



**សហគម្មនធនាគារកម្ពុជា**  
**THE ASSOCIATION OF BANKS IN CAMBODIA**

# BANKING AND FINANCE NEWSLETTER IN SEPTEMBER-OCTOBER 2022



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## ACTIVITIES/EVENTS

### ABC, MPTC, and JICA discuss the “Project for Improvement of Cyber Resilience

On Monday, October 3, 2022—Mr. Torsten Kleine BUENING, Chair of ABC’s Risk Committee, and the management from ABC’s Secretariat met with Mr. TAN Sopheak, Deputy Director of ICT Security Department at the Ministry of Posts and Telecommunications (MPTC), JICA’s Senior Advisor (ICT) Mr. Yamazaki Hiroto, and officials from Japan International Cooperation Agency (JICA) and the Ministry of Posts and Communication, to consult on the “Project for Improvement of Cyber Resilience in cooperation with JICA.

The project aims at strengthening the capability of the technical entities of the MPTC and enhancing cyber security in relevant institutions in the Kingdom. The discussion amongst ABC, MPTC, and JICA aimed at gaining more input on cyber security in the financial sector and how the collaboration can enhance the project’s future outcomes.

Mr. Torsten said that in the banking sector, various internal discussions on cyber security, cyber resilience, and information security risks have taken place. He also shared that ABC’s Risk Committee has also already been communicating and collaborating with the Cybercrime Unit of the National Police. He added that for banks in Cambodia, information security is at the very top of priorities in order to sustain the trust amongst customers and partners. Thus, we make sure that our data is protected and that systems are strong.

He added that the MPTC’s project is fully aligned with the National Bank of Cambodia’s (NBC’s) efforts as the NBC issued called “IT Risk Management Guidelines” two years ago and the guidelines also cover information security. He ensured that the ABC and the sector at large are more than happy if MPTC and JICA synchronize with those so that banks can be more effective.

“The banking sector hopes this project [“Project for Improvement of Cyber Resilience] would improve the stability of infrastructure, and IT networks, and understand how internet traffic is protected so that bank’s internet traffic is absolutely confidential,” said Mr. Torsten. To continue working on cyber security, MPTC and JICA are planning to organize a public awareness-raising workshop or training on cyber security, and cloud networking. With these initiatives, the Association of Banks in Cambodia is happy to assist the MPTC, according to Mr. Torsten.







## ACTIVITIES/EVENTS

### Nearly 480 entrepreneurs gaining financial literacy and business development through the ACCESS to Finance Program

On Friday, October 7, 2022—Mr. Raymond Sia, Chairman of the Association of Banks in Cambodia (ABC), ABC Council, and management from ABC Secretariat, attended the 4<sup>th</sup> CEOs Gathering and the 2<sup>nd</sup> SMEs and Financial Institutions Night. The event was organized by Young Entrepreneurs Association of Cambodia (YEAC) the Association of Banks in Cambodia (ABC), the Cambodia Microfinance Association (CMA).

The event aims for MSMEs and women entrepreneurs to be well informed about finance accessibility and provide space for dialogues as mutual understanding with financial institutions would enable them to improve/develop new products and services.

Mr. SIA acknowledged the significance and contribution of SMEs to Cambodia's Economy. He added SMEs represent 70% of employment, 99.8% of Cambodia's enterprises, and contribute to 58% of the Country's GDP.

"I am encouraged to see the support provided by the financial sector to SMEs in Cambodia. Over the years, we have seen an increase in loans to the SME segment, however, SMEs are still facing some challenges, and one of the most critical issues is access to finance, due to a lack of credible financing records, collateral, good corporate governance, and solid business plan and financial literacy," said Mr. SIA

To bridge the gap in access to finance and to assist more SMEs and Women Entrepreneurs, Mr. SIA would encourage banks and financial institutions to work closely with SMEs and Women Entrepreneurs to tailor innovative SME Lending products and services to fill their needs. He added that the second SMEs and Financial Institutions Night will be a platform to engage Financial Institutions, SMEs, and women entrepreneurs to meet, discuss, and exchange views on their needs related to Access to Finance.

