



# National Bank of Cambodia



## Annual Report 2006

Banking Supervision Department

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## Foreword



The year 2006 was a memorable year for the financial sector in Cambodia. The announcement made by Samdech Hun Sen announcing the “Year 2006: Year of Microfinance in Cambodia” marked an important milestone in the Cambodian microfinance sector’s development and effectively demonstrated the Royal Government’s and the National Bank of Cambodia’s efforts in improving access to financial services in rural areas and in promoting the development of small and medium enterprises. Public awareness seminars in three provinces were organized with the participation of regional authorities, microfinance practitioners and clients to explain the benefits of formal financial services. Continuous efforts since the previous year led to an increase in microcredit activity by 90% from 2005 to 2006.

Along with the enhancement of the use of financial services, National Bank of Cambodia (NBC) made efforts in restoring confidence and in building a strong financial sector that can operate effectively in a rapidly changing economy.

The Off-site supervision tools were enhanced through the introduction of the COBRA (Cambodian Off-site Bank Reporting for prompt corrective Action), a computerized monitoring tool. The On-site supervision tools were strengthened and the number of banks to supervise annually was increased. The capacity building of our supervisors is an on-going exercise supported by international institutions.

Prudential regulations were revised and updated to cope with changes in the banking industry. In 2006, as many as seven *Prakas* were issued and implemented.

As a result, the financial sector in Cambodia has greatly improved its intermediary role in channeling domestic savings to investments, reflected in the sharp increase in loan portfolios and customer deposits by 42% and 45%, respectively, while observing a reasonable non-performing loans (NPL) ratio of 9.8%. The Credit Information Sharing system was launched in August 2006; once fully implemented, it is expected to increase bank lending, and at the same time, improve the NPL ratio.

However, the target of the financial resilience remains a priority. Vulnerabilities and weaknesses in the financial sector do exist, not only in Cambodia but also in the global financial sector... Therefore, understanding and recognition of financial problems must be enhanced from both the public and the financial sector itself, to facilitate risk mitigation caused by systemic risks. As a result, increasing banking sector transparency is a tool to promote a better understanding

and readiness in solving problem bank and financial institutions. With the publication of the second edition of the Bank Supervision Department's Annual Report, NBC expects to enhance the spirit of understanding and achieve its objective..

Finally I do hope that the report will serve you, readers, in grasping a better understanding the financial situation of Cambodia.

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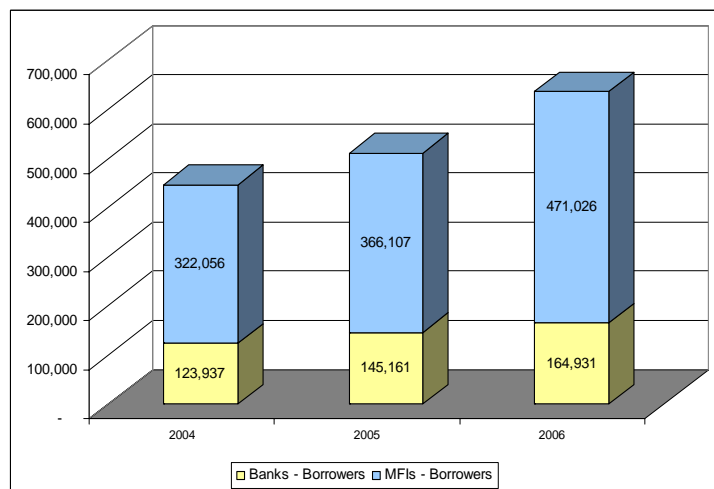
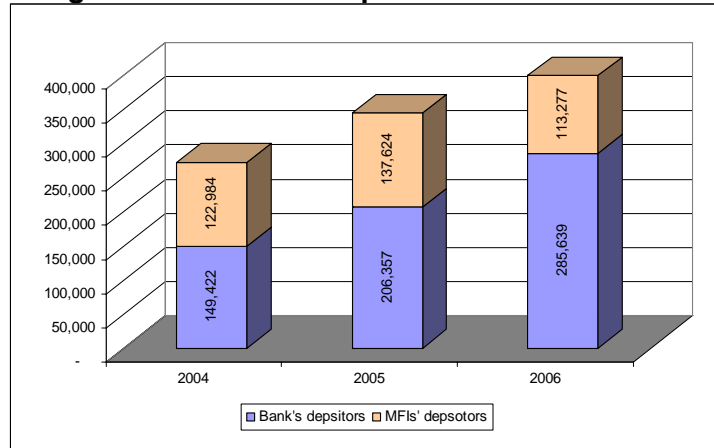
## I. Banking performance

During 2006, net total assets of all banks rose by 38.5% from KHR 5,570 billion to KHR 7,716 billion; net total credit to all sectors of economy expanded by over 42%; total deposits from all sectors accumulated by almost 45%. The number of depositors and borrowers, including both banks and MFIs, increased also by 15.9% and 24.3%, respectively (figure 1). In a country where only 6% of the population has access to formal banking system, this figure is an important indication of increased confidence in the banking system.

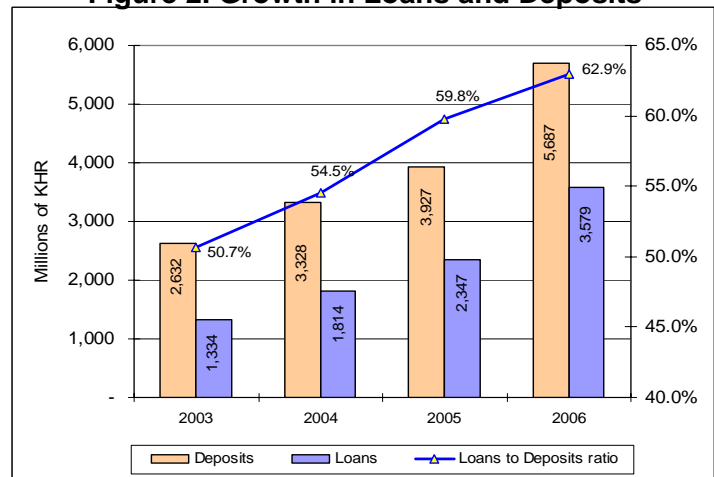
The presence of internationally recognized banks, the sophistication in the services offered to depositors and the increase in lending also contributed to this positive change. It has to be recognized that 2006 was an era for ATM and internet banking development in Cambodia. During this year alone, 69 ATMs were introduced, bringing the total from 17 to 86. According to some banks' business plans, this number will continue to increase. The surge of internet banking, ATMs, and new trade finance facilities marks 2006 as a turning point in banking services development in Cambodia.

In 2006, net credit to customers increased by 42%, as

**Figure 1. Number of depositors and borrowers**

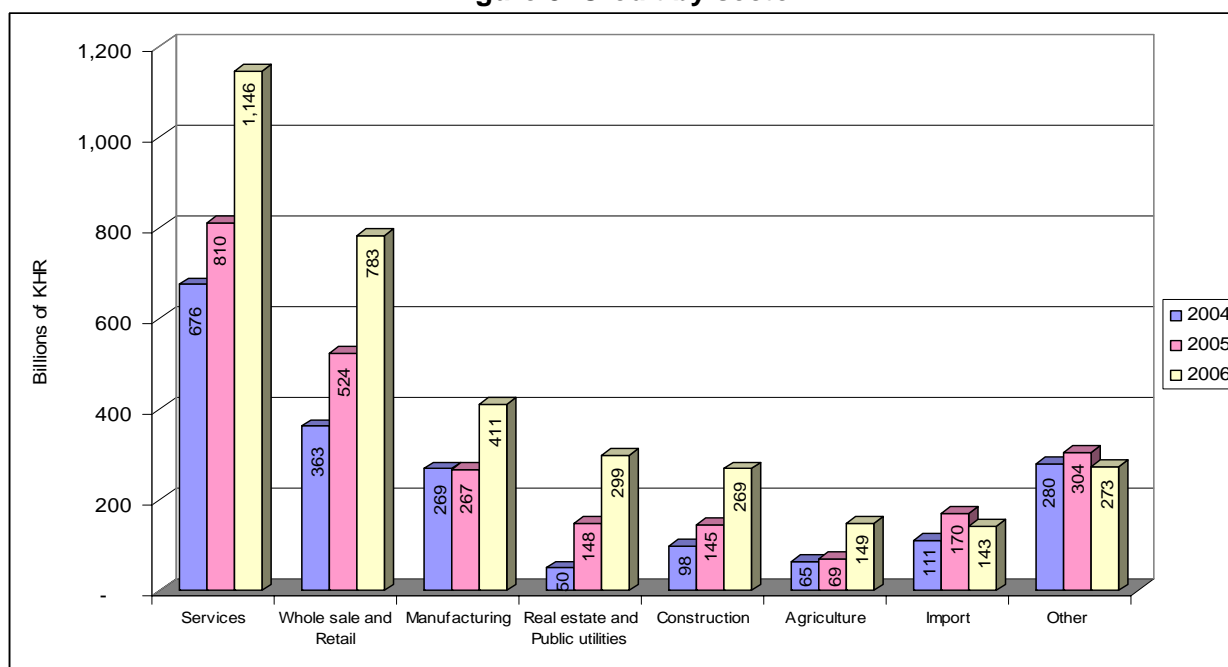


**Figure 2. Growth in Loans and Deposits**



compared to year 2005. The sectors that recorded the largest increases were: the agriculture sector (114.6%); followed by real-estate-and-public-utilities (101.9%) and construction (85.6%). Loans to the agriculture sector, which is one of the core sectors of the Cambodian economy, continues to increase remarkably, as planned by the government. The increases recorded were also important in the real estate and public utilities sectors, which responded to the increase in public infrastructure construction.

**Figure 3. Credit by sector**



Along with the increase in lending activities, banks have made efforts to meet their business needs and at the same time to comply with regulations. This is seen through the increase in paid up capital and net worth by 17.8% and 17.9%, respectively. In 2006, total paid-up capital increased from KHR958 billion to KHR1,129 billion.

In 2006, total profit improved rapidly, by 126% as compared to previous year. Return on asset increased by 7.9% in 2005 to 14.2% in 2006. The high profit figure is thanks to the increase in interest income (47.3%) and recoveries (15.7%). Return on equity (ROE) grew to 14.2% in 2006 from 7.8% in 2005. But 2006 profit increased partly due to high recoveries which comprised 19.6% of net profit for the year. The income structure improved, moving from an exclusive reliance on interest income to greater fees and other incomes. However, operating expenses remained a burden for banks; these comprised of 44% of gross operating income.

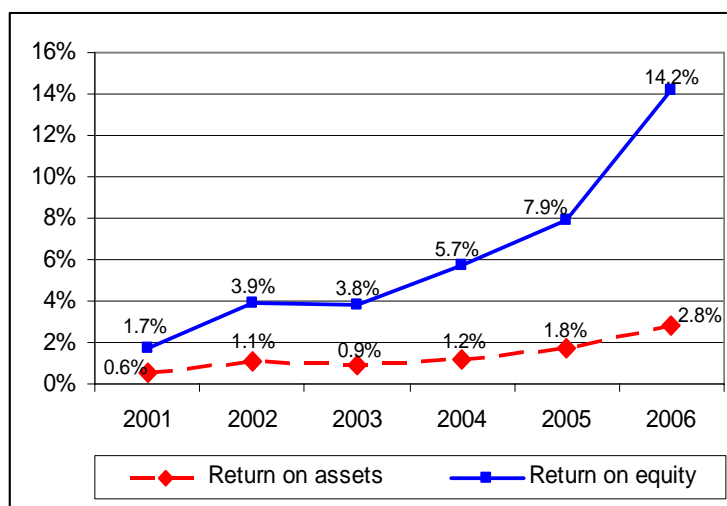
Banking assets in Cambodia are highly dollarized, since 97.8% are denominated in foreign currencies. Although effort has been made in introducing riel deposits accounts in many banks by giving relatively a high interest rate (on average 1.8% p.a. on saving in riels, compared to 0.9% p.a. for USD savings deposits), the increase has been low compared to US dollar denominated deposit accounts, 26% and 46%, respectively. To the same

extent, lending in local currency consists of 2.8% of total lending. This development has raised some concerns in NBC, which tries to promote the use of local currency, especially in the microfinance sector, which is desperately in need of funding.

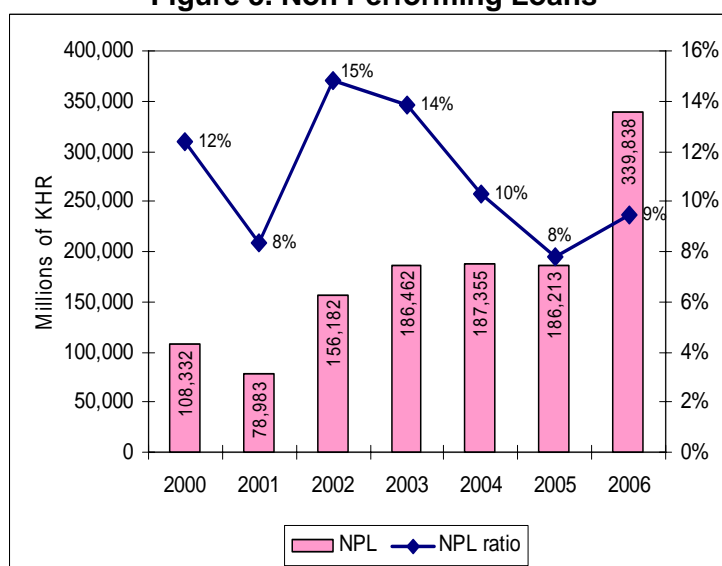
In 2006, the NPL ratio increased from 7.5% to 9.5%. This is consistent with the continuous increase in lending over the past few years. This is also in line with supervisors' improved strategies in the assessment of the condition of the borrowers in the loans classification and not merely based on the past due. Provisions decreased by 16.5% during 2005-06 due to the high recovery rate of 17.9% for NPL.

Some banks tend to classify their loan portfolios based solely on the overdue formula, while over looking in the financial condition of the borrowers. Generally, banks which have been subject to on-site supervision will have correct loan classifications. A few others only consider the formula. The reason may be linked to difficulties in obtaining financial statements from borrowers, particularly through reliable financial reporting. A survey done by the World Bank ROSC 2006 (Report on the Observance

**Figure 4. Bank's Profitability Ratio**



**Figure 5. Non Performing Loans**





on Standards and Codes-accounting and Auditing) also confirms the lack of such reports within the business community in Cambodia. Therefore, banks often rely on historical experiences encountered with particular customers and its past due, to classify loans.

## Prudential Ratios

The solvency ratio in the Cambodian banking system remains strong at 26%, posting a much higher ratio than the NBC requirement of 15%, and well above the 8% of the Basel recommendation. The declining trend is mainly due to the increase in lending<sup>1</sup>.

In 2006, large exposures and loans to related parties greatly decreased in comparison with previous years. This is thanks to repayment of some related parties' lending and changes in the ownership structure of certain banks. The decrease in large exposures, on the other hand, has more to do with changes in the calculation method used. Previously, large exposures were calculated on the approved limit (the limit authorized the NBC) and the risk was weighted at 100%, irrespective of the nature of the facilities. Following the amendment of

Figure 6: Solvency Ratio

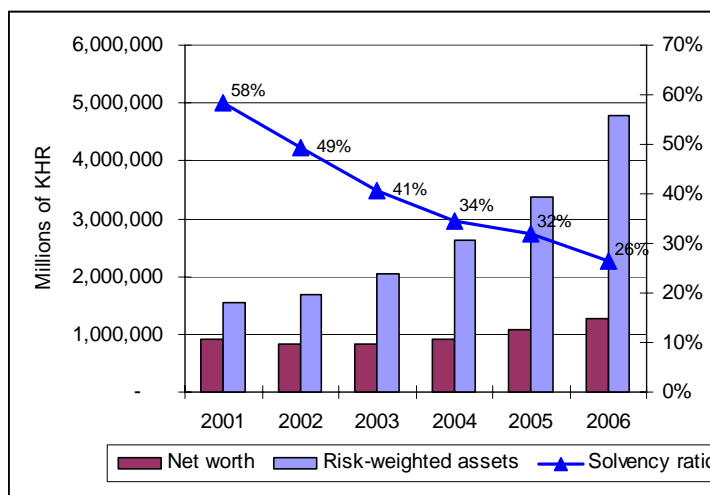
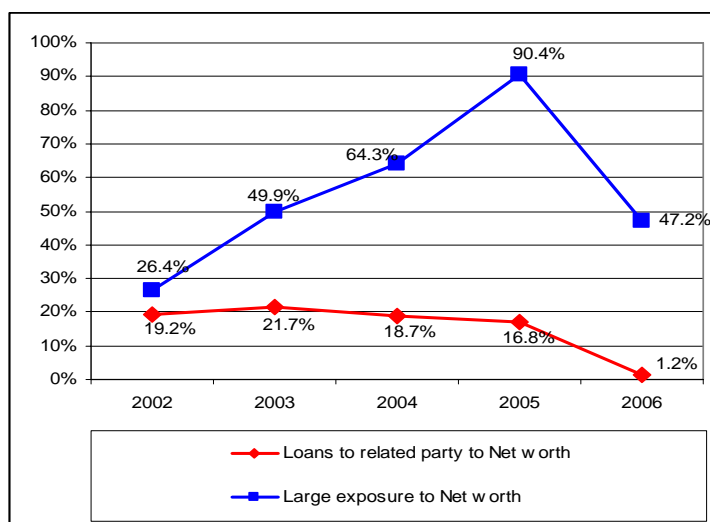


Figure 7. Large exposure



<sup>1</sup> To reflect the expanding activities of banks, and on the suggestion made by the private sector during the Government private sector forum chaired by the prime minister, the regulatory requirements on CAR were amended in 2005 and shifted from 20% to 15% in 2005. The regulatory requirement in Cambodia is higher than international standards. However, it does not appear inappropriate or excessively restrictive in light of current banking conditions in Cambodia. The legal environment, the possibility to recover collateral, and the lack of audited financial statements justify higher requirements.

the new regulations on large exposure lending, loans are risk-weighted according to the *Prakas* on Banks' solvency ratio, which is far more realistic to the banks' situation. Figure 7 shows that a number of loans still significantly exceed the large exposure limitations. Several waivers were granted in the past for exposures guaranteed by parent banks benefiting from a sufficient international rating. NBC is addressing the large exposure issue; in order to bring all banks into compliance.

(Note: the figure of 2006 took into account only those exposures exceeding the 20% limit.)

## **Some Challenges:**

The rapid increase in deposits and lending forced NBC to devote additional attention to prudential supervision in order to ensure a safe and sound financial system. A few salient points were drawn by the supervisory authority:

### **1. Non-performing loans**

The increase in non-performing loans is an aspect that supervisors need to attend to. This is because most lending is backed by fixed assets collateral. Given the price bubble in real estate that Cambodia currently faces, it would be difficult for banks to recover these loans if the assets price bursts. Once the Credit Information Sharing system is fully operational, then the trend will likely improve. For the moment, strict loan classification and provisioning will continue to be implemented by supervisors.

### **2. Large exposure loans**

A few large banks in Cambodia have exposed themselves to lending exceeding the regulatory limit. Although those lending have approval from NBC and are backed by guarantees from their head offices in other countries, the focus remains on these exposures. In November 2006, NBC amended the regulation on large exposure lending to intensify prudential supervision.

### **3. Capital Adequacy Ratio**

The CAR in the banking system has decreased since the past year, although it remains above the regulatory limit of 15%. This trend is due to the increase in risk weighted assets, and therefore merits additional attention from supervisors.

### **4. Return on Asset**

This ratio increased from 1.8% in 2005 to 2.8% in 2006. Despite the high interest margin, the figure remains low compared to neighboring countries. This is due in large part to

the fact that operating expenses are too high in Cambodia, a factor to which we need to attend.

### 5. Concentration

49% of total deposits and 61% of total loans are concentrated in three banks. This implies that the health of the entire banking sector depends on these three banks. It has always been NBC's stance to allow banks to compete fairly and freely in the market. The open entrance of new banks would eventually break this trend.

## II. Microfinance development

In 2006, NBC organized a National Summit and three regional conferences on microfinance. These were public forums for discussion and the exchange of views and experiences, and for raising awareness of the advantages and challenges faced by microfinance operators. These conferences created opportunities for local authorities and microfinance operators to strengthen mutual cooperation in enhancing the effectiveness of microfinance services and in improving the living standards of the rural poor people.

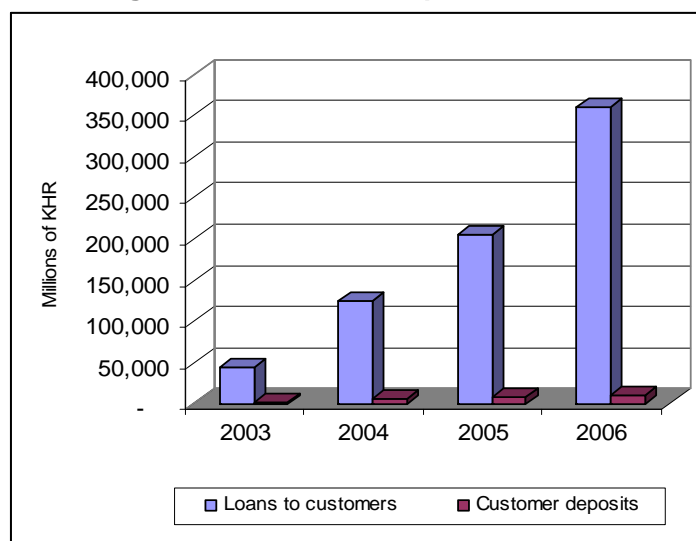
Currently there are 16 licensed microfinance institutions, 24 registered rural credit operators and around 60 NGOs.

By the end of December 2006, licensed MFIs and rural credit operators provided a total loan outstanding of KHR 373 billion to 471,026 borrowers and mobilized a total deposit of KHR 12 billion from 113,277 depositors. Compared to December 2005, total loan outstanding, number of borrowers and total deposits increased by 90%, 29% and 61% respectively however the number of depositors decreased by 18%. The decrease in the number of depositors is caused by shift of MFIs from taking compulsory savings to taking property as collateral.

The increase in loans to customers was due not only to the outreach by licensed MFIs and registered rural credit operators but also to increased public awareness in using financial services and increased public demand of funds to expand business in rural areas.

In 2006, the inspection team of the MFI division conducted on-site examinations of 12 licensed MFIs and

**Figure 8. Loans and Deposits in MFIs**

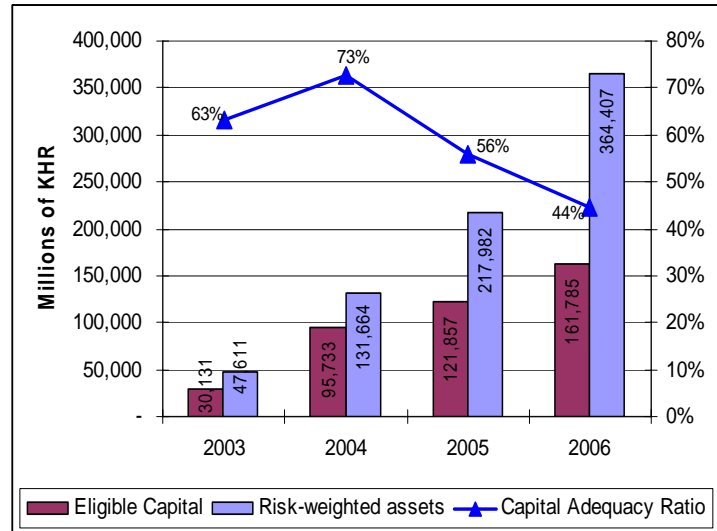


two NGOs that had applied for registration as rural credit operators. Based on the inspection, the soundness of these institutions was generally satisfactory. However, these institutions still need more funds to expand their operations. Nonetheless, there is a need to find qualified and loyal employees, to improve infrastructure and the cooperation of related authorities.

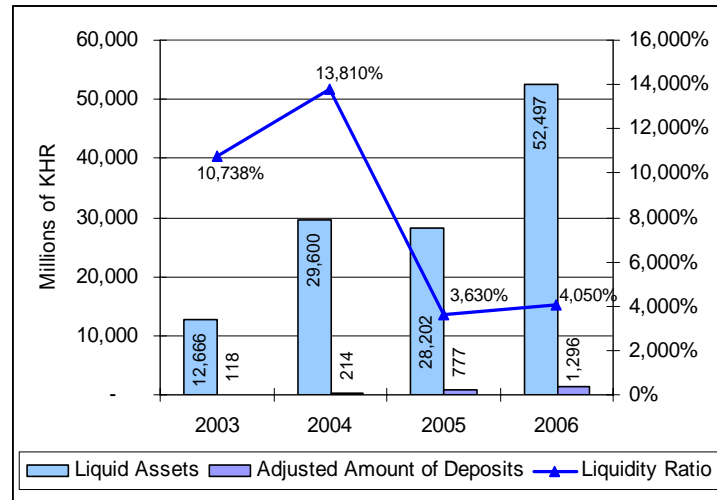
According to NBC's *Prskas* on Licensing of Microfinance Institutions, MFIs must maintain solvency ratios of at least 20%. In 2004, 2005 and 2006, the solvency ratio was 73%, 56% and 44%, respectively. The decrease in MFIs' solvency ratio was due to the increase in loan portfolios. However, MFIs still require more funds to expand their operations and meet customer demand.

In 2004, 2005 and 2006, liquidity ratios were 13810%, 3630% and 4050%, respectively. This shows that the microfinance sector was highly liquid because its assets were mostly short-term assets, with fewer deposits.

**Figure 9. Solvency Ratio**

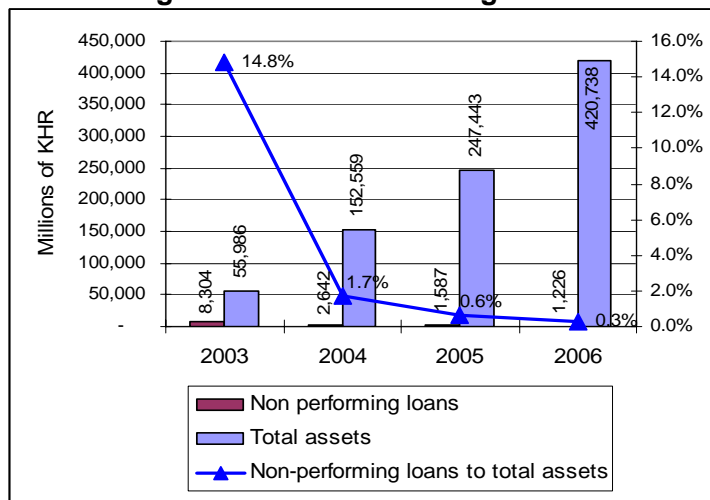


**Figure 10. Liquidity**



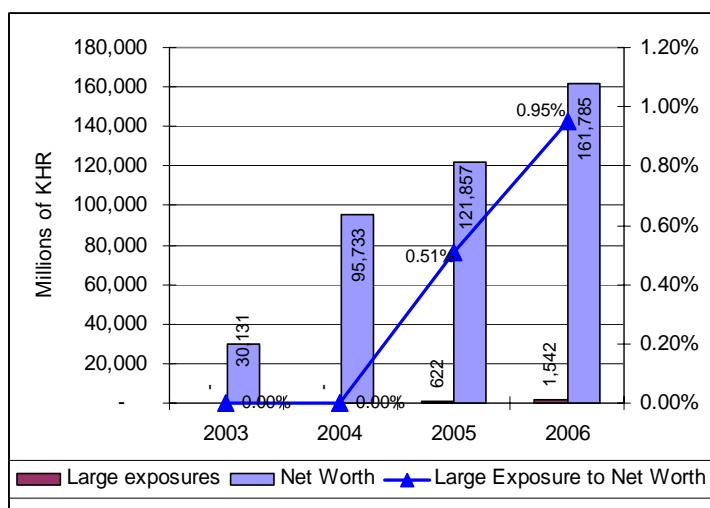
Total gross loans of MFIs increased sharply in 2006. It increased by 75% in 2006, whereas non-performing loans decreased by 23%. The delinquency ratios of MFIs in 2004, 2005 and 2006 were 2%, 0.8% and 0.3%, respectively.

