opportunities to ensure they feel a sense of achievement and personal connection to their work and career with us.**

What makes ANZ Royal employer of choice:

### 1. Competitive pay and benefits structure

In 2006, we initiated and participated in 2 salary surveys run by 2 independent consultants. The results confirmed that our pay and benefits structure is very competitive. We will continue to participate in the annual salary survey to ensure our pay remains competitive.

On top of the standard benefits such as medical care, group health and personal accident insurance with 24 hours a day coverage, uniform and free fee staff saving account, staff enjoy the extra benefits such as staff pension and discounted personal and home lending interest rates.

The bank also operates an incentive reward scheme, which is structured with the aim of creating a strong link between reward and performance on the basis of achievement against both individual and the bank performance targets.

Beyond financial recognition, the bank promotes a strong staff social environment, such as a funded social club, regular staff functions, festive celebrations and family days.

### 2. Long term career opportunities

Given ANZ Royal's significant growth, as well as its connection to ANZ Group, there are a wide range of opportunities both locally and internationally provided to our people to progress their career. In 2006, 33 staff were internally promoted into more senior, challenging roles.

Continuing our effort in providing many opportunities for career progression, one of the 2007 initiatives is to develop and implement a very rigorous succession and development planning program that upskills our local staff with the longer term objective to localise the senior expatriate roles.

### 3. Invest heavily in people development through ongoing training and personal coaching

Improving competency and capability was high on the agenda in 2006 and ANZ Royal invested heavily in staff training this year. A range of training activities took place, including every new staff member completing an induction course on banking and its systems, on the job training, offshore secondments and importing subject matter experts. A total of 28,617 training hours was achieved and 24 staff were sent for offshore training, such as in Australia, Fiji and Vietnam.

An external study support program has also been launched to allow our people to continue their tertiary study, including professional academic qualifications such as ACCA.

We will continue this effort through another large training agenda in 2007 that aims to provide more leadership skills to our managers, e-train (electronic web-based training and online facility) and short term to long term offshore secondments for our high potential staff.

### 4. Listen, act and respond to staff feedback

We seek our people's ideas and feedback on our progress via regular staff forums and our annual Staff Engagement survey. In 2006, more than 90% of our employees participated in this survey. We are proud to see our engagement result is positive at 51% which means more than 50% of our people feel engaged with the business. In light of ANZ Royal's early stage of organisational development, this is a great achievement so early on in our journey and we expect these results to be even more positive in 2007.

The survey also highlighted some concerns around tightening and improving our policies and processes, and minimizing administration tasks. These concerns have been addressed throughout the year and are unlikely to be a concern in 2007.

### 5. Equal employment opportunities

Our policy is to appoint the best person for the job regardless of gender or

minority group. All jobs are advertised internally first and then externally. Those who wish to and have ability plus commitment are given equal opportunity to rise as fast and as far as merit will take them.

ANZ Royal has non-discrimination provisions in recruitment, career development, compensation and benefits, and disciplinary procedures.

### ANZ Royal Diversity Statistics

Indicator	Plan
Males Vs Female	Male - 46%, Female - 54%
Language Spoken	English - 100%, Khmer - 96% Chinese - 13%, French - 6% Thai - 5%, Japanese - 2% Philippines - 1%
Nationality	Cambodian- 92% Australian - 3% New Zealand - 1% Other - 4%
Education	Undergraduate - 30% Graduate - 59% Postgraduate - 8%

## 2006 Staff Award Winners



**Pictured from left to right:**

**Thida Heng, Samork Sreng, Netra Nou  
Kanina Youk, Sothyvorn Ok**

Every year, ANZ Royal recognizes some of its best staff through its annual staff awards. The awards recognize the outstanding dedication and efforts of certain individuals, as voted by all ANZ Royal staff. 2006 was the first year for the staff awards, and this was celebrated in conjunction with ANZ Royal's first anniversary party, where we celebrated one year since the first ANZ Royal branch was opened in Phnom Penh on 15 September 2005.

### **Innovation Award**

Presented to the staff member who has demonstrated significant innovation (clever ideas) over the last 12 months.

**Recipient: Thida Heng – Marketing Manager**

For her dedication in managing a challenging and innovative branding and marketing campaign that puts ANZ Royal at top of mind brand awareness.

### **Values Award**

Presented to the staff member who has demonstrated a high degree of values-driven behaviours over the last 12 months.

**Recipient: Samork Sreng, Senior Manager Personal Financial Services.**

For his endless efforts in living and breathing the ANZ Royal values, particularly around putting the customer first and leading and inspiring others.

### **Sales Award**

Presented to the staff member who has achieved superior sales over the last 12 months.

**Recipient: Netra Nou, Branch Manager, Battambang branch**

For his superior sales skills in promoting and selling ANZ Royal's wide range of products and services for Personal Banking and cross selling to Business Banking.

### **Customer Service Award**

Presented to the staff member who has demonstrated superior customer service (to external and/or internal customers) over the last 12 months.

**Recipient: Kanina Youk, Sales Consultant, Independence Monument branch**

For her positive, helpful and friendly attitude towards customers, which was recognized by her peers as being the leading example of superior customer service.

### **CEO Award**

Presented to the staff member who is recognised by the CEO as adding significant value to the business over the last 12 months.

**Recipient: Sothyvorn Ok, IT Manager**

For the critical role that he performs in the background, he has worked many long hours without complaint to ensure end to end technology requirements are met and delivered on time.

### **ANZ Royal Advocate Award**

Presented to the staff member who has best represented ANZ Royal to the public over the last 12 months.

**Recipient: Paul Freer, Head of Personal Financial Services**

For his dedication and perseverance in leading Personal Financial Services to achieve outstanding results and progress in 2006, particularly around managing the expanding branch network and staff, which are the public contact points for the majority of our customers.

# Risk Management



Risk Management is a core capability of ANZ Royal and is instilled in all areas of the operations, commencing with the induction of all staff, who undertake extensive risk awareness training as part of their introduction to the bank. This continues through to ongoing awareness programmes and targeted training to ensure an ongoing culture of appropriate risk management. Adherence to risk disciplines is also assessed in the performance reviews of staff.

The bank actively monitors, assesses and controls risk throughout the business. The oversight of risk activities is undertaken by the Audit & Risk committee of the Board of Directors which meets regularly to review and discuss overall risk management across the bank.

A brief outline of the key areas of risk follows:

## **Credit Risk – is the risk of loss associated with the lending activities of the bank.**

ANZ Royal has implemented appropriate credit policies and procedures, which leverage heavily from the considerable experience of the ANZ Group. In addition, the Board of Directors has approved an Asset Writing Strategy that documents the market sectors where we want to provide credit and the terms on which we are prepared to participate. It also clearly articulates areas where ANZ Royal is not prepared to be active.

A focus of 2006 has been on improving capability of our credit staff through training, so that they are better equipped to understand credit risks and how to monitor and control them. The bank's credit risk profile at the end of 2006 included a large proportion of customers with a higher credit risk rating. This is largely driven by lack of formal financial documentation, regardless of cash flow being generated and financial strength of the borrower. In regards to secured loans, which help improve the bank's credit risk profile, 95% of loans are secured and over 75% have security in place for greater than the loan value.

## **Market Risk – is the risk of loss associated with changes in interest rates, exchange rates or other marketable financial instruments.**

ANZ Royal has a dedicated team to offer customers a range of markets related services. To deliver this we leverage where appropriate from the global and regional resources of ANZ to offer tailored solutions to meet the needs of customers. This includes customers who have either Foreign Exchange or Interest Rate needs. Deposit services are also available in US\$ and Riel as well as a range of foreign currencies.

Appropriate policies to deal with these risks have been implemented at ANZ Royal including the review of Interest Rate Risk, Liquidity Risk and Foreign Exchange Risk procedures and appropriate monitoring, reporting and oversight review of exposures. Appropriate segregation of duties controls are used as a risk mitigant.

During the year ANZ Royal also facilitated a number of Understanding Treasury Management workshops in conjunction with Ernst and Young aimed at improving overall market knowledge and understanding of markets related activities, products and services. This course is an example of how ANZ Royal brings leading markets capability to Cambodia and that we are actively working to upskill the whole market.

## **Operational Risk – is the risk of loss associated with the breakdown of internal processes or controls or from external events.**

Appropriate policies to deal with Operational risk are in place. Given the continued growth in products and services at the bank an Initiative Risk Review process was introduced during the year, where new business processes, products or services, or changes to existing practices complete a structured risk assessment, to ensure that all risks are identified and that appropriate mitigating controls are introduced at the same time.

Considerable work has also been expended during the year on refining the Bank's Regulatory Compliance programme and preparations to be able to effectively deal with unexpected disruptions to the business through our Business Continuity Planning and Disaster Recovery Planning.

# Organizational Chart



\* The Audit and Risk Committee is made up from members of the Board of Directors. This sub-committee of the Board oversees the high level policy and risk management direction of the company and manages internal and external audit matters.

For 2006, the Audit and Risk Committee comprised of:

- Wayne Stevenson (Committee Chairman and Director)
- Owen Wilson (Committee Member and Director)
- Debasish Pattnaik (Committee Member and Director)

# Board of Directors

## Bob Edgar - Senior Managing Director, ANZ

Bob Edgar is a Senior Managing Director for ANZ. He holds responsibility for ANZ's investment in ING Australia, Asian International Partnerships, Private Banking and leading the Group's strategic growth and cost agenda.

He was previously Managing Director, Institutional Financial Services and has held a number of senior executive positions at ANZ.

Bob joined ANZ in December 1984 as Senior Economist. In May 1986, he was appointed Chief Economist and in May 1988 he was appointed Group Executive, Strategic Planning and Economics.

Bob holds a Bachelor of Economics (Hons) from the University of Adelaide and a PhD from Ohio State University.

Bob is a Fellow of the Australian Institute of Bankers and a member of the Australian Institute of Directors. He holds various ANZ Group company directorships including Chairmanship of Esanda and directorships of ANZ National Bank Limited (NZ) and ING Australia.



## Owen Wilson - Managing Director, International Partnerships

Owen Wilson is the Managing Director of International Partnerships, responsible for leading ANZ's expansion in Asia by forming retail banking partnerships with local banks. He manages ANZ's existing banking partnerships in China, Indonesia, Malaysia, Cambodia, Vietnam and Laos and is also responsible for ANZ's credit card businesses in Indonesia, the Philippines and Vietnam.

Prior to this role, Owen was the Chief Operating Officer, Institutional, responsible for strategy development and implementation, operations, projects, change management and marketing and communications. This encompassed all business units within Institutional across Australia, New Zealand, Asia, Europe and the US.

Between 1995 and 2002, Owen's career included various finance roles culminating in the Chief Financial Officer position within Institutional.

Owen joined ANZ in 1993 as Manager, Global Balance Sheet & Capital Management following a successful career with KPMG in Melbourne and London.

Owen holds a Bachelor of Commerce degree from Deakin University. He has been an associate member of the Institute of Chartered Accountants in Australia since 1989.

## Allan Marlin - Director and ANZ Shareholder Representative Cambodia

Allan is a career banker who has been working in ANZ's International network since 1993. Allan's recently held positions include Managing Director ANZ Banking Group (Papua New Guinea) Ltd and Country Manager Vietnam.

Over the past 2 years Allan has been actively involved on the ground in Cambodia assisting in the establishment of ANZ Royal from an ANZ director's perspective. He brings with him a wealth of experience and local knowledge, which has been invaluable to the establishment of the operation.

## Neak Okhna Kith Meng - Chairman and Director

Chairman and Chief Executive Officer of the family-owned Royal Group of Companies, which was founded in 1990, Neak Okhna Kith Meng has been the driving force behind bringing international business interests into Cambodia. Initially through his joint venture with Millicom to create the enormously successful Mobitel company now the number one mobile phone operator in Cambodia and now bringing ANZ Banking Group into the market in a joint venture to create ANZ Royal. He is a passionate entrepreneur who is committed to adding value to the Cambodian economy through direct foreign investment. He holds numerous significant roles in Cambodia including President of the Phnom Penh Chamber of Commerce and represents well known brands such as Canon, Motorola, Samsung and Siemens through distributor agreements.

## Wayne Stevenson - Chief Financial Officer Office of the Senior Managing Director ANZ

Wayne Stevenson has been a director since ANZ Royal began and was actively involved as the Project Director in the initial creation of the ANZ Royal joint venture.

Wayne's current role includes financial reporting for ANZ's Private Bank, INGA (ANZ's joint venture with ING Group) and the ANZ International Partnerships business. In addition, he undertakes a lead role in managing major merger & acquisition transactions across Asia Pacific.

Wayne has significant banking and finance experience, including 18 years with ANZ in various positions with a strong financial and audit focus. In his previous roles he has been the Chief Financial Officer of ANZ's Personal Bank, Investment Bank and International Bank, as well as heading Internal Audit functions in Australia and New Zealand.

Wayne is a chartered accountant and based in Melbourne.

## Okhna Kith Thieng - Director

Okhna Kith Thieng is Managing Director of the Royal Group of Companies. Being an integral and primary figure in the establishment and growth of the group since its formation, he is actively involved in the Group with special interests in the construction, property investment and service industries where the Group is involved.

## Debasish Pattnaik - Director

Debasish is the Royal Group Chief Financial Officer and has been heavily involved in assisting the Group's expansion since joining in 1997. He holds key roles on a large number of the Group's expanding interests. He maintains strong focus around financial controls and governance. He currently is a director in Mobitel, ANZ Royal and a number of other companies of the Group's trading business. During the establishment of ANZ Royal, he contributed significantly on the ground knowledge and experience to expedite the implementation phase and continues to be actively involved in the strategic board reviews of the business.