The three associations signed the partnership agreement on September 16, 2021, to continue to promote and raise awareness of financial literacy and financial inclusion among young entrepreneurs, as well as Small and Medium Enterprises in Cambodia. The three associations in April 2022, launched the Access to Finance Program—AFP to support small and medium enterprises in Cambodia, especially women entrepreneurs, to receive financing from participating financial institutions (PFIs) and capacity building, including training on working capital management.

It should also be noted that after the programs and efforts of the three associations, financial institutions were approved more than USD 520,000 in financing, and 478 entrepreneurs gained financial literacy, and business development through participation in training courses and forums within the Access to Finance program.





## ACTIVITIES/EVENTS

### A Strategic Partnership to Promote Financial Technology (FinTech) in Cambodia

On September 19, 2022, at ROSEWOOD Hotel Phnom Penh, the Association of Banks in Cambodia (ABC), the Cambodia Microfinance Association (CMA), and the Cambodian Association of Finance and Technology (CAFT), inked the Memorandum of Understanding (MOU) to enhance the strategic partnership of the three associations in order to promote financial inclusion, FinTech, capacity building, and the FinTech eco-system for Cambodian Banking and Finance businesses.

The MOU signing will be signaling the commitment and joint efforts to promote further the development of the FinTech Framework and to contribute with the government to achieve the goals toward the digital adoption and digital transformation of the Country “Digitalized Citizens, Digital Business and Digital Government”.

ABC’s Chairman Raymond SIA said, “It is to emphasis that digitalization, innovation, and technology are centred around our customers. The financial industry is a people-centric industry. Financial services are primary need. To strengthen systems to ensure to reach all Cambodian citizen is crucial for the success and sustainability of the sector and the economy.”

The tri-party MOU is a symbol of the ongoing commitment of the three associations to the Financial sector and the Cambodian people. The MOU key agenda includes jointly cooperating to serve as industry partners for the FinTech and Startup community in Cambodia, jointly cooperating to execute and monitor the implementation of the Banking and Financial Institutions Code of Conduct, and jointly cooperating on FinTech adoption activities and capacity building.

CMA’s Chairman Mr. SOK Voeun said, “I believe that MOU among the three associations will significantly contribute not only to FinTech development in the Banking and Financial sector, but also delivering new opportunities for Cambodians to understand new technologies, especially, for those who own businesses in the Financial sector in order to have their financial transactions to be more efficient, more convenient, and faster.”

CAFT’s Chairman Mr. PELL Remi Sisophon said, “The MOU is the spirit of collaboration that is a driving force and leading the way for our respective associations to join hands more firmly to address the sectoral issues by bringing awareness, education, and most importantly innovation to solve some of these challenges that we face and its refreshing that we are



Mr. KITH Sovannarith, 1st Deputy Director General of Banking Supervision, the National Bank of Cambodia (NBC), on behalf of His Excellency Chea Chanto, Governor of the National Bank of Cambodia (NBC), congratulated the three associations for reaching the MOU, which is the milestone and achievement for the industry. He added that the MOU also contributed to NBC’s efforts in promoting Financial Inclusion through the advancement of technology and innovation.

Mr. KITH added that the role of FinTech in the banking industry has been growing significantly over the pandemic time. “The introduction of innovative banking products and services, such as virtual payment cards, contactless technology, mobile payment, QR Code payment, and online credit rating. Therefore, Fin-Tech, we believe to provide a more convenient, affordable, access to finance for SMEs and also people who are previously no access to formal financial services,” Mr. KITH added.





## ACTIVITIES/EVENTS

### Bankers' Cycling 2022 promotes Sustainability of Banking Sector

On Monday, October 30 2022—The Association of Banks in Cambodia (ABC) collaborated with Cambodian Cycling Federation (CCF) to organize the Banker's Cycling 2022 under the theme of “Promote Khmer Riel and Sustainability of Banking Sector” in Siem Reap province.