**Figure 11. Non Performing Loans**



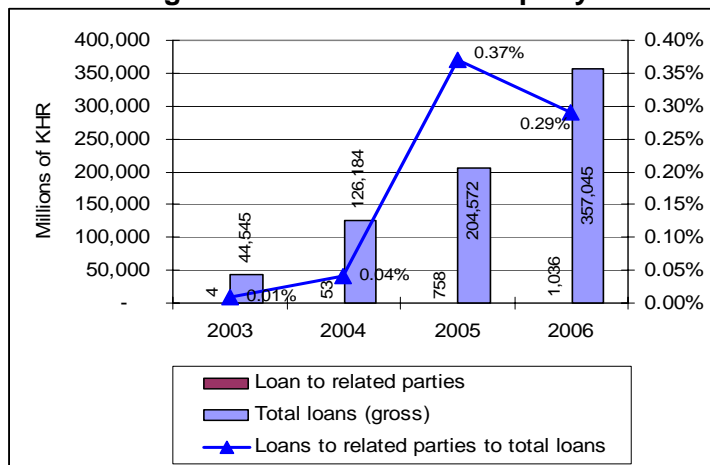
A large exposure is defined as loans to a single borrower exceeding 10% of the MFI's net worth. MFIs are not allowed to have such exposures. Microfinance institutions had large exposure only in 2005 and 2006. It equaled 0.51% of cumulated net worth in 2005 and 0.95% in 2006.

**Figure 12. Large Exposures**



At the end of 2006, cumulated loans to related parties represented less than 1% of the total net worth of MFIs.

**Figure 13. Loans to related party**



### **III. Conclusion**

Progress in the banking system in 2006 was remarkable, not only in the commercial banking sector but also in the microfinance sector. The Year of Microfinance in Cambodia ended graciously for the microfinance sector, with a 90% increase in lending in the rural areas. The public, particularly in the provincial areas, has started to understand the role of microfinance institutions as private lending institutions and not merely NGOs giving out donations, as previously perceived. On the commercial banking side, both deposits and lending increased dramatically reflecting the improving confidence in the banking system.

This development could not have been achieved without many factors. First is our recent political stability. Since 1997, Cambodia's political environment has never been so calm, although there was some delay in setting a new government after the 2003 general election. Second are the macroeconomic fundamentals which have been encouraging so far, with GDP growth in the past five years averaging around 9 percent per annum. Third is the strengthened role of NBC as the supervisory authority. Focus was placed on building supervisors' capacity in order to meet the fast-changing banking sector. Rules and regulations have been revised and issued to cope with the increased exposures of banks. Despite the promising trend of the banking system, awareness is also observed in terms of the potential vulnerabilities of the banking system. NBC recognizes the need to further enhance its supervisors' capacity and strengthen the regulatory enforcement in order to cope with future challenges.

## Appendix 1

### Banks and Microfinance Institutions in Cambodia, 2006

<b>Table N°</b>	<b>Banks</b>
1	Number of office of Cambodian banks
2	Number of staff
3	Comparison of Total assets
4	Share of Paid-up Capital
5	Comparative statement of condition (assets)
6	Percentage distribution of asset of individual banks
7	Comparative statement of condition (Liability & Equity)
8	Percentage distribution of Liability & Equity of individual banks
9	Profit and Loss statement
10	Net Profits ratio
11	Comparison of Total deposits
12	Deposits classified by type of customers
13	Loan and Non-Performing Loans
14	Net Credits classified by type of business 2004-2006
15	Net Credits classified by type of business 2006
16	Loans as percentage of deposits
17	Number of ATM terminal, ATM card, debit card, and credit card
18	Head Office address

<b>Table N°</b>	<b>Microfinance Institutions</b>
19	Number of office of Cambodian Microfinance Institutions
20	Number of staff
21	Comparison of total assets
22	Share of Paid-up Capital
23	Comparative statement of condition (assets)
24	Comparative statement of condition (Liability & Equity)
25	Profit and Loss Statement
26	Net Profits
27	Comparison of Total Deposits
28	Deposits classified by type of accounts
29	Loan and Non-Performing Loans
30	Total loans classified by type of business 2003-2006
31	Total loans classified by type of business 2006
32	Loans as percentage of Deposits
33	Head office address

## Number of Offices of Cambodian banks

As of December 31, 2006

Table 1

	Total	Phnom Penh <sup>1</sup>				Provincial			
		Branch	Sub-branch	Money changer	Liaison office	Branch	Sub-branch	Money changer	Liaison office
<b>Commercial Banks</b>									
1 Aceda Bank Plc.	157	9				22	47		79
2 Singapore Banking Corporation	13	1		6				6	
3 Canadia Bank Plc.	12	4				8			
4 Cambodia Asia Bank Ltd.	11	1		6				4	
5 Cambodia Mekong Bank Public Ltd.	11	4		3		2		2	
6 ANZ Royal Bank (Cambodia) Ltd.	8	5				2	1		
7 Cambodian Public Bank	5	2				3			
8 Union Commercial Bank Plc.	4	1				3			
9 Cambodian Commercial Bank Ltd.	3	1				2			
10 Vattanac Bank Ltd.	3	1				1		1	
11 Advanced Bank of Asia Ltd.	2	1						1	
12 Krung Thai Bank Public Co. Ltd. P.P. Branch*	2	1					1		
13 First Commercial Bank Phnom Penh Branch*	1	1							
14 Foreign Trade Bank of Cambodia	1	1							
15 May Bank Phnom Penh Branch*	1	1							
<b>Sub-total</b>	<b>234</b>	<b>34</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>43</b>	<b>49</b>	<b>14</b>	<b>79</b>
<b>Specialized Banks</b>									
1 Cambodia Agriculture Industrial Specialized Bank	6	1							5
2 Anco Specialized Bank	1	1							
3 First Investment Specialized Bank	1	1							
4 Rural Development Bank	1	1							
5 Specialized Bank Peng Heng S.M.E. Ltd.	1	1							
<b>Sub-total</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Total</b>	<b>243</b>	<b>38</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>43</b>	<b>49</b>	<b>14</b>	<b>84</b>

\* Foreign branches

<sup>1</sup> Including head office



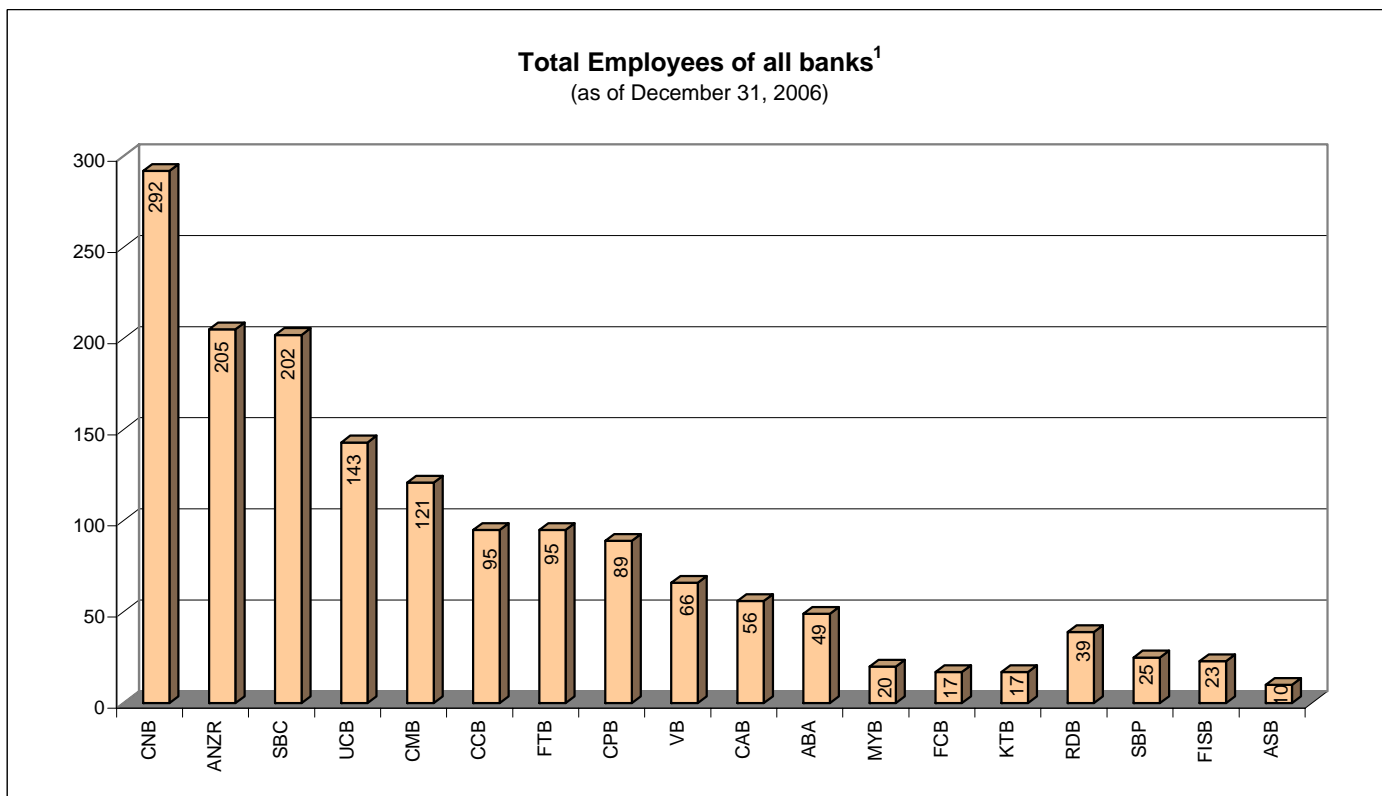
## Number of staff

As of December 31, 2006

Table 2

		Official staff
<b>Commercial Banks</b>		
1	ACLEDA Acleda Bank Plc.	3,028
2	CNB Canadia Bank Plc.	292
3	ANZR ANZ Royal Bank (Cambodia) Ltd.	205
4	SBC Singapore Banking Corporation	202
5	UCB Union Commercial Bank Plc.	143
6	CMB Cambodia Mekong Bank Public Ltd.	121
7	CCB Cambodian Commercial Bank Ltd.	95
8	FTB Foreign Trade Bank of Cambodia	95
9	CPB Cambodian Public Bank	89
10	VB Vattanac Bank Ltd.	66
11	CAB Cambodia Asia Bank Ltd.	56
12	ABA Advanced Bank of Asia Ltd.	49
13	MYB May Bank Phnom Penh Branch*	20
14	FCB First Commercial Bank Phnom Penh Branch*	17
15	KTB Krung Thai Bank Public Co. Ltd. P.P. Branch*	17
		<b>4,495</b>
<b>Specialized Banks</b>		
1	RDB Rural Development Bank	39
2	CAISB Cambodia Agriculture Industrial Specialized Bank	32
3	SBP Specialized Bank Peng Heng S.M.E. Ltd.	25
4	FISB First Investment Specialized Bank	23
5	ASB Anco Specialized Bank	10
		<b>129</b>
<b>Total</b>		<b>4,624</b>

\* Foreign branches



<sup>1</sup> Excluding total employees of ACLEDA (3,020)

## COMPARISON OF TOTAL ASSETS

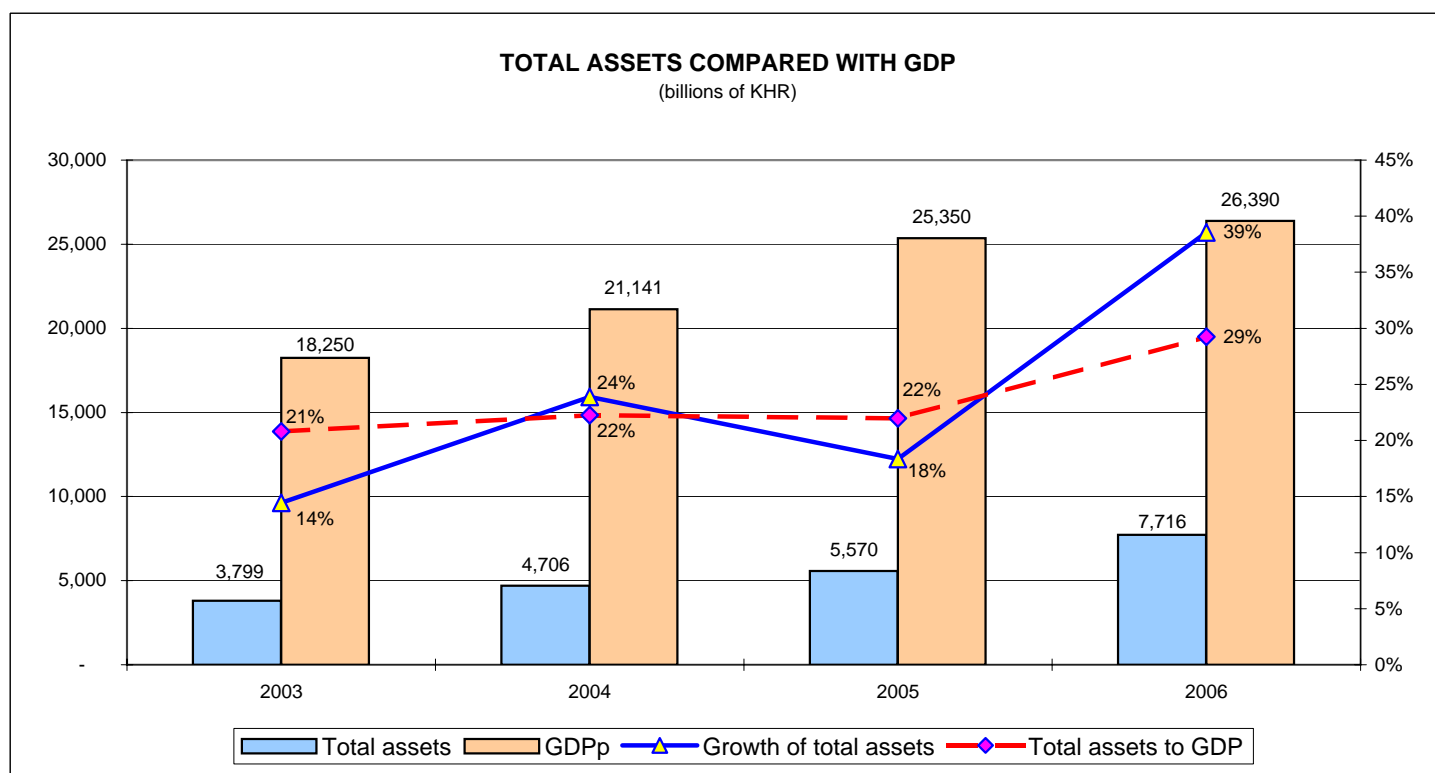
As of December 31

Table 3 (millions of KHR)

	2006		2005		2004		Growth Rate (%)	
	Share	Share	Share	Share	Share	Share	2006 over 2005	2005 over 2004
<b>Commercial Banks</b>								
1 Canadia Bank Plc.	1,522,579	19.7%	1,225,674	22.0%	1,012,965	21.5%	24.2%	21.0%
2 Cambodian Public Bank	983,973	12.8%	664,892	11.9%	575,352	12.2%	48.0%	15.6%
3 Aceda Bank Plc.	900,576	11.7%	508,287	9.1%	338,154	7.2%	77.2%	50.3%
4 Foreign Trade Bank of Cambodia	896,493	11.6%	673,701	12.1%	663,361	14.1%	33.1%	1.6%
5 ANZ Royal Bank (Cambodia) Ltd.	830,301	10.8%	370,364	6.6%	-	0.0%	124.2%	0.0%
6 Cambodian Commercial Bank Ltd.	519,549	6.7%	460,263	8.3%	479,072	10.2%	12.9%	-3.9%
7 Union Commercial Bank Plc.	423,585	5.5%	348,780	6.3%	405,206	8.6%	21.4%	-13.9%
8 May Bank Phnom Penh Branch*	339,710	4.4%	271,471	4.9%	270,230	5.7%	25.1%	0.5%
9 Vattanac Bank Ltd.	287,390	3.7%	220,643	4.0%	160,014	3.4%	30.3%	37.9%
10 First Commercial Bank Phnom Penh Branch*	210,930	2.7%	164,916	3.0%	174,630	3.7%	27.9%	-5.6%
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	203,423	2.6%	203,342	3.7%	201,353	4.3%	0.0%	1.0%
12 Singapore Banking Corporation	150,818	2.0%	127,163	2.3%	117,037	2.5%	18.6%	8.7%
13 Advanced Bank of Asia Ltd.	111,765	1.4%	87,015	1.6%	93,739	2.0%	28.4%	-7.2%
14 Cambodia Mekong Bank Public Ltd.	109,339	1.4%	88,076	1.6%	82,803	1.8%	24.1%	6.4%
15 Cambodia Asia Bank Ltd.	89,866	1.2%	72,187	1.3%	60,968	1.3%	24.5%	18.4%
<b>Sub-total</b>	<b>7,580,296</b>	<b>98.2%</b>	<b>5,486,775</b>	<b>98.5%</b>	<b>4,634,884</b>	<b>98.5%</b>	<b>38.2%</b>	<b>18.4%</b>
<b>Specialized Banks</b>								
1 Rural Development Bank	65,195	0.8%	53,703	1.0%	43,739	0.9%	21.4%	22.8%
2 First Investment Specialized Bank	26,938	0.3%	-	0.0%	-	0.0%	0.0%	0.0%
3 Specialized Bank Peng Heng S.M.E. Ltd.	16,909	0.2%	16,167	0.3%	15,074	0.3%	4.6%	7.3%
4 Cambodia Agriculture Industrial Specialized Bank	15,684	0.2%	12,997	0.2%	12,505	0.3%	20.7%	3.9%
5 Anco Specialized Bank	11,030	0.1%	-	0.0%	-	0.0%	0.0%	0.0%
<b>Sub-total</b>	<b>135,757</b>	<b>1.8%</b>	<b>82,867</b>	<b>1.5%</b>	<b>71,317</b>	<b>1.5%</b>	<b>63.8%</b>	<b>16.2%</b>
<b>Total</b>	<b>7,716,053</b>	<b>100.0%</b>	<b>5,569,642</b>	<b>100.0%</b>	<b>4,706,202</b>	<b>100.0%</b>	<b>38.5%</b>	<b>18.3%</b>

\*: Foreign branches

Note: All figures are unaudited and as reported by banks



**SHARE OF PAID-UP CAPITAL**  
As of December 31, 2006

Table 4

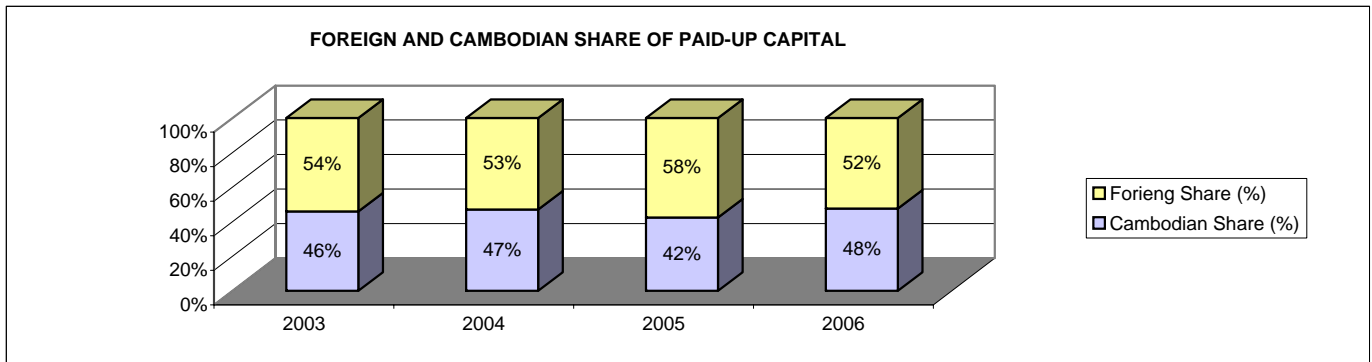
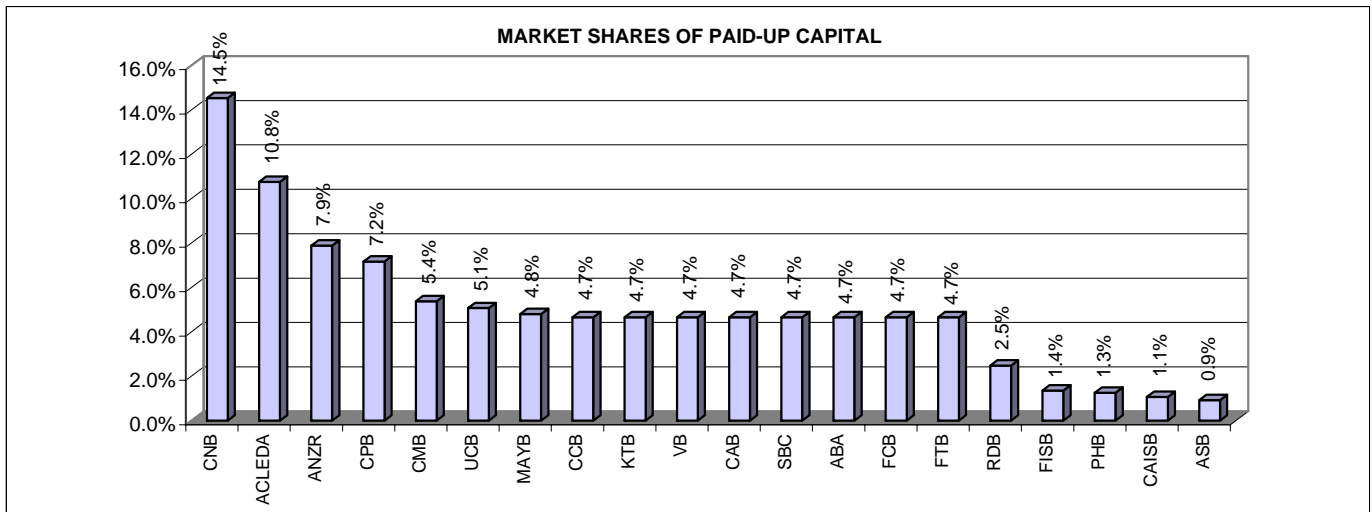
*(millions of KHR)*

		Foreing share		Cambodian share		Total Paid-up Capital	Market Share
		Share(%)	Amount paid	Share(%)	Amount paid		
<b>Commercial Banks</b>							
CNB	Canadia Bank Plc.	-	-	100%	164,491	164,491	14.5%
ACLEDA	Acleda Bank Plc.	49%	59,638	51%	62,072	121,710	10.8%
ANZR	ANZ Royal Bank (Cambodia) Ltd.	55%	49,090	45%	40,164	89,254	7.9%
CPB	Cambodian Public Bank	100%	81,140	-	-	81,140	7.2%
CMB	Cambodia Mekong Bank Public Ltd.	-	-	100%	60,855	60,855	5.4%
UCB	Union Commercial Bank Plc.	100%	57,407	-	-	57,407	5.1%
MAYB	May Bank Phnom Penh Branch*	100%	54,364	-	-	54,364	4.8%
CCB	Cambodian Commercial Bank Ltd.	100%	52,741	-	-	52,741	4.7%
KTB	Krung Thai Bank Public Co. Ltd. P.P. Branch*	100%	52,741	-	-	52,741	4.7%
VB	Vattanac Bank Ltd.	-	-	100%	52,741	52,741	4.7%
CAB	Cambodia Asia Bank Ltd.	100%	52,741	-	-	52,741	4.7%
SBC	Singapore Banking Corporation	100%	52,741	-	-	52,741	4.7%
ABA	Advanced Bank of Asia Ltd.	49%	25,843	51%	26,898	52,741	4.7%
FCB	First Commercial Bank Phnom Penh Branch*	100%	52,741	-	-	52,741	4.7%
FTB	Foreign Trade Bank of Cambodia	-	-	100%	52,741	52,741	4.7%
	<b>Sub Total</b>		<b>591,187</b>		<b>459,962</b>	<b>1,051,149</b>	<b>92.9%</b>
<b>Specialized Banks</b>							
RDB	Rural Development Bank	-	-	100%	28,139	28,139	2.5%
FISB	First Investment Specialized Bank	-	-	100%	15,417	15,417	1.4%
PHB	Specialized Bank Peng Heng S.M.E. Ltd.	-	-	100%	14,200	14,200	1.3%
CAISB	Cambodia Agriculture Industrial Specialized Bank	-	-	100%	12,171	12,171	1.1%
ASB	Anco Specialized Bank	-	-	100%	10,548	10,548	0.9%
	<b>Sub Total</b>		<b>-</b>		<b>80,474</b>	<b>80,474</b>	<b>7.1%</b>
<b>Total</b>			<b>591,187</b>		<b>540,437</b>	<b>1,131,623</b>	<b>100.0%</b>

\* Foreign Branch

Note: All figures are unaudited and as reported by banks

Minimum paid up capital of commercial bank and specialized bank is 50,000 million riel and 10,000 million riel respectively.



