



**សហគមន៍ធនាគារកម្ពុជា**  
THE ASSOCIATION OF BANKS IN CAMBODIA

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# **BANKING AND FINANCE NEWSLETTER IN AUGUST**



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## BACKGROUND OF THE ASSOCIATION OF BANKS IN CAMBODIA (ABC)

The Association of Banks in Cambodia was formed in 1994 and is recognized by the Royal Government as the official organization to represent the country's private banking sector. Our purpose is to promote constructive dialogue amongst member banks, and to serve as an industry voice to the public and the Government.

Our membership consists of local and foreign owned banks and branches. Membership in the Association is required under Chapter XXII of the Law on Banking and Financial Institutions, which states that all banks operating in Cambodia must belong "to a single professional association, whose Articles of Association shall have been endorsed by the supervisory authority."

The Association meets at least once a month and more often if required by urgent matters. The Association also has regular working committees that focus on specific issues. Since 1998, the Association has been an active member of the ASEAN Bankers Association and participates in all of its meetings and functions.

### ABC'S MEMBERS

- |                           |          |
|---------------------------|----------|
| 1. Commercial Banks:      | 56 Banks |
| 2. Specialized Banks:     | 11 Banks |
| 3. Representative Office: | 6 Banks  |
| 4. The Associations:      | 3        |

## ACTIVITIES/EVENTS

### Three Associations joint to promote Financial Inclusion and Awareness on Access to Finance for Women Entrepreneurs



On August 6, 2021, the Association of Banks in Cambodia (ABC), the Cambodian Microfinance Association (CMA) and the Cambodian Women Entrepreneurs Association (CWEA) signed a Memorandum of Agreement to promote Financial Inclusion and to raise awareness of access to finance among women entrepreneurs.

The Memorandum of Agreement between the three associations was established with the aim of supporting the development plan of the Cambodian government, as well as complimenting the National Strategy for Financial

Inclusion 2019-2025 to improve the financial eco system, to promote innovative credit products through strengthening and expanding cooperation, training, organizing events, joint workshops to improve financial literacy and financial inclusion among women entrepreneurs and small and medium enterprises in Cambodia.

Speaking at the signing ceremony, Dr. In Channy, Chairman of the Association of Banks in Cambodia said that the MoA would be a testament to the efforts between the three associations to raise and mainstream financial literacy. He continued, "Under this cooperation, the three associations will work together to enhance Gender Equality, Green Loans, Sustainable Finance and Social Responsibility by raising awareness of finance, technology and entrepreneurship."

Mr. Sok Voeun, Acting Chairman of the Cambodia Microfinance Association, underscored that the synergy between the three associations would be a driving force behind the development of women-owned businesses, and ultimately help build resilience in the national economy. As of June 30, the loan portfolio of the Kingdom's microfinance institutions (MFI) had soared to more than \$7.730 billion, with nearly two million borrowers, he said. "The vast majority of clients in the microfinance sector are women, who play a key role in driving economic growth in both urban and rural areas," Voeun said.



## ACTIVITIES/EVENTS

### **National Bank of Cambodia and Maybank Unveil First Mobile Cross Border Funds Transfer Service via Bakong e-wallet and MAE app**



The National Bank of Cambodia (NBC) and Maybank have jointly launched the Maybank-Bakong Cross Border Funds Transfer, a real-time funds transfer service between Malaysia and Cambodia through the NBC's Bakong e-wallet and Maybank's MAE app.

The ultra-convenient service allows Maybank customers in Malaysia to transfer funds directly to their friends, family or business partners in Cambodia via the MAE app, using just the mobile phone numbers of the recipients registered with Bakong e-wallet. In the first phase,

customers will be able to transfer funds from Malaysia to Cambodia, while transfers from Cambodia to Malaysia will be rolled out at a later date.

Maybank customers are able to transfer funds up to USD2,500 (or RM10,000 equivalent) daily via their mobile devices.