The event was presided over by Her Excellency CHAN Somaly, Undersecretary of State of Ministry of Environment, H.E RATH Sovannorak, Assistant Governor and Director-General of Banking Supervision, National Bank of Cambodia, Dr. IN Channy, ABC Council, and Mr. NOU Chamroeun, Secretary-General of CCF, bankers and relevant stakeholder with around 500 attendees. This is the second time that ABC's Sustainable Finance Committee organized such an event. It was organized mainly for health, building relationships among bankers, and promoting the banking sector with sustainability. First and foremost, Banker's Cycling 2022 also promoted the environment and tourism sector in Siem Reap province during the pandemic, said Dr. In Channy.



“In our long-term vision, the Association of Banks in Cambodia aims to promote the implementation of Sustainable Finance Principles in other areas, promote the transformation of Sustainable Finance Principles into a standard for everyone to apply, and bring Cambodia to leading countries in implementing Sustainable Finance Principles in the Mekong region,” Dr. In Channy said.

As of 2022, around 47 banks have adopted the Cambodian Sustainable Finance Principles of the Association of Banks in Cambodia. The nine principles of ABC's CSFP are Environment Protection, People Protection, Cultural Protection, Financial Inclusion, Financial Literacy, Financial Innovation, Environmental & Social Standards, Environmental & Social Footprints, Transparency & Accountability. The Association of Banks in Cambodia, through the Sustainable Finance Committee, has been pursuing the following main missions: Promoting public awareness of the Association's activities related to the environment and society.

Building the management systems and necessary tools to help member banks implement Sustainable Finance Principles, continue to build the capacity of bankers involved in environmental and social risks, continue to expand cooperation with all stakeholders, and promote the implementation of Sustainable Finance Principles with efficiency.







## ACTIVITIES/EVENTS

### ASEAN Savings Day 2022: Little Saving Better than Not

On Monday, October 31, 2022—The Association of Banks in Cambodia (ABC) and Cambodia Microfinance Association (CMA) were honoured to be part of the co-organizers of ASEAN Savings Day, led by the National Bank of Cambodia, in cooperation with Municipality of Siem Reap Province, under the theme “Little Saving, Better than Not”, at the public park in front of Preah Ang Chek Preah Ang Chorm Shrine.



The ceremony was presided over by H.E. RATH Sovannorak, Assistant Governor and Director General of Banking Supervision, National Bank of Cambodia, H.E. YUN Linne, Deputy Governor of Siem Reap Province, Dr. IN Channy, Council Member of the Association of Banks in Cambodia (ABC) and Mr. SOK Voeun, Chairman of the Cambodia Microfinance Association (CMA).

During the event, educational videos related to the usage of financial services, especially savings, have been displayed. There were also exhibitions of formal financial services and products for the public. The event is a regional celebration initiated by ASEAN member states aiming at promoting the importance of savings and savings culture through formal financial institutions, as well as improving financial management effectiveness for the public. Dr. IN Channy, a council member of the Association of Banks in Cambodia, urged Cambodian citizens to save their money in banking and financial institutions, saying that it is safe and also earns competitive interest rates.

"Little saving is better than not," he said at the event. "Moreover, saving money in banking institutions has also contributed to socio-economic development." The number of customers' deposit accounts at commercial banks and microfinance deposit-taking institutions (MDIs) in Cambodia had increased to 14.3 million in August 2022, up to 18 percent from 12.1 million at the end of 2021, said H.E RATH Sovannorak, Director-General of Banking Supervision, National Bank of Cambodia (NBC).

"Among 14.3 million of customer's deposit accounts, 11.7 million accounts are in commercial banks and 2.6 million accounts are in MDIs." H.E Sovannorak said in a speech on the ASEAN Savings Day, adding that the customers' deposits increased by 8 percent to 41.5 billion U.S. dollars in August 2022 from 38.4 billion dollars at the end of 2021.