**COMPARATIVE STATEMENT OF CONDITION  
AS AT DECEMBER 31, 2006**

Table 5

(millions of KHR)

	Cash, Loans, Deposit with NBC and Banks					Loans and Advances to Customers			Securities	Claims on government	Prepaid Expenses	Fixed assets	Other assets	
	Total Assets	Cash	Gold	Deposit with NBC	Due from Banks	Deposits with, Loans and advances to, Banks	Loans and advances to state enterprises	Loans and advances to private sector						Accrued interest receivable
<b>Commercial Banks</b>														
1 Canadia Bank Plc.	1,522,579	103,097	978	213,897	220,133	19,146	2,085	831,424	8,975	-	-	13,735	102,407	6,702
2 Cambodian Public Bank	983,973	27,081	-	171,425	40,961	101,591	-	631,424	1,256	-	-	2,865	6,926	445
3 Aceda Bank Plc.	900,576	76,313	-	82,324	24,533	25,435	-	633,080	8,232	-	-	9,631	39,464	1,565
4 Foreign Trade Bank of Cambodia	896,493	18,516	-	396,268	186,456	111,093	-	177,104	2,732	-	200	1,831	1,621	672
5 ANZ Royal Bank (Cambodia) Ltd.	830,301	52,678	-	151,794	2,187	361,154	-	209,732	184	-	-	8,032	41,031	3,510
6 Cambodian Commercial Bank Ltd.	519,549	15,872	-	272,715	96,405	-	-	102,608	8,129	-	-	881	18,601	4,337
7 Union Commercial Bank Plc.	423,585	93,827	-	51,954	-	76,653	-	186,526	2,127	-	-	2,807	6,275	3,416
8 May Bank Phnom Penh Branch*	339,710	10,165	-	177,332	19,831	47,967	-	84,022	41	-	-	536	647	(831)
9 Vattanac Bank Ltd.	287,390	17,945	-	66,037	22,430	844	-	165,988	493	-	-	1,157	12,428	70
10 First Commercial Bank Phnom Penh Branch*	210,930	19,421	-	81,932	30,708	30,479	-	47,736	231	-	-	330	94	-
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	203,423	5,907	28	96,516	-	-	-	98,505	272	-	-	77	2,039	79
12 Singapore Banking Corporation	150,818	35,038	-	14,553	-	27,809	-	51,335	40	-	-	7,820	12,185	2,039
13 Advanced Bank of Asia Ltd.	111,765	5,042	-	11,592	21,737	-	-	55,375	688	-	-	1,283	15,913	135
14 Cambodia Mekong Bank Public Ltd.	109,339	24,777	-	18,310	14,211	2,049	-	11,025	102	-	8,339	3,433	25,369	1,723
15 Cambodia Asia Bank Ltd.	89,866	21,397	-	9,367	3,212	3,485	-	45,602	798	-	-	292	806	4,907
<b>Sub-Total</b>	<b>7,580,296</b>	<b>527,076</b>	<b>1,006</b>	<b>1,816,017</b>	<b>682,802</b>	<b>807,705</b>	<b>2,085</b>	<b>3,331,485</b>	<b>34,299</b>	<b>-</b>	<b>8,539</b>	<b>54,710</b>	<b>285,804</b>	<b>28,770</b>
<b>Specialized Banks</b>														
16 Rural Development Bank	65,195	3,213	-	10,403	4	21,723	-	27,075	633	-	-	10	1,949	185
17 First Investment Specialized Bank	26,938	2,727	-	4,353	212	-	-	19,274	66	-	-	11	295	-
18 Specialized Bank Peng Heng S.M.E. Ltd.	16,909	1,817	-	1,297	14	-	-	12,985	356	-	-	23	417	-
19 Cambodia Agriculture Industrial Specialized Bank	15,684	746	-	2,554	-	6	-	9,904	48	-	-	8	2,417	-
20 Anco Specialized Bank	11,030	2,220	-	3,102	-	-	-	3,652	5	-	-	-	2,051	-
<b>Sub-Total</b>	<b>135,757</b>	<b>10,723</b>	<b>-</b>	<b>21,708</b>	<b>230</b>	<b>21,729</b>	<b>-</b>	<b>72,890</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>7,129</b>	<b>185</b>
<b>Total</b>	<b>7,716,053</b>	<b>537,799</b>	<b>1,006</b>	<b>1,837,725</b>	<b>683,032</b>	<b>829,434</b>	<b>2,085</b>	<b>3,404,375</b>	<b>35,408</b>	<b>-</b>	<b>8,539</b>	<b>54,762</b>	<b>292,933</b>	<b>28,955</b>

\*: Foreign branches

Note: All figures are unaudited and as reported by banks

**PERCENTAGE DISTRIBUTION OF ASSETS OF INDIVIDUAL BANKS  
AS AT DECEMBER 31, 2006**

Table 6

	Total Assets	Cash, Loans, Deposit with NBC and Banks					Loans and Advances to Customers			Securities	Claims on government	Prepaid Expenses	Fixed assets	Other assets
		Cash	Gold	Deposit with NBC	Due from Banks	Deposits with, Loans and advances to, Banks	Loans and advances to state enterprises	Loans and advances to private sector	Accrued interest receivable					
<b>Commercial Banks</b>														
1 Canadia Bank Plc.	100	6.8	0.1	14.0	14.5	1.3	0.1	54.6	0.6	-	-	0.9	6.7	0.4
2 Cambodian Public Bank	100	2.8	-	17.4	4.2	10.3	-	64.2	0.1	-	-	0.3	0.7	0.0
3 Aceda Bank Plc.	100	8.5	-	9.1	2.7	2.8	-	70.3	0.9	-	-	1.1	4.4	0.2
4 Foreign Trade Bank of Cambodia	100	2.1	-	44.2	20.8	12.4	-	19.8	0.3	-	0.0	0.2	0.2	0.1
5 ANZ Royal Bank (Cambodia) Ltd.	100	6.3	-	18.3	0.3	43.5	-	25.3	0.0	-	-	1.0	4.9	0.4
6 Cambodian Commercial Bank Ltd.	100	3.1	-	52.5	18.6	-	-	19.7	1.6	-	-	0.2	3.6	0.8
7 Union Commercial Bank Plc.	100	22.2	-	12.3	-	18.1	-	44.0	0.5	-	-	0.7	1.5	0.8
8 May Bank Phnom Penh Branch*	100	3.0	-	52.2	5.8	14.1	-	24.7	0.0	-	-	0.2	0.2	(0.2)
9 Vattanac Bank Ltd.	100	6.2	-	23.0	7.8	0.3	-	57.8	0.2	-	-	0.4	4.3	0.0
10 First Commercial Bank Phnom Penh Branch*	100	9.2	-	38.8	14.6	14.4	-	22.6	0.1	-	-	0.2	0.0	-
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	100	2.9	0.0	47.4	-	-	-	48.4	0.1	-	-	0.0	1.0	0.0
12 Singapore Banking Corporation	100	23.2	-	9.6	-	18.4	-	34.0	0.0	-	-	5.2	8.1	1.4
13 Advanced Bank of Asia Ltd.	100	4.5	-	10.4	19.4	-	-	49.5	0.6	-	-	1.1	14.2	0.1
14 Cambodia Mekong Bank Public Ltd.	100	22.7	-	16.7	13.0	1.9	-	10.1	0.1	-	7.6	3.1	23.2	1.6
15 Cambodia Asia Bank Ltd.	100	23.8	-	10.4	3.6	3.9	-	50.7	0.9	-	-	0.3	0.9	5.5
<b>Sub-Total</b>	<b>100</b>	<b>7.0</b>	<b>0.0</b>	<b>24.0</b>	<b>9.0</b>	<b>10.7</b>	<b>0.0</b>	<b>43.9</b>	<b>0.5</b>	<b>-</b>	<b>0.1</b>	<b>0.7</b>	<b>3.8</b>	<b>0.4</b>
<b>Specialized Banks</b>														
16 Rural Development Bank	100	4.9	-	16.0	0.0	33.3	-	41.5	1.0	-	-	0.0	3.0	0.3
17 First Investment Specialized Bank	100	10.1	-	16.2	0.8	-	-	71.5	0.2	-	-	0.0	1.1	-
18 Specialized Bank Peng Heng S.M.E. Ltd.	100	10.7	-	7.7	0.1	-	-	76.8	2.1	-	-	0.1	2.5	-
19 Cambodia Agriculture Industrial Specialized Bank	100	4.8	-	16.3	-	0.0	-	63.1	0.3	-	-	0.1	15.4	-
20 Anco Specialized Bank	100	20.1	-	28.1	-	-	-	33.1	0.0	-	-	-	18.6	-
<b>Sub-Total</b>	<b>100</b>	<b>7.9</b>	<b>-</b>	<b>16.0</b>	<b>0.2</b>	<b>16.0</b>	<b>-</b>	<b>53.7</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>5.3</b>	<b>0.1</b>
<b>Total</b>	<b>100</b>	<b>7.0</b>	<b>0.0</b>	<b>23.8</b>	<b>8.9</b>	<b>10.7</b>	<b>0.0</b>	<b>44.1</b>	<b>0.5</b>	<b>-</b>	<b>0.1</b>	<b>0.7</b>	<b>3.8</b>	<b>0.4</b>

\*: Foreign branches

Note: All figures are unaudited and as reported by banks

**COMPARATIVE STATEMENT OF CONDITION  
AS AT DECEMBER 31, 2006**

Table 7

*(millions of KHR)*

	Total Liabilities and Equity	Owed to NBC	Owed to Banks	Borrowed Fund	Customer's deposit				Other liabilities	Shareholder's equity				
					Demand deposits	Saving deposits	Fixed deposits	Other deposits		Paid up Capital	Reserves	Subordinated loans (after NBC's agreement)	General provisions & other	Retained and Current Profit/Loss
<b>Commercial Banks</b>														
1 Canadia Bank Plc.	1,522,579	-	15,712	29,963	79,563	585,974	518,994	16,442	19,501	164,491	-	28,724	-	63,215
2 Cambodian Public Bank	983,973	-	10,803	-	283,382	246,516	233,240	18,817	11,944	81,140	-	-	-	98,129
3 Aceda Bank Plc.	900,576	24,108	3,195	164,516	81,186	216,700	191,897	7,466	20,720	121,710	-	20,902	23,985	24,190
4 Foreign Trade Bank of Cambodia	896,493	-	10,046	-	282,538	237,647	250,824	18,560	3,068	50,000	1,696	-	18,854	23,260
5 ANZ Royal Bank (Cambodia) Ltd.	830,301	-	19	-	265,792	137,046	350,915	1,812	13,808	89,254	-	-	-	(28,344)
6 Cambodian Commercial Bank Ltd.	519,549	-	4,481	-	78,186	309,437	32,800	1,414	13,600	52,741	-	-	-	26,889
7 Union Commercial Bank Plc.	423,585	-	710	-	72,570	137,051	122,769	7,398	6,181	57,407	-	-	-	19,499
8 May Bank Phnom Penh Branch*	339,710	-	8,796	-	117,360	72,041	42,273	3,574	3,212	54,364	-	-	-	38,090
9 Vattanac Bank Ltd.	287,390	-	173	-	72,191	67,238	61,687	1,157	4,635	52,741	-	-	-	27,568
10 First Commercial Bank Phnom Penh Branch*	210,930	-	1,907	-	36,695	96,220	811	522	316	52,741	-	-	-	21,718
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	203,423	-	-	35,209	4,237	83,303	3,081	36	2,467	52,741	709	-	-	21,639
12 Singapore Banking Corporation	150,818	-	6	-	26,609	46,602	13,772	616	28,907	52,741	-	9,737	-	(28,172)
13 Advanced Bank of Asia Ltd.	111,765	-	-	-	3,902	39,770	10,997	3,228	1,117	52,741	-	-	-	10
14 Cambodia Mekong Bank Public Ltd.	109,339	-	559	-	30,387	22,115	-	3,828	7,135	60,855	-	29,393	-	(44,933)
15 Cambodia Asia Bank Ltd.	89,866	-	-	-	10,246	18,235	3,713	66	2,237	52,741	-	-	-	2,627
<b>Sub-Total</b>	<b>7,580,296</b>	<b>24,108</b>	<b>56,408</b>	<b>229,688</b>	<b>1,444,846</b>	<b>2,315,894</b>	<b>1,837,773</b>	<b>84,937</b>	<b>138,849</b>	<b>1,048,408</b>	<b>2,405</b>	<b>88,756</b>	<b>42,839</b>	<b>265,386</b>
<b>Specialized Banks</b>														
16 Rural Development Bank	65,195	-	214	31,028	1,125	776	738	16	407	28,139	-	-	-	2,751
17 First Investment Specialized Bank	26,938	-	-	369	-	-	-	-	50	15,417	-	10,459	-	644
18 Specialized Bank Peng Heng S.M.E. Ltd.	16,909	-	45	-	594	-	-	-	543	14,200	-	-	-	1,528
19 Cambodia Agriculture Industrial Specialized Bank	15,684	-	-	-	76	0	255	5	27	12,171	-	308	-	2,843
20 Anco Specialized Bank	11,030	-	-	419	-	-	-	-	9	10,548	-	-	-	54
<b>Sub-Total</b>	<b>135,757</b>	<b>-</b>	<b>259</b>	<b>31,815</b>	<b>1,795</b>	<b>776</b>	<b>993</b>	<b>21</b>	<b>1,035</b>	<b>80,474</b>	<b>-</b>	<b>10,767</b>	<b>-</b>	<b>7,821</b>
<b>Total</b>	<b>7,716,053</b>	<b>24,108</b>	<b>56,667</b>	<b>261,503</b>	<b>1,446,642</b>	<b>2,316,670</b>	<b>1,838,765</b>	<b>84,958</b>	<b>139,885</b>	<b>1,128,882</b>	<b>2,405</b>	<b>99,523</b>	<b>42,839</b>	<b>273,207</b>

\*: Foreign branches

Note: All figures are unaudited and as reported by banks

**PERCENTAGE DISTRIBUTION OF LIABILITIES & EQUITY OF INDIVIDUAL BANKS  
AS AT DECEMBER 31, 2006**

Table 8

	Total Liabilities and Equity	Owed to NBC	Owed to Banks	Borrowed Fund	Customer's deposit				Other liabilities	Shareholder's equity				
					Demand deposits	Saving deposits	Fixed deposits	Other deposits		Paid up Capital	Reserves	Subordinated loans (after NBC's agreement)	General provisions & other	Retained and Current Profit/Loss
<b>Commercial Banks</b>														
1 Canadia Bank Plc.	100.0	-	1.0	2.0	5.2	38.5	34.1	1.1	1.3	10.8	-	1.9	-	4.2
2 Cambodian Public Bank	100.0	-	1.1	-	28.8	25.1	23.7	1.9	1.2	8.2	-	-	-	10.0
3 Aceda Bank Plc.	100.0	2.7	0.4	18.3	9.0	24.1	21.3	0.8	2.3	13.5	-	2.3	2.7	2.7
4 Foreign Trade Bank of Cambodia	100.0	-	1.1	-	31.5	26.5	28.0	2.1	0.3	5.6	0.2	-	2.1	2.6
5 ANZ Royal Bank (Cambodia) Ltd.	100.0	-	0.0	-	32.0	16.5	42.3	0.2	1.7	10.7	-	-	-	(3.4)
6 Cambodian Commercial Bank Ltd.	100.0	-	0.9	-	15.0	59.6	6.3	0.3	2.6	10.2	-	-	-	5.2
7 Union Commercial Bank Plc.	100.0	-	0.2	-	17.1	32.4	29.0	1.7	1.5	13.6	-	-	-	4.6
8 May Bank Phnom Penh Branch*	100.0	-	2.6	-	34.5	21.2	12.4	1.1	0.9	16.0	-	-	-	11.2
9 Vattanac Bank Ltd.	100.0	-	0.1	-	25.1	23.4	21.5	0.4	1.6	18.4	-	-	-	9.6
10 First Commercial Bank Phnom Penh Branch*	100.0	-	0.9	-	17.4	45.6	0.4	0.2	0.1	25.0	-	-	-	10.3
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	100.0	-	-	17.3	2.1	41.0	1.5	0.0	1.2	25.9	0.3	-	-	10.6
12 Singapore Banking Corporation	100.0	-	0.0	-	17.6	30.9	9.1	0.4	19.2	35.0	-	6.5	-	(18.7)
13 Advanced Bank of Asia Ltd.	100.0	-	-	-	3.5	35.6	9.8	2.9	1.0	47.2	-	-	-	0.0
14 Cambodia Mekong Bank Public Ltd.	100.0	-	0.5	-	27.8	20.2	-	3.5	6.5	55.7	-	26.9	-	(41.1)
15 Cambodia Asia Bank Ltd.	100.0	-	-	-	11.4	20.3	4.1	0.1	2.5	58.7	-	-	-	2.9
<b>Sub-Total</b>	<b>100.0</b>	<b>0.3</b>	<b>0.7</b>	<b>3.0</b>	<b>19.1</b>	<b>30.6</b>	<b>24.2</b>	<b>1.1</b>	<b>1.8</b>	<b>13.8</b>	<b>0.0</b>	<b>1.2</b>	<b>0.6</b>	<b>3.5</b>
<b>Specialized Banks</b>														
1 Rural Development Bank	100.0	-	0.3	47.6	1.7	1.2	1.1	0.0	0.6	43.2	-	-	-	4.2
2 First Investment Specialized Bank	100.0	-	-	1.4	-	-	-	-	0.2	57.2	-	38.8	-	2.4
3 Specialized Bank Peng Heng S.M.E. Ltd.	100.0	-	0.3	-	3.5	-	-	-	3.2	84.0	-	-	-	9.0
4 Cambodia Agriculture Industrial Specialized Bank	100.0	-	-	-	0.5	0.0	1.6	0.0	0.2	77.6	-	2.0	-	18.1
5 Anco Specialized Bank	100.0	-	-	3.8	-	-	-	-	0.1	95.6	-	-	-	0.5
<b>Sub-Total</b>	<b>100.0</b>	<b>-</b>	<b>0.2</b>	<b>23.4</b>	<b>1.3</b>	<b>0.6</b>	<b>0.7</b>	<b>0.0</b>	<b>0.8</b>	<b>59.3</b>	<b>-</b>	<b>7.9</b>	<b>-</b>	<b>5.8</b>
<b>Total</b>	<b>100.0</b>	<b>0.3</b>	<b>0.7</b>	<b>3.4</b>	<b>18.7</b>	<b>30.0</b>	<b>23.8</b>	<b>1.1</b>	<b>1.8</b>	<b>14.6</b>	<b>0.0</b>	<b>1.3</b>	<b>0.6</b>	<b>3.5</b>

\*: Foreign branches

Note: All figures are unaudited and as reported by banks

**PROFIT AND LOSS STATEMENT**  
For Years Ended December 31, 2006

Table 9

(millions of KHR)

	Interest income	Interest Expenses	Net interest Income	Non Interest Income	GDP (Gross Operating Inc or loss)	Operating Expenses (Excluding depreciation)	Provision Depreciation	Expenses Bad debts & Doubtful	Recoveries	P&L Before Tax	Profit Tax	Extra gains or Losses Prior year Adjustment G/Reserves	Net profit & Loss for 12 months
	1	2	3=1-2	4	5=3+4	6	7	8	9	10=5-6-7-8+9	11	12	13=10-11+/-12
<b>Commercial Banks</b>													
1 Canadia Bank Plc.	102,847	25,578	77,269	19,882	97,151	22,481	1,983	35,694	26,255	63,248	-	(33)	63,215
2 Cambodian Public Bank	59,487	7,914	51,574	23,686	75,260	10,548	1,056	4,603	-	59,054	11,828	-	47,226
3 Aceda Bank Plc.	135,091	25,581	109,510	13,490	123,000	85,726	4,525	4,214	1,454	29,988	6,048	250	24,190
4 Cambodian Commercial Bank Ltd.	18,893	2,801	16,092	8,031	24,123	5,508	1,409	-	2,921	20,127	2,252	-	17,876
5 Foreign Trade Bank of Cambodia	37,101	12,102	24,999	7,810	32,809	5,758	919	18,069	9,356	17,418	-	-	17,418
6 Krung Thai Bank Public Co. Ltd. P.P. Branch*	11,200	782	10,418	2,291	12,709	2,312	127	-	5,999	16,270	1,038	(452)	14,780
7 Vattanac Bank Ltd.	19,183	1,918	17,265	6,223	23,488	8,280	971	-	-	14,237	-	108	14,345
8 First Commercial Bank Phnom Penh Branch*	9,317	367	8,950	5,512	14,462	2,655	70	-	-	11,737	-	-	11,737
9 Union Commercial Bank Plc.	28,303	7,713	20,590	12,170	32,760	14,459	851	579	(6,037)	10,834	-	-	10,834
10 May Bank Phnom Penh Branch*	10,908	457	10,451	4,341	14,792	4,028	723	-	389	10,430	-	-	10,430
11 Advanced Bank of Asia Ltd.	6,576	1,115	5,461	4,312	9,773	3,485	708	-	1,653	7,233	936	132	6,429
12 Cambodia Asia Bank Ltd.	2,629	428	2,201	6,227	8,428	4,974	828	2,049	-	577	79	-	498
13 Singapore Banking Corporation	4,043	1,092	2,951	5,298	8,249	8,349	871	41	-	(1,012)	-	-	(1,012)
14 Cambodia Mekong Bank Public Ltd.	1,714	949	766	25	791	5,314	3,217	-	368	(7,373)	57	230	(7,199)
15 ANZ Royal Bank (Cambodia) Ltd.	25,666	10,488	15,178	8,871	24,048	35,721	2,236	1,059	-	(14,967)	(2,634)	-	(12,333)
<b>Sub total</b>	<b>472,958</b>	<b>99,284</b>	<b>373,674</b>	<b>128,168</b>	<b>501,842</b>	<b>219,596</b>	<b>20,494</b>	<b>66,307</b>	<b>42,358</b>	<b>237,802</b>	<b>19,603</b>	<b>236</b>	<b>218,434</b>
<b>Specialized Banks</b>													
1 Cambodia Agriculture Industrial Specialized Bank	1,282	12	1,271	2	1,273	812	252	61	1,250	1,397	40	1,456	2,813
2 Rural Development Bank	3,942	639	3,303	654	3,957	2,049	173	458	322	1,600	46	(44)	1,510
3 Specialized Bank Peng Heng S.M.E. Ltd.	1,980	5	1,975	288	2,262	1,219	152	85	60	866	173	(2)	692
4 First Investment Specialized Bank	1,797	-	1,797	234	2,031	1,219	148	-	-	664	20	(0)	644
5 Anco Specialized Bank	261	13	249	4	252	104	92	-	-	57	3	-	54
<b>Sub total</b>	<b>9,263</b>	<b>669</b>	<b>8,594</b>	<b>1,181</b>	<b>9,775</b>	<b>5,402</b>	<b>816</b>	<b>604</b>	<b>1,632</b>	<b>4,585</b>	<b>282</b>	<b>1,411</b>	<b>5,713</b>
<b>Total</b>	<b>482,221</b>	<b>99,953</b>	<b>382,268</b>	<b>129,349</b>	<b>511,617</b>	<b>224,999</b>	<b>21,310</b>	<b>66,912</b>	<b>43,990</b>	<b>242,386</b>	<b>19,885</b>	<b>1,647</b>	<b>224,148</b>

\* Foreign Branch

Note: All figures are unaudited and as reported by banks



## NET PROFITS

For Years Ended December 31, 2006

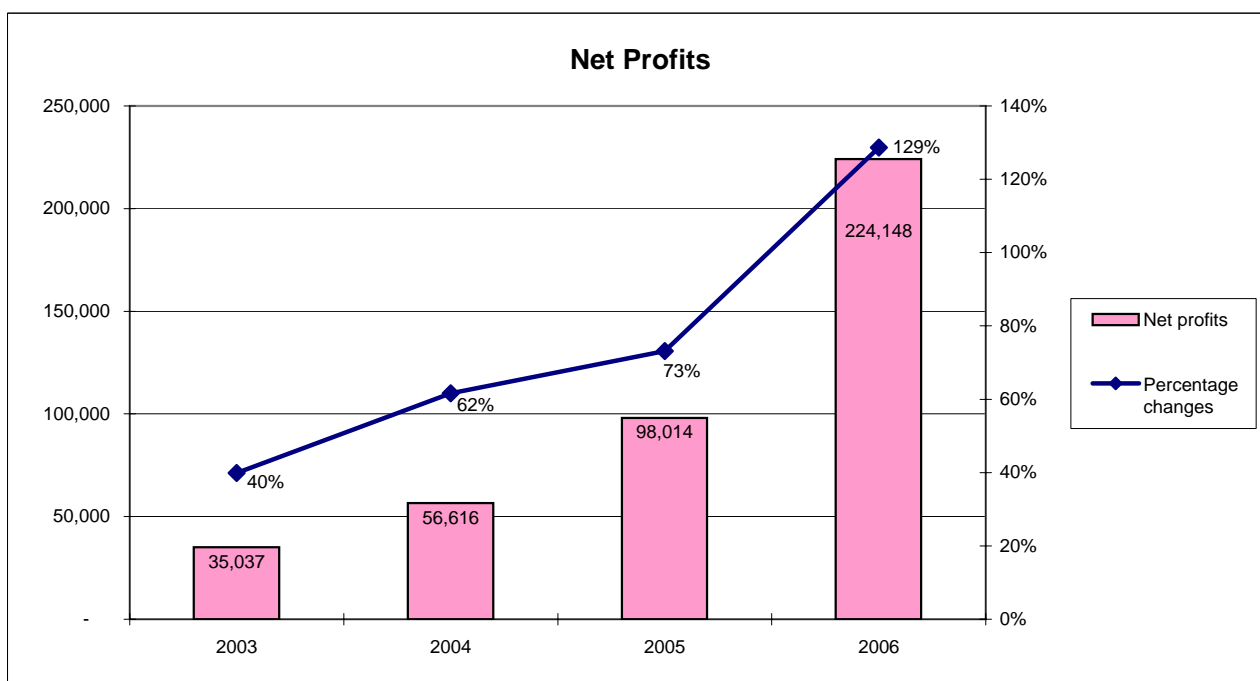
Table 10

(millions of KHR)

	Net profit	Total Assets	As Percentage of Assets	Loans <sup>1</sup>	As Percentage of Loans
<b>Commercial Banks</b>					
1 Canadia Bank Plc.	63,215	1,522,579	4.2%	891,305	7.1%
2 Cambodian Public Bank	47,226	983,973	4.8%	642,324	7.4%
3 Aceda Bank Plc.	24,190	519,549	4.7%	117,410	20.6%
4 Cambodian Commercial Bank Ltd.	17,876	896,493	2.0%	204,188	8.8%
5 Foreign Trade Bank of Cambodia	17,418	203,423	8.6%	99,772	17.5%
6 Krung Thai Bank Public Co. Ltd. P.P. Branch*	14,780	287,390	5.1%	166,481	8.9%
7 Advanced Bank of Asia Ltd.	6,429	210,930	3.0%	48,439	13.3%
8 Vattanac Bank Ltd.	14,345	423,585	3.4%	204,529	7.0%
9 First Commercial Bank Phnom Penh Branch*	11,737	339,710	3.5%	88,272	13.3%
10 Union Commercial Bank Plc.	10,834	111,765	9.7%	56,063	19.3%
11 May Bank Phnom Penh Branch*	10,430	900,576	1.2%	651,127	1.6%
12 Cambodia Asia Bank Ltd.	498	89,866	0.6%	46,400	1.1%
13 Singapore Banking Corporation	(1,012)	150,818	-0.7%	63,504	-1.6%
14 Cambodia Mekong Bank Public Ltd.	(7,199)	109,339	-6.6%	11,376	-63.3%
15 ANZ Royal Bank (Cambodia) Ltd.	(12,333)	830,301	-1.5%	210,994	-5.8%
<b>Sub total</b>	<b>218,434</b>	<b>7,580,296</b>	<b>2.9%</b>	<b>3,502,182</b>	<b>6.2%</b>
<b>Specialized Banks</b>					
1 Cambodia Agriculture Industrial Specialized Bank	2,813	11,030	25.5%	3,658	76.9%
2 Rural Development Bank	1,510	15,684	9.6%	10,022	15.1%
3 Specialized Bank Peng Heng S.M.E. Ltd.	692	65,195	1.1%	29,037	2.4%
4 First Investment Specialized Bank	644	16,909	3.8%	15,204	4.2%
5 Anco Specialized Bank	54	26,938	0.2%	19,340	0.3%
<b>Sub total</b>	<b>5,713</b>	<b>135,757</b>	<b>4.2%</b>	<b>77,260</b>	<b>7.4%</b>
<b>Total</b>	<b>224,148</b>	<b>7,716,053</b>	<b>2.9%</b>	<b>3,579,442</b>	<b>6.3%</b>

<sup>1</sup> Gross Loans (excluded loans to state enterprise and loans to government)

