



**សហគមន៍ធនាគារកម្ពុជា**  
**THE ASSOCIATION OF BANKS IN CAMBODIA**

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# **BANKING AND FINANCE NEWSLETTER IN DECEMBER 2021**



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## ABC's 2021 Bankers' Annual Dinner ends with success



The Association of Banks in Cambodia (ABC) organized the 2021 Bankers' Annual Dinner for its members at the SOSORO Museum on December 11, 2021.

The auspicious event was graced by H.E Chea Chanto, Governor of the National Bank of Cambodia and His/Her Excellencies Deputy Governor and Director General of the National Bank of Cambodia.

They were accompanied by Dr. In Channy, Chairman of ABC, Mr. Kea Borann, Chairman of Cambodian Microfinance Association, Mr. Remi Pell, Chairman of the Cambodian Association of Finance and Technology, His/Her Excellencies, CEOs of Commercial Banks, Specialized banks and representative offices of foreign banks.

The Chairman of the Association of Banks in Cambodia, Dr. In Channy, who addressed more than 100 guests, said the event was organized to celebrate the achievements attained by the Banking and Financial Institutions in the past two years.

However, he also urged members to take advantage of the great opportunities presented in the event to strengthen bonds and solidarity as well as expand the banking business cooperation to chart more accomplishments and success in the coming years.

"[Use this opportunity to] strengthen [your] relationship [with] the banking and financial institutions and the guardians to ensure that work in the banking and financial sector carries on smoothly and in full compliance of National Bank of Cambodia's regulations," Dr. Channy urged.

Meanwhile, Governor of the National Bank of Cambodia, H.E Chea Chanto, in his keynote speech, expressed that the 2021 Bankers' Annual Dinner was a pivotal platform that gave bankers the opportunity to meet and discuss investment opportunities, as well as seek and strengthen good collaborations.

It is also the time for bankers and institutions to build stronger relationships with the supervision authority. "The pandemic has shown that the strengthening of the banking system during [the periods of] strong economic performance is important to ensure the resilience of the banking and finance sector during crises," H.E Chea Chanto said.

## Capacity building for the Cambodian banking industry

The Institute of Banking and Finance (IBF) achieved a new milestone by fulfilling its mission in closing the skills gap not just within the banking and finance industry in Cambodia, but also with neighboring countries.

This accomplishment is thanks to the graduation of 412 graduates who received local and international certifications. The graduation was celebrated at SOSORO Museum on December 11, 2021. It was presided over by H.E. Chea Chanto, Governor of the National Bank of Cambodia, ABC Chairman Dr. In Channy and CMA Chairman Mr. Kea Borann.



## ACTIVITIES/EVENTS

### **Capacity building for (CONT'D)**

“Local and international certifications developed by local experts and international partners of the Institute of Banking and Finance have been playing a pivotal role in supporting the process of economic and social development across all sectors and in integrating with other countries in the region,” the Governor commended in the congratulatory letter issued on 30 November 2021.



“About 40 percent of the graduates completed their studies in the program, which ran for four to 12 months,” said IBF General Manager Chea Kagnarith. The program’s curriculum was developed by several international professional bodies including US-based Moody’s Analytics and International Finance Corporation, UK’s London Institute of Banking and Finance, International Compliance Association and British Standards Institute, as well as Singapore’s ICC Academy, and Frankfurt School of Finance and Management from Germany.

### **Cambodia-Thailand agree to tackle cross-border QR payment, remittance model and fund transfer**



The Association of Banks in Cambodia (ABC) and the Thai Bankers’ Association (TBA) agreed to collaborate further on issues relating to cross-border QR payment, remittance model and fund transfer. The commitment was made during the annual meeting between ABC and TBA on December 9, 2021.

ABC Chairman Dr. Channy, welcomed all distinguished participants from the Thai Bankers’ Association (TBA), the Bank of Thailand (BOT), Cambodian banking regulator – the National Bank of Cambodia (NBC), and members of Payment Committees from both sides.