# Management



**Dean Cleland**  
CEO

Dean Cleland's banking career spans 24 years, encompassing in-depth front-line and support roles across both personal and business banking in a significant number of diverse geographies throughout Asia and Pacific.

He is strongly results driven, empowering his team to deliver by living with a customer heart whilst retaining the business mind – this has been at the core of the establishment of ANZ Royal. Working with his management team, he has articulated, documented and communicated the strategic vision and sought to build a shared commitment to deliver beyond expectation outcomes.

He is a values driven leader, committed to coaching, mentoring, feedback and role modelling as mechanisms to build high performing teams which operate in an open, honest and sharing environment. He has held a number of senior leadership roles in ANZ, his previous role being Chief Operating Officer for ANZ's 12 Pacific countries.

Dean holds an MBA, is a fellow of the Australasian Institute of Banking and Finance, and a member of the Australian Institute of Company Directors.



**Matt Millard**  
Chief Operating Officer and  
Company Secretary

Matt commenced work on the establishment of ANZ Royal while working for ANZ based in Melbourne, Australia in 2004 and relocated to Cambodia to continue this work in February 2005. He leads the Operations areas of ANZ Royal encompassing the support functions across Information Technology, Electronic Banking, Trade and Payments processing, Property, Operating Risk, Administration and Operations Support.

Matt comes from a background of diverse work experiences in areas such as Retail Banking, International Trade, Treasury, Electronic Banking, Business Banking and Operations with ANZ in Australia and 11 years working offshore with ANZ in Vanuatu, Papua New Guinea and American Samoa.

Matt is a graduate of the Pacific Coast Banking School at the University of Washington in Seattle.



**Frandara Khoun**  
Merchant Sales Manager

Frandara began her journey in the banking industry with ANZ Royal in July 2006.

Frandara returned to her homeland in 1993, after being educated in France and working abroad. Upon her return, Dara commenced her career as Public Relations Manager of Sofitel Cambodiana Hotel. She then moved to the service industry and managed a local travel agency. After some time, she established her own travel agency and café. She has much experience in the service industry, which will be of great benefit to her role in maintaining relationships with local merchants and implementing ANZ Royal's point of sale (POS) offering in Cambodia.



**Moniveark Sou**  
Head of Human Resources

Moniveark started with ANZ Royal in December 2005 as Human Resources Manager and was promoted to Head of Human Resources in late 2006. Moniveark leads human resources at ANZ Royal covering recruitment, training, remuneration, labor law governance, organisational design and development, rewards and recognition, performance management, payroll and staff engagement survey.

After completing her degree in Management and Bachelor of Education in English language, she commenced her professional career at British American Tobacco (Cambodia) as a graduate trainee and progressed to become a Training and Development Manager. She has spent almost 5 years to excel her expertise in Human Resources Management.



**Samork Sreng (Sam)**  
Senior Manager, Personal  
Financial Services

Sam joined ANZ Royal in April 2005 as a branch manager at Kramoun Sar Branch. Sam along with his family immigrated to the US in 1981.

He returned to Cambodia in late 1994 and joined Cambodia Beverage Company (Coca-Cola) leading its sales and distribution team for six years. He later moved and worked as a Business Development Officer for three years with Mekong Private Development Facility, a joint IFC led multi-donors initiative working in Cambodia, Vietnam and Laos.

Sam holds a Master of International Business Administration from West Coast University, California; and a Bachelor Degree in Electrical Engineering from California State University of Long Beach.



**Joe Farrugia**  
Head of Personal  
Financial Services

Joe Farrugia joined ANZ Royal in January 2007 and is responsible for our network of 10 branches and around 150 personal banking staff, leading our retail distribution strategy.

A career spanning 26 years in retail banking, Joe commenced with ANZ in 1981 and has covered all general branch banking roles including 3 years as branch manager, before taking up an Area manager position in the late 90's. He was then appointed as District manager for approximately 3 years before spending his last 4 years as Local CEO within Melbourne's North Western region.

Joe has always demonstrated a strong desire to work abroad, particularly within the Asian region. With so many years of retail banking experience, the opportunity to come to Cambodia to share his banking knowledge and to create a sustainable sales culture was very high on his list of priorities.



**Gary Runciman**  
Head of Business Financial  
Services (appointed Dec. 2006)

Gary Runciman commenced with ANZ Royal in December 2006 and leads the Business Financial Services team encompassing business client relationships, lending, treasury and trade finance.

Gary's 22 year career with ANZ includes experience in retail banking, corporate and institutional banking, wealth management and marketing. Most recently, he has spent 5 years throughout the Pacific as Country Head in the Cook Islands and Solomon Islands and Chief Operating Officer roles in Papua New Guinea and Fiji.

Gary holds an MBA from Massey University, New Zealand and has completed strategic development courses at both Cornell University and Columbia University in the US.



**Thida Heng**  
Marketing Manager

Thida drives the communication and marketing agenda for ANZ Royal. Thida earned her Bachelor Degree from National University of Management in Phnom Penh and then continued her major in marketing with an MBA from the International University of Japan.

Thida commenced her career as a saleswoman in the import/export industry. Later she joined Bates Asia Advertising Agency for 4 years as an Account Executive. Returning from Japan, Thida joined Mekong Private Development Facility for six months as a consultant, a World Bank program that provides technical assistance to small and medium enterprises.

Thida joined ANZ Royal in May 2005. She works with the management team and agency to build a strong ANZ Royal brand and to run the marketing agenda of the bank.



**Tracy Huynh**  
Head of Finance

Tracy joined ANZ Royal in May 2006, having previously worked as a Financial Controller for ANZ's Institutional Banking division, based in Melbourne. She has a solid background in Finance, with a mix of experience in audit, chartered accountancy and the corporate sector. Tracy completed her Chartered Accountancy qualification with KPMG in Auckland, New Zealand, then moved to Melbourne and worked as a Finance Manager in the private health sector.

Fulfilling her desire and interest to work in the banking sector, she took up a finance role at ANZ in 2003 before moving to Cambodia.

Tracy holds a Bachelor of Commerce with First Class Honours from the University of Auckland and is a member of the Institute of Chartered Accountants NZ.



**Kakda Chav**  
Communications and Community  
Manager

Kakda Chav joined ANZ Royal Bank in December 2006 as Manager - Community Liaison. Kakda is responsible for ANZ Royal's community agenda and internal and external communications.

Prior to joining ANZ Royal, Kakda worked for the Cambodia Australia Technical Assistance Facility (an Australian Government Initiative - managed by SAGRIC International Pty Ltd). Kakda is also a part-time lecturer for a private university, and maintains the position of vice president with the Australian Alumni Association of Cambodia. Kakda aims to work for the betterment of Cambodian communities. She especially wants to transfer her knowledge and experiences to younger generations.

After completing a Bachelor of Business Administration from National University of Management in Cambodia, Kakda continued her studies in Australia. She holds an MBA from Victoria University in Melbourne.

# Our Results



ANZ Royal has been extremely successful in its first full trading year securing Bank of the Year in Cambodia and delivering a \$1.34m (32%) turnaround in profitability.

This year a net loss after tax of \$2.83 million is reported (2005: \$4.17m). The result represents significant improvement in the profitability of the underlying business despite aggressive investment in branches, ATMs, new products and services to capture the opportunities in the market that will enable future growth and sustainability.

## Profit and Loss Summary

### Some key highlights in 2006 included:

- Awarded Bank of the Year by the Banker Magazine, a subsidiary of the Financial Times of London.
- Over 21,000 new customers and deposit growth of 133% to USD186m
- The opening of 3 new provincial branches in 2006, with a further 3 branches opened in January 2007, to bring the total number to 10 branches in Cambodia
- Installation of 32 new ATMs (to bring a total of 52) have enhanced distribution capability and differentiated the brand in the market
- A range of new products and services launched in the market: Salary Advances, Mortgages, Mobile Phone Top Ups, Premier Banking, Forward Exchange Rate Contracts
- Significant competency building and training undertaken with 28,617 training hours undertaken across the business

Profit and Loss Summary	2005 \$m	2006 \$m	Mvmt %
Net interest income	0.21	3.75	1669%
Other operating income	0.23	2.16	827%
<b>Operating income</b>	<b>0.45</b>	<b>5.91</b>	<b>1228%</b>
Operating expenses	(5.64)	(9.01)	60%
<b>Profit before doubtful debt Provision and Income Tax</b>	<b>(5.19)</b>	<b>(3.09)</b>	<b>40%</b>
Doubtful debt provision	(0.00)	(0.26)	5335%
<b>Profit before income tax</b>	<b>(5.20)</b>	<b>(3.35)</b>	<b>35%</b>
Income tax expense	1.03	0.53	-49%
<b>Net Profit after tax</b>	<b>(4.17)</b>	<b>(2.83)</b>	<b>32%</b>

## Profit and Loss Summary (continued)

The business experienced phenomenal growth within its first full year of trading, earning \$5.9m in revenues.

### Net interest income

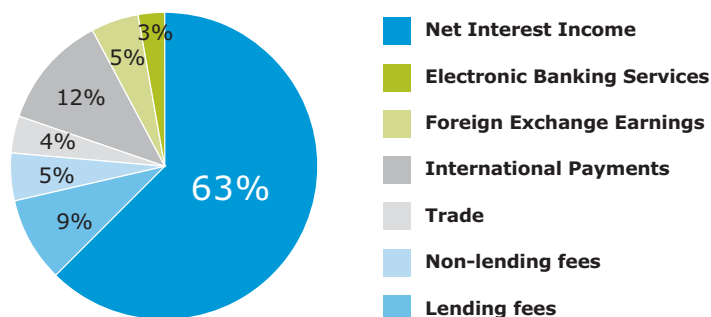
Net interest income ("NII") is the difference between interest received from customer lending and interest paid by ANZ Royal to those providing our funding.

NII increased exponentially in 2006 to \$3.75m, reflecting the significant growth in our balance sheet assets, particularly our loans to customers increasing from \$3.4m in 2005 to \$52m in 2006.

Our lending book has steadily grown to generate improved margins, despite a competitive and very price sensitive market. One of ANZ Royal's aims is to keep our interest rate pricing transparent to our customers so they clearly understand how our loans are priced. Furthermore, where customers are able to reduce their credit risk, interest rates can also be reduced to matched the assessed level of risk.

We also earn a significant portion of our interest income from our placements offshore, which allowed us to maximise our returns on excess deposits.

Operating income by type



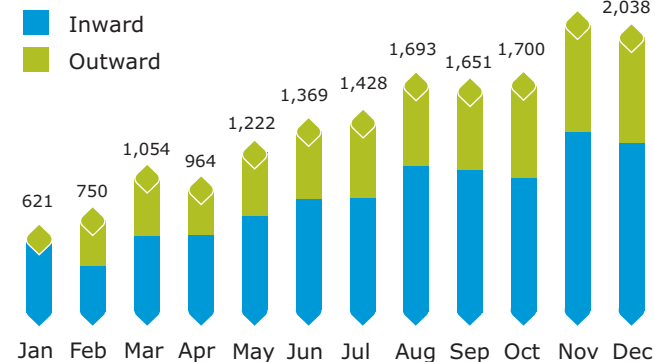
### Other operating income

Other operating income mainly comprises fee income, trade and international payments income generated from our business customers. We also earn foreign exchange income from dealing in non US\$ currencies and other items such as fees from our electronic banking services.

Other operating income increased 827% to \$2.16m in 2006. Key contributions to the other operating income line include:

- Significant growth in trade and international payments income, generating \$0.95m. This area has been a great success for ANZ Royal and we expect an upward trend flowing into 2007. Trade and payment volumes have continued to grow each month driven by increased awareness of our service offerings, our international brand, and the ANZ global network of correspondents.
- Lending fee income, driven largely by the \$48m increase in our lending volumes, as we sought to penetrate the business loan market and the launch of home loans.
- Non lending fee income has steadily increased each month and reflects the 21,000 new accounts opened during the year.

Payment Volumes  
Jan - Dec 2006  
(# of transactions)



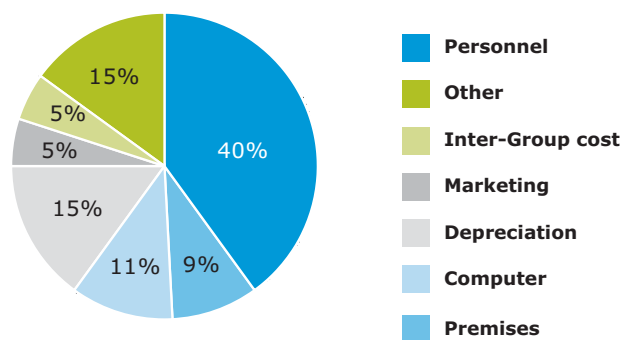
## Profit and Loss Summary (continued)

In 2006 we increased expenses 60% to \$9.0m, a reflection of our significant growth in the year and continuing our commitment to invest in long term sustainability.

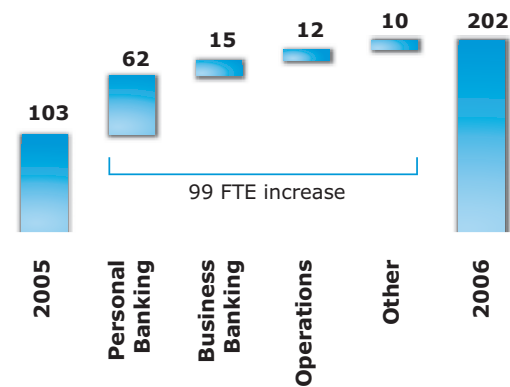
### Key areas of expenditure:

- **Personnel (\$3.86m)** – Over the past year our personnel costs have risen by 55%. The key driver of this increase was the addition of 99 employees, predominantly related to our front line branch staff and customer facing roles.
- **Premises (\$1.08m)** – Premises expenses were up 162% due to the growth and investment in our branch network, as we went from 4 branches to 10 branches over the course of the year.
- **Technology (\$1.82m)** – Technology costs increased significantly from \$0.26m in 2005 to \$1.82m in 2006. Main drivers behind this increase related to the expansion of our ATM network to 52 ATMS, increased data communication costs and a full year's depreciation on our core banking systems. ANZ Royal continues to invest heavily in technology and development costs, as we strive for market leadership and therefore the need to innovate and bring the best products and services to Cambodia.