CMA chairman Sok Voeun remarked that Cambodia Microfinance Association (CMA) has always been actively involved with relevant institutions as well as the National Bank of Cambodia in initiating and promoting financial literacy, especially in creating a culture of savings for the public through various campaigns as well as the creation the content on social media to promote saving culture in Cambodia.

Cambodia currently has 58 commercial banks, nine specialized banks, and 86 microfinance institutions including five MDIs, with a total of 2,593 headquarters and branches as well as 4,219 automated teller machines (ATMs) throughout the country, according to data National Bank of Cambodia (NBC).







## ACTIVITIES/EVENTS

### Speaker Tours to raise Financial Literacy and Career Path for Universities Students

The Institute of Banking and Finance (IBF) in collaboration with the Association of Banks in Cambodia (ABC) with support from VISA in October 2022, successfully conducted three series of workshops in different universities in Phnom Penh. Those tours were conducted at the National University of Management (NUM), the American University of Phnom Penh (AUPP), and Paññāsāstra University of Cambodia (Tuol Kork Campus). A combined total of 420 students, majoring in banking and finance and other relevant fields, attended the three tours.



The purpose of these Speaker Tour Series is to bridge the understanding and practices of the industry's expectations to the students, to help them gain a deeper understanding of financial literacy as well as to guide them on their career prospects in the banking and financial sector.

At the National University of Management (NUM), the first session was on Introduction to Internal Audit was presented by Ms. Srin Sokheak, Senior Manager of Internal Audit of Sathapana Bank, and followed by Ms. Chap Channa, Head of Business Human Capital of Maybank (Cambodia) Plc. who shared her insights on Career Guidance and Opportunities in Banking. Both speakers have shed light on students' knowledge regarding what Internal Audit (IA) really is, what skills they might need for IA-related jobs, and what career prospects and common job requirements in the banking sector are.



While, on the tour at the American University of Phnom Penh (AUPP), two industry experts were sharing their insights on each topic. The first session was covered by Mr. Pen Vanndarong, Head of Credit at Hong Leong Bank Cambodia, and an alumnus of the Chevening Scholarship. Mr. Darong provided the students with practical knowledge of loan origination processes and the criteria for accessing bank loans and selecting a suitable bank. This knowledge has proved beneficial and encouraged the audience to become responsible lenders/ borrowers in the future when it comes to access to finance and/or loan for either personal or business purposes. The second session was led by Ms. Pel Dalen, Senior Manager in Recruitment and Learning from J Trust Royal Bank, and an alumnus of the Fulbright Scholarship. Ms. Dalen shared very useful knowledge regarding how to define career interests as well as the various means to land a suitable job upon their graduation.

At Paññāsāstra University of Cambodia (Tuol Kork Campus), the first session was covered by Mr. Som Sovanaphea, Senior Manager, Information Security at Woori Bank. Mr. Naphea provided the students with up-to-date knowledge regarding FinTech landscape in Cambodia and how it relates to e-commerce that we are using daily. This knowledge has proved beneficial and educated the audience to be aware of the FinTech trends in Cambodia.

The second session was led by Mr. Vuthy Udom, Head of Training and Development Department, ABA Bank. Mr. Udom stressed the importance of career planning before graduating from university and doing a career kick-start by learning about the targeted industries and jobs as well as growth opportunities when performing the role.





