



NATIONAL BANK OF CAMBODIA

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Speech
By H.E. Chea Serey, Director General of Central Banking
the National Bank of Cambodia
During the Signing Ceremony of
the Cambodian Sustainable Finance Initiative (CSFI) of the ABC
19 September 2016, Himawari Hotel

- *H.E. Ieng Sophalleth, Under-Secretary of State, Ministry of Environment,*
- *Ms Julie Chung, Representative from the U.S. Embassy to Cambodia,*
- *Mr Charles Vann, Representative of the Association of Banks in Cambodia*

Distinguished guests, excellencies, ladies and gentlemen,

Good Morning!

I am delighted to witness today event on Public Launch of Cambodia Sustainable Finance Initiative of the Association of Banks in Cambodia. On behalf of the National Bank of Cambodia, notably H.E. Chea Chanto, Governor of the National Bank of Cambodia, I would like to congratulate the ABC for their proactive initiative in adopting the sustainable finance principles and embedding it in their policies and practices.

If a country's economy is a human body, then the financial system is the heart of that body. Just like a heart pumping blood to feed the organs of the body, the financial system is pumping funds to feed the real sector. If I may continue on this analogy, sustainable financing is equivalent to circulating healthy blood to the organs and not the cancerous cells that slowly destroy the body. Sometime the best way to neutralize this cancerous cell is to cut blood supply from feeding it. Ethical financing with clear principles on environmental and social responsibility is essential for harmonious, equitable and sustainable economy.

Excellencies, ladies and gentlemen,

Three years ago, Green Growth National Policy and Strategic Plan was adopted by the Royal Government of Cambodia aiming at developing the economy with consideration for environmental and natural resources sustainability.

Last year the ABC adopted the Code of Banking Practice committing themselves to transparency to their customers as well as responsible lending.

Early this year, the NBC set up a dedicated consumer protection unit with the banking supervision general directorate focusing on Consumer Financial Capability Development and financial literacy. We believe that an informed and financially literate customer can make better decision on its finance. In March, Let's Talk Money campaign was launched reaching more than 1.5 million people, far beyond our expectation. The NBC is also engaging with the Ministry of Education to include financial literacy in the general education program.

This morning, the ABC and CMA issued a joint statement contributing to the royal government effort in tackling the decline in rice price which is negatively affecting our farmers' welfare. The statement is a commitment of the industry to provide necessary assistance to the vulnerable farmers and those genuinely affected by this adverse development.

Today, this declaration will further reiterate the strong commitment of the financial industry in contributing to sustainable economy development. I am pleased to be here witnessing another milestone for Cambodia financial sector.

Going forward I hope to see that regular progress report on such commitment be published and disseminated as an example of best practice for other private sector in the country.

Once again, I would like to congratulate and support the ABC on its commitment to Sustainable Finance. I would also like to thanks USAID, PACT, WCS and Mekong Strategic Partners for their supports to the initiative.

I would like to wish distinguished guests ladies and gentlemen good health and success in all your endeavors.

Thank you!