Operating expense by type



Staff Numbers - FTE



# Balance Sheet

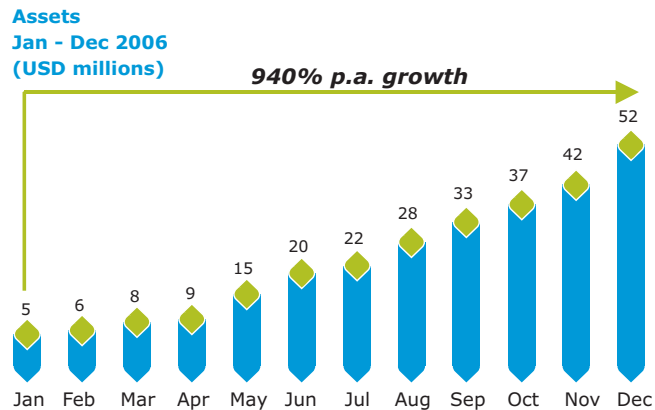
One of our key successes in 2006 has been opening over 21,000 new accounts to bring total deposits to \$186m.

A key driver in our performance and growth has been strong overall balance sheet growth in our lending assets and deposit liabilities.

## Lending assets

Our lending assets comprise of loans made to individuals (personal & home loans), businesses and large corporations.

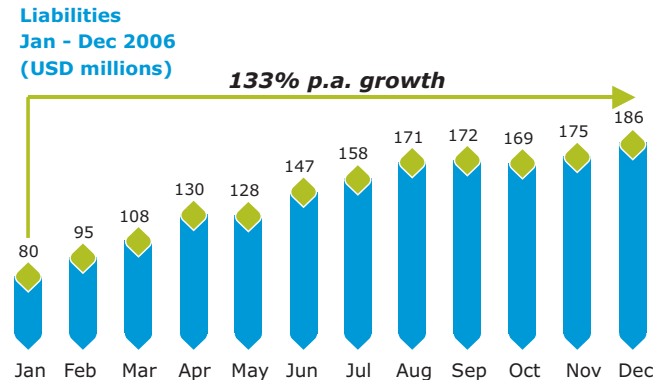
Lending assets increased to \$52m over the past year, split \$48m business lending and \$4m personal lending. The growth represents our increasing market share in a very competitive market, particularly in the business sector and the successful launch of our home loan product in the fourth quarter of 2006.



## Deposit liabilities

Our deposits grew 149% in 2006 and we gained 21,468 new accounts, to achieve a total of 27,604 accounts by December 2006. This increase represents both an increase in our market share to be one of the top 4 banks in Cambodia, but more importantly, attracting new customers into the banking market who did not previously have a bank account.

While we have been extremely successful in attracting US\$ deposits, the challenge ahead is to see the same success in KHR deposits, something we at ANZ Royal see as an important development in the national economy and banking industry. As at 31 December 2006, KHR deposits were only equivalent to US\$623k and made up less than 0.5% of our deposit base.



# Financial Statements

## Report of the directors

The directors have pleasure in submitting their report together with the audited financial statements of ANZ Royal Bank (Cambodia) Ltd ("the Bank") for the year ended 31 December 2006.

## Principal activities

The Bank is principally engaged in all aspects of banking business and the provision of related financial services.

There were no significant changes to these principal activities during the financial year.

## Financial results

The financial results of the Bank for the year ended 31 December 2006 were as follows:

US\$	
Loss before income tax	(3,354,252)
Income tax	528,173
<b>Loss after income tax</b>	<b>(2,826,079)</b>

## Dividends

No dividend was declared or paid and the directors do not recommend any dividend to be paid for the year under review.

## Share capital

On 29 January 2006, the Bank increased the paid up capital from US\$18,000,000 to US\$22,000,000 through the issue of 40,000 shares at US\$100 each.

## Reserves and provisions

There were no material movements to or from reserves and provisions during the financial year other than disclosed in the financial statements.

## Bad and doubtful loans and advances

Before the income statement and balance sheet of the Bank were prepared, the directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of any bad loans and advances and the making of allowance for doubtful loans and advances, and satisfied themselves that all known bad loans and advances had been written off and adequate allowance had been made for bad and doubtful loans and advances.

At the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of allowance for doubtful loans and advances in the financial statements of the Bank, inadequate to any substantial extent.

## Current assets

Before the income statement and balance sheet of the Bank were prepared, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank had been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributed to the current assets in the financial statements of the Bank misleading.

## Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

## Contingent and other liabilities

At the date of this report, there does not exist:

- (a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person, or

- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

## Change of circumstances

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Bank, which would render any amount stated in the financial statements misleading.

## Items of unusual nature

The results of the operations of the Bank for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Bank for the current financial year in which this report is made.

Subsequent to the current financial year in which this report is made, the share capital of the Bank was increased to US\$27,000,000.

# Financial Statements (continued)

## Directors

The directors who served since the date of the last report are:

**Neak Oknha Kith Meng**

**Oknha Kith Thieng**

**Debasish Pattnaik**

**Dr Robert John Edgar**

**Allan John Marlin**

**Owen James Wilson**  
(appointed on 19 May 2006)

**John Mark Winders**  
(resigned on 19 May 2006)

**Wayne Hugh Stevenson**

## Directors' interests

None of the directors held or dealt directly in the shares of the Bank during the financial year.

## Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Bank is a party with the object of enabling directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

During the financial year, no director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements.

## Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2006 and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

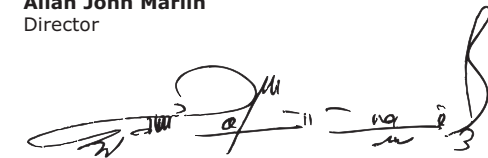
- i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) comply with International Financial Reporting Standards and the guidelines issued by the National Bank of Cambodia or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) maintain adequate accounting records and an effective system of internal controls;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- v) control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that it has complied with the above requirements in preparing the financial statements.

Signed in accordance with a resolution of the Board of Directors,



**Allan John Marlin**  
Director



**Debasish Pattnaik**  
Director

29 March 2007

# Report Of The Independent Auditors To The Shareholders

## ANZ Royal Bank (Cambodia) Ltd

We have audited the accompanying financial statements of ANZ Royal Bank (Cambodia) Ltd ("the Bank"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 26 to 53.

## Management's Responsibility for the Financial Statements

The Bank's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ANZ Royal Bank (Cambodia) Ltd as at 31 December 2006 and of its financial

performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and the guidelines of the National Bank of Cambodia relating to the preparation and presentation of financial statements.

We draw attention to Note 2(a) to the financial statements. In accordance with National Bank of Cambodia requirements, the assets, liabilities, revenues and expenses are presented in their Cambodian Riel ("KHR") equivalents using a method of translation that does not comply with International Financial Reporting Standards. We have reviewed the KHR equivalents and found them to be accurately translated, on the basis described in Note 2(a).



**KPMG Cambodia Ltd**  
Phnom Penh

29 March 2007

## Balance Sheet As At 31 December 2006

	Note	2006		2005
		US\$	KHR'000	US\$
<b>Assets</b>				
Cash and bank balances	4	27,208,062	110,383,107	27,485,525
Deposits and placements with banks	5	93,143,224	377,882,060	44,500,000
Net loans and advances	6	51,696,280	209,731,808	3,363,726
Regulatory deposits	7	19,323,245	78,394,404	8,817,023
Deferred tax assets, net	8	1,649,476	6,691,924	1,035,287
Intangible assets	9	188,440	764,501	15,638
Other assets	10	1,476,298	5,989,341	530,851
Premises and equipment	11	9,950,904	40,370,818	7,646,394
<b>Total assets</b>		<b>204,635,929</b>	<b>830,207,963</b>	<b>93,394,444</b>
<b>Liabilities</b>				
Deposits from other banks	12	4,612	18,711	2,196
Deposits and other borrowings	13	185,790,652	753,752,675	74,574,344
Income tax liability	14	11,410	46,290	2,736
Payables and other liabilities	15	3,824,459	15,515,830	4,984,293
<b>Total liabilities</b>		<b>189,631,133</b>	<b>769,333,506</b>	<b>79,563,569</b>
<b>Net assets</b>		<b>15,004,796</b>	<b>60,874,457</b>	<b>13,830,875</b>
<b>Shareholders' equity</b>				
Share capital	16	22,000,000	89,254,000	18,000,000
Accumulated losses		(6,995,204)	(28,379,543)	(4,169,125)
<b>Net shareholders' funds</b>		<b>15,004,796</b>	<b>60,874,457</b>	<b>13,830,875</b>

The accompanying notes form part of these financial statements.

## Income Statement For The Year Ended 31 December 2006

	Note	2006		2005
		US\$	KHR'000	US\$
Interest income	17	6,337,119	25,709,692	384,267
Interest expense	18	(2,585,187)	(10,488,104)	(172,163)
<b>Net interest income</b>		<b>3,751,932</b>	<b>15,221,588</b>	<b>212,104</b>
Net fee and commission income	19	2,160,627	8,765,664	232,983
<b>Operating income</b>		<b>5,912,559</b>	<b>23,987,252</b>	<b>445,087</b>
Operating expenses	20	(9,005,871)	(36,536,818)	(5,638,515)
<b>Loss before doubtful debt provision and income tax</b>		<b>(3,093,312)</b>	<b>(12,549,566)</b>	<b>(5,193,428)</b>
Doubtful debt provision	6	(260,940)	(1,058,634)	(4,801)
<b>Loss before income tax</b>		<b>(3,354,252)</b>	<b>(13,608,200)</b>	<b>(5,198,229)</b>
Income tax	21	528,173	2,142,798	1,029,104
<b>Loss for the year/period</b>		<b>(2,826,079)</b>	<b>(11,465,402)</b>	<b>(4,169,125)</b>

The accompanying notes form part of these financial statements.

## Statement Of Changes In Equity For The Year Ended 31 December 2006

	Share Capital US\$	Accumulated Losses US\$	Total US\$
Share capital issued	18,000,000	-	18,000,000
Loss for the period	-	(4,169,125)	(4,169,125)
<b>Balance as at 31 December 2005</b>	<b>18,000,000</b>	<b>(4,169,125)</b>	<b>13,830,875</b>
Share capital issued	4,000,000	-	4,000,000
Loss for the year	-	(2,826,079)	(2,826,079)
<b>Balance as at 31 December 2006</b>	<b>22,000,000</b>	<b>(6,995,204)</b>	<b>15,004,796</b>
<b>(KHR'000 equivalents)</b>	<b>89,254,000</b>	<b>(28,379,543)</b>	<b>60,874,457</b>

The accompanying notes form part of these financial statements.

## Statement Of Cash Flows For The Year Ended 31 December 2006

	Note	2006		2005
		US\$	KHR'000	US\$
<b>Cash flows from operating activities</b>				
Net cash from operating activities	22	36,367,728	147,543,872	50,797,254
<b>Cash flows from investing activities</b>				
Premises and equipment purchased		(3,733,857)	(15,148,258)	(7,793,975)
Intangible assets purchased		(268,110)	(1,087,722)	(17,754)
<b>Net cash used in investing activities</b>		<b>(4,001,967)</b>	<b>(16,235,980)</b>	<b>(7,811,729)</b>
<b>Cash flows from financing activities</b>				
Share capital issued		4,000,000	16,228,000	18,000,000
<b>Net cash from financing activities</b>		<b>4,000,000</b>	<b>16,228,000</b>	<b>18,000,000</b>
Net increase in cash and cash equivalents		36,365,761	147,535,892	60,985,525
Cash and cash equivalents at beginning of year/period		60,985,525	247,418,275	-
<b>Cash and cash equivalents at end of year/period</b>	<b>23</b>	<b>97,351,286</b>	<b>394,954,167</b>	<b>60,985,525</b>

The accompanying notes form part of these financial statements.

# Notes To The Financial Statements 31 December 2006

## 1. Organisation and principal activities

The Bank is a bank domiciled in Cambodia. The Bank is a joint venture between Australia and New Zealand Banking Group Limited ("ANZ"), a public company incorporated in Australia, through its wholly owned subsidiary ANZ Funds Pty Ltd, with a 55% interest in the joint venture, and Royal Group Finance Co., Ltd, with a 45% interest in the joint venture, which is ultimately owned by two private individuals in Cambodia who are the directors of the Bank.

The principal activity of the Bank is the provision of comprehensive banking and related financial services in Cambodia.

The Bank had 202 (2005: 103) employees as at 31 December 2006.

## 2. Significant accounting policies

### (a) Statement of compliance

The financial statements, expressed in United States Dollars (US\$), have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board and with the National Bank of Cambodia ("NBC") Guidelines.

In compliance with the NBC requirements, all assets, liabilities and statement of income items in US\$ are presented in the financial statements in Cambodian Riel ("KHR") using the prescribed official exchange rate announced by the NBC at the balance sheet date of US\$1: KHR4,057. The method of translation is specified by NBC and does not comply with IFRS. The translation is for presentation purposes only and should not be construed as representations that the KHR amounts are convertible into US\$ at this or any other rate of exchange.

### (b) Basis of preparation

The financial report has been prepared on the historical cost basis.