H.E. Dr. CHEA Serey, Assistant Governor and Director General of Central Banking of the NBC said, "We are very pleased to launch the Maybank-Bakong Cross Border Funds Transfer, which is Bakong's first inter-country payment service." She added Cambodia citizens working or residing in Malaysia will greatly benefit from this service as they are now able to transfer money to their Bakong e-wallets easily and at a low cost. "This gives them greater financial empowerment as they are able to actively manage their own funds including paying bills for their families and transferring money to their loved ones," H.E Dr Serey added.

### **SME CO-FINANCING SCHEME II, A CRUCIAL FINANCING MECHANISM TO IMPLEMENT THE GOVERNMENT'S POST COVID-19 ECONOMIC RECOVERY PLAN 2021-2023**



Dr. In Channy, Chairman of the Association of Banks in Cambodia (ABC), on August 16, 2021, attended the unveiling of the Memorandum of Understanding (MOU) Signing Ceremony and the Launching of the "SME Co-Financing Scheme II (SCFS-II)" between SME Bank of Cambodia Plc. (SME Bank) and the Participating Financial Institutions (PFIs).

The event was jointly presided over by H.E. Dr. PHAN Phalla, Secretary of State at Ministry of Economy and Finance, and Chairman of SME Bank in Cambodia and by Mr. Lim Aun, Chief Executive Officer of the SME Bank.

The event was attended by 63 Chief Executive Officers (CEOs) and Senior Officers of Banking and Finance Institutions (BFIs).



## ACTIVITIES/EVENTS

### SME CO-FINANCING SCHEME II,....

Mr. Lim Aun, CEO of SME Bank, expressed his sincere gratitude to the PFIs, who have jointly implemented the SME Co-Financing Scheme Phase I in 2020. He added that in this SCFS-II, a total of 26 PFIs have confirmed to participate, of which 21 are from Commercial Banks, 1 Specialised Bank, and 4 Microfinance Institutions. All those PFIs together have committed to a total reserved fund of USD 161.3 million.

“We strongly believe that the fund will be utilized quickly, to ease the SMEs’ financial difficulties so they could resume their business and contribute to the economic recovery,” he added.

ABC’s Chairman, Dr IN Channy, said that SMEs are the backbone of the Cambodian economy, contributing significantly to the country’s GDP as well as employment opportunities. However, one of the main concerns of SMEs is the financing, which is the main factor in restraining their growth. Therefore, the SCFS-II initiated by the Government, especially the Ministry of Economy and Finance, would not just only support the Government’s efforts in restoring the economy from the pandemic, but would also contribute to support SME sector to provide convenient access to affordable financing in order to increase the economy’s diversification, and to relieve to some extent the customers from the burden during the hard-hit situation of the COVID-19 pandemic.

### ABC’s 2<sup>nd</sup> Sustainable Finance Forum touched on Green Credit Guidelines for Cambodia



The Association of Banks in Cambodia together with USAID (United States Agency for International Development) and the WCS (Wildlife Conservation Society) on August 24, 2021 organized the 2<sup>nd</sup> Sustainable Finance Forum on the topic “Green Credit Guidelines Discussion for Cambodia”.

The forum presided over by Mr. Dith Sochal, Chairman of the Sustainable Committee of the Association of Banks in Cambodia and CEO of Foreign Trade Bank (FTB) and invited guest speakers from Mekong Strategic Partners’

such as Managing Partner, Mr. John McGinley and Olivia Snow, Senior Financial Analyst. The forum drew 85 participants from Member Banks of the Association of Banks in Cambodia.

The 2<sup>nd</sup> Sustainable Finance Forum discussed the green credit definition and guidelines for Cambodia and the opportunity to develop a tailored Cambodian Green Loan definition as well as a potential roadmap.

The discussion on green loans included key benefits and practical impacts for banks and the financial sector, global trends, including what is happening with green loan definitions in Europe (European Taxonomy Regulation) and ASEAN, and the opportunity for Cambodia to define its own green loan and what might be different for Cambodia vs. other countries.







