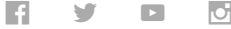


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ANZ sells stake in Royal venture

Sorn Sarath | Publication date 18 May 2018 | 09:26 ICT

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Afternoon traffic passes an ANZ Royal Bank branch in Phnom Penh's Daun Penh district in March of 2016.

Vireak Mai

Australia and New Zealand Banking Group (ANZ) announced yesterday that it had reached an agreement to sell its 55 percent stake in Cambodian joint venture ANZ Royal Bank to J Trust, a Japanese holding company listed on the Tokyo Stock Exchange.

The decision to sell its stake is in line with ANZ Group's ongoing strategic review of international partnerships, in order to simplify their business and operate wholly owned entities in the region, according to the announcement.

The company did not disclose the value of the deal and said the transaction has been approved by the Royal Group, the local partner in the venture.

The proceeds, however, including transaction costs, taxes and the release of accumulated foreign currency translation reserves equated to a \$20 million (US\$22.5 million) loss on sale.

foreign currency translation reserves equates to a A\$50 million (US\$22.5 million) loss on sale completion for ANZ, according to the announcement.

The agreement remains subject to final regulatory approval from the National Bank of Cambodia and the Ministry of Commerce.

ANZ Group Executive Farhan Faruqi said this joint venture has been beneficial to both ANZ and the Royal Group over the past 13 years, with ANZ Royal now a strong and successful bank.

“We view the business environment in Cambodia as attractive and recognise it’s an important growth economy in the Asean region; however the sale is in line with our efforts to exit minority investments and partnerships to focus on our Institutional business in Asia”, said Faruqi.

ANZ also announced a withdrawal from the Philippines and the sale of Shanghai Rural Commercial Bank in China.

“We remain committed to our Institutional presence in Asia. Our regional network is an important differentiator for ANZ and key to our ambition to be the best bank to support companies with trade and capital flows throughout the region,” said Faruqi.

J Trust is a Japanese diversified financial holding company listed on the Tokyo Stock Exchange with a current market capitalisation of \$800 million.

Smooth transition

In the press release on Thursday, Royal Group, owned by tycoon Kith Meng, expressed thanks to ANZ for its efforts over the past 13 years in building a strong world-class bank and welcomed J Trust as a new partner Royal Group said it looks forward to an exciting period of growth and expansion for the bank.

“Cambodia’s economy will continue its impressive growth and J Trust along with Royal Group will be actively assisting this growth,” the group said.

J Trust has operations in five countries including banking operations in South Korea and Indonesia.

ANZ will continue to own its 55 percent stake and manage the ANZ Royal business for up to 12 months, working closely with J Trust to ensure a smooth transition of ownership.

A rocky road

The relationship between ANZ and the Royal Group has seen some controversy in the past.

Last year, the Australian financial institution distanced itself from its local partner following a report by Cambodia’s National Police that linked Meng to illegal timber smuggling operations.

A report published by Cambodia’s National Police this week accused Royal Group, owned by Meng, of laundering illegal timber through the Lower Sesan II hydropower project. It accused the conglomerate of using its licence to clear the reservoir area as cover for its subsidiary’s laundering of timber from elsewhere.

Additionally, ANZ Royal Bank faced scrutiny in 2014 for its involvement with a sugar plantation belonging to ruling party Senator Ly Yong Phat, after the operation was linked to land disputes and child labour scandals.

Contact author: [Sorn Sarath](#)

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Rush for antiviral meds as new Omicron cases rocket

The Ministry of Health and Covid-19 commissions across the country have urged the public to increase vigilance amid a surge in Omicron cases, as some in the capital began stocking up on antiviral medication to prepare for the possibility of catching the virus. The dramatic

Singapore-invested 100sq km agriculture hub launched in northern Kampong Speu

HLH Agriculture (Cambodia) Co Ltd, a subsidiary of Singapore's Hong Lai Huat Group Ltd, has announced the inauguration of the mixed-use Cambodia-Singapore Agricultural Hub (CSAH) in northwestern Kampong Speu province, as well as the signing of a memorandum of understanding (MoU) with the Singapore

Angelina Jolie's visit invaluable boon for tourism, insiders say

The arrival of Hollywood starlet Angelina Jolie in Cambodia during the Covid-19 crisis serves as invaluable promotion of the Kingdom as a safe tourist destination and comes as the greatest boost in its efforts to attract tourists since its November reopening, according to industry insiders.

Or Vandine: Covid cases may increase to thousands

Ministry of Health spokeswoman Or Vandine has warned that the daily number of Covid-19 cases could soon be in the thousands, should prevention measures not be strictly enforced in the face of rising community transmission of the highly infectious Omicron variant. In an interview with

PM dismisses lockdown claims

Prime Minister Hun Sen has dismissed rumours of fresh lockdowns in the capital, saying he will not opt for such a response to the Omicron coronavirus variant anywhere in Cambodia despite surging daily Covid-19 case rates. He also called on pharmacies to refrain from price



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