Note: All figures are unaudited and as reported by banks



## COMPARISON OF TOTAL DEPOSITS<sup>1</sup>

As of December 31

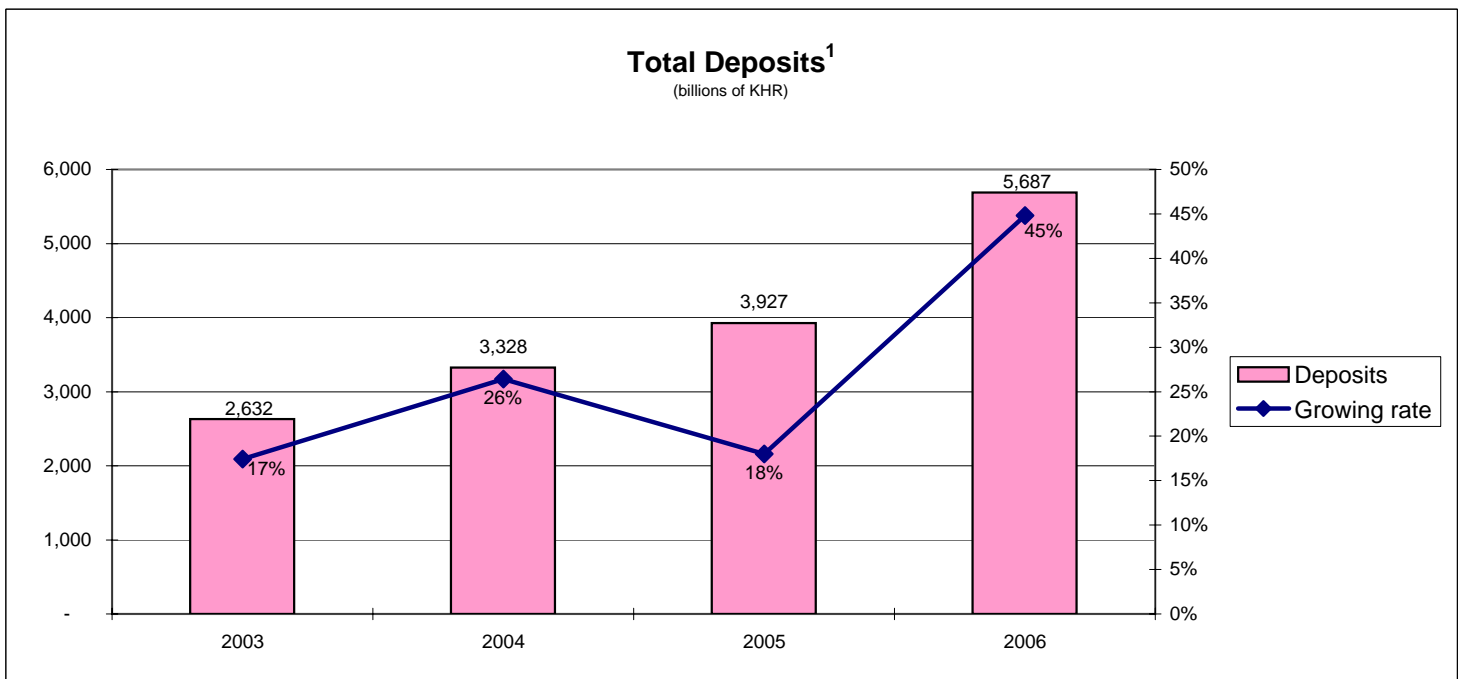
Table 11 (millions of KHR)

	2006		2005		2004		Growth Rate (%)	
	Share		Share		Share		2006 over 2005	2005 over 2004
<b>Commercial Banks</b>								
1 Canadia Bank Plc.	1,200,973	21.1%	976,498	24.9%	867,598	26.1%	23.0%	12.6%
2 Foreign Trade Bank of Cambodia	789,569	13.9%	587,918	15.0%	566,524	17.0%	34.3%	3.8%
3 Cambodian Public Bank	781,956	13.7%	514,151	13.1%	447,209	13.4%	52.1%	15.0%
4 ANZ Royal Bank (Cambodia) Ltd.	755,564	13.3%	307,082	7.8%	-	0.0%	146.0%	0.0%
5 Aceda Bank Plc.	497,248	8.7%	255,902	6.5%	127,702	3.8%	94.3%	100.4%
6 Cambodian Commercial Bank Ltd.	421,838	7.4%	377,713	9.6%	403,799	12.1%	11.7%	-6.5%
7 Union Commercial Bank Plc.	339,788	6.0%	277,751	7.1%	338,109	10.2%	22.3%	-17.9%
8 May Bank Phnom Penh Branch*	235,248	4.1%	178,466	4.5%	166,514	5.0%	31.8%	7.2%
9 Vattanac Bank Ltd.	202,274	3.6%	150,977	3.8%	101,675	3.1%	34.0%	48.5%
10 First Commercial Bank Phnom Penh Branch*	134,248	2.4%	89,995	2.3%	102,913	3.1%	49.2%	-12.6%
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	90,658	1.6%	54,196	1.4%	50,541	1.5%	67.3%	7.2%
12 Singapore Banking Corporation	87,598	1.5%	68,326	1.7%	61,979	1.9%	28.2%	10.2%
13 Advanced Bank of Asia Ltd.	57,897	1.0%	39,743	1.0%	51,931	1.6%	45.7%	-23.5%
14 Cambodia Mekong Bank Public Ltd.	56,330	1.0%	33,258	0.8%	33,283	1.0%	69.4%	-0.1%
15 Cambodia Asia Bank Ltd.	32,260	0.6%	12,837	0.3%	5,909	0.2%	151.3%	117.3%
<b>Sub-total</b>	<b>5,683,450</b>	<b>99.9%</b>	<b>3,924,812</b>	<b>99.9%</b>	<b>3,325,686</b>	<b>99.9%</b>	<b>44.8%</b>	<b>18.0%</b>
<b>Specialized Banks</b>								
1 Rural Development Bank	2,656	0.0%	1,927	0.0%	1,118	0.0%	37.8%	72.4%
2 Specialized Bank Peng Heng S.M.E. Ltd.	594	0.0%	257	0.0%	686	0.0%	131.1%	-62.5%
3 Cambodia Agriculture Industrial Specialized Bank	335	0.0%	225	0.0%	298	0.0%	48.8%	-24.4%
4 First Investment Specialized Bank	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%
5 Anco Specialized Bank	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%
<b>Sub-total</b>	<b>3,585</b>	<b>0.1%</b>	<b>2,410</b>	<b>0.1%</b>	<b>2,101</b>	<b>0.1%</b>	<b>48.8%</b>	<b>14.7%</b>
<b>Total</b>	<b>5,687,035</b>	<b>100.0%</b>	<b>3,927,221</b>	<b>100.0%</b>	<b>3,327,788</b>	<b>100.0%</b>	<b>44.8%</b>	<b>18.0%</b>

\* Foreign branches

<sup>1</sup> Excluded deposits from Banks and Other Financial Institutions (OFIs), both local and abroad.

Note: All figures are unaudited and as reported by banks



## TOTAL DEPOSITS CLASSIFIED BY TYPE OF CUSTOMERS

As of December 31, 2006

Table 12

*(millions of KHR)*

	Total Deposits	Government	State Enterprise	Municipality	Bank Incorporated in Cambodia	Other local Financial Institutions	Business Enterprise	Individuals	Non-profit Organization	Bank Incorporated Abroad	Non-Resident	Others
<b>Commercial Banks</b>												
1 Canadia Bank Plc.	1,216,685	3,249	66,533	-	13,429	2,283	368,099	720,250	13,067	-	13,425	16,350
2 Foreign Trade Bank of Cambodia	799,615	121,328	66,175	179	10,046	-	245,260	334,863	-	-	7,008	14,757
3 Cambodian Public Bank	781,956	-	-	-	-	-	90,885	482,349	191,199	-	17,523	0
4 ANZ Royal Bank (Cambodia) Ltd.	755,583	1,789	1	-	19	-	305,974	366,734	28,898	-	45,571	6,597
5 Aceda Bank Plc.	500,443	17,785	4,594	675	3,195	-	86,763	329,007	12,763	-	44,430	1,232
6 Cambodian Commercial Bank Ltd.	421,838	-	-	-	-	-	239,421	140,274	34,175	-	7,969	-
7 Union Commercial Bank Plc.	340,498	-	-	-	710	-	-	331,522	-	-	8,266	-
8 May Bank Phnom Penh Branch*	244,044	-	-	-	216	-	149,722	78,268	-	8,580	7,258	-
9 Vattanac Bank Ltd.	202,447	-	21,045	-	173	-	58,126	117,775	5,227	-	100	-
10 First Commercial Bank Phnom Penh Branch*	136,156	-	-	-	-	-	68,136	66,112	-	1,907	-	-
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	90,658	-	-	-	-	-	58,779	31,879	-	-	-	-
13 Singapore Banking Corporation	87,604	-	-	-	6	-	17,205	48,802	-	-	21,591	-
14 Advanced Bank of Asia Ltd.	57,897	-	-	-	-	-	16,246	23,119	-	-	15,552	2,980
16 Cambodia Mekong Bank Public Ltd.	56,889	-	-	-	559	-	25,953	30,177	-	-	-	200
18 Cambodia Asia Bank Ltd.	32,260	-	-	-	-	-	8,198	24,062	-	-	-	-
<b>Sub total</b>	<b>5,724,574</b>	<b>144,151</b>	<b>158,348</b>	<b>853</b>	<b>28,353</b>	<b>2,283</b>	<b>1,738,767</b>	<b>3,125,193</b>	<b>285,330</b>	<b>10,487</b>	<b>188,692</b>	<b>42,116</b>
<b>Specialized Banks</b>												
1 Rural Development Bank	2,870	-	-	-	-	214	-	1,296	-	-	10	1,349
2 Specialized Bank Peng Heng S.M.E. Ltd.	594	-	-	-	-	-	24	570	-	-	-	-
3 Cambodia Agriculture Industrial Specialized Bank	335	-	-	-	-	-	-	335	-	-	-	-
4 First Investment Specialized Bank	-	-	-	-	-	-	-	-	-	-	-	-
5 Anco Specialized Bank	-	-	-	-	-	-	-	-	-	-	-	-
	<b>3,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214</b>	<b>24</b>	<b>2,201</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>1,349</b>
<b>Total</b>	<b>5,728,373</b>	<b>144,151</b>	<b>158,348</b>	<b>853</b>	<b>28,353</b>	<b>2,497</b>	<b>1,738,791</b>	<b>3,127,395</b>	<b>285,330</b>	<b>10,487</b>	<b>188,702</b>	<b>43,465</b>
<b>As Percentage of Total deposits</b>	<b>100.0%</b>	<b>2.52%</b>	<b>2.76%</b>	<b>0.01%</b>	<b>0.49%</b>	<b>0.04%</b>	<b>30.35%</b>	<b>54.59%</b>	<b>4.98%</b>	<b>0.18%</b>	<b>3.29%</b>	<b>0.76%</b>

\* Foreign Branch

Note: All figures are unaudited and as reported by banks

## LOANS AND NON-PERFORMING LOANS

As of December 31

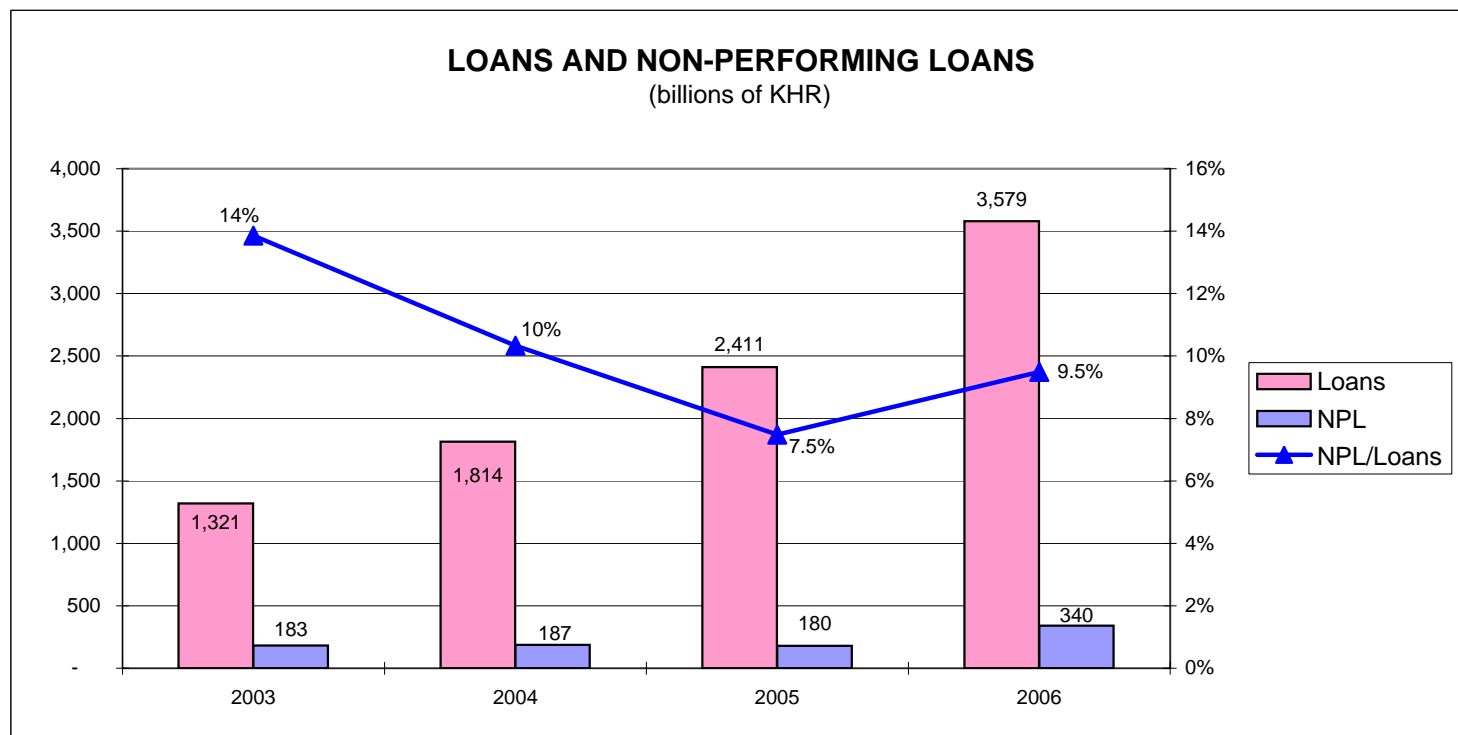
Table 13 (millions of KHR)

	Dec-06			Dec-05		
	Loans <sup>1</sup>	NPLs	NPL/Loans	Loans <sup>1</sup>	NPLs	NPL/Loans
<b>Commercial Banks</b>						
1 Canadia Bank Plc.	891,305	211,955	23.8%	647,414	54,110	8.4%
2 Aceda Bank Plc.	651,127	657	0.1%	410,398	711	0.2%
3 Cambodian Public Bank	642,324	-	0.0%	335,358	-	0.0%
4 Foreign Trade Bank of Cambodia	204,188	43,500	21.3%	141,880	62,724	44.2%
5 Union Commercial Bank Plc.	204,529	19,039	9.3%	187,881	6,337	3.4%
6 ANZ Royal Bank (Cambodia) Ltd.	210,994	-	0.0%	14,038	-	0.0%
7 Vattanac Bank Ltd.	166,481	-	0.0%	115,185	-	0.0%
8 Cambodian Commercial Bank Ltd.	117,410	11,499	9.8%	74,563	11,871	15.9%
9 Krung Thai Bank Public Co. Ltd. P.P. Branch*	99,772	-	0.0%	148,390	1,040	0.7%
10 May Bank Phnom Penh Branch*	88,272	4,209	4.8%	56,684	4,264	7.5%
11 Singapore Banking Corporation	63,504	43,166	68.0%	87,392	33,278	38.1%
12 Advanced Bank of Asia Ltd.	56,063	-	0.0%	50,586	1,826	3.6%
13 First Commercial Bank Phnom Penh Branch*	48,439	509	1.1%	57,005	514	0.9%
14 Cambodia Asia Bank Ltd.	46,400	-	0.0%	41,593	-	0.0%
15 Cambodia Mekong Bank Public Ltd.	11,376	318	2.8%	9,881	572	5.8%
<b>Sub total</b>	<b><u>3,502,182</u></b>	<b><u>334,851</u></b>	<b><u>9.6%</u></b>	<b><u>2,378,249</u></b>	<b><u>177,248</u></b>	<b><u>7.5%</u></b>
<b>Specialized Banks</b>						
1 Rural Development Bank	29,037	920	3.2%	10,930	1,201	11.0%
2 First Investment Specialized Bank	19,340	-	0.0%	-	-	0.0%
3 Specialized Bank Peng Heng S.M.E. Ltd.	15,204	4,001	26.3%	14,606	1,863	12.8%
4 Cambodia Agriculture Industrial Specialized Bank	10,022	69	0.7%	7,578	164	2.2%
5 Anco Specialized Bank	3,658	-	0.0%	-	-	0.0%
<b>Sub total</b>	<b><u>77,260</u></b>	<b><u>4,990</u></b>	<b><u>6.5%</u></b>	<b><u>33,114</u></b>	<b><u>3,228</u></b>	<b><u>9.7%</u></b>
	<b><u>3,579,442</u></b>	<b><u>339,841</u></b>	<b><u>9.5%</u></b>	<b><u>2,411,363</u></b>	<b><u>180,476</u></b>	<b><u>7.5%</u></b>

\* Foreign branches

<sup>1</sup> Gross Loans (excluded loans to government and banks)

Note: All figures are unaudited and as reported by banks



**TOTAL NET CREDITS<sup>1</sup> CLASSIFIED BY TYPE OF BUSINESSES**  
As at December 31

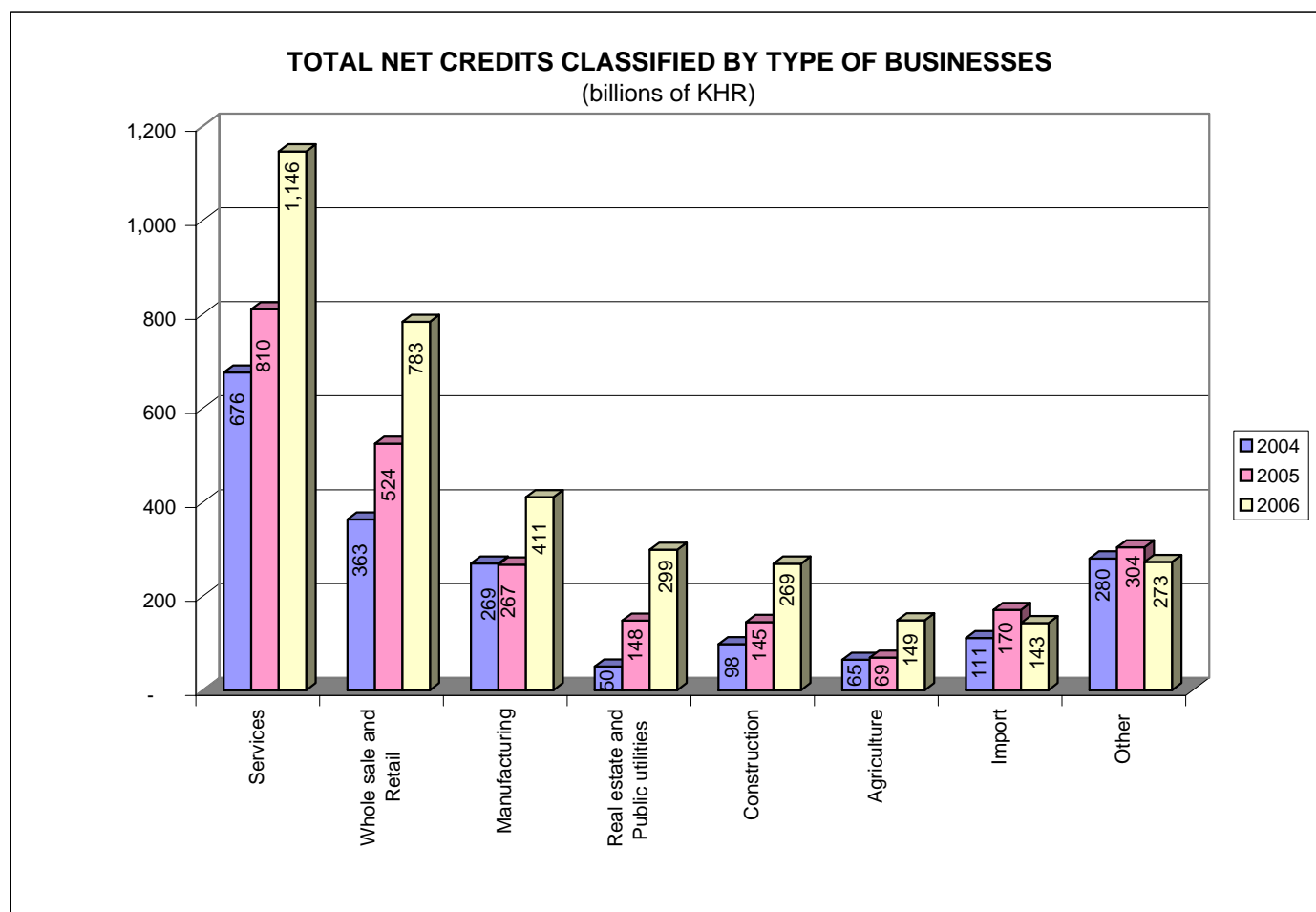
Table 14

*(millions of KHR)*

Type of business	2006		2005		2004		Growth Rate (%)	
		Share		Share		Share	2006 over 2005	2005 over 2004
Services	1,146,160	33.0%	810,401	33.2%	675,634	35.3%	41.4%	19.9%
Whole sale and Retail	783,479	22.6%	524,256	21.5%	363,049	19.0%	49.4%	44.4%
Manufacturing	410,579	11.8%	267,069	11.0%	269,187	14.1%	53.7%	-0.8%
Real estate and Public utilities	298,886	8.6%	148,004	6.1%	50,329	2.6%	101.9%	194.1%
Construction	269,067	7.7%	144,957	5.9%	97,972	5.1%	85.6%	48.0%
Agriculture	148,717	4.3%	69,287	2.8%	64,774	3.4%	114.6%	7.0%
Import	142,642	4.1%	170,413	7.0%	110,973	5.8%	-16.3%	53.6%
Personal consumption	140,906	4.1%	123,380	5.1%	45,792	2.4%	14.2%	169.4%
Other	72,942	2.1%	51,993	2.1%	56,776	3.0%	40.3%	-8.4%
Export	26,209	0.8%	37,507	1.5%	77,615	4.1%	-30.1%	-51.7%
Bank and Finance	24,004	0.7%	26,485	1.1%	100,068	5.2%	-9.4%	-73.5%
Claim on Government	8,539	0.2%	64,552	2.6%	-	0.0%	-86.8%	0.0%
<b>Total</b>	<b>3,472,130</b>	<b>100.0%</b>	<b>2,438,304</b>	<b>100.0%</b>	<b>1,912,169</b>	<b>100.0%</b>	<b>42.4%</b>	<b>27.5%</b>

<sup>1</sup> Net credits

Note: All figures are unaudited and as reported by banks



## TOTAL CREDITS<sup>1</sup> CLASSIFIED BY TYPE OF BUSINESSES

As at December 31, 2006

Table 15

(millions of KHR)

	Total Credit	Agriculture	Manufacturing	Construction	Whole sale and Retail	Export	Import	Bank and Finance	Real estate and Public utilities	Services	Personal consumption	Claim on Government	Other
<b>Commercial Banks</b>													
1 Canadia Bank Plc.	842,484	7,237	68,795	94,919	145,262	1,480	21,528	94	117,468	288,630	97,071	-	-
2 Aceda Bank Plc.	641,312	72,419	32,211	-	381,074	-	-	-	-	155,607	-	-	-
3 Cambodian Public Bank	632,680	20,220	80,304	88,151	135,489	1,612	12,781	-	90,990	179,654	19,587	-	3,892
4 ANZ Royal Bank (Cambodia) Ltd.	209,915	479	35,548	21,253	37,404	-	8,409	-	1,997	40,590	6,697	-	57,538
5 Union Commercial Bank Plc.	188,653	5,796	47,605	9,956	3,789	13,092	928	-	17,808	83,570	6,109	-	-
6 Foreign Trade Bank of Cambodia	180,036	1,478	7,657	-	11,627	5,071	2,950	-	-	147,780	540	200	2,732
7 Vattanac Bank Ltd.	166,481	8,293	15,977	6,689	19,729	-	6,530	-	53,829	55,329	105	-	-
8 Cambodian Commercial Bank Ltd.	110,737	-	1,399	1,307	8,358	-	15,570	-	12,320	66,914	4,870	-	-
9 Krung Thai Bank Public Co. Ltd. P.P. Branch*	98,777	-	1,015	-	-	-	10,336	-	-	87,387	38	-	-
10 May Bank Phnom Penh Branch*	84,063	-	37,543	4,933	28,703	-	-	-	-	9,027	646	-	3,211
11 Advanced Bank of Asia Ltd.	56,063	-	12,727	24,982	1,552	4,344	4,344	-	-	6,998	282	-	834
12 Singapore Banking Corporation	51,375	1,183	3,281	-	-	-	46,637	-	-	-	274	-	-
13 First Commercial Bank Phnom Penh Branch*	47,966	810	8,126	6,527	2,218	610	10,552	-	2,940	11,729	-	-	4,454
14 Cambodia Asia Bank Ltd.	46,400	-	42,450	-	-	-	-	-	-	-	3,950	-	-
15 Cambodia Mekong Bank Public Ltd.	19,466	-	10,802	182	-	-	-	-	-	-	-	8,339	143
<b>Sub Total</b>	<b>3,376,408</b>	<b>117,915</b>	<b>405,440</b>	<b>258,900</b>	<b>775,205</b>	<b>26,209</b>	<b>140,565</b>	<b>94</b>	<b>297,351</b>	<b>1,133,216</b>	<b>140,170</b>	<b>8,539</b>	<b>72,803</b>
<b>Specialized Banks</b>													
1 Rural Development Bank	49,431	27,569	-	-	-	-	-	21,723	-	-	-	-	139
2 First Investment Specialized Bank	19,340	1,230	3,208	3,583	1,952	-	340	39	141	8,480	368	-	-
3 Specialized Bank Peng Heng S.M.E. Ltd.	13,341	952	381	2,769	3,887	-	1,541	35	382	3,038	356	-	-
4 Cambodia Agriculture Industrial Specialized Bank	9,953	1,051	1,550	3,815	1,985	-	196	4	200	1,153	-	-	-
5 Anco Specialized Bank	3,658	-	-	-	450	-	-	2,110	811	275	12	-	-
<b>Sub Total</b>	<b>95,722</b>	<b>30,801</b>	<b>5,138</b>	<b>10,167</b>	<b>8,273</b>	<b>-</b>	<b>2,078</b>	<b>23,910</b>	<b>1,535</b>	<b>12,945</b>	<b>736</b>	<b>-</b>	<b>139</b>
<b>Total</b>	<b>3,472,130</b>	<b>148,717</b>	<b>410,579</b>	<b>269,067</b>	<b>783,479</b>	<b>26,209</b>	<b>142,642</b>	<b>24,004</b>	<b>298,886</b>	<b>1,146,160</b>	<b>140,906</b>	<b>8,539</b>	<b>72,942</b>
<b>As Percentage of Total Credit</b>	<b>100.0%</b>	<b>4.3%</b>	<b>11.8%</b>	<b>7.7%</b>	<b>22.6%</b>	<b>0.8%</b>	<b>4.1%</b>	<b>0.7%</b>	<b>8.6%</b>	<b>33.0%</b>	<b>4.1%</b>	<b>0.2%</b>	<b>2.1%</b>

\* Foreign branch

<sup>1</sup> Net credits

## LOANS AS PERCENTAGE OF DEPOSITS

As of December 31

Table 16

(millions of KHR)