#### **E-payment Sector Aims to 'Compliment not Compete' with Central Banks Growing Digital Payment Application Bakong**

Cambodia's Payment Service Institutions (PSIs) are looking to distinguish themselves as the central bank expand its own digital payment application now claimed to register over 200,000 users. In response, some market players are already undergoing diversification in the rapidly moving Financial Technology (FinTech) industry. [\(Read More\)](#).



#### **Bakong-powered Transactions Soar**

Digital payments are becoming crucial to the management of daily expenses, especially during Covid-19 when social distancing is the norm, according to National Bank of Cambodia (NBC) director-general Chea Serey. Serey told CNN that the number of digital transactions across the Kingdom jumped 350 per cent from end-2019 to the end of last year, and total value surged 200 per cent to \$68 billion. Transactions through NBC's Bakong, an inter-bank system, have also grown rapidly. [\(Read More\)](#).



#### **Government Accelerating Procedure for Sovereign Bonds**

The Ministry of Economy and Finance is accelerating the preparation of legal documents for the implementation of the law on sovereign bonds. It said in a financial situation report that work on procedures for the implementation of the law on the state bond is set to be complete by early 2022. [\(Read More\)](#).



#### **ABA Bank and JCB International Co., Ltd Announced the Launch of JCB Payment Acceptance in Cambodia**

Advanced Bank of Asia Ltd (ABA Bank) and JCB International Co., Ltd. on August 17 signed a license agreement and announced the launch of JCB payment acceptance in Cambodia. The partnership will enable JCB Cards to be used with ABA's merchant network across the Kingdom, which will provide greater convenience to JCB cardholders. JCB has been expanding the issuing business in ASEAN countries including Cambodia. [\(Read More\)](#).



#### **ARDB mulled as Green-Financing Mechanism**

Cambodia is examining the possibility of selecting the Agricultural and Rural Development Bank of Cambodia (ARDB) as a green-financing mechanism, in a bid to attract green investment to the Kingdom. Details of the plan were disclosed during an online discussion at the weekend concerning the establishment of a green financial institution for Cambodia. [\(Read More\)](#)





**NEXT COMING EVENTS:**



**សហគមន៍ធនាគារនៅកម្ពុជា**  
THE ASSOCIATION OF BANKS IN CAMBODIA



**សហគមន៍ក្រុមហ៊ុនឆ្នួតកម្ពុជា**  
Cambodia Microfinance Association



**សហគមន៍សហគ្រិនវ័យក្មេងកម្ពុជា**  
YOUNG ENTREPRENEURS ASSOCIATION OF CAMBODIA

**MOA CEREMONY**  
**TO IMPROVE FINANCIAL LITERACY, THE ACCESS TO FINANCE**  
**AMONG CAMBODIA'S YOUNG ENTREPRENEURS,**  
**FIN-TECH, MARKETING, AND NETWORKING**  
**AND**  
**WORKSHOP**  
**ON "COVID-19 BUSINESS RECOVERY PATHWAYS**  
**FROM FINANCIAL INSTITUTIONS PERSPECTIVE"**

Register Here!



Date : 16<sup>th</sup> September 2021  
Time : 1:30 P.M. - 6:30 P.M.  
Venue : Zoom

**COMING SOON**



**សហគមន៍ធនាគារនៅកម្ពុជា**  
THE ASSOCIATION OF BANKS IN CAMBODIA

**COMING SOON**

**SUSTAINABLE FINANCE**  
**ESG REQUIREMENTS**

Phnom Penh, 22<sup>nd</sup> September 2021 at 3:30 P.M.



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**THE ASSOCIATION OF BANKS IN CAMBODIA**

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## **COMMENTS AND SUGGESTIONS**

The Association of Banks in Cambodia welcomes the articles from members. We also welcome any questions or suggestions concerning the articles or regulatory update in the Newsletter. For further inquiries, please feel free to contact:

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