In his opening speech, Dr Channy talked about the COVID-19 pandemic, digitalization and connectivity,

payment and remittance, the partnership between ABC and TBA, and their important roles in the development of ASEAN.

NBC Deputy Director General & Director of Banking Operations Department Mr TANN Sokhann pointed out the historical flow of mutual collaboration between Thailand and Cambodia. “The objectives of the collaboration [that give rise to] joint efforts enable cross-border transactions to [happen] in a seamless fashion,” he said, while citing progress on the digitalization landscape in payment and trade between the two countries, especially in electronic payment systems.

“Such [collaborations] are [expected] to become stronger [and see] further integration into ASEAN Economic Community,” Mr Sokhann added.

Mrs Chantavarn SUCHARITAKUL, Assistant Governor of The Bank of Thailand, was appreciative of the bank’s relationship with NBC and ABC, as well as with the participants, and the yearly progress and development between the two countries. “[The pandemic] has been interrupting the cross-border economy, exports and labour remittance. However, areas to enhance, although held back by COVID-19, comprise financing MSMEs, QR Payment, cross-border remittance with technology [so that all the fruits can be shared with families in a way that is fast, easy and safe],” she said.

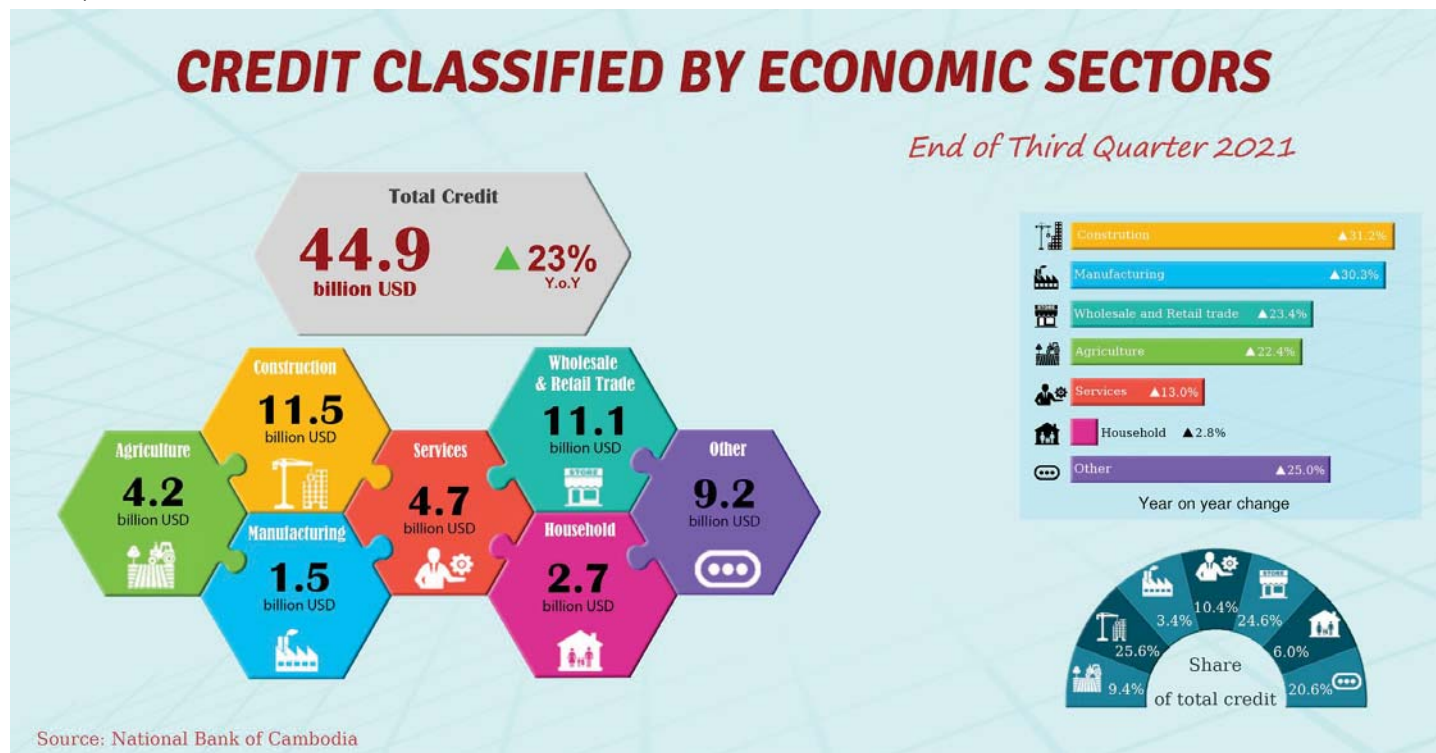




### HIGHLIGHT REGULATORY UPDATE OF BANKING AND FINANCE IN DECEMBER

#### **BANKING AND FINANCIAL INSTITUTIONS DISBURSED \$44.9 BILLION IN LOANS AS OF Q3 2021**

As of the end of the third quarter of 2021, banking and financial institutions provided lending totaling 185.1 trillion riels or about US\$ 44.9 billion. This accounted for 23% increase when compared to the same period last year. The loans have covered agriculture, construction, manufacturing, services, wholesale and retail trade, and household units.



#### **NBC CONTINUED TO MAINTAIN THE IMPLEMENTATION OF REGULATORY FORBEARANCE TO ENSURE STEADY FLOWS OF CREDIT TO THE PRIVATE SECTOR**



In the event of the COVID-19 pandemic that has prolonged for over two years, the banking system continued to play an important role in supporting economic activities, especially for the sectors that were affected. According to the NBC's Macroeconomic and Banking Sector Development in 2021 and Outlook for 2022 released on December 31, 2021.