	2006			2005			2004		
	Deposits <sup>1</sup>	Loans <sup>2</sup>	Loans to deposits ratio	Deposits	Loans <sup>2</sup>	Loans to deposits ratio	Deposits	Loans <sup>2</sup>	Loans to deposits ratio
<b>Commercial Banks</b>									
1 Canadia Bank Plc.	1,200,973	891,305	74.2%	976,498	647,414	66.3%	867,598	530,152	61.1%
2 Foreign Trade Bank of Cambodia	789,569	204,188	25.9%	307,082	14,038	4.6%	-	-	0.0%
3 Cambodian Public Bank	781,956	642,324	82.1%	587,918	129,979	22.1%	566,524	147,054	26.0%
4 ANZ Royal Bank (Cambodia) Ltd.	755,564	210,994	27.9%	514,151	335,354	65.2%	447,209	145,105	32.4%
5 Aceda Bank Plc.	497,248	651,127	130.9%	255,902	410,397	160.4%	127,702	264,800	207.4%
6 Cambodian Commercial Bank Ltd.	421,838	117,410	27.8%	377,713	66,794	17.7%	403,799	57,018	14.1%
7 Union Commercial Bank Plc.	339,788	204,529	60.2%	277,751	187,878	67.6%	338,109	176,210	52.1%
8 May Bank Phnom Penh Branch*	235,248	88,272	37.5%	178,466	56,683	31.8%	166,514	66,679	40.0%
9 Vattanac Bank Ltd.	202,274	166,481	82.3%	150,977	115,184	76.3%	101,675	52,237	51.4%
10 First Commercial Bank Phnom Penh Branch*	134,248	48,439	36.1%	89,995	57,007	63.3%	102,913	45,935	44.6%
11 Krung Thai Bank Public Co. Ltd. P.P. Branch*	90,658	99,772	110.1%	54,196	148,391	273.8%	50,541	150,421	297.6%
12 Singapore Banking Corporation	87,598	63,504	72.5%	68,326	48,248	70.6%	61,979	40,628	65.6%
13 Advanced Bank of Asia Ltd.	57,897	56,063	96.8%	39,743	48,910	123.1%	51,931	60,958	117.4%
14 Cambodia Mekong Bank Public Ltd.	56,330	11,376	20.2%	33,258	9,482	28.5%	33,283	5,687	17.1%
15 Cambodia Asia Bank Ltd.	32,260	46,400	143.8%	12,837	41,594	324.0%	5,909	39,279	664.8%
<b>Sub-total</b>	<b>5,683,450</b>	<b>3,502,182</b>	<b>61.6%</b>	<b>3,924,812</b>	<b>2,317,353</b>	<b>59.0%</b>	<b>3,325,686</b>	<b>1,782,163</b>	<b>53.6%</b>
<b>Specialized Banks</b>									
1 Rural Development Bank	2,656	29,037	1093.4%	1,927	9,667	501.6%	1,118	12,068	1079.6%
2 Specialized Bank Peng Heng S.M.E. Ltd.	594	15,204	2557.7%	257	12,742	4954.5%	686	12,738	1857.7%
3 Cambodia Agriculture Industrial Specialized Bank	335	10,022	2990.7%	225	7,580	3366.5%	298	6,725	2258.6%
4 First Investment Specialized Bank	-	19,340	-	-	-	0.0%	-	-	0.0%
5 Anco Specialized Bank	-	3,658	-	-	-	0.0%	-	-	0.0%
<b>Sub-total</b>	<b>3,585</b>	<b>77,260</b>	<b>2155.0%</b>	<b>2,410</b>	<b>29,988</b>	<b>1244.5%</b>	<b>2,101</b>	<b>31,531</b>	<b>1500.5%</b>
<b>Total</b>	<b>5,687,035</b>	<b>3,579,442</b>	<b>62.9%</b>	<b>3,927,221</b>	<b>2,347,341</b>	<b>59.8%</b>	<b>3,327,788</b>	<b>1,813,694</b>	<b>54.5%</b>

\* Foreign branches

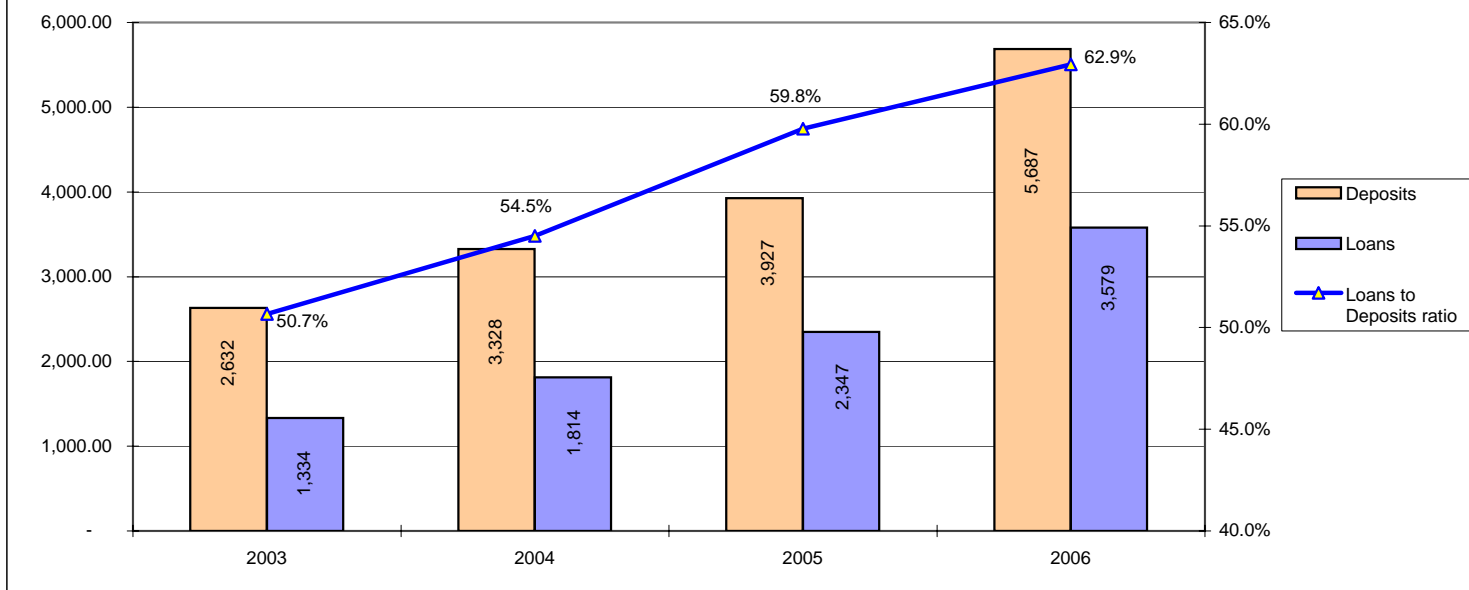
<sup>1</sup> Excluded deposits from Banks and Other Financial Institutions (OFIs), both local and abroad.

<sup>2</sup> Gross Loans

Note: All figures are unaudited and as reported by banks

### LOANS AND DEPOSITS 2003-2006

(billions of KHR)



## Number of ATM terminals, ATM Cards, Debit Cards, and Credit Cards

As of December 31, 2006

Table 17

	ATM terminals	ATM Cards	Debit Cards	Credit Cards
<b>Commercial Banks</b>				
Aceda Bank Plc.	-	-	-	-
Advanced Bank of Asia Ltd.	-	-	-	-
ANZ Royal Bank (Cambodia) Ltd.	51	24,701	-	-
Cambodia Asia Bank Ltd.	-	-	-	-
Cambodia Mekong Bank Public Ltd.	-	-	-	775
Cambodian Commercial Bank Ltd.	-	-	-	-
Cambodian Public Bank Ltd.	8	3,477	-	-
Canadia Bank Plc.	17	5,317	-	2,702
First Commercial Bank Phnom Penh Branch*	-	-	-	-
Foreign Trade Bank of Cambodia	-	-	-	-
Krung Thai Bank Public Co. Ltd. P.P. Branch*	-	-	-	-
May Bank Phnom Penh Branch*	-	-	-	-
Singapore Banking Corporation Ltd.	8	1,800	-	1,035
Union Commercial Bank Plc.	-	-	-	767
Vattanac Bank Ltd.	2	718	-	-
<b>Sub-total</b>	<b>86</b>	<b>36,013</b>	<b>-</b>	<b>5,279</b>
<b>Specialized Banks</b>				
Anco Specialized Bank Ltd.	-	-	-	-
Cambodia Agriculture Industrial Specialized Bank	-	-	-	-
First Investment Specialized Bank Ltd.	-	-	-	-
Rural Development Bank	-	-	-	-
Specialized Bank Peng Heng S.M.E. Ltd.	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>86</b>	<b>36,013</b>	<b>-</b>	<b>5,279</b>

\* Foreign branches



# Banks' head office address

As of December 31, 2006

## COMMERCIAL BANKS

### **ACLEDA BANK PLC.**

# 28, Mao Tse Tung Blvd. Sangkat Beung Trabek  
Khan Chamcar Mon, Phnom Penh, Cambodia  
Tel: (855-23) 364 619, 214 634, 993 780  
Fax: (855-23) 364 914, 213 239, 217 816

PO.Box: 1149  
SWIF: ACLBKHPP  
Email: acledabank@acledabank.com.kh  
Web site: www.acledabank.com.kh

### **ADVANCED BANK OF ASIA LTD.**

# 97-99, Preah Norodom Blvd, Sangkat Boeung Raing,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 720 434, 720 436  
Fax: (855-23) 720 435

PO.Box:  
SWIF: ABAKHPP  
Email: admin@ababank.com  
Web site: www.ababank.com

### **ANZ ROYAL BANK (CAMBODIA) LTD.**

# 20FE-Eo, Kramoun Sar and corner of st. 67, Sangkat Phsar Thmey I  
Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855-23) 726 900  
Fax: (855-23) 221 309

PO.Box: 624  
SWIF: ANZBKHPP  
Email: ccc@anzroyal.com  
Web site: www.anzroyal.com

### **CAMBODIA ASIA BANK LTD.**

# 439, Preah Monivong Blvd, Boeung Prolit  
Khan 7 Makara, Phnom Penh, Cambodia  
Tel: (855-23) 722 105, 220 000  
Fax: (855-23) 426 628

PO.Box:  
SWIF: CABCKHPP  
Email: cab@cab.com.kh  
Web site: www.cab.com.kh

### **CAMBODIA MEKONG BANK PUBLIC LTD.**

# 06, Preah Monivong Blvd, Sangkat Srah Chak,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 217 112  
Fax: (855-23) 217 122

PO.Box:  
SWIF:  
Email: ho.mailbox@mekongbank.com  
Web site: www.mekongbank.com

### **CAMBODIAN COMMERCIAL BANK LTD.**

# 26, Preah Monivong Blvd, Sangkat Phsar Thmey II,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 426 145, 213601, 213 602  
Fax: (855-23) 426 116

PO.Box:  
SWIF: SICOKHPP  
Email: ccbpp@online.com.kh  
Web site: www.ccb-cambodia.com

### **CAMBODIAN PUBLIC BANK**

# 23, St. 114. Sangkat Phsar Thmey II,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 222 880, 222 881, 222 882  
Fax: (855-23) 222 887

PO.Box:  
SWIF: CPBLKHPP  
Email: campuhoe@campubank.com.kh  
Web site: www.campubank.com.kh

### **CANADIA BANK PLC.**

# 265-267-269, Preah Ang Duong St. Sangkat Watt Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 215 284, 215 286  
Fax: (855-23) 427 064

PO.Box:  
SWIF: CADIKHPP  
Email: canadia@camnet.com.kh  
Web site: www.canadiabank.com

### **FIRST COMMERCIAL BANK PHNOM PENH BRANCH**

# 263, Preah Ang Doung St. Sangkat What Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 210 027, 210 028, 210 026  
Fax: (855-23) 210 029

PO.Box:  
SWIF: FCBKHHPP  
Email: fcbpp@online.com.kh  
Web site: www.firstbank.com.tw

### **FOREIGN TRADE BANK OF CAMBODIA**

# 03, Street 53-114, Sangk. Phsar Thmey I, Khan  
Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 724 466, 723 866, 722 466, 723 466  
Fax: (855-23) 426 108, 425 410

PO.Box: 1550  
SWIF: FTCKKHPP  
Email: ftb@camnet.com.kh  
Web site: www.ftbbank.com

**KRUNG THAI BANK PUBLIC CO.Ltd. P.PENH BRANCH**

# 149,215 rd. Sangkat Phsar Depo I, Khan Tuol kok  
Phnom Penh, Cambodia.  
Tel: (855-23) 366 005, 882 959  
Fax: (855-23) 428 737

PO.Box:  
SWIF: KRTHKHPP  
Email: ktbpmp@online.com.kh  
Web site: www.ktb.co.kh

**MAY BANK PHNOM PENH BRANCH**

# 04B, Street 114 (Kramoun Sar) Sangkat Phsar Thmey I,  
Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855-23) 210 233, 210 123  
Fax: (855-23) 210 099

PO.Box:  
SWIF:  
Email: mbb@camnet.com.kh  
Web site: www.maybank2u.com

**SINGAPORE BANKING CORPORATION**

# 68, Samdechpann St. Sangkat Boeung Raing,  
Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855-23) 217 771, 217 772, 211 211  
Fax: (855-23) 212 121

PO.Box: 688  
SWIF: CSBCKHPP  
Email: info@sbc-bank.com  
Web site: www.sbc-bank.com

**UNION COMMERCIAL BANK PLC.**

# 61, 130 Road, Sangkat Phsar Chas, Quarter  
Khan Daun Penh, Phnom Penh, Cambodia  
Tel: (855-23) 427 995, 218 682, 724 931  
Fax: (855-23) 427 997, 220 646

PO.Box:  
SWIF: UCBPKHPP  
Email: ucbhq@ucb.com.kh  
Web site: www.ucb.com.kh

**VATTANAC BANK**

# 89, Preah Norodom Blvd, Sangkat Boeung Raing  
Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855-23) 212 727  
Fax: (855-23) 216 687

PO.Box:  
SWIF: VBLCKHPP  
Email: service@vattanacbank.com  
Web site: www.vattanacbank.com

**SPECIALIZED BANKS****ANCO SPECIALIZED BANK**

#20, Street 217, Sangkat Viel Vong  
Khan 7 makara, Phnom Penh, Cambodia  
Tel: (855-23) 993 133, (855-92) 899 065  
Fax: (855-23) 993 133

PO.Box:  
SWIF:  
Email:  
Web site:

**CAMBODIA AGRICULTURE INDUSTRIAL SPECIALIZED BANK**

# 83, Preah Norodom Blvd, Sangkat Phsar Thmey III  
Khan Daun Penh, Phnom Penh, Cambodia.  
Tel: (855-23) 217 750, 218 667  
Fax: (855-23) 217 751

PO.Box:  
SWIF:  
Email: kien@online.com.kh  
Web site:

**FIRST INVESTMENT SPECIALIZED BANK**

# 72, Blvd Preah Sihanouk  
Khan Chamkarmorn, Phnom Penh, Cambodia  
Tel: (855-23) 222 281  
Fax: (855-23) 221 112

PO.Box:  
SWIF:  
Email: service@fibank.com.kh  
Web site: www.fibank.com.kh

**RURAL DEVELOPMENT BANK**

# 9, 07 rd. Sangkat Chaktomuk, Khan Daun Penh  
Phnom Penh, Cambodia.  
Tel: (855-23) 220 810, 220 811  
Fax: (855-23) 224 628

PO.Box: 1410  
SWIF:  
Email: rdb@online.com.kh  
Web site: www.rdb.com.kh

**SPECIALIZED BANK PENG HENG S.M.E. LTD.**

# 74, Norodom Blvd. Sangkat Chey Chumneas,  
Khan Daun Penh., Phnom Penh, Cambodia.  
Tel: (855-23) 21 9243, 219 245, 219 246  
Fax: (855-23) 219 185

PO.Box:  
SWIF:  
Email: pengheng@camnet.com.kh  
Web site:

**REPRESENTATIVE OFFICES**

**STANDARD CHARTERED BANK PHNOM PENH**

#UnitG-02 Himawary Hotel  
Apartments 313, Sisowath Quay, Phnom Penh  
Tel: (855-23) 216 685, (855-23) 212 729  
Fax: (855-23) 212 731

**VIETNAM BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**

#42, St. 214, Bowung Raing, Daunpenh,  
Phnom Penh, Cambodia  
Tel: (855-23) 223 750  
Fax: (855-23) 223 770  
E-mail: phongvbard@yahoo.com

## Number of Offices of Microfinance Institutions

As of December 31, 2006

Table 19

	Total	Head Office		Branch Office	
		Phnom Penh	Province	Provincial Branch	District Branch
<b>Micro Finance Institutions</b>					
1 AMRET	83	1		13	69
2 Angkor Mikroheranhvatho (Kampuchea)	95	1		10	84
3 Cambodian Business Intergrated in Rural Development	21		1	5	15
4 Cambodian Enterpreneur Building	46	1		5	40
5 CREDIT	63	1		7	55
6 CHC	26	1		4	21
7 Farmer Union Development Fund	12	1		4	7
8 Hatthakaksekar	57	1		7	49
9 MAXIMA Mikroheranhvatho	11	1		1	9
10 PRASAC	102	1		12	89
11 SEILANITHIH	38	1		5	32
12 Thaneakea Phum (Cambodia)	73	1		9	63
13 Tong Fang Microfinance	19	1		3	15
14 Vision Fund Cambodia	52	1		7	44
15 Intean Poalroath Rongroeueng	23	1		6	16
16 Pisit Akphiwat Sethakech	6		1	1	4
<b>Total</b>	<b>727</b>	<b>14</b>	<b>2</b>	<b>99</b>	<b>612</b>

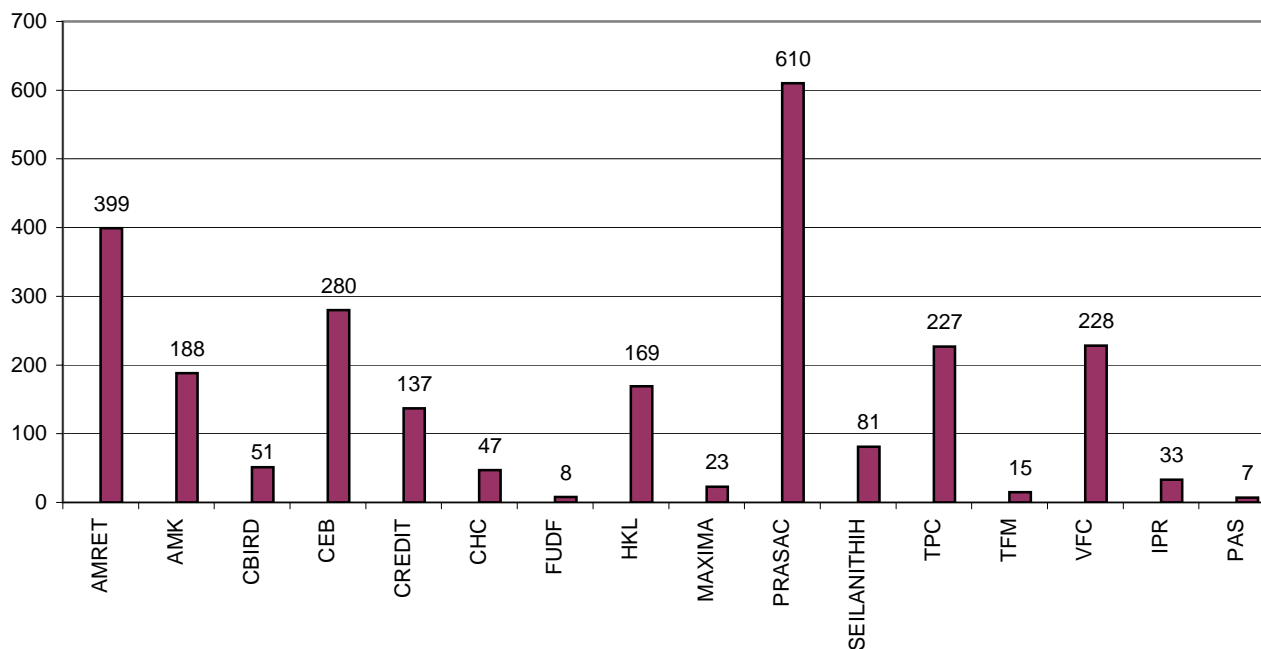
**Number of staff**  
As of December 31, 2006

Table 20 Official staff

**Micro Finance Institutions**

1	PRASAC	PRASAC	610
2	AMRET	AMRET	399
3	CEB	Cambodian Entrepreneur Building	280
4	VFC	Vision Fund Cambodia	228
5	TPC	Thaneakea Phum (Cambodia)	227
6	AMK	Angkor Mikroheranhvatho (Kampuchea)	188
7	HKL	Hatthakaksekar	169
8	CREDIT	CREDIT	137
9	SEILANITHIH	SEILANITHIH	81
10	CBIRD	Cambodian Business Intergrated in Rural Development	51
11	CHC	CHC	47
12	IPR	Intean Poalroath Rongroeung	33
13	MAXIMA	MAXIMA Mikroheranhvatho	23
14	TFM	Tong Fang Microfinance	15
15	FUDF	Farmer Union Development Fund	8
16	PAS	Pisit Akphiwat Sethakech	7
<b>Total</b>			<b>2,503</b>

**Total Employees of All MFIs as at December 2006**



## COMPARISON OF TOTAL ASSETS

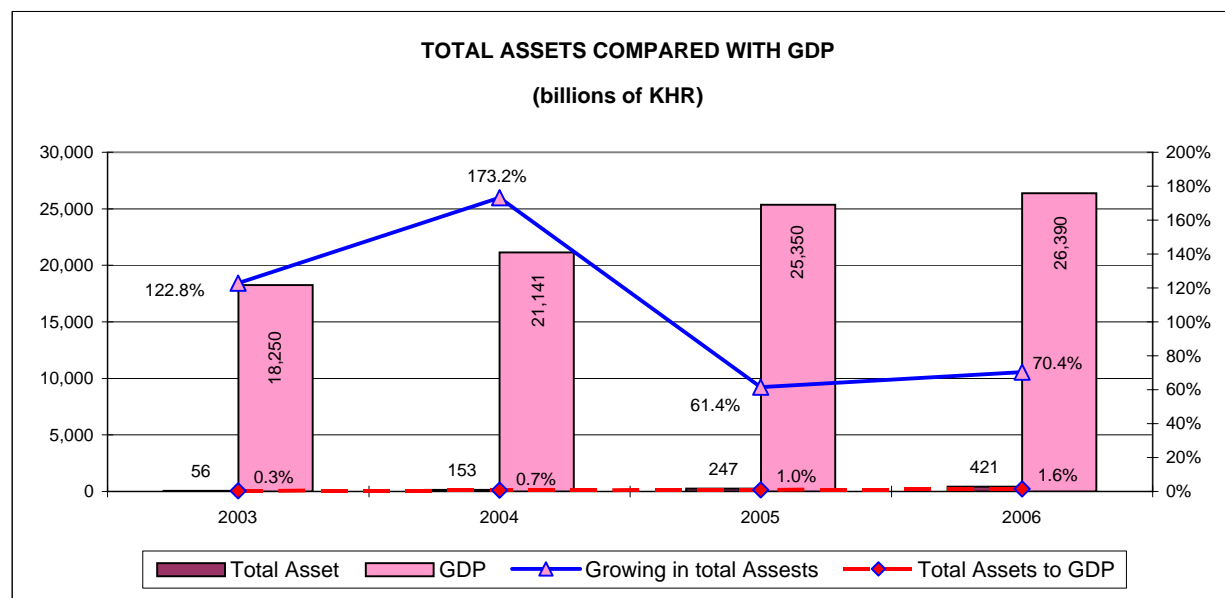
As of December 31

Table 21

(Millions of KHR)

	2006		2005		2004		Growth Rate (%)	
	Amount	Share	Amount	Share	Amount	Share	2006/2005	2005/2004
<b>Microfinance Institutions</b>								
1 AMRET	92,388	22.0%	62,416	25.2%	39,281	26%	48%	59%
2 Angkor Mikroheranhvatho (Kampuchea)	25,305	6.0%	13,191	5.3%	8,714	6%	92%	51%
3 Cambodian Business Intergrated in Rural Development	3,977	0.9%	3,335	1.3%	-	0%	19%	0%
4 Cambodian Enterpreneur Building	53,959	12.8%	28,205	11.4%	17,300	11%	91%	63%
5 CREDIT	22,628	5.4%	12,313	5.0%	7,809	5%	84%	58%
6 CHC	4,884	1.2%	2,354	1.0%	-	0%	107%	0%
7 Farmer Union Development Fund	3,936	0.9%	2,986	1.2%	-	0%	32%	0%
8 Hatthakaksekar	26,639	6.3%	16,940	6.8%	11,823	8%	57%	43%
9 MAXIMA Mikroheranhvatho	2,891	0.7%	2,001	0.8%	-	0%	44%	0%
10 PRASAC	106,511	25.3%	52,176	21.1%	36,552	24%	104%	43%
11 SEILANITHIH	7,898	1.9%	6,594	2.7%	4,903	3%	20%	34%
12 Thaneakea Phum (Cambodia)	31,218	7.4%	21,068	8.5%	16,486	11%	48%	28%
13 Tong Fang Microfinance	602	0.1%	662	0.3%	834	1%	-9%	-21%
14 Vision Fund Cambodia	27,831	6.6%	16,973	6.9%	8,857	6%	64%	92%
15 Intean Poalroath Rongroeng	8,665	2.1%	4,863	2.0%	-	0%	78%	0%
16 Pisit Akphiwat Sethakech	1,560	0.4%	1,366	0.6%	-	0%	14%	0%
<b>Total Asset</b>	<b>420,890</b>	<b>100%</b>	<b>247,443</b>	<b>100%</b>	<b>152,559</b>	<b>100%</b>	<b>70%</b>	<b>62%</b>

Note: All figures are unaudited and as reported by MFIs



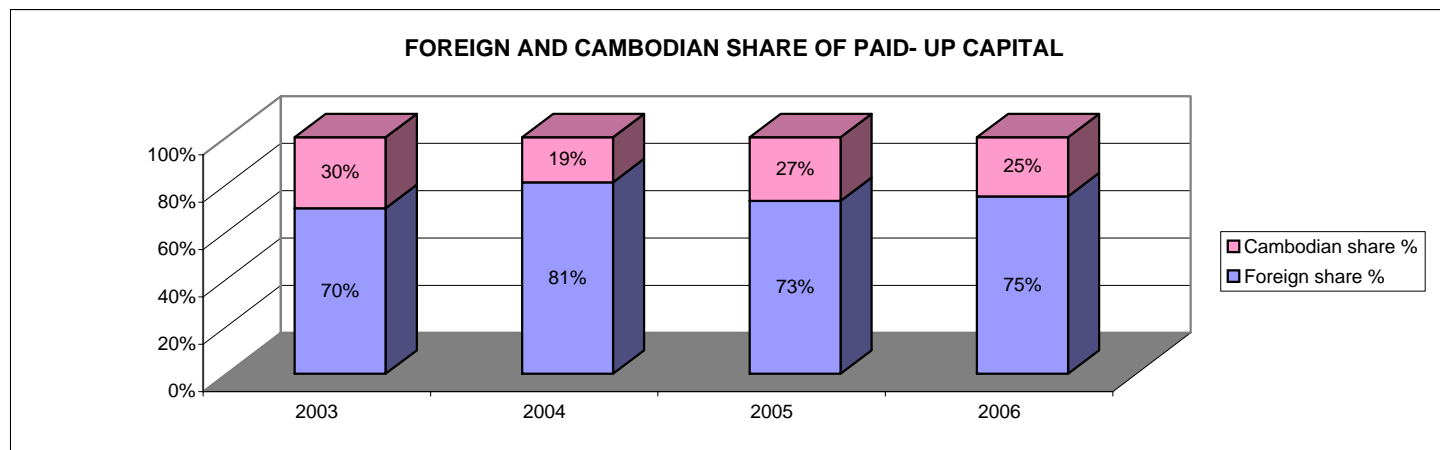
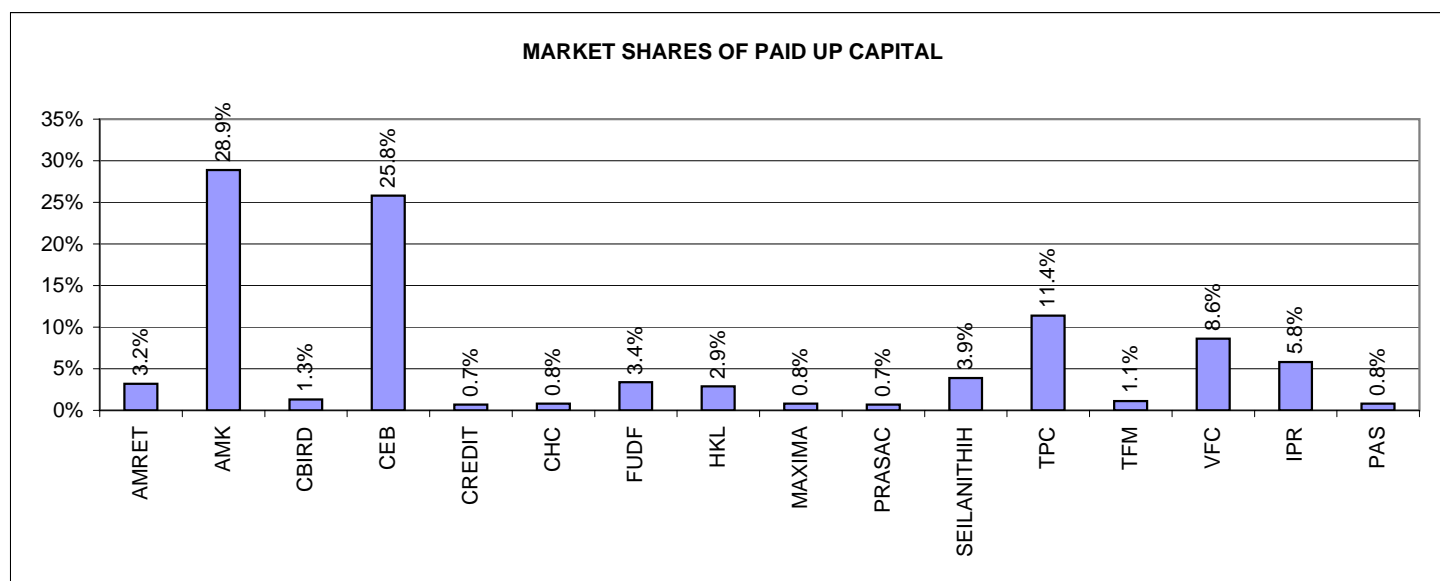
## SHARE OF PAID-UP CAPITAL