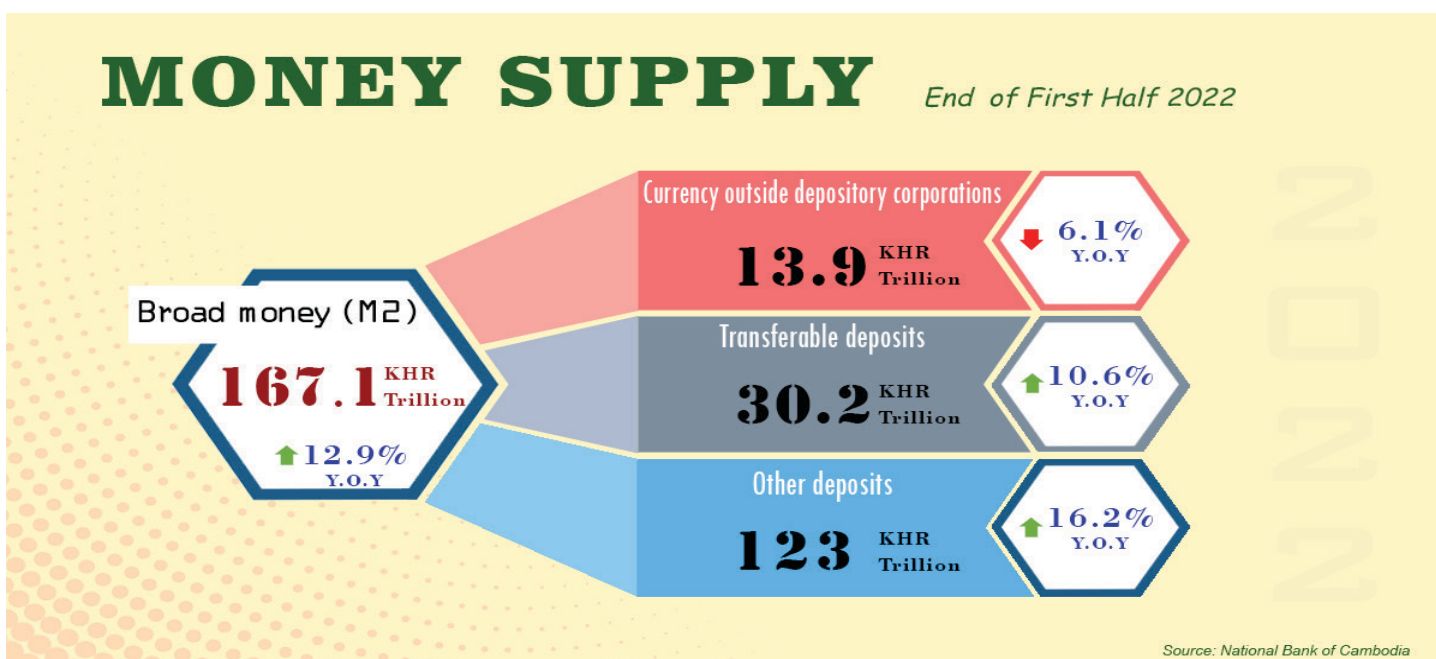
## REGULATORY UPDATES

### Residential Property Price Index



### Money Supply End of First Half 2022

As end of first half, 2022, broad money (M2) increased to KHR 167.1 trillion up 12.9% over the same period of 2021, of which transferable deposits and other deposits increased by 10.6% and 16.2% respectively, while currency outside depository corporations decreased by -6.1%. Appropriate growth of broad money (M2) reflects the active contribution of financial sector to sustain economic activities by maintaining proper level of inflation.







## HIGHLIGHT OF BANKING AND FINANCE NEWS

### NBC Starts Bonds Issuance



The first round of 100 billion riels (approximately \$25 million) of sovereign bonds will be issued by the National Bank of Cambodia (NBC) on Sept. 7, 2022.

It will be the first time in Cambodia's history that the country issues sovereign debt securities. The bonds will be auctioned via the NBC Platform (NBCP) from 8 a.m. to 2 p.m. ([Cambodianess](#)).

### Businesswomen set to get low-interest loans from SME Bank



Business ladies within the Cambodia Women Entrepreneurs Association (CWEA) will be able to access loans at annual interest rates of "0.25 percentage points below market"

from the state-owned Small and Medium Enterprise Bank of Cambodia Plc (SME Bank), according to the CWEA chief. ([Phnom Penh Post](#)).