The National Bank of Cambodia (NBC) continued to maintain the implementation of regulatory forbearance as well as provide banking and financial institutions with sufficient liquidity to ensure steady flows of credit to the private sector.

In addition, the distribution of banking and financial institutions' profits has been suspended to encourage more investments in the banking system aimed at strengthening the capital position. As a result, credits sustained its growth at 21.2 percent (reaching KHR 186.4 trillion, equivalent to US\$45.7 billion) and were extended to all economic sectors.



## **HIGHLIGHT REGULATORY UPDATE OF BANKING AND FINANCE IN DECEMBER**

### **NBC CONTINUED TO MAINTAIN THE IMPLEMENTATION (CONT'D)**

Meanwhile, to help alleviate the burdens faced by households and businesses with revenue shortfalls and to prevent a future build-up of non-performing loans (NPLs), banking and financial institutions have been allowed to continue restructuring loans for customers in all sectors, which totaled 370,785 accounts and amounted to KHR 22.4 trillion (USD 5.5billion).

It is worth noted that confidence in the banking system has also been strengthened as reflected by deposit growth of 15.4 percent (reaching KHR 157.1 trillion, equivalent to USD 38.5billion). Moreover, financial inclusion has been on the rise, with the number of customers' deposit account recorded 12.1 million accounts (growing by 40.7 percent) and customers' credit accounts recorded 3.3 million accounts (5.1 percent).

### **NBC: CAMBODIA'S REAL GDP GROWTH PROJECTS A 5% IN 2022**



Cambodia's economy is forecasted to further recover at a faster pace of around 5 percent this year. According to the NBC's Macroeconomic and Banking Sector Development in 2021 and Outlook for 2022 released on December 31, 2021.

This projection is based on the country's re-opening, domestic economic activities, which include trade, transportation and communication, and domestic tourism, are expected to pick up while the international tourist arrivals are expected to increase but at a slower pace and subject to the evolution of the pandemic itself.