As of December 31, 2006

Table 22

(millions of KHR)

		Foreign share		Cambodian share		Total Paid-up Capital	Market Share
		Share(%)	Amount paid	Share(%)	Amount paid		
<b>Micro Finance Institutions</b>							
1	AMRET	100%	1,127			1,127	3.2%
2	AMK	100%	10,149			10,149	28.9%
3	CBIRD			100%	469	469	1.3%
4	CEB	71%	6,390	29%	2,671	9,061	25.8%
5	CREDIT	100%	250			250	0.7%
6	CHC	15%	41	85%	223	264	0.8%
7	FUDF	33%	400	67%	800	1,200	3.4%
8	HKL	39%	396	61%	610	1,006	2.9%
9	MAXIMA			100%	280	280	0.8%
10	PRASAC			100%	250	250	0.7%
11	SEILANITHIH	3%	43	97%	1,325	1,368	3.9%
12	TPC	100%	4,000			4,000	11.4%
13	TFM	100%	390			390	1.1%
14	VFC	100%	3,040			3,040	8.6%
15	IPR			100%	2,029	2,029	5.8%
16	PAS			100%	267	267	0.8%
<b>Total</b>			<b>26,224.29</b>		<b>8,923.76</b>	<b>35,148.05</b>	<b>100.0%</b>



**COMPARATIVE STATEMENT OF CONDITION**

AS AT DECEMBER 31, 2006

*(Millions of KHR)*

Table 23

	<b>Total Assets</b>	Cash and Balance with NBC and other Bank	Loans and Advances to Customers	Prepayment and Short-term Receivable	Long-term Investments	Property and Equipment	Others Assets
<b>Microfinance Institutions</b>							
1 AMRET	92,388	16,715	72,222	2,048	-	1,014	389
2 Angkor Mikroheranhvatho (Kampuchea)	25,305	2,562	21,537	142	-	1,064	-
3 Cambodian Business Intergrated in Rural Development	3,977	235	3,407	70	-	265	-
4 Cambodian Entrepreneur Building	53,959	2,414	50,133	428	-	984	-
5 CHC	4,884	255	4,423	24	4	175	3
6 CREDIT	22,628	3,487	18,346	143	-	652	-
7 Farmer Union Development Fund	3,936	69	3,699	-	-	168	-
8 Hatthakaksekar	26,639	1,263	24,162	91	6	1,111	6
9 Intean Poalroath Rongroeng	8,665	1,307	6,709	5	-	643	-
10 MAXIMA Mikroheranhvatho	2,891	154	2,669	31	-	37	-
11 Pisit Akpuiwat Sethakech	1,560	212	938	-	-	410	-
12 PRASAC	106,511	11,412	90,148	3,421	-	1,530	-
13 SEILANITHIH	7,898	380	7,072	248	-	198	-
14 Thaneakea Phum (Cambodia)	31,218	844	29,649	136	-	589	-
15 Tong Fang Microfinance	602	245	314	-	-	44	-
16 Vision Fund Cambodia	27,831	2,636	24,669	45	-	480	-
<b>Total Asset</b>	<b>420,890</b>	<b>44,190</b>	<b>360,097</b>	<b>6,831</b>	<b>10</b>	<b>9,364</b>	<b>398</b>

**PERCENTAGE DISTRIBUTION OF ASSETS OF INDIVIDUAL MFIs**

AS AT DECEMBER 31, 2006

	<b>Total Assets</b>	Cash and Balance with NBC and other Bank	Loans and Advances to Customers	Prepayment and Short-term Receivable	Long-term Investments	Property and Equipment	Others Assets
<b>Microfinance Institutions</b>							
1 AMRET	100	18.1	78.2	2.2	-	1.1	0.4
2 Angkor Mikroherhvatho Kampuchea	100	10.1	85.1	0.6	-	4.2	-
3 Cambodian Entrepreneur Building	100	5.9	85.7	1.8	-	6.7	-
4 Cambodian Business Intergrated in Rural Development	100	4.5	92.9	0.8	-	1.8	-
5 CHC	100	5.2	90.6	0.5	0.1	3.6	0.1
6 CREDIT	100	15.4	81.1	0.6	-	2.9	-
7 Farmer Union Development Fund	100	1.8	94.0	-	-	4.3	-
8 Hatthakaksekar	100	4.7	90.7	0.3	0.0	4.2	0.0
9 Intean Poalroath Rongroeng	100	15.1	77.4	0.1	-	7.4	-
10 MAXIMA Mikroheranhvatho	100	5.3	92.3	1.1	-	1.3	-
11 Pisit Akpuiwat Sethakech	100	13.6	60.1	-	-	26.3	-
12 PRASAC	100	10.7	84.6	3.2	-	1.4	-
13 SEILANITHIH	100	4.8	89.5	3.1	-	2.5	-
14 Thaneakea Phum (Cambodia)	100	2.7	95.0	0.4	-	1.9	-
15 Tong Fang Microfinance	100	40.6	52.1	-	-	7.3	-
16 Vision Fund Cambodia	100	9.5	88.6	0.2	-	1.7	-
<b>Total Asset</b>	<b>100</b>	<b>10.5</b>	<b>85.6</b>	<b>1.6</b>	<b>0.0</b>	<b>2.2</b>	<b>0.1</b>

*Note: All figures are unaudited and as reported by MFIs*



**COMPARATIVE STATEMENT OF CONDITION  
AS AT DECEMBER 31, 2006**

Table 24

*(millions of KHR)*

	Total Liabilities and Equity	Customer's deposit			Accounts Payable and Other Liabilities	Accrued Expenses and Provisions	Loans Payable	Deferred Revenue	Suspense, Clearing and Interbranch Accounts	Other liabilities	Shareholder's equity				
		Compulsory savings	Voluntary Savings	Interest Payable							Paid up Capital	Premium on Share Capital	Hybrid Capital Investment	Reserves and Appropriations	Retained and Current Profit/Loss
<b>Microfinance Institutions</b>															
1 AMRET	92,388	-	1,338	22	417	4,936	61,481	12	-	47	1,127	419	4,033	2,947	15,610
2 Angkor Mikroheranhvatho (Kampuchea)	25,305	91	81	5	616	137	12,648	-	-	312	10,149	-	-	-	1,266
3 Cambodian Business Intergrated in Rural Development	3,977	347	116	27	110	-	2,591	6	-	7	469	-	73	-	231
4 Cambodian Enterpreneur Building	53,959	1,214	979	4	85	1,231	37,493	-	-	22	9,070	711	-	-	3,150
5 CREDIT	22,628	1,283	1,034	-	-	-	8,406	668	-	511	2,000	-	6,822	-	1,904
6 CHC	4,884	27	-	-	140	120	3,267	-	-	0	264	-	982	5	79
7 Farmer Union Development Fund	3,936	-	-	-	-	-	1,667	-	-	-29	1,144	-	-	-	1,154
8 Hatthakseksekar	26,639	844	200	19	679	681	15,825	418	37	0	1,006	-	3,155	94	3,681
9 MAXIMA Mikroheranhvatho	2,891	-	421	-	34	-	1,537	-	-	20	751	-	-	18	111
10 PRASAC	106,511	-	977	1	155	2,323	50,101	-	-	-	10,000	-	34,675	3,740	4,538
11 SEILANITHIH	7,898	740	-	82	344	111	2,946	-	-	-	1,368	-	1,881	353	73
12 Thaneakea Phum (Cambodia)	31,218	522	39	-	679	719	13,501	52	(0)	-	4,000	-	3,966	789	6,952
13 Tong Fang Microfinance	602	-	-	-	-	9	-	-	-	-	406	-	81	45	62
14 Vision Fund Cambodia	27,831	-	-	-	802	271	13,469	-	4	-	3,075	-	7,859	-	2,350
15 Intean Poalroath Rongroeng	8,665	-	-	-	3	-	5,680	-	-	-	2,029	-	-	-	953
16 Pisit Akphiwat Sethakech	1,560	-	0	-	-	-	205	-	-	-	1,122	-	-	-	233
<b>Total Asset</b>	<b>420,890</b>	<b>5,068</b>	<b>5,185</b>	<b>160</b>	<b>4,064</b>	<b>10,538</b>	<b>230,817</b>	<b>1,156</b>	<b>42</b>	<b>890</b>	<b>47,978</b>	<b>1,130</b>	<b>63,527</b>	<b>7,992</b>	<b>42,348</b>

**PERCENTAGE DISTRIBUTION OF LIABILITIES & EQUITY OF INDIVIDUAL MFIs  
AS AT DECEMBER 31, 2006**

	Total Liabilities and Equity	Customer's deposit			Accounts Payable and Other Liabilities	Accrued Expenses and Provisions	Loans Payable	Deferred Revenue	Suspense, Clearing and Interbranch Accounts	Other liabilities	Shareholder's equity				
		Compulsory savings	Voluntary Savings	Interest Payable							Paid up Capital	Premium on Share Capital	Hybrid Capital Investment	Reserves and Appropriations	Retained and Current Profit/Loss
<b>Microfinance Institutions</b>															
1 AMRET	100	-	1	0	0	5	67	0	-	0	1	0	4	3	17
2 Angkor Mikroheranhvatho (Kampuchea)	100	0	0	0	2	1	50	-	-	1	40	-	-	-	5
3 Cambodian Business Intergrated in Rural Development	100	9	3	1	3	-	65	0	-	0	12	-	2	-	6
4 Cambodian Enterpreneur Building	100	2	2	0	0	2	69	-	-	0	17	1	-	-	6
5 CREDIT	100	6	5	-	-	-	37	3	-	2	9	-	30	-	8
6 CHC	100	1	-	-	3	2	67	-	-	-	5	-	20	0	2
7 Farmer Union Development Fund	100	-	-	-	-	-	42	-	-	(1)	29	-	-	-	29
8 Hatthakseksekar	100	3	1	0	3	3	59	2	0	-	4	-	12	0	14
9 MAXIMA Mikroheranhvatho	100	-	15	-	1	-	53	-	-	1	26	-	-	1	4
10 PRASAC	100	-	1	0	0	2	47	-	-	-	9	-	33	4	4
11 SEILANITHIH	100	9	-	1	4	1	37	-	-	-	17	-	24	4	1
12 Thaneakea Phum (Cambodia)	100	2	0	-	2	2	43	0	(0)	-	13	-	13	3	22
13 Tong Fang Microfinance	100	-	-	-	-	2	-	-	-	-	67	-	13	7	10
14 Vision Fund Cambodia	100	-	-	-	3	1	48	-	0	-	11	-	28	-	8
15 Intean Poalroath Rongroeng	100	-	-	-	0	-	66	-	-	-	23	-	-	-	11
16 Pisit Akphiwat Sethakech	100	-	0	-	-	-	13	-	-	-	72	-	-	-	15
<b>Total Asset</b>	<b>100</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>15</b>	<b>2</b>	<b>10</b>

Note: All figures are unaudited and as reported by MFIs

**PROFIT AND LOSS STATEMENT**  
For Year Ended December 31, 2006

Table 25

(millions of KHR)

	Interest income	Interest Expenses	Net interest Income	Non Interest Income	Operating Income	Program and General administrative Expense	Taxes	Other Charge	Loan and Interest Loss Provision (Net)	Profit from Operation	Grant Income and Extraordinary Item	Profit before taxes	Tax on profit	Net profit & Loss for 12 months
	1	2	3=1-2	4	5=3+4	6	7	8	9	10=5-(6+7+8+9)	11	12=10+11	13	14=12-13
<b>Microfinance Institutions</b>														
1 AMRET	23,750	4,788	18,962	124	19,086	11,668	19	56	136	7,207	17	7,224	1,437	5,786
2 Angkor Mikroheranhvatho (Kampuchea)	5,755	87	5,668	774	6,442	4,400	10	45	109	1,878	-	1,878	282	1,596
3 Cambodian Business Intergrated in Rural Developme	1,171	377	795	37	832	663	2	1	45	122	105	227	12	215
4 Cambodia Enterprenur Building	10,402	3,233	7,169	610	7,778	5,190	13	63	394	2,118	-	2,118	451	1,667
5 CREDIT	4,637	427	4,210	258	4,468	3,217	291	-	178	782	361	1,143	-	1,143
6 CHC	1,117	262	855	29	884	790	3	11	26	54	36	90	11	79
7 Farmer Union Development Fund	683	146	537	-	537	173	1	-	-	363	-	363	-	363
8 Hatthakaksekar	6,258	1,070	5,188	250	5,439	3,494	16	-	110	1,819	500	2,319	584	1,735
9 MAXIMA Mikroheranhvatho	745	154	591	7	599	460	1	-	11	126	-	126	24	103
10 PRASAC	21,045	2,389	18,657	249	18,905	15,189	-	-	232	3,485	459	3,944	-	3,944
11 SEILANITHIH	2,784	358	2,425	54	2,480	2,195	19	23	16	227	139	366	28	338
12 Thaneakea Phum (Cambodia)	8,989	1,256	7,733	317	8,050	4,199	12	-	81	3,758	132	3,890	719	3,171
13 Tong Fang Microfinance	112	44	68	245	312	151	6	-	3	153	-	153	-	153
14 Vision Fund Cambodia	6,815	657	6,158	334	6,492	4,996	14	69	94	1,320	203	1,523	328	1,195
15 Intean Poalroath Rongroeng	1,689	423	1,265	225	1,490	548	1	0	82	859	-	859	17	842
16 Pisit Akpuiwat Sethakech	40	18	22	-	22	42	-	-	-	(20)	-	(20)	-	(20)
<b>Total</b>	<b>95,992</b>	<b>15,689</b>	<b>80,303</b>	<b>3,514</b>	<b>83,817</b>	<b>57,375</b>	<b>410</b>	<b>267</b>	<b>1,516</b>	<b>24,249</b>	<b>1,953</b>	<b>26,202</b>	<b>3,893</b>	<b>22,309</b>

Note: All figures are unaudited and as reported by MFIs

## NET PROFIT

For Year Ended December 31, 2006

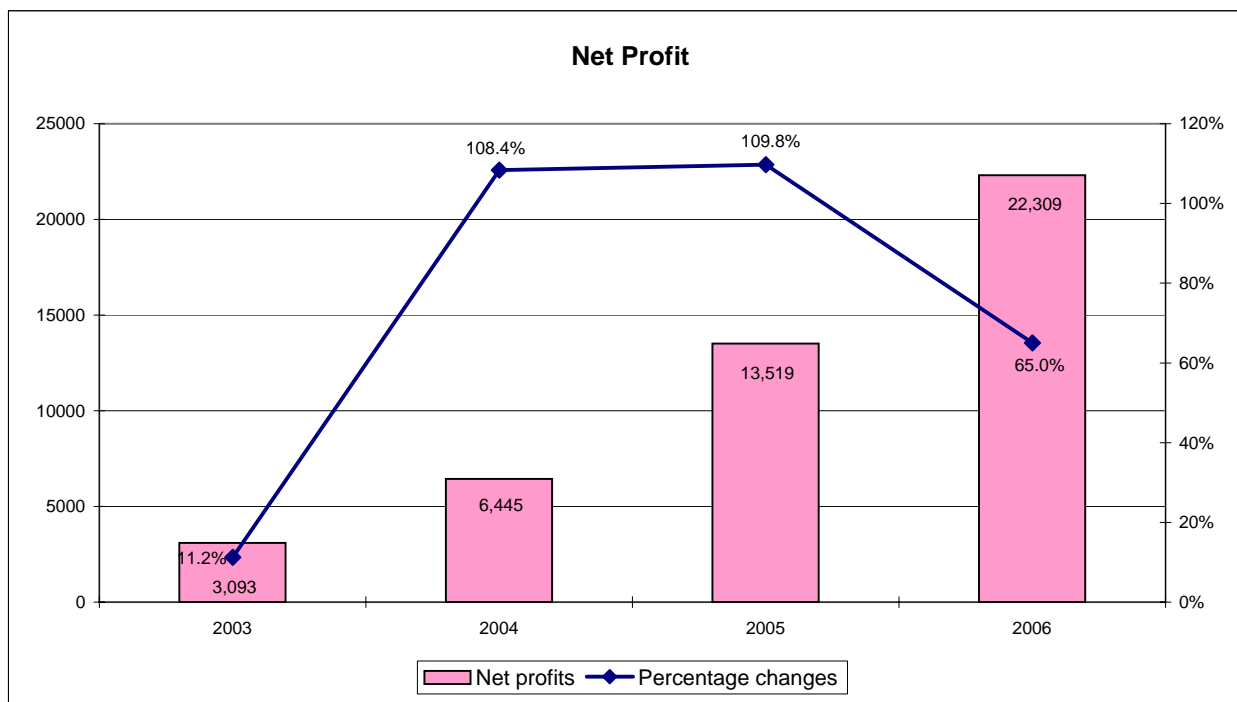
Table 26

(millions of KHR)

	Net profit	Total Assets	As Percentage of Assets	Loans <sup>1</sup>	As Percentage of Loans
<b>Microfinance Institutions</b>					
1 AMRET	5,786	92,388	6.3%	72,222	8.0%
2 PRASAC	3,944	106,511	3.7%	90,148	4.4%
3 Thaneakea Phum (Cambodia)	3,171	31,218	10.2%	29,649	10.7%
4 Hatthakaksekar	1,735	26,639	6.5%	24,162	7.2%
5 Cambodian Entrepreneur Building	1,667	53,959	3.1%	50,133	3.3%
6 Angkor Mikroheranhvatho (Kampuchea)	1,596	25,305	6.3%	21,537	7.4%
7 Vision Fund Cambodia	1,195	27,831	4.3%	24,669	4.8%
8 CREDIT	1,143	22,628	5.1%	18,346	6.2%
9 Intean Poalroath Rongroeng	842	8,665	9.7%	6,709	12.5%
10 Farmer Union Development Fund	363	3,936	9.2%	3,699	9.8%
11 SEILANITHIH	338	7,898	4.3%	7,072	4.8%
12 Cambodian Business Intergrated in Rural Development	215	3,977	5.4%	3,407	6.3%
13 Tong Fang Microfinance	153	602	25.4%	314	48.7%
14 MAXIMA Mikroheranhvatho	103	2,891	3.5%	2,669	3.8%
15 CHC	79	4,884	1.6%	4,423	1.8%
16 Pisit Akphiwat Sethakech	(20)	1,560	-1.3%	938	-2.2%
<b>Total</b>	<b>22,309</b>	<b>420,890</b>	<b>5.3%</b>	<b>360,097</b>	<b>6.2%</b>

<sup>1</sup> Loans and Advances to Customers

Note: All figures are unaudited and as reported by MFIs



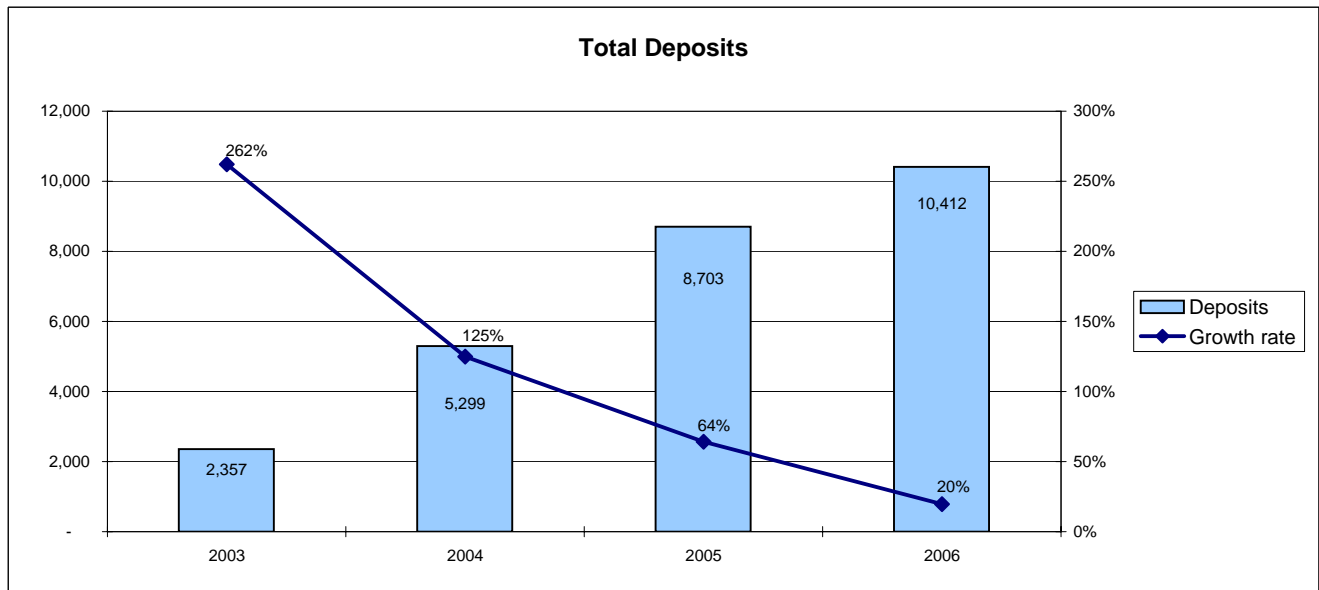
**COMPARISON OF TOTAL DEPOSITS**  
As of December 31

Table 27

*(millions of KHR)*

	2006		2005		2004		Growth Rate (%)	
	Share	Share	Share	Share	Share	Share	2006 over 2005	2005 over 2004
<b>Microfinance Institutions</b>								
1 AMRET	1,360	13.1%	794	9.1%	748	14.1%	71.2%	6.1%
2 Angkor Mikroheranhvatho (Kampuchea)	177	1.7%	47	0.5%	14	0.3%	277.7%	233.0%
3 Cambodian Business Intergrated in Rural Development	489	4.7%	344	4.0%	-	0.0%	42.1%	-
4 Cambodian Enterpreneure Building	2,198	21.1%	824	9.5%	730	13.8%	166.8%	12.8%
5 CREDIT	2,317	22.3%	1,454	16.7%	871	16.4%	59.4%	66.9%
6 CHC	27	0.3%	19	0.2%	-	0.0%	42.1%	-
7 Farmer Union Development Fund	-	0.0%	-	0.0%	-	0.0%	-	-
8 Hatthakaksekar	1,062	10.2%	719	8.3%	409	7.7%	47.8%	75.8%
9 MAXIMA Mikroheranhvatho	421	4.0%	190	2.2%	-	0.0%	121.6%	-
10 PRASAC	978	9.4%	1,579	18.1%	-	0.0%	-38.1%	-
11 SEILANITHIH	822	7.9%	653	7.5%	874	16.5%	25.8%	-25.3%
12 Thaneakea Phum (Cambodia)	561	5.4%	2,078	23.9%	1,628	30.7%	-73.0%	27.6%
13 Tong Fang Microfinance	-	0.0%	-	0.0%	-	0.0%	-	-
14 Vision Fund Cambodia	-	0.0%	2	0.0%	24	0.5%	-100.0%	-89.7%
15 Intean Poalroath Rongroeng	-	0.0%	-	0.0%	-	0.0%	-	-
16 Pisit Akphiwat Sethakech	0	0.0%	-	0.0%	-	0.0%	-	-
<b>TOTAL</b>	<b>10,412</b>	<b>100.0%</b>	<b>8,703</b>	<b>100.0%</b>	<b>5,299</b>	<b>100.0%</b>	<b>19.6%</b>	<b>64.2%</b>

Note: All figures are unaudited and as reported by MFIs



## TOTAL DEPOSITS CLASSIFIED BY TYPE OF ACCOUNTS

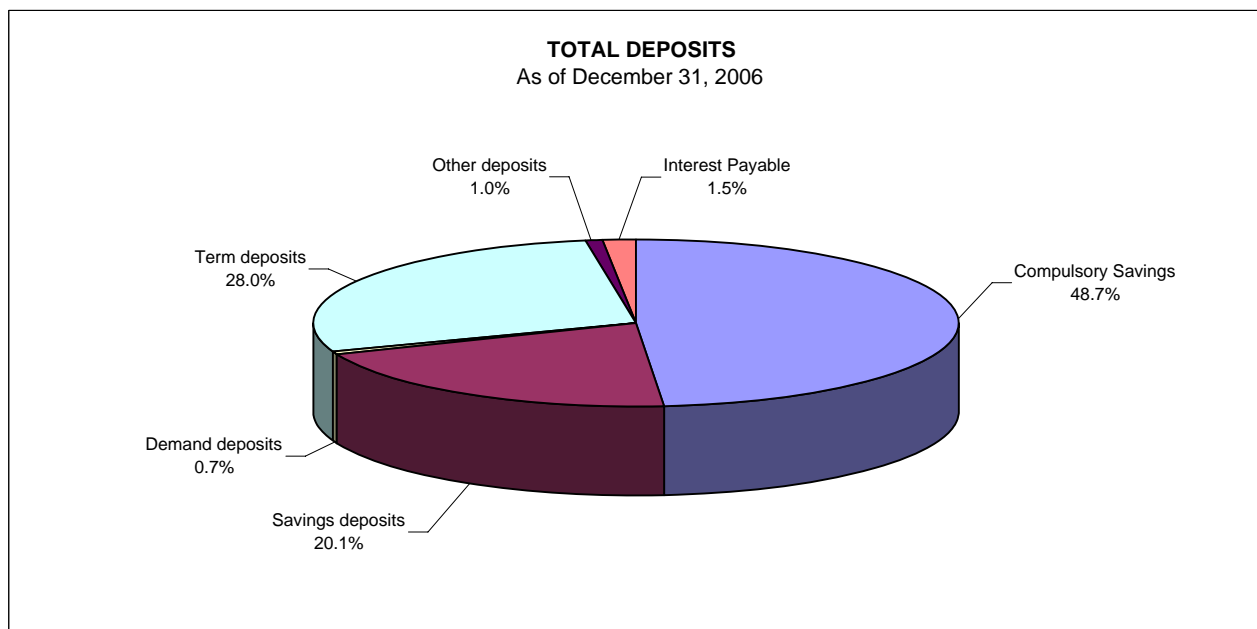
As of December 31, 2006

Table 28

(millions of KHR)

	Total Deposits	Customer's Deposits					Interest Payable
		Compulsory Savings	Voluntary Savings			Other deposits	
			Savings deposits	Demand deposits	Term deposits		
<b>Microfinance Institutions</b>							
1 AMRET	1,360	-	-	-	1,338	-	22
2 Angkor Mikroheranhvatho (Kampuchea)	177	91	81	-	-	-	5
3 Cambodian Business Intergrated in Rural Development	489	347	116	-	-	-	27
4 Cambodian Entrepreneur Building	2,198	1,214	840	-	139	-	4
5 CREDIT	2,317	1,283	53	-	875	106	-
6 CHC	27	27	-	-	-	-	-
7 Farmer Union Development Fund	-	-	-	-	-	-	-
8 Hatthakaksekar	1,062	844	60	3	136	-	19
9 MAXIMA Mikroheranhvatho	421	-	-	-	421	-	-
10 PRASAC	978	-	908	66	3	-	1
11 SEILANITHIH	822	740	-	-	-	-	82
12 Thaneakea Phum (Cambodia)	561	522	39	-	-	-	-
13 Tong Fang Microfinance	-	-	-	-	-	-	-
14 Vision Fund Cambodia	-	-	-	-	-	-	-
15 Intean Poalroath Rongroeng	-	-	-	-	-	-	-
16 Pisit Akpuiwat Sethakech	0	-	0	-	-	-	-
<b>Total</b>	<b>10,412</b>	<b>5,068</b>	<b>2,097</b>	<b>69</b>	<b>2,912</b>	<b>106</b>	<b>160</b>
<b>As Percentage of Total Deposits</b>	<b>100.0%</b>	<b>48.67%</b>	<b>20.14%</b>	<b>0.67%</b>	<b>27.97%</b>	<b>1.02%</b>	<b>1.54%</b>

Note: All figures are unaudited and as reported by MFIs



## LOANS AND NON-PERFORMING LOANS (NPLs)

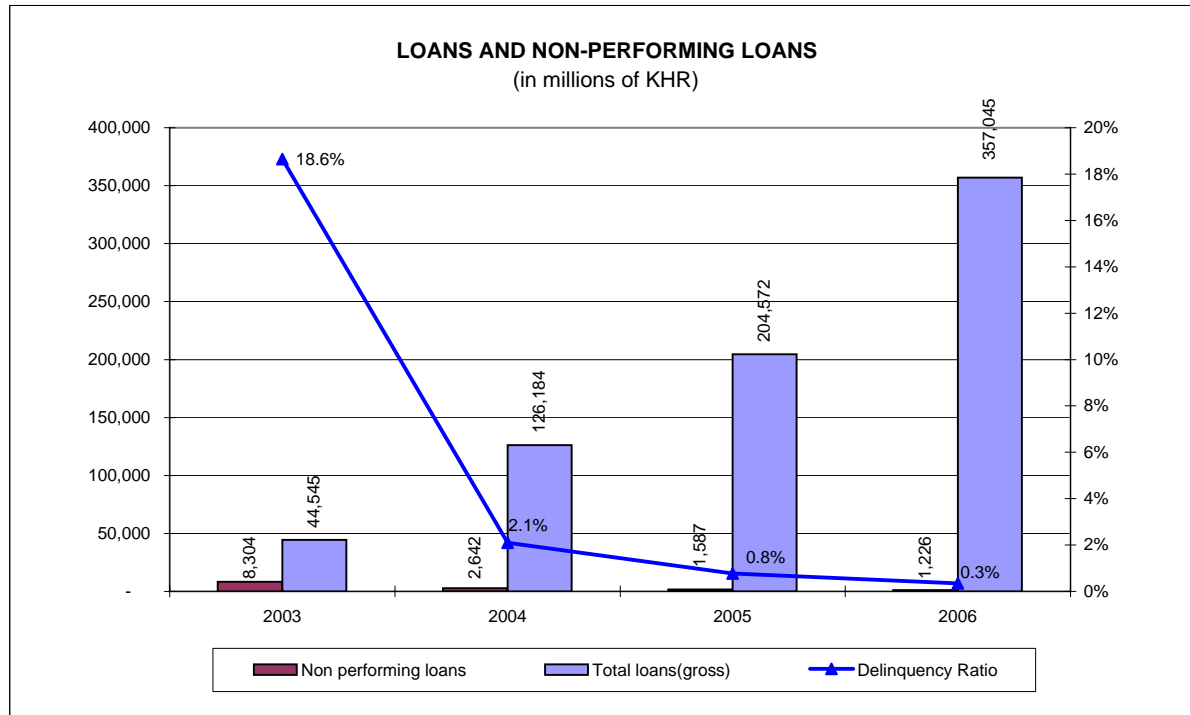
As of December 31

Table 29

(Millions of KHR)

	2006			2005		
	NPLs	Loans	Delinquency Ratio	NPLs	Loans	Delinquency Ratio
<b>Microfinance Institutions</b>						
1 AMRET	43	71,167	0.06%	33	46,505	0.07%
2 Angkor Mikroheranhvatho (Kampuchea)	20	21,408	0.09%	5	10,175	0.05%
3 Cambodian Business Intergrated in Rural Development	35	3,433	1.02%	44	2,603	1.69%
4 Cambodian Entrepreneur Building	116	50,059	0.23%	140	25,860	0.54%
5 CREDIT	393	18,747	2.10%	491	10,631	4.62%
6 CHC	29	4,403	0.66%	-	2,089	0.00%
7 Farmer Union Development Fund	-	3,051	0.00%	-	2,666	0.00%
8 Hatthakaksekar	152	24,142	0.63%	220	15,096	1.46%
9 MAXIMA Mikroheranhvatho	9	2,680	0.33%	2	1,601	0.15%
10 PRASAC	212	89,416	0.24%	235	45,844	0.51%
11 SEILANITHIH	8	7,077	0.11%	26	5,502	0.48%
12 Thaneakea Phum (Cambodia)	101	29,186	0.35%	274	18,202	1.51%
13 Tong Fang Microfinance	3	313	0.84%	2	405	0.40%
14 Vision Fund Cambodia	69	24,322	0.28%	115	14,169	0.81%
15 Intean Poalroath Rongroeng	38	6,743	0.56%	-	2,551	0.00%
16 Pisit Akpuiwat Sethakech	-	898	0.00%	-	692	0.00%
<b>Total</b>	<b>1,226</b>	<b>357,045</b>	<b>0.34%</b>	<b>1,587</b>	<b>204,591</b>	<b>0.78%</b>

Note: All figures are unaudited and as reported by MFIs



## TOTAL LOANS CLASSIFIED BY TYPE OF BUSINESSES

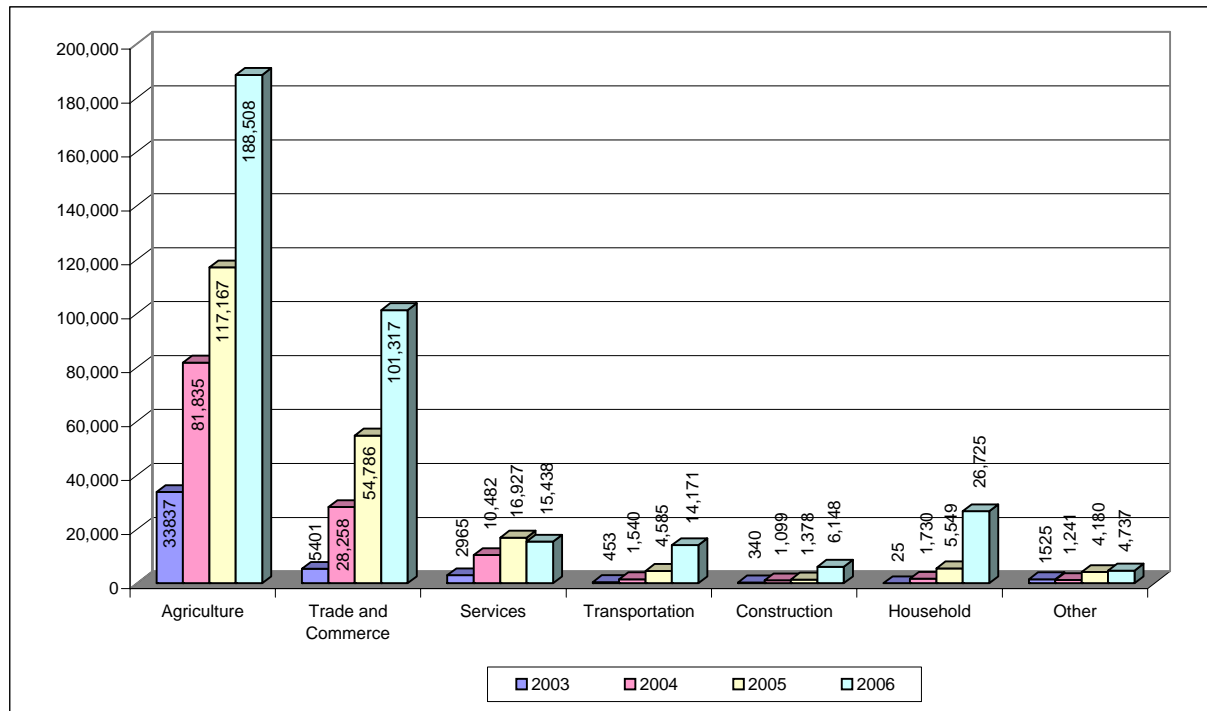
As at December 31

Table 30

(Millions of KHR)

Type of businesses	2006		2005		2004		Growth Rate (%)	
	Value	Share	Value	Share	Value	Share	2006 over 2005	2005 over 2004
Agriculture	188,508	52.8%	117,167	57.3%	81,835	64.9%	60.9%	43.2%
Trade and Commerce	101,317	28.4%	54,786	26.8%	28,258	22.4%	84.9%	93.9%
Services	15,438	4.3%	16,927	8.3%	10,482	8.3%	-8.8%	61.5%
Transportation	14,171	4.0%	4,585	2.2%	1,540	1.2%	209.1%	197.7%
Construction	6,148	1.7%	1,378	0.7%	1,099	0.9%	346.3%	25.4%
Household	26,725	7.5%	5,549	2.7%	1,730	1.4%	381.6%	220.7%
Other	4,737	1.3%	4,180	2.0%	1,241	1.0%	13.3%	236.8%
<b>Total</b>	<b>357,045</b>	<b>100.0%</b>	<b>204,572</b>	<b>100.0%</b>	<b>126,184</b>	<b>100.0%</b>	<b>74.5%</b>	<b>62.1%</b>

Note: All figures are unaudited and as reported by MFIs



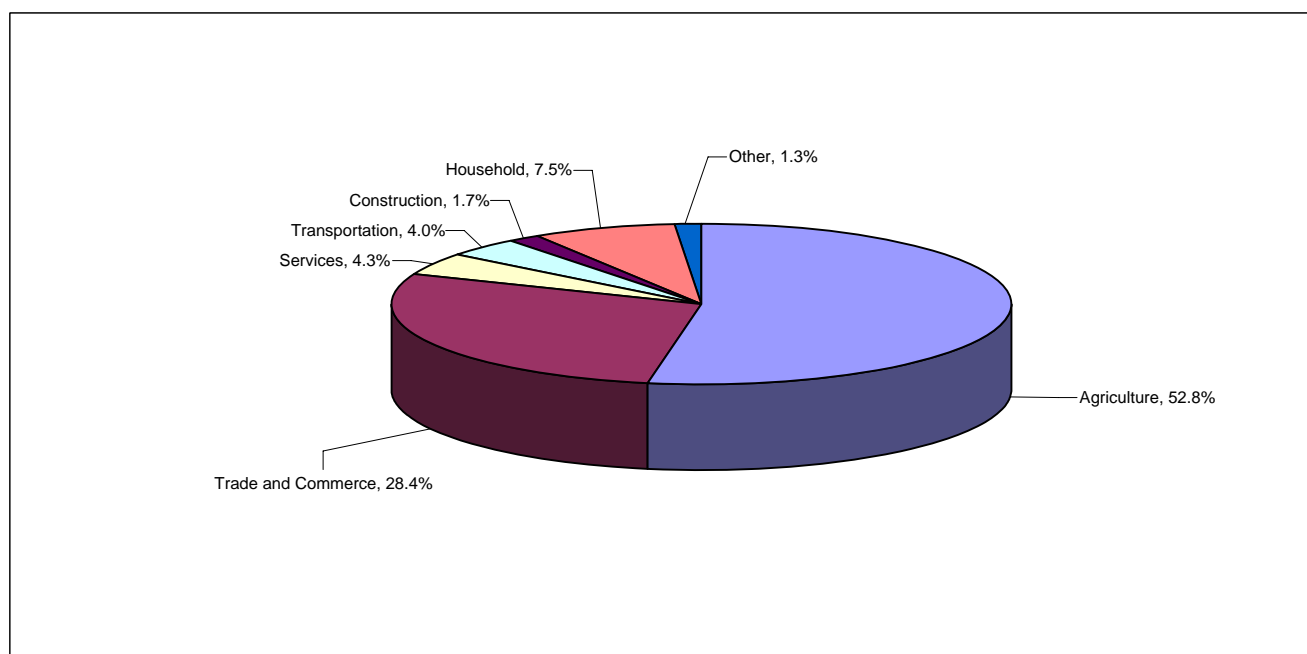
**LOANS CLASSIFIED BY TYPE OF BUSINESSES**  
As at December 31, 2006

Table 31

*(Millions of KHR)*

	Total Loans	Agriculture	Trade and Commerce	Services	Transportation	Construction	Household	Other
<b>Microfinance Institutions</b>								
1 AMRET	71,167	49,552	9420	2,359	3,788	1,539	3,215	1,294
2 Angkor Mikroheranhvatho (Kampuchea)	21,408	16,169	4198	424	127	49	370	70
3 Cambodian Business Intergrated in Rural Development	3,433	1,040	2393	-	-	-	-	-
4 Cambodian Entreprenuer Building	50,059	6,094	21246	6,129	3,050	3,009	8,838	1,693
5 CREDIT	18,747	1,461	17286	-	-	-	-	-
6 CHC	4,403	1,030	3048	118	83	3	121	-
7 Farmer Union Development Fund	3,051	3,051	-	-	-	-	-	-
8 Hatthakaksekar	24,142	6,036	9300	1,059	1,306	635	4,659	1,147
9 MAXIMA Mikroheranhvatho	2,680	743	459	371	-	-	1,106	-
10 PRASAC	89,416	49,836	19365	4,834	5,818	912	8,293	357
11 SEILANITHIH	7,077	4,017	2915	144	-	-	-	-
12 Thaneakea Phum (Cambodia)	29,186	29,186	-	-	-	-	-	-
13 Tong Fang Microfinance	313	15	-	-	-	-	122	176
14 Vision Fund Cambodia	24,322	14,800	9522	-	-	-	-	-
15 Intean Poalroath Rongroeng	6,743	4,707	2037	-	-	-	-	-
16 Pisit Akphiwat Sethakech	898	771	127	-	-	-	-	-
<b>Total</b>	<b>357,045</b>	<b>188,508</b>	<b>101,317</b>	<b>15,438</b>	<b>14,171</b>	<b>6,148</b>	<b>26,725</b>	<b>4,737</b>
<b>As Percentage of Total Loans</b>	<b>100.0%</b>	<b>52.8%</b>	<b>28.4%</b>	<b>4.3%</b>	<b>4.0%</b>	<b>1.7%</b>	<b>7.5%</b>	<b>1.3%</b>

Note: All figures are unaudited and as reported by MFIs





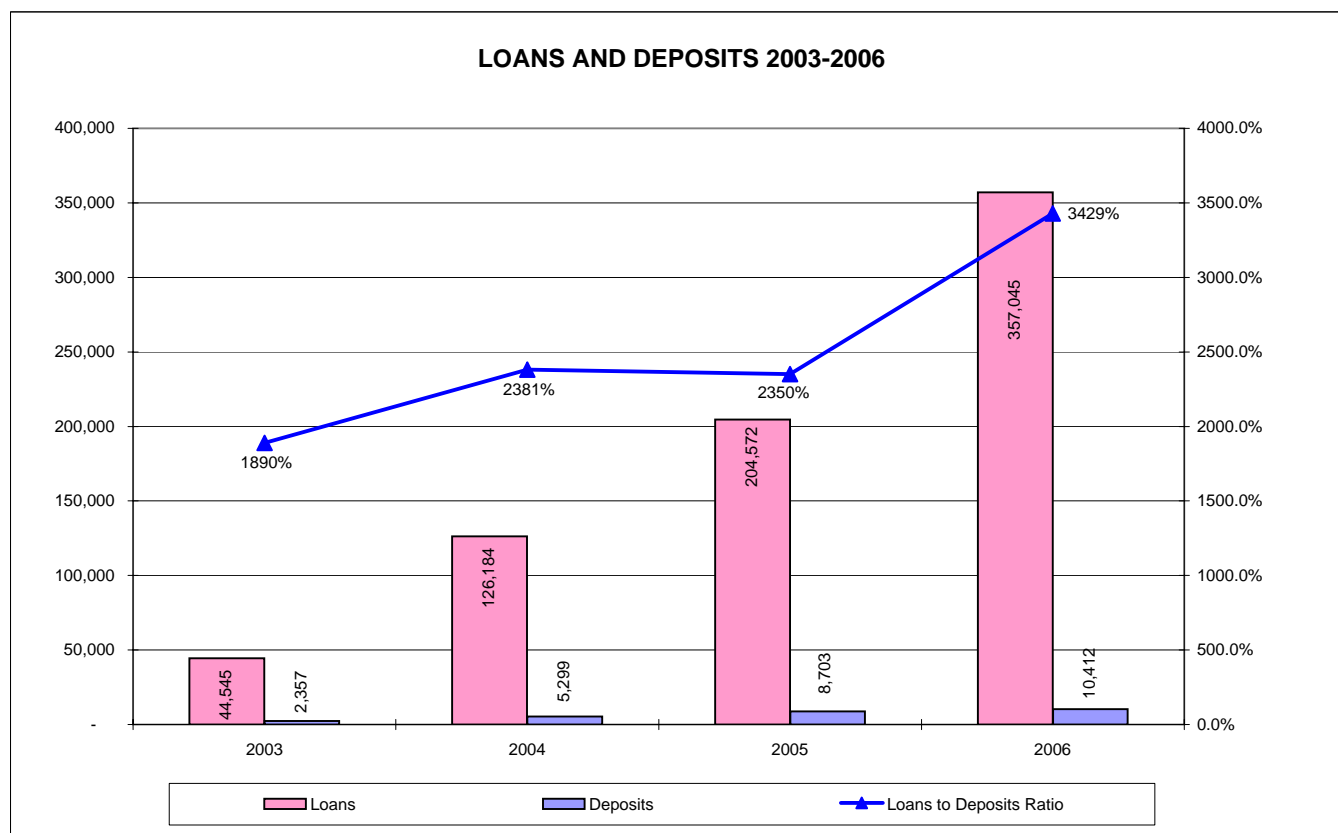
**LOANS AS PERCENTAGE OF DEPOSITS**  
As of December 31

Table 32

*(Million of KHR)*

	2006			2005			2004		
	Loans	Deposits	Loans to deposits ratio	Loans	Deposits	Loans to deposits ratio	Loans	Deposits	Loans to deposits ratio
<b>Microfinance Institutions</b>									
1 AMRET	71,167	1,360	5232%	47,131	794	5932%	31,246	748	4175%
2 Angkor Mikroheranhvatho (Kampuchea)	21,408	177	12063%	10,232	47	21774%	4,851	14	34377%
3 Cambodian Business Intergrated in Rural Development	3,433	489	702%	2,572	344	747%	-	-	-
4 Cambodian Enterpreneur Building	50,059	2,198	2278%	25,536	824	3100%	14,926	730	2044%
5 CREDIT	18,747	2,317	809%	10,566	1,454	727%	6,383	871	733%
6 CHC	4,403	27	16307%	2,089	19	10995%	-	-	-
7 Farmer Union Development Fund	3,051	-	-	2,666	-	-	-	-	-
8 Hatthakaksekar	24,142	1,062	2274%	14,646	719	2038%	9,553	409	2337%
9 MAXIMA Mikroheranhvatho	2,680	421	636%	1,601	190	842%	-	-	-
10 PRASAC	89,416	978	9144%	46,313	1,579	2934%	33,993	-	-
11 SEILANITHIH	7,077	822	861%	5,479	653	839%	4,453	874	509%
12 Thaneakea Phum (Cambodia)	29,186	561	5202%	18,309	2,078	881%	14,229	1,628	874%
13 Tong Fang Microfinance	313	-	-	386	-	-	252	-	-
14 Vision Fund Cambodia	24,322	-	-	14,352	2	576391%	6,300	24	26031%
15 Intean Poalroath Rongroeng	6,743	-	-	2,559	-	-	-	-	-
16 Pisit Akphiwat Sethakech	898	0	897570%	694	-	-	-	-	-
<b>TOTAL</b>	<b>357,045</b>	<b>10,412</b>	<b>3429.1%</b>	<b>205,131</b>	<b>8,703</b>	<b>2356.9%</b>	<b>126,184</b>	<b>5,299</b>	<b>2381.3%</b>

Note: All figures are unaudited and as reported by MFIs



# Head Office Address of Microfinance Institutions

As of December 31, 2006

## **Amret**

# 72-74, Street 598, Sangkat Boeng Kok 2,  
Khan Toul Kork, Phnom Penh  
Tel: (855-23) 880 942  
Fax: (855-23) 881 342

## **ANGKOR MIKROHERANHVATHO (KAMPUCHEA)**

# 174, Street 370, Sangkat Boeung Keng Kang 1,  
Khan Chamkamon, Phnom Penh  
Tel: (855-23) 993 062

## **Cambodia Business Integreted in Rural Development**

# 337, Group 9, Russey Krok Village, Russey Krok Commune,  
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Tel: (855-53) 953 044

## **Cambodian Enterpreneur Building**

# 40, Street 111, Sangkat Boeung Prolit,  
Kann 7 Makara, Phnom Penh  
Tel: (855-23) 223 058

## **CREDIT**

# 18, Street 422, Sangkat Tonle Bassac,  
Khan Chamkamon, Phnom Penh  
Tel: (855-23) 217 942

## **CHC**

# 02, Street 303, Sangkat Boeung Kok II,  
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Fax: (855-23) 354 435

## **Farmer Union Development Fund**

# 753, Monivong Blvd, Sangkat Boeung Trabaek,  
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Tel: (855-23) 364 005  
Fax: (855-23) 364 454

## **Hattha Kaksekar**

# 39, Street 432, Sangkat Boeung Trabek,  
Khan Chamkamon, Phnom Penh  
Tel: (855-23) 224 103  
Fax: (855-23) 994 303

## **Intean Poalroath Rong Roearng**

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Khan Tuol Kork, Phnom Penh  
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Fax: (855-23) 990 237

**Maxima Mikroheranhvatho**  
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Khan 7 Makara, Phnom Penh  
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Fax: (855-23) 214 240

**Pisith Akphiwat Sethakech**  
# 423, Group 7, Rom chek 4 Village, Ratanak Commune,  
Battambang District, Battambang Province  
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Fax: (855-53) 952 434

**PRASAC MICROFINANCE INSTITUTION**  
# 25, Street 294 and 57, Sangkat Boeung Keng Kang I,  
Khan Chamkamon, Phnom Penh  
Tel: (855-23) 220 102  
Fax: (855-23) 216 362

**SEILANITHIH**  
# 46, Street 141, Sangkat Veal Vong,  
Khan 7 Makara, Phnom Penh  
Tel: (855-23) 367 089  
Fax: (855-23) 367 089

**Thaneakea Phum (Cambodia)**  
# 94, Street 360, Sangkat Boeung Keng Kang 3,  
Khan Chamkamon, Phnom Penh  
Tel: (855-23) 220 641  
Fax: (855-23) 220 642

**Tong Fang Microfinance**  
# 75Eo, Mao Tse Tung Blvd, Sangkat Boeung Keng Kang 3,  
Khan Chamkamon, Phnom Penh  
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Fax: (855-23) 362 885

**VISION FUND**  
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Khan Chamkamon, Phnom Penh  
Tel: (855-23) 216 052  
Fax: (855-23) 216 220

## **Appendix 2**

# **Establishment the Credit Information System (CIS) in Cambodia**

Compiled by **Mrs. Sambo Rumony**

### **Reference:**

Based on ADB documentations

## **1. Overview of the Credit Information Sharing System**

After the approval of the Law on Banking and Financial Institutions, the National Bank of Cambodia introduced its banking restructuring program, requiring existing banks to increase their capital base and to comply with relevant laws and regulations. As a result, in November 2000, 19 banks were allowed to continue operations. Twelve others were de-licensed and put under liquidation. It was found that banking intermediation was insufficient because of poor assets quality leading to high non-performing loans.

From 1995 to 2000, the non-performing loans in the banking system were reported to be substantial and still growing. The lack of reliable borrower information affected bank lending. The reason was partly due to the absence of a credit bureau or arrangements for sharing information among financial institutions. As few borrowers and enterprises produced financial statements and no common accounting standards were enforced at that time, banks were unable to lend based on cash-flow analysis, as they lacked clients' financial information. As a result, banks were compelled to lend against collateral as the primary source of repayment, which was further compromised by a lack of infrastructure for secured transactions.

Experience from all over the world strongly suggests that this is indeed the case, regardless of the private or public nature of the information sharing mechanism and of the negative or positive nature of the information content. Not only do banks need to recognize the importance of providing and using such credit information but borrowers also need to recognize that their credit behavior will be monitored by the banking sector. With the establishing of an accountable borrowing culture and the habit of using credit information, good borrowers will benefit and will have better access to finance.

## **2. Establishment and Development of CIS**

The absence of a credit information sharing system in Cambodia was considered a serious deficiency in such a high-risk lending environment. A quality credit risk management requires many key inputs, thus the establishment of a credit information system (CIS) has been identified as an important area of reform in the Financial Sector Blueprint Development program and Small and Medium Enterprise (SME) Development program.

As a first step in the process of implementing credit information sharing, the National Bank of Cambodia (NBC) and the Association of Banks in Cambodia (ABC) have explored methods to develop credit information sharing. ABC developed an informal credit information sharing arrangement through which the prospective borrower discloses any existing liabilities to

the prospective lender who, in turn, requests the existing lender to provide credit information about the borrower. But this method has severe limitations in its ability to provide reliable and timely credit information. In addition, this credit sharing arrangement is thought to technically breach Article 47 of the Law on Banking and Financial Institutions, which mentions professional secrecy. Recognizing the limitations of previous arrangements, NBC in coordination with ABC and participating banks drafted a Memorandum of Understanding (MOU) on a proposed credit information sharing system. The essence of the MOU lies in establishing an automated system on a pilot basis with an independent database that collects current borrower information, but in this system, the name of existing lenders and the name of banks that provide data will not be provided.

Under the Small and Medium Enterprise Development Framework, the process of developing this system began in 2004, when NBC and the participating banks entered into a Memorandum of Understanding to develop this credit information sharing system, which is supported by the ADB, in order to promote SMEs' acquisition of funds from the banking system. In early 2005, a Credit Information System Task Force, chaired by NBC and comprising all Member Banks, was established to facilitate the design of the system to ensure that operational procedures and management guidelines were practical and user-friendly. To develop the system it was very important to obtain the active participation of these stakeholders. Meanwhile, this credit information system allows member banks sharing the negative credit information base through a web system whereby this system has many functions: inquiry, modification, credit information registration, report, usage statistics, and status monitoring.

The CIS Task Force worked closely with the Asian Development Bank to develop the CIS database system and the necessary legal and regulatory framework. Several CIS Task Force meetings were held in 2005 and early 2006 in order to carry out a survey of all participating banks to ensure that the design of the Web-based system would be relevant and user-friendly. This CIS Task Force played a key role in assuring the integrity, functionality and usefulness of the system.

In addition to developing the database and operations of the CIS, it was also necessary to develop an accompanying legal and regulatory framework to authorize the system. The issuance of the *Prakas* No B006-073 P.K. on the Utilization and Protection of Credit Information, dated 10 May 2006, was aimed at promoting sound credit activities and risk management by all entities participating in the financial system by authorizing the establishment of the Centralized Credit Information Collection Agency that collects and shares the Negative Credit Information

relating to bank Borrowers amongst Member Banks and by protecting the secrecy of Borrower Information from abuse.

In June 2006, NBC issued three additional *Prakas* relating to the organizational structure in order to manage the credit information system. These *Prakas* are: *Prakas* on establishing the Board of Directors, *Prakas* on establishing the Management Committee of CIS, and *Prakas* on establishing the Executive and Secretariat of CIS. Members of the Board of Directors and the Management Committee of CIS came from NBC's representative and member banks. Meanwhile, *Prakas* on the implementation of credit information sharing system management guideline was also issued. Furthermore, a memorandum of understanding between NBC and banking and financial institutions on the Code of Conduct for Credit Information Sharing Implementation was developed and signed by the member banks and NBC. From 2004 to January 2007, 18 banks, including specialized banks, volunteered to sign the MOU with NBC. The primary objective of this Code was to set out the rules for the two-year pilot project period governing the manner in which the Centralized Credit Information Collection Agency and its Member Banks, including other member financial institutions who have entered into a Membership Agreement, will conduct its collection, dissemination, management and utilization of credit information, thereby preventing the misuse and abuse of credit information. After the signing of the MOUs on 9 August 2006, NBC and ADB celebrated the launch ceremony of official implementation of Credit Information Sharing System, which was chaired by **H.E. Chea Chanto**, Governor of the National Bank of Cambodia.

With the completion and testing of the web-based system and the issuance of the necessary legal framework, the challenge ahead is to ensure the effective operation of the system. From 14 August to 1 September 2006, the executive of CIS responsible for the website worked with the ADB TA (Technical Assistant) to conduct on-site training on the registering methods and data entry.

At the end of September 2006, NBC issued a Circular on the Implementation and Protection of CIS to all the Member Banks in order to explain further how to submit reports to the CIS. This will be done on a test basis for the first few months until the CIS Board of Directors is satisfied that the system is functioning well and that there are no operational problems. Once the Board of Directors has made this determination, the Code of Conduct will be more fully enforced. NBC's executive worked with the ADB TA to upgrade CIS Software from 22 January - 14 February 2007.

### **3. Future Development of CIS**

In collaboration with member banks, NBC considers that the launching of the pilot CIS, while not flawless, overall was a success. However, a few components of information regarding the loan portfolio remain to be uploaded into the system despite cooperation from member banks. The executive, especially the board of directors of CIS, will encourage member banks in 2007 to provide more positive and negative credit information. Meanwhile, the executive will consider including the microfinance institutions as a member of the CIS. Whenever the loan data is increasing and more comprehensive, it enables member banks to evaluate their loans and effective credit risk management. The reliable credit information is more beneficial in providing information to the lenders about the individuals or business entity in which their lending application exceeded their abilities to repay debts. When the CIS bureau is more confident, NBC will transfer stewardship of this bureau to a private entity.

In conclusion, credit information on individual and company's arrears and defaults is one of the key inputs for a quality credit risk management system and is regarded by many as one of the most important aspects in the loan evaluation process. The availability of credit information makes it possible for banks to lend with greater confidence, thereby reducing the time and cost in loan appraisal, and the risk of lending.



# **Appendix 3**

## **Banking Supervision and Basel Accord**

Compiled by **Chea Serey**

### **References:**

- BIS website [www.bis.org](http://www.bis.org)
- Banking Supervision Department data

## Why prudential regulations on banks?

A nation's financial sector is an important factor in its development. Banks play a particularly important role in financial intermediation; that is, they mediate funds from agents with surplus liquidity to others in need. Joseph Schumpeter goes even further in saying, "*The banker is not so much primarily a middleman...He authorizes people in the name of society...to innovate.*"

The difficulty lies in mobilizing those excess funds into the banking system. Marketing strategies have been used by banks to attract funds from depositors by providing a high interest rate and sophisticated payment facilities (cash cards, checks, on-line transactions, ATM, etc.). Similarly, banks have set up strategies to attract borrowers in order to create arbitrage of those deposited funds.

The National Bank of Cambodia's powers and responsibility for licensing and supervising banks are set out in the Organization and Conduct of the National Bank of Cambodia, January 1996, Title VII, Article 33, which states that:

- The central bank shall be exclusively responsible for the licensing, de-licensing and supervision of banks and financial institutions.

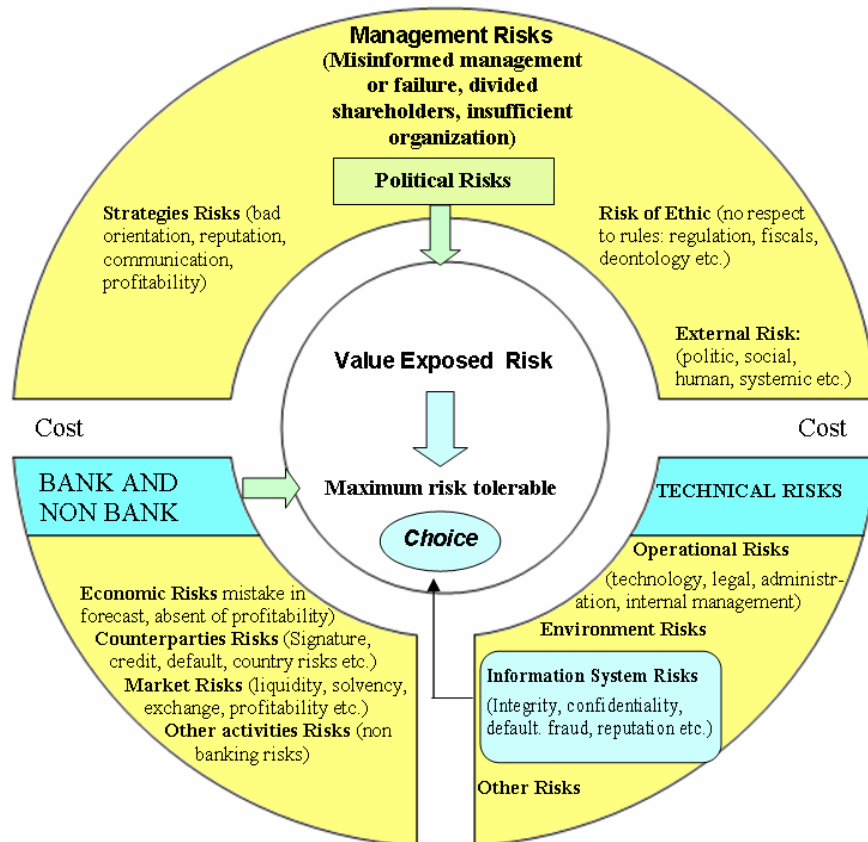
Although this seems simple, banking operation doesn't come without risks (figure. 3). Therefore, this is a sector that merits a lot of attention from the regulatory authority. These are the reasons:

- Banks are doing business with depositors' money (and a smaller percentage of the owners' equity), or generally speaking, money from the public. The concern of the supervisory authority is for depositors to be able to collect the total amount of their money back from the banking system whenever needed, and to prevent banks from passing their risks onto depositors.
- Bank failure is extremely costly for the economy as a whole. Once depositors lose confidence in the banking system, the entire economy is damaged: lack of (formal) funds, the country's reputation to foreign investors, etc.

In a world where banking is the norm for every business and individual, the lack of it in the country can drive away investors. Going through the banking system is a good tool for businesses to reduce their liquidity risks, financing growing businesses and ease the exchange of goods and services (by providing payment services), amongst others.

- Fighting against money laundering resulting from terrorism, corruption and other illegal activities would be difficult to undertake if money could be circulated freely in the economy without going through the banking system. Criminal activities can be reduced to some degree if money and other valuable assets can be stored somewhere economically and physically safe.
- An ineffective commercial banking system would cause tremendous difficulties for the central bank to properly conduct monetary policy. The goal of price stability would be difficult to reach without a proper banking system (amongst others).
- The existence of a safe and sound banking system is a good indicator of a country's overall economic performance. Evidence (financial research by the World Bank) suggests that countries with better developed financial systems – mostly captured by the depth and efficiency measures - experience faster economic growth.

**Figure 1. Risks illustration**



Taking high risks can impede the growth of a bank's business but above all, put in danger depositors' money if the risks realize. This is where the supervisory authority comes in. The supervisory authority is created to mitigate the risks banks are willing to face, and make sure banks do not pass these risks onto depositors. Through the law (banking and financial institutions law) the government put into the National Bank of Cambodia's (supervisory authority) hand the authority to independently monitor banks through off-site and on-site supervision, and to take action against non-compliant banks. As bank crises can be greatly contagious, countries around the world are working together to prevent such crises, especially those of internationally active banks. This is the purpose of the Basel Committee, the first committee set up to look at banking supervisory issues.

### **Basel Accord**

The Basel Committee was initially established in 1974 by the central bank governors of the G10 countries. The Committee was comprised of high level representatives from central banks and supervisory authorities from industrialized countries. Currently the Committee consisted of 13 member countries, namely Belgium, Canada, Germany, France, Italy, Japan, Luxemburg, Netherlands, Spain, Sweden, Switzerland, United Kingdom and United States. The Committee formulates broad supervisory standards and guidelines and recommends statements of the best practice in the expectation that individual authorities will take steps to implement them through detailed arrangements - statutory or otherwise - which are best suited to their own national systems.

In 1988, the Committee decided to introduce a capital measurement system commonly referred to as the "Basel Capital Accord" or "Basel I". This system provided for the implementation of a credit risk measurement framework with a minimum capital standard of 8% by the end of 1992. Since 1988, this framework has been progressively introduced not only in member countries but also in virtually all other countries with internationally active banks. In June 1999, the Committee issued a proposal for a revised Capital Adequacy Framework, or "Basel II". The new capital framework consists of three pillars: minimum capital requirements, which seek to refine the standardized rules set forth in the 1988 Accord; supervisory review process by national authorities;

and effective use of disclosure to strengthen market discipline as a complement to supervisory efforts. Following extensive interaction with banks, industry groups and supervisory authorities that are not members of the committee, the revised framework was issued on 26 June 2004 and updated in November 2005.

Over the past few years, the Committee has moved more aggressively to promote sound supervisory standards worldwide. In close collaboration with many non-G10 supervisory authorities, the Committee in 1997 developed a set of “*Core Principles for Effective Banking Supervision*”, which provides a comprehensive blueprint for an effective supervisory system. The Principles are designed to be applied by all countries in the supervision of banks in their respective jurisdictions.”[BIS website: [www.bis.org](http://www.bis.org)]

### **The purpose of “*Core Principles for Effective Banking Supervision*”**

The Core Principles are a framework of minimum standards for sound supervisory practices and are considered universally applicable. The Committee drew up the Core Principles and the Methodology<sup>1</sup> as its contribution to strengthening the global financial system. Weaknesses in the banking system of a country, whether developing or developed, can threaten financial stability both within that country and internationally. The Committee believes that implementation of the Core Principles by all countries would be a significant step towards improving financial stability domestically and internationally and would provide a good basis for further development of effective supervisory systems.

Along with the *Core Principles Methodology*, the Core Principles have been used by countries as a benchmark for assessing the quality of their supervisory systems and for identifying future work to be done to achieve a baseline level of sound supervisory practices. The Core Principles have also been used by the IMF and the World Bank in the context of the Financial Sector Assessment Program to assess countries’ banking supervision systems and practices. Since 1997, however, significant changes have occurred in banking regulation, much experience has been gained in implementing the

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<sup>1</sup> In addition to the Principles themselves, the Committee developed more detailed guidance on assessing compliance with individual Principles, in the Core Principles Methodology document, first published in 1999, and updated in October 2006.

Core Principles in individual countries, and new regulatory issues, insights and gaps in regulation have become apparent, often resulting in new Committee publications. These developments have made it necessary to update the Core Principles (in October 2006, the updated core principles were published by the Basel Committee) and the associated assessment methodology. There are 25 Basel Core Principles that are needed for a supervisory system to be effective.

### **Principle 1 – Objectives, independence, powers, transparency and cooperation**

An effective system of banking supervision will have clear responsibilities and objectives for each authority involved in the supervision of banks. Each such authority should possess operational independence, transparent processes, sound governance and adequate resources, and be accountable for the overall exercise of its duties. A suitable legal framework for banking supervision is also necessary, including provisions relating to the authorization of banking establishments and their ongoing supervision; powers to address compliance with laws as well as safety and soundness concerns; and legal protection for supervisors. Arrangements for sharing information between supervisors and protecting the confidentiality of such information should be in place.

### **Principle 2 – Permissible activities**

The permissible activities of institutions that are licensed and subject to supervision as banks must be clearly defined and the use of the word “bank” in names should be controlled as far as possible.

### **Principle 3 – Licensing criteria**

The licensing authority must have the power to set criteria and reject applications for establishments that do not meet the set standards. The licensing process, at a minimum, should consist of an assessment of the ownership structure and governance of the bank and its wider group, including the fitness and propriety of Board members and senior management, its strategic and operating plan, internal controls and risk management, and its projected financial condition, including its capital base. Where the proposed owner or parent organization is a foreign bank, the prior consent of its home country supervisor should be obtained.

#### **Principle 4 – Transfer of significant ownership**

The supervisor has the power to review and reject any proposals to transfer significant ownership or controlling interests held directly or indirectly in existing banks to other parties.

#### **Principle 5 – Major acquisitions**

The supervisor has the power to review major acquisitions or investments by a bank, against prescribed criteria, including the establishment of cross-border operations, and confirming that corporate affiliations or structures do not expose the bank to undue risks or hinder effective supervision.

#### **Principle 6 – Capital adequacy**

Supervisors must set prudent and appropriate minimum capital adequacy requirements for banks that reflect the risks that the bank undertakes, and must define the components of capital, bearing in mind its ability to absorb losses. At least for internationally active banks, these requirements must not be less than those established in the applicable Basel requirement.

#### **Principle 7 – Risk management process**

Supervisors must be satisfied that banks and banking groups have in place a comprehensive risk management process (including board and senior management oversight) to identify, evaluate, monitor and control or mitigate all material risks and to assess their overall capital adequacy in relation to their risk profile. These processes should be commensurate with the size and complexity of the institution.

#### **Principle 8 – Credit risk**

Supervisors must be satisfied that banks have a credit risk management process that takes into account the risk profile of the institution, with prudent policies and processes to identify, measure, monitor and control credit risk (including counterparty risk). This would include the granting of loans and making of investments, the evaluation of the quality of such loans and investments, and the ongoing management of the loan and investment portfolios.

### **Principle 9 – Problem assets, provisions and reserves**

Supervisors must be satisfied that banks establish and adhere to adequate policies and processes for managing problem assets and evaluating the adequacy of provisions and reserves.

### **Principle 10 – Large exposure limits**

Supervisors must be satisfied that banks have policies and processes that enable management to identify and manage concentrations within the portfolio, and supervisors must set prudential limits to restrict bank exposures to single counterparties or groups of connected counterparties.

### **Principle 11 – Exposures to related parties**

In order to prevent abuses arising from exposures (both on balance the sheet and off balance sheet) to related parties and to address potential conflicts of interest, supervisors must have in place requirements that banks extend exposures to related companies and individuals on an arm's length basis; these exposures are effectively monitored; appropriate steps are taken to control or mitigate the risks; and write-offs of such exposures are made according to standard policies and processes.

### **Principle 12 – Country and transfer risks**

Supervisors must be satisfied that banks have adequate policies and processes for identifying, measuring, monitoring and controlling country risk and transfer risk in their international lending and investment activities, and for maintaining adequate provisions and reserves against such risks.

### **Principle 13 – Market risks**

Supervisors must be satisfied that banks have in place policies and processes that accurately identify, measure, monitor and control market risks; supervisors should have powers to impose specific limits and/or a specific capital charge on market risk exposures, if warranted.

### **Principle 14 – Liquidity risk**

Supervisors must be satisfied that banks have a liquidity management strategy that takes into account the risk profile of the institution, with prudent policies and processes to identify, measure, monitor and control liquidity risks, and to manage



liquidity on a day-to-day basis. Supervisors require banks to have contingency plans for handling liquidity problems.

#### **Principle 15 – Operational risk**

Supervisors must be satisfied that banks have in place risk management policies and processes to identify, assess, monitor and mitigate operational risk. These policies and processes are commensurate with the size and complexity of the bank.

#### **Principle 16 – Interest rate risk**

Supervisors must be satisfied that banks have effective systems in place to identify, measure, monitor and control interest rate risks in the banking book, including a well defined strategy that has been approved by the Board and implemented by senior management; these should be appropriate to their size and complexity.

#### **Principle 17 – Internal control and audit**

Supervisors must be satisfied that banks have in place internal controls that are adequate for the size and complexity of their business. These should include clear arrangements for delegating authority and responsibility; separation of the functions that involve committing the bank, paying away its funds, and accounting for its assets and liabilities; reconciliation of these processes; safeguarding the bank's assets; and appropriate independent internal audit and compliance functions to test adherence to these controls as well as applicable laws and regulations.

#### **Principle 18 – Abuse of financial services**

Supervisors must be satisfied that banks have adequate policies and processes in place, including strict "know-your-customer" rules that promote high ethical and professional standards in the financial sector and prevent the bank from being used, intentionally or unintentionally, for criminal activities.

#### **Principle 19 – Supervisory approach**

An effective banking supervisory system requires that supervisors develop and maintain a thorough understanding of the operations of individual banks and banking groups, and also of the banking system as a whole, focusing on safety and soundness, and the stability of the banking system.

### **Principle 20 – Supervisory techniques**

An effective banking supervisory system should consist of on-site and off-site supervision and regular contacts with bank management.

### **Principle 21 – Supervisory reporting**

Supervisors must have a means of collecting, reviewing and analyzing prudential reports and statistical returns from banks on both a solo and a consolidated basis, and a means of independent verification of these reports, through either on-site examinations or use of external experts.

### **Principle 22 – Accounting and disclosure**

Supervisors must be satisfied that each bank maintains adequate records drawn up in accordance with accounting policies and practices that are widely accepted internationally, and publishes on a regular basis information that fairly reflects its financial condition and profitability.

### **Principle 23 – Corrective and remedial powers of supervisors**

Supervisors must have at their disposal an adequate range of supervisory tools to bring about timely corrective actions. This includes the ability, where appropriate, to revoke the banking license or to recommend its revocation.

### **Principle 24 – Consolidated supervision**

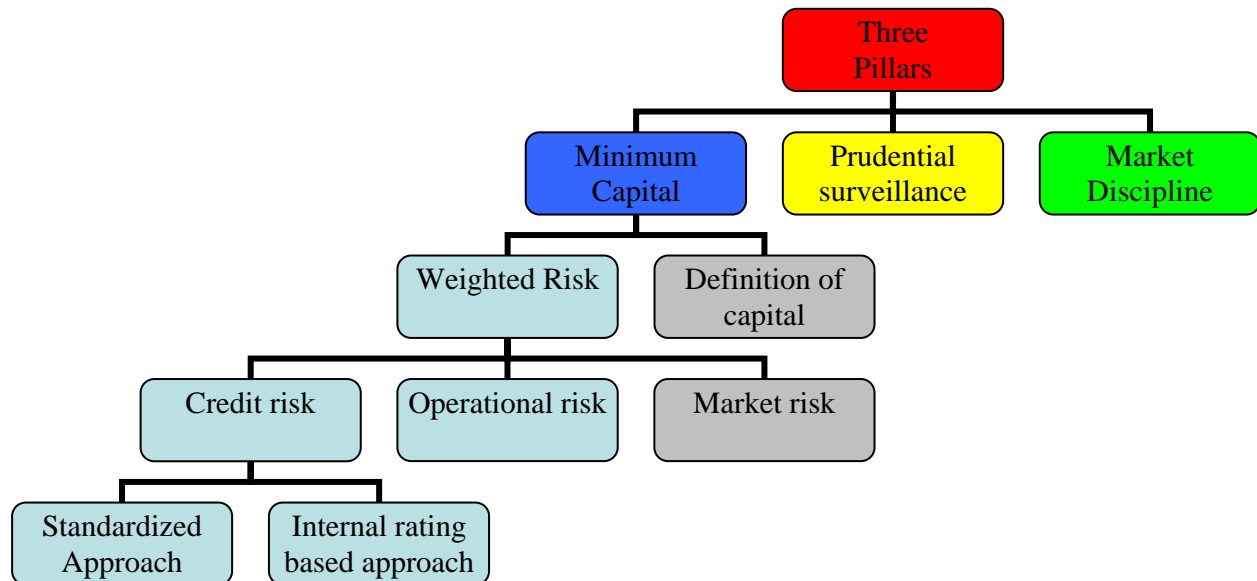
An essential element of banking supervision is that supervisors supervise the banking group on a consolidated basis, adequately monitoring and, as appropriate, applying prudential norms to all aspects of the business conducted by the group worldwide.

### **Principle 25 – Home-host relationships**

Cross-border consolidated supervision requires cooperation and information exchange between home supervisors and the various other supervisors involved, primarily host banking supervisors. Banking supervisors must require the local operations of foreign banks to be conducted at the same standards required of domestic institutions.

**Figure 2. Basel II architecture:**

Basel II Accord provides international standards for the calculation of capital requirements, for the supervisory process, and for market discipline, according to the following chart:



The discussions on the revision of the capital accord (Basel II) were initially intended at regulating the activity of internationally active banks and financial groups. Gradually this accord became a norm for all banks. A simplified approach has been set up to accommodate less sophisticated banks and financial environment (where an internal rating does not exist).

## **What are the changes from Basel I?**

### **Pillar I**

- ✓ In addition to the minimum capital requirement on credit risks and market risks the new accord also requires a minimum capital requirement for operational risks.

- ✓ In order to calculate the minimum capital requirement for each type of risks, banks have the option to use several methods: standardized approach or internal rating based (IRB) approach or internal ratings.
- ✓ The methodology better incorporates the reality of risks.
- ✓ Convergence between regulatory capital requirement and economic capital.

#### **Pillar II**

- ✓ Possible adjustment of the capital requirement by the supervisory authority, according to the risk profile of each bank.

#### **Pillar III**

- ✓ Requirement for financial institutions to publish more detailed information particularly on the their risks and capital adequacy
- ✓

**Figure 3. Minimum Capital Requirement:**

$$\frac{\text{regulatory capital (definition unchange)}}{\text{Credit risk + Market risk + Operational risk}} \geq 8\%$$

### **Basel II implementation in Cambodia**

While Basel II was initially prepared as a standard for internationally active banks in the G10 countries, its importance and value are nevertheless recognized by many countries around the world. According to the Financial Stability Institute, around 100 countries intend to implement Basel II in their supervisory framework. In our neighborhood, countries such as Thailand, Malaysia, Indonesia, Singapore and Philippines intend to implement Basel II by the end of 2010.

Amongst other prerequisites for a successful implementation of the New Accord, such as macroeconomic and political stability, the implementation of Basel II cannot stand independent from the implementation of the 25 Core Principles. Sequencing is important in this process. Without a proper legal framework and other preconditions set forward in the 25 Core Principles, effective supervision cannot be achieved.

In the context of Cambodia, it has to be recognized that the banking system is relatively young and so is its supervisory body. The Law on Bank and Financial Institutions was promulgated in late 1999, and the supervision department stated

operating at its “full capacity” in 2001 where a uniform chart of account (COA) was introduced for all banks. At the end of 2003 the implementation of the COA was completed. This Uniform Chart of Account implementation initiative is a step towards transparent and reliable financial reporting and thus more effective supervision. Unfortunately, according to an informal assessment by the International Monetary Fund (IMF), several concerns raised in the 25 core principles were not covered by the Law and regulations, mainly because of its relevance in the current banking system. This is no doubt one of the obstacles toward a successful implementation of the Basel Accord. Another barrier is the level of development of the banking system in our country; as mentioned above, the banking system in Cambodia is very young. The business background is still basic (confidence from the public, regulatory and legal frameworks) and its operations are still very simple (products offered, information system and human resource). It is this constraint that presses the National Bank of Cambodia to set a higher capital adequacy ratio<sup>2</sup> for banks than the standard set by the Basel I<sup>3</sup>. Far from full implementation of Basel I and even less concerned by the weaknesses<sup>4</sup> of it, the National Bank of Cambodia is now striving to first comply with the 25 Core Principles, the foundation of effective bank supervision. With respect to Basel II, Cambodia needs time. Financial market is not yet developed in Cambodia and financial products offered by banks are very simple essentially short term credit accompanied with real estate collaterals. As a result, many risks associated with market risks (e.g., stock exchange risk, interest rate risks) are quasi-absent. The same applies to foreign exchange risk, given that the Cambodian economy is a highly dollarized one where only 3% of total bank deposits are denominated in local currency. In addition, the techniques required by the New Accord are not available in Cambodia. The lack of a series of statistical data and of human resources make it difficult for the National Bank of Cambodia to implement Basel II.

Despite these obstacles, the National Bank of Cambodia understands the need to overcome certain challenges raised in Basel II, which in turn will serve as important

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<sup>2</sup> As defined in the *Prakas* on the Calculation of the Solvency Ratio (or Capital Adequacy Ratio) in February 2000, banks were required to maintain a solvency ratio of 20% at all times. This *Prakas* was amended in December 2004 to reduce the solvency ratio to 15% in order to reflect the improvement in the banking system.

<sup>3</sup> Basel I capital adequacy ratio was 8%. The number was the average historical ratio of banks in the G-10 country observed during a stable banking system era.

<sup>4</sup> e.g., condition of securitization, possibilities of regulatory arbitrage between different assets categories, collaterals not enough taking into the account.

steps toward the implementation of the New Accord in the future. These include:

- In the calculation of solvency ratio, NBC weighs sovereign and interbank credits according to the rating of the counterparties by international ratings agencies.
- A new regulation was issued recently on large exposures, where the maximum capacity of lending depends on the rating of the borrower or guarantor.
- Many efforts, national or regional (ASEAN financial cooperation<sup>5</sup>) have been undertaken to put in place financial markets. Cambodia is in the process of having ratings delivered by international ratings agencies.
- The presence of internationally active banks who are obliged by the parent banks to be equipped with a series of statistical indicators will provide our supervisors with a base to improve their knowledge.
- To cultivate market discipline, banks and financial institutions are required to publish their annual audited reports. However, much has to be done in regard to the accuracy of the information provided.
- NBC is working closely with supervisors in the region and fosters its relationship through bilateral agreements and other meetings organized by the SEACEN (South East Asian Central Banks Training Centers), of which NBC is a member.

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<sup>5</sup> ASEAN financial cooperation includes the CMI (Chiang Mai Initiative) dealing multilateral and bilateral swap arrangement and ABMI (Asean Bond Market Initiative), the development of regional rating agencies etc.