### E-payments to save MSMEs on costs: NBC



Digitising payments could bring substantial cost savings for micro-, small-, and medium-sized enterprises (MSME), not only by simplifying cash management processes but also reducing

potential opportunities for misappropriation or corruption, according to the central bank chief. Speaking at the 9th Global SME Finance Forum in the capital last week, National Bank of Cambodia (NBC) governor Chea Chanto stressed that MSMEs play a crucial role in the world's economies, particularly in developing countries. Source: ([Phnom Penh Post](#)).

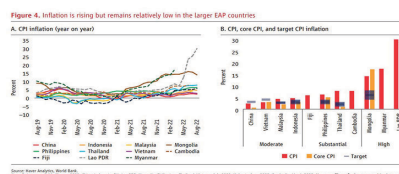
### Deposits pass 160% of GDP as financial inclusion up: NBC official



The Kingdom's banking and financial system has maintained sound growth momentum despite Covid-19-related setbacks over the past couple of years, according to a senior official

at the central bank on October 31. Rath Sovannarak, director-general of the National Bank of Cambodia's (NBC) Banking Supervision Department, was speaking at an outdoor event on the occasion of ASEAN Savings Day themed "Little Savings is better than Not" in Siem Reap town. ([Phnom Penh Post](#)).

### World Bank revises up 2022 Cambodia GDP growth to 4.8%



The World Bank upgraded Cambodia's growth forecast to 4.8 percent this year, up from its April estimates of 4.5 percent.

The Kingdom is projected to grow 5.2 percent next year, the bank said in its 'East Asia and the Pacific economic update October 2022.' ([Khmer Times](#)).

### \$25M reach 189 firms in tourism loan programme



A total of \$25.15 million in loans have been disbursed to 189 tourism-related enterprises under the \$150 million Tourism Recovery Co-Financing Scheme (TRCS) as of September 30

most of which are in the restaurant business – representing just over one-sixth of the scheme's funds, according to the state-owned Small and Medium Enterprise Bank of Cambodia Plc (SME Bank). Source: ([Phnom Penh Post](#)).

### Central bank: Illegal loans bad for borrowers and for industry



The National Bank of Cambodia (NBC) warns that illegal loans adversely affect people's livelihoods and are a factor that can lead to social insecurity and therefore must be prevented.

The warning came after the central bank noticed a recent increase in unauthorised lending to people who are under financial pressure from inflation. ([Phnom Penh Post](#)).

### Key lenders agree to ease loan terms for flood victims



Members of Cambodia's apex bodies of the banking and microfinance industries have agreed to ease restrictions on loan repayments, reduce interest rates, as well as restructure loans for customers deemed to be

significantly affected by the heavy rains and floods that have swept the Kingdom in recent months. Source: ([Phnom Penh Post](#)).



The Understanding and Favorable the flood-affected consumers  
Responding to a call from Samdech Techo HUN SEN and a statement from The National  
Bank of Cambodia

In this spirit, Banks and Financial institutions, which are ABC and CMA members, will provide good cooperation in a form of promoting a consumer protection framework and carry on a restructuring loan mechanism that was determined by the National Bank of Cambodia. The Banks and Financial Institutions will also consider the possibility to lower the interest rate and other relevant administrative fees, which are related to loans and/or waiving the penalty as well as avoiding any form of seizing the customer's collateral, depending on the customers' real situation.



## Appreciation Letter to our Members



## CONTACT INFORMATION OF ABC

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## 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
2. Compliance Committee
3. Education Committee
4. Financial Inclusion
5. Payments Committee
  - a. FinTech Working Group
  - b. QR Taskforce
6. PSWG-E
7. Risk Committee
8. Sustainable Finance Committee

## ABC'S MEMBERS

1. Commercial Banks: 60 Banks
2. Specialized Banks: 9 Banks
3. Representative Office: 6 Banks
4. Representative of MDI: 1
5. The Associations: 2
6. Credit Guarantee Corporation of Cambodia Plc

## 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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