The recovery in tourism sector will have positive effects on the performance of hotel and restaurant sector as well as other supporting services sectors. On the other hand, the returns of Cambodian migrant workers who acquired experiences and skills from abroad would contribute to the improvement of domestic productivity, especially in agriculture and handicraft. Better economic performance will contribute to an increase in government's revenues, fiscal buffers, and especially public investment, which will benefit long term growth efforts.

Headline inflation is projected to be 2.6 percent, primarily driven by subdued food prices as a result of improved supply condition, and the official exchange rate is expected to remain stable at around 4,075 riels per US dollar. The NBC will continue to put in place supportive policies to strengthen the banking system in supporting the economic recovery and maintaining price and financial stability.

Meanwhile, digitalization, which is a new source of growth, will also allow banking system to seize opportunities to utilize new financial technology to modernize financial services and promote financial inclusion in line with the new normal and to support the Digital Economy and Society Policy Framework of the Royal Government 2021-2035. At the same time, the NBC has also prepared the exit strategy to gradually withdraw some of the support measures according to the anticipated economic recovery.





### HIGHLIGHT OF BANKING AND FINANCE NEWS

#### **NBC Director General Chea Serey says SMEs play an important role in supporting economic growth**



Ms. Chea Serey, Director General of the National Bank of Cambodia, has highlighted the importance of small and medium enterprises (SMEs) that have contributed significantly to supporting the national economic growth and helping the livelihood of people living in rural areas. [\(Read More\)](#)

#### **IMF highlights National Bank of Cambodia's leading role in green finance**



The International Monetary Fund (IMF) has highlighted the Cambodian central bank's leading regional role in the exploding world market for green finance. In an annex to its annual assessment of Cambodia released in Washington on December 9, the IMF noted that the National Bank of Cambodia (NBC) had set policy on guidelines related to environmental, social and governance investment. [\(Read More\)](#)

#### **Banks encouraged to invest on New International Airport's guaranteed bonds**



Prime Minister Hun Sen on Thursday (Dec 9) encouraged private banks and micro financial institutions to invest on the guaranteed bonds issued by the Cambodia Airport Investment Co Ltd (CAIC) which is raising funds for developing the new, under-construction airport in Kandal province. [\(Read More\)](#)

#### **ABA subscribes \$30 million worth of bonds from Techo International Airport**



Asia Bank Limited (ABA Bank) on December 14, 2021 decided to invest \$ 30 million in bonds of Techo International Airport Construction Company to support the construction of this new airport. [\(Read More\)](#)

#### **Government launches stimulus programme for economic recovery**



Named the "Strategic Framework and Programmes for Economic Recovery in the Context of Living with COVID-19 in a New Normal 2021-2023", it is designed with the vision to strengthen the building of the path and dynamics for robust socio-economic development, and seize opportunities both inside and outside the country to foster the national economy with a highly competitive and diversified base, as well as enhance the well-being of Cambodian people in a new normal. [\(Read More\)](#)

#### **Maybank awards promote financial literacy in schools**



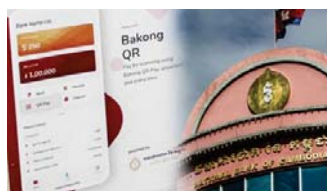
Maybank has honored local schools, teachers and students who have worked to improve financial knowledge and create a deeper awareness of its importance. Maybank Foundation, in collaboration with Maybank Cambodia, the local unit of Malaysia's largest bank held the country's first Maybank Financial Education Excellence Awards ceremony following similar events in Malaysia and the Philippines. [\(Read More\)](#)

#### **ADB cuts Southeast-Asia forecast for 2021, raises 2022 outlook**



The Asian Development Bank has cut its forecast for economic growth in South-east-Asia this year by 0.1 percentage points to 3 percent. It raised next year's gross domestic product forecast to 5.1 percent from 5 percent, saying economies are expected to continue easing overall restrictions and reviving economic activities. Southeast-Asia's economies contracted by a combined 4 percent in 2020. [\(Read More\)](#)