The preparation of the financial statements requires the use of management estimates. Such estimates may require review in future periods.

### (c) Foreign currency

#### (i) Functional and presentation currency

The national currency of Cambodia is the Riel ("KHR"). However as the Bank transacts and maintains its accounting records primarily in United States Dollars ("US\$") management have determined the United States Dollar to be the Bank's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Bank.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from (i) the settlement of such transactions, and (ii) the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies, are recognised in the income statement.

### (d) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, demand deposits and short-term highly liquid investments with maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

### (e) Net loans and advances

Net loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. They are recorded at amortised cost less impairment.

Loans and advances include direct finance provided to customers such as bank overdrafts, credit cards, term loans and commercial bills.

Overdrafts and term loans are carried at principal balances outstanding. Interest on amounts outstanding is accounted for on an accruals basis.

All loans are subject to regular scrutiny and graded according to the level of credit risk. Loans are classified as either productive or non-accrual. Non-accrual loans include loans where the accrual of interest and fees has ceased due to doubt

as to full recovery, and loans that have been restructured with an effective yield below the Bank's average cost of funds at the date of restructuring. A specific provision is raised to cover the expected loss, where full recovery of principal is doubtful.

Restructured loans are loans with an effective yield above the Group's cost of funds and below the yield applicable to a customer of equal credit standing.

Cash receipts on non-accrual loans are, in the absence of a contrary agreement with the customer, applied as income or fees in priority to being applied as a reduction in principal, except where the cash receipt relates to proceeds from the sale of security.

### (f) Intangible assets

Intangible assets comprise software including costs incurred in acquiring and building software, which is not integral to the operation of hardware, and is carried at cost less amortisation and impairment losses. Software is amortised at rates based upon the straight-line method over the expected useful lives to the Bank. Depreciation is charged at a rate of 33% per annum.

Costs incurred in planning or evaluating software proposals, or in maintaining systems after implementation, are not capitalised.

### (g) Premises and equipment

Premises and equipment are carried at cost less accumulated depreciation and impairment.

Profit or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is included in the results in the year of disposal.

Assets other than freehold land are depreciated at rates based upon their expected useful lives to the Bank, using the straight-line method. The depreciation rates used for each class of asset are:

Computer	12.5% - 20%
Furniture & equipment	10%
Motor vehicles	20%

(continued)

## Notes To The Financial Statements 31 December 2006 (Continued)

Leasehold improvements are amortised on a straight-line basis over the shorter of the useful lives or remaining terms of the lease.

Construction in progress, included in premises and equipment, is stated at cost. This includes cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

### (h) Impairment of assets

At each reporting date, the carrying amounts of financial assets, other intangibles, premises and equipment, and other assets categories, are reviewed for evidence that they have suffered an impairment loss. Impairment losses are recognised in the income statement where one or more loss events have occurred after initial recognition, and where the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the present value of the asset's estimated future cash flows. Where the individual asset's cash flows cannot be separately identified, they are identified by reference to the cash-generating unit to which it belongs.

A write-off is made when all collection procedures have been completed and part or all of a debt is considered uncollectible. The write-off is charged against previously established provisions for impairment.

#### (i) Impairment of loans and advances

Impairment of loans and advances is initially recognised ("specific allowance") in compliance with NBC Guidelines for individual loans that are considered non-performing, and identified as sub-standard, doubtful or loss, as follows:

Classification	Number of months past due	Provision
Substandard	3 months to 6 months	10%
Doubtful	6 months to 12 months	30%
Loss	Excess of 12 months	100%

In determining the specific allowance the value of any

collateral other than cash deposits pledged is disregarded. In the case of a loan classified as a loss, the market value of collateral can be used to reduce the amount of the allowance, subject to approval by the NBC on a case-by-case basis.

If impairment, calculated as the difference between the carrying amount of the loans and advances and the recoverable amount using estimated future cash flows discounted at the asset's original effective interest rate, exceeds the specific allowance, an additional allowance ("general allowance") is recorded in the amount of the excess. The impairment calculation is made individually for assets that are individually significant, and on a collective basis for portfolios with similar risk characteristics.

Interest on impaired loans and advances is recognised using the original effective interest rate, being the rate used to discount the estimated future cash flows for calculating impairment.

#### (ii) Reversals of impairments

Where impairment losses recognised in previous periods are subsequently decreased or no longer exist, such impairments are reversed in the income statement.

#### (i) Provisions

Provisions are recognised when the Bank has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised is the best estimate of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Any expected third party recoveries are recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### (j) Fee income

Fee and commission income is brought to account on an accruals basis.

Loan commitment fees for loans likely to be drawn down

are deferred (together with related direct costs) and recognised as income over the period of the loans.

Non yield-related application and activation lending fees received are recognised as income no later than when the loan is disbursed or the commitment to lend expires.

Fees and commissions that relate to the execution of a significant act (for example, advisory services, placement fees and underwriting fees) are taken to income when the fees are receivable.

Fees charged for providing ongoing services that represent the recoupment of the costs of providing service (for example, maintaining and administering existing facilities) are recognised as revenue in the period in which the service is provided.

#### (k) Income tax

Income tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available against which the losses may be utilised.

Deferred income tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited directly to equity, in which case it is recorded in equity.

#### (l) Employee benefits

The amounts expected to be paid in respect of employees' entitlements to annual leave are accrued at expected salary rates including on-costs.

#### (m) Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segments), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(continued)

## Notes To The Financial Statements 31 December 2006 (Continued)

### (n) Leasing

Leases entered into by the Bank as lessee are operating leases, and the operating lease payments are included in the income statement in equal instalments over the lease term.

### (o) Capitalised expenses

Direct external expenses related to the acquisition of interest earning assets are initially recognised as part of the cost of acquiring the asset and written-off as an adjustment to its expected yield over its expected life. For assets subject to prepayment, expected life is determined on the basis of the historical behaviour of the particular asset portfolio, taking into account contractual obligations and prepayment experience assessed on a regular basis. Impairment of capitalised expenses is assessed through comparing the actual behaviour of the portfolio against initial expected life assumptions.

### (p) Related parties

Parties are considered to be related if the Bank has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice-versa, or where the Bank and the party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Under the Law on Banking and Financial Institutions, related parties include individuals who hold directly or indirectly a minimum of 10 percent of the capital of the Bank or voting rights therein, or who participate in the administration, direction, management or the design and implementation of the internal controls of the Bank.

### 3. Segment reporting

Segment reporting is presented in respect of the Bank's business and geographical segments. The primary format, business segments, is based on the Bank's management and internal reporting structure.

Measurement of segment assets and liabilities and segment revenues and results is based on the accounting policies set out in the accounting policy notes.

Transactions between segments are conducted at arms' length.

Segment revenues, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

### (a) Business segments

The Bank comprises the retail and corporate banking business segments, which carry out lending and deposit taking activities for customers in each segment. The retail banking business segment comprises the activities of the Bank's Personal Financial Services. The corporate banking business segment comprises the Business Financial Services Department and includes the treasury functions such as inter-bank lending, statutory deposits and placements of surplus liquidity.

### (b) Geographical segments

The Bank operates within one geographical segment, the Kingdom of Cambodia.

	Retail banking US\$	Business banking US\$	Unallocated <sup>1</sup> US\$	Total US\$
Segment revenue	1,424,761	4,356,958	130,840	5,912,559
Segment result	(547,195)	3,281,368	(6,088,425)	(3,354,252)
Segment assets	67,936,872	81,705,081	54,993,976	204,635,929
Segment liabilities	101,483,035	84,307,635	3,840,463	189,631,133

<sup>1</sup> This includes revenues, expenses, assets and liabilities related to the general operations and support functions of the Bank.

## Notes To The Financial Statements 31 December 2006 (Continued)

### 4. Cash and bank balances

	US\$	2006 KHR'000	2005 US\$
<b>In Cambodia:</b>			
Coins and notes	9,798,350	39,751,906	2,222,624
Cash at banks			
National Bank of Cambodia	16,278,157	66,040,483	20,845,424
Other banks	25,823	104,764	190,536
	<b>26,102,330</b>	<b>105,897,153</b>	<b>23,258,584</b>
<b>Outside Cambodia:</b>			
Cash at banks			
Related parties	513,175	2,081,951	3,761,295
Other	592,557	2,404,003	465,646
	1,105,732	4,485,954	4,226,941
	<b>27,208,062</b>	<b>110,383,107</b>	<b>27,485,525</b>

#### (a) By currency:

	US\$	2006 KHR'000	2005 US\$
US Dollar	26,202,194	106,302,301	27,248,916
Khmer Riel	561,242	2,276,959	71,130
Other	444,626	1,803,847	165,479
	<b>27,208,062</b>	<b>110,383,107</b>	<b>27,485,525</b>

#### (b) By interest rate (per annum):

	2006	2005
National Bank of Cambodia	-	-
Related parties	0% - 4.87%	0% - 4.87%

## Notes To The Financial Statements 31 December 2006 (Continued)

### 5. Deposits and placements with banks

	2006		2005
	US\$	KHR'000	US\$
<b>In Cambodia:</b>			
National Bank of Cambodia	5,000,000	20,285,000	17,000,000
Other	24,649	100,001	-
<b>Outside Cambodia:</b>			
Related parties	88,118,575	357,497,059	27,500,000
	<b>93,143,224</b>	<b>377,882,060</b>	<b>44,500,000</b>

The above amounts are analysed as follows:

	2006		2005
	US\$	KHR'000	US\$
<b>(a) By maturity:</b>			
Within one month	43,143,224	175,032,060	28,500,000
2 to 3 months	27,000,000	109,539,000	5,000,000
4 to 6 months	23,000,000	93,311,000	8,000,000
6 to 12 months	-	-	3,000,000
	<b>93,143,224</b>	<b>377,882,060</b>	<b>44,500,000</b>
<b>(b) By currency:</b>			
US Dollar	93,000,000	377,301,000	44,500,000
Khmer Riel	24,649	100,001	-
Other currencies	118,575	481,059	-
	<b>93,143,224</b>	<b>377,882,060</b>	<b>44,500,000</b>

### (c) By interest rate (per annum):

	2006	2005
National Bank of Cambodia and other banks	3.00% - 4.10%	3.10% - 3.20%
Related parties	4.20% - 6.10%	4.10% - 4.50%

## Notes To The Financial Statements 31 December 2006 (Continued)

### 6. Net loans and advances

	2006 US\$	2006 KHR'000	2005 US\$
Overdrafts	18,134,679	73,572,393	1,521,527
Term loans	29,073,934	117,952,950	1,847,000
Trust receipt	998,514	4,050,971	-
Housing loans	3,754,894	15,233,605	-
	51,962,021	210,809,919	3,368,527
Allowance for bad and doubtful loans and advances	(265,741)	(1,078,111)	(4,801)
	<b>51,696,280</b>	<b>209,731,808</b>	<b>3,363,726</b>

The above amounts are analysed as follows:

	2006 US\$	2006 KHR'000	2005 US\$
<b>(a) By maturity:</b>			
Within 3 months	18,848,170	76,467,026	1,521,527
4 to 6 months	1,115,787	4,526,748	-
7 to 12 months	3,002,417	12,180,806	315,000
1 to 3 years	3,429,270	13,912,548	932,000
3 to 5 years	17,712,653	71,860,233	-
More than 5 years	7,853,724	31,862,558	600,000
	<b>51,962,021</b>	<b>210,809,919</b>	<b>3,368,527</b>
<b>(b) By performance:</b>			
<b>Standard loans</b>			
Secured	51,129,338	207,431,724	3,345,817
Unsecured	66,062	268,014	22,710
	<b>51,195,400</b>	<b>207,699,738</b>	<b>3,368,527</b>
<b>Sub-standard loans</b>			
Secured	766,621	3,110,181	-
	<b>51,962,021</b>	<b>210,809,919</b>	<b>3,368,527</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 6. Net loans and advances (continued)

	2006	2005
	US\$	US\$
	KHR'000	
The above amounts are analysed as follows:		
<b>(c) By economic sectors:</b>		
<b>Commercial</b>		
Overdrafts	18,117,660	1,521,455
Loans	29,006,299	1,832,000
Trust receipt	998,514	-
<b>Consumer</b>		
Overdrafts	17,020	72
Loans	3,822,528	15,000
	<b>51,962,021</b>	<b>3,368,527</b>
<b>(d) By industry:</b>		
Services	10,056,374	22,710
Wholesale and retail	9,267,108	2,187,205
Construction	5,265,452	243,612
Import and export	2,083,336	-
Consumer items	1,659,182	-
Food industries	986,364	-
Real estate	494,667	900,000
Staff loans	127,187	-
Other	22,022,351	15,000
	<b>51,962,021</b>	<b>3,368,527</b>
<b>(e) By currency:</b>		
US Dollar	<b>51,962,021</b>	<b>3,368,527</b>
<b>(f) By residency status:</b>		
Residents	<b>51,962,021</b>	<b>3,368,527</b>
<b>(g) By relationship:</b>		
Related parties	976,829	22,616
Staff loan	127,187	-
Third parties	50,858,005	3,345,911
	<b>51,962,021</b>	<b>3,368,527</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 6. Net loans and advances (continued)

	2006 US\$	2006 KHR'000	2005 US\$
The above amounts are analysed as follows:			
<b>(h) By exposure:</b>			
Large exposures	26,249,223	106,493,098	-
Non large exposures	25,712,798	104,316,821	3,368,527
	<b>51,962,021</b>	<b>210,809,919</b>	<b>3,368,527</b>

The amount of US\$26,249,223 represents the total outstanding loans and advances from customers who are classified as large exposures.

A "large exposure" is defined under NBC Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the Bank's net worth. The exposure is the higher of the outstanding loans or commitments and the authorised loans or commitments.

#### (i) By interest rate (per annum):

	2006	2005
Overdrafts	8.50% - 12.00%	8.50% - 12.00%
Business loans	SIBOR + margin	SIBOR + margin
Consumer loans	9.90% - 10.40%	-

The movement in the allowance for bad and doubtful loans and advances is as follows:

	2006 US\$	2006 KHR'000	2005 US\$
At beginning of year	4,801	19,477	-
Additional provision made			
- Specific	76,662	311,018	-
- General	184,278	747,616	4,801
	260,940	1,058,634	4,801
<b>At end of year</b>	<b>265,741</b>	<b>1,078,111</b>	<b>4,801</b>

All loans and advances have been individually reviewed at the year-end in accordance with the NBC guidelines, and in the opinion of the directors and management, all balances are considered fully recoverable.

## Notes To The Financial Statements 31 December 2006 (Continued)

### 7. Regulatory deposits

	2006 US\$	2006 KHR'000	2005 US\$
<b>Regulatory deposits on:</b>			
Minimum share capital	2,200,000	8,925,400	1,800,000
Customers' deposits	17,123,245	69,469,004	7,017,023
	<b>19,323,245</b>	<b>78,394,404</b>	<b>8,817,023</b>

The statutory deposits are maintained with the NBC in compliance with Article 5 of NBC Prakas No. B701-136, the amounts of which are determined by defined percentages of the Bank's registered share capital and customers' deposits with the Bank.

The statutory deposit on registered share capital is refundable when the Bank ceases its operations in Cambodia. The statutory deposit on customers' deposits fluctuates depending on the level of the customers' deposits. The statutory deposit on registered capital placed with NBC in US\$ earns interest at the rate of 3/8 six-month SIBOR with the effective annual rates in 2006 ranging from 1.39% - 1.76% (2005: 1.04% - 1.39%). The statutory deposit relating to customers' deposits does not earn interest.

### 8. Deferred tax assets, net

	2006 US\$	2006 KHR'000	2005 US\$
<b>Deferred income tax assets (liabilities) comprise:</b>			
Tax losses	1,960,619	7,954,231	1,111,969
Provisions	139,830	567,290	37,596
Depreciation	(450,973)	(1,829,597)	(114,278)
	<b>1,649,476</b>	<b>6,691,924</b>	<b>1,035,287</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 9. Intangible assets

Computer Software	2006		2005 US\$
	US\$	KHR'000	
<b>Gross carrying amount</b>			
Balance at beginning of year/period	17,754	72,028	-
Additions	268,110	1,087,722	17,754
Balance at end of year/period	285,864	1,159,750	17,754
<b>Less: Accumulated amortisation and impairment</b>			
Balance at beginning of year/period	2,116	8,584	-
Amortisation expense	95,308	386,665	2,116
Balance at end of year/period	97,424	395,249	2,116
<b>Net book value</b>			
Balance at end of year/period	<b>188,440</b>	<b>764,501</b>	<b>15,638</b>

### 10. Other assets

	2006		2005 US\$
	US\$	KHR'000	
<b>Interest receivable</b>			
- Related parties	900,108	3,651,738	101,441
- Other	45,249	183,575	14,630
Deposits and prepayments	510,381	2,070,616	297,419
Due from related parties	19,469	78,986	117,361
Other	1,091	4,426	-
	<b>1,476,298</b>	<b>5,989,341</b>	<b>530,851</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 11. Premises and equipment

	Computers US\$	Furniture & equipment US\$	Motor vehicles US\$	Leasehold improvements US\$	Construction in progress US\$	Total US\$
<b>Cost</b>						
At 1 January 2006	670,453	964,614	221,805	1,335,420	4,601,683	7,793,975
Additions	927,361	853,466	111,717	871,116	970,197	3,733,857
Transfer/reclassification	3,238,372	671,489	-	322,165	(4,232,026)	-
Written off	(13,336)	(47,217)	-	(4,500)	(101,547)	(166,600)
At 31 December 2006	<b>4,822,850</b>	<b>2,442,352</b>	<b>333,522</b>	<b>2,524,201</b>	<b>1,238,307</b>	<b>11,361,232</b>
<b>Less: Accumulated depreciation and impairment</b>						
At 1 January 2006	38,802	30,882	23,759	54,138	-	147,581
Depreciation charge for the year	818,542	227,034	47,639	177,652	-	1,270,867
Written off	(3,178)	(4,942)	-	-	-	(8,120)
At 31 December 2006	<b>854,166</b>	<b>252,974</b>	<b>71,398</b>	<b>231,790</b>	<b>-</b>	<b>1,410,328</b>
<b>Net book value</b>						
At 31 December 2006	<b>3,968,684</b>	<b>2,189,378</b>	<b>262,124</b>	<b>2,292,411</b>	<b>1,238,307</b>	<b>9,950,904</b>
At 31 December 2005	631,651	933,732	198,046	1,281,282	4,601,683	7,646,394

## Notes To The Financial Statements 31 December 2006 (Continued)

### 11. Premises and equipment (continued)

	Computers KHR'000	Furniture & equipment KHR'000	Motor vehicles KHR'000	Leasehold improvements KHR'000	Construction in progress KHR'000	Total KHR'000
<b>Cost</b>						
At 1 January 2006	2,720,028	3,913,439	899,863	5,417,799	18,669,027	31,620,156
Additions	3,762,303	3,462,512	453,236	3,534,118	3,936,089	15,148,258
Transfer/reclassification	13,138,075	2,724,231	-	1,307,023	(17,169,329)	-
Written off	(54,104)	(191,559)	-	(18,257)	(411,976)	(675,896)
At 31 December 2006	<b>19,566,302</b>	<b>9,908,623</b>	<b>1,353,099</b>	<b>10,240,683</b>	<b>5,023,811</b>	<b>46,092,518</b>
<b>Less: Accumulated depreciation and impairment</b>						
At 1 January 2006	157,420	125,288	96,390	219,638	-	598,736
Depreciation charge for the year	3,320,825	921,077	193,271	720,734	-	5,155,907
Written off	(12,893)	(20,050)	-	-	-	(32,943)
At 31 December 2006	<b>3,465,352</b>	<b>1,026,315</b>	<b>289,661</b>	<b>940,372</b>	<b>-</b>	<b>5,721,700</b>
<b>Net book value</b>						
At 31 December 2006	<b>16,100,950</b>	<b>8,882,308</b>	<b>1,063,438</b>	<b>9,300,311</b>	<b>5,023,811</b>	<b>40,370,818</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 11. Premises and equipment (continued)

Under Prakas No. B7-01-186 issued by the NBC on 8 November 2001, fixed assets (which includes premises and equipment and intangible assets) acquired for operational purposes shall not exceed 30% of the net worth of the bank. As at 31 December 2006 the Bank had excess fixed assets of US\$5,694,437 calculated as follows:

	2006 US\$	KHR'000	2005 US\$
30% of net worth	4,444,907	18,032,988	4,144,571
<b>Net book value of</b>			
Premises and equipment	9,950,904	40,370,818	7,646,394
Intangible assets	188,440	764,501	15,638
	10,139,344	41,135,319	7,662,032
<b>Excess</b>	<b>5,694,437</b>	<b>23,102,331</b>	<b>3,517,461</b>

In recognition of the start-up nature of the Bank's operations, the Bank has received an exemption from the NBC with respect to the above non-compliance.

### 12. Deposits from other banks

Deposits from other banks are in US Dollar and are due within one month.

### 13. Deposits and other borrowings

	2006 US\$	KHR'000	2005 US\$
Current accounts	65,514,506	265,792,351	36,767,418
Savings deposits	33,780,012	137,045,509	17,286,249
Fixed deposits	86,496,134	350,914,815	20,520,677
	<b>185,790,652</b>	<b>753,752,675</b>	<b>74,574,344</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 13. Deposits and other borrowings (continued)

	2006		2005
	US\$	KHR'000	US\$
The above amounts are analysed as follows:			
<b>(a) By maturity:</b>			
Within 3 months	163,989,789	665,306,574	55,671,216
4 to 6 months	16,234,737	65,864,328	15,869,088
7 to 12 months	5,566,126	22,581,773	3,034,040
	<b>185,790,652</b>	<b>753,752,675</b>	<b>74,574,344</b>
<b>(b) By types of customer:</b>			
Domestic corporations	75,423,385	305,992,673	35,926,318
Foreign corporations	11,232,586	45,570,601	2,729,251
Individuals	90,395,484	366,734,479	34,020,582
Others	8,739,197	35,454,922	1,898,193
	<b>185,790,652</b>	<b>753,752,675</b>	<b>74,574,344</b>
<b>(c) By relationship:</b>			
Third parties	175,668,844	712,688,500	47,597,952
Related parties	10,121,808	41,064,175	26,976,392
	<b>185,790,652</b>	<b>753,752,675</b>	<b>74,574,344</b>
<b>(d) By currency:</b>			
US Dollar	184,737,243	749,478,995	74,493,165
Khmer Riel	623,272	2,528,614	77,308
Other currencies	430,137	1,745,066	3,871
	<b>185,790,652</b>	<b>753,752,675</b>	<b>74,574,344</b>
<b>(e) By interest rate (per annum):</b>			
	2006		2005
Savings deposits	0.50% - 1.50%		0.50% - 1.50%
Fixed deposits	3.50% - 4.00%		2.90% - 6.50%

## Notes To The Financial Statements 31 December 2006 (Continued)

### 14. Income tax liability

Income tax liability comprises taxes currently payable.

	2006 US\$	2006 KHR'000	2005 US\$
Balance at beginning of year/period	2,736	11,100	-
Current tax expenses (Note 21)	86,016	348,967	6,183
Taxation paid	(77,342)	(313,777)	(3,447)
Balance at end of year/period	<b>11,410</b>	<b>46,290</b>	<b>2,736</b>

### 15. Payables and other liabilities

	2006 US\$	2006 KHR'000	2005 US\$
Interest payable	446,591	1,811,820	105,127
Accruals	910,071	3,692,158	732,935
Due to related parties	307,079	1,245,819	3,361,303
Banker's cheques	937,484	3,803,373	45,437
Deferred loan approval fees	243,898	989,494	14,019
Employee entitlements	487,346	1,977,163	227,726
Other tax payable	59,455	241,209	463,602
Other	432,535	1,754,794	34,144
	<b>3,824,459</b>	<b>15,515,830</b>	<b>4,984,293</b>

### 16. Share capital

	2006 US\$	2006 KHR'000	2005 US\$
<b>Shares of US\$100 each:</b>			
Issued and paid 220,000 shares (2005: 180,000 shares)	22,000,000	89,254,000	18,000,000

On 29 January 2006, the Bank increased the paid up capital from US\$18,000,000 to US\$22,000,000 through the issue of 40,000 shares at US\$100 each.

## Notes To The Financial Statements 31 December 2006 (Continued)

### 17. Interest income

	2006		2005
	US\$	KHR'000	US\$
National Bank of Cambodia	102,369	415,311	173,167
Financial institutions	4,184,055	16,974,711	191,717
Loans and advances	2,050,695	8,319,670	19,383
	<b>6,337,119</b>	<b>25,709,692</b>	<b>384,267</b>

### 18. Interest expense

	2006		2005
	US\$	KHR'000	US\$
Deposits and other borrowings	2,567,561	10,416,595	165,271
Other financial institutions	17,626	71,509	6,892
	<b>2,585,187</b>	<b>10,488,104</b>	<b>172,163</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 19. Net fee and commission income

	2006 US\$	2006 KHR'000	2005 US\$
<b>Fee and commission income:</b>			
Trade and payment income	961,998	3,902,826	93,864
Lending fees	583,356	2,366,675	46,650
Other fees	585,326	2,374,668	54,323
	<b>2,130,680</b>	<b>8,644,169</b>	<b>194,837</b>
Fee and commission expense	(268,962)	(1,091,179)	(5,253)
Net fee and commission income	1,861,718	7,552,990	189,584
Foreign exchange gain	298,909	1,212,674	43,399
	<b>2,160,627</b>	<b>8,765,664</b>	<b>232,983</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 20. Operating expenses

	2006		2005
	US\$	KHR'000	US\$
<b>(a) Personnel</b>			
Salaries and wages	2,786,521	11,304,916	1,603,588
Performance reward scheme	291,526	1,182,721	158,657
Pension fund	30,918	125,434	19,820
Others	753,820	3,058,248	710,294
	<b>3,862,785</b>	<b>15,671,319</b>	<b>2,492,359</b>
<b>(b) Premises</b>			
Rent	318,005	1,290,146	193,078
Utilities and other outgoings	440,458	1,786,938	130,154
Amortisation of leasehold improvements	177,652	720,734	54,138
Other	140,375	569,502	33,608
	<b>1,076,490</b>	<b>4,367,320</b>	<b>410,978</b>
<b>(c) Computer</b>			
Data communication	423,886	1,719,705	116,698
Depreciation and amortisation	913,850	3,707,490	40,918
Computer	479,895	1,946,934	101,844
	<b>1,817,631</b>	<b>7,374,129</b>	<b>259,460</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 20. Operating expenses (continued)

	2006		2005
	US\$	KHR'000	US\$
<b>(d) Other operating expenses</b>			
Advertising	524,572	2,128,189	958,937
Depreciation of motor vehicles, furniture and equipment	274,673	1,114,348	54,641
Travel	209,397	849,524	113,322
Postage and stationery	135,045	547,876	73,174
Professional fees	163,568	663,595	394,724
Telephone	123,983	502,999	79,602
Freight and cartage	54,242	220,060	11,826
ATM rental space	22,587	91,635	-
Non-lending losses, frauds and forgeries	6,659	27,016	1,298
Other	734,239	2,978,808	788,194
	<b>2,248,965</b>	<b>9,124,050</b>	<b>2,475,718</b>
<b>Total Operating Expenses</b>	<b>9,005,871</b>	<b>36,536,818</b>	<b>5,638,515</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 21. Income tax

	2006 US\$	2006 KHR'000	2005 US\$
Current tax expense (Note 14)	(86,016)	(348,967)	(6,183)
Benefits arising from recognised deferred tax assets	614,189	2,491,765	1,035,287
<b>Income tax</b>	<b>528,173</b>	<b>2,142,798</b>	<b>1,029,104</b>

In accordance with Cambodian law, the Bank has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenue, whichever is higher. In 2006, the Bank recorded a loss for tax purposes and accordingly the minimum tax on revenue was used to record the current income tax expense for the year.

Tax losses can be carried forward for deduction from future taxable income for five years. The Bank had recorded tax losses for the year of US\$4,409,933 (2005: US\$5,559,847) that expire in 2011 and 2010 respectively. The shareholders have provided a formal undertaking to implement business strategies to ensure that the Bank will fully utilise the tax benefits of the losses through the recording of profits against which the losses can be offset. Accordingly, a deferred tax asset of US\$881,987 (2005: US\$1,111,969) on the estimated benefits arising from such recognised tax losses has been recorded in the financial statements.

The reconciliation of income taxes computed at the statutory tax rate to the income tax expense in respect to the current year is as follows:

	2006 US\$	2006 KHR'000	2005 US\$
Revenue	8,766,708	35,566,534	622,503
Income tax using statutory rate	87,667	355,665	6,225
Reconciling differences	(1,651)	(6,698)	(42)
<b>Current tax expense</b>	<b>86,016</b>	<b>348,967</b>	<b>6,183</b>

The calculation of losses for tax purposes is subject to the review and assessment by the tax authorities.

## Notes To The Financial Statements 31 December 2006 (Continued)

### 22. Cash flows from operating activities

	2006		2005
	US\$	KHR'000	US\$
<b>Loss before income tax</b>	<b>(3,354,252)</b>	<b>(13,608,200)</b>	<b>(5,198,229)</b>
<b>Adjustments for:</b>			
Depreciation	1,270,867	5,155,907	147,581
Amortisation	95,308	386,665	2,116
Provision for bad and doubtful loans and advances	260,940	1,058,634	4,801
Premises and equipment written off	158,480	642,953	-
Operating loss before changes in operating assets and liabilities	(1,568,657)	(6,364,041)	(5,043,731)
<b>Decrease/(increase) in:</b>			
Deposits and placements with other banks	(12,000,000)	(48,684,000)	(11,000,000)
Loans and advances	(48,593,494)	(197,143,805)	(3,368,527)
Regulatory deposits	(10,506,222)	(42,623,743)	(8,817,023)
Other assets	(945,447)	(3,835,678)	(530,851)
<b>Increase/(decrease) in:</b>			
Deposits from customers	111,216,308	451,204,561	74,574,344
Deposits from other banks	2,416	9,802	2,196
Other liabilities	(1,159,834)	(4,705,447)	4,984,293
Net cash generated from operations	36,445,070	147,857,649	50,800,701
Income taxes paid	(77,342)	(313,777)	(3,447)
<b>Net cash from operating activities</b>	<b>36,367,728</b>	<b>147,543,872</b>	<b>50,797,254</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 23. Cash and cash equivalents

	US\$	2006 KHR'000	2005 US\$
Cash and bank balances	27,208,062	110,383,107	27,485,525
Deposits and placements with banks (with maturities of 3 months or less)	70,143,224	284,571,060	33,500,000
	<b>97,351,286</b>	<b>394,954,167</b>	<b>60,985,525</b>

### 24. Commitments and contingencies

#### (a) Operations

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated from these transactions, which consist of:

	US\$	2006 KHR'000	2005 US\$
Bank guarantees	1,381,203	5,603,541	4,961
Letters of credit	16,608,706	67,381,520	-
Unused portion of loans and advances	12,212,473	49,546,003	2,691,749
Foreign exchange commitments	718,187	2,913,684	-
	<b>30,920,569</b>	<b>125,444,748</b>	<b>2,696,710</b>

#### (b) Lease commitments

The Bank has operating lease commitments in respect of office rentals as follows:

	US\$	2006 KHR'000	2005 US\$
Within one year	409,520	1,661,423	456,180
2 to 3 years	807,647	3,276,624	638,070
3 to 5 years	339,850	1,378,771	314,300
More than 5 years	181,778	737,473	176,000
	<b>1,738,795</b>	<b>7,054,291</b>	<b>1,584,550</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### 24. Commitments and contingencies (continued)

#### (c) Capital expenditure

	2006 US\$	2006 KHR'000	2005 US\$
Contracted for outstanding capital expenditure within one year	996,722	4,043,701	641,444

#### (d) Taxation contingencies

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to differing interpretations among numerous taxation authorities and jurisdictions.

These facts create risks of additional taxes through reassessment, fines, penalties and interest charges, which are substantially more significant in Cambodia than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of current tax legislation.

### 25. Related party balances and transactions

#### (a) Identity of related parties

The Bank has a related party relationship with its direct and ultimate shareholders (Note 1), with entities owned and controlled by direct and ultimate shareholders, with its other directors and with senior officers.

#### (b) Other related party transactions

Significant transactions with related parties during the year were processed on an arm's length basis, as follows:

	2006 US\$	2006 KHR'000	2005 US\$
Interest income	3,676,404	14,915,171	167,577
Interest expense	-	-	6,892
Rental expense	96,000	389,472	92,000
Purchase/transfer technology from ANZ Banking Group Limited	616,453	2,500,950	2,929,517

## Notes To The Financial Statements 31 December 2006 (Continued)

### 26. Financial risk management policies

The guidelines and policies adopted by the Bank to manage the following risks that arise in the conduct of business activities are as follows:

#### (a) Credit risk

Credit risk is the potential loss of revenue and principal losses in the form of specific provisions as a result of defaults by the borrowers or counterparties through its lending, hedging and investing activities.

The primary exposure to credit risk arises through its loans and advances. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the balance sheet. The lending activities are guided by the Bank's credit policy to ensure that the overall objectives in the area of lending are achieved, i.e., that the loan portfolio is strong and healthy and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes, including the Bank's own internal grading system, and procedures implemented to ensure compliance with NBC Guidelines.

The credit exposure arising from off balance sheet activities, i.e., commitments and contingencies, is discussed in Note 24.

#### (b) Market risk

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk.

Market risk arising from the trading activities is controlled by marking to market the trading positions against their predetermined market risk limits.

##### (i) Foreign currency exchange risk

Foreign currency exchange risk refers to the adverse exchange rate movements on foreign currency exchange positions taken from time to time. The Bank maintains a policy of not exposing itself to large foreign exchange positions. Any foreign currency exchange open positions are monitored against the operating requirements,

predetermined position limits and cut-loss limits.

##### (ii) Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through close monitoring of returns on investment, market pricing, cost of funds and through interest rate sensitivity gap analysis. The potential reduction in net interest income from an unfavourable interest rate movement is monitored against the risk tolerance limits set.

An analysis of the interest rate risk pertaining to the Bank's assets and liabilities is disclosed on pages 50 and 51.

#### (c) Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

In addition to full compliance of all liquidity requirements, the management of the Bank closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans and customers' deposits are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

The tables on pages 52 and 53 provide an analysis of the financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment.

### 27. Fair values of financial assets and liabilities

The aggregate fair values of financial assets and liabilities carried on the balance sheet are equal to their carrying values as at 31 December 2006.

### 28. Subsequent event

Subsequent to the year end, the Bank increased its share capital to US\$ 27,000,000.

## Notes To The Financial Statements 31 December 2006 (Continued)

### (ii) Interest rate risk (continued)

The table indicates the effective interest rates at the balance sheet date and the periods in which the financial instruments re-price or mature, whichever is earlier.

2006	Up to 1 month US\$'000	> 1 – 3 months US\$'000	> 3 – 6 months US\$'000	> 6 – 12 months US\$'000	> 1 – 5 years US\$'000	Over 5 years US\$'000	Non-interest sensitive US\$'000	Total US\$'000	Weighted average interest %
<b>Assets</b>									
Cash and bank balances	-	-	-	-	-	-	27,208	27,208	-
Deposits and placements with banks	43,143	27,000	23,000	-	-	-	-	93,143	4.71
Loans and advances									
- Performing	310	18,250	1,116	3,003	20,662	7,854	-	51,195	9.65
- Non performing	-	287	-	-	480	-	-	767	11.50
- Specific provision	-	-	-	-	-	-	(77)	(77)	
- General provision	-	-	-	-	-	-	(189)	(189)	
Regulatory deposits	-	-	-	-	2,200	-	17,123	19,323	1.58
Deferred tax assets	-	-	-	-	-	-	1,650	1,650	-
Intangible assets	-	-	-	-	-	-	189	189	-
Premises and equipment	-	-	-	-	-	-	9,951	9,951	-
Other assets	-	-	-	-	-	-	1,476	1,476	-
<b>Total assets</b>	<b>43,453</b>	<b>45,537</b>	<b>24,116</b>	<b>3,003</b>	<b>23,342</b>	<b>7,854</b>	<b>57,331</b>	<b>204,636</b>	
<b>Liabilities and shareholders' funds</b>									
Deposits from other banks	-	-	-	-	-	-	5	5	-
Deposits and other borrowings	51,593	64,695	16,235	5,566	-	-	47,702	185,791	1.84
Income tax liability	-	-	-	-	-	-	11	11	-
Payables and other liabilities	-	-	-	-	-	-	3,824	3,824	-
Total liabilities	51,593	64,695	16,235	5,566	-	-	51,542	189,631	
<b>Share capital</b>	-	-	-	-	-	-	<b>22,000</b>	<b>22,000</b>	-
<b>Deficiency</b>	-	-	-	-	-	-	<b>(6,995)</b>	<b>(6,995)</b>	-
Shareholders' funds	-	-	-	-	-	-	15,005	15,005	
Total liabilities and shareholder's funds	<b>51,593</b>	<b>64,695</b>	<b>16,235</b>	<b>5,566</b>	-	-	<b>66,547</b>	<b>204,636</b>	
<b>Maturity gap</b>	<b>(8,140)</b>	<b>(19,158)</b>	<b>7,881</b>	<b>(2,563)</b>	<b>23,342</b>	<b>7,854</b>	<b>(9,216)</b>	-	

## Notes To The Financial Statements 31 December 2006 (Continued)

### (ii) Interest rate risk (continued)

The table indicates the effective interest rates at the balance sheet date and the periods in which the financial instruments re-price or mature, whichever is earlier.

2005	Up to 1 month US\$'000	> 1 – 3 months US\$'000	> 3 – 6 months US\$'000	> 6 – 12 months US\$'000	> 1 – 5 years US\$'000	Over 5 years US\$'000	Non-interest sensitive US\$'000	Total US\$'000	Weighted average interest %
<b>Assets</b>									
Cash and bank balances	-	-	-	-	-	-	27,485	27,485	-
Deposits and placements with banks	28,500	5,000	8,000	3,000	-	-	-	44,500	3.87
Loans and advances									
- Performing	1,522	-	-	315	932	600	-	3,369	9.70
- Non performing	-	-	-	-	-	-	-	-	-
- Doubtful debt provision - general	-	-	-	-	-	-	(5)	(5)	-
Regulatory deposits	-	-	-	-	1,800	-	7,017	8,817	1.39
Deferred tax assets	-	-	-	-	-	-	1,035	1,035	-
Intangible assets	-	-	-	-	-	-	16	16	-
Premises and equipment	-	-	-	-	-	-	7,646	7,646	-
Other assets	-	-	-	-	-	-	531	531	-
<b>Total assets</b>	<b>30,022</b>	<b>5,000</b>	<b>8,000</b>	<b>3,315</b>	<b>2,732</b>	<b>600</b>	<b>43,725</b>	<b>93,394</b>	
<b>Liabilities and shareholders' funds</b>									
Deposits from other banks	-	-	-	-	-	-	2	2	-
Deposits and other borrowings	33,025	1,617	15,869	3,034	-	-	21,029	74,574	1.89
Provision for taxation	-	-	-	-	-	-	3	3	-
Payables and other liabilities	-	-	-	-	-	-	4,984	4,984	-
Total liabilities	33,025	1,617	15,869	3,034	-	-	26,018	79,563	
<b>Share capital</b>	-	-	-	-	-	-	18,000	18,000	-
<b>Deficiency</b>	-	-	-	-	-	-	(4,169)	(4,169)	-
Shareholders' funds	-	-	-	-	-	-	13,831	13,831	
Total liabilities and shareholder's funds	<b>33,025</b>	<b>1,617</b>	<b>15,869</b>	<b>3,034</b>	<b>-</b>	<b>-</b>	<b>39,849</b>	<b>93,394</b>	
<b>Maturity gap</b>	<b>(3,003)</b>	<b>3,383</b>	<b>(7,869)</b>	<b>281</b>	<b>2,732</b>	<b>600</b>	<b>3,876</b>	<b>-</b>	

## Notes To The Financial Statements 31 December 2006 (Continued)

### (c) Liquidity risk : 31 December 2006

	Less than 1 month US\$'000	Between 1 and 3 months US\$'000	Between 3 months and 1 year US\$'000	Between 1 year and 5 years US\$'000	Over 5 years US\$'000	No fixed terms US\$'000	Total US\$'000
<b>Financial assets</b>							
Cash and bank balances	27,208	-	-	-	-	-	27,208
Deposit and placements with other banks	43,143	27,000	23,000	-	-	-	93,143
Loans and advances							
- Performing	310	18,250	4,119	20,662	7,854	-	51,195
- Non performing	-	287	-	480	-	-	767
- Specific provision	-	-	(77)	-	-	-	(77)
- General provision	-	-	(189)	-	-	-	(189)
Regulatory deposits	-	-	-	2,200	-	17,123	19,323
Deferred tax assets, net	-	-	-	-	-	1,650	1,650
Other assets	-	-	-	-	-	1,476	1,476
	<b>70,661</b>	<b>45,537</b>	<b>26,853</b>	<b>23,342</b>	<b>7,854</b>	<b>20,249</b>	<b>194,496</b>
<b>Financial liabilities</b>							
Deposits from other banks	5	-	-	-	-	-	5
Deposits and other borrowings	99,295	64,695	21,801	-	-	-	185,791
Income tax liability	-	11	-	-	-	-	11
Payables and other liabilities	-	-	-	-	-	3,824	3,824
	<b>99,300</b>	<b>64,706</b>	<b>21,801</b>	<b>-</b>	<b>-</b>	<b>3,824</b>	<b>189,631</b>

## Notes To The Financial Statements 31 December 2006 (Continued)

### (c) Liquidity risk : 31 December 2005

	Between Less than 1 month US\$'000	Between 1 and 3 months US\$'000	Between 3 months and 1 year US\$'000	1 year and 5 years US\$'000	No fixed terms US\$'000	Total US\$'000
<b>Financial assets</b>						
Cash and bank balances	27,020	465	-	-	-	27,485
Deposit and placements with other banks	28,500	5,000	11,000	-	-	44,500
<b>Loans and advances</b>						
- Performing	1,522	-	315	932	600	3,369
- Non performing	-	-	-	-	-	-
- Specific provision	-	-	(5)	-	-	(5)
Regulatory deposits	-	-	-	1,800	7,017	8,817
Deferred tax assets, net	-	-	-	-	1,035	1,035
Other assets	-	-	-	-	531	531
	<b>57,042</b>	<b>5,465</b>	<b>11,310</b>	<b>2,732</b>	<b>9,183</b>	<b>85,732</b>
<b>Financial liabilities</b>						
Deposits from other banks	2	-	-	-	-	2
Deposits and other borrowings	54,054	1,617	18,903	-	-	74,574
Provision for income tax	-	-	3	-	-	3
Payables and other liabilities	-	-	-	-	4,984	4,984
	<b>54,056</b>	<b>1,617</b>	<b>18,906</b>	<b>-</b>	<b>4,984</b>	<b>79,563</b>

# Computation of Financial Ratios as at 31 December 2006

Capital		(Amount in US\$)
<b>1</b>	<b>Equity to total assets (A/B)</b>	<b>7.33%</b>
	A- Equity	15,004,796
	B- Total assets	204,635,929
<b>2</b>	<b>Capital Tier I to total assets (A/B)</b>	<b>7.33%</b>
	A- Capital Tier I	15,004,796
	B- Total assets	204,635,929
<b>3</b>	<b>Capital Tier I to risk weighted assets (A/B)</b>	<b>18.64%</b>
	A- Capital Tier I	15,004,796
	B- Risk weighted assets	80,517,178
<b>4</b>	<b>Capital Tier I + Tier II to risk weighted assets (A/B)</b>	<b>18.64%</b>
	A- Capital Tier I + II	15,004,796
	B- Risk weighted assets	80,517,178
<b>5</b>	<b>Net worth to assets (A/B)</b>	<b>7.24%</b>
	A- Net worth	14,816,356
	B- Total assets	204,635,929
<b>6</b>	<b>Solvency ratio (A/B)</b>	<b>18.40%</b>
	A- Net worth	14,816,356
	B- Risk weighted assets	80,517,178
<b>7</b>	<b>Debt to total assets (A/B)</b>	<b>92.67%</b>
	A- Total liabilities	189,631,133
	B- Total assets	204,635,929
<b>8</b>	<b>Debt-equity ratio (A/B)</b>	<b>1263.80%</b>
	A- Total liabilities	189,631,133
	B- Equity	15,004,796
<b>9</b>	<b>Dividend to net profit (A/B)</b>	<b>0.00%</b>
	A- Dividend	-
	B- Net profit	(2,826,079)

Assets quality		(Amount in US\$)
<b>10</b>	<b>Banking reserve to total loans (A/B)</b>	<b>28.88%</b>
	A- Banking reserves (general reserve for banking risks)	15,004,796
	B- Total loans (gross)	51,962,021
<b>11</b>	<b>Banking reserve to total assets (A/B)</b>	<b>7.33%</b>
	A- Banking reserves (general reserve for banking risks)	15,004,796
	B- Total assets	204,635,929
<b>12</b>	<b>Non-performing loans to total loans (A/B)</b>	<b>1.48%</b>
	A- Non-performing loans	766,621
	B- Total loans (gross)	51,962,021
<b>13</b>	<b>Non-performing loans to total assets (A/B)</b>	<b>0.37%</b>
	A- Non-performing loans	766,621
	B- Total assets	204,635,929
<b>14</b>	<b>Classified assets to total loans (A/B)</b>	<b>1.48%</b>
	A- Classified assets	766,621
	B- Total loans (gross)	51,962,021
<b>15</b>	<b>Classified assets to total assets (A/B)</b>	<b>0.37%</b>
	A- Classified assets (non-performing loans)	766,621
	B- Total assets	204,635,929
<b>16</b>	<b>Classified assets to total equity (A/B)</b>	<b>5.11%</b>
	A- Classified assets (non-performing loans)	766,621
	B- Total equity	15,004,796
<b>17</b>	<b>Loans to related parties to total loans (A/B)</b>	<b>2.12%</b>
	A- Loans to related parties	1,104,016
	B- Total loans (gross)	51,962,021
<b>18</b>	<b>Large exposure to total loans (A/B)</b>	<b>61.69%</b>
	A- Large exposure	32,054,588
	B- Total Loans (gross)	51,962,021
<b>19</b>	<b>Loans to related parties to net worth (A/B)</b>	<b>7.45%</b>
	A- Loans to related parties	1,104,016
	B- Net worth	14,816,356
<b>20</b>	<b>Large exposure to net worth (A/B)</b>	<b>216.35%</b>
	A- Large exposure	32,054,588
	B- Net worth	14,816,356
<b>21</b>	<b>General provision to total loans</b>	<b>0.36%</b>
	A- General provision	189,079
	B- Total loans (gross)	51,962,021
<b>22</b>	<b>Specific provision to total loans (A/B)</b>	<b>0.15%</b>
	A- Specific provision	76,662
	B- Total loans (gross)	51,962,021

# Computation of Financial Ratios as at 31 December 2006 (continued)

<b>23</b>	<b>Specific provision to Non performing loans (A/B)</b>	<b>10.00%</b>
A-	Specific provision	76,662
B-	Non performing loans	766,621
<b>24</b>	<b>All allowances to total assets (A/B)</b>	<b>0.13%</b>
A-	Total all allowances	265,741
B-	Total assets	204,635,929
<b>25</b>	<b>Loans to deposits (A/B)</b>	<b>27.97%</b>
A-	Total loans to non bank customers (gross)	51,962,021
B-	Customer's deposits	185,790,652

<b>Earnings</b>		(Amount in US\$)
<b>26</b>	<b>Return on assets (A/B)</b>	<b>-1.38%</b>
A-	Net profit	(2,826,079)
B-	Total assets	204,635,929
<b>27</b>	<b>Return on equity (A/B)</b>	<b>-18.83%</b>
A-	Net profit	(2,826,079)
B-	Equity	15,004,796
<b>28</b>	<b>Gross yield (A/B)</b>	<b>3.10%</b>
A-	Interest income	6,337,119
B-	Total assets	204,635,929
<b>29</b>	<b>Net interest margin (NIM) to total assets ((A-B)/C)</b>	<b>1.83%</b>
A-	Interest income	6,337,119
B-	Interest expense	2,585,187
C-	Total assets	204,635,929
<b>30</b>	<b>Other income (OTNC) = (A/B)</b>	<b>1.19%</b>
A-	Other incomes	2,429,589
B-	Total assets	204,635,929
<b>31</b>	<b>Provision to total assets (A/B)</b>	<b>0.13%</b>
A-	Provision	265,741
B-	Total assets	204,635,929
<b>32</b>	<b>Overhead (OHEAD) = (A/B)</b>	<b>4.40%</b>
A-	Non-interest expense	9,005,871
B-	Total assets	204,635,929
<b>33</b>	<b>Net income before tax (NIBT) = (A/B)</b>	<b>-1.64%</b>
A-	Net income before tax	(3,354,252)
B-	Total assets	204,635,929
<b>34</b>	<b>Tax to total assets (A/B)</b>	<b>-0.26%</b>
A-	Tax	(528,173)
B-	Total assets	204,635,929

<b>35</b>	<b>Interest margin to gross income ((A-B)/C)</b>	<b>42.78%</b>
A-	Interest income	6,337,119
B-	Interest expense	2,585,187
C-	Gross income	8,769,743
<b>36</b>	<b>Non-interest income to gross income (A/B)</b>	<b>27.70%</b>
A-	Non-interest income	2,429,589
B-	Gross income	8,769,743
<b>37</b>	<b>Non-interest expense to gross income (A/B)</b>	<b>102.69%</b>
A-	Non-interest expense	9,005,871
B-	Gross income	8,769,743
<b>38</b>	<b>Times interest earned ((A+B)/C)</b>	<b>(0.30) time</b>
A-	Income before tax	(3,354,252)
B-	Interest expense	2,585,187

<b>Liquidity</b>		(Amount in US\$)
<b>39</b>	<b>Liquid assets (A/B)</b>	<b>58.81%</b>
A-	Liquid assets	120,351,286
B-	Total assets	204,635,929
<b>40</b>	<b>Short-term liabilities (A/B)</b>	<b>92.67%</b>
A-	Short-term liabilities (less than one year)	189,631,133
B-	Total assets	204,635,929
<b>41</b>	<b>Net liquid assets ((A-B)/C)</b>	<b>-36.53%</b>
A-	Liquid assets	120,351,286
B-	Short-term liabilities (less than one year)	189,631,133
C-	Total liabilities	189,631,133
<b>42</b>	<b>Quick ratio (A/B)</b>	<b>63.47%</b>
A-	Quick assets	120,351,286
B-	Current liabilities	189,631,133
<b>43</b>	<b>Deposit to total loans (A/B)</b>	<b>357.55%</b>
A-	Total customers' deposits	185,790,652
B-	Total loans to non-bank customers (gross)	51,962,021

# How To Contact Us

## ANZ Royal Bank (Cambodia) Ltd.

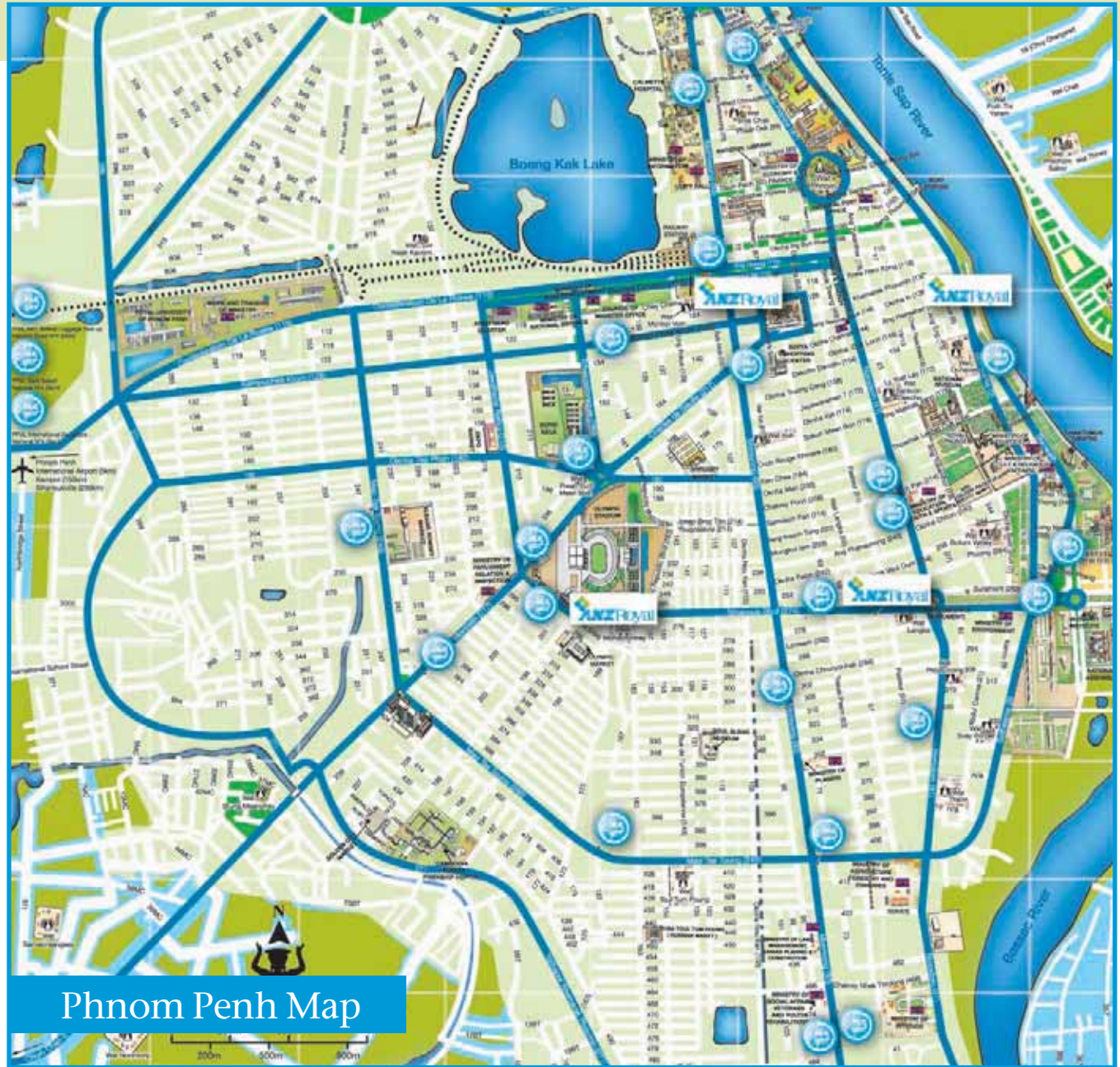
### Phnom Penh Branches:

- 1. Kramuon Sar Branch:**  
20 Kramuon Sar (corner of Street 67)  
Russian Boulevard, Phnom Penh
- 2. Independence Branch:**  
100 Preah Sihanouk Blvd.,  
Phnom Penh
- 3. Olympic Market Branch:**  
361 & 363 Preah Sihanouk Blvd.,  
Phnom Penh
- 4. Riverside Branch:**  
265 Sisowath Quay,  
Phnom Penh

Contact Centre: +855 (23) 726 900  
Fax: +855 (23) 221 310  
Email: [ccc@anz.com](mailto:ccc@anz.com)  
SWIFT: ANZBKHPP  
Website: [www.anzroyal.com](http://www.anzroyal.com)

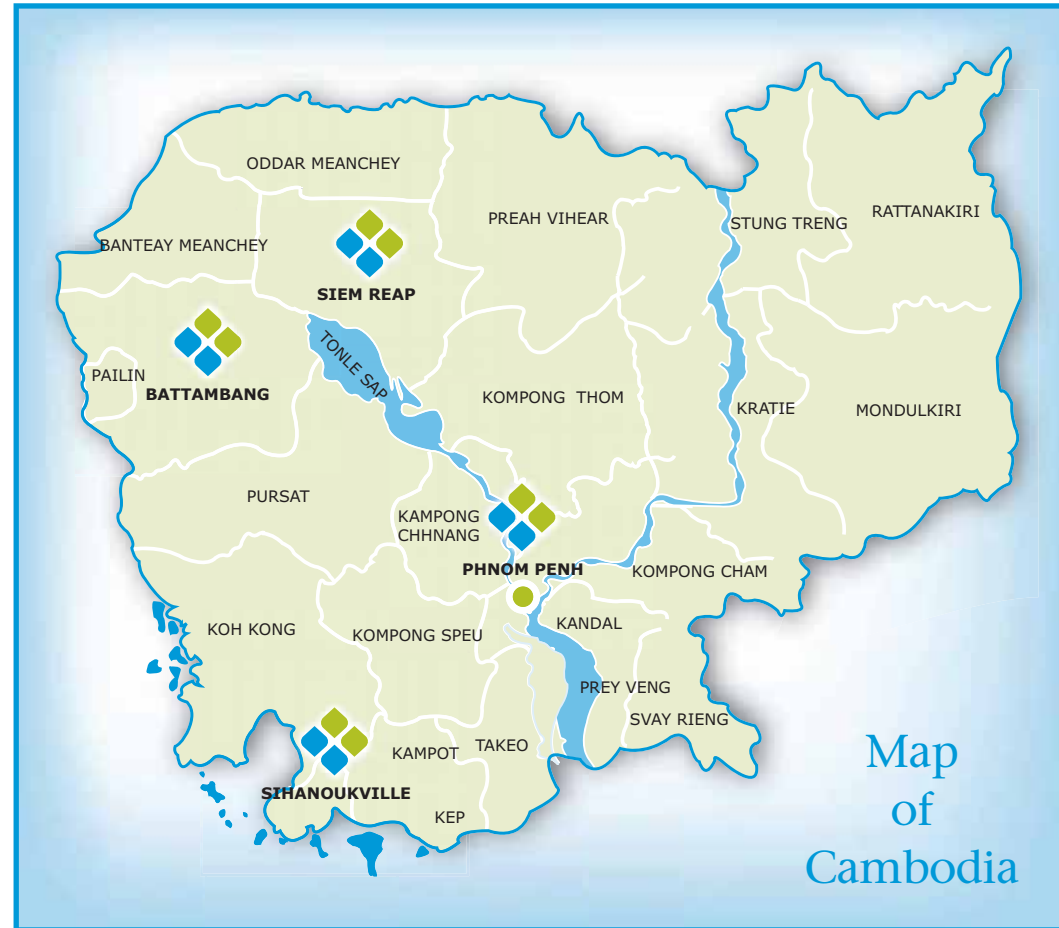
**Legend:**

-  Branch Sites
-  ATM Sites



# How To Contact Us

## Beyond Phnom Penh :



### Siem Reap Branches:

**1. Phsar Kandal, Main Branch**  
Lots 566, 568 and 570, St. Tep Vong, Khum Svay Dangcum

**2. Phsar Leu Branch**  
#556, National Road #6, Phum Chong Kaosue, Khum Slor Kram

**3. Phsar Chas Agency**  
218, Group 7, Phum Mondul 1, Khum Svay Dangcum

**4. Siem Reap International Airport Agency (Arrival)**  
Siem Reap International Airport, Phum Kork Daung, Khum Toeuk Vil

**Sihanoukville Branch:**  
# 215 Vithey Ekreach, Sangkat 2 Sihanoukville

**Battambang Branch:**  
Street 20 Ousphea, Phum 20 Ousphea, Khum Svay Por Battambang

## Preferred Correspondent Banks

Country of Correspondent	Currency	Name of Bank	Address	Swift Code
Australia	AUD	ANZ Banking Group Limited	1/570 Church Street, Richmond, Victoria, 3121 Australia	ANZBAU3M
Canada	CAD	Royal Bank of Canada	Montreal, Canada	ROYCCAT2
Denmark	DKK	Den Danske Bank AS	Copenhagen, Denmark	DABADKKK
Fiji	FJD	Australia & New Zealand Banking Group Limited	Suva, Fiji	ANZBFJFX
Germany	EUR	Deutsche Bank AG	Frankfurt	DEUTDEFF
Hong Kong	HKD	Hong Kong and Shanghai Banking Corp. Ltd	1 Queens Road, PO Box 64 Central HK	HSBCHKHHHKH
Indonesia	IDR	ANZ Panin Bank PT	Jakarta, Indonesia	ANZBIDJX
Japan	JPY	Mizuho Corporate Bank Ltd	1-3-3, Marunouchi, Chiyodaku, Tokyo, Japan	MHCBJPJT
New Zealand	NZD	ANZ National Bank Limited	International Services, Correspondent Accounting Services, P.O. Box 1492, Wellington, New Zealand	ANZBNZ22
Singapore	SGD	United Oversea Bank Limited	UOB Plaza: 80, Raffles Place, Singapore	UOVBSGSG
Sweden	SEK	Skandinaviska Enskilda Banken	Stockholm, Singapore	ESSESESS
Switzerland	CHF	UBS AG	Zurich, Switzerland	UBSWCH2H
Thailand	THB	Bangkok Bank Public Company	333, Silom Road Bangruk, Bangkok	BKKBTHBK
United Kingdom	GBP	Barclays Bank Plc, London	St. Swithens House, 3rd Floor, 11-12 St. Swithens Lane, London, Great Britain	BARCGB22
USA	USD	JP Morgan Chase Bank	15 Floor, 4 New York Plaza, New York, 10004-2413, USA	CHASUS33

## Other Correspondent Banks

Country	Currency	Name of Bank
Austria (2)	EUR	Bank Austria AG Erste Bank
Bahrain (2)	BHD	Ahli United Bank (Bahrain) BSC HSBC Bank Middle East
Bangladesh (1)	BDT	Standard Chartered Bank Limited
Belgium (3)	EUR	Banque Bruxelles Lambert KBC Bank NV Fortis Bank SA/NV
Brunei (1)	BND	Malayan Banking Berhad
Canada (5)	CAD	Bank of Montreal Bank of Nova Scotia Banque Nationale du Canada Canadian Imperial Bank of Commerce Toronto Dominion Bank
Croatia (1)	HRK	Raiffeisenbank Austria DD
Cyprus (2)	CYP	Cyprus Popular Bank Laiki Telebank
Czech Republic (1)	CZK	Ceskoslovenska Obchodni Banka
Denmark (1)	DKK	Danske Bank AS
Estonia (1)	EEK	Nordea Bank Finland PLC
Finland (1)	EUR	Nordea Bank Finland PLC
France (3)	EUR	BNP-Paribas Credit Agricole SA Societe Generale
Germany (7)	EUR	Bayerische Hypo-und Vereinsbank Bayerische Landesbank Commerzbank AG Deutsche Bundesbank Dresdner Bank AG JPMorgan AG WestLB
Greece (2)	EUR	EFG Eurobank Ergasias SA National Bank of Greece
Hong Kong (6)	HKD	Bank of China Bank of East Asia Ltd DBS Bank (HongKong) LTD Hang Seng Bank Limited Shanghai Commercial Bank Standard Chartered Bank Limited
Hungary (1)	HUF	ING Bank RT
India (3)	INR	Bank of Baroda Bank of India Standard Chartered Bank Limited
Indonesia (1)	IDR	Bank Negara Indonesia PT
Iran (1)	IRR	Bank Melli Iran
Italy (2)	EUR	IntesaBCI SPA Unicredito Italiano SPA

Country	Currency	Name of Bank
Japan (7)	JPY	Aozora Bank Limited Australia & New Zealand Banking Group Limited Bank of Tokyo-Mitsubishi Limited Daiwa Bank Limited Norinchukin Bank Sumitomo Mitsui Banking Corporation UFJ Bank Limited
Jordan (1)	JOD	Standard Chartered Bank Limited
Kenya (2)	KES	Barclays Bank of Kenya Limited Stanbic Bank Kenya Limited
Korea (1)	KRW	Shinhan Bank
Kuwait (2)	KWD	Gulf Bank Kuwait KSC (The) National Bank of Kuwait
Latvia (1)	LVL	Nordea Bank Finland PLC
Lithuania (1)	LTL	Nordea Bank Finland PLC
Malta (1)	MTL	HSBC Bank Malta PLC
Mauritius (1)	MUR	Mauritius Commercial Bank Limited
Netherlands (3)	EUR	ABN Amro Bank NV ING Bank NV Rabobank Nederland
New Caledonia (2)	XPF	Banque de Nouvelle Caledonie Societe Generale Caledonienne de Banque
Norway (3)	NOK	DNB Nor Bank AS Focus Bank Nordea Bank Norge ASA
Oman (2)	OMR	Bank Muscat BankMuscat SOAG
Pakistan (2)	PKR	Habib Bank Limited Standard Chartered Bank Limited
Papua New Guinea(1)	PGK	Australia & New Zealand Banking Group (PNG) Limited
Philippines (5)	PHP	Australia & New Zealand Banking Group Limited Bank of the Philippine Islands Equitable PCI Bank Metropolitan Bank and Trust Company Philippine National Bank
Poland (1)	PLN	Bank Przemyslowo Handlowy PBK SA
Portugal (1)	EUR	Banco Commercial Portugues
Qatar (2)	QAR	International Bank of Qatar Standard Chartered Bank Limited
Rep of Ireland (2)	EUR	AIB Bank Bank of Ireland International Banking
Singapore (4)	SGD	Bangkok Bank Public Company Limited DBS Bank Limited Maybank Overseas-Chinese Banking Corporation
Samoa (1)	WST	ANZ Bank (Samoa) Limited

Country	Currency	Name of Bank
Saudi Arabia (1)	SAR	National Commercial Bank
Solomon Islands (1)	SBD	Australia & New Zealand Banking Group Limited
South Africa (3)	ZAR	ABSA Bank Limited Firststrand Bank Limited Standard Bank of South Africa Limited
Spain (3)	EUR	Banco Bilbao Vizcaya Banco Popular Espanol SA Banco Santander Central Hispano
Sri Lanka (1)	LKR	Bank of Ceylon
Sweden (3)	SEK	Nordea Bank Sweden AB Svenska Handelsbanken AB Swedbank
Switzerland (3)	CHF	Credit Suisse First Boston Zuercher Kantonalbank UBS AG
Tahiti (1)	XPF	Banque de Tahiti
Tanzania (1)	TZS	National Bank of Commerce
Thailand (2)	THB	Bangkok Bank Public Company Limited Kasikornbank Public Company
Tonga (1)	TOP	Australia & New Zealand Banking Group Limited
U.A.E. (1)	AED	Standard Chartered Bank Limited
Uganda (1)	UGX	Stanbic Bank Uganda Limited
United Kingdom (7)	EUR	Barclays Bank PLC NatWest Bank PLC NatWest Bank PLC HSBC Bank PLC Lloyds Bank PLC NatWest Bank PLC Royal Bank of Scotland PLC
USA (19)	USD	ABN Amro Bank NV American Express International Banking ANZ OBU (a/c with JPMorgan) Bank of America NT & SA Bank of New York Bank One Brown Brothers Harriman & co Citibank NA Deutsche Bank Trust Company Americas Fleet National Bank HSBC Bank USA Keybank NA Northern Trust International Bank PNC Bank NA Suntrust Bank U.S. Bankcorp Union Bank Wachovia Bank NA Wells Fargo Bank NA
Vanuatu (1)	VUV	ANZ Bank (Vanuatu) Limited
Zambia (1)	ZMK	Stanbic Bank Zambia Limited
Zimbabwe (1)	ZWD	Stanbic Bank Zimbabwe Limited