#### **Cambodia's digital currency reaches nearly half the population**



A digital currency run by the Cambodian central bank has been named one of the Awards for Excellence winners of the 2021 Nikkei Superior Products and Services Awards for its innovative technology and impact on the country's economic and social development, Nikkei announced on Tuesday. [\(Read More\)](#)





## IBF PROGRAMS FOR 2022



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061 626 902  
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**Bankers' Annual Dinner 2021**  
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Phnom Penh, 11 December 2021

*Appreciation*

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**THE ASSOCIATION OF BANKS IN CAMBODIA**

## **CONTACT INFORMATION OF ABC**

### **CHAIRMAN OF THE ASSOCIATION OF BANKS IN CAMBODIA**

**Dr. In Channy**

### **SECRETARY GENERAL**

**Mrs. Phal-Chalm Theany**

Mail: [abc\\_sg@abc.org.kh](mailto:abc_sg@abc.org.kh)

### **GENERAL MANAGER**

**Mr. Heng Koy**

Mail: [abc\\_gm@abc.org.kh](mailto:abc_gm@abc.org.kh)

### **HEAD OF BUSINESS DEVELOPMENT**

**Ms. Chan Sochinda**

Mail: [sochinda.chan@abc.org.kh](mailto:sochinda.chan@abc.org.kh)

### **HEAD OF RESEARCH**

**Mr. Thomas Schings**

Mail: [thomas.schings@abc.org.kh](mailto:thomas.schings@abc.org.kh)

### **HEAD OF FINANCIAL INCLUSION AND PUBLIC RELATION**

**Mr. Sok Chan**

Mail: [abc\\_fi@abc.org.kh](mailto:abc_fi@abc.org.kh)

### **EVENTS/BD MANAGER**

**Mr. Cheng Kimchheang**

Mail: [abc\\_event@abc.org.kh](mailto:abc_event@abc.org.kh)

### **DEVELOPMENT FUND MANAGER**

**Ms. Heng Sopheavy**

Mail: [abc\\_df@abc.org.kh](mailto:abc_df@abc.org.kh)

### **ADMINISTRATION AND HUMAN RESOURCE MANAGER**

**Ms. Eang Marya**

Mail: [abc\\_ahm@abc.org.kh](mailto:abc_ahm@abc.org.kh)

Vattanac Capital Tower, Level 6, Suite 0601,  
Monivong Blvd, Sangkat Wat Phnom,  
Khan Daun Penh, Phnom Penh, Cambodia  
TEL: +855-23 230 611

MAIL: [secretariat@abc.org.kh](mailto:secretariat@abc.org.kh)

WEBSITE: [www.abc.org.kh](http://www.abc.org.kh)

FACEBOOK: [TheAssociationOfBanksInCambodia](https://www.facebook.com/TheAssociationOfBanksInCambodia)



## **ABOUT 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 COMMITTEES AND WORKING GROUP**

- |                             |                                  |
|-----------------------------|----------------------------------|
| 1. Annual Events Committee  | 7. PSWG-E                        |
| 2. Compliance Committee     | 8. Risk Committee                |
| 3. Constitutional Committee | 9. Sustainable Finance Committee |
| 4. Education Committee      |                                  |
| 5. Financial Inclusion      |                                  |
| 6. Payments Committee       |                                  |
| a. FinTech Working Group    |                                  |
| b. QR Taskforce             |                                  |

## **ABC'S MEMBERS**

- |                                |                                   |
|--------------------------------|-----------------------------------|
| 1. Commercial Banks: 55 Banks  | 3. Representative Office: 6 Banks |
| 2. Specialized Banks: 11 Banks | 4. The Associations: 2            |

## **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:

**Mr. Sok Chan**

Mail: [abc\\_fi@abc.org.kh](mailto:abc_fi@abc.org.